

Continued strong organic revenue growth, and further strengthened balance sheet

Arcadis Q3 Trading Update

28th October, 2021

Delivering the extension of Calais Port

Mitigating climate change impact and preserving areal biodiversity

Client:
Société des Ports du Détroit, France



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 2021 Trading update

key messages

Peter Oosterveer | Chief Executive Officer

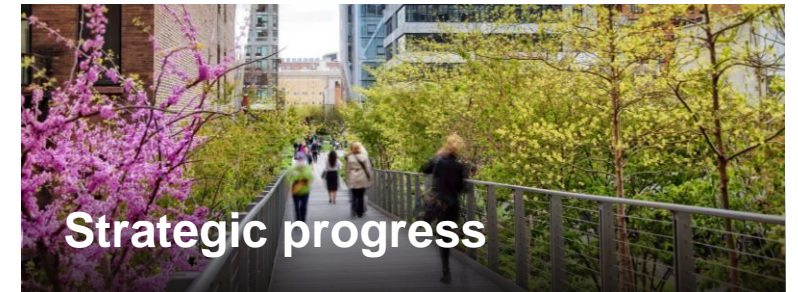


Supporting Germany's “Energiewende”

**More efficient transport of
renewable energy**

Client:
TenneT, Germany

Sustained strong client demand driven by, **climate change energy transition and urbanization**



- Positive business outlook due to continued investments from public and private clients
- Growth areas for Arcadis:
 - Smart mobility
 - Green places
 - Energy transition
 - Climate adaptation

- Revenue growth of 4.1%
- Operating EBITA margin at 10.1%
- Good free cash flow of €75 million further strengthens balance sheet
- Organic backlog growth y-o-y of 3.1%
- Refinancing of syndicated credit facilities into a Sustainability-linked, Revolving Credit Facility of €500 million

- Organizing in three Global Business Areas: Resilience, Places and Mobility
- Commitment to accelerate the transition to a net zero world
 - Arcadis: net zero emissions by 2035
- Launch of Arcadis Global Sustainability Advisory Services
- Further improved ratings by Ecovadis and Sustainalytics

Delivering sustainable solutions to **improve** **quality of life**



Create greener operations and communities

Support L.A. in creating more sustainable mobility for the 2028 Olympics

Client:

Los Angeles Metro's Environmental Compliance and Sustainability Department (ECSD)



Sustainable solutions

Pursue net zero operations

Support real estate investors in developing net zero assets

Client:
Various international commercial real estate investors



Advancing our digital expertise and capabilities



Modernize wastewater infrastructure

Accelerate delivery and
meet clients' regulatory
deadlines by using Digital
Twins



Client:
The Chemung County Sewer District (CCSD), New York

Developing a noise forecasting app for wind turbines

Use real time data to improve and optimize design and operations

Client:
RWE, Germany



Growing our business through focus & scale



Launch of Arcadis Global **Sustainability Advisory Services**

**Advising on clients’
decarbonization strategy,
energy savings and
water treatment**



Some of our clients:

Akzo Nobel (The Netherlands), Transport for the North (UK), City of London Corporation (UK)



Launch of Arcadis cross-border

Floods Task Force

Advising European clients on flood recovery and climate adaptation after the 2021 Summer Floods



Some of our clients:

Rijkswaterstaat (The Netherlands), Limburg Waterboard (The Netherlands), Kindergartens (Germany), and other confidential clients. Ongoing pursuits and tenders in Netherlands, Belgium and Germany



Part 2

Financial Results

Virginie Duperat | Chief Financial Officer

Strengthening the resilience of Singapore's Rail Network

Design of infrastructure depot for 70 trains

Client:

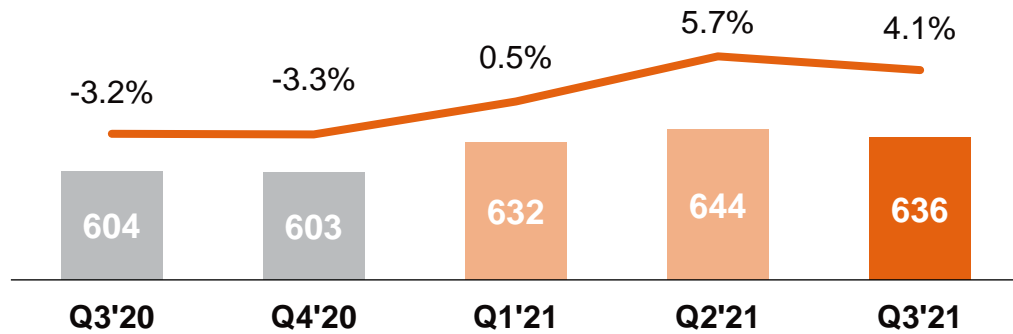
PH Consulting Pte Ltd on behalf of China Jingye Engineering Corporation Ltd (Singapore Branch)



Revenue growth and quarterly margin improvement in 2021

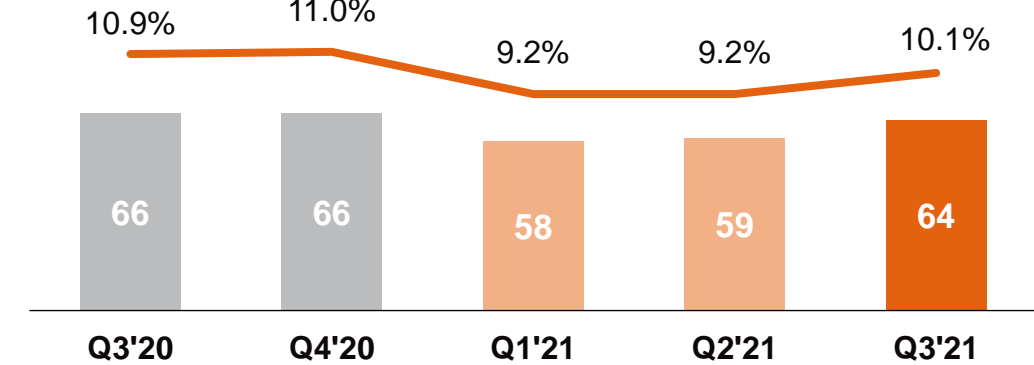
Net Revenues and organic growth

€ millions, %



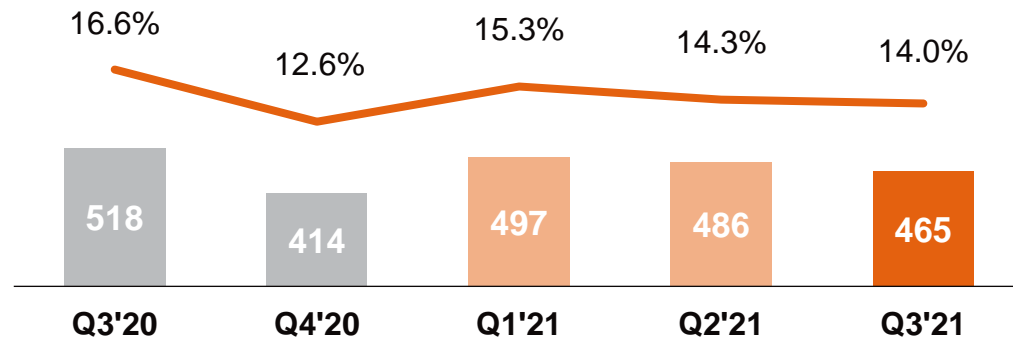
Operating EBITA (margin)¹⁾

€ millions, %



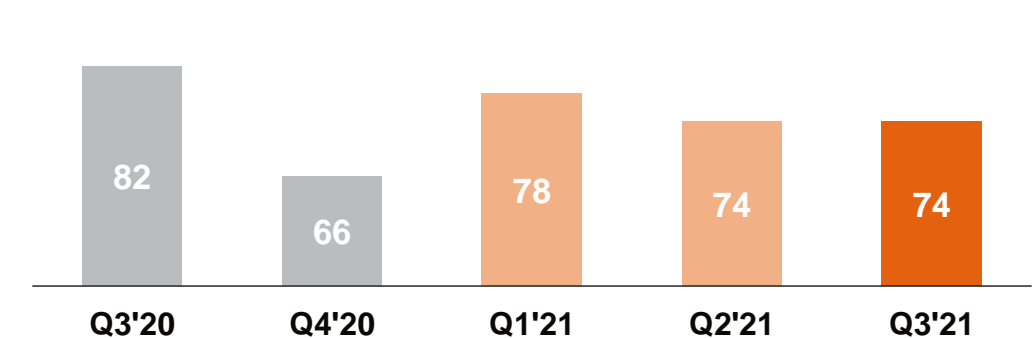
Net Working Capital (%)

EUR millions, %



Days Sales Outstanding

Days



Good organic revenue growth in all major markets

	Net Revenue	Organic growth	
Americas	€222M (Q3'20: €218M)	3% change: 2% FX impact: -1%	<ul style="list-style-type: none"> • North America: continued growth in all business lines • Latin America: outstanding growth driven by infrastructure in Brazil
Europe & ME	€292M (Q3'20: €265M)	7% change: 10% FX impact: 3%	<ul style="list-style-type: none"> • UK: excellent growth driven by key clients in all business lines • Cont. Europe: steady growth and significant project wins • Middle East: expected and planned modest decline
Asia Pacific	€88M (Q3'20: €80M)	7% change: 10% FX impact: 2%	<ul style="list-style-type: none"> • Asia: return to good growth in Greater China • Australia: good growth benefitting from strong market position
Callison RTKL	€34M (Q3'20: €41M)	-17% change: -16% FX impact: 2%	<ul style="list-style-type: none"> • Revenue still under pressure due to impact COVID-19, especially in Asia
Total	€636M (Q3'20: €604M)	4.1% change: 5% FX impact: 1%	

Year-to-date increase in revenue and margin and further strengthening of balance sheet

€1,912M

(Q3'20: €1,890M)

Net Revenue

3.4%

**Organic Net
Revenue growth**

€181M

(Q3'20: €163M)

Operating EBITA

9.5%

(Q3'20: 8.6%)

**Operating EBITA
margin**

€105M

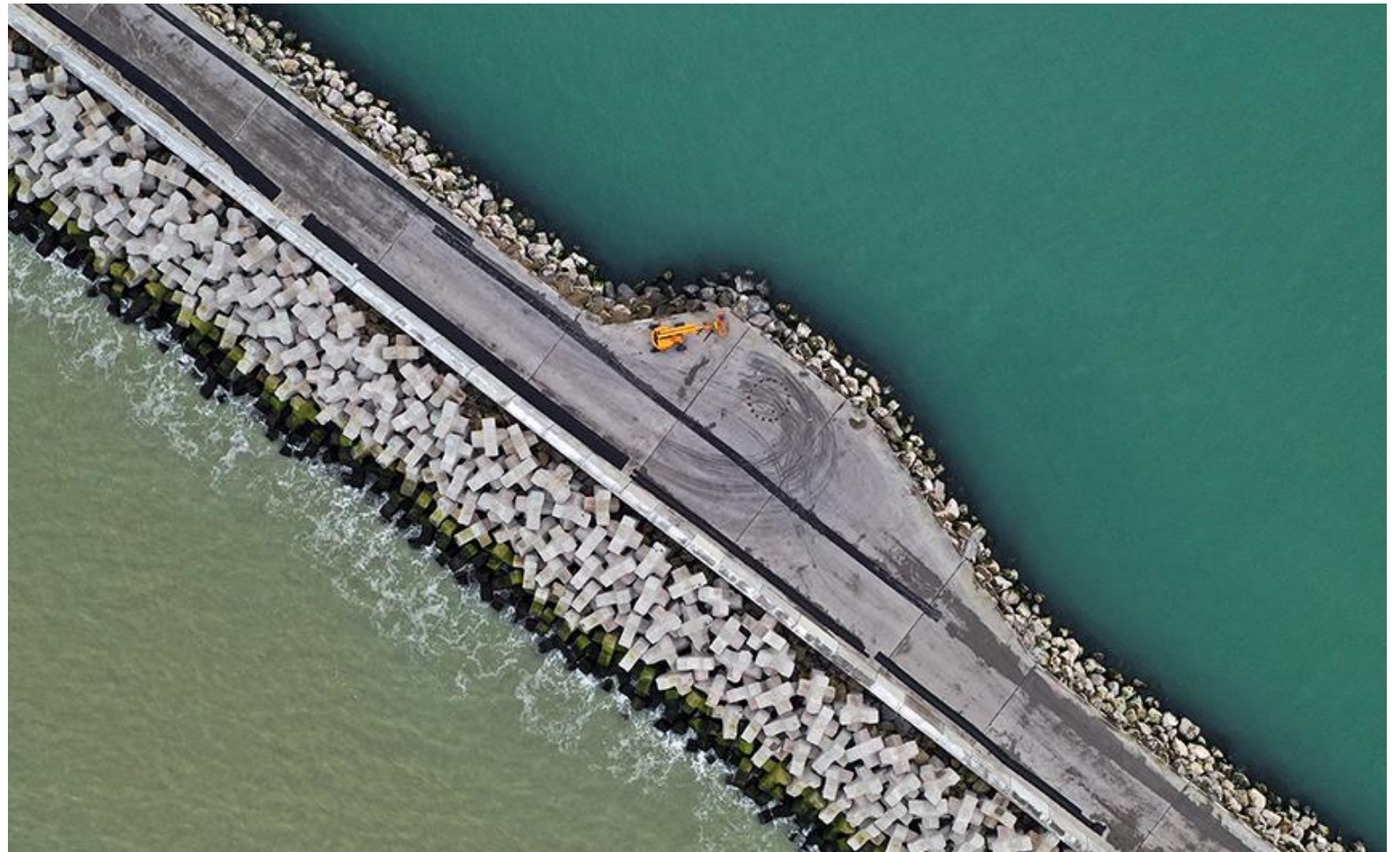
(Q3'20: €200M)

Free Cash Flow¹⁾

€47M

(Q3'20: €195M)

Net Debt¹⁾



1) Net debt and Free Cash Flow are calculated based on IAS 17: lease liabilities are excluded

Part 3

Wrap up

Peter Oosterveer | Chief Executive Officer

Maximizing Impact: Strategy 2021-2023



Financial targets

Organic Net Revenue Growth Mid-single digit	Margin Operating EBITA margin >10%
Net Working Capital & DSO NWC <15% of gross revenues DSO <75 days	Return on Net Working Capital Operating EBITA / Net Working Capital: 40-50%
Return to shareholders <ul style="list-style-type: none"> Dividend: 30-40% of Net Income from Operations <ul style="list-style-type: none"> no dilution Additional returns when appropriate Net debt/EBITDA between 1.0 and 2.0 	

Non-financial targets

Voluntary staff turnover < 10%	Staff engagement Improving annually
Brand Top 3 Brand Strength Index	Diversity Women in workforce >40%
Carbon footprint <ul style="list-style-type: none"> Reduce emissions aligned with a 1.5C science-based target before 2030 Carbon neutral operations investing in high quality, certified abatement and compensation programs from 2020 	



Summary

- **Continued good performance**
 - Increased revenues, solid margin and healthy pipeline of opportunities
 - Strengthening of balance sheet
- **Positive business outlook**
 - Further increased demand for our services
 - Energy transition
 - Climate adaptation
 - Smart mobility
 - Green places
- **On track to deliver strategic targets set for 2023**

Q&A

