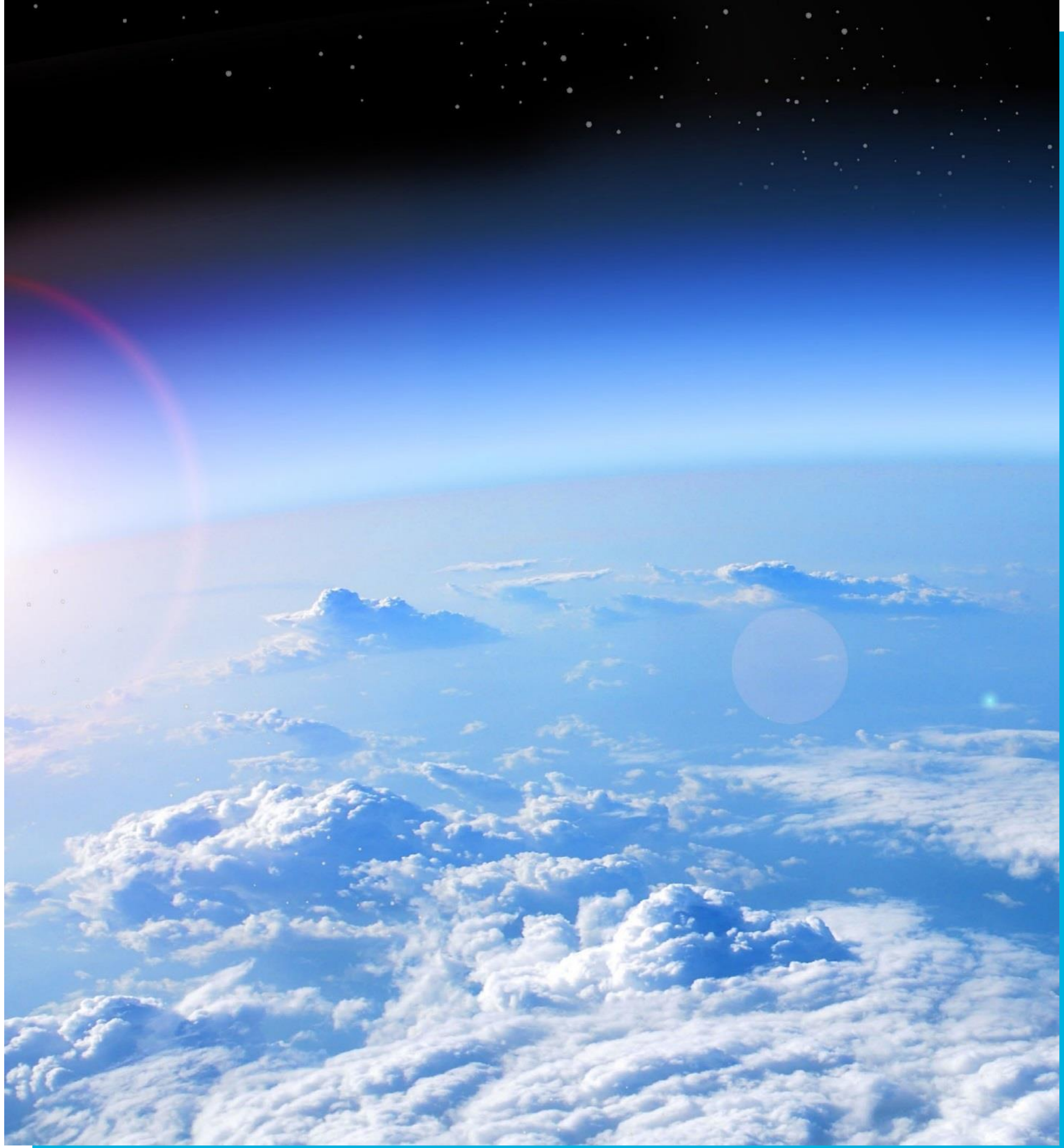

Creating a world
fit for the future

RICARDO

Ricardo plc
Interim Results Presentation

Six months ended 31 December 2020
Presented February 2021

Agenda

Highlights

Financial Overview

Strategy & Market Overview

Operating Segments

Highlights (1 of 2)

for the six months ended 31 December 2020

- Trading in line with our expectations, with the business recovering from the impact of COVID-19
- Order intake, revenue and operating profit have all increased on the six months to June 2020, albeit lower than HY 2019/20
- Good performance in Energy & Environment and Rail, both delivering an increase in profits on HY 2019/20
- Automotive market overall remains challenging, but is improving slowly with increased order intake in the US and China compared to the six months to June 2020
- Performance Products deliveries in line with our expectations
- Defense fleet retrofit approaching contract award

Order intake	Order book	Underlying PBT
£181m	£318m	£5.0m
-13% vs HY 2019/20	+£4m vs June 2020	-69% vs HY 2019/20
↓ H1 2019/20: £209m ↑ H2 2019/20: £160m	↑ June 2020: £314m ↓ December 2019: £319m	↓ H1 2019/20: £16.0m ↑ H2 2019/20: (£0.4m)

Highlights (2 of 2)

for the six months ended 31 December 2020

- Share placing completed, raising £28m, to reset the capital structure of the Group
- Excluding the fund raise and adjusting items, underlying reduction in net debt of c. £3m for the period (increase in net debt of c. £5m after adjusting items)
- Interim dividend of 1.75p declared

Underlying operating cash conversion

100%

+19pp vs HY 2019/20

↑ H1 2019/20: 81%
↓ H2 2019/20: 154%

Net debt

£(50)m

+£23m vs June 2020

↑ June 2020: £(73)m
↑ December 2019: £(74)m

"Whilst the economic outlook continues to remain uncertain, we have a robust order book, good pipeline of opportunities and our diversified business platform offers leading edge capabilities to support the global environmental agenda. We remain cautiously optimistic about the economic recovery and for further progress of the business as we deliver on our strategy."

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Key indicators

Revenue	Underlying operating profit margin (1)	Underlying PBT (1)	Underlying basic earnings per share (1)
£165m	4.5%	£5.0m	6.8p
↓ H1 2019/20: £193m	↓ H1 2019/20: 9.3%	↓ H1 2019/20: £16.0m	↓ H1 2019/20: 23.0p
↑ H2 2019/20: £159m	↑ H2 2019/20: 1.3%	↑ H2 2019/20: (£0.4m)	↑ H2 2019/20: (1.7)p

Underlying operating cash conversion (2)	Net debt	Dividend	Headcount
100%	£(50)m	1.75p	2,878
↑ H1 2019/20: 81%	↑ June 2020: £(73)m	↓ H1 2019/20: 6.24p	↓ H1 2019/20: 3,058
↓ H2 2019/20: 154%	↑ December 2019: £(74)m	↑ H2 2019/20: 0p	↓ H2 2019/20: 3,003

(1) Excluding specific adjusting items, which comprise amortisation of acquired intangible assets, acquisition-related expenditure, reorganisation costs and non-recurring items.
(2) Cash from operations, adjusted for the cash impact of specific adjusting items, divided by EBITDA.

Income statement

£m	Six months ended 31 December 2020 Underlying (1)	 2019 Underlying (1)	HY 2020/21 v HY 2019/20 % change
Revenue	164.7	192.9	(15)%
Gross profit	54.5	66.3	(18)%
Administration costs	(47.1)	(48.3)	(2)%
Operating profit	7.4	18.0	(59)%
Net finance costs	(2.4)	(2.0)	20%
Profit before tax	5.0	16.0	(69)%
Taxation charge	(1.2)	(3.6)	(67)%
Profit for the period	3.8	12.4	(69)%

(1) Excluding specific adjusting items, which comprise amortisation of acquired intangible assets, acquisition-related expenditure, reorganisation costs and non-recurring items.
A full income statement including specific adjusting items in included in the Appendix.

Segmental results
- Revenue

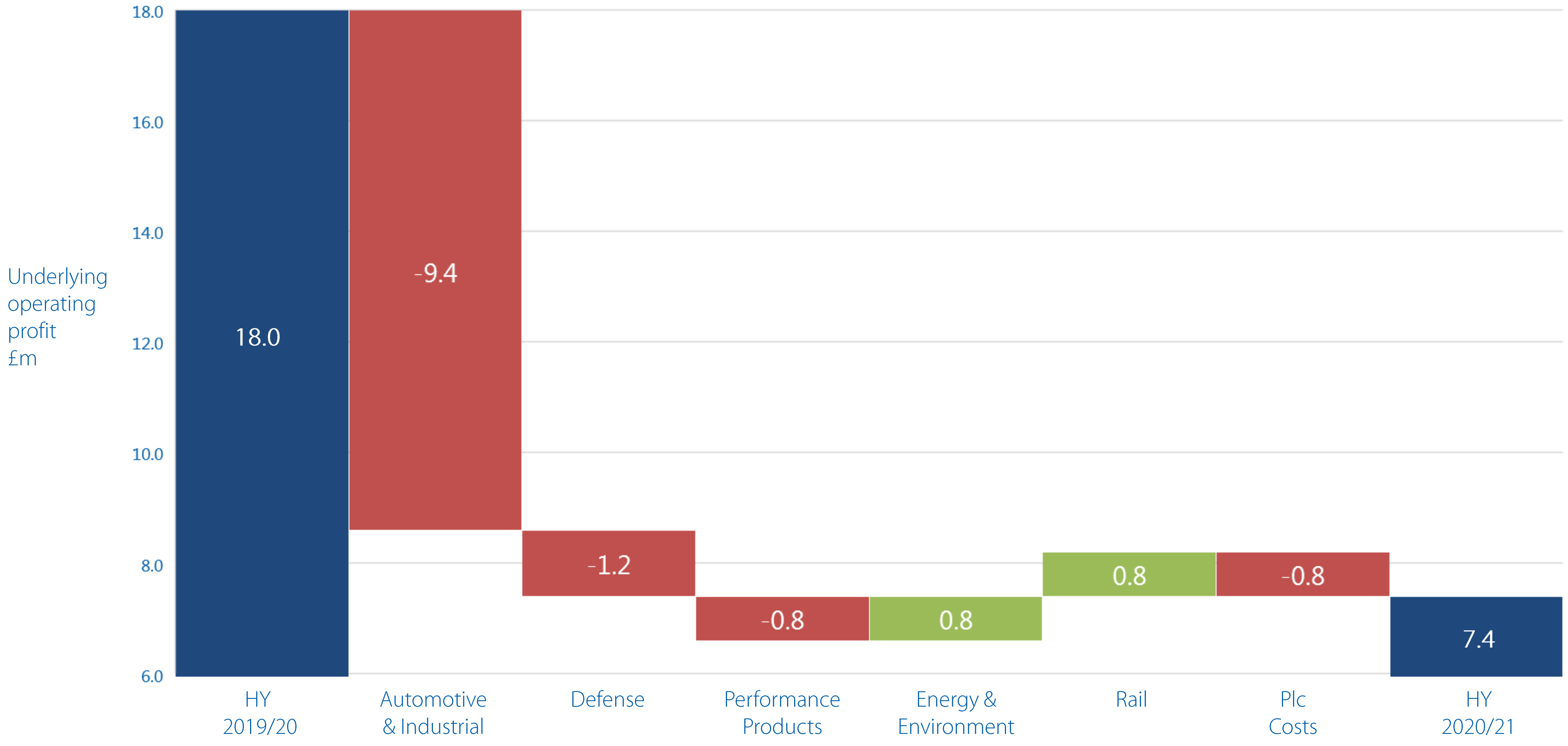
£m	Revenue earned H1 FY20/21	 H2 FY19/20	 H1 FY19/20
Automotive & Industrial	50.1	51.3	65.9
Performance Products	35.6	29.0	46.9
Auto Related	85.7	80.3	112.8
Energy & Environment	26.6	27.2	23.6
Rail	38.5	36.4	38.9
Defense	13.9	15.2	17.6
Non-Auto Related	79.0	78.8	80.1
Plc Costs			
Total	164.7	159.1	192.9

Segmental results – Underlying operating profit

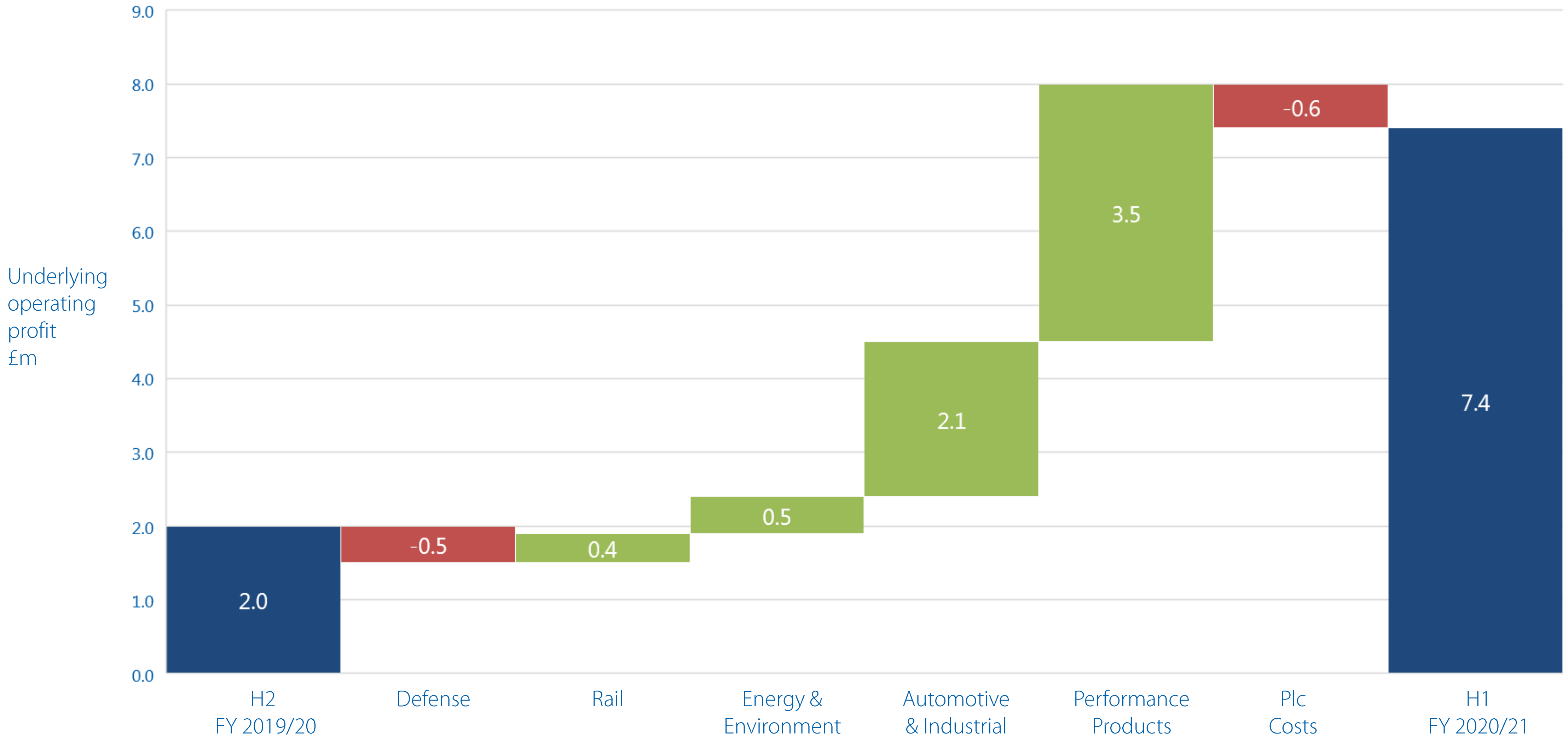
£m	Underlying operating profit [1] H1 FY20/21	H2 FY19/20	H1 FY19/20	Underlying operating profit [1] margin H1 FY20/21	H2 FY19/20	H1 FY19/20
Automotive & Industrial	(3.4)	(5.5)	6.0	(6.8)%	(10.7)%	9.1%
Performance Products	3.9	0.4	4.7	11.0%	1.4%	10.0%
Auto Related	0.5	(5.1)	10.7	0.6%	(6.4)%	9.5%
Energy & Environment	3.8	3.3	3.0	14.3%	12.1%	12.7%
Rail	3.5	3.1	2.7	9.1%	8.5%	6.9%
Defense	1.7	2.2	2.9	12.2%	14.5%	16.5%
Non-Auto Related	9.0	8.6	8.6	11.4%	10.9%	10.7%
Plc Costs	(2.1)	(1.5)	(1.3)			
Total	**7.4**	**2.0**	**18.0**	**4.5%**	**1.3%**	**9.3%**

(1) Excluding specific adjusting items, which comprise amortisation of acquired intangible assets, acquisition-related expenditure, reorganisation costs and non-recurring items.

Good performance in Rail and E&E have been offset by COVID-19 impact on the Automotive market and lower McLaren and ABS volumes



Most segments are growing compared with H2 of the prior year, with the exception of Defense, impacted by the timing of ABS



Cash flow

£m	Six months ended 31 December 2020	2019
EBITDA	16.9	26.6
Share based payments, Fair value gains & losses on derivatives, Profit on disposal	0.5	0.5
Working capital decrease/(increase)	1.8	(3.3)
Pension charge and funding	(2.3)	(2.3)
Cash from operations	16.9	21.5
Cash conversion %	100%	81%
Net finance costs	(1.8)	(2.0)
Tax paid	(1.5)	(4.7)
Capital expenditure	(6.4)	(8.4)
Principal element of lease (payments)/receipts	(3.1)	(2.3)
Dividends	(0.4)	(8.3)
Purchase of own shares, Cash flow hedges, FX	(1.0)	(1.1)
Movement in net debt before equity fundraise & exceptional costs	2.7	(5.3)
Proceeds from equity fundraise	28.2	-
Acquisition and restructuring related costs	(7.9)	(21.1)
Movement in net debt [1]	23.0	(26.4)
Opening Net Debt	(73.4)	(47.4)
Closing Net Debt	(50.4)	(73.8)

(1) Cash outflow net of movement in borrowings.

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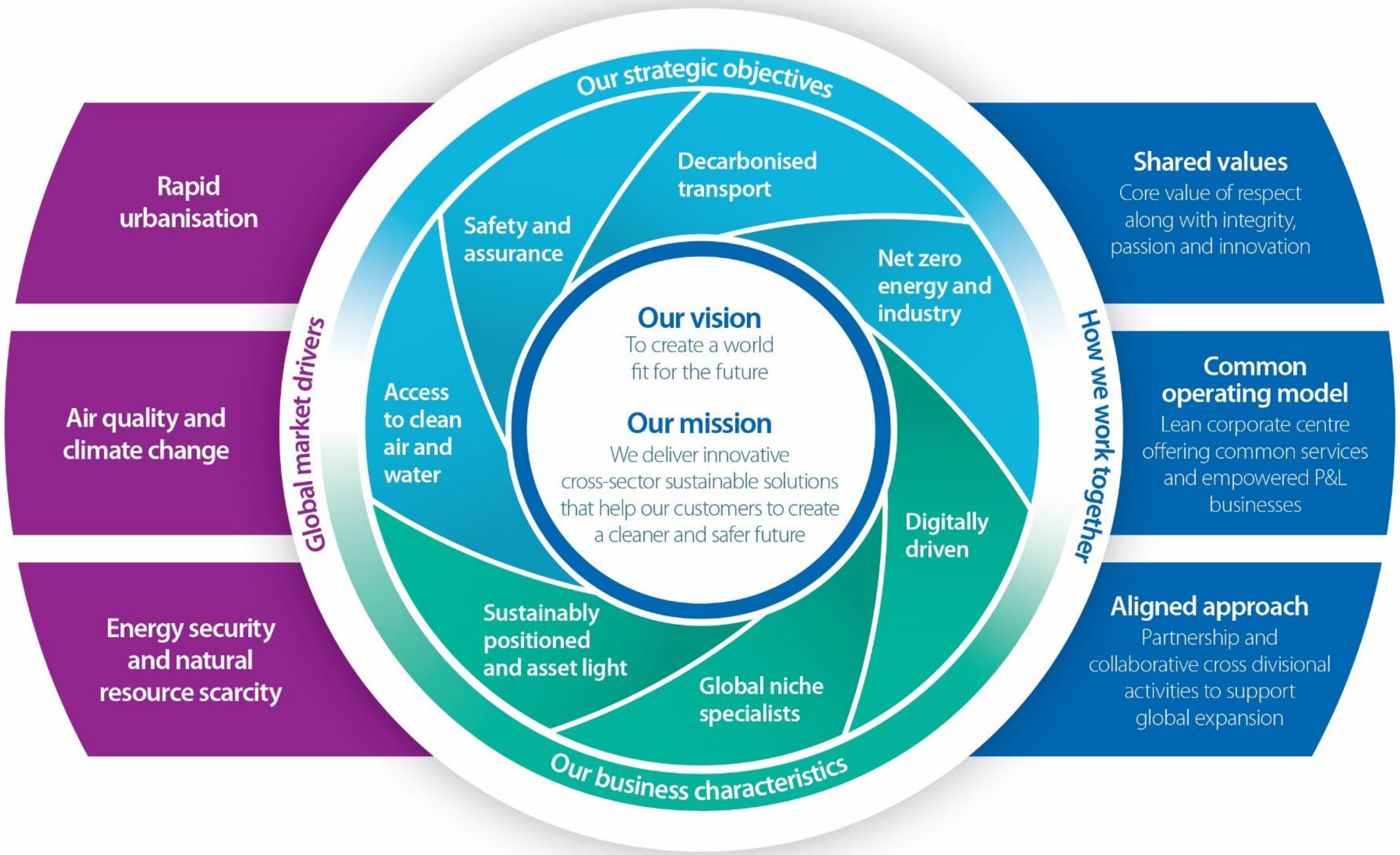
Operating Segments

Our ambition is to create a world fit for the future,

meeting the challenges within the markets of Transport & Security, Energy, and Scarce Natural Resources & Waste

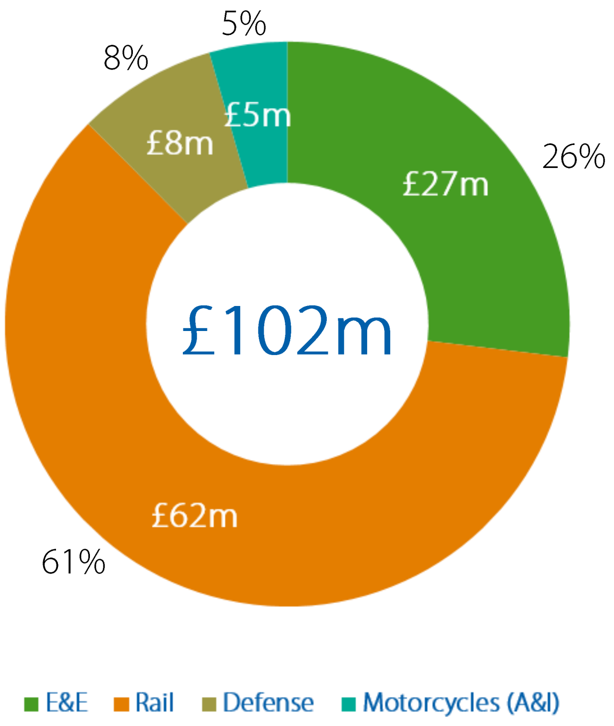


Our strategy is for growth and risk mitigation, with no dependency on any single geography, sector or client

Our forward looking approach to diversifying our business means that we are well positioned to address the global environmental agenda

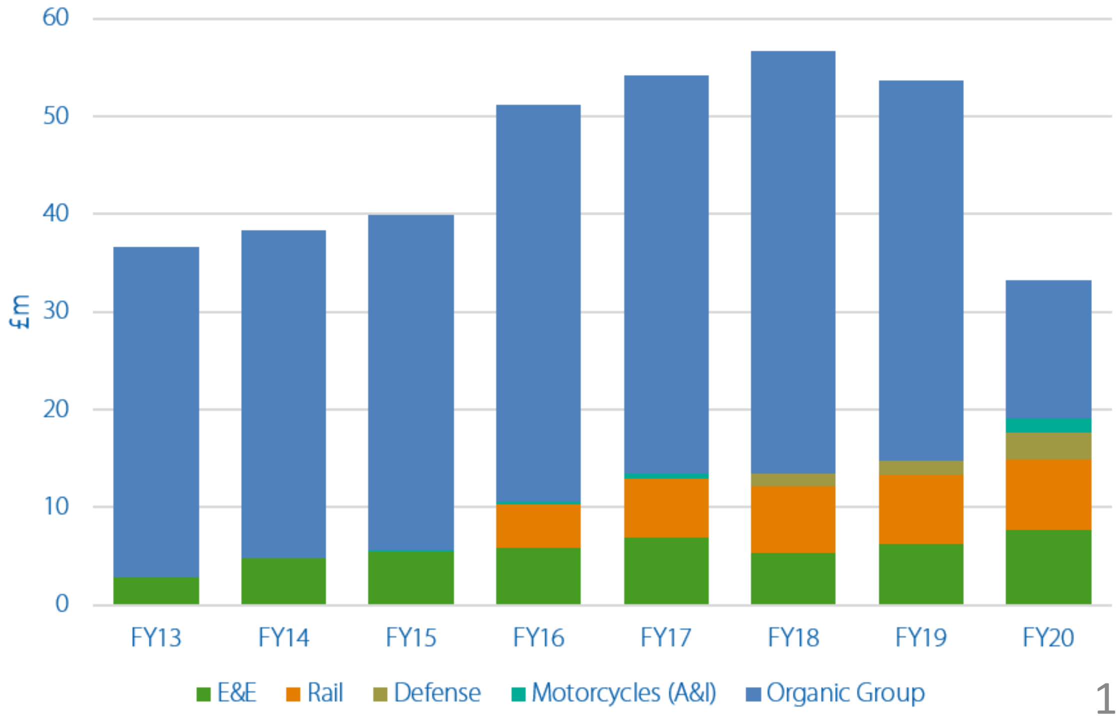
Ricardo has acquired 9 businesses across FY13–FY20, investing £102m, mainly in the Rail and EE sectors

FY13 - FY20 acquisition investment spend



The acquisitions have enhanced the Group's results and provided protection during the recent downturn

FY13 – FY20 organic and acquisition operating profit
(before recharges of central and shared costs)



Strategic direction

- Future investment priority on Decarbonisation/Net Zero from policy to engineering solutions in the transport and energy market sectors
- Further extend into clean energy solutions with a focus on electrification and hydrogen whilst continuing to support transition from fossil fuel-based ICE
- Strengthen our global market position by leveraging our key differentiator around the intersection of transport, energy and environment, exploiting advanced data analytics and digitalisation

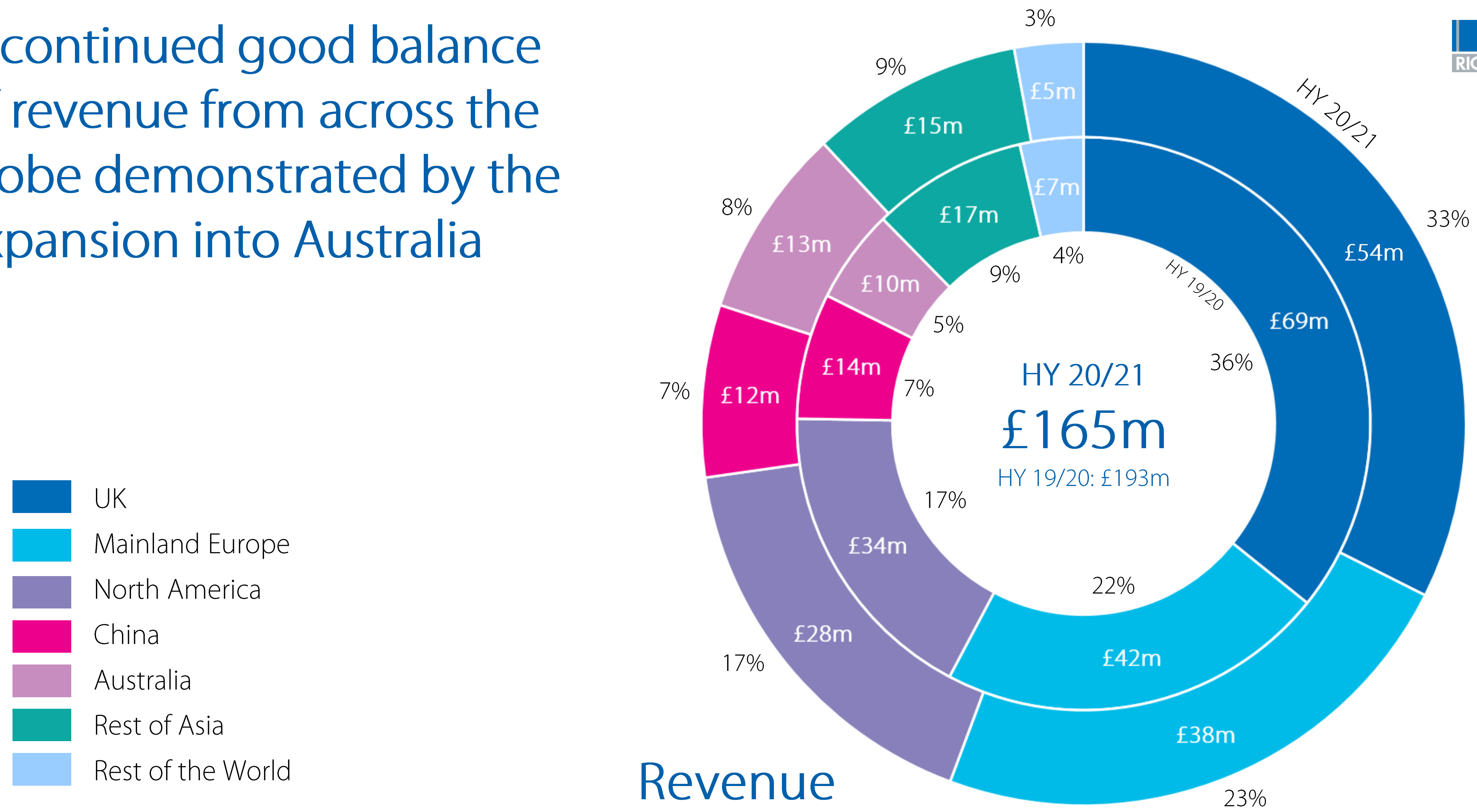
We will deliver through organic growth and focused acquisition programme

- Funding through:
  - Monetisation of some existing assets; previous disposals including ICE test assets and Dolphin IP sale generated £12m cash.
  - Debt facilities available, maintaining appropriate leverage as profits increase

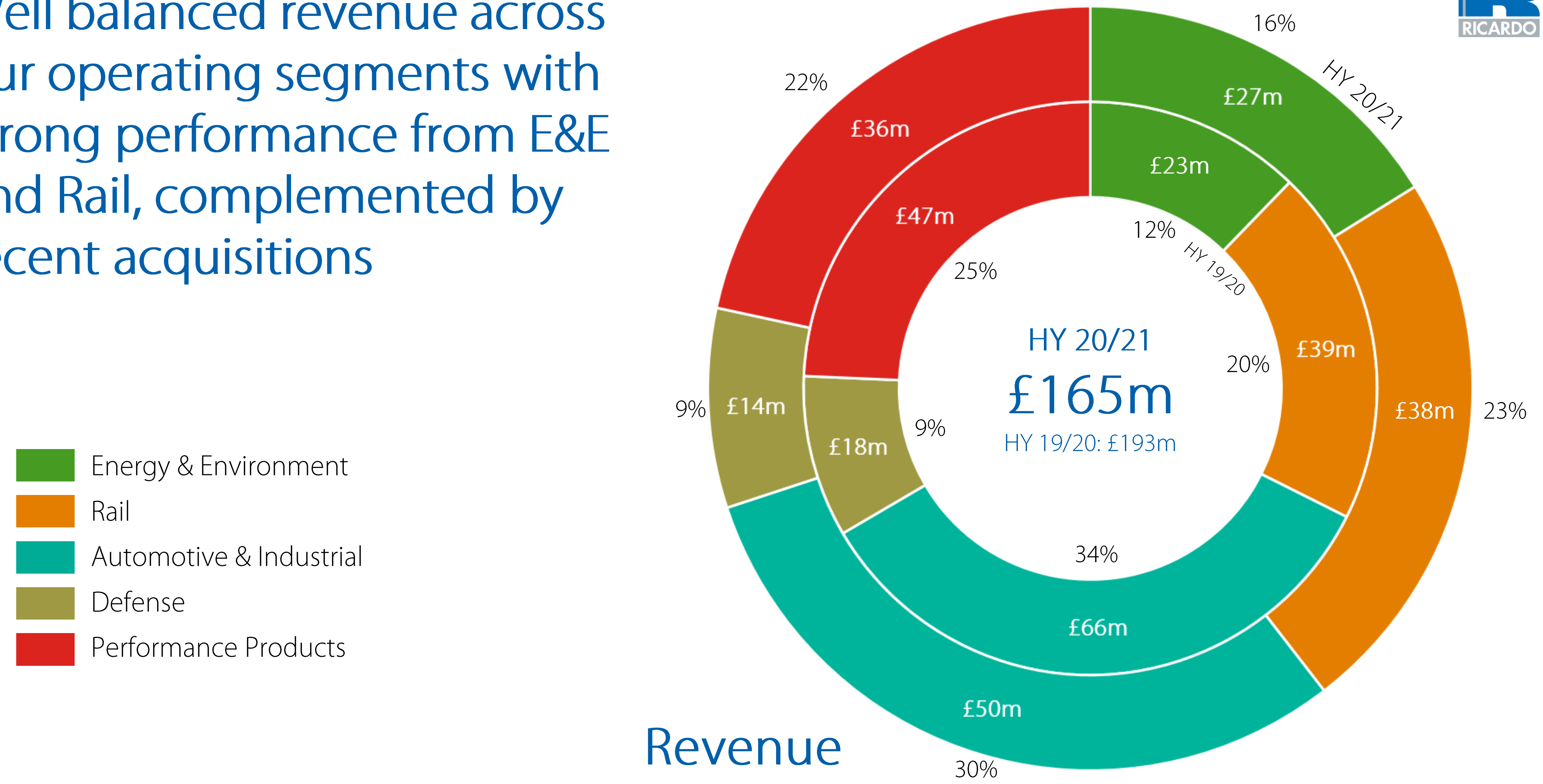
Navigating a volatile market and economic backdrop

- Global Coronavirus pandemic disrupting the Automotive market significantly
- Brexit implications
- Decarbonisation and net zero becoming a priority for government organisations, industries and companies
- Focus on hydrogen, fuel cells and electrification as the energy vector for transportation
- Change of US administration and a greener future
- Investment in public transport and infrastructure to improve inter- and intra-urban mobility in developed and developing economies

A continued good balance of revenue from across the globe demonstrated by the expansion into Australia



Well balanced revenue across our operating segments with strong performance from E&E and Rail, complemented by recent acquisitions

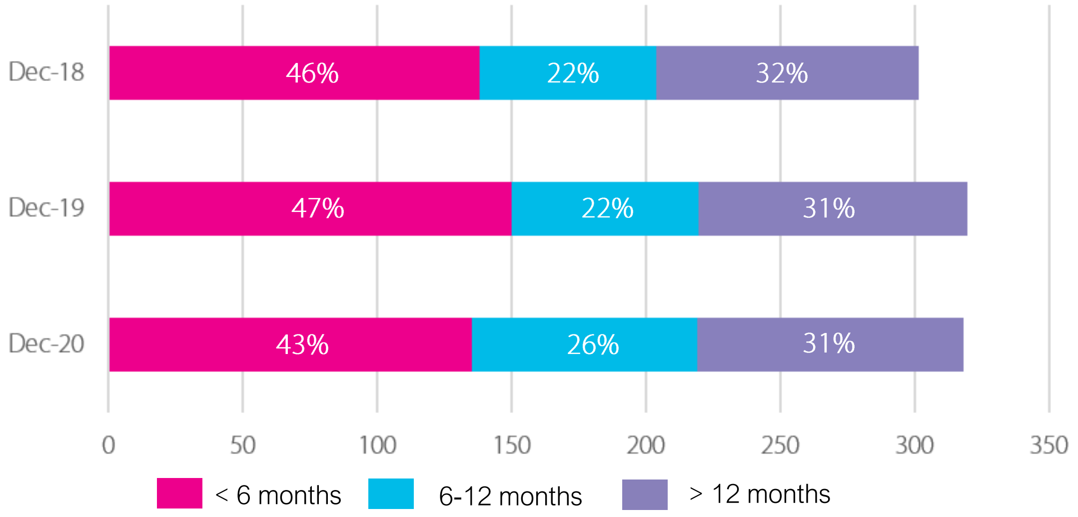


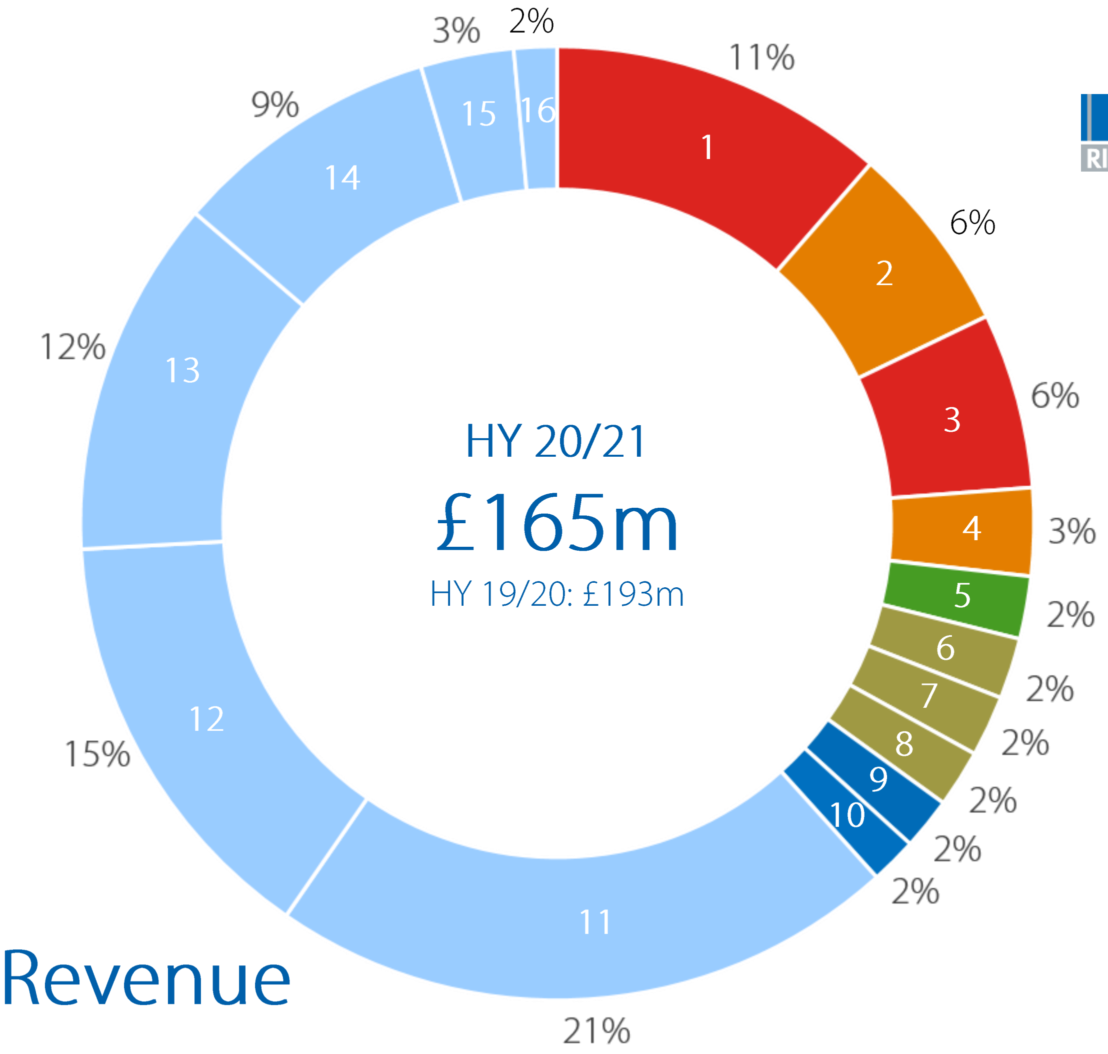
Revenue

Diverse customer mix, with a good level of multi-year business.

Our top 5 customers are spread across Performance Products, Rail and Energy & Environment

Order Book Profile





Revenue

1. Key client 1
2. Key client 2
3. Key client 3
4. Key client 4
5. Key client 5
6. Key client 6
7. Key client 7
8. Key client 8
9. Key client 9
10. Key client 10
11. Other UK clients
12. Other Asia clients
13. Other North America clients
14. Other Europe clients
15. Rest of the World clients
16. Other Australia clients

Agenda

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Operating Segments

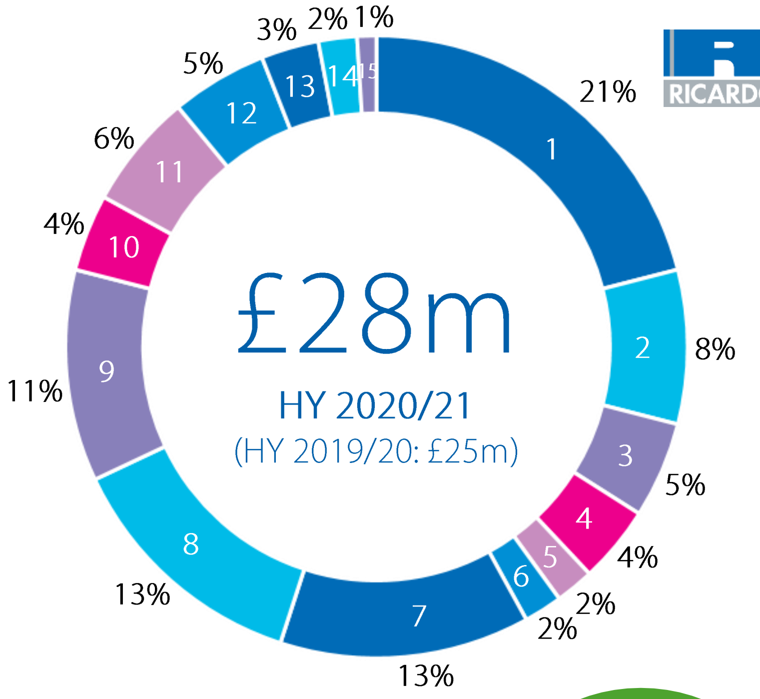
Energy & Environment

- Continued good performance delivering an increase in revenue and underlying operating profit compared to the prior period
- European Commission "Green Deal" is a strong ongoing market driver for policy work
- Water team are seeing continued growth in orders following commencement of the new Asset Management Planning cycle in the UK
- In the UK, the recently announced Government Ten Point Plan for a Green Industrial Revolution will open up opportunities across the whole Net Zero agenda
- Order book for HY 2020/21 shows solid increase on prior year

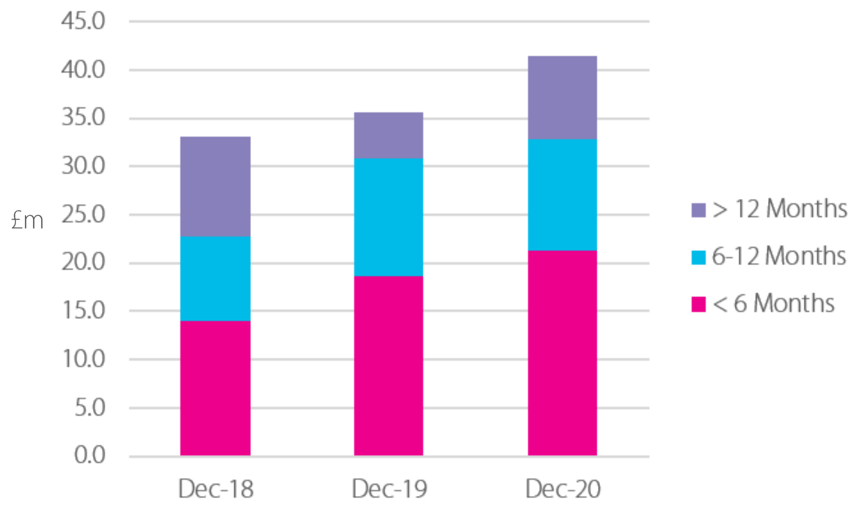
£m	H1 20/21	H2 19/20	H1 19/20
Revenue	26.6	27.2	23.6
Underlying operating profit	3.8	3.3	3.0
Underlying operating profit margin	14.3%	12.1%	12.7%

Order Intake

1-6. Top 6 clients
7. UK Chemical Risk
8. Other UK clients
9. Other UK Government clients
10. Other UK Water clients
11. Other Australia clients
12. Other Europe clients
13. Rest of the World clients
14. Other North America clients
15. Other Asia clients



Order Book Profile



Over 840 live projects; 625 people

Case study

Policy options to boost production and uptake of sustainable aviation fuels in Europe

The EU's aviation sector is currently fully dependent on fossil-based jet fuel - a situation incompatible with achieving climate neutrality by 2050.

Ricardo is supporting the European Commission to develop a policy framework to increase the production capacity of economically competitive low-carbon sustainable aviation fuels.

This work includes developing possible policy options and analysing their environmental, economic and social impacts, covering the period to 2050.

Case study

Delivering a Net Zero strategy for the UK water sector by 2030

The UK water sector currently uses energy to collect, purify, supply and process water. With a net zero target the aspiration for the industry, innovation in service delivery and water treatment was required.

Ricardo has worked with the UK water sector, to provide a baseline footprint, as well as identifying a range of mitigation options, and production of an offsetting strategy to achieve net zero.

This contributes towards the UK Government 2050 greenhouse gas targets, and has resulted in an agreed, costed and scheduled roadmap to decarbonisation.

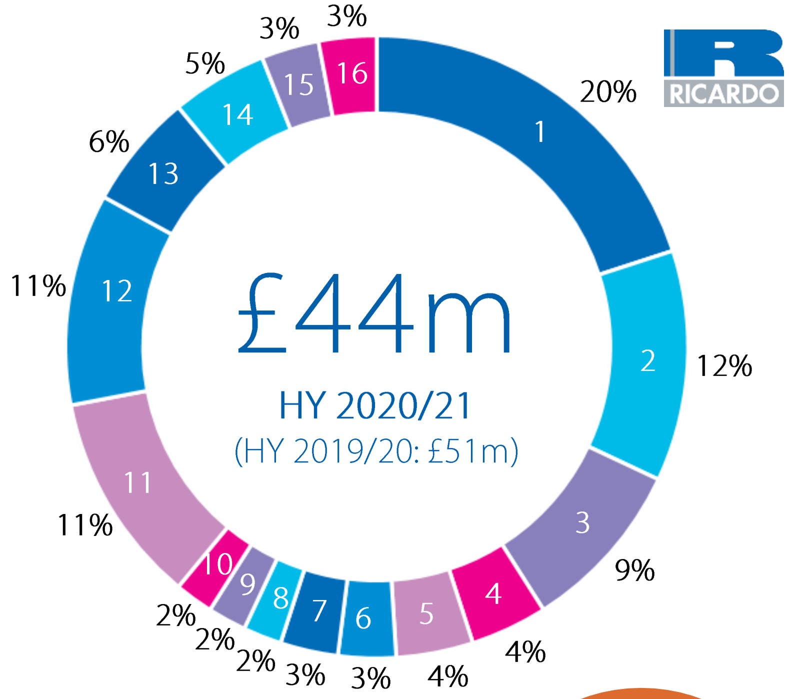
Rail

- Resilient performance with growth in operating profit and margin reflecting strong performance in Australia and Asia
- Strong growth in Australia aided by the award of the shadow operator role for Sydney Metro West
- Transport for New South Wales continue to rely heavily upon the Australia team to drive their major new-build rolling stock procurement programmes
- Sizeable orderbook growth across the Asia region for system assurance and certification work
- Ricardo Certification selected by Siemens Mobility to provide compliance assessments for 30 new high-speed intercity express trains for Germany's national operator, Deutsche Bahn

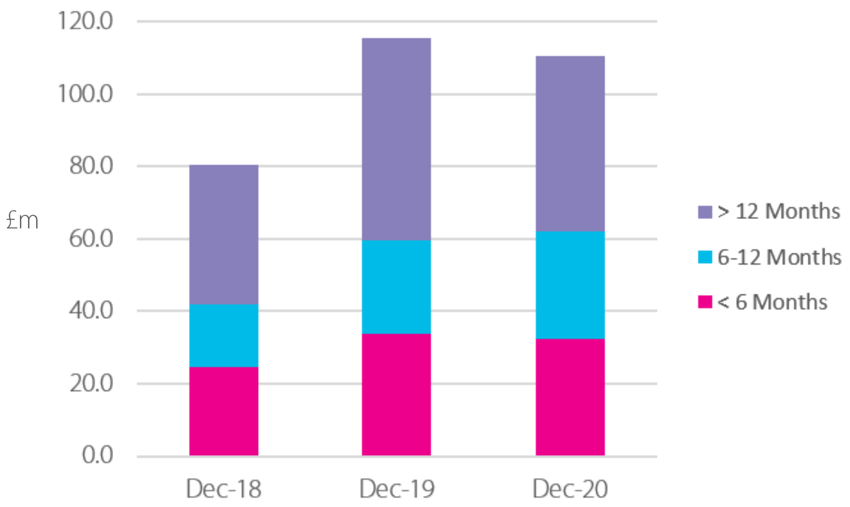
£m	H1 20/21	H2 19/20	H1 19/20
Revenue	38.5	36.4	38.9
Underlying operating profit	3.5	3.1	2.7
Underlying operating profit margin	9.1%	8.5%	6.9%

Order Intake

1-10. Top 10 clients
11. Other Asia clients
12. Other Europe clients
13. Other UK clients
14. Rest of the World clients
15. Other Australia clients
16. Other North America clients



Order Book Profile



Over 1,050 live projects; 617 people

Case study

HydroFLEX
Safety Assessment and Certification

HydroFlex is a collaboration between Porterbrook and the University of Birmingham to develop a Hydrogen train prototype using a converted Class 319 vehicle. Ricardo was asked to develop the vehicle safety case, including HAZID log and safety requirements for the propulsion system and vehicle integration. Separately, Ricardo Certification served as the appointed Assessment Body on the project, producing an Attestation Statement along with the Safety Assessment Report.

HydroFLEX is the UK's first hydrogen-powered train to operate on its network.

Case study

Sydney Metro
Shadow operator

Assisted by Seoul Metro, we are advising the designers and contractors of Sydney's new 25km West Line on the requirements and expectations of the line's future operator.

The eventual operator of the route will be appointed towards the end of the build stage. In the interim, Ricardo will perform a 'shadow operator' role, providing advice and technical input to ensure the project's specifications will be optimised for the day-to-day operations of a fully automated railway.

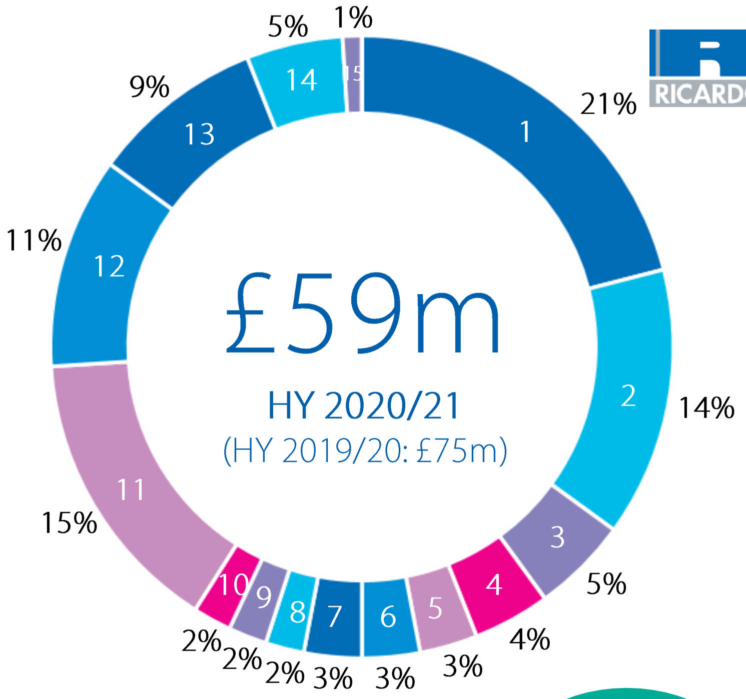
Automotive & Industrial

- Lower demand in the UK & Europe significantly impacting revenue and operational efficiency as some customers temporarily shut their operations leading to a delay in critical decisions
- Early signs of return to spend in the European market
- Order intake recovering in China
- US restructuring and increased order intake driving improved performance
- Increased interest in hydrogen fuel cell for ground transportation and aerospace

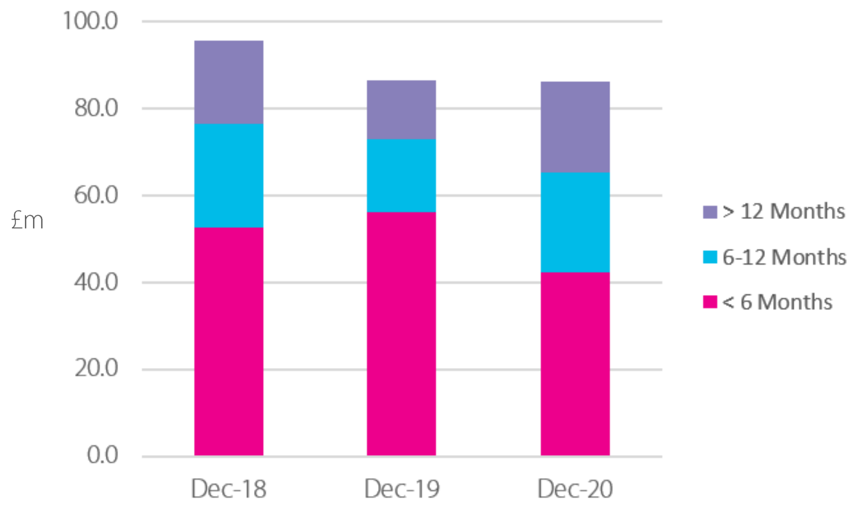
£m	H1 20/21	H2 19/20	H1 19/20
Revenue	50.1	51.3	65.9
Underlying operating profit/(loss)	(3.4)	(5.5)	6.0
Underlying operating profit/(loss) margin	(6.8)%	(10.7)%	9.1%

Order Intake

1-10. Top 10 clients
11. Other UK clients
12. Other Asia clients
13. Other North America clients
14. Other Europe clients
15. Rest of the World clients



Order Book Profile



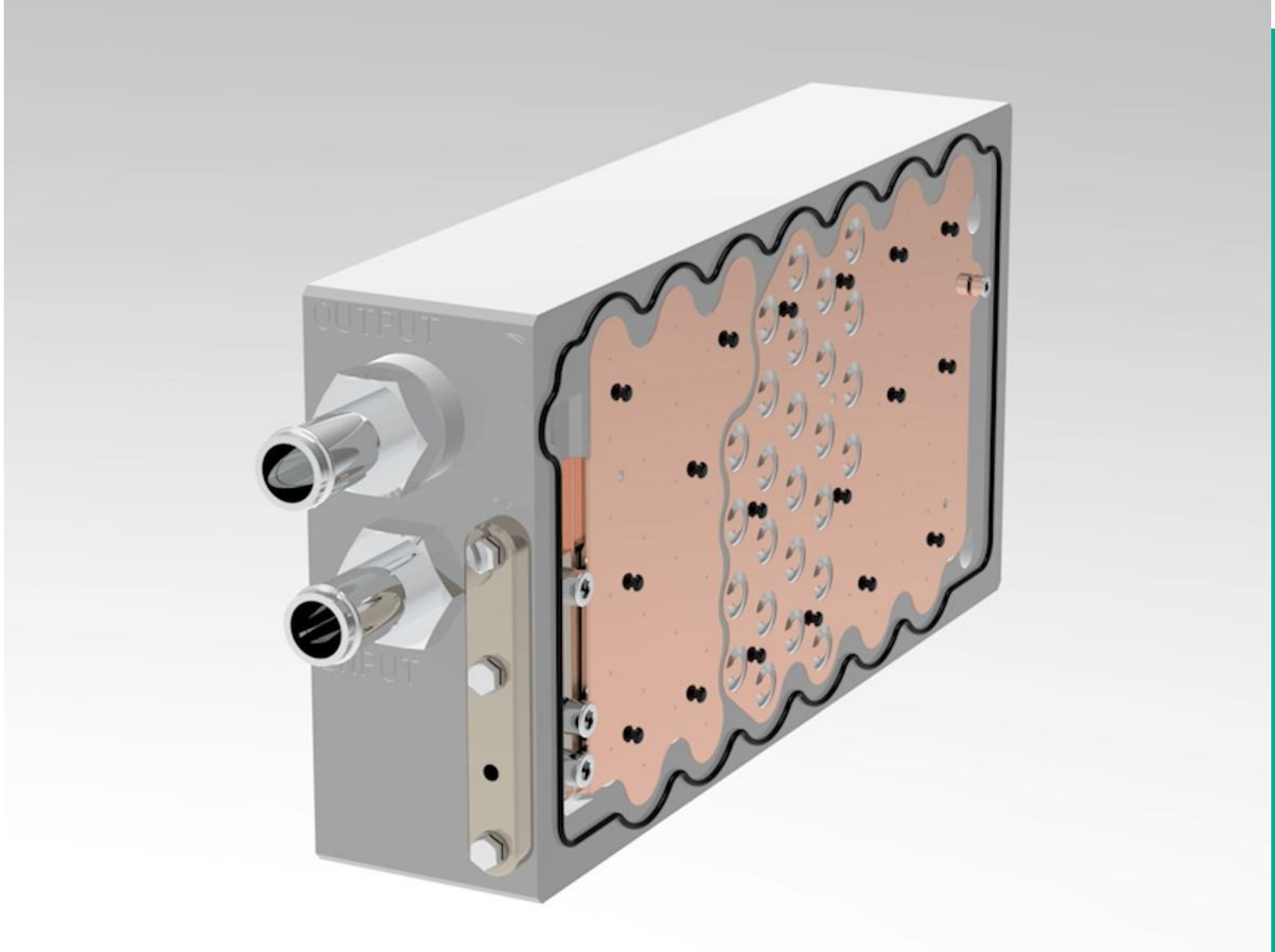
Over 470 live projects; 1,045 people

Case study

WorldAutoSteel Steel E-Motive vehicle engineering programme

WorldAutoSteel, the automotive group of the World Steel Association, has partnered with Ricardo on a new vehicle engineering programme called Steel E-Motive. The programme will demonstrate the benefits of steel for global Mobility as a Service (MaaS), characterised by fully connected and autonomous electric vehicles.

Ricardo will develop the virtual vehicle concepts using innovative ideas for steel vehicle architectures that will shape the future of sustainable mobility.



Case study

UK consortium's immersion cooling battery technology will revolutionise the electrified transport sector

Ricardo is part of a collaborative R&D consortium which has received funding from Innovate UK and the Faraday Institute to work on innovative battery cooling technology which will accelerate the adoption of electrified transport.

The game-changing technology, which won *The Engineer's* Collaborate to Innovate award 2020 for Automotive, will make electric vehicles better performing, more lightweight, safer and cheaper.

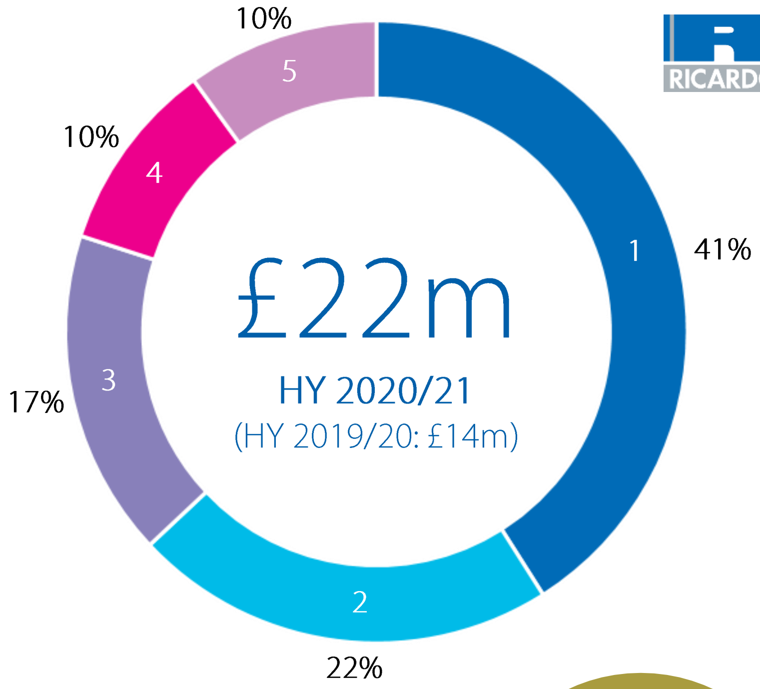
Defense

- Good order intake in both Engineering Services and ABS/ESC
- Significant multi-year contract from GM to produce and field the Army's new Infantry Squad Vehicle (ISV)
- Expanding work on Systems Engineering/Software support to US Navy
- Selected to apply unique complex systems integration capability to combine maintenance, operational, and supply chain functions
- Revenue and operating profit impacted by the timing of ABS/ESC deliveries, with lower units delivered than the prior period. This is expected to grow in the second half of FY 20/21 with the award of the ABS/ESC retrofit contract
- New US administration pushing a green agenda for Defense

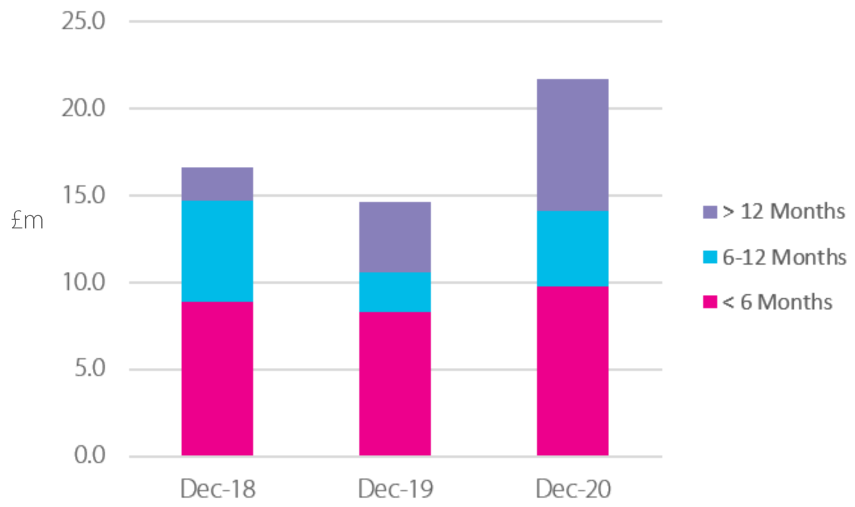
£m	H1 20/21	H2 19/20	H1 19/20
Revenue	13.9	15.2	17.6
Underlying operating profit	1.7	2.2	2.9
Underlying operating profit margin	12.2%	14.5%	16.5%

Order Intake

1-4. Top 4 clients
5. Other North America clients



Order Book Profile



Over 45 live projects; 181 people

Update on ABS programme

- **Ambulance Retrofit:** Contract awarded to Ricardo in December 2020. First US retrofit kit deliveries achieved in January & February 2021
- **Fleet Retrofit:** Army Acquisition Objective of 54,810 ABS/ESC retrofit kits over 10 years
- 3 year budget of $76m (c. 9,000 units) for the procurement of ABS/ESC retrofit kits, from March 2021 to February 2024, approved by the US Government
- Year 1 (March 2021 to February 2022):
    - Contract award anticipated in March 2021
    - c. 2,000 kits, $17m order value via two purchase orders, in March and September 2021
- Years 2 and 3 (March 2022 to February 2024):
    - Total c. 7,000 kits, $59m order value anticipated based on 3-year programme
    - Discussions on phasing underway – volumes can flex up/down depending on Army requirements each year

ABS/ESC new vehicle production programme:

- > 5,000 production kits (over $40m) shipped over the last 2 years
- > 1,500 spare parts shipped over the last 2 years
- Continuing to support new vehicle production in CY2021
- Establishing business around wear item replacement (brake pads and rotors) through 2048

The appearance of U.S. Department of Defense (DoD) visual information does not imply or constitute DoD endorsement.

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Case study

RICARDO

Reducing the carbon footprint of the Department of Defense

The Pentagon is reported as being the largest single consumer of fossil fuel in the US.

Ricardo Defense is working with the US Army to integrate energy saving technologies on to legacy platforms to modernize the fleet with an immediate positive impact on US fuel usage.

Ricardo Defense is integrating the application of a commercial advanced power generation system. When fielded, this small innovative Auxiliary Power Unit (APU) will greatly reduce main engine operational fuel consumption for legacy and next generation vehicles and satisfy the increasing demand for vehicle non-operational power.

Case study

Digital engineering to improve readiness and sustainment

Ricardo's experience within the Army and the US DoD has given us the unique ability to support the transition of commercial automotive technology into the Army inventory. We are creating an Infantry Squad Vehicle (ISV) integrated support package in step with vehicle production which will lead to a supportable and sustainable rapidly fielded ISV.

Ricardo is providing all the life cycle support products associated with vehicle sustainment, including technical manuals, new equipment training, provisioning, total package fielding and field service support.

Ricardo is applying its integrated modelling and digital engineering capabilities in parallel with vehicle development and production. This unprecedented approach will ensure the successful rapid application of a commercial vehicle for non-commercial use.

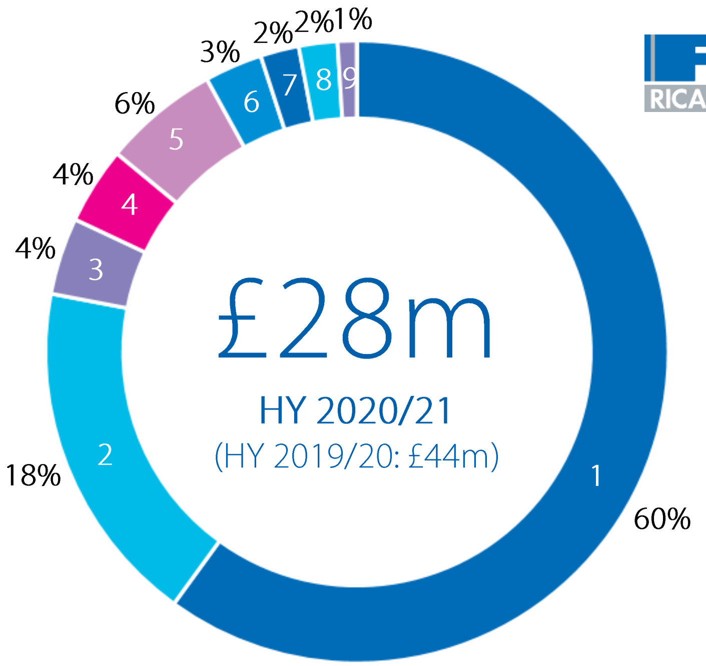
Performance Products

- McLaren deliveries in line with expectations with over 800 engines delivered in HY 2020/21
- Demand for Bugatti transmissions has continued in line with expectations
- Porsche 992 Cup transmission deliveries commenced
- Secured the next season transmission for PSA Formula E car
- PP to be Hyundai Motorsports transmission partner for R5 rally into 2021 and beyond
- Order intake in the Software business was at a similar level to the prior period
- Increase in operating profit margin due to mix and pricing of products sold

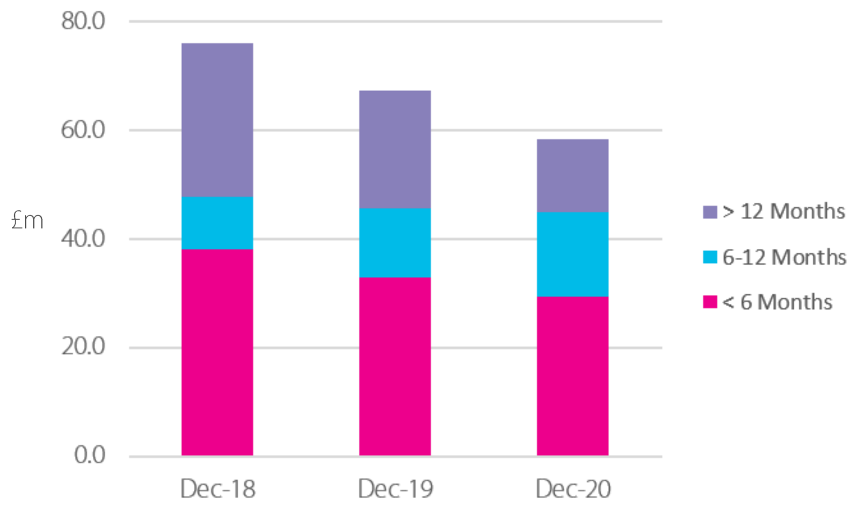
£m	H1 20/21	H2 19/20	H1 19/20
Revenue	35.6	29.0	46.9
Underlying operating profit	3.9	0.4	4.7
Underlying operating profit margin	11.0%	1.4%	10.0%

Order Intake

1-4. Top 4 clients
5. Other Asia clients
6. Other Europe clients
7. UK Defence
8. Other UK clients
9. Other North America clients



Order Book Profile



Over 20 live production projects; 399 people

Contracts outside of order book >£100m

Case study

Ceres

During 2020 Ricardo Performance Products began collaborative work with clean energy pioneers, Ceres. The Ricardo New Product Introduction team were tasked with supporting the development and optimisation of the end of line test specification for manufacturing of their Solid Oxide Fuel Cell stack.

This engagement marks a key milestone in Ricardo's continued application of its specialised manufacturing skill base to support the development of cleaner energy solutions and a strive towards a Carbon net zero impact on the planet.

Ceres image and brand ©Ceres Power 2020. Used with permission

Case study

Motorsport Transmissions

Ricardo Performance Products enviable position in the world of motorsport transmissions was strengthened further in 2020 with numerous significant client orders and outstanding success in competition including F1, Formula E, WRC, R5 and GT3.

As transmission hybridisation and full electrification continues to gather pace in motorsport, Ricardo remains at leading edge of design and development with next generation drivelines under development with clients in all top tier formula.

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for the six months ended 31 December 2020

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- Good performance in Energy & Environment and Rail, both delivering an increase in profits on HY 2019/20
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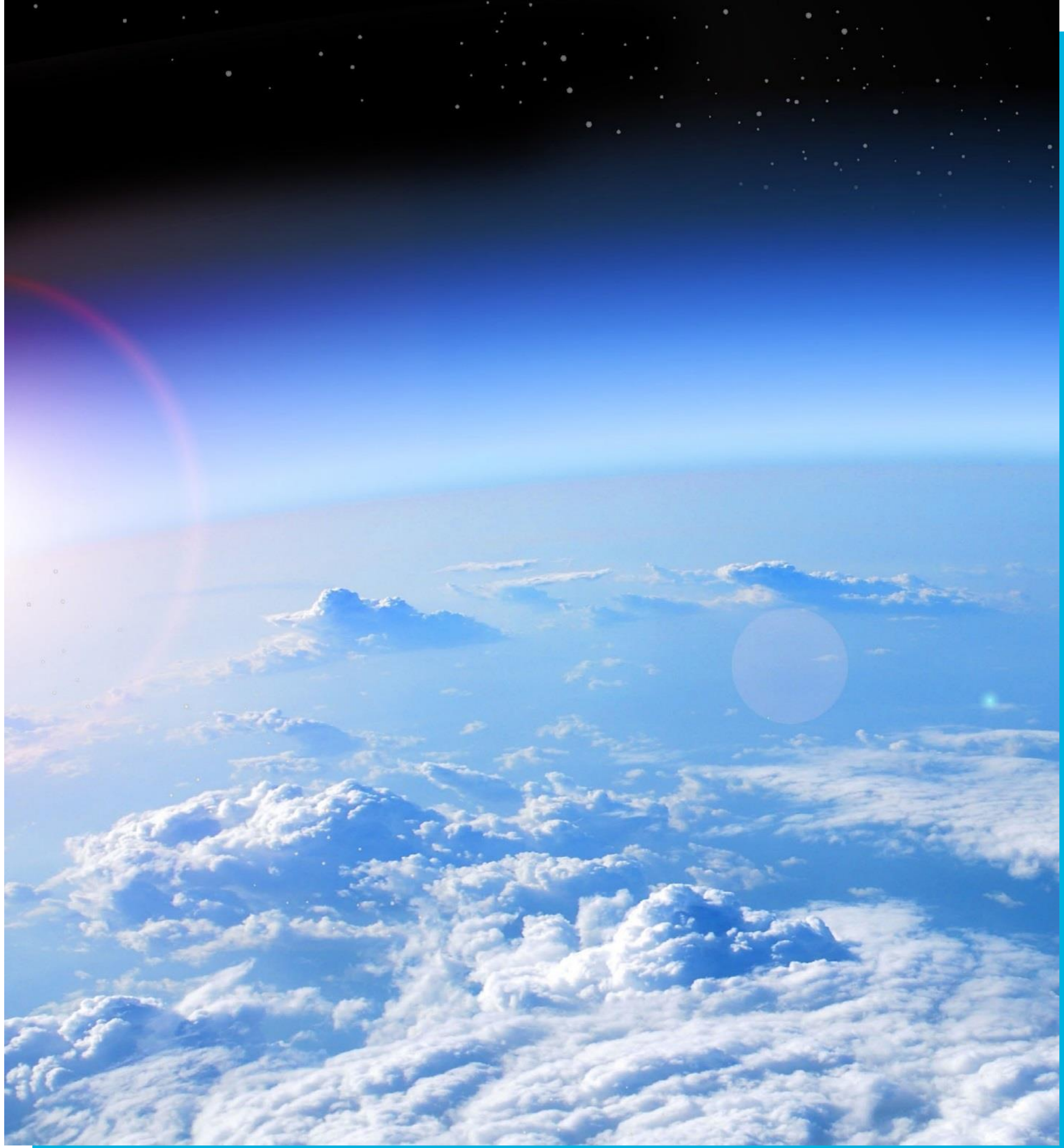
- Excluding the fund raise and adjusting items, underlying reduction in net debt of c. £3m for the period (increase in net debt of c. £5m after adjusting items)
- Interim dividend of 1.75p declared

Order intake	Order book	Underlying PBT
£181m	£318m	£5.0m
-13% vs HY 2019/20	+£4m vs June 2020	-69% vs HY 2019/20
↓ H1 2019/20: £209m ↑ H2 2019/20: £160m	↑ June 2020: £314m ↓ December 2019: £319m	↓ H1 2019/20: £16.0m ↑ H2 2019/20: (£0.4m)

"Whilst the economic outlook continues to remain uncertain, we have a robust order book, good pipeline of opportunities and our diversified business platform offers leading edge capabilities to support the global environmental agenda. We remain cautiously optimistic about the economic recovery and for further progress of the business as we deliver on our strategy"



Creating a world
fit for the future

RICARDO

Appendix

Income statement – Underlying and total Group

Six months ended 31 December

£m	2020 Underlying	2020 Specific adjusting items[1]	2020 Total	2019 Underlying	2019 Specific adjusting items[1]	2019 Total	Period on period growth Underlying	Period on period growth Total
Revenue	164.7	-	164.7	192.9	-	192.9	(15)%	(15)%
Gross profit	54.5	-	54.5	66.3	-	66.3	(18)%	(18)%
Administration costs	(47.1)	(7.1)	(54.2)	(48.3)	(7.7)	(56.0)	(2)%	(3)%
Operating profit	7.4	(7.1)	0.3	18.0	(7.7)	10.3	(59)%	(97)%
Net finance costs	(2.4)	-	(2.4)	(2.0)	-	(2.0)	20%	20%
Profit/(loss) before tax	5.0	(7.1)	(2.1)	16.0	(7.7)	8.3	(69)%	(125)%
Taxation charge	(1.2)	1.8	0.6	(3.6)	1.7	(1.9)	(67)%	(132)%
Profit/(loss) for the period	3.8	(5.3)	(1.5)	12.4	(6.0)	6.4	(69)%	(123)%

(1) Specific adjusting items comprise amortisation of acquired intangible assets, acquisition-related expenditure, reorganisation costs and non-recurring items.

Specific adjusting items

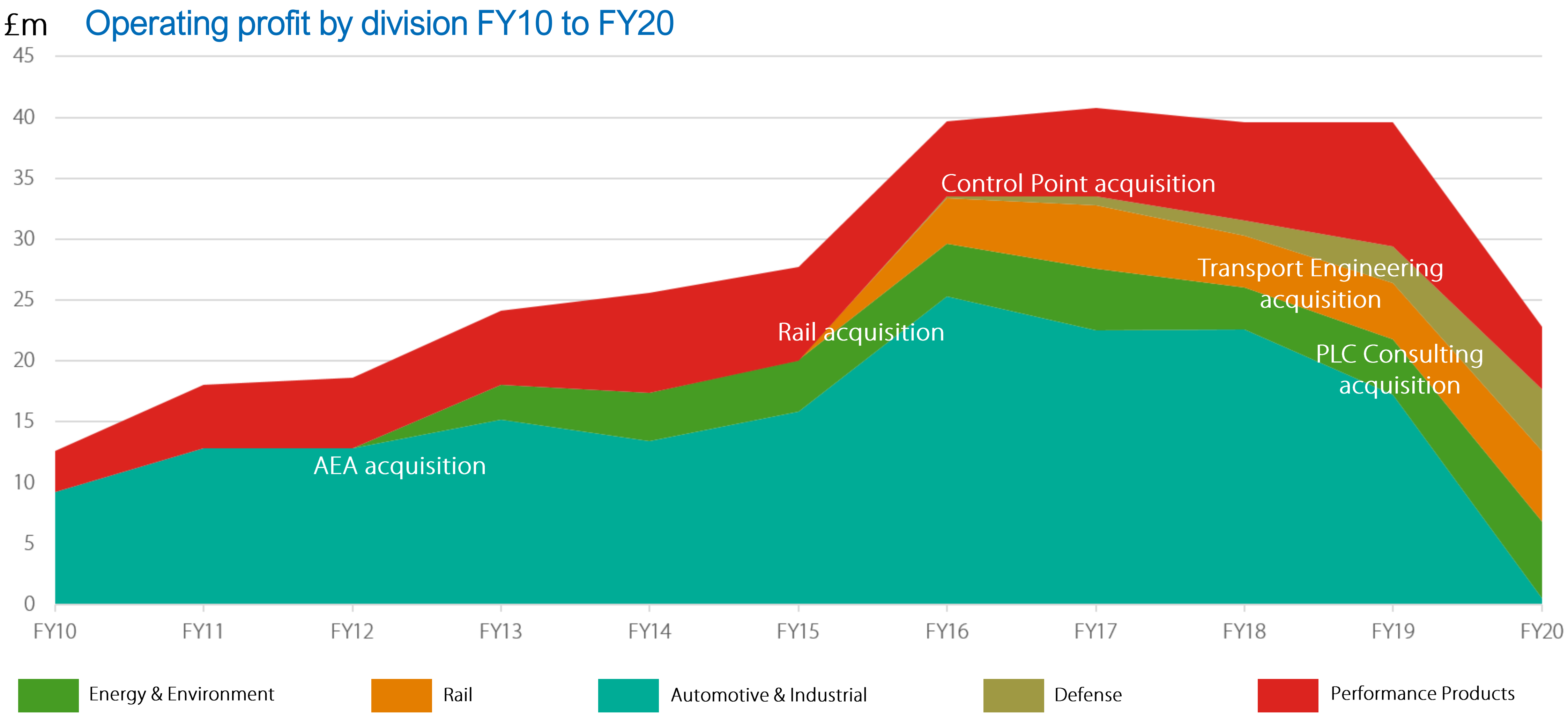
	Six months ended 31 December	
£m	2020	2019
Amortisation of acquisition-related intangible assets	2.8	3.0
Acquisition-related expenditure	1.1	1.0
Reorganisation costs – Asset purchases and disposal	1.6	2.5
Other reorganisation costs	1.5	1.2
Guaranteed minimum pensions ('GMPs') equalisation	0.1	-
Total before tax	7.1	7.7
Tax credit on specific adjusting items	(1.8)	(1.7)
Total after tax	5.3	6.0

Balance sheet summary

£m	31 December 2020	31 December 2019	30 June 2020
Tangible non-current assets	44.7	44.9	45.4
Intangible non-current assets	123.3	124.2	127.7
Right of use assets	22.2	27.0	23.9
Inventories, trade and other receivables	138.9	147.3	138.9
Assets held for sale	3.3	11.0	5.3
Net debt	(50.4)	(73.8)	(73.4)
Trade and other payables	(75.6)	(80.2)	(75.6)
Lease liabilities	(27.3)	(29.8)	(29.3)
Pension deficit	(2.7)	(5.5)	(6.7)
Other [1]	0.1	(2.5)	(7.1)
Net assets	176.5	162.6	149.1

(1) Other includes provisions, deferred and current tax and derivative financial assets and liabilities.

Strategic Objectives: Creating resilience in the business

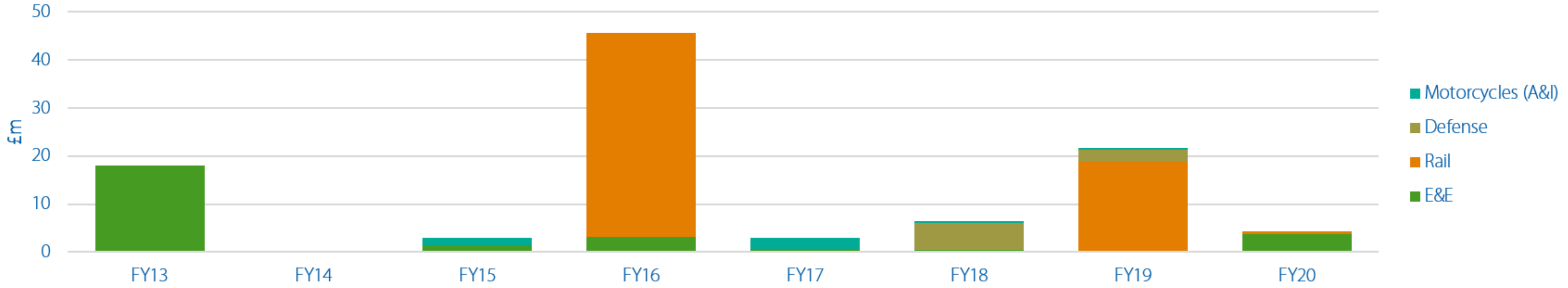


We have been building our business for the future to support the global environmental agenda across industries

Acquisition	Segment	Acquired	FY13-FY20 Investment (1) (£m)
AEA	Energy & Environment	8th Nov 2012	18.0
Vepro	Motorcycles - Automotive & Industrial	8th Oct 2014	2.1
PPA	Energy & Environment	13th Nov 2014	1.9
LR Rail	Rail	1st Jul 2015	42.5
Cascade	Energy & Environment	18th Aug 2015	3.7
Exnovo	Motorcycles - Automotive & Industrial	29th Jul 2016	2.5
Control Point	Defense	8th Sep 2017	8.1
Transport Engineering	Rail	31st May 2019	19.3 (2)
PLC Consulting	Energy & Environment	31st Jul 2019	3.8 (2)
			101.9

(1) Investment includes both acquisition cash consideration and earn out cash costs.
(2) Excludes c. £8m related to Transport Engineering and £1.2m related to PLC Consulting of future earn out and retention payments, contingent on performance.

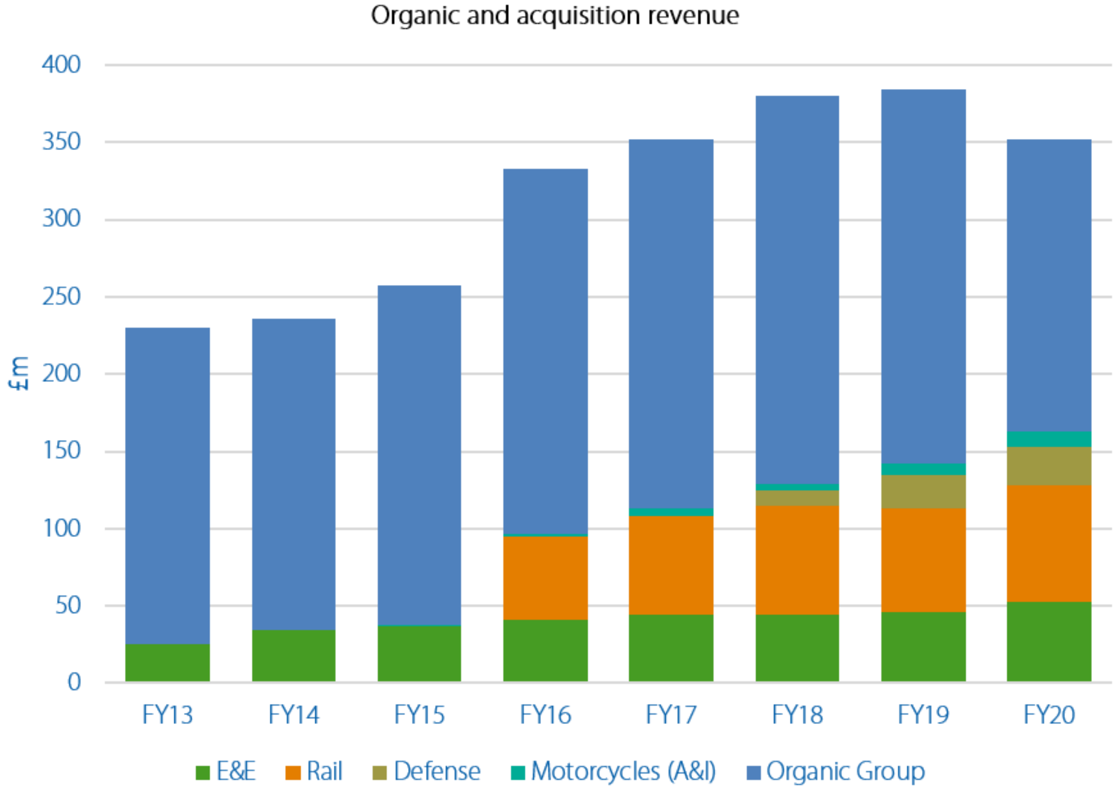
FY13 - FY20 acquisition investment spend

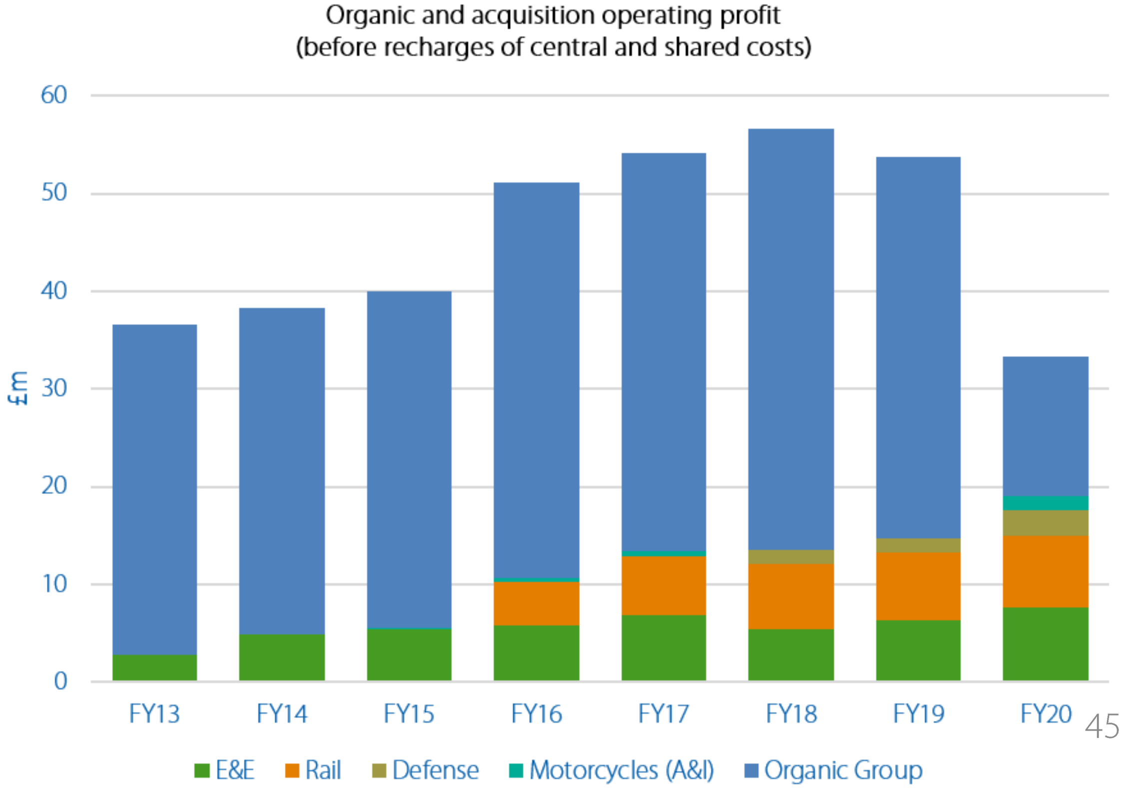


We have protected profitability through diversification

Acquisitions (£m)	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
Investment	18.0	0.0	3.0	45.6	3.0	6.4	21.7	4.3	101.9
Revenue	25	34	38	97	113	129	142	163	741
Operating profit (1)	2.8	4.8	5.6	10.6	13.4	11.2	14.7	19.1	82.2
Annual profit return on life to date investment	15.6%	26.7%	26.7%	15.9%	19.3%	14.7%	15.0%	18.7%	

(1) Operating profit is before recharges of central and shared costs.





Our mission contributes to 8 of the 17 UN sustainable development goals and are well aligned with developing ESG aspirations

SUSTAINABLE DEVELOPMENT GOALS

Vision:
To create a world fit for the future

Mission:
We deliver innovative cross-sector sustainable solutions that help our customers to create a cleaner and safer future

- Eliminate road traffic deaths
- Reduce air pollution
- Inadequate & unsafe drinking water

- Increased use of renewables
- x2 improvement in energy efficiency
- Facilitate access to clean energy R&D
- Promote clean energy infrastructure

- Sustainable use of natural resources
- Reduction and management of waste
- Integrate sustainability into business practices
- Tools to monitor consumption

- Sustainable water resource management
- Protect and restore water ecosystems

- Access to safe water
- Improved water quality
- Used efficiently and sustainably
- Integrated water resources
- Protect and restore water ecosystems

- Sustainable transport systems
- Sustainable urbanisation
- Improved urban air quality

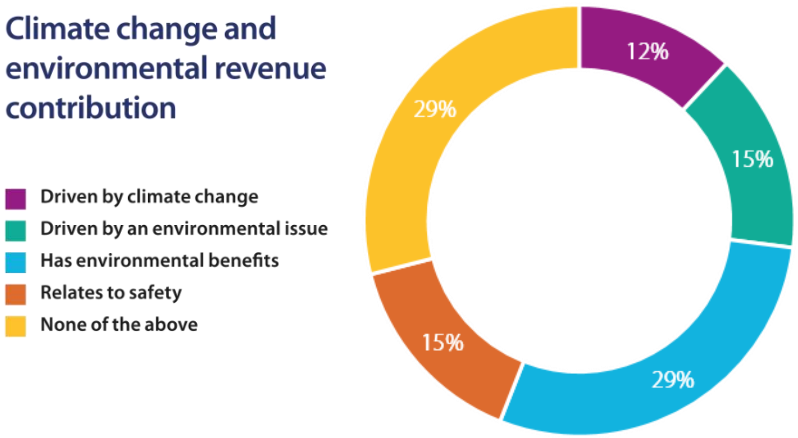
- Strengthen resilience to climate hazards
- Support implementation of government environmental commitments

- Restoration and sustainable use of terrestrial ecosystems
- Sustainable agriculture

Environmental Social Governance (ESG)

- We are on track with our Net Zero commitments:
  - Committed to Science Based Target initiative (SBTi)
  - Intermediate target of 90% renewable electricity set for 2025 (currently 85% up from 74% in FY 2019/20)
  - Some property downsizing delivered, more in hand as opportunities become available
  - Most client contact is "digital first" with minimal air travel during the pandemic (this will increase post-vaccine)
  - Site energy efficiency projects scoped
- Improved scoring from external ESG ratings organisations
- ESG is now a key section of our Report and Accounts and increased disclosures planned for June 2021

Climate change and environmental revenue contribution



- Over 25% of our revenue is strongly driven by climate change or the environment
- Over 55% of our revenue is driven by climate change or the environment by some degree

COVID-19

- Across the Ricardo Group, we have continued to work hard to minimise the disruption caused by COVID-19, whilst acting responsibly to do what we can to prevent the further spread of the virus
- Our digital-first strategy has provided us with the flexibility to work remotely and has enabled us to deliver innovations such as virtual certification, remote audits and inspections
- Together with the use of virtual conferencing tools, we have been able to use this approach to continue our business processes largely unimpeded
- The most recent lockdowns around Europe have made little difference in our ability to operate and we have built on the experience of the original lockdowns in the Spring of 2020
- The guiding perspective of 'Healthy People, Healthy Business' remains the business as usual focus for Ricardo

Brexit

- Our Brexit preparation ensured we had robust plans in place to enable us to contract and operate without customer risk
- Our technical and commercial bases in many cities within the EU give us the necessary trading flexibility, and we are already contracting from these locations for engineering, consulting and certification projects
- Key division impacted is Performance Products and we have been exporting and importing goods since 1 January 2021 without major disruption
- The experience to date has been a significant increase in paperwork and increased vigilance at borders, resulting in some delays but goods continue to flow
- Our preparation included an increase in stock to cater for such delays and training staff in new customs procedures

Order intake relating to electric or hybrid vehicles is £15m