

Earnings Presentation

QUARTER ENDED 31ST DECEMBER, 2017

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 Polaris acquisition, 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, 2017 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 2018 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 FY18 AT A GLANCE

\$263.8M

REVENUE

21.3%

10-year CAGR
through FY17

200

ACTIVE CLIENTS
6 NEW CLIENTS

9.9%

OPM
(NON-GAAP)

\$0.47

EPS
(NON-GAAP)

\$303.9M

CASH & CASH EQUIVALENTS

19,062

EMPLOYEES
3% QoQ GROWTH

83%

UTILIZATION
26% ONSITE EFFORT

4.6%

In-quarter ATTRITION
19.4% LTM ATTRITION

MANAGEMENT PERSPECTIVE

Mr. Kris Canekeratne, Chairman and CEO's message

Kris Canekeratne, Virtusa's Chairman and CEO, stated, "Virtusa's competitive advantage lies in our deeply grounded and unique ability to deliver large scale digital transformation combined with legacy IT platform rationalization, cost reduction and effort compression. As digital engineers, we understand how to bridge the tasks and deliver end-to-end digital programs that yield tangible results for our clients. Our strong third quarter and year-to-date results are proof positive that our strategy is working and our advantage is real. In consequence, we believe we are well positioned to continue to generate above-industry growth."

Mr. Ranjan Kalia, CFO's message

Ranjan Kalia, Chief Financial Officer, said, "We are pleased to deliver another quarter of strong sequential revenue growth and operating margin improvement, as well as robust operating cash flow. We expect this momentum to carry over into our fiscal fourth quarter, and have raised the midpoint of our FY 2018 revenue and non-GAAP EPS guidance. Additionally, we are very pleased to be able to successfully close the Polaris delisting process, which will be accretive to our stockholders."

Q3 FY18 FINANCIAL PERFORMANCE

	Q3FY17		Q2FY18		Q3FY18		QoQ		YOY		YTD	
REVENUE (\$ Mn)	\$217.2		\$248.2		\$263.8		6.3%		21.5%		\$739.3	
GM %	28.7%		28.1%		30.5%		2.4%		1.8%		28.6%	
	GAAP	NON GAAP	GAAP	NON GAAP	GAAP	NON GAAP	GAAP	NON GAAP	GAAP	NON GAAP	GAAP	NON GAAP
SG&A %	25.7%	21.2%	24.0%	20.1%	25.3%	20.6%	1.3%	0.5%	-0.4%	-0.6%	24.5%	20.6%
OPM %	3.0%	7.5%	4.1%	8.0%	5.2%	9.9%	1.1%	1.9%	2.2%	2.4%	4.1%	8.0%
DILUTED EPS	\$0.15	\$0.37	\$0.12	\$0.35	-\$0.38	\$0.47	-\$0.50	\$0.12	-\$0.53	\$0.10	-\$0.15	\$1.08

INCOME STATEMENT RELATED

	Q2FY18	Q3FY18	YTD
EFFECTIVE TAX RATE (ETR)			
GAAP	16.5%	148.0%	86.1%
Non GAAP	27.7%	29.8%	28.2%
NON GAAP ADJUSTMENT* (\$M)	\$9.5	\$12.3	\$29.1
DEPRECIATION (\$M)	\$4.4	\$4.5	\$13.0
OTHER INCOME (\$M) :			
INVESTMENT INCOME	\$1.6	\$1.3	\$3.9
INTEREST EXPENSE	(\$1.4)	(\$1.3)	(\$4.4)
FX & OTHER	(\$1.4)	\$2.9	\$1.5
TOTAL OTHER INCOME (EXPENSE)	(\$1.2)	\$2.8	\$1.0
DEBT INTEREST RATE**	5.2%	4.7%	5.0%
PREFERENCE DIVIDENDS	(\$1.1)	(\$1.1)	(\$2.9)
MINORITY INTEREST (\$M)			
GAAP	(\$2.8)	(\$2.1)	(\$5.9)
Non GAAP	(\$3.1)	(\$2.8)	(\$7.3)
EFFECTIVE EXCHANGE RATE			
GBP	1.31	1.33	1.31
EUR	1.18	1.18	1.15
INR	67.6	66.8	67.5

* to determine Non GAAP OPM

** including debt issuance and amortization

BALANCE SHEET & CASH FLOW RELATED

(\$M) * EXCLUDING DSO	Q2FY18	Q3FY18	YTD
CASH & CASH EQUIVALENT*	\$254.0	\$303.9	\$303.9
CASHFLOW FROM OPERATIONS	\$28.8	\$24.3	\$54.2
CAPEX	\$5.2	\$3.0	\$11.2
FREE CASH FLOWS (FCF)	\$23.6	\$21.3	\$42.9
DSO	74	70	
TERM LOAN**	\$105.2	\$130.4	\$130.4
Series A Convertible Preferred Stock**	\$106.9	\$107.0	\$107.0

* including ST & LT Investments

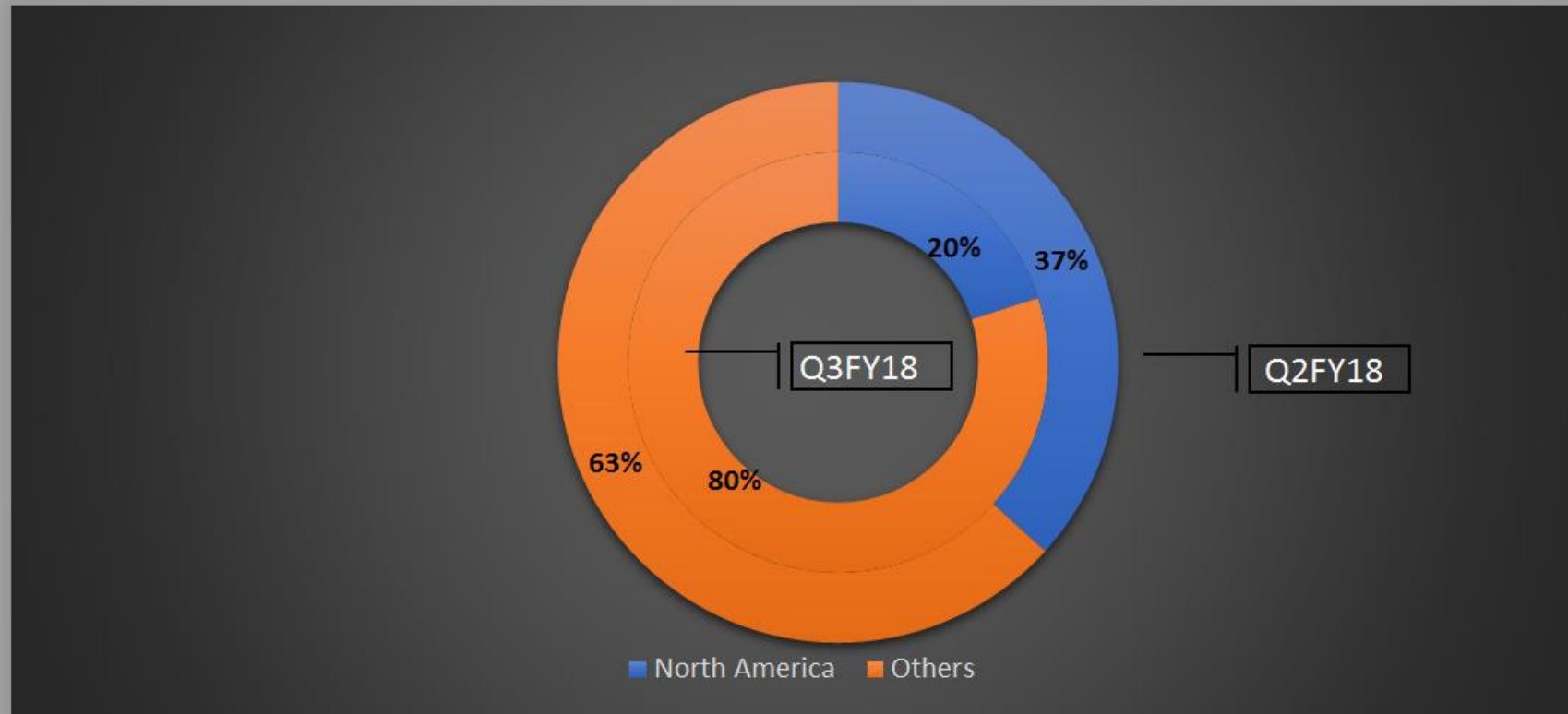
** Net of issuance costs

PERFORMANCE RATIOS

	Q2FY18	Q3FY18
FIXED CHARGED COVERAGE	3.80	4.70
LEVERAGE RATIO	1.27	1.42

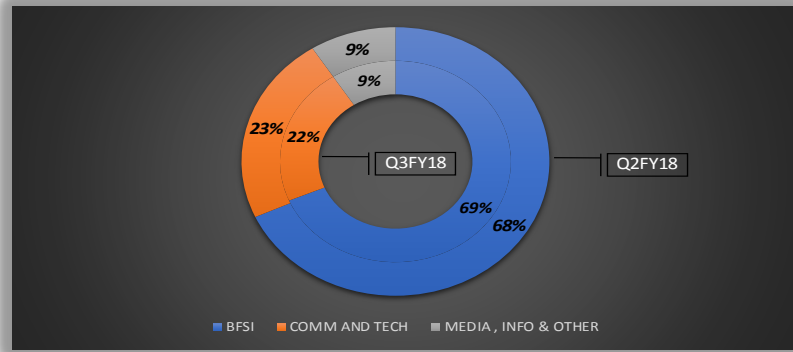
CASH PROFILE

CASH BY GEO

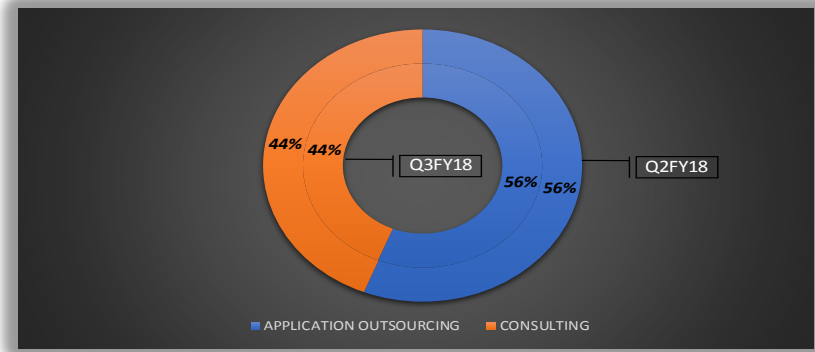


REVENUE PROFILE

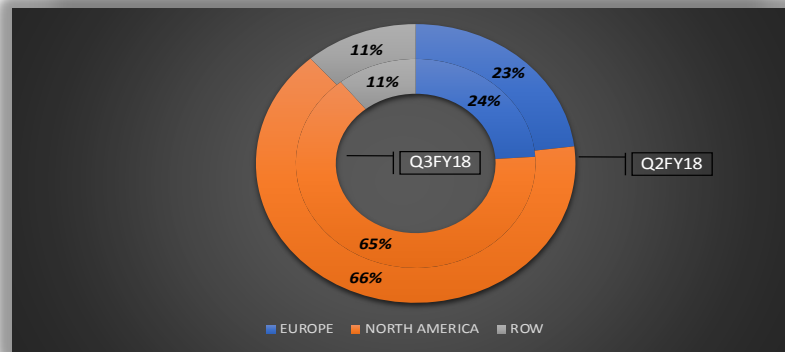
REVENUE BY VERTICAL



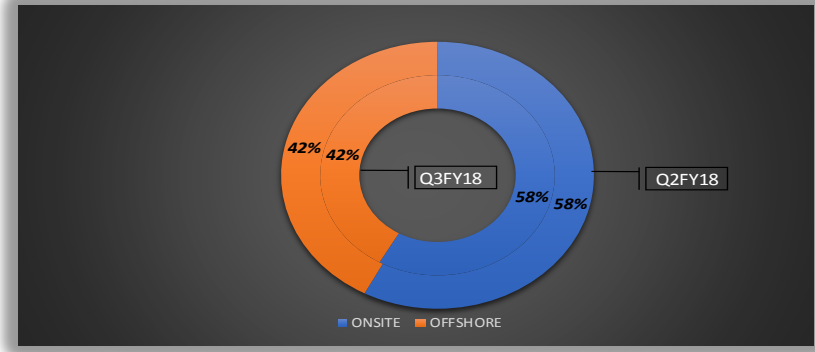
REVENUE BY SERVICE OFFERING



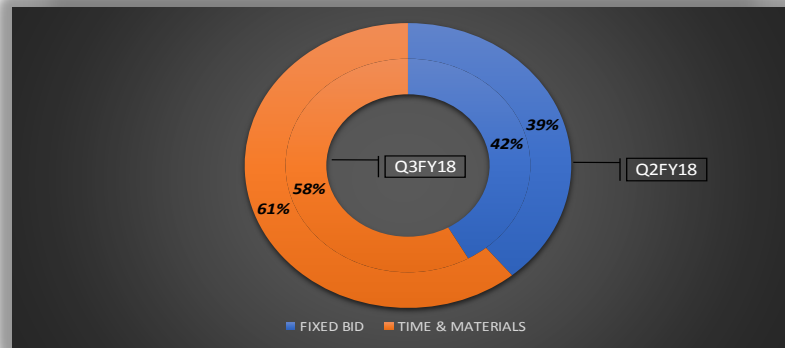
REVENUE BY GEOGRAPHY



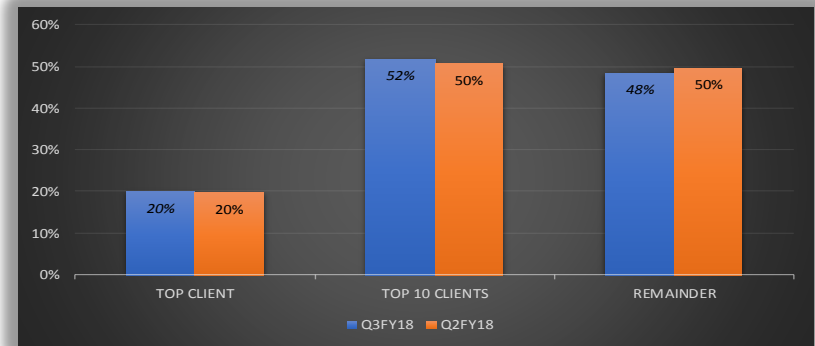
ONSITE / OFFSHORE REVENUE MIX



REVENUE BY PRODUCT TYPE



CLIENT CONCENTRATION

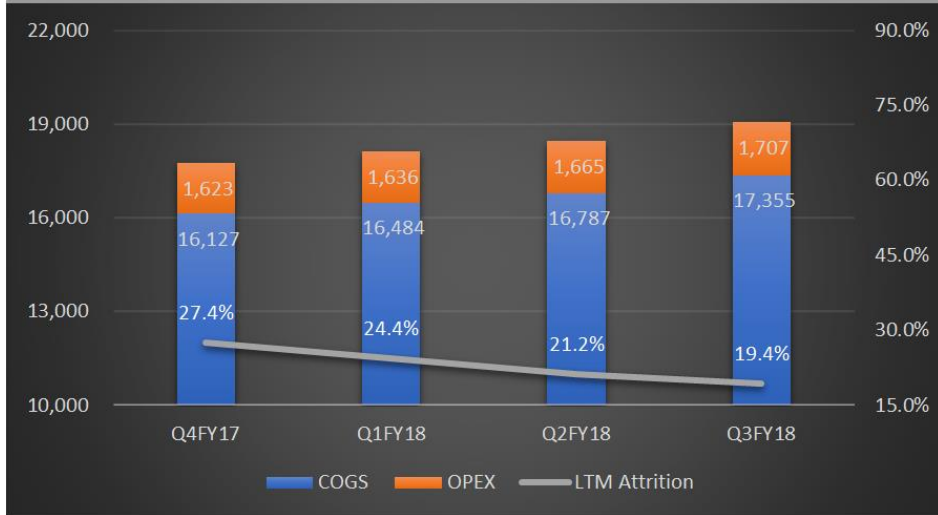


REVENUE PROFILE (CONT.)

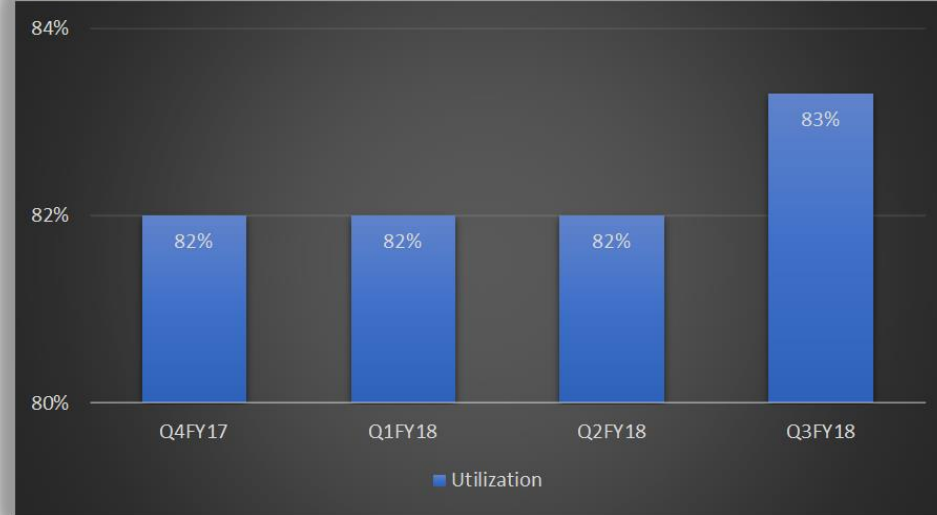
CATEGORIES	SEGMENTS	Q3FY17		Q2FY18		Q3FY18		QoQ		YOY		YTD	
		\$(Mn)	%	\$(Mn)	%	\$(Mn)	%	\$(Mn)	%	\$(Mn)	%	\$(Mn)	%
REVENUE BY GEOGRAPHY	EUROPE	\$ 48.7	22%	\$ 57.2	23%	\$ 63.3	24%	\$ 6.0	11%	\$ 14.6	30%	\$ 173.9	24%
	NORTH AMERICA	\$ 140.6	65%	\$ 162.5	66%	\$ 172.1	65%	\$ 9.6	6%	\$ 31.5	22%	\$ 480.8	65%
	ROW	\$ 27.9	13%	\$ 28.4	11%	\$ 28.4	11%	\$ (0.0)	0%	\$ 0.5	2%	\$ 84.7	11%
REVENUE BY INDUSTRY GROUP	BFSI	\$ 137.5	64%	\$ 168.3	68%	\$ 181.1	69%	\$ 12.8	8%	\$ 43.6	32%	\$ 496.9	67%
	COMM AND TECH	\$ 57.2	26%	\$ 56.0	23%	\$ 58.8	22%	\$ 2.8	5%	\$ 1.5	3%	\$ 171.1	23%
	MEDIA , INFO & OTHER	\$ 22.5	10%	\$ 23.9	9%	\$ 23.9	9%	\$ 0.0	0%	\$ 1.4	6%	\$ 71.4	10%
REVENUE BY PRODUCT TYPE	FIXED BID	\$ 93.7	43%	\$ 96.4	39%	\$ 110.3	42%	\$ 13.9	14%	\$ 16.6	18%	\$ 291.8	39%
	TIME & MATERIALS	\$ 123.5	57%	\$ 151.8	61%	\$ 153.5	58%	\$ 1.8	1%	\$ 30.0	24%	\$ 447.5	61%
REVENUE BY SERVICE OFFERING	APPLICATION OUTSOURCING	\$ 125.5	58%	\$ 138.8	56%	\$ 148.0	56%	\$ 9.2	7%	\$ 22.5	18%	\$ 419.4	57%
	CONSULTING	\$ 91.7	42%	\$ 109.4	44%	\$ 115.8	44%	\$ 6.4	6%	\$ 24.1	26%	\$ 320.0	43%

OPERATIONAL METRICS - HEADCOUNT

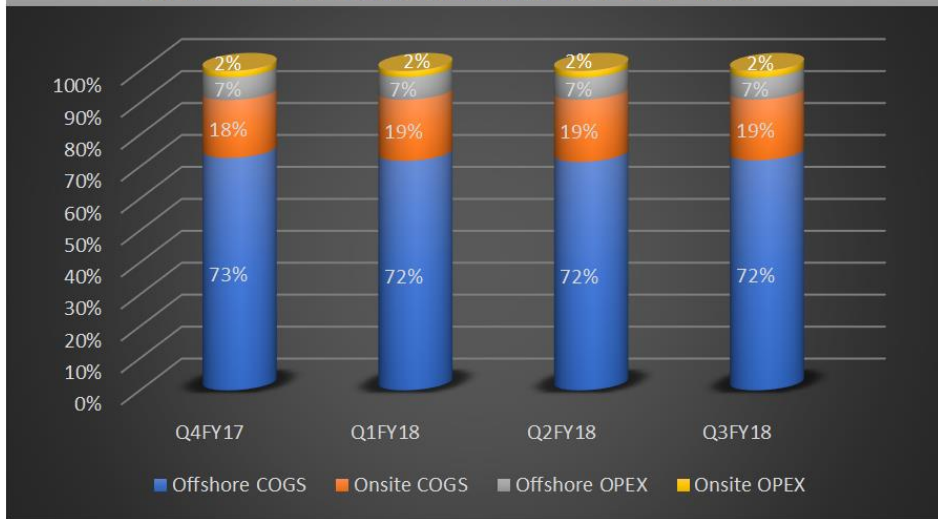
HEADCOUNT & ATTRITION



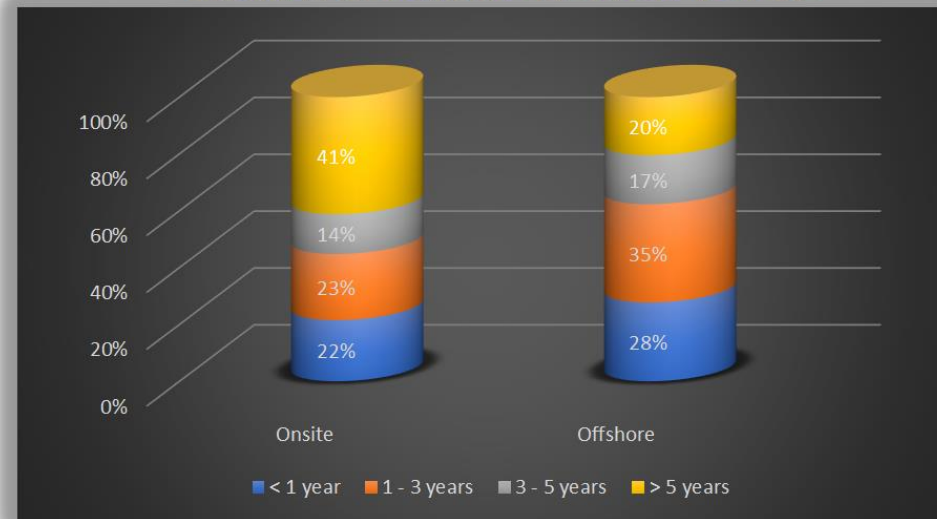
UTILIZATION



ONSITE / OFFSHORE HEADCOUNT MIX

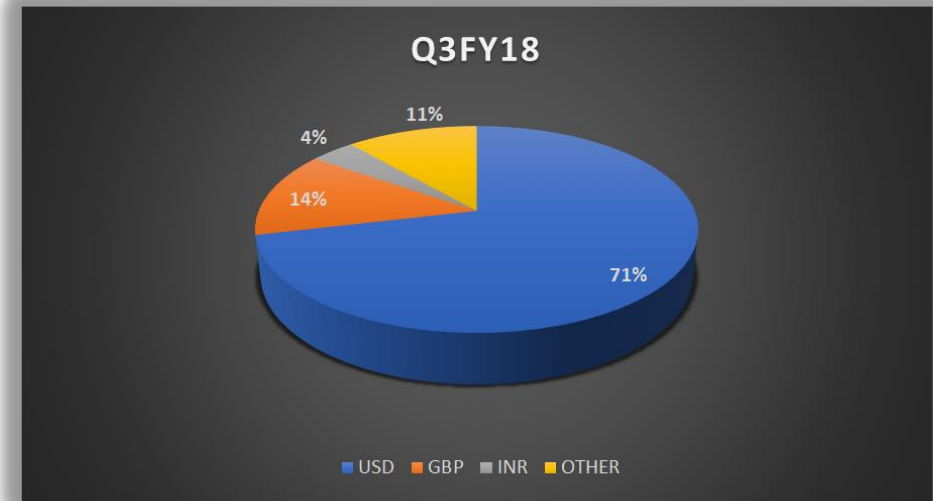
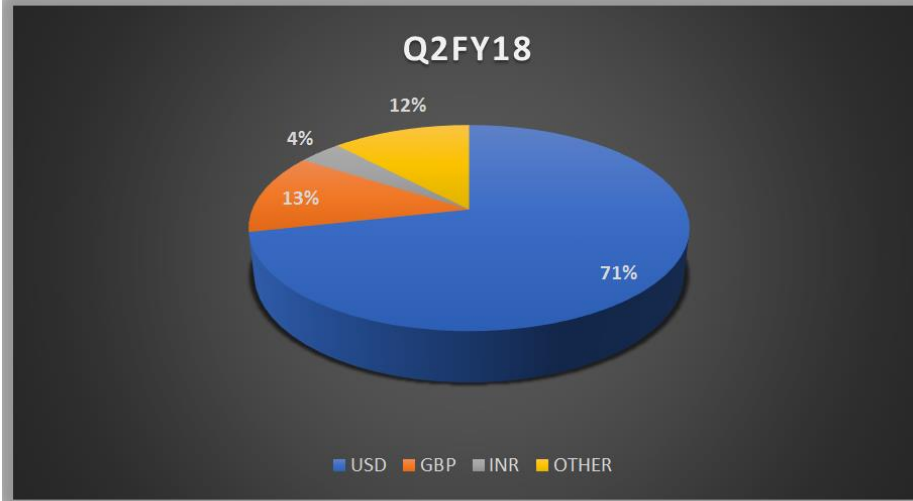


ONSITE / OFFSHORE AVERAGE TENURE

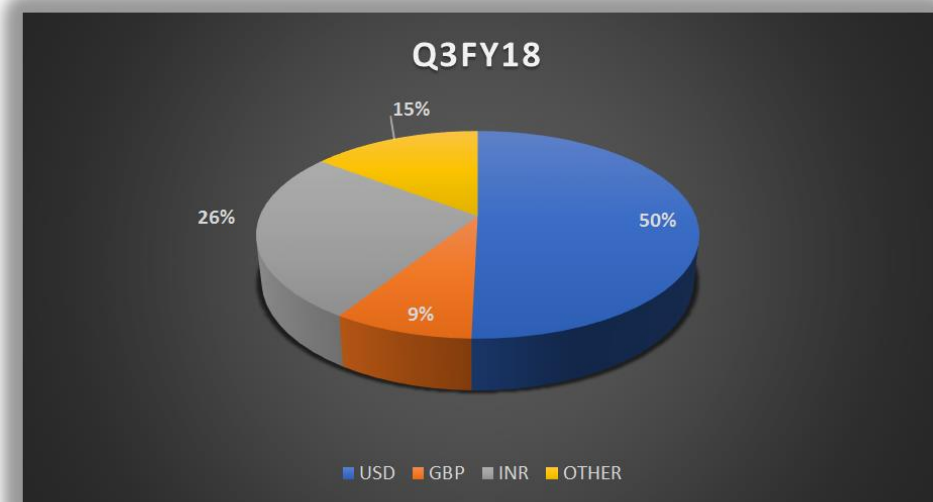
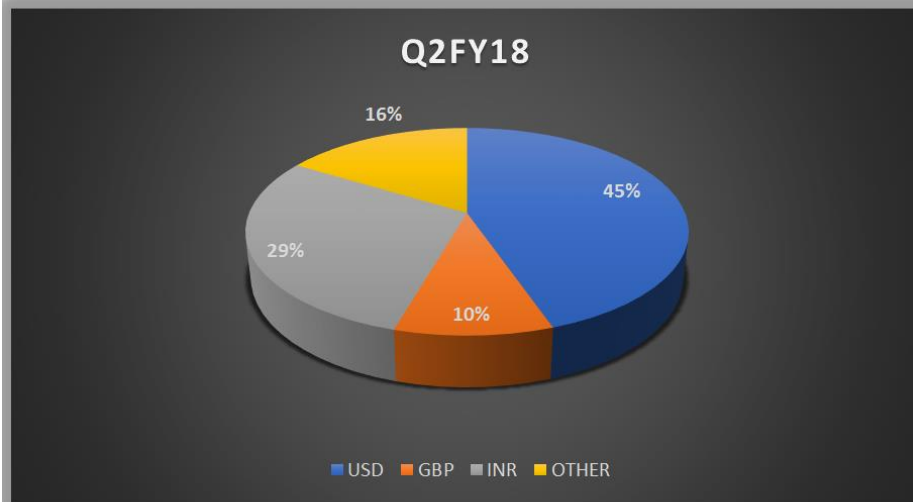


Revenue and Cost Mix by Currency

REVENUE BY CURRENCY



COST BY CURRENCY



AWARDS & RECOGNITIONS



Recognized as a niche player in the Gartner Magic Quadrant for Customer Experience & CRM Implementation service providers, worldwide



Major Player in IDC MarketScape for Worldwide Banking Risk and Compliance IT Implementation Services 2017 Vendor Assessment



Winner of 2017 North American (NA) and APAC Candidate Experience Awards for delivering outstanding experiences to candidates throughout the recruitment process



Recognized as a representative vendor in Gartner Market Guide for Data Science and Machine Learning Service Providers



Positioned in the 'High Achievers' category in NelsonHall's Overall NEAT vendor evaluation for the SAP S4/HANA Services



Rated as a 'Major Player' within the Overall NEAT vendor evaluation for the Digital Testing project



Recognized in Forrester Vendor Landscape for IoT Professional Service Providers



Recognized as Major Contenders in Everest Group's PEAK Matrix for Digital Services in Wealth Management Services assessments and market trends 2018



Recognized as a leader in ISG's latest Provider Lens™ Quadrant report on U.S.-based ADM services for BFSI industry



Recognized as Major Contenders in Everest Group's PEAK Matrix for Risk & Regulatory compliance application services in BFS 2017.



Recognized as Major Contenders in Everest Group's PEAK Matrix for IoT Services 2017. Virtusa's Vision & Strategy, and Innovation & Investments have been ranked high



Recognized as Major Contenders in Everest Group's PEAK Matrix for Application Modernization Services 2017. Virtusa's Delivery Footprint, and overall delivery capability have been ranked high.

THANK YOU
