



# Fluidic Enterprise

**Q3** Group quarterly statement  
for the period ended September 30, 2024



## Nagarro Group

# Key figures – Quarterly

	Q3 2024	Q3 2023	Change	Q2 2024	Change
	KEUR	KEUR	%	KEUR	%
Revenue	242,925	234,258	3.7%	244,138	-0.5%
Cost of revenues *	166,453*	178,228	-	170,887*	-2.6%
Gross profit *	76,544*	56,067	-	73,306*	4.4%
Adjusted EBITDA	34,622	32,029	8.1%	35,493	-2.5%
Revenue by geography					
North America	87,748	80,124	9.5%	87,680	0.1%
Central Europe	68,671	66,063	3.9%	69,253	-0.8%
Rest of World	57,138	60,424	-5.4%	56,663	0.8%
Rest of Europe	29,368	27,647	6.2%	30,542	-3.8%
Revenue by country					
Germany	52,889	49,263	7.4%	53,345	-0.9%
US	86,919	79,051	10.0%	85,997	1.1%
Revenue by industry					
Automotive, Manufacturing and Industrial	54,699	54,213	0.9%	52,646	3.9%
Energy, Utilities and Building Automation	18,978	18,220	4.2%	20,021	-5.2%
Financial Services and Insurance	31,436	32,509	-3.3%	31,126	1.0%
Horizontal Tech	13,759	15,507	-11.3%	16,704	-17.6%
Life Sciences and Healthcare	16,240	17,697	-8.2%	18,142	-10.5%
Management Consulting and Business Information	15,551	14,780	5.2%	14,399	8.0%
Public, Non-profit and Education	23,970	17,271	38.8%	21,127	13.5%
Retail and CPG	33,494	30,636	9.3%	33,962	-1.4%
Telecom, Media and Entertainment	13,244	12,423	6.6%	14,283	-7.3%
Travel and Logistics	21,555	21,002	2.6%	21,730	-0.8%

\* Cost of revenues and gross profit definitions have changed with effect from Q1 2024 (refer note in [A.3. Financial performance](#)) and, accordingly, the current period's numbers are not comparable with past data. Hence, YoY change is not shown in the table above. Cost of revenues and gross profit as per previous method for Q3 2024 are kEUR 176,414 and kEUR 66,583, respectively, for Q2 2024 are kEUR 181,808 and kEUR 62,385, respectively and for Q1 2024 are kEUR 174,416 and kEUR 63,937, respectively.

## Nagarro Group

# Key figures – Nine months

Nine-month period ended September 30	2024	2023	Change
	KEUR	KEUR	%
Revenue	725,357	690,642	5.0%
Cost of revenues *	502,082 *	515,823	-2.7%
Gross profit *	223,461 *	174,971	27.7%
Adjusted EBITDA	109,278	92,367	18.3%
Revenue by geography			
North America	260,694	247,356	5.4%
Central Europe	206,293	192,432	7.2%
Rest of World	169,443	160,863	5.3%
Rest of Europe	88,927	89,991	-1.2%
Revenue by country			
Germany	158,115	142,443	11.0%
US	256,880	242,897	5.8%
Revenue by industry			
Automotive, Manufacturing and Industrial	160,014	149,083	7.3%
Energy, Utilities and Building Automation	56,897	53,769	5.8%
Financial Services and Insurance	94,587	95,696	-1.2%
Horizontal Tech	46,902	48,355	-3.0%
Life Sciences and Healthcare	52,712	52,361	0.7%
Management Consulting and Business Information	44,015	45,986	-4.3%
Public, Non-profit and Education	65,797	52,844	24.5%
Retail and CPG	99,780	91,430	9.1%
Telecom, Media and Entertainment	41,418	38,954	6.3%
Travel and Logistics	63,237	62,163	1.7%

\* Cost of revenues and gross profit definitions have changed with effect from Q1 2024 (refer note in [A.3. Financial performance](#)) and accordingly current period's numbers are not comparable with past data. Hence, YoY change is not shown in the table above. Cost of revenues and gross profit as per previous method for 9M 2024 are kEUR 532,638 and kEUR 192,905, respectively.

Nine-month period ended September 30	2024	2023
	%	%
Revenue concentration (by customer)		
Top 5	14.4%	14.3%
Top 6-10	9.3%	9.4%
Outside of Top 10	76.3%	76.3%

Gross profit, gross margin and Adjusted EBITDA are neither required by, nor presented in accordance with IFRS. Non-IFRS measures should not be considered in isolation or as a substitute for results under IFRS.

Gross profit is calculated on the basis of total performance which is the sum of revenue and own work capitalized.

Rounding differences may arise when individual amounts or percentages are added together.

# Index

## Section A

### Interim group management report

1. Overview .....	7
2. The business environment and Nagarro's response .....	7
3. Financial performance .....	7
4. Financial position at the end of period .....	11
5. Non-financial KPIs .....	12
6. Outlook .....	13
7. Developments after September 30, 2024 .....	13

## Section B

### Interim condensed information

Condensed consolidated statement of financial position .....	15
Condensed consolidated statement of profit or loss and OCI .....	17
Condensed consolidated statement of changes in equity .....	19
Condensed consolidated statement of cash flows .....	21
Other notes .....	22

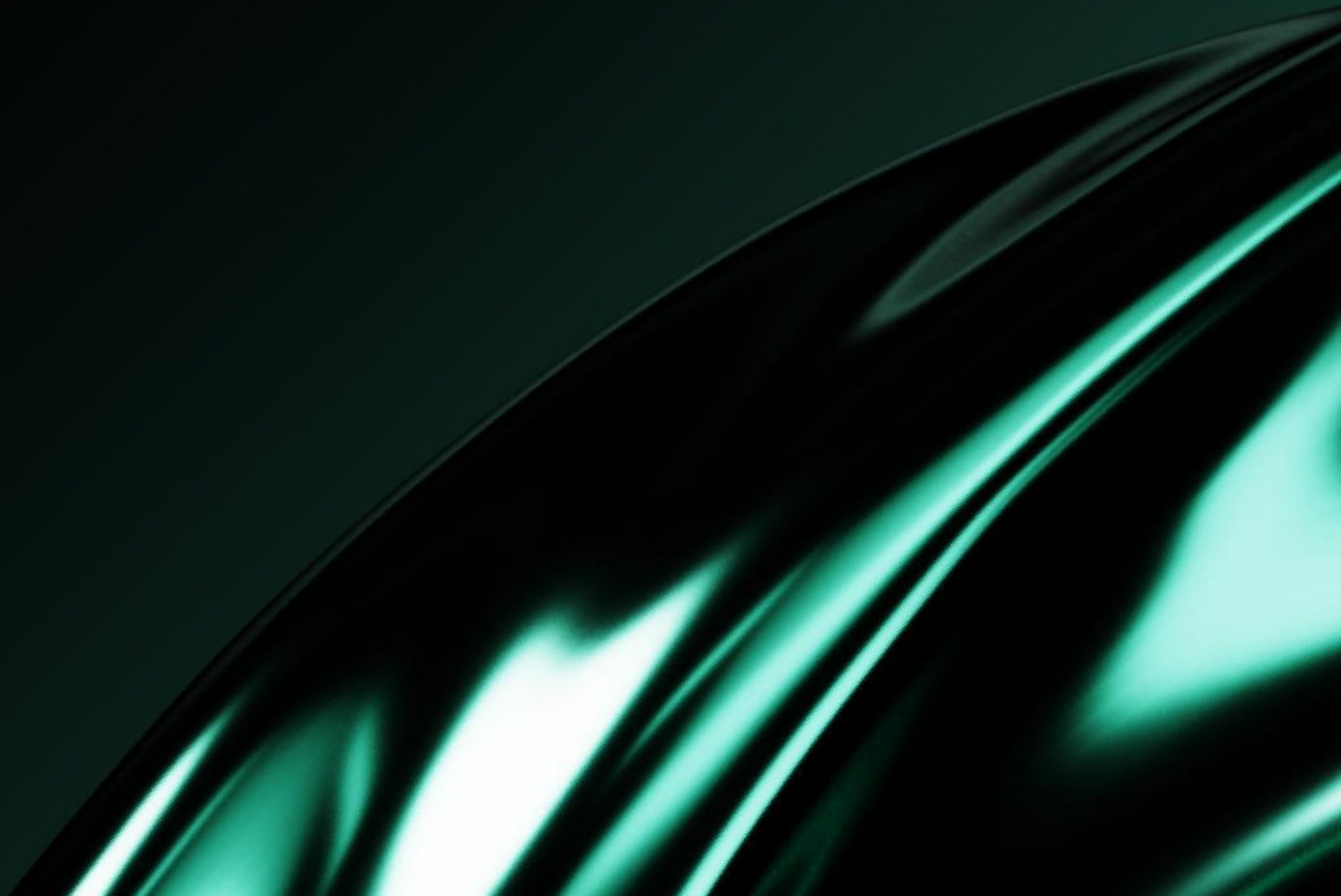
## Section C

### Important information

Financial calendar .....	25
Imprint .....	25

Section A

# Management Report



# 1. Overview

In the first nine-month period ("9M") of 2024 ("9M 2024"), Nagarro continued to push forward against the prolonged slowdown in the demand environment for digital engineering services. Our long-term focus on superior client experience driven by differentiated ways of working drove client stickiness and loyalty despite the challenging conditions.

Nagarro's 9M 2024 YoY revenue growth over 9M 2023 was 6.1% in constant currency, and 5.0% in Euro terms. In Q3 2024, revenue grew 5.6% YoY in constant currency, and 3.7% in Euro terms. Organic YoY revenue growth for the quarter was 5.0% in constant currency, which translated to 3.0% organic YoY revenue growth in Euro terms. Compared to Q2 2024, revenue grew 0.5% QoQ in constant currency, and reduced by 0.5% QoQ in Euro terms. The number of clients generating over 1 million Euro in revenue in the trailing twelve months was 186 on September 30, 2024 compared to 176 a year ago.

Adjusted EBITDA as a percentage of revenue was 16.4% in Q1 2024, 14.5% in Q2 2024, and 14.3% in Q3 2024, with a resulting 9M 2024 number of 15.1%.

The company had a net reduction of 145 professionals in Q1 2024, a net increase of 33 professionals in Q2 2024 and a net decrease of 363 professionals in Q3 2024, ending the 9M 2024 with 17,938 professionals.

## 2. The business environment and Nagarro's response

The demand environment remained subdued in 9M 2024. Expectations of this being a turnaround year proved too optimistic in retrospect. Gartner revised its forecast for 2024 for the growth in global IT services spending, denominated in dollars, down from 10.4% in October, 2023, to 7.1% in July, 2024, and to 5.6% in October, 2024.

The slow growth in demand, and hence in revenues, also created margin pressure for Nagarro. It was difficult to deploy young Nagarrians in projects and accounts that were not growing. However, the recently introduced "organizational bonus" concept was largely able to protect Nagarro's margins.

The company morale remained good. Attrition and wage inflation remained moderate. The job environment remained competitive in some countries, in India in particular. Client loyalty and client satisfaction - the most important aspect of our business - remained strong.

## 3. Financial performance

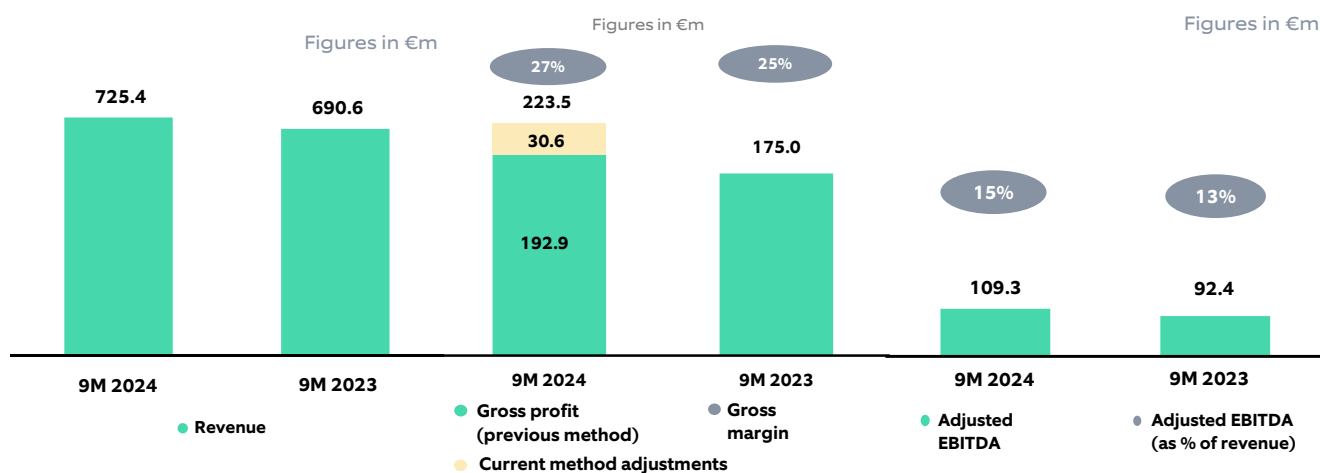
Gross profit is calculated on the basis of total performance which is sum of revenue and own work capitalized. Cost of revenues is the total direct costs needed to service the revenue. It includes direct costs related to colleagues (employees and freelancers) allocated to the performance of customer services regardless of whether the colleagues are actually performing customer services during a given period of time, costs related to travel of these colleagues, cost of licenses and other, smaller, reimbursable and non-reimbursable cost components. The gross margin is calculated as the difference between the total performance and the cost of revenues, expressed as a percentage of the revenue. From Q1 2024, Nagarro has revised the detailed definition of cost of revenues to align it better with that of other IT services companies. As per the new method, the cost of management of the Global Business Units (GBUs), cost of consultative sales within the GBUs, and the cost of thought leadership in the Centres of Excellence (CoEs) and in practices within the GBUs, have been reclassified from cost of revenues to sales and marketing, general and administrative cost. For our 2024 reporting, we will provide the gross profit and margin based on both the new method and the previous method to allow better comparison with the 2023 numbers which were reported via the previous method.

Nagarro's revenues grew to €242.9 million in Q3 2024 from €234.3 million in Q3 2023, a growth of 3.7%. In constant currency, Q3 2024 YoY revenue growth was 5.6%. Gross profit grew to €76.5 million (as per the current method) and €66.6 million (as per the previous method) in Q3 2024 from €56.1 million (as per the previous method) in Q3 2023. As per the previous method, gross margin was 27.4% in Q3 2024 compared to 23.9% in Q3 2023. It was 31.5% in Q3 2024 as per the current method. Adjusted EBITDA increased by €2.6 million from €32.0 million (13.7% of revenue) in Q3 2023 to €34.6 million (14.3% of revenue) in Q3 2024. Our net adjustments to EBITDA in Q3 2024 amount to €2.8 million (Q3 2023: €1.4 million) and the most significant adjustments were the expense on earnouts of €0.9 million (Q3 2023: €0.0 million) and retention bonus of €0.7 million (Q3 2023: €0.0 million) from past acquisitions, and the expense on employee stock options and the Employee Share Purchase Program of €0.6 million (Q3 2023: €1.2 million). Please note that gross margin, gross profit and Adjusted EBITDA are non-IFRS KPIs, defined in the [Annual Report 2023](#).

EBITDA increased by €1.3 million from €30.6 million in Q3 2023 to €31.9 million in Q3 2024. EBIT increased by €0.5 million from €22.1 million in Q3 2023 to €22.6 million in Q3 2024. Net profit increased by €0.2 million from €12.6 million in Q3 2023 to €12.8 million in Q3 2024. Further, compared to Q3 2023, in Q3 2024 there was a decrease in interest expense of €0.1 million, increase in interest income of €0.5 million and increase in depreciation and amortization expense of €0.8 million.

For the first nine months of 2024, Nagarro's revenues grew to €725.4 million in 9M 2024 from €690.6 million in 9M 2023, a growth of 5.0%. In constant currency, the revenue growth was 6.1%. Gross profit grew to €223.5 million (as per the current method) and €192.9 million (as per the previous method) in 9M 2024 from €175.0 million (as per the previous method) in 9M 2023. Gross margin was 26.6% in 9M 2024 (as per the previous method) compared to 25.3% in 9M 2023 (as per the previous method) and was 30.8% in 9M 2024 as per the current method. Adjusted EBITDA increased by €16.9 million from €92.4 million (13.4% of revenue) in 9M 2023 to €109.3 million (15.1% of revenue) in 9M 2024. Our net adjustments to EBITDA in 9M 2024 amounted to €8.6 million (9M 2023: €3.7 million) and the most significant adjustments were the expense on earnouts of €3.1 million (9M 2023: €0.0 million) and retention bonus of €2.3 million (9M 2023: €0.0 million) from past acquisitions, and the expense on employee stock options and the Employee Share Participation Program (ESPP) of €2.2 million (9M 2023: €2.6 million).

EBITDA increased by €11.9 million from €88.7 million in 9M 2023 to €100.7 million in 9M 2024. EBIT increased by €7.6 million from €64.7 million in 9M 2023 to €72.3 million in 9M 2024. Net profit increased by €2.2 million from €39.1 million in 9M 2023 to €41.3 million in 9M 2024. Further, compared to 9M 2023, in 9M 2024 there was an increase in interest expense of €2.4 million, increase in interest income of €1.3 million and increase in depreciation and amortization expense of €4.4 million.



In the geographical revenue distribution, in 9M 2024 Nagarro generated 35.9% of its revenue from North America (9M 2023: 35.8%), 28.4% of its revenue from Central Europe (9M 2023: 27.9%), 23.4% of its revenue from Rest of World (9M 2023: 23.3%) and 12.3% of its revenue from Rest of Europe (9M 2023: 13.0%).

Revenue from Central Europe grew the fastest, by 7.2% to €206.3 million in 9M 2024 from €192.4 million in 9M 2023. Revenue from North America grew by 5.4% to €260.7 million in 9M 2024 from €247.4 million in 9M 2023. Revenue from Rest of World grew by 5.3% to €169.4 million in 9M 2024 from €160.9 million in 9M 2023. Revenue from Rest of Europe dropped by 1.2% to €88.9 million in 9M 2024 from €90.0 million in 9M 2023.



Revenues from Germany grew 11.0% to €158.1 million in 9M 2024 from €142.4 million in 9M 2023, while those from USA grew 5.8% to €256.9 million in 9M 2024 from €242.9 million in 9M 2023.

Nagarro operates across a variety of industries. The focus on consumer experience underlies the digital transformation of almost every industry, while the data and AI technology used for this also cuts across industries. Innovation occurs increasingly often at the overlaps of the traditional industry definitions. Yet, each industry also requires specialized knowledge, and we have been investing in developing such specialized knowledge in industry after industry.

Industries with robust growth in 9M 2024 over 9M 2023 included “Public, Non-profit, Education” (24.5%), “Retail and CPG” (9.1%), “Automotive, Manufacturing and Industrial” (7.3%), “Telecom, Media and Entertainment” (6.3%), and “Energy, Utilities and Building Automation” (5.8%).

Industries with negative growth in 9M 2024 over 9M 2023 included “Management Consulting and Business Information” (-4.3%), “Horizontal Tech” (-3.0%), and “Financial Services and Insurance” (-1.2%).

The revenue from our top 5 clients as a percentage of total revenue grew marginally to 14.4% in 9M 2024 from 14.3% in 9M 2023. The revenue from the next 5 largest clients declined marginally to 9.3% in 9M 2024 from 9.4% in 9M 2023, while the revenue from clients outside the top 10 was steady at 76.3% in 9M 2024 compared to 9M 2023.

The gross profit and gross margin as per the current method and previous method are as follows:

Nine-month period ended September 30	2024	2023
	kEUR	kEUR
Revenue	725,357	690,642
Own work capitalized	186	152
Total performance	725,543	690,793
Cost of revenues - previous method	(532,638)	(515,823)
Costs reclassified to Selling, General and Administrative expenses	30,556	-
Cost of revenues - current method	(502,082)	-
Gross profit - previous method	192,905	174,971
Gross profit - current method	223,461	-
Gross margin (as % of revenue) - previous method	26.6%	25.3%
Gross margin (as % of revenue) - current method	30.8%	-

The reconciliation between Adjusted EBITDA and EBITDA is as follows:

Nine-month period ended September 30	2024	2023
	kEUR	kEUR
EBITDA	100,652	88,711
Adjustment for special items		
Income from purchase price adjustments	(115)	-
Exchange loss (gain) on purchase price components	(7)	219
Stock option expense	2,248	2,635
Retention bonus expense as part of share purchase agreement of the acquired entities	2,340	-
Earnout expense as part of share purchase agreement of the acquired entities	3,149	-
Acquisition cost	-	802
Other expenses	1,010	-
Total adjustment for special items	8,626	3,656
Adjusted EBITDA	109,277	92,367

The top 5 currencies that contributed significantly to our revenues are listed below (in € million):

Revenue currency	9M 2024	9M 2023
	mEUR	mEUR
USD	290.7	285.8
EUR	266.0	240.2
INR	68.5	78.8
AED	21.1	15.2
ZAR	15.4	15.5

The top 5 currencies that contributed significantly to our expenses (net of operating income) including taxes but excluding foreign currency income and expenses, and expenses relating to inflationary accounting are listed below (in € million):

Expenses currency	9M 2024	9M 2023
	mEUR	mEUR
INR	280.6	262.6
EUR	180.0	151.1
USD	88.9	85.5
RON	43.5	41.0
TRY	20.2	8.2

## 4. Financial position at the end of period



The basic principles of financial management at Nagarro are financial prudence and stability, ensuring a reasonable profitability and assuring adequate liquidity, even as the company grows via calculated entrepreneurial bets. The Finance Council works to ensure we have the right capital structure in place, that we are managing cash and liquidity carefully, and that we are managing financial risks such as currency risks with the appropriate instruments.

We target a balanced debt-to-equity ratio that preserves flexibility for the company, allowing it to react to business opportunities and to changes in macroeconomic conditions. Nagarro's syndicated loan also incorporates covenants on the ratio of net debt to Adjusted EBITDA, which the company monitors and complies with.

The company's liquidity position at the end of 9M 2024 was comfortable. The current assets were €415.1 million, of which cash was €141.0 million. The current liabilities were €167.2 million, yielding a working capital of €248.0 million.

Total assets grew by €51.6 million to €731.5 million as of September 30, 2024, as against €679.9 million as of December 31, 2023. Of these, non-current assets decreased by €9.5 million to €316.4 million as of September 30, 2024, as against €325.9 million as of December 31, 2023. Within non-current assets, right of use assets from leases reduced by €4.1 million (mainly due to their depreciation by €18.0 million against their net addition of €13.9 million), intangible assets reduced by €3.8 million to €22.7 million (mainly due to currency differences and amortisation) and goodwill decreased by €2.0 million on account of currency differences. Current assets grew by €61.1 million to €415.1 million as of September 30, 2024, as against €354.0 million as of December 31, 2023. Within current assets, contract assets, trade receivables, other current financial assets and other current assets together increased by €14.8 million (primarily due to increase in trade receivables and contract assets by €25.8 million mainly due to increase in Q3 2024 revenues over Q4 2023 by approximately 10% and reduction in the factoring utilization by €4.9 million). Income tax receivables increased by €15.4 million to €29.8 million due to advance tax payments in 9M 2024. Further, cash balance increased by €30.9 million to €141.0 million as of September 30, 2024, as against €110.1 million as of December 31, 2023.

Total liabilities grew by €10.5 million to €509.3 million as of September 30, 2024, as against €498.7 million as of December 31, 2023. Non-current liabilities grew by €11.7 million to €342.1 million as of September 30, 2024, as against €330.4 million as of December 31, 2023 mainly on account of net addition of loans of €10.2 million for payment of acquisition liabilities. Current liabilities decreased by €1.2 million to €167.2 million as of September 30, 2024, as against €168.3 million as of December 31, 2023 primarily due to increase in income tax liabilities by €17.7 million, offset by net decrease in acquisition liabilities of €8.3 million, repayment of working capital loans by €3.2 million, and decrease in other current liabilities, financial liabilities and factoring liabilities by €3.1 million, €2.0 million and €1.5 million, respectively.

Net assets represented by total equity grew by €41.1 million to €222.2 million as of September 30, 2024, as against €181.1 million as of December 31, 2023. The increase is primarily due to total comprehensive income for the period of €38.9 million and increase in capital reserves by €2.2 million (mainly from issuance of stock options under SOP 2020/II, SOP 2020/III and ESPP).

Our total cash inflow was €33.1 million in 9M 2024 against cash outflow of €15.8 million in 9M 2023. Cash flows for 9M 2023 are presented in the same format as the full year financials for financial year 2023.

Our operating cash flow increased by €23.5 million from €41.4 million in 9M 2023 to €64.9 million in 9M 2024 mainly because of the lower reduction in the utilization of funds under the factoring program by €14.7 million from €20.3 million in 9M 2023 to €5.7 million in 9M 2024 and increase in EBITDA by €11.9 million from €88.7 million in 9M 2023 to €100.7 million in 9M 2024. Operating cash flow adjusted for changes in factoring (including interest on factored amounts) was €70.6 million in 9M 2024 as compared to €61.7 million in 9M 2023.

Days of sales outstanding, calculated based on quarterly revenue and including both contract assets and trade receivables, has increased from 84 days on December 31, 2023 to 86 days on September 30, 2024. This also reflects the reduction of factoring volume.

The cash outflow from investing activities in 9M 2024 was €6.2 million, mainly due to the payment of acquisition obligations of €9.7 million from older acquisitions (primarily ATCS: €6.5 million, Telesis: €1.0 million, APSL: €1.3 million, and RipeConcepts: €0.9 million), offset by the maturity of a long term fixed deposit of €4.5 million. The cash outflow from investing activities in 9M 2023 was €51.8 million.

The cash outflow from financing activities in 9M 2024 was €25.5 million as compared to €5.4 million in 9M 2023. Cash outflow in 9M 2024 was primarily from lease payments of €18.9 million, interest payments of €13.6 million and repayment of bank loans of €4.0 million. This was offset by cash inflow from bank loans of €11.0 million (mainly for payment of acquisition obligations).

Countries with the top 5 bank balances are listed below:

Countries	September 30, 2024	December 31, 2023
	mEUR	mEUR
India	63.0	38.1
United States of America	16.7	8.2
Germany	15.2	16.9
United Arab Emirates	5.5	4.1
Romania	5.2	7.3

## 5. Non-financial KPIs

Our single most important non-financial KPI is client satisfaction (CSAT) score, measured via a standardized client satisfaction (CSAT) survey. This survey is sent every quarter to the person responsible for project success on the client side. The CSAT does not cover very small engagements and at any point in time, may also not cover engagements via companies that recently became part of Nagarro. Despite these caveats, the CSAT results are central to our management system and often form the most important basis for variable pay to project leadership.

Our CSAT score was 91.8% in Q1 2024 (Q1 2023: 92.0%), 91.9% in Q2 2024 (Q2 2023: 92.6%) and 91.0% in Q3 2024 (Q3 2023: 93.5%) resulting in a 9M 2024 score of 91.6% (9M 2023: 92.7%). We expect this KPI to remain in the region of 92% in 2024.

Further, we use the concept of Net Promoter Score (NPS) in our client satisfaction survey as an additional performance indicator. The NPS question posed in the survey is: "On a scale of 1-10, how likely are you to recommend Nagarro to a friend or colleague?" Promoters are those who give a score of 9 or 10, Passives are those who give a score of 7 or 8, and Detractors are those who respond with a score below 7. The NPS score is calculated as (number of Promoters – number of Detractors)\*100/(total number of NPS responses). Nagarro's NPS score in the Q1 2024 survey was 66 (Q1 2023: 60), in the Q2 2024 survey was 62 (Q2 2023: 63) and in the Q3 2024 survey was 59 (Q3 2023: 67) resulting in an 9M 2024 score of 62 (9M 2023: 64).

On September 30, 2024, Nagarro had 17,938 professionals of which 16,438 were professionals in engineering. The comparable numbers for September 30, 2023 were 19,182 and 17,728 and for December 31, 2023 were 18,413 and 16,934, respectively. Note that even non-engineers, such as designers, contributing to our engineering efforts are included in professionals in engineering.

## 6.Outlook

Our latest guidance for 2024 was published on October 15, 2024. In this guidance, the company estimated the total 2024 revenue, calculated at the then current exchange rates and not including later acquisitions, to be in the region of €960 million, as against €912 million in 2023. We have targeted gross margin in the region of 30% (as per the current method) and 26% (as per the previous method), which is not very different from the gross margin in 2023 (25.8% as per the previous method). We have targeted Adjusted EBITDA margin to be over 14% in 2024, as against 13.8% in 2023. Potential acquisitions in 2024 were not included in these projections.

Our key non-financial KPI is client satisfaction (CSAT) score. Our CSAT score for 2023 was 92.7%. We expect the CSAT score for 2024 to continue to be in the region of 92%.

Based on a strategic review and some recently conducted external testing, and given the prolonged weakness in the demand environment for digital services and the associated uncertainty, we request you to disregard our past statements on Nagarro's outlook beyond 2024. The consensus estimates by the financial analysts covering Nagarro of future revenue and earnings are currently seen by the Management Board as a fair estimate of how the company may perform beyond 2024.

The alternative performance measures in these management projections have been consistently estimated with the accounting principles applied in the consolidated financial statements and described in the [Annual Report 2023](#). All of the above management projections are forecasts and may prove to be wrong.

## 7.Developments after September 30, 2024

In the period after the balance sheet date of September 30, 2024, Nagarro's business has not changed significantly except as set out below.

- On October 16, 2024, a Bloomberg news article stated that a private-equity firm was considering a possible buyout of Nagarro. The company issued the following ad hoc statement the same day:

Against the background of recent media reports, the Nagarro SE Management Board confirms that, in the context of Nagarro SE's evaluation of strategic options and as part of discussions supported by certain board members holding Nagarro shares, Nagarro SE is in talks with certain interested parties regarding a potential take-private of Nagarro SE including a public tender offer. The Nagarro SE Management Board emphasizes that there is no certainty that an agreement will be reached regarding a potential take-private including a public tender offer.

- On October 30, 2024, Nagarro announced the acquisition of FWD View Limited, a UK-based specialist in financial market data transformations and visualization solutions. FWD View employs approximately 50 experts across its contractors and employees.
- On October 31, 2024, Nagarro and Marubeni Corporation concluded a Memorandum of Understanding for a collaboration that aims to support Marubeni's subsidiary companies and other Japanese corporations in transforming their businesses through Nagarro's digital engineering expertise and offerings. In the first phase, the model for the strategic partnership will be further explored and refined, with an initial go-to-market focus on the United States.



Section B

# **Interim condensed information**

for the nine-month period ended September 30, 2024  
in accordance with IFRS

# Condensed consolidated statement of financial position

	September 30,	December 31,
Assets	2024	2023
in kEUR		
Intangible assets	22,696	26,528
Goodwill	218,777	220,807
Property, plant and equipment	10,984	12,947
Right of use assets	43,512	47,632
Other non-current financial assets	2,954	3,339
Other non-current assets	647	738
Deferred tax assets	16,803	13,862
Non-current assets	316,374	325,852
Inventories	-	1
Contract assets	23,727	18,470
Trade receivables	202,997	182,488
Other current financial assets	5,651	15,296
Other current assets	11,985	13,295
Income tax receivables	29,755	14,337
Cash	141,015	110,123
Current assets	415,130	354,011
Total assets	731,503	679,864

	September 30,	December 31,
Equity and Liabilities	2024	2023
in kEUR		
Share capital	13,776	13,776
Treasury shares, at cost	(39,757)	(39,757)
Capital reserve	253,965	251,717
Profit carried forward	226,735	174,594
Net profit for the period	41,338	52,141
Changes in equity recognized directly in equity	(260,612)	(260,612)
Other comprehensive income	(13,197)	(10,743)
<b>Total equity</b>	<b>222,249</b>	<b>181,116</b>
Non-current loans and borrowings	278,759	268,587
Non-current lease liabilities	25,343	28,604
Long-term provisions for post-employment benefits	16,104	14,865
Other long-term provisions	444	394
Other non-current financial liabilities	5,888	4,705
Non-current liabilities from acquisitions	7,156	5,257
Deferred tax liabilities	8,384	7,997
<b>Non-current liabilities</b>	<b>342,078</b>	<b>330,409</b>
Current liabilities to loans and borrowings	1,702	6,160
Current lease liabilities	18,340	20,089
Short-term provisions for post-employment benefits	2,364	1,940
Other short-term provisions	26,337	24,319
Current contract liabilities	13,141	15,002
Trade payables	18,062	17,936
Current liabilities from acquisitions	5,635	13,944
Other current financial liabilities	38,261	40,239
Other current liabilities	7,321	10,429
Income tax liabilities	36,015	18,282
<b>Current liabilities</b>	<b>167,177</b>	<b>168,338</b>
<b>Total liabilities</b>	<b>509,255</b>	<b>498,747</b>
<b>Equity and liabilities</b>	<b>731,503</b>	<b>679,864</b>



# Condensed consolidated statement of profit or loss and OCI

	Q3	Q3	9M	9M
Profit or Loss	2024	2023	2024	2023
in kEUR				
Revenue	242,925	234,258	725,357	690,642
Own work capitalized	72	37	186	152
Other operating income	3,360	6,928	13,121	17,579
Cost of materials	(16,502)	(21,793)	(51,065)	(65,013)
Staff costs	(172,460)	(166,137)	(519,087)	(484,584)
Impairment of trade receivables and contract assets	(322)	(2,495)	(843)	(2,798)
Other operating expenses	(25,204)	(20,193)	(67,017)	(67,267)
Earnings before interest, taxes, depreciation and amortization (EBITDA)	31,870	30,604	100,652	88,711
Depreciation, amortization and impairment	(9,317)	(8,522)	(28,381)	(24,026)
Earnings before interest and taxes (EBIT)	22,553	22,082	72,270	64,685
Finance income	857	338	2,395	1,101
Finance costs	(5,037)	(5,163)	(15,549)	(13,198)
Earnings before taxes (EBT)	18,372	17,258	59,116	52,588
Income taxes	(5,619)	(4,699)	(17,778)	(13,444)
Profit for the period	12,754	12,558	41,338	39,144
	Q3	Q3	9M	9M
Other comprehensive income	2024	2023	2024	2023
in kEUR				
Items that will not be reclassified to profit or loss				
Actuarial gains (losses)	2,187	273	1,799	(423)
Tax effects	(551)	(69)	(437)	113
	1,636	204	1,362	(310)
Items that may be reclassified to profit or loss				
Foreign exchange differences	(12,409)	5,800	(5,278)	2,002
Hyperinflation restatement of equity	189	2,717	1,949	2,717
Tax effects	(47)	(679)	(487)	(679)
	(12,267)	7,838	(3,816)	4,039
Other comprehensive income for the period	(10,631)	8,041	(2,454)	3,729
Total comprehensive income for the period	2,123	20,599	38,884	42,873

	Q3	Q3	9M	9M
	2024	2023	2024	2023
Basic earnings per share:				
Number of shares (based on weighted average)	13,322,118	13,360,943	13,322,118	13,544,527
Number of shares (based on outstanding shares)	13,322,118	13,322,118	13,322,118	13,322,118
Basic earnings per share in EUR (based on weighted average)	0.96	0.94	3.10	2.89
Basic earnings per share in EUR (based on outstanding shares)	0.96	0.94	3.10	2.94
Diluted earnings per share:				
Number of shares (based on weighted average)	13,330,087	13,365,272	13,330,087	13,548,932
Number of shares (based on outstanding shares)	13,330,087	13,326,447	13,330,087	13,326,523
Diluted earnings per share in EUR (based on weighted average)	0.96	0.94	3.10	2.89
Diluted earnings per share in EUR (based on outstanding shares)	0.96	0.94	3.10	2.94

# Condensed consolidated statement of changes in equity

	Other comprehensive income									
	Share capital	Treasury shares	Capital reserve	Profit carried forward	Net profit for the period	Changes in equity recognized directly in equity	Foreign exchange differences	Actuarial gain or loss on pension provisions	Hyperinflation restatement	Total equity
in kEUR										
Balance at January 1, 2024	13,776	(39,757)	251,717	174,594	52,141	(260,612)	(11,338)	(3,325)	3,920	181,116
Profit for the period	-	-	-	-	41,338	-	-	-	-	41,338
Other comprehensive income for the period	-	-	-	-	-	-	(5,278)	1,362	1,462	(2,454)
Total comprehensive income for the period	-	-	-	-	41,338	-	(5,278)	1,362	1,462	38,884
Transfer of profit or loss for the previous year to profit carried forward	-	-	-	52,141	(52,141)	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-
Share capital issued	-	-	-	-	-	-	-	-	-	-
Transfer of capital reserve	-	-	-	-	-	-	-	-	-	-
Stock option and employee share participation program expense	-	-	2,248	-	-	-	-	-	-	2,248
Balance at September 30, 2024	13,776	(39,757)	253,965	226,735	41,338	(260,612)	(16,616)	(1,963)	5,382	222,249

							Other comprehensive income			
	Share capital	Treasury shares	Capital reserve	Profit carried forward	Net profit for the period	Changes in equity recognized directly in equity	Foreign exchange differences	Actuarial gain or loss on pension provisions	Hyperinflation restatement	Total equity
in kEUR										
Balance at January 1, 2023	13,776	(10,018)	247,901	97,213	77,382	(260,612)	2,974	(3,038)	-	165,578
Profit for the period	-	-	-	-	39,144	-	-	-	-	39,144
Other comprehensive income for the period	-	-	-	-	-	-	2,002	(310)	2,038	3,729
Total comprehensive income for the period	-	-	-	-	39,144	-	2,002	(310)	2,038	42,873
Transfer of profit or loss for the previous year to profit carried forward	-	-	-	77,382	(77,382)	-	-	-	-	-
Purchase of treasury shares	-	(29,739)	-	-	-	-	-	-	-	(29,739)
Dividends	-	-	-	-	-	-	-	-	-	-
Share capital issued	-	-	-	-	-	-	-	-	-	-
Transfer of capital reserve	-	-	-	-	-	-	-	-	-	-
Stock option and employee share participation program expense	-	-	2,635	-	-	-	-	-	-	2,635
Balance at September 30, 2023	13,776	(39,757)	250,536	174,594	39,144	(260,612)	4,976	(3,348)	2,038	181,347

# Condensed consolidated statement of cash flows

## Cash flows

Nine-month period ended September 30

in kEUR

	2024	2023
<b>Cash flows from operating activities</b>		
EBIT	72,270	64,685
Depreciation, amortization and impairments of non-current assets	28,381	24,026
Non-cash purchase price adjustments of liabilities from acquisitions	(115)	-
Change in long-term provisions	2,111	2,252
Other non-cash income and expenses	6,602	354
Income taxes paid	(18,557)	(14,638)
Cash flows from changes in net working capital	(20,126)	(14,967)
Net cash inflow (outflow) from factoring	(5,665)	(20,330)
<b>Net cash inflow from operating activities</b>	<b>64,903</b>	<b>41,382</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment and intangible assets	(3,837)	(4,770)
Proceeds from sale of property, plant and equipment and intangible assets	152	517
Redemption of / (Investment in) fixed deposits	4,450	-
Interest received	2,703	1,007
Acquisition of subsidiaries, net of cash acquired	(9,705)	(48,541)
<b>Net cash outflow from investing activities</b>	<b>(6,237)</b>	<b>(51,788)</b>
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	-	(29,739)
Proceeds from bank loans	10,979	60,558
Repayment of bank loans	(3,979)	(8,962)
Principal elements of lease payments	(18,922)	(17,507)
Interest paid	(13,616)	(9,779)
<b>Net cash outflow from financing activities</b>	<b>(25,538)</b>	<b>(5,428)</b>
<b>Total cash flow</b>	<b>33,128</b>	<b>(15,834)</b>
Effects of exchange rate changes on cash and cash equivalents	(731)	1,069
<b>Total changes in cash and cash equivalents</b>	<b>32,397</b>	<b>(14,765)</b>
Cash and cash equivalents at the beginning of period	107,777	103,147
Cash and cash equivalents at the end of period	140,175	88,383

# Other notes

## Accounting policies

The accounting policies have not changed compared to the consolidated financial statements for the year 2023. The quarterly statement of Nagarro SE for Q3 and the nine-month period ended September 30, 2024, has not been reviewed by an auditor or has not been audited according to section 115 (5) WpHG (German Securities Trading Act).

## Treasury shares

Nagarro SE did not acquire any treasury shares in the first nine-months of 2024 and held 453,867 units of treasury shares as at September 30, 2024 and December 31, 2023.

## Factoring

The below table shows the net factoring amounts which are offset against trade receivables:

Region	Sep 30, 2024			Dec 31, 2023		
	of which:			of which:		
	Net	Factoring utilization	Factoring liability	Net	Factoring utilization	Factoring liability
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Germany	831	1,601	(770)	-	-	-
United States of America	18,147	18,217	(70)	20,338	22,684	(2,346)
Austria	-	-	-	3,504	3,504	-
	<b>18,978</b>	<b>19,818</b>	<b>(840)</b>	<b>23,842</b>	<b>26,188</b>	<b>(2,346)</b>

## Significant transactions with related parties in accordance with section 115 (4) sentence 2 WpHG and IAS 34.15B (j)

No additional related parties have been identified during the period ended September 30, 2024 compared to period ended December 31, 2023. Further, there are no significant changes in the nature of transactions with parties. As the amount in the transactions with these related parties is not material, the same has not been disclosed in these interim financial statements.

## Basis of consolidation

The condensed consolidated financial statements as at September 30, 2024 include all the subsidiaries of the Group as mentioned in the consolidated financial statements as at December 31, 2023 along with the following addition made during the first nine months of 2024:

- (i) Nagarro Software Limited, a newly incorporated wholly owned subsidiary in Ireland

The following entity was closed during the first nine months of 2024:

- (i) Nagarro Software Solutions (Xi'an), Inc. (China)

Also to improve operational alignment, Nagarro has merged the following legal entity:

- (i) Livisi GmbH, Germany with Nagarro GmbH, Germany and registered the merger in the commercial register on August 20, 2024, with an effective merger date of January 3, 2024.

## Events after the balance sheet date

In the period after September 30, 2024 and the date when the condensed consolidated financial statements were issued, the following events of particular importance exist:

### **Merger/ closure of legal entities**

Nagarro has merged Infocore Engineering & IT Services Inc., United States of America with Nagarro Inc., United States of America with an effective merger date of October 1, 2024.

Further, Nagarro closed its legal entity - ATCS (Beijing) Technology Consulting Company Limited, Beijing, China.

### **Potential public tender offer**

In the context of Nagarro SE's evaluation of strategic options and as part of discussions supported by certain board members holding Nagarro shares, Nagarro SE is in talks with certain interested parties regarding a potential take-private of Nagarro SE including a public tender offer. The Nagarro SE Management Board emphasizes that there is no certainty that an agreement will be reached regarding a potential take-private including a public tender offer.

### **Acquisition of FWD View**

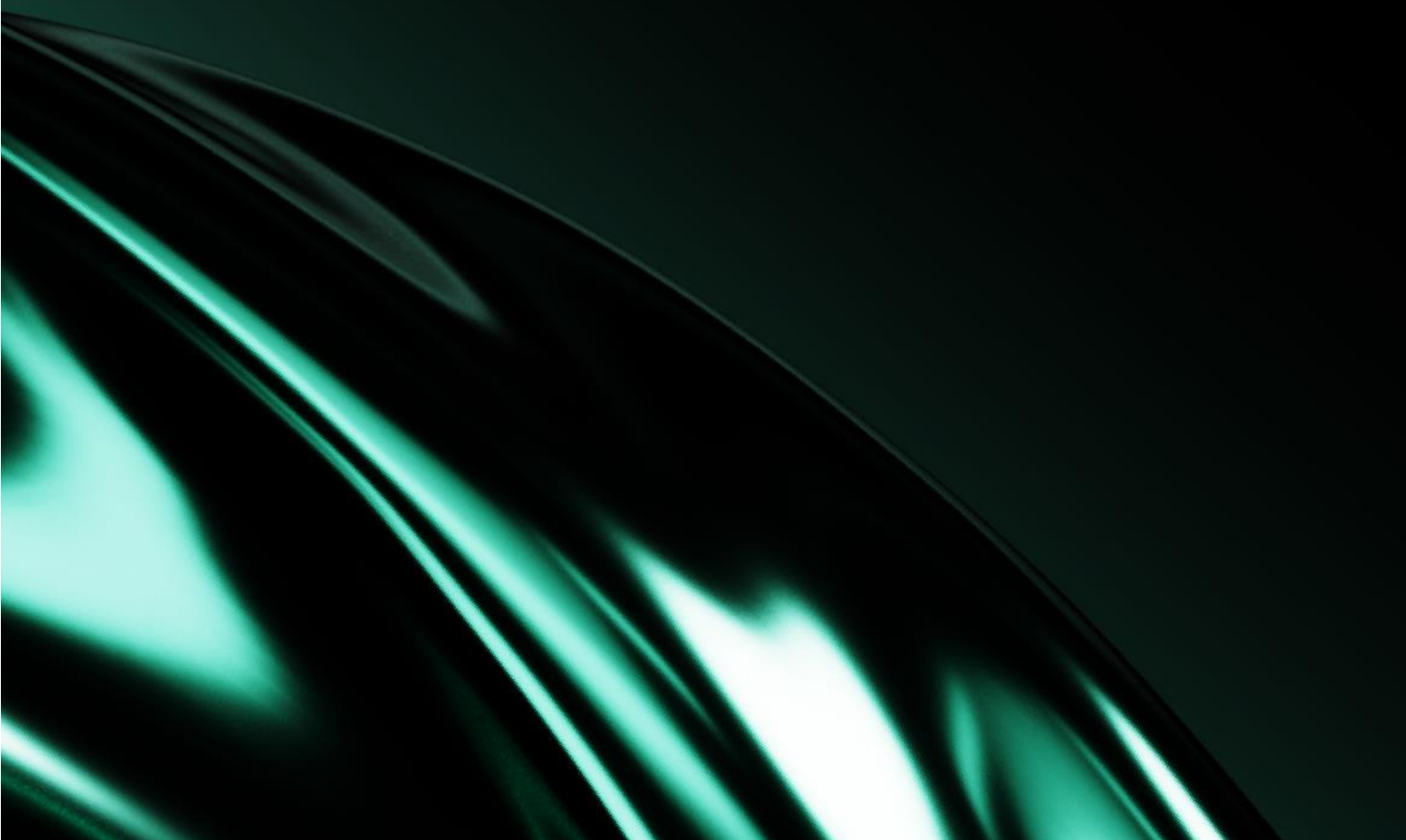
By way of a share purchase agreement dated October 30, 2024, Nagarro Software Limited, United Kingdom, acquired FWD View Limited, United Kingdom ("FWD View").

FWD View is recognized for its expertise in delivering data-driven solutions to clients in the financial services industry. FWD View excels in data quality, governance, protection and analytics and cloud-based solutions using cutting-edge tools and platforms such as Delphix, Collibra, Databricks and AWS. The transaction significantly broadens Nagarro's access to key players in the UK financial services sector. With this transaction, key clients can anticipate an enhanced level of services and an expanded array of offerings in the data technology domain.

A maximum purchase price of GBP 18.0 million (including earnout payment of GBP 10.0 million over the period) plus excess working capital was agreed for the acquisition of FWD View. The fixed component of the purchase price of GBP 8.0 million (€9.5 million) and excess working capital of GBP 0.7 million (€0.8 million) was paid on October 30, 2024 and once the excess working capital calculations are finalised, the same will be adjusted. The remaining purchase price is due between 2025 and 2028, depending on the achievement of targets. The closing of the deal has been done and one hundred percent of the equity of FWD View has been acquired. Accordingly, FWD View will be consolidated for the first time with Nagarro from November 1, 2024.

Section C

# Important Information





# Financial calendar

For details, refer our IR website:

[Financial calendar](#)

## Imprint

Nagarro SE  
Baierbrunner Str. 15  
81379 Munich  
Germany

Phone: +49 89 785 000 282  
+49 89 231 219 151 (Investor Relations)  
Fax: +49 32 222 132 620  
E-Mail: [info@nagarro.com](mailto:info@nagarro.com)  
[ir@nagarro.com](mailto:ir@nagarro.com) (Investor Relations)

**Authorized representatives Management Board:**  
Manas Human (Chairperson), Annette Mainka, Vikram Sehgal

**Chairperson of the Supervisory Board:**  
Carl Georg Dürschmidt

**Registration Court:**  
HRB-Nr. 254410, Amtsgericht München

**VAT ID:**  
DE 815882160

**Responsible for the content acc. to Section 55 (2) Interstate Broadcasting Agreement RStV:**  
Manas Human

**Investor Relations:**  
Gagan Bakshi