

Buy EUR 220.00	Value Indicators: EUR DCF: 221.00	Warburg ESG Risk Score: 3.0 ESG Score (MSCI based): 3.0 Balance Sheet Score: 4.0 Market Liquidity Score: 2.0	Description: Custom software and digital engineering
	Market Snapshot: EUR m Market cap: 1,456.7 No. of shares (m): 13.9 EV: 1,578.9 Freefloat MC: 1,024.0 Ø Trad. Vol. (30d): 5.38 m	Shareholders: Freefloat: 70.30 % Carl G. Duerschmidt: 20.00 % Detlef Dinsel: 9.70 %	Key Figures (WRE): 2022e Beta: 1.1 Price / Book: 9.8 x Equity Ratio: 23 % Net Fin. Debt / EBITDA: 0.9 x Net Debt / EBITDA: 1.0 x
Price: EUR 105.00 Upside: 109.5 %			

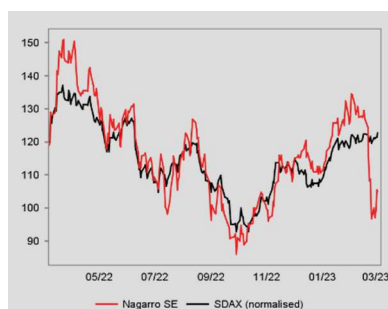
Strong growth expected to continue but at a slower pace

- Nagarro's preliminary results have easily beaten our estimates. Following the publication of the preliminary figures, management also hosted a conference call. In 2022, currency-adjusted organic growth was 39% (27.5% in Q4) supporting the achievement of a revenue level of EUR 856.4m. With this pace of expansion, the company continued to outperform the overall IT services sector. In the third quarter, Management Consulting & Business Information was the fastest growing vertical. We assume that this vertical was also the strongest growth driver in Q4.
- The 2023 targets for revenue of EUR 1,020m at an adjusted EBITDA margin of 15% were confirmed. These targets reflect 19% revenue growth and do not include any acquisitions in 2023.

Nagarro - Q4 2022

in EUR m	Q4/22	Q4/22e	Q4/21	yoy
Sales	231.0	229.6	162.0	42.6%
EBITDA adjusted margin	30.5 13.2%	18.2 7.9%	20.5 12.6%	49.1%
EBITDA margin	30.3 13.1%	16.9 7.4%	18.3 11.3%	65.2%

- As already highlighted in the context of the Q3 results, wage inflation and attrition have normalised and reverted towards pre-Covid levels. These developments contributed to adj. EBITDA margin expansion which reached 17% in 2022 vs. 15% in 2021. Against this backdrop, the adj. EBITDA margin of 15% appears to be conservative, especially as growth is projected to be slower than in 2022. Slower employee onboarding and, as a consequence, higher utilization looks set to support profitability.
- FY operating cash flow after changes in working capital was approx. EUR 82m. Days of sales outstanding, calculated for Q4 including trade receivables and contract assets, dropped to 68 on December 31, 2022 compared to 71 at the end of 2021. We estimate that capex was approx. EUR 4.7m leading to FCF of approx. EUR 53m after rental payments.
- In Q4, the staff increased by 163 people (+0.9% sequentially) and should have reached 18,250. Somewhat slower hiring in Q4 underpins lower attrition in the final quarter. Considering the number of employees at the end of each of the last four quarters, there was an increase in average revenue per employee from approx. EUR 49k to approx. EUR 55k p.a. according to our calculations. Company calculations reflect EUR 47k for 2022 and EUR 40k for 2021 indicating its ability to monetize its access to IT experts in an environment of high-demand and higher added value as industry-specific expertise has been enhanced.
- Hiring should have accelerated in Q1. On LinkedIn, the current number of Nagarro employees stands at approx. 18.300, which is a sequential increase of 5% or approx. 20% on an annualized basis and 36% yoy, indicating that Nagarro is preparing to reach its FY revenue targets.
- Estimates for 2023 and onwards are maintained without noteworthy changes. Given continued strong momentum and upside to our DCF-based PT, the Buy rating is confirmed.**

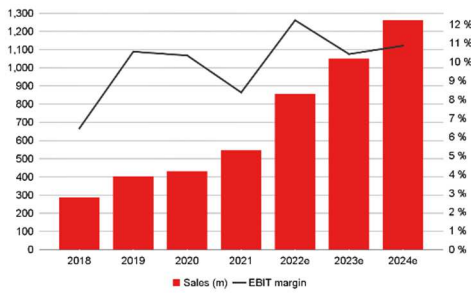


Rel. Performance vs SDAX:	
1 month:	-21.3 %
6 months:	-9.5 %
Year to date:	-18.9 %
Trailing 12 months:	-15.6 %

Company events:

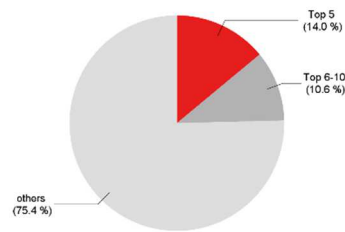
FY End: 31.12. in EUR m	CAGR (21-24e)	2018	2019	2020	2021	2022e	2023e	2024e
Sales	32.2 %	287.3	402.4	430.4	546.0	856.4	1,051.7	1,262.0
Change Sales yoy		36.5 %	40.1 %	6.9 %	26.9 %	56.8 %	22.8 %	20.0 %
gross margin (company reporting)		31.3 %	32.1 %	32.6 %	28.3 %	29.5 %	28.6 %	30.2 %
EBITDA adj. Margin		34.3 %	55.0 %	76.2 %	79.7 %	148.1 %	164.9 %	201.0 %
EBITDA Margin	39.8 %	12.0 %	13.7 %	17.7 %	14.6 %	17.3 %	15.7 %	15.9 %
EBIT Margin	44.3 %	11.2 %	15.3 %	15.4 %	12.9 %	17.0 %	14.9 %	15.2 %
Net income before minorities		18.6	42.4	44.5	45.7	104.7	109.5	137.2
Net income	46.3 %	6.5 %	10.5 %	10.3 %	8.4 %	12.2 %	10.4 %	10.9 %
		8.2	30.4	24.4	30.0	70.5	74.0	93.9
EPS	39.2 %	6.9	25.5	18.4	30.0	70.5	74.0	93.9
FCFPS		n.a.	n.a.	n.a.	2.51	5.08	5.33	6.77
FCF / Market cap		n.a.	n.a.	n.a.	1.81	3.79	4.53	5.32
EV / Sales		n.a.	n.a.	n.a.	1.5 %	3.6 %	4.3 %	5.1 %
EV / EBIT adj.		n.a.	n.a.	n.a.	3.0 x	1.9 x	1.5 x	1.2 x
EV / EBIT		n.a.	n.a.	n.a.	33.8 x	14.5 x	13.8 x	10.7 x
P / E		n.a.	n.a.	n.a.	35.4 x	15.3 x	14.4 x	11.0 x
		n.a.	n.a.	n.a.	48.9 x	20.7 x	19.7 x	15.5 x
Net Debt		67.4	86.0	87.8	149.7	144.0	122.2	49.4
ROCE (NOPAT)		8.9 %	23.0 %	20.5 %	18.8 %	27.8 %	24.7 %	28.0 %
Guidance:		2022: revenue: EUR 850m; adj. EBITDA margin: approx. 16%						

Sales development in EUR m



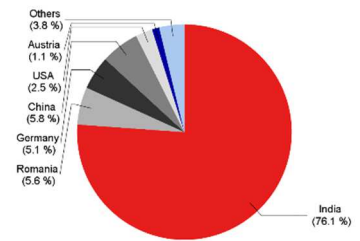
Source: Warburg Research

Customer split 2021



Source: Company

IT engineers by region 2021



Source: Warburg Research

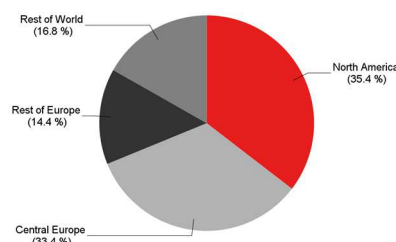
Company Background

- Nagarro provides technology and custom software development services for digital transformation,...
- ...with a focus on disruptive technologies such as artificial intelligence, big data, and internet of things.
- Complementary business fields such as managed services, e-commerce solutions or ERP consulting complete the offering.
- While the majority of revenue is generated in higher price countries, Nagarro is able to serve this demand with access to experts in regions associated with lower costs.

Competitive Quality

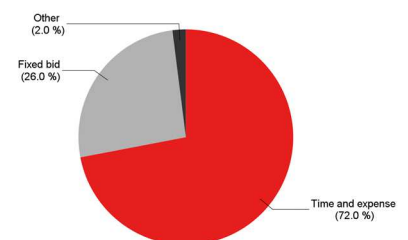
- Nagarro is a trusted and valued digitalisation partner developing tailor-made software to achieve competitive differentiation for its clients.
- Technological focus and expertise position the company as an IT engineering expert rather than a consulting or services company.
- Proprietary software Ginger supports collaboration, a decentralised organisational structure which provides access to IT talent and enables Nagarro to serve both, small and large companies around the globe.
- Organizational design and processes allow Nagarro to cross-fertilize knowledge across the global organisation and adapt quickly to new technologies and client needs with lean and agile teams and short time-to-market.
- Access to scarce IT specialists: Nagarro's approx. 8,000 IT experts e.g. in India, China or Romania have a strong footprint in future-oriented technologies such as cloud, AI, IoT, deep learning or big data.

Sales by segments 2021; in %



Source: Warburg Research

Revenue by contract type 2021



Source: Warburg Research

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	
Sales	856.4	1,051.7	1,262.0	1,514.4	1,799.2	2,117.1	2,468.8	2,854.3	3,273.3	3,724.9	4,208.0	4,721.0	4,815.4	
Sales change	56.8 %	22.8 %	20.0 %	20.0 %	18.8 %	17.7 %	16.6 %	15.6 %	14.7 %	13.8 %	13.0 %	12.2 %	2.0 %	2.0 %
EBIT	104.7	109.5	137.2	159.0	188.9	222.3	259.2	299.7	343.7	391.1	441.8	495.7	505.6	
EBIT-margin	12.2 %	10.4 %	10.9 %	10.5 %	10.5 %	10.5 %	10.5 %	10.5 %	10.5 %	10.5 %	10.5 %	10.5 %	10.5 %	
Tax rate (EBT)	28.0 %	28.0 %	28.0 %	32.0 %	32.0 %	32.0 %	32.0 %	32.0 %	32.0 %	32.0 %	32.0 %	32.0 %	32.0 %	
NOPAT	75.4	78.9	98.8	108.1	128.5	151.2	176.3	203.8	233.7	266.0	300.5	337.1	343.8	
Depreciation	40.5	47.4	54.8	16.7	18.0	21.2	24.7	28.5	32.7	37.2	42.1	47.2	53.0	
in % of Sales	4.7 %	4.5 %	4.3 %	1.1 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.1 %	
Changes in provisions	-3.1	1.0	1.0	1.8	2.0	2.3	2.5	2.7	3.0	3.2	3.4	3.7	0.7	
Change in Liquidity from														
- Working Capital	13.4	26.1	29.9	21.4	31.3	35.0	38.7	42.4	46.1	49.7	53.1	56.4	10.4	
- Capex	4.7	7.8	9.2	16.7	19.8	23.3	27.2	31.4	36.0	41.0	46.3	51.9	53.0	
Capex in % of Sales	0.6 %	0.7 %	0.7 %	1.1 %	1.1 %	1.1 %	1.1 %	1.1 %	1.1 %	1.1 %	1.1 %	1.1 %	1.1 %	
- Other	25.0	30.7	36.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	69.6	62.6	78.6	88.5	97.4	116.3	137.6	161.3	187.3	215.8	246.5	279.6	334.1	341
PV of FCF	69.6	57.8	67.1	69.8	70.9	78.3	85.5	92.6	99.4	105.7	111.6	116.9	129.1	2,107
share of PVs	5.97 %			29.43 %										64.61 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	7.00 %	Financial Strength	1.00
Cost of debt (after tax)	2.4 %	Liquidity (share)	1.10
Market return	8.25 %	Cyclicality	1.10
Risk free rate	2.75 %	Transparency	1.10
		Others	1.10
WACC	8.25 %	Beta	1.08

Valuation (m)

Present values 2034e	1,154		
Terminal Value	2,107		
Financial liabilities	246		
Pension liabilities	10		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	67	No. of shares (m)	13.9
Equity Value	3,072	Value per share (EUR)	221.42

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		1.25 %	1.50 %	1.75 %	2.00 %	2.25 %	2.50 %	2.75 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.28	9.2 %	170.74	174.17	177.82	181.73	185.92	190.42	195.26	1.28	9.2 %	151.04	161.27	171.50	181.73	191.96	202.19	212.42
1.18	8.7 %	186.71	190.84	195.26	200.01	205.13	210.66	216.65	1.18	8.7 %	166.57	177.72	188.87	200.01	211.16	222.31	233.45
1.13	8.5 %	195.58	200.13	205.02	210.28	215.96	222.12	228.81	1.13	8.5 %	175.30	186.96	198.62	210.28	221.94	233.60	245.26
1.08	8.2 %	205.14	210.16	215.57	221.42	227.75	234.63	242.13	1.08	8.2 %	184.77	196.98	209.20	221.42	233.63	245.85	258.07
1.03	8.0 %	215.46	221.02	227.03	233.53	240.61	248.33	256.78	1.03	8.0 %	195.07	207.89	220.71	233.53	246.35	259.18	272.00
0.98	7.7 %	226.62	232.80	239.49	246.76	254.70	263.39	272.95	0.98	7.7 %	206.32	219.80	233.28	246.76	260.24	273.72	287.20
0.88	7.2 %	251.92	259.61	268.00	277.19	287.30	298.47	310.89	0.88	7.2 %	232.21	247.20	262.20	277.19	292.19	307.18	322.17

- Slight EBIT margin expansion anticipated
- Other: IFRS 16 impact in the detailed forecast. Depreciation and capex at same levels thereafter.

Valuation	2018	2019	2020	2021	2022e	2023e	2024e
Price / Book	n.a.	n.a.	n.a.	15.2 x	9.8 x	6.7 x	4.7 x
Book value per share ex intangibles	n.a.	n.a.	n.a.	-5.90	-5.12	-2.62	4.16
EV / Sales	n.a.	n.a.	n.a.	3.0 x	1.9 x	1.5 x	1.2 x
EV / EBITDA	n.a.	n.a.	n.a.	23.0 x	11.0 x	10.1 x	7.8 x
EV / EBIT	n.a.	n.a.	n.a.	35.4 x	15.3 x	14.4 x	11.0 x
EV / EBIT adj.*	n.a.	n.a.	n.a.	33.8 x	14.5 x	13.8 x	10.7 x
P / FCF	n.a.	n.a.	n.a.	67.9 x	27.7 x	23.2 x	19.7 x
P / E	n.a.	n.a.	n.a.	48.9 x	20.7 x	19.7 x	15.5 x
P / E adj.*	n.a.	n.a.	n.a.	48.9 x	20.7 x	19.7 x	15.5 x
Dividend Yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCF Potential Yield (on market EV)	n.a.	n.a.	n.a.	2.5 %	5.5 %	5.7 %	7.3 %

*Adjustments made for: -

Company Specific Items	2018	2019	2020	2021	2022e	2023e	2024e
gross profit (company reporting)	89.9	129.1	140.2	154.4	252.9	300.6	380.8
gross margin (company reporting)	31.3 %	32.1 %	32.6 %	28.3 %	29.5 %	28.6 %	30.2 %

Consolidated profit & loss

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Sales	287.3	402.4	430.4	546.0	856.4	1,051.7	1,262.0
Change Sales yoy	36.5 %	40.1 %	6.9 %	26.9 %	56.8 %	22.8 %	20.0 %
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	0.5	0.9	0.3	0.2	1.5	1.9	2.2
Material expenses	39.9	49.1	49.2	59.1	81.4	118.8	147.7
Personnel expenses	179.8	254.7	271.7	373.0	582.4	669.9	788.8
Other operating income	2.4	12.7	11.6	14.8	38.2	8.0	9.0
Other operating expenses	37.4	49.8	53.3	55.5	82.2	110.4	138.8
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	32.3	61.6	66.2	70.3	145.2	156.9	192.0
<i>Margin</i>	<i>11.2 %</i>	<i>15.3 %</i>	<i>15.4 %</i>	<i>12.9 %</i>	<i>17.0 %</i>	<i>14.9 %</i>	<i>15.2 %</i>
Depreciation of fixed assets	10.4	15.7	16.9	19.9	34.0	41.8	50.1
EBITA	21.9	45.9	49.3	50.3	111.2	115.1	141.9
Amortisation of intangible assets	3.3	3.5	4.7	4.7	6.5	5.6	4.7
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	18.6	42.4	44.5	45.7	104.7	109.5	137.2
<i>Margin</i>	<i>6.5 %</i>	<i>10.5 %</i>	<i>10.3 %</i>	<i>8.4 %</i>	<i>12.2 %</i>	<i>10.4 %</i>	<i>10.9 %</i>
EBIT adj.	20.8	45.4	48.0	47.8	110.7	114.5	141.2
Interest income	0.5	0.2	0.5	0.4	0.2	0.2	0.2
Interest expenses	4.6	5.5	7.3	7.8	7.0	7.0	7.0
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	14.4	37.2	37.7	38.2	97.9	102.7	130.4
<i>Margin</i>	<i>5.0 %</i>	<i>9.2 %</i>	<i>8.8 %</i>	<i>7.0 %</i>	<i>11.4 %</i>	<i>9.8 %</i>	<i>10.3 %</i>
Total taxes	6.2	6.8	13.4	8.2	27.4	28.8	36.5
Net income from continuing operations	8.2	30.4	24.4	30.0	70.5	74.0	93.9
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income before minorities	8.2	30.4	24.4	30.0	70.5	74.0	93.9
Minority interest	1.3	4.9	5.9	0.0	0.0	0.0	0.0
Net income	6.9	25.5	18.4	30.0	70.5	74.0	93.9
<i>Margin</i>	<i>2.4 %</i>	<i>6.3 %</i>	<i>4.3 %</i>	<i>5.5 %</i>	<i>8.2 %</i>	<i>7.0 %</i>	<i>7.4 %</i>
Number of shares, average	n.a.	n.a.	n.a.	12.0	13.9	13.9	13.9
EPS	n.a.	n.a.	n.a.	2.51	5.08	5.33	6.77
EPS adj.	n.a.	n.a.	n.a.	2.51	5.08	5.33	6.77

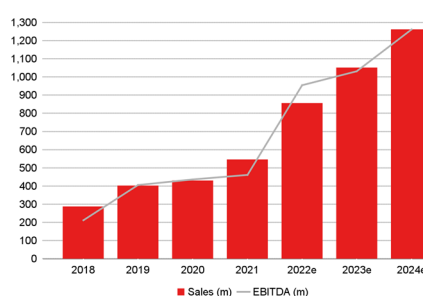
*Adjustments made for:

Guidance: 2022: revenue: EUR 850m; adj. EBITDA margin: approx. 16%

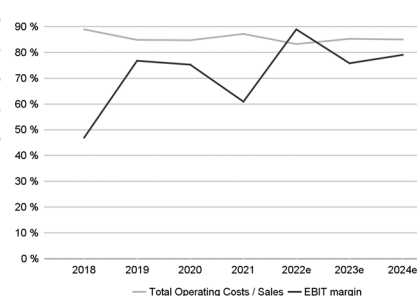
Financial Ratios

	2018	2019	2020	2021	2022e	2023e	2024e
Total Operating Costs / Sales	88.9 %	84.9 %	84.7 %	87.2 %	83.2 %	85.3 %	85.0 %
Operating Leverage	1.8 x	3.2 x	0.7 x	0.1 x	2.3 x	0.2 x	1.3 x
EBITDA / Interest expenses	7.0 x	11.2 x	9.1 x	9.0 x	20.7 x	22.4 x	27.4 x
Tax rate (EBT)	43.3 %	18.2 %	35.5 %	21.5 %	28.0 %	28.0 %	28.0 %
Dividend Payout Ratio	n.a.	n.a.	n.a.	0.0 %	0.0 %	0.0 %	0.0 %
Sales per Employee	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

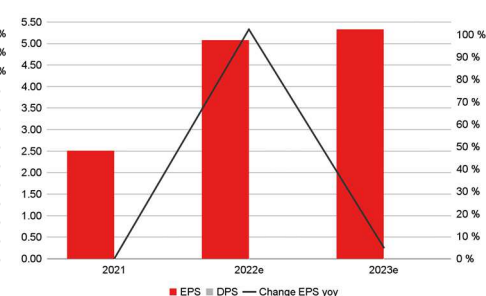
Sales, EBITDA in EUR m



Operating Performance in %



Performance per Share



Source: Warburg Research

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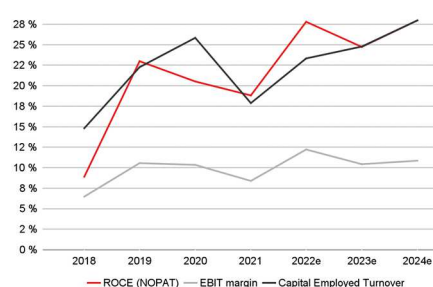
Consolidated balance sheet

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Assets							
Goodwill and other intangible assets	107.7	111.4	106.9	178.7	220.2	252.4	251.9
thereof other intangible assets	10.2	9.0	11.0	14.0	13.1	12.4	11.9
thereof Goodwill	97.5	102.4	95.9	163.4	207.1	240.0	240.0
Property, plant and equipment	6.7	7.2	6.4	11.1	5.6	0.8	-4.9
Financial assets	3.4	2.7	3.0	3.7	3.7	3.7	3.7
Other long-term assets	47.3	54.9	51.7	59.3	94.4	116.8	141.0
Fixed assets	165.0	176.2	168.0	253.0	323.9	373.8	391.7
Inventories	0.1	0.0	0.1	0.3	0.2	0.3	0.4
Accounts receivable	75.0	80.3	73.9	103.3	154.9	195.9	242.0
Liquid assets	27.9	43.8	107.7	106.6	116.1	101.9	175.7
Other short-term assets	29.1	41.7	37.1	61.7	61.5	66.0	77.0
Current assets	132.1	165.8	218.8	271.9	332.7	364.1	495.1
Total Assets	297.1	342.0	386.8	524.9	656.6	738.0	886.9
Liabilities and shareholders' equity							
Shareholders' equity	74.5	50.2	43.8	96.8	149.1	216.1	309.5
Minority interest	14.4	9.7	2.7	0.0	3.0	4.0	5.0
Total equity	88.9	59.9	46.5	96.8	152.1	220.1	314.5
Provisions	20.9	25.5	33.2	45.3	37.0	40.0	43.0
thereof provisions for pensions and similar obligations	3.2	4.4	6.0	10.1	7.0	8.0	9.0
Financial liabilities (total)	92.1	125.3	189.5	246.1	253.1	216.1	216.1
Short-term financial liabilities	5.7	5.3	14.4	23.8	30.0	30.0	30.0
Accounts payable	17.4	16.1	22.2	18.5	44.6	54.7	65.7
Other liabilities	77.8	115.1	95.4	118.2	169.8	207.1	247.6
Liabilities	208.2	282.0	340.3	428.0	504.5	517.9	572.3
Total liabilities and shareholders' equity	297.1	342.0	386.8	524.9	656.6	738.0	886.9

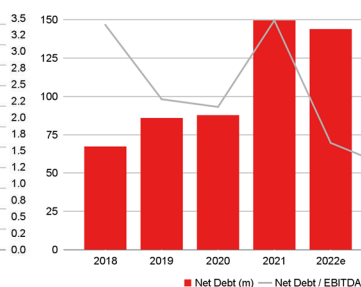
Financial Ratios

	2018	2019	2020	2021	2022e	2023e	2024e
Efficiency of Capital Employment							
Operating Assets Turnover	4.8 x	6.3 x	8.8 x	6.3 x	9.0 x	9.1 x	9.0 x
Capital Employed Turnover	1.8 x	2.8 x	3.2 x	2.2 x	2.9 x	3.1 x	3.5 x
ROA	4.2 %	14.5 %	11.0 %	11.9 %	21.8 %	19.8 %	24.0 %
Return on Capital							
ROCE (NOPAT)	8.9 %	23.0 %	20.5 %	18.8 %	27.8 %	24.7 %	28.0 %
ROE	13.4 %	40.8 %	39.2 %	42.7 %	57.3 %	40.5 %	35.7 %
Adj. ROE	13.4 %	40.8 %	39.2 %	42.7 %	57.3 %	40.5 %	35.7 %
Balance sheet quality							
Net Debt	67.4	86.0	87.8	149.7	144.0	122.2	49.4
Net Financial Debt	64.2	81.6	81.8	139.5	137.0	114.2	40.4
Net Gearing	75.8 %	143.4 %	188.7 %	154.6 %	94.7 %	55.5 %	15.7 %
Net Fin. Debt / EBITDA	198.8 %	132.4 %	123.6 %	198.6 %	94.4 %	72.8 %	21.0 %
Book Value / Share	n.a.	n.a.	n.a.	7.0	10.7	15.6	22.3
Book value per share ex intangibles	n.a.	n.a.	n.a.	-5.9	-5.1	-2.6	4.2

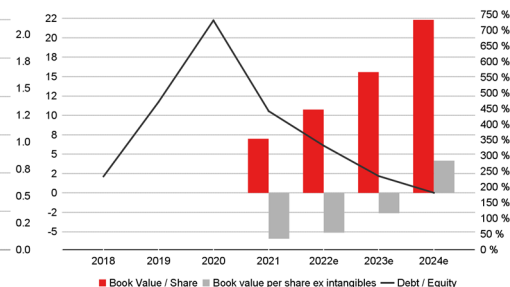
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

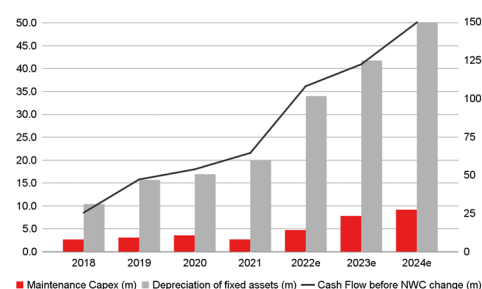
Consolidated cash flow statement

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Net income	8.2	30.4	24.4	30.0	70.5	74.0	93.9
Depreciation of fixed assets	10.4	15.7	16.9	19.9	34.0	41.8	50.1
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	3.3	3.5	4.7	4.7	6.5	5.6	4.7
Increase/decrease in long-term provisions	0.6	0.4	1.2	1.3	-3.1	1.0	1.0
Other non-cash income and expenses	3.1	-2.9	6.6	8.7	0.0	0.0	0.0
Cash Flow before NWC change	25.6	47.1	53.8	64.5	107.9	122.3	149.7
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase / decrease in accounts receivable	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase / decrease in accounts payable	0.0	0.0	0.0	0.0	-14.2	0.0	0.0
Increase / decrease in other working capital positions	-17.0	-6.3	18.4	-20.6	-11.4	-21.0	-29.8
Increase / decrease in working capital (total)	-17.0	-6.3	18.4	-20.6	-25.6	-21.0	-29.8
Net cash provided by operating activities [1]	8.6	40.9	72.2	44.0	82.3	101.3	119.8
Investments in intangible assets	0.0	-1.3	-1.0	-0.8	-1.3	-1.5	-1.6
Investments in property, plant and equipment	-2.7	-1.8	-2.6	-1.9	-3.4	-6.3	-7.6
Payments for acquisitions	5.0	-2.9	-7.8	-50.1	-40.0	-40.0	0.0
Financial investments	0.4	-2.5	1.2	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.4	0.1	0.0	0.0	0.0	0.0
Net cash provided by investing activities [2]	2.7	-8.0	-10.1	-52.8	-44.7	-47.8	-9.2
Change in financial liabilities	4.3	-3.3	23.9	18.2	6.9	-37.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	-10.0	0.0	0.0
Capital measures	0.0	0.0	0.1	6.1	0.0	0.0	0.0
Other	-8.1	-13.8	-17.5	-24.2	-25.0	-30.7	-36.8
Net cash provided by financing activities [3]	-3.9	-17.1	6.5	0.0	-28.1	-67.7	-36.8
Change in liquid funds [1]+[2]+[3]	7.5	15.7	68.6	-8.8	9.5	-14.2	73.8
Effects of exchange-rate changes on cash	0.4	0.4	-1.4	0.6	0.0	0.0	0.0
Cash and cash equivalent at end of period	24.4	44.0	110.9	99.6	116.1	101.9	175.7

Financial Ratios

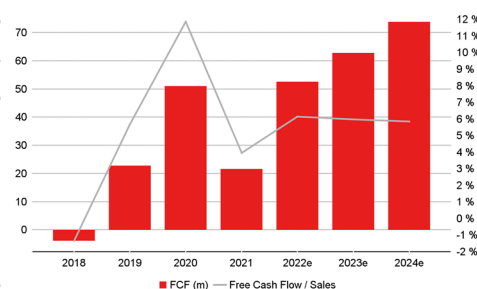
	2018	2019	2020	2021	2022e	2023e	2024e
Cash Flow							
FCF	-3.9	22.8	51.0	21.6	52.6	62.8	73.8
Free Cash Flow / Sales	-1.3 %	5.7 %	11.9 %	4.0 %	6.1 %	6.0 %	5.8 %
Free Cash Flow Potential	23.4	36.8	31.6	39.7	88.0	89.6	109.5
Free Cash Flow / Net Profit	-56.5 %	89.4 %	276.6 %	72.1 %	74.6 %	84.9 %	78.6 %
Interest Received / Avg. Cash	2.1 %	0.6 %	0.7 %	0.4 %	0.2 %	0.2 %	0.1 %
Interest Paid / Avg. Debt	6.0 %	5.0 %	4.6 %	3.6 %	2.8 %	3.0 %	3.2 %
Management of Funds							
Investment ratio	0.9 %	0.8 %	0.8 %	0.5 %	0.6 %	0.7 %	0.7 %
Maint. Capex / Sales	0.9 %	0.8 %	0.8 %	0.5 %	0.6 %	0.7 %	0.7 %
Capex / Dep	19.4 %	16.1 %	16.5 %	10.9 %	11.7 %	16.5 %	16.7 %
Avg. Working Capital / Sales	15.5 %	13.6 %	11.5 %	10.8 %	9.6 %	9.7 %	10.3 %
Trade Debtors / Trade Creditors	431.9 %	500.3 %	332.8 %	559.6 %	347.3 %	358.1 %	368.3 %
Inventory Turnover	398.7 x	5452.4 x	387.1 x	219.6 x	406.8 x	396.1 x	369.1 x
Receivables collection period (days)	95	73	63	69	66	68	70
Payables payment period (days)	159	119	165	114	200	168	162
Cash conversion cycle (Days)	-106	-103	-172	-102	-229	-180	-169

CAPEX and Cash Flow in EUR m



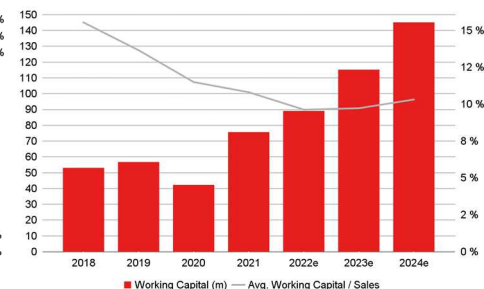
Source: Warburg Research

Free Cash Flow Generation



Source: Warburg Research

Working Capital



Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
Nagarro	5	http://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A3H2200.htm

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Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	Buy:	The price of the analysed financial instrument is expected to rise over the next 12 months.
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-S-	Sell:	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	Rating suspended:	The available information currently does not permit an evaluation of the company.

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Rating	Number of stocks	% of Universe
Buy	161	75
Hold	43	20
Sell	7	3
Rating suspended	3	1
Total	214	100

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...

... taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	44	86
Hold	6	12
Sell	0	0
Rating suspended	1	2
Total	51	100

PRICE AND RATING HISTORY NAGARRO AS OF 06.03.2023



Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

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