

Buy (Hold) EUR 200.00 (EUR 170.00) Price EUR 171.50 Upside 16.6 %	Value Indicators: EUR DCF: 198.00	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: 2,362.6 No. of shares (m): 13.8 EV: 2,472.7 Freefloat MC: 1,660.9 Ø Trad. Vol. (30d): 4.41 m	Shareholders: Freefloat 70.3 % Carl G. Duerschmidt 20.0 % Detlef Dinsel 9.7 %	Key Figures (WRe): 2021e Beta: 1.1 Price / Book: 38.1 x Equity Ratio: 16 % Net Fin. Debt / EBITDA: 1.6 x Net Debt / EBITDA: 1.7 x

Soaring revenues in Q3; higher growth anticipated for the medium term

- Q3 results published by Nagarro showed strong top-line development, reflecting the high demand for digitalisation solutions, which accelerated as a consequence of the pandemic, and the reshaping of business processes and client relationships.
- Strong yoy-growth were recorded in the verticals of Financial sector (19%), Automotive (18%) and Technology (16%). From a regional perspective, the highest growth rate was recorded in the segment "Rest of World" which soared by 73% in the 3M period.
- As in the previous quarters and as implied by the recent guidance updates (in September and on November 10), profitability is lagging behind top-line growth as new staff is not immediately billable. Moreover, higher employee attrition, which can be observed basically across all IT services companies, is triggering higher wages. Despite the shortage of skilled IT personnel, Nagarro succeeded in adding 1,149 employees in Q3 on a net basis, facilitating sequential revenue growth of 10.7%. This illustrates that growing the organisation, is, along with its technological and sector expertise, one of Nagarro's core competencies. For the most part, employees are still working from home, which also illustrates the ability to operate remote structures which is inherently built into Nagarro's organisation.
- While skills shortages are impacting profitability, we believe that, in the future, the focus will shift towards client relationships where the value added on the client side supports higher profitability. However, this development appears to materialise with a time lag.
- Management withdrew its medium-term targets (was 20% growth and 15% adj. EBITDA margin) as a consequence of the recent increase in growth rates and in order to mirror its expectation of higher growth. A new medium-term guidance has not been issued which shows that management aims to continue to deliver.
- The estimates have been reworked. A higher number of shares also reflects the roll-over of minority interest to group level. Obviously, this technical procedure does not impact the EPS. As 2022 is approaching rapidly, we are rolling our model forward to the next year. Increased estimates reflect our expectation of higher organic growth rates. These model adjustments lead to the new PT of EUR 200. Given upside of >10% to our PT and the prolongation of the operative momentum, the rating is raised from Hold to Buy.

Nagarro - Q3 2021

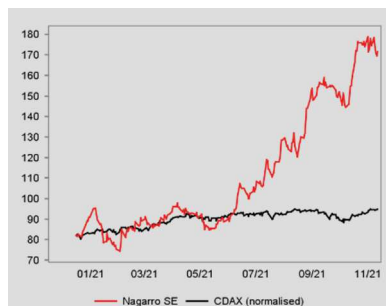
in EUR m	Q3/21	Q3/20	yoy	9M/21	9M/20	yoy
Sales	141.0	105.4	33.7%	384.0	321.4	19.5%
EBITDA	19.2	17.6	9.2%	51.9	53.3	-2.6%
<i>margin</i>	<i>13.6%</i>	<i>16.7%</i>		<i>13.5%</i>	<i>16.6%</i>	
EBIT	13.4	12.4	8.5%	34.8	37.3	-6.8%
<i>margin</i>	<i>9.5%</i>	<i>11.7%</i>		<i>9.1%</i>	<i>11.6%</i>	

Changes in Estimates:

FY End: 31.12. in EUR m	2021e (old)	+ / -	2022e (old)	+ / -	2023e (old)	+ / -
Sales	520.0	1.7 %	639.0	3.1 %	766.8	5.7 %
EBITDA adj.	73.3	1.4 %	95.8	2.8 %	127.7	0.2 %
EBITDA	64.3	1.6 %	89.8	3.0 %	121.7	0.2 %
EBIT	39.2	1.8 %	56.9	3.3 %	84.5	-1.9 %
EPS	1.62	8.0 %	2.51	8.4 %	3.89	2.3 %

Comment on Changes:

- Along with the recent acquisition of ATCS Group, 2022 revenue expansion looks set to be driven by higher organic growth.
- Higher EPS supported by a lower tax rate.



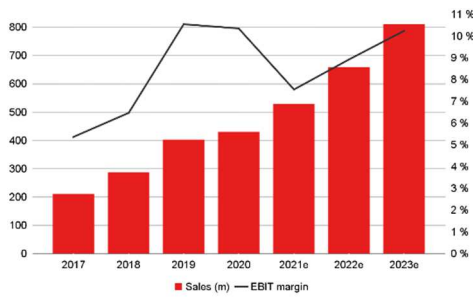
Rel. Performance vs CDAX:

1 month:	4.6 %
6 months:	95.5 %
Year to date:	74.5 %
Trailing 12 months:	n/a

Company events:

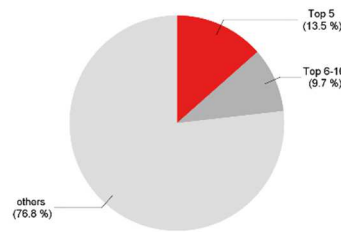
FY End: 31.12. in EUR m	CAGR (20-23e)	2017	2018	2019	2020	2021e	2022e	2023e
Sales	23.5 %	210.6	287.3	402.4	430.4	529.0	659.0	810.6
Change Sales yoy		n.a.	36.5 %	40.1 %	6.9 %	22.9 %	24.6 %	23.0 %
gross margin (company reporting)		30.5 %	31.3 %	32.1 %	32.6 %	28.4 %	30.1 %	30.6 %
EBITDA adj.		25.5	34.3	55.0	76.2	74.4	98.5	127.9
<i>Margin</i>		12.1 %	12.0 %	13.7 %	17.7 %	14.1 %	14.9 %	15.8 %
EBITDA	22.6 %	21.4	32.3	61.6	66.2	65.4	92.5	121.9
<i>Margin</i>		10.1 %	11.2 %	15.3 %	15.4 %	12.4 %	14.0 %	15.0 %
EBIT	23.0 %	11.3	18.6	42.4	44.5	39.9	58.8	82.9
<i>Margin</i>		5.4 %	6.5 %	10.5 %	10.3 %	7.5 %	8.9 %	10.2 %
Net income before minorities		3.7	8.2	30.4	24.4	24.1	37.4	54.8
Net income	43.8 %	3.1	6.9	25.5	18.4	24.1	37.4	54.8
EPS	34.9 %	n.a.	n.a.	n.a.	1.62	1.75	2.72	3.98
FCFPS		n.a.	n.a.	n.a.	4.24	1.02	1.65	2.71
FCF / Market cap		n.a.	n.a.	n.a.	5.0 %	0.6 %	1.0 %	1.6 %
EV / Sales		n.a.	n.a.	n.a.	2.4 x	4.7 x	3.7 x	3.0 x
EV / EBIT adj.		n.a.	n.a.	n.a.	21.9 x	56.4 x	37.8 x	27.5 x
EV / EBIT		n.a.	n.a.	n.a.	23.6 x	62.0 x	41.7 x	29.2 x
P / E		n.a.	n.a.	n.a.	52.6 x	98.0 x	63.1 x	43.1 x
Net Debt		46.9	67.4	86.0	80.8	110.2	89.9	55.6
ROCE (NOPAT)		12.4 %	8.9 %	23.0 %	21.0 %	19.2 %	22.5 %	28.3 %
Guidance:		2021: revenue: EUR 525m; adj. EBITDA margin: approx. 14%						

Sales development
in EUR m



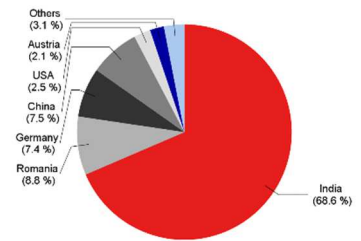
Source: Warburg Research

Customer split
2020



Source: Company

IT engineers by region
2020



Source: Warburg Research

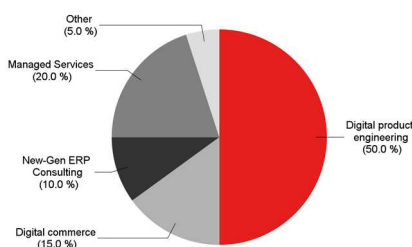
Company Background

- 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

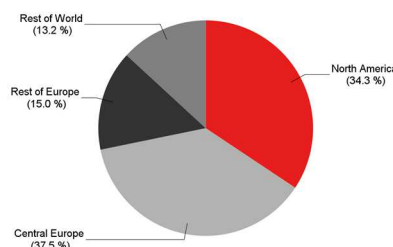
- Nagarro is a trusted and valued digitalisation partner developing tailor-made software to achieve competitive differentiation for its clients.
- Technological focus and expertise position the company as an IT engineering expert rather than a consulting or services company.
- Proprietary software Ginger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

Revenue by service line
estimates / approx.



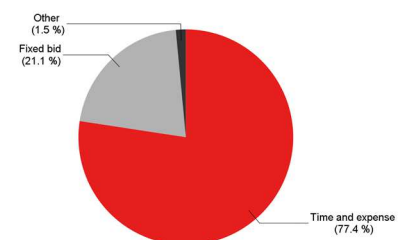
Source: Estimate Warburg Research

Sales by segments
2020; in %



Source: Warburg Research

Revenue by contract type
2020



Source: Warburg Research

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	
Sales	529.0	659.0	810.6	972.7	1,155.5	1,359.8	1,585.6	1,833.2	2,102.3	2,392.4	2,702.7	3,032.2	3,092.8	
Sales change	22.9 %	24.6 %	23.0 %	20.0 %	18.8 %	17.7 %	16.6 %	15.6 %	14.7 %	13.8 %	13.0 %	12.2 %	2.0 %	2.0 %
EBIT	39.9	58.8	82.9	97.3	127.1	149.6	174.4	201.7	231.3	263.2	297.3	333.5	340.2	
EBIT-margin	7.5 %	8.9 %	10.2 %	10.0 %	11.0 %	11.0 %	11.0 %	11.0 %	11.0 %	11.0 %	11.0 %	11.0 %	11.0 %	
Tax rate (EBT)	27.0 %	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	29.1	42.3	59.7	66.1	86.4	101.7	118.6	137.1	157.3	179.0	202.2	226.8	231.3	
Depreciation	25.5	33.7	39.0	10.7	11.6	13.6	15.9	18.3	21.0	23.9	27.0	30.3	34.0	
in % of Sales	4.8 %	5.1 %	4.8 %	1.1 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.1 %	
Changes in provisions	0.5	0.5	1.0	1.6	1.8	2.0	2.2	2.4	2.7	2.9	3.1	3.3	0.6	
Change in Liquidity from														
- Working Capital	11.3	15.1	20.2	8.4	18.3	20.4	22.6	24.8	26.9	29.0	31.0	32.9	6.1	
- Capex	4.2	5.9	7.2	10.7	12.7	15.0	17.4	20.2	23.1	26.3	29.7	33.4	34.0	
Capex in % of Sales	0.8 %	0.9 %	0.9 %	1.1 %	1.1 %	1.1 %	1.1 %	1.1 %	1.1 %	1.1 %	1.1 %	1.1 %	1.1 %	
Other	21.7	27.0	33.2	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)	18.0	28.5	39.1	59.3	68.8	81.9	96.7	113.0	130.9	150.4	171.5	194.1	225.9	230
PV of FCF	18.0	26.7	34.2	48.4	52.5	58.4	64.4	70.3	76.1	81.8	87.1	92.1	100.2	2,041
share of PVs	2.76 %			25.65 %										71.58 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	6.50 %	Financial Strength	1.00
Cost of debt (after tax)	2.4 %	Liquidity (share)	1.00
Market return	7.00 %	Cyclicality	1.10
Risk free rate	1.50 %	Transparency	1.10
		Others	1.10
WACC	7.01 %	Beta	1.06

Valuation (m)

Present values 2033e	810		
Terminal Value	2,041		
Financial liabilities	183		
Pension liabilities	6		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	68	No. of shares (m)	13.8
Equity Value	2,730	Value per share (EUR)	198.17

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
1.25	8.0 %	144.29	148.07	152.14	156.55	161.34	166.57	172.30	1.25	8.0 %	131.74	140.01	148.28	156.55	164.82	173.09	181.36
1.16	7.5 %	160.12	164.79	169.86	175.39	181.44	188.10	195.46	1.16	7.5 %	147.91	157.07	166.23	175.39	184.55	193.70	202.86
1.11	7.3 %	169.09	174.30	179.99	186.21	193.06	200.63	209.04	1.11	7.3 %	157.21	166.87	176.54	186.21	195.88	205.55	215.22
1.06	7.0 %	178.87	184.72	191.12	198.17	205.95	214.60	224.26	1.06	7.0 %	167.47	177.70	187.93	198.17	208.40	218.63	228.86
1.01	6.8 %	189.59	196.18	203.42	211.43	220.32	230.26	241.43	1.01	6.8 %	178.86	189.71	200.57	211.43	222.28	233.14	244.00
0.96	6.5 %	201.38	208.83	217.07	226.21	236.43	247.93	260.95	0.96	6.5 %	191.55	203.11	214.66	226.21	237.76	249.32	260.87
0.87	6.0 %	228.85	238.53	249.34	261.50	275.28	291.03	309.19	0.87	6.0 %	221.87	235.08	248.29	261.50	274.71	287.92	301.13

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

Valuation	2017	2018	2019	2020	2021e	2022e	2023e
Price / Book	n.a.	n.a.	n.a.	22.2 x	38.1 x	22.0 x	14.6 x
Book value per share ex intangibles	n.a.	n.a.	n.a.	-5.54	-6.38	-3.12	0.77
EV / Sales	n.a.	n.a.	n.a.	2.4 x	4.7 x	3.7 x	3.0 x
EV / EBITDA	n.a.	n.a.	n.a.	15.9 x	37.8 x	26.5 x	19.8 x
EV / EBIT	n.a.	n.a.	n.a.	23.6 x	62.0 x	41.7 x	29.2 x
EV / EBIT adj.*	n.a.	n.a.	n.a.	21.9 x	56.4 x	37.8 x	27.5 x
P / FCF	n.a.	n.a.	n.a.	20.1 x	168.2 x	103.9 x	63.3 x
P / E	n.a.	n.a.	n.a.	52.6 x	98.0 x	63.1 x	43.1 x
P / E adj.*	n.a.	n.a.	n.a.	52.6 x	98.0 x	63.1 x	43.1 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.	3.0 %	1.2 %	1.8 %	2.5 %

*Adjustments made for: -

Company Specific Items	2017	2018	2019	2020	2021e	2022e	2023e
gross profit (company reporting)	64.2	89.9	129.1	140.2	150.2	198.2	248.3
gross margin (company reporting)	30.5 %	31.3 %	32.1 %	32.6 %	28.4 %	30.1 %	30.6 %

Consolidated profit & loss

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Sales	210.6	287.3	402.4	430.4	529.0	659.0	810.6
Change Sales yoy	n.a.	36.5 %	40.1 %	6.9 %	22.9 %	24.6 %	23.0 %
Increase / decrease in inventory	-1.3	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	0.0	0.5	0.9	0.3	1.0	1.5	1.9
Material expenses	31.6	39.9	49.1	49.2	60.8	72.5	91.6
Personnel expenses	128.0	179.8	254.7	271.7	349.1	428.4	516.3
Other operating income	6.3	2.4	12.7	11.6	6.0	7.0	8.0
Other operating expenses	34.6	37.4	49.8	53.3	57.7	69.2	85.1
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	21.4	32.3	61.6	66.2	65.4	92.5	121.9
<i>Margin</i>	<i>10.1 %</i>	<i>11.2 %</i>	<i>15.3 %</i>	<i>15.4 %</i>	<i>12.4 %</i>	<i>14.0 %</i>	<i>15.0 %</i>
Depreciation of fixed assets	7.3	10.4	15.7	16.9	21.8	27.2	33.4
EBITA	14.1	21.9	45.9	49.3	43.6	65.3	88.5
Amortisation of intangible assets	2.8	3.3	3.5	4.7	3.7	6.5	5.6
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	11.3	18.6	42.4	44.5	39.9	58.8	82.9
<i>Margin</i>	<i>5.4 %</i>	<i>6.5 %</i>	<i>10.5 %</i>	<i>10.3 %</i>	<i>7.5 %</i>	<i>8.9 %</i>	<i>10.2 %</i>
EBIT adj.	12.7	20.8	45.4	48.0	43.9	64.8	87.9
Interest income	0.9	0.5	0.2	0.5	0.2	0.2	0.2
Interest expenses	3.9	4.6	5.5	7.3	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	8.2	14.4	37.2	37.7	33.1	52.0	76.1
<i>Margin</i>	<i>3.9 %</i>	<i>5.0 %</i>	<i>9.2 %</i>	<i>8.8 %</i>	<i>6.2 %</i>	<i>7.9 %</i>	<i>9.4 %</i>
Total taxes	4.6	6.2	6.8	13.4	8.9	14.6	21.3
Net income from continuing operations	3.7	8.2	30.4	24.4	24.1	37.4	54.8
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	3.7	8.2	30.4	24.4	24.1	37.4	54.8
Minority interest	0.6	1.3	4.9	5.9	0.0	0.0	0.0
Net income	3.1	6.9	25.5	18.4	24.1	37.4	54.8
<i>Margin</i>	<i>1.5 %</i>	<i>2.4 %</i>	<i>6.3 %</i>	<i>4.3 %</i>	<i>4.6 %</i>	<i>5.7 %</i>	<i>6.8 %</i>
Number of shares, average	n.a.	n.a.	n.a.	11.4	13.8	13.8	13.8
EPS	n.a.	n.a.	n.a.	1.62	1.75	2.72	3.98
EPS adj.	n.a.	n.a.	n.a.	1.62	1.75	2.72	3.98

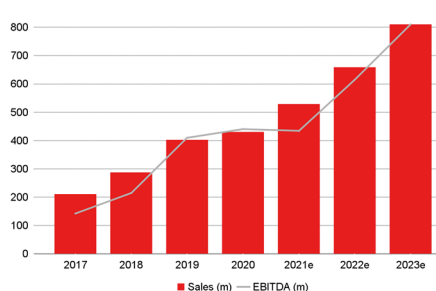
*Adjustments made for:

Guidance: 2021: revenue: EUR 525m; adj. EBITDA margin: approx. 14%

Financial Ratios

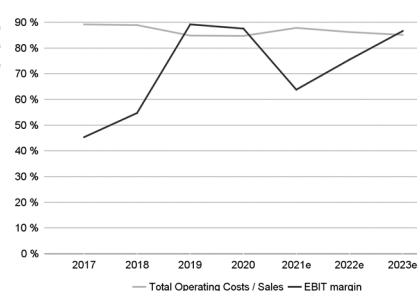
	2017	2018	2019	2020	2021e	2022e	2023e
Total Operating Costs / Sales	89.2 %	88.9 %	84.9 %	84.7 %	87.8 %	86.2 %	85.2 %
Operating Leverage	n.a.	1.8 x	3.2 x	0.7 x	-0.5 x	1.9 x	1.8 x
EBITDA / Interest expenses	5.4 x	7.0 x	11.2 x	9.1 x	9.3 x	13.2 x	17.4 x
Tax rate (EBT)	55.7 %	43.3 %	18.2 %	35.5 %	27.0 %	28.0 %	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



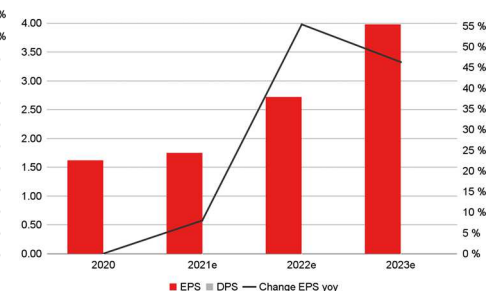
Source: Warburg Research

Operating Performance in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

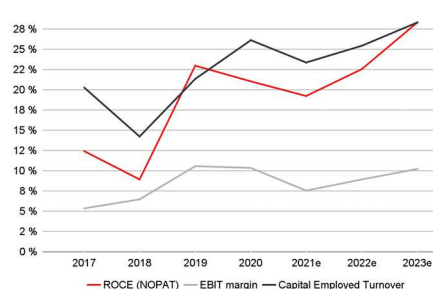
Consolidated balance sheet

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Assets							
Goodwill and other intangible assets	45.5	107.7	111.4	106.9	149.9	150.4	151.1
thereof other intangible assets	5.8	10.2	9.0	11.0	32.6	33.1	33.8
thereof Goodwill	39.0	97.5	102.4	95.9	117.3	117.3	117.3
Property, plant and equipment	4.2	6.7	7.2	6.4	9.4	13.9	19.4
Financial assets	3.6	3.4	2.7	3.0	3.0	3.0	3.0
Other long-term assets	28.0	47.3	54.9	51.7	57.0	80.5	99.9
Fixed assets	81.3	165.0	176.2	168.0	219.4	247.8	273.3
Inventories	0.3	0.1	0.0	0.1	0.1	0.2	0.3
Accounts receivable	50.3	75.0	80.3	73.9	94.2	119.2	151.0
Liquid assets	16.6	27.9	43.8	107.7	64.5	85.2	120.6
Other short-term assets	17.7	29.1	41.7	37.1	41.0	47.5	52.0
Current assets	84.8	132.1	165.8	218.8	199.8	252.1	323.9
Total Assets	166.1	297.1	342.0	386.8	419.2	499.9	597.2
Liabilities and shareholders' equity							
Shareholders' equity	28.0	74.5	50.2	43.8	62.0	107.5	161.7
Minority interest	5.4	14.4	9.7	2.7	3.0	3.0	4.0
Total equity	33.5	88.9	59.9	46.5	65.0	110.5	165.7
Provisions	12.6	20.9	25.5	33.2	34.5	37.0	40.0
thereof provisions for pensions and similar obligations	2.5	3.2	4.4	6.0	6.5	7.0	8.0
Financial liabilities (total)	60.9	92.1	125.3	182.6	168.2	168.2	168.2
Short-term financial liabilities	3.5	5.7	5.3	14.4	0.0	0.0	0.0
Accounts payable	14.3	17.4	16.1	22.2	27.5	34.3	42.2
Other liabilities	45.0	77.8	115.1	102.4	124.0	149.9	181.1
Liabilities	132.7	208.2	282.0	340.3	354.2	389.4	431.5
Total liabilities and shareholders' equity	166.1	297.1	342.0	386.8	419.2	499.9	597.2

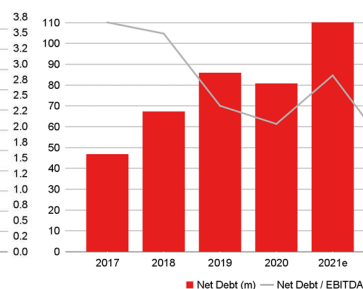
Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Efficiency of Capital Employment							
Operating Assets Turnover	5.2 x	4.8 x	6.3 x	8.8 x	8.4 x	8.0 x	7.5 x
Capital Employed Turnover	2.6 x	1.8 x	2.8 x	3.4 x	3.0 x	3.3 x	3.7 x
ROA	3.8 %	4.2 %	14.5 %	11.0 %	11.0 %	15.1 %	20.0 %
Return on Capital							
ROCE (NOPAT)	12.4 %	8.9 %	23.0 %	21.0 %	19.2 %	22.5 %	28.3 %
ROE	21.8 %	13.4 %	40.8 %	39.2 %	45.6 %	44.2 %	40.7 %
Adj. ROE	21.8 %	13.4 %	40.8 %	39.2 %	45.6 %	44.2 %	40.7 %
Balance sheet quality							
Net Debt	46.9	67.4	86.0	80.8	110.2	89.9	55.6
Net Financial Debt	44.3	64.2	81.6	74.8	103.7	82.9	47.6
Net Gearing	140.1 %	75.8 %	143.4 %	173.7 %	169.4 %	81.4 %	33.6 %
Net Fin. Debt / EBITDA	207.6 %	198.8 %	132.4 %	113.1 %	158.6 %	89.7 %	39.0 %
Book Value / Share	n.a.	n.a.	n.a.	3.8	4.5	7.8	11.7
Book value per share ex intangibles	n.a.	n.a.	n.a.	-5.5	-6.4	-3.1	0.8

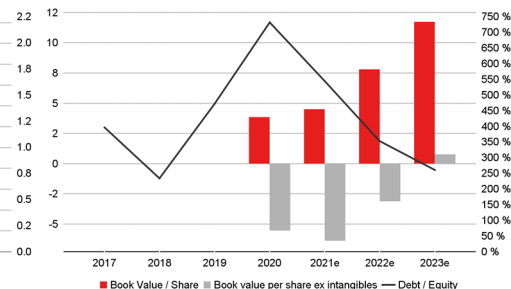
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

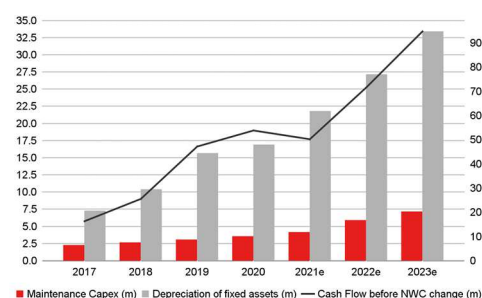
In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Net income	3.7	8.2	30.4	24.4	24.1	37.4	54.8
Depreciation of fixed assets	7.3	10.4	15.7	16.9	21.8	27.2	33.4
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.8	3.3	3.5	4.7	3.7	6.5	5.6
Increase/decrease in long-term provisions	0.3	0.6	0.4	1.2	0.5	0.5	1.0
Other non-cash income and expenses	2.3	3.1	-2.9	6.6	0.0	0.0	0.0
Cash Flow before NWC change	16.4	25.6	47.1	53.8	50.1	71.6	94.8
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	-10.8	-17.0	-6.3	15.6	-10.3	-16.0	-17.1
Increase / decrease in working capital (total)	-10.8	-17.0	-6.3	15.6	-10.3	-16.0	-17.1
Net cash provided by operating activities [1]	5.5	8.6	40.9	69.4	39.9	55.7	77.7
Investments in intangible assets	0.0	0.0	-1.3	-1.0	-1.0	-1.3	-1.5
Investments in property, plant and equipment	-2.3	-2.7	-1.8	-2.6	-3.2	-4.6	-5.7
Payments for acquisitions	-4.1	5.0	-2.9	-7.8	-42.9	-2.0	-2.0
Financial investments	-0.3	0.4	-2.5	1.2	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.4	0.1	0.0	0.0	0.0
Net cash provided by investing activities [2]	-6.7	2.7	-8.0	-10.1	-47.0	-7.9	-9.2
Change in financial liabilities	9.0	4.3	-3.3	23.9	-14.4	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	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Other	-6.5	-8.1	-13.8	-17.5	-21.7	-27.0	-33.2
Net cash provided by financing activities [3]	2.5	-3.9	-17.1	6.5	-36.1	-27.0	-33.2
Change in liquid funds [1]+[2]+[3]	1.3	7.5	15.7	65.8	-43.2	20.7	35.3
Effects of exchange-rate changes on cash	-0.7	0.4	0.4	-1.4	0.0	0.0	0.0
Cash and cash equivalent at end of period	0.7	24.4	44.0	108.1	64.5	85.2	120.6

Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Cash Flow							
FCF	-3.8	-3.9	22.8	48.2	14.0	22.7	37.3
Free Cash Flow / Sales	-1.8 %	-1.3 %	5.7 %	11.2 %	2.7 %	3.5 %	4.6 %
Free Cash Flow Potential	14.5	13.6	36.8	31.6	30.6	45.0	60.2
Free Cash Flow / Net Profit	-124.2 %	-56.5 %	89.4 %	261.5 %	58.2 %	60.7 %	68.1 %
Interest Received / Avg. Cash	10.8 %	2.1 %	0.6 %	0.7 %	0.2 %	0.3 %	0.2 %
Interest Paid / Avg. Debt	12.9 %	6.0 %	5.0 %	4.7 %	4.0 %	4.2 %	4.2 %
Management of Funds							
Investment ratio	1.1 %	0.9 %	0.8 %	0.8 %	0.8 %	0.9 %	0.9 %
Maint. Capex / Sales	1.1 %	0.9 %	0.8 %	0.8 %	0.8 %	0.9 %	0.9 %
Capex / Dep	22.7 %	19.4 %	16.1 %	16.5 %	16.4 %	17.6 %	18.4 %
Avg. Working Capital / Sales	8.6 %	15.5 %	13.6 %	11.5 %	9.1 %	9.3 %	9.7 %
Trade Debtors / Trade Creditors	352.3 %	431.9 %	500.3 %	332.8 %	342.5 %	347.5 %	357.8 %
Inventory Turnover	119.2 x	398.7 x	5452.4 x	387.1 x	608.4 x	362.5 x	305.3 x
Receivables collection period (days)	87	95	73	63	65	66	68
Payables payment period (days)	165	159	119	165	165	173	168
Cash conversion cycle (Days)	-75	-106	-103	-172	-179	-189	-180

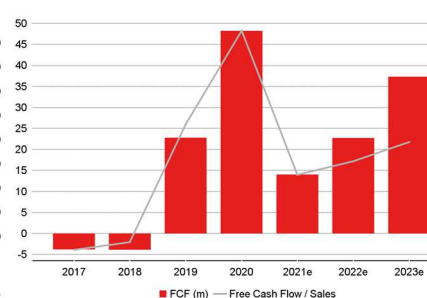
CAPEX and Cash Flow

in EUR m



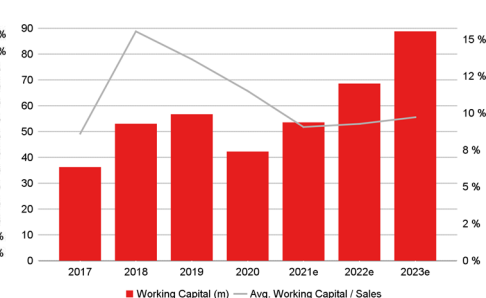
Source: Warburg Research

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	4, 5	http://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A3H2200.htm

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-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	70
Hold	56	26
Sell	5	2
Rating suspended	3	1
Total	216	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	49	83
Hold	8	14
Sell	0	0
Rating suspended	2	3
Total	59	100

PRICE AND RATING HISTORY NAGARRO AS OF 15.11.2021


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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