

In Andrew's Portfolio -Ricardo PLC [RCDO.L] share price on 1 August 2014 £6.28

Ricardo is a global strategic, technical and environmental consultancy. It is also a specialist niche manufacturer of high performance products. Ricardo plc is an established company with a century of innovation and automotive heritage provides product innovation, technology, engineering, and strategic consulting services to the automotive, transport, and energy industries worldwide. The Company is a leading global multi-industry engineering provider of technologies and products including high quality engineering solutions, low carbon, high fuel-efficiency technologies, class-leading product innovation and robust, well-informed strategic advice. It has pan global involvement in diverse markets including agriculture, industrial, vehicles, clean energy and power, defence, government marine, transportation and railways. Given the high emphasis on reducing carbon emissions environment, the company is ideally placed to provide inbound expertise in its services and products.

Company Facts

EPIC RCDO	Market cap: £353.1 Million	Sector Support Services	Exchange LSE	Currency GB £ Sterling	Indices LSE
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Ricardo PLC Key Features

- A one-stop shop for engine, driveline, vehicle and controls systems with world-renowned expertise in diesel engine design and development
- At the forefront of providing rigorous and validated processes from the automotive field to deliver improved clean energy and power generation systems
- A global developer of new commercial vehicle technologies including ultra low emissions and high fuel-efficiency combustions systems
- combines advanced automotive technology and innovation with a rich heritage of providing truly exceptional and game-changing defence vehicles
- Independent and objective strategic and technical policy advice on the availability and impact of technologies for CO2 reduction in a particular industry sector or application
- One-stop shop for marine engineering support
- State-of-the-art design capability for transportation solutions from concept design to upgrades, troubleshooting and niche manufacture, and including engine, transmission, intake, exhaust, and full vehicle engineering.
- The company employs over 2,100 professional engineers, consultants and scientists
- brings a fresh and different approach to international railway customers, from operators and regulators to train builders and equipment manufacturers.
- client list includes the world's major transportation original equipment manufacturers, supply chain organisations, energy companies, financial institutions and government agencies.
- Year on year share performance increase 76.7% (8 July 2013 £3.58 7 July 2014 £6.81)

Recent News

- The UK Government announced on 8 July 2014, a multi-million pound investments in University of Brighton research and building projects – including a significant project that will see an enhanced level of collaboration with Ricardo. As a result of the new funding announcement, Ricardo will collaborate in the creation at the University of a new engineering Centre of Excellence. This will deliver leading automotive and environmental engineering research and will receive £7 million, with £4.5 million allotted for 2015-16.
- Coinciding with the start of the EICMA show – one of the foremost trade exhibition events in the global two-wheeler industry – Ricardo has announced that it will host a high-level technical summit, addressing key themes in the areas of market drivers, and future powertrain and vehicle technologies.

FUNDAMENTAL ANALYSIS

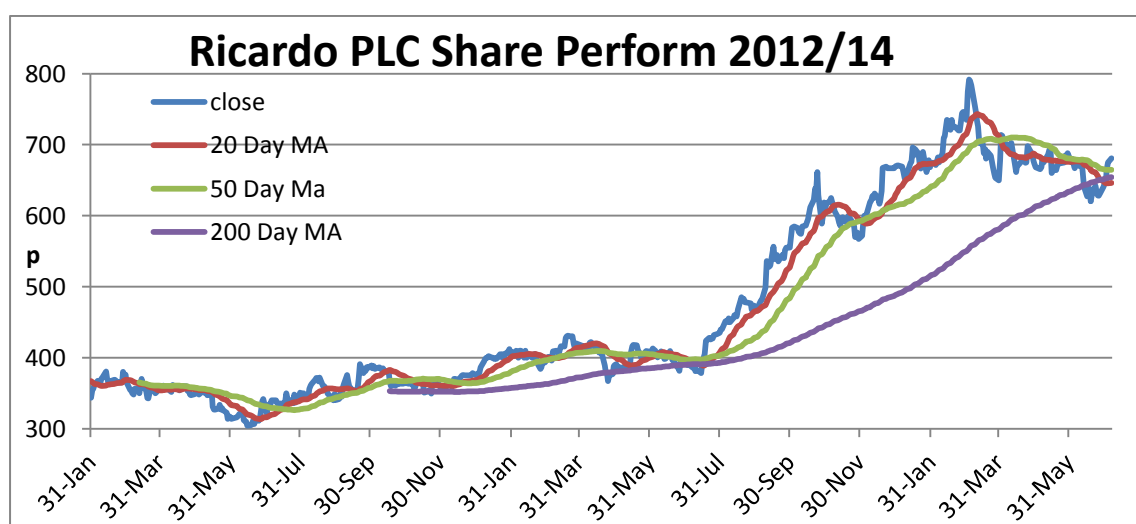
Company Statements : [Interim Results 30 June 2013](#) [Ricardo Fundamentals](#)

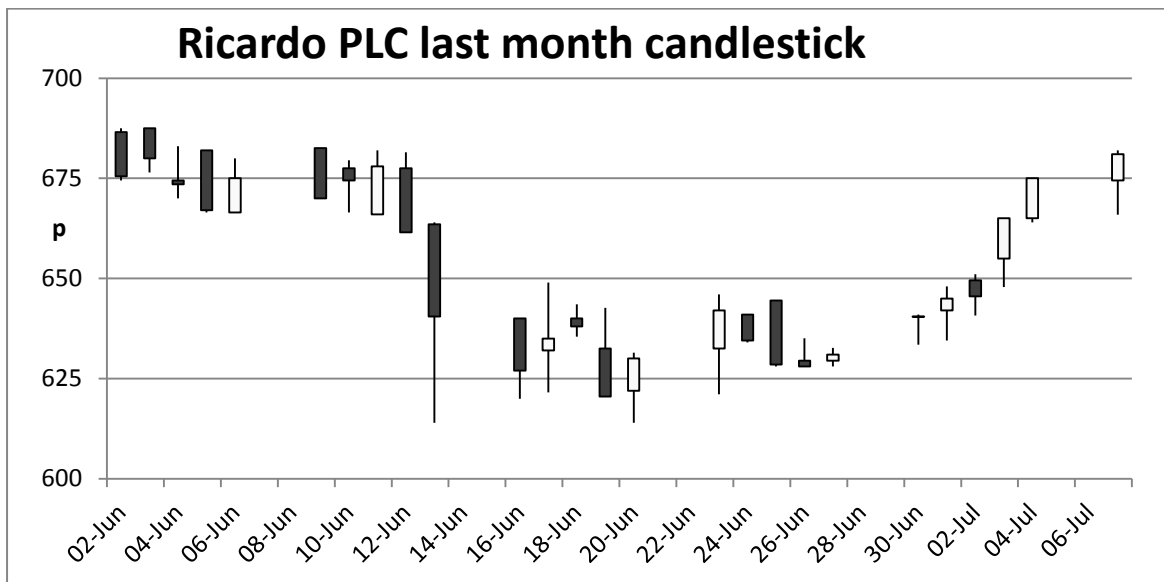
FINANCIAL PERFORMANCE [Investor factsheet 2013](#)

www.ricardo.com	Year ended 30 June 2012 £m	Year ended 30 June 2013 £m	Year on Year Movement %
Revenue	197.4	229.7	16.4
Operating Profit	18.6	22.1	18.8
Profit before Tax	7.2	9.3	29.2
Order Book	107	121	13.1
Operating Profit	18.6	22.1	18.8
EPS (Basic)	29.3	32.9	12.2
Full Year Dividend	12.4p	14.0p	11.1

- Ricardo's order book closed the 2013 year at £121m despite losing some business to Jaguar
- Organic (excluding AEA) profit before tax up 15% to £20.2m (June 2012: £17.6m)
- Underlying* profit before tax up 31% to £23.0m (June 2012: £17.6m) Underlying* basic earnings per share up 22% to 35.8p (June 2012: 29.3p)
- Net funds of £6.1m (June 2012: £7.9m) after funding £18.0m AEA acquisition
- Full year dividend up 13% to 14.0p per share (June 2012: 12.4p)
- Continuing to build an innovative Group well-placed to deliver long-term growth
- Strategic partnerships yielding multi-year visibility
- Share price growth year on year 76.7% (8 July 2013 £3.58 7 July 2014 £6.81)

TECHNICAL ANALYSIS - RICARDO PLC [RCDO.L] Technical Diagnosis – Moving averages give a good indication of the vitality of the share in the long run. The last months have seen Ricardo share price and moving averages fall from a high of £7.92 on the 5 March. Since Feb 2014 the share price has retrenched to a recent low on 26 June of £6.28 equating to fall to the 38.2 Fibonacci level. Since that date the share has recovered and is testing this fib resistance level. This could well see the share price move higher to the previous range. The bullish candlestick performance would seem to suggest that the 'May effect' of general share price decline is now being reversed. Last month's candlestick graph is a classic sign of a cup and handle with recovery to the upside. Given the recent upturn in investor sentiment in Ricardo I decided to buy 380 shares at £6.77 on 8 July. ***Please note this analysis is not advice but interpretation of potential market moves. Past performance is no guide to the future .*** First Share Reviewed on 5 Dec 2013 £6.00 Share Review 8 July 2014 £6.77. Current Price 1 August £6.28





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