

# Arcadis to acquire DPS Group

*Continue to accelerate  
Arcadis' 2021-2023 'Maximizing Impact' strategy*

5 October 2022

*Improving Quality of Life*

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Statements included in this presentation that are not historical facts (including any statements concerning investment objectives, other plans and objectives of management for future operations or economic performance, or assumptions or forecasts related there to) are forward-looking statements. These statements are only predictions and are not guarantees. Actual events or the results of our operations could differ materially from those expressed or implied in the forward-looking statements. Forward-looking statements are typically identified by the use of terms such as “may,” “will,” “should,” “expect,” “could,” “intend,” “plan,” “anticipate,” “estimate,” “believe,” “continue,” “predict,” “potential” or the negative of such terms and other comparable terminology.

The forward-looking statements are based upon our current expectations, plans, estimates, assumptions and beliefs that involve numerous risks and uncertainties. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth in the forward-looking statements.

# Today's Agenda and Presenters



**01** Introduction to DPS Group

**02** Strategic Rationale

**03** Transaction details & Integration

**04** Q&A



**Peter Oosterveer**  
CEO



**Virginie Duperat-Vergne**  
CFO

# Accelerates Arcadis' 2021-2023 'Maximizing Impact' Strategy

## Key transaction highlights

**€295M**

Transaction  
Enterprise Value

**6.7x**

EV / EBITDA  
*Incl. cost synergies  
of €8M*

**Q4'22**

Expected closing

## Arcadis and DPS Group

Creating a leading global position in consultancy, engineering and construction management for the Life Sciences and Semiconductor manufacturing sectors

### Growth opportunity

Creates high growth opportunity for Arcadis' Places Global Business Area (GBA) in the high growth and resilient Life Sciences and Semiconductor manufacturing markets

### Highly complementary

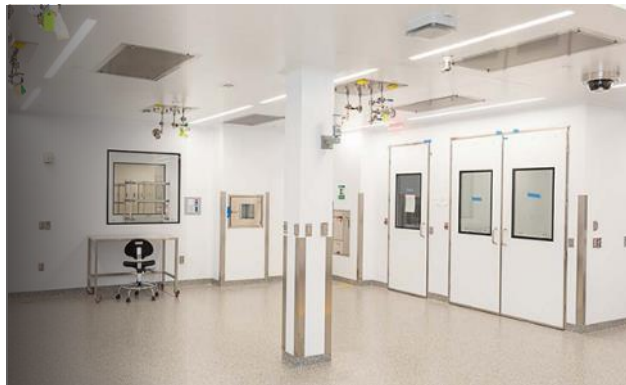
Creates a full-service provider given DPS' and Arcadis' complementary service offerings, driving scope for revenue synergies

### Strong market position

Leveraging on DPS' strong skillset, long-standing client relationships with the worlds' largest pharma and semiconductor companies

### Scale and drive operational efficiencies

Increased size drives scaling opportunities and cost synergies from improved operational efficiencies and rationalization of organizational design



# A critical service provider to clients in Life Sciences and Semiconductor industry

- A critical service provider to the Life Sciences and Semiconductor manufacturing market
- Key Sectors: Pharmaceutical, Biotechnology, Novel Therapy, Medical Technologies & Semiconductor manufacturing
- Headquartered in Ireland
- Privately owned, founded in 1974
- 5 years of successful collaboration between Arcadis and DPS



**€289M**

2021 FY

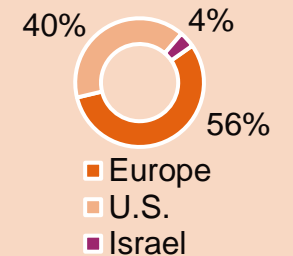
**Net Revenues**

**21%**

**CAGR 2019-2021  
Organic Net  
Revenues**

**€300K**

**Average project size**



**~2,850**

**Headcount**

**19/20**

**Strong client base**  
MSAs with 19 of top 20  
global pharma  
companies

# A critical service provider to clients in Life Sciences and Semiconductor industry

Leading provider of comprehensive project services to global leading clients in: Pharmaceutical, Biotechnology, Novel Therapy, Medical Technologies & Semiconductor manufacturing

## Engineering, Procurement, Construction Management & Validation

*51% of FY21A Net Revenues*

In 2 main service lines:

Life Sciences and Semiconductor Industry

Master Planning,  
Design and  
Engineering

Manufacturing  
engineering,  
Detailed Design

Commissioning  
and Qualification

## Advanced Technology Group

*14% of FY21A Net Revenues*

All services specifically for  
semiconductor clients

## Technical & Contract Services

*35% of FY21A Net Revenues*

Client-side support for Life  
Sciences clients



# Recognized by key clients for deep asset knowledge

## Design & Engineering for Crispr Therapeutics facility

Location: Framingham, Massachusetts, US



## Design & Manufacturing Engineering for Janssen facility

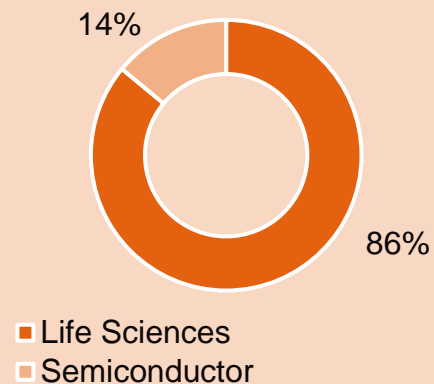
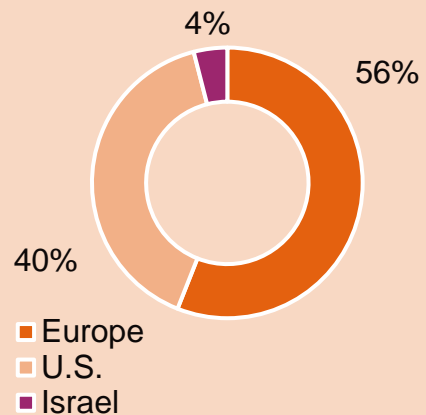
Location: Janssen Biologics site, Ireland



# Strong track record of profitable growth is solid base for future performance

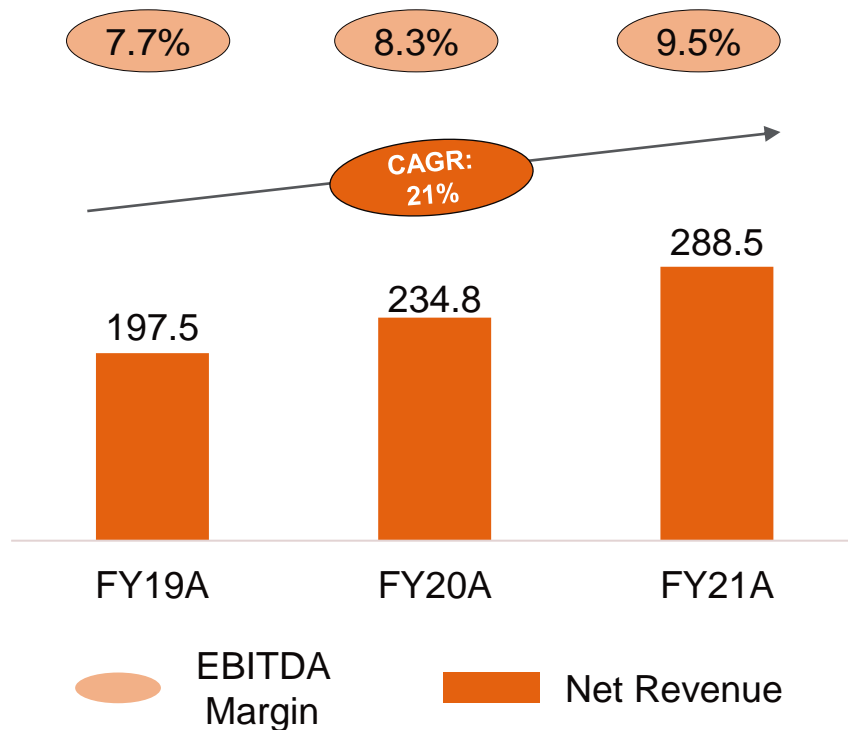
## Net Revenue splits

Based on FY2021



## Net Revenues, growth, EBITDA margin (post IFRS 16)

€ millions, %



## Secured Backlog as of 30 June 2022

€ millions, and year

**€439M**

Total Secured Backlog

**1.5 year**

Secured Backlog in Net Revenues





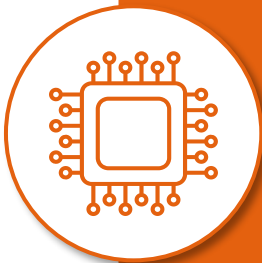
# Increases exposure to highly attractive and resilient Life Sciences and Semiconductor Markets



**Life Sciences market**  
Double Digit Growth Rates across Sub Sectors such as Tools and Diagnostics

**Biopharma market projected to grow ~7-8% CAGR over medium term, with several sub sector at >10-15% CAGRs**

**Top 15 Pharmaceuticals alone >\$100 billion per year on R&D**



**Semiconductor Industry**  
Benefit from Strong Structural Tailwinds and Significant public and private Investments

**Global Semiconductor sector Expected to grow with >10% CAGR between 2022-2029**

**€43 billion**  
Total policy-driven investment, incl. the European Chips Act until 2030

**\$280 billion**  
US Bill Signed to Supercharge US Semiconductor Production



# Acquisition of DPS caters to increased client need for more integrated offerings from a trusted advisor

## What are Life Sciences clients looking for

**“Speed to market”**  
*High demand, limited supply, clients looking for one stop shop for large capex investments*

**Complex, regulatory driven market**  
*Clients looking for trusted advisor with in-depth expertise, strong reputation & track record*

**Resilient supply chains**  
*Clients balance manufacturing capacities across the globe, high investments in USA and Europe*

## Combination well positioned to meet client needs in Life Sciences sector, but also in Industrial Manufacturing and Technology



**Critical service provider**  
 Including the “core” of the engineering process: manufacturing engineering



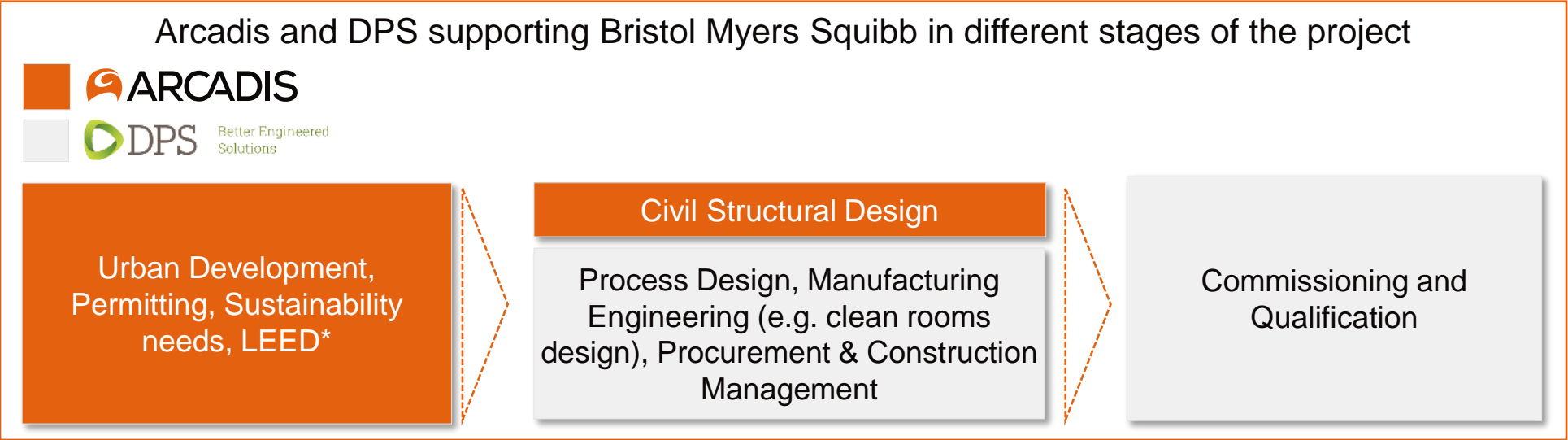
**Life sciences offering focused at early stages of projects**  
 Through Places and Resilience


..other Industrial Manufacturing clients (e.g. automotive and EV battery producers specifically) are looking for manufacturing engineering services offered by DPS



# Complementary services: turning Arcadis into a one-stop shop, full-service provider

## Example of collaboration on the Cell Therapy Facility for Bristol Myers Squibb



 Bristol Myers Squibb™  
Life Sciences Client of Arcadis and DPS

**20,000**  
Total square meters of the facility

**2024**  
Facility to be operational

**500**  
FTEs to be working at facility



- Arcadis and DPS collaborating on Cell Therapy Facility for Bristol Myers Squibb (BMS) at the Leiden Bio Science Park (The Netherlands)
- New Facility will reduce turnaround time, saving valuable time for patients with aggressive blood cancers
- Both Arcadis and DPS have long standing relationships with BMS

# Strong revenue and cost synergies to drive solid operational performance

## Revenue synergies

Combination driving significant revenue growth opportunities

- 1 Complementarity drives increased cross selling opportunities
- 2 Increased size drives higher win rate large projects
- 3 Access to new high growth market: semiconductor manufacturing industry
- 4 Leverage DPS' offering to industrial manufacturing clients like EV battery gigafactories
- 5 Leverage Arcadis' Sustainability advisory (Resilience) to DPS' clients

## Cost synergies

Expected full run rate of cost synergies of **€8M**, or 2.8% of 2021 net revenues

- 1 **Operational efficiencies**  
Onboarding of the Global Excellence Centers
- 2 **Operating costs: scale benefits**  
Workplace, insurance, license costs, IT
- 3 **Organizational design**  
Rationalization of overhead and governance

# Combination of Arcadis, IBI & DPS results in balanced portfolio tailored for high growth end markets

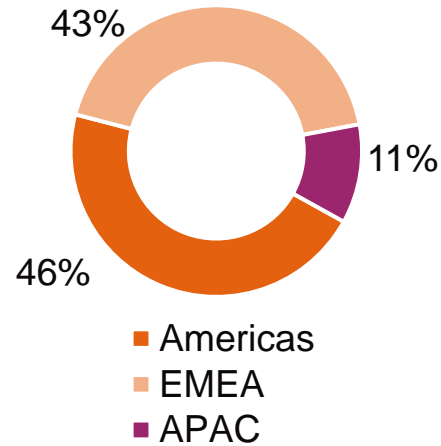


Strengthened positions in key geographies

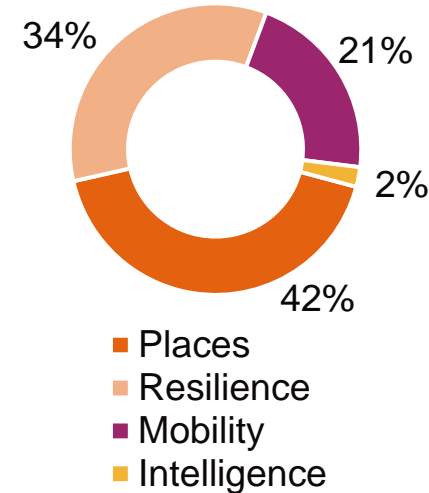
Balanced services portfolio with cross selling across GBA's

**Places** focus on high growth and resilient end markets with strong client base

Net Revenues 2021 Full Year *pro forma*



Net Revenues 2021 Full Year *pro forma*



**>80%**  
of Net Revenues

**Clients** in industrial manufacturing, including life sciences, advanced technology, automotive, aerospace and government sector

**Asset classes:** manufacturing, R&D, logistics centers, datacenters, public buildings (universities, stations, hospitals, defense buildings)

*Based on Net Revenues 2021 pro forma*

2021 Full Year *pro forma*  
**Net Revenues €3.2bn | Operating EBITA: 9.5%**

# Fully debt financed and Investment Grade rating expected

## Key Transaction Details

**Financing**

Fully debt financed:  
Bridge Loan, RCF, Cash

**Credit Rating**

*Investment Grade* rating  
by S&P expected

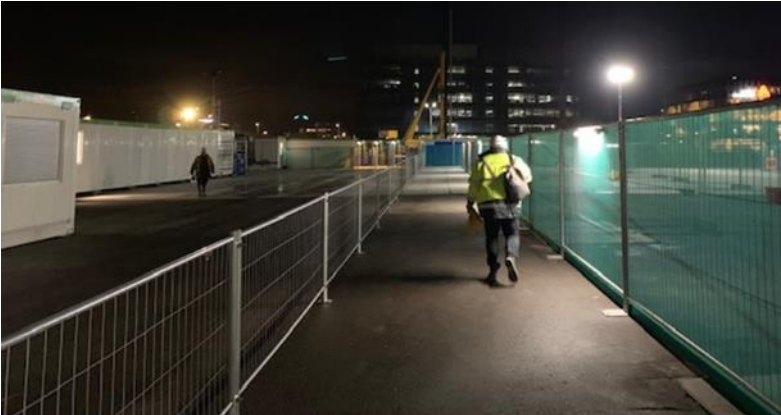


**Closing**

Closing expected before  
end of 2022

**Leverage Ratio**

Expected to be around  
upper end of targeted  
financial leverage ratio of  
1.5x - 2.5x net debt /  
EBITDA  
*pro forma end of year 2022*



# IBI & DPS integration: structured approach allowing continued focus on clients and operations

## Integration Update

✓ IBI transaction successfully closed 27<sup>th</sup> of Sept., Day 1 celebrated

✓ Integration Management Team appointed in Q2 2022

✓ Proven, dedicated and agile internal team, minimizing operational disruptions

✓ Integration Management Team directly reporting to the CEO

## Key integration milestones



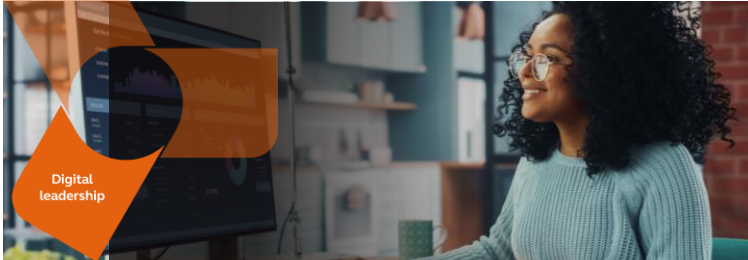
Setup of 4th GBA: Intelligence	Combining CallisonRTKL and IBI Buildings	Financial reporting, systems & controls	Integrating IBI Infrastructure across Arcadis GBA's
<b>Q4 2022</b> Appointment key management	<b>Q4 2022</b> Appointment key management	<b>Q1 2023</b> Full integrated management reporting	<b>Q1 2023</b> Integration IBI Infrastructure



Integration of back-office, rationalization of overhead, financial reporting alignment	Integration of DPS European operations in Places GBA	Integration of DPS US operations into Places GBA
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# Delivering on our 2021-2023 'Maximizing Impact' Strategy

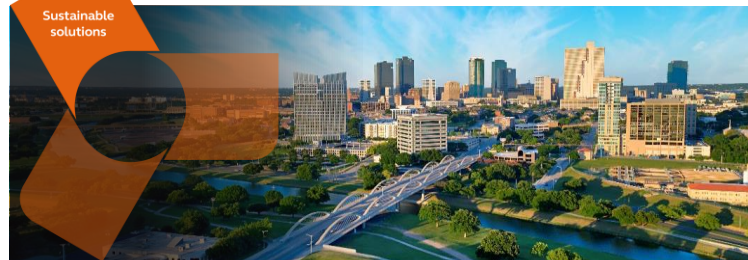
## Digital leadership



### IBI Group as accelerator

- 4th GBA: "Intelligence"
- Digital solutions integral to client offering
- Automation & standardization through GBA structure

## Sustainable solutions



### Investing in Energy Transition

- Leading in remediation and water in the US
- Accelerated demand in energy transition, climate mitigation & adaption
- Sustainability advisory entering strategic consultancy space

## Focus & Scale



### Operational efficiencies and portfolio adjustments

- GBA structure GECs\* driving operational efficiencies and data management
- Focus on high growth end markets and core geographical areas
- Increased focus on North America driving scaling opportunities

Portfolio optimization:



Divestments in 2022 YtD:  
Thailand, Czech Republic  
& Slovakia, Switzerland

Leading global engineering, people focused company, offering landmark projects to **36,000 Arcadians**



Q&A

