

Virtusa Corporation Data Sheet**

Quarter ended September 30, 2020

	2020					2021	
	Q120	Q220	Q320	Q420	FY20	Q121	Q221
Revenue:							
Revenue (USD in MM)	\$ 319.0	\$ 328.5	\$ 335.1	\$ 329.7	\$ 1,312.3	\$ 301.1	\$ 317.2
Q/Q	-3%	3%	2%	-2%		-9%	5%
Y/Y	6%	8%	6%	1%	5%	-6%	-3%
Margin:							
Gross margin	26.4%	27.4%	29.4%	24.3%	26.9%	22.8%	26.5%
Operating margin	4.2%	5.9%	9.1%	5.2%	6.1%	2.4%	4.0%
Non-GAAP Operating Margin	7.6%	8.9%	12.1%	6.0%	8.7%	4.7%	9.5%
Revenue By Geography:							
North America	72%	74%	75%	74%	74%	74%	73%
Europe	20%	17%	16%	17%	17%	17%	17%
ROW	8%	9%	9%	9%	9%	9%	10%
Revenue By Industry Group:							
BFSI	57%	57%	54%	53%	55%	55%	54%
Communications and Tech	22%	23%	24%	25%	24%	24%	25%
Media & Information and Other	6%	6%	7%	8%	7%	7%	8%
Healthcare	15%	14%	15%	14%	14%	14%	13%
Revenue by Product Type:							
Time & materials	60%	61%	57%	58%	59%	59%	56%
Fixed bid	40%	39%	43%	42%	41%	41%	44%
Revenue by Service Offering:							
Application outsourcing	57%	55%	55%	55%	56%	54%	56%
Consulting	43%	45%	45%	45%	44%	46%	44%
Effort Mix:							
Offshore effort	71%	71%	72%	72%	72%	72%	73%
Onsite effort	29%	29%	28%	28%	28%	28%	27%
Revenue mix :							
Offshore	37%	41%	40%	43%	40%	39%	41%
Onsite	63%	59%	60%	57%	60%	61%	59%
Clients:							
Active clients	217	216	216	221	221	224	228
Number of New clients	6	5	6	6	23	8	7
Number of 10% clients	1	1	1	1	1	1	1
Revenue from repeat clients >12 mon	98%	98%	96%	96%	97%	96%	96%
Top client	16%	16%	16%	18%	16%	17%	19%
Top 10 clients	59%	57%	56%	55%	56%	56%	56%
Clients Contribution (TTM)							
\$1M+	126	126	132	132	132	138	132
\$5M+	39	39	37	35	35	39	41
\$10M+	21	23	23	21	21	23	22
\$25M+	8	11	11	11	11	11	10
\$50M+	5	5	5	5	5	4	4
\$100M+	1	1	1	1	1	1	1
Utilization:							
Utilization, excluding trainees	81%	82%	82%	80%	81%	77%	80%
Billed days^	1,047,000	1,089,900	1,083,500	1,110,400	4,330,800	1,056,100	1,133,000
Headcount:							
Total employees	22,143	22,411	22,267	22,830	22,830	22,716	22,883
Non IT professionals	2,232	2,243	2,192	2,224	2,224	2,107	2,111
IT professionals	19,911	20,168	20,075	20,606	20,606	20,609	20,772
Net addition / (reduction)	398	268	(144)	563	1,085	-114	167
Global Attrition TTM	26%	26%	26%	26%	26%	24%	22%
In-quarter attrition	6.5%	7.2%	6.7%	5.6%		4.8%	5.1%
Balance sheet & Cash flows							
Cash, Cash Equivalents, Short term	\$ 208.3	\$ 198.5	\$ 237.5	\$ 300.6	\$ 300.6	\$ 289.3	\$ 300.8
Investments & Long term							
- Cash	\$ 190.0	\$ 183.4	\$ 217.4	\$ 290.8	\$ 290.8	\$ 285.3	\$ 297.5
- Short term investments	\$ 17.9	\$ 14.9	\$ 20.1	\$ 9.8	\$ 9.8	\$ 4.0	\$ 3.3
- Long term investments	\$ 0.4	\$ 0.2	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Operating Cash Flows [#]	1%	7%	15%	2%	6%	19%	16%
CAPEX [#]	1%	1%	1%	1%	1%	0%	1%
Free cash flows [#]	0%	6%	14%	1%	5%	18%	15%
DSO (days)	75	74	69	78		70	65

*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 Sep 30, 2020**							
	Q1	Q2	Q3	Q4	YTD	Q1	Q2
	2020	2020	2020	2020	2020	2021	2021
GAAP income from operations	13,428	19,235	30,410	17,139	80,212	7,155	12,726
Add: Stock-based compensation expense	6,676	5,834	5,775	(2,569)	15,716	3,592	4,078
Add: acquisition-related charges and restructuring charges ^(a)	4,097	4,299	4,345	5,174	17,915	2,590	10,767
Add: Non-recurring professional fees ^(j)	-	-	-	-	-	706	2,633
Non-GAAP income from operations	24,201	29,368	40,530	19,744	113,843	14,043	30,204
GAAP Operating Margin	4.2%	5.9%	9.1%	5.2%	6.1%	2.4%	4.0%
Effect of above adjustments to income from operations	3.4%	3.0%	3.0%	0.8%	2.6%	2.3%	5.5%
Non-GAAP Operating Margin	7.6%	8.9%	12.1%	6.0%	8.7%	4.7%	9.5%
GAAP net income (loss) available to Virtusa common stockholders	4,747	6,014	11,633	21,158	43,552	(193)	7,681
Add: Stock-based compensation expense	6,676	5,834	5,775	(2,569)	15,716	3,592	4,078
Add: acquisition-related charges and restructuring charges ^(a)	4,243	4,420	4,345	5,174	18,182	2,590	10,767
Add: Impairment of investment ⁽ⁱ⁾	-	-	184	-	184	-	-
Add: Non-recurring professional fees ^(j)	-	-	-	-	-	706	2,633
Less : Gain on redemption of equity method investment	-	-	-	-	-	-	(1,179)
Add: Foreign currency transaction (gains) or losses, net ^(b)	(1,202)	3,437	3,065	10,699	15,999	1,241	(4,098)
Add: Impact from Tax Act ^(h)	-	-	-	-	-	-	-
Add: Tax adjustments ^(c)	(1,650)	(2,664)	161	(21,927)	(26,080)	(1,908)	(2,958)
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	16,924
GAAP diluted earnings (loss) per share ^(e)	0.15	0.20	0.38	0.66	1.42	(0.01)	0.25
Effect of Stock-based compensation expense ^(a)	0.20	0.17	0.17	(0.07)	0.47	0.12	0.12
Effect of acquisition-related charges and restructuring charges ^{(a)(d)}	0.13	0.13	0.13	0.15	0.54	0.09	0.32
Effect of impairment of investment ⁽ⁱ⁾	-	-	0.01	-	-	-	-
Effect of Non-recurring professional fees ^(j)	-	-	-	-	-	0.02	0.08
Effect of gain on redemption of equity method investment ^(k)	-	-	-	-	-	-	(0.04)
Effect Foreign currency transaction (gains) or losses ^{(b)(d)}	(0.04)	0.10	0.09	0.32	0.48	0.04	(0.12)
Effect of tax impact from Tax Act ^{(h)(d)}	-	-	-	-	-	-	-
Effect tax adjustment ^{(c)(d)}	(0.05)	(0.08)	-	(0.65)	(0.77)	(0.06)	(0.09)
Effect of noncontrolling interest ^{(d)(d)}	-	-	-	-	-	-	-
Effect of dividend on Series A Convertible Preferred Stock ^{(f)(d)}	0.03	0.03	-	-	0.13	-	0.03
Effect of change in shares for non-GAAP WASO ^(g)	(0.01)	(0.01)	-	-	(0.13)	-	(0.02)
Non-GAAP diluted earnings per share ^{(e)(d)}	0.41	0.54	0.78	0.41	2.14	0.20	0.53

(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		Six Months Ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Amortization of intangible assets	\$ 4,957	\$ 3,440	\$ 9,125	\$ 6,661
Acquisition cost and integration costs	\$ -	\$ 859	\$ -	\$ 1,735
Transaction costs related to the Barings Transaction	\$ 4,997	\$ -	\$ 4,997	\$ -
Changes in fair value of contingent consideration	\$ 813	\$ -	\$ (765)	\$ -
Acquisition-related charges included in costs of revenue and operating expense	\$ 10,767	\$ 4,299	\$ 13,357	\$ 8,396
Accreted interest related to deferred acquisition payments	\$ -	\$ 121	\$ -	\$ 267
Total acquisition-related charges and restructuring charges	\$ 10,767	\$ 4,420	\$ 13,357	\$ 8,663

(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 BEAT tax impact in contemplation of a reorganization of our Indian legal entities and assume 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 and six months ended September 30, 2020 and 2019, all of the 3,000,000 shares of Series A Convertible Preferred Stock 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 the if-converted method to calculate the non-GAAP diluted earnings per share for the three and six months ended September 30, 2020:

	Three Months Ended		Six Months Ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Non-GAAP net income available to Virtusa common stockholders	\$ 16,924	\$ 17,048	\$ 22,952	\$ 29,827
Add: Dividends and accretion on Series A Convertible Preferred Stock	\$ 1,088	\$ 1,088	\$ 1,088	\$ 2,175
Non-GAAP net income available to Virtusa common stockholders and assumed conversion	\$ 18,012	\$ 18,136	\$ 24,040	\$ 32,002
GAAP dilutive weighted average shares outstanding	30,679,578	30,708,162	30,548,916	30,821,287
Add: Incremental effect of Series A Convertible Preferred Stock as converted	3,000,000	3,000,000	1,500,000	3,000,000
Non-GAAP dilutive weighted average shares outstanding	33,679,578	33,708,162	32,048,916	33,821,287

(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 contested proxy solicitation with respect to our annual shareholder meeting and the election of directors.

(k) 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.

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.