



Earnings call

# Q2 & H1



# Disclaimer



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This presentation contains forward-looking statements. These statements are based on the current views, expectations, assumptions and information of the management of Nagarro. Forward-looking statements involve known and unknown risks and uncertainties and, therefore actual results, performance or events may differ materially from those described in such statements due to, among other things, changes in the general economic and competitive environment, risks associated with capital markets, currency exchange rate fluctuations, changes in international and national laws and regulations, in particular with respect to tax laws and regulations, and other factors. Nagarro does not undertake any obligation to update any of the forward-looking statements.

The figures presented for Q1, Q2 and H1 2021 are unaudited.

Gross profit, gross margin, adjusted EBITDA and adjusted EBITDA margin are non-IFRS financial measures. These and other non-IFRS financial measures may not be comparable to similarly titled measures presented by other companies, nor should they be construed as an alternative to other financial measures determined in accordance with IFRS. You are cautioned not to place undue reliance on any non-IFRS financial measures included herein. Please find further explanations regarding our financial key performance indicators in chapter „Section A – VI. Financial Performance“ in the Annual Report 2020 of the Company. These documents are available under the following internet link <https://www.nagarro.com/en/investor-relations/financial-reports-and-publications>.

Due to rounding, numbers presented in this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures to which they refer.

# Q2 described



## Highlights

- **Strong QoQ and YoY growth** on strong demand rebound
- Growth constrained by **global shortage of top digital talent**
- Rising wage inflation putting pressure on margins, impact of remedial measures will lag impact of wage hikes
- Excellent client satisfaction and loyalty despite remote working
- New initiatives to strengthen the digital-first, work-from-anywhere **Nagarrian experience**

## Milestones

- **24.7% YoY** revenue growth in constant currency
- **~11,000 Nagarrians**  
1,153 net new additions
- **Rollover of management participation** nearing completion

# Q2 by the numbers

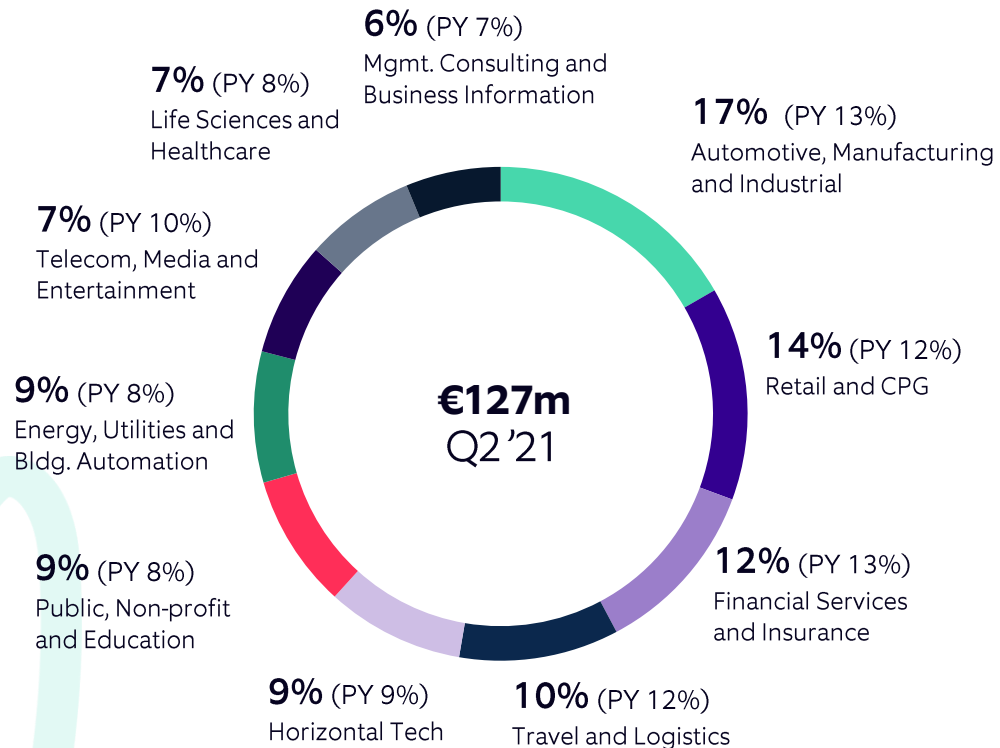


<b>€127m</b> revenue	<b>21.1%</b> YoY revenue growth	<b>10.0%</b> QoQ revenue growth	<b>29.9%</b> gross margin	<b>€19.0m</b> adjusted EBITDA
<b>INDUSTRIES' YoY GROWTH RANGE</b>		<b>SEGMENTS' YoY GROWTH RANGE</b>		
<b>49%</b> automotive, mfg. & industrial	<b>-6%</b> telecom, media & entertainment	<b>53%</b> rest of world	<b>12%</b> central europe	<b>14%</b> top 5 clients' revenue
<b>€102m</b> cash balance	<b>1,153</b> professionals added	<b>95%</b> CSAT score	<b>GUIDANCE</b>	
			<b>~€495m</b> 2021 revenue	<b>~15.0%</b> 2021 adjusted EBITDA margin

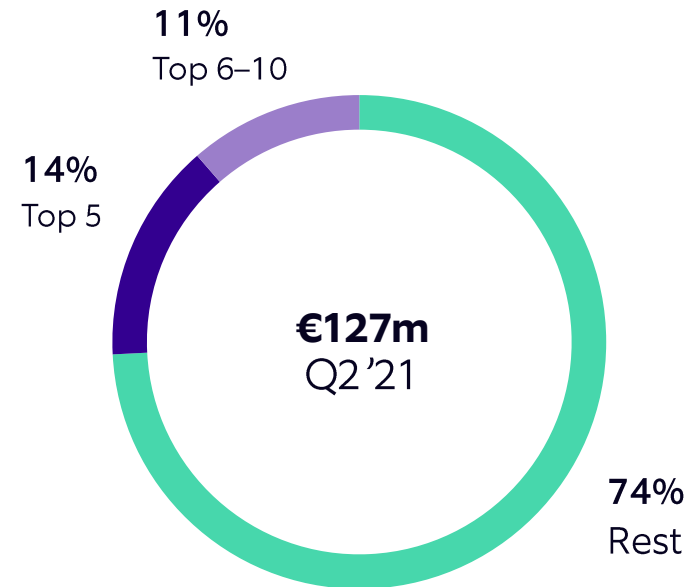
# Auto, Mfg & Industrial, Retail & CPG lead broad-based growth



## Revenue by industry



## Revenue by customers

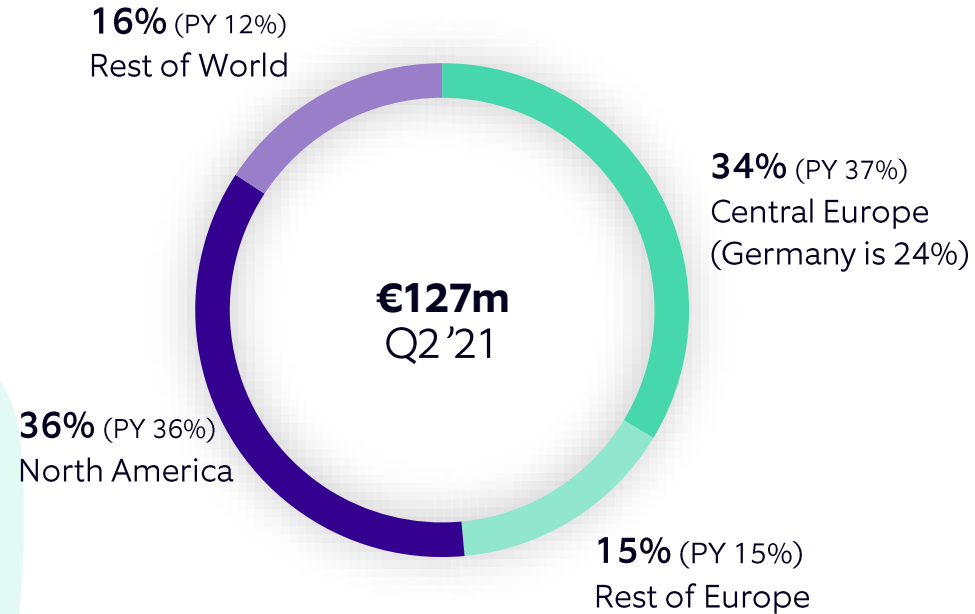


Revenue by industry is based on the company's own classification of each client (or its corporate group) by industry. Each corporate group is counted as a single customer. Numbers in brackets represent previous year (PY) data, i.e. for Q2 '20. Percentages are individually rounded and may not add up to 100%.

# Rest of World segment outpaces others



## Revenue by client region

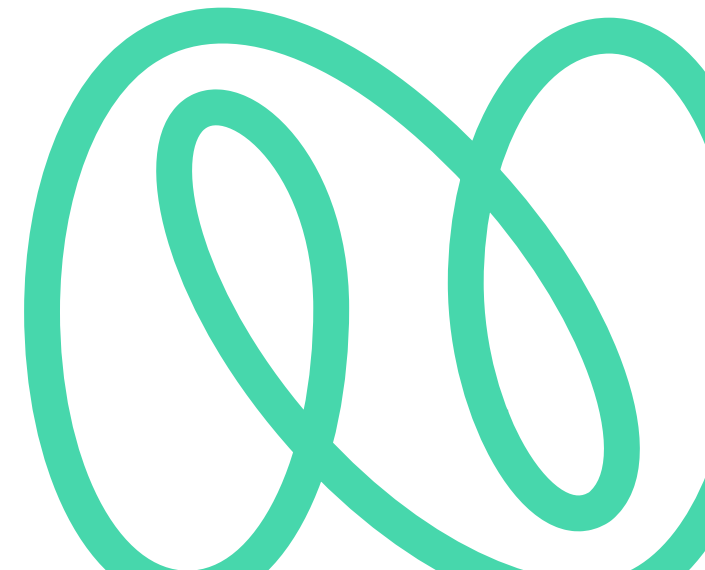


## Personnel worldwide

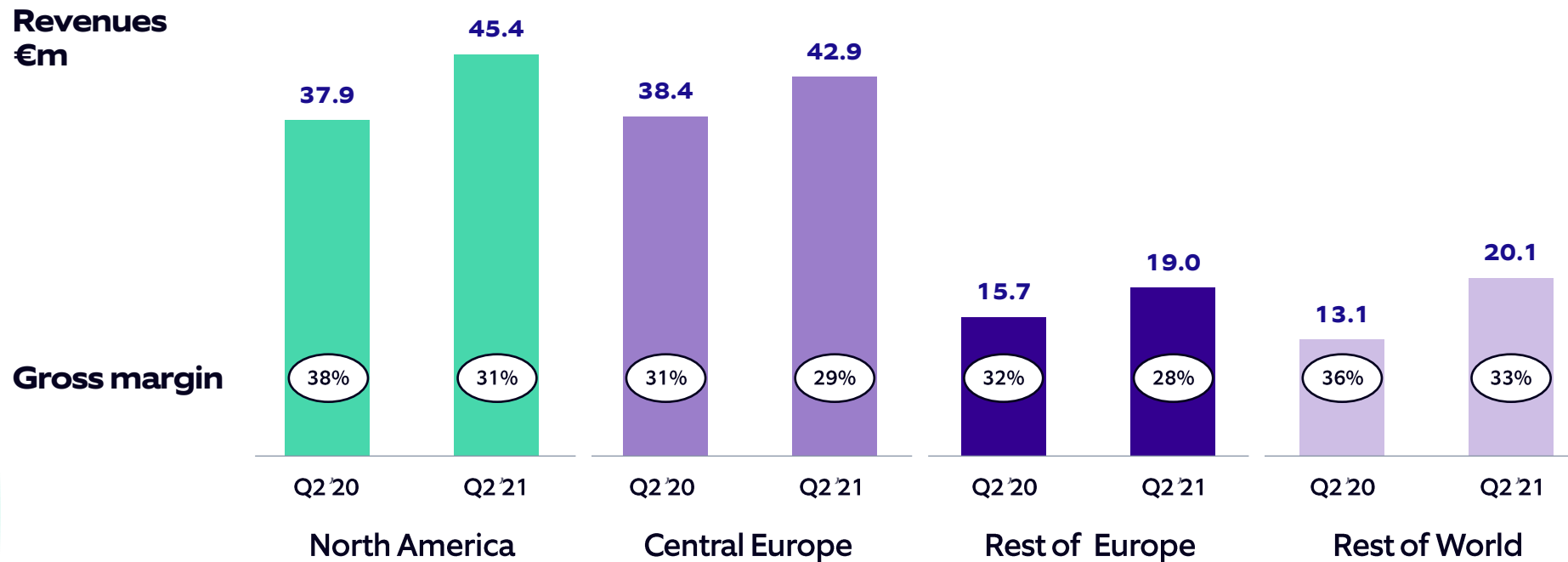
**10,903**  
total professionals, of which...

**10,014**  
professionals in engineering

Central Europe comprises Austria, Croatia, Czech Republic, Germany, Hungary, Poland, Romania, Serbia, Slovakia, Slovenia and Switzerland. A portion of the new hires in Q2 are fresh graduates, to be trained further, and not likely to be immediately deployed on client projects.



# Segment revenues and gross margins



# Net liabilities and cash flows



Financial liabilities include drawdown on syndicated credit facility, working capital facilities, bank loans, and liabilities from factoring. Net leverage is calculated as net liabilities divided by adjusted EBITDA.



# Outlook



	2021 target	Medium-term target
<b>Revenue</b>	~€495m (~15% growth)	Organic revenue growth rates ~20%
<b>Gross margin</b>	~29%	–
<b>Adjusted EBITDA</b>	~15%	~15%



# Investment highlights



- 1. Positioning** “Engineering DNA” leader with an “Enterprise Agile” approach

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- 2. Clients** Large, blue-chip customer base

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- 3. Organization** Agile, entrepreneurial and global org design and culture

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- 4. Financials** Strong topline, attractive margins and upside potential

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- 5. Growth** Sustainable organic growth driven by multiple vectors, plus synergistic M&A





# Q&A