

Buy EUR 240.00 (EUR 230.00) Price EUR 128.20 Upside 87.2 %	Value Indicators: EUR DCF: 239.00	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: 1,778.5 No. of shares (m): 13.9 EV: 1,873.9 Freefloat MC: 1,250.3 Ø Trad. Vol. (30d): 2.96 m	Shareholders: Freefloat 70.30 % Carl G. Duerschmidt 20.00 % Detlef Dinsel 9.70 %	Key Figures (WRe): 2022e Beta: 1.1 Price / Book: 12.3 x Equity Ratio: 25 % Net Fin. Debt / EBITDA: 0.8 x Net Debt / EBITDA: 0.9 x

Strong start to the year; Estimates and PT up

- The revenue momentum seen in Q4 2021 continued into Q1 2022. Nagarro's particularly impressive revenue growth rates were helped by a year of strong hiring, three acquisitions and a somewhat slower start to last year. Demand remained strong and seemed unaffected by the looming possibility of an economic slowdown. This mirrors the extent of the pent-up demand all over the world. Nagarro's exposure to Russia, Ukraine and Belarus is negligible.
- In **constant currency**, Q1 revenue growth was **55.2%**. Acquisitions of Techmill and RipeConcepts contributed to the top line. The euro has lost value against the US dollar, which is supporting higher revenues but the euro also lost value against the Indian rupee, which has a negative margin effect.
- Strongest growth was experienced in the Automotive, Manufacturing (+88% yoy) and Industrial, Financial Services & Insurance vertical (+78% yoy), as well as Public, Non-Profit, Education (+73% yoy).
- While there was strong growth in all regions, the fastest pace of growth was again in Rest of World where revenues more than doubled to EUR 37.3m.
- Despite some relief from reduced travel and utility costs, wage inflation and a higher number of trainees impacted the gross margin and adjusted EBITDA. The gross-profit margin decreased from 29.4% in Q1 2021 to 27.1% in Q1 2022.
- Despite the difficult hiring environment, Nagarro added another 2,263 professionals in Q1. This includes additions from acquisitions, apprenticeships and lateral hires. Continued innovation around "work-from-anywhere" supports Nagarro's positioning as an attractive employer. As a result of the interest-rate policy changes of central banks, the flow of funds to start-ups has started to dry which should ease IT staff bottlenecks and improve the hiring of IT talent. Wage inflation is being passed on, even if this usually only happens with a time lag.
- Q1 was ahead of the run rate for the FY guidance. Management alluded to the pace of hiring as the main determinant of the pace of top-line growth. As demand looks set to remain robust and the opportunities to hire should improve, we believe that a guidance hike is on the cards. The Buy rating is confirmed.

Nagarro - Q1 2022

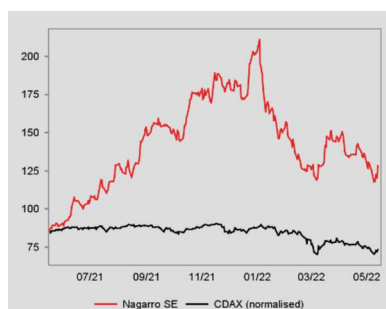
in EUR m	Q1/22	Q1/22e	Q1/21	yoy	2022e	2021	yoy
Sales	185.5	162.0	115.7	60.3%	800.0	546.0	46.5%
EBITDA adjusted margin	29.0	25.9	18.6	56.1%	114.3	79.7	43.4%
	15.6%	16.0%	16.0%		14.3%	14.6%	
EBITDA margin	27.9	24.8	17.3	60.9%	108.3	70.3	54.1%
	15.0%	15.3%	15.0%		13.5%	12.9%	
EBIT margin	20.5	17.8	11.8	73.8%	70.1	45.7	53.4%
	11.0%	11.0%	10.2%		8.8%	8.4%	
EPS in EUR	1.00	0.90	0.47	112.8%	3.29	2.51	31.1%

Changes in Estimates:

FY End: 31.12. in EUR m	2022e (old)	+ / -	2023e (old)	+ / -	2024e (old)	+ / -
Sales	770.0	3.9 %	947.1	3.9 %	1,136.5	3.9 %
EBITDA adj.	110.4	3.6 %	149.7	3.6 %	182.4	3.6 %
EBITDA	104.4	3.8 %	141.7	3.8 %	173.4	3.8 %
EBIT	66.2	5.9 %	97.1	5.5 %	121.9	5.4 %
EPS	3.08	6.8 %	4.69	6.0 %	5.97	5.7 %

Comment on Changes:

- Estimates raised to reflect the strong start to the year.



Rel. Performance vs CDAX:

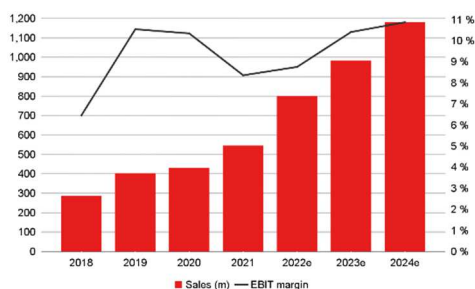
1 month:	-1.1 %
6 months:	-11.6 %
Year to date:	-20.1 %
Trailing 12 months:	64.0 %

Company events:

12.08.22	Q2
14.11.22	Q3

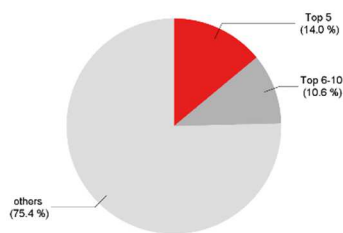
FY End: 31.12. in EUR m	CAGR (21-24e)	2018	2019	2020	2021	2022e	2023e	2024e
Sales	29.3 %	287.3	402.4	430.4	546.0	800.0	984.0	1,180.8
Change Sales yoy		36.5 %	40.1 %	6.9 %	26.9 %	46.5 %	23.0 %	20.0 %
gross margin (company reporting)		31.3 %	32.1 %	32.6 %	28.3 %	27.6 %	28.6 %	30.2 %
EBITDA adj.		34.3	55.0	76.2	79.7	114.3	155.1	189.0
Margin		12.0 %	13.7 %	17.7 %	14.6 %	14.3 %	15.8 %	16.0 %
EBITDA	36.8 %	32.3	61.6	66.2	70.3	108.3	147.1	180.0
Margin		11.2 %	15.3 %	15.4 %	12.9 %	13.5 %	14.9 %	15.2 %
EBIT	41.1 %	18.6	42.4	44.5	45.7	70.1	102.5	128.5
Margin		6.5 %	10.5 %	10.3 %	8.4 %	8.8 %	10.4 %	10.9 %
Net income before minorities		8.2	30.4	24.4	30.0	45.6	68.9	87.6
Net income	42.9 %	6.9	25.5	18.4	30.0	45.6	68.9	87.6
EPS	36.0 %	n.a.	n.a.	n.a.	2.51	3.29	4.97	6.31
FCFPS		n.a.	n.a.	n.a.	1.81	3.83	3.62	4.53
FCF / Market cap		n.a.	n.a.	n.a.	1.5 %	3.0 %	2.8 %	3.5 %
EV / Sales		n.a.	n.a.	n.a.	3.0 x	2.3 x	1.9 x	1.5 x
EV / EBIT adj.		n.a.	n.a.	n.a.	33.8 x	24.6 x	17.0 x	13.3 x
EV / EBIT		n.a.	n.a.	n.a.	35.4 x	26.7 x	17.8 x	13.7 x
P / E		n.a.	n.a.	n.a.	48.9 x	39.0 x	25.8 x	20.3 x
Net Debt		67.4	86.0	87.8	149.7	95.4	48.1	-13.8
ROCE (NOPAT)		8.9 %	23.0 %	20.5 %	18.8 %	20.6 %	29.2 %	33.5 %
Guidance:		2022: revenue: EUR 770m; adj. EBITDA margin: approx. 14%						

Sales development
in EUR m



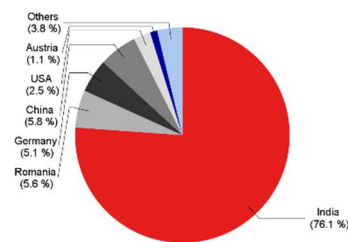
Source: Warburg Research

Customer split
2021



Source: Company

IT engineers by region
2021



Source: Warburg Research

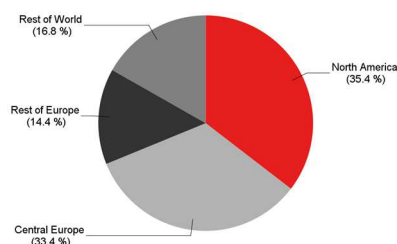
Company Background

- 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.

Sales by segments
2021; in %



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	800.0	984.0	1,180.8	1,417.0	1,683.3	1,980.8	2,309.9	2,670.6	3,062.6	3,485.1	3,937.1	4,417.1	4,505.4	
Sales change	46.5 %	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	70.1	102.5	128.5	148.8	176.8	208.0	242.5	280.4	321.6	365.9	413.4	463.8	473.1	
EBIT-margin	8.8 %	10.4 %	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	50.5	73.8	92.5	101.2	120.2	141.4	164.9	190.7	218.7	248.8	281.1	315.4	321.7	
Depreciation	38.2	44.6	51.5	15.6	16.8	19.8	23.1	26.7	30.6	34.9	39.4	44.2	49.6	
in % of Sales	4.8 %	4.5 %	4.4 %	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	7.6	24.5	28.1	12.9	28.0	31.2	34.6	37.9	41.2	44.4	47.5	50.4	9.3	
- Capex	6.1	7.4	8.7	15.6	18.5	21.8	25.4	29.4	33.7	38.3	43.3	48.6	49.6	
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	28.8	35.4	42.5	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)	43.0	52.0	65.7	90.1	92.6	110.5	130.6	152.9	177.4	204.2	233.2	264.2	313.1	319
PV of FCF	42.5	47.8	56.1	71.5	68.3	75.8	83.3	90.7	97.9	104.8	111.2	117.2	129.1	2,373
share of PVs	4.22 %			27.38 %										68.39 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	7.00 %	Financial Strength	1.00
Cost of debt (after tax)	2.4 %	Liquidity (share)	1.10
Market return	7.50 %	Cyclicality	1.10
Risk free rate	2.00 %	Transparency	1.10
		Others	1.10
WACC	7.55 %	Beta	1.08

Valuation (m)

Present values 2034e	1,097		
Terminal Value	2,373		
Financial liabilities	246		
Pension liabilities	10		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	107	No. of shares (m)	13.9
Equity Value	3,320	Value per share (EUR)	239.29

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	8.6 %	179.31	183.43	187.85	192.61	197.75	203.32	209.36	1.28	8.6 %	160.64	171.30	181.96	192.61	203.27	213.93	224.59
1.18	8.1 %	197.57	202.60	208.04	213.92	220.31	227.28	234.91	1.18	8.1 %	178.76	190.48	202.20	213.92	225.64	237.36	249.08
1.13	7.8 %	207.82	213.41	219.46	226.03	233.20	241.04	249.66	1.13	7.8 %	189.07	201.39	213.71	226.03	238.36	250.68	263.00
1.08	7.6 %	218.93	225.16	231.92	239.29	247.36	256.23	266.01	1.08	7.6 %	200.35	213.33	226.31	239.29	252.27	265.26	278.24
1.03	7.3 %	231.03	237.98	245.57	253.86	262.98	273.05	284.23	1.03	7.3 %	212.75	226.45	240.16	253.86	267.57	281.27	294.98
0.98	7.1 %	244.22	252.02	260.56	269.94	280.30	291.80	304.63	0.98	7.1 %	226.43	240.94	255.44	269.94	284.45	298.95	313.45
0.88	6.6 %	274.56	284.49	295.46	307.63	321.21	336.48	353.75	0.88	6.6 %	258.52	274.89	291.26	307.63	324.00	340.36	356.73

- 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	12.3 x	8.4 x	6.0 x
Book value per share ex intangibles	n.a.	n.a.	n.a.	-5.90	-2.43	2.44	8.76
EV / Sales	n.a.	n.a.	n.a.	3.0 x	2.3 x	1.9 x	1.5 x
EV / EBITDA	n.a.	n.a.	n.a.	23.0 x	17.3 x	12.4 x	9.8 x
EV / EBIT	n.a.	n.a.	n.a.	35.4 x	26.7 x	17.8 x	13.7 x
EV / EBIT adj.*	n.a.	n.a.	n.a.	33.8 x	24.6 x	17.0 x	13.3 x
P / FCF	n.a.	n.a.	n.a.	67.9 x	33.4 x	35.4 x	28.3 x
P / E	n.a.	n.a.	n.a.	48.9 x	39.0 x	25.8 x	20.3 x
P / E adj.*	n.a.	n.a.	n.a.	48.9 x	39.0 x	25.8 x	20.3 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 %	3.0 %	4.2 %	5.4 %

*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	221.1	281.4	356.4
gross margin (company reporting)	31.3 %	32.1 %	32.6 %	28.3 %	27.6 %	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	800.0	984.0	1,180.8
Change Sales yoy	36.5 %	40.1 %	6.9 %	26.9 %	46.5 %	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	91.2	111.2	138.2
Personnel expenses	179.8	254.7	271.7	373.0	520.0	626.8	738.0
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	84.0	103.3	129.9
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	108.3	147.1	180.0
<i>Margin</i>	<i>11.2 %</i>	<i>15.3 %</i>	<i>15.4 %</i>	<i>12.9 %</i>	<i>13.5 %</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	76.6	108.1	133.2
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	70.1	102.5	128.5
<i>Margin</i>	<i>6.5 %</i>	<i>10.5 %</i>	<i>10.3 %</i>	<i>8.4 %</i>	<i>8.8 %</i>	<i>10.4 %</i>	<i>10.9 %</i>
EBIT adj.	20.8	45.4	48.0	47.8	76.1	107.5	132.5
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	63.3	95.7	121.7
<i>Margin</i>	<i>5.0 %</i>	<i>9.2 %</i>	<i>8.8 %</i>	<i>7.0 %</i>	<i>7.9 %</i>	<i>9.7 %</i>	<i>10.3 %</i>
Total taxes	6.2	6.8	13.4	8.2	17.7	26.8	34.1
Net income from continuing operations	8.2	30.4	24.4	30.0	45.6	68.9	87.6
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	45.6	68.9	87.6
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	45.6	68.9	87.6
<i>Margin</i>	<i>2.4 %</i>	<i>6.3 %</i>	<i>4.3 %</i>	<i>5.5 %</i>	<i>5.7 %</i>	<i>7.0 %</i>	<i>7.4 %</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	3.29	4.97	6.31
EPS adj.	n.a.	n.a.	n.a.	2.51	3.29	4.97	6.31

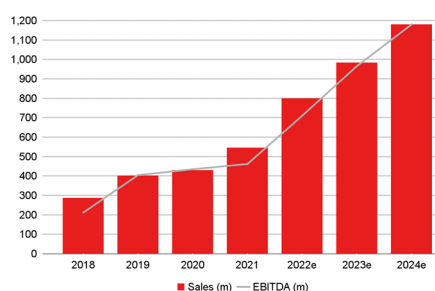
*Adjustments made for:

Guidance: 2022: revenue: EUR 770m; adj. EBITDA margin: approx. 14%

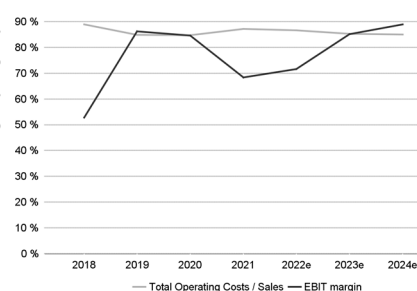
Financial Ratios

	2018	2019	2020	2021	2022e	2023e	2024e
Total Operating Costs / Sales	88.9 %	84.9 %	84.7 %	87.2 %	86.7 %	85.2 %	84.9 %
Operating Leverage	1.8 x	3.2 x	0.7 x	0.1 x	1.1 x	2.0 x	1.3 x
EBITDA / Interest expenses	7.0 x	11.2 x	9.1 x	9.0 x	15.5 x	21.0 x	25.7 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.

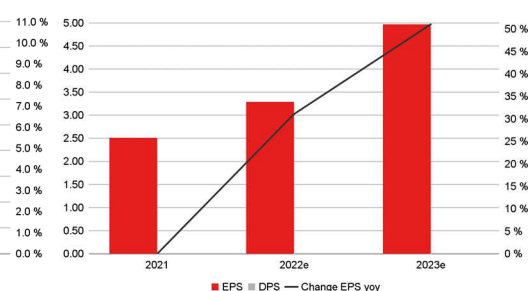
Sales, EBITDA in EUR m



Operating Performance in %



Performance per Share



Source: Warburg Research

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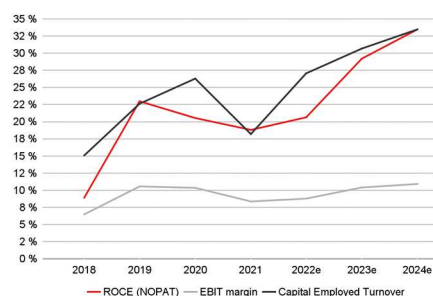
Consolidated balance sheet

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Assets							
Goodwill and other intangible assets	107.7	111.4	106.9	178.7	177.9	177.2	176.6
thereof other intangible assets	10.2	9.0	11.0	15.3	14.5	13.8	13.2
thereof Goodwill	97.5	102.4	95.9	163.4	163.4	163.4	163.4
Property, plant and equipment	6.7	7.2	6.4	11.1	13.1	15.4	18.2
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	87.9	109.1	131.7
Fixed assets	165.0	176.2	168.0	253.0	282.6	305.4	330.2
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	144.7	183.3	226.5
Liquid assets	27.9	43.8	107.7	106.6	121.5	169.7	232.6
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	313.9	405.3	518.5
Total Assets	297.1	342.0	386.8	524.9	596.5	710.7	848.7
Liabilities and shareholders' equity							
Shareholders' equity	74.5	50.2	43.8	96.8	144.1	211.0	298.1
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	147.1	215.0	303.1
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	41.6	51.2	61.5
Other liabilities	77.8	115.1	95.4	118.2	160.9	194.7	231.2
Liabilities	208.2	282.0	340.3	428.0	449.4	495.7	545.6
Total liabilities and shareholders' equity	297.1	342.0	386.8	524.9	596.5	710.7	848.7

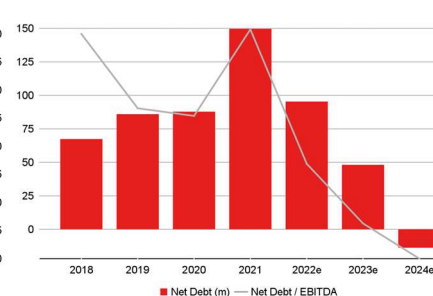
Financial Ratios

	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	8.0 x	7.7 x
Capital Employed Turnover	1.8 x	2.8 x	3.2 x	2.2 x	3.3 x	3.7 x	4.1 x
ROA	4.2 %	14.5 %	11.0 %	11.9 %	16.1 %	22.6 %	26.5 %
Return on Capital							
ROCE (NOPAT)	8.9 %	23.0 %	20.5 %	18.8 %	20.6 %	29.2 %	33.5 %
ROE	13.4 %	40.8 %	39.2 %	42.7 %	37.8 %	38.8 %	34.4 %
Adj. ROE	13.4 %	40.8 %	39.2 %	42.7 %	37.8 %	38.8 %	34.4 %
Balance sheet quality							
Net Debt	67.4	86.0	87.8	149.7	95.4	48.1	-13.8
Net Financial Debt	64.2	81.6	81.8	139.5	88.4	40.1	-22.8
Net Gearing	75.8 %	143.4 %	188.7 %	154.6 %	64.8 %	22.4 %	-4.5 %
Net Fin. Debt / EBITDA	198.8 %	132.4 %	123.6 %	198.6 %	81.6 %	27.3 %	n.a.
Book Value / Share	n.a.	n.a.	n.a.	7.0	10.4	15.2	21.5
Book value per share ex intangibles	n.a.	n.a.	n.a.	-5.9	-2.4	2.4	8.8

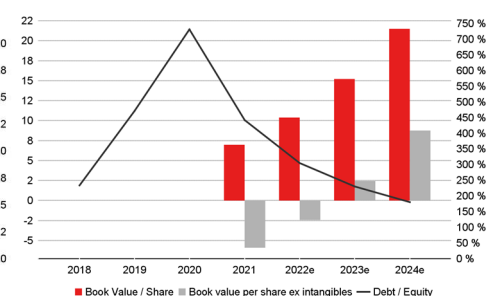
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

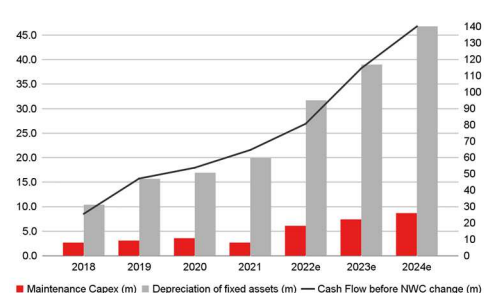
In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Net income	8.2	30.4	24.4	30.0	45.6	68.9	87.6
Depreciation of fixed assets	10.4	15.7	16.9	19.9	31.7	39.0	46.8
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	3.3	3.5	4.7	4.7	6.5	5.6	4.7
Increase/decrease in long-term 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	80.7	114.5	140.1
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	7.4	-21.4	-26.0
Increase / decrease in working capital (total)	-17.0	-6.3	18.4	-20.6	7.4	-21.4	-26.0
Net cash provided by operating activities [1]	8.6	40.9	72.2	44.0	88.1	93.1	114.1
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	-4.8	-5.9	-7.1
Payments for acquisitions	5.0	-2.9	-7.8	-50.1	-2.0	-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	-8.1	-9.4	-8.7
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	-28.8	-35.4	-42.5
Net cash provided by financing activities [3]	-3.9	-17.1	6.5	0.0	-65.1	-35.4	-42.5
Change in liquid funds [1]+[2]+[3]	7.5	15.7	68.6	-8.8	14.9	48.2	62.9
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	121.5	169.7	232.6

Financial Ratios

	2018	2019	2020	2021	2022e	2023e	2024e
Cash Flow							
FCF	-3.9	22.8	51.0	21.6	53.2	50.2	62.9
Free Cash Flow / Sales	-1.3 %	5.7 %	11.9 %	4.0 %	6.6 %	5.1 %	5.3 %
Free Cash Flow Potential	23.4	36.8	31.6	39.7	55.7	77.4	94.7
Free Cash Flow / Net Profit	-56.5 %	89.4 %	276.6 %	72.1 %	116.7 %	72.9 %	71.8 %
Interest Received / Avg. Cash	2.1 %	0.6 %	0.7 %	0.4 %	0.2 %	0.1 %	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 %	16.0 %	16.6 %	16.9 %
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 %	347.8 %	358.0 %	368.3 %
Inventory Turnover	398.7 x	5452.4 x	387.1 x	219.6 x	456.0 x	370.6 x	345.4 x
Receivables collection period (days)	95	73	63	69	66	68	70
Payables payment period (days)	159	119	165	114	166	168	162
Cash conversion cycle (Days)	-106	-103	-172	-102	-180	-180	-169

CAPEX and Cash Flow

in EUR m



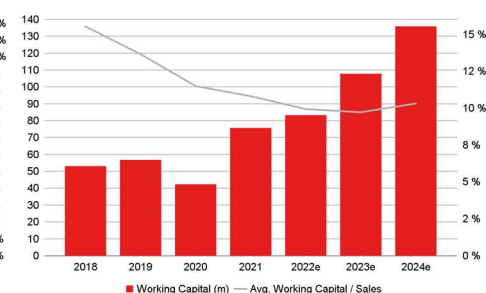
Source: Warburg Research

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	4, 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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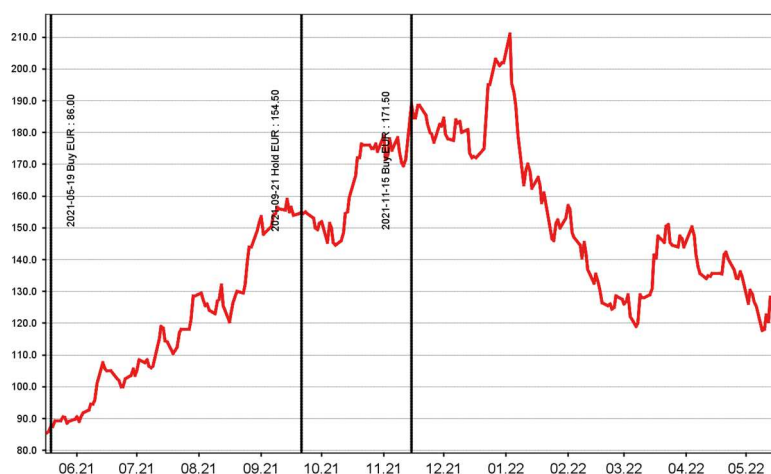
Rating	Number of stocks	% of Universe
Buy	170	80
Hold	37	17
Sell	3	1
Rating suspended	2	1
Total	212	100

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	50	86
Hold	6	10
Sell	0	0
Rating suspended	2	3
Total	58	100

PRICE AND RATING HISTORY NAGARRO AS OF 16.05.2022



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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