

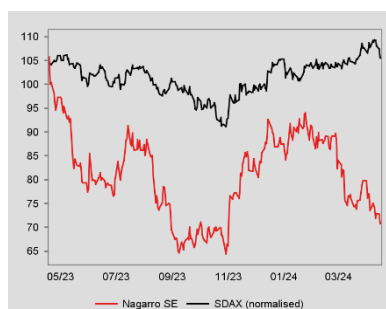
Buy EUR 170.00 (EUR 190.00) Price EUR 70.75 Upside 140.3 %	Value Indicators: EUR DCF: 169.00	Warburg ESG Risk Score: 2.7 ESG Score (MSCI based): 2.0 Balance Sheet Score: 4.0 Market Liquidity Score: 2.0	Description: Custom software and digital engineering
	Market Snapshot: EUR m Market cap: 942.5 No. of shares (m): 13.3 EV: 1,036.7 Freefloat MC: 662.6 Ø Trad. Vol. (30d): 1.35 m	Shareholders: Freefloat 70.30 % Carl G. Duerschmidt 20.00 % Detlef Dinsel 9.70 %	Key Figures (WRE): 2024e Beta: 1.1 Price / Book: 3.8 x Equity Ratio: 33 % Net Fin. Debt / EBITDA: 0.7 x Net Debt / EBITDA: 0.7 x

Slower growth reflected in FY 2023 report but profitability was defended

- Yesterday, Nagarro published its annual report, which confirmed preliminary results. In 2023, the group achieved growth of 6.5% (9.4% acc.). Thus, revenues were lower than the initial forecast of EUR 1,020m mainly due to low demand and scale-backs in a few projects, which led to temporary underutilisation of staff capacity. Sectors such as Horizontal Tech (-18.0%), Management Consulting & Business Information (-8.2%), and Public, Non-profit, Education (-3.3%) faced a decline. Management took several steps to readjust both capacity and spending. For example, management added an EBITDA-linked compensation component. Despite M&A additions, the number of employees declined to 18,413 at the end of 2023 which compares to 19,682 at the end of Q2. Consequently, the company was still able to deliver an adjusted EBITDA margin of over 13%. Average salaries per employee were approx. unchanged. Wage inflation eased in the IT services industry in some of Nagarro's key locations for talent. In India, in particular, wage inflation in the IT services sector was lower in 2023 than in 2022. Attrition levels were also moderate. Meanwhile, Nagarro has resumed wage increment cycles, which signals improvement in the business development.
- Over the last few quarters, Horizontal Tech has seen a sequential revenue recovery indicating that the trough in the vertical has been passed. Nagarro's Automotive, Manufacturing & Industrial vertical saw a substantial rise of 21.8%, followed by Life Sciences & Healthcare at 17.6%, Energy, Utilities & Building Automation expanded by 17.7%. The revenue share generated with the top five clients decreased from 15.4% in 2022 to 14.3% in 2023. Similarly, the revenue share from the next-largest five clients was 9.3% (vs. 10.6% in 2022) reflecting slightly broader client diversification. In 2023, the number of clients with which Nagarro generates more than EUR 1m in annual revenue, an indicator for future growth, increased from 159 in 2022 to 181. FCF after leasing payments was EUR 45.7m or EUR 66m if also adjusted for the impact of factoring.
- Nagarro expects that Generative AI will improve the productivity of software engineers to some extent. At the same time, generative AI looks set to support investments in data and digitalization solutions. At the same time, Nagarro assumes that the impact of generative AI on the company will be neutral in the short to medium term, considering the company's focus on digital engineering and on working in agile ways with small teams.

The model has been reworked and this leads to a lower PT of EUR 170. The Buy rating is confirmed.

Changes in Estimates:				Comment on Changes:			
FY End: 31.12. in EUR m	2024e (old)	+ / -	2025e (old)	+ / -	2026e (old)	+ / -	
Sales	1,017.5	-3.7 %	1,221.0	-10.1 %	n.a.	n.m.	Revenue estimates lowered to reflect Q4 revenue, which declined yoy and qoq.
EBITDA adj.	154.6	-9.7 %	187.9	-9.2 %	n.a.	n.m.	
EBITDA	145.6	-10.3 %	177.9	-9.7 %	n.a.	n.m.	
EBIT	110.6	-14.9 %	136.8	-12.1 %	n.a.	n.m.	
EPS	5.43	-13.1 %	6.84	-9.8 %	n.a.	n.m.	

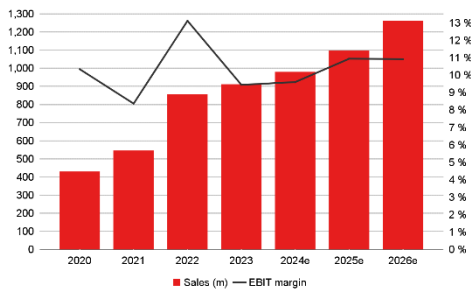


Rel. Performance vs SDAX:	
1 month:	-7.6 %
6 months:	-8.5 %
Year to date:	-19.3 %
Trailing 12 months:	-34.4 %

Company events:	
14.05.24	Q1
14.08.24	Q2
14.11.24	Q3

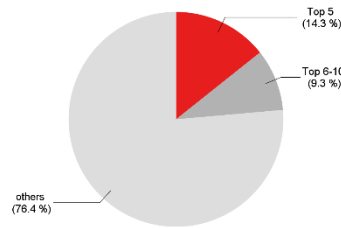
FY End: 31.12. in EUR m	CAGR (23-26e)	2020	2021	2022	2023	2024e	2025e	2026e
Sales	11.4 %	430.4	546.0	856.3	912.1	980.0	1,097.6	1,262.2
Change Sales yoy		6.9 %	26.9 %	56.8 %	6.5 %	7.4 %	12.0 %	15.0 %
gross margin (company reporting)		32.6 %	28.3 %	28.9 %	25.8 %	30.2 %	29.9 %	29.9 %
EBITDA adj.		76.2	79.7	148.5	126.1	139.6	170.7	193.7
Margin		17.7 %	14.6 %	17.3 %	13.8 %	14.2 %	15.5 %	15.3 %
EBITDA	14.8 %	66.2	70.3	145.6	121.3	130.6	160.7	183.7
Margin		15.4 %	12.9 %	17.0 %	13.3 %	13.3 %	14.6 %	14.6 %
EBIT	17.0 %	44.5	45.7	112.4	86.2	94.1	120.3	138.0
Margin		10.3 %	8.4 %	13.1 %	9.5 %	9.6 %	11.0 %	10.9 %
Net income before minorities		24.4	30.0	77.3	52.1	62.9	82.3	95.0
Net income	22.1 %	18.4	30.0	77.3	52.1	62.9	82.3	95.0
EPS	22.6 %	n.a.	2.51	5.58	3.87	4.72	6.17	7.13
FCFPS		4.48	1.81	4.09	3.39	7.41	5.30	5.85
FCF / Market cap		n.a.	1.5 %	3.4 %	3.8 %	10.5 %	7.5 %	8.3 %
EV / Sales		n.a.	3.0 x	2.1 x	1.5 x	1.1 x	0.9 x	0.7 x
EV / EBIT adj.		n.a.	33.8 x	15.6 x	15.4 x	10.6 x	7.8 x	6.3 x
EV / EBIT		n.a.	35.4 x	16.4 x	16.2 x	11.0 x	8.0 x	6.4 x
P / E		n.a.	48.9 x	21.8 x	23.0 x	15.0 x	11.5 x	9.9 x
Net Debt		87.8	149.7	155.8	200.6	94.1	24.5	-53.4
ROCE (NOPAT)		20.5 %	18.8 %	30.1 %	18.3 %	18.6 %	24.6 %	26.9 %
Guidance:		2024: revenue: approx. EUR 1bn; adj. EBITDA margin: approx. 14%						

Sales development
in EUR m



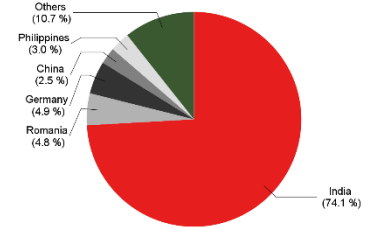
Source: Warburg Research

Customer split
2023



Source: Company

IT engineers by region
2023



Source: Warburg Research

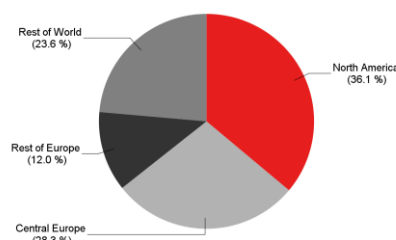
Company Background

- 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

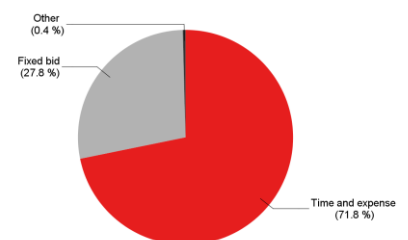
- Nagarro is a trusted and valued digitalisation partner developing tailor-made software to achieve competitive differentiation for its clients.
- Technological focus and expertise position the company as an IT engineering expert rather than a consulting or services company.
- Proprietary software Ginger 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. 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 region
2023; in %



Source: Warburg Research

Revenue by contract type
2023



Source: Warburg Research

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	
Sales	980.0	1,097.6	1,262.2	1,451.6	1,656.2	1,875.8	2,109.5	2,356.5	2,615.9	2,886.6	3,167.4	3,457.0	3,526.2	
Sales change	7.4 %	12.0 %	15.0 %	15.0 %	14.1 %	13.3 %	12.5 %	11.7 %	11.0 %	10.3 %	9.7 %	9.1 %	2.0 %	2.0 %
EBIT	94.1	120.3	138.0	159.7	173.9	197.0	221.5	247.4	274.7	303.1	332.6	363.0	370.2	
EBIT-margin	9.6 %	11.0 %	10.9 %	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	67.8	86.6	99.3	108.6	118.3	133.9	150.6	168.3	186.8	206.1	226.2	246.8	251.8	
Depreciation	36.5	40.4	45.8	16.0	16.6	18.8	21.1	23.6	26.2	28.9	31.7	34.6	38.8	
in % of Sales	3.7 %	3.7 %	3.6 %	1.1 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.1 %	
Changes in provisions	-7.8	1.0	0.0	1.5	1.6	1.7	1.9	2.0	2.1	2.1	2.2	2.3	0.5	
Change in Liquidity from														
- Working Capital	-36.8	13.7	18.9	72.4	30.7	32.9	35.1	37.1	38.9	40.6	42.1	43.4	10.4	
- Capex	7.5	8.3	9.3	16.0	18.2	20.6	23.2	25.9	28.8	31.8	34.8	38.0	38.8	
Capex in % of Sales	0.8 %	0.8 %	0.7 %	1.1 %	1.1 %	1.1 %	1.1 %	1.1 %	1.1 %	1.1 %	1.1 %	1.1 %	1.1 %	
- Other	26.9	30.2	34.7	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)	98.8	75.9	82.2	37.7	87.5	100.9	115.3	130.8	147.3	164.8	183.1	202.2	241.9	247
PV of FCF	98.8	70.1	70.2	29.7	63.8	67.9	71.8	75.2	78.3	80.9	83.1	84.8	93.7	1,536
share of PVs	9.55 %			29.12 %										61.34 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	12.00 %	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	8.22 %	Beta	1.14

Valuation (m)

Present values 2036e	968		
Terminal Value	1,536		
Financial liabilities	294		
Pension liabilities	17		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	60	No. of shares (m)	13.3
Equity Value	2,254	Value per share (EUR)	169.19

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
1.35	9.2 %	130.43	133.04	135.82	138.80	141.99	145.42	149.11	1.35	9.2 %	113.59	121.99	130.40	138.80	147.21	155.61	164.02
1.24	8.7 %	142.67	145.81	149.18	152.80	156.71	160.92	165.49	1.24	8.7 %	125.45	134.57	143.69	152.80	161.92	171.04	180.16
1.19	8.5 %	149.47	152.93	156.66	160.67	165.00	169.69	174.80	1.19	8.5 %	132.11	141.63	151.15	160.67	170.18	179.70	189.22
1.14	8.2 %	156.79	160.62	164.74	169.19	174.02	179.27	184.99	1.14	8.2 %	139.34	149.29	159.24	169.19	179.14	189.09	199.04
1.09	8.0 %	164.69	168.93	173.51	178.47	183.86	189.75	196.20	1.09	8.0 %	147.21	157.63	168.05	178.47	188.89	199.31	209.73
1.04	7.7 %	173.23	177.94	183.04	188.59	194.65	201.28	208.58	1.04	7.7 %	155.80	166.73	177.66	188.59	199.52	210.46	221.39
0.93	7.2 %	192.60	198.47	204.87	211.88	219.60	228.14	237.63	0.93	7.2 %	175.56	187.67	199.78	211.88	223.99	236.10	248.20

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

Valuation	2020	2021	2022	2023	2024e	2025e	2026e
Price / Book	n.a.	15.2 x	10.2 x	6.6 x	3.8 x	3.0 x	2.3 x
Book value per share ex intangibles	n.a.	-5.90	-3.79	-4.97	-0.08	5.06	12.43
EV / Sales	n.a.	3.0 x	2.1 x	1.5 x	1.1 x	0.9 x	0.7 x
EV / EBITDA	n.a.	23.0 x	12.6 x	11.5 x	7.9 x	6.0 x	4.8 x
EV / EBIT	n.a.	35.4 x	16.4 x	16.2 x	11.0 x	8.0 x	6.4 x
EV / EBIT adj.*	n.a.	33.8 x	15.6 x	15.4 x	10.6 x	7.8 x	6.3 x
P / FCF	n.a.	67.9 x	29.7 x	26.2 x	9.6 x	13.3 x	12.1 x
P / E	n.a.	48.9 x	21.8 x	23.0 x	15.0 x	11.5 x	9.9 x
P / E adj.*	n.a.	48.9 x	21.8 x	23.0 x	15.0 x	11.5 x	9.9 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.	2.5 %	5.2 %	5.1 %	6.9 %	10.2 %	12.6 %

*Adjustments made for: -

Company Specific Items	2020	2021	2022	2023	2024e	2025e	2026e
gross profit (company reporting)	140.2	154.4	247.1	235.7	296.2	328.5	377.4
gross margin (company reporting)	32.6 %	28.3 %	28.9 %	25.8 %	30.2 %	29.9 %	29.9 %

Consolidated profit & loss

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Sales	430.4	546.0	856.3	912.1	980.0	1,097.6	1,262.2
Change Sales yoy	6.9 %	26.9 %	56.8 %	6.5 %	7.4 %	12.0 %	15.0 %
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	0.3	0.2	0.3	0.3	2.2	2.5	2.5
Material expenses	49.2	59.1	77.0	73.1	114.7	131.7	151.5
Personnel expenses	271.7	373.0	571.1	654.7	632.1	691.5	795.2
Other operating income	11.6	14.8	28.2	32.2	9.0	10.0	10.0
Other operating expenses	53.3	55.5	89.0	91.3	107.8	120.7	138.8
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	66.2	70.3	145.6	121.3	130.6	160.7	183.7
<i>Margin</i>	<i>15.4 %</i>	<i>12.9 %</i>	<i>17.0 %</i>	<i>13.3 %</i>	<i>13.3 %</i>	<i>14.6 %</i>	<i>14.6 %</i>
Depreciation of fixed assets	16.9	19.9	25.5	29.6	31.8	35.6	41.0
EBITA	49.3	50.3	120.1	91.7	98.8	125.1	142.8
Amortisation of intangible assets	4.7	4.7	7.6	5.5	4.7	4.8	4.8
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	44.5	45.7	112.4	86.2	94.1	120.3	138.0
<i>Margin</i>	<i>10.3 %</i>	<i>8.4 %</i>	<i>13.1 %</i>	<i>9.5 %</i>	<i>9.6 %</i>	<i>11.0 %</i>	<i>10.9 %</i>
EBIT adj.	48.0	47.8	117.8	91.1	98.1	124.3	142.0
Interest income	0.5	0.4	0.5	1.8	0.2	0.0	0.0
Interest expenses	7.3	7.8	11.2	18.2	7.0	6.0	6.0
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	37.7	38.2	101.7	69.8	87.3	114.3	132.0
<i>Margin</i>	<i>8.8 %</i>	<i>7.0 %</i>	<i>11.9 %</i>	<i>7.7 %</i>	<i>8.9 %</i>	<i>10.4 %</i>	<i>10.5 %</i>
Total taxes	13.4	8.2	24.4	17.7	24.5	32.0	36.9
Net income from continuing operations	24.4	30.0	77.3	52.1	62.9	82.3	95.0
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	24.4	30.0	77.3	52.1	62.9	82.3	95.0
Minority interest	5.9	0.0	0.0	0.0	0.0	0.0	0.0
Net income	18.4	30.0	77.3	52.1	62.9	82.3	95.0
<i>Margin</i>	<i>4.3 %</i>	<i>5.5 %</i>	<i>9.0 %</i>	<i>5.7 %</i>	<i>6.4 %</i>	<i>7.5 %</i>	<i>7.5 %</i>
Number of shares, average	n.a.	12.0	13.8	13.5	13.3	13.3	13.3
EPS	n.a.	2.51	5.58	3.87	4.72	6.17	7.13
EPS adj.	n.a.	2.51	5.58	3.87	4.72	6.17	7.13

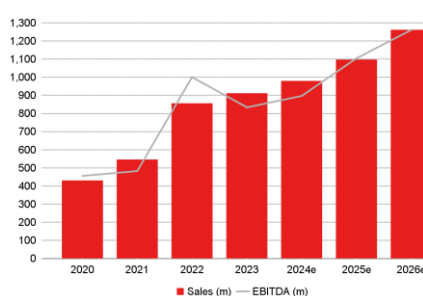
*Adjustments made for:

Guidance: 2024: revenue: approx. EUR 1bn; adj. EBITDA margin: approx. 14%

Financial Ratios

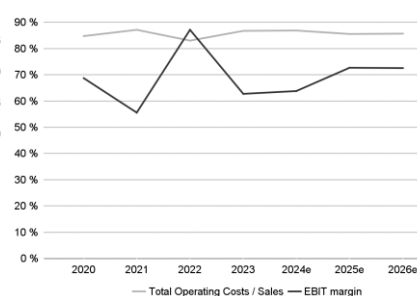
	2020	2021	2022	2023	2024e	2025e	2026e
Total Operating Costs / Sales	84.7 %	87.2 %	83.0 %	86.7 %	86.9 %	85.6 %	85.6 %
Operating Leverage	0.7 x	0.1 x	2.6 x	-3.6 x	1.2 x	2.3 x	1.0 x
EBITDA / Interest expenses	9.1 x	9.0 x	13.0 x	6.7 x	18.7 x	26.8 x	30.6 x
Tax rate (EBT)	35.5 %	21.5 %	24.0 %	25.3 %	28.0 %	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



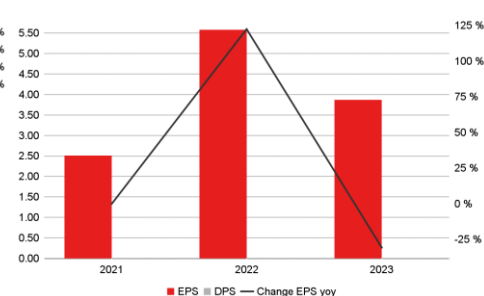
Source: Warburg Research

Operating Performance
in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

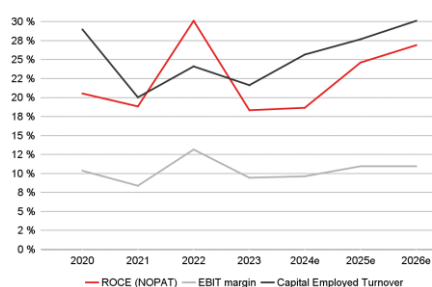
Consolidated balance sheet

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Assets							
Goodwill and other intangible assets	106.9	178.7	217.4	247.3	247.2	247.1	247.0
thereof other intangible assets	11.0	14.0	13.6	26.5	26.4	26.3	26.2
thereof Goodwill	95.9	163.4	202.6	220.8	220.8	220.8	220.8
Property, plant and equipment	6.4	11.1	11.4	12.9	14.0	15.1	16.4
Financial assets	3.0	3.7	4.0	3.3	3.3	3.3	3.3
Other long-term assets	51.7	59.3	52.3	47.6	48.3	54.6	63.4
Fixed assets	168.0	253.0	285.1	311.3	312.8	320.1	330.2
Inventories	0.1	0.3	0.3	0.0	0.4	0.5	0.5
Accounts receivable	73.9	103.3	156.8	182.5	187.9	210.5	242.1
Liquid assets	107.7	106.6	110.2	110.1	189.6	260.3	338.2
Other short-term assets	37.1	61.7	66.7	76.0	77.0	84.0	84.0
Current assets	218.8	271.9	333.9	368.6	454.9	555.3	664.8
Total Assets	386.8	524.9	619.0	679.9	767.7	875.4	995.0
Liabilities and shareholders' equity							
Shareholders' equity	43.8	96.8	165.5	181.1	246.1	314.5	412.6
Minority interest	2.7	0.0	0.0	0.0	5.0	20.0	20.0
Total equity	46.5	96.8	165.5	181.1	251.1	334.5	432.6
Provisions	33.2	45.3	55.8	59.4	43.0	46.0	46.0
thereof provisions for pensions and similar obligations	6.0	10.1	12.9	16.8	9.0	10.0	10.0
Financial liabilities (total)	189.5	246.1	253.1	293.9	274.7	274.7	274.7
Short-term financial liabilities	14.4	23.8	11.5	6.2	6.2	6.2	6.2
Accounts payable	22.2	18.5	15.3	17.9	51.0	57.1	65.7
Other liabilities	95.4	118.2	129.4	127.5	147.8	163.0	175.9
Liabilities	340.3	428.0	453.5	498.8	516.6	540.9	562.4
Total liabilities and shareholders' equity	386.8	524.9	619.0	679.9	767.7	875.4	995.0

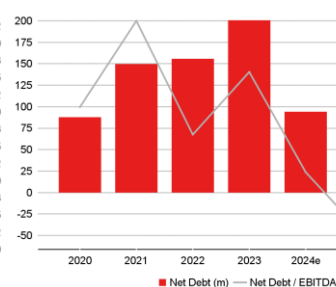
Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Efficiency of Capital Employment							
Operating Assets Turnover	8.8 x	6.3 x	6.1 x	5.6 x	7.7 x	7.8 x	7.8 x
Capital Employed Turnover	3.2 x	2.2 x	2.7 x	2.4 x	2.8 x	3.1 x	3.3 x
ROA	11.0 %	11.9 %	27.1 %	16.8 %	20.1 %	25.7 %	28.8 %
Return on Capital							
ROCE (NOPAT)	20.5 %	18.8 %	30.1 %	18.3 %	18.6 %	24.6 %	26.9 %
ROE	39.2 %	42.7 %	58.9 %	30.1 %	29.4 %	29.3 %	26.1 %
Adj. ROE	39.2 %	42.7 %	58.9 %	30.1 %	29.4 %	29.3 %	26.1 %
Balance sheet quality							
Net Debt	87.8	149.7	155.8	200.6	94.1	24.5	-53.4
Net Financial Debt	81.8	139.5	142.9	183.8	85.1	14.5	-63.4
Net Gearing	188.7 %	154.6 %	94.1 %	110.8 %	37.5 %	7.3 %	-12.4 %
Net Fin. Debt / EBITDA	123.6 %	198.6 %	98.2 %	151.6 %	65.2 %	9.0 %	n.a.
Book Value / Share	n.a.	7.0	12.1	13.6	18.5	23.6	31.0
Book value per share ex intangibles	n.a.	-5.9	-3.8	-5.0	-0.1	5.1	12.4

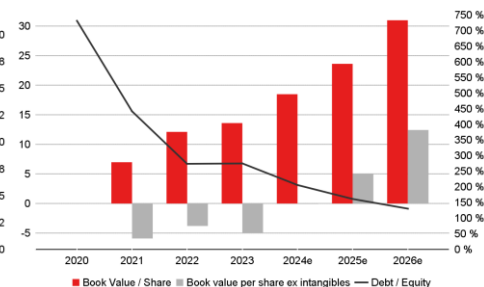
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

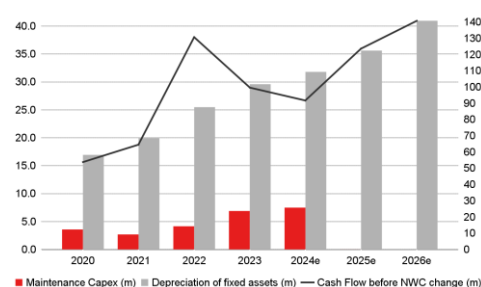
Consolidated cash flow statement

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Net income	24.4	30.0	77.3	52.1	62.9	82.3	95.0
Depreciation of fixed assets	16.9	19.9	25.5	29.6	31.8	35.6	41.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	4.7	4.7	7.6	5.5	4.7	4.8	4.8
Increase/decrease in long-term provisions	1.2	1.3	1.9	2.7	-7.8	1.0	0.0
Other non-cash income and expenses	6.6	8.7	18.4	9.7	0.0	0.0	0.0
Cash Flow before NWC change	53.8	64.5	130.7	99.6	91.6	123.7	140.8
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	18.4	-20.6	-48.4	-21.9	41.5	-14.6	-18.9
Increase / decrease in working capital (total)	18.4	-20.6	-48.4	-21.9	41.5	-14.6	-18.9
Net cash provided by operating activities [1]	72.2	44.0	82.3	77.7	133.1	109.1	121.9
Investments in intangible assets	-1.0	-0.8	-0.6	-1.5	-1.6	-1.7	-1.7
Investments in property, plant and equipment	-2.6	-1.9	-3.5	-5.4	-5.9	-6.6	-7.6
Payments for acquisitions	-7.8	-50.1	-40.4	-54.3	0.0	0.0	0.0
Financial investments	1.2	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.1	0.0	0.1	-2.5	0.0	0.0	0.0
Net cash provided by investing activities [2]	-10.1	-52.8	-44.5	-63.7	-7.5	-8.3	-9.3
Change in financial liabilities	23.9	18.2	11.4	62.3	-19.2	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	-10.0	-29.7	0.0	0.0	0.0
Capital measures	0.1	6.1	0.0	0.0	0.0	0.0	0.0
Other	-17.5	-24.2	-30.2	-39.3	-26.9	-30.2	-34.7
Net cash provided by financing activities [3]	6.5	0.0	-28.8	-6.7	-46.1	-30.2	-34.7
Change in liquid funds [1]+[2]+[3]	68.6	-8.8	9.0	7.3	79.5	70.7	77.9
Effects of exchange-rate changes on cash	-1.4	0.6	-1.3	-2.6	0.0	0.0	0.0
Cash and cash equivalent at end of period	110.9	99.6	114.3	114.8	189.6	260.3	338.2

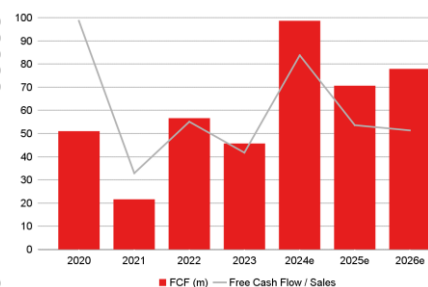
Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Cash Flow							
FCF	51.0	21.6	56.6	45.7	98.7	70.7	77.9
Free Cash Flow / Sales	11.9 %	4.0 %	6.6 %	5.0 %	10.1 %	6.4 %	6.2 %
Free Cash Flow Potential	49.2	39.7	95.5	71.6	71.8	98.5	112.1
Free Cash Flow / Net Profit	276.6 %	72.1 %	73.3 %	87.7 %	156.9 %	85.9 %	82.0 %
Interest Received / Avg. Cash	0.7 %	0.4 %	0.5 %	1.6 %	0.1 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	4.6 %	3.6 %	4.5 %	6.6 %	2.5 %	2.2 %	2.2 %
Management of Funds							
Investment ratio	0.8 %	0.5 %	0.5 %	0.8 %	0.8 %	0.8 %	0.7 %
Maint. Capex / Sales	0.8 %	0.5 %	0.5 %	0.8 %	0.8 %	0.0 %	0.0 %
Capex / Dep	16.5 %	10.9 %	12.5 %	19.6 %	20.5 %	20.5 %	20.3 %
Avg. Working Capital / Sales	11.5 %	10.8 %	11.9 %	15.2 %	13.4 %	10.9 %	10.8 %
Trade Debtors / Trade Creditors	332.8 %	559.6 %	1028.2 %	1017.4 %	368.4 %	368.7 %	368.5 %
Inventory Turnover	387.1 x	219.6 x	291.6 x	73124.0 x	286.7 x	263.4 x	302.9 x
Receivables collection period (days)	63	69	67	73	70	70	70
Payables payment period (days)	165	114	72	90	162	158	158
Cash conversion cycle (Days)	-172	-102	-70	-91	-169	-163	-163

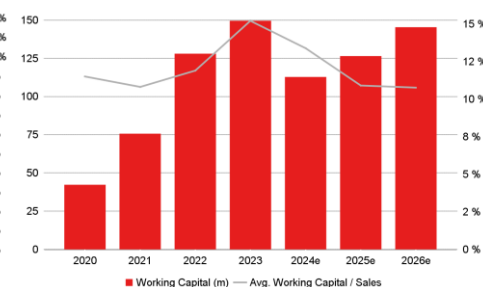
CAPEX and Cash Flow
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
Nagarro	5	https://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	146	70
Hold	47	23
Sell	8	4
Rating suspended	7	3
Total	208	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	46	82
Hold	7	13
Sell	0	0
Rating suspended	3	5
Total	56	100

PRICE AND RATING HISTORY NAGARRO AS OF 17.04.2024



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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