



Disclaimer statement

This presentation contains certain statements that are forward-looking statements. They appear in a number of places throughout this presentation and include statements regarding the intentions, beliefs and/or current expectations of Ricardo plc (the “Company”)

By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this presentation and, unless otherwise required by applicable law, the Company undertakes no obligation to update or revise these forward-looking statements. Nothing in this presentation should be construed as a profit forecast.

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CAPITAL MARKETS EVENT

Creating an environmental and energy transition leader

26 MAY 2022



FY21/22 UPDATE



In line with meeting board's expectations



Continued strong order intake in H2



Environmental and energy transition to continue to underpin growth



Continued strong cash delivery

MEET TODAY'S SPEAKERS



Graham Ritchie
Group CEO



Ian Gibson
Group CFO



Mike Bell
Group Chief Strategy
and Digital Officer



Mary Moore
Group People &
Organisation Director



Marques McCammon
Managing Director,
Automotive & Industrial



Tim Curtis,
Managing Director,
Energy & Environment

TODAY'S AGENDA

OPENING REMARKS

Group overview and
initial observations
Graham Ritchie



RICARDO'S DNA

Shared DNA
Characteristics
Graham Ritchie



PROFITABLE GROWTH

Market opportunities
Mike Bell
Strategy for growth
Graham Ritchie
Financial framework
Ian Gibson



BREAK

DISCIPLINED EXECUTION

Operational excellence
Mary Moore
Business unit focus
Mike Bell
Tim Curtis
Graham Ritchie



CLOSING REMARKS

Executive summary
and Q&A
Graham Ritchie





GROUP OVERVIEW

Graham Ritchie

RICARDO AT A GLANCE TODAY

We are a global strategic, environmental and engineering consultancy with in-house production capability



Deep heritage of
105
years of
innovation



We are located in
23
countries
worldwide



We have over
2900
colleagues
worldwide



We have over
2500
Live
projects



Good revenue balance
£352m
FY20/21

RICARDO GROUP OPERATES THROUGH ITS 5 BUSINESS UNITS

AUTOMOTIVE & INDUSTRIAL

29%

NET REVENUES

Trusted specialists in clean, efficient, integrated propulsion and energy solutions



PERFORMANCE PRODUCTS

22%

NET REVENUES

Engineering specialists in niche-volume manufacturing and software development



ENERGY & ENVIRONMENT

16%

NET REVENUES

Partner of choice for solving complex environmental challenges through industry-leading analysis, advice and data



RAIL

22%

NET REVENUES

Expert in solving complex rail systems through the delivery of independent assurance and consultancy services



DEFENSE

11%

NET REVENUES

Trusted expertise in delivering wide-ranging engineering programmes to drive efficiencies while optimising safety



OUR PATH TO LONG TERM PROFITABLE GROWTH

Key strategic, cultural and operational changes to enable Ricardo to be a leading environmental and energy transition consultancy

WHAT'S WORKING?

- A deep heritage of over 100 years
- Experts in solving complex problems
- Rooted in science and innovation
- Good business unit service capability
- Customer and sector diversification
- Geographic footprint in 23 countries
- Strong growth drivers in energy transition and decarbonisation.

WHAT'S CHANGING?

Leverage our shared DNA

- Led by purpose, united by our values

Sustainable and profitable growth

- High growth and high margin focus

Disciplined in execution

- Shared operating model, aligned approach

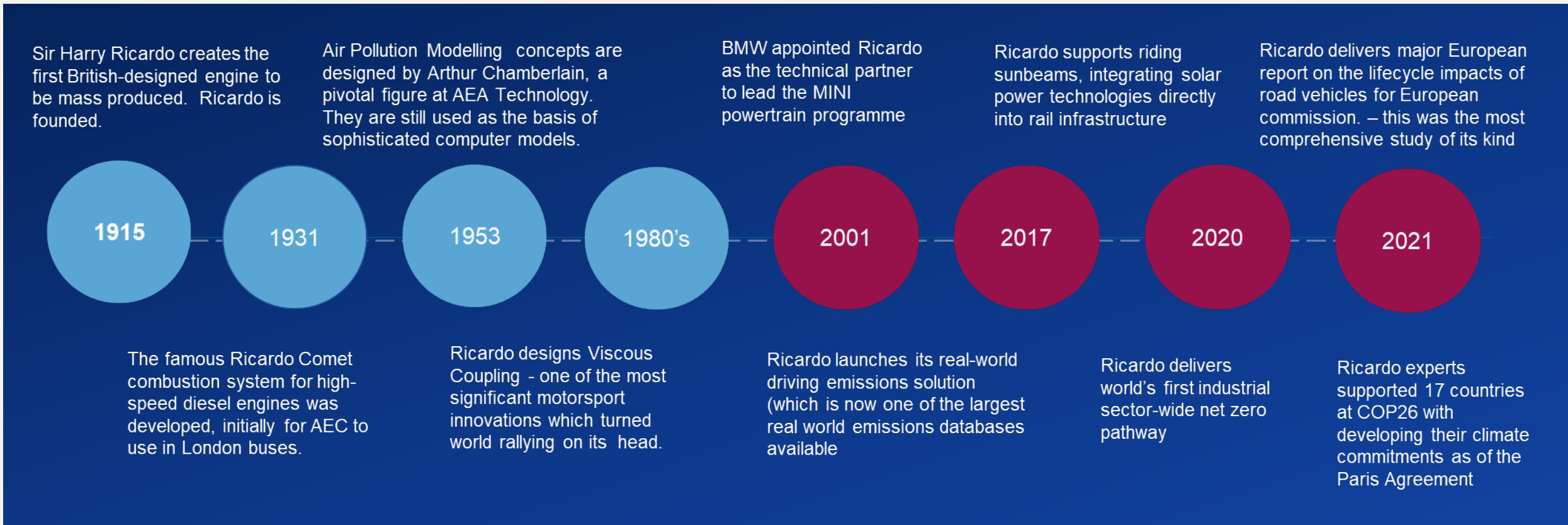


RICARDO'S DNA

Graham Ritchie

A DEEP HERITAGE AND A STRONG DNA

Delivering sustainable solutions that are rooted to our founder's ethos: To maximise efficiency and eliminate waste





IT STARTS WITH OUR VISION:
**TO CREATE A SAFE
AND SUSTAINABLE WORLD**

OUR PURPOSE

We do this by enabling our customers to solve the most complex and dynamic challenges to achieve a safe and sustainable world

OUR VALUES

BUILDING BEHAVIOURS TO DRIVE THE RIGHT CULTURE

Our values guide every action
and decision we make at work

CREATE TOGETHER

*Be collaborative
Embrace diverse teams
Share knowledge*

AIM HIGH

*Plan for success
Be pioneers of change
Act with agility*

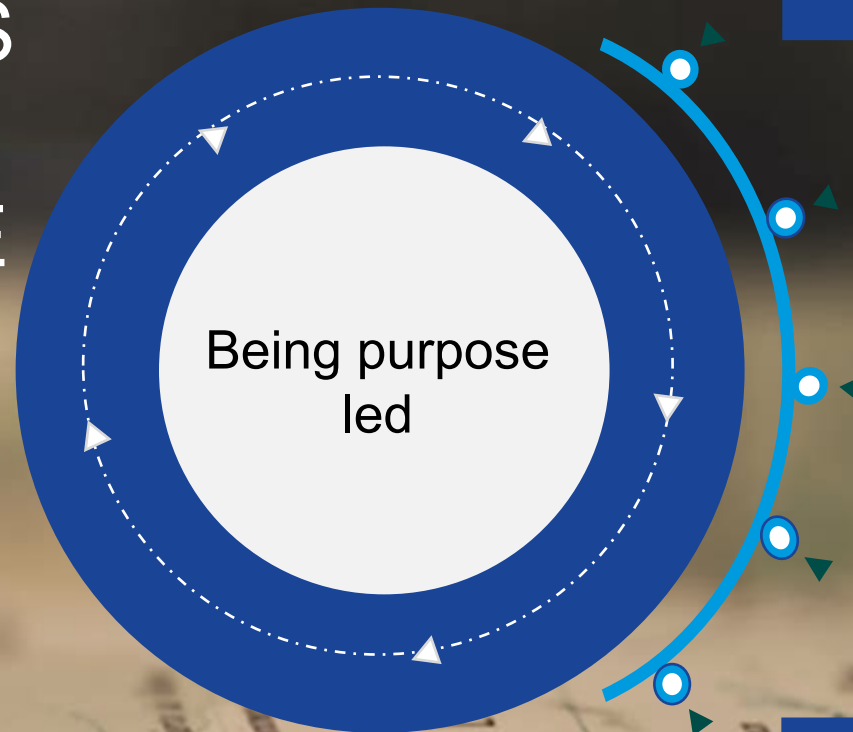
BE INNOVATIVE

*Be customer-focused
Act on evidence
Push boundaries*

BE MINDFUL

*Be respectful
Show that we care
Take ownership*

CLEAR STRATEGIC OBJECTIVES TO DELIVER PROFITABLE GROWTH



Enabling meaningful and fulfilling work

Being a trusted partner to our customers

Achieving high growth in our chosen markets

Delivering operational excellence and efficiency

Optimising cash to invest for growth

SUSTAINABILITY IS FIRMLY BUILT INTO OUR DNA AND WE ARE LEADING BY EXAMPLE

From the solutions we deliver
to the actions we take in our own
ESG commitments

ENVIRONMENTAL

Our key focus is on reducing the GHG emissions and group activities that will support us on our energy transition

SOCIAL

We focus on our people, the social value we contribute to our communities, customers and wider supply chain

GOVERNANCE

More aligned levels of governance to ensure that all aspects of the business contribute to our net zero journey

OUR JOURNEY TO NET ZERO

We contribute to 8 of the UN Sustainable Development Goals and operationalise principles of UN Global Compact. We have stated our commitment to achieving net zero by 2030 and have approved SBTi targets.

GHG emissions Science Based Targets Initiative (SBTi)

- Reduce scope 1 & 2 emissions 46.2% by FY31.
- Target aligned to *1.5°C average global temperature rise*
- Increase annual sourcing of renewable electricity from 74% in FY20 to 90% by FY26.
- Reduce absolute scope 3 emissions 27.5% by FY31. Target aligned to *well below 2°C temperature rise*.

Sustainable procurement

- Environmental standards, supply chain labour, carbon reduction plans and waste reduction

Resources

- Reduction of water consumption by 10%
- Office footprint reductions

Materials

- Packaging weight reduction
- Use of recycled packaging

OUR PEOPLE ARE AT THE VERY CORE OF ESG

Building engagement and inclusiveness across the group with meaningful impact to our local communities



DEI

We are passionate about creating a Ricardo where differences are valued and celebrated, where we feel we belong, and where we have opportunities to fulfill our potential.



WELLBEING

We are committed to regular activities and events to ensure the mental and physical wellness of our colleagues along with their safety remains our no.1 priority.

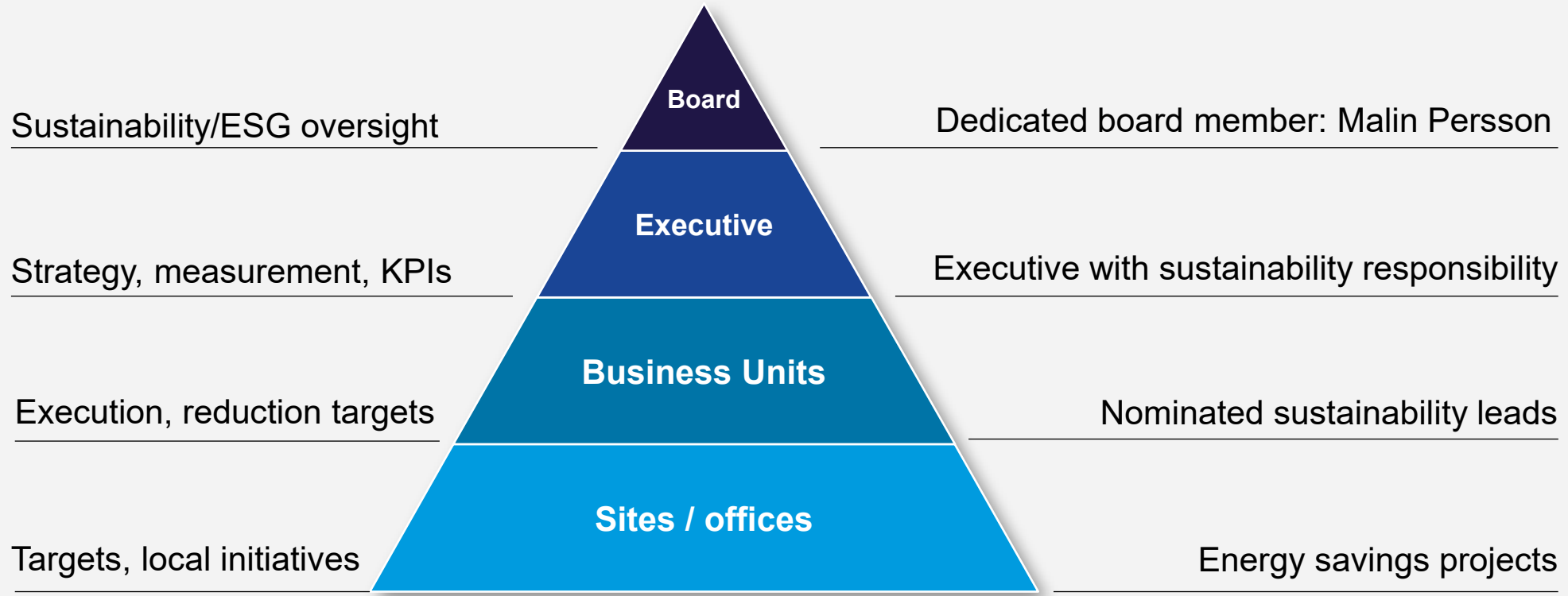


COMMUNITIES

We believe it is important to make a contribution towards our local and global community, not only through our advice, services and products but also through our own actions.

SUSTAINABILITY EXCELLENCE THROUGH IMPROVED GOVERNANCE

Better governance with board focus and business unit alignment





MARKET OPPORTUNITIES

Mike Bell

STRATEGIC POSITIONING

STRATEGIC FINDINGS

- Diversification of portfolio from automotive has reduced exposure to business cyclicality
- Outperformed average peer EBIT margin in all sectors outside of Automotive & Industrial
- Strong growth in Energy & Environment, resilient performance during COVID
- Growth in rail, government-backed and counter-cyclical, passenger numbers impacted but relatively short-term COVID impact
- Shift from mechanical engineering to electrification and software key trend in mobility
- Greater capital intensity associated with established automotive technologies coupled with supply chain risks

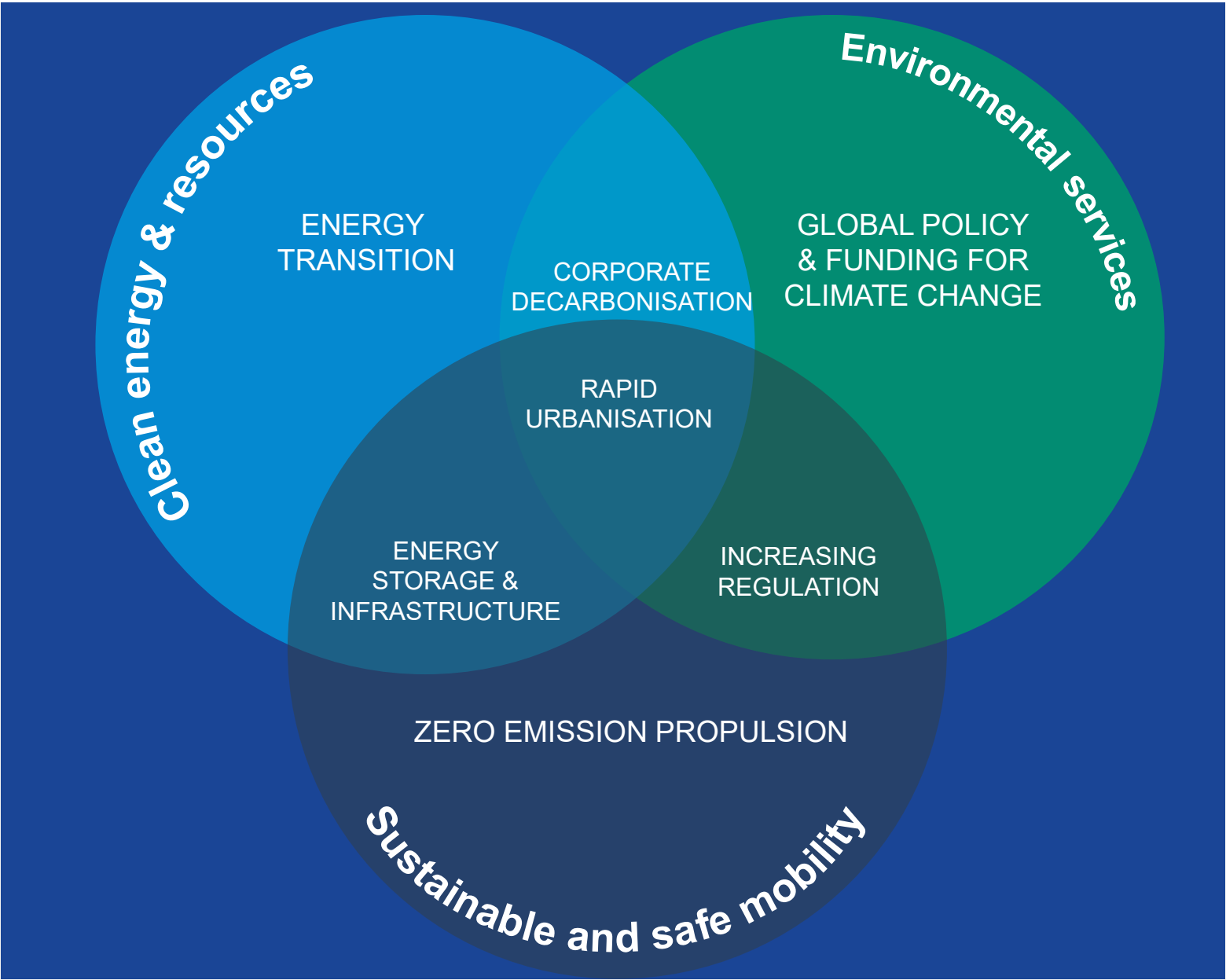
OPPORTUNITIES

- Operating in sectors with significant change and transformation opportunities driven by climate change
- Value proposition around sustainability as growth focus building on energy & environment, transport & rail capabilities
- Rail & metro are critical to alleviating the environmental and congestion challenges of urbanisation
- Digitally enhanced solutions & service delivery to augment consulting & engineering services
- Optimise our investment focus on lower capital intensive services minimising supply chain risks

GLOBAL MEGA TRENDS UNDERPIN OUR STRATEGY FOR GROWTH

Ricardo is uniquely positioned at the intersection of the mobility, energy and environmental agendas.

Where our expertise comes together, we have our greatest differentiation as we harness our expertise to adapt and mitigate the impact of climate change.





ENVIRONMENTAL SERVICES

Addressable market size (FY27)

£4.1bn

Market growth rates (5 years)

~10% CAGR

Ricardo FY27 organic revenue

£105m

Service focus

- Global environmental / climate policy leadership
- Sustainability for corporates
- Climate action planning and transparency
- Air quality
- Chemical risk

Competitive landscape





CLEAN ENERGY & UTILITY INFRASTRUCTURE

Addressable market
size (FY27)

£7.5bn

Market
growth rate (5 years)

~7% CAGR

Ricardo
FY27 organic revenue

£44m

Key services

- Energy and transport sector decarbonisation
- Water resources and infrastructure
- Power planning & distribution

Competitive landscape



We principally compete with large multi-disciplinary organisations and boutique specialists



SUSTAINABLE & SAFE MOBILITY

Addressable market size (FY27)

£3.8bn

Market growth rates

~6% CAGR

Ricardo FY27 organic revenue

£235m

Service focus

Emerging mobility

- Platform electrification
- Virtual / digital engineering
- ICE transition (hybrid)

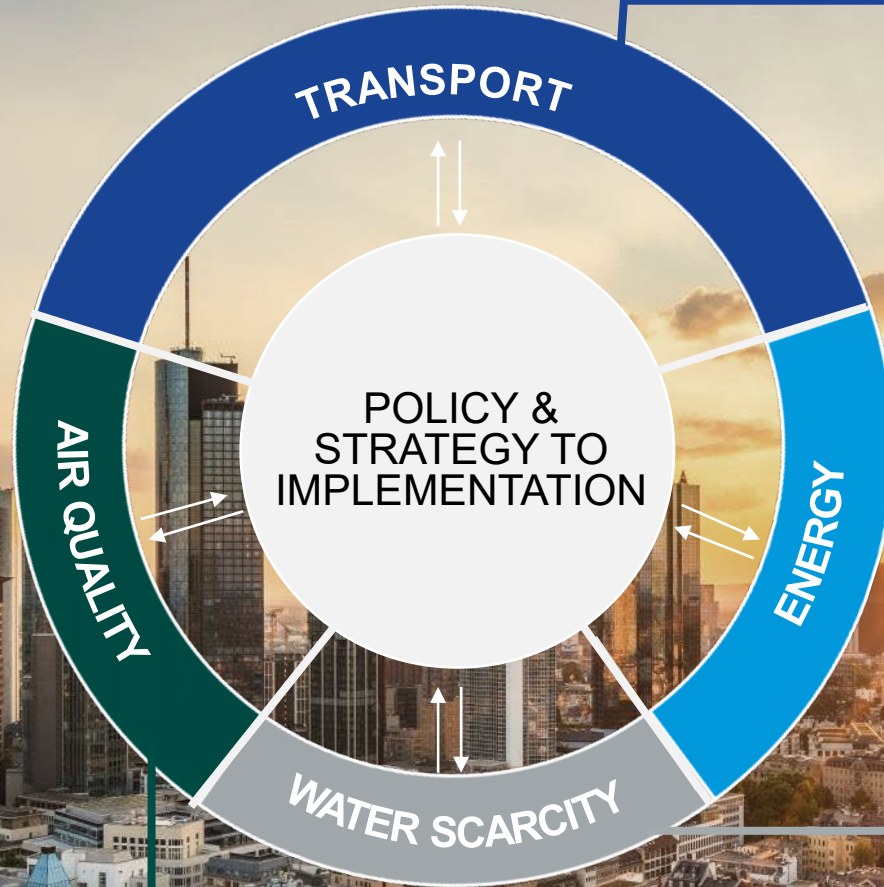
Rail / metro

- Systems engineering
- Independent assurance
- Operations & maintenance

Competitive landscape



URBANISATION: DELIVERING MORE THAN THE SUM OF OUR PARTS



Zero tailpipe emissions road transport, public transport retrofit, routing to charging infrastructure

Rail and metro infrastructure provides safe, efficient movement of people & goods

Power sector planning, heat and renewables, transport energy options (electrification, hydrogen)

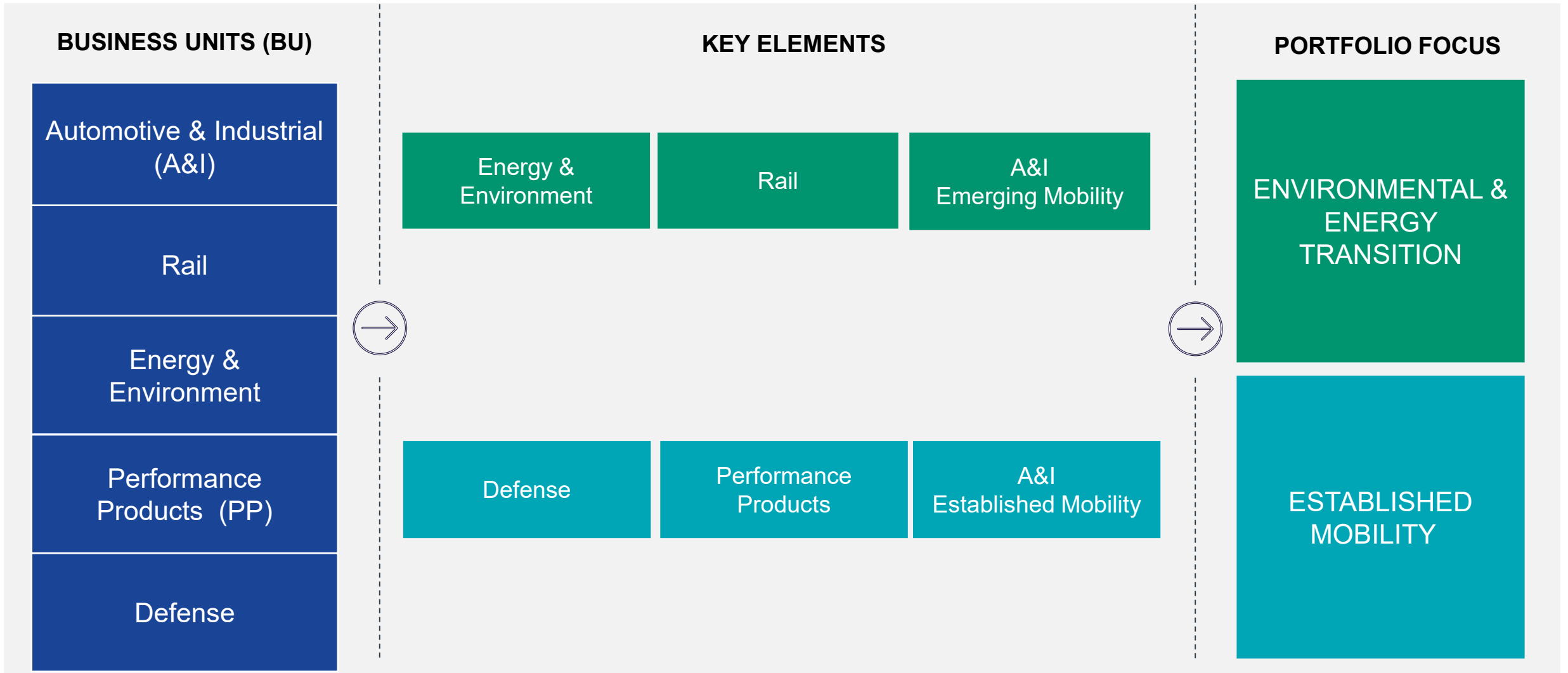
Environmental impact assessment, water infrastructure, storm water management, circular economy

Monitoring and software modelling capabilities at a megacity scale, implementation of Clean Air Zones

STRATEGY FOR GROWTH

Graham Ritchie

LEVERAGING AND PRIORITISING EXISTING CAPABILITY



HIGH GROWTH AND HIGH MARGIN FOCUS

	Revenue 5 year CAGR %	Margin % in FY27 ⁽¹⁾	Capital requirement	ROCE % excl. Goodwill in FY27
ENVIRONMENTAL AND ENERGY TRANSITION	>10%	High teens%	Lower	>100%
ESTABLISHED MOBILITY	Mid single digits %	>10%	Higher	>25%

⁽¹⁾ Margin % calculated on new basis with Group costs held centrally and not allocated to reporting segments

CREATING AN ENVIRONMENTAL AND ENERGY TRANSITION LEADER

A shift from mobility services to environmental and energy transition solutions



VALUE THROUGH PRIORITISATION, EXPANSION & ACCELARATION

Strategic growth priorities to deliver sustainable profitable growth

PORTFOLIO PRIORITISATION

*Develop a portfolio closer to
our mega trends*

- Shifting from services to solutions
- Increased digitalisation
- Optimising service mix & profitability

MARKET EXPANSION

*Expand and develop our key
market positions*

- Priority markets and customers
- Geographic scale & reach

M&A ACCELARATION

*Create value through
complementary M&A*

- Focused on:
- Attractive environmental markets
 - Digitally-led areas

DEMONSTRATING OUR CAPABILITIES ACROSS THE VALUE CHAIN

From policy, strategy and initial concept phase, right up to the delivery of customer programmes

EVIDENCE COLLECTION & POLICY DEVELOPMENT

Ricardo is supporting national and local level governments (UK, Europe (including European Commission), Middle East, Australia, South America, Africa) to develop air quality, energy and transport policies



1

SUPPORTING STRATEGY & ALIGNMENT WITH POLICY

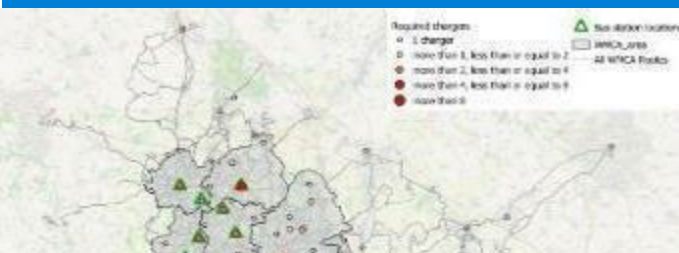
Examples of our work include the modelling city compliance with EU air quality legislation and supporting OEM's to align with future vehicle environmental policy.



2

IMPLEMENTATION

Ricardo has developed Geofencing technology that automatically triggers hybrid vehicles to only use electric when in specific locations e.g. city centres or clear air zones.



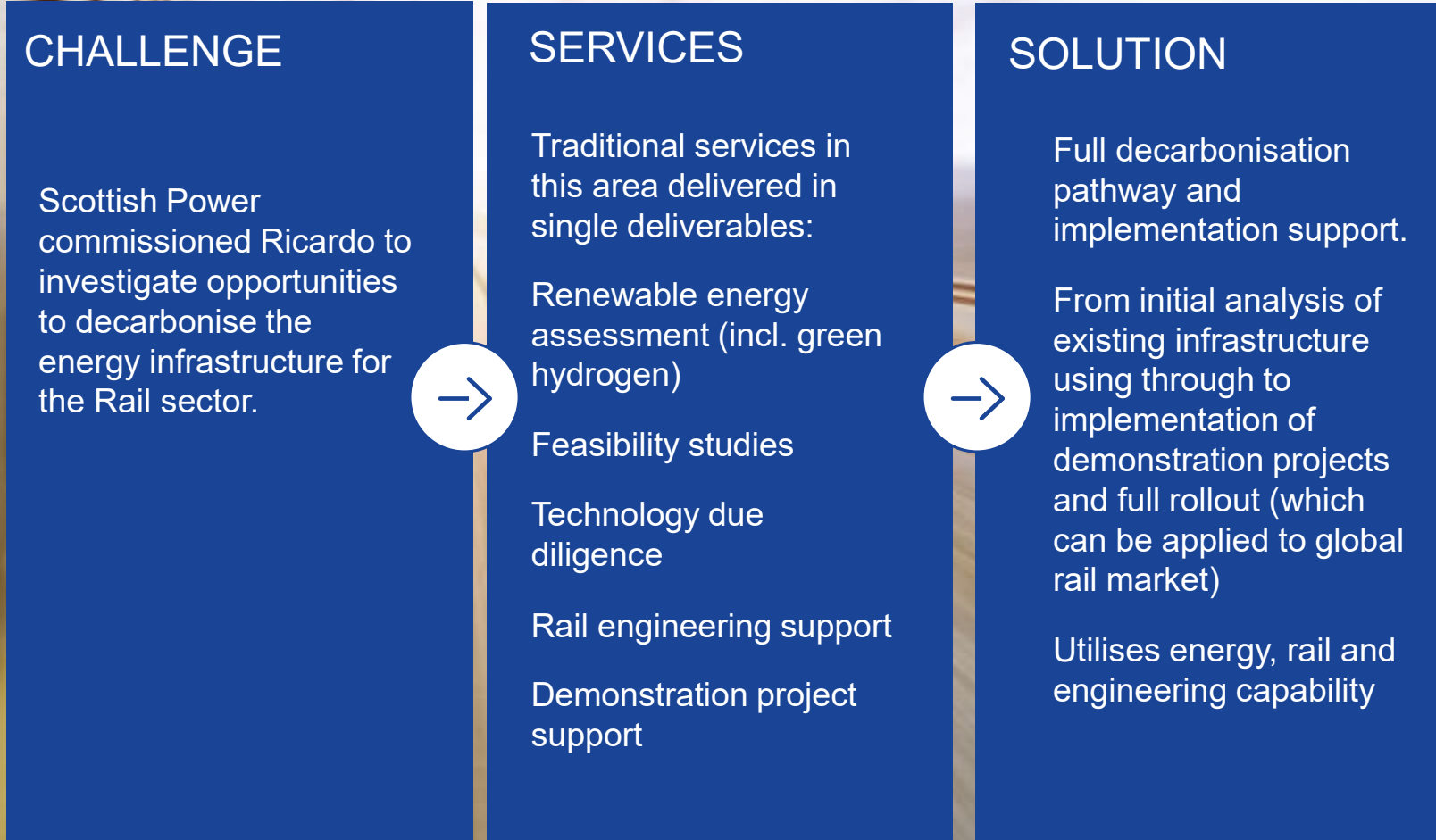
3

Case study:

SERVICES TO SOLUTIONS

Demonstrating how experts from across Ricardo are collaborating to turn services into differentiated and repeatable solutions that solve some of the world's most challenging problems

A SOLUTION TO DECARBONISATION PROPULSION FOR THE RAIL INDUSTRY

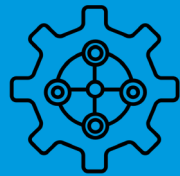


VALUE CREATION THROUGH DIGITAL

Data generated from our business units today



OPERATIONAL EXCELLENCE



System Integration



Process Automation

CUSTOMER EXPERIENCE



Customer Intelligence



Digital Value Chain

NEW DIGITAL OFFERINGS



Capability Productisation



Data Monetisation

RICARDO IP

DIGITAL TRANSFORMATION DRIVERS

Case study:

RapidAir®

AIR QUALITY MODELLING

The challenge

The United Nations has identified air pollution as the most important environmental health risk of our time, responsible for one in nine deaths globally.

Our solution

RapidAir® is a high-resolution air quality modelling tool that allows transport planners and policy makers to understand the contribution of pollution sources on air quality. It is the fastest high resolution, urban air quality modelling system on the market.

Customer benefits

Our customers can quickly evaluate the impact of different mitigation scenarios, generating reliable outputs that they can have confidence in, allowing them to make trusted and informed policy decisions.



VALUE CREATION THROUGH MARKET AND CUSTOMERS

Opportunity to leverage our customers relationships across market sectors

ENERGY & UTILITY



ofgem
Thames Water
EDF ENERGY
United Utilities
helping life flow smoothly
bp
Shell
TOTAL

GOVERNMENT & IGOs/NGOS



Department for Business, Energy & Industrial Strategy
The World Bank
ADB
European Commission

MOBILITY



BMW GROUP
MINI
JCB
HYUNDAI
BENTLEY
McLaren
MERITOR HONDA
JAGUAR
LAND-ROVER

MINING & INDUSTRY



RioTinto
BHP
motherson
RV
TATA STEEL
FERREXPO
abp
Food Group

RAIL



HITACHI
Network Rail
SIEMENS
KORAIL
ALSTOM
METROLINX

MARITIME, AEROSPACE & DEFENCE



IMO
LOCKHEED MARTIN
SUZUKI MARINE
Maritime & Coastguard Agency
NASA
YOUR LONDON AIRPORT
Gatwick
FAIRBANKS MORSE

500+ large and strategic customers across our sectors

VALUE CREATION THROUGH GEOGRAPHIC SCALE AND REACH

USA
Target growth for:
EE | Rail | A&I | Defense

EUROPE & MIDDLE EAST
Target growth for:
EE | Rail | A&I | PP

CHINA
Target growth for:
A&I

AUSTRALIA
Target growth for:
EE | Rail



BUILDING OUR CAPABILITY AND EXPERTISE ACROSS NORTH AMERICA AND CANADA

A large growth market for our Rail business unit for both certification and consulting services in solving complex and innovative rail systems

Metrolinx Independent Safety Assessment

Ricardo Certification has been appointed as the Independent Safety Assessor (ISA) for the transformation of rail transit across the Greater Toronto and Hamilton region



sky Tran USA Independent Safety Assessment

Ricardo is the Independent Safety Assessor for the early development of sky Tran USA, an elevated personal rapid transit concept.



M&A FOCUS ALIGNED TO ENVIRONMENTAL AND ENERGY TRANSITION AND GEO EXPANSION

We are increasingly focusing our investments in highly attractive environmentally and digitally-led areas. This approach allows us to reposition ourselves for long-term growth, where we can build leading positions in the markets in which we operate.

Strategic M&A priorities

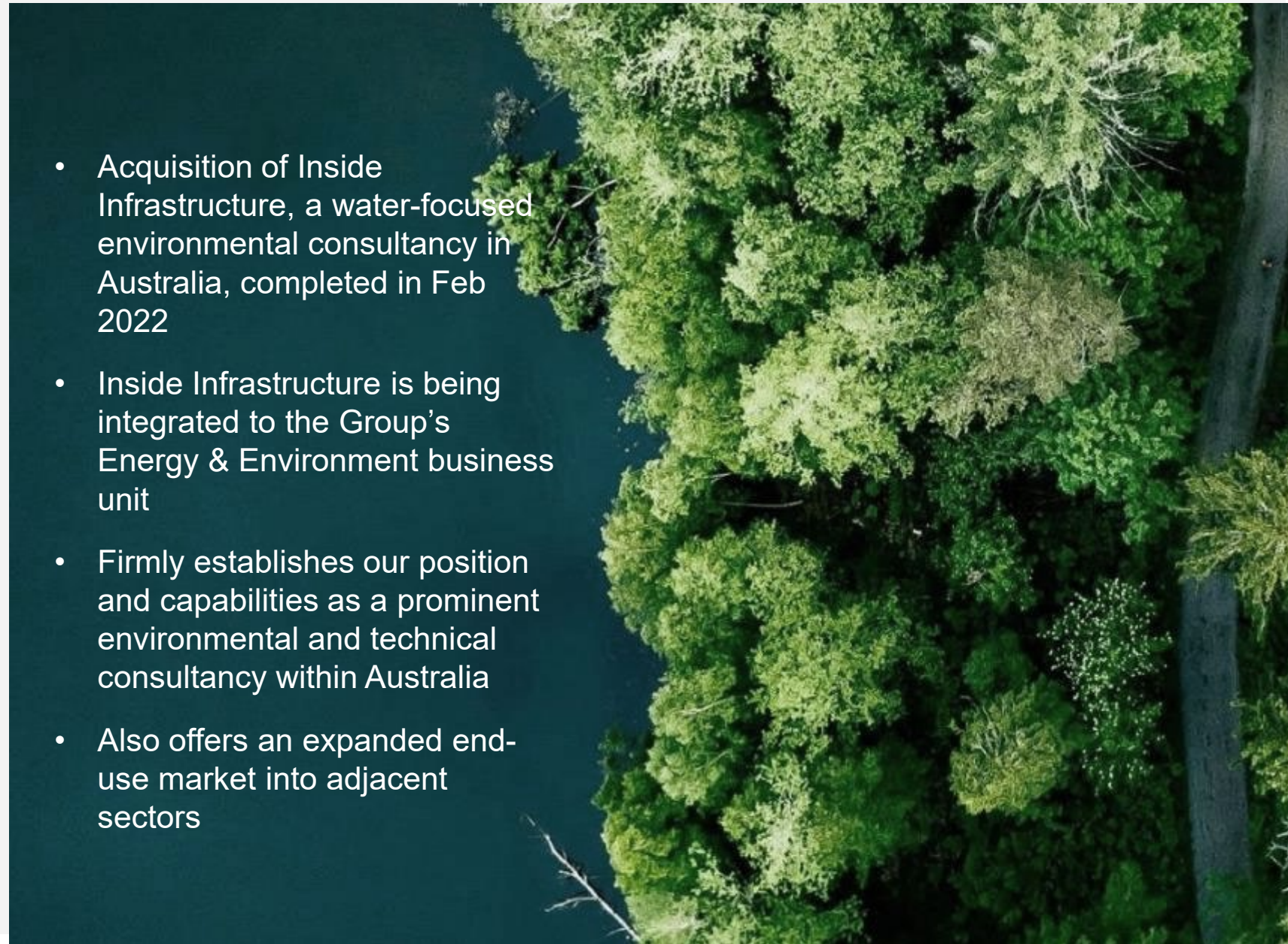


Case study:

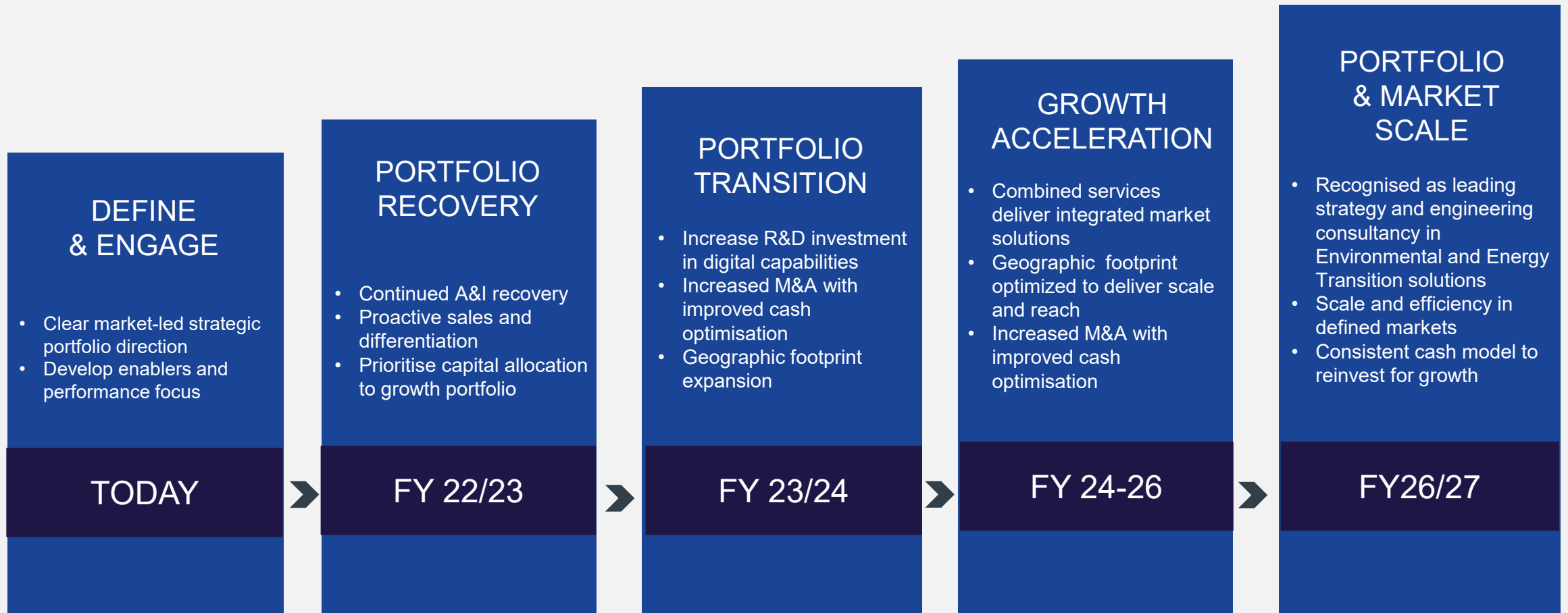
RECENT ACQUISITION IN LINE WITH OUR INVESTMENT STRATEGY

A move to strengthen our energy and environment portfolio across the value chain

- Acquisition of Inside Infrastructure, a water-focused environmental consultancy in Australia, completed in Feb 2022
- Inside Infrastructure is being integrated to the Group's Energy & Environment business unit
- Firmly establishes our position and capabilities as a prominent environmental and technical consultancy within Australia
- Also offers an expanded end-use market into adjacent sectors



STRATEGIC GROWTH MILESTONES

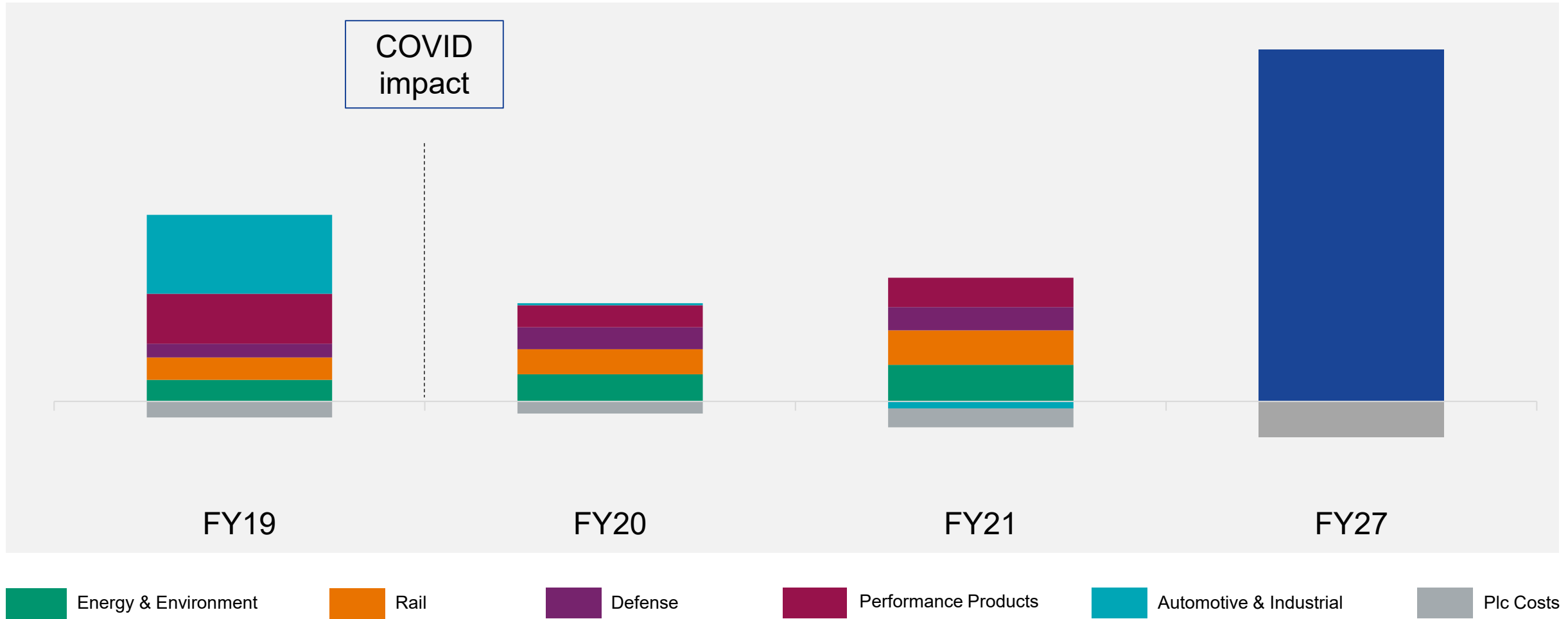


FINANCIAL FRAMEWORK

Ian Gibson

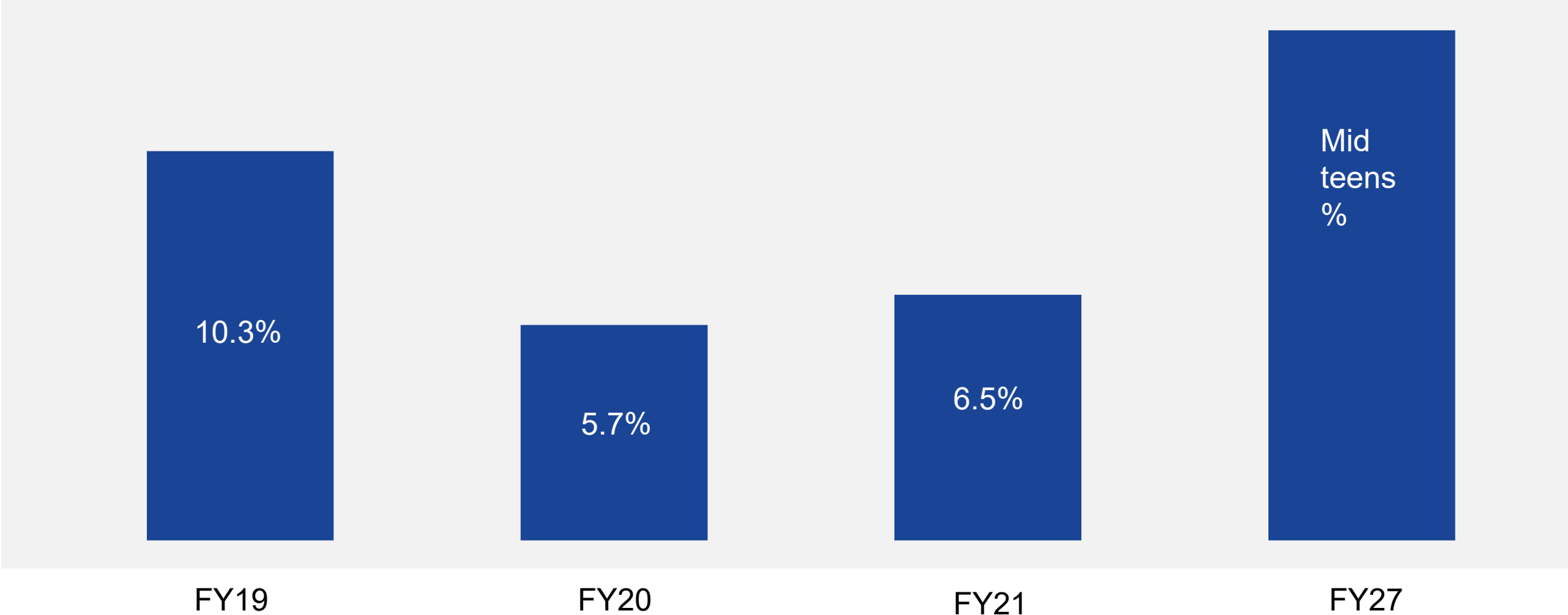
TARGETING DOUBLING UNDERLYING OPERATING PROFIT

We are targeting a doubling of operating profit over the five years to FY27



HIGHER UNDERLYING OPERATING PROFIT MARGIN

Targeting improved operating profit margin through acceleration of Environmental & Energy Transition



INCREASING EFFICIENCY OF INDIRECT COSTS

£m	FY21		FY24	FY27
	Current format	Future format		
Total Business Units	90.6	81.6		
PLC/Group Costs	4.4	13.4		
Total	95.0	95.0		
% revenue	27%	27%	<25%	<20%

Cost reduction initiatives:

- Restructuring Automotive & Industrial
- Global back office efficiency improvements

DISCIPLINED CAPITAL ALLOCATION

CAPITAL EXPENDITURE

3-4%
of revenue

DIVIDEND

2.5-3.0 times
cover re:
underlying EPS

M&A TO ACCELERATE GROWTH

Strengthen position in key sectors

Expand into priority geographies

Add new expertise & digital capabilities

Strong margins and growth potential

Alignment to mega trends

ROCE % excl. Goodwill
in FY27

> 40%

OPERATING CASH
CONVERSION %
(average over 5 years)

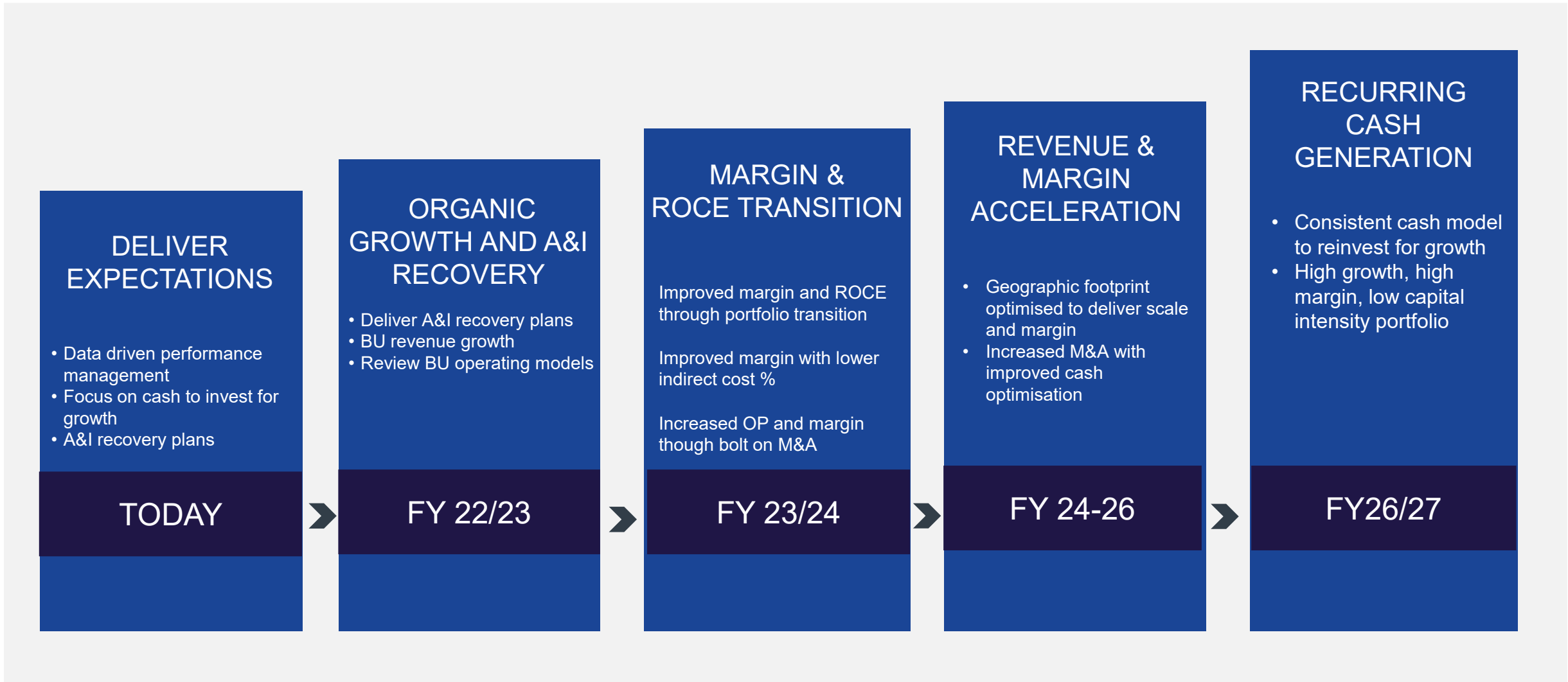
> 90%

LEVERAGE ⁽¹⁾

Up to 1.25x net debt/EBITDA

⁽¹⁾ Leverage calculated on a pre-IFRS 16 basis

TARGETED FINANCIAL MILESTONES IN TRANSITION





OPERATIONAL EXCELLENCE

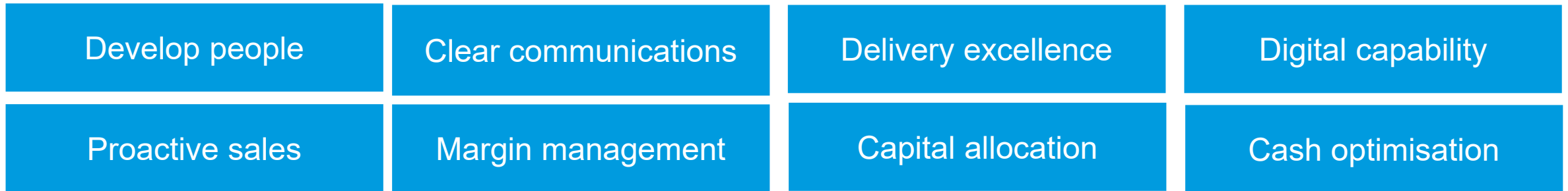
Mary Moore

CONSISTENT EXECUTION IN OUR OPERATING MODEL

Driving operational efficiencies and delivering enhanced growth through shared operating model and standard ways of work that will ensure maximum value



Group workstreams
Transforming our operating model to drive efficiency



Business unit implementation
Enhancing business performance



Investing in our people

TALENT ACQUISITION AND DEVELOPMENT TO SUPPORT GROWTH

TALENT ACQUISITION



- Personalised candidate experience
- Candidate market led attraction tools
- Profile spotlights
- Diverse candidate pools

TALENT DEVELOPMENT

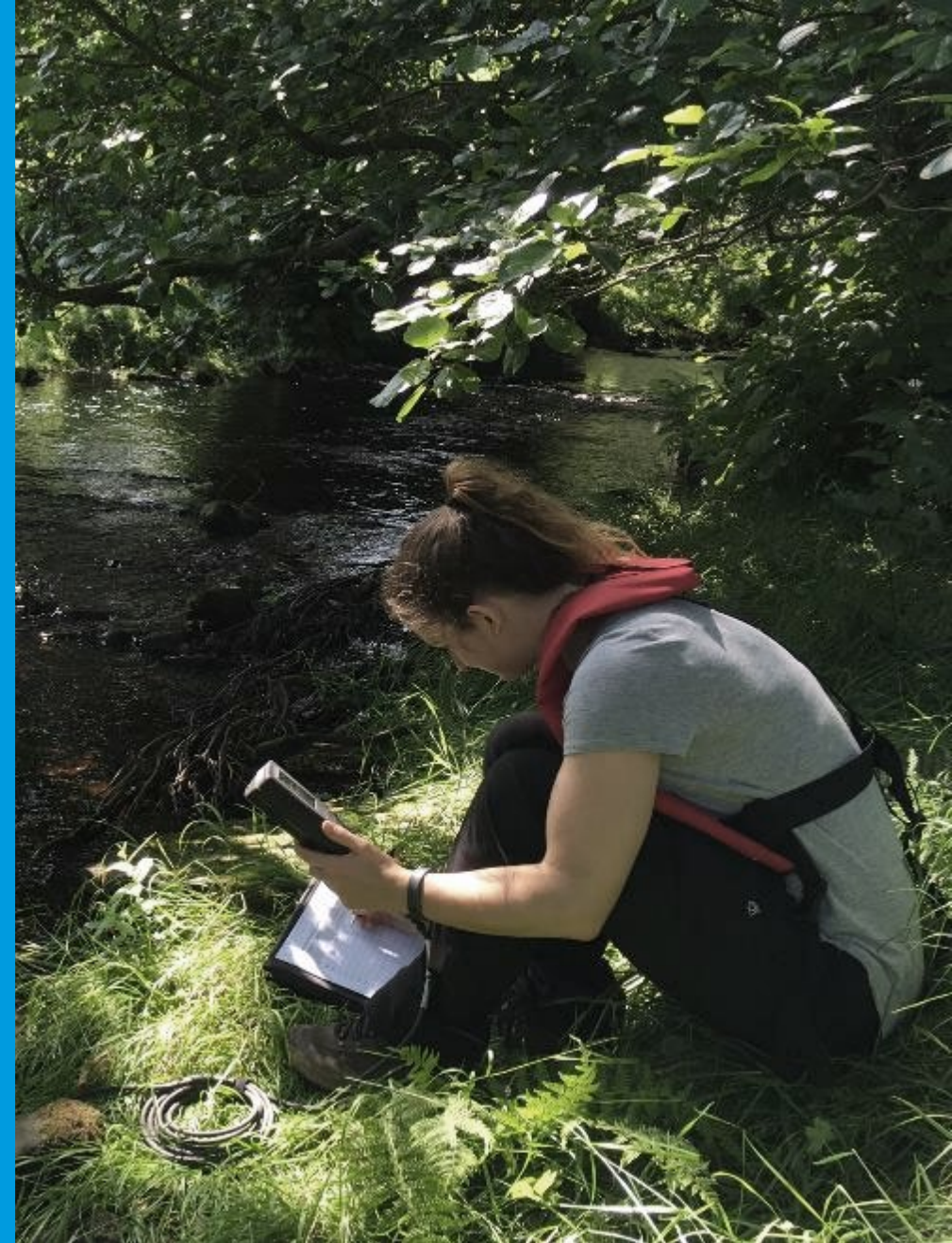


- Linked business & capability planning
- Establishing workforce planning

TALENT RETENTION



- 70 people already benefitting from LTIP
- Redesign of short term incentives



STRIVING TO ENABLE MEANINGFUL AND FULFILLING WORK

A clear Employee Value Proposition (EVP) that embeds innovation and inspiration across the Group

WHAT ATTRACTS PEOPLE TO RICARDO ?

- Pride in doing quality work for our customers
- Breadth of experience and global experience
- We use our know-how in science and engineering to create practical solutions
- Purpose-led in our approach
- We actively value diversity in our people
- Working with leading experts

WHAT KEEPS OUR PEOPLE?

- Alignment to our purpose
- Growth in competence
- Creating connections
- Empowerment with real accountability

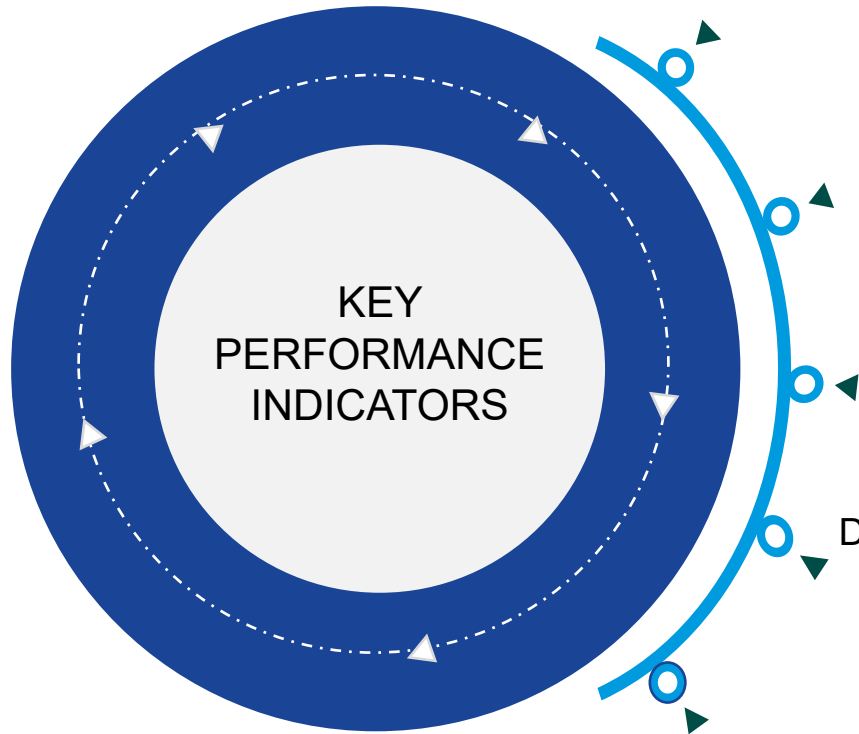
CULTURE SHIFT TO TECHNICAL AND COMMERCIAL

Leverage our technical expertise to create commercial value and deliver customer intimacy



DATA DRIVEN PERFORMANCE CULTURE

Financial and non-financial targets closely aligned to our strategic objectives



Enabling meaningful and fulfilling work

Being a trusted partner to our customers

Achieving high growth in our chosen markets

Delivering operational excellence and efficiency

Optimising cash to invest for growth

Engagement
Annual survey

Staff turnover
% voluntary churn

Diversity
% Mix

Brand
% website engagement
Social media followers
Customer YoY growth

R&D
% growth

Capex
% of revenue

Pipeline
Order coverage

Backlog
Order visibility

Organic revenue growth
YoY %

Operating margin
%

Carbon footprint
tCO2e per employee

Indirect costs
% of revenue

Cash conversion
% of EBITDA

Net debt leverage
Net debt/ EBITDA

ROCE
% return on Capital

CULTURE GROWTH MILESTONES

REFINE RICARDO DNA

- Refine vision, purpose, values and objectives
- Create clear ESG vision, actions and governance
- Establish clear communication channels

TODAY

BUILD CAPABILITY & BELIEF

- Embedded Ricardo DNA
- Leaders equipped & capable
- Performance culture
- A networked group
- Defined EVP
- Workforce Planning
- Px change journey

FY 22/23

CODIFY & SCALABLE

- Repeatable & scalable Px - a "people" system
- Learning organisation
- Strengths based development
- Talent segmentation
- Organisation model and agility right sized

FY 23/24

OPERATING MODEL FOR GROWTH

- Automation & digital solutions
- Geographic scale
- Synergy benefits
- Operating model designed & implemented for growth

FY 24-26

PURPOSE LED HIGH PERFORMANCE ORGANISATION

- Top quartile engagement
- EVP acts as talent magnet
- Established career paths
- Geographic and service capability scale creates new opportunities
- Established efficient processes creates organisational renewal

FY26/27

BUSINESS UNIT ALIGNMENT

A&I Marques McCammon

EE Tim Curtis

Rail, PP and Defense Graham Ritchie

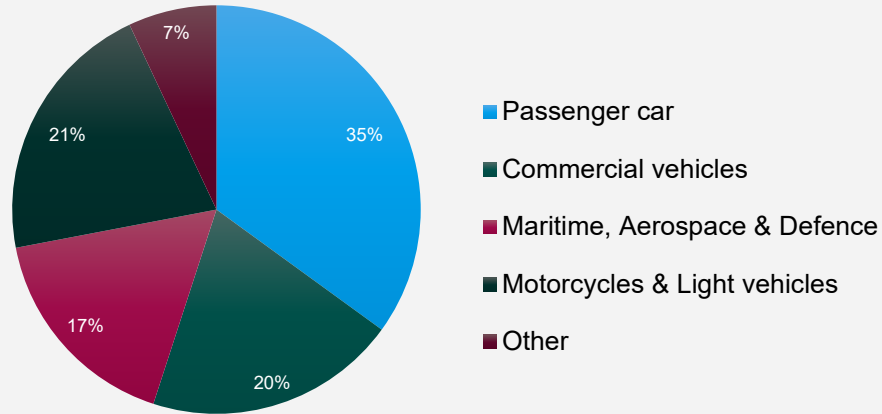


AUTOMOTIVE & INDUSTRIAL STRATEGIC ACTION PLAN

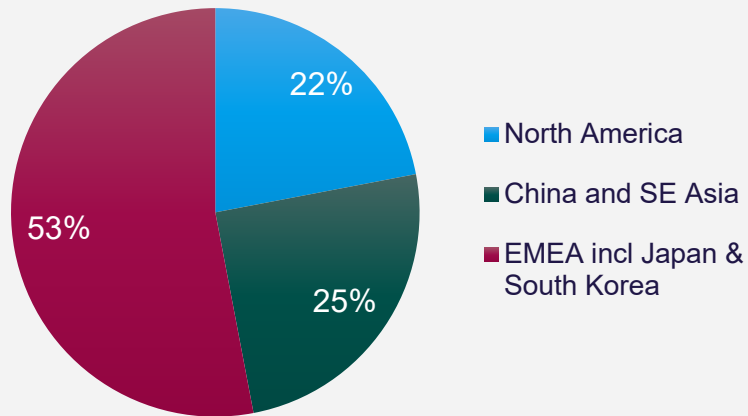
We are a trusted advisor, helping customers around the world to solve complex mobility challenges

OUR BUSINESS AT A GLANCE

CUSTOMERS



GEOGRAPHIES



KEY SERVICES



- Strategic Consulting
- Technical consulting & engineering services
- Testing services

COMPETITIVE STRENGTHS

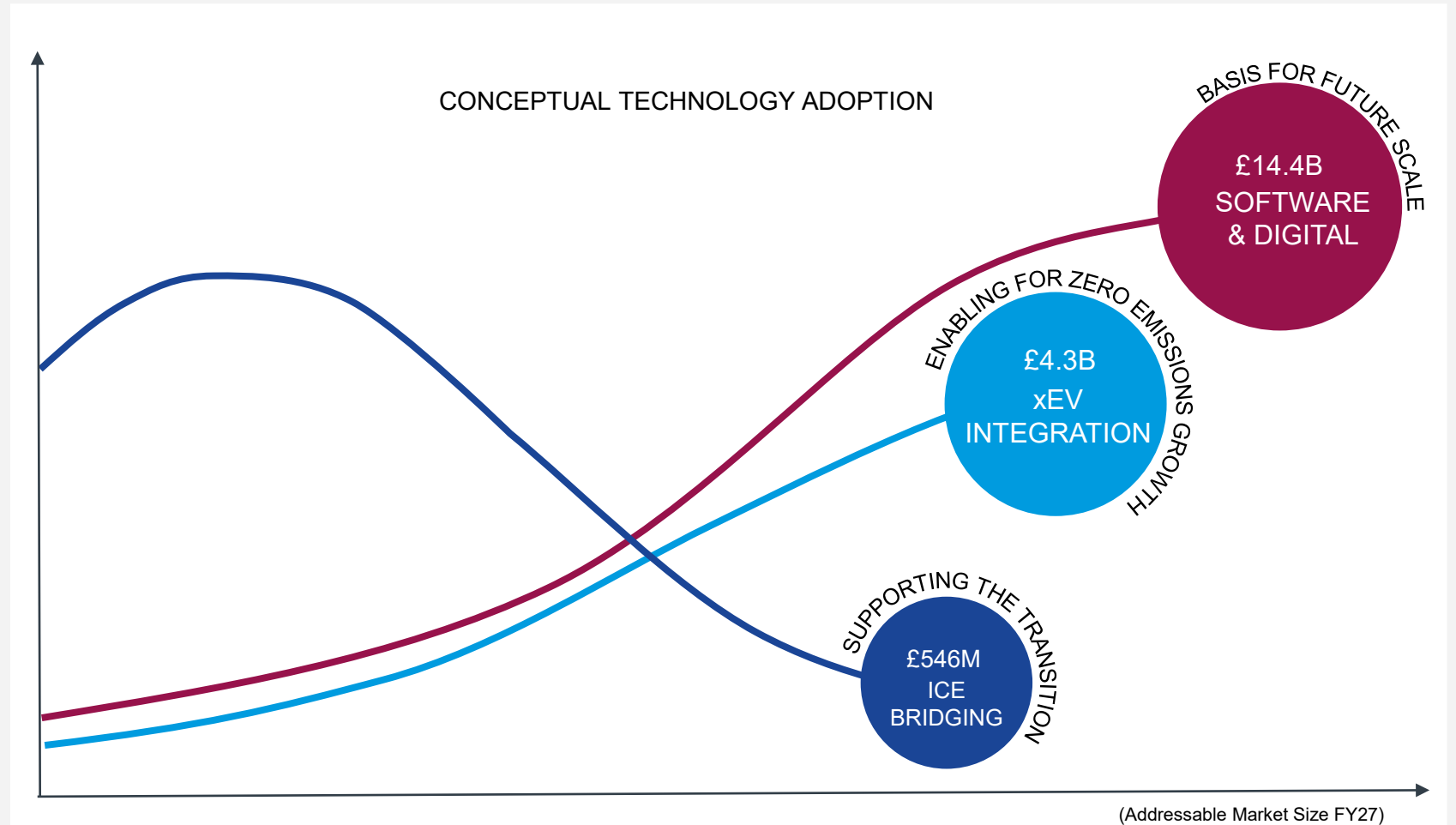


- A digital-engineering leader in clean propulsion & energy
- Preferred partner for design and delivery of technically differentiated solutions.
- Customer intimacy with a deep legacy in propulsion integration and customisation.
- Proven sustainable IP in electric vehicle technology

ADDRESSABLE MARKET DEFINED BY 3 TECHNOLOGY ADOPTION CURVES

3 KEY MARKET SEGMENTS PROVIDE THE BASIS FOR A&I GROWTH STORY

- Digital solutions enablement underpins all three segments and forms the backbone for forward value creation
- Clear prioritisation based on market movement and growth horizons
- Base technology areas extends well beyond vehicle applications



CLEAR FOCUSED ACTIONS BY KEY SEGMENTS

Deliver cash from our
ESTABLISHED whilst scaling
our EMERGING mobility
solutions

EMERGING

Accelerating segment growth

- Retain, attract and develop talent in high growth segments
- Focused, agile capital allocation for revenue growth and ROCE
- Develop leadership in newer technologies
- Develop niche services in complex SW systems

ESTABLISHED

Maximising returns leveraging scale and expertise

- Retain and develop expertise
- Review scale service efficiency and geographic footprint
- Lean, focused capital allocation to maximise cash and ROCE
- Continue diversification where the transition is more challenging
- Drive customer intimacy through key account management

HOW WE DELIVER SUSTAINABLE PROFITABLE GROWTH

A&I model for growth is focused on portfolio prioritisation closely aligned to market direction

PORTFOLIO PRIORITISATION

Aligned to market direction and growth horizons

Focus on:

- Established mobility services to deliver cleaner & more efficient ICE vehicles
- Emerging mobility services to exploit the move to an zero emissions future with increased focus on software

MARKET EXPANSION

Focused geographic scale with greater customer intimacy

Geography scale and reach

- Growth acceleration in the U.S
- Leverage of China for scale
- Targeted new market entry

Greater customer intimacy

- Key account management
- Integrated knowledge management
- Value centric selling approach

DISCIPLINED EXECUTION

Consistent global operating model

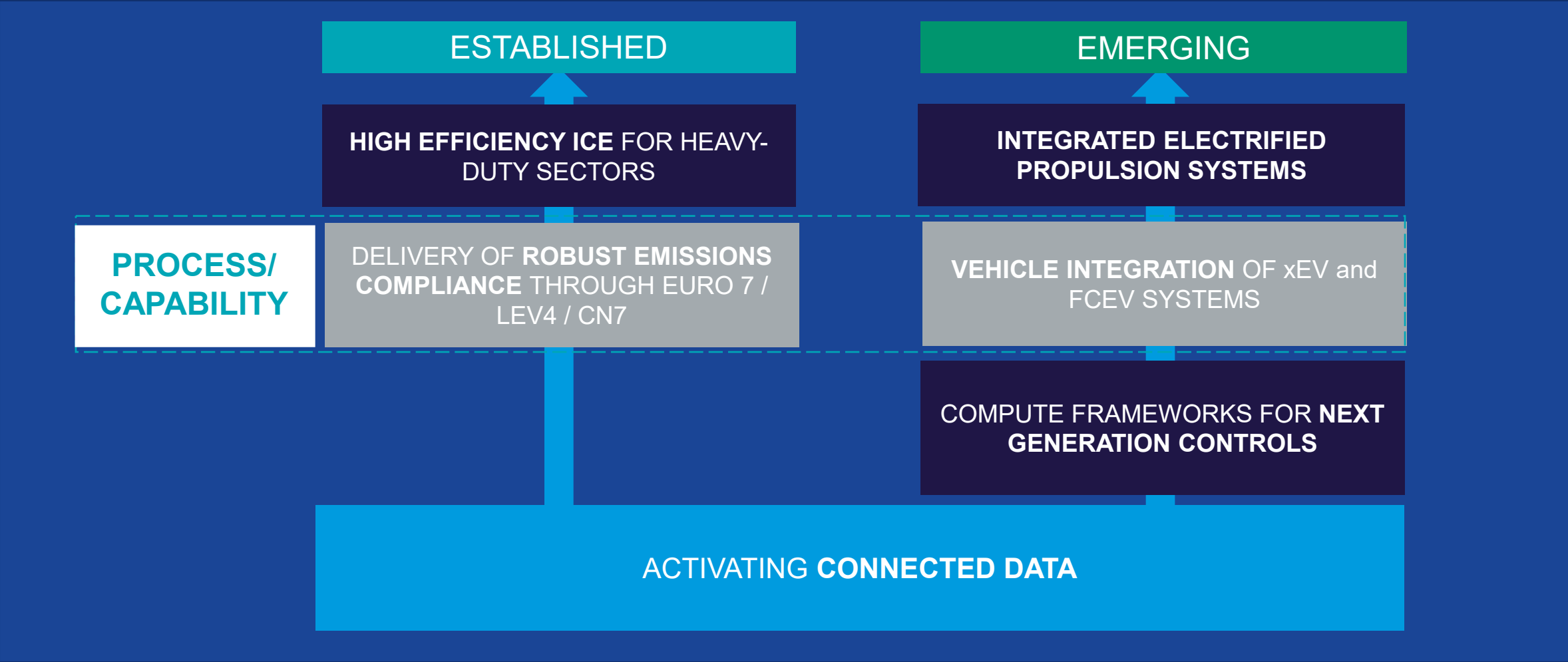
Strategic workforce planning

- Narrow focus to scalable niches
- Market-centric excellence centres
- Real-time resource modelling

Effective operating structure

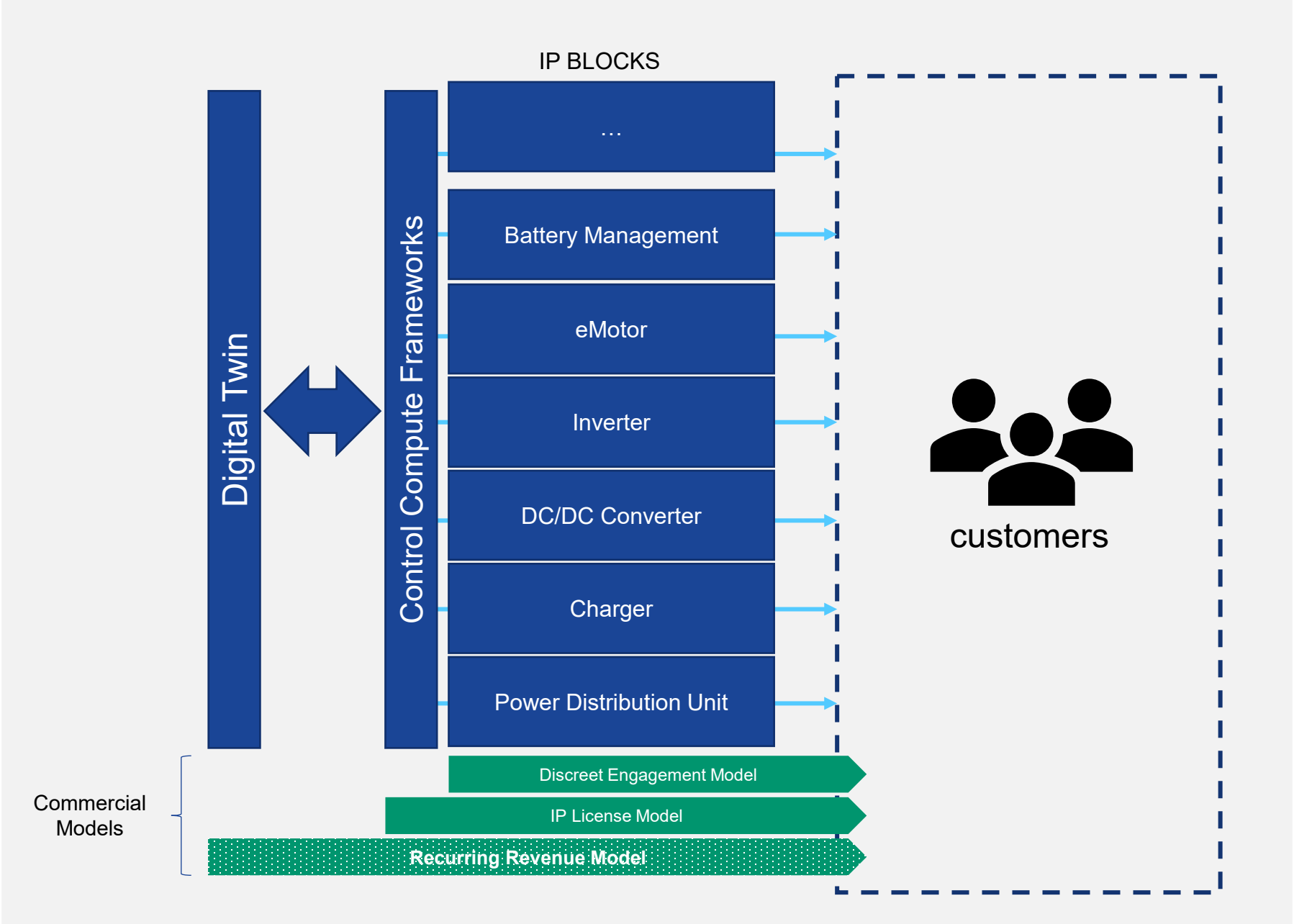
- Global orientation
- Efficient shared back office
- Flexible/scalable direct resources

OUR VISION TO BEING A TECHNOLOGY SOLUTION LEADER



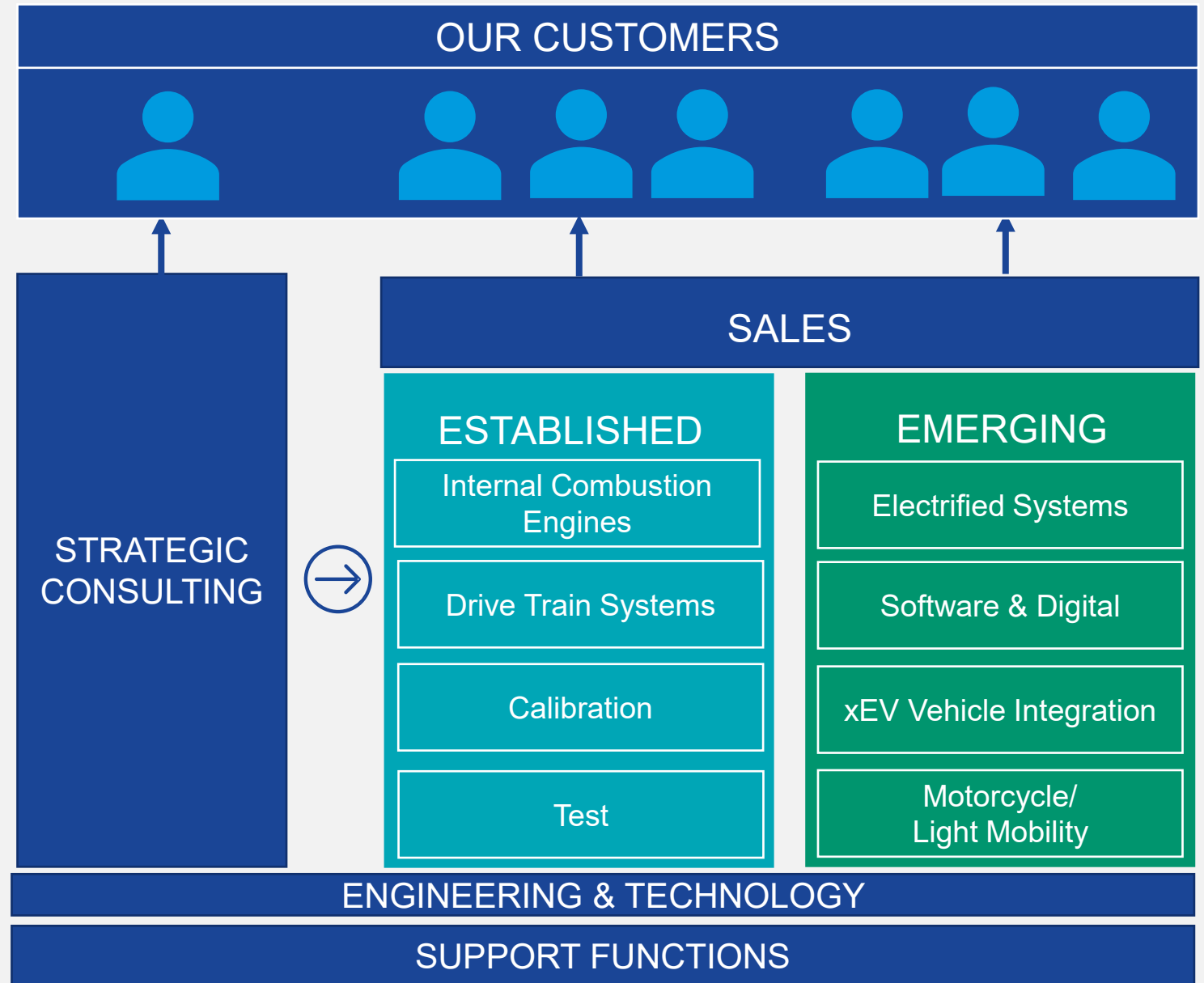
DIFFERENTIATED IP FOR REPEATABLE CUSTOMER APPLICATION

- IP modules in xEV propulsion serve as building blocks to forward value proposition
- Technologies open doors to diverse commercial models and increased profit opportunity
- Digital Twin offers potential to unlock recurring revenue streams
- IP blocks at various stages of R&D and commercial deployment



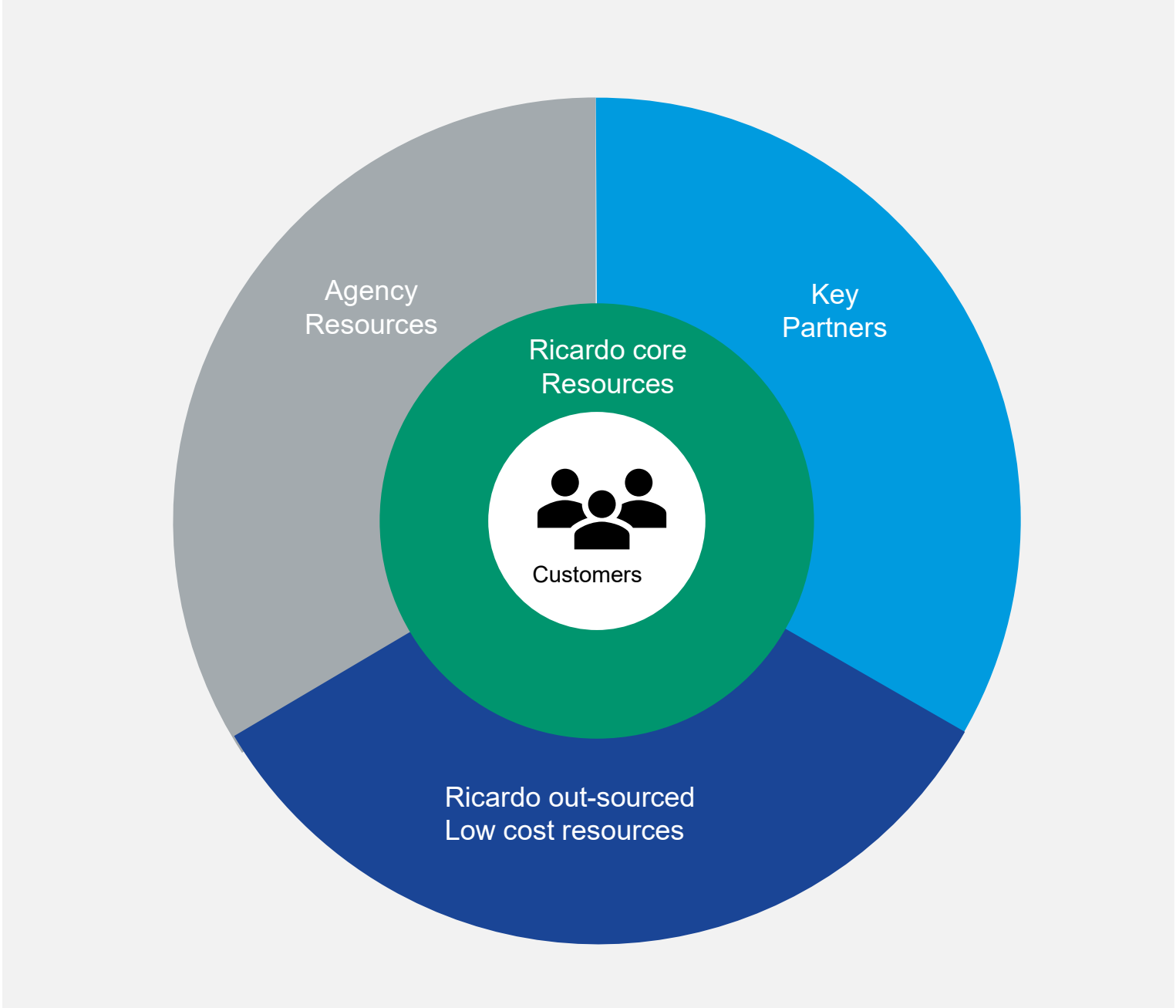
GLOBAL MANAGEMENT STRUCTURE TO ENSURE BEST PERFORMANCE

A structure that puts our customers first – where we provide the best solutions for their needs, pioneering innovation to solve their most complex problems



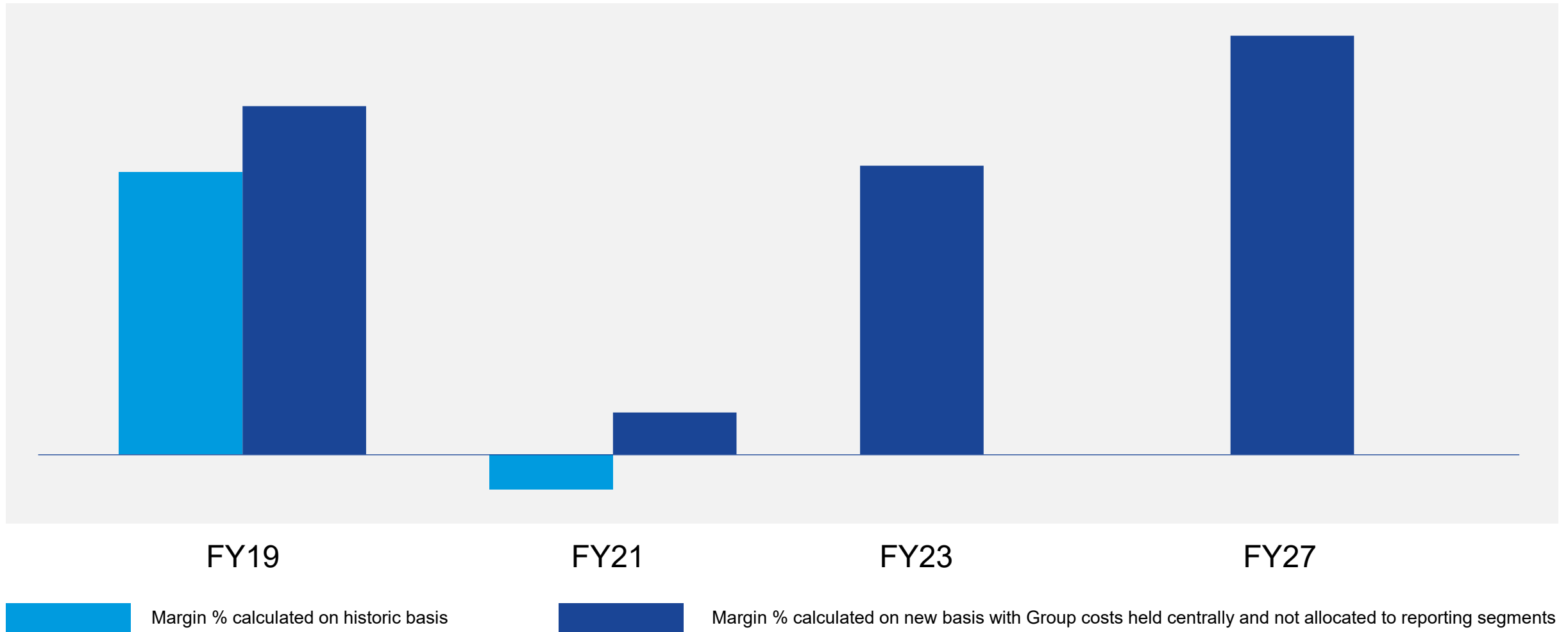
GLOBAL ENGINEERING PEOPLE MODEL

A holistic approach to talent acquisition for all skillsets and specialist capabilities



SHAPE OF OPERATING PROFIT MARGIN

Targeting improved operating profit margin through acceleration of emerging technologies



A&I KEY TAKEAWAYS

- Efficient global operating model is aligned with overall market trends
- Well placed to support the industry transition from ICE to zero emissions
- A client-centric value proposition underpinned by digitalisation
- Focused talent development and management model
- Strong path to financial recovery

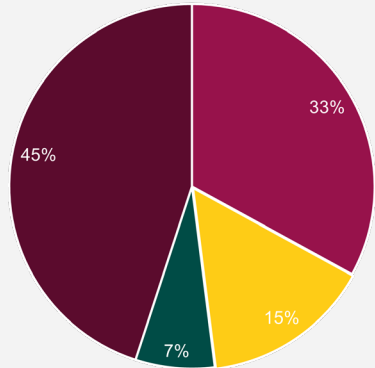
ENERGY & ENVIRONMENT STRATEGIC ACTION PLAN

We are a trusted advisor, helping customers around the world to solve complex environmental challenges



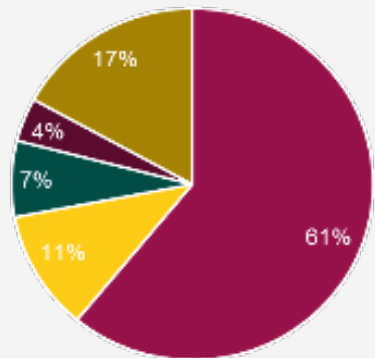
OUR BUSINESS AT A GLANCE

CUSTOMERS



■ UK Government ■ International Public
 ■ European Commission ■ Corporate

GEOGRAPHIES



■ UK ■ Europe
 ■ Australia ■ Middle East
 ■ Other

KEY SEGMENTS



- Energy & waste
- Air Quality
- Water
- Chemicals
- Heavy industry / mining / extractives

KEY SERVICES



- Policy, strategic and economics consulting
- Sustainability and ESG advisory
- Environmental consulting
- Monitoring, measurement & auditing services
- Technical due diligence
- Programme management

COMPETITIVE STRENGTHS



- High calibre and dedicated team of scientists, economists, engineers, and data specialists
- Deep UK heritage
- Growing international presence
- Mainstreaming of digital and data-science capabilities

HOW WE DELIVER SUSTAINABLE PROFITABLE GROWTH

Aligning our growth focus and excellence in execution to the Group's strategic priorities

PORTFOLIO PRIORITISATION

Capitalising on global market trends

Services to solutions focus:

- Sustainability as a solution
- Energy transition solutions
- Integrated digital solutions

MARKET EXPANSION

Expanding key market positions

Geographic scale and reach:

- Focus on key territories to continue international diversification in Europe, Australia and the Middle East

Adjacent markets to drive growth

- Expansion of capabilities and skillsets into key sector areas e.g.: Mining sector

Market acceleration through M&A

- U.S market entry
- Acquire new capabilities and technologies

DISCIPLINED EXECUTION

Continuous improvement to maximise value

Investing in our people:

- Increased focus on junior recruitment
- Training academy acceleration programme
- Standardised recruitment process

Operational effectiveness:

- Enhanced collaboration through knowledge and resource sharing
- Aligned and simplified processes and systems to remain competitive

DELIVERING SUSTAINABILITY AS A SOLUTION

How we bring the value chain to life

STRATEGY

Helping customers define what they want to achieve

- Sustainability / ESG strategy
- Net zero strategy
- Packaging strategy
- Circular economy strategy
- Site decarbonisation strategy
- Supply chain decarbonisation

EVIDENCE

Understanding the baseline position

- Carbon foot printing
- Scope 3 assessment
- Energy auditing
- Materiality assessment
- Competitor analysis
- Policy & regulatory review
- Product LCA
- Benchmarking & gap analysis
- Sub-metering



TARGETS & ROADMAPS

Clear steps to achieving stated ambition

- Science Based Targets
- Net zero roadmaps
- Decarbonisation pathway
- Circular economy roadmap
- Product Sustainability Assessment

IMPLEMENTATION SUPPORT

Ongoing support to achieve stated goals

- Sustainable Procurement
- Circular economy business support
- Feasibility study
- Business case development
- Technology development
- Supply chain engagement
- Capacity building and training
- Implementation programme support

REPORTING & DISCLOSURES

Helping customers define what they want to achieve

- Carbon reporting
- ESG reporting
- TCFD
- Product LCA

Case study:

CORPORATE DECARBONISATION

Ricardo is working with award winning Scottish Whisky company, Whyte and Mackay to deliver our tried and tested six-step approach to planning and delivering net zero roadmaps

Repeatable modules of £30-£50k per stream

Clients are regularly taking 3-5 Modules (in parallel or series)

Growth in decarbonisation projects YoY:

Over 50% revenue growth

Our solution

To date Ricardo's experts have delivered the following support and benefits:

- Detailed strategic review – providing confidence that their sustainability strategy is built on accurate science based calculations
- Modelling a range of mitigation measures
- Developed a net zero roadmap

Next steps

We are continuing to work with Whyte and Mackay to build the governance and execution of the net zero pathway, helping to guide their net zero journey to successful outcomes

Ricardo's strategic relationship with Whyte and Mackay will support them in driving long-term sustainability

Case study:

ENERGY TRANSITION

Our solution

Carbon capture: utilization & storage

Ricardo, in partnership with Bluebox Energy are developing an innovative carbon capture utilisation and storage technology to remove greenhouse gases and provide local communities with renewable heat and electricity, and by-products for farming and green construction

Customer benefits

- The technology will generate heat and power, capture and store carbon dioxide and also produces biochar
- The biochar (similar to charcoal) from the system can be used by farmers, anaerobic digester operators & waste/water treatment sites
- The intention is to have the first plant running by mid 2023

The onward development plan has identified potential for 5-20 full sized systems at £8-10m revenue per system

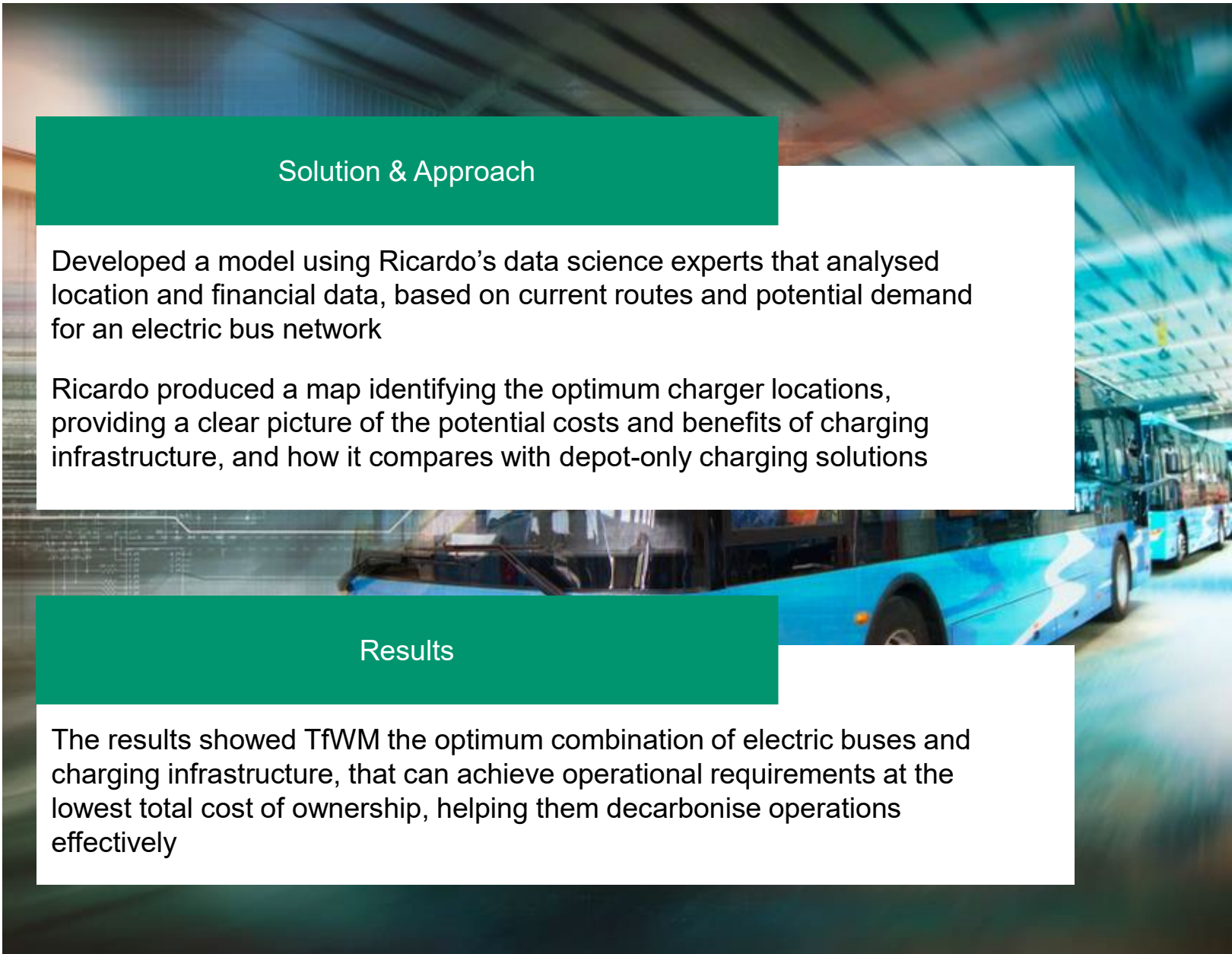


Case study:

DIGITAL SOLUTION: ASSESSING ZERO EMISSION BUS CHARGING INFRASTRUCTURE NEEDS

Transport for West Midlands (TfWM) commissioned Ricardo to carry out research to investigate strategic charging infrastructure deployment for electric buses in the West Midlands.

Scale of data science led solutions - £30 - £500k	£1m of data science led solutions in FY23
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Solution & Approach

Developed a model using Ricardo's data science experts that analysed location and financial data, based on current routes and potential demand for an electric bus network

Ricardo produced a map identifying the optimum charger locations, providing a clear picture of the potential costs and benefits of charging infrastructure, and how it compares with depot-only charging solutions

Results

The results showed TfWM the optimum combination of electric buses and charging infrastructure, that can achieve operational requirements at the lowest total cost of ownership, helping them decarbonise operations effectively

EE KEY TAKEAWAYS

- EE revenue growth has been strong and consistent over the recent years, with operating margin rising 500bps in last 5 years. We aim to build on this to accelerate growth in a positive market
- International climate and environmental policy leadership will provide the strategic and reputational platform for growth
- Sustainability and ESG advisory services will be the growth engine over the next 5 years
- Energy and transport sector decarbonisation will create downstream engineering opportunities for other Ricardo Business Units
- A key area for acquisition, with a focus on both international (US) and digital

An aerial photograph of a city street featuring a curved elevated train track. The scene is filled with various urban buildings, including brick structures and modern high-rises. A prominent water tower is visible in the background. The lighting suggests a late afternoon or early morning setting, with a warm glow. The text 'STRATEGIC ACTION PLAN SUMMARY RAIL | PERFORMANCE PRODUCTS | DEFENSE' is overlaid in white on the left side of the image.

STRATEGIC ACTION PLAN SUMMARY

RAIL | PERFORMANCE PRODUCTS | DEFENSE

FOCUSED EXECUTION ACROSS OUR OTHER BUSINESS UNITS

Aligned to our growth drivers, the business unit aligned strategic action plans accelerate Group's ambition

RAIL

EXPERTS IN COMPLEX RAIL SYSTEMS

PORTFOLIO PRIORITISATION

- Develop advisory services
- Operational and maintenance support
- Green propulsion
- Environmental services through the supply chain
- Digital systems integration

MARKET EXPANSION

- Geo expansion – Europe, US, Middle East
- Urbanisation, intercity
- Proactive sales model

DISCIPLINED EXECUTION

- Improve advisory and certification utilisation
- Support function efficiency

PERFORMANCE PRODUCTS

NICHE MANUFACTURING SPECIALISTS

PORTFOLIO PRIORITISATION

- ICE niche production (engine & transmission)
- Niche battery assembly
- Niche EDU
- Niche New Product Introduction (N²PI) consulting offering

MARKET EXPANSION

- Spares aftermarket
- E motorsport
- Aerospace

DISCIPLINED EXECUTION

- Support function efficiency

DEFENSE

EXPERTS IN SYSTEMS INTEGRATION

PORTFOLIO PRIORITISATION

- Complex systems integration
- Life cycle operations – training and maintenance
- Hybrid solutions
- Productise solutions

MARKET EXPANSION

- TCO procurement support
- Long life assets enabling retrofit

DISCIPLINED EXECUTION

- Support function efficiency



CLOSING REMARKS

Graham Ritchie

KEY TAKEAWAYS

RICARDO'S DNA

- Delivering value and purpose is in our DNA
- Evolution of vision, purpose and values to support our ambition
- We will lead by example on sustainability
- Integrated strategic objective to support profitable growth

DISCIPLINED EXECUTION

- Workstreams to align group operating model
- Governance and process to develop alignment and efficient delivery
- Focus on engagement, talent acquisition and retention
- Developing commercial and performance culture
- Balanced KPIs with clear accountability

PROFITABLE GROWTH

- Strong market drivers for long term profitable growth
- Portfolio focus on environmental and energy transition
- Leading expertise already in key markets
- Services to solutions across value chain and BUs
- Digital development to enhance differentiation
- Geographic expansion to leverage operational scale
- M&A to support acceleration of portfolio transition

STRONG FINANCIAL FRAMEWORK

- On track for short term delivery
- Clear phased plan for profitable growth
- Long term high growth, high margin and lower capital requirements
- Improved efficiency in indirect costs to below 20% of revenue
- Prudent leverage of less than 1.25 times EBITDA

EXECUTIVE SUMMARY



AMBITION: A leader in strategy and engineering consultancy for environmental and energy transition



THANK YOU

Questions?