

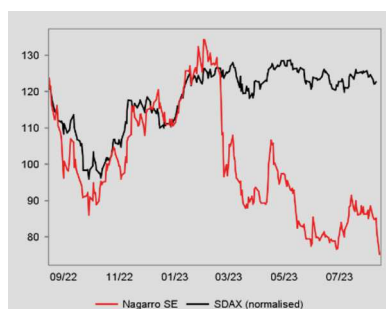
Buy EUR 190.00	Value Indicators: EUR DCF: 191.00	Warburg ESG Risk Score: 3.0 ESG Score (MSCI based): 3.0 Balance Sheet Score: 4.0 Market Liquidity Score: 2.0	Description: Custom software and digital engineering
	Market Snapshot: EUR m Market cap: 1,035.0 No. of shares (m): 13.8 EV: 1,199.1 Freefloat MC: 727.6 Ø Trad. Vol. (30d): 2.45 m	Shareholders: Freefloat: 70.30 % Carl G. Duerschmidt: 20.00 % Detlef Dinsel: 9.70 %	Key Figures (WRE): 2023e Beta: 1.1 Price / Book: 4.8 x Equity Ratio: 33 % Net Fin. Debt / EBITDA: 1.3 x Net Debt / EBITDA: 1.4 x
Price: EUR 75.20 Upside: 152.7 %			

Q2 results reflect low attrition rates

- On Monday, Nagarro published its H1 report.
- Q2 revenues grew 10.7% yoy acc. of which 8.7% was organic. The accounts generating over EUR 1m in revenue over the trailing 12 months increased to 168 clients at the end of June vs. 131 clients a year ago. In general, traditional industries showed more dynamic demand in contrast to e.g. horizontal tech, which saw a decline and affected revenue development in North America. Management is awaiting a rebound in demand in the region. While banking, was below management's initial assumptions, the best-performing industries on a year-on-year basis were energy utilities and building automation, followed by automotive, manufacturing and industrial, and life sciences and healthcare.
- As a consequence of a tougher demand environment and subsequently slower growth, attrition was at remarkably low levels of approximately 5%. As a consequence, overall staff capacity was higher than necessary for the current revenue level which was reflected in lower profitability. As Nagarro continues to target further growth in the future, management has taken only small steps to rationalize cost and headcount where necessary. The positive effects of cost rationalization will mostly materialise in H2 and will also contribute to profitability in 2024. For example, Nagarro renegotiated contracts with nearly 14,000 employees to insert an EBITDA-linked organization bonus into the existing compensation structure, contributing to more cost flexibility in the future.
- Nagarro's H1 operating cash flow was EUR 15.4m. There was a reduction in cash flow of EUR 11.5m from factoring. Considering capex of EUR 2.5m and lease payments of EUR 12.2m, FCF for the period was EUR 0.7m leaving room for improvement towards the end of the year. There was also an increase in trade receivables and contract assets of EUR 7.8m associated with recent acquisitions.
- During the call, management highlighted that AI provides Nagarro with the opportunity to further enhance client engagement and move up the value chain. Nagarro's expertise in the field is underpinned by various flagship projects such as devising optimal schedules for factories and refining inventory management in the pharmaceutical sector, orchestrating supply-chain optimization for fashion and retail, or streamlining vehicle routing logistics. Nagarro has launched a systematic programme to take charge of the AI-related conversations at the CXO level at all top clients.
- Conclusion: Some of the demand of Nagarro's clients appears to have a discretionary character but should rebound in the future. The Buy rating is confirmed given the upside to our PT even if operative momentum is currently not favourable.

Nagarro - Q2 2023

in EUR m	Q2/23	Q2/23e	Q2/22	yoy
Sales	226.8	232.5	210.0	8.0%
EBITDA adjusted margin	28.9 12.8%	32.2 13.8%	40.2 19.1%	-28.0%
EBITDA margin	27.3 12.0%	31.3 13.5%	39.4 18.7%	-30.6%
EBIT margin	19.5 8.6%	23.0 9.9%	31.1 14.8%	-37.1%

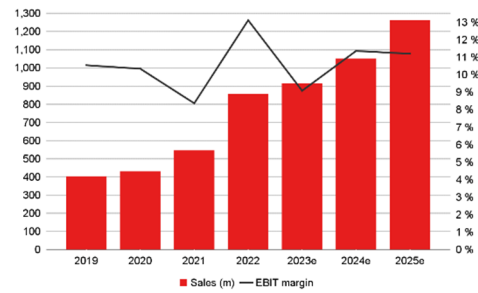


Rel. Performance vs SDAX:	
1 month:	-16.3 %
6 months:	-38.3 %
Year to date:	-42.0 %
Trailing 12 months:	-39.7 %

Company events:
14.11.23 Q3

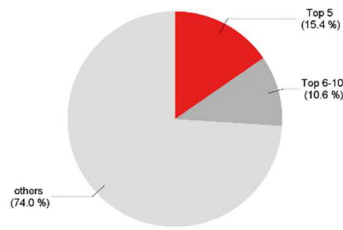
FY End: 31.12. in EUR m	CAGR (22-25e)	2019	2020	2021	2022	2023e	2024e	2025e
Sales	13.8 %	402.4	430.4	546.0	856.3	915.0	1,052.3	1,262.7
Change Sales yoy		40.1 %	6.9 %	26.9 %	56.8 %	6.9 %	15.0 %	20.0 %
gross margin (company reporting)		32.1 %	32.6 %	28.3 %	28.9 %	29.7 %	30.2 %	29.9 %
EBITDA adj. Margin		55.0 13.7 %	76.2 17.7 %	79.7 14.6 %	148.5 17.3 %	124.0 13.6 %	164.7 15.6 %	193.8 15.3 %
EBITDA Margin	8.1 %	61.6 15.3 %	66.2 15.4 %	70.3 12.9 %	145.6 17.0 %	116.0 12.7 %	155.7 14.8 %	183.8 14.6 %
EBIT Margin	7.9 %	42.4 10.5 %	44.5 10.3 %	45.7 8.4 %	112.4 13.1 %	83.2 9.1 %	119.7 11.4 %	141.4 11.2 %
Net income before minorities		30.4	24.4	30.0	77.3	55.0	81.3	97.5
Net income	8.0 %	25.5	18.4	30.0	77.3	55.0	81.3	97.5
EPS	8.3 %	n.a.	1.62	2.51	5.58	4.00	5.90	7.08
FCFPS		2.00	4.48	1.81	3.95	2.67	4.82	4.47
FCF / Market cap		n.a.	5.3 %	1.5 %	3.2 %	3.6 %	6.4 %	5.9 %
EV / Sales		n.a.	2.5 x	3.0 x	2.1 x	1.3 x	1.1 x	0.9 x
EV / EBIT adj.		n.a.	22.0 x	33.8 x	15.6 x	13.6 x	9.2 x	7.4 x
EV / EBIT		n.a.	23.8 x	35.4 x	16.4 x	14.4 x	9.5 x	7.6 x
P / E		n.a.	52.6 x	48.9 x	21.8 x	18.8 x	12.7 x	10.6 x
Net Debt		86.0	87.8	149.7	155.8	164.1	98.8	38.3
ROCE (NOPAT)		23.0 %	20.5 %	18.8 %	30.2 %	17.0 %	22.0 %	24.3 %
Guidance:		2023: revenue: EUR 915m; adj. EBITDA margin: approx. 13%						

Sales development
in EUR m



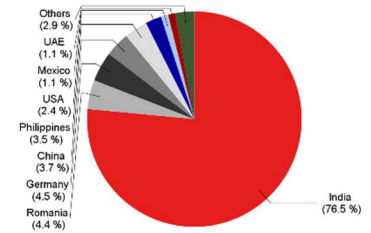
Source: Warburg Research

Customer split
2022



Source: Company

IT engineers by region
2022



Source: Warburg Research

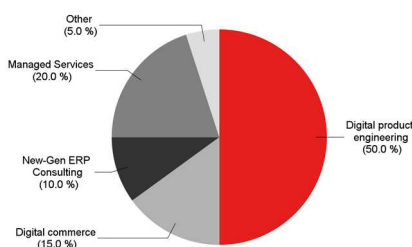
Company Background

- 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

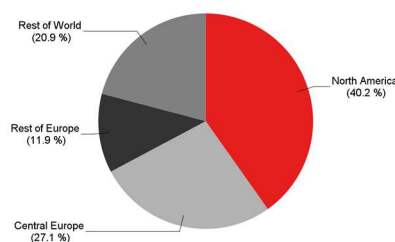
- Nagarro is a trusted and valued digitalisation partner developing tailor-made software to achieve competitive differentiation for its clients.
- Technological focus and expertise position the company as an IT engineering expert rather than a consulting or services company.
- Proprietary software Ginger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

Revenue by service line
estimates / approx.



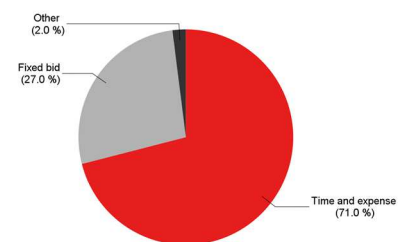
Source: Estimate Warburg Research

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	915.0	1,052.3	1,262.7	1,502.6	1,771.0	2,068.3	2,394.7	2,749.9	3,133.4	3,544.1	3,980.8	4,441.8	4,530.7	
Sales change	6.9 %	15.0 %	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	83.2	119.7	141.4	165.3	186.0	217.2	251.4	288.7	329.0	372.1	418.0	466.4	475.7	
EBIT-margin	9.1 %	11.4 %	11.2 %	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	59.9	86.2	101.8	112.4	126.4	147.7	171.0	196.3	223.7	253.0	284.2	317.1	323.5	
Depreciation	32.8	36.0	42.4	16.5	17.7	20.7	23.9	27.5	31.3	35.4	39.8	44.4	49.8	
in % of Sales	3.6 %	3.4 %	3.4 %	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	12.4	15.3	34.6	35.1	40.3	44.6	49.0	53.3	57.5	61.6	65.5	69.2	13.3	
- Capex	7.0	7.9	9.3	16.5	19.5	22.8	26.3	30.2	34.5	39.0	43.8	48.9	49.8	
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	25.1	28.8	34.6	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)	43.4	71.2	66.7	79.2	86.5	103.4	122.2	143.1	166.1	191.2	218.2	247.2	310.9	317
PV of FCF	42.5	64.3	55.6	60.9	61.4	67.6	73.7	79.6	85.2	90.5	95.3	99.5	115.4	1,833
share of PVs	5.75 %			29.35 %										64.90 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	9.00 %	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	8.42 %	Beta	1.14

Valuation (m)

Present values 2035e	992		
Terminal Value	1,833		
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	2,629	Value per share (EUR)	191.04

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	9.4 %	146.82	149.77	152.92	156.28	159.87	163.72	167.85	1.34	9.4 %	128.23	137.58	146.93	156.28	165.62	174.97	184.32
1.24	8.9 %	160.90	164.45	168.24	172.31	176.69	181.41	186.51	1.24	8.9 %	141.81	151.98	162.15	172.31	182.48	192.65	202.82
1.19	8.7 %	168.71	172.61	176.80	181.30	186.16	191.40	197.09	1.19	8.7 %	149.42	160.05	170.68	181.30	191.93	202.56	213.18
1.14	8.4 %	177.11	181.42	186.05	191.04	196.44	202.29	208.65	1.14	8.4 %	157.67	168.80	179.92	191.04	202.16	213.29	224.41
1.09	8.2 %	186.17	190.93	196.07	201.62	207.64	214.19	221.34	1.09	8.2 %	166.64	178.30	189.96	201.62	213.28	224.94	236.60
1.04	7.9 %	195.96	201.24	206.95	213.15	219.88	227.24	235.31	1.04	7.9 %	176.41	188.65	200.90	213.15	225.39	237.64	249.88
0.94	7.4 %	218.10	224.65	231.78	239.57	248.12	257.53	267.95	0.94	7.4 %	198.82	212.41	225.99	239.57	253.16	266.74	280.33

- 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	4.8 x	3.5 x	2.7 x
Book value per share ex intangibles	n.a.	-5.54	-5.90	-3.85	-2.82	3.09	9.17
EV / Sales	n.a.	2.5 x	3.0 x	2.1 x	1.3 x	1.1 x	0.9 x
EV / EBITDA	n.a.	16.0 x	23.0 x	12.6 x	10.3 x	7.3 x	5.8 x
EV / EBIT	n.a.	23.8 x	35.4 x	16.4 x	14.4 x	9.5 x	7.6 x
EV / EBIT adj.*	n.a.	22.0 x	33.8 x	15.6 x	13.6 x	9.2 x	7.4 x
P / FCF	n.a.	19.0 x	67.9 x	30.8 x	28.1 x	15.6 x	16.8 x
P / E	n.a.	52.6 x	48.9 x	21.8 x	18.8 x	12.7 x	10.6 x
P / E adj.*	n.a.	52.6 x	48.9 x	21.8 x	18.8 x	12.7 x	10.6 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 %	5.2 %	7.7 %	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	271.8	317.9	377.5
gross margin (company reporting)	32.1 %	32.6 %	28.3 %	28.9 %	29.7 %	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	915.0	1,052.3	1,262.7
Change Sales yoy	40.1 %	6.9 %	26.9 %	56.8 %	6.9 %	15.0 %	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	93.4	123.1	151.5
Personnel expenses	254.7	271.7	373.0	571.1	613.9	662.9	795.5
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	96.1	115.7	138.9
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	116.0	155.7	183.8
<i>Margin</i>	<i>15.3 %</i>	<i>15.4 %</i>	<i>12.9 %</i>	<i>17.0 %</i>	<i>12.7 %</i>	<i>14.8 %</i>	<i>14.6 %</i>
Depreciation of fixed assets	15.7	16.9	19.9	25.5	27.2	31.3	37.6
EBITA	45.9	49.3	50.3	120.1	88.8	124.4	146.2
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	83.2	119.7	141.4
<i>Margin</i>	<i>10.5 %</i>	<i>10.3 %</i>	<i>8.4 %</i>	<i>13.1 %</i>	<i>9.1 %</i>	<i>11.4 %</i>	<i>11.2 %</i>
EBIT adj.	45.4	48.0	47.8	117.8	88.2	123.7	145.4
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	76.4	112.9	135.4
<i>Margin</i>	<i>9.2 %</i>	<i>8.8 %</i>	<i>7.0 %</i>	<i>11.9 %</i>	<i>8.4 %</i>	<i>10.7 %</i>	<i>10.7 %</i>
Total taxes	6.8	13.4	8.2	24.4	21.4	31.6	37.9
Net income from continuing operations	30.4	24.4	30.0	77.3	55.0	81.3	97.5
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	55.0	81.3	97.5
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	55.0	81.3	97.5
<i>Margin</i>	<i>6.3 %</i>	<i>4.3 %</i>	<i>5.5 %</i>	<i>9.0 %</i>	<i>6.0 %</i>	<i>7.7 %</i>	<i>7.7 %</i>
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	4.00	5.90	7.08
EPS adj.	n.a.	1.62	2.51	5.58	4.00	5.90	7.08

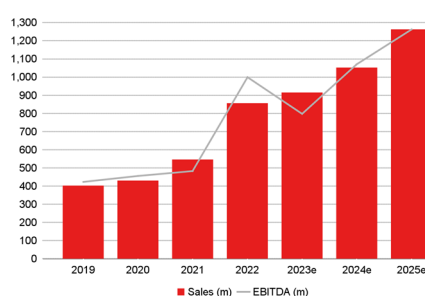
*Adjustments made for:

Guidance: 2023: revenue: EUR 915m; adj. EBITDA margin: approx. 13%

Financial Ratios

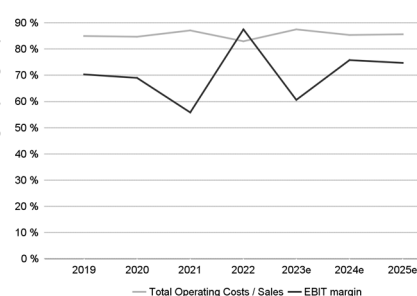
	2019	2020	2021	2022	2023e	2024e	2025e
Total Operating Costs / Sales	84.9 %	84.7 %	87.2 %	83.0 %	87.5 %	85.4 %	85.6 %
Operating Leverage	3.2 x	0.7 x	0.1 x	2.6 x	-3.8 x	2.9 x	0.9 x
EBITDA / Interest expenses	11.2 x	9.1 x	9.0 x	13.0 x	16.6 x	22.2 x	30.6 x
Tax rate (EBT)	18.2 %	35.5 %	21.5 %	24.0 %	28.0 %	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



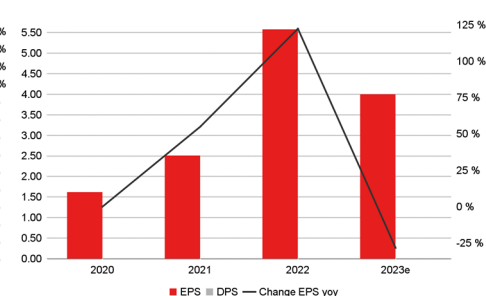
Source: Warburg Research

Operating Performance in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

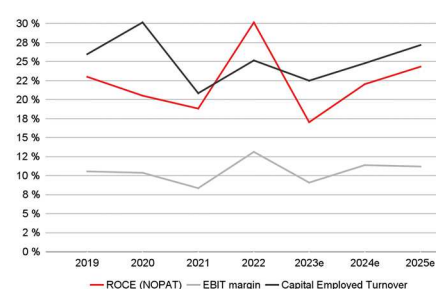
Consolidated balance sheet

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	14.8	18.6	23.2
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	55.6	64.6	78.3
Fixed assets	176.2	168.0	253.0	285.1	327.8	340.4	358.6
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	210.6	236.4	287.1
Liquid assets	43.8	107.7	106.6	110.2	60.4	126.8	188.2
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	337.3	440.6	559.8
Total Assets	342.0	386.8	524.9	618.1	665.1	780.9	918.4
Liabilities and shareholders' equity							
Shareholders' equity	50.2	43.8	96.8	164.7	214.5	295.7	379.4
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	218.5	300.7	399.4
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	47.6	54.8	65.7
Other liabilities	115.1	95.4	118.2	129.3	142.5	165.9	190.8
Liabilities	282.0	340.3	428.0	453.5	446.6	480.2	519.1
Total liabilities and shareholders' equity	342.0	386.8	524.9	618.1	665.1	780.9	918.4

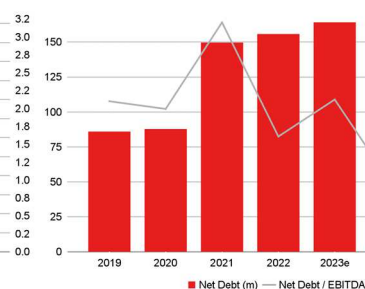
Financial Ratios

	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	5.9 x	6.0 x	5.9 x
Capital Employed Turnover	2.8 x	3.2 x	2.2 x	2.7 x	2.4 x	2.6 x	2.9 x
ROA	14.5 %	11.0 %	11.9 %	27.1 %	16.8 %	23.9 %	27.2 %
Return on Capital							
ROCE (NOPAT)	23.0 %	20.5 %	18.8 %	30.2 %	17.0 %	22.0 %	24.3 %
ROE	40.8 %	39.2 %	42.7 %	59.1 %	29.0 %	31.9 %	28.9 %
Adj. ROE	40.8 %	39.2 %	42.7 %	59.1 %	29.0 %	31.9 %	28.9 %
Balance sheet quality							
Net Debt	86.0	87.8	149.7	155.8	164.1	98.8	38.3
Net Financial Debt	81.6	81.8	139.5	142.9	156.1	89.8	28.3
Net Gearing	143.4 %	188.7 %	154.6 %	94.6 %	75.1 %	32.9 %	9.6 %
Net Fin. Debt / EBITDA	132.4 %	123.6 %	198.6 %	98.2 %	134.6 %	57.7 %	15.4 %
Book Value / Share	n.a.	3.8	7.0	12.0	15.6	21.5	27.6
Book value per share ex intangibles	n.a.	-5.5	-5.9	-3.9	-2.8	3.1	9.2

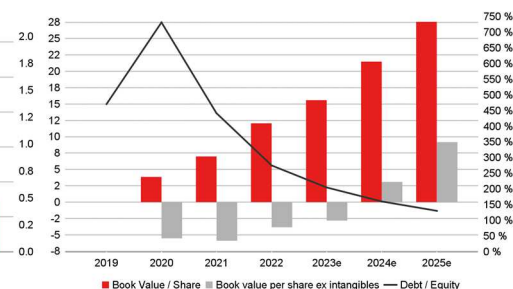
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

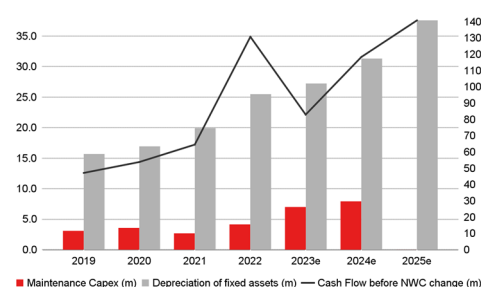
Consolidated cash flow statement

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Net income	30.4	24.4	30.0	77.3	55.0	81.3	97.5
Depreciation of fixed assets	15.7	16.9	19.9	25.5	27.2	31.3	37.6
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	83.0	118.3	140.9
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	-14.1	-15.2	-35.5
Increase / decrease in working capital (total)	-6.3	18.4	-20.6	-48.4	-14.1	-15.2	-35.5
Net cash provided by operating activities [1]	40.9	72.2	44.0	82.3	68.8	103.1	105.3
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	-5.5	-6.3	-7.6
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	-27.0	-7.9	-9.3
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	-25.1	-28.8	-34.6
Net cash provided by financing activities [3]	-17.1	6.5	0.0	-28.3	-91.6	-28.8	-34.6
Change in liquid funds [1]+[2]+[3]	15.7	68.6	-8.8	9.5	-49.8	66.4	61.5
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	60.4	126.8	188.2

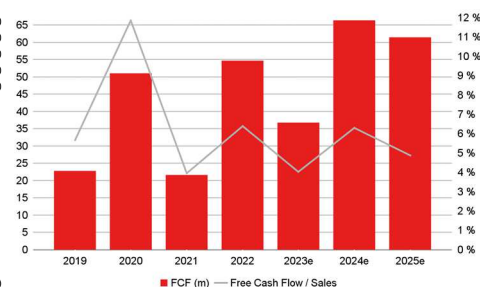
Financial Ratios

	2019	2020	2021	2022	2023e	2024e	2025e
Cash Flow							
FCF	22.8	51.0	21.6	54.7	36.8	66.4	61.5
Free Cash Flow / Sales	5.7 %	11.9 %	4.0 %	6.4 %	4.0 %	6.3 %	4.9 %
Free Cash Flow Potential	51.7	31.6	39.7	93.6	62.6	87.3	111.3
Free Cash Flow / Net Profit	89.4 %	276.6 %	72.1 %	70.7 %	66.8 %	81.7 %	63.0 %
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 %	0.8 %	0.8 %	0.7 %
Maint. Capex / Sales	0.8 %	0.8 %	0.5 %	0.5 %	0.8 %	0.8 %	0.0 %
Capex / Dep	16.1 %	16.5 %	10.9 %	12.5 %	21.3 %	22.0 %	21.9 %
Avg. Working Capital / Sales	13.6 %	11.5 %	10.8 %	11.9 %	14.7 %	14.1 %	13.7 %
Trade Debtors / Trade Creditors	500.3 %	332.8 %	559.6 %	1028.2 %	442.4 %	431.4 %	437.0 %
Inventory Turnover	5452.4 x	387.1 x	219.6 x	291.6 x	311.3 x	307.8 x	303.0 x
Receivables collection period (days)	73	63	69	67	84	82	83
Payables payment period (days)	119	165	114	72	186	162	158
Cash conversion cycle (Days)	-103	-172	-102	-70	-190	-157	-150

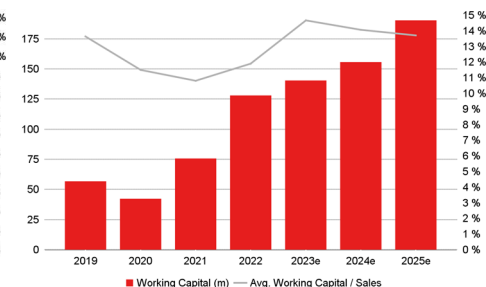
CAPEX and Cash Flow
in EUR m



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	152	73
Hold	44	21
Sell	7	3
Rating suspended	4	2
Total	207	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	42	86
Hold	5	10
Sell	0	0
Rating suspended	2	4
Total	49	100

PRICE AND RATING HISTORY NAGARRO AS OF 15.08.2023



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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