

The background of the slide features a dark, abstract design with large, overlapping geometric shapes in shades of blue and purple. A city skyline at night is visible through the center, with various skyscrapers illuminated. Overlaid on the city are several bright, horizontal light streaks in blue, white, and yellow, creating a sense of motion and technology.

Luxoft

think.
create.
accelerate.

Luxoft Holding, Inc | Q2 FY2019 Call | November 15, 2018

Dmitry Loschinin, CEO & President
Evgeny Fetisov, CFO

Disclaimer

Safe Harbor

Non-GAAP Financial Measures

To supplement our financial results presented in accordance with US GAAP, this presentation includes the following measures defined by the Securities and Exchange Commission as non-GAAP financial measures: earnings before interest, tax, depreciation and amortization (EBITDA); adjusted EBITDA; non-GAAP net income; non-GAAP diluted Earnings per share (EPS) and Free Cash Flow (FCF). EBITDA is calculated as earnings before interest, tax, depreciation and amortization, where interest includes unwinding of the discount rate for contingent liabilities. Prior year amounts were amended accordingly. Non-GAAP net income and non-GAAP EPS exclude stock-based compensation expense, amortization of fair value adjustments to intangible assets and impairment thereof and other acquisitions related costs that may include changes in the fair value of contingent consideration liabilities. Non-GAAP diluted EPS are calculated as non-GAAP net income divided by weighted average number of diluted shares. Free Cash Flow is calculated as operating cash flow less capital expenditure which consists of purchases of property, plant and equipment and intangible assets as defined in the cash flow statement.

We adjust our non-GAAP financial measures to exclude stock based compensation, because it is a non-cash expense. We also adjust our non-GAAP financial measures to exclude the change in fair value of contingent consideration, because we believe these expenses are not indicative of what we consider to be normal course of operations. Our non-GAAP financial measures are adjusted to exclude amortization of purchased intangible assets in order to allow management and investors to evaluate our results from operating activities as if these assets have been developed internally rather than acquired in a business combination. Finally, we adjust our non-GAAP financial measures to exclude acquisition-related costs, which comprise payments to consulting firms as well as fees paid upon successful completion of acquisition; as well as certain incentive payments for members of management of the acquired companies as provided for in the acquisition agreements. These payments are based on performance of the acquired businesses and are classified as part of management compensation rather than part of purchase consideration. These costs vary with the size and complexity of each acquisition and are generally inconsistent in amount and frequency, and therefore, we believe that they may not be indicative of the size and volume of future acquisition-related costs.

We provide these non-GAAP financial measures because we believe that they present a better measure of our core business and management uses them internally to evaluate our ongoing performance. Accordingly, we believe that these non-GAAP measures are useful to investors in enhancing and understanding of our operating performance. These non-GAAP measures should be considered in addition to, and not as a substitute for, comparable US GAAP measures. The non-GAAP results and a full reconciliation between US GAAP and non-GAAP results are provided in the tables at the end of the press release issued by the Company on November 15, 2018.

Forward-Looking Statements

In addition to historical information, this presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements include information about possible or assumed future results of our business and financial condition, as well as the results of operations, liquidity, plans and objectives. In some cases, you can identify forward-looking statements by terminology such as "believe," "may," "estimate," "continue," "anticipate," "intend," "should," "plan," "expect," "predict," "potential," or the negative of these terms or other similar expressions. These statements include, but are not limited to, statements regarding: the persistence and intensification of competition in the IT industry; the future growth of spending in IT services outsourcing generally and in each of our industry verticals, application outsourcing and custom application development and offshore research and development services; the level of growth of demand for our services from our clients; the level of increase in revenues from our new clients; seasonal trends and the budget and work cycles of our clients; general economic and business conditions in our locations, including geopolitical instability and social, economic or political uncertainties, particularly in Russia and Ukraine, and any potential sanctions, restrictions or responses to such conditions imposed by some of the locations in which we operate; the levels of our concentration of revenues by vertical, geography, by client and by type of contract in the future; the expected timing of the increase in our corporate tax rate, or actual increases to our effective tax rate which we may experience from time to time; our expectations with respect to the proportion of our fixed price contracts; our expectation that we will be able to integrate and manage the companies we acquire and that our acquisitions will yield the benefits we envision; the demands we expect our rapid growth to place on our management and infrastructure; the sufficiency of our current cash, cash flow from operations, and lines of credit to meet our anticipated cash needs; the high proportion of our cost of services comprised of personnel salaries; our plans to introduce new products for commercial resale and licensing in addition to providing services; our anticipated joint venture with one of our clients; and our continued financial relationship with IBS Group Holding limited and its subsidiaries including expectations for the provision and purchase of services and purchase and lease of equipment; and other factors discussed under the heading "Risk Factors" in the Annual Report on Form 20-F for the year ended March 31, 2018 and other documents filed with or furnished to the Securities and Exchange Commission. Except as required by law, we undertake no obligation to publicly update any forward-looking statements for any reason after the date of this presentation whether as a result of new information, future events or otherwise.

The trademarks included in this presentation are the property of the owners thereof and are used for reference purposes only. Such use should not be construed as an endorsement of the products or services of Luxoft Holding, Inc.

Unless otherwise stated, all data in this presentation is as of September 30, 2018.

Luxoft

A global consulting partner for end-to-end digital solutions
that drive business change

Our value proposition:

- Solving complex business challenges at a global scale.
- Enabling business transformation.
- Driving operational efficiency.

Our differentiators:

- Deep domain expertise combined with engineering excellence.
- Bespoke attention to your needs, with global scale capabilities.
 - Two decades of consistent, on-time delivery and management of complex projects.

think.
create.
accelerate.  strategy.
consulting.
engineering at scale.



Finance



Automotive



Media and
Communications



Healthcare and
Life Sciences



Telecommunications



Retail and
Logistics



Energy and
Utilities



Travel and
Hospitality



Dmitry Loschinin
CEO, Luxoft Holding, Inc

Q2 2019: Continued Progress on Transformational Initiatives

Key Takeaways

- ▶ **Results in-line with/above expectations**
 - Revenue above **mid-point** of guidance
 - Adj. EBITDA margin & EPS **above** guidance
- ▶ **Continued focus on profitability**
 - Completed trimming of low-margin business from DE
- ▶ **Revenue Diversification and Top-Line Growth**
 - Revenue ex-Top 2 **+8% Y/Y, +10%** in constant currencies
 - Financial Services ex Top-2 **+16% Y/Y & +11% sequentially**
 - Automotive revenue **+26% Y/Y**
- ▶ **Top-2 concentration drops to 30% from 35% Y/Y**
 - UBS remains largest client
- ▶ **Auto client moves to Top 10; Now 4 Automotive clients in Top 10 list**
- ▶ **Strong growth in Key markets**
 - APAC growth **>65% Y/Y**
 - Presence in 3 new locations: Shanghai, Turin, and Seoul

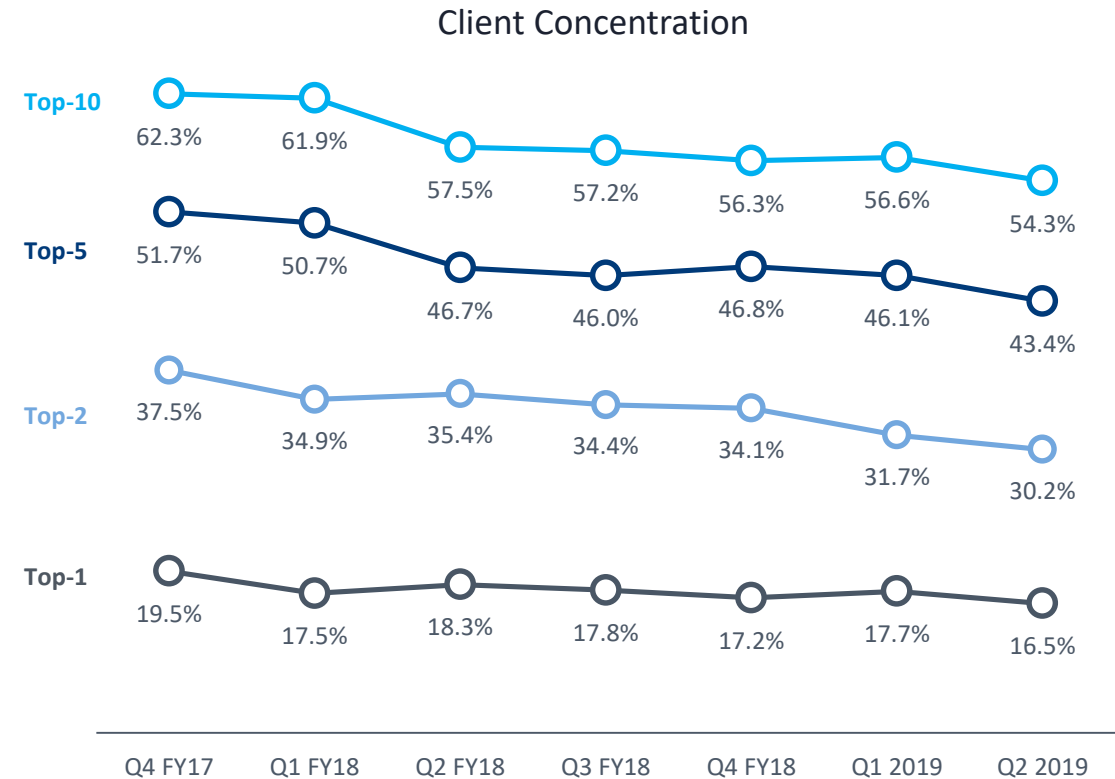
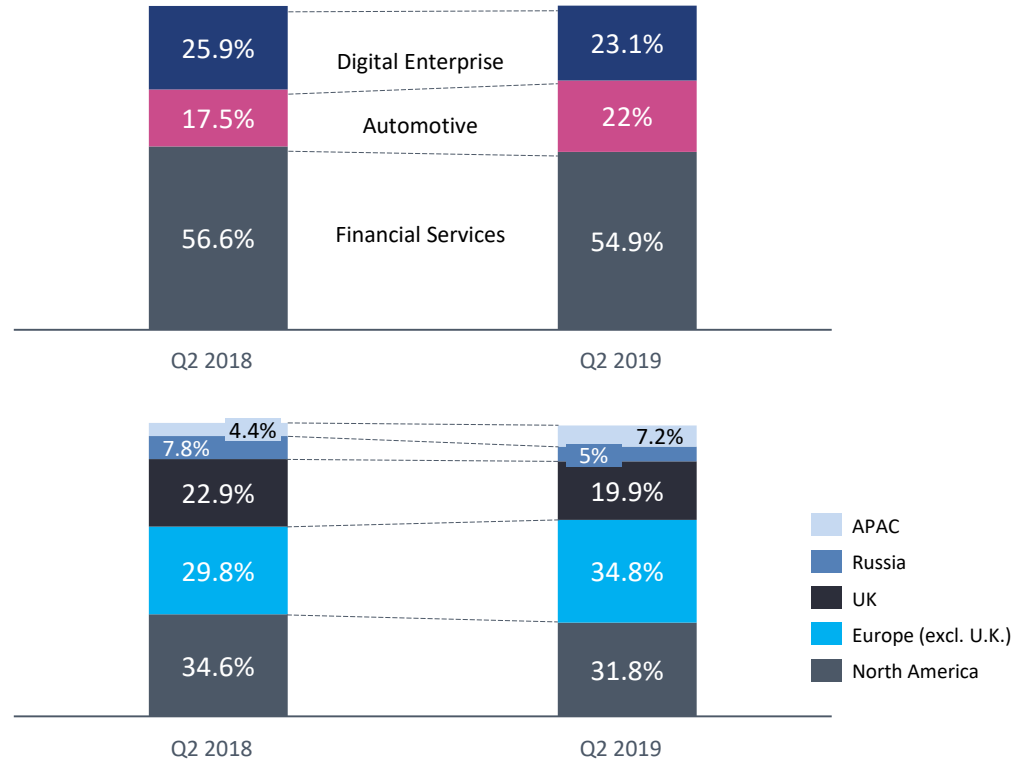
Key Initiatives

- ▶ **Strengthening Digital leadership**
 - Continued investment in high-growth areas, ie. Blockchain, Autonomous Drive & Connected Mobility
 - Enhancing value proposition to customers
- ▶ **Allocate resources to high-margin digital opportunities**
 - Exit low margin business in Digital Enterprise; Near-term revenue impact
- ▶ **Strengthening sales pipeline**
- ▶ **Executing back office consolidation to optimize costs and drive margin improvement**

Building Strong Foundation for Future Growth

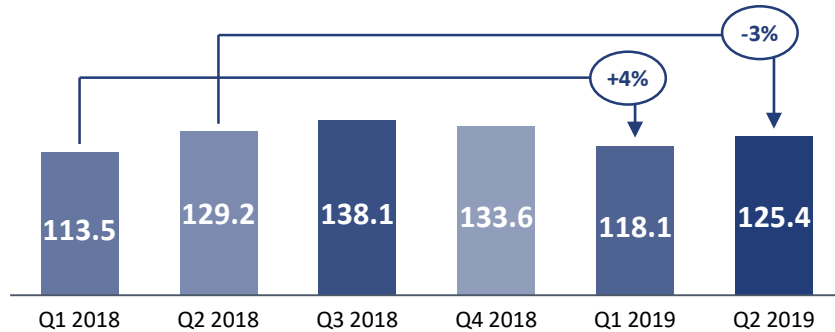
Continued Revenue Diversification

- Automotive represents 22% of revenue, up from 12% 3 years ago
- Meaningful Top 10 and 2 concentration decline y/y



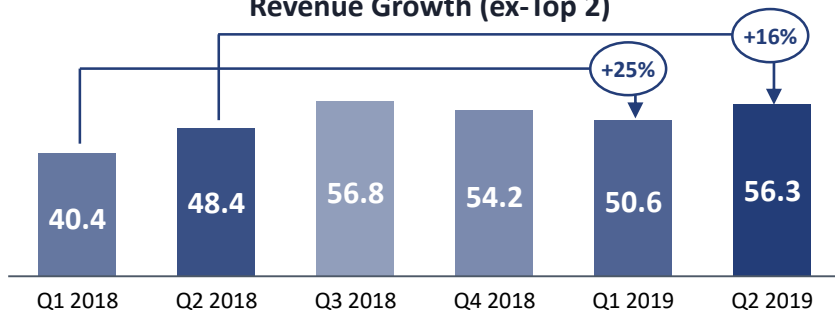
Q2 2019 Financial Services Highlights

Revenue



Y/Y cc revenue down 1.5% ; Q/Q cc revenue growth of 7% , 6% reported

Revenue Growth (ex-Top 2)



Ex-top 2 up 11% sequentially & up 20% in 1H 19

Revenue in \$M.

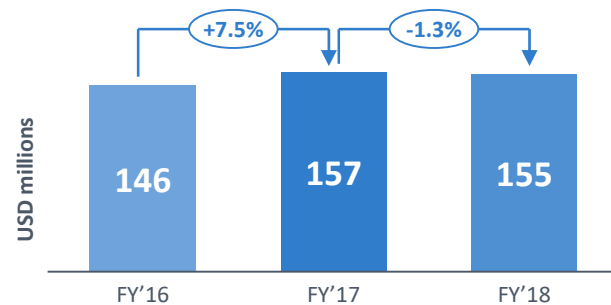
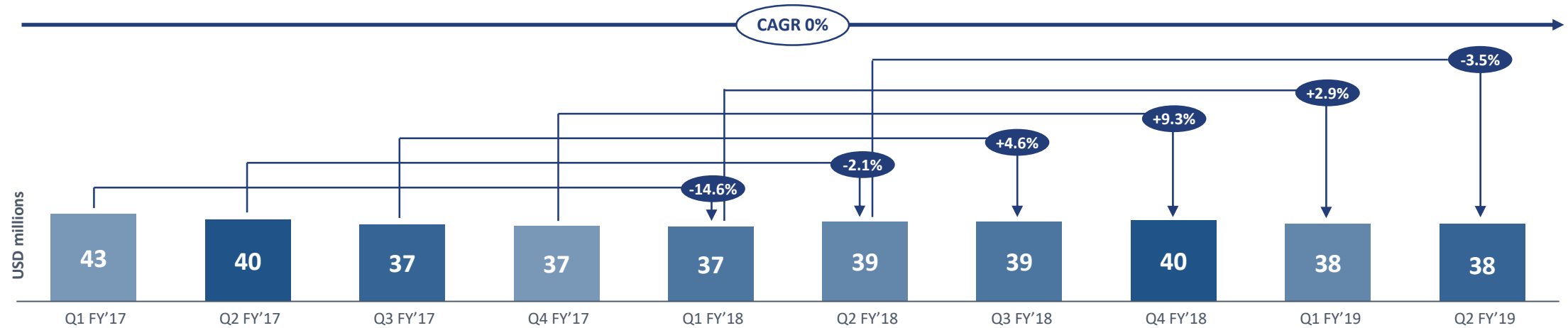
Key Takeaways

- ▶ **Challenging Capital Markets/IB outlook (~70% of total FS)**
 - Weakness in Investment Banking segment, most notably in Europe
 - No growth expected from Top 2 clients (represent **55%** of FS)
 - MiFid initiatives complete; New regulation (FRTB) execution pending (pushed to next year)
 - New business competitive pricing challenges with Tier 1 client impact 2H pipeline by ~-4%
 - Large deal with Data company delayed by 2 quarters
- ▶ **Continued progress with Asset Management and Wealth Management**
 - Combined +35% growth Y/Y
 - Clients showing strong demand; Mostly US-centric
- ▶ **Ex-Top 2 Y/Y growth of 19% in North America & 55% in APAC**
Positive trends in Middle East, a new region

Noteworthy Wins & Partnerships

- 4 new logos added in Q2
- Continued growth with large Australian bank; strong foundation in region
- Development outsourcing projects for largest asset manager in Middle East
- Long-term deal with global financial institution building & maintaining Financial Applications, ERP, & Business Intelligence apps
- Development of workflow operations tool for large Global bank

UBS Outlook In Line with Plan



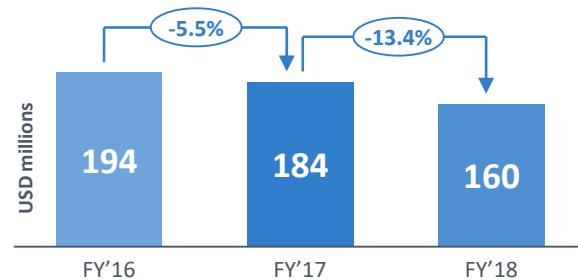
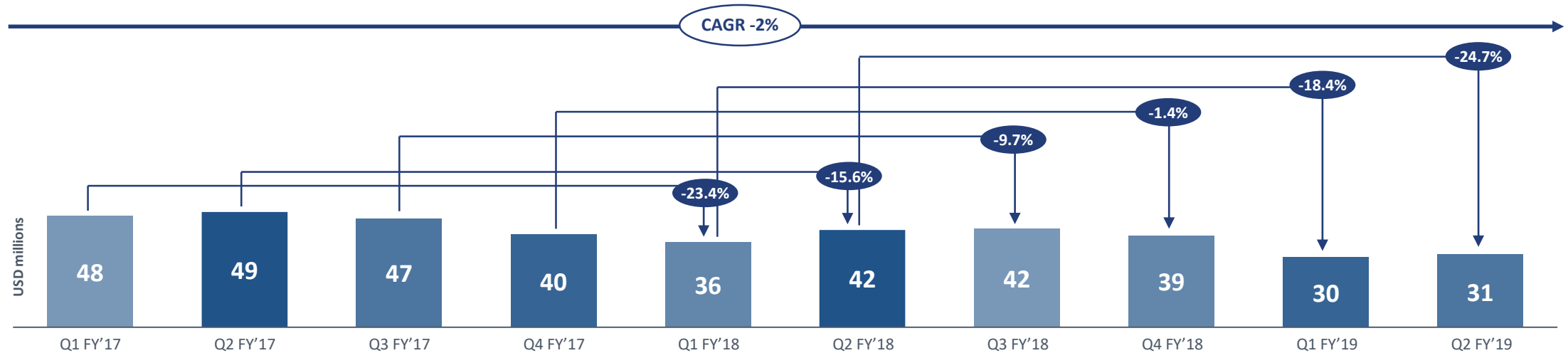
Q2 FY19

- Revenue down 3.5% Y/Y
- Revenue flat sequentially

Trends

- UBS remains focused on bolstering the ratio of internal staff to external providers
- Anticipate slight decline in 2H
- High growth in Wealth Management & Infrastructure domains and in APAC

Deutsche Bank Outlook Remains Challenging



Q2 FY19

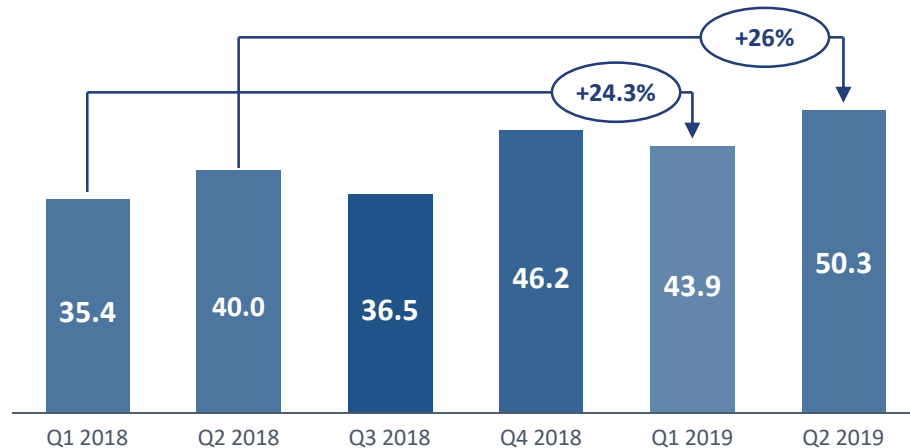
- Revenue down 24.7% Y/Y
- Revenue up 5.5% sequentially, due to delays with cutting of certain programs

Trends

- DB in challenging and unpredictable position
- Continued de-emphasis of investment banking revenue & insourcing
- Expect sharp decline in Q3 & Q4
- Leverage long term relationship to grow within Transaction Banking, Wealth Management & Information Security
- Expect revenue concentration <10% by fiscal year-end

Q2 2019 Automotive Highlights

Revenue Growth



- Y/Y growth of 27% cc, 26% reported
- Sequential growth of 15% cc, 14.5% reported
- Expect stronger 2H 19 due to rev recognition of large accts
- Reiterate 40% cc growth Y/Y

Revenue in \$M.

Key Takeaways

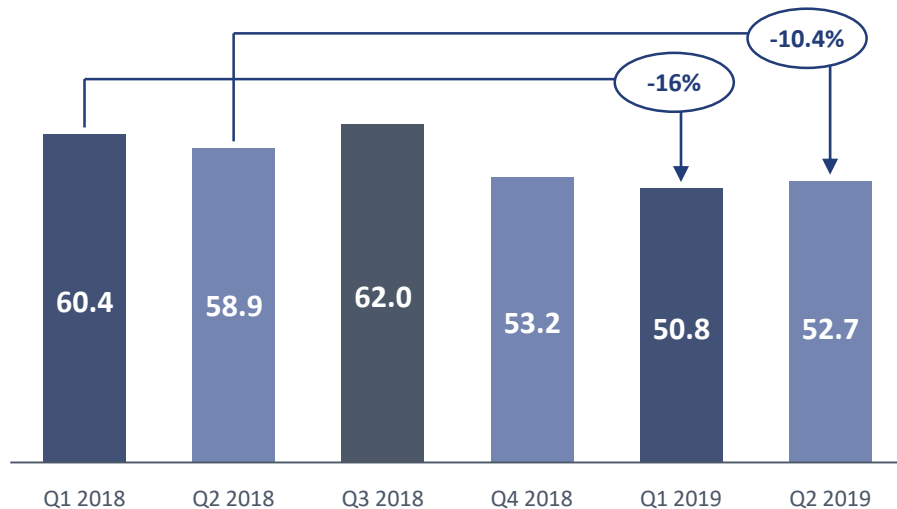
- Maintain leadership position in fast growing sector -> expect **accelerated growth in 2H**; double-digit sequential growth in Q3 & Q4
- Secure multi-year collaborative agreements with **Tier 1 suppliers & leading OEMs**
- **Strong partnership with MBition (Daimler) and LG Electronics**
- Capturing synergies with Objective Software; Number of new leads
- Sequential growth of **50% in North America & 33% in APAC**

Noteworthy Wins & Partnerships

- Strategic collaboration with LG Electronics to develop next -gen webOS platform for Automotive industry
- **Partnered with Vantage Power:** Launch next-generation fleet performance & diagnostics platform
- Strategic wins with multiple large Tier-1 suppliers and OEMs in Asia, expanding China footprint
- Long term delivery agreement for service delivery with one of our key clients in the Americas region
- Joined **Connected Motorcycle Consortium (CMC)** to support development of next gen cooperative intelligent transport systems

Q2 2019 Digital Enterprise Highlights

Revenue



- Sequential growth of 4.4% cc , 4% reported
- Transforming business to deliver stronger growth; on track with long-term growth plan

Revenue in \$M.

Key Takeaways

- Significantly improved margin profile; trimming of low margin business completed
- On track with transformation plan
- 7 new logos; building large pipeline
- Growing with Smashing Ideas acquisition to **acquire new logos**
- Strong growth in Energy and strong pipeline in **Healthcare & Life Science practices**

Noteworthy Wins & Partnerships

- Key collaboration with a large **Sports Media company**
- Extend **Travel** practice with several new clients including one large **Online Travel Agency (OTA)**
- Strong demand for **Blockchain technology**; many clients moving from “ideation” to “implementation”; building strong momentum
- Recognized as innovator in five **Gartner Hype Cycles**, including AI and Application Services

Strong Adoption of Blockchain Technology

*"We expect blockchain spending to grow at a **robust** pace over the 2017-2022 forecast period."* – IDC.



Vasily Suvorov, VP of Tech Strategy, speaks at the Distributed Health Conference.



eVote is seen in action as a user tries the revolutionary voting technology.



As co-founders of the Crypto Valley Association, we attended Crypto Valley Conference 2018 to celebrate blockchain innovation.



At the BMW Group IT Fair, we revealed how to enable a seamless charging experience for EVs via blockchain.

Our Innovation Across Industries

- **Healthcare:** Claims processing made easy for a **large health care company**
- **Pharma:** Personalized medicine/identity management for a **multinational pharma**
- **Government:** DLT-based **e-voting solution** in Switzerland
- **Auto:** Car financing/p2p sharing/loyalty management for **BMW**
- **Healthcare:** Revenue cycle management for a **hospital network**
- **Travel:** Identity/loyalty/payments management for a **major hotel service provider**

Capturing Best Practices – Blueprints and Solutions

cordentity

Bringing together Self Sovereign Identity, Verifiable Claims and Corda Smart Contracts



Connecting Business Process Management Systems across enterprise borders



Secure, privacy oriented electronic voting solution for shareholder and public voting



Tools and Cloud Deployment recipes for DLT platforms

Partnerships and community



Near-Term Headwinds; Well Positioned for 2020

2H 2019: Headwinds Largely FS-Driven

- Sharp decline in DB, impacting revenue and margin
- Softness in Investment Banking/Capital Markets, particularly in Europe
- New business pricing challenges with Tier 1 Financial Services client; Impacts 2H pipeline by ~-4%
- Currency headwinds expected to impact FY revenue by approximately -2%

FY 2019 Y/Y Growth ex- Top 2 of 15% cc; 13% reported

FY2020: Trends moving in the right direction

- Focus on **digital opportunities** to drive accelerated organic growth
- **Strong growth in Automotive** given relationships and market leadership
- Financial Services Y/Y growth driven by **entry into high-growth markets and continued diversification** into Wealth & Asset Management
- Digital Enterprise **resources fully allocated** to higher-growth opportunities
- **Tailwinds** from a number of FY19 projects

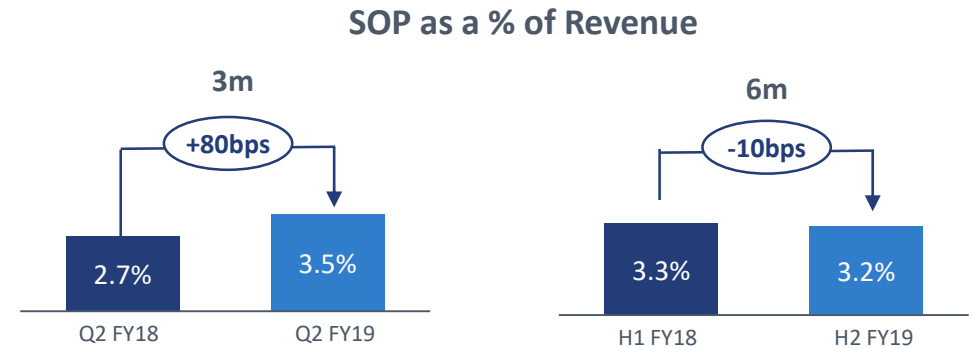
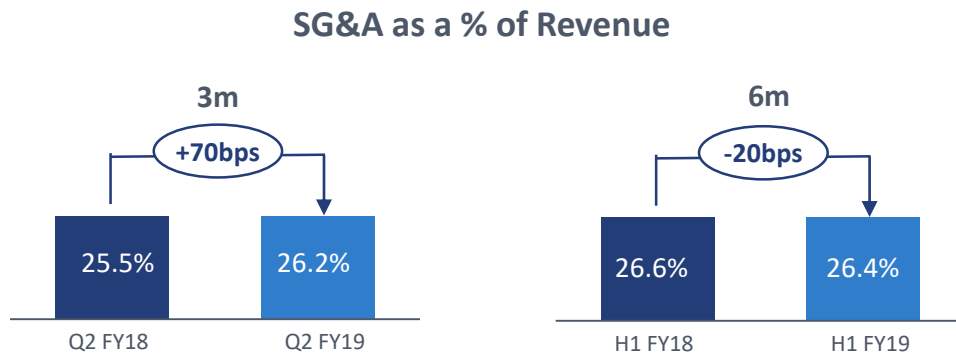
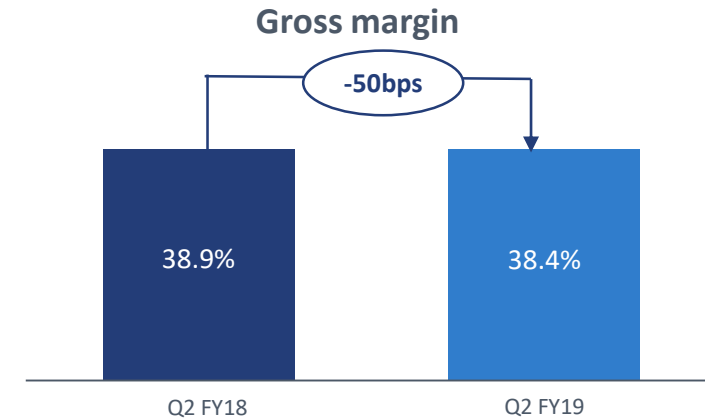
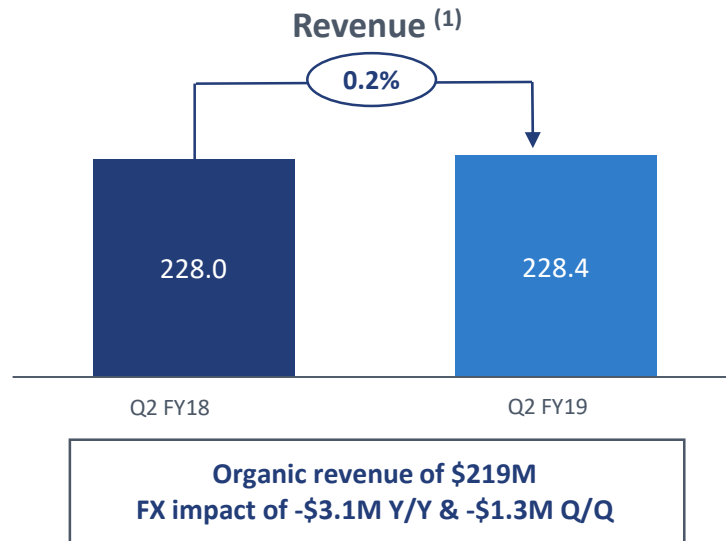
Enter FY20 in better position; Stronger pipeline and backlog





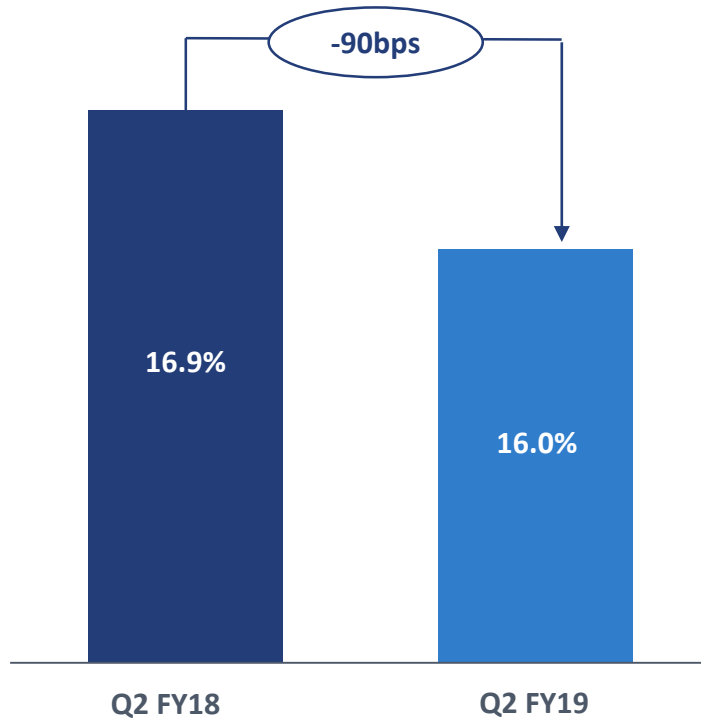
Evgeny Fetisov
CFO, Luxoft Holding, Inc

Q2 2019 Financial Highlights

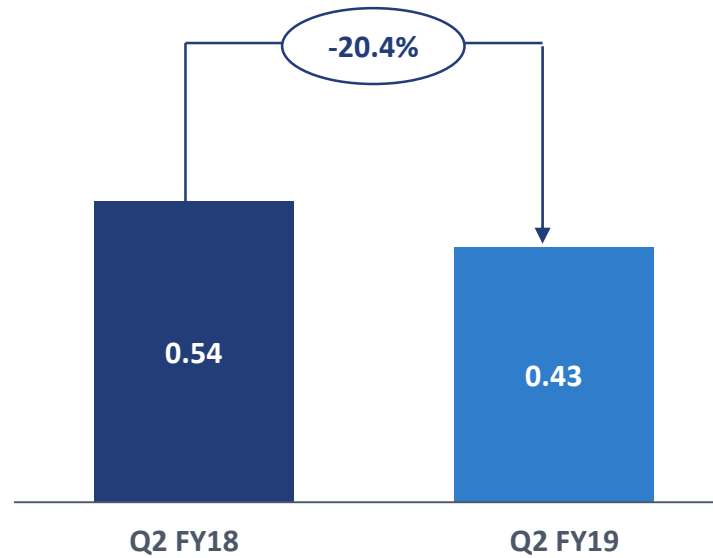


Q2 2019 Financial Highlights (cont.)

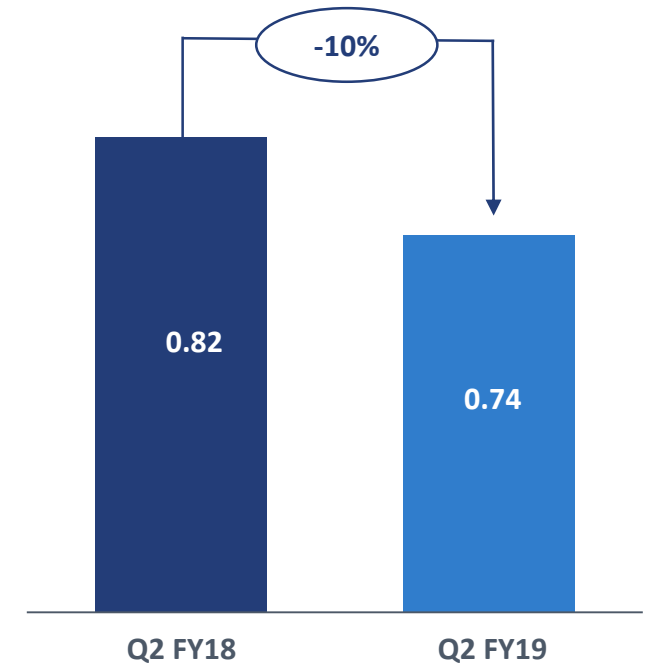
Adj. EBITDA margin



EPS Diluted GAAP, \$



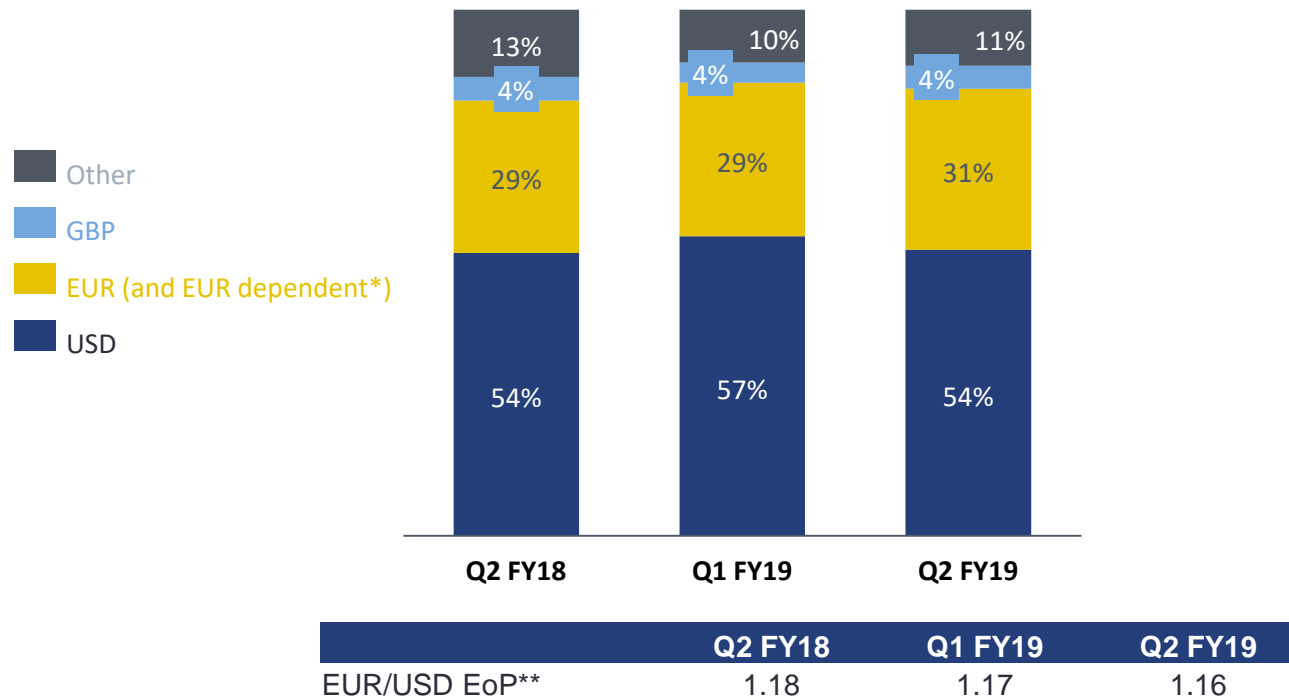
EPS Diluted Non-GAAP, \$



Q2 2019 FX Headwinds

- Non-USD rev represents 46% of total
- Strength of USD has negative impact on top line
- Q2 negative impact of \$1.3M Q/Q and negative \$3.1M Y/Y

Revenue Currency Mix



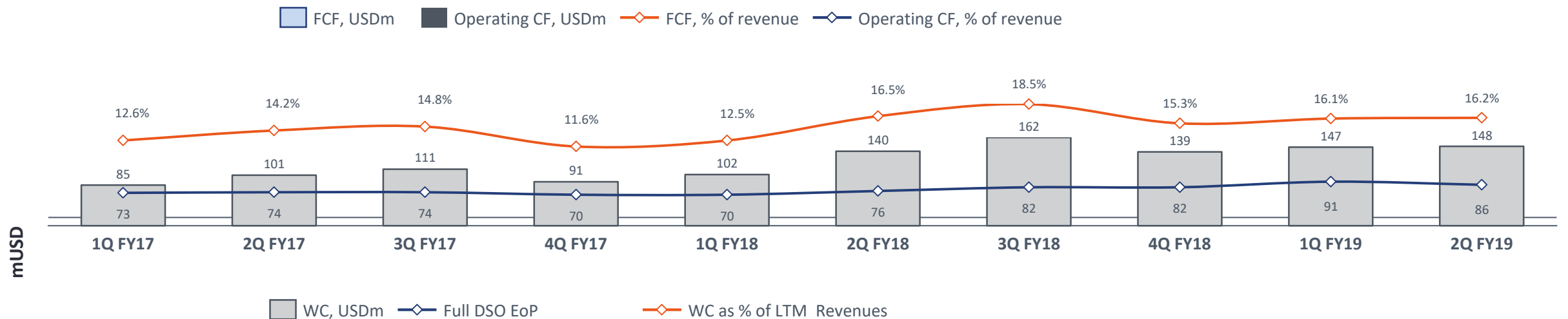
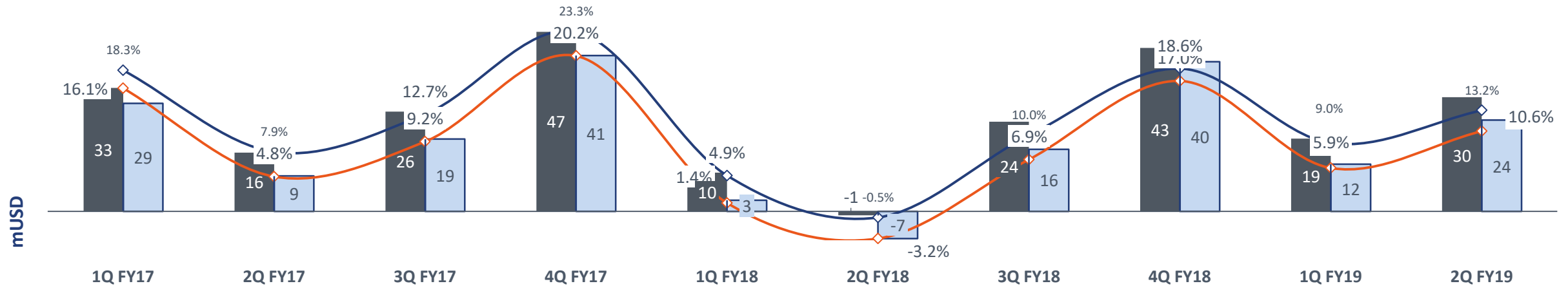
Expect Q3 2018 negative FX impact of -2% or \$5M

*EUR, PLN, RON

**currency data: oanda.com

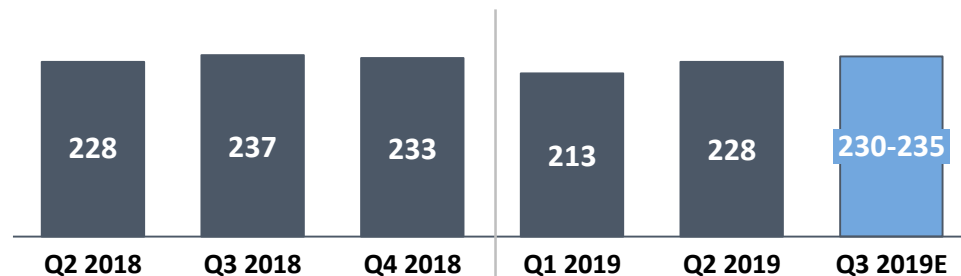
FCF and Working Capital

► Q2 cash flow margins improved Y/Y; Demonstrated efforts in working capital management



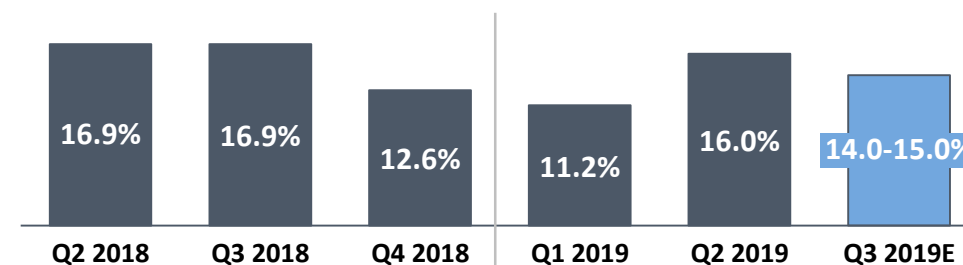
Q3 2019 Guidance

Revenue, \$M

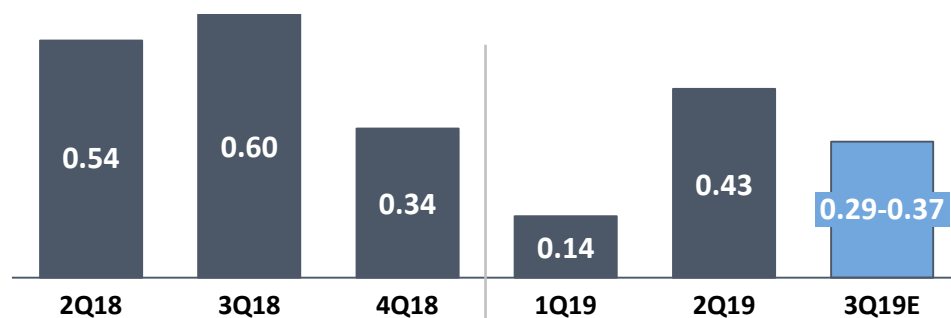


Expect Q3 2019 negative FX impact of -2% or \$5M

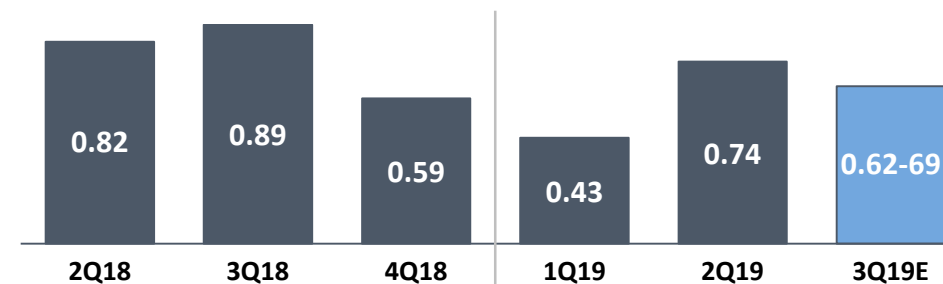
Adj. EBITDA, %



EPS GAAP, \$



EPS Non-GAAP, \$



FY19 :

- ~15% cc growth ex Top-2; ~13% reported
- Expect FY negative FX impact of ~2%

- Rebalancing of client portfolio, driving higher margin business
- Company-wide overhead cost optimization

Appendix

Luxoft Holding, Inc

Condensed Consolidated Balance Sheets

(In thousands of US dollars, except share, per share amounts and percentages)

LUXOFT HOLDING, INC

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands of US dollars, except share amounts)

	As of September 30, 2018	As of March 31, 2018
	(Unaudited)	
Assets		
Current assets		
Cash and cash equivalents	\$ 100,382	\$ 104,357
Restricted cash, current	1,901	70
Trade accounts receivable, net of allowance for doubtful accounts of \$1,399 at September 30, 2018 and \$1,232 at March 31, 2018	184,627	186,991
Unbilled revenue	37,610	33,310
Work-in-progress	7,102	3,734
Due from related parties	1,078	1,272
VAT and other taxes receivable	3,889	4,082
Advances issued	2,172	1,777
Other current assets	8,671	8,041
Total current assets	\$ 347,432	\$ 343,634
Non-current assets		
Restricted cash, non-current	1,691	2,775
Deferred tax assets	5,877	4,349
Property and equipment, net	50,858	52,739
Intangible assets, net	103,541	106,368
Goodwill	102,228	88,908
Other non-current assets	5,231	5,047
Total non-current assets	269,426	260,186
Total assets	616,858	603,820

Luxoft Holding, Inc

Condensed Consolidated Balance Sheets (continued)

(In thousands of US dollars, except share, per share amounts and percentages)

	As of September 30, 2018	As of March 31, 2018
Liabilities and shareholders' equity		
Current liabilities		
Short-term borrowings	(Unaudited) 11,627	856
Accounts payable	22,294	25,964
Accrued liabilities	42,563	49,593
Deferred revenue	4,616	4,105
Due to related parties	73	14
Taxes payable	23,833	22,916
Payable on derivative financial instruments	515	776
Payable for acquisitions, current	4,936	6,415
Other current liabilities	2,674	2,302
Total current liabilities	\$ 113,131	\$ 112,941
Deferred tax liability, non-current	8,211	10,830
Payable for acquisitions, non-current	2,652	2,895
Other non current liabilities	5,833	7,205
Total liabilities	\$ 129,827	\$ 133,871
Shareholders' equity		
Share capital (80,000,000 shares authorized; 33,695,454 issued and outstanding with no par value as at September 30, 2018, and 80,000,000 shares authorized; 34,063,981 issued and outstanding with no par value as at March 31, 2018)	—	—
Additional paid-in capital	150,069	155,456
Common stock held in treasury, at cost (91,983 shares as of September 30, 2018; 61,874 shares as of March 31, 2018)	(4,460)	(3,424)
Retained earnings	344,937	320,521
Accumulated other comprehensive loss	(3,547)	(2,636)
Total shareholders' equity attributable to the Group	\$ 486,999	\$ 469,917
Non-controlling interest	32	32
Total equity	\$ 487,031	\$ 469,949
Total liabilities and equity	\$ 616,858	\$ 603,820

Luxoft Holding, Inc

Condensed Consolidated Statements Of Income

(In thousands of US dollars, except share, per share amounts and percentages)

	For the three months ended September 30,		For the six months ended September 30,	
	2018	2017	2018	2017
	(Unaudited)		(Unaudited)	
Sales of services	\$ 228,411	\$ 228,030	\$ 441,201	\$ 437,272
Operating expenses				
Cost of services (exclusive of depreciation and amortization)	140,631	139,305	277,998	274,904
Selling, general and administrative expenses	59,864	58,199	116,573	116,262
Depreciation and amortization	10,969	9,915	21,739	20,645
Gain from revaluation of contingent liability	(145)	(870)	(145)	(2,090)
Operating income	17,092	21,481	25,036	27,551
Other income and expenses				
Interest income/ (loss), net	(77)	42	(111)	59
Unwinding of discount for contingent liability, income/ (loss)	(32)	103	(99)	(698)
Other income, net	433	457	1,131	946
Gain/ (loss) from derivative financial instruments	469	(3)	1,321	89
Net foreign exchange loss	(836)	(356)	(4,290)	1,124
Income before income taxes	17,049	21,724	22,988	29,071
Income tax expense	(2,638)	(3,284)	(3,879)	(4,314)
Net income	\$ 14,411	\$ 18,440	\$ 19,109	\$ 24,757
Net income attributable to the non-controlling interest	—	—	—	—
Net income attributable to the Group	\$ 14,411	\$ 18,440	\$ 19,109	\$ 24,757

Luxoft Holding, Inc

Condensed Consolidated Statements Of Income (continued)

(In thousands of US dollars, except share, per share amounts and percentages)

	For the three months ended September 30,		For the six months ended September 30,	
	2018	2017	2018	2017
	(Unaudited)		(Unaudited)	
Basic EPS per Class A and Class B ordinary share				
Net income attributable to the Group per ordinary share	\$ 0.43	\$ 0.55	\$ 0.57	\$ 0.74
Weighted average ordinary shares outstanding	33,606,144	33,570,633	33,816,836	33,537,185
Diluted EPS per Class A and Class B ordinary share				
Diluted net income attributable to the Group per ordinary share	\$ 0.43	\$ 0.54	\$ 0.56	\$ 0.72
Diluted weighted average ordinary shares outstanding	33,736,322	34,116,417	33,883,981	34,206,683

Luxoft Holding, Inc

Condensed Consolidated Statement Of Cash Flow

(In thousands of US dollars, except share, per share amounts and percentages)

	For the six months ended September	
	30,	
	2018	2017
	(Unaudited)	
Operating activities		
Net income	\$ 19,109	\$ 24,757
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>		
Depreciation and amortization	21,739	20,645
Deferred tax benefit	(265)	(1,711)
Gain from derivative financial instruments	(1,321)	(89)
Net foreign exchange (gain)/ loss	4,290	(1,124)
Provision for doubtful accounts	215	622
Gain from revaluation of contingent liability	(145)	(2,090)
Unwinding of discount for contingent liability, loss	99	698
Share-based compensation	14,208	14,237
Other	111	—
<i>Changes in operating assets and liabilities:</i>		
Trade accounts receivable and unbilled revenue	(2,532)	(45,423)
Work-in-progress	(3,772)	732
Due to and from related parties	233	234
Accounts payable and accrued liabilities	(7,948)	(4,114)
Deferred revenue	625	2,604
Changes in other assets and liabilities	4,798	(792)
Net cash provided by operating activities	49,444	9,186

Luxoft Holding, Inc

Condensed Consolidated Statement Of Cash Flow (continued)

(In thousands of US dollars, except share, per share amounts and percentages)

	For the six months ended September 30,	
	2018	2017
	(Unaudited)	
Investing activities		
Purchases of property and equipment	(10,997)	(11,332)
Purchases of intangible assets	(1,856)	(2,127)
Acquisitions, net of cash acquired	(19,590)	(32,685)
Net cash used in investing activities	(32,443)	(46,144)
Financing activities		
Proceeds from/ Net repayment of short-term borrowings	10,353	(138)
Acquisition of business, deferred consideration	(3,604)	(12,707)
Repayment of capital lease obligations	(1,842)	(69)
Repurchases of common stock	(21,022)	(2,017)
Net cash used in financing activities	(16,115)	(14,931)
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(4,114)	(103)
Net decrease in cash, cash equivalents and restricted cash	(3,228)	(51,992)
Cash, cash equivalents and restricted cash at beginning of period	107,202	114,957
Cash, cash equivalents and restricted cash at end of period	\$ 103,974	\$ 62,965

Luxoft Holding, Inc

Condensed Consolidated Statement Of Cash Flow (continued)

(In thousands of US dollars, except share, per share amounts and percentages)

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the condensed consolidated balance sheets:

	As of	
	September 30, 2018	March 31, 2018
	(Unaudited)	
Cash and cash equivalents	\$ 100,382	\$ 104,357
Restricted cash, current	1,901	70
Restricted cash, non-current	1,691	2,775
Total restricted cash	3,592	2,845
Total cash, cash equivalents and restricted cash	\$ 103,974	\$ 107,202

Reconciliations of Non-GAAP Financial Measures to Comparable GAAP Measures (Unaudited)

(In thousands of US dollars, except share, per share amounts and percentages)

	For the three months ended September 30,			For the six months ended September 30,		
	2018	2018	2018	2018	2018	2018
	GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP
Operating income	17,092	12,058 (a)	29,150	25,036	23,011 (a)	48,047
Operating margin	7.5%	5.3%	12.8%	5.7%	5.2%	10.9%
Net income	14,411	10,691 (b)	25,102	19,109	20,516 (b)	39,625
Diluted earnings per share	\$ 0.43	—	\$ 0.74	\$ 0.56	—	\$ 1.17

	For the three months ended September 30,			For the six months ended September 30,		
	2017	2017	2017	2017	2017	2017
	GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP
Operating income	21,481	10,715 (a)	32,196	27,551	22,619 (a)	50,170
Operating margin	9.4%	4.7%	14.1%	6.3%	5.2%	11.5%
Net income	18,440	9,596 (b)	28,036	24,757	20,399 (b)	45,156
Diluted earnings per share	\$ 0.54	—	\$ 0.82	\$ 0.72	—	\$ 1.32

Reconciliations of Non-GAAP Financial Measures to Comparable GAAP Measures (Unaudited) (continued)

(In thousands of US dollars, except share, per share amounts and percentages)

(a)	For the three months ended September 30,		For the six months ended September 30,	
	2018	2017	2018	2017
Adjustments to GAAP operating income				
Stock-based compensation expense	\$ 8,022	\$ 6,185	\$ 14,208	\$ 14,237
Amortization of purchased intangible assets	3,574	3,657	7,534	8,030
Gain from revaluation of contingent liability	(145)	(870)	(145)	(2,090)
Acquisition related costs	607	1,743	1,414	2,442
Total Adjustments to GAAP income from operations:	\$ 12,058	\$ 10,715	\$ 23,011	\$ 22,619
(b)	For the three months ended September 30,		For the six months ended September 30,	
	2018	2017	2018	2017
Adjustments to GAAP net income				
Stock-based compensation expense	\$ 8,022	\$ 6,185	\$ 14,208	\$ 14,237
Amortization of purchased intangible assets	3,574	3,657	7,534	8,030
Gain from revaluation of contingent liability and unwinding of discount for contingent liability	(113)	(973)	(46)	(1,392)
Acquisition related costs	607	1,743	1,414	2,442
Tax effect of the adjustments	(1,399)	(1,016)	(2,594)	(2,918)
Total Adjustments to GAAP net income :	\$ 10,691	\$ 9,596	\$ 20,516	\$ 20,399

Reconciliations of Non-GAAP Financial Measures to Comparable GAAP Measures (Unaudited) (continued)

(In thousands of US dollars, except share, per share amounts and percentages)

	For the three months ended September 30,		For the six months ended September 30,	
	2018	2017	2018	2017
Net income	\$ 14,411	\$ 18,440	\$ 19,109	\$ 24,757
Adjusted for:				
Interest (income)/ loss	77	(42)	111	(59)
Unwinding of discount for contingent liability, (income)/ loss	32	(103)	99	698
Income tax	2,638	3,284	3,879	4,314
Depreciation and Amortization	10,969	9,915	21,739	20,645
EBITDA	\$ 28,127	\$ 31,494	\$ 44,937	\$ 50,355
Adjusted for				
Stock based compensation	8,022	6,185	14,208	14,237
Gain from revaluation of contingent liability	(145)	(870)	(145)	(2,090)
Acquisition related costs	607	1,743	1,414	2,442
Adjusted EBITDA	\$ 36,611	\$ 38,552	\$ 60,414	\$ 64,944

Reconciliations of Non-GAAP Forward-looking Financial Measures to Comparable GAAP Forward-looking Measures (Unaudited)

(In thousands of US dollars, except share, per share amounts and percentages)

	Three Months Ended December 31, 2018		Three Months Ended December 31, 2018		
			GAAP	Adjustments	Non-GAAP
Revenue	\$ 230,000				
Net income	\$ 9,918				
<i>Adjusted for:</i>					
Interest expense and unwinding of discount for contingent liability	40				
Income tax	1,943				
Depreciation and Amortization	11,546				
EBITDA	\$ 23,448				
<i>Adjusted for:</i>					
Stock based compensation	7,524				
Change in fair value of contingent consideration	—				
Acquisition related costs	1,158				
Adjusted EBITDA	\$ 32,130				
Adjusted EBITDA margin	14.0%				
Net income	\$ 9,918				
<i>Adjusted for:</i>					
Stock-based compensation expense	7,524				
Amortization of purchased Intangible assets	3,869				
Change in fair value of contingent consideration	—				
Unwinding of discount rate for contingent liability, loss	30				
Acquisition related costs	1,158				
Tax effect of the adjustments	(1,650)				
Total adjustments to Net income	\$ 10,931				
Adjusted Net income	\$ 20,849				
Diluted weighted average ordinary shares outstanding	33,805,337				
Adjusted EPS	\$ 0.62				
		Net Income	\$ 9,918	\$ 10,931	\$ 20,849
		Diluted Earnings per Share	\$ 0.29		\$ 0.62

The background of the advertisement is a composite image. It features a dark, industrial-looking interior with large, angular concrete structures. Overlaid on this are vibrant, multi-colored light trails in shades of blue, purple, red, and yellow, suggesting high-speed movement or data flow. In the background, a city skyline at night is visible, with various skyscrapers and lights. The overall aesthetic is futuristic and high-tech.

Luxoft

think.
create.
accelerate.