

	Virtusa Corporation Data Sheet**					
	Quarter ended June 30, 2017					
	2017					2018
	Q117	Q217	Q317	Q417	FY17	Q118
<b>Revenue:</b>						
Revenue (USD in MM)	\$ 205.5	\$ 210.1	\$ 217.2	\$ 226.0	\$ 858.7	\$ 227.3
Q/Q	20%	2%	3%	4%		1%
Y/Y	52%	47%	44%	31%	43%	11%
<b>Margin:</b>						
Gross margin	25.3%	27.5%	28.7%	29.1%	27.7%	26.9%
Operating margin	-0.9%	1.7%	3.0%	4.5%	2.1%	2.7%
Non-GAAP Operating Margin	3.8%	6.2%	7.5%	8.3%	6.5%	5.9%
<b>Revenue By Geography:</b>						
North America	65%	65%	65%	64%	65%	64%
Europe	23%	22%	22%	24%	23%	24%
ROW	12%	13%	13%	12%	12%	12%
<b>Revenue By Industry Group:</b>						
BFSI	63%	65%	64%	63%	64%	65%
Communications and Tech	26%	25%	26%	27%	26%	25%
Media & Information and Other	11%	10%	10%	10%	10%	10%
<b>Revenue by Product Type:</b>						
Time & materials	59%	55%	57%	57%	57%	63%
Fixed bid	41%	45%	43%	43%	43%	37%
<b>Revenue by Service Offering:</b>						
Application outsourcing	59%	58%	58%	61%	59%	58%
Consulting	41%	42%	42%	39%	41%	42%
<b>Effort Mix:</b>						
Offshore effort	75%	76%	75%	76%	76%	75%
Onsite effort	25%	24%	25%	24%	24%	25%
<b>Revenue mix :</b>						
Offshore	43%	48%	45%	45%	45%	43%
Onsite	57%	52%	55%	55%	55%	57%
<b>Clients:</b>						
Active clients	179	187	189	191	191	196
Number of New clients	7	12	4	5	28	8
Number of 10% clients	1	1	1	1	1	1
Revenue from repeat clients >12 mo	84%	82%	80%	96%	86%	96%
Top client	16%	16%	17%	18%	17%	18%
Top 10 clients	44%	45%	46%	47%	45%	47%
<b>Clients Contribution (TTM)</b>						
\$1M+	97	112	114	118	118	117
\$5M+	32	31	30	33	33	38
\$10M+	12	15	15	15	15	18
\$25M+	4	4	4	4	4	4
\$50M+	1	2	1	1	1	1
\$100M+	-	-	1	1	1	1
<b>Utilization:</b>						
Utilization, excluding trainees	71%	78%	79%	82%	77%	82%
Billed days^	732,700	788,100	801,100	837,800	3,159,700	834,900
<b>Headcount:</b>						
Total employees	17,790	17,196	17,500	17,750	17,750	18,120
Non IT professionals	1,715	1,749	1,695	1,623	1,623	1,636
IT professionals	16,075	15,447	15,805	16,127	16,127	16,484
Net addition	-436	-594	304	250	(476)	370
Global Attrition TTM*	21%	25%	27%	27%	27%	24%
In-quarter attrition	7.8%	8.3%	6.3%	5.4%	5.4%	5.2%
<b>Balance sheet &amp; Cash flows</b>						
Cash, Cash Equivalents, Short term I	\$ 207.9	\$ 227.3	\$ 237.2	\$ 237.0	\$ 237.0	\$ 235.1
- Cash	\$ 140.3	\$ 158.9	\$ 133.9	\$ 144.9	\$ 144.9	\$ 154.0
- Short term investments	\$ 48.1	\$ 42.5	\$ 80.7	\$ 72.0	\$ 72.0	\$ 62.4
- Long term investments	\$ 19.4	\$ 25.9	\$ 22.5	\$ 20.1	\$ 20.1	\$ 18.7
Operating Cash Flows**	-7%	12%	6%	1%	3%	0%
CAPEX#	2%	3%	1%	2%	2%	1%
Free cash flows#	-9%	9%	5%	-1%	1%	-1%
DSO (days)	82	78	78	80		80

\*Trailing twelve months (TTM) Includes voluntary and involuntary attrition

\*\* Percentages depicted above are subject to rounding

# As a % of Revenue

^ Rounded to the nearest 100

~ Reflects the retrospective cash flow application of ASU 2016-09 – Stock Compensation to each prior period presented.

Virtusa Corporation Non-GAAP Data Sheet

Quarter ended June 30, 2017\*\*

All amounts in USD thousands, except per share amounts

	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1		
	2014	2014	2014	2014	2014	2015	2015	2015	2015	2015	2016	2016	2016	2016	2016	2017	2017	2017	2017	2017	2017	2018	
<b>GAAP income (loss) from operations</b>	8,929	9,776	11,196	12,511	42,412	11,230	12,241	14,619	14,478	52,568	12,410	13,256	14,134	5,520	45,320	(1,848)	3,537	6,458	10,224	18,371	6,070		
Add: Stock-based compensation expense	1,710	1,820	2,195	2,441	8,166	2,471	2,460	3,043	3,124	11,098	3,529	3,105	3,683	5,862	16,179	6,133	6,142	4,748	5,100	22,123	4,788		
Add: acquisition-related charges and restructuring charges <sup>(a)</sup>	637	656	1,245	1,737	4,275	285	1,423	1,398	1,568	4,674	2,301	2,387	2,926	10,435	18,049	3,424	3,247	5,116	3,430	15,217	2,509		
<b>Non-GAAP income from operations</b>	<b>11,276</b>	<b>12,252</b>	<b>14,636</b>	<b>16,689</b>	<b>54,853</b>	<b>13,986</b>	<b>16,124</b>	<b>19,060</b>	<b>19,170</b>	<b>68,340</b>	<b>18,240</b>	<b>18,748</b>	<b>20,743</b>	<b>21,817</b>	<b>79,548</b>	<b>7,709</b>	<b>12,926</b>	<b>16,322</b>	<b>18,754</b>	<b>55,711</b>	<b>13,367</b>		
<b>GAAP Operating Margin</b>	9.9%	10.4%	11.1%	11.3%	10.7%	10.0%	10.4%	11.9%	11.5%	11.0%	9.2%	9.3%	9.4%	3.2%	7.6%	-0.9%	1.7%	3.0%	4.5%	2.1%	2.7%		
Effect of above adjustments to income from operations	2.6%	2.6%	3.4%	3.7%	3.1%	2.5%	3.3%	3.6%	3.7%	3.3%	4.3%	3.8%	4.4%	9.5%	5.7%	4.7%	4.5%	4.5%	3.8%	4.3%	3.2%		
<b>Non-GAAP Operating Margin</b>	<b>12.5%</b>	<b>13.0%</b>	<b>14.5%</b>	<b>15.0%</b>	<b>13.8%</b>	<b>12.5%</b>	<b>13.7%</b>	<b>15.5%</b>	<b>15.2%</b>	<b>14.3%</b>	<b>13.5%</b>	<b>13.1%</b>	<b>13.8%</b>	<b>12.7%</b>	<b>13.3%</b>	<b>3.8%</b>	<b>6.2%</b>	<b>7.5%</b>	<b>8.3%</b>	<b>6.5%</b>	<b>5.9%</b>		
<b>GAAP net income (loss) available to Virtusa common stockholders</b>	7,522	7,478	9,328	10,047	34,375	9,003	10,114	11,779	11,550	42,446	10,113	11,086	11,313	12,290	44,802	(6,256)	3,214	4,435	10,465	11,858	2,957		
Add: Stock-based compensation expense	1,710	1,820	2,195	2,441	8,166	2,471	2,460	3,043	3,124	11,098	3,529	3,105	3,683	5,862	16,179	6,133	6,142	4,748	5,100	22,123	4,788		
Add: acquisition-related charges and restructuring charges <sup>(a)</sup>	637	656	1,245	1,737	4,275	285	1,423	1,398	1,568	4,674	2,301	2,387	2,926	10,435	18,049	3,424	3,247	5,116	3,430	15,217	2,509		
Add: Foreign currency transaction (gains) or losses <sup>(b)</sup>	(387)	959	(138)	(38)	396	155	(85)	132	155	357	25	(219)	(201)	(6,655)	(7,050)	3,580	(2,030)	1,252	(5,811)	(3,009)	77		
Tax adjustments <sup>(c)</sup>	(495)	(835)	(809)	(1,089)	(3,228)	(767)	(952)	(1,202)	(1,281)	(4,202)	(1,563)	(1,398)	(1,816)	(5,313)	(10,090)	(1,397)	(1,802)	(4,198)	536	(6,861)	(2,522)		
Noncontrolling interest, net of taxes <sup>(d)</sup>																(199)	(357)	(319)	(824)	(1,699)	(366)		
<b>Non-GAAP net income available to Virtusa common stockholders</b>	<b>8,987</b>	<b>10,078</b>	<b>11,821</b>	<b>13,098</b>	<b>43,984</b>	<b>11,147</b>	<b>12,960</b>	<b>15,150</b>	<b>15,116</b>	<b>54,373</b>	<b>14,405</b>	<b>14,961</b>	<b>15,905</b>	<b>16,619</b>	<b>61,890</b>	<b>5,285</b>	<b>8,414</b>	<b>11,034</b>	<b>12,896</b>	<b>37,629</b>	<b>7,443</b>		
<b>GAAP diluted earnings (loss) per share</b>	0.29	0.28	0.35	0.35	1.27	0.31	0.34	0.40	0.39	1.44	0.34	0.37	0.38	0.41	1.49	(0.21)	0.11	0.15	0.34	0.39	0.10		
Effect of Stock-based compensation expense	0.07	0.07	0.09	0.08	0.30	0.08	0.10	0.10	0.10	0.38	0.11	0.11	0.13	0.19	0.54	0.21	0.19	0.16	0.17	0.73	0.16		
Effect of acquisition-related charges and restructuring charges <sup>(a)</sup>	0.02	0.02	0.05	0.06	0.16	0.01	0.05	0.05	0.05	0.16	0.08	0.08	0.10	0.34	0.60	0.11	0.11	0.17	0.12	0.51	0.08		
Effect Foreign currency transaction (gains) or losses <sup>(b)</sup>	(0.01)	0.04	(0.01)	-	0.01	0.01	(0.00)	0.00	0.01	0.01	-	(0.01)	(0.01)	(0.21)	(0.23)	0.12	(0.07)	0.04	(0.19)	(0.10)	-		
Effect tax adjustment <sup>(c)</sup>	(0.02)	(0.03)	(0.03)	(0.04)	(0.12)	(0.03)	(0.03)	(0.04)	(0.04)	(0.14)	(0.05)	(0.05)	(0.06)	(0.18)	(0.34)	(0.04)	(0.06)	(0.14)	0.02	(0.22)	(0.08)		
Effect of noncontrolling interest <sup>(d)</sup>																(0.01)	(0.01)	(0.01)	(0.03)	(0.06)	(0.01)		
<b>Non-GAAP diluted earnings per share<sup>(e)</sup></b>	<b>0.35</b>	<b>0.38</b>	<b>0.45</b>	<b>0.45</b>	<b>1.63</b>	<b>0.38</b>	<b>0.44</b>	<b>0.51</b>	<b>0.51</b>	<b>1.84</b>	<b>0.48</b>	<b>0.50</b>	<b>0.54</b>	<b>0.55</b>	<b>2.06</b>	<b>0.18</b>	<b>0.27</b>	<b>0.37</b>	<b>0.43</b>	<b>1.25</b>	<b>0.25</b>		

GAAP Weighted average shares outstanding, Basic<sup>(f)</sup> (in millions)

30.25

Convertible preferred stock as converted<sup>(f)</sup>

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NON-GAAP Weighted average shares outstanding, Basic<sup>(f)</sup>

30.25

(a) Acquisition-related charges include, when applicable, amortization of purchased intangibles, external deal costs, acquisition-related retention bonuses, changes in the fair value of contingent consideration liabilities, 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 include one-time 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 June 30,	
	2017	2016
Amortization of intangible assets	\$ 2,509	\$ 2,370
Acquisition & integration costs	\$ -	\$ 1,054
Restructuring costs	\$ -	\$ -
<b>Total</b>	<b>\$ 2,509</b>	<b>\$ 3,424</b>

(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. The tax adjustment includes the elimination of \$5.9M of taxes related to a dividend received from a foreign subsidiary during the three and twelve months ended March 31, 2017.

(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 June 30, 2017, the weighted average shares of Series A Convertible Preferred Stock of 1,912,088 were excluded from the calculations of both GAAP and non-GAAP diluted earnings per share as their effect would have been anti-dilutive using the if-converted method.

**Non-GAAP Financial Information**

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

## Second Fiscal Quarter and Full Fiscal Year 2018 revised Guidance Assumptions

as of August 8, 2017

	Q2'18	FY'18
GAAP Effective Tax Rate*	NA	20.0%
Non-GAAP Effective Tax Rate**	NA	26.6%
Annual Effective Interest Rate Yield***	NA	2.3%
Debt Interest Rate****	4.9%	4.9%
Preferred Dividend	3.875%	3.875%
FX*****		
GBP vs. USD (1)	1.30	1.30
INR vs. USD (2)	68.18	67.55
Capex as a % of total revenue	NA	2.0%

\* 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 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 second quarter.

(2) Indian rupee foreign currency hedge contracts are in place for the majority of our Indian rupee expenses for the fiscal year ending March 31, 2018. 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 2018.

### **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, 2017 and subsequent Quarterly Reports on Form 10-Q, as filed with the Securities and Exchange Commission.*