

Earnings Presentation

QUARTER ENDED 31ST MARCH, 2019

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 fourth 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.

Q4 FY19 AT A GLANCE

\$327.6M

REVENUE

21.9%

10-year CAGR
through FY19

216

ACTIVE CLIENTS
4 NEW CLIENTS

10.4%

OPM
(NON-GAAP)

\$0.46

EPS
(NON-GAAP)

\$223.1M

CASH & CASH EQUIVALENTS

21,745

EMPLOYEES
1.3% QoQ GROWTH

83%

UTILIZATION
28% ONSITE EFFORT

5.4%

In-quarter ATTRITION
25.5% LTM ATTRITION

MANAGEMENT PERSPECTIVE

Mr. Kris Canekeratne, Chairman and CEO's message

Kris Canekeratne, Virtusa's Chairman and CEO, stated, "Deep digital is becoming a significant part of our clients' transformation agenda in all industries, and Virtusa is incredibly well positioned to capitalize on this multi-year wave. Our years of investment in deepening our industry knowledge and expanding our digital engineering competency are elevating our status as the digital partner of choice for our clients. Virtusa's differentiated skills and capabilities are the source of our competitive advantage, and we are confident we will continue to play a leadership role in digital and be a market share winner."

Mr. Ranjan Kalia, CFO's message

Ranjan Kalia, Chief Financial Officer, said, "We are pleased with our full fiscal year 2019 financial and operating results, including 22% year-over-year revenue growth, 140 basis points of non-GAAP operating margin improvement, and 30% year-over-year non-GAAP EPS growth. Looking ahead, our FY 2020 guidance assumes a slower than previously expected start to the fiscal year, but we are well-positioned to generate double-digit revenue growth, non-GAAP margin accretion of 100 basis points, and strong non-GAAP EPS growth of 27% at the midpoint of our guidance."

Q4 FY19 FINANCIAL PERFORMANCE

	Q4FY18		Q3FY19		Q4FY19		QoQ		YOY		YTD	
REVENUE (\$ Mn)	\$281.3		\$314.7		\$327.6		4.1%		16.5%		\$1,247.9	
GM %	29.9%		29.6%		29.7%		0.1%		-0.2%		29.1%	
	GAAP	NON GAAP	GAAP	NON GAAP	GAAP	NON GAAP	GAAP	NON GAAP	GAAP	NON GAAP	GAAP	NON GAAP
SG&A %	24.0%	19.9%	23.5%	19.2%	22.7%	19.3%	-0.8%	0.1%	-1.3%	-0.6%	23.5%	19.2%
OPM %	5.8%	9.9%	6.1%	10.4%	7.0%	10.4%	0.9%	0.0%	1.2%	0.5%	5.6%	9.9%
DILUTED EPS	\$0.06	\$0.55	\$0.37	\$0.61	\$0.24	\$0.46	-\$0.13	-\$0.15	\$0.18	-\$0.09	\$0.38	\$2.12

INCOME STATEMENT RELATED

	Q3FY19	Q4FY19	YTD
EFFECTIVE TAX RATE (ETR)			
GAAP	44.8%	35.2%	53.6%
Non GAAP	29.2%	47.5%	34.5%
NON GAAP ADJUSTMENT* (\$M)	\$13.4	\$11.0	\$53.0
DEPRECIATION (\$M)	\$4.2	\$4.5	\$17.6
OTHER INCOME (\$M) :			
INVESTMENT INCOME	\$0.6	\$0.7	\$2.7
INTEREST EXPENSE	(\$4.6)	(\$4.8)	(\$18.2)
FX & OTHER	\$7.9	(\$5.8)	(\$16.6)
TOTAL OTHER INCOME (EXPENSE)	\$3.9	(\$9.9)	(\$32.1)
DEBT INTEREST RATE**	5.0%	5.2%	5.0%
PREFERENCE DIVIDENDS	(\$1.1)	(\$1.1)	(\$4.4)
MINORITY INTEREST (\$M)			
GAAP	(\$0.2)	(\$0.1)	(\$1.5)
Non GAAP	(\$0.3)	(\$0.3)	(\$1.6)
EFFECTIVE EXCHANGE RATE			
GBP	1.28	1.31	1.31
EUR	1.14	1.13	1.16
INR	70.6	70.0	69.4

* to determine Non GAAP OPM

** including debt issuance and amortization

BALANCE SHEET & CASH FLOW RELATED

(\$M) * EXCLUDING DSO	Q3FY19	Q4FY19
CASH & CASH EQUIVALENT*	\$253.1	\$223.1
CASHFLOW FROM OPERATIONS	\$36.5	(\$1.2)
CAPEX	\$5.8	\$11.2
FREE CASH FLOWS (FCF)	\$30.7	(\$12.4)
DSO	71	76
Debt**	\$323.1	\$362.7
Series A Convertible Preferred Stock**	\$107.1	\$107.2

* including ST & LT Investments

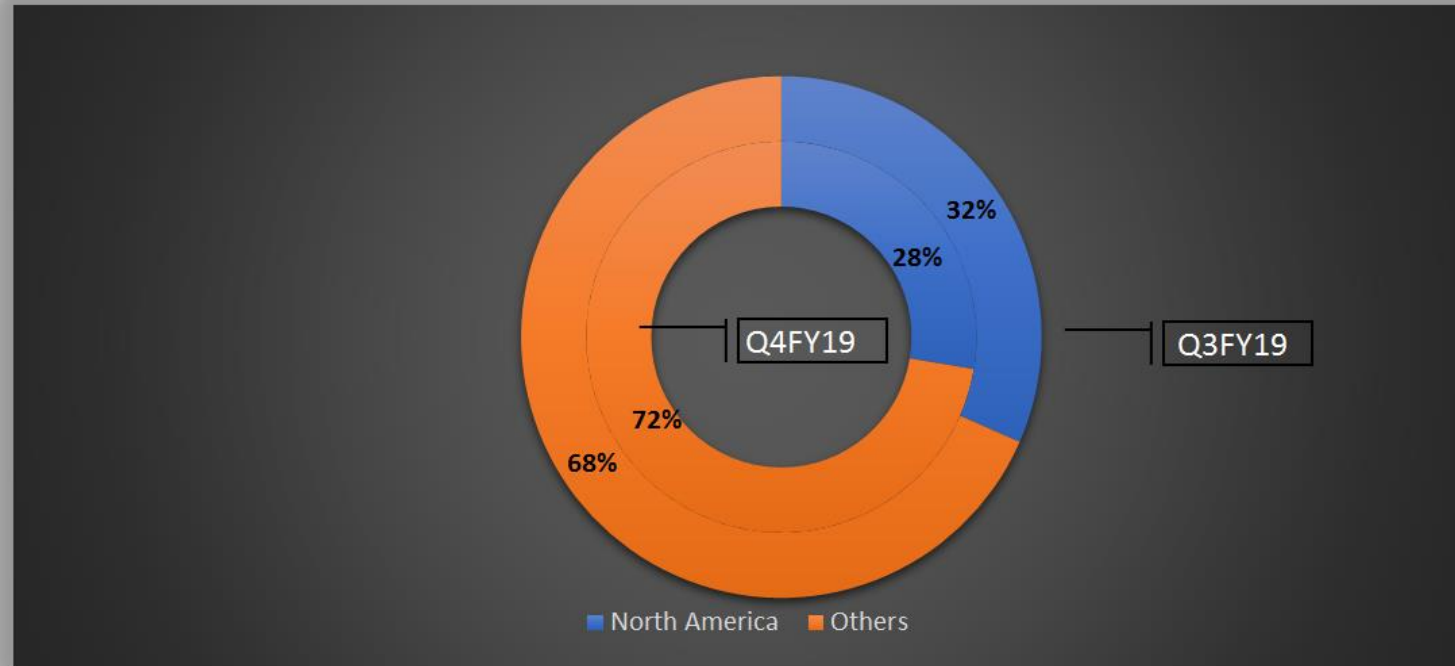
** Net of issuance costs

PERFORMANCE RATIOS

	Q3FY19	Q4FY19
FIXED CHARGED COVERAGE	2.82	2.33
LEVERAGE RATIO	2.34	2.24

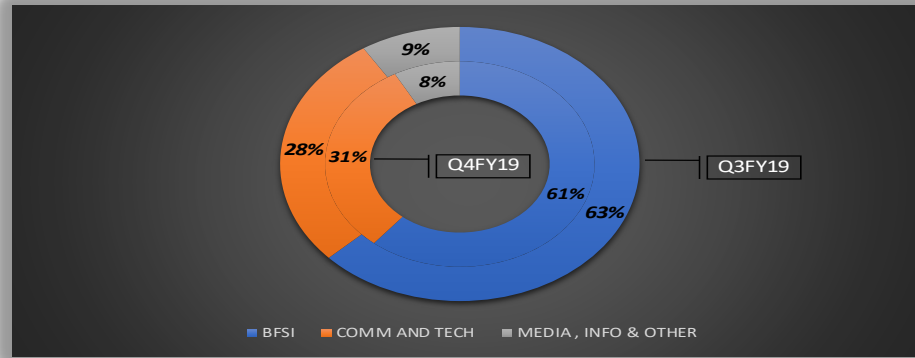
CASH PROFILE

CASH BY GEO

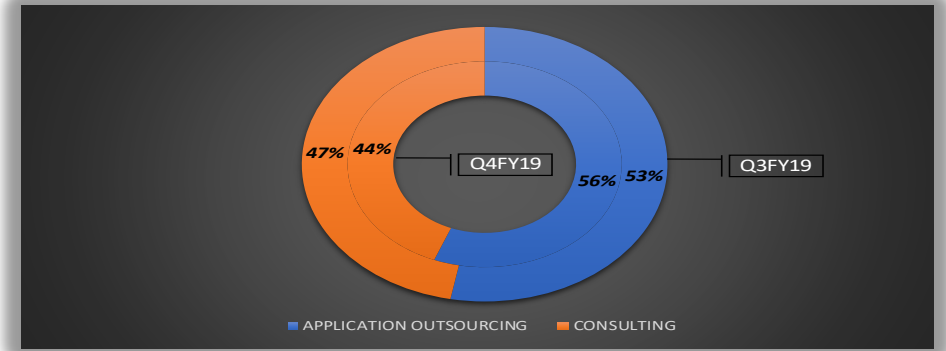


REVENUE PROFILE

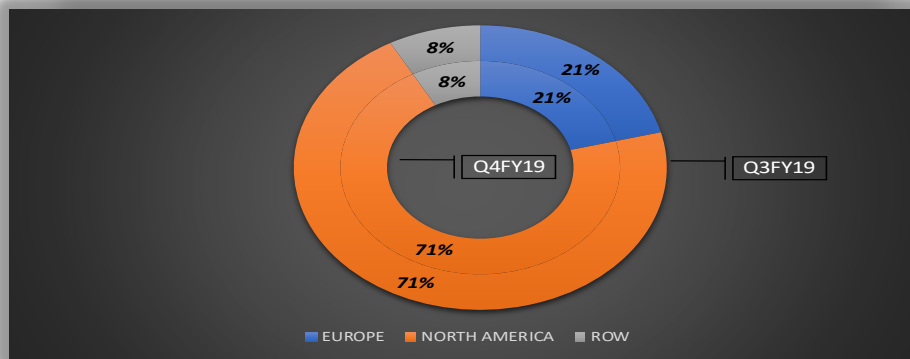
REVENUE BY VERTICAL



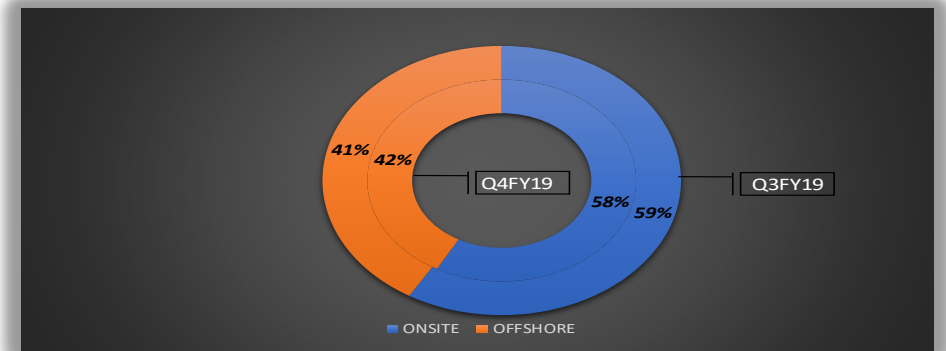
REVENUE BY SERVICE OFFERING



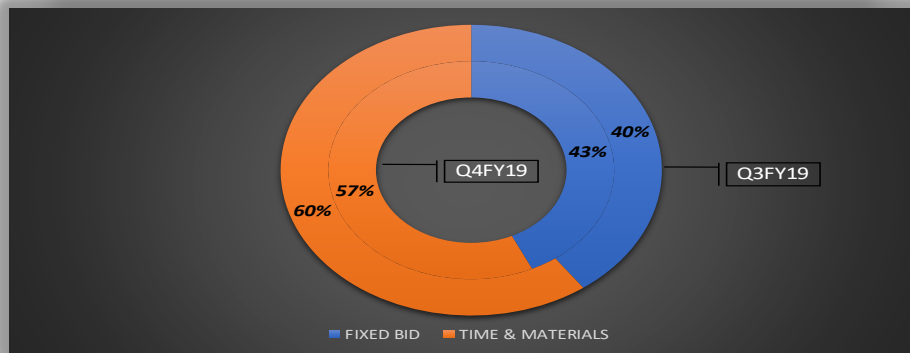
REVENUE BY GEOGRAPHY



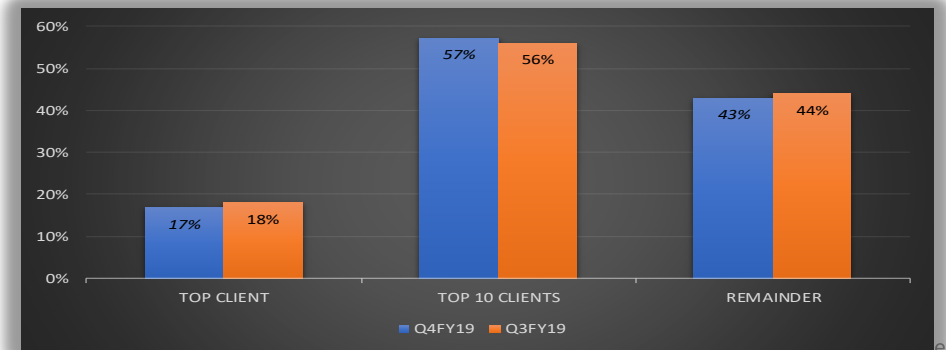
ONSITE / OFFSHORE REVENUE MIX



REVENUE BY PRODUCT TYPE



CLIENT CONCENTRATION



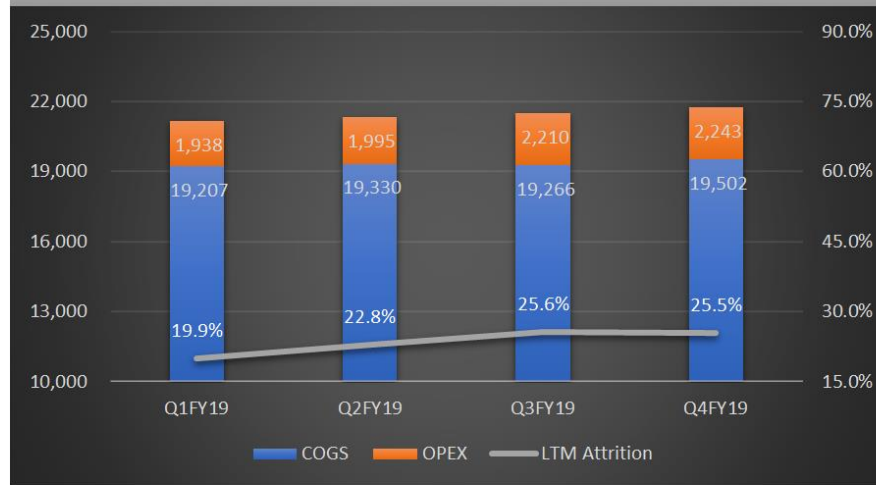
REVENUE PROFILE (CONT.)

CATEGORIES	SEGMENTS	Q4FY18		Q3FY19		Q4FY19		QoQ		YOY	
		\$ (Mn)	%	\$ (Mn)	%	\$ (Mn)	%	\$ (Mn)	%	\$ (Mn)	%
REVENUE BY GEOGRAPHY	EUROPE	\$ 68.7	24%	\$ 65.0	21%	\$ 69.8	21%	\$ 4.7	7%	\$ 1.1	2%
	NORTH AMERICA	\$ 184.8	66%	\$ 224.1	71%	\$ 232.0	71%	\$ 7.9	4%	\$ 47.2	26%
	ROW	\$ 27.8	10%	\$ 25.5	8%	\$ 25.8	8%	\$ 0.3	1%	\$ (2.0)	-7%
REVENUE BY INDUSTRY GROUP	BFSI	\$ 186.3	66%	\$ 197.3	63%	\$ 198.8	61%	\$ 1.5	1%	\$ 12.5	7%
	COMM AND TECH	\$ 69.8	25%	\$ 89.2	28%	\$ 103.4	31%	\$ 14.3	16%	\$ 33.6	48%
	MEDIA , INFO & OTHER	\$ 25.2	9%	\$ 28.2	9%	\$ 25.4	8%	\$ (2.8)	-10%	\$ 0.2	1%
REVENUE BY PRODUCT TYPE	FIXED BID	\$ 124.3	44%	\$ 125.5	40%	\$ 141.8	43%	\$ 16.3	13%	\$ 17.5	14%
	TIME & MATERIALS	\$ 157.0	56%	\$ 189.1	60%	\$ 185.8	57%	\$ (3.3)	-2%	\$ 28.8	18%
REVENUE BY SERVICE OFFERING	APPLICATION OUTSOURCING	\$ 156.3	56%	\$ 166.0	53%	\$ 184.1	56%	\$ 18.1	11%	\$ 27.8	18%
	CONSULTING	\$ 125.1	44%	\$ 148.7	47%	\$ 143.6	44%	\$ (5.1)	-3%	\$ 18.5	15%

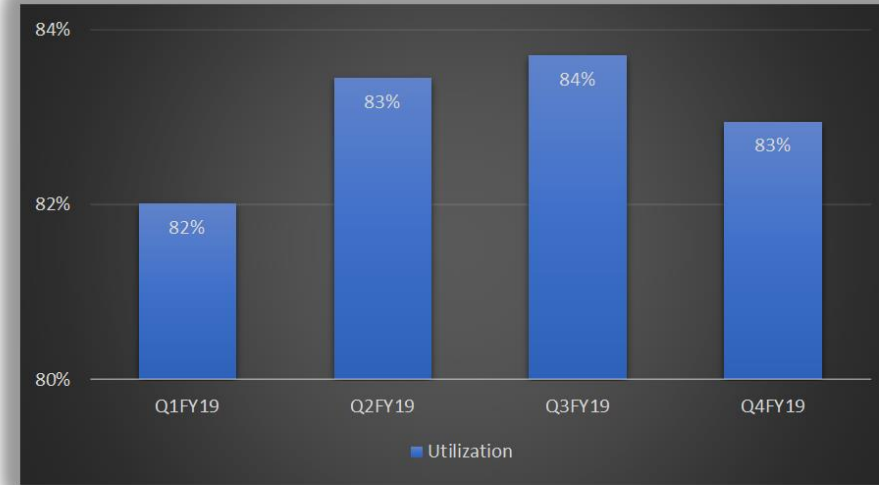
Numbers shown in millions and are subject to rounding

OPERATIONAL METRICS - HEADCOUNT

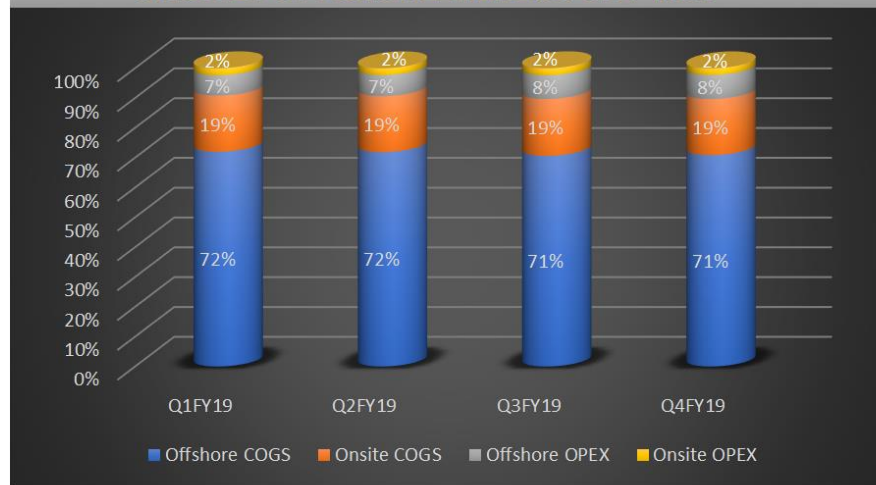
HEADCOUNT & ATTRITION



UTILIZATION



ONSITE / OFFSHORE HEADCOUNT MIX

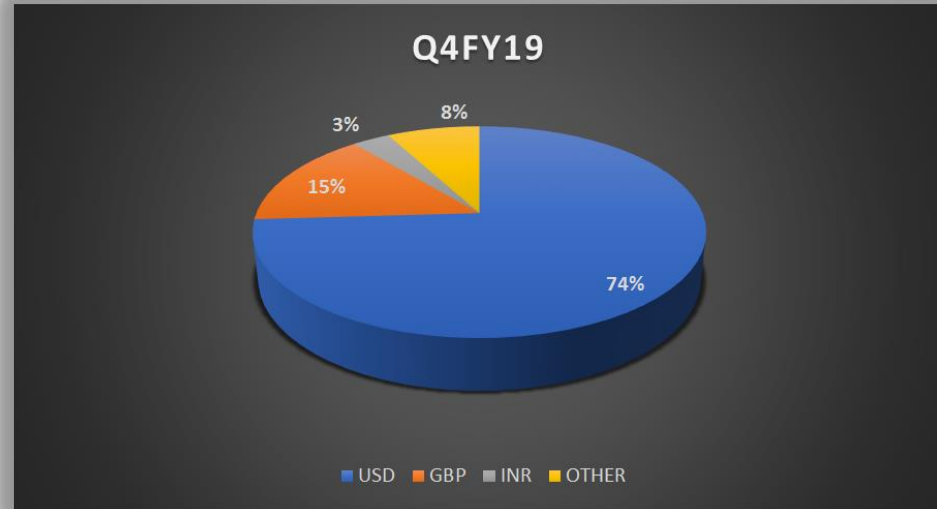
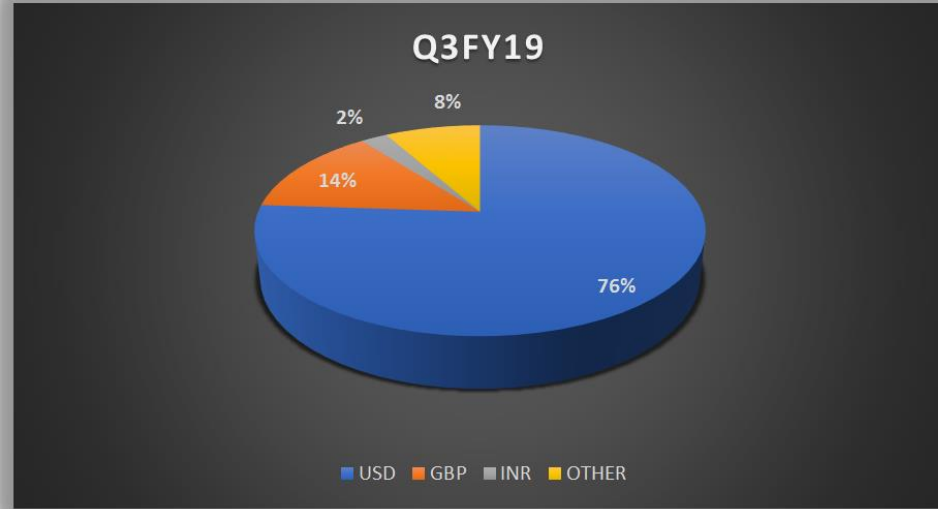


ONSITE / OFFSHORE AVERAGE TENURE

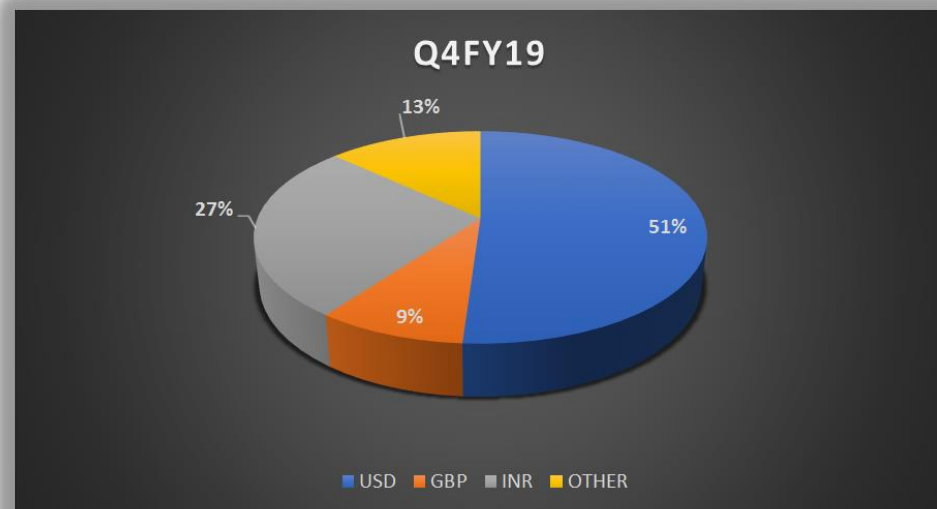
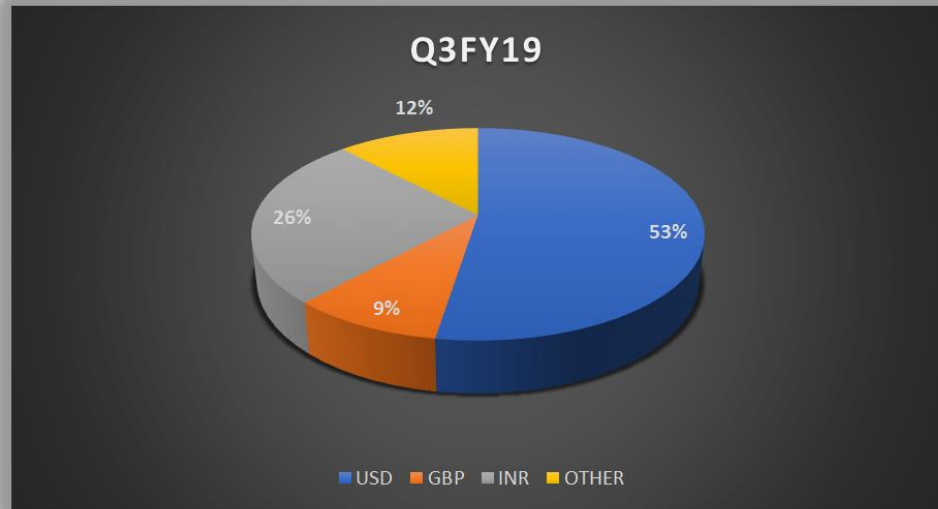


Revenue and Cost Mix by Currency

REVENUE BY CURRENCY



COST BY CURRENCY



AWARDS & RECOGNITIONS



Positioned as a Visionary in the Gartner Magic Quadrant for CRM and Customer Experience Implementation Services, Worldwide



Positioned as a Major Contender in Everest Group PEAK Matrix™ for Application Automation Services 2019



Recognized as one of UK's Top Employers by the Top Employers Institute for the Ninth Consecutive year

THANK YOU
