

Virtusa Corporation Data Sheet**
Quarter ended June 30, 2020

	2020					2021
	Q120	Q220	Q320	Q420	FY20	Q121
Revenue:						
Revenue (USD in MM)	\$ 319.0	\$ 328.5	\$ 335.1	\$ 329.7	\$ 1,312.3	\$ 301.1
Q/Q	-3%	3%	2%	-2%		-9%
Y/Y	6%	8%	6%	1%	5%	-6%
Margin:						
Gross margin	26.4%	27.4%	29.4%	24.3%	26.9%	22.8%
Operating margin	4.2%	5.9%	9.1%	5.2%	6.1%	2.4%
Non-GAAP Operating Margin	7.6%	8.9%	12.1%	6.0%	8.7%	4.7%
Revenue By Geography:						
North America	72%	74%	75%	74%	74%	74%
Europe	20%	17%	16%	17%	17%	17%
ROW	8%	9%	9%	9%	9%	9%
Revenue By Industry Group:						
BFSI	57%	57%	54%	53%	55%	55%
Communications and Tech	22%	23%	24%	25%	24%	24%
Media & Information and Other	6%	6%	7%	8%	7%	7%
Healthcare	15%	14%	15%	14%	14%	14%
Revenue by Product Type:						
Time & materials	60%	61%	57%	58%	59%	59%
Fixed bid	40%	39%	43%	42%	41%	41%
Revenue by Service Offering:						
Application outsourcing	57%	55%	55%	55%	56%	54%
Consulting	43%	45%	45%	45%	44%	46%
Effort Mix:						
Offshore effort	71%	71%	72%	72%	72%	72%
Onsite effort	29%	29%	28%	28%	28%	28%
Revenue mix :						
Offshore	37%	41%	40%	43%	40%	39%
Onsite	63%	59%	60%	57%	60%	61%
Clients:						
Active clients	217	216	216	221	221	224
Number of New clients	6	5	6	6	23	8
Number of 10% clients	1	1	1	1	1	1
Revenue from repeat clients >12 mon	98%	98%	96%	96%	97%	96%
Top client	16%	16%	16%	18%	16%	17%
Top 10 clients	59%	57%	56%	55%	56%	56%
Clients Contribution (TTM)						
\$1M+	126	126	132	132	132	138
\$5M+	39	39	37	35	35	39
\$10M+	21	23	23	21	21	23
\$25M+	8	11	11	11	11	11
\$50M+	5	5	5	5	5	4
\$100M+	1	1	1	1	1	1
Utilization:						
Utilization, excluding trainees	81%	82%	82%	80%	81%	77%
Billed days^	1,047,000	1,089,900	1,083,500	1,110,400	4,330,800	1,056,100
Headcount:						
Total employees	22,143	22,411	22,267	22,830	22,830	22,716
Non IT professionals	2,232	2,243	2,192	2,224	2,224	2,107
IT professionals	19,911	20,168	20,075	20,606	20,606	20,609
Net addition / (reduction)	398	268	(144)	563	1,085	-114
Global Attrition TTM	26%	26%	26%	26%	26%	24%
In-quarter attrition	6.5%	7.2%	6.7%	5.6%		4.8%
Balance sheet & Cash flows						
Cash, Cash Equivalents, Short term	\$ 208.3	\$ 198.5	\$ 237.5	\$ 300.6	\$ 300.6	\$ 289.3
Investments & Long term						
- Cash	\$ 190.0	\$ 183.4	\$ 217.4	\$ 290.8	\$ 290.8	\$ 285.3
- Short term investments	\$ 17.9	\$ 14.9	\$ 20.1	\$ 9.8	\$ 9.8	\$ 4.0
- Long term investments	\$ 0.4	\$ 0.2	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Operating Cash Flows [#]	1%	7%	15%	2%	6%	19%
CAPEX [#]	1%	1%	1%	1%	1%	0%
Free cash flows [#]	0%	6%	14%	1%	5%	18%
DSO (days)	75	74	69	78		70

*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						
Quarter ended June 30, 2020**						
	Q1	Q2	Q3	Q4	YTD	Q1
	2020	2020	2020	2020	2020	2021
GAAP income from operations	13,428	19,235	30,410	17,139	80,212	7,155
Add: Stock-based compensation expense	6,676	5,834	5,775	(2,569)	15,716	3,592
Add: acquisition-related charges and restructuring charges ^(a)	4,097	4,299	4,345	5,174	17,915	2,590
Add: Non-recurring professional fees ⁽ⁱ⁾	-	-	-	-	-	706
Non-GAAP income from operations	24,201	29,368	40,530	19,744	113,843	14,043
GAAP Operating Margin	4.2%	5.9%	9.1%	5.2%	6.1%	2.4%
Effect of above adjustments to income from operations	3.4%	3.0%	3.0%	0.8%	2.6%	2.3%
Non-GAAP Operating Margin	7.6%	8.9%	12.1%	6.0%	8.7%	4.7%
GAAP net income (loss) available to Virtusa common stockholders	4,747	6,014	11,633	21,158	43,552	(193)
Add: Stock-based compensation expense	6,676	5,834	5,775	(2,569)	15,716	3,592
Add: acquisition-related charges and restructuring charges ^(a)	4,243	4,420	4,345	5,174	18,182	2,590
Add: impairment of investment ⁽ⁱ⁾	-	-	184	-	184	-
Add: Non-recurring professional fees ⁽ⁱ⁾	-	-	-	-	-	706
Add: Foreign currency transaction (gains) or losses, net ^(b)	(1,202)	3,437	3,065	10,699	15,999	1,241
Add: Impact from Tax Act ^(c)	-	-	-	-	-	-
Add: Tax adjustments ^(c)	(1,650)	(2,664)	161	(21,927)	(26,080)	(1,908)
Noncontrolling interest, net of taxes ^(d)	(35)	7	(16)	-	(44)	-
Non-GAAP net income available to Virtusa common stockholders	12,779	17,048	25,147	12,535	67,509	6,028
GAAP diluted earnings (loss) per share^(f)	0.15	0.20	0.38	0.66	1.42	(0.01)
Effect of Stock-based compensation expense ^(g)	0.20	0.17	0.17	(0.07)	0.47	0.12
Effect of acquisition-related charges and restructuring charges ^{(a)(i)}	0.13	0.13	0.13	0.15	0.54	0.09
Effect of impairment of investment ⁽ⁱ⁾	-	-	0.01	-	-	-
Effect of Non-recurring professional fees ⁽ⁱ⁾	-	-	-	-	-	0.02
Effect Foreign currency transaction (gains) or losses ^{(b)(i)}	(0.04)	0.10	0.09	0.32	0.48	0.04
Effect of tax impact from Tax Act ^{(c)(i)}	-	-	-	-	-	-
Effect tax adjustment ^{(c)(i)}	(0.05)	(0.08)	-	(0.65)	(0.77)	(0.06)
Effect of noncontrolling interest ^{(d)(i)}	-	-	-	-	-	-
Effect of dividend on Series A Convertible Preferred Stock ^{(f)(i)}	0.03	0.03	-	-	0.13	-
Effect of change in shares for non-GAAP WASO ^(f)	(0.01)	(0.01)	-	-	(0.13)	-
Non-GAAP diluted earnings per share^{(a)(i)}	0.41	0.54	0.78	0.41	2.14	0.20

(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 restructuring. The following table provides the details of the acquisition-related charges and restructuring charges:

	Three Months Ended June 30,	
	2020	2019
Amortization of intangible assets	\$ 4,168	\$ 3,221
Acquisition cost and integration costs	\$ -	\$ 876
Changes in fair value of contingent consideration	\$ (1,578)	\$ -
Acquisition-related charges included in costs of revenue and operating expense	\$ 2,590	\$ 4,097
Accreted interest related to deferred acquisition payments	\$ -	\$ 146
Total acquisition-related charges and restructuring charges	\$ 2,590	\$ 4,243

(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. For fiscal year 2020, tax adjustments exclude the initial impact of our election to treat certain subsidiaries as disregarded entities for U.S. tax purposes and BEAT tax impact in contemplation of a reorganization of our Indian legal entities. 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 June 30, 2020 and 2019, all of the 3,000,000 shares of Series A Convertible Preferred Stock 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.

The following table provides the non-GAAP net income available to Virtusa common stockholders and non-GAAP dilutive weighted average shares outstanding using the if-converted method to calculate the non-GAAP diluted earnings per share for the three months ended June 30, 2020:

	Three Months Ended June 30,	
	2020	2019
Non-GAAP net income available to Virtusa common stockholders	\$ 6,028	\$ 12,779
Add: Dividends and accretion on Series A Convertible Preferred Stock	\$ -	\$ 1,087
Non-GAAP net income available to Virtusa common stockholders and assumed conversion	\$ 6,028	\$ 13,866
GAAP dilutive weighted average shares outstanding	30,168,174	30,934,411
Add: Incremental dilutive effect of employee stock options and unvested restricted stock awards and restricted stock units	250,078	-
Add: Incremental effect of Series A Convertible Preferred Stock as converted	-	3,000,000
Non-GAAP dilutive weighted average shares outstanding	30,418,252	33,934,411

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

(j) Non-recurring fees for advisory, legal, consulting and proxy solicitation services in connection with a potential proxy deliberation with respect to our annual shareholder meeting and the election of directors.

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.

Second Fiscal Quarter and Full Fiscal Year 2021 Guidance Assumptions

as of July 30, 2020

	Q2'21
GAAP Effective Tax Rate*	NA
Non-GAAP Effective Tax Rate**	NA
Annual Effective Interest Rate Yield***	NA
Debt Interest Rate****	4.9%
Preferred Dividend	3.875%
FX*****	
GBP vs. USD (1)	1.26
INR vs. USD (2)	72.87
Capex as a % of total revenue	NA

* 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.

** Our Non-GAAP effective tax rate reflects 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, and excludes certain non-recurring tax items not reflective of current operations. Tax adjustments also assumes application of foreign tax credit benefits in the United States. 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 a large portion of our Indian rupee expenses for the fiscal year ending March 31, 2021. 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 2021.

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, 2020 and subsequent Quarterly Reports on Form 10-Q, as filed with the Securities and Exchange Commission.