

# Earnings call **FY'24 & Q1'25**



# Disclaimer

The information contained in this document is provided as of the date of its publication and is subject to change without notice.

This presentation contains preliminary figures and forward-looking statements. Forward-looking statements may be identified by words such as “expect”, “forecast”, “anticipate”, “intend”, “plan”, “believe”, “seek”, “estimate”, “will”, “target” or words of similar meaning. These statements are based on the current views, expectations, assumptions and information of the management of Nagarro, of which many are beyond Nagarro’s control. Forward-looking statements involve known and unknown risks and uncertainties, and therefore actual results, performance or events may differ materially from those described in such statements due to, among other things, changes in the general economic and competitive environment, risks associated with capital markets, currency exchange rate fluctuations, changes in international and national laws and regulations, in particular with respect to tax laws and regulations, and other factors. All forward-looking statements only speak as of the date when they were made and Nagarro does not undertake any obligation to update any of the forward-looking statements.

The figures presented for FY2024 are audited, and Q1 2025 are unaudited.

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Due to rounding, numbers presented in this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures to which they refer.







# FY 2024, by the numbers



<b>€972m</b> revenue	<b>6.6%</b> YoY revenue growth	<b>7.2%</b> YoY revenue growth in constant currency	<b>30.4%</b> gross margin <sup>(1)</sup>	<b>15.2%</b> adjusted EBITDA margin
<b>Industries' YoY growth range</b>		<b>Segments YoY growth range</b>		
<b>27%</b> public, non-profit & education	<b>-5%</b> horizontal tech	<b>8%</b> rest of europe	<b>5%</b> rest of world	<b>14.4%</b> Top 5 client revenue
<b>€193m</b> Cash balance	<b>186</b> > € 1m accounts	<b>62</b> NPS	<b>Guidance issued on Oct 15, 2024<sup>(2)</sup></b>	
			<b>~€960m</b> 2024 revenue	<b>&gt;14.0%</b> 2024 adj. EBITDA margin

(1) Gross margin for FY 2024 per current method; comparable number per previous method is 26.1%

(2) Based on that day's currency exchange rates and not including future acquisitions



# Purchase Price Allocation methodology

- Previously using simplified **purchase price allocation** methodology
  - Capitalize entire amount as purchase price and allocate to intangibles, tangibles assets & goodwill
  - Remuneration linked earn-outs expensed on a straight-line basis over the earn-out period
- Recommended methodology as follows –
  - **Multi-period excess earnings** method of valuing intangibles (eg customer lists, orders in hand)
  - **Monte Carlo** valuation model for valuing contingent consideration (earn-out)
  - Portion of contingent consideration linked to remuneration -
    - not capitalized as part of purchase price, but considered as short-term employee benefits, and
    - expensed on the undiscounted amount, to be paid for that earn-out year





# Key adjustments to 2023

<b>BALANCE SHEET</b>	<b>2023 (Reported)</b>	<b>Adjustment</b>	<b>2023 (Restated)</b>
Intangible assets	26,528	13,524	40,052
Goodwill	220,807	(25,971)	194,836
<b>Total Assets</b>	<b>679,864</b>	<b>(13,784)</b>	<b>666,080</b>
Current liabilities	168,338	(3,841)	164,498
Non-current liabilities	330,409	708	331,117
<b>Total Liabilities</b>	<b>498,747</b>	<b>(3,133)</b>	<b>495,614</b>
Net profit	52,141	(2,986)	49,155
Profit C/F	174,594	(8,118)	166,476
<b>Total Equity</b>	<b>181,116</b>	<b>(10,651)</b>	<b>170,466</b>

<b>INCOME STATEMENT</b>	<b>2023 (Reported)</b>	<b>Adjustment</b>	<b>2023 (Restated)</b>
Revenue	912,055	<b>No change</b>	912,055
Other operating income	32,154	(2,872)	29,282
D&A and impairment	(35,073)	(337)	(35,410)
Adjusted EBITDA	126,110	<b>No change</b>	126,110
<b>Net Profit</b>	<b>52,141</b>	<b>(2,986)</b>	<b>49,155</b>

## **CASH FLOW STATEMENT**

CF Operations	77,657	2,030	79,687
CF Investing	(63,702)	(2,030)	(65,732)
CF Financing	(6,681)	<b>No change</b>	(6,681)
<b>Total Cashflow</b>	<b>7,274</b>	<b>No change</b>	<b>7,274</b>

# Q1 2025, by the numbers



<b>€247m</b> revenue	<b>0.1%</b> QoQ revenue growth	<b>3.6%</b> YoY revenue growth	<b>30.6%</b> gross margin	<b>€30.2m</b> adjusted EBITDA
<b>Industries' YoY growth range</b>		<b>Segments YoY growth range</b>		
<b>23%</b> mgmt consulting & business information	<b>-17%</b> horizontal tech	<b>8%</b> central europe	<b>0%</b> north america	<b>15%</b> Top 5 client revenue
<b>€162m</b> Cash balance	<b>186</b> > € 1m accounts TTM	<b>69</b> NPS <sup>(1)</sup>	<b>Guidance for 2025<sup>(2)</sup></b>	
			<b>€1,020 – 1,080m</b> 2025 revenue	<b>14.5 – 15.5%</b> 2025 Adj. EBITDA margin

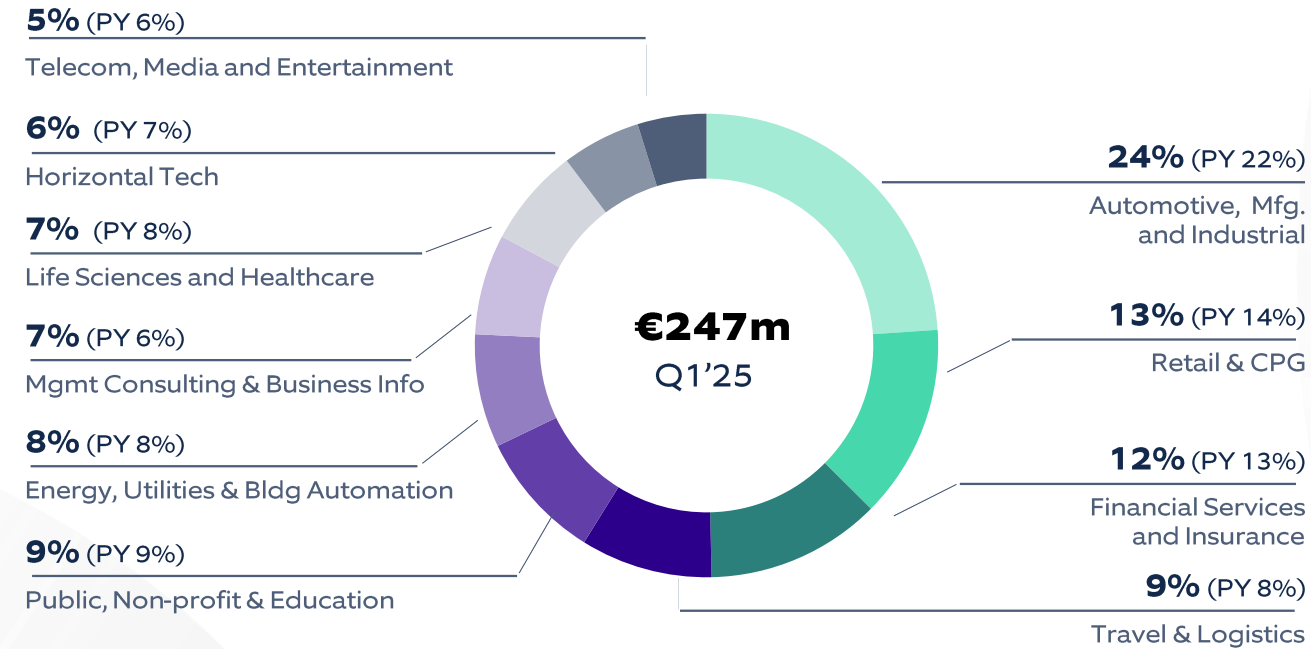
(1) NPS score per new exclusion policy for very small engagements

(2) Guidance issued on Jan 23, 2025; based on that day's exchange rates and not including future acquisitions

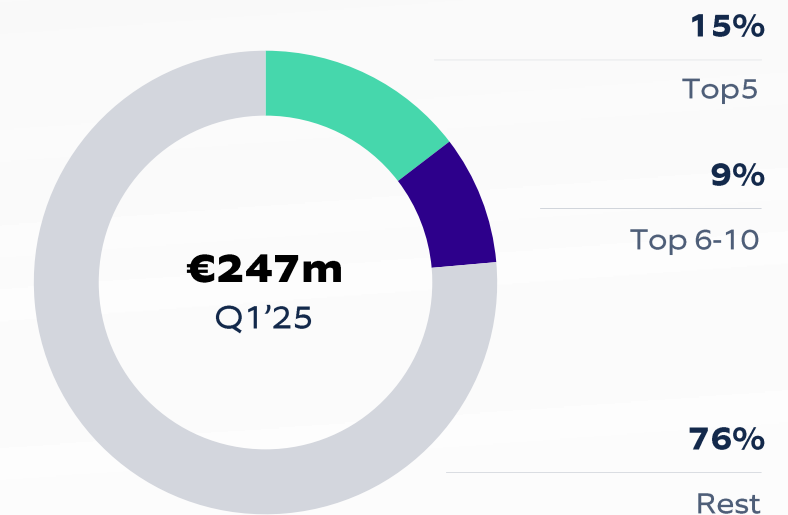
# Diversification is both our defense and our offense



## Revenue by industry



## Revenue by customers



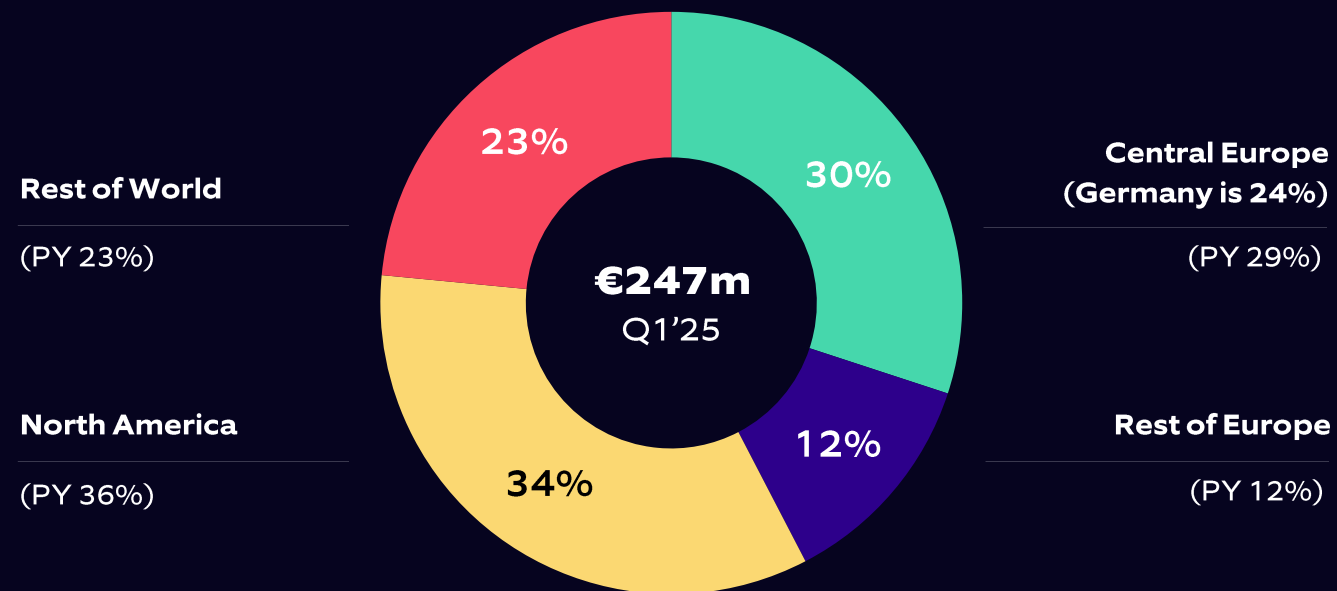
Revenue by industry is based on the company's own classification of each client (or its corporate group) by industry  
Each corporate group is counted as a single customer  
Numbers in brackets represent previous year (PY) data, i.e. for Q1 '24  
Percentages are individually rounded and may not add up to 100%



# Diversification by region as well



## Revenue by geography



## Personnel worldwide



**17,496**

Total professionals, of which...

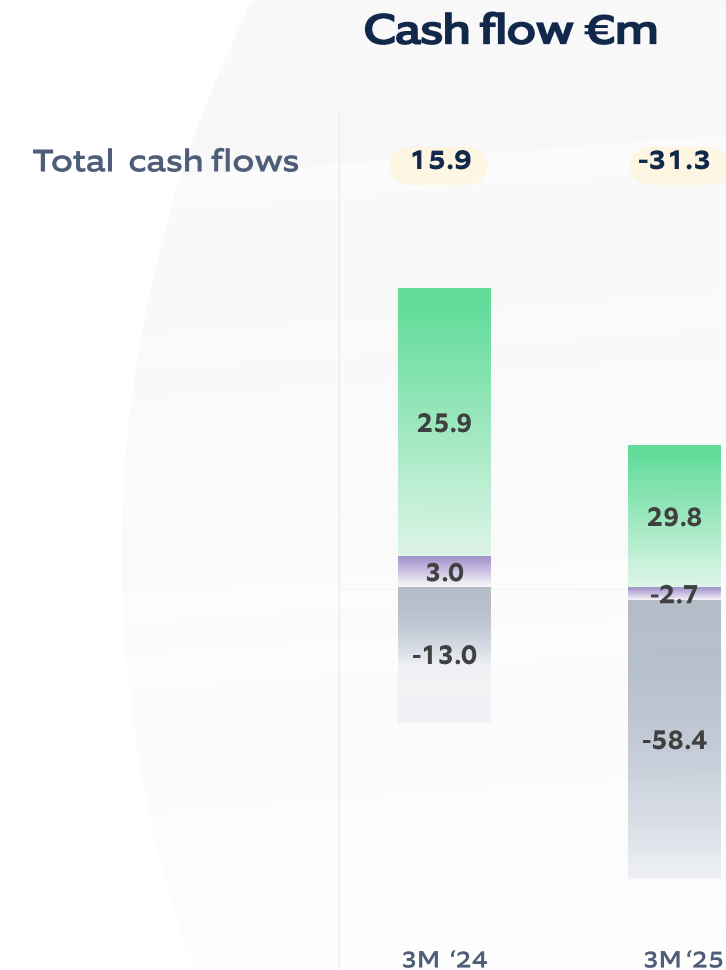
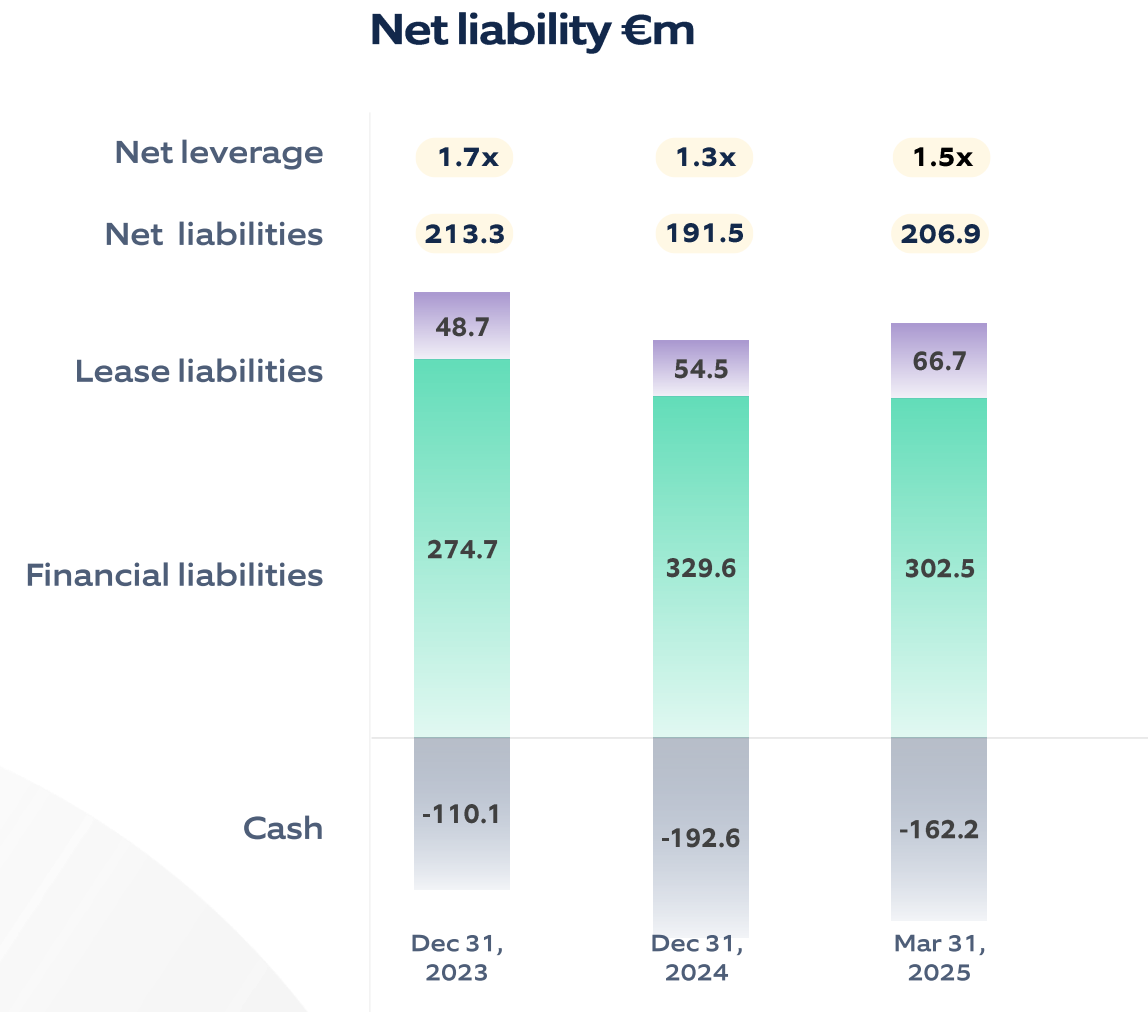


**15,962**

Professionals in engineering

Central Europe comprises Austria, Croatia, Czech Republic, Germany, Hungary, Poland, Romania, Serbia, Slovakia, Slovenia and Switzerland  
Numbers in brackets represent previous year (PY) data, i.e. for Q3 '23; percentages are individually rounded and may not add up to 100%  
Number of personnel as of Mar 31, 2025

# Net liabilities and cash flows



Financial liabilities include drawdown on syndicated credit facility, working capital facilities, bank loans, and liabilities from factoring.

Net leverage is calculated as net liabilities divided by LTM Adjusted EBITDA

■ Net cash flow from operating activities
 ■ Net cash flow from investing activities
 ■ Net cash flow from financing activities



# Capital allocation initiatives

## Focus on maximizing stakeholder value via efficient allocation of capital

- **Share buybacks** up to €400m over next 3 years\*
  - Repurchased ~556k shares for €41m, as of May 9, 2025
- Sustainable annual **dividend** policy of distributing between 10% – 20% of EBIT
  - Proposed dividend €1.00 per share
- **Inorganic growth** with an energetic ramp-up in M&A
  - Acquired Notion Edge, a French company with SAP CX capabilities

\*Per adhoc announcement on Jan 23, 2025

Dividend to be ratified at the Annual General Meeting on June 30, 2025

# Initiatives for quantitative and qualitative growth



## New growth opportunities:

1. Strategic partnerships for **Japan Inc.**
2. Co-creating unique **Edge AI and IoT solutions**
3. Digital transformation for the **German Mittelstand**

## Improving value to clients:

1. Investments in **CXO relationships**
2. Developing world-class capabilities in **horizontal topics** such as supply chain
3. Coordinating company-wide **investments in AI platforms**

# New SB members to be proposed at the AGM



Martin Enderle



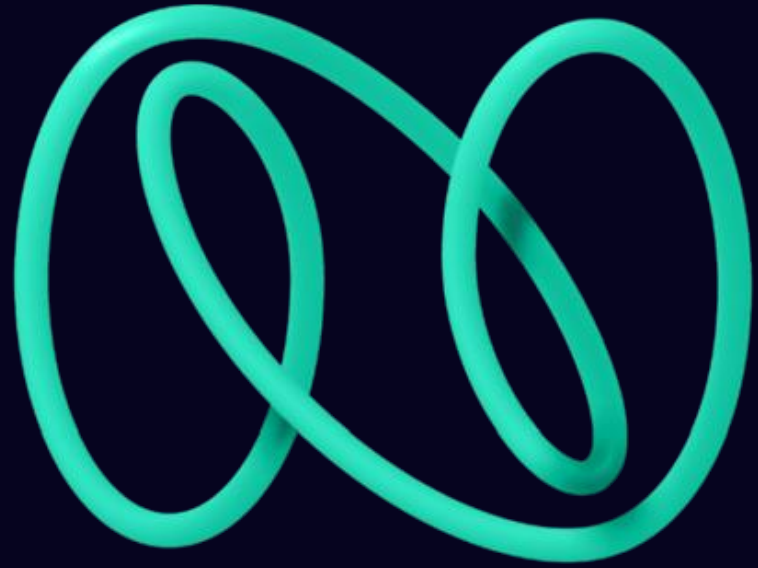
Hans-Paul Bürkner



Jack Clemons

...and Carl-Georg Dürschmidt





**Thank you**