

FY23/24

INTERIM RESULTS

March 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 UPDATE

Graham Ritchie, CEO

CLOSING REMARKS

Graham Ritchie, CEO

STRONG SALES MOMENTUM UNDERPINS CONFIDENCE FOR FY23/24

Record order book at 31 December 2023 of £477m, compared to £395m at 30 June 2023

Strong sales momentum in EE, Rail and Defense, driving Group revenue growth of 9%

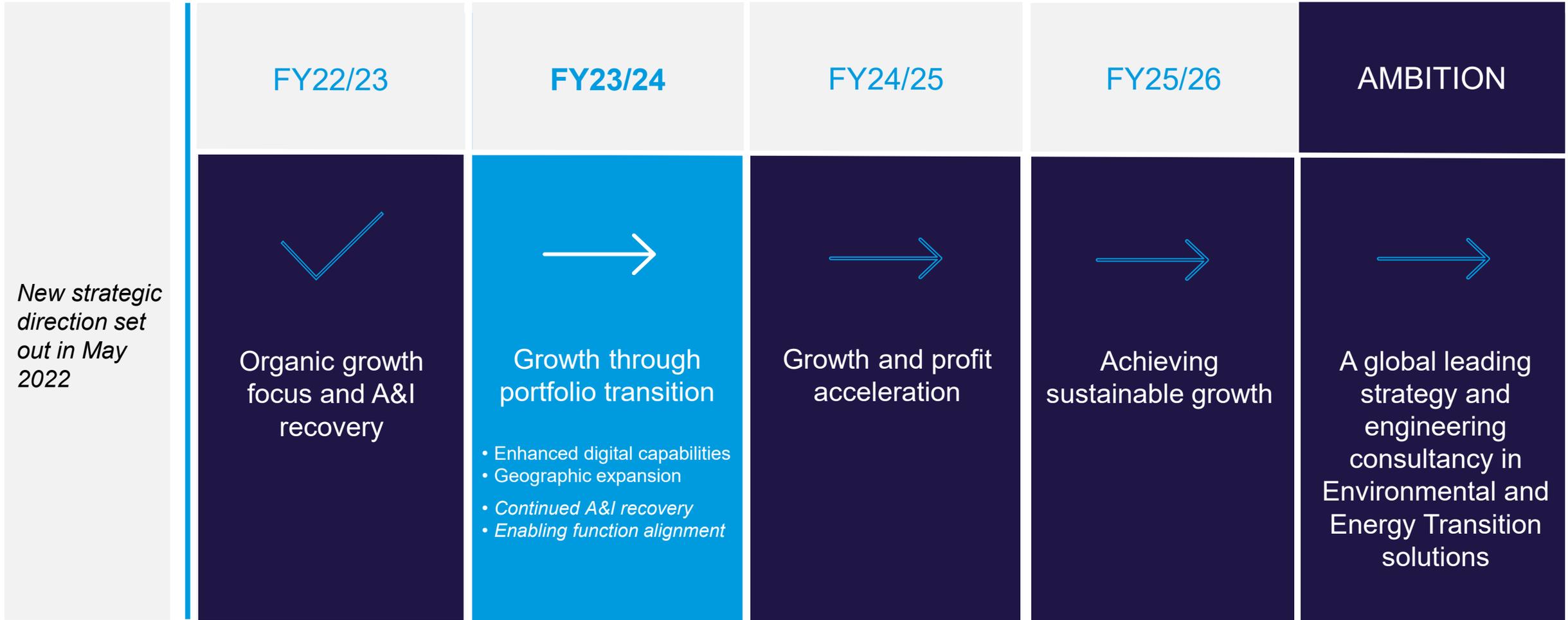
Delays in orders in A&I has resulted in a reduction in the Group's operating profit margin in H1

Underlying cash from operations up 25% with conversion of 130% maintaining strong balance sheet

Accelerating our operating model transformation to underpin strong H2 and momentum for our 5-year plan

MAKING PROGRESS IN OUR STRATEGIC JOURNEY

On track to more than double our operating profit in 5 years



SUCCESSFULLY TRANSFORMING OUR BUSINESS MIX

Reducing scale in A&I is offset by growth in EE & Rail demonstrating transition to energy-transition consultancy

5-year plan

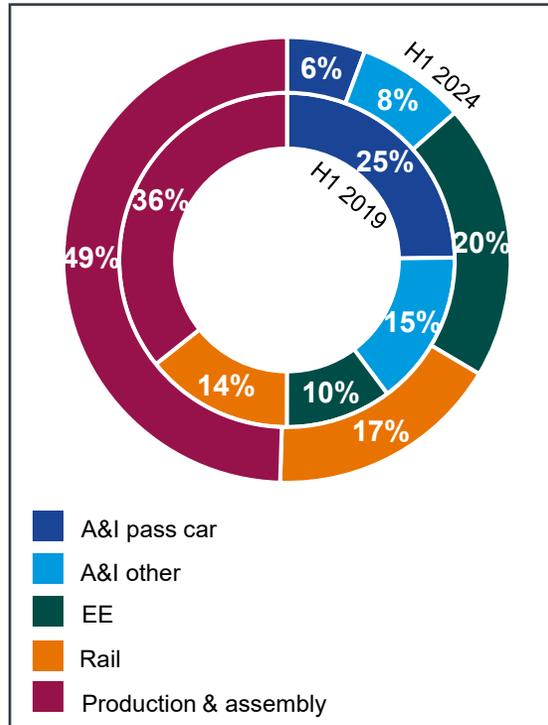
ENVIRONMENTAL AND ENERGY-TRANSITION PORTFOLIO

75% operating profit
High growth, high margin and low capital intensity focus

ESTABLISHED MOBILITY PORTFOLIO

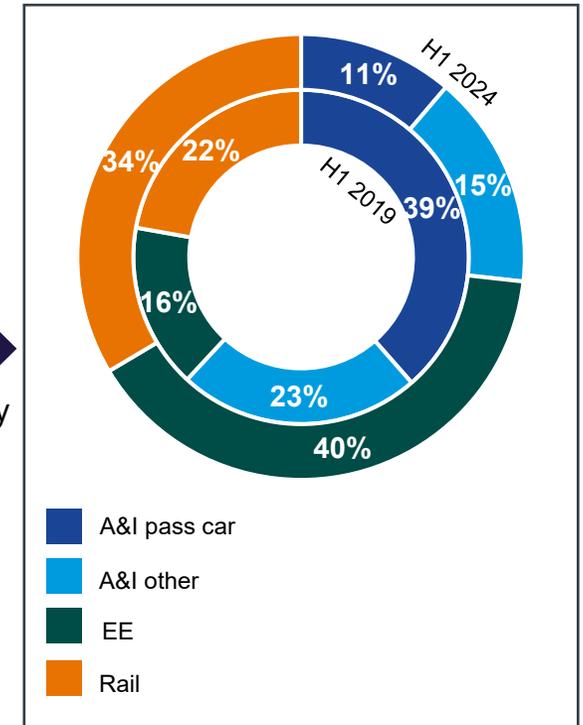
Long-term visibility to support transition

Total Group orders
H1 2019 vs. H1 2024



Higher growth
Higher margin
Lower capital intensity

Consulting orders
H1 2019 vs. H1 2024





FINANCIAL RESULTS

Judith Cottrell

REVENUE GROWTH AND STRONG CASH PERFORMANCE

<p>ORDER INTAKE ^{(1) (2)}</p> <p>£314m</p> <p>+10%</p> <p>HY 2022/23: £286m</p>	<p>REVENUE ^{(1) (2)}</p> <p>£224m</p> <p>+9%</p> <p>HY 2022/23: £206m</p>	<p>UNDERLYING OPERATING PROFIT MARGIN ^{(1) (2) (3)}</p> <p>5.4%</p> <p>(40)bps</p> <p>HY 2022/23: 5.8%</p>	<p>UNDERLYING PBT ^{(1) (2) (3)}</p> <p>£7.9m</p> <p>(15)%</p> <p>HY 2022/23: £9.3m</p>
<p>UNDERLYING BASIC EARNINGS PER SHARE ^{(1) (2) (3)}</p> <p>9.2p</p> <p>(13)%</p> <p>HY 2022/23: 10.6p</p>	<p>UNDERLYING CASH CONVERSION ⁽⁴⁾</p> <p>130%</p> <p>+33pts</p> <p>HY 2022/23: 97%</p>	<p>NET DEBT AND LEVERAGE</p> <p>£(63)m</p> <p>1.5x EBITDA</p> <p>£1m increase</p> <p>FY 2022/23: £(62)m</p>	<p>DIVIDEND</p> <p>3.8p</p> <p>+13%</p> <p>HY 2022/23: 3.35p</p>

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 asset impairment, amortisation of acquired intangible assets, acquisition-related expenditure, ERP system implementation costs, reorganisation costs and non-recurring items.
4. Cash from operations, adjusted for the cash impact of specific adjusting items, divided by EBITDA.

STRONG REVENUE GROWTH, A&I ORDER DELAYS IMPACTING MARGINS

£m	Six months ended 31 December		Period-on-period movement
	2023 Underlying ⁽¹⁾	2022 Underlying ^{(1) (2)}	% change ⁽²⁾
Revenue	224.2	206.1	9%
Gross profit	60.5	58.2	4%
<i>Gross profit margin</i>	<i>27.0%</i>	<i>28.2%</i>	<i>(120)bp</i>
Indirect costs	(48.5)	(46.2)	5%
<i>Indirect costs % of revenue</i>	<i>(21.6)%</i>	<i>(22.4)%</i>	<i>80bp</i>
Operating profit	12.0	12.0	-%
<i>Operating profit margin</i>	<i>5.4%</i>	<i>5.8%</i>	<i>(40)bp</i>
Net finance costs	(4.1)	(2.7)	52%
Profit before tax	7.9	9.3	(15)%
Taxation charge	(2.1)	(2.6)	(19)%
Profit for the period	5.8	6.7	(13)%

1. Excluding specific adjusting items, which comprise asset impairment, amortisation of acquired intangible assets, acquisition-related expenditure, ERP system implementation costs, reorganisation costs and non-recurring items. 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

Revenue growth and margin impacted by A&I order delays

Six months ended 31 December

£m	Order intake			Revenue			Underlying operating profit			Underlying operating profit margin		
	2023	2022 at constant currency ⁽¹⁾	% change constant currency ⁽¹⁾	2023	2022 at constant currency ⁽¹⁾	% change constant currency ⁽¹⁾	2023	2022 at constant currency ⁽¹⁾	% change constant currency ⁽¹⁾	2023	2022 at constant currency ⁽¹⁾	% change constant currency ⁽¹⁾
Energy & Environment (EE)	63.0	56.7	11%	50.9	37.7	35%	8.8	6.3	40%	17.3%	16.7%	60bp
Rail	53.2	43.1	23%	38.1	34.6	10%	4.1	3.5	17%	10.8%	10.1%	70bp
Emerging Automotive & Industrial (A&I)	30.4	47.8	(36)%	29.5	42.5	(31)%	(1.5)	4.7	(132)%	(5.1)%	11.1%	(1620)bp
Total	146.6	147.6	(1)%	118.5	114.8	3%	11.4	14.5	(21)%	9.6%	12.6%	(300)bp

1. The prior period results have been restated at current period FX rates and to reclassify order intake and underlying operating profit between Emerging A&I and Established A&I following a detailed review of project mapping between segments.

ESTABLISHED MOBILITY PORTFOLIO FINANCIAL RESULTS

Order, revenue and profit growth underpinned by Defense

Six months ended 31 December

£m	Order intake			Revenue			Underlying operating profit			Underlying operating profit margin		
	2023	2022 at constant currency ⁽¹⁾	% change constant currency ⁽¹⁾	2023	2022 at constant currency ⁽¹⁾	% change constant currency ⁽¹⁾	2023	2022 at constant currency ⁽¹⁾	% change constant currency ⁽¹⁾	2023	2022 at constant currency ⁽¹⁾	% change constant currency ⁽¹⁾
Defense	113.7	43.6	161%	56.6	38.4	47%	10.9	5.4	102%	19.3%	14.1%	520bp
Performance Products (PP)	41.9	77.0	(46)%	38.2	38.5	(1)%	2.0	3.6	(44)%	5.2%	9.4%	(420)bp
Established Automotive & Industrial (A&I)	12.1	17.8	(32)%	10.9	14.4	(24)%	(3.5)	(2.9)	(21)%	(32.1)%	(20.1)%	(1200)bp
Total	167.7	138.4	21%	105.7	91.3	16%	9.4	6.1	54%	8.9%	6.7%	220bp
Total Group	314.3	286.0	10%	224.2	206.1	9%	12.0	12.0	-%	5.4%	5.8%	(40)bp

1. The prior period results have been restated at current period FX rates and to reclassify order intake and underlying operating profit between Emerging A&I and Established A&I following a detailed review of project mapping between segments.

SPECIFIC ADJUSTING ITEMS ALIGNED TO OUR TRANSFORMATION

- Earn-out costs relate to the recent acquisitions of E3M and Aither and will be paid in H2
- Further reorganisation costs (c£7m) will be incurred in H2 from accelerating the Group's operating model transformation. Expect this to be funded by improved cash generation

Six months ended 31 December				
£m	Income statement		Cash flow	
	2023	2022	2023	2022
Continuing operations				
Amortisation of acquisition-related intangible assets	(2.5)	(2.0)	-	-
Acquisition-related expenditure	(0.4)	(1.2)	(0.8)	(0.9)
Earn-out costs	(6.2)	(0.2)	(1.8)	-
Reorganisation costs:				
Impairment of non-financial assets	-	(18.3)	-	-
Other reorganisation costs	(0.6)	(0.7)	(0.9)	(3.5)
ERP system implementation costs	(0.3)	-	(0.2)	-
Total from continuing operations before tax	(10.0)	(22.4)	(3.7)	(4.4)

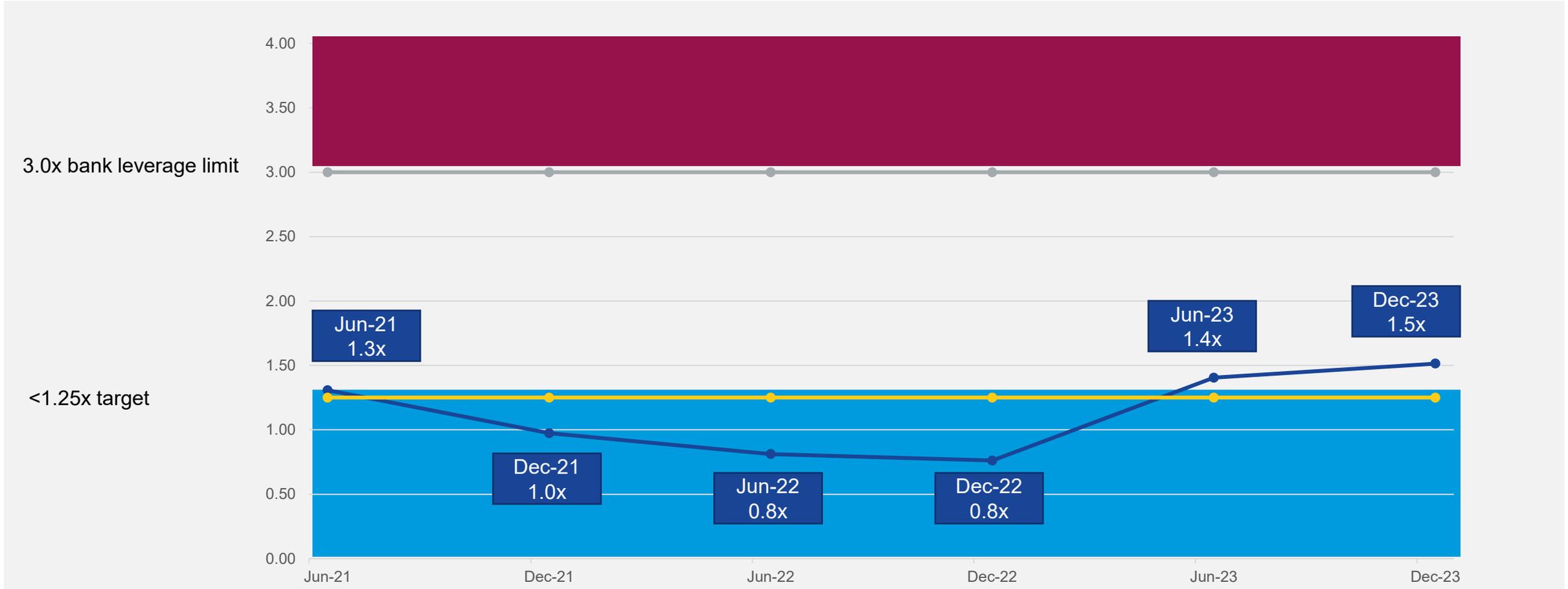
IMPROVED WORKING CAPITAL FOCUS DRIVING STRONG CASH CONVERSION

£m	Six months ended 31 December		
	2023	2022	% change
EBITDA	19.2	20.5	(6)%
Share based payments, Fair value losses on derivatives, Loss on disposal	0.6	1.2	(50)%
Working capital (increase)/decrease	5.8	(0.9)	744%
Pension charge and funding	(0.7)	(0.9)	22%
Underlying cash from operations	24.9	19.9	25%
Underlying cash conversion %	130%	97%	33pts
Net interest paid	(3.9)	(3.8)	(3)%
Tax paid	(5.4)	(3.7)	(46)%
Capital expenditure	(5.3)	(4.9)	(8)%
Principal element of lease payments	(2.6)	(2.4)	(8)%
Dividends	(5.4)	(4.7)	(15)%
Purchase of own shares, Cash flow hedges, FX, Financing fees	0.2	(3.9)	105%
Movement in net debt before acquisition & restructuring related costs	2.5	(3.5)	171%
Proceeds from sale of discontinued operation, net of fees	-	11.9	(100)%
Acquisition and earn-out related costs	(2.6)	(0.9)	(189)%
Reorganisation and ERP related costs	(1.1)	(3.5)	69%
Movement in net debt ⁽¹⁾	(1.2)	4.0	(130)%
Opening net debt	(62.1)	(35.4)	
Closing net debt	(63.3)	(31.4)	

1. Cash outflow net of movement in borrowings.

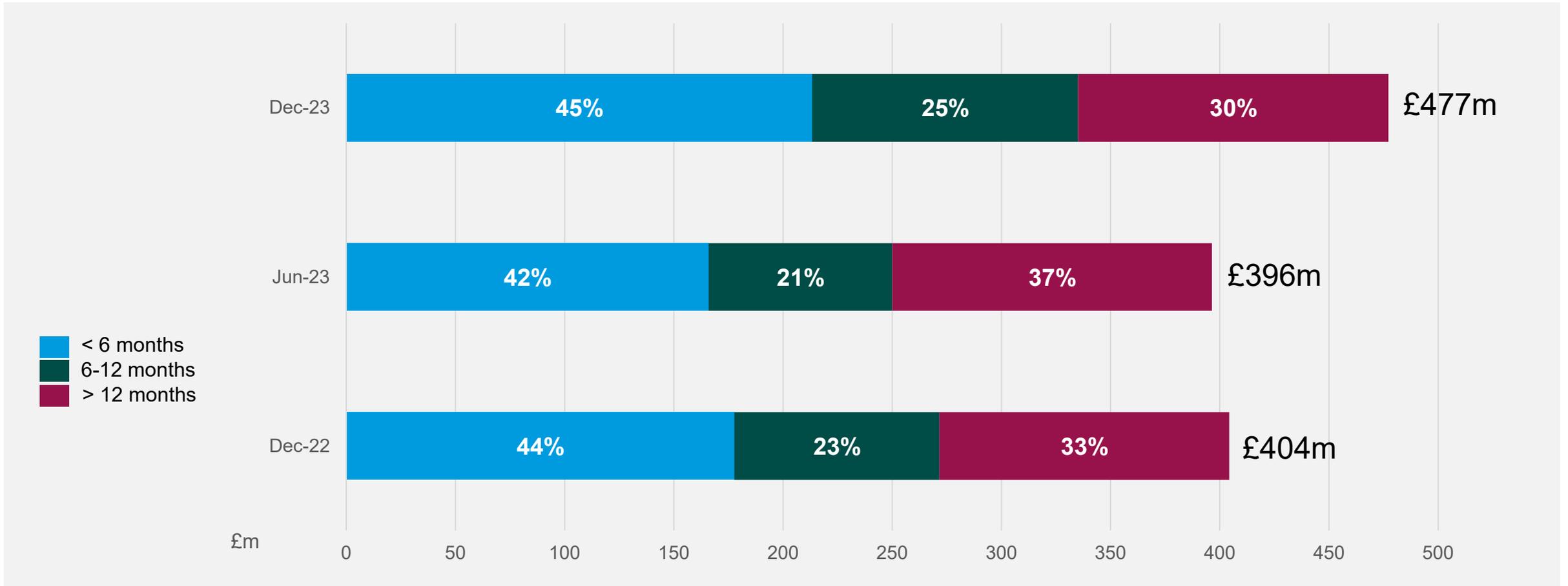
LOW LEVERAGE AND GOOD HEAD ROOM

At 31 December 2023:
 £46m RCF undrawn
 £41m cash



Bank definition excludes the impact of IFRS 16.

ORDER BOOK AT RECORD LEVEL



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

FY23/24 OUTLOOK

Record order book at 31 December 2023 of £477m, and good pipeline visibility underpins confidence in H2 revenue

Acceleration of operating model transformation drives improved profit performance in H2 and confidence in achieving market consensus for FY24

Strong cash conversion in H1 and expect H2 restructuring to be covered by continued strong cash performance, debt broadly in line with December 2023

Leverage expected to return to 1.25x with good headroom on facilities

Focus remains on delivering organic growth across the business areas

Ricardo expects to achieve market consensus for FY23/24 underpinned by good pipeline visibility and improved operating margins



STRATEGY UPDATE

Graham Ritchie

OUR SUSTAINABLE BUSINESS MODEL

Improving processes and functional alignment to ensure that our clients' expectations are consistently met



REBUILDING A SUSTAINABLE BUSINESS MODEL FOR A&I

Developing focus, leadership and processes to return to profitable growth



PORTFOLIO AND MARKET STRATEGY

- Expand beyond passenger car to commercial vehicle, marine and aerospace to drive growth
- Renewed focus on growth solutions for key markets: hybrid, sustainable fuels and hydrogen fuel cell
- Well positioned to support our customers in their technology transitioning



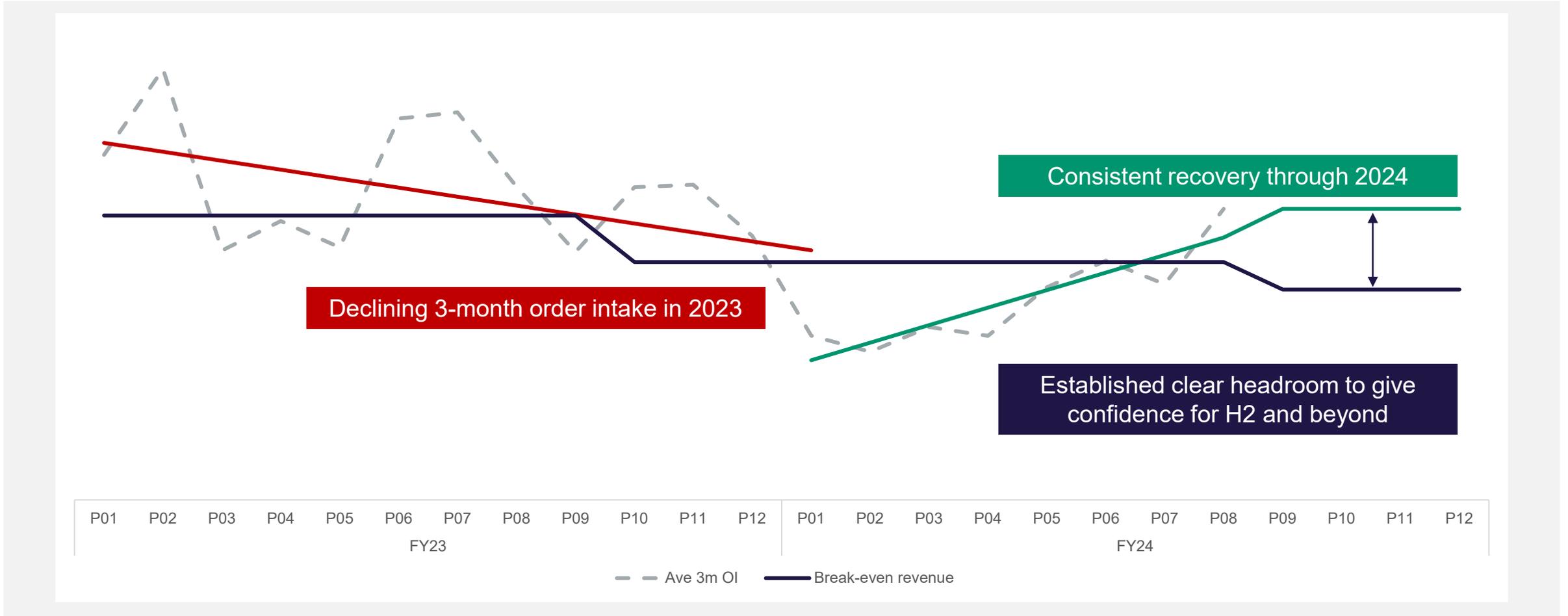
OPERATING MODEL CHANGES

- New refreshed leadership team delivering in line with clear priorities
- Agile business model with flexible resourcing to manage expected fluctuations
- Increased sales focus improving visibility of order pipeline

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PIPELINE UNDERPINS CONFIDENCE FOR A&I IN H2 AND LONGER TERM

Sales recovery and further flexible resourcing gives confidence of sustainable profit



INVESTMENT IN INNOVATION TO ACCELERATE PORTFOLIO PRIORITISATION

Focused R&D and CAPEX at the intersection of Policy, Environment and Mobility

INVESTING IN KEY AREAS:

DIGITAL INNOVATION

COMMERCIAL

Market insights development

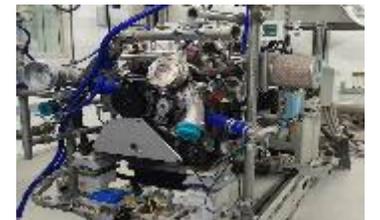
- Digital subscription service leveraging E3M PRIME-IEM energy market modelling
- Phased launch for European market in FY24 Q4



TECHNICAL

Hydrogen propulsion advancement

- Expansion of our Hydrogen test facilities – already booked for 12 months
- H₂ ICE Digital Twin to accelerate new product development



ATTRACTIVE MARKET POSITIONS ACROSS KEY GROWTH AREAS

We are focusing on energy transition and environmental solutions in markets where we see the strongest growth

<p>ENVIRONMENT WATER & CLEAN ENERGY</p> 	<p>Global Consulting Total Addressable Market size (FY27)</p> <p>\$30.15B (7.3% CAGR)</p>	<p>Ricardo's ambition (FY27)</p> <p>Double digit growth</p>
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MARKET FOCUS

- PSE* growth for public sector & policy insight to private clients
- Digital for energy markets in Europe & UK
- Extended reach of water & sustainability in US & APAC
- Growth in air quality in EMEA & Australia

CUSTOMER SUCCESS

- Mobility based policy and frameworks for EU commission
- Digital energy modelling for Bermuda regulatory authority
- Future water policy for Neom project
- Asian development bank in Malaysia to improve Air quality

<p>MOBILITY</p> 	<p>Global Consulting Total Addressable Market size (FY27)</p> <p>\$9.25B (5.7% CAGR)</p>	<p>Ricardo's ambition (FY27)</p> <p>High single digit growth</p>
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MARKET FOCUS

- Policy changes are impacting OEM planning
- Mix of propulsion technologies with focus on hydrogen
- Growth focus: marine, off-highway & commercial vehicle
- Sustainable fuels / e-fuels for heavy duty forms of transport

CUSTOMER SUCCESS

- Technical advisory for California's High-Speed Rail network
- Hydrogen drivetrain design for Ranger HEX
- Prototype hydrogen build for Toyota light commercial vehicle
- Alternative fuel ICE solution for European Industrial OEM



* Policy, Strategy and Economics

ACCELERATING AT PACE TO CREATE A STRONGER ONE RICARDO

A single simplified operating model for our consulting businesses to support our shift to mid-teens margin

 CUSTOMER BENEFITS	Centralised enabling functions to improve responsiveness and ease of doing business
 OPERATIONAL BENEFITS	Standardised systems and processes to drive performance and deliver efficiencies
 COST BENEFITS	Delivering annualised cost savings by improving our overall cost base



Building a centralised sales enablement team to increase best customer delivery

Situation:

Creating value through improved customer delivery and execution

Solution:

By bringing together our sales enablement and bidding experts we can improve ease of doing business and win further work

Results to date:

We are already seeing results through standardised sales performance reporting including, pipeline phasing and opportunities by growth solution- ensuring increased sales momentum

CLOSING REMARKS

Graham Ritchie

ACCELERATING OUR TRANSFORMATION TO ACHIEVE OUR AMBITION

H1 SALES MOMENTUM IN GROWTH AREAS

Order intake ahead of last year

Good revenue growth in EE, Rail and Defense

Strong cash conversion

A&I changes to support improved profit in H2

Confidence in full year market consensus

DRIVING MID TO LONG-TERM VALUE

Environmental and Mobility market opportunity

Digital investment to accelerate organic growth plans

Functional alignment improves business performance

A&I operating model supports sustainable profitability

Confident in delivering 5-year strategic objectives

THANK YOU

QUESTIONS & ANSWERS



APPENDIX

ENERGY AND ENVIRONMENT TRANSITION PORTFOLIO

ENERGY & ENVIRONMENT: A leader in sustainability consultancy, solving complex environmental challenges

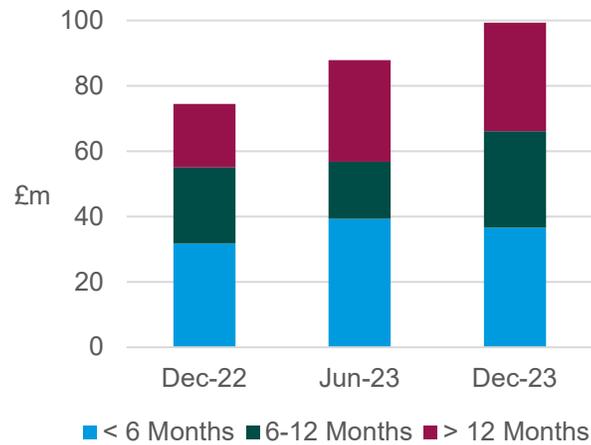
FINANCIAL HIGHLIGHTS

Revenue
£50.9m
 HY 2022/23 ⁽¹⁾: £37.7m

Underlying operating
 profit margin
17.3%
 HY 2022/23 ⁽¹⁾: 16.7%

Underlying operating profit
£8.8m
 HY 2022/23 ⁽¹⁾: £6.3m

ORDER BOOK PROFILE ⁽¹⁾



HEADCOUNT

1,017
 Voluntary attrition: 12% (PY: 12%)

BUSINESS UPDATE

- Continued strong demand with order intake up 11% on the prior period ⁽¹⁾
- Good organic revenue growth driven by high demand for services in Policy, Strategy and Economics and Air Quality
- Positive performance from recent acquisitions, Aither and E3 Modelling (E3M)
- Multiple wins include contracts with the European Commission and other international governments
- Continued expansion across key geographies supported by a strong order book, up 33% on the prior period ⁽¹⁾

KEY PROJECT WINS

- £11.8m air quality study secured for key client in the Middle East –the largest environmentally focused project to date
- Supporting the UK Government with a sustainable transport modelling assessment for heavy duty vehicles and related infrastructure
- Providing data modelling and climate risk insights to the European Commission to track achievements of NDCs*

**Nationally determined contribution*

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

ENERGY AND ENVIRONMENT TRANSITION PORTFOLIO

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

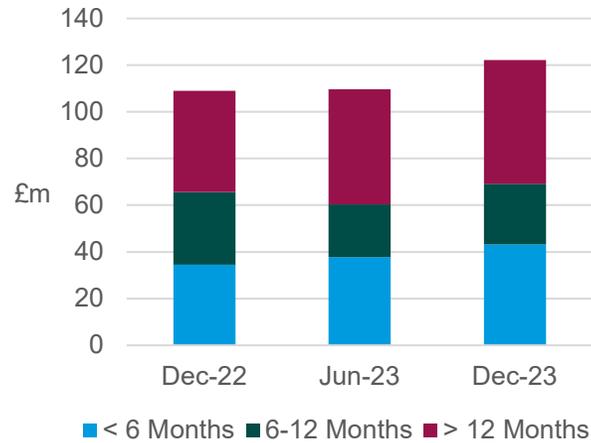
FINANCIAL HIGHLIGHTS

Revenue
£38.1m
 HY 2022/23 ⁽¹⁾: £34.6m

Underlying operating
 profit margin
10.8%
 HY 2022/23 ⁽¹⁾: 10.1%

Underlying operating profit
£4.1m
 HY 2022/23 ⁽¹⁾: £3.5m

ORDER BOOK PROFILE ⁽¹⁾



HEADCOUNT

539

Voluntary attrition: 14% (PY: 15%)

BUSINESS UPDATE

- Good growth resulting in a strong order intake up 23% on the prior period ⁽¹⁾
- Revenue was up 10% on the prior period ⁽¹⁾, owing to a strong order book at the end of the last financial year
- Multiple contract wins secured across all key geographies
- Significant wins in Asia owing to key strategic partnerships in region
- High activity in North America by leveraging key customer relationships over a 12-month period, particularly in Canada

KEY PROJECT WINS

- Systems engineering management development services for the Cross River Rail Project – a new 10.2km rail line
- 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)

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

ENERGY AND ENVIRONMENT TRANSITION PORTFOLIO

EMERGING A&I: Experts in electrified propulsion systems, software and digital technologies for sustainable mobility

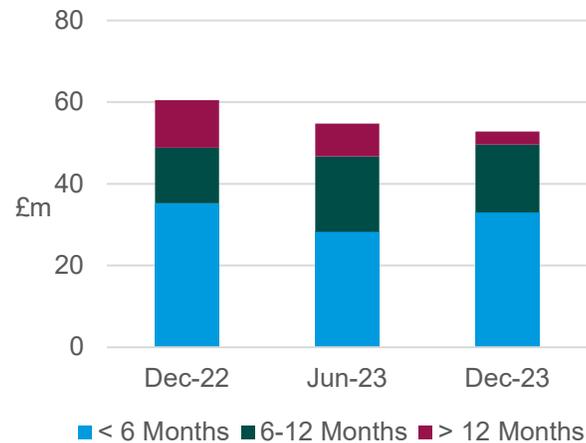
FINANCIAL HIGHLIGHTS

Revenue
£29.5m
 HY 2022/23 ⁽¹⁾: £42.5m

Underlying operating profit/(loss) margin
(5.1)%
 HY 2022/23 ⁽¹⁾: 11.1%

Underlying operating profit/(loss)
£(1.5)m
 HY 2022/23 ⁽¹⁾: £4.7m

ORDER BOOK PROFILE ⁽¹⁾



HEADCOUNT

525
 Voluntary attrition: 14% (PY: 14%)

BUSINESS UPDATE

- Order intake declined by 36% ⁽¹⁾ on the prior period due to delays in orders
- With revenue down, underlying operating profit reduced by £6.2m from a £4.7m profit in the previous period
- Continued weakness in the passenger car market was partly offset by our exposure across diversified markets including marine, aerospace and commercial and heavy-duty vehicles
- Expect improved order intake and profitability in H2, driven by growth in order book due to a refocus on core solutions and end markets
- R&D investment maintained to advance strong hydrogen pipeline

KEY PROJECT WINS

- Significant contract win to design an engine variant running on sustainable fuels for a European Industrial and Marine OEM
- Development testing of a hydrogen fuel cell system for light and medium duty commercial vehicle applications for a European Automotive Tier1
- Engineering support on an electrification programme covering inverter design and electronic architecture for a passenger car US OEM
- Significant contract extension for a cruise liner to develop, design and procure a high-power hydrogen fuel cell module

1. The prior period results have been restated at current period FX rates and to reclassify order intake and underlying operating profit between Emerging A&I and Established A&I following a detailed review of project mapping between segments.

ESTABLISHED MOBILITY PORTFOLIO

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

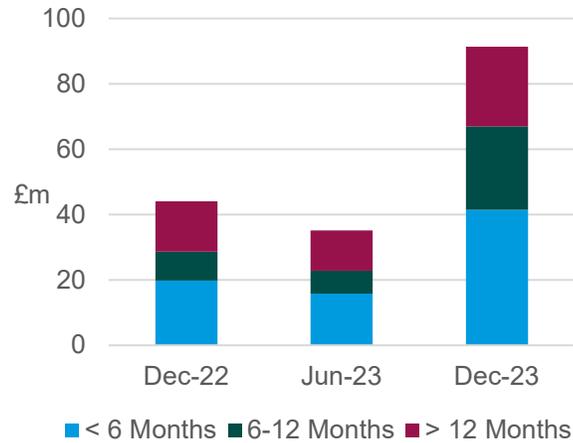
FINANCIAL HIGHLIGHTS

Revenue
£56.6m
 HY 2022/23 ⁽¹⁾: £38.4m

Underlying operating
 profit margin
19.3%
 HY 2022/23 ⁽¹⁾: 14.1%

Underlying operating profit
£10.9m
 HY 2022/23 ⁽¹⁾: £5.4m

ORDER BOOK PROFILE ⁽¹⁾



HEADCOUNT

233

Voluntary attrition: 20% (PY: 19%)

BUSINESS UPDATE

- Continued strong order intake which grew by 161% on the prior period ⁽¹⁾
- Revenue increased by 47% ⁽¹⁾ driven by increased ABS/ESC* volumes
- Record 6-month order delivery of 6,130 ABS/ESC* kits, compared to 3,956 in the prior period
- Significant operating profit margin expansion up 5.2ppt ⁽¹⁾
- Software development projects ongoing to support the US Department of Defense's decarbonisation strategy
- Initial funding awards for advancing several pilot programs for the US Army

*Antilock Brake System/Electronic Stability Control

KEY PROJECT WINS

- Contract modification award allows for the procurement of the ABS retrofit system for the entire US enduring HMMWV fleet. This extends the program to March 2026 with deliveries through to 30 September 2027
- Awarded M88 Pilot program for Dismounted Soldier Communication System – the first application to allow for real time communications between the vehicle and its operatives

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

ESTABLISHED MOBILITY PORTFOLIO

PERFORMANCE PRODUCTS: Engineering specialists in transmission design and niche-volume manufacturing

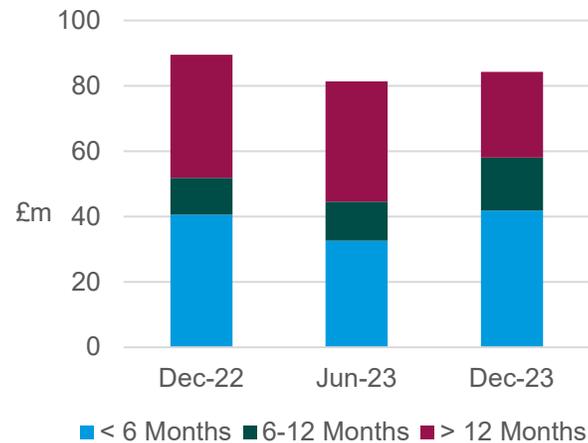
FINANCIAL HIGHLIGHTS

Revenue
£38.2m
 HY 2022/23 : £38.5m

Underlying operating profit margin
5.2%
 HY 2022/23 : 9.4%

Underlying operating profit
£2.0m
 HY 2022/23 : £3.6m

ORDER BOOK PROFILE (1)



HEADCOUNT

347
 Voluntary attrition: 15% (PY: 12%)

BUSINESS UPDATE

- £42m orders secured in H1
- Revenue impacted by lower McLaren engine volumes
- Timing of the trading of customer orders heavily weighted towards H2
- Focus on H1 in completing the development and validation for new multi-year transmission supply programme with series production ramp up in H2
- Continued focus on new project development in the net zero propulsion segment, including electric driveline units (EDU's) and also in the marine sector

CUSTOMER WINS

- Contract win to support an Asian based Motorsport OEM in the Driveline transmission design, manufacture and build services for the 2024 rally season
- Extension programme for a vehicle manufacturing OEM to design, develop, manufacture and assemble its 6-speed manual transmission
- Supply of manufacture, assembly and end of line test, including spares required for the Porsche Cup until the end of 2025

ESTABLISHED MOBILITY PORTFOLIO

ESTABLISHED A&I: Over a century of propulsion design and development

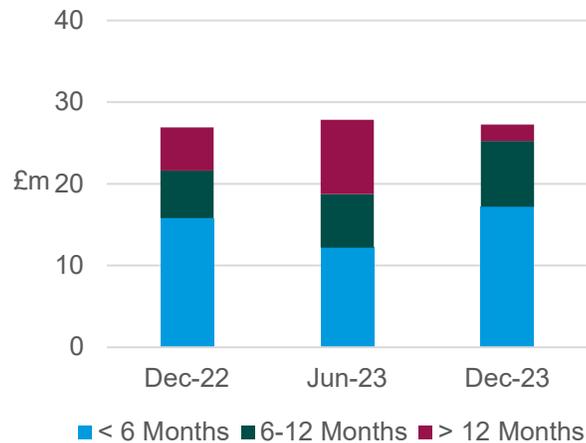
FINANCIAL HIGHLIGHTS

Revenue
£10.9m
 HY 2022/23 ⁽¹⁾: £14.4m

Underlying operating loss margin
(32.1)%
 HY 2022/23 ⁽¹⁾: (20.1)%

Underlying operating loss
£(3.5)m
 HY 2022/23 ⁽¹⁾: £(2.9)m

ORDER BOOK PROFILE ⁽¹⁾



HEADCOUNT

242

Voluntary attrition: 14% (PY: 14%)

BUSINESS UPDATE

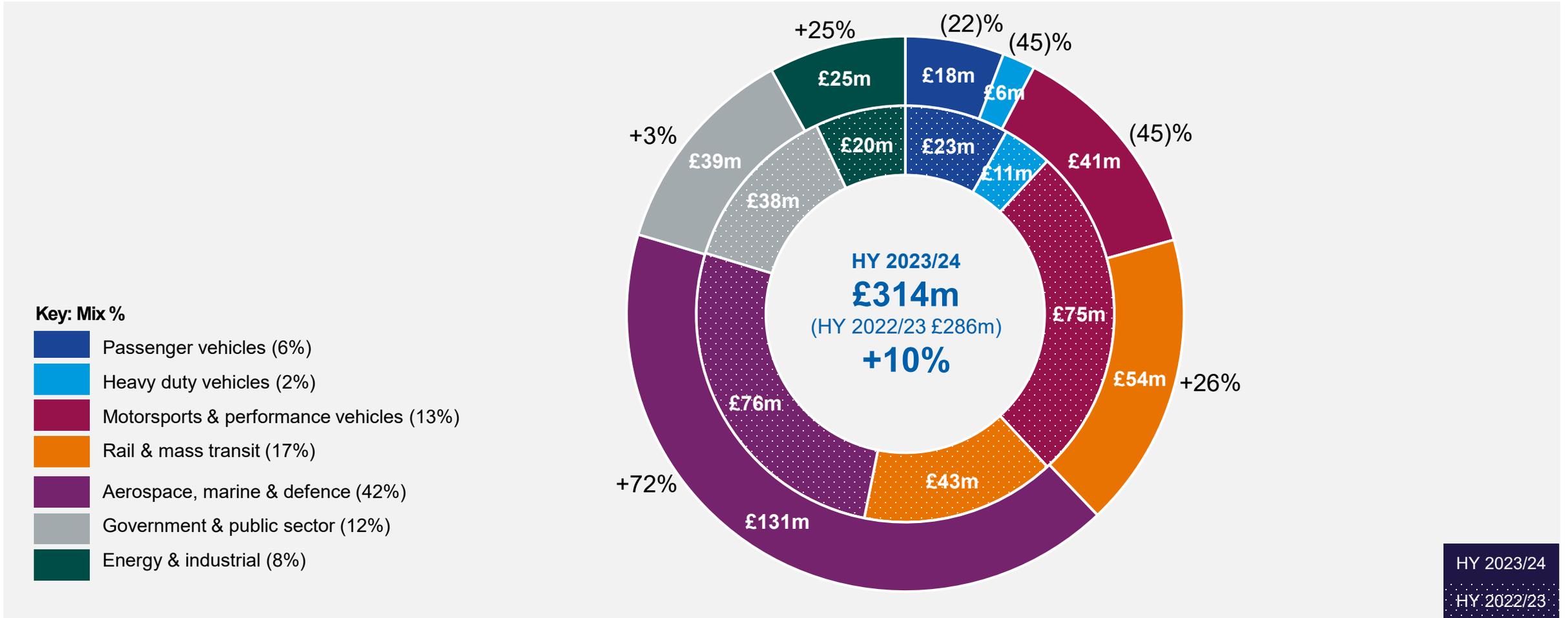
- Order intake contracted by 32% on the prior period ⁽¹⁾ due to order delays
- Despite a revenue reduction of £3.5m, the operating loss was £3.5m against a loss of £2.9m in the prior period ⁽¹⁾ –due to mitigating actions taken in H2 22/23
- Further actions taken to address the cost base in H1 included a streamlined leadership structure and growing a flexible resourcing model to manage expected fluctuations
- Consistent growth in order book due to continued demand for established services in marine, defence and heavy-duty vehicles will deliver improved performance in H2

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

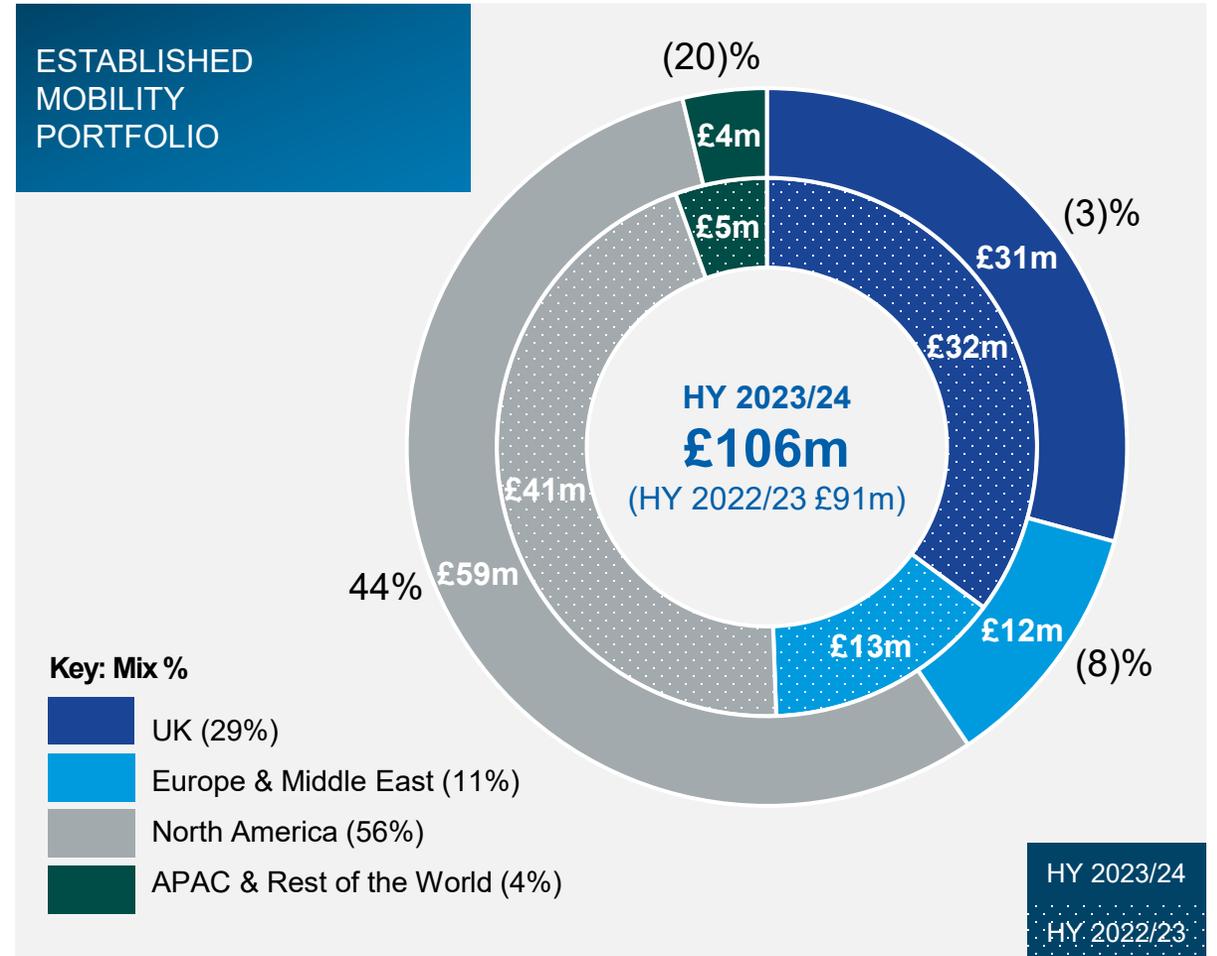
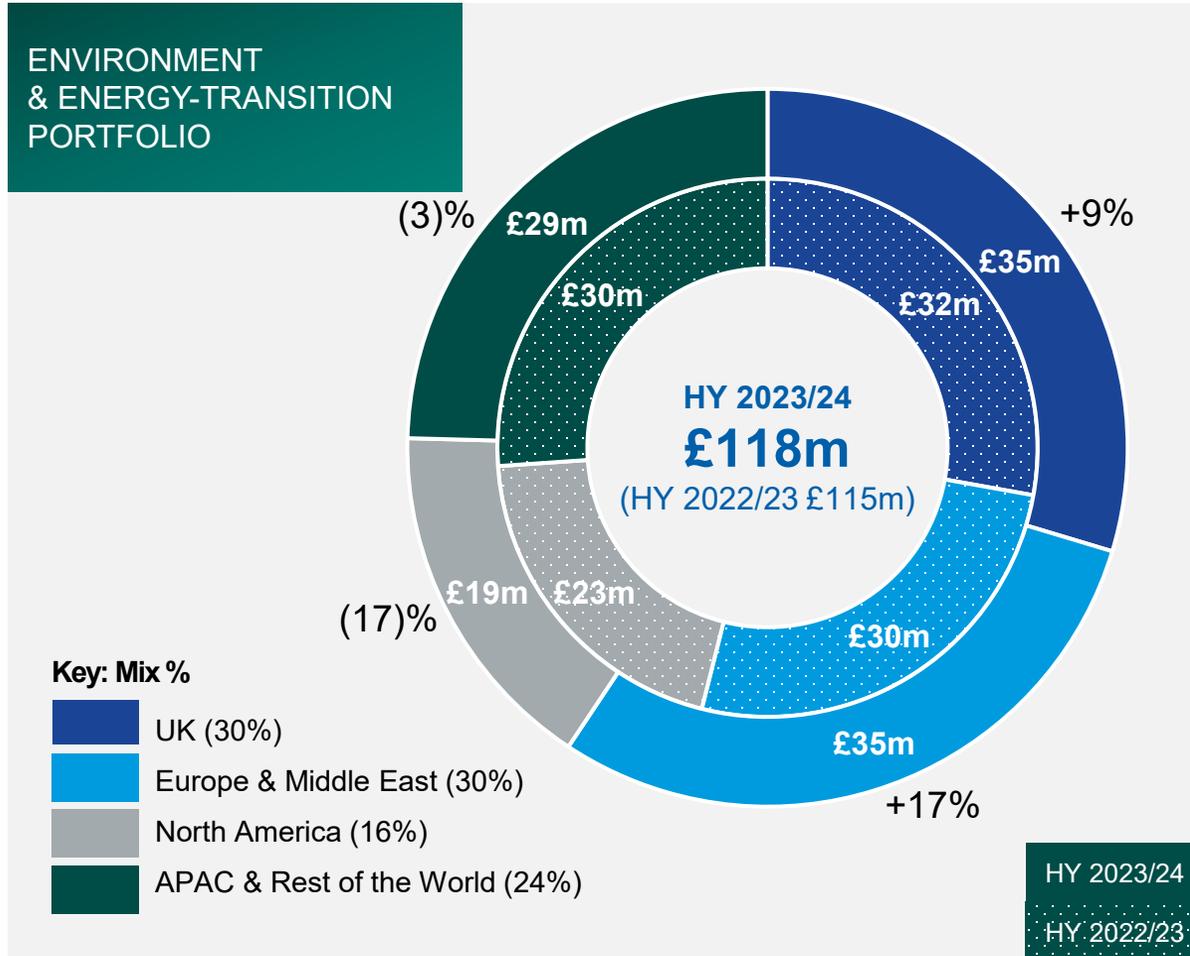
1. The prior period results have been restated at current period FX rates and to reclassify order intake and underlying operating profit between Emerging A&I and Established A&I following a detailed review of project mapping between segments.

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



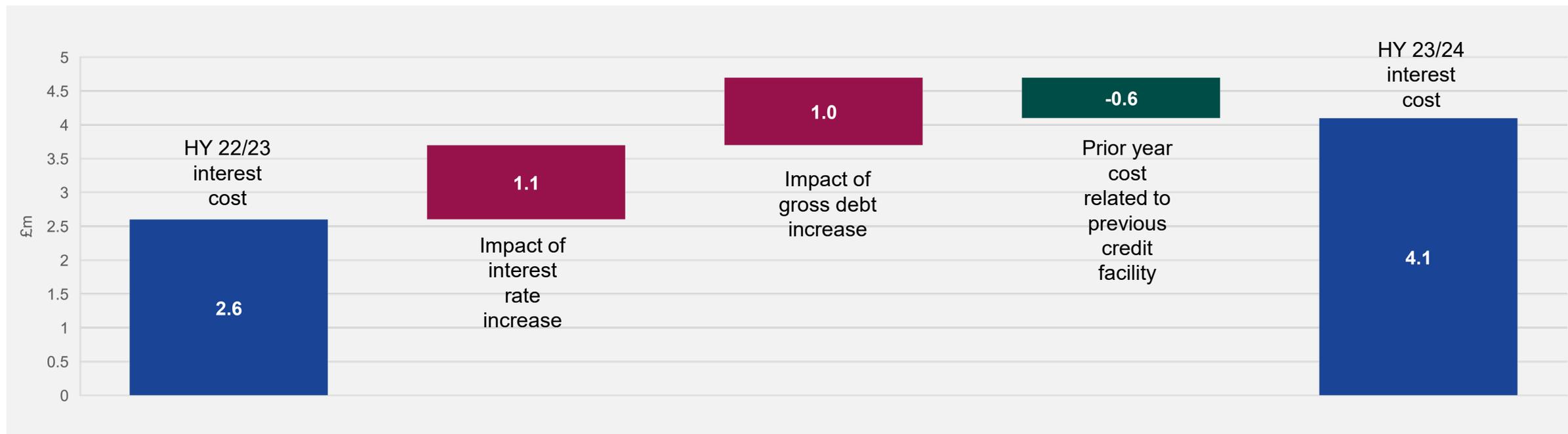
Figures presented on a Continuing Operations basis. The prior period results have been restated at current period FX rates.

INCOME STATEMENT – CONTINUING/DISCONTINUED OPERATIONS

£m	Half year ended 31 December							
	2023			2022			Year-on-year movement	
	Underlying	Specific adjusting items ⁽¹⁾	Total	Underlying	Specific adjusting items ⁽¹⁾	Total	Underlying	Total
Revenue	224.2	-	224.2	212.7	-	212.7	5%	5%
Gross profit	60.5	-	60.5	60.1	-	60.1	1%	1%
Indirect costs	(48.5)	(10.0)	(58.5)	(47.6)	(22.4)	(70.0)	2%	(16)%
Operating profit/(loss) from continuing	12.0	(10.0)	2.0	12.5	(22.4)	(9.9)	(4)%	n/a
Net finance costs	(4.1)	-	(4.1)	(2.6)	-	(2.6)	58%	58%
Profit/(loss) before tax from continuing operations	7.9	(10.0)	(2.1)	9.9	(22.4)	(12.5)	(20)%	83%
Taxation charge	(2.1)	0.9	(1.2)	(2.6)	0.5	(2.1)	(19)%	(43)%
Profit/(loss) from continuing operations	5.8	(9.1)	(3.3)	7.3	(21.9)	(14.6)	(21)%	(77)%
Profit from discontinued operations	-	-	-	0.4	6.1	6.5	(100)%	(100)%
Profit/(loss) for the period	5.8	(9.1)	(3.3)	7.7	(15.8)	(8.1)	(25)%	(59)%

1. Specific adjusting items comprise asset impairment, amortisation of acquired intangible assets, acquisition-related expenditure, ERP system implementation costs, reorganisation costs and non-recurring items.

INCREASED INTEREST COSTS



£m	Average for period		At 31 December	
	2023	2022	2023	2022
Interest rate	6.90%	3.85%	7.05%	4.88%

PROGRESS TOWARDS OUR 5-YEAR STRATEGIC AMBITION

Portfolio shift to Environmental & Energy Transition supports underlying high-growth and margin

Double operating profit	Group operating profit % to mid-teens
Average cash conversion 90%	3-4% CAPEX % of revenue
Dividend cover 2.5-3.0X	Leverage <1.25x EBITDA

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

CREATING VALUE FOR OUR STAKEHOLDERS IN A SUSTAINABLE WAY

1

STRONG CORE BUSINESS FUNDAMENTALS

- Listed on the London Stock Exchange with good customer and sector diversification
- Experts in solving complex problems rooted in science and innovation with leading positions in key mobility markets
- Global mega trends drive long-term profitable growth from supporting energy transition
- Good momentum in our execution and on track in short-term delivery

2

FOCUSED STRATEGY IN ACCELERATING OUR TRANSFORMATION

- Re-positioning from automotive engineering to become a leader in strategy and engineering consultancy for Environmental & Energy transition solutions
- Transitioning through focused organic portfolio prioritisation and targeted M&A
- Portfolio transition enables significant rerating
- Clear phased plan to deliver strong returns and sustainable profitable growth