

Arcadis presents its 2024-2026 Strategy: Accelerating a Planet Positive Future

- Arcadis presents its 2024-2026 strategy: *Accelerating a Planet Positive Future*, with three strategic focus areas:
 - Sustainable project choices
 - Digital + human innovation
 - Powered by our people
- Supported by strong tailwinds from climate change & decarbonization, urbanism & social communities, evolving supply chains and infrastructure investment
- Key strategic targets include:
 - Mid to high single digit annualized net organic revenue growth
 - Operating EBITA margin of at least 12.5% in 2026
 - Dividend pay-out ratio of 30 to 40% of Net Income from Operations
 - Scope 1 and 2 reduction of 70% GHG emissions by 2026 and Scope 3 reduction of 45% GHG emissions by 2029
 - >40% women in the workforce

Amsterdam 16 November, 2023 – Today Arcadis (EURONEXT: ARCAD), the leading global Design & Consultancy organization for natural and built assets, announced its 2024–2026 strategy: *Accelerating a Planet Positive Future*.

Alan Brookes, CEO Arcadis, said: “Over the last three years, Arcadis has undergone a remarkable transformation, successfully delivering our strategic objectives. We are now excited to present our 2024-2026 strategy: *Accelerating a Planet Positive Future*. This is supported by strong demand tailwinds and focused on key growth markets and making deliberate choices towards projects that align with our strategic ambitions and where we can most effectively deploy our knowledge and innovative solutions. We plan to further increase our successful Key Clients program and will evolve our commercial models to reflect our changing role with clients and further improve profitability. We have clear plans for operational efficiencies by doubling the relative contribution of our Global Excellence Centers in projects, tightening our business pursuit criteria and processes, realizing synergies, and continuing our successful standardization and automation program. In delivering our strategic ambitions, our people are critical and we will invest in a Skills Powered Organisation by continuing to grow the skills of our people to address the client needs of the future. This comprehensive approach gives me real confidence that we will deliver on our strategy set out today, while *Accelerating a Planet Positive Future* for all.”

DELIVERY ON 2021-2023 STRATEGY: “MAXIMIZING IMPACT”

Over the last 3 years, Arcadis has implemented its “*Maximizing Impact*” strategy by implementing a Global Business Area (GBA) structure, investing in Global Excellence Centers (GECs) and repositioning its business through portfolio optimization and the acquisitions of Arcadis IBI and Arcadis DPS.

Through the implementation of its strategy, Arcadis has successfully delivered on its financial targets, with an annualized organic net revenue growth of 7% and a year-to-date 2023 operating EBITA margin in excess of 10%. Arcadis also largely delivered on its key non-financial targets. This creates a solid foundation for the future and the next strategic cycle.

2024-2026 STRATEGY: “ACCELERATING A PLANET POSITIVE FUTURE”

Building on its 2021-2023 “Maximizing Impact” strategy, Arcadis’ 2024–2026 strategy is focused on Accelerating a Planet Positive Future by addressing clients’ needs as they pursue their objectives including decarbonization, electrification and the transition towards renewable energy sources, the onshoring of advanced industrial facilities, the need to replace and upgrade existing infrastructure whilst moving to smarter, more efficient and cleaner modes of transportation.

These trends are driving demand across global markets, particularly in North America and Europe, in areas where Arcadis has leading positions. In addition, by combining AI and the use of data and with deep asset knowledge, Arcadis can help clients repurpose and improve their assets. Arcadis is ideally positioned to make a positive difference. Building on a strong 2021-2023 foundation, Arcadis will Accelerate a Planet Positive Future through the delivery of the following three strategic priorities:

Sustainable Project Choices

Arcadis will focus on projects that contribute to its strategic ambition, making deliberate bidding choices that reflect Arcadis values and economic criteria as well as increasing the robustness of project selection processes. In addition, expanding the successful Key Client Program will be a key element of this strategy to drive growth and increase the potential for margin improvement. The company will also increase its focus on opportunities to cross sell between its Global Business Areas delivering further operating leverage.

Digital + Human Innovation

Arcadis will build on its digital leadership, including through its Intelligence GBA, providing innovative technology-enabled solutions and products across the entire asset lifecycle. Arcadis will continue to invest in new digital products and expand its offering to provide even greater value to clients through asset optimization and efficiency savings. Within its own operations, Arcadis will accelerate implementation of digitalization, standardization and automation of operating procedures, reducing non-billable hours and driving efficiencies.

Powered by People

Arcadis will continue to develop and invest in its people by creating a *Skills Powered Organization* that will provide its people the skills to address future client needs and deliver improved workforce efficiency. This involves enhancing people development and career paths through prioritizing continuous learning, expertise, and adaptability among its people with initiatives such as the Arcadis Energy Transition Academy. It will also enable an optimized allocation of resources and skills to projects as required. In addition, Arcadis will reinforce its GEC organization, increase GEC recruitment and explore new locations for further growth to enable it to double the contribution of its GECs to the total billable hours of its projects.

FINANCIAL TARGETS FOR 2026

Arcadis targets mid-high single digit organic annualized net revenue growth for 2024–26 and aims to further improve operating EBITA margin to at least 12.5% in 2026. Arcadis will also maintain a balanced capital allocation framework, including a commitment to a dividend pay-out ratio of 30% to 40% of Net Income from Operations and to retain its Investment Grade credit rating, with a target leverage ratio of 1.5-2.5x Net Debt / Operating EBITDA.

NON-FINANCIAL TARGETS FOR 2026

Arcadis embeds sustainable values into all client solutions, business operations, and people and community programs. The company is developing new client methodologies and tools to measure sustainability across five core themes - Carbon, Nature, Water, Circularity and Social Impact. Over the next strategy cycle Arcadis commits to a 70% reduction in Scope 1 and 2 GHG emissions by 2026 and a 45% reduction in Scope 3 GHG emissions by 2029. The company also aims to remain in the top 25% of the professional services sector for employee satisfaction, as measured by Employee Net Promotor Score, and targets to improve gender diversity with over 40% of people across the organization to be female.

Arcadis is well-positioned to continue its journey of profitable growth, sustainability, and innovation as it strives to accelerate a planet positive future. The Arcadis 2024-2026 Strategy update will be presented today during a Capital Markets Day in London.

INVESTOR RELATIONS

Christine Disch | +31(0)615376020 | christine.disch@arcadis.com

CORPORATE COMMUNICATIONS

Chris Wiggan | +44(0)7966404889 | chris.wiggan@arcadis.com

ANALYST PRESENTATION

Arcadis 2024-2026 Strategy “Accelerating a Planet Positive Future” will be presented and live streamed at 14.00 hours CET, for registration please follow the link:

<https://strategy.arcadis.com/registration-virtual-event/>

More information can be found on the strategy microsite:

<https://www.arcadis.com/en/investors/capital-markets-day>

Analyst presentation: https://www.arcadis.com/en/investors/publications-and-presentations---download-center#search-download-center_downloadyear=2023

ABOUT ARCADIS

Arcadis is the leading global design & consultancy organization for natural and built assets. We maximize impact for our clients and the communities they serve by providing effective solutions through sustainable outcomes, focus and scale, and digitalization. We are 36,000 people, active in more than 70 countries that generate €4.0 billion in gross revenues. We support UN-Habitat with knowledge and expertise to improve the quality of life in rapidly growing cities around the world. www.arcadis.com

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 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. 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.