

Earnings Presentation

QUARTER ENDED 30TH SEPTEMBER, 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 second 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.

Q2 FY19 AT A GLANCE

\$305.5M

REVENUE

20.0%

10-year CAGR
through FY18

212

ACTIVE CLIENTS
2 NEW CLIENTS

9.5%

OPM
(NON-GAAP)

\$0.54

EPS
(NON-GAAP)

\$232.5M

CASH & CASH EQUIVALENTS

21,325

EMPLOYEES
0.9% QoQ GROWTH

83%

UTILIZATION
27% ONSITE EFFORT

7.5%

In-quarter ATTRITION
22.8% LTM ATTRITION

MANAGEMENT PERSPECTIVE

Mr. Kris Canekeratne, Chairman and CEO's message

Kris Canekeratne, Virtusa's Chairman and CEO, stated, "We delivered another solid quarter driven by our differentiated value proposition and excellence in execution and service delivery. Virtusa continues to strengthen its position as a preferred partner enabling end-to-end digital transformation to many of the world's leading companies. Our above-industry growth and continued momentum give us confidence in our strategy and long-term opportunities."

Mr. Ranjan Kalia, CFO's message

Ranjan Kalia, Chief Financial Officer, said, "Our fiscal second quarter results are highlighted by double-digit year-over-year organic revenue growth, significant margin accretion, and non-GAAP EPS growth of 54%. As contemplated in our prior guidance, growth resumed at our largest client in the fiscal second quarter. Also, the recently completed eTouch acquisition continues to perform well. We are maintaining the midpoint of our fiscal 2019 guidance, which continues to reflect above-industry revenue growth on an organic basis even after absorbing an incremental \$4 million of forecasted currency headwinds in the second half."

Q2 FY19 FINANCIAL PERFORMANCE

	Q2FY18		Q1FY19		Q2FY19		QoQ		YOY		YTD	
REVENUE (\$ Mn)	\$248.2		\$300.0		\$305.5		1.8%		23.1%		\$605.6	
GM %	28.1%		27.8%		29.2%		1.4%		1.1%		28.5%	
	GAAP	NON GAAP	GAAP	NON GAAP	GAAP	NON GAAP	GAAP	NON GAAP	GAAP	NON GAAP	GAAP	NON GAAP
SG&A %	24.0%	20.1%	23.2%	18.9%	24.6%	19.7%	1.4%	0.8%	0.6%	-0.4%	23.9%	19.2%
OPM %	4.1%	8.0%	4.6%	9.1%	4.6%	9.5%	0.0%	0.4%	0.5%	1.5%	4.6%	9.3%
DILUTED EPS	\$0.12	\$0.35	-\$0.25	\$0.50	\$0.01	\$0.54	\$0.26	\$0.04	-\$0.11	\$0.19	-\$0.23	\$1.04

INCOME STATEMENT RELATED

	Q1FY19	Q2FY19	YTD
EFFECTIVE TAX RATE (ETR)			
GAAP	1957.5%	-25.8%	294.0%
Non GAAP	30.6%	29.3%	29.9%
NON GAAP ADJUSTMENT* (\$M)	\$13.6	\$15.0	\$28.6
DEPRECIATION (\$M)	\$4.5	\$4.3	\$8.8
OTHER INCOME (\$M) :			
INVESTMENT INCOME	\$1.3	\$1.1	\$2.4
INTEREST EXPENSE	(\$4.3)	(\$4.5)	(\$8.8)
FX & OTHER	(\$10.6)	(\$9.1)	(\$19.7)
TOTAL OTHER INCOME (EXPENSE)	(\$13.6)	(\$12.5)	(\$26.1)
DEBT INTEREST RATE**	4.9%	4.9%	4.9%
PREFERENCE DIVIDENDS	(\$1.1)	(\$1.1)	(\$2.2)
MINORITY INTEREST (\$M)			
GAAP	(\$0.7)	(\$0.5)	(\$1.2)
Non GAAP	(\$0.6)	(\$0.4)	(\$1.0)
EFFECTIVE EXCHANGE RATE			
GBP	1.35	1.30	1.33
EUR	1.19	1.16	1.17
INR	67.5	69.1	68.3

* to determine Non GAAP OPM

** including debt issuance and amortization

BALANCE SHEET & CASH FLOW RELATED

(\$M) * EXCLUDING DSO	Q1FY19	Q2FY19
CASH & CASH EQUIVALENT*	\$213.0	\$232.5
CASHFLOW FROM OPERATIONS	(\$6.7)	\$40.0
CAPEX	\$13.5	\$5.4
FREE CASH FLOWS (FCF)	(\$20.2)	\$34.6
DSO	79	76
Debt**	\$299.0	\$325.9
Series A Convertible Preferred Stock**	\$107.0	\$107.1

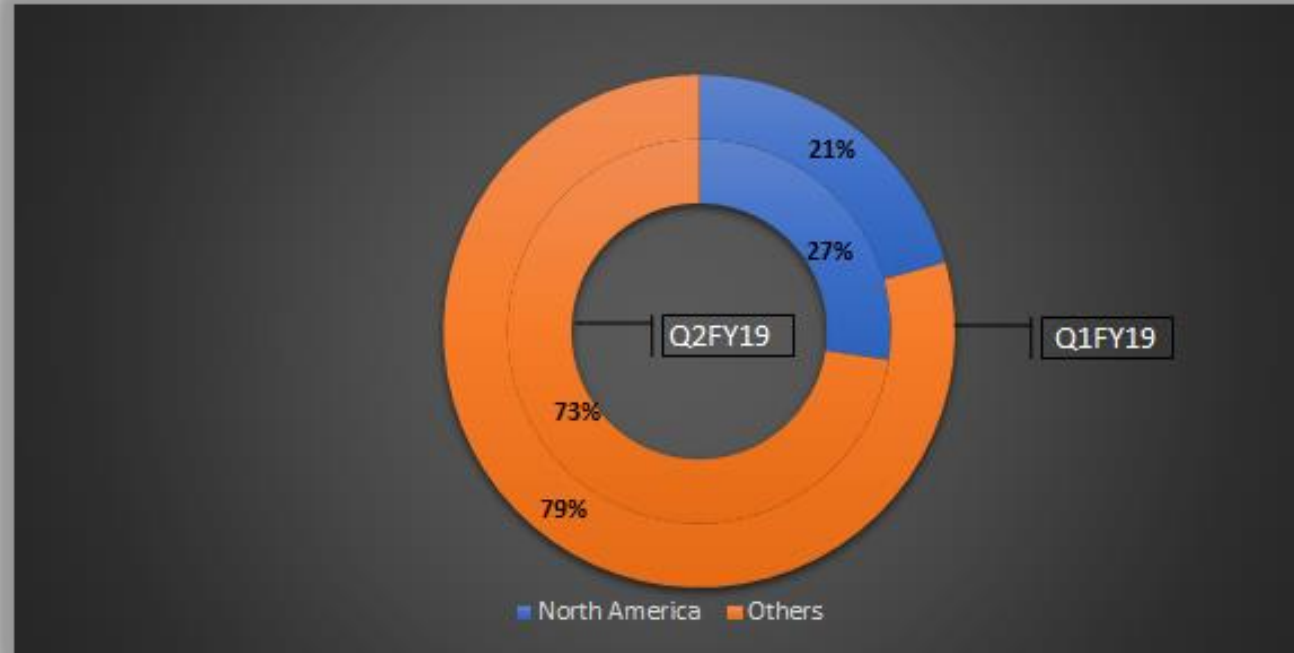
* including ST & LT Investments

** Net of issuance costs

PERFORMANCE RATIOS

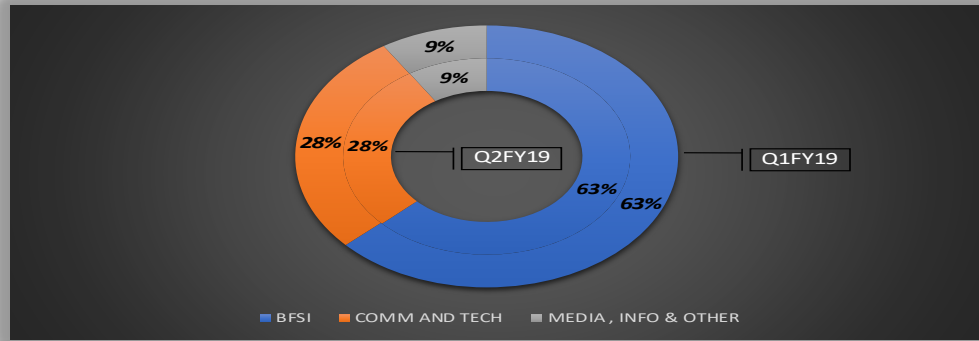
	Q1FY19	Q2FY19
FIXED CHARGED COVERAGE	3.13	2.66
LEVERAGE RATIO	2.29	2.38

CASH PROFILE

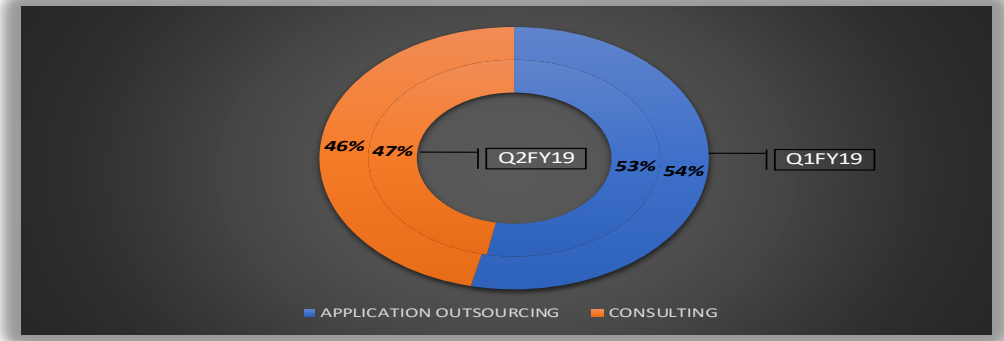


REVENUE PROFILE

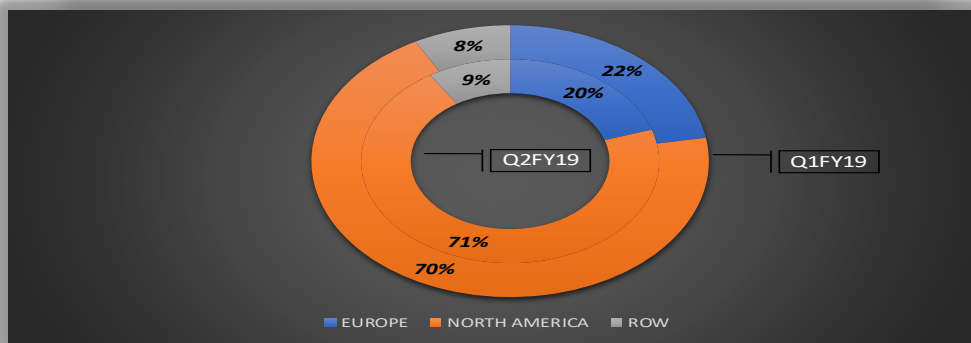
REVENUE BY VERTICAL



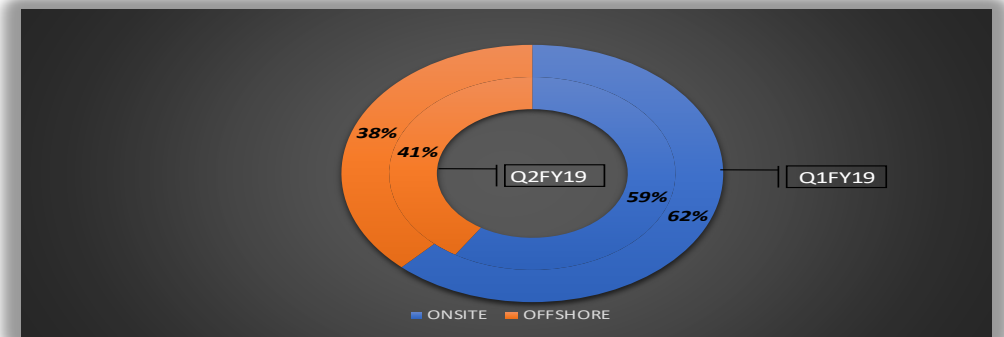
REVENUE BY SERVICE OFFERING



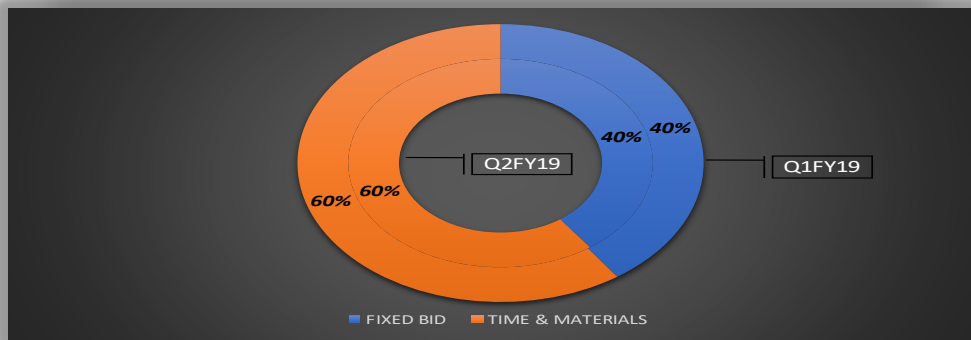
REVENUE BY GEOGRAPHY



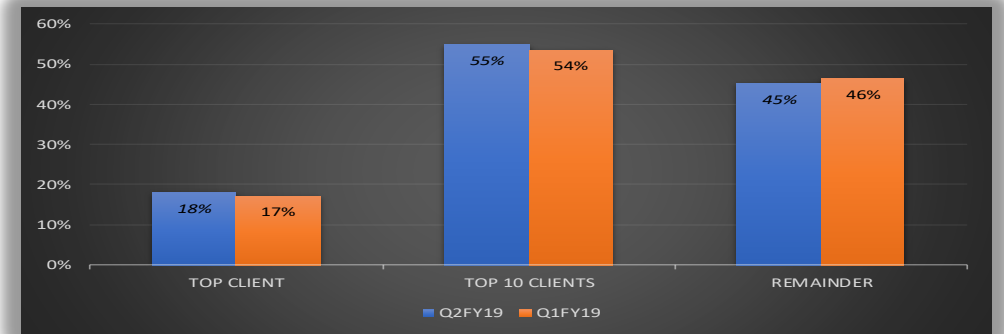
ONSITE / OFFSHORE REVENUE MIX



REVENUE BY PRODUCT TYPE



CLIENT CONCENTRATION



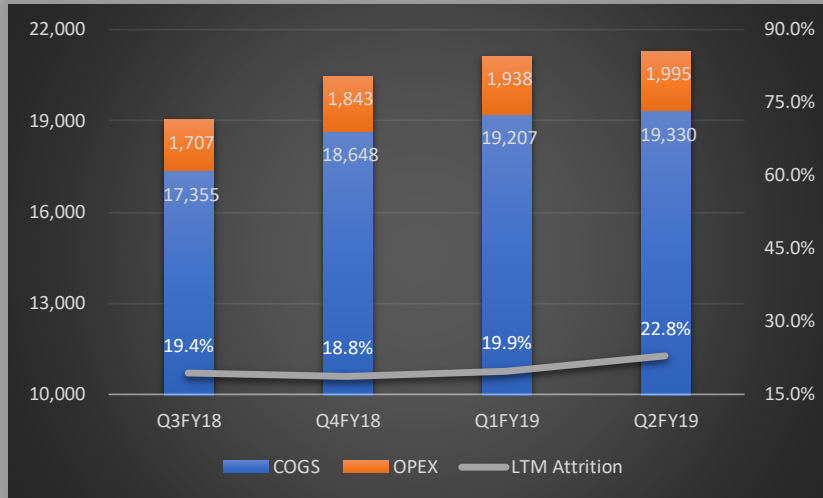
REVENUE PROFILE (CONT.)

CATEGORIES	SEGMENTS	Q2FY18		Q1FY19		Q2FY19		QoQ		YOY	
		\$ (Mn)	%	\$ (Mn)	%	\$ (Mn)	%	\$ (Mn)	%	\$ (Mn)	%
REVENUE BY GEOGRAPHY	EUROPE	\$ 57.2	23%	\$ 66.7	22%	\$ 60.4	20%	\$ (6.3)	-10%	\$ 3.2	6%
	NORTH AMERICA	\$ 162.5	66%	\$ 209.6	70%	\$ 218.3	71%	\$ 8.7	4%	\$ 55.8	34%
	ROW	\$ 28.4	11%	\$ 23.7	8%	\$ 26.8	9%	\$ 3.2	13%	\$ (1.6)	-6%
REVENUE BY INDUSTRY GROUP	BFSI	\$ 168.3	68%	\$ 188.7	63%	\$ 192.1	63%	\$ 3.3	2%	\$ 23.8	14%
	COMM AND TECH	\$ 56.0	23%	\$ 83.0	28%	\$ 85.3	28%	\$ 2.3	3%	\$ 29.3	52%
	MEDIA , INFO & OTHER	\$ 23.9	9%	\$ 28.3	9%	\$ 28.1	9%	\$ (0.2)	-1%	\$ 4.2	18%
REVENUE BY PRODUCT TYPE	FIXED BID	\$ 96.4	39%	\$ 120.8	40%	\$ 121.4	40%	\$ 0.5	0%	\$ 24.9	26%
	TIME & MATERIALS	\$ 151.8	61%	\$ 179.2	60%	\$ 184.2	60%	\$ 4.9	3%	\$ 32.4	21%
REVENUE BY SERVICE OFFERING	APPLICATION OUTSOURCING	\$ 138.8	56%	\$ 160.7	54%	\$ 161.9	53%	\$ 1.2	1%	\$ 23.1	17%
	CONSULTING	\$ 109.4	44%	\$ 139.3	46%	\$ 143.6	47%	\$ 4.3	3%	\$ 34.2	31%

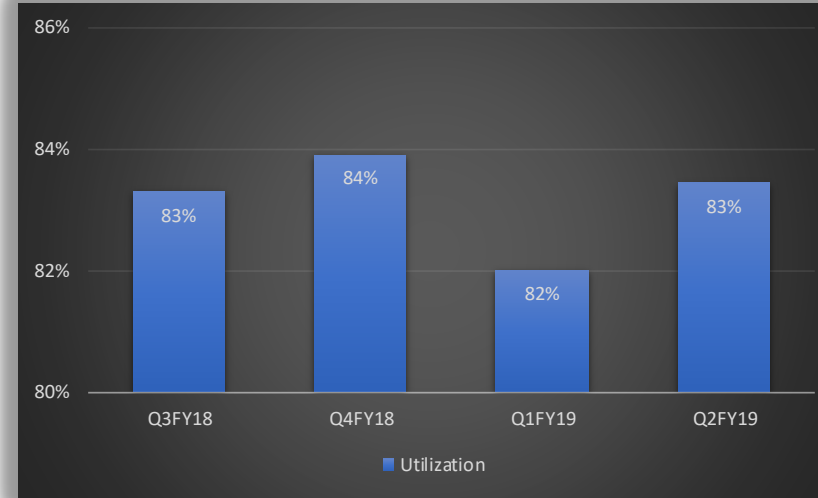
Numbers shown in millions and are subject to rounding

OPERATIONAL METRICS - HEADCOUNT

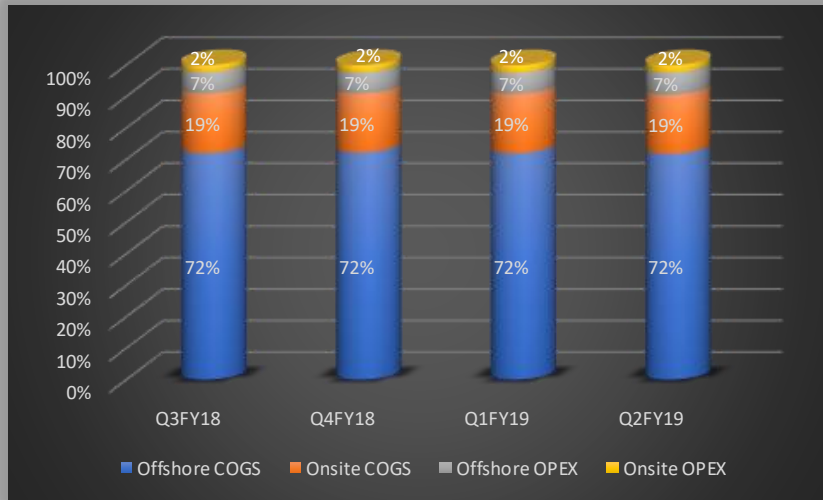
HEADCOUNT & ATTRITION



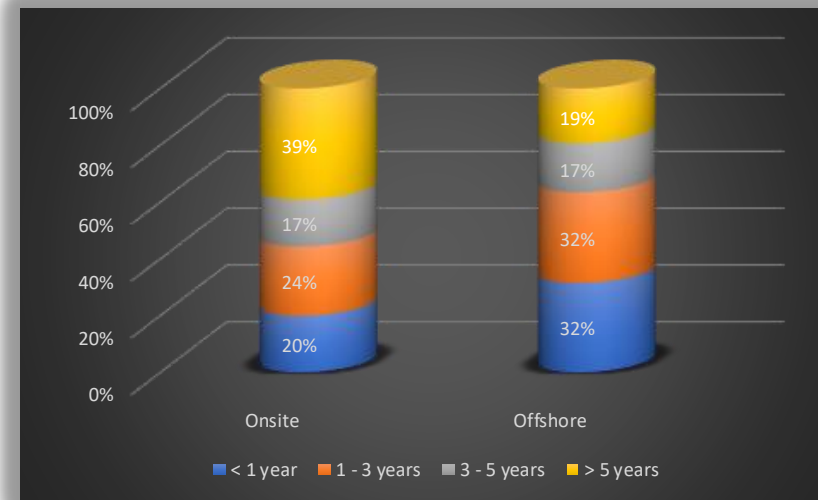
UTILIZATION



ONSITE / OFFSHORE HEADCOUNT MIX

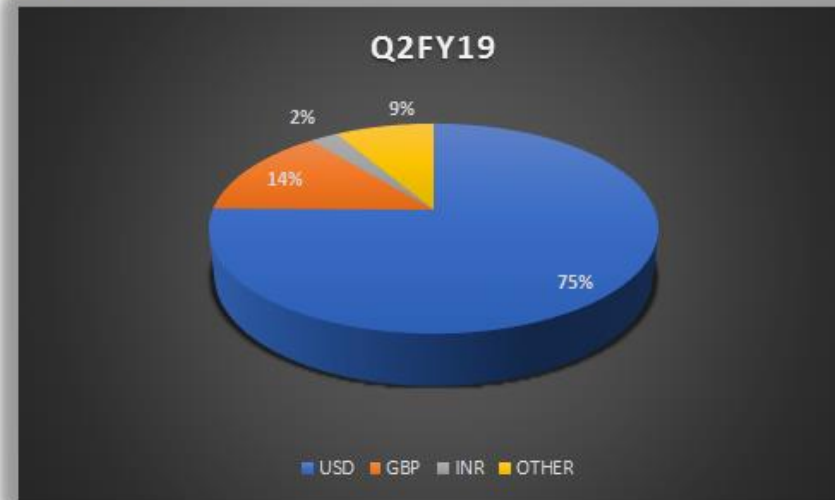
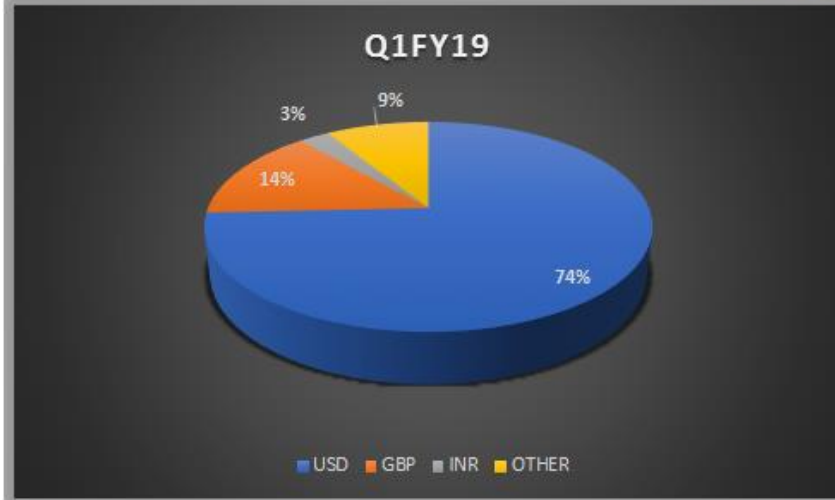


ONSITE / OFFSHORE AVERAGE TENURE

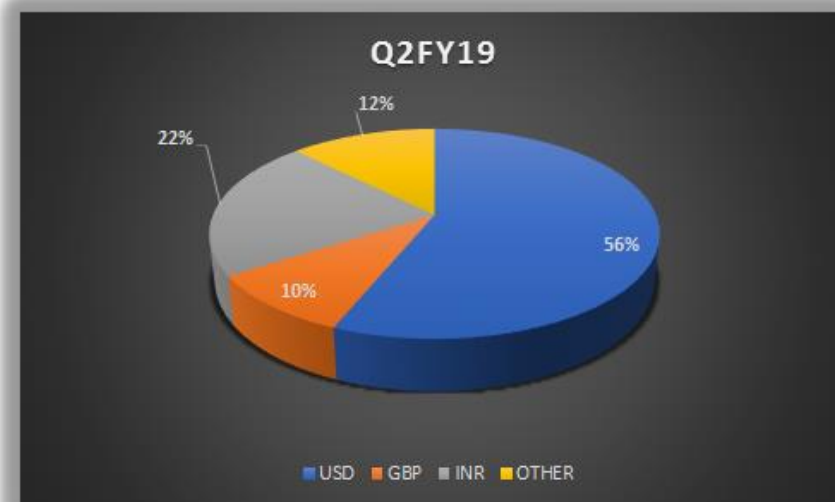
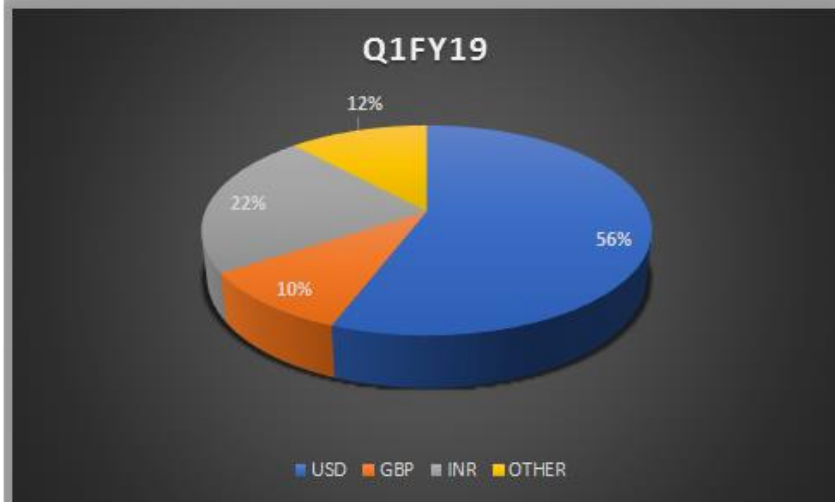


Revenue and Cost Mix by Currency

REVENUE BY CURRENCY



COST BY CURRENCY



AWARDS & RECOGNITIONS



Positioned as a Visionary in the 2018 Gartner Magic Quadrant for IT Services for Communications Service Providers, Worldwide



Positioned as a Major Contender in Everest Group PEAK Matrix for Open Banking IT Services



Recognized as a Strong Performer in The Forrester Wave: Digital Process Automation Service Providers, Q3 2018



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



Ranked at #30 in the 2018 IDC FinTech Rankings



Recognized in Gartner Competitive Landscape Report on Consulting and System Integration Service Providers for Robotic Process Automation



Virtusa's Automation and Artificial Intelligence Program for Mashreq Bank wins 2018 IDC FinTech Rankings Real Results Award



Named in Forrester's Report on Digital Experience Agencies, Europe, Q3 2018



Named Most Innovative Tech Company of the Year at the 2018 International Business Awards

THANK YOU
