

## **Arcadis to acquire DPS Group: creating a leading global position in consultancy, engineering and construction management for the Life Sciences and Semiconductor manufacturing market**

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

- Strongly positions Arcadis in the high growth and resilient Life Sciences and Semiconductor manufacturing sectors
- Creates a full-service advisor for high-tech industrial manufacturing clients, combining DPS' and Arcadis' complementary service offerings
- Opportunity to leverage DPS' strong capabilities, experience and long-standing client relationships with the world's largest pharmaceutical and semiconductor manufacturing companies
- Increased size drives scaling opportunities and cost synergies from improved operational efficiencies and rationalization of organizational design

**Amsterdam, 5 October 2022 – Arcadis, the leading global design & consultancy organization for natural and built assets is pleased to announce it has entered into an agreement to acquire DPS Group, a leading consultancy, engineering and construction management company for Life Sciences and Semiconductor facilities. DPS has a strong presence in North America and Europe, and long-standing client relationships with the world's largest pharmaceutical and semiconductor manufacturing companies. With this acquisition, Arcadis will achieve a leading global position in the two high growth manufacturing markets and create a further enhanced and integrated full-service offering.**

**Peter Oosterveer, Arcadis' Chief Executive Officer said:** "The intended acquisition of DPS marks another significant milestone in the implementation of Arcadis' 2021-2023 'Maximizing Impact' strategy and our focus on scaling our business and delivering an enhanced service offering to clients. Together with DPS' team of 2,850 talented consultants, process engineers and program managers across the U.S. and Europe, we can build on Arcadis' success in the delivery of high-tech facilities. Our ambition is to be a global leader in the high growth and resilient Life Sciences and Semiconductor manufacturing markets. The combined strengths of both our organizations will allow us to improve the quality of life for the communities we all serve, while amplifying our ability to deliver a full service and seamless offering to new and existing clients across the world."

**Frank Keogh, DPS Chief Executive Officer said:** "Today marks an important step in the evolution of DPS. Over the past years we have grown our business into a leader in the Life Sciences and Semiconductor manufacturing sectors. I am proud to be joining forces with Arcadis. Together with Arcadis we will be able to offer a more comprehensive set of solutions for our clients and continue to grow our business."

### **SIGNIFICANT VALUE CREATION FROM REVENUE AND COST SYNERGIES**

DPS is headquartered in Ireland with over 2,850 highly skilled employees in the U.S. and Europe. It generated €289 million of net revenues in 2021, with a net revenue growth CAGR of 21% between 2019 and 2021. It is a leading provider of project services to global leading clients in pharmaceutical, biotechnology, novel therapy, medical technologies and semiconductor manufacturing. These sectors are expected to achieve double digit growth in years to come following public policy driven investments - such as the European and the U.S. Chips Acts - and private investments, as clients look to increase manufacturing capacities across the globe, resulting in large investments in the U.S. and Europe specifically.

DPS' consultancy, engineering and construction management activities are highly complementary to Arcadis'; Arcadis Places currently provides Life Sciences clients with services including the

management of capital expenditure programs for workplaces, R&D facilities and utilities and Arcadis Resilience supports Life Sciences clients in site restoration, sustainability advisory and net zero solutions.

DPS offers services across the different project phases and is particularly strong in manufacturing engineering and process design. The Arcadis-DPS combination will provide clients with a one-stop shop, full-service provider. The increased size will drive higher win rates on larger projects, in a market that increasingly prefers to deal with a single trusted advisor, given the complex, regulatory driven market requirements. In addition, Arcadis is expected to leverage DPS' manufacturing engineering skills to industrial manufacturing clients such as the high growth EV battery gigafactories. DPS and Arcadis have a history of successful collaboration, which was demonstrated by the delivery of multiple large pharmaceutical clients' facilities.

Cost synergies are estimated at €8 million, or 2.8% of the 2021 revenues, expected to be fully realized within three years after the closing date, and driven by improved operational efficiencies and rationalization of organizational design.

DPS will become part of the Arcadis' Places GBA creating a future-proof and more resilient business area whereby over 80% of its clients' net revenues (pro forma) will be related to industrial manufacturing, life sciences, technology, semiconductor, automotive, aerospace or government sectors; providing services across a range of asset classes such as manufacturing facilities, R&D, logistics, data-centers and public buildings including universities, transport hubs, hospitals and defense facilities.

### TRANSACTION DETAILS

The acquisition of DPS for a cash consideration of €232 million or an enterprise value of around €295m represents 8.1x DPS' estimated 2022 EBITDA, or 6.7x post synergies.

The transaction will be fully debt financed. The existing bridge loan facility for the acquisition of IBI Group has been increased, next to drawing from unused committed credit facilities and utilizing available cash. Pro forma for the transaction Arcadis expects to be around the upper end of its targeted financial leverage range of 1.5x – 2.5x net debt / EBITDA, by the end of 2022, and to de-lever in 2023 given its solid cash conversion track record and strong order book. As part of its financing strategy, Arcadis has engaged with Standard & Poor's to obtain a credit rating and expects to receive an investment grade credit rating, pro forma for the IBI and DPS transactions.

The transaction is subject to customary completion conditions, including regulatory approvals. Arcadis expects the transaction to close before the end of 2022.

### CONFERENCE CALL

Arcadis will hold a conference call at 10:00 hours CET today, during which Peter Oosterveer (Arcadis CEO) and Virginie Duperat-Vergne (Arcadis CFO) will discuss the acquisition. A live audiocast of the conference call can be accessed through [this link](#) or found on the Arcadis Investor Relations website. A replay and transcript will be available within 24 hours following the call.

### ABOUT ARCADIS

Arcadis is a leading global Design & Consultancy organization for natural and built assets. Applying our deep market sector insights and collective design, consultancy, engineering, project and management services we work in partnership with our clients to deliver exceptional and sustainable outcomes throughout the lifecycle of their natural and built assets. We are 33,000 people, active in over 70 countries that generate €3.8 billion in gross revenues (based on 2021 full year pro forma figures). We support UN-Habitat with knowledge and expertise to improve the quality of life in rapidly growing cities around the world. [www.arcadis.com](http://www.arcadis.com).

## ABOUT DPS GROUP

DPS Group is a global consulting, engineering and construction management company, serving high-tech industries around the world. We have 2,850 industry experts in key locations in the U.S. and Europe, bringing world-class resources and the latest innovative technologies to every project. <https://www.dpsgroupglobal.com/>

## FOR FURTHER INFORMATION PLEASE CONTACT:

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## REGULATED INFORMATION

This press release contains information that qualifies or may qualify as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

## FORWARD LOOKING STATEMENTS

Statements included in this press release that are not historical facts (including any statements that assume the completion of the transaction, the benefits of the transaction, the timing and ability of the companies to satisfy the conditions to closing the transaction (if at all), statements concerning investment objectives, other plans and objectives of management for future operations or economic performance, or assumptions or forecasts related thereto) 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, including the inability of the companies to satisfy the conditions to closing the transaction on terms announced (or at all). 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, regulatory approvals, the ability of the companies to complete the transaction on terms announced, 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.