


Buy EUR 220.00 Price EUR 100.00 Upside 120.0 %	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: 1,376.3 No. of shares (m): 13.8 EV: 1,535.3 Freefloat MC: 967.5 Ø Trad. Vol. (30d): 3.59 m	Shareholders: Freefloat 70.30 % Carl G. Duerschmidt 20.00 % Detlef Dinsel 9.70 %	Key Figures (WRE): 2023e Beta: 1.1 Price / Book: 5.7 x Equity Ratio: 34 % Net Fin. Debt / EBITDA: 1.0 x Net Debt / EBITDA: 1.0 x

Support from long-term ambition, cash-flow improvement and share buyback

- Annual report published:** On Friday, Nagarro published its annual report confirming preliminary figures with revenues of EUR 856m and an adj. EBITDA of EUR 148.5m. In 2022, currency-adjusted organic revenue growth was 39% (27.5% in Q4). The 2023 guidance was confirmed (revenue: EUR 1020m; adj. EBITDA margin: approx. 15%). These targets reflect 19% revenue growth and do not include any acquisitions already made in 2023.
- FCF improvement:** FCF after rental payment was EUR 55m (vs. EUR 22m) last year. DSOs including contract assets declined from 84 at the end of 2022 to 74 according to our calculation. The improvement appears to reflect incoming payments associated with public sector clients. Moreover, net proceeds from factoring were EUR 24.8m vs. EUR 8.6m last year. Adding back the factored volume would lead to DSOs of 84. Peers in our coverage universe reported DSOs e.g. of 92 days and 98 citing later client payments as a consequence of the higher interest-rate environment. Similar to its peers, Nagarro typically invoices monthly for time plus expenses or against time-based or deliverable-based milestones in fixed-price contracts.
- Prioritising growth over margins:** While Nagarro management is aware of the potential and need to maintain decent margins, it is currently prioritising growth with a focus on the long term. Margins are currently impacted by many forms of investment such as in researching the application of a new technology to an existing industry problem, or building a technology proof-of-concept with its own funds or subsidising it for a client. To win new clients, Nagarro predominantly relies on testimonials, case studies and references. Within existing accounts, growth is typically achieved by adding further services to the engagement, and/or by delivering services to additional divisions. For multinational clients, growth may be achieved from country to country.
- New long-term ambition:** For Nagarro, the EUR 1bn revenue threshold was a target for over a decade. Since the company looks set to reach it in 2023, management has already communicated a new long-term ambition: EUR 10bn USD in annual revenue, 20% adjusted EBITDA margin, and a 30% yoy revenue growth rate. This ambition was provided without attaching a specific timeframe to it. The path towards the "10-20-30" KPIs will be supported by constant investment in order to develop a differentiated organizational design and sharpen the perception of the company as an agile and global organisation. As technology will continue to evolve, smaller IT development teams look set to become increasingly efficient allowing them to cope with ever more time-sensitive, interdisciplinary and global requirements. This setup should enable the scaling of the operations.
- Q1 should have grown dynamically:** For the first quarter, we expect the number of employees to have grown by approx. 7% sequentially, i.e. over 35% yoy, providing an indication for revenue growth in the first quarter. Hence, a continuation of this pace of growth would quickly make the guidance obsolete. Hence, the news-flow looks set to remain positive. Against this backdrop and given low valuations, management announced its second share buyback programme with a volume of up to EUR 30m.

The Buy rating is confirmed in view of the upside to our PT.

	FY End: 31.12. in EUR m	CAGR (22-25e)	2019	2020	2021	2022	2023e	2024e	2025e
	Sales	20.9 %	402.4	430.4	546.0	856.3	1,051.7	1,262.0	1,514.4
Change Sales yoy gross margin (company reporting)			40.1 % 32.1 %	6.9 % 32.6 %	26.9 % 28.3 %	56.8 % 28.9 %	22.8 % 28.6 %	20.0 % 30.2 %	20.0 % 29.9 %
EBITDA adj.			55.0	76.2	79.7	148.5	164.9	201.0	244.2
Margin			13.7 %	17.7 %	14.6 %	17.3 %	15.7 %	15.9 %	16.1 %
EBITDA	17.2 %		61.6	66.2	70.3	145.6	156.9	192.0	234.2
Margin			15.3 %	15.4 %	12.9 %	17.0 %	14.9 %	15.2 %	15.5 %
EBIT	17.9 %		42.4	44.5	45.7	112.4	120.0	149.7	184.3
Margin			10.5 %	10.3 %	8.4 %	13.1 %	11.4 %	11.9 %	12.2 %
Net income before minorities			30.4	24.4	30.0	77.3	81.5	102.9	128.4
Net income	18.4 %		25.5	18.4	30.0	77.3	81.5	102.9	128.4
EPS	18.7 %		n.a.	1.62	2.51	5.58	5.92	7.48	9.33
FCFPS			n.a.	4.48	1.81	3.95	3.04	5.61	6.14
FCF / Market cap			n.a.	5.3 %	1.5 %	3.2 %	3.0 %	5.6 %	6.1 %
EV / Sales			n.a.	2.5 x	3.0 x	2.1 x	1.5 x	1.2 x	0.9 x
EV / EBIT adj.			n.a.	22.0 x	33.8 x	15.6 x	12.3 x	9.5 x	7.3 x
EV / EBIT			n.a.	23.8 x	35.4 x	16.4 x	12.8 x	9.7 x	7.5 x
P / E			n.a.	52.6 x	48.9 x	21.8 x	16.9 x	13.4 x	10.7 x
Net Debt			86.0	87.8	149.7	155.8	159.0	82.9	-0.6
ROCE (NOPAT)			23.0 %	20.5 %	18.8 %	30.2 %	23.9 %	25.8 %	29.2 %
Guidance:			2023: revenue: EUR 1020m; adj. EBITDA margin: approx. 15%						

Analyst

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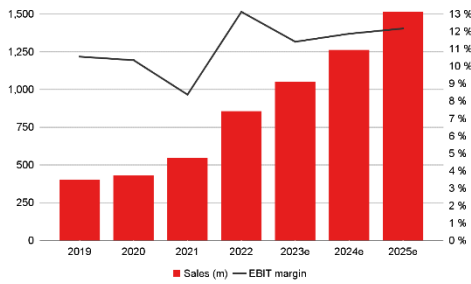
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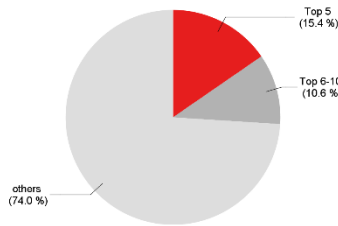
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Sales development
in EUR m



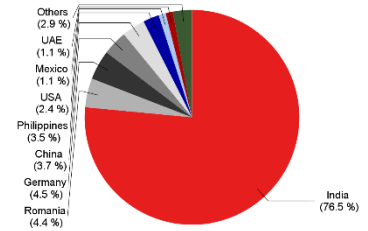
Source: Warburg Research

Customer split
2022



Source: Company

IT engineers by region
2022



Source: Warburg Research

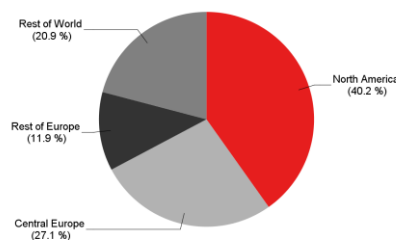
Company Background

- 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

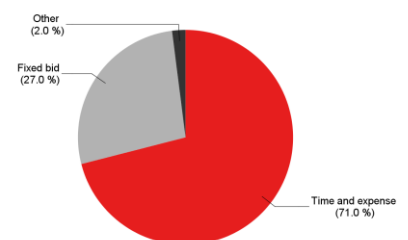
- Nagarro is a trusted and valued digitalisation partner developing tailor-made software to achieve competitive differentiation for its clients.
- Technological focus and expertise position the company as an IT engineering expert rather than a consulting or services company.
- Proprietary software Ginger 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 > 17,000 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
2022; in %



Source: Warburg Research

Revenue by contract type
2022



Source: Warburg Research

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	
Sales	1,051.7	1,262.0	1,514.4	1,802.2	2,124.1	2,480.7	2,872.1	3,298.2	3,758.1	4,250.7	4,774.4	5,327.4	5,433.9	
Sales change	22.8 %	20.0 %	20.0 %	19.0 %	17.9 %	16.8 %	15.8 %	14.8 %	13.9 %	13.1 %	12.3 %	11.6 %	2.0 %	2.0 %
EBIT	120.0	149.7	184.3	198.2	223.0	260.5	301.6	346.3	394.6	446.3	501.3	559.4	570.6	
EBIT-margin	11.4 %	11.9 %	12.2 %	11.0 %	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	86.4	107.8	132.7	134.8	151.7	177.1	205.1	235.5	268.3	303.5	340.9	380.4	388.0	
Depreciation	36.9	42.2	49.9	19.8	21.2	24.8	28.7	33.0	37.6	42.5	47.7	53.3	59.8	
in % of Sales	3.5 %	3.3 %	3.3 %	1.1 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.1 %	
Changes in provisions	-4.9	1.0	1.0	1.9	2.1	2.4	2.6	2.8	3.0	3.3	3.5	3.7	0.7	
Change in Liquidity from														
- Working Capital	33.3	25.3	41.6	42.1	48.3	53.5	58.7	63.9	69.0	73.9	78.6	82.9	16.0	
- Capex	7.8	9.2	10.8	19.8	23.4	27.3	31.6	36.3	41.3	46.8	52.5	58.6	59.8	
Capex in % of Sales	0.7 %	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	28.8	34.6	41.5	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)	48.5	82.0	89.7	94.6	103.4	123.5	146.1	171.1	198.6	228.6	261.0	295.8	372.7	380
PV of FCF	45.9	71.6	72.2	70.2	70.7	77.8	84.8	91.6	98.0	104.0	109.5	114.3	132.8	2,087
share of PVs	5.87 %			29.52 %										64.61 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	8.00 %	Financial Strength	1.14
Cost of debt (after tax)	2.4 %	Liquidity (share)	1.14
Market return	8.25 %	Cyclicality	1.14
Risk free rate	2.75 %	Transparency	1.14
		Others	1.14
WACC	8.49 %	Beta	1.14

Valuation (m)

Present values 2035e	1,143		
Terminal Value	2,087		
Financial liabilities	253		
Pension liabilities	13		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	70	No. of shares (m)	13.8
Equity Value	3,035	Value per share (EUR)	220.52

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
1.34	9.5 %	169.65	172.98	176.52	180.30	184.34	188.67	193.32	1.34	9.5 %	148.30	158.96	169.63	180.30	190.97	201.64	212.31
1.24	9.0 %	185.99	189.99	194.27	198.86	203.79	209.10	214.83	1.24	9.0 %	164.00	175.62	187.24	198.86	210.48	222.10	233.72
1.19	8.7 %	195.05	199.46	204.18	209.26	214.72	220.63	227.02	1.19	8.7 %	172.80	184.95	197.11	209.26	221.41	233.56	245.71
1.14	8.5 %	204.80	209.67	214.89	220.52	226.59	233.18	240.34	1.14	8.5 %	182.34	195.06	207.79	220.52	233.24	245.97	258.70
1.09	8.2 %	215.31	220.69	226.48	232.74	239.52	246.89	254.93	1.09	8.2 %	192.69	206.04	219.39	232.74	246.09	259.44	272.79
1.04	8.0 %	226.67	232.63	239.08	246.06	253.65	261.93	271.00	1.04	8.0 %	203.98	218.00	232.03	246.06	260.08	274.11	288.14
0.94	7.5 %	252.32	259.73	267.78	276.56	286.18	296.77	308.47	0.94	7.5 %	229.84	245.41	260.99	276.56	292.14	307.71	323.29

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

Valuation	2019	2020	2021	2022	2023e	2024e	2025e
Price / Book	n.a.	22.2 x	15.2 x	10.2 x	5.7 x	4.0 x	3.0 x
Book value per share ex intangibles	n.a.	-5.54	-5.90	-3.85	-0.90	6.59	14.92
EV / Sales	n.a.	2.5 x	3.0 x	2.1 x	1.5 x	1.2 x	0.9 x
EV / EBITDA	n.a.	16.0 x	23.0 x	12.6 x	9.8 x	7.6 x	5.9 x
EV / EBIT	n.a.	23.8 x	35.4 x	16.4 x	12.8 x	9.7 x	7.5 x
EV / EBIT adj.*	n.a.	22.0 x	33.8 x	15.6 x	12.3 x	9.5 x	7.3 x
P / FCF	n.a.	19.0 x	67.9 x	30.8 x	32.9 x	17.8 x	16.3 x
P / E	n.a.	52.6 x	48.9 x	21.8 x	16.9 x	13.4 x	10.7 x
P / E adj.*	n.a.	52.6 x	48.9 x	21.8 x	16.9 x	13.4 x	10.7 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.	3.0 %	2.5 %	5.1 %	5.8 %	7.4 %	10.4 %

*Adjustments made for: -

Company Specific Items	2019	2020	2021	2022	2023e	2024e	2025e
gross profit (company reporting)	129.1	140.2	154.4	247.1	300.6	380.8	452.3
gross margin (company reporting)	32.1 %	32.6 %	28.3 %	28.9 %	28.6 %	30.2 %	29.9 %

Consolidated profit & loss

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Sales	402.4	430.4	546.0	856.3	1,051.7	1,262.0	1,514.4
Change Sales yoy	40.1 %	6.9 %	26.9 %	56.8 %	22.8 %	20.0 %	20.0 %
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	0.9	0.3	0.2	0.3	1.9	2.2	2.5
Material expenses	49.1	49.2	59.1	77.0	118.8	147.7	181.7
Personnel expenses	254.7	271.7	373.0	571.1	669.9	788.8	939.0
Other operating income	12.7	11.6	14.8	28.2	8.0	9.0	10.0
Other operating expenses	49.8	53.3	55.5	89.0	110.4	138.8	166.6
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	61.6	66.2	70.3	145.6	156.9	192.0	234.2
<i>Margin</i>	15.3 %	15.4 %	12.9 %	17.0 %	14.9 %	15.2 %	15.5 %
Depreciation of fixed assets	15.7	16.9	19.9	25.5	31.3	37.5	45.1
EBITA	45.9	49.3	50.3	120.1	125.6	154.4	189.1
Amortisation of intangible assets	3.5	4.7	4.7	7.6	5.6	4.7	4.8
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	42.4	44.5	45.7	112.4	120.0	149.7	184.3
<i>Margin</i>	10.5 %	10.3 %	8.4 %	13.1 %	11.4 %	11.9 %	12.2 %
EBIT adj.	45.4	48.0	47.8	117.8	125.0	153.7	188.3
Interest income	0.2	0.5	0.4	0.5	0.2	0.2	0.0
Interest expenses	5.5	7.3	7.8	11.2	7.0	7.0	6.0
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	37.2	37.7	38.2	101.7	113.2	142.9	178.3
<i>Margin</i>	9.2 %	8.8 %	7.0 %	11.9 %	10.8 %	11.3 %	11.8 %
Total taxes	6.8	13.4	8.2	24.4	31.7	40.0	49.9
Net income from continuing operations	30.4	24.4	30.0	77.3	81.5	102.9	128.4
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	30.4	24.4	30.0	77.3	81.5	102.9	128.4
Minority interest	4.9	5.9	0.0	0.0	0.0	0.0	0.0
Net income	25.5	18.4	30.0	77.3	81.5	102.9	128.4
<i>Margin</i>	6.3 %	4.3 %	5.5 %	9.0 %	7.8 %	8.2 %	8.5 %
Number of shares, average	n.a.	11.4	12.0	13.8	13.8	13.8	13.8
EPS	n.a.	1.62	2.51	5.58	5.92	7.48	9.33
EPS adj.	n.a.	1.62	2.51	5.58	5.92	7.48	9.33

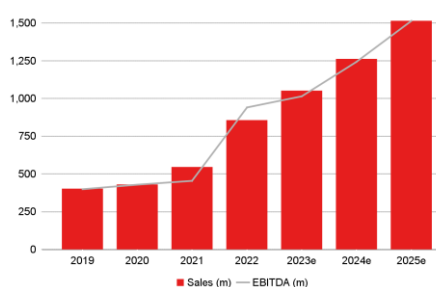
*Adjustments made for:

Guidance: 2023: revenue: EUR 1020m; adj. EBITDA margin: approx. 15%

Financial Ratios

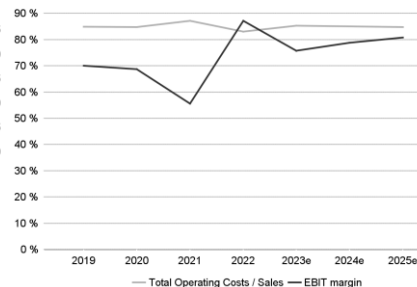
	2019	2020	2021	2022	2023e	2024e	2025e
Total Operating Costs / Sales	84.9 %	84.7 %	87.2 %	83.0 %	85.3 %	85.0 %	84.7 %
Operating Leverage	3.2 x	0.7 x	0.1 x	2.6 x	0.3 x	1.2 x	1.2 x
EBITDA / Interest expenses	11.2 x	9.1 x	9.0 x	13.0 x	22.4 x	27.4 x	39.0 x
Tax rate (EBT)	18.2 %	35.5 %	21.5 %	24.0 %	28.0 %	28.0 %	28.0 %
Dividend Payout Ratio	n.a.	0.0 %	0.0 %	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



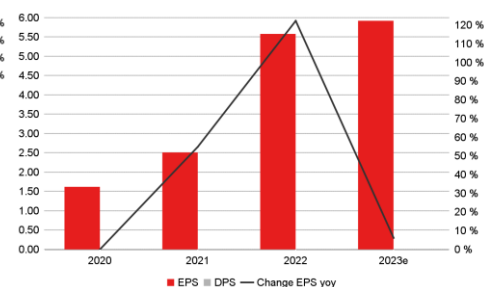
Source: Warburg Research

Operating Performance
in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

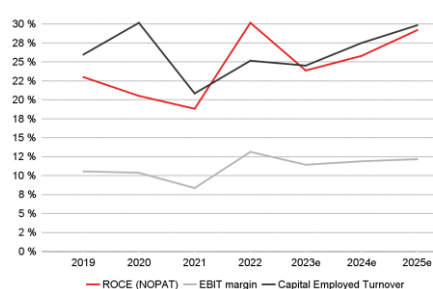
Consolidated balance sheet

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Assets							
Goodwill and other intangible assets	111.4	106.9	178.7	217.4	253.3	253.2	253.1
thereof other intangible assets	9.0	11.0	14.0	13.6	13.3	13.2	13.1
thereof Goodwill	102.4	95.9	163.4	202.6	240.0	240.0	240.0
Property, plant and equipment	7.2	6.4	11.1	11.4	15.3	19.9	25.4
Financial assets	2.7	3.0	3.7	4.0	4.0	4.0	4.0
Other long-term assets	54.9	51.7	59.3	52.3	64.5	78.2	94.7
Fixed assets	176.2	168.0	253.0	285.1	337.2	355.3	377.2
Inventories	0.0	0.1	0.3	0.3	0.3	0.4	0.5
Accounts receivable	80.3	73.9	103.3	156.8	242.0	283.5	344.4
Liquid assets	43.8	107.7	106.6	110.2	65.5	142.7	227.2
Other short-term assets	41.7	37.1	61.7	65.8	66.0	77.0	84.0
Current assets	165.8	218.8	271.9	333.0	373.8	503.6	656.1
Total Assets	342.0	386.8	524.9	618.1	711.0	858.9	1,033.3
Liabilities and shareholders' equity							
Shareholders' equity	50.2	43.8	96.8	164.7	241.0	343.9	458.4
Minority interest	9.7	2.7	0.0	0.0	4.0	5.0	20.0
Total equity	59.9	46.5	96.8	164.7	245.0	348.9	478.4
Provisions	25.5	33.2	45.3	55.8	40.0	43.0	46.0
thereof provisions for pensions and similar obligations	4.4	6.0	10.1	12.9	8.0	9.0	10.0
Financial liabilities (total)	125.3	189.5	246.1	253.1	216.5	216.5	216.5
Short-term financial liabilities	5.3	14.4	23.8	11.5	11.5	11.5	11.5
Accounts payable	16.1	22.2	18.5	15.3	54.7	65.7	78.8
Other liabilities	115.1	95.4	118.2	129.3	154.8	184.8	213.5
Liabilities	282.0	340.3	428.0	453.5	466.0	510.0	554.9
Total liabilities and shareholders' equity	342.0	386.8	524.9	618.1	711.0	858.9	1,033.3

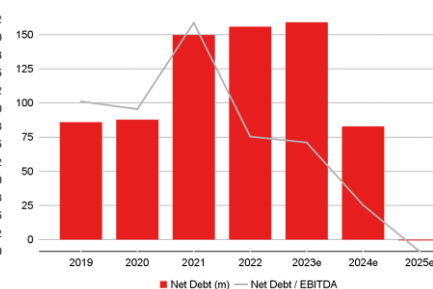
Financial Ratios

	2019	2020	2021	2022	2023e	2024e	2025e
Efficiency of Capital Employment							
Operating Assets Turnover	6.3 x	8.8 x	6.3 x	6.1 x	6.0 x	6.1 x	6.0 x
Capital Employed Turnover	2.8 x	3.2 x	2.2 x	2.7 x	2.6 x	2.9 x	3.2 x
ROA	14.5 %	11.0 %	11.9 %	27.1 %	24.2 %	29.0 %	34.0 %
Return on Capital							
ROCE (NOPAT)	23.0 %	20.5 %	18.8 %	30.2 %	23.9 %	25.8 %	29.2 %
ROE	40.8 %	39.2 %	42.7 %	59.1 %	40.2 %	35.2 %	32.0 %
Adj. ROE	40.8 %	39.2 %	42.7 %	59.1 %	40.2 %	35.2 %	32.0 %
Balance sheet quality							
Net Debt	86.0	87.8	149.7	155.8	159.0	82.9	-0.6
Net Financial Debt	81.6	81.8	139.5	142.9	151.0	73.9	-10.6
Net Gearing	143.4 %	188.7 %	154.6 %	94.6 %	64.9 %	23.7 %	-0.1 %
Net Fin. Debt / EBITDA	132.4 %	123.6 %	198.6 %	98.2 %	96.3 %	38.5 %	n.a.
Book Value / Share	n.a.	3.8	7.0	12.0	17.5	25.0	33.3
Book value per share ex intangibles	n.a.	-5.5	-5.9	-3.9	-0.9	6.6	14.9

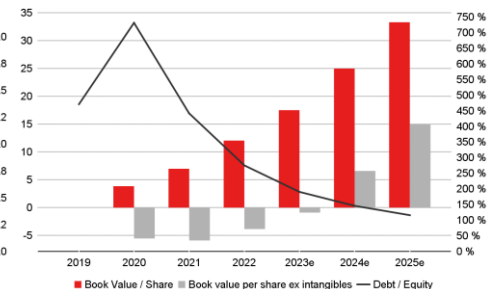
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

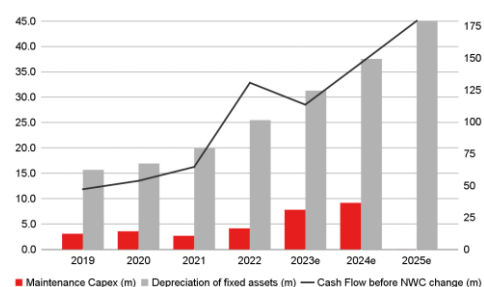
Consolidated cash flow statement

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Net income	30.4	24.4	30.0	77.3	81.5	102.9	128.4
Depreciation of fixed assets	15.7	16.9	19.9	25.5	31.3	37.5	45.1
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	3.5	4.7	4.7	7.6	5.6	4.7	4.8
Increase/decrease in long-term provisions	0.4	1.2	1.3	1.9	-4.9	1.0	1.0
Other non-cash income and expenses	-2.9	6.6	8.7	18.4	0.0	0.0	0.0
Cash Flow before NWC change	47.1	53.8	64.5	130.7	113.5	146.2	179.2
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	0.0	0.0	0.0
Increase / decrease in other working capital positions	-6.3	18.4	-20.6	-48.4	-35.0	-25.2	-42.5
Increase / decrease in working capital (total)	-6.3	18.4	-20.6	-48.4	-35.0	-25.2	-42.5
Net cash provided by operating activities [1]	40.9	72.2	44.0	82.3	78.5	120.9	136.7
Investments in intangible assets	-1.3	-1.0	-0.8	-0.6	-1.5	-1.6	-1.7
Investments in property, plant and equipment	-1.8	-2.6	-1.9	-3.5	-6.3	-7.6	-9.1
Payments for acquisitions	-2.9	-7.8	-50.1	-40.4	-20.0	0.0	0.0
Financial investments	-2.5	1.2	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.4	0.1	0.0	0.1	0.0	0.0	0.0
Net cash provided by investing activities [2]	-8.0	-10.1	-52.8	-44.5	-27.8	-9.2	-10.8
Change in financial liabilities	-3.3	23.9	18.2	11.4	-36.5	0.0	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	-10.0	-30.0	0.0	0.0
Capital measures	0.0	0.1	6.1	0.0	0.0	0.0	0.0
Other	-13.8	-17.5	-24.2	-29.7	-28.8	-34.6	-41.5
Net cash provided by financing activities [3]	-17.1	6.5	0.0	-28.3	-95.3	-34.6	-41.5
Change in liquid funds [1]+[2]+[3]	15.7	68.6	-8.8	9.5	-44.6	77.2	84.5
Effects of exchange-rate changes on cash	0.4	-1.4	0.6	-1.3	0.0	0.0	0.0
Cash and cash equivalent at end of period	44.0	110.9	99.6	114.8	65.5	142.7	227.2

Financial Ratios

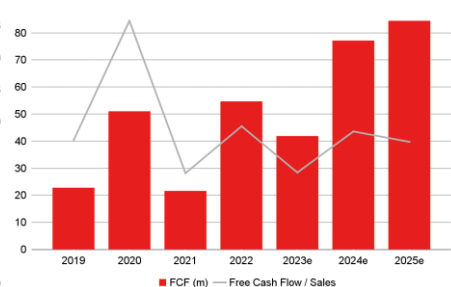
	2019	2020	2021	2022	2023e	2024e	2025e
Cash Flow							
FCF	22.8	51.0	21.6	54.7	41.9	77.2	84.5
Free Cash Flow / Sales	5.7 %	11.9 %	4.0 %	6.4 %	4.0 %	6.1 %	5.6 %
Free Cash Flow Potential	51.7	31.6	39.7	93.6	88.6	108.2	142.7
Free Cash Flow / Net Profit	89.4 %	276.6 %	72.1 %	70.7 %	51.4 %	75.0 %	65.8 %
Interest Received / Avg. Cash	0.6 %	0.7 %	0.4 %	0.5 %	0.2 %	0.2 %	0.0 %
Interest Paid / Avg. Debt	5.0 %	4.6 %	3.6 %	4.5 %	3.0 %	3.2 %	2.8 %
Management of Funds							
Investment ratio	0.8 %	0.8 %	0.5 %	0.5 %	0.7 %	0.7 %	0.7 %
Maint. Capex / Sales	0.8 %	0.8 %	0.5 %	0.5 %	0.7 %	0.7 %	0.0 %
Capex / Dep	16.1 %	16.5 %	10.9 %	12.5 %	21.2 %	21.7 %	21.6 %
Avg. Working Capital / Sales	13.6 %	11.5 %	10.8 %	11.9 %	13.8 %	13.8 %	13.7 %
Trade Debtors / Trade Creditors	500.3 %	332.8 %	559.6 %	1028.2 %	442.4 %	431.5 %	437.1 %
Inventory Turnover	5452.4 x	387.1 x	219.6 x	291.6 x	396.1 x	369.1 x	363.5 x
Receivables collection period (days)	73	63	69	67	84	82	83
Payables payment period (days)	119	165	114	72	168	162	158
Cash conversion cycle (Days)	-103	-172	-102	-70	-164	-157	-150

CAPEX and Cash Flow in EUR m



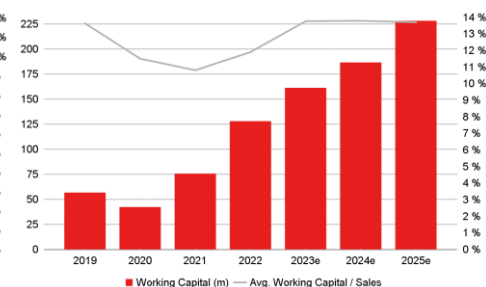
Source: Warburg Research

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.
-H-	Hold:	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-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	160	75
Hold	44	21
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	85
Hold	7	13
Sell	0	0
Rating suspended	1	2
Total	52	100

PRICE AND RATING HISTORY NAGARRO AS OF 17.04.2023



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