

PRESS RELEASE

Arcadis First Quarter 2025 Trading Update

Robust performance with continued margin expansion and backlog growth

- Net Revenues of €972 million, stable year-on-year
- Order Intake of €1.1 billion, resulting in record Backlog of €3.7 billion with 2.8% organic growth¹⁾ ytd
- Operating EBITA Margin²⁾ expanded to 10.9% (Q1'24: 10.7%), investments in line with strategy
- KUA and WSP Infrastructure Eng. GmbH acquisitions unlocking growth opportunities in Germany
- On track to achieve the strategic targets set for 2024-2026

Amsterdam, 7 May 2025 – Arcadis, the world's leading company in delivering data-driven sustainable design, engineering, and consultancy solutions for natural and built assets, reports robust quarterly results, a record-high backlog, sees strong pipeline opportunities, and continues to invest in line with strategy; resulting in Net Revenues of €972 million and an improved operating EBITA margin of 10.9% (Q1'24: 10.7%).

Alan Brookes, CEO Arcadis, said: “Arcadis has delivered a robust quarter, demonstrating the resilience and strength of our business. We have successfully secured and executed strategically important projects in North America and Europe. Our operational performance remains robust with further margin expansion despite the current market environment, driven by disciplined execution and continued focus on long-term value creation. Our strategy positions us well to achieve sustainable growth, supported by ongoing investments and strategic acquisitions which are strengthening our position in key growth markets. With a record-high backlog and strong pipeline, our medium- to long-term prospects remain solid and we continue to be on track to meet our strategic targets for 2024-2026.”

KEY FIGURES

in € millions

Period ended 31 March 2025	First Quarter		change
	2025	2024	
Net revenues	972	968	0%
Organic growth (%) ¹⁾	0.0%	4.4%	
EBITDA	111	125	-11%
EBITDA margin (%)	11.4%	12.9%	
Operating EBITDA ²⁾	133	131	2%
Operating EBITDA margin (%)	13.7%	13.5%	
EBITA	83	97	-14%
EBITA margin (%)	8.6%	10.0%	
Operating EBITA ²⁾	106	104	2%
Operating EBITA margin (%)	10.9%	10.7%	
Net Working Capital (%)	12.9%	11.6%	
Days Sales Outstanding (days)	67	64	
Free Cash Flow ³⁾	-138	-97	-43%
Net Debt	920	963	-4%
Net Order intake	1,079	1,129	-4%
Net Order intake organic growth (%) ¹⁾	-5.1%	6.0%	
Book-to-bill ⁴⁾	1.11	1.17	-5%
Backlog net revenues	3,699	3,316	12%
Backlog organic growth (% ytd) ¹⁾	2.8%	4.8%	
Backlog organic growth (% yoy) ¹⁾	14.0%	4.9%	

¹⁾ Underlying growth excl. impact of FX, acquisitions, footprint reductions, winddowns or divestments

²⁾ EBIT(D)A excluding restructuring, integration, acquisition, and divestment costs

³⁾ Free cash flow: cash flow from operations adjusted for capex and lease liabilities

⁴⁾ Book-to-bill: net order intake / net revenues

INCOME STATEMENT

Net revenues totaled €972 million with flat organic growth and a foreign exchange impact of +1.1%. Growth was driven by our key markets in the US and Germany, offset by a slowdown in infrastructure spending in the UK and Australia, and continued volatility in clients' short-term spending on the back of government policy uncertainties. Non-operating costs totaled €22 million driven by right-sizing and restructuring efforts mainly in the UK and Australia.

ORDER INTAKE & BACKLOG

Backlog totaled €3.7 billion (Q1'24: €3.3 billion) with an organic growth of 2.8% in the quarter. Client demand for Resilience solutions remained strong, though this was slightly tempered by Places, as some clients took longer to make larger capex decisions in the current market environment. Mobility order intake reflected typical lumpiness, while visibility remains strong, supported by several significant project opportunities in the pipeline for the years ahead. Our project pipeline remains strong across all Global Business Areas (GBAs) with a focus on enhancing our position in high-growth markets.

BALANCE SHEET & CASH FLOW

Net working capital as a percentage of annualized gross revenues was 12.9% (Q1'24: 11.6%) and Days Sales Outstanding (DSO) was 67 days (Q1'24: 64 days) mainly driven by the planned ERP roll-out of the remaining part of the North American business. Free cash flow in the quarter was €-138 million (Q1'24: €-97 million), which was in line with seasonal trends and the year-on-year difference was mostly driven by the timing of some annual software payments.

OPERATIONAL HIGHLIGHTS

RESILIENCE

(38% of net revenues)

in € millions

Period ended 31 March 2025	First Quarter		
	2025	2024	change
Net revenues	368	354	4%
Organic growth ¹⁾	4.0%	8.2%	
Order intake	476	449	6%
Backlog net revenues	1,121	1,063	5%
Backlog organic growth (% ytd) ¹⁾	10.0%	9.7%	
Backlog organic growth (% yoy) ¹⁾	8.7%	10.8%	

The demand for our Resilience solutions remains strong, particularly in North America, Germany and the Netherlands, with Water Optimization, Climate Adaptation, and Energy Transition serving as key growth drivers. While some large remediation projects are concluding, other significant capital programs, such as AMP8 in the UK, are starting, and we continue to focus on high-growth, high-value offerings that enhance backlog quality. In the US, the water market is experiencing increased activity, with changes in regulations and funding schemes creating additional pipeline opportunities.

¹⁾ Underlying growth excl. impact of FX, acquisitions, footprint reductions, winddowns or divestments

PLACES

(37% of net revenues)

in € millions

Period ended 31 March 2025	First Quarter		
	2025	2024	change
Net revenues	354	374	-6%
Organic growth (%) ¹⁾	-2.7%	-1.1%	
Order intake	364	383	-5%
Backlog net revenues	1,580	1,493	6%
Backlog organic growth (% , ytd) ¹⁾	0.5%	0.0%	
Backlog organic growth (% , yoy) ¹⁾	9.4%	-4.0%	

Places revenues were impacted by clients in the industrial manufacturing sector taking longer to finalize large capex decisions, alongside overall softness in the UK market. However, pharmaceutical clients announced significant expansions in their investment programs in the US, creating promising pipeline opportunities. Government clients continued to deliver strong results, driven by sustained demand in healthcare and education. Momentum in the data center sector remains strong. The acquisition of KUA Group in Germany, announced and completed this quarter, further strengthens our capabilities in the European data center market, solidifying our position in this high-growth sector.

MOBILITY

(23% of net revenues)

in € millions

Period ended 31 March 2025	First Quarter		
	2025	2024	change
Net revenues	227	216	5%
Organic growth ¹⁾	-1.9%	8.2%	
Order intake	227	273	-17%
Backlog net revenues	890	637	40%
Backlog organic growth (% , ytd) ¹⁾	0.0%	10.3%	
Backlog organic growth (% , yoy) ¹⁾	38.7%	18.5%	

The Mobility market remains strong in the US, Germany and the Netherlands offset by a slowdown in infrastructure spending in the UK and Australia. The ramp up of significant contract wins secured in the second half of last year is progressing as planned. However, this has created a temporary gap as the new projects ramp up while existing projects, including major programs in the UK and Australia, are ramping down. As we realign resources and reposition parts of the business, delivery is more phased than in the past, reflecting the growing scale of our projects and contributing to a softer first quarter. Additional opportunities entered the pipeline, particularly from government investments in Germany and the US, and from the recent WSP Infrastructure Engineering acquisition. We are well positioned for future growth from our strong backlog and pipeline, underpinned by our global expertise and continued investment in talent and capabilities.

1) Underlying growth excl. impact of FX, acquisitions, footprint reductions, winddowns or divestments

INTELLIGENCE

(2% of net revenues)

in € millions

Period ended 31 March 2025	First Quarter		
	2025	2024	change
Net revenues	23	23	0%
Organic growth ¹⁾	-0.5%	7.2%	
Order intake	12	24	-47%
Backlog net revenues	108	123	-12%
Backlog organic growth (% ytd) ¹⁾	-10.2%	0.3%	
Backlog organic growth (% yoy) ¹⁾	-12.3%	9.4%	

Revenues were supported by our integrated digital real-time asset monitoring solution Enterprise Asset Management (EAM) for North American Key Clients, while organic growth was moderated by some awards being delayed to later into the year. We secured substantial wins for parking management software, HotSpot, securing future revenue for the year, but not recorded in order intake yet, in accordance with our accounting policies. Integrating Intelligence solutions into other GBAs' offerings continues to act as a strong differentiator in securing large projects, and we see ample opportunity to further extend Intelligence products to Key Clients.

2024-2026 STRATEGY "ACCELERATING A PLANET POSITIVE FUTURE"

On 16 November 2023, Arcadis presented its 2024-2026 Strategy "Accelerating a planet positive future" and its 2026 financial targets; these include: organic net revenue growth of mid to high single digits over the cycle, operating EBITA margin of 12.5% in 2026, Net Debt / Operating EBITDA of 1.5-2.5x with an Investment Grade credit rating and a dividend payout ratio of 30-40% of Net Income from Operations.

FINANCIAL CALENDAR

- 16 May 2025 – Annual General Meeting of Shareholders
- 31 July 2025 – Second Quarter and Half Year 2025 Results
- 30 October 2025 – Third Quarter 2025 Trading Update

Arcadis IR investor calendar: <https://www.arcadis.com/en/investors/investor-calendar>

ARCADIS INVESTOR RELATIONS

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ANALYST WEBCAST

Today at 14:00 CEST

<https://www.arcadis.com/en/investors/investor-calendar/2025/q1-2025-trading-update>

ABOUT ARCADIS

Arcadis is the world's leading company delivering data-driven sustainable design, engineering, and consultancy solutions for natural and built assets. We are more than 35,000 architects, data analysts, designers, engineers, project planners, water management and sustainability experts, all driven by our passion for improving quality of life. As part of our commitment to accelerating a planet positive future, we work with our clients to make sustainable project choices, combining digital and human innovation, and embracing future-focused skills across the environment, energy and water, buildings, transport, and infrastructure sectors. We operate in over 30 countries, and reported €5.0 billion in gross revenues for 2024. www.arcadis.com

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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.

DISCLAIMER

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.