

Earnings Presentation

QUARTER ENDED 31ST DECEMBER, 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, 2018 and subsequent Quarterly Reports on form 10-Q, 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 third quarter fiscal 2019 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.

Q3 FY19 AT A GLANCE

\$314.7M

REVENUE

20.0%

10-year CAGR
through FY18

216

ACTIVE CLIENTS
7 NEW CLIENTS

10.4%

OPM
(NON-GAAP)

\$0.61

EPS
(NON-GAAP)

\$253.1M

CASH & CASH EQUIVALENTS

21,476

EMPLOYEES
0.7% QoQ GROWTH

84%

UTILIZATION
27% ONSITE EFFORT

7.0%

In-quarter ATTRITION
25.6% LTM ATTRITION

MANAGEMENT PERSPECTIVE

Mr. Kris Canekeratne, Chairman and CEO's message

Kris Canekeratne, Virtusa's Chairman and CEO, stated, "Our unique ability to enable deep digital transformation at some of the world's largest enterprises continues to elevate our position as the digital engineering partner of choice. In addition, our investments in developing the best talent and expanding our digital solutions and capabilities are enabling us to remain a step ahead of emerging technologies and increase the value we deliver to our clients. Our consistently solid financial results through the first three quarters of fiscal 2019 are a testament to our strategy and competitive advantage."

Mr. Ranjan Kalia, CFO's message

Ranjan Kalia, Chief Financial Officer, said, "We delivered another quarter of strong financial results. Fiscal third quarter revenue and non-GAAP EPS were toward the high-end of our guidance and increased 19% and 30% year-over-year, respectively. Our strong earnings growth reflects continued progress against our margin expansion targets, with our non-GAAP operating margin reaching the double-digits in the fiscal third quarter. Our continued business momentum has allowed us to offset significant FX headwinds throughout the year and has enabled us to again reaffirm the midpoint of our fiscal 2019 revenue guidance while raising the midpoint of our EPS guidance."

Q3 FY19 FINANCIAL PERFORMANCE

	Q3FY18		Q2FY19		Q3FY19		QoQ		YOY		YTD	
REVENUE (\$ Mn)	\$263.8		\$305.5		\$314.7		3.0%		19.3%		\$920.2	
GM %	30.5%		29.2%		29.6%		0.4%		-0.9%		28.9%	
	GAAP	NON GAAP	GAAP	NON GAAP	GAAP	NON GAAP	GAAP	NON GAAP	GAAP	NON GAAP	GAAP	NON GAAP
SG&A %	25.3%	20.6%	24.6%	19.7%	23.5%	19.2%	-1.1%	-0.5%	-1.8%	-1.4%	23.8%	19.2%
OPM %	5.2%	9.9%	4.6%	9.5%	6.1%	10.4%	1.5%	0.9%	0.9%	0.5%	5.1%	9.7%
DILUTED EPS	-\$0.38	\$0.47	\$0.01	\$0.54	\$0.37	\$0.61	\$0.36	\$0.07	\$0.75	\$0.14	\$0.15	\$1.66

INCOME STATEMENT RELATED

	Q2FY19	Q3FY19	YTD
EFFECTIVE TAX RATE (ETR)			
GAAP	-25.8%	44.8%	63.3%
Non GAAP	29.3%	29.2%	29.7%
NON GAAP ADJUSTMENT* (\$M)	\$15.0	\$13.4	\$42.0
DEPRECIATION (\$M)	\$4.3	\$4.2	\$13.0
OTHER INCOME (\$M) :			
INVESTMENT INCOME	\$1.1	\$0.6	\$2.0
INTEREST EXPENSE	(\$4.5)	(\$4.6)	(\$13.4)
FX & OTHER	(\$9.1)	\$7.9	(\$10.8)
TOTAL OTHER INCOME (EXPENSE)	(\$12.5)	\$3.9	(\$22.2)
DEBT INTEREST RATE**	4.9%	5.0%	4.9%
PREFERENCE DIVIDENDS	(\$1.1)	(\$1.1)	(\$3.3)
MINORITY INTEREST (\$M)			
GAAP	(\$0.5)	(\$0.2)	(\$1.4)
Non GAAP	(\$0.4)	(\$0.3)	(\$1.3)
EFFECTIVE EXCHANGE RATE			
GBP	1.30	1.28	1.31
EUR	1.16	1.14	1.16
INR	69.1	70.6	69.1

* to determine Non GAAP OPM

** including debt issuance and amortization

BALANCE SHEET & CASH FLOW RELATED

(\$M) * EXCLUDING DSO	Q2FY19	Q3FY19
CASH & CASH EQUIVALENT*	\$232.5	\$253.1
CASHFLOW FROM OPERATIONS	\$40.0	\$36.5
CAPEX	\$5.4	\$5.8
FREE CASH FLOWS (FCF)	\$34.6	\$30.7
DSO	76	71
Debt**	\$325.9	\$323.1
Series A Convertible Preferred Stock**	\$107.1	\$107.1

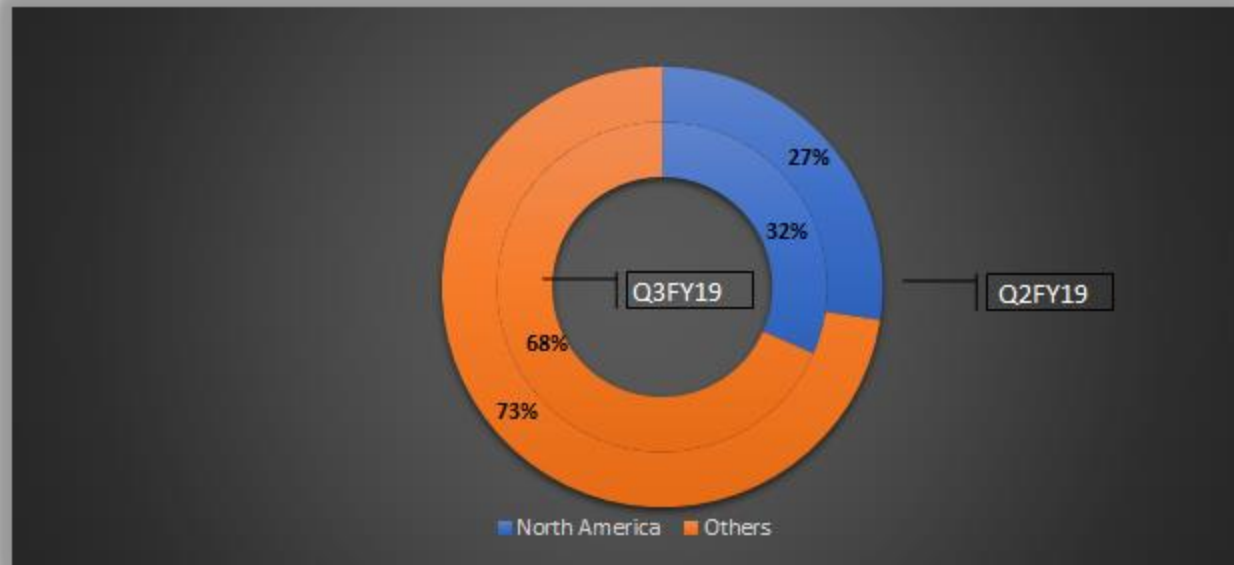
* including ST & LT Investments

** Net of issuance costs

PERFORMANCE RATIOS

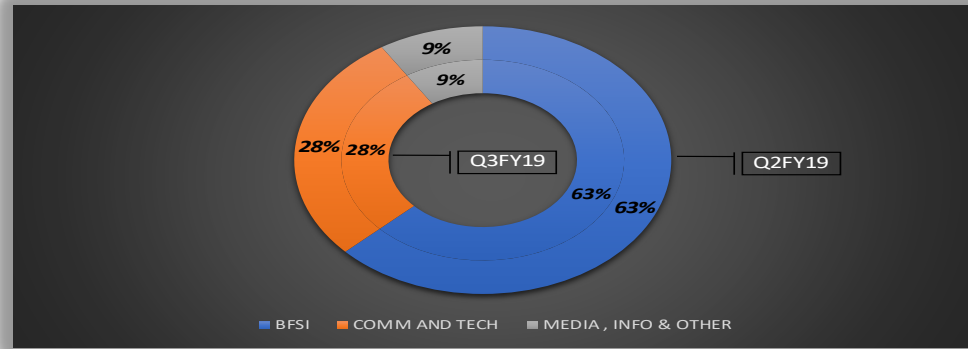
	Q2FY19	Q3FY19
FIXED CHARGED COVERAGE	2.66	2.82
LEVERAGE RATIO	2.38	2.34

CASH PROFILE

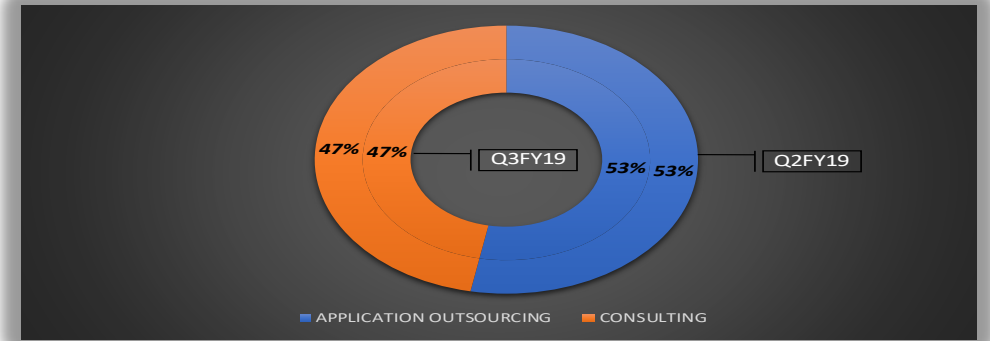


REVENUE PROFILE

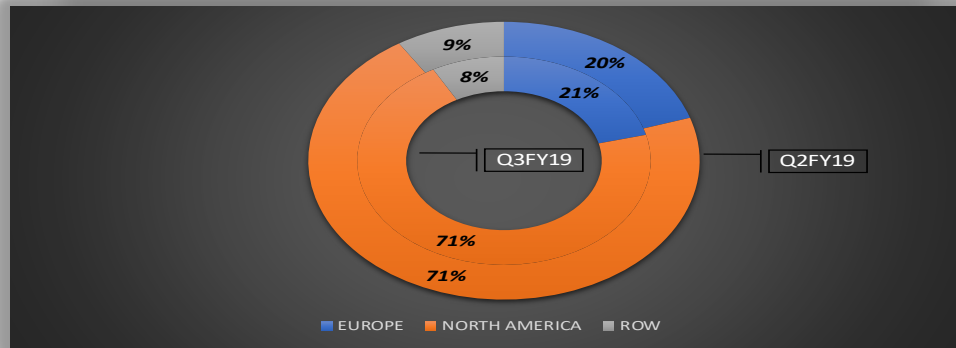
REVENUE BY VERTICAL



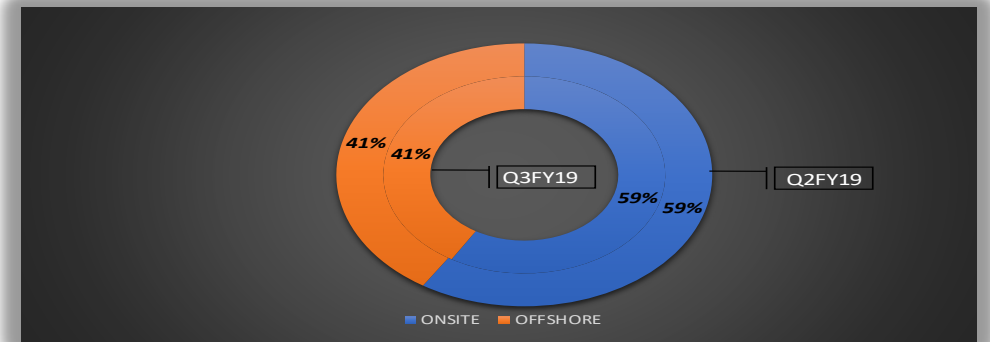
REVENUE BY SERVICE OFFERING



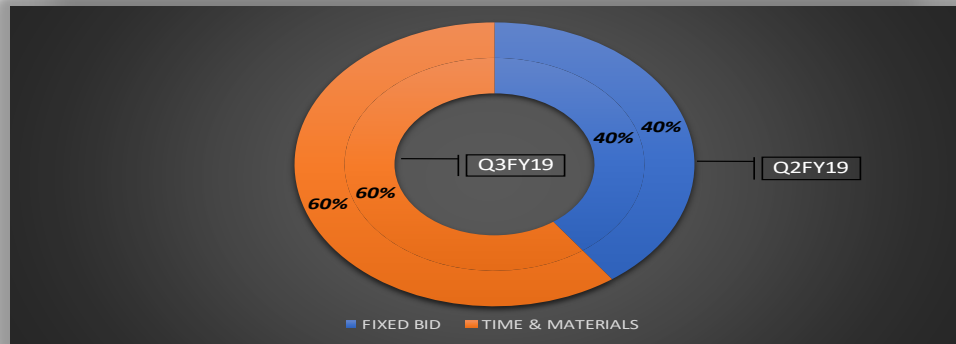
REVENUE BY GEOGRAPHY



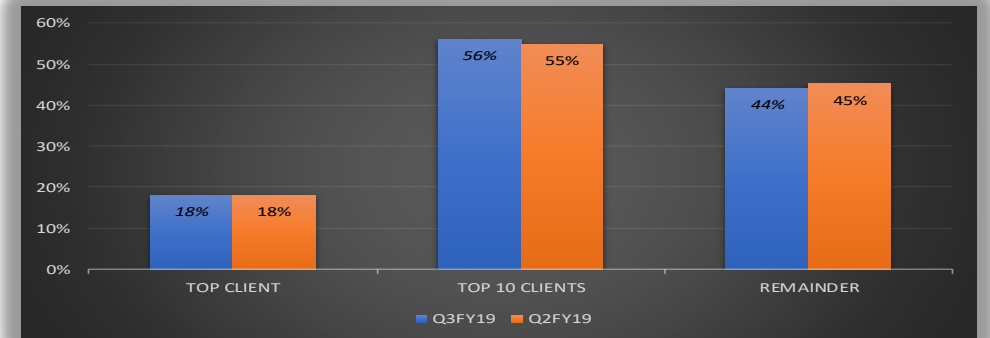
ONSITE / OFFSHORE REVENUE MIX



REVENUE BY PRODUCT TYPE



CLIENT CONCENTRATION



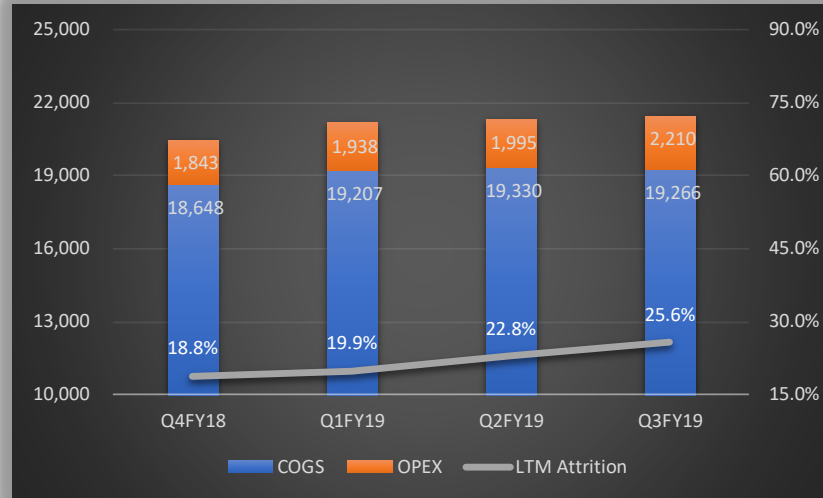
REVENUE PROFILE (CONT.)

CATEGORIES	SEGMENTS	Q3FY18		Q2FY19		Q3FY19		QoQ		YOY	
		\$ (Mn)	%	\$ (Mn)	%	\$ (Mn)	%	\$ (Mn)	%	\$ (Mn)	%
REVENUE BY GEOGRAPHY	EUROPE	\$ 63.3	24%	\$ 60.4	20%	\$ 65.0	21%	\$ 4.7	8%	\$ 1.8	3%
	NORTH AMERICA	\$ 172.1	65%	\$ 218.3	71%	\$ 224.1	71%	\$ 5.8	3%	\$ 52.0	30%
	ROW	\$ 28.4	11%	\$ 26.8	9%	\$ 25.5	8%	\$ (1.3)	-5%	\$ (2.9)	-10%
REVENUE BY INDUSTRY GROUP	BFSI	\$ 181.1	69%	\$ 192.1	63%	\$ 197.3	63%	\$ 5.3	3%	\$ 16.2	9%
	COMM AND TECH	\$ 58.8	22%	\$ 85.3	28%	\$ 89.2	28%	\$ 3.8	4%	\$ 30.4	52%
	MEDIA , INFO & OTHER	\$ 23.9	9%	\$ 28.1	9%	\$ 28.2	9%	\$ 0.1	0%	\$ 4.3	18%
REVENUE BY PRODUCT TYPE	FIXED BID	\$ 110.3	42%	\$ 121.4	40%	\$ 125.5	40%	\$ 4.2	3%	\$ 15.3	14%
	TIME & MATERIALS	\$ 153.5	58%	\$ 184.2	60%	\$ 189.1	60%	\$ 5.0	3%	\$ 35.6	23%
REVENUE BY SERVICE OFFERING	APPLICATION OUTSOURCING	\$ 148.0	56%	\$ 161.9	53%	\$ 166.0	53%	\$ 4.1	3%	\$ 18.0	12%
	CONSULTING	\$ 115.8	44%	\$ 143.6	47%	\$ 148.7	47%	\$ 5.1	4%	\$ 32.8	28%

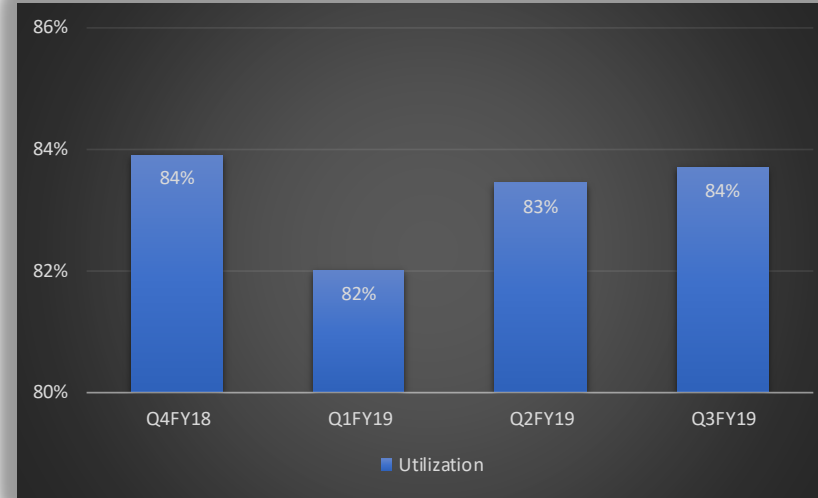
Numbers shown in millions and are subject to rounding

OPERATIONAL METRICS - HEADCOUNT

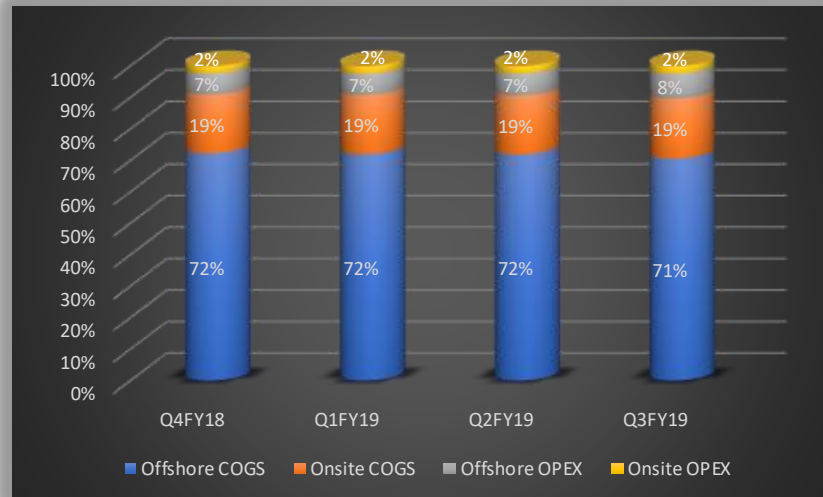
HEADCOUNT & ATTRITION



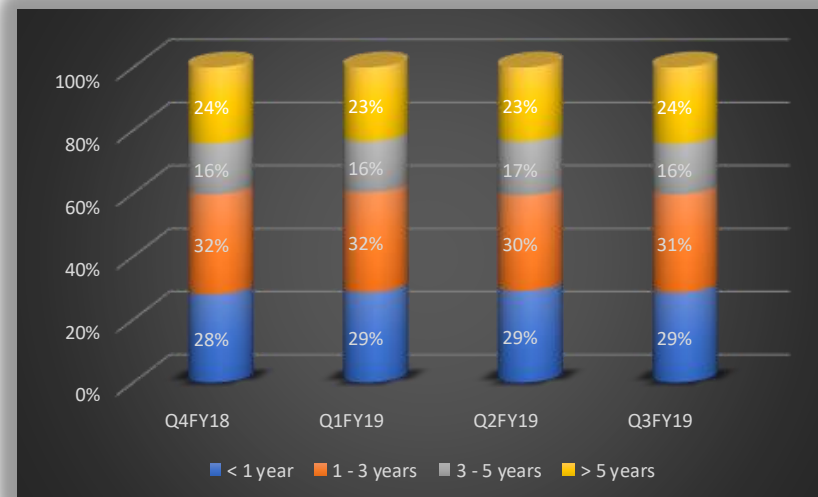
UTILIZATION



ONSITE / OFFSHORE HEADCOUNT MIX

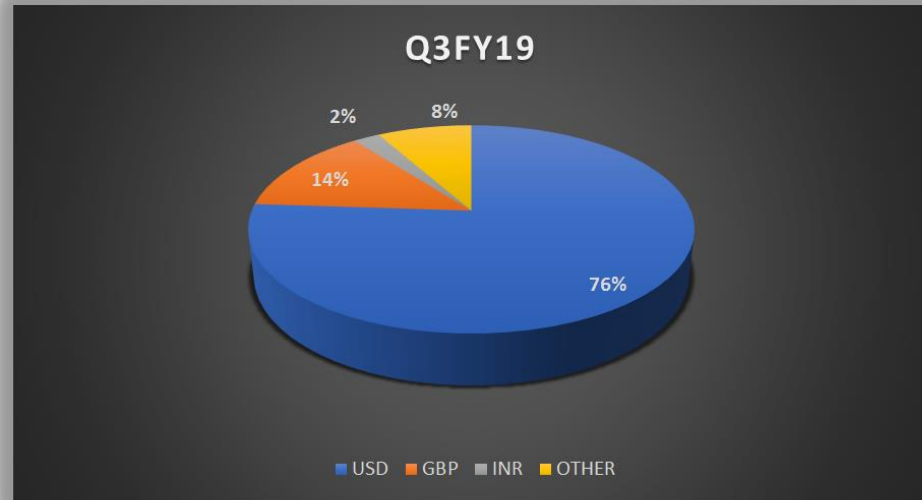
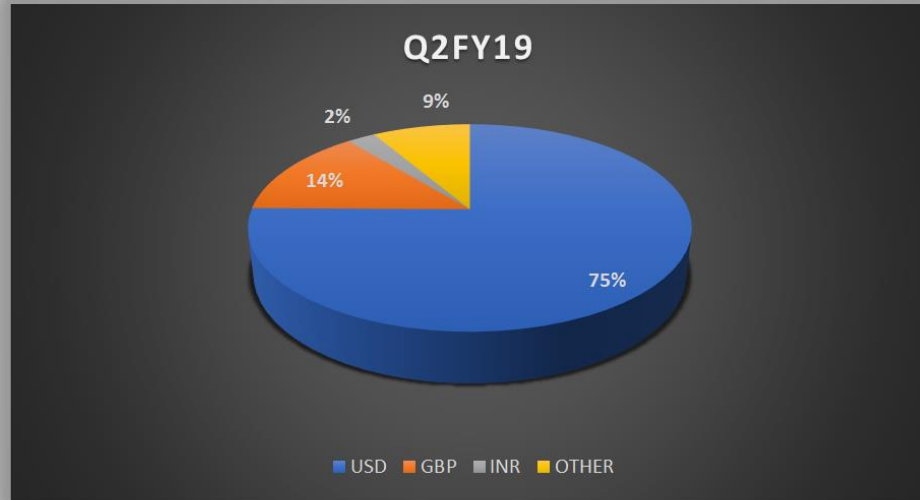


GLOBAL AVERAGE TENURE

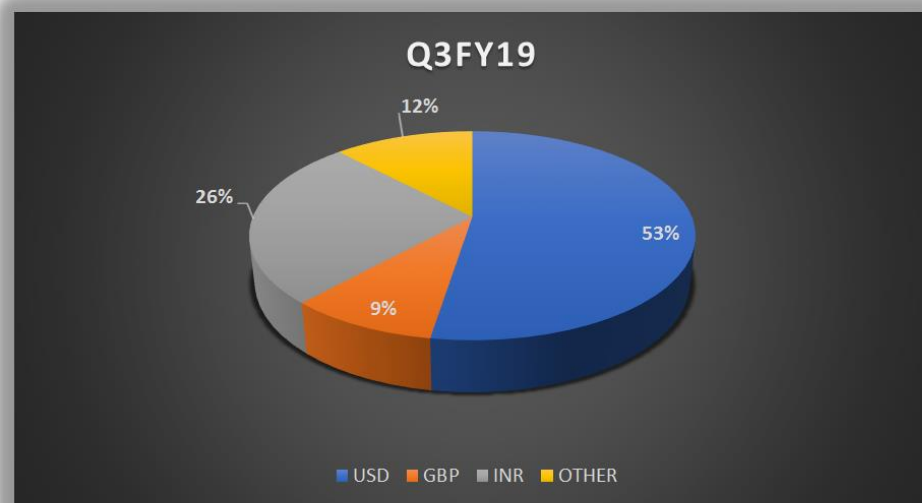
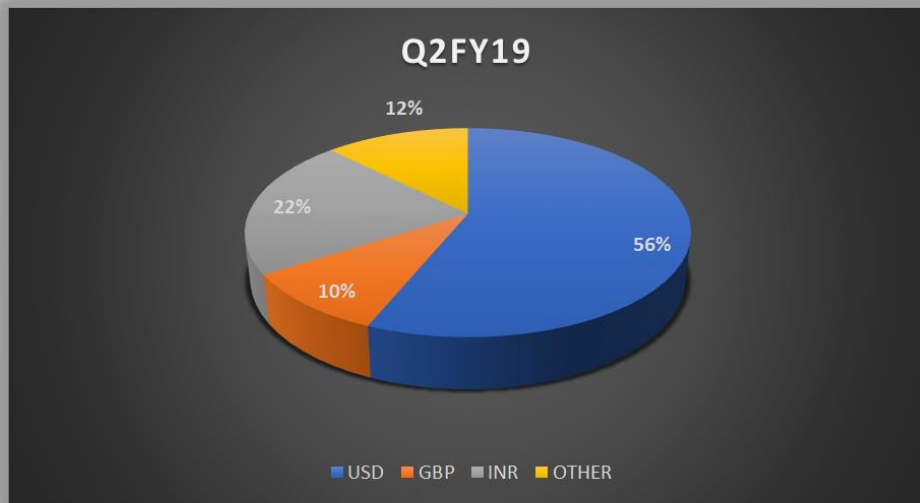


Revenue and Cost Mix by Currency

REVENUE BY CURRENCY



COST BY CURRENCY



AWARDS & RECOGNITIONS



Recognized as a Star Performer and Major Contender in Everest Group PEAK Matrix for Healthcare Payer Digital Services 2019



Positioned as a Major Player in the 2018-2019 IDC MarketScape for Digital Transformation Service Providers for Insurance Worldwide



Featured in Forrester's Now Tech Report on Robotic Process Automation Service Providers



Positioned as a Major Contender in Everest Group PEAK Matrix for Digital Services 2019



Positioned as a Major Contender in Everest Group PEAK Matrix for Property & Casualty Insurance Digital Services 2019



Kris Canekaratne, Chairman and CEO of Virtusa, recognized by TiE Boston for Leadership in B2B Solutions



Recognized as an Innovator in the NelsonHall NEAT vendor evaluation for UX-UI Services

THANK YOU
