Nagarro

(SDAX, Software/IT, NA9 GR)

WARBURG RESEARCH

Buy	
EUR 90.00	
Price	EUR 53.10
Upside	69.5 %

Value Indicators:	EUR
DCF:	91.00

Warburg Risk Score:	3.5
Balance Sheet Score:	4.0
Market Liquidity Score:	3.0

Description:

Custom software and digital engineering

Market Snapshot:	EUR m
Market cap:	707.4
No. of shares (m):	13.3
EV:	770.2
Freefloat MC:	497.3
Ø Trad. Vol. (30d):	1.25 m

Shareholders:	
Freefloat	70.30 %
Carl G. Duerschmidt	20.00 %
Detlef Dinsel	9.70 %

Key Figures (WRe):	2025e
Beta:	1.1
Price / Book:	2.8 x
Equity Ratio:	32 %
Net Fin. Debt / EBITDA:	0.4 x
Net Debt / EBITDA:	0.5 x

Exchange rates had a negative impact

- In Q2 2025, **revenue** rose 3.2% year-on-year to EUR 252.0m (EUR 244.1m in Q2 2024), or 4.7% at constant currency. **Organic growth was 3.8% at constant currency**, equivalent to 2.4% in euro terms.
- **Gross profit** increased to EUR 83.7m from EUR 73.3m and the gross margin improved to 33.2% from 30.0%.
- Despite solid operational performance, adjusted EBITDA was hit by **EUR 18.0m in currency revaluation** and FX forward losses, reflecting the weaker US dollar.
- **Adjusted EBITDA** fell to EUR 30.5m (12.1% margin) from EUR 35.5m (14.5%), while EBITDA slipped to EUR 32.0m from EUR 32.8m. EBIT edged up to EUR 23.4m from EUR 23.1m.
- On 30 June 2025, Nagarro had 17,447 (June 30, 2024: 18,301) professionals of which 15,907 (June 2024: 16,772) were **professionals** in engineering. The reduction has helped to defend profitability.

Nagarro - Q2 2025

in EUR m	Q2/25	Q2/24	yoy
Sales	**252.0**	244.1	3.2%
EBITDA adjusted	**30.5**	35.5	-14.0%
margin	*12.1%*	*14.5%*	
EBITDA	**32.0**	32.8	-2.4%
margin	*12.7%*	*13.4%*	
EBIT	**23.4**	23.1	1.4%
margin	*9.3%*	*9.5%*	

- Management Consulting and Business Information saw a sharp increase of 34% and Automotive grew dynamically by 19%. Telecom, Media and Entertainment fell by 23% yoy and Horizontal Tech declined by 22% yoy.
- **Clients** generating over EUR 1m in annual revenue rose from 184 to 188 year-on-year.
- **Guidance update:** At the beginning of the year, Nagarro projected 2025 revenue of EUR 1,020-1,080m (at then-prevailing exchange rates) and now expects it to be near the lower end of that range. The gross margin is still targeted at around 30% (2024: 30.4%). The adjusted EBITDA margin was forecast at 14.5–15.5% (2024: 15.2%) but due to currency revaluation losses it is now expected at 13.5-14.5%.
- **Conclusion:** Given the current economic environment, the top-line performance was solid and supports our FY estimates. While the magnitude of the currency impact came as a surprise, a revenue guidance adjustment was already reflected in our estimates.

Rel. Performance vs SDAX:	
1 month:	-1.2 %
6 months:	-52.8 %
Year to date:	-54.8 %
Trailing 12 months:	-50.7 %

Company events:	
14.11.25	Q3

FY End: 31.12. in EUR m	CAGR (24-27e)	2021	2022	2023	2024	2025e	2026e	2027e
Sales	4.6 %	546.0	856.3	912.1	972.0	1,010.0	1,060.5	1,113.5
Change Sales yoy		26.9 %	56.8 %	6.5 %	6.6 %	3.9 %	5.0 %	5.0 %
EBITDA adj.		79.7	148.5	126.1	147.5	144.3	153.8	160.6
Margin		*14.6 %*	*17.3 %*	*13.8 %*	*15.2 %*	*14.3 %*	*14.5 %*	*14.4 %*
EBITDA	4.0 %	70.3	145.6	118.6	134.0	134.3	143.8	150.6
Margin		*12.9 %*	*17.0 %*	*13.0 %*	*13.8 %*	*13.3 %*	*13.6 %*	*13.5 %*
EBIT	3.9 %	45.7	112.4	83.2	96.7	95.6	103.4	108.5
Margin		*8.4 %*	*13.1 %*	*9.1 %*	*10.0 %*	*9.5 %*	*9.8 %*	*9.7 %*
Net income before minorities		30.0	77.3	49.2	49.2	64.5	70.1	73.8
Net income	14.5 %	30.0	77.3	49.2	49.2	64.5	70.1	73.8
EPS	14.5 %	n.a.	5.58	3.64	3.69	4.84	5.26	5.54
DPS		n.a.	0.00	0.00	1.00	1.10	1.30	1.30
Dividend Yield		n.a.	n.a.	n.a.	1.2 %	2.1 %	2.4 %	2.4 %
FCFPS		1.81	4.09	3.54	4.15	7.77	5.24	5.51
FCF / Market cap		n.a.	3.4 %	4.0 %	5.0 %	14.6 %	9.9 %	10.4 %
EV / Sales		n.a.	2.1 x	1.5 x	1.3 x	0.8 x	0.7 x	0.6 x
EV / EBIT adj.		n.a.	15.5 x	15.8 x	12.5 x	7.7 x	6.7 x	5.9 x
EV / EBIT		n.a.	16.2 x	16.8 x	13.0 x	8.1 x	6.9 x	6.1 x
P / E		n.a.	21.8 x	24.4 x	22.3 x	11.0 x	10.1 x	9.6 x
Net Debt		149.7	141.1	195.7	165.5	62.8	7.6	-48.5
ROCE (NOPAT)		18.8 %	31.4 %	18.4 %	15.9 %	18.9 %	21.9 %	22.7 %
Guidance:	2025: revenue: EUR 1,020-1,080m; adj. EBITDA margin: 14.5-15.5%							

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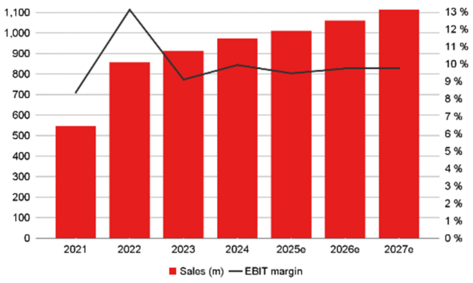
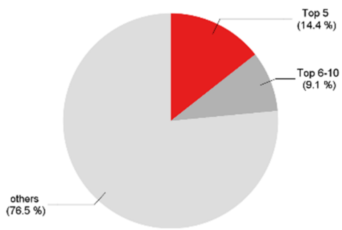
Sales development
in EUR m



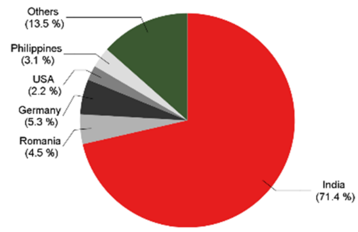
Source: Warburg Research

Customer split
2024



Source: Company

IT engineers by region
2024



Source: Warburg Research

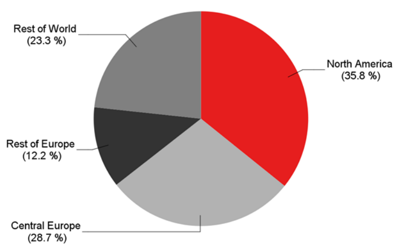
Company Background

- Nagarro provides technology and custom software development services for digital transformation,...
- ...with a focus on disruptive technologies such as artificial intelligence, big data, and internet of things.
- Complementary business fields such as managed services, e-commerce solutions or ERP consulting complete the offering.
- While the majority of revenue is generated in higher price countries, Nagarro is able to serve this demand with access to experts in regions associated with lower costs.

Competitive Quality

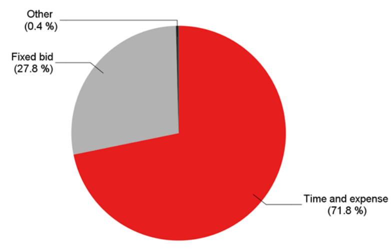
- Nagarro is a trusted and valued digitalisation partner developing tailor-made software to achieve competitive differentiation for its clients.
- Technological focus and expertise position the company as an IT engineering expert rather than a consulting or services company.
- Proprietary software Ginger supports collaboration, a decentralised organisational structure which provides access to IT talent and enables Nagarro to serve both, small and large companies around the globe.
- Organizational design and processes allow Nagarro to cross-fertilize knowledge across the global organisation and adapt quickly to new technologies and client needs with lean and agile teams and short time-to-market.
- Access to scarce IT specialists: Nagarro's approx. 17,000 IT experts e.g. in India, China or Romania have a strong footprint in future-oriented technologies such as cloud, AI, IoT, deep learning or big data.

Sales by region
2024; in %



Source: Warburg Research

Revenue by contract type
2023



Source: Warburg Research

DCF model

	Detailed forecast period			Transitional period										Term. Value
Figures in EUR m	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	2037e	
Sales	1,010.0	1,060.5	1,113.5	1,169.2	1,224.2	1,278.2	1,331.3	1,383.3	1,434.1	1,483.5	1,531.6	1,578.3	1,609.9	
Sales change	*3.9 %*	*5.0 %*	*5.0 %*	*5.0 %*	*4.7 %*	*4.4 %*	*4.2 %*	*3.9 %*	*3.7 %*	*3.4 %*	*3.2 %*	*3.0 %*	*2.0 %*	*2.0 %*
EBIT	95.6	103.4	108.5	113.4	120.0	125.3	130.5	135.6	140.5	145.4	150.1	154.7	157.8	
EBIT-margin	*9.5 %*	*9.8 %*	*9.7 %*	*9.7 %*	*9.8 %*	*9.8 %*	*9.8 %*	*9.8 %*	*9.8 %*	*9.8 %*	*9.8 %*	*9.8 %*	*9.8 %*	
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	68.8	74.5	78.1	77.1	81.6	85.2	88.7	92.2	95.6	98.9	102.1	105.2	107.3	
Depreciation	38.7	40.4	42.2	12.9	12.2	12.8	13.3	13.8	14.3	14.8	15.3	15.8	17.7	
in % of Sales	*3.8 %*	*3.8 %*	*3.8 %*	*1.1 %*	*1.0 %*	*1.0 %*	*1.0 %*	*1.0 %*	*1.0 %*	*1.0 %*	*1.0 %*	*1.0 %*	*1.1 %*	
Changes in provisions	-12.6	0.0	0.0	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.3	
Change in Liquidity from														
- Working Capital	-58.4	6.5	6.8	67.0	9.9	9.7	9.6	9.4	9.1	8.9	8.7	8.4	5.7	
- Capex	7.8	8.1	8.4	12.9	13.5	14.1	14.6	15.2	15.8	16.3	16.8	17.4	17.7	
Capex in % of Sales	*0.8 %*	*0.8 %*	*0.8 %*	*1.1 %*	*1.1 %*	*1.1 %*	*1.1 %*	*1.1 %*	*1.1 %*	*1.1 %*	*1.1 %*	*1.1 %*	*1.1 %*	
- Other	24.8	26.1	27.4	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)	120.8	74.2	77.7	10.6	71.0	74.7	78.3	81.9	85.5	88.9	92.3	95.6	101.9	106
PV of FCF	120.8	68.7	66.6	8.4	52.1	50.8	49.3	47.7	46.1	44.4	42.7	40.9	40.4	698
share of PVs	**18.60 %**			**30.70 %**										**50.70 %**

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	15.00 %	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	**8.02 %**	**Beta**	**1.14**

Valuation (m)

Present values 2037e	679		
Terminal Value	698		
Financial liabilities	335		
Pension liabilities	23		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	193	No. of shares (m)	13.3
Equity Value	**1,211**	**Value per share (EUR)**	**90.91**

Sensitivity Value per Share (EUR)

		Terminal Growth						
Beta	WACC	1.25 %	1.50 %	1.75 %	**2.00 %**	2.25 %	2.50 %	2.75 %
1.35	9.0 %	72.57	73.78	75.07	76.45	77.94	79.54	81.26
1.25	8.5 %	78.40	79.86	81.43	83.12	84.94	86.92	89.06
1.19	8.3 %	81.63	83.25	84.98	86.86	88.89	91.09	93.50
1.14	8.0 %	85.11	86.90	88.83	**90.91**	93.18	95.66	98.36
1.09	7.8 %	88.87	90.85	93.00	95.33	97.87	100.66	103.72
1.03	7.5 %	92.93	95.14	97.54	100.15	103.01	106.16	109.64
0.93	7.0 %	102.14	104.90	107.93	111.26	114.94	119.02	123.58

		Delta EBIT-margin						
Beta	WACC	-1.5 pp	-1.0 pp	-0.5 pp	**+0.0 pp**	+0.5 pp	+1.0 pp	+1.5 pp
1.35	9.0 %	62.10	66.88	71.67	76.45	81.24	86.03	90.81
1.25	8.5 %	67.69	72.83	77.97	83.12	88.26	93.41	98.55
1.19	8.3 %	70.83	76.17	81.51	86.86	92.20	97.55	102.89
1.14	8.0 %	74.23	79.79	85.35	**90.91**	96.47	102.04	107.60
1.09	7.8 %	77.94	83.74	89.53	95.33	101.13	106.92	112.72
1.03	7.5 %	81.99	88.04	94.10	100.15	106.20	112.26	118.31
0.93	7.0 %	91.32	97.97	104.61	111.26	117.91	124.55	131.20

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

Valuation

	2021	2022	2023	2024	2025e	2026e	2027e
Price / Book	n.a.	10.7 x	7.0 x	4.9 x	2.8 x	2.2 x	1.9 x
Book value per share ex intangibles	n.a.	-3.36	-4.84	-2.63	-0.11	4.29	8.76
EV / Sales	n.a.	2.1 x	1.5 x	1.3 x	0.8 x	0.7 x	0.6 x
EV / EBITDA	n.a.	12.5 x	11.8 x	9.4 x	5.7 x	5.0 x	4.4 x
EV / EBIT	n.a.	16.2 x	16.8 x	13.0 x	8.1 x	6.9 x	6.1 x
EV / EBIT adj.*	n.a.	15.5 x	15.8 x	12.5 x	7.7 x	6.7 x	5.9 x
P / FCF	n.a.	29.7 x	25.1 x	19.8 x	6.8 x	10.1 x	9.6 x
P / E	n.a.	21.8 x	24.4 x	22.3 x	11.0 x	10.1 x	9.6 x
P / E adj.*	n.a.	21.8 x	24.4 x	22.3 x	11.0 x	10.1 x	9.6 x
Dividend Yield	n.a.	n.a.	n.a.	1.2 %	2.1 %	2.4 %	2.4 %
FCF Potential Yield (on market EV)	n.a.	5.2 %	5.0 %	5.8 %	11.0 %	12.7 %	14.4 %

*Adjustments made for: -

Company Specific Items

	2021	2022	2023	2024	2025e	2026e	2027e
gross profit (company reporting)	154.4	247.1	235.7	295.3	346.9	369.4	387.8
gross margin (company reporting)	28.3 %	28.9 %	25.8 %	30.4 %	34.3 %	34.8 %	34.8 %

Consolidated profit & loss

In EUR m	2021	2022	2023	2024	2025e	2026e	2027e
Sales	**546.0**	**856.3**	**912.1**	**972.0**	**1,010.0**	**1,060.5**	**1,113.5**
Change Sales yoy	26.9 %	56.8 %	6.5 %	6.6 %	3.9 %	5.0 %	5.0 %
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	0.2	0.3	0.3	0.3	2.5	2.5	2.5
Material expenses	59.1	77.0	73.1	68.9	76.8	75.3	79.1
Personnel expenses	373.0	571.1	654.6	703.0	720.1	753.0	790.6
Other operating income	14.8	28.2	29.3	30.6	10.0	10.0	10.0
Other operating expenses	55.5	89.0	91.3	93.9	85.9	95.4	100.2
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	**70.3**	**145.6**	**118.6**	**134.0**	**134.3**	**143.8**	**150.6**
Margin	*12.9 %*	*17.0 %*	*13.0 %*	*13.8 %*	*13.3 %*	*13.6 %*	*13.5 %*
Depreciation of fixed assets	19.9	25.5	29.9	32.6	33.9	35.6	37.4
EBITA	**50.3**	**120.1**	**88.6**	**101.4**	**100.4**	**108.2**	**113.3**
Amortisation of intangible assets	4.7	7.6	5.5	4.7	4.8	4.8	4.8
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	**45.7**	**112.4**	**83.2**	**96.7**	**95.6**	**103.4**	**108.5**
Margin	*8.4 %*	*13.1 %*	*9.1 %*	*10.0 %*	*9.5 %*	*9.8 %*	*9.7 %*
EBIT adj.	**47.8**	**117.8**	**88.0**	**100.7**	**99.6**	**107.4**	**112.5**
Interest income	0.4	0.5	1.8	3.5	0.0	0.0	0.0
Interest expenses	7.8	11.2	18.2	21.1	6.0	6.0	6.0
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	**38.2**	**101.7**	**66.7**	**79.1**	**89.6**	**97.4**	**102.5**
Margin	*7.0 %*	*11.9 %*	*7.3 %*	*8.1 %*	*8.9 %*	*9.2 %*	*9.2 %*
Total taxes	8.2	24.4	17.6	29.9	25.1	27.3	28.7
Net income from continuing operations	**30.0**	**77.3**	**49.2**	**49.2**	**64.5**	**70.1**	**73.8**
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	**30.0**	**77.3**	**49.2**	**49.2**	**64.5**	**70.1**	**73.8**
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	**30.0**	**77.3**	**49.2**	**49.2**	**64.5**	**70.1**	**73.8**
Margin	*5.5 %*	*9.0 %*	*5.4 %*	*5.1 %*	*6.4 %*	*6.6 %*	*6.6 %*
Number of shares, average	n.a.	13.8	13.5	13.3	13.3	13.3	13.3
EPS	**n.a.**	**5.58**	**3.64**	**3.69**	**4.84**	**5.26**	**5.54**
EPS adj.	n.a.	5.58	3.64	3.69	4.84	5.26	5.54

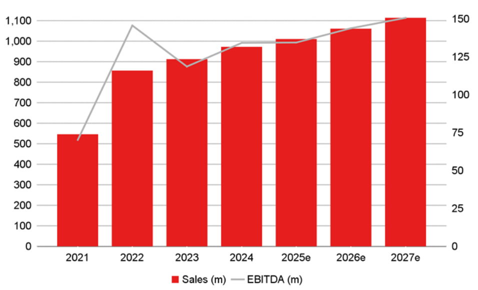
*Adjustments made for:

Guidance: 2025: revenue: EUR 1,020-1,080m; adj. EBITDA margin: 14.5-15.5%

Financial Ratios

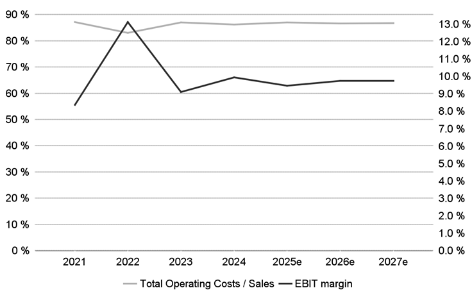
	2021	2022	2023	2024	2025e	2026e	2027e
Total Operating Costs / Sales	87.2 %	83.0 %	87.0 %	86.2 %	87.0 %	86.7 %	86.7 %
Operating Leverage	0.1 x	2.6 x	-4.0 x	2.5 x	-0.3 x	1.6 x	1.0 x
EBITDA / Interest expenses	9.0 x	13.0 x	6.5 x	6.3 x	22.4 x	24.0 x	25.1 x
Tax rate (EBT)	21.5 %	24.0 %	26.3 %	37.9 %	28.0 %	28.0 %	28.0 %
Dividend Payout Ratio	n.a.	0.0 %	0.0 %	27.1 %	22.7 %	24.7 %	23.5 %
Sales per Employee	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Sales, EBITDA
in EUR m



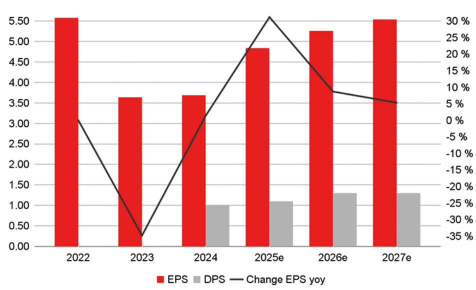
Source: Warburg Research

Operating Performance
in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

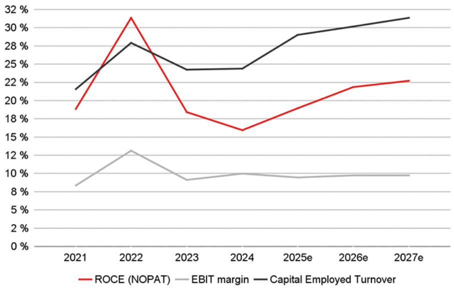
Consolidated balance sheet

In EUR m	2021	2022	2023	2024	2025e	2026e	2027e
Assets							
Goodwill and other intangible assets	178.7	203.5	234.9	257.6	257.6	257.5	257.4
thereof other intangible assets	14.0	26.6	40.1	43.4	43.3	43.3	43.2
thereof Goodwill	163.4	175.8	194.8	214.2	214.2	214.2	214.2
Property, plant and equipment	11.1	11.4	11.6	10.0	7.0	3.9	0.6
Financial assets	3.7	4.0	3.3	2.1	2.1	2.1	2.1
Other long-term assets	59.3	52.3	47.6	53.3	52.6	55.4	58.4
Fixed assets	**253.0**	**271.3**	**297.5**	**323.1**	**319.3**	**319.0**	**318.6**
Inventories	0.3	0.3	0.0	0.0	0.5	0.5	0.5
Accounts receivable	103.3	156.8	182.5	219.8	207.5	217.9	228.8
Liquid assets	106.6	110.2	110.1	192.6	276.8	332.0	388.1
Other short-term assets	61.7	66.7	76.0	60.3	59.0	59.0	59.0
Current assets	**271.9**	**333.9**	**368.6**	**472.7**	**543.8**	**609.4**	**676.4**
Total Assets	**524.9**	**605.2**	**666.1**	**795.7**	**863.2**	**928.4**	**995.0**
Liabilities and shareholders' equity							
Shareholders' equity	96.8	157.6	170.5	222.7	256.1	314.6	374.2
Minority interest	0.0	0.0	0.0	0.0	20.0	20.0	20.0
Total equity	**96.8**	**157.6**	**170.5**	**222.7**	**276.1**	**334.6**	**394.2**
Provisions	45.3	53.4	59.8	58.8	46.0	46.0	46.0
thereof provisions for pensions and similar obligations	10.1	11.4	14.9	22.6	10.0	10.0	10.0
Financial liabilities (total)	246.1	239.8	291.0	335.5	329.6	329.6	329.6
Short-term financial liabilities	23.8	11.5	6.2	8.8	8.8	8.8	8.8
Accounts payable	18.5	13.8	17.9	17.1	52.6	55.2	58.0
Other liabilities	118.2	140.6	126.9	161.7	158.9	163.0	167.3
Liabilities	**428.0**	**447.6**	**495.6**	**573.0**	**587.1**	**593.8**	**600.9**
Total liabilities and shareholders' equity	**524.9**	**605.2**	**666.1**	**795.7**	**863.2**	**928.4**	**995.0**

Financial Ratios

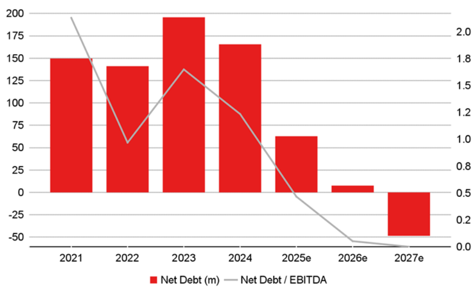
	2021	2022	2023	2024	2025e	2026e	2027e
Efficiency of Capital Employment							
Operating Assets Turnover	6.3 x	6.1 x	5.7 x	4.9 x	7.4 x	7.5 x	7.7 x
Capital Employed Turnover	2.2 x	2.9 x	2.5 x	2.5 x	3.0 x	3.1 x	3.2 x
ROA	11.9 %	28.5 %	16.5 %	15.2 %	20.2 %	22.0 %	23.2 %
Return on Capital							
ROCE (NOPAT)	18.8 %	31.4 %	18.4 %	15.9 %	18.9 %	21.9 %	22.7 %
ROE	42.7 %	60.8 %	30.0 %	25.0 %	26.9 %	24.6 %	21.4 %
Adj. ROE	42.7 %	60.8 %	30.0 %	25.0 %	26.9 %	24.6 %	21.4 %
Balance sheet quality							
Net Debt	149.7	141.1	195.7	165.5	62.8	7.6	-48.5
Net Financial Debt	139.5	129.6	180.8	142.9	52.8	-2.4	-58.5
Net Gearing	154.6 %	89.5 %	114.8 %	74.3 %	22.7 %	2.3 %	-12.3 %
Net Fin. Debt / EBITDA	198.6 %	89.1 %	152.5 %	106.6 %	39.3 %	n.a.	n.a.
Book Value / Share	n.a.	11.5	12.8	16.7	19.2	23.6	28.1
Book value per share ex intangibles	n.a.	-3.4	-4.8	-2.6	-0.1	4.3	8.8

ROCE Development



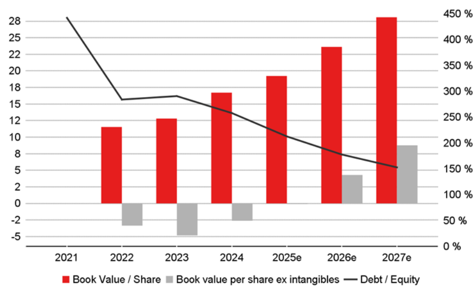
Source: Warburg Research

Net debt
in EUR m



Source: Warburg Research

Book Value per Share
in EUR



Source: Warburg Research

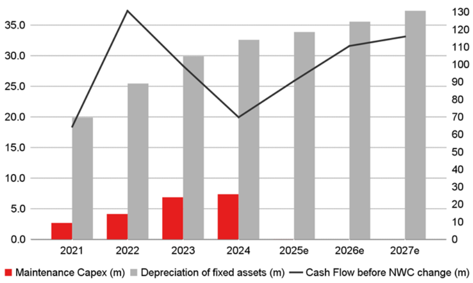
Consolidated cash flow statement

In EUR m	2021	2022	2023	2024	2025e	2026e	2027e
Net income	30.0	77.3	49.2	49.2	64.5	70.1	73.8
Depreciation of fixed assets	19.9	25.5	29.9	32.6	33.9	35.6	37.4
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	4.7	7.6	5.5	4.7	4.8	4.8	4.8
Increase/decrease in long-term provisions	1.3	1.9	2.7	3.3	-12.6	0.0	0.0
Other non-cash income and expenses	8.7	18.4	12.1	-19.9	0.0	0.0	0.0
Cash Flow before NWC change	**64.5**	**130.7**	**99.4**	**69.9**	**90.6**	**110.5**	**116.0**
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	-21.0	-6.5	0.0	0.0	0.0
Increase / decrease in other working capital positions	-20.6	-48.4	1.3	23.2	45.4	-6.5	-6.8
Increase / decrease in working capital (total)	-20.6	-48.4	-19.7	16.7	45.4	-6.5	-6.8
Net cash provided by operating activities [1]	**44.0**	**82.3**	**79.7**	**86.6**	**136.0**	**104.0**	**109.2**
Investments in intangible assets	-0.8	-0.6	-1.5	-7.4	-1.7	-1.7	-1.7
Investments in property, plant and equipment	-1.9	-3.5	-5.4	0.0	-6.1	-6.4	-6.7
Payments for acquisitions	-50.1	-40.4	-56.3	-18.2	0.0	0.0	0.0
Financial investments	0.0	0.0	-5.0	4.8	0.0	0.0	0.0
Income from asset disposals	0.0	0.1	2.5	4.0	0.0	0.0	0.0
Net cash provided by investing activities [2]	**-52.8**	**-44.5**	**-65.7**	**-16.8**	**-7.8**	**-8.1**	**-8.4**
Change in financial liabilities	18.2	11.4	62.3	51.6	-5.9	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	-13.3	-14.7	-17.3
Purchase of own shares	0.0	-10.0	-29.7	0.0	0.0	0.0	0.0
Capital measures	6.1	0.0	0.0	0.0	0.0	0.0	0.0
Other	-24.2	-30.2	-39.3	-41.8	-24.8	-26.1	-27.4
Net cash provided by financing activities [3]	**0.0**	**-28.8**	**-6.7**	**9.9**	**-44.0**	**-40.7**	**-44.7**
Change in liquid funds [1]+[2]+[3]	**-8.8**	**9.0**	**7.2**	**79.6**	**84.3**	**55.2**	**56.1**
Effects of exchange-rate changes on cash	0.6	-1.3	-2.6	-0.4	0.0	0.0	0.0
Cash and cash equivalent at end of period	99.6	114.3	114.8	189.3	276.8	332.0	388.1

Financial Ratios

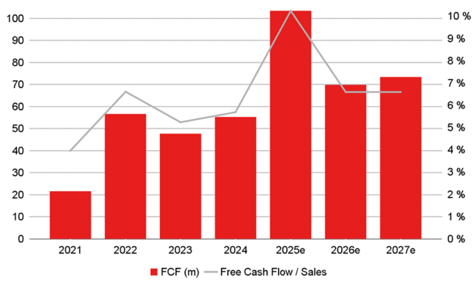
	2021	2022	2023	2024	2025e	2026e	2027e
Cash Flow							
FCF	21.6	56.6	47.7	55.3	103.5	69.9	73.4
Free Cash Flow / Sales	4.0 %	6.6 %	5.2 %	5.7 %	10.2 %	6.6 %	6.6 %
Free Cash Flow Potential	59.3	95.5	69.0	72.8	84.3	90.5	94.6
Free Cash Flow / Net Profit	72.1 %	73.3 %	97.1 %	112.5 %	160.4 %	99.6 %	99.5 %
Interest Received / Avg. Cash	0.4 %	0.5 %	1.6 %	2.3 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	3.6 %	4.6 %	6.9 %	6.7 %	1.8 %	1.8 %	1.8 %
Management of Funds							
Investment ratio	0.5 %	0.5 %	0.8 %	0.8 %	0.8 %	0.8 %	0.8 %
Maint. Capex / Sales	0.5 %	0.5 %	0.8 %	0.8 %	0.0 %	0.0 %	0.0 %
Capex / Dep	10.9 %	12.5 %	19.4 %	19.8 %	20.1 %	20.0 %	19.9 %
Avg. Working Capital / Sales	10.8 %	11.9 %	15.2 %	17.4 %	15.8 %	12.6 %	12.6 %
Trade Debtors / Trade Creditors	559.6 %	1136.7 %	1017.4 %	1287.0 %	394.5 %	394.7 %	394.5 %
Inventory Turnover	219.6 x	291.6 x	73124.0 x	68879.0 x	153.5 x	150.6 x	158.1 x
Receivables collection period (days)	69	67	73	83	75	75	75
Payables payment period (days)	114	65	90	90	250	268	268
Cash conversion cycle (Days)	-102	-70	-91	-83	-293	-319	-319

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	3, 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	141	71
Hold	50	25
Sell	5	3
Rating suspended	4	2
Total	**200**	**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	38	75
Hold	10	20
Sell	1	2
Rating suspended	2	4
Total	**51**	**100**

PRICE AND RATING HISTORY NAGARRO AS OF 14.08.2025

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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