

Earnings Presentation

QUARTER ENDED 30TH JUNE, 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 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 first 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.

Q1 FY19 AT A GLANCE

\$300.0M

REVENUE

20.0%

10-year CAGR
through FY18

216

ACTIVE CLIENTS
3 NEW CLIENTS

9.1%

OPM
(NON-GAAP)

\$0.50

EPS
(NON-GAAP)

\$213.0M

CASH & CASH EQUIVALENTS

21,145

EMPLOYEES
3.2% QoQ GROWTH

82%

UTILIZATION
27% ONSITE EFFORT

6.1%

In-quarter ATTRITION
19.9% LTM ATTRITION

MANAGEMENT PERSPECTIVE

Mr. Kris Canekeratne, Chairman and CEO's message

Kris Canekeratne, Virtusa's Chairman and CEO, stated, "We are off to a solid start in fiscal 2019 as the momentum we established in FY 2018 continues. Across every one of our industry groups, the need for digital transformation has moved from being a strategic option to being a business imperative. Virtusa's strong execution and the depth and breadth of our digital engineering capabilities allow us to help our clients realize the full potential of digital transformation and are powering our performance."

Mr. Ranjan Kalia, CFO's message

Ranjan Kalia, Chief Financial Officer, said, "We are pleased with our fiscal 2019 first quarter results. We reported revenue toward the high-end of our guidance range and generated strong year-over-year organic revenue growth, margin expansion and EPS accretion. Our fiscal 2019 first quarter momentum has allowed us to maintain the midpoint of our FY 2019 revenue guidance even after absorbing one percent of currency headwinds compared to our prior guidance. We expect strong fiscal year 2019 non-GAAP diluted EPS growth of 38% at the midpoint based on our increased earnings guidance."

Q1 FY19 FINANCIAL PERFORMANCE

	Q1FY18		Q4FY18		Q1FY19		QoQ		YOY	
REVENUE (\$ Mn)	\$227.3		\$281.3		\$300.0		6.6%		32.0%	
GM %	26.9%		29.9%		27.8%		-2.1%		0.9%	
	GAAP	NON GAAP	GAAP	NON GAAP	GAAP	NON GAAP	GAAP	NON GAAP	GAAP	NON GAAP
SG&A %	24.2%	21.0%	24.0%	19.9%	23.2%	18.9%	-0.8%	-1.0%	-1.0%	-2.1%
OPM %	2.7%	5.9%	5.8%	9.9%	4.6%	9.1%	-1.2%	-0.8%	1.9%	3.2%
DILUTED EPS	\$0.10	\$0.25	\$0.06	\$0.55	-\$0.25	\$0.50	-\$0.31	-\$0.05	-\$0.35	\$0.25

INCOME STATEMENT RELATED

	Q4Y18	Q1FY19
EFFECTIVE TAX RATE (ETR)		
GAAP	57.1%	1957.5%
Non GAAP	27.1%	30.6%
NON GAAP ADJUSTMENT* (\$M)	\$11.6	\$13.6
DEPRECIATION (\$M)	\$4.4	\$4.5
OTHER INCOME (\$M) :		
INVESTMENT INCOME	\$1.3	\$1.3
INTEREST EXPENSE	(\$3.3)	(\$4.2)
FX & OTHER	(\$3.6)	(\$10.7)
TOTAL OTHER INCOME (EXPENSE)	(\$5.6)	(\$13.6)
DEBT INTEREST RATE**	4.5%	4.9%
PREFERENCE DIVIDENDS	(\$1.1)	(\$1.1)
MINORITY INTEREST (\$M)		
GAAP	(\$1.7)	(\$0.7)
Non GAAP	(\$1.8)	(\$0.6)
EFFECTIVE EXCHANGE RATE		
GBP	1.40	1.35
EUR	1.23	1.19
INR	65.7	67.5

* to determine Non GAAP OPM

** including debt issuance and amortization

BALANCE SHEET & CASH FLOW RELATED

(\$M) * EXCLUDING DSO	Q4Y18	Q1FY19
CASH & CASH EQUIVALENT*	\$244.9	\$213.0
CASHFLOW FROM OPERATIONS	\$8.5	(\$6.7)
CAPEX	\$4.9	\$13.5
FREE CASH FLOWS (FCF)	\$3.6	(\$20.2)
DSO	78	79
Debt**	\$299.6	\$299.0
Series A Convertible Preferred Stock**	\$107.0	\$107.0

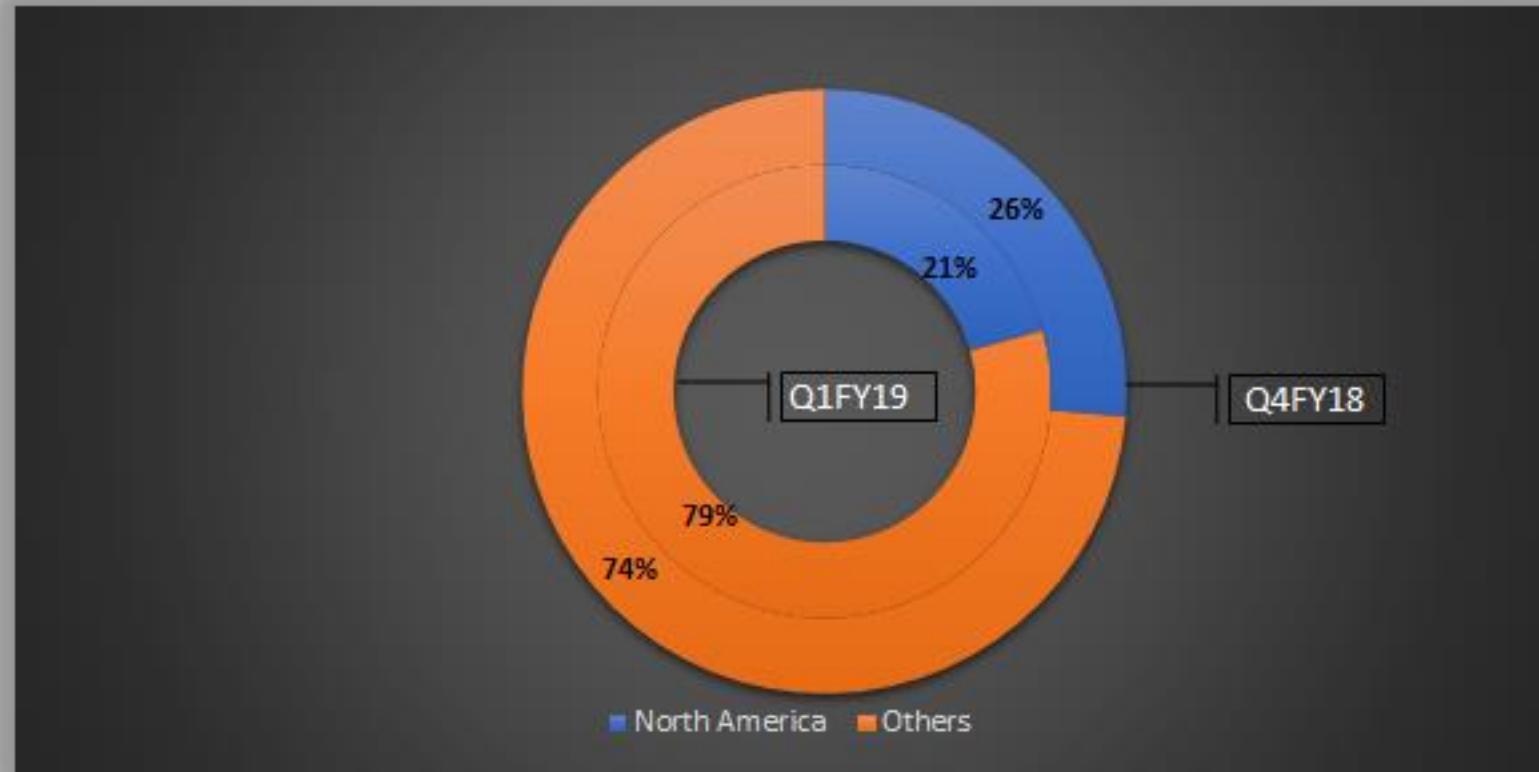
* including ST & LT Investments

** Net of issuance costs

PERFORMANCE RATIOS

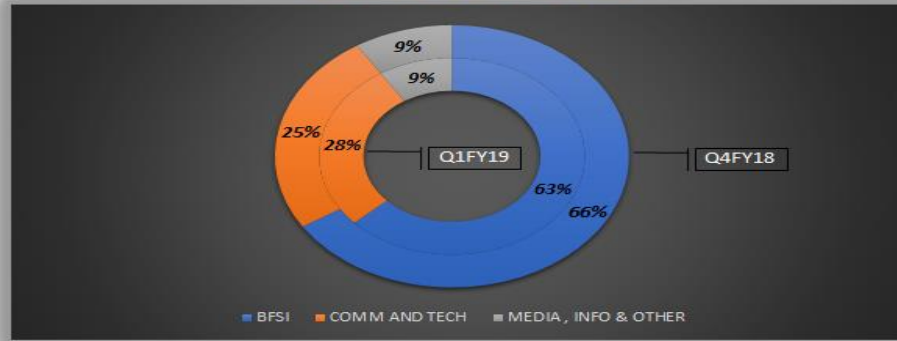
	Q4Y18	Q1FY19
FIXED CHARGED COVERAGE	3.96	3.13
LEVERAGE RATIO	2.90	2.29

CASH PROFILE

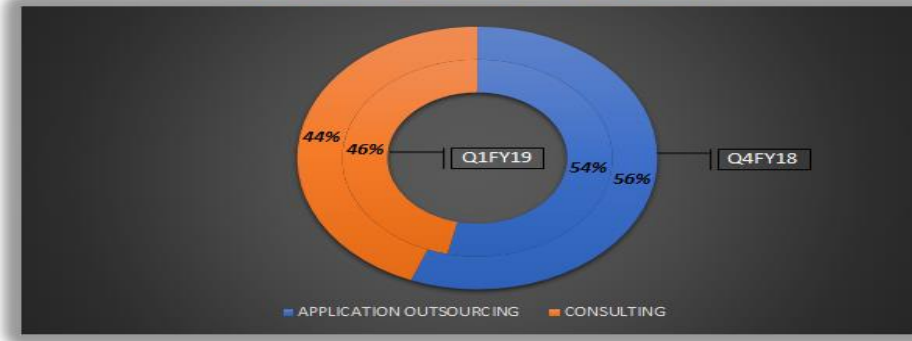


REVENUE PROFILE

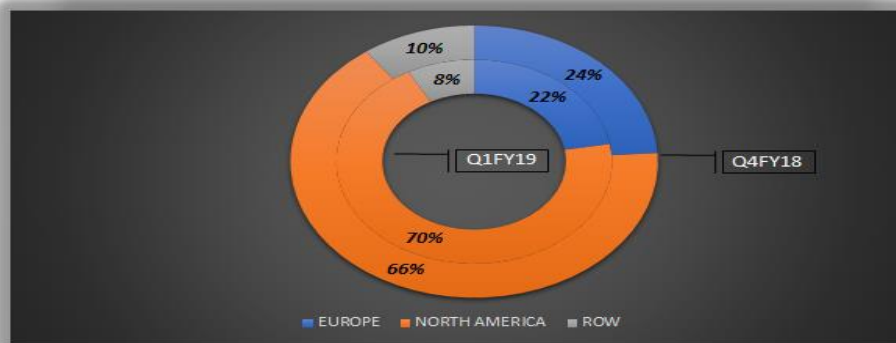
REVENUE BY VERTICAL



REVENUE BY SERVICE OFFERING



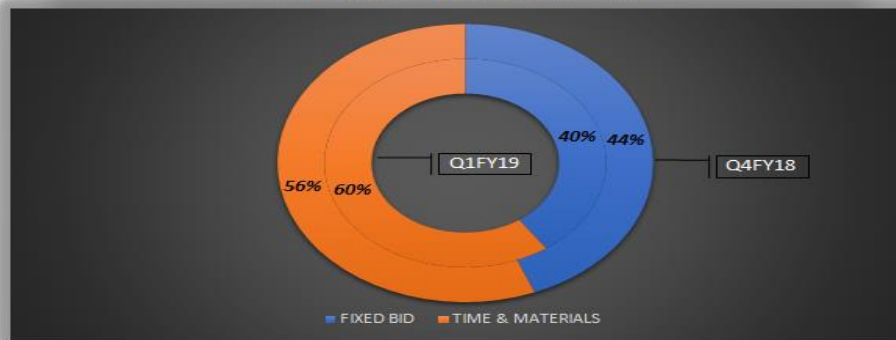
REVENUE BY GEOGRAPHY



ONSITE / OFFSHORE REVENUE MIX



REVENUE BY PRODUCT TYPE



CLIENT CONCENTRATION



REVENUE PROFILE (CONT.)

CATEGORIES	SEGMENTS	Q1FY18		Q4FY18		Q1FY19		QoQ		YOY	
		\$ (Mn)	%	\$ (Mn)	%	\$ (Mn)	%	\$ (Mn)	%	\$ (Mn)	%
REVENUE BY GEOGRAPHY	EUROPE	\$ 53.4	24%	\$ 68.7	24%	\$ 66.7	22%	\$ (2.0)	-3%	\$ 13.4	25%
	NORTH AMERICA	\$ 146.1	64%	\$ 184.8	66%	\$ 209.6	70%	\$ 24.8	13%	\$ 63.5	43%
	ROW	\$ 27.8	12%	\$ 27.8	10%	\$ 23.7	8%	\$ (4.1)	-15%	\$ (4.2)	-15%
REVENUE BY INDUSTRY GROUP	BFSI	\$ 147.5	65%	\$ 186.3	66%	\$ 188.7	63%	\$ 2.4	1%	\$ 41.3	28%
	COMM AND TECH	\$ 56.3	25%	\$ 69.8	25%	\$ 83.0	28%	\$ 13.2	19%	\$ 26.7	47%
	MEDIA , INFO & OTHER	\$ 23.6	10%	\$ 25.2	9%	\$ 28.3	9%	\$ 3.1	12%	\$ 4.7	20%
REVENUE BY PRODUCT TYPE	FIXED BID	\$ 85.1	37%	\$ 124.3	44%	\$ 120.8	40%	\$ (3.5)	-3%	\$ 35.7	42%
	TIME & MATERIALS	\$ 142.2	63%	\$ 157.0	56%	\$ 179.2	60%	\$ 22.2	14%	\$ 37.0	26%
REVENUE BY SERVICE OFFERING	APPLICATION OUTSOURCING	\$ 132.6	58%	\$ 156.3	56%	\$ 160.7	54%	\$ 4.4	3%	\$ 28.1	21%
	CONSULTING	\$ 94.7	42%	\$ 125.1	44%	\$ 139.3	46%	\$ 14.3	11%	\$ 44.6	47%

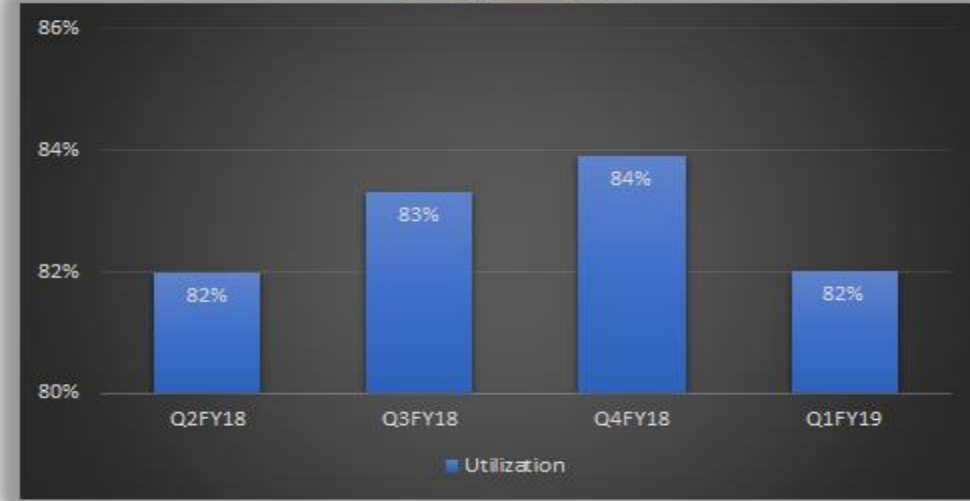
Numbers shown in millions and are subject to rounding

OPERATIONAL METRICS - HEADCOUNT

HEADCOUNT & ATTRITION



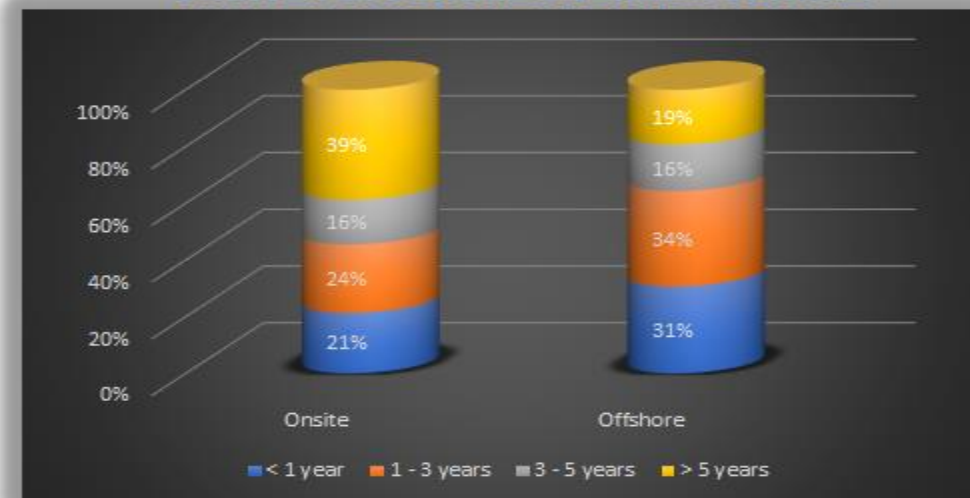
UTILIZATION



ONSITE / OFFSHORE HEADCOUNT MIX

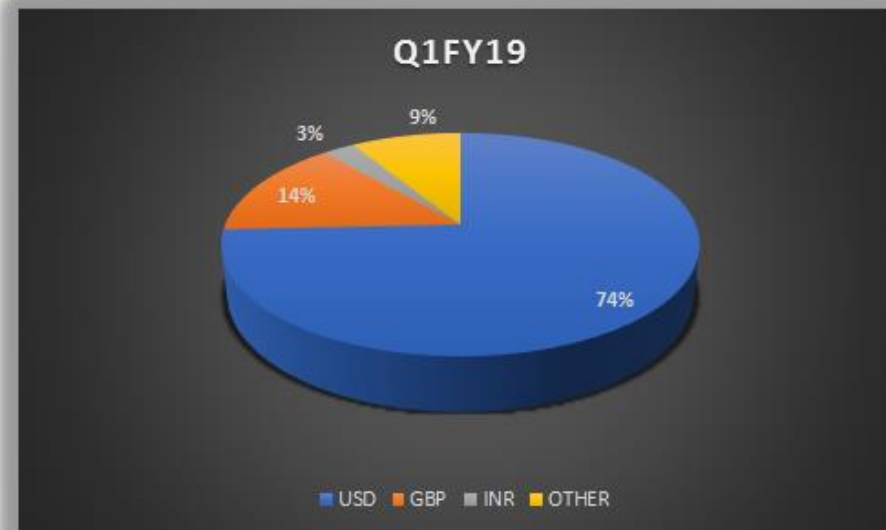
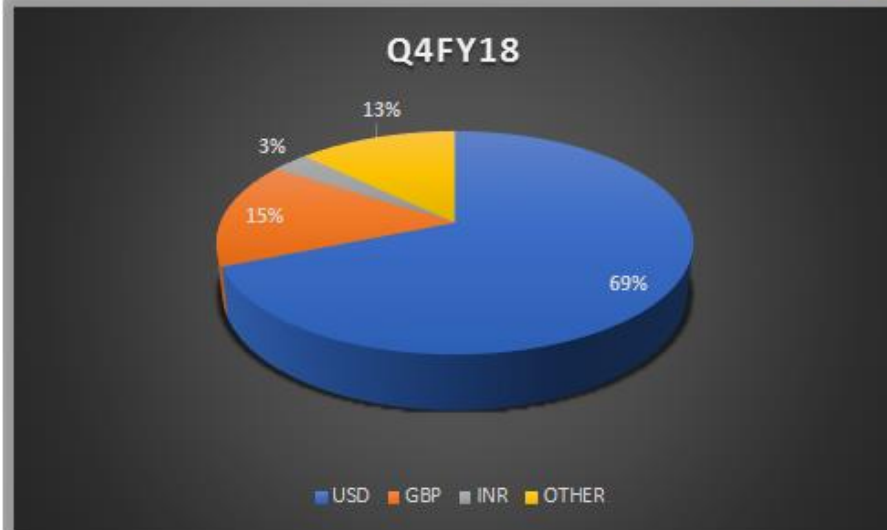


ONSITE / OFFSHORE AVERAGE TENURE

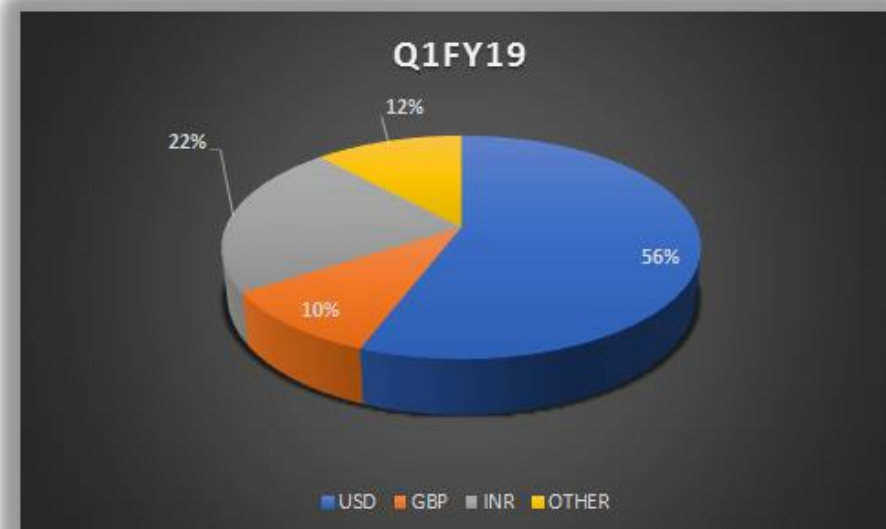
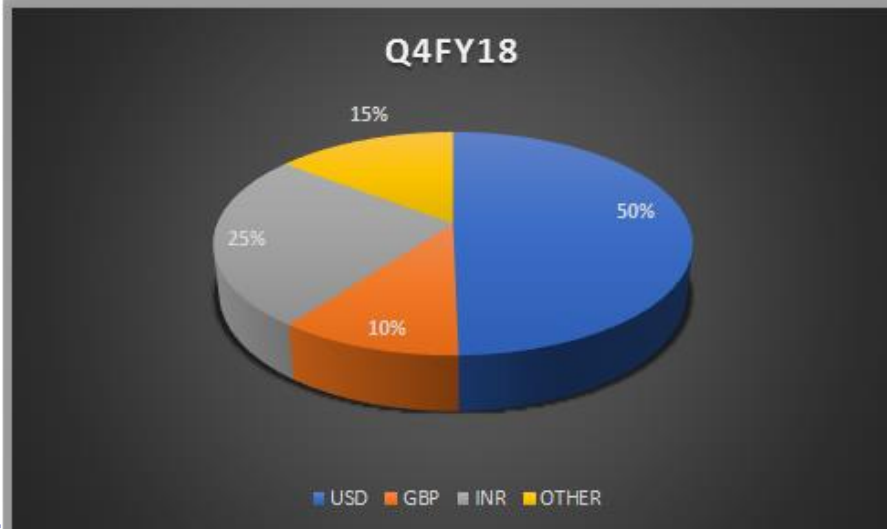


Revenue and Cost Mix by Currency

REVENUE BY CURRENCY



COST BY CURRENCY



AWARDS & RECOGNITIONS



Recognized in Gartner Market Guide for Data and Analytics Service Providers



Positioned as a Major Contender in Everest Group PEAK Matrix for Life Sciences Digital Services in North America



Recognized in Forrester NowTech report on Service Providers For Next-Generation SAP Products, Q2 2018



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



Positioned as a Major Contender in Everest Group PEAK Matrix for Insurance Application Services Services



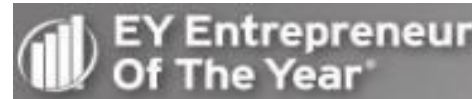
Recognized in Gartner Market Guide for Salesforce Implementation Services



Positioned as a Major Contender in Everest Group PEAK Matrix for Enterprise QA Services



Recognized by Pegasystems for Excellence in Accelerating Growth and Thought Leadership for the Agile Enterprise



Virtusa's Kris Canekeratne selected as EY Entrepreneur of The Year® 2018 Award Winner in the New England Regional Finals

THANK YOU
