

An aerial photograph of a large solar farm. The solar panels are arranged in neat, parallel rows, stretching across a green field. A dirt road or path runs through the panels, and a small white structure is visible in the middle. The surrounding area is lush with green trees and vegetation.

PRELIM RESULTS FY23/24

Presentation

September 2024

Disclaimer statement

This presentation contains certain statements that are forward-looking. 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.

The Company and its Directors accept no liability to third parties.

AGENDA

OPENING REMARKS

Graham Ritchie, CEO

FINANCIAL RESULTS

Judith Cottrell, CFO

STRATEGIC REVIEW

Graham Ritchie, CEO

CLOSING REMARKS

Graham Ritchie, CEO

DELIVERING OUR COMMITMENTS WITH STRONG H2 PERFORMANCE

Building a consistent track record in line with our 5-year strategic targets

Strong profit recovery in H2 with Automotive & Industrial returning to profit

Rigorous focus on working capital delivers 96% increase in underlying cash from operations

Accelerated our operating model transformation and fully centralised our enabling functions

Continued variability of order timing in some end markets

Record order book for delivery within the next 12 months provides confidence in FY24/25

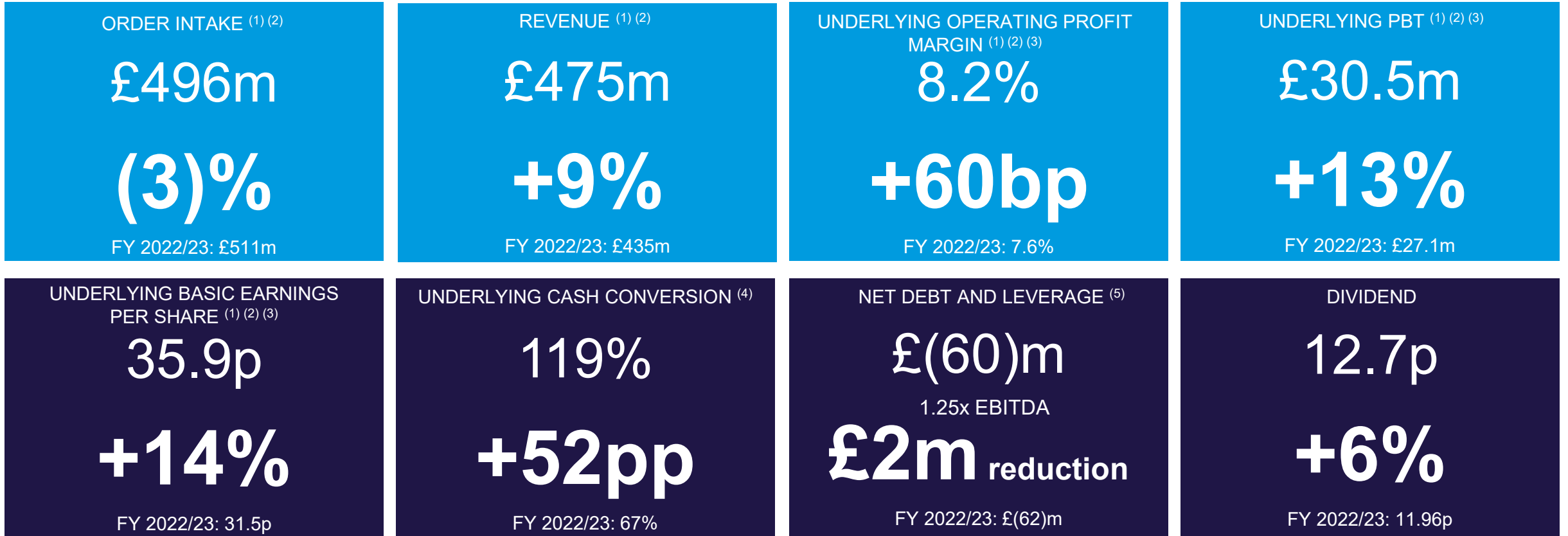


FINANCIAL RESULTS

Judith Cottrell

GOOD GROWTH AND STRONG CASH PERFORMANCE

Improved operating margins



1. Figures presented on a Continuing Operations basis.
2. The prior period results have been restated at current period FX rates.
3. Excluding specific adjusting items, which comprise amortisation of acquired intangible assets, acquisition & strategic project related expenditure, earn-outs, reorganisation costs, asset impairment, sale & leaseback and ERP costs.
4. Cash from operations, adjusted for the cash impact of specific adjusting items, divided by EBITDA. The prior year has been restated following a recommendation from the FRC to reclassify cash flow hedges of £(4.2)m to fair value on derivatives and unrealised FX.
5. Net debt excludes the impact of IFRS 16 and restricted cash balances.

STRONG REVENUE GROWTH AND IMPROVING OPERATING PROFIT MARGIN

Overall profit before tax for the period increased by 13% to £30.5m

	Year ended 30 June		Year-on-year movement
£m	2024 Underlying ⁽¹⁾	2023 Underlying ^{(1) (2)}	% change ⁽²⁾
Revenue	474.7	435.1	9%
Gross profit	134.6	124.0	9%
<i>Gross profit margin</i>	28.4%	28.5%	(10)bp
Indirect costs	(95.8)	(90.8)	6%
<i>Indirect costs % of revenue</i>	(20.2)%	(20.9)%	70bp
Operating profit	38.8	33.2	17%
<i>Operating profit margin</i>	8.2%	7.6%	60bp
Net finance costs	(8.3)	(6.1)	36%
Profit before tax	30.5	27.1	13%
Taxation charge	(8.1)	(7.3)	11%
Profit for the period	22.4	19.8	13%

1. Excluding specific adjusting items, which comprise amortisation of acquired intangible assets, acquisition & strategic project related expenditure, earn-outs, reorganisation costs, asset impairment, sale & leaseback and ERP costs. A full income statement, including specific adjusting items, is included in the Appendix.

2. The prior period results have been restated at current period FX rates.

ENVIRONMENTAL & ENERGY TRANSITION PORTFOLIO FINANCIAL RESULTS

Growth and margin impacted by Emerging A&I order delays

Year ended 30 June 2024

£m	Order intake			Revenue			Underlying operating profit ⁽¹⁾			Underlying operating profit margin ⁽¹⁾		
	2024	2023 at constant currency ⁽²⁾	% change constant currency ⁽²⁾	2024	2023 at constant currency ⁽²⁾	% change constant currency ⁽²⁾	2024	2023 at constant currency ⁽²⁾	% change constant currency ⁽²⁾	2024	2023 at constant currency ⁽²⁾	% change constant currency ⁽²⁾
Energy & Environment (EE)	116.9	110.1	6%	103.3	87.4	18%	17.6	15.8	11%	17.0%	18.1%	(110)bp
Rail	95.1	86.0	11%	77.4	70.8	9%	8.9	7.8	14%	11.5%	11.0%	50bp
Emerging Automotive & Industrial (A&I)	52.4	83.0	(37)%	58.6	80.4	(27)%	3.4	10.6	(68)%	5.8%	13.2%	(740)bp
Total	264.4	279.1	(5)%	239.3	238.6	-%	29.9	34.2	(13)%	12.5%	14.3%	(180)bp

1.Excluding specific adjusting items, which comprise amortisation of acquired intangible assets, acquisition & strategic project related expenditure, earn-outs, reorganisation costs, asset impairment, sale & leaseback and ERP costs.

2.The prior period results have been restated at current period FX rates.

ESTABLISHED MOBILITY PORTFOLIO FINANCIAL RESULTS

Revenue and profit growth underpinned by Defense

Year ended 30 June

£m	Order intake			Revenue			Underlying operating profit ⁽¹⁾			Underlying operating profit margin ⁽¹⁾		
	2024	2023 at constant currency ⁽²⁾	% change constant currency ⁽²⁾	2024	2023 at constant currency ⁽²⁾	% change constant currency ⁽²⁾	2024	2023 at constant currency ⁽²⁾	% change constant currency ⁽²⁾	2024	2023 at constant currency ⁽²⁾	% change constant currency ⁽²⁾
Defense	125.4	81.3	54%	123.4	84.8	46%	23.5	12.9	82%	19.0%	15.2%	380bp
Performance Products (PP)	77.1	115.3	(33)%	83.4	84.7	(2)%	6.7	9.0	(26)%	8.0%	10.6%	(260)bp
Established Automotive & Industrial (A&I)	29.2	35.6	(18)%	28.6	27.0	6%	(3.3)	(5.7)	42%	(11.5)%	(21.1)%	960bp
Total	231.7	232.2	-%	235.4	196.5	20%	26.9	16.2	66%	11.4%	8.2%	320bp
Total Group	496.1	511.3	(3)%	474.7	435.1	9%	38.8	33.2	17%	8.2%	7.6%	60bp

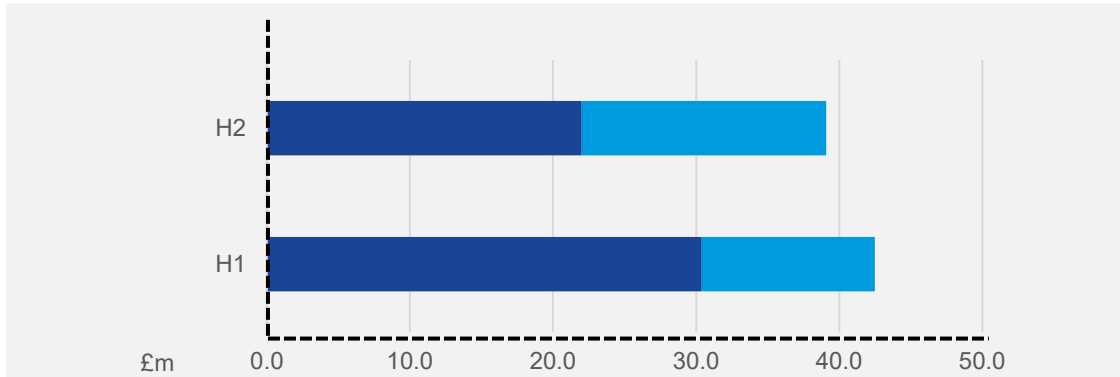
1.Excluding specific adjusting items, which comprise amortisation of acquired intangible assets, acquisition & strategic project related expenditure, earn-outs, reorganisation costs, asset impairment, sale & leaseback and ERP costs.

2.The prior period results have been restated at current period FX rates.

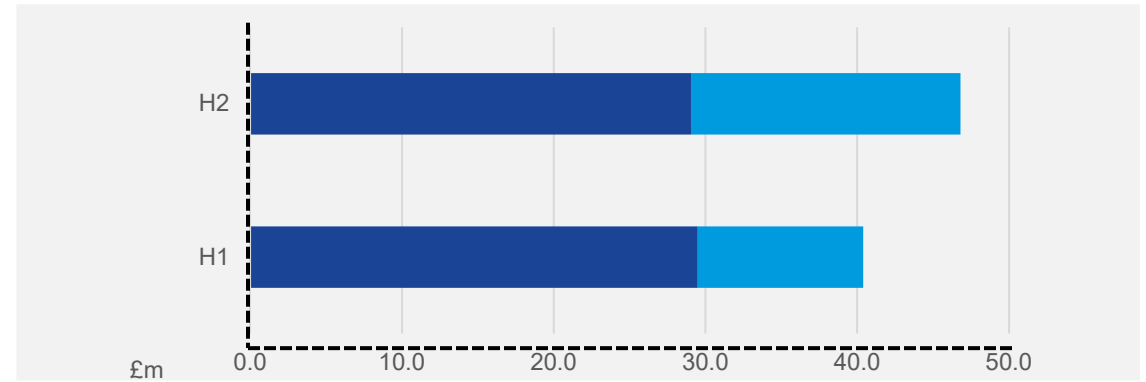
A&I H2 RECOVERY

Revenue growth, lower costs and improved profit in H2

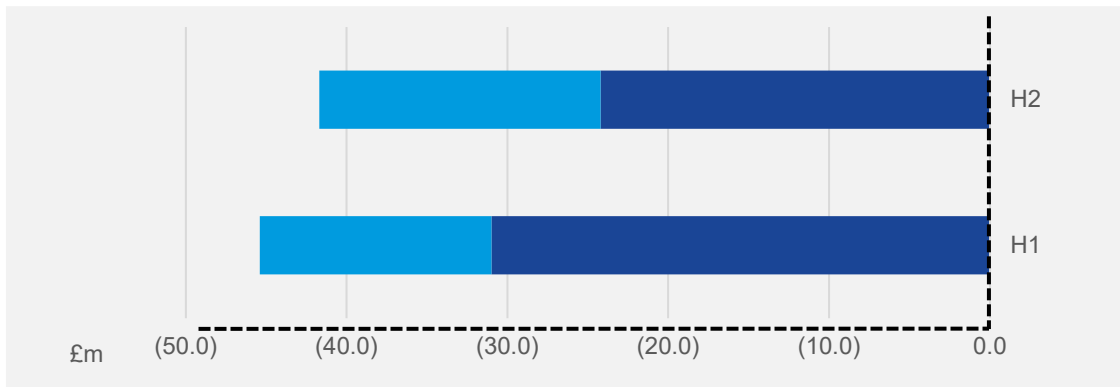
Order intake



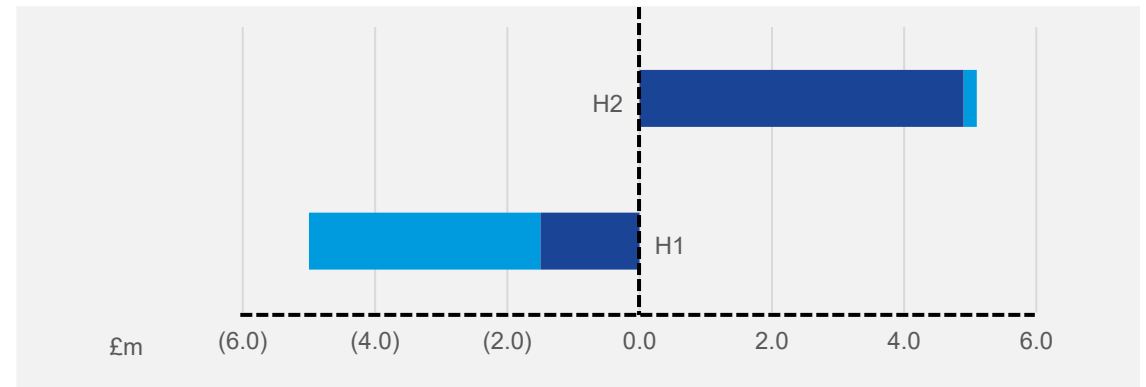
Revenue



Costs



Operating profit/(loss)



■ A&I Emerging ■ A&I Established

SPECIFIC ADJUSTING ITEMS

Aligned to our portfolio and operating model transformation

- Specific adjusting items aligned to portfolio transition and operating model transformation
- Earn-out costs relate to the recent acquisitions of E3M, Aither and Inside Infrastructure
- Reorganisation costs incurred from accelerating the Group's operating model transformation - funded by improved cash generation and sale and leaseback

£m	Year ended 30 June			
	Income statement		Cash flow	
	2024	2023	2024	2023
Continuing operations				
Amortisation of acquisition-related intangible assets	(4.8)	(4.6)	-	-
Acquisition and strategic project related expenditure	(3.0)	(1.6)	(1.1)	(1.6)
Earn-out and deferred consideration	(9.2)	(4.6)	(14.3)	-
Reorganisation costs:				
Acceleration of operating model transformation	(7.2)	-	(5.4)	-
Other reorganisation costs	(1.2)	(6.4)	(1.0)	(8.4)
Impairment of non-financial assets	-	(18.7)	-	-
Sale and leaseback	(0.3)	-	3.2	-
ERP system implementation costs	(0.5)	-	(0.5)	-
Total from continuing operations before tax	(26.2)	(35.9)	(19.1)	(10.0)

EXCELLENT CASH GENERATION

Rigorous focus on working capital drives cash conversion of 119%

£m	Year ended 30 June		
	2024	2023 ⁽²⁾	% change
EBITDA	53.3	48.6	10%
Share based payments, Fair value on derivatives, Unrealised FX, Disposal of PPE	2.1	(1.6)	231%
Working capital decrease/(increase)	8.8	(12.8)	169%
Pension charge and funding	(0.8)	(1.8)	(56)%
Underlying cash from operations	63.4	32.4	96%
Underlying cash conversion %	119%	67%	52pp
Net interest paid	(8.6)	(7.5)	15%
Income tax paid	(6.5)	(4.6)	41%
Capital expenditure	(11.3)	(10.6)	7%
Principal element of lease payments	(5.4)	(5.1)	6%
Dividends	(7.7)	(6.7)	15%
Purchase of own shares, FX, Financing fees	(1.0)	(2.0)	(50)%
Movement in net debt before acquisition & restructuring related costs	22.9	(4.1)	659%
Proceeds from sale of discontinued operation, net of fees	-	11.9	(100)%
Acquisition and earn-out related costs	(15.4)	(26.1)	(41)%
Reorganisation and ERP related costs	(6.9)	(8.4)	(18)%
Sale and leaseback	3.2	-	n/a
Adjustment for restricted cash	(1.3)	-	n/a
Movement in net debt ⁽¹⁾	2.5	(26.7)	109%
Opening net debt	(62.1)	(35.4)	
Closing net debt	(59.6)	(62.1)	

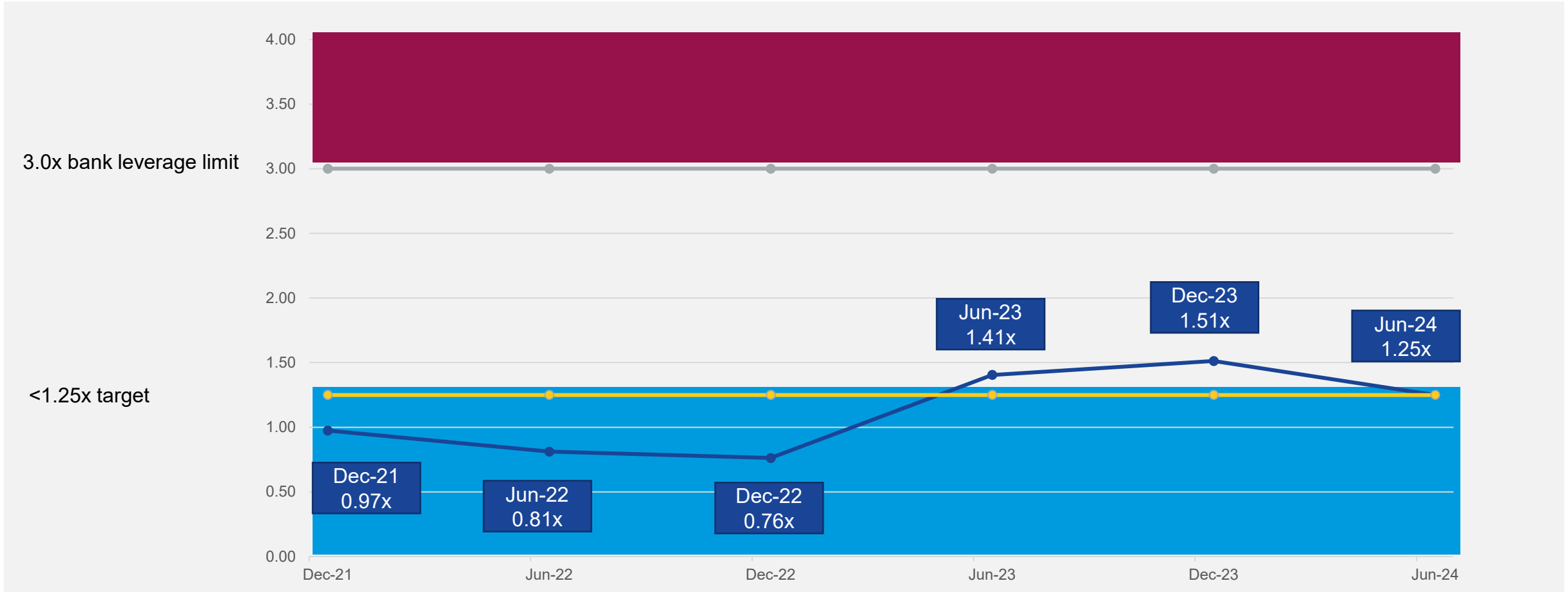
1. Cash outflow net of movement in borrowings, excluding restricted cash.

2. The prior year has been restated following a recommendation from the FRC to reclassify cash flow hedges of £(4.2)m to fair value on derivatives and unrealised FX.

At 30 June 2024:
 £47m RCF undrawn
 £43m cash

LEVERAGE ON TARGET WITH GOOD HEADROOM

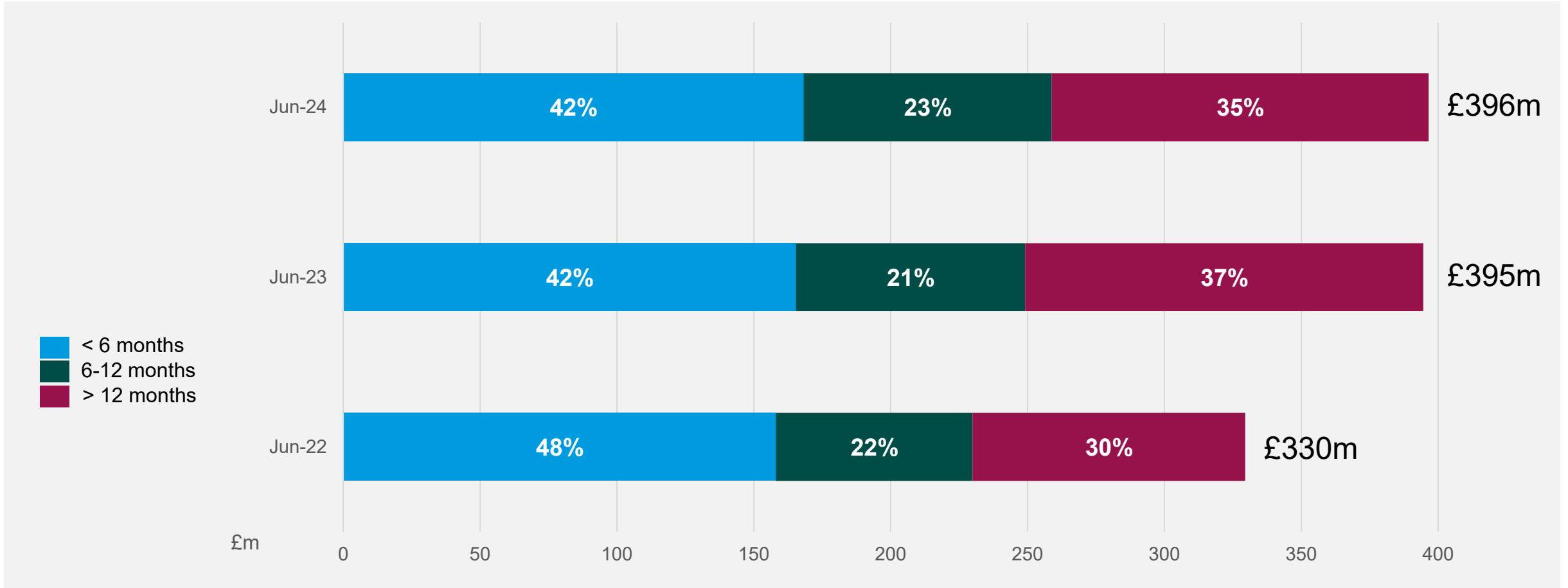
Reduced net debt and good profit performance supports leverage reduction to target thresholds



Net debt excludes the impact of IFRS 16.

ORDER BOOK IN LINE WITH PRIOR YEAR

Record 12-month order book giving confidence in the year ahead



The order book for prior periods has been restated at current period FX rates.

FINANCIAL OUTLOOK

Organic growth complemented by disciplined M&A

Robust order book of £396m and good pipeline visibility gives confidence in FY24/25 revenue

Underlying operating profit increased £5.6m ⁽¹⁾ in FY23/24 and margin improvement - on track for doubling underlying operating profit in the five years to FY26/27

Continued and rigorous focus on working capital means leverage on target in FY23/24

Debt to increase due to investment in property and equipment in FY24/25 and FY25/26 for upcoming PP programmes to deliver growth in FY27/28

Focus remains on delivering strong organic growth across the business in FY24/25

1. Continuing operations at constant currency

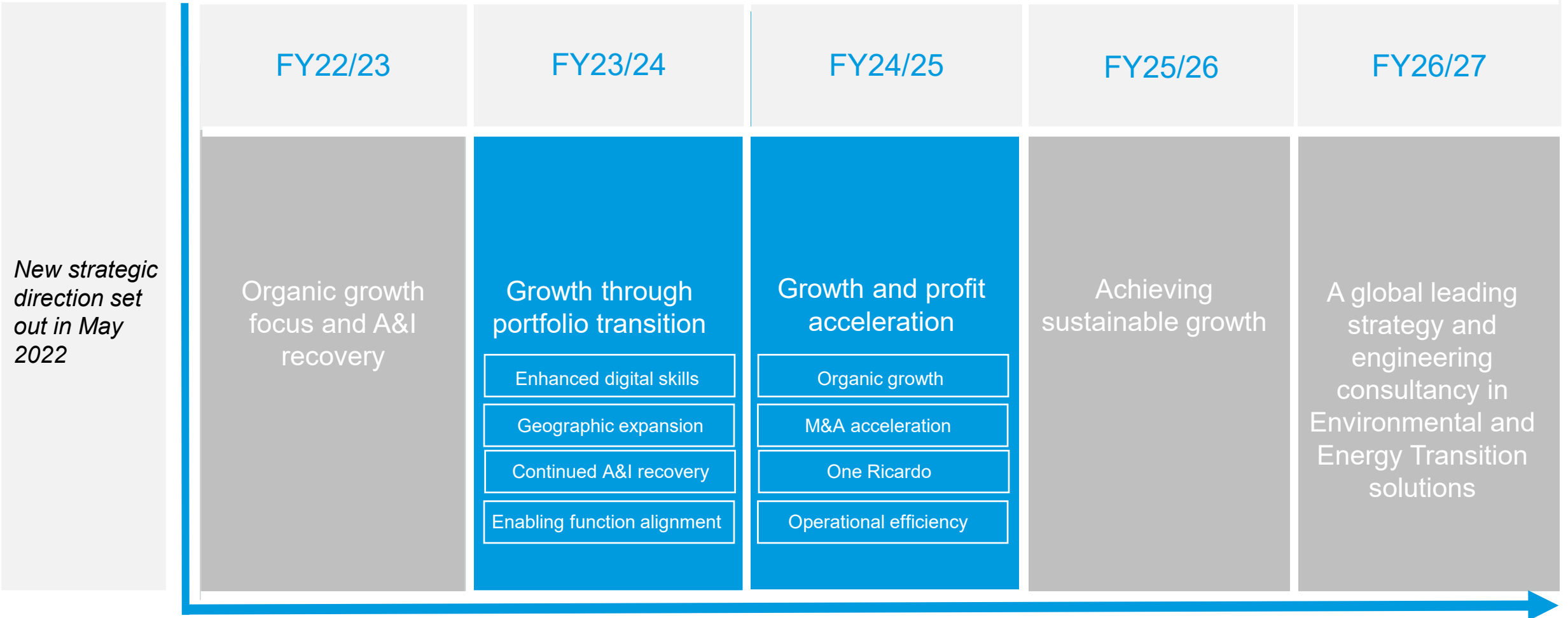


STRATEGIC REVIEW

Graham Ritchie

STRATEGIC MILESTONES DEMONSTRATE CONTINUED PROGRESS

We are shifting from a year of 'Strategic change' to a year of 'Consistent execution'



A YEAR OF CHANGE TO SUPPORT OUR TRANSITION

Continued good progress in embedding our strategy across the business

FY23/24 Priorities

FY23/24 Priorities		Status	
1.	Enhanced digital skills	Ricardo digital platform	Achieved
		Market modelling digital application launch	Achieved
		H ₂ ICE Digital Twin to accelerate new product development	On track
2.	Geographic expansion	Prioritised three key markets : North America, Australia and the Middle East	On track
		Centre of excellence in Madrid for Environmental European hub	Achieved
		Strategic partnerships in key regions – including M&A and PP	On track
3.	Continued A&I recovery	Flexible resource modelling	Achieved
		Portfolio positioning as transitions partner	On track
		Consistent sales momentum	Behind
4.	Enabling function alignment	Single operating model for consulting businesses	On track
		Consolidation of our centralised functions	Achieved
		Leveraging scale and improving overall cost base	On track

Key: ■ Achieved ■ On track ■ Behind

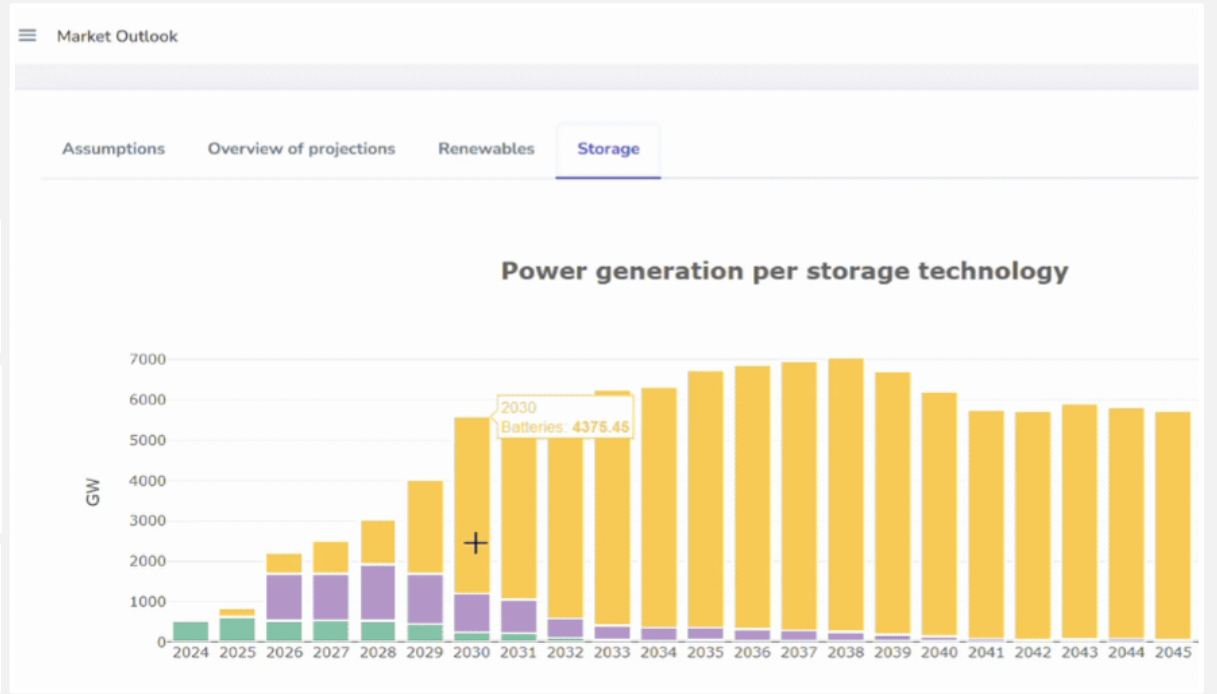
DIGITAL TOOLS TO SOLVE THE COMPLEXITIES OF ENERGY TRANSITION

Digital development remains core to our portfolio transformation by FY26/27

ELECTRICITY MARKET OUTLOOK

State-of-the-art electricity price modelling framework offering medium to long-term electricity projections

Differentiated value	<ul style="list-style-type: none"> World leading robust and trusted model Deep expertise providing clear actionable insights
Customer value	<ul style="list-style-type: none"> Utilities: Critical assessment in investments Banks: Decisions to finance investment Large electricity users: Negotiate purchase terms
Launch progress	<ul style="list-style-type: none"> Greek market launch in September Southern Europe markets to follow



DIGITAL AND STRATEGY TARGETS

Portfolio transformation by FY26/27

Revenue mix
>10%

Revenue CAGR
>10%

Margin
>20%

POSITIONED TO TAKE ADVANTAGE OF CLIMATE CHANGE MEGA TRENDS

Pace of change in some end markets causing variability in demand in the short term

Complexity and cost of energy transition...

Creates opportunity for Ricardo

Economics and timing of 'energy supply' and 'energy off take' require alignment



Expert policy, energy and transport insight and solutions to support multi-stakeholder dependencies

Global elections are contributing to delays or change in environmental and energy policy



Increased cross border carbon pricing and emissions trading work regardless of government

Propulsion mix uncertainty in the transport sector to continue in the near-term



Flexible and technology agnostic operating model to manage short-term order fluctuations

Cost of energy transition £1.7tn in 2023 expected to rise to average of £4.8tn between 2024-2030 (Bloomberg Jan 24)



Investing in digital innovation to reduce cost of energy transition to support growth

CONSISTENT EXECUTION IN THE YEAR AHEAD

Growth and profit acceleration priorities in FY24/25

Growth priorities

Organic Growth

Portfolio, industry and geographic expansion

M&A acceleration

Disciplined approach to execution

Creating a
safe and
sustainable
world

Developing a collaborative culture
One Ricardo

Optimising central operations
Operational efficiency

Enabling priorities

CREATING ONE RICARDO THROUGH OUR SOCIAL VALUE AGENDA

Our people are passionate in being purpose led and help to create maximum impact in our global communities

All Ricardo employees are offered voluntary hours per year to support social value activities, which is managed by our dedicated social value management team.

STEM

- Engaged with students globally to inspire careers in STEM
- Aim to inspire future green workforce and social mobility

Community

- First Ricardo Community Day created local connections
- Partnered with 10 global charities through sponsorships



We have engaged with **1800+** young people through STEM activities this year

CLOSING REMARKS

Graham Ritchie

CONFIDENCE IN DELIVERING FY24/25 AND STRATEGIC AMBITION

Consistently delivering short-term performance and strategic transformation

FY23/24

Continued performance

- Delivered our commitments
- Strong Group profit recovery in H2
- A&I returned to profit in H2
- Strong acquisition integration
- Functional alignment supported margin
- Strong cash generation

FY23/24

Strategic implementation

- Launch of digital platform
- Significant framework agreement in PP
- Active in M&A portfolio transition
- Traction in achieving One Ricardo
- Flexible resourcing model in A&I
- Aligned functional operating model

FY24/25

Consistent execution

- Record 12-month backlog
- Good pipeline visibility for FY24/25
- Organic growth focus
- Continuous investment in digital
- Optimise efficiencies of operating model
- M&A execution



THANK YOU

Q&A



APPENDIX

1.

Environmental & energy transition portfolio

Delivering strategic, technical and engineering consulting services that enable energy-transition

Energy and Environment (EE)

A leader in sustainability consultancy, solving complex environmental challenges

Revenue

£103.3m

Capabilities:

- Advisory & modelling
- Water management
- Air quality
- Corporate sustainability
- Energy decarbonisation

Rail and mass transit

Technical consulting experts in critical and complex railway systems

Revenue

£77.4m

Capabilities:

- Safety and assurance
- Systems & engineering
- Operations & maintenance

Emerging Automotive and Industrial (A&I)

Trusted engineering consulting in decarbonised propulsion design and complex integration

Revenue

£58.6m

Capabilities:

- Sustainable fuels
- Electrification
- Hydrogen fuel cells
- Hybrid integration

ENERGY AND ENVIRONMENT

A leader in sustainability consultancy, solving complex environmental challenges

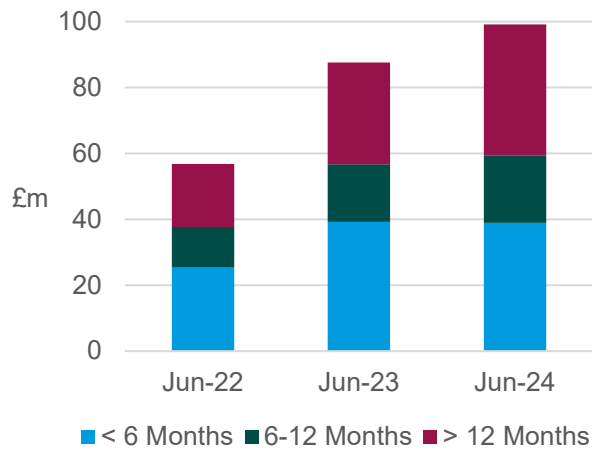
FINANCIAL HIGHLIGHTS

Revenue
£103.3m
 FY22/23 : £87.4m

Underlying operating profit
£17.6m
 FY22/23: £15.8m

Underlying operating profit margin
17.0%
 FY22/23 :18.1%

ORDER BOOK PROFILE (1)



HEADCOUNT

984

Voluntary attrition: 15% (PY: 11%)

BUSINESS UPDATE (1)

- Overall demand for solutions resulted in order intake growth of 6%, from £110.1m to £116.9m in FY23/24
- Revenue increased by 18% with strong demand across policy, strategy and economics (PSE), Air quality and environment (AQE) and environmental and economic modelling capabilities
- Water advisory services performance was tempered in H2 due to project disruptions, impacting EE's overall margins
- Organic underlying operating profit grew by 1%. Recent acquisitions, Aither and E3M, contributed £2.7m of underlying operating profit in FY23/24

KEY PROJECT WINS

- Assisting UK government with mobilisation of \$1.5 billion finance to reduce emissions through forest / natural resource protection
- Renewal of large European Commission projects that support policy implementation and comms
- Energy regulatory and economic framework support and implementation in Uganda
- Delivering policy and strategy support to create water security in premium food, wine and agriculture region of Australia

1. The prior period results have been restated at current period FX rates.



ENERGY & ENVIRONMENT

Establishing the EU's Sustainable Aviation Fuel Clearing House

CUSTOMER CHALLENGE

Sustainable aviation fuels (SAFs) are a non-conventional drop-in alternative to conventional petroleum-derived hydrocarbons.

The Refuel EU Aviation Regulation, adopted in 2023, mandates a target of a 2% SAF production in European aviation by 2025, rising to 6% by 2030, and a further increase of up to 70% by 2050. However, SAF currently represent less than 0.05% of total EU aviation fuel use.

RICARDO SOLUTION

Ricardo experts established a network of European and international testing facilities to provide guidance to fuel producers in assessing the environmental impacts of their products and in meeting strict eligibility criteria.

Like its counterparts in the US and UK, the EU SAF Clearing House will support the approval of new SAF pathways by acting as a virtual forum for advice on data quality, testing facilities and qualification. This support will reduce the high-cost and complexity of certification and is seen as key to unlocking higher volumes and encouraging a variety of feedstocks.

The EU SAF Clearing House will also provide sustainability services for prospective fuel producers and focus on nurturing a mature SAF supply chain in Europe, participating at technical events, advising on research and innovation, and promoting policy coherence.

CUSTOMER BENEFIT

The Clearing House represents an important milestone in the journey to a cleaner, more sustainable aviation sector in Europe. The certification of new fuels, for example, will unlock new opportunities for SAF production and the diversification of feedstocks. July 2024 saw the first SAF supplier to submit a sample to the Clearing House for testing.

The fuel is being developed from wind, water and air (e-SAF) and wind and sustainable organic waste (bio-SAF).

RAIL AND MASS TRANSIT

Experts in critical and complex railway systems, supporting industry’s operational and regulatory demands

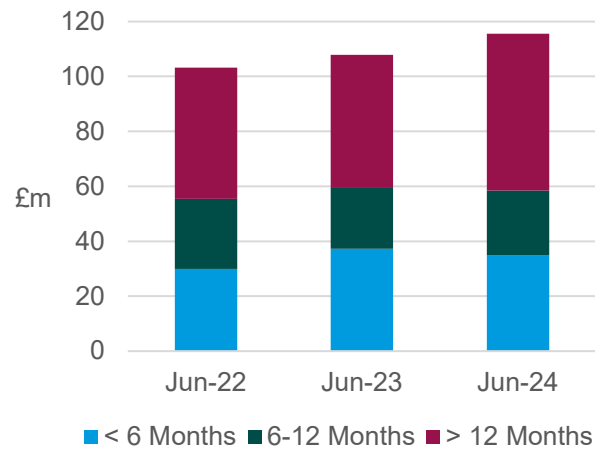
FINANCIAL HIGHLIGHTS

Revenue
£77.4m
 FY22/23: £70.8m

Underlying operating profit
£8.9m
 FY22/23: £7.8m

Underlying operating profit margin
11.5%
 FY22/23: 11.0%

ORDER BOOK PROFILE (1)



HEADCOUNT

544

Voluntary attrition: 12% (PY: 14%)

BUSINESS UPDATE (1)

- A strong year for Rail with order intake of £95.1m, up 11% on the previous year
- Revenue increased by 9% on the prior year, driven by successfully securing significant contracts across key operating regions
- Successful in developing strategic partnerships to establish positions in new markets, specifically USA
- Underlying operating margin was 11.5% compared to 11.0% in the prior year, reflecting the combination of good revenue growth and focus on cost control and operational efficiency

KEY PROJECT WINS

- Ricardo has been appointed to perform a range of technical advisory and safety assurance during the design and development of California’s High-Speed Rail network
- Extension project for Metrolinx as their Independent Safety Assurance expert forming part of the customer project for the extension of the Eglinton Crosstown LRT (light rail transit)
- Secured a key long term high value contract to provide safety oversight of the new fleet for Southeast Queensland as part of the cross-river rail project in anticipation of the 2032 Olympic games

1. The prior period results have been restated at current period FX rates.



RAIL

IV&V for introduction of 'New Generation' fleet

CUSTOMER CHALLENGE

Hitachi Toshiba Supreme Consortium was chosen to provide 12 'New Generation' trainsets for Taiwan's high-speed railway. The lighter-weight vehicles will offer more energy efficiency, as well as enhancements to the passenger environment such as extra luggage space, more charging sockets and upgraded information screens.

RICARDO SOLUTION

Ricardo has been appointed by the Taiwan High Speed Rail Corporation (THSRC) to perform Independent Verification and Validation (IV&V) services for the fleet's introduction into service.

HSRC chose Ricardo due to our detailed knowledge of THSRC and high-speed systems.

We will provide oversight throughout the production of the vehicles, verifying that overall build quality complies with the original specifications, and that the client's requirements around safety, functionality, maintainability and quality – all stipulated in the procurement process – have either been met or exceeded.

CUSTOMER BENEFIT

The presence of our rolling stock specialists will ensure continuity at key decision points, particularly around design adjustments and test reviews. Meanwhile, our structured audit and assessment processes will help reduce risks and provide assurance that the new fleet complies with widely recognised standards.

The first vehicles are expected into passenger operation in 2027.

EMERGING AUTOMOTIVE AND INDUSTRIAL

Trusted engineering consulting in decarbonised propulsion design and complex integration

FINANCIAL HIGHLIGHTS

Revenue

£58.6m

FY22/23: £80.4m

Underlying operating profit

£3.4m

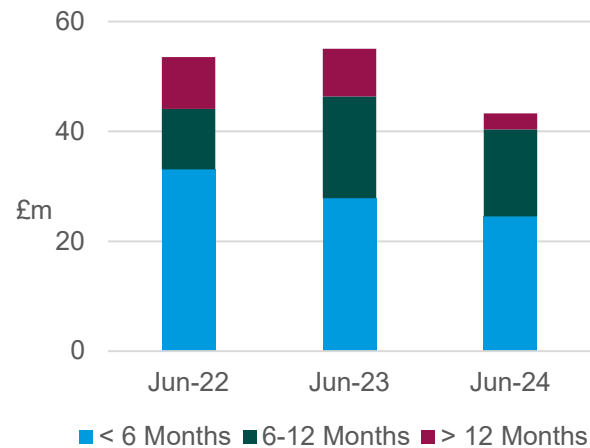
FY22/23: £10.6m

Underlying operating
profit margin

5.8%

FY22/23: 13.2%

ORDER BOOK PROFILE ⁽¹⁾



HEADCOUNT

349

Voluntary attrition*: 13% (PY: 15%)

*Total A&I business

BUSINESS UPDATE ⁽¹⁾

- Order intake declined by 37% to £52.4m (FY22/23: £83.0m)
- Revenue decreased by 27% to £58.6m reflecting global market challenges
- Well positioned to support green transitions as regulatory and infrastructure needs are expedited
- Securing contracts in aerospace, marine and rail
- Underlying operating profit was lower than the prior year due to delays in orders. Nevertheless, restructuring programme delivered improved profitability in H2 FY23/24 and supports future order fluctuations through flexible resourcing model

KEY PROJECT WINS

- Development testing of a hydrogen fuel cell system for light and medium duty commercial vehicle applications in the US
- Ricardo's patent pending multi-stacked hydrogen fuel cell technology to support clean propulsion and power for a marine vessel OEM
- Thermal management technology for an aerospace OEM
- Support, design and testing of dual fuel engine programmes to improve use of alternative sustainable fuels

1. The prior period results have been restated at current period FX rates.



A&I EMERGING

Developing Australian hydrogen for mobility applications

CUSTOMER CHALLENGE

Already a leading player in the emerging sustainable hydrogen industry, South Australia faced two questions:

How the hydrogen industry can be nurtured towards making significant decarbonisation progress?

And how it could be leveraged to support long-term, skilled 'green' jobs in the region?

RICARDO SOLUTION

Ricardo has been chosen by South Australian Hydrogen Hubs Inc (SA-H2H™) to undertake a feasibility study into hydrogen technology retrofitting as a decarbonisation pathway for heavy duty vehicles in South Australia.

The feasibility study will utilise Ricardo's proven expertise in innovating and safely implementing hydrogen technology in light vehicles, heavy vehicles, trains, planes and ships, combined with capability in local delivery.

The study will also assess the opportunities that this growing sector might unlock for providing regional jobs and skills.

CUSTOMER BENEFIT

The retrofitting project has significant opportunities for Australian hydrogen and mobility, which includes a substantial increase in jobs, growth in the economy, development of innovation and new technologies and reducing the impact of emissions from the mobility sector.

2.

Established mobility portfolio

We deliver conventional propulsion engineering design with niche manufacturing and production assembly

Performance Products

Specialists in niche-volume design, procurement, manufacturing and assembly

Revenue

£83.4m

Capabilities:

- Industrial engineering
- Niche manufacturing
- Production & assembly

Defense

Trusted expertise in delivering integrated engineering to product assembly

Revenue

£123.4m

Capabilities:

- Technical service solutions
- System integration
- Field support solutions
- Assembly services

Established Automotive and Industrial (A&I)

Conventional propulsion design, development and production

Revenue

£28.6m

Capabilities:

- Internal combustion engineering

PERFORMANCE PRODUCTS

Engineering specialists in transmission design and niche-volume manufacturing

FINANCIAL HIGHLIGHTS

Revenue

£83.4m

FY22/23: £84.7m

Underlying operating profit

£6.7m

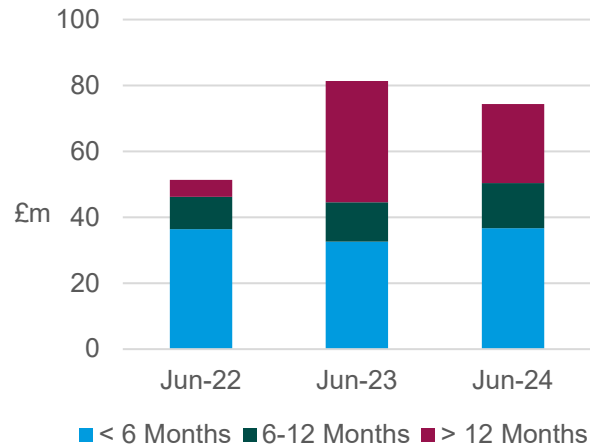
FY22/23: £9.0m

Underlying operating profit margin

8.0%

FY22/23: 10.6%

ORDER BOOK PROFILE



HEADCOUNT

367

Voluntary attrition: 13% (PY: 13%)

BUSINESS UPDATE

- Order intake in FY 2023/24 was £77.1m, a reduction of 33% on the prior period
- Secured a major key multi-year assembly and production framework agreement in the marine propulsion segment. Production commences in FY27/28
- Revenue in FY23/24 was 2% lower than the prior year largely due to two key transmissions programmes ending
- Underlying profit reduced by 26% compared to the prior year due to lower revenue, mix of transmissions and inflationary pressures on operating costs

CUSTOMER WINS

- Design, test and supply of transmission system for an OEM specialising in high-performance road car recreation to accommodate significant increase in power and performance
- Packaging a higher performance driveline system into original space claim with additional performance features and validate commercial viability of series supply for high performance road car OEM
- Supporting the in-housing of a high priority standby power generator product for an industrial power generation OEM by developing and supplying large diameter gears and shafts from a UK based manufacturer

PERFORMANCE PRODUCTS

Flexible battery module for high performance and specialised applications

CUSTOMER CHALLENGE

Low-volume OEMs with product portfolios characterised by vehicles with high performance and complex technical and packaging requirements face a challenge to find a battery module which is tailored to their platform which can be cost-effectively supplied in the volumes they require.

RICARDO SOLUTION

Performance Products, together with the electrification team in A&I, launched its flexible battery module, in collaboration with its battery cell partners, InoBat, which is tailored for low-volume performance automotive and specialised vehicle applications.

Tailored for ease of integration into existing platforms, the new battery module concept, which utilises InoBat pouch cells, offers OEMs in this space a cost-effective, flexible, and efficient solution to the development of bespoke battery packs for their high-performance and specialised product portfolio.

This product represents Ricardo's end-to-end capability in the design, assembly, and industrialisation of battery technology for niche applications.

CUSTOMER BENEFIT

Customisable and scalable to requirement including voltage, capacity level and packaging.

BMS agnostic but comes with Ricardo's Universal BMS as standard

Conduction cooling for sustained high power discharge and flexible packaging

Pre-developed solution reducing production costs and time to SOP

Streamlined assembly process for ease of manufacture and in-service maintenance



DEFENSE

Trusted expertise in delivering wide ranging engineering programmes to drive efficiencies and performance

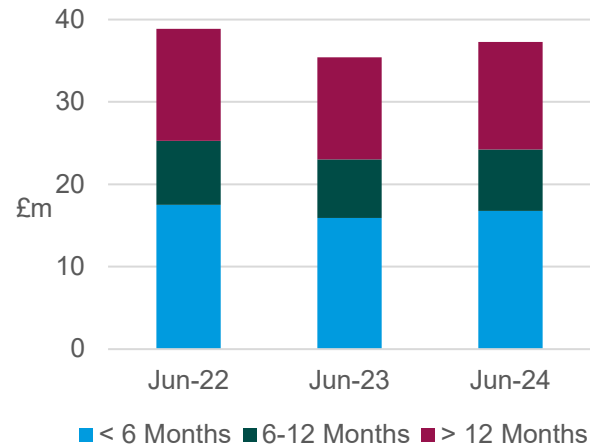
FINANCIAL HIGHLIGHTS

Revenue
£123.4m
 FY22/23: £84.8m

Underlying operating profit
£23.5m
 FY22/23: £12.9m

Underlying operating
 profit margin
19.0%
 FY22/23: 15.2%

ORDER BOOK PROFILE ⁽¹⁾



HEADCOUNT

236

Voluntary attrition: 18% (PY: 19%)

BUSINESS UPDATE ⁽¹⁾

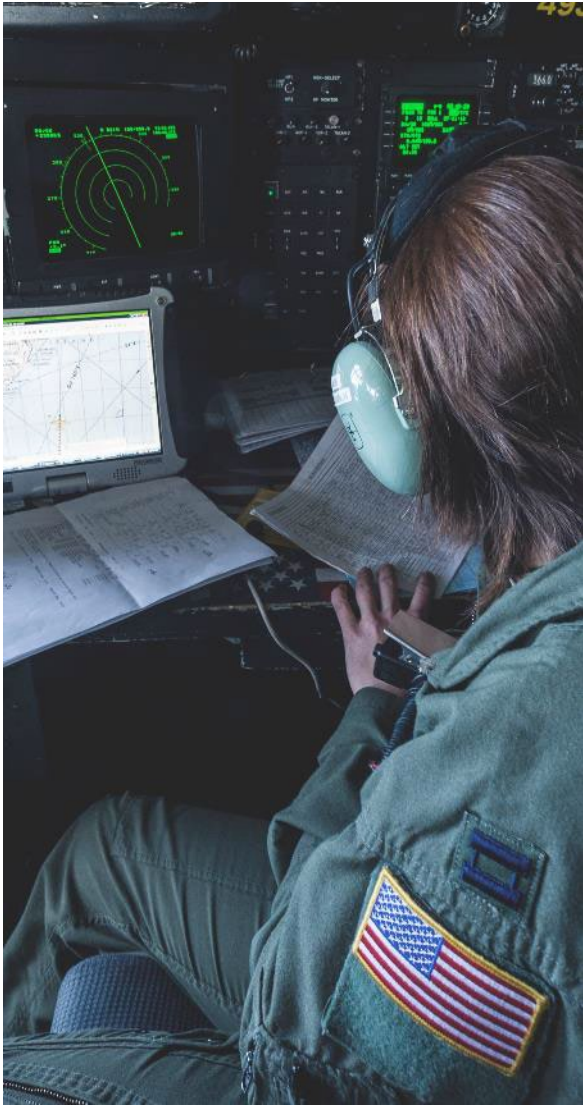
- Order intake in FY23/24 grew by 54% to £125.4m
- Revenue significantly increased by 46% to £123.4m driven by an extension contract awarded by the US Army valued at over \$385m to continue delivery of ABS/ESC* retrofit kits
- Several additional projects secured including advancing data software tools for the US Navy and additional funding of the wireless communications for the US Army
- Underlying operating profit of £23.5m represented a significant increase and contributed to the Group's underlying performance

KEY PROJECT WINS

- **SE Maintenance Support Device:** Delivers and manages software to securely transfer critical maintenance data to other devices, ensuring protection against external threats
- **ISV ICS:** Field support and training for the U.S. Army's light tactical vehicles, ensuring fleet readiness across global locations through effective installation, maintenance, and knowledge transfer
- **ABS Spare Parts:** Providing aftermarket support for ABS/ESC upgraded HMMWV fleet, ensuring timely access to critical components through coordinated logistics and demand forecasting

1. The prior period results have been restated at current period FX rates.

*Antilock Brake System/Electronic Stability Control



DEFENSE

Dismounted Soldier Communication System (DSCS)

CUSTOMER CHALLENGE

Heavy equipment operators require a communication system that will improve the safety of operations for both mounted and dismounted operators.

A platform-agnostic solution is needed for a variety of vehicle applications (e.g. military, first responders, material handling, and transport).

The system needs to support dismounted wireless communications that are hands-free and can operate in the harshest of environments.

RICARDO SOLUTION

Ricardo Defense has designed a Dismounted Soldier Communication System (DSCS) that revolutionizes vehicle communication by introducing wireless soldier-to-platform connectivity. Through pilot programs, Ricardo Defense has successfully installed DSCS in three brigades of M88 and Stryker vehicles. These programs have gathered critical data and feedback from soldiers, helping to evaluate and verify system performance and effectiveness from the soldier's perspective.

The system allows simultaneous two-way communication and initiates transmission immediately upon voice detection, enabling hands-free communication and push-to-talk capability to limit transmissions to only when needed.

CUSTOMER BENEFIT

This innovation securely improves situational awareness and increases safety for users in the field.

DSCS is an ideal solution for a wide range of operations, including Dismounted Operations, Recovery Operations, Ground Guide Operations, and Multi-Domain Operations.

The DSCS solution is platform agnostic and can be applied to a wide variety of military and commercial applications. The capability can be applied to new production vehicles and also quickly retrofitted to fielded vehicles within hours.

ESTABLISHED AUTOMOTIVE & INDUSTRIAL

Over a century of propulsion design and development

FINANCIAL HIGHLIGHTS

Revenue

£28.6m

FY22/23: £27.0m

Underlying operating loss

£(3.3)m

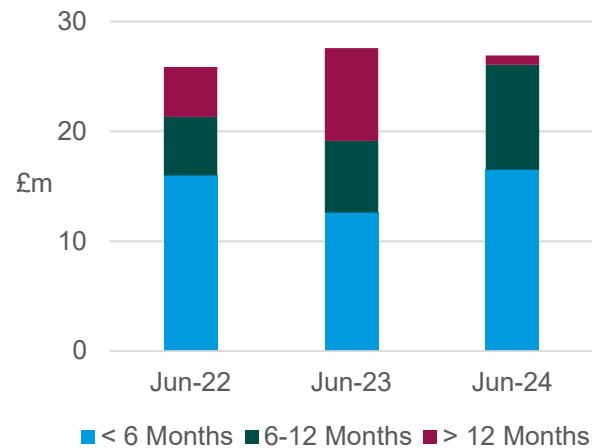
FY22/23: £(5.7)m

Underlying operating
loss margin

(11.5)%

FY22/23: (21.1)%

ORDER BOOK PROFILE (1)



HEADCOUNT

321

Voluntary attrition*: 13% (PY: 15%)

*Total A&I business

BUSINESS UPDATE (1)

- Order intake was £29.2m, a decrease of 18% in the prior year, due to project delays creating some variability in delivery timings
- Revenue increased by 6% on the prior year driven by increased demand for transition propulsion solutions
- Underlying operating loss was £3.3m, an improvement of 42% compared to FY22/23
- Despite the loss, we saw good profit recovery in the second half as a result of the Group's transformation programme
- As a direct result of these actions, we saw utilisation rates in H2 at their highest level for three years

KEY PROJECT WINS

- Contract secured to deliver marine outboard design and development programme for a Marine OEM
- Providing a global equipment manufacturer with engineering support for its transmission software development project
- Secured a 5-year conformity of production (COP) contract to provide vehicle testing services to a major European passenger car OEM
- Supporting a major Asia-based OEM on a new large engine concept

1. The prior period results have been restated at current period FX rates.



ESTABLISHED AUTOMOTIVE & INDUSTRIAL

Redesign and re-engineering of Ducati motorcycles

CUSTOMER CHALLENGE

Ducati wanted to redesign and reengineer its Scrambler motorcycle, taking the existing style and performance attributes from previous incarnations and developing a new offering that would appeal to existing customers and new ones. They engaged Ricardo's specialist motorcycle team to support this activity.

RICARDO SOLUTION

Working to a specific style guide and to Ducati standards, Ricardo worked closely with the Ducati team on the design and delivery of three Scrambler motorcycles, Icon, Full Throttle and Night Shift, providing proto assembly and testing. The team also worked with the final supplier through to the start of production. The project involved a global Ricardo team in the UK, Prague and Italy.

In addition, Ricardo supported Ducati with start of production phase validation activities, conducted on a test track and on the road. The team provided weekly reports and immediate follow-up actions, which allowed the project to progress more quickly, with more efficient product improvements.

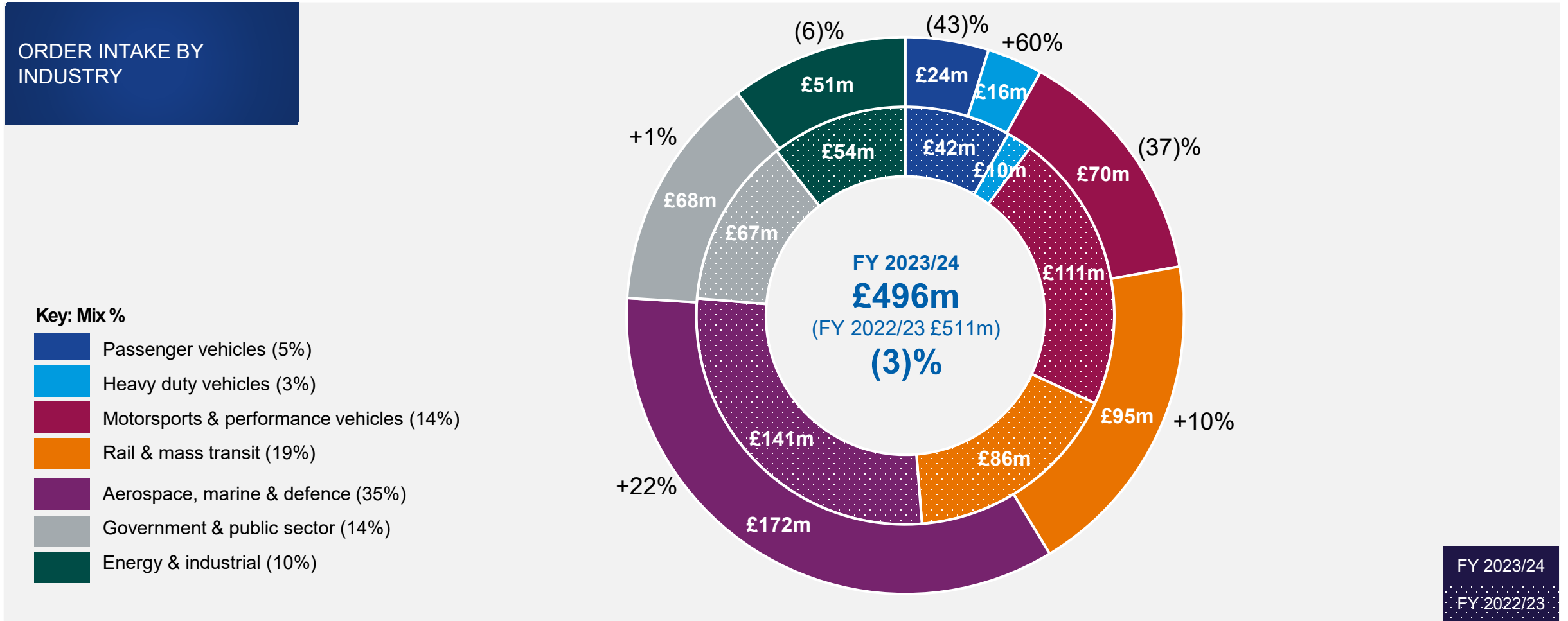
This represents the first turnkey project that Ricardo has delivered for Ducati for an on-road motorcycle – although the businesses have a long and established relationship, having worked on previous projects together.

CUSTOMER BENEFIT

The project was a great opportunity for the Ricardo team to develop knowledge and skills, and due to the tight timescales involved it also ensured that the team worked efficiently to overcome any challenges, including operating cross-border from different geographies.

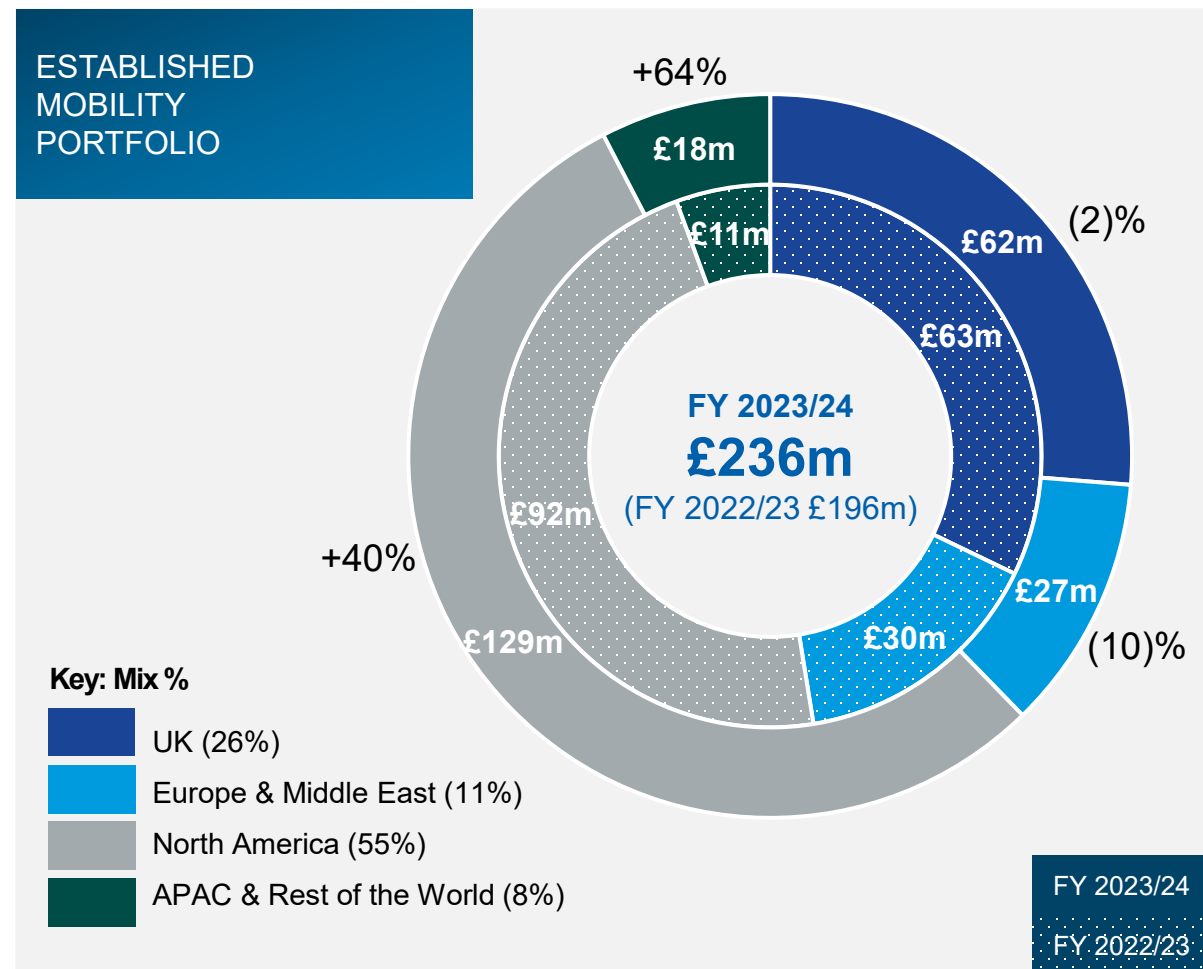
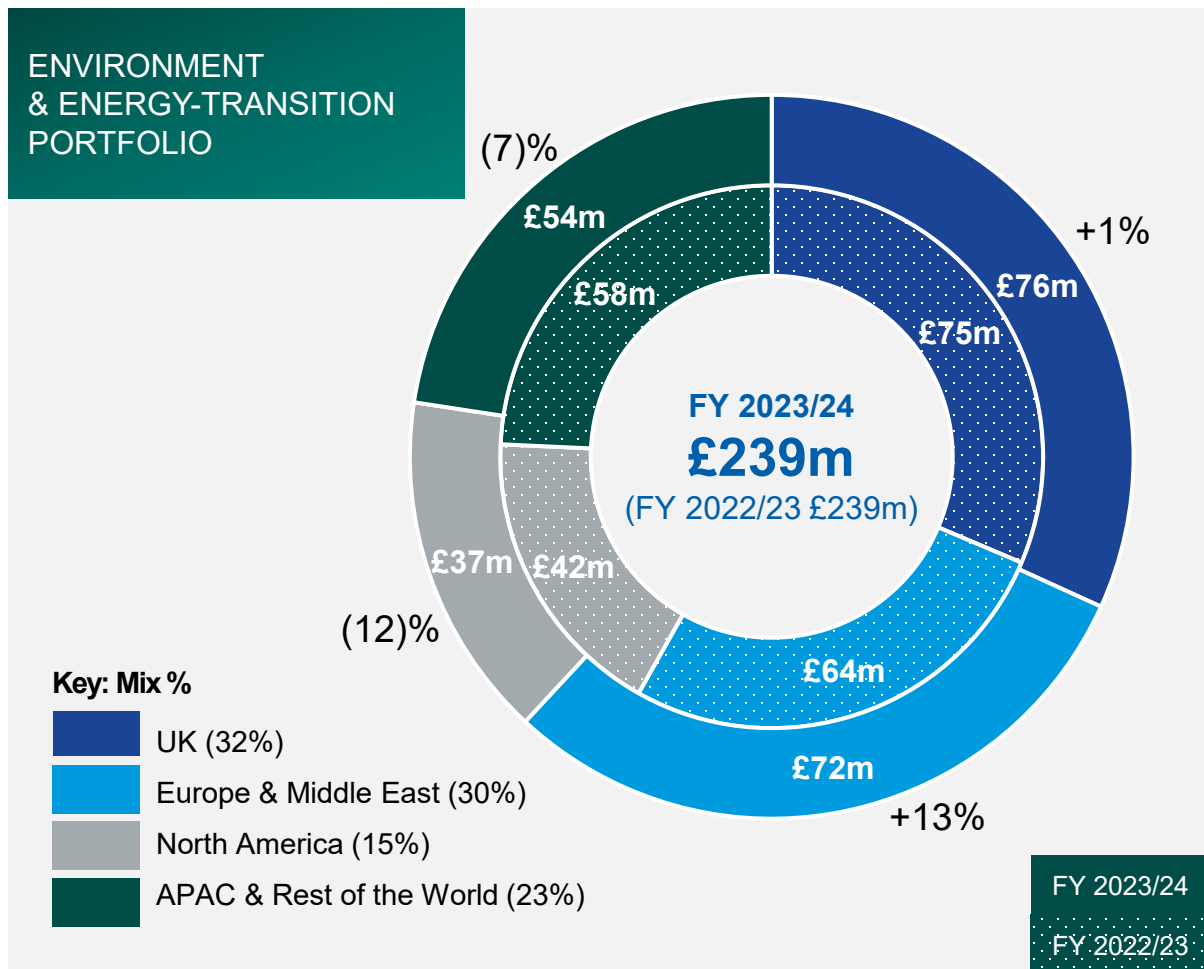
Ricardo continues to support Ducati on several projects.

TRANSFORMING OUR BUSINESS MIX



Figures presented on a Continuing Operations basis. The prior period results have been restated at current period FX rates.

REVENUE BY KEY REGIONS



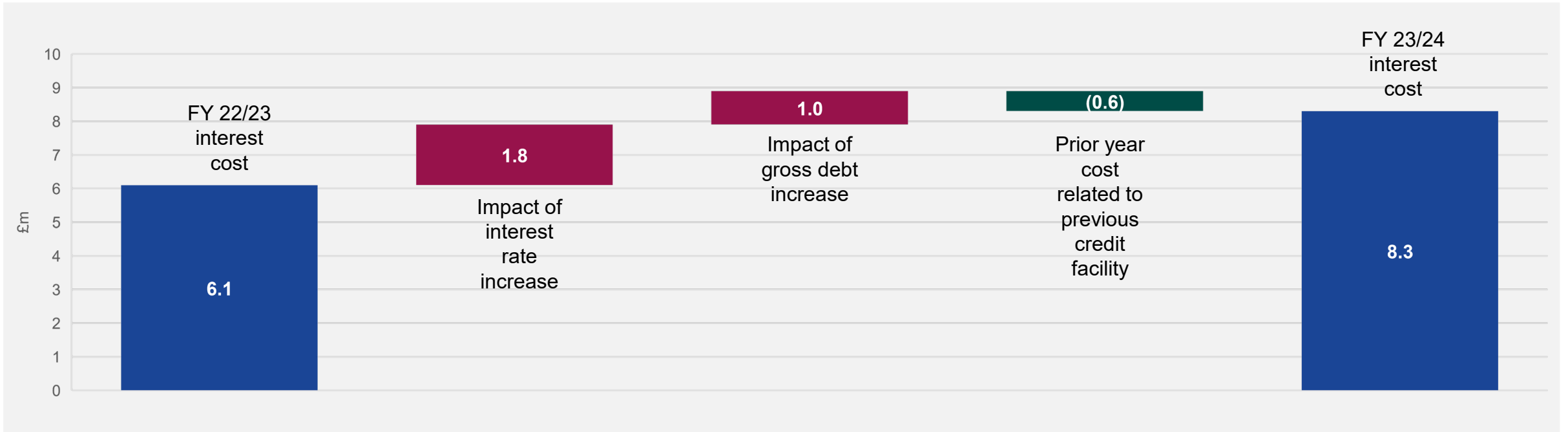
Figures presented on a Continuing Operations basis. The prior period results have been restated at current period FX rates.

INCOME STATEMENT – CONTINUING/DISCONTINUED OPERATIONS

£m	Year ended 30 June							
	2024			2023			Year-on-year movement	
	Underlying	Specific adjusting items ⁽¹⁾	Total	Underlying	Specific adjusting items ⁽¹⁾	Total	Underlying	Total
Revenue	474.7	-	474.7	445.2	-	445.2	7%	7%
Gross profit	134.6	-	134.6	126.3	-	126.3	7%	7%
Indirect costs	(95.8)	(26.0)	(121.8)	(92.3)	(35.9)	(128.2)	4%	(5)%
Operating profit/(loss) from continuing	38.8	(26.0)	12.8	34.0	(35.9)	(1.9)	14%	n/a
Net finance costs	(8.3)	(0.2)	(8.5)	(6.1)	-	(6.1)	36%	39%
Profit/(loss) before tax from continuing operations	30.5	(26.2)	4.3	27.9	(35.9)	(8.0)	9%	n/a
Taxation charge	(8.1)	4.6	(3.5)	(7.3)	3.3	(4.0)	11%	(13)%
Profit/(loss) from continuing operations	22.4	(21.6)	0.8	20.6	(32.6)	(12.0)	9%	n/a
Profit from discontinued operations	-	-	-	0.4	6.4	6.8	(100)%	(100)%
Profit/(loss) for the period	22.4	(21.6)	0.8	21.0	(26.2)	(5.2)	7%	n/a

1. Specific adjusting items comprise amortisation of acquired intangible assets, acquisition & strategic project related expenditure, earn-outs, reorganisation costs, asset impairment, sale & leaseback and ERP costs.

INCREASED INTEREST COSTS



£m	Average for period		At 30 June	
	2024	2023	2024	2023
Interest rate	7.04%	4.77%	7.24%	6.17%