Next generation thinking, sustainable delivery

2019 Q4 & FY Results

Sustained revenue growth and improved margin

Amsterdam, 13 February 2020

Peter Oosterveer (CEO) & Sarah Kuijlaars (CFO)

Sustained revenue growth and improved margin

- Continued growth on the back of megatrends urbanization, sustainability and digitalization;
  - 3% organic net revenue growth
  - 18% increase in operating EBITA to €209 million, margin improved to 8.1% (2018:7.3%)
- Improvement areas Asia, Middle East and Latin America delivered better results
- Growth investments in sustainable solutions and digital offerings
- People First focus improves voluntary employee turnover

FULL YEAR 2019 RESULTS

On track to achieve strategic targets

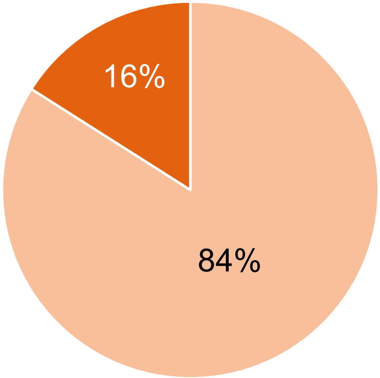
Full year

In € millions [1]	2019	2018	Change
Gross revenues	3,473	3,256	7%
Net Revenues	**2,577**	**2,440**	**6%**
Organic Growth %	**3%**		
EBITDA	235	204	15%
EBITDA margin %	9.1%	8.4%	
Operation EBITA [2]	**209**	**177**	**18%**
Operating EBITA margin %	**8.1%**	**7.3%**	
Free cash flow	97	149	-35%
Net working capital %	16.6%	15.1%	
Net debt	310	342	
Backlog net revenues (bn)	2.0	2.0	2%
Backlog organic growth	0%	-4%	

1) *All figures based on IAS 17*
2) *Excluding acquisition, restructuring and integration-related costs*

Continued growth on the back off mega trends and actions taken

Total Net Revenue

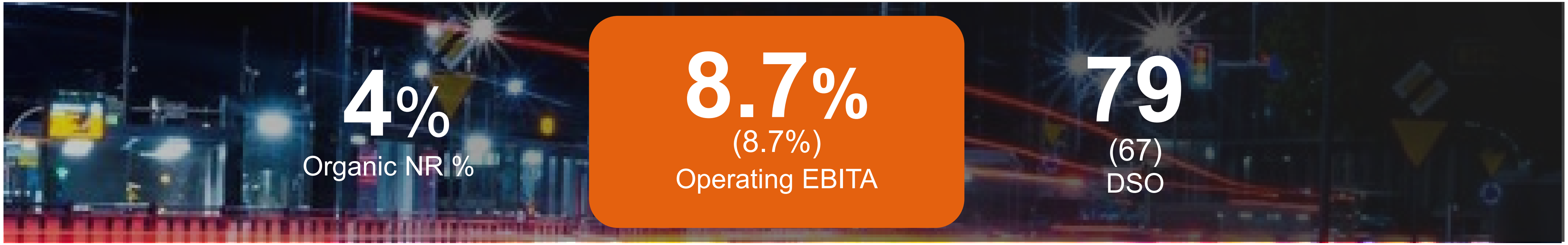


Key Markets
Improvement areas

	Organic NR growth %	Operating EBITA %	DSO
Key Markets *84% of net revenues* ▪ North America ▪ Continental Europe ▪ The UK ▪ Australia ▪ CallisonRTKL	4%	8.7% (8.7%)	79 (67)
Improvement areas 16% of net revenues ▪ Middle East ▪ Asia ▪ Latin America	0%	7.1% (1.0%)	148 (163)

Between brackets figures 2018

Continued strong performance in key markets



North America

- Diligent implementation of growth strategy whilst containing indirect cost
- Further improvement of voluntary employee turnover rate to 9.4%

Continental Europe

- MEPC adherence delivered more predictable performance
- Urbanization, infrastructure, energy transition and climate resiliency strong drivers for further growth

United Kingdom

- Excellent foundation and reputation supported growth and margin improvement during Brexit uncertainty
- Government plans £120bn infrastructure spending

Australia

- Focused execution of strategic plan and optimized use of profit levers created 'Best in class' growth, margin and cash conversion
- Continued strong infrastructure pipeline

CallisonRTKL

- New leadership team transforming the business
- Focus on clients, people and improving operating performance

Between brackets figures 2018

Improved results following actions identified last year

Org. NR %	Op. EBITA	DSO
-10%	7% (-3%)	200 (265)
1%	9% (5%)	135 (125)
16%	5% (-2%)	99 (120)

Middle East

- Selectivity towards specific services and limited number of countries has paid off
- Working capital exposure reduced

Asia

- Leadership changes and simplification of organizational structure created significant margin improvement and first organic growth in 4 years
- Exited from Taiwan, Indonesia, Korea and abandoned D&E services in China

Latin America

- Leadership changes and organizational adjustments created 'fit for purpose' operation
- Excellent performance in Environment and turnaround in Infrastructure

Between brackets figures 2018

FULL YEAR 2019 RESULTS

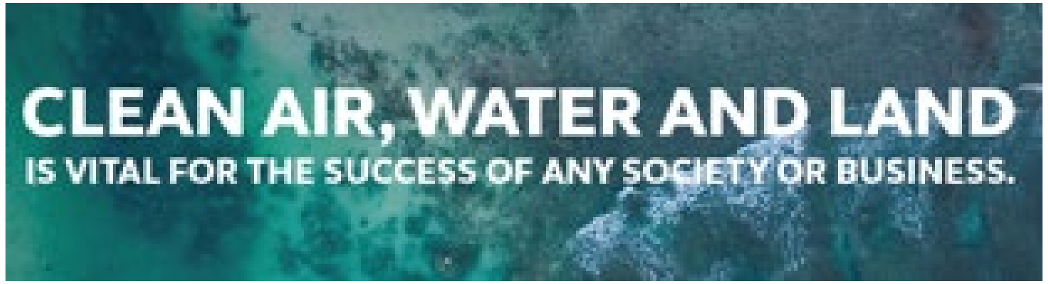
PFAS: innovation in remediation

PFAS are one of the world’s biggest emerging contaminants endangering humans & the environment

Global partnerships

evocra
WATER SOLUTIONS:EVOLVED

ABS Materials



- Multi-billion global market potential
- Arcadis addressable market; €500+ million gross revenues annually
- Arcadis has significant expertise for >15 years, with projects at >400 client sites in 12 countries
- Arcadis’ global, comprehensive PFAS services:
  - Strategic environmental consultancy
  - Assessment and remediation
- Arcadis approach;
  - PFAS global expertise center clients’ point of contact
  - Continued training and development programs

Arcadis Gen: digitally connect our clients with their built & natural assets

- Sectors: Rail, Highways, Water, Energy, Aviation
- Footprint: UK, Europe, Australia, North America, Asia
- 200 FTE

Recent wins

Improve frequency and reliability of services to accommodate London's rapidly growing population

Ensure safe and reliable mobility for 33 million passengers

- **Digitally focused, global entity, to accelerate Arcadis' digital transformation and propositions to clients**
- **Scalable digital products and solutions:**
  - **Enterprise Asset Management**
  - **Asset Performance Management**
  - **Asset investment Planning**
  - **And... rapidly developing digital products**
- **Brings together asset knowledge and advanced analytics capabilities**

FULL YEAR 2019 RESULTS

A 130-year heritage of sustainability-focused outcomes to clients

SUSTAINALYTICS — Score from 70 to 73

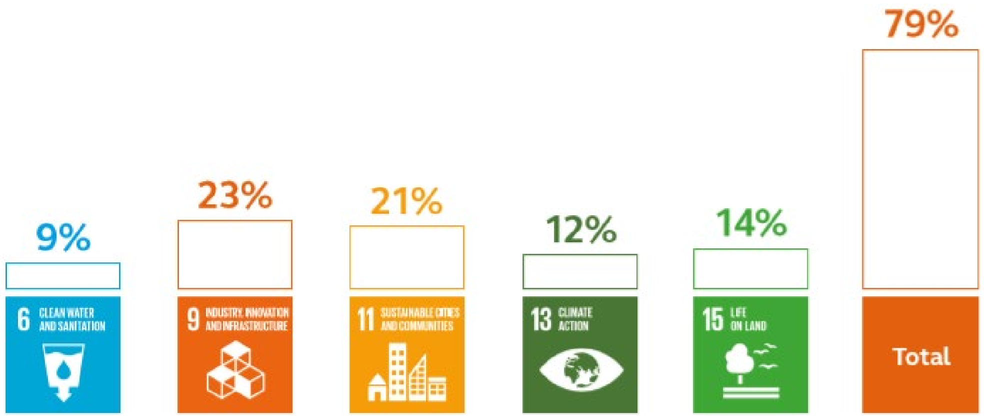
Reduced carbon footprint by 30% from our 2014 benchmark

UN HABITAT Shelter — Celebrating 10-year collaboration

OVER MORGEN — Acquisition in urban planning & energy transition

wbcsd — Peter Oosterveer member Executive Committee

- Within the Arcadis project related activities, our contributions focus around five SDGs
- 79% of our net revenues have a positive contribution to the 5 SDGs relevant for Arcadis



IJMUIDEN, THE NETHERLANDS
“IJMUIDEN VER”

Support in producing 4,000 Mega-watt renewable energy

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

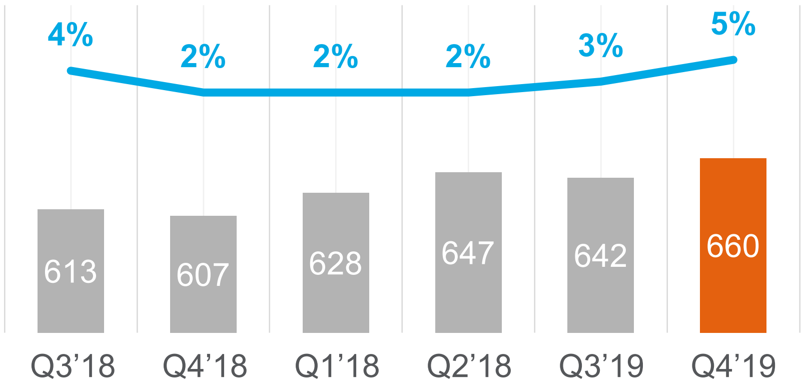
15 LIFE ON LAND

13 CLIMATE ACTION

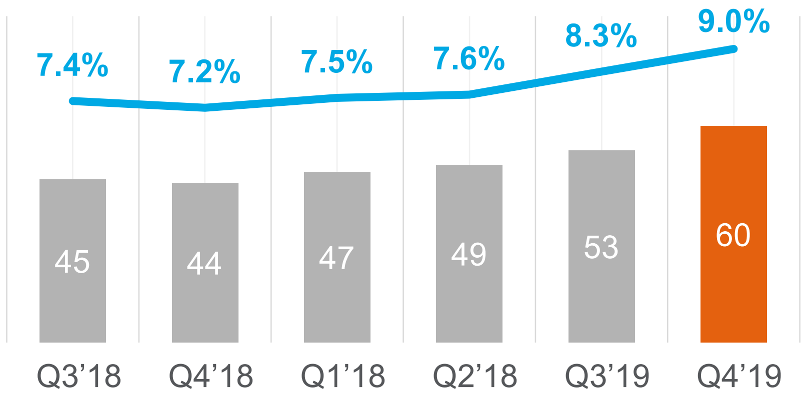
FULL YEAR 2019 RESULTS

Sustained revenue growth and operating margin improvement

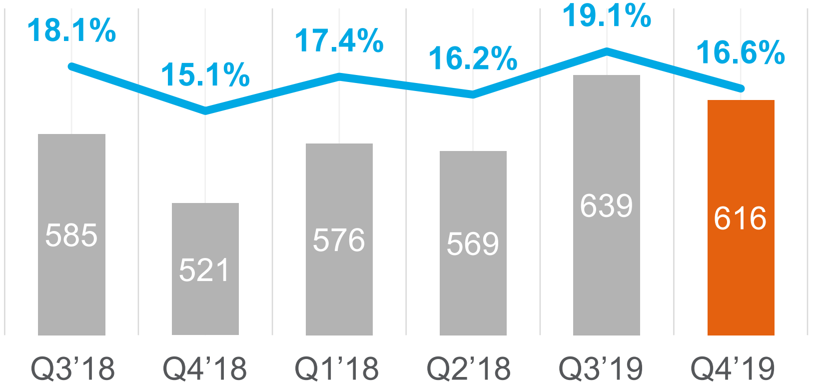
Net Revenues and organic growth [1)]
€ millions, %



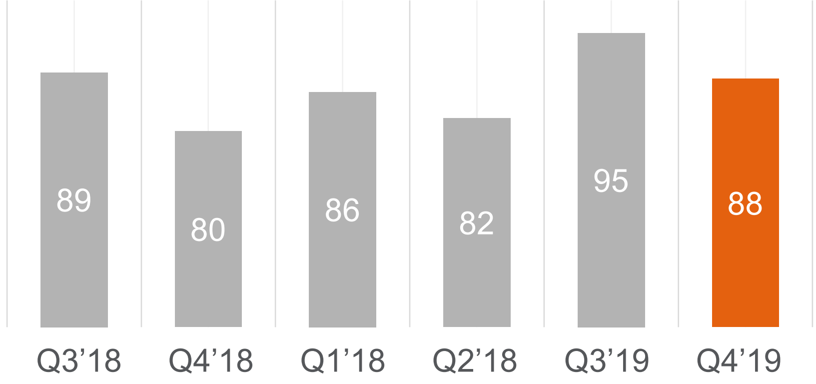
Operating EBITA (margin) [1)]
€ millions, %



Net Working Capital
%



Days Sales Outstanding
Days



1) *All figures based on IAS 17*

FULL YEAR 2019 RESULTS

Increase in Net Income from Operations and Dividend

Full year

In € millions [1)]	2019	2018	Change
EBITDA	**235**	**204**	15%
Depreciation	-46	-43	8%
EBITA	**189**	**162**	17%
Amortization & impairment	-17	-63	-74%
EBIT	**172**	**98**	75%
Net finance expense	-30	-27	10%
Taxes on income	-41	-30	35%
Normalized income tax rate [2)]	27%	27%	
Expected credit loss on shareholder loans and corporate guarantees	-82	-54	
Minority interest	-3	-1	168%
Net income	**18**	**-27**	
Net income from operations [3)]	**125**	**88**	43%
EPS [4)]	0.20	-0.31	
EPS from operations [4)]	1.42	1.01	41%
Dividend (proposal) per share (€)	0.56	0.47	19%

1) *All figures based on IAS 17*
2) *Excluding Expected Credit Loss relating to ALEN and goodwill impairment (2018)*
3) *Corrected for non-recurring items (e.g. acquisition & restructuring costs, expected credit loss and impairment)*
4) *Average number of shares 2019: 88.4 million (2018: 87.1 million)*

Cash flow held back by Oracle implementation in the U.S.

Full year

In € millions [1)]	2019	2018
EBITDA	**235**	**204**
Changes in net working capital	-85	31
Changes in other working capital	36	38
Tax paid	-34	-35
Net interest paid	-25	-22
Other	16	-2
Cash flow from operations activities	**143**	**214**
Capital Expenditures	-46	-65
Free cash flow	**97**	**149**

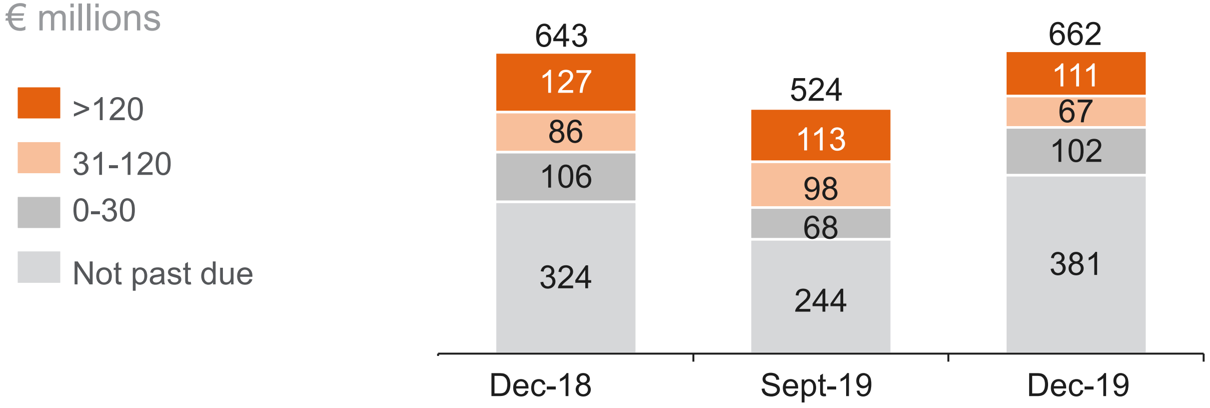
- Return to normalized working capital levels after Oracle implementation U.S. takes more time than earlier anticipated
- NWC impacted by 8% gross revenue growth in Q4'19
- Other NWC driven by higher accruals for employee benefits
- Other includes €10 million ALEN orderly wind down
- Capex control led to 30% reduction

1) *All figures based on IAS 17*

Return to normalized working capital levels in due course

€ millions	Dec-18	% of GR*	Sep-19	% of GR*	Dec-19	% of GR*
Gross receivables	**643**		**524**		**662**	
Provisions	-61		-58		-60	
Provisions %	10%		11%		9%	
Trade receivables	**582**	*17%*	**465**	*14%*	**602**	*16%*
Unbilled receivables	464	*13%*	690	*21%*	600	*16%*
Billing in excess of costs	-290	*-8%*	-283	*-8%*	-305	*-8%*
Net Work in Progress	174	*5%*	406	*12%*	294	*8%*
Accounts Payables	-236	*-7%*	-232	*-7%*	-280	*-7%*
Net Working Capital (%)	**521**	**15.1%**	**639**	**19.1%**	**616**	**16.6%**

Ageing of gross receivables
€ millions



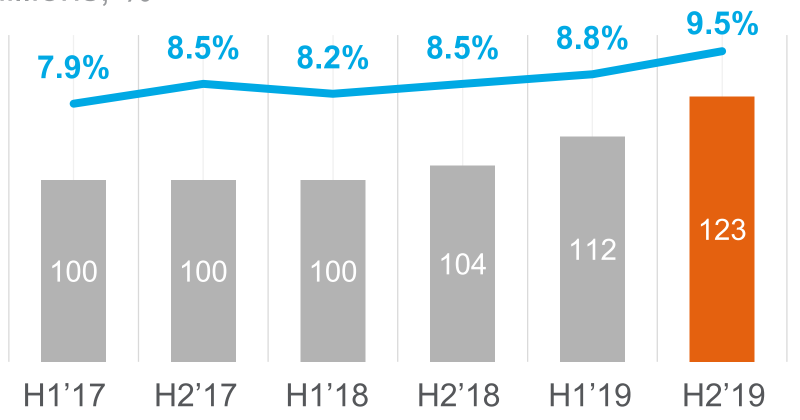
- Progress made in Q4 in North America:
  - Trade receivables normalized
  - Unbilled receivables significantly reduced
  - Monthly billing rate higher than gross revenue
- Working capital and cash collection remains top priority
- Ageing > 31 days overdue improved year-on-year by 16% or €35 million

** Based on annualized Q4 2019 Gross Revenues*

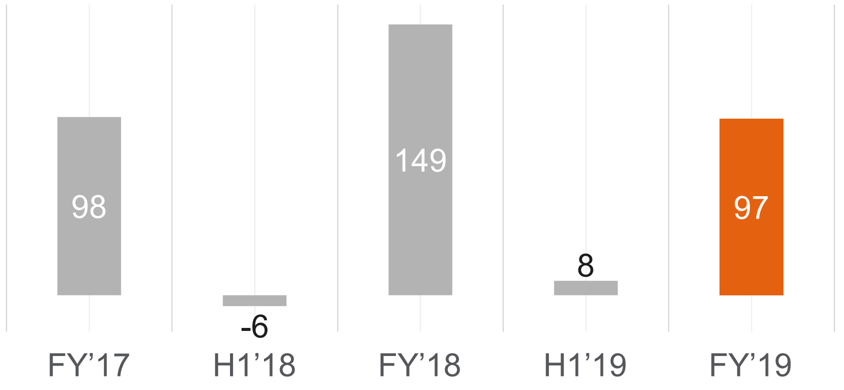
FULL YEAR 2019 RESULTS

Continued strengthening of the balance sheet

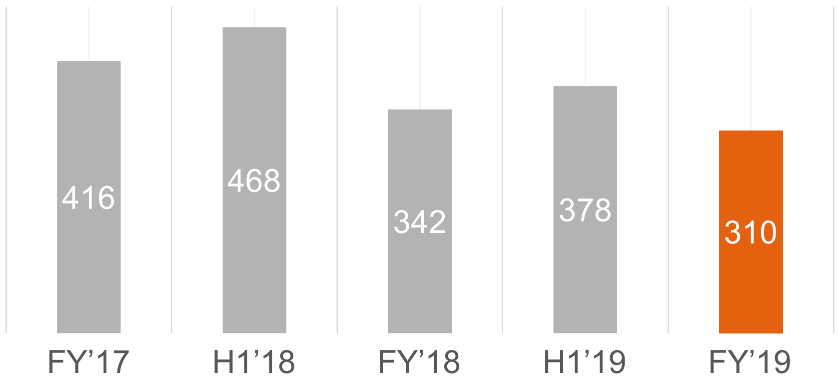
EBITDA Margin [1)]
€ millions, %



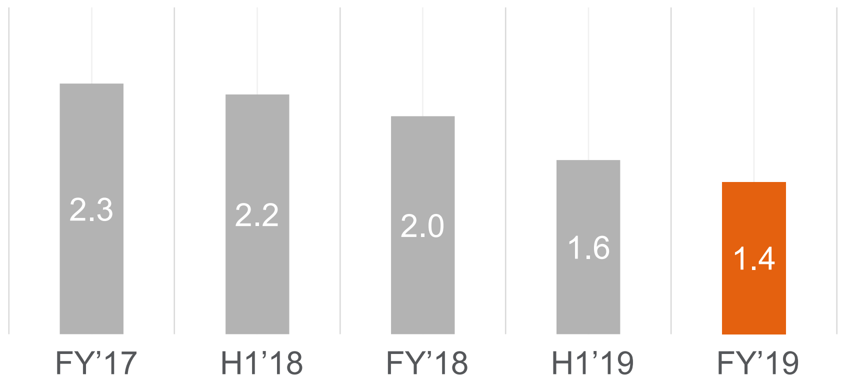
Free Cash Flow [1)]
€ millions



Net Debt [1)]
€ millions



Average net debt / EBITDA [1)]
Calculated using bank covenant methodology



1) *All figures based on IAS 17*

FULL YEAR 2019 RESULTS

Americas: best results since 2015

Full year 1)

33% of net revenues	2019	2018	change
Gross revenues	1,394	1,186	18%
Net Revenues	860	755	14%
Organic Growth %	**9%**		
Operating EBITA	70.5	54.9	28%
Operating EBITA margin	**8.2%**	**7.3%**	

Fourth quarter

	2019	2018	change
Gross revenues	390	334	17%
Net Revenues	219	199	10%
Organic Growth %	**7%**		

- North America improved performance driven by all business lines
  - 8% organic growth, operating margin improved to 9.2%
  - Strong market reflected in backlog and pipeline
  - Voluntary turnover rate further improved to 9.4% (2018: 9.9%)
- 16% organic growth in Latin America, operating margin 5.3% (2018: -1.8%)

GEORGIA, USA

Reduce congestion & commute times, and improve safety through digital solutions

1) *All figures based on IAS 17*

Europe & Middle East: strong fourth quarter in all regions

Full year [1)]

44% of net revenues	2019	2018	change
Gross revenues	1,390	1,392	0%
Net Revenues	1,145	1,133	1%
Organic Growth %	**1%**		
Operating EBITA	87.0	77.4	12%
Operating EBITA margin	**7.6%**	**6.8%**	

Fourth quarter

	2019	2018	change
Gross revenues	369	349	6%
Net Revenues	294	267	10%
Organic Growth %	**7%**		

- In Continental Europe, private sector demand is strong and government spending on the rise (energy transition). Strong performance in the Netherlands
- Despite Brexit uncertainties, the UK grew revenues and improved margin to 8.8% across activities; backlog increased with 4%
- Our selective approach in the Middle East affected revenue growth but is leading to margin improvement. Organic growth returned in the last quarter

1) *All figures based on IAS 17*

Asia Pacific: step change in operating margin

Full year [1)]

14% of net revenues	2019	2018	change
Gross revenues	388	375	3%
Net Revenues	350	331	6%
Organic Growth %	**3%**		
Operating EBITA	34.9	25.4	37%
Operating EBITA margin	**10.0%**	**7.7%**	

Fourth quarter

	2019	2018	change
Gross revenues	98	97	1%
Net Revenues	91	82	11%
Organic Growth %	**9%**		

- Return to revenue growth in Asia of 1% and 3% in the quarter
- Asia operating margin improved to 8.8% as a result of turnaround
- The Coronavirus and the actions taken by the Chinese government will have an impact
- Strong organic growth in Australia of 7% and 21% in the quarter
- Australia operating margin improved to 13.3% on the back of higher billability

SINGAPORE

Improve mobility: 2,000 new charging points for electric car sharing service

1) *All figures based on IAS 17*

FULL YEAR 2019 RESULTS

CallisonRTKL: invest in turnaround

Full year [1)]

9% of net revenues	2019	2018	change
Gross revenues	301	301	0%
Net Revenues	222	220	1%
Organic Growth %	**-5%**		
Operating EBITA	17.0	19.4	-13%
Operating EBITA margin	**7.6%**	**8.8%**	

Fourth quarter

	2019	2018	change
Gross revenues	73	81	-10%
Net Revenues	56	59	-6%
Organic Growth %	**-12%**		

- CallisonRTKL steered through several headwinds in 2019, which impacted financial performance
- New operating model will improve profitability but takes time
- Backlog grew by 3% in the fourth quarter

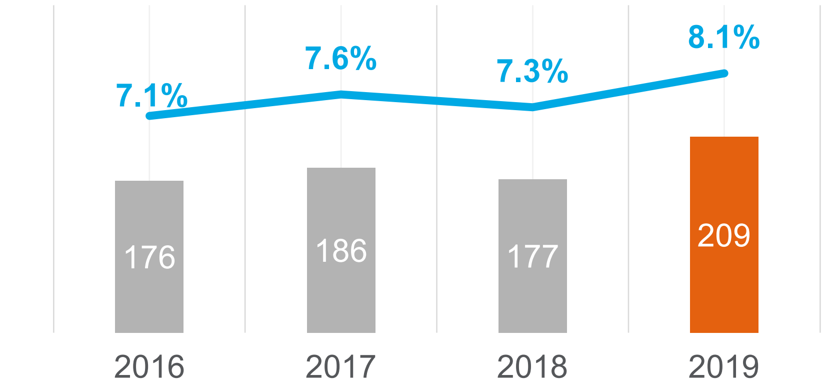
MADRID, SPAIN

New design of 120-meter "Torre Europa", reducing emissions by 31%

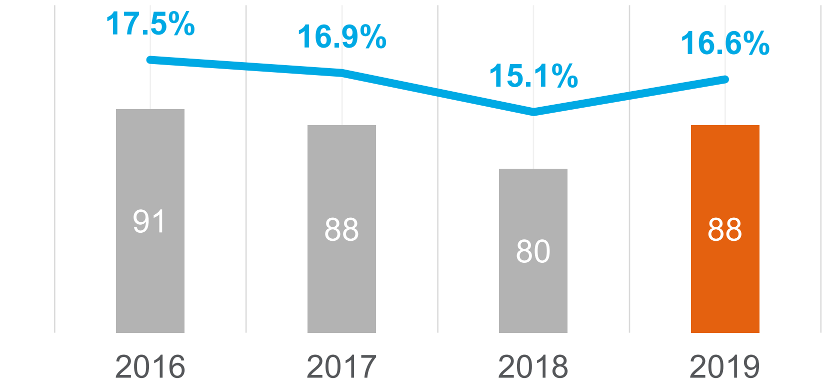
1) *All figures based on IAS 17*

Margin improvement and balance sheet strengthening

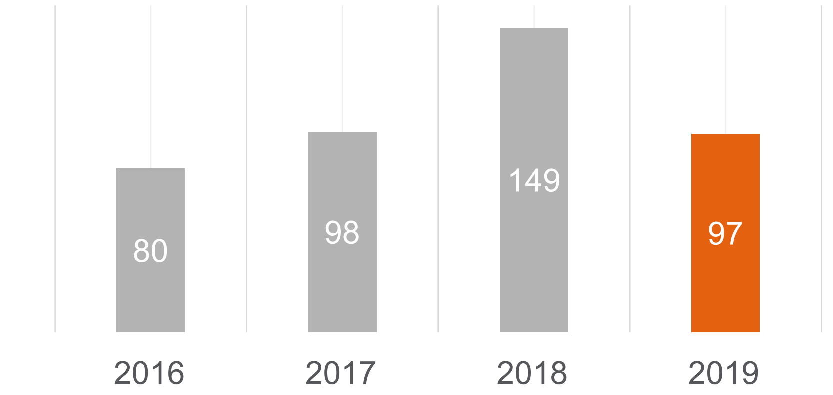
Operating EBITA (margin)
€ millions, %



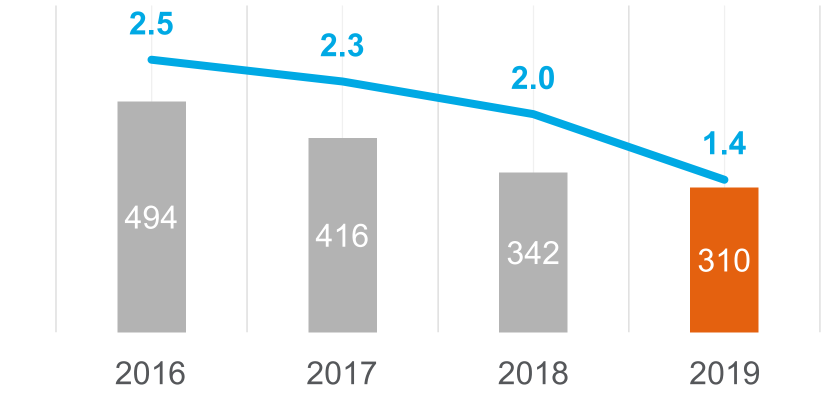
DRO (days) and Net Working Capital %
€ millions, %



Free Cash Flow
€ millions



Net debt and Net Debt / EBITDA
€ millions



1) *All figures based on IAS 17*

ANTWERP, BELGIUM

Increasing Capacity Port Of Antwerp using 3D visualization

Delivery on our strategic priorities

Strategic priorities	Proof points 2019
People & Culture	▪ People First resulting in improved voluntary turnover to 13.5% (2018: 15.6%) ▪ Creating a culture with a growth mindset and a disciplined focus on the right clients, predictable project execution resulting in better financial performance
Innovation & Growth	▪ Launch of “Arcadis Gen” focused on developing digital products and services ▪ Growth from Key Clients at 12% ▪ Innovation in remediation
Focus & Performance	▪ Operating EBITA margin improved to 8.1% (2018: 7.3%) ▪ NWC % at 16.6% & DRO 88 days impacted by temporary arrears in North America ▪ Leverage ratio at year-end improved to 1.3 (2018: 1.7)

On track to achieve our targets set for 2020

- Growing market opportunities driven by global trends
  - Urbanization, sustainability, globalization and digitalization
- Our digital agenda creates more opportunities for new business and better returns
- Significant legacy issues have been resolved
- Operating performance is steadily improving
  - Make Every Project Count
  - Key Clients
  - Global Excellence Centers
- Intention to repurchase up to 3 million shares to cover employee incentive plans and stock dividend
- 2020 delivery year for goals set in our “Creating a sustainable future” strategy


ARCADIS
Design & Consultancy for natural and built assets
IMPROVING **QUALITY OF LIFE**

IFRS 16 impact

Accounting impact only, no net cash impact

P&L impact 2019 FY	IAS 17	IFRS 16	Delta
Gross revenues	**3,473**	**3,473**	**-**
Net revenues	2,577	2,577	-
EBITDA	**235**	**309**	**74**
EBITDA margin	9.1%	12%	2.9%
Depreciation	**-46**	**-117**	**-71**
EBITA	189	192	3
EBITA margin	**7.3%**	**7.5%**	**0.2%**
Non-operating costs	-20	-20	0
Operating EBITA	**209**	**213**	**4**
Operating EBITA margin	8.1%	8.2%	0.1%
Net finance expense	**-112**	**-122**	**-10**
Net income	12	18	6
Net income from ops	**125**	**120**	**-5**
NIfO / share	1.42	1.36	0.06

Balance sheet impact 2019	IAS 17	IFRS 16	Delta
Net debt	**310**	**601**	**+291**
Assets: right of use assets	0	267	+267
Liabilities: lease liabilities	0	291	+291

- 2020 Net debt Arcadis definition: Net debt according to bank covenants, hence excluding lease liabilities
- 2020 FCF Arcadis definition: Cash flow from operating activities minus (dis)(in)vestments in (in)tangible assets, MINUS lease payments
- The Net debt and FCF estimates for 2020 will therefore be fully comparable with prior years (based on IAS 17)