

Virtusa Corporation Data Sheet**							
Quarter ended September 30, 2017							
	2017					2018	
	Q117	Q217	Q317	Q417	FY17	Q118	Q218
Revenue:							
Revenue (USD in MM)	\$ 205.5	\$ 210.1	\$ 217.2	\$ 226.0	\$ 858.7	\$ 227.3	\$ 248.2
Q/Q	20%	2%	3%	4%		1%	9%
Y/Y	52%	47%	44%	31%	43%	11%	18%
Margin:							
Gross margin	25.3%	27.5%	28.7%	29.1%	27.7%	26.9%	28.1%
Operating margin	-0.9%	1.7%	3.0%	4.5%	2.1%	2.7%	4.1%
Non-GAAP Operating Margin	3.8%	6.2%	7.5%	8.3%	6.5%	5.9%	8.0%
Revenue By Geography:							
North America	65%	65%	65%	64%	65%	64%	66%
Europe	23%	22%	22%	24%	23%	24%	23%
ROW	12%	13%	13%	12%	12%	12%	11%
Revenue By Industry Group:							
BFSI	63%	65%	64%	63%	64%	65%	68%
Communications and Tech	26%	25%	26%	27%	26%	25%	23%
Media & Information and Other	11%	10%	10%	10%	10%	10%	9%
Revenue by Product Type:							
Time & materials	59%	55%	57%	57%	57%	63%	61%
Fixed bid	41%	45%	43%	43%	43%	37%	39%
Revenue by Service Offering:							
Application outsourcing	59%	58%	58%	61%	59%	58%	56%
Consulting	41%	42%	42%	39%	41%	42%	44%
Effort Mix:							
Offshore effort	75%	76%	75%	76%	76%	75%	74%
Onsite effort	25%	24%	25%	24%	24%	25%	26%
Revenue mix :							
Offshore	43%	48%	45%	45%	45%	43%	42%
Onsite	57%	52%	55%	55%	55%	57%	58%
Clients:							
Active clients	179	187	189	191	191	196	198
Number of New clients	7	12	4	5	28	8	3
Number of 10% clients	1	1	1	1	1	1	1
Revenue from repeat clients >12 mont	84%	82%	80%	96%	86%	96%	98%
Top client	16%	16%	17%	18%	17%	18%	20%
Top 10 clients	44%	45%	46%	47%	45%	47%	50%
Clients Contribution (TTM)							
\$1M+	97	112	114	118	118	117	118
\$5M+	32	31	30	33	33	38	39
\$10M+	12	15	15	15	15	18	16
\$25M+	4	4	4	4	4	4	4
\$50M+	1	2	1	1	1	1	1
\$100M+	-	-	1	1	1	1	1
Utilization:							
Utilization, excluding trainees	71%	78%	79%	82%	77%	82%	82%
Billed days^	732,700	788,100	801,100	837,800	3,159,700	834,900	880,900
Headcount:							
Total employees	17,790	17,196	17,500	17,750	17,750	18,120	18,452
Non IT professionals	1,715	1,749	1,695	1,623	1,623	1,636	1,665
IT professionals	16,075	15,447	15,805	16,127	16,127	16,484	16,787
Net addition	-436	-594	304	250	(476)	370	332
Global Attrition TTM*	21%	25%	27%	27%	27%	24%	21%
In-quarter attrition	7.8%	8.3%	6.3%	5.4%	5.4%	5.2%	5.0%
Balance sheet & Cash flows							
Cash, Cash Equivalents, Short term Inv	\$ 207.9	\$ 227.3	\$ 237.2	\$ 237.0	\$ 237.0	\$ 235.1	\$ 254.0
- Cash	\$ 140.3	\$ 158.9	\$ 133.9	\$ 144.9	\$ 144.9	\$ 154.0	\$ 162.3
- Short term investments	\$ 48.1	\$ 42.5	\$ 80.7	\$ 72.0	\$ 72.0	\$ 62.4	\$ 76.7
- Long term investments	\$ 19.4	\$ 25.9	\$ 22.5	\$ 20.1	\$ 20.1	\$ 18.7	\$ 15.1
Operating Cash Flows ^{#-}	-7%	12%	6%	1%	3%	0%	12%
CAPEX [#]	2%	3%	1%	2%	2%	1%	2%
Free cash flows [#]	-9%	9%	5%	-1%	1%	-1%	10%
DSO (days)	82	78	78	80		80	74

*Trailing twelve months (TTM) Includes voluntary and Involuntary attrition

** Percentages depicted above are subject to rounding

[#] As a % of Revenue

[^] Rounded to the nearest 100

[~] Reflects the retrospective cash flow application of ASU 2016-09 – Stock Compensation to each prior period presented.

Virtusa Corporation Non-GAAP Data Sheet																							
Quarter ended September 30, 2017**																							
All amounts in USD thousands, except per share amounts																							
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	
	2014	2014	2014	2014	2014	2015	2015	2015	2015	2015	2016	2016	2016	2016	2016	2017	2017	2017	2017	2017	2017	2018	
GAAP income (loss) from operations	8,929	9,776	11,196	12,511	42,412	11,230	12,241	14,619	14,478	52,568	12,410	13,256	14,134	5,520	45,320	(1,848)	3,537	6,458	10,224	18,371	6,070	10,279	
Add: Stock-based compensation expense	1,710	1,820	2,195	2,441	8,166	2,471	2,460	3,043	3,124	11,098	3,529	3,105	3,683	5,862	16,179	6,133	6,142	4,748	5,100	22,123	4,788	6,142	
Add: acquisition-related charges and restructuring charges ^(a)	637	656	1,245	1,737	4,275	285	1,423	1,398	1,568	4,674	2,301	2,387	2,926	10,435	18,049	3,424	3,247	5,116	3,430	15,217	2,509	3,351	
Non-GAAP income from operations	11,276	12,252	14,636	16,689	54,853	13,986	16,124	19,060	19,170	68,340	18,240	18,748	20,743	21,817	79,548	7,709	12,926	16,322	18,754	55,711	13,367	19,772	
GAAP Operating Margin	9.9%	10.4%	11.1%	11.3%	10.7%	10.0%	10.4%	11.9%	11.5%	11.0%	9.2%	9.3%	9.4%	3.2%	7.6%	-0.9%	1.7%	3.0%	4.5%	2.1%	2.7%	4.1%	
Effect of above adjustments to income from operations	2.6%	2.6%	3.4%	3.7%	3.1%	2.5%	3.3%	3.6%	3.7%	3.3%	4.3%	3.8%	4.4%	9.5%	4.7%	4.5%	4.5%	3.8%	4.3%	3.2%	3.9%		
Non-GAAP Operating Margin	12.5%	13.0%	14.5%	15.0%	13.8%	12.5%	13.7%	15.5%	15.2%	14.3%	13.5%	13.1%	13.8%	12.7%	13.3%	3.8%	6.2%	7.5%	8.3%	6.5%	5.9%	8.0%	
GAAP net income (loss) available to Virtusa common stockholders	7,522	7,478	9,328	10,047	34,375	9,003	10,114	11,779	11,550	42,446	10,113	11,086	11,313	12,290	44,802	(6,256)	3,214	4,435	10,465	11,858	2,957	3,681	
Add: Stock-based compensation expense	1,710	1,820	2,195	2,441	8,166	2,471	2,460	3,043	3,124	11,098	3,529	3,105	3,683	5,862	16,179	6,133	6,142	4,748	5,100	22,123	4,788	6,142	
Add: acquisition-related charges and restructuring charge ^(a)	637	656	1,245	1,737	4,275	285	1,423	1,398	1,568	4,674	2,301	2,387	2,926	10,435	18,049	3,424	3,247	5,116	3,430	15,217	2,509	3,351	
Add: Foreign currency transaction (gains) or losses ^(b)	(387)	959	(138)	(38)	396	155	(85)	132	155	357	25	(219)	(201)	(6,655)	(7,050)	3,580	(2,030)	1,252	(5,811)	(3,009)	77	1,480	
Tax adjustments ^(c)	(495)	(835)	(809)	(1,089)	(3,228)	(767)	(952)	(1,202)	(1,281)	(4,202)	(1,563)	(1,398)	(1,816)	(5,313)	(10,090)	(1,397)	(1,802)	(4,198)	536	(6,861)	(2,522)	(4,066)	
Noncontrolling interest, net of taxes ^(d)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(199)	(357)	(319)	(824)	(1,699)	(366)	(313)		
Non-GAAP net income available to Virtusa common stockholders	8,987	10,078	11,821	13,098	43,984	11,147	12,960	15,150	15,116	54,373	14,405	14,961	15,905	16,619	61,890	5,285	8,414	11,034	12,896	37,629	7,443	10,275	
GAAP diluted earnings (loss) per share ^(e)	0.29	0.28	0.35	0.35	1.27	0.31	0.34	0.40	0.39	1.44	0.34	0.37	0.38	0.41	1.49	(0.21)	0.11	0.15	0.34	0.39	0.10	0.12	
Effect of Stock-based compensation expense ^(e)	0.07	0.07	0.09	0.08	0.30	0.08	0.08	0.10	0.10	0.38	0.11	0.11	0.13	0.19	0.54	0.21	0.19	0.16	0.17	0.73	0.16	0.19	
Effect of acquisition-related charges and restructuring charge ^(a)	0.02	0.02	0.05	0.06	0.16	0.01	0.05	0.05	0.05	0.16	0.08	0.08	0.10	0.34	0.60	0.11	0.11	0.17	0.12	0.51	0.08	0.10	
Effect Foreign currency transaction (gains) or losses ^(b)	(0.01)	0.04	(0.01)	-	0.01	0.01	(0.00)	0.00	0.01	0.01	-	(0.01)	(0.01)	(0.21)	(0.23)	0.12	(0.07)	0.04	(0.19)	(0.10)	-	0.05	
Effect tax adjustment ^(c)	(0.02)	(0.03)	(0.03)	(0.04)	(0.12)	(0.03)	(0.03)	(0.04)	(0.04)	(0.14)	(0.05)	(0.05)	(0.06)	(0.18)	(0.34)	(0.04)	(0.06)	(0.14)	0.02	(0.22)	(0.08)	(0.13)	
Effect of noncontrolling interest ^(d)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.01)	(0.01)	(0.01)	(0.03)	(0.06)	(0.01)	(0.01)	
Effect of dividend on Series A Convertible Preferred Stock ^(f)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.03	
Non-GAAP diluted earnings per share ^(e)	0.35	0.38	0.45	0.45	1.63	0.38	0.44	0.51	0.51	1.84	0.48	0.50	0.54	0.55	2.06	0.18	0.27	0.37	0.43	1.25	0.25	0.35	

(a) Acquisition-related charges include, when applicable, amortization of purchased intangibles, external deal costs, acquisition-related retention bonuses, changes in the fair value of contingent consideration liabilities, 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 the restructuring. The following table provides the details of the acquisition-related charges and restructuring charges:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2017	2016	2017	2016
Amortization of intangible assets	\$ 2,594	\$ 2,373	\$ 5,103	\$ 4,743
Acquisition & integration costs	\$ -	\$ 874	\$ -	\$ 1,929
Restructuring charges	\$ 757	\$ -	\$ 757	\$ -
Total	\$ 3,351	\$ 3,247	\$ 5,860	\$ 6,672

(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.

(d) Noncontrolling interest represents the minority shareholders interest of Polari

(e) Non-GAAP diluted earnings per share is subject to roundin

(f) During the three and six months ended September 30, 2017, the weighted average shares outstanding of Series A Convertible Preferred Stock of 3,000,000 and 2,456,044, respectively, 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 if-converted method to calculate the non-GAAP diluted earnings per share for the three and six months ended September 30, 2017 and 2016.

	Three Months Ended September 30,		Six Months Ended September 30,	
	2017	2016	2017	2016
Non-GAAP net income available to Virtusa common stockholders	\$ 10,275	\$ 8,414	\$ 17,718	\$ 13,700
Add: Dividends and accretion on Series A Convertible Preferred Stock	\$ 1,087	\$ -	\$ 1,087	\$ -
Non-GAAP net income available to Virtusa common stockholders and	\$ 11,362	\$ 8,414	\$ 18,805	\$ 13,700
GAAP dilutive weighted average shares outstanding	29,820,581	30,130,209	30,035,865	29,551,233
Add: Series A Convertible Preferred Stock as converted	3,000,000	-	1,500,000	-
Non-GAAP dilutive weighted average shares outstanding	32,820,581	30,130,209	31,535,865	29,551,233

(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

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.

Third Fiscal Quarter and Full Fiscal Year 2018 revised Guidance Assumptions

as of November 8, 2017

	Q3'18	FY'18
GAAP Effective Tax Rate*	NA	23.1%
Non-GAAP Effective Tax Rate**	NA	28.2%
Annual Effective Interest Rate Yield***	NA	2.2%
Debt Interest Rate****	4.8%	4.8%
Preferred Dividend	3.875%	3.875%
FX*****		
GBP vs. USD (1)	1.32	1.31
INR vs. USD (2)	67.28	67.55
Capex as a % of total revenue	NA	2.0%

* 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 Non-GAAP effective tax rate reflects the impact of Non-GAAP adjustments tax effected for statutory tax rates. 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 third quarter.

(2) Indian rupee foreign currency hedge contracts are in place for the majority of our Indian rupee expenses for the fiscal year ending March 31, 2018. 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 2018.

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, 2017 and subsequent Quarterly Reports on Form 10-Q, as filed with the Securities and Exchange Commission.