

Continued strong client demand and improved performance

Arcadis Q3 2022 Trading Update

October 27th, 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

Q3 2022 Trading update

key messages

Peter Oosterveer | Chief Executive Officer



Summary of results

Strong growth and improved performance

Third quarter 2022 results:

Organic net revenue growth accelerates¹⁾

10.9%

Strong backlog underlines client demand¹⁾

€2,813M

Operating EBITA margin improved

10.3% (last year: 9.5%²⁾)

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

²⁾ Figures restated in accordance with IAS8 for comparability purposes

Global Business Areas

Resilience

Third quarter 2022 results:

CLIENT DEMAND

- **Environmental restoration:** demand from larger chemical & life sciences clients, good order intake PFAS
- **Climate adaptation & Energy Transition and Advisory:** focus on grids, renewable energy generation and EV
- **Water optimization:** digital twins, energy efficiency, water savings

Organic net revenue growth

13.7%

Organic backlog growth
year on year

5.4%

CASE STUDY



Designing progressive flood defence systems for Battery Park

CLIENT

Battery Park City Authority | New York, US

Global Business Areas

Places

Third quarter 2022 results:

CLIENT DEMAND

- **Net Zero and sustainable Facilities:** adapt assets to changing climate and continued push of society and regulation for Net Zero
- **Industrial manufacturing:** EV battery demand and repurposing of existing automotive facilities
- **Future workplace:** rightsizing offices

Organic net revenue growth

3.6%

Organic backlog growth
year on year

2.1%

CASE STUDY



Designing the largest archive centre in Europe smart and sustainable

Client
French Ministry of Culture / OPPIC | France

Global Business Areas

Mobility

Third quarter 2022 results:

CLIENT DEMAND

- **Connected Highways and Intelligent Rail:** increased need to proactively solve mobility challenges through data
- **New Mobility:** bus electrification demand expands and semiconductor shortages
- **Airports:** decarbonization, further digitization and new investment models (green finance)

Organic net revenue growth

15.4%

Organic backlog growth *year on year*

9.0%

CASE STUDY



Saving 7,433 tons of carbon for UK's High Speed Railway viaduct

Client
High Speed Two Ltd. | UK

Part 2

Financial Results

Virginie Duperat | Chief Financial Officer

Strong revenue growth and operating margin improvement

€740M

(Q3'21: €636M)

Net Revenue

10.9%

**Organic Net
Revenue growth¹⁾**

€76M

(Q3'21: €60M)

Operating EBITA

10.3%

(Q3'21: 9.5%)

**Operating EBITA
margin**

€38M

(Q3'21: €75M)

Free Cash Flow¹⁾

€880M

(Q3'21: €298M)

Net Debt



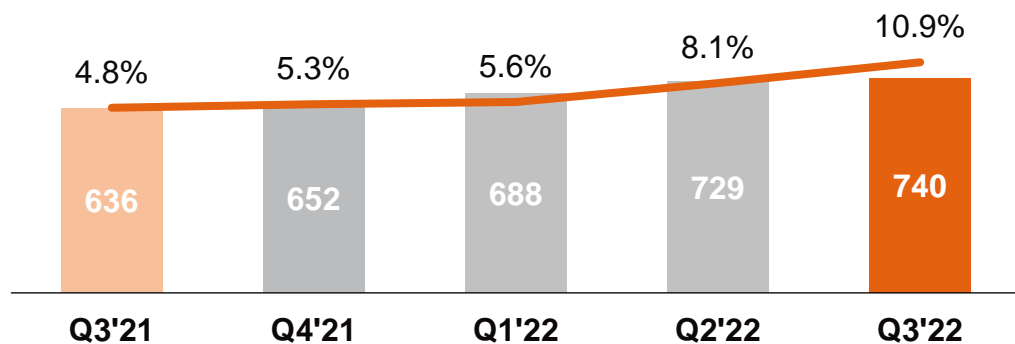
¹⁾ Underlying growth excluding the impact of currency movements, acquisitions or footprint reductions, such as the Middle East, winddowns or divestments

²⁾ Free Cash Flow = Cash flow from operating activities corrected for capex and lease liabilities

Accelerated revenue growth and improved operating performance

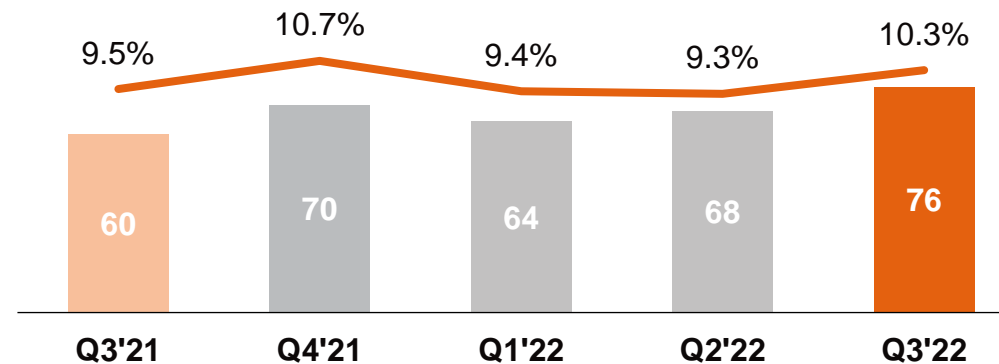
Net Revenues and Organic Growth¹⁾

€ millions, %



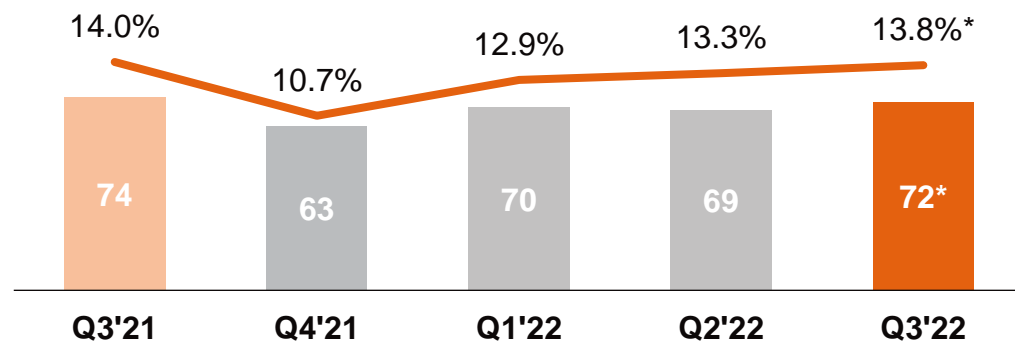
Operating EBITA (margin)²⁾

€ millions, %



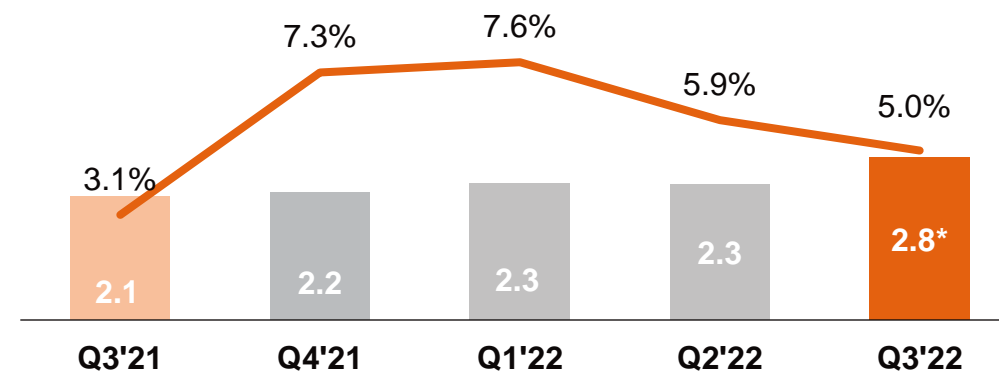
Days Sales Outstanding and Net Working Capital (%)

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

* This includes IBI Group, considering the closing transaction date of 27th of September 2022. IBI's Q3 Gross Revenues have been added to Arcadis Q3 Gross revenues to calculate the NWC%

Strong performance across GBAs and repositioning of backlog

Resilience



Net Revenue: €320M (LY: €259M)
Net Revenue as % of total: 43%
Organic Growth: 13.7%¹⁾

- Accelerated investments from clients in energy transition, climate adaptation
- Successful onboarding new hires supporting growth

Places



Net Revenue: €234M (LY: €209M)
Net Revenue as % of total: 32%
Organic Growth: 3.6%¹⁾

- Strong growth Continental Europe, US
- China weakening market circumstances
- Portfolio shift to industrial buildings and North American market

Mobility



Net Revenue: €186M (LY: €168M)
Net Revenue as % of total: 25%
Organic Growth: 15.4%¹⁾

- Stellar revenue growth driven by: UK Australia and US

Strategic decisions drive rebalanced backlog and pipeline; tailored to high growth end markets

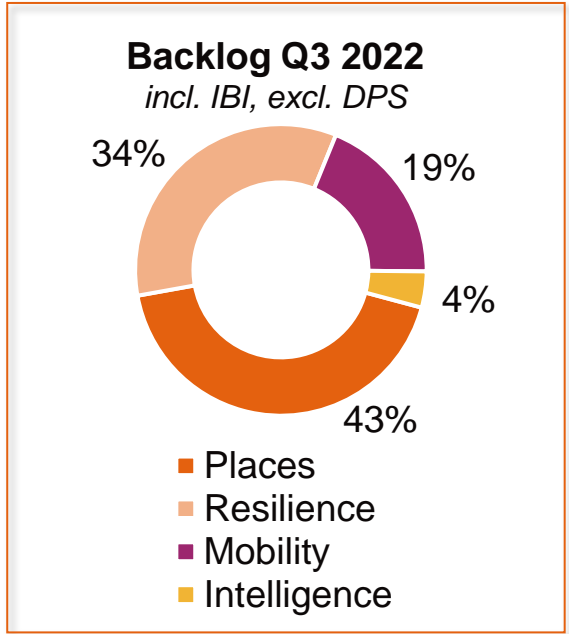
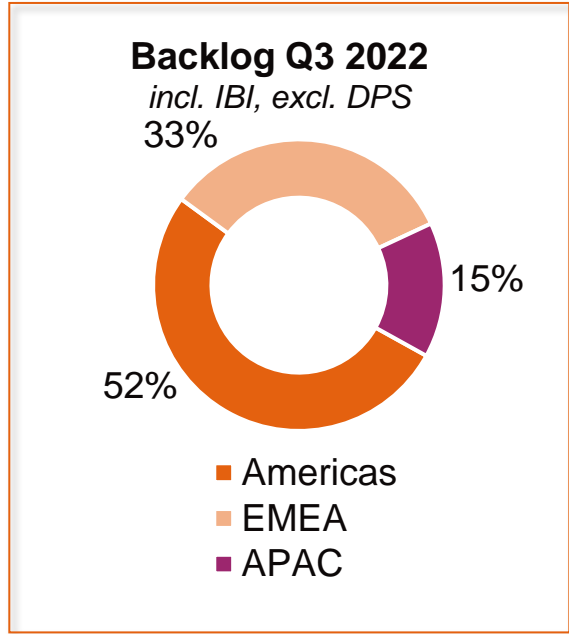


**+32% to
€2,813M**
Total Net Backlog
(growth), incl. IBI

+17%
IBI Group Net
Backlog growth
Year-on-year

Strengthened backlog positions in core geographies and businesses

Backlog to high growth and resilient end markets with strong client base



Part 3

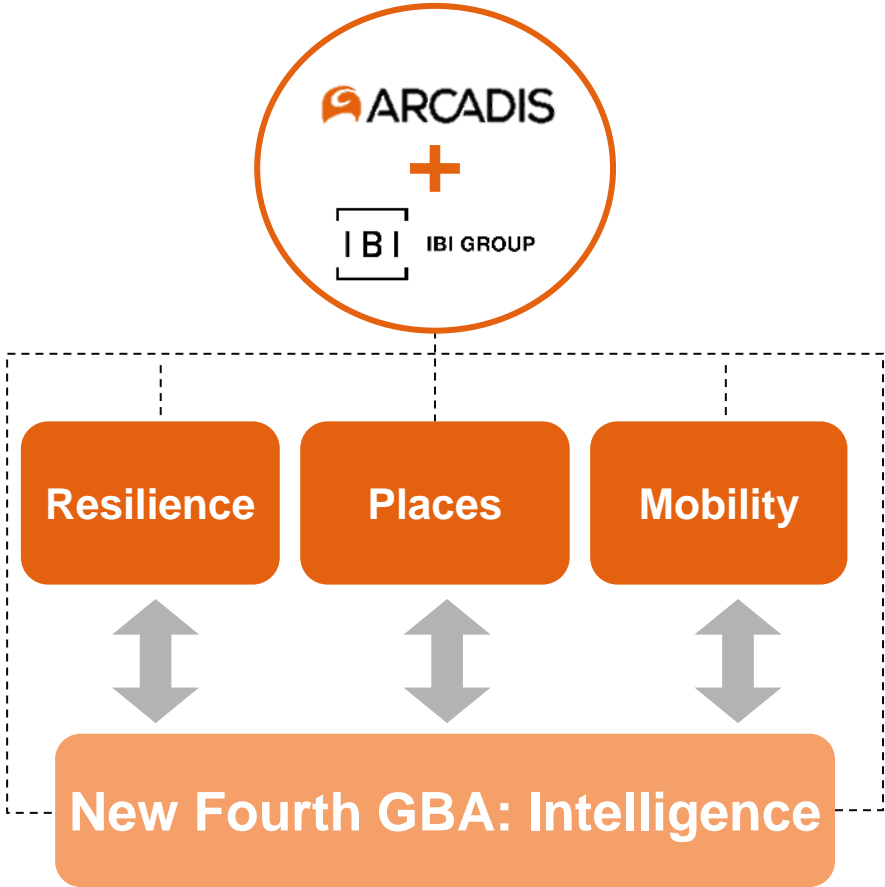
Strategic progress

Peter Oosterveer | Chief Executive Officer

Digital Leadership: creating a new 4th GBA to maximize our digital impact



Role of the 4th GBA



Intelligence GBA

Digital Client Solutions	Innovation
Driving Efficiency & Productivity	Recurring Revenue

Attractive Suite of Combined Client Solutions

Sustainable Solutions: acquisitions of DPS, turning Arcadis into a one-stop shop, full-service provider in Life Sciences

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

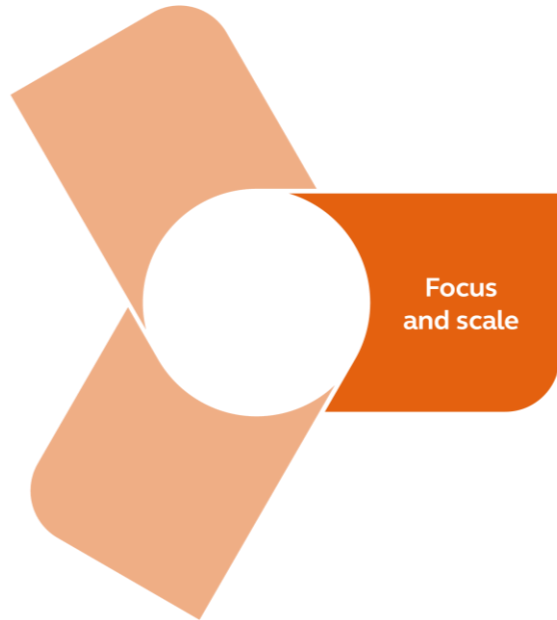
Through Places and Resilience

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



Focus & Scale: strategic portfolio assessment has resulted in the divestment of non-core geographies and businesses

Reviewing operations on their scalability, growth potential, financial performance, and scope of services led to the decision to divest

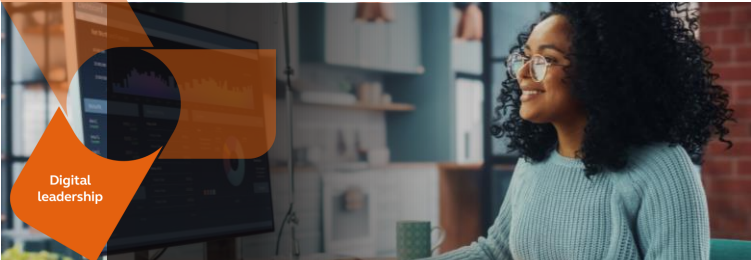


H1'22: Czech Republic, Slovakia, Thailand
190 FTE, €11M annual Net Revenue

**Q3'22: Singapore, Malaysia, Hong Kong Design & Engineering,
Switzerland, France Environmental Restoration**
900 FTE, €47M annual Net Revenues

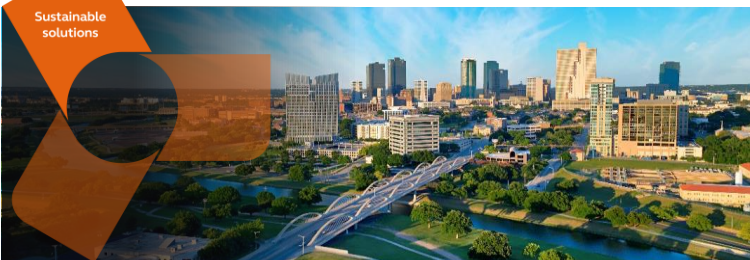
Delivering on our 2021-2023 ‘Maximizing Impact’ Strategy

Digital leadership



- IBI Group as accelerator, shaping the fourth GBA: “Intelligence”
- Digital solutions integral to client offering
- Automation & standardization through GBA structure

Sustainable solutions



- Investing in Energy Transition
- Leading in remediation & water in the US
- Accelerated demand in energy transition, climate mitigation & adaptation
- Sustainability advisory entering strategic consultancy space
- Life Sciences offering focused at early stages of projects

Focus & Scale



- Divesting non-core and focus on high growth end markets and geographical core markets
- GBA structure and GECs* driving client focus, operational efficiencies and data management

Portfolio optimization:



Portfolio assessment:
non-core geographies and
businesses divested

Leading global engineering, people focused company, offering landmark projects to **33,000 Arcadians**

Wrap up

- Sustained robust market conditions, despite geopolitical tensions and inflation
- Strong revenue growth, margin improvement and backlog development
- Solid strategic progress on Digital Leadership and Focus & Scale
- On track to deliver on 2023 strategic targets



Q&A

