

EXECUTING OUR GROWTH STRATEGY TO DELIVER RICARDO'S FULL POTENTIAL

Dear Shareholders,

I am delighted to be presenting my first report as Chair of Ricardo plc. I have been in the role for just under a year now and have taken the opportunity to meet with as many colleagues as I could. I have been hugely impressed by the capability and expertise of those I have met and their enthusiasm to deliver the Company's growth strategy.

MARK CLARE
CHAIR



Group Performance

The financial performance of the Group this past year reflects good progress against our long-term objectives of doubling operating profit by FY 2026/27. Underlying operating profit from continuing operations grew by 21% versus the previous year. We have also seen strong order growth of 23% contributing to a record order book. This will support continued growth in FY 2023/24.

The actions taken to reposition the Automotive and Industrial business should stabilise its performance and position it for growth once again. We have also made real progress in acquiring new capability with the acquisition of both E3-Modelling and Aither Pty Ltd. We are already seeing some of the benefits coming through of having this capability within the Group.

Strategic ambitions firmly led by our strong purpose

The strategy that we set ourselves in May 2022 is suitably ambitious, designed to accelerate our growth and transformation to become a global leader in strategy and engineering consultancy for environmental, energy transition and mobility solutions.

The Board is pleased with the progress made over the course of the year, with Graham and the Executive team consistently executing according to our strategy.

There can be no doubt that Ricardo is in a unique position to address the fast growing opportunities that exist around environment, energy transition and mobility as well as delivering strong performances in Performance Products and Defense Inc. As a result the Board firmly believes that as the strategy is delivered, substantial shareholder value can be created.

The increasing focus on our key clients, on key technologies and the right geographies will help accelerate the rate of growth. Ricardo has an important role to play in supporting its clients by delivering innovative solutions that are creating a safe and sustainable world.

Developing an inclusive and engaged culture

Our people remain the Board's greatest focus, as the success of our business is directly linked to retaining and growing our talented teams across the Group. In this respect, we continue to focus on building a learning organisation that attracts, retains, develops, engages and inspires the very best people around the world.

Over the course of the year, the Board has continued to focus on listening to our people through face-to-face meetings in the business, reviewing engagement surveys and from the work done by Malin Persson as the lead non executive focused on culture and engagement.

I am pleased with the progress being made in increasing gender diversity at the executive level and the number of Group-wide activities and celebrations that are taking place to build an inclusive culture. Work is also ongoing to ensure we have the right reward structures across the organisation so that more of our people share in the success of the business.

Awards and recognition

I am pleased with the achievements of our talented teams and individuals who have been awarded accolades that demonstrate our commitment to delivering the best expertise for our clients. The most prominent achievements included Yansong Chen being named as a Top Woman in Electric Vehicles at the Electric Vehicle Summit 2023 and Loreline Kerlidou who was named in as the Young Water Professional of the Year for South Australia. Ricardo was also recently named as a Top Hydrogen Innovator for 2023 by Reuters, highlighted as the top 10 consultancy for green hydrogen. Furthermore, we were named in the prestigious *Financial Times* Europe Climate leaders listing for 2023 and recognised in position 32 out of 500 for the progress that we have made in environmental performance and addressing climate change.

Board succession

In November last year, I completed my handover with Sir Terry Morgan, who stepped down at the conclusion of the Annual General Meeting, having served as Chair for nine years. I thank him for his time leading the Board and the contribution that he made to the Company.

I was delighted to welcome Judith Cottrell to the Board on 1 July. On 13 September 2023, Judith will replace Ian Gibson as Chief Financial Officer. Ian is stepping down having served on the Board as Chief Financial Officer over the past ten years. The Board is deeply grateful for Ian's significant contributions and wish him the very best in his future endeavours.

Dividend

Given the financial performance of the Company, the Board is proposing a final dividend of 8.61p in line with our policy of distributing 2.5 to 3 times cover. This will take the total dividend for the year to 11.96p, an increase of 15% over the prior year.

Outlook

While there is still uncertainty affecting certain parts of our business, the overwhelming sense is that the opportunity for growth, especially in the areas of environment, energy transition and emerging mobility are significant.

Looking forward, the Board will continue to focus on ensuring the acquisitions made are integrated and that we achieve full value from them; continue to be disciplined in the way we invest in capital, technology solutions and further acquisition opportunities as they arise; work to support the executive team to deliver continued excellence in the execution of our strategy.

MARK CLARE

CHAIR

12 September 2023