

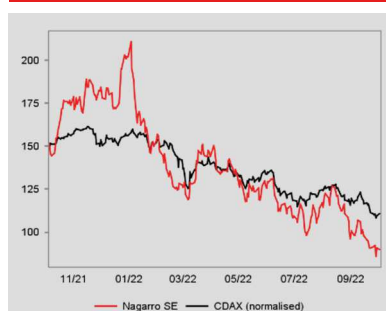
Buy EUR 220.00 Price EUR 90.00 Upside 144.4 %	Value Indicators: EUR DCF: 219.00	Warburg ESG Risk Score: 3.0 ESG Score (MSCI based): 3.0 Balance Sheet Score: 4.0 Market Liquidity Score: 2.0	Description: Custom software and digital engineering
	Market Snapshot: EUR m Market cap: 1,248.6 No. of shares (m): 13.9 EV: 1,366.6 Freefloat MC: 877.8 Ø Trad. Vol. (30d): 3.39 m	Shareholders: Freefloat 70.30 % Carl G. Duerschmidt 20.00 % Detlef Dinsel 9.70 %	Key Figures (WRe): 2022e Beta: 1.1 Price / Book: 7.6 x Equity Ratio: 27 % Net Fin. Debt / EBITDA: 0.9 x Net Debt / EBITDA: 0.9 x

Cross-read: Endava reports Q4/FY results

- Nagarro's peer Endava last week reported its Q4, which ended in June, and FY 2022 results. Endava's revenue grew by 31% acc. Its Q1 guidance anticipates economic headwind and a revenue expansion of 22-24% acc. and 23-24% for the full year.
- While Endava's guidance considers macro headwind, the overall tone of the call remained positive. Management highlighted a strong demand environment despite continued global macroeconomic uncertainty and volatility. At the same time, Endava admitted that currently, in terms of the operation of the business, it is not actually seeing any of those impacts but is rather still seeing strong demand coming through. Wage inflation and attrition pressures, which were at their height 6 to 12 months ago, have come off the peak. Wage inflation is normalising to historical levels and attrition is decreasing again.
- Nagarro is scheduled to report its results for the past quarter in November. Our estimates are shown in the table. Given Nagarro's H1 momentum, we consider these estimates to be a low threshold.
- Over the last few months, Nagarro has experienced strong momentum in the public sector, which was also associated with longer invoicing processes than usual. In the future, the client portfolio is expected to remain diversified. Despite growing economic concerns, clients, even in Germany, are continuing to carry out their digitalisation initiatives as such projects are very strategic.
- While hiring was somewhat slower in Q2, we expect a slightly higher pace for Q3 as, by the end of the quarter, Nagarro employed nearly 17,000 staff. While the FTE number is lower, its growth mirrors continued expansion.
- Although Nagarro is carrying out its business activities internationally, the stock-price development appears to be reflecting the sentiment associated with the energy-supply issues in Germany. As shown on the next page, Nagarro shares are trading significantly below peers – despite substantially higher growth. Consequently, management decided to buy back up to 115,000 shares.
- While our estimates already reflect somewhat slower growth next year, multiples for the next few years are low. The Buy rating is confirmed.

Nagarro - Q3 2022e

in EUR m	Q3/22e	Q3/21	yoy	9M/22e	9M/21	yoy
Sales	216.4	141.0	53.5%	612.0	384.0	59.4%
EBITDA adjusted margin	35.2 16.3%	21.7 15.4%	62.2%	104.4 17.1%	59.2 15.4%	76.2%
EBITDA margin	34.2 15.8%	19.2 13.6%	77.9%	101.5 16.6%	51.9 13.5%	95.4%



Rel. Performance vs CDAX:	
1 month:	-3.3 %
6 months:	-18.8 %
Year to date:	-26.3 %
Trailing 12 months:	-11.8 %

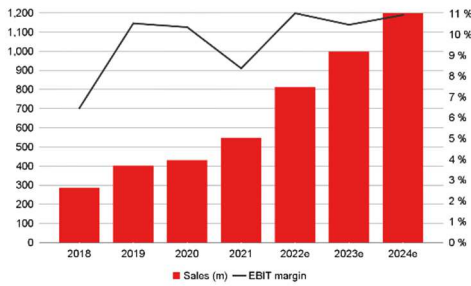
Company events:
14.11.22 Q3

FY End: 31.12. in EUR m	CAGR (21-24e)	2018	2019	2020	2021	2022e	2023e	2024e
Sales	30.0 %	287.3	402.4	430.4	546.0	812.0	998.8	1,198.5
Change Sales yoy		36.5 %	40.1 %	6.9 %	26.9 %	48.7 %	23.0 %	20.0 %
gross margin (company reporting)		31.3 %	32.1 %	32.6 %	28.3 %	29.0 %	28.6 %	30.2 %
EBITDA adj.		34.3	55.0	76.2	79.7	133.7	157.2	191.6
Margin		12.0 %	13.7 %	17.7 %	14.6 %	16.5 %	15.7 %	16.0 %
EBITDA	37.5 %	32.3	61.6	66.2	70.3	127.7	149.2	182.6
Margin		11.2 %	15.3 %	15.4 %	12.9 %	15.7 %	14.9 %	15.2 %
EBIT	42.1 %	18.6	42.4	44.5	45.7	89.5	104.6	131.1
Margin		6.5 %	10.5 %	10.3 %	8.4 %	11.0 %	10.5 %	10.9 %
Net income before minorities		8.2	30.4	24.4	30.0	59.6	70.4	89.5
Net income	43.9 %	6.9	25.5	18.4	30.0	59.6	70.4	89.5
EPS	37.0 %	n.a.	n.a.	n.a.	2.51	4.29	5.08	6.45
FCFPS		n.a.	n.a.	n.a.	1.81	4.73	3.65	4.59
FCF / Market cap		n.a.	n.a.	n.a.	1.5 %	5.3 %	4.1 %	5.1 %
EV / Sales		n.a.	n.a.	n.a.	3.0 x	1.7 x	1.3 x	1.0 x
EV / EBIT adj.		n.a.	n.a.	n.a.	33.8 x	14.3 x	12.0 x	9.3 x
EV / EBIT		n.a.	n.a.	n.a.	35.4 x	15.3 x	12.6 x	9.6 x
P / E		n.a.	n.a.	n.a.	48.9 x	21.0 x	17.7 x	14.0 x
Net Debt		67.4	86.0	87.8	149.7	118.0	70.4	7.8
ROCE (NOPAT)		8.9 %	23.0 %	20.5 %	18.8 %	24.2 %	25.3 %	29.3 %
Guidance:		2022: revenue: EUR 800m; adj. EBITDA margin: approx. 14%						

Peergroup - Valuation Multiples

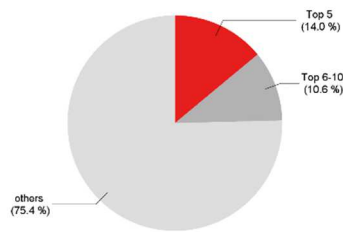
Company	LC	Price in LC	MC in LC m	EV in LC m	P / E			EV / Sales			Sales CAGR	EV / EBIT		
					22e	23e	24e	22e	23e	24e		22e	23e	24e
Accenture Plc Class A	USD	258.27	163,368.2	162,098.6	24.1x	22.7x	20.6x	2.6x	2.5x	2.3x	6%	17.3x	16.4x	15.1x
Cognizant Technology Solutions Corporation Cla	USD	58.45	30,264.5	29,703.5	12.9x	11.8x	10.8x	1.5x	1.4x	1.3x	8%	9.6x	8.8x	8.2x
Endava Plc Sponsored ADR Class A	USD	80.26	3,079.0	4,526.2	38.6x	30.7x	24.8x	6.4x	4.8x	3.9x	28%	29.7x	23.3x	18.6x
EPAM Systems, Inc.	USD	362.14	20,775.0	20,230.3	36.3x	28.6x	22.7x	4.2x	3.4x	2.7x	23%	26.9x	20.9x	16.4x
Globant SA	USD	187.14	7,818.0	7,797.7	37.0x	30.0x	24.2x	4.4x	3.5x	2.9x	24%	26.8x	21.7x	17.2x
HCL Technologies Limited	INR	922.65	2503,767.5	2374,810.7	17.8x	15.9x	14.6x	2.4x	2.2x	2.0x	10%	13.6x	12.0x	10.7x
Infosys Limited	INR	1397.55	5880,541.0	5711,820.0	24.3x	20.7x	18.5x	3.9x	3.5x	3.2x	11%	18.6x	16.2x	14.2x
Tata Consultancy Services Limited	INR	2,997.35	10,967,454.0	10,867,607.6	26.5x	23.8x	20.8x	4.9x	4.5x	4.2x	9%	20.4x	18.3x	16.5x
Wipro Limited	INR	393.45	2,152,758.0	2,046,996.1	18.5x	15.9x	14.6x	2.3x	2.1x	1.9x	9%	14.7x	12.7x	11.8x
Average					26.2x	22.2x	19.1x	3.6x	3.1x	2.7x		19.7x	16.7x	14.3x
Median					24.3x	22.7x	20.6x	3.9x	3.4x	2.7x		18.6x	16.4x	15.1x
Nagarro	EUR	91.00	1,262.5	1,393.5	21.2x	17.9x	14.1x	1.7x	1.4x	1.2x	21%	15.6x	13.3x	10.6x
Valuation difference to Median					15%	27%	46%	130%	142%	135%		20%	23%	42%
Fair value per share based on Median					104.44	115.19	132.95	22128	234.09	226.60		110.78	114.58	132.87

Sales development
in EUR m



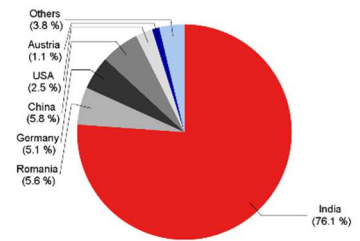
Source: Warburg Research

Customer split
2021



Source: Company

IT engineers by region
2021



Source: Warburg Research

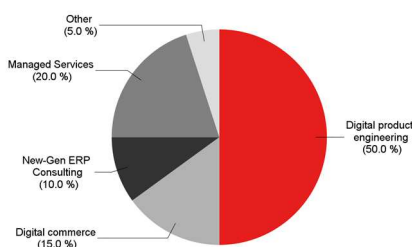
Company Background

- 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

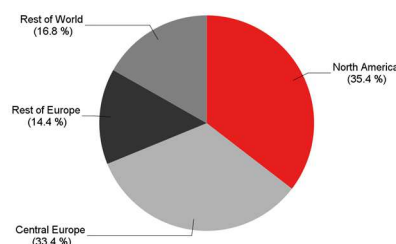
- Nagarro is a trusted and valued digitalisation partner developing tailor-made software to achieve competitive differentiation for its clients.
- Technological focus and expertise position the company as an IT engineering expert rather than a consulting or services company.
- Proprietary software Ginger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



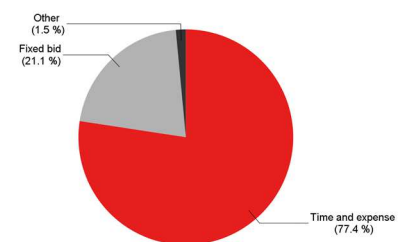
Source: Estimate Warburg Research

Sales by segments
2021; 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
	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	
Sales	812.0	998.8	1,198.5	1,438.2	1,708.6	2,010.5	2,344.5	2,710.6	3,108.5	3,537.4	3,996.2	4,483.4	4,573.0	
Sales change	48.7 %	23.0 %	20.0 %	20.0 %	18.8 %	17.7 %	16.6 %	15.6 %	14.7 %	13.8 %	13.0 %	12.2 %	2.0 %	2.0 %
EBIT	89.5	104.6	131.1	151.0	179.4	211.1	246.2	284.6	326.4	371.4	419.6	470.8	480.2	
EBIT-margin	11.0 %	10.5 %	10.9 %	10.5 %	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	64.5	75.3	94.4	102.7	122.0	143.6	167.4	193.5	221.9	252.6	285.3	320.1	326.5	
Depreciation	38.2	44.6	51.5	15.8	17.1	20.1	23.4	27.1	31.1	35.4	40.0	44.8	50.3	
in % of Sales	4.7 %	4.5 %	4.3 %	1.1 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.1 %	
Changes in provisions	-3.1	1.0	1.0	1.8	2.0	2.3	2.5	2.7	3.0	3.2	3.4	3.7	0.7	
Change in Liquidity from														
- Working Capital	8.7	25.0	28.5	13.1	28.4	31.7	35.1	38.4	41.8	45.0	48.2	51.2	9.4	
- Capex	6.2	7.5	8.8	15.8	18.8	22.1	25.8	29.8	34.2	38.9	44.0	49.3	50.3	
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	29.2	36.0	43.2	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)	55.4	52.4	66.4	91.4	93.9	112.1	132.5	155.1	180.0	207.2	236.6	268.1	317.8	340
PV of FCF	55.4	48.5	56.7	72.2	68.6	75.6	82.6	89.4	96.0	102.1	107.7	112.9	123.6	2,138
share of PVs	4.97 %			28.82 %										66.21 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	8.00 %	Financial Strength	1.00
Cost of debt (after tax)	2.4 %	Liquidity (share)	1.10
Market return	8.25 %	Cyclicality	1.10
Risk free rate	2.75 %	Transparency	1.10
		Others	1.10
WACC	8.19 %	Beta	1.08

Valuation (m)

Present values 2034e	1,091		
Terminal Value	2,138		
Financial liabilities	246		
Pension liabilities	10		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	67	No. of shares (m)	13.9
Equity Value	3,040	Value per share (EUR)	219.14

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
1.28	9.2 %	167.72	171.22	174.95	178.95	183.23	187.83	192.80	1.28	9.2 %	149.49	159.31	169.13	178.95	188.77	198.58	208.40
1.18	8.7 %	183.83	188.05	192.58	197.44	202.69	208.35	214.50	1.18	8.7 %	165.33	176.03	186.74	197.44	208.15	218.85	229.56
1.13	8.4 %	192.80	197.45	202.46	207.84	213.67	219.98	226.85	1.13	8.4 %	174.24	185.44	196.64	207.84	219.05	230.25	241.45
1.08	8.2 %	202.47	207.61	213.15	219.14	225.63	232.69	240.41	1.08	8.2 %	183.91	195.65	207.40	219.14	230.88	242.62	254.36
1.03	7.9 %	212.91	218.61	224.76	231.44	238.70	246.63	255.33	1.03	7.9 %	194.46	206.78	219.11	231.44	243.77	256.10	268.42
0.98	7.7 %	224.22	230.55	237.42	244.89	253.04	261.98	271.83	0.98	7.7 %	205.98	218.95	231.92	244.89	257.85	270.82	283.79
0.88	7.2 %	249.90	257.80	266.42	275.87	286.28	297.81	310.63	0.88	7.2 %	232.55	246.99	261.43	275.87	290.31	304.75	319.20

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

Valuation	2018	2019	2020	2021	2022e	2023e	2024e
Price / Book	n.a.	n.a.	n.a.	15.2 x	7.6 x	5.3 x	3.9 x
Book value per share ex intangibles	n.a.	n.a.	n.a.	-5.90	-3.96	1.03	7.49
EV / Sales	n.a.	n.a.	n.a.	3.0 x	1.7 x	1.3 x	1.0 x
EV / EBITDA	n.a.	n.a.	n.a.	23.0 x	10.7 x	8.8 x	6.9 x
EV / EBIT	n.a.	n.a.	n.a.	35.4 x	15.3 x	12.6 x	9.6 x
EV / EBIT adj.*	n.a.	n.a.	n.a.	33.8 x	14.3 x	12.0 x	9.3 x
P / FCF	n.a.	n.a.	n.a.	67.9 x	19.0 x	24.7 x	19.6 x
P / E	n.a.	n.a.	n.a.	48.9 x	21.0 x	17.7 x	14.0 x
P / E adj.*	n.a.	n.a.	n.a.	48.9 x	21.0 x	17.7 x	14.0 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.	2.5 %	5.1 %	5.9 %	7.6 %

*Adjustments made for: -

Company Specific Items	2018	2019	2020	2021	2022e	2023e	2024e
gross profit (company reporting)	89.9	129.1	140.2	154.4	235.8	285.5	361.8
gross margin (company reporting)	31.3 %	32.1 %	32.6 %	28.3 %	29.0 %	28.6 %	30.2 %

Consolidated profit & loss

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Sales	287.3	402.4	430.4	546.0	812.0	998.8	1,198.5
Change Sales yoy	36.5 %	40.1 %	6.9 %	26.9 %	48.7 %	23.0 %	20.0 %
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	0.5	0.9	0.3	0.2	1.5	1.9	2.2
Material expenses	39.9	49.1	49.2	59.1	81.2	112.9	140.2
Personnel expenses	179.8	254.7	271.7	373.0	527.8	636.2	749.1
Other operating income	2.4	12.7	11.6	14.8	7.0	8.0	9.0
Other operating expenses	37.4	49.8	53.3	55.5	78.8	104.9	131.8
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	32.3	61.6	66.2	70.3	127.7	149.2	182.6
<i>Margin</i>	<i>11.2 %</i>	<i>15.3 %</i>	<i>15.4 %</i>	<i>12.9 %</i>	<i>15.7 %</i>	<i>14.9 %</i>	<i>15.2 %</i>
Depreciation of fixed assets	10.4	15.7	16.9	19.9	31.7	39.0	46.8
EBITA	21.9	45.9	49.3	50.3	96.0	110.2	135.8
Amortisation of intangible assets	3.3	3.5	4.7	4.7	6.5	5.6	4.7
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	18.6	42.4	44.5	45.7	89.5	104.6	131.1
<i>Margin</i>	<i>6.5 %</i>	<i>10.5 %</i>	<i>10.3 %</i>	<i>8.4 %</i>	<i>11.0 %</i>	<i>10.5 %</i>	<i>10.9 %</i>
EBIT adj.	20.8	45.4	48.0	47.8	95.5	109.6	135.1
Interest income	0.5	0.2	0.5	0.4	0.2	0.2	0.2
Interest expenses	4.6	5.5	7.3	7.8	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	14.4	37.2	37.7	38.2	82.7	97.8	124.3
<i>Margin</i>	<i>5.0 %</i>	<i>9.2 %</i>	<i>8.8 %</i>	<i>7.0 %</i>	<i>10.2 %</i>	<i>9.8 %</i>	<i>10.4 %</i>
Total taxes	6.2	6.8	13.4	8.2	23.2	27.4	34.8
Net income from continuing operations	8.2	30.4	24.4	30.0	59.6	70.4	89.5
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	8.2	30.4	24.4	30.0	59.6	70.4	89.5
Minority interest	1.3	4.9	5.9	0.0	0.0	0.0	0.0
Net income	6.9	25.5	18.4	30.0	59.6	70.4	89.5
<i>Margin</i>	<i>2.4 %</i>	<i>6.3 %</i>	<i>4.3 %</i>	<i>5.5 %</i>	<i>7.3 %</i>	<i>7.1 %</i>	<i>7.5 %</i>
Number of shares, average	n.a.	n.a.	n.a.	12.0	13.9	13.9	13.9
EPS	n.a.	n.a.	n.a.	2.51	4.29	5.08	6.45
EPS adj.	n.a.	n.a.	n.a.	2.51	4.29	5.08	6.45

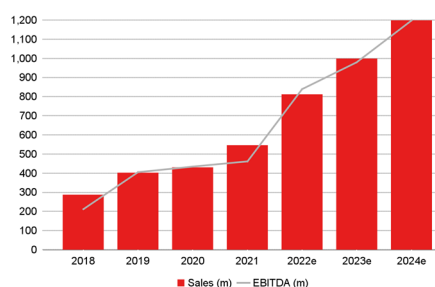
*Adjustments made for:

Guidance: 2022: revenue: EUR 800m; adj. EBITDA margin: approx. 14%

Financial Ratios

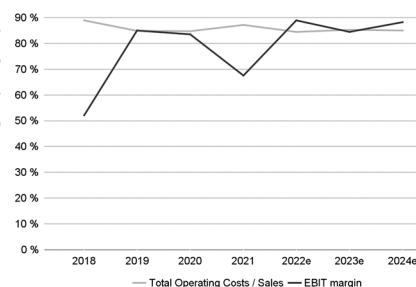
	2018	2019	2020	2021	2022e	2023e	2024e
Total Operating Costs / Sales	88.9 %	84.9 %	84.7 %	87.2 %	84.5 %	85.2 %	84.9 %
Operating Leverage	1.8 x	3.2 x	0.7 x	0.1 x	2.0 x	0.7 x	1.3 x
EBITDA / Interest expenses	7.0 x	11.2 x	9.1 x	9.0 x	18.2 x	21.3 x	26.1 x
Tax rate (EBT)	43.3 %	18.2 %	35.5 %	21.5 %	28.0 %	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



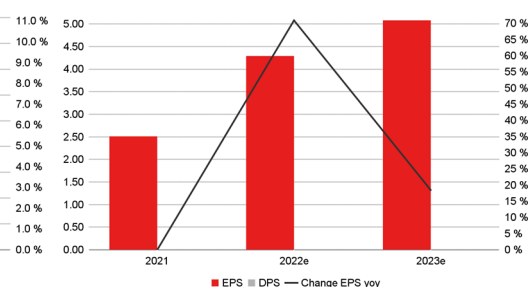
Source: Warburg Research

Operating Performance
in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

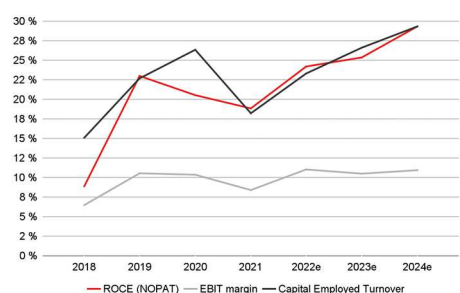
Consolidated balance sheet

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Assets							
Goodwill and other intangible assets	107.7	111.4	106.9	178.7	220.2	219.5	218.9
thereof other intangible assets	10.2	9.0	11.0	14.0	13.1	12.4	11.9
thereof Goodwill	97.5	102.4	95.9	163.4	207.1	207.1	207.1
Property, plant and equipment	6.7	7.2	6.4	11.1	13.6	16.5	20.1
Financial assets	3.4	2.7	3.0	3.7	3.7	3.7	3.7
Other long-term assets	47.3	54.9	51.7	59.3	89.3	110.8	133.7
Fixed assets	165.0	176.2	168.0	253.0	326.8	350.5	376.5
Inventories	0.1	0.0	0.1	0.3	0.2	0.3	0.4
Accounts receivable	75.0	80.3	73.9	103.3	146.8	186.1	229.9
Liquid assets	27.9	43.8	107.7	106.6	98.8	147.5	211.1
Other short-term assets	29.1	41.7	37.1	61.7	47.5	52.0	59.0
Current assets	132.1	165.8	218.8	271.9	293.3	385.9	500.4
Total Assets	297.1	342.0	386.8	524.9	620.1	736.4	876.8
Liabilities and shareholders' equity							
Shareholders' equity	74.5	50.2	43.8	96.8	165.3	233.8	322.8
Minority interest	14.4	9.7	2.7	0.0	3.0	4.0	5.0
Total equity	88.9	59.9	46.5	96.8	168.3	237.8	327.8
Provisions	20.9	25.5	33.2	45.3	37.0	40.0	43.0
thereof provisions for pensions and similar obligations	3.2	4.4	6.0	10.1	7.0	8.0	9.0
Financial liabilities (total)	92.1	125.3	189.5	246.1	209.9	209.9	209.9
Short-term financial liabilities	5.7	5.3	14.4	23.8	23.8	23.8	23.8
Accounts payable	17.4	16.1	22.2	18.5	42.3	52.0	62.4
Other liabilities	77.8	115.1	95.4	118.2	162.6	196.7	233.7
Liabilities	208.2	282.0	340.3	428.0	451.8	498.6	548.9
Total liabilities and shareholders' equity	297.1	342.0	386.8	524.9	620.1	736.4	876.8

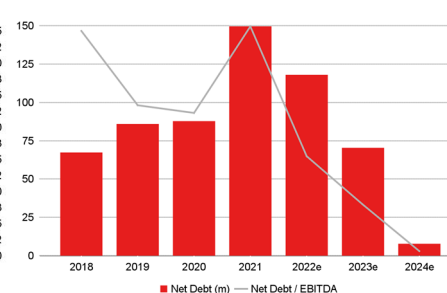
Financial Ratios

	2018	2019	2020	2021	2022e	2023e	2024e
Efficiency of Capital Employment							
Operating Assets Turnover	4.8 x	6.3 x	8.8 x	6.3 x	8.3 x	7.9 x	7.6 x
Capital Employed Turnover	1.8 x	2.8 x	3.2 x	2.2 x	2.8 x	3.2 x	3.6 x
ROA	4.2 %	14.5 %	11.0 %	11.9 %	18.2 %	20.1 %	23.8 %
Return on Capital							
ROCE (NOPAT)	8.9 %	23.0 %	20.5 %	18.8 %	24.2 %	25.3 %	29.3 %
ROE	13.4 %	40.8 %	39.2 %	42.7 %	45.5 %	35.3 %	32.2 %
Adj. ROE	13.4 %	40.8 %	39.2 %	42.7 %	45.5 %	35.3 %	32.2 %
Balance sheet quality							
Net Debt	67.4	86.0	87.8	149.7	118.0	70.4	7.8
Net Financial Debt	64.2	81.6	81.8	139.5	111.0	62.4	-1.2
Net Gearing	75.8 %	143.4 %	188.7 %	154.6 %	70.1 %	29.6 %	2.4 %
Net Fin. Debt / EBITDA	198.8 %	132.4 %	123.6 %	198.6 %	86.9 %	41.8 %	n.a.
Book Value / Share	n.a.	n.a.	n.a.	7.0	11.9	16.9	23.3
Book value per share ex intangibles	n.a.	n.a.	n.a.	-5.9	-4.0	1.0	7.5

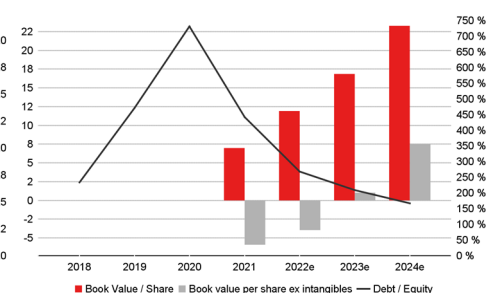
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

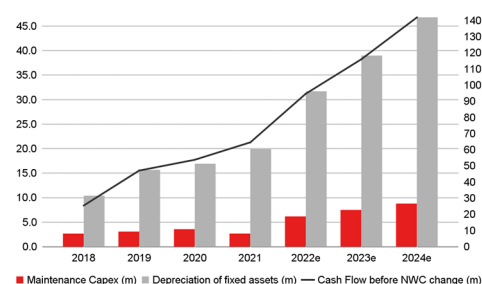
In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Net income	8.2	30.4	24.4	30.0	59.6	70.4	89.5
Depreciation of fixed assets	10.4	15.7	16.9	19.9	31.7	39.0	46.8
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	3.3	3.5	4.7	4.7	6.5	5.6	4.7
Increase/decrease in long-term provisions	0.6	0.4	1.2	1.3	-3.1	1.0	1.0
Other non-cash income and expenses	3.1	-2.9	6.6	8.7	0.0	0.0	0.0
Cash Flow before NWC change	25.6	47.1	53.8	64.5	94.7	116.0	142.0
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	-17.0	-6.3	18.4	-20.6	6.3	-21.9	-26.4
Increase / decrease in working capital (total)	-17.0	-6.3	18.4	-20.6	6.3	-21.9	-26.4
Net cash provided by operating activities [1]	8.6	40.9	72.2	44.0	101.0	94.1	115.6
Investments in intangible assets	0.0	-1.3	-1.0	-0.8	-1.3	-1.5	-1.6
Investments in property, plant and equipment	-2.7	-1.8	-2.6	-1.9	-4.9	-6.0	-7.2
Payments for acquisitions	5.0	-2.9	-7.8	-50.1	-37.1	-2.0	0.0
Financial investments	0.4	-2.5	1.2	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.4	0.1	0.0	0.0	0.0	0.0
Net cash provided by investing activities [2]	2.7	-8.0	-10.1	-52.8	-43.2	-9.5	-8.8
Change in financial liabilities	4.3	-3.3	23.9	18.2	-36.3	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	0.1	6.1	0.0	0.0	0.0
Other	-8.1	-13.8	-17.5	-24.2	-29.2	-36.0	-43.2
Net cash provided by financing activities [3]	-3.9	-17.1	6.5	0.0	-65.5	-36.0	-43.2
Change in liquid funds [1]+[2]+[3]	7.5	15.7	68.6	-8.8	-7.8	48.6	63.6
Effects of exchange-rate changes on cash	0.4	0.4	-1.4	0.6	0.0	0.0	0.0
Cash and cash equivalent at end of period	24.4	44.0	110.9	99.6	98.8	147.5	211.1

Financial Ratios

	2018	2019	2020	2021	2022e	2023e	2024e
Cash Flow							
FCF	-3.9	22.8	51.0	21.6	65.6	50.6	63.6
Free Cash Flow / Sales	-1.3 %	5.7 %	11.9 %	4.0 %	8.1 %	5.1 %	5.3 %
Free Cash Flow Potential	23.4	36.8	31.6	39.7	69.2	78.4	95.8
Free Cash Flow / Net Profit	-56.5 %	89.4 %	276.6 %	72.1 %	110.1 %	71.9 %	71.1 %
Interest Received / Avg. Cash	2.1 %	0.6 %	0.7 %	0.4 %	0.2 %	0.2 %	0.1 %
Interest Paid / Avg. Debt	6.0 %	5.0 %	4.6 %	3.6 %	3.1 %	3.3 %	3.3 %
Management of Funds							
Investment ratio	0.9 %	0.8 %	0.8 %	0.5 %	0.8 %	0.8 %	0.7 %
Maint. Capex / Sales	0.9 %	0.8 %	0.8 %	0.5 %	0.8 %	0.8 %	0.7 %
Capex / Dep	19.4 %	16.1 %	16.5 %	10.9 %	16.2 %	16.8 %	17.1 %
Avg. Working Capital / Sales	15.5 %	13.6 %	11.5 %	10.8 %	9.9 %	9.7 %	10.3 %
Trade Debtors / Trade Creditors	431.9 %	500.3 %	332.8 %	559.6 %	347.0 %	357.9 %	368.4 %
Inventory Turnover	398.7 x	5452.4 x	387.1 x	219.6 x	406.0 x	376.2 x	350.6 x
Receivables collection period (days)	95	73	63	69	66	68	70
Payables payment period (days)	159	119	165	114	190	168	162
Cash conversion cycle (Days)	-106	-103	-172	-102	-215	-180	-169

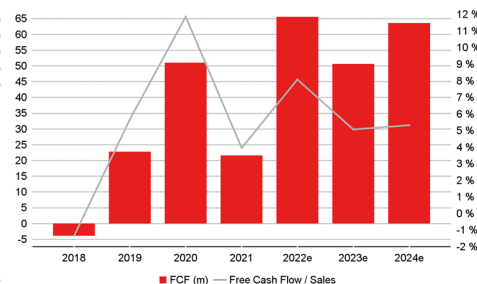
CAPEX and Cash Flow

in EUR m



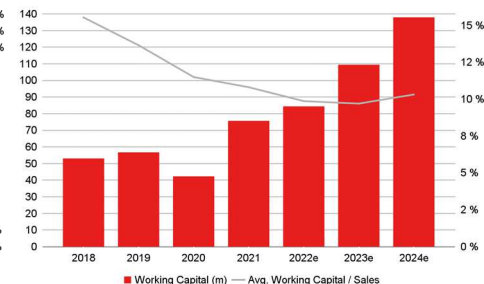
Source: Warburg Research

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	163	76
Hold	44	20
Sell	4	2
Rating suspended	4	2
Total	215	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	47	82
Hold	7	12
Sell	1	2
Rating suspended	2	4
Total	57	100

PRICE AND RATING HISTORY NAGARRO AS OF 04.10.2022


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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