

Solid set of results and continued strong client demand

Arcadis Q2 and half year 2022 Results

July 28, 2022



Disclaimer

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.



Part 1

Q2 & half year 2022 results

key messages

Peter Oosterveer | Chief Executive Officer

Summary of results

Strong growth and improved performance

Second quarter 2022 results:

Organic net revenue growth accelerates¹⁾

8.1%

Strong backlog underlines client demand¹⁾

5.9%

Operating EBITA margin improved

9.3% (last year: 9.1%)

Global Business Areas

Resilience

Second quarter 2022 results:

CLIENT DEMAND

- Environmental restoration: remediation oil & gas clients, tightening regulation PFAS
- Water optimization: digital twins, energy efficiency, water savings
- Climate adaptation & Energy Transition and Advisory

Organic net revenue growth

8.5%

Organic backlog growth *year on year*

5.5%

CASE STUDY



Climate mitigation & carbon neutrality for City of New York

Client
New York City Economic Development Corporation (NYCEDC) | US

Global Business Areas

Places

Second quarter 2022 results:

CLIENT DEMAND

- Net Zero Facilities and Intelligent Buildings
- Industrial Manufacturing:
 - Life Sciences
 - Automotive
 - Technology
- Resilient public transport facilities

Organic net revenue growth

5.1%

Organic backlog growth *year on year*

3.1%

CASE STUDY



Designing a 130,000 sq. ft. electric vehicle charger gigafactory

Client
Wallbox | Texas, US

Global Business Areas

Mobility

Second quarter 2022 results:

CLIENT DEMAND

- Connected Highways and Intelligent Rail: efficiency & reliability of travel, reducing disruption and congestion
- New Mobility, e.g.: EV wiring charging network development
- Airports: increased operational flexibility

Organic net revenue growth

11.1%

Organic backlog growth *year on year*

11.9%

CASE STUDY



Scaling fleet electrification knowledge to Australia

Partnership with Shenzhen Bus Group.

Client
Australian government | China and Australia

Acquisition of IBI Group: Fully aligns with our strategy




Development of new digitally enabled client solutions through the creation of a fourth Arcadis Global Business Area "Intelligence"



Highly complementary combination strengthening all Arcadis GBAs in North America



Strengthened position in highly attractive Canadian market



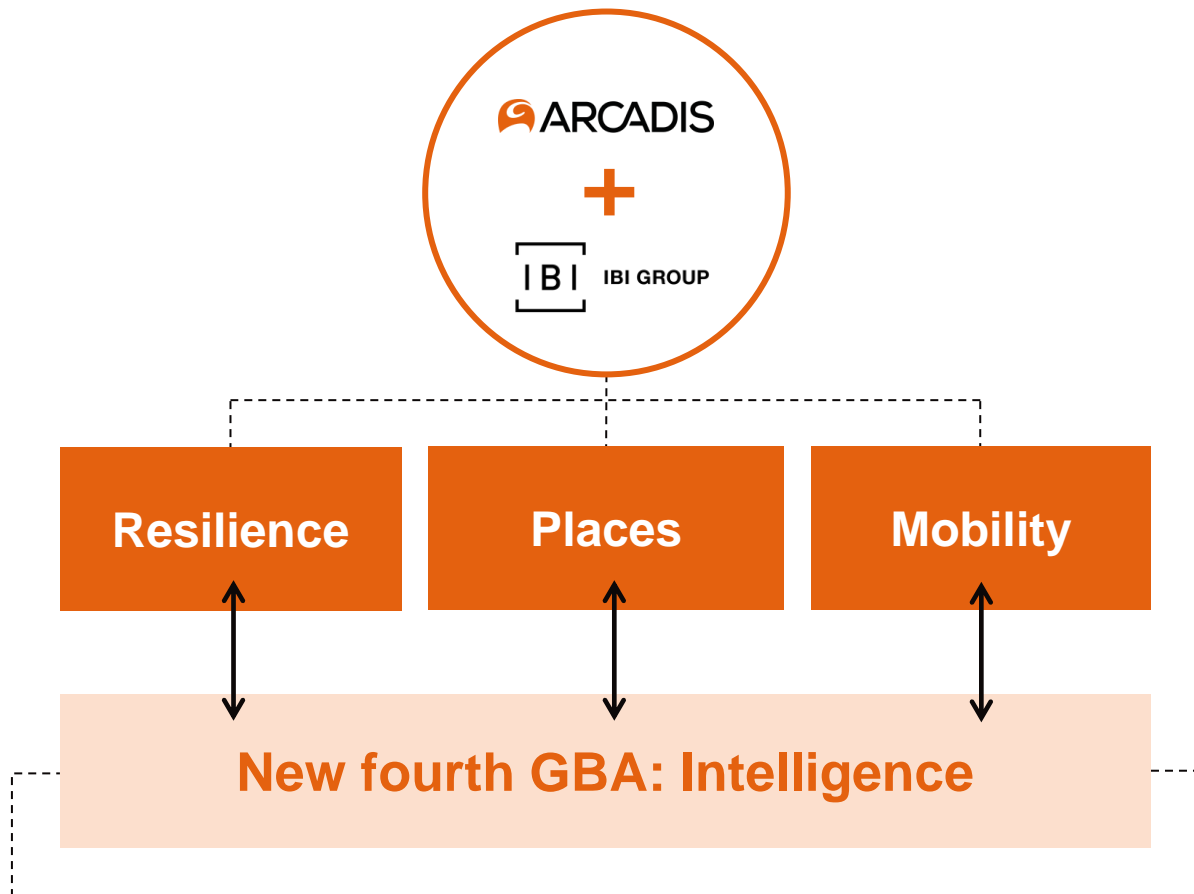
Enhances capabilities and offering in Places



Significant revenue and cost synergies

Creating a new 4th GBA to Maximize Our Digital Impact

Role of the 4th GBA



Intelligence GBA



Our Combined GBA Structure Will Allow Clients to Benefit from Our High Complementarity and Strengthens our Position in North America

Resilience

~38%

- Climate resilience **41%**
- Energy transition
- Water optimization
- Sustainable operations

+

- (Waste) water engineering
- Land engineering
- Environmental services

Places

~37%

- Design & engineering **34%**
- Project & cost mgmt
- CallisonRTKL
- Net zero industries & communities

+

- Urban planning
- Smart cities
- Placemaking
- Structural & electrical engineering
- Architecture

Mobility

~22%

- Intelligent rail & transit **25%**
- Integrated airports
- Connected highways
- Resilient ports

+

- Transport planning
- Transport engineering
- Transport management

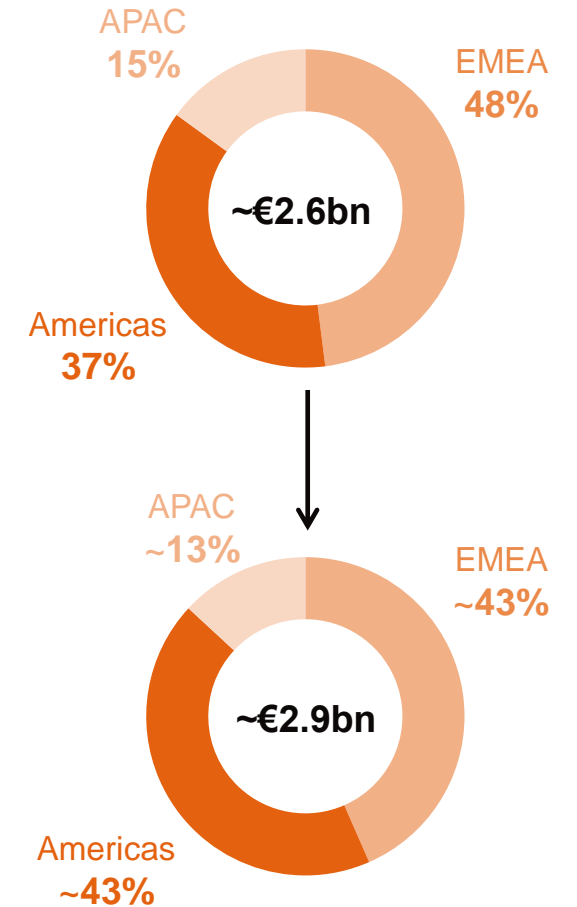
Intelligence

~3%

- SaaS: Gen products
- SaaP: Gen projects (TFL / Amtrack)
- Hydronet

+

- SaaS products (eg. TravelQ, CurbIQ)
- Software and systems design
- System integration



% of combined 2021 Net Revenue % of Arcadis 2021 Net Revenues

Part 2

Financial Results

Virginie Duperat | Chief Financial Officer



Good growth and margin improvement

Half year 2022 results

€1,418M

(HY'21: €1,276M)

Net Revenue

6.9%

Organic Net Revenue growth¹⁾

€133M

(HY'21: €116 M)

Operating EBITA

9.3%

(HY'21: 9.1%)

Operating EBITA margin

13.3%

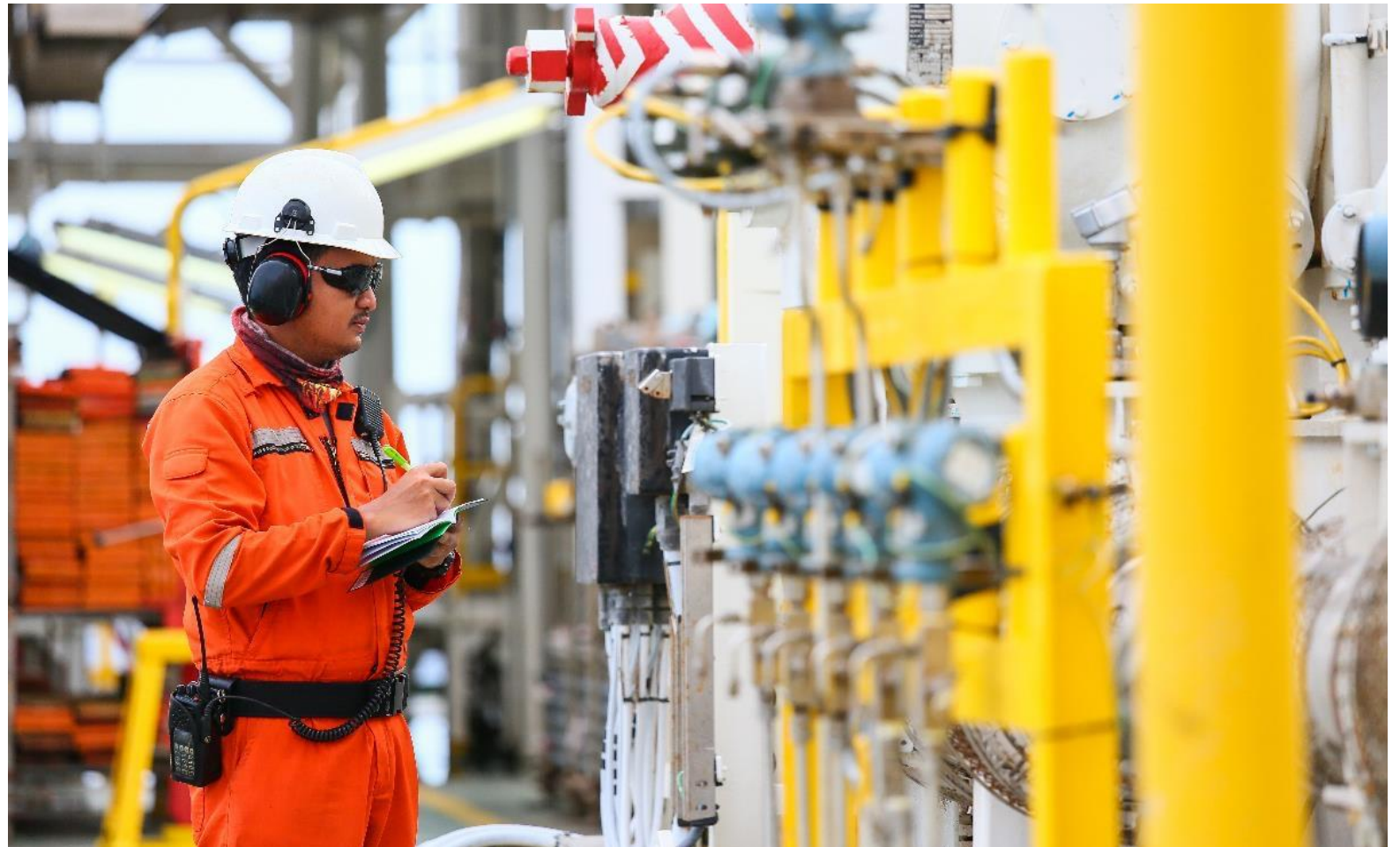
(HY'21: 14.3%)

Net Working Capital %

€283M

(HY'21: €368M)

Net Debt



2021 figures have been restated in accordance with IAS 8

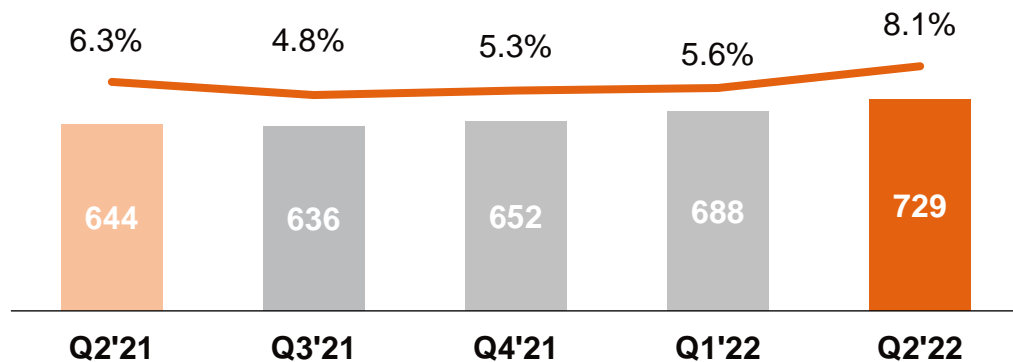
¹⁾ Underlying growth excluding the impact of currency movements, acquisitions or footprint reductions, such as the Middle East, winddowns or divestments

²⁾ Free Cash Flow = Cash flow from operating activities minus capex minus lease liabilities

Accelerated revenue and backlog growth

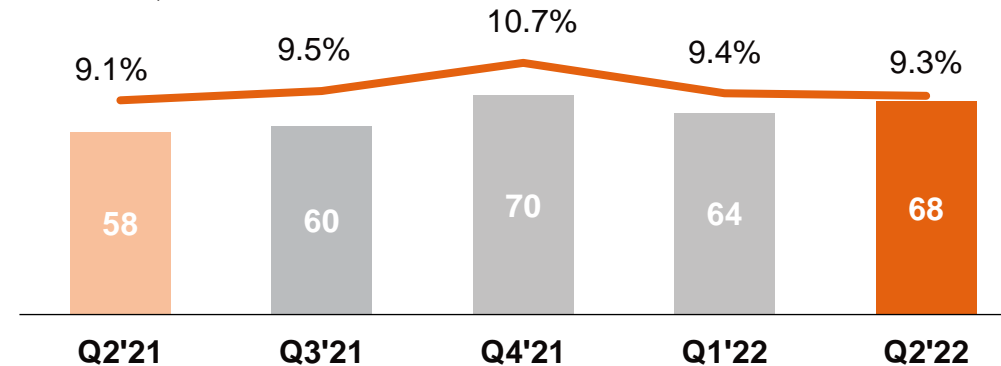
Net Revenues and Organic Growth¹⁾

€ millions, %



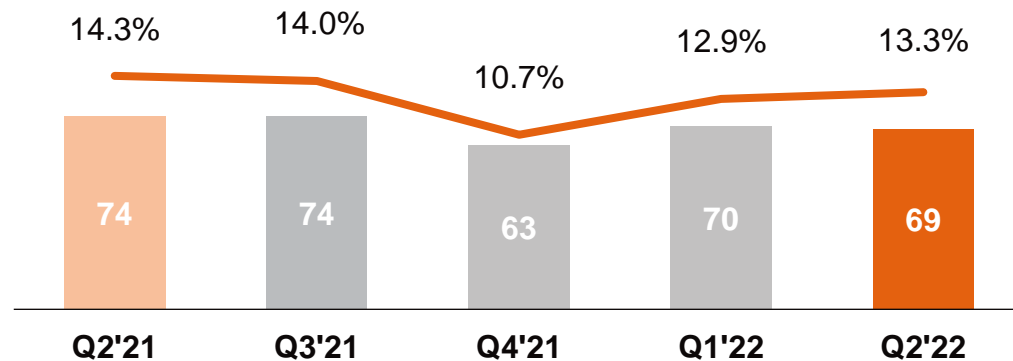
Operating EBITA (margin)²⁾

€ millions, %



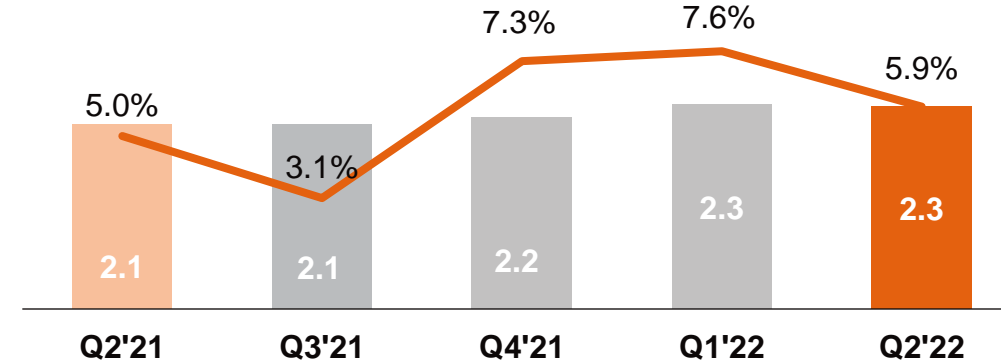
Days Sales Outstanding and Net Working Capital (%)

Days, %



Net Backlog and Organic Backlog growth (year-on-year)¹⁾

€ millions, %



2021 figures have been restated in accordance with IAS 8

¹⁾ Underlying growth excluding the impact of currency movements, acquisitions or footprint reductions, such as the Middle East, winddowns or divestments

²⁾ Excluding acquisition, restructuring and integration-related costs

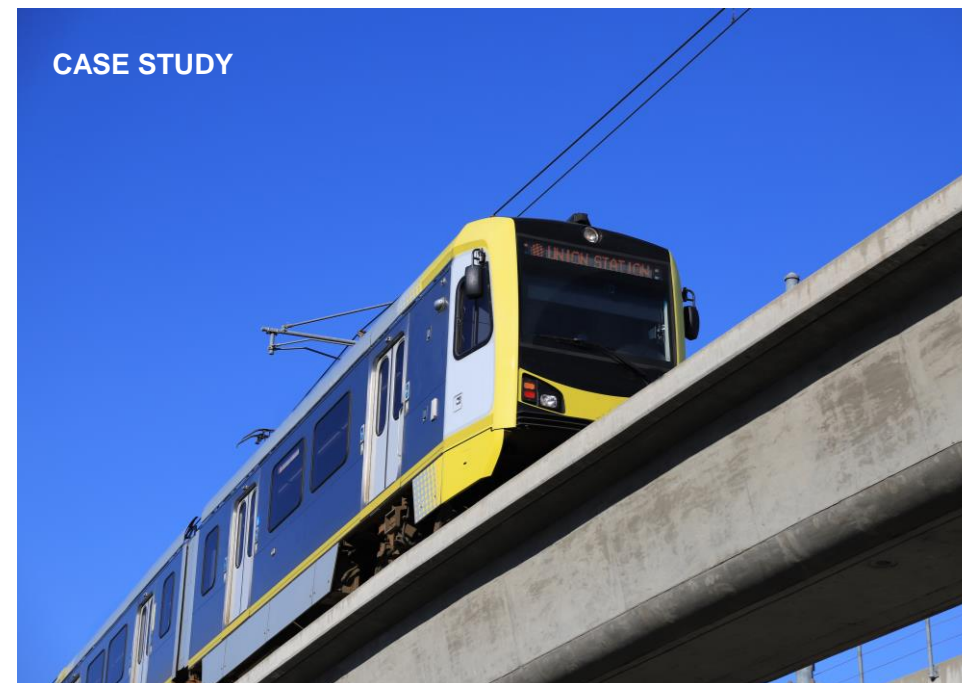
Solid growth and strong financial results

Resilience

42% of net revenues

in € millions	Half year			Second quarter		
	2022	2021	change	2022	2021	change
Period ended 30 June 2022						
Net revenues	589	513	14.9%	308	261	17.8%
Organic net revenue growth (%) ¹⁾	7.7%			8.5%		
Operating EBITA	60	55	7.8%			
Operating EBITA margin (%)	10.1%	10.8%				
Backlog organic growth (YoY) ¹⁾	5.5%					

- Very solid revenue and backlog growth, driven by public & private clients in North America, UK, Australia and Brazil
- Good margin, driven by North America and Europe, in line with our strategic margin target set for 2023 of >10%
- Increased investments in Digital Solutions and People



Driving the ESG plan for L.A. Metro

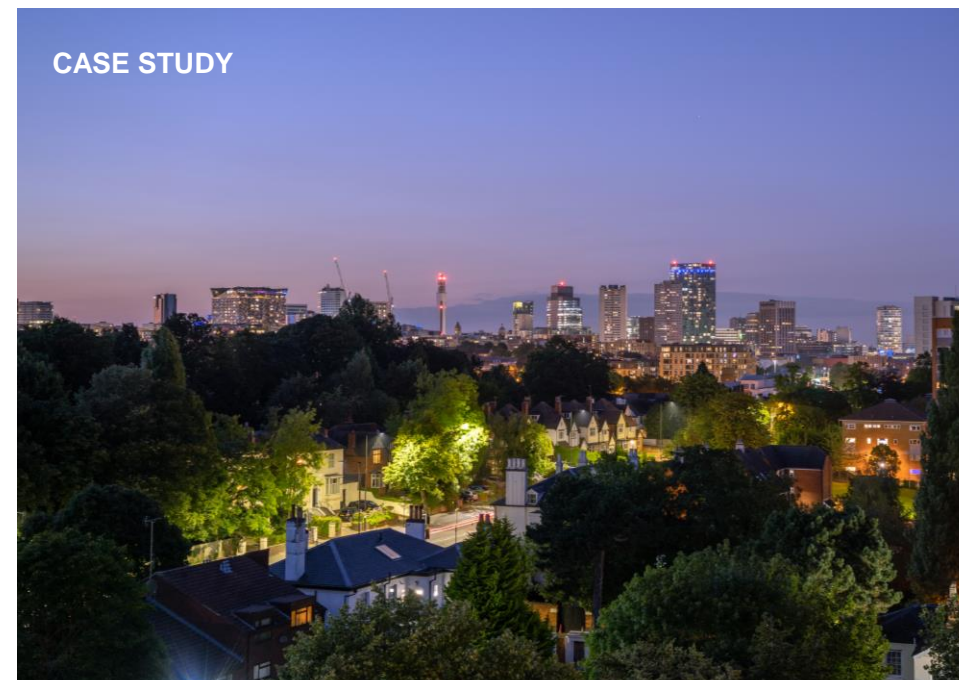
Client
Los Angeles County Metropolitan Transportation Authority |
US

Good revenue growth for second quarter, improved margin

Places 33% of net revenues

in € millions	Half year			Second quarter		
	2022	2021	change	2022	2021	change
Period ended 30 June 2022						
Net revenues	463	447	3.7%	235	228	3.1%
Organic net revenue growth (%) ¹⁾	3.1%			5.1%		
Operating EBITA	41	30	36%			
Operating EBITA margin (%)	8.9%	6.8%				
Backlog organic growth (YoY) ¹⁾	3.1%					

- Good revenue and backlog growth driven by UK, North America and Australia, hampered by COVID-19 lockdown in China, and CallisonRTKL getting back on track
- Very strong margin from UK and North America. Improved margin for Europe, Australia, and Asia. Last year impacted by projects losses in Asia
- Healthy pipeline of opportunities across a resilient client and solutions portfolio



CASE STUDY

Sustainable city development for second largest UK city

Client
Birmingham City Council | UK

Very strong results driven by larger markets

Mobility 25% of net revenues

in € millions	Half year			Second quarter		
	2022	2021	change	2022	2021	change
Period ended 30 June 2022						
Net revenues	366	317	15.4%	187	155	20.2%
Organic net revenue growth (%) ¹⁾	10.2%			11.1%		
Operating EBITA	35	33	6.6%			
Operating EBITA margin (%)	9.5%	10.3%				
Backlog organic growth (YoY) ¹⁾	11.9%					

- Very strong revenue and backlog growth, particularly for public and private clients in the UK and Australia, but also driven by North America and Continental Europe
- Strong margin at core markets, slightly offset by performance Greater China
- Increased investments in Digital Solutions and People, as well as the ramp up of large projects



Improving traffic operations and reliability in Atlanta

Client
Georgia Department of Transportation | US

Strong operational performance

Generating 16% EPS growth

In € millions	H1 2022	H1 2021 ³⁾	change
EBITA	130	113	14%
Amortization & impairment	-5	-6	
EBIT	125	108	16%
Net finance expense	-6	-13	
Taxes on income	-34	-20	
Effective income tax rate ¹⁾	28%	20%	
Exp. credit gain (loss) shareholder loans & corp. guarant.	0	1	
Minority interest	0	1	
Net Income	86	77	12%
Net Income from Operations (NifO)¹⁾	93	80	16%
EPS (NifO per share) ²⁾	1.04	0.89	

¹⁾ Corrected for non-recurring items (e.g. acquisition & restructuring costs, expected credit loss and impairments)

²⁾ Average number of shares H1 2022: 89.2 million (H1 2020: 89.6 million)

³⁾ 2021 figures have been restated in accordance with IAS 8



14%

EBITA growth



€93 million

Net Income from Operations



€1.04

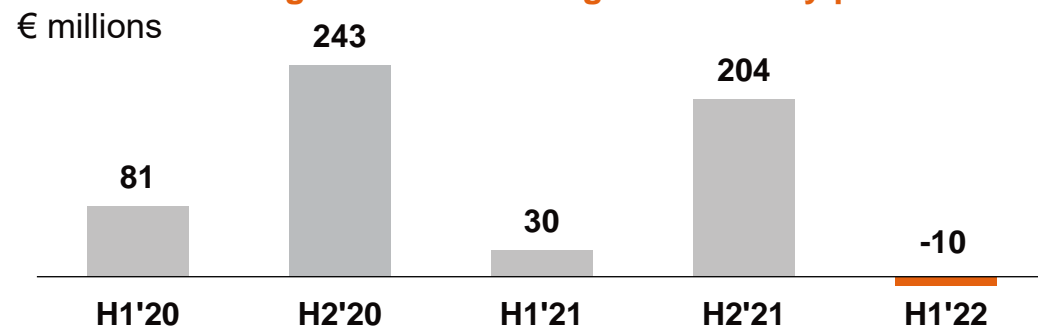
EPS (NifO per share)

Sound cash management supporting seasonal FCF generation

In € millions	2022	2021 ¹⁾
EBITDA	178	165
Changes in net working capital	-113	-61
Changes in other working capital	-17	17
Tax paid	-21	-33
Net interest paid	-5	-8
Other	15	3
Cash flow from operating activities	38	83
Capital expenditures	-13	-15
Payment of lease liabilities	-35	-38
Free cash flow	-10	29

¹⁾ 2021 figures have been restated in accordance with IAS 8

Free Cash Flow generation with high seasonality pattern



- Lower Net Working starting point 2022 has led to higher cash outflow compared to 2021
- Sharp increase in gross revenue June 2022 drives higher unbilled receivables
- Changes in other working capital driven by prepaid IT expenses

A group of people in a meeting, with a man pointing at a sticky note on a whiteboard. The image is dark and semi-transparent, with the text overlaid on the left side. The man in the foreground is wearing a light blue shirt and is pointing at a sticky note on a whiteboard. Other people are visible in the background, looking towards the whiteboard. There are several yellow sticky notes on the whiteboard.

Part 3

Wrap up

Peter Oosterveer | Chief Executive Officer

Summary

- Sustained good client demand
- Solid strategic progress
- Revenue growth, margin improvement and strengthened balance sheet
- Continued focus and investments in Digital and People
- Stabilized attrition and improved engagement
- On track to deliver on 2023 strategic targets



Q&A

