

OUR STRATEGY IS TO FOCUS ON ENERGY TRANSITION AND ENVIRONMENTAL SOLUTIONS IN MARKETS WHERE WE SEE THE STRONGEST GROWTH

Since announcing our sharpened strategy in May 2022, we have focused on delivering sustainable growth in key markets where our core strategic and technical consulting, augmented by our digital capabilities, can have maximum impact.

Always keeping in mind the powerful megatrends that are driving change in the sectors we operate in, we are committed in accelerating our transformation to become a leader in strategy and engineering consultancy services for environmental and energy transition solutions. We achieve this by executing at pace to create enhanced value for the Group.

How we work together

We execute together through a clear operational model that has been optimised to provide a higher level of consistency, efficiency and collaboration across the Group.

Through our growth priorities and growth enablers, we are improving processes and functional alignment to ensure that our clients' expectations are consistently met.

STRATEGIC GROWTH LEVERS

We actively manage our two portfolios and enhance their performance through our three growth levers. These are focused on delivering our organic plan while utilising disciplined mergers and acquisitions to accelerate growth.

Portfolio prioritisation

The portfolio shift to Environmental & Energy Transition solutions targets high growth and high margin. With the refined definition of our value proposition – particularly with its emphasis on digital development – we can underpin our strategic financial commitments to achieving operating margins in the mid-teens with a target to more than double underlying operating profit over the five years to FY 2026/27.



STRATEGIC GROWTH ENABLERS

We are improving client experience and developing our talent and capabilities to ensure that we consistently create value for our clients and shape our market success.

Client experience

Ricardo is defined by its deep knowledge and technical expertise across its key markets. We are focused in delivering the very best client experience in each of our projects and ensuring consistently that our brand is relevant to our entire client base. Through the advances in our digital applications we will be able to improve both our business operations and strengthen our client offerings.

Market expansion

Our balanced portfolio across the markets and key industries provides us with a good foundation for further expansion. We are developing proactive industry and geographic sales plans focused on strong execution within each of our geographies and industries to maximise underlying market expansion.



Winning teams

Our people plan is developed around trust, accountability, inclusion and mobility. We aim to build a learning organisation, which attracts, retains, develops and inspires the very best people around the world. Sustainability pervades within our people plan and we ensure that we clearly demonstrate our environmental ambitions, our climate change resilience and the social value we are delivering.

M&A acceleration

Ricardo's approach to M&A is to focus investment on highly attractive environmentally and technologically-led areas that help accelerate our portfolio transition to a high-growth, high-margin, capital-light business that is a leader in environmental and energy-transition solutions. Over the past 16 months, we have divested Ricardo Software while acquiring three bolt-on companies (Inside Infrastructure, E3-Modelling and Aither).



Optimised operations

We continue to deliver operational rigour through the improvement of our processes across the whole value chain to ensure that our clients' expectations are consistently met. We want to make it easier to do business with us whilst accelerating strong profit margin and cash conversion, so that we can invest in growth to support our strategy.

STRATEGIC OBJECTIVES THAT SUPPORT EXECUTION

Our strategic objectives are driven by our purpose and how we maximise impact. We are focused on delivering sustainable growth by working together, executing at pace and empowering our teams to be thought leaders in everything that they do.

- 1 **ENABLING MEANINGFUL AND FULFILLING WORK**
- 2 **BEING A TRUSTED PARTNER TO OUR CLIENTS**
- 3 **ACHIEVING HIGH GROWTH IN OUR CHOSEN MARKETS**
- 4 **DELIVERING OPERATIONAL EXCELLENCE AND EFFICIENCY**
- 5 **OPTIMISING CASH TO INVEST FOR GROWTH**



FOR MORE ABOUT HOW WE HAVE MADE PROGRESS IN THE YEAR, SEE PAGE 30