

On track to deliver on strategic targets set for 2023

Arcadis Q1 2023 Trading Update

May 4th, 2023



Disclaimer

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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

Q1 2023 Trading update

key messages

Peter Oosterveer | Chief Executive Officer



Summary of results

Continued strong demand from clients

First quarter 2023 results:

Net Revenue YoY
+37% to:
€940M

Order intake YoY
+35% to:
€1,062M

Net Backlog at:
€3,192M

Operating EBITA margin¹⁾
improved to:
9.8%

Global Business Areas

Resilience

First quarter 2023 results:

CLIENT HIGHLIGHTS

- **Environmental Restoration:** market leading position in PFAS. Radioactive and incident response
- **Energy Transition:** focus on renewable energy to help clients meet Net-Zero ambition
- **Enviro-Social permitting:** support clients in supply chain mgmt. and process optimization

Organic net revenue growth¹⁾
year on year

13.0%

Organic backlog growth¹⁾
quarter to date

10.0%

CASE STUDY

Remedial investigations for PFAS at Army National Guard sites nationwide

Client
US Army | US

Global Business Areas

Places

First quarter 2023 results:

CLIENT HIGHLIGHTS

- Capital investment programs shift to **Asset Management** to meet the decarbonization challenge
- **Industrial manufacturing:** continued high demand
- **Net Zero & Intelligent buildings:**
 - Net Zero retrofiting
 - Energy optimization

**Organic net revenue growth¹⁾
year on year**

8.7%

**Organic backlog growth¹⁾
quarter to date**

1.3%

CASE STUDY



Planning and engineering for renewable energy storage facility

Client
Energy client | Europe

Global Business Areas

Mobility

First quarter 2023 results:

CLIENT HIGHLIGHTS

- **Connected Highways and Intelligent Rail:** data solves clients' mobility challenges
- **New Mobility:** electrification continues to dominate
- **Airports:** decarbonization, further digitization. Federal investments

Organic net revenue growth¹⁾
year on year

15.3%

Organic backlog growth¹⁾
quarter to date

1.8%

CASE STUDY



General Engineering Services to improve accessibility and reliability of transit service NY

Client
Metropolitan Transportation Authority (MTA) | New York, US

Global Business Areas

Intelligence

First quarter 2023 results:

CLIENT HIGHLIGHTS

- Solid demand for **Traffic, Transit and Travel solutions** from large key clients
- **Synergies:** GBA collaboration drives project wins for Key Clients
- **Stimulus:** US Dept. of Transportation awarded first round of grants through SMART

Project extensions with existing clients and securing work with new clients across various product lines

Traffic, Transit and Travel products for:



Enterprise Decision Analytics for:



CASE STUDY



Improve travel efficiency and safety

Connected vehicle pilot project deployment for **North Carolina Department of Transportation | US**

Part 2

Financial Results

Virginie Duperat | Chief Financial Officer



Continuing operating margin improvement

€940M

(Q1'22: €688M)

Net Revenue

12.3%

Organic Net Revenue growth¹⁾

€92M

(Q1'22: €64M)

Operating EBITA

9.8%

(Q1'22: 9.4%)

Operating EBITA margin²⁾

€-108M

(Q1'22: €-51M)

Free Cash Flow³⁾

€1,072M

(Q4'22: €1,005M)

Net Debt



¹⁾ This excludes the impact of currency movements, acquisitions, divestments, and footprint reductions (such as the Middle East)

²⁾ Excluding acquisition, restructuring and non-operating integration-related costs

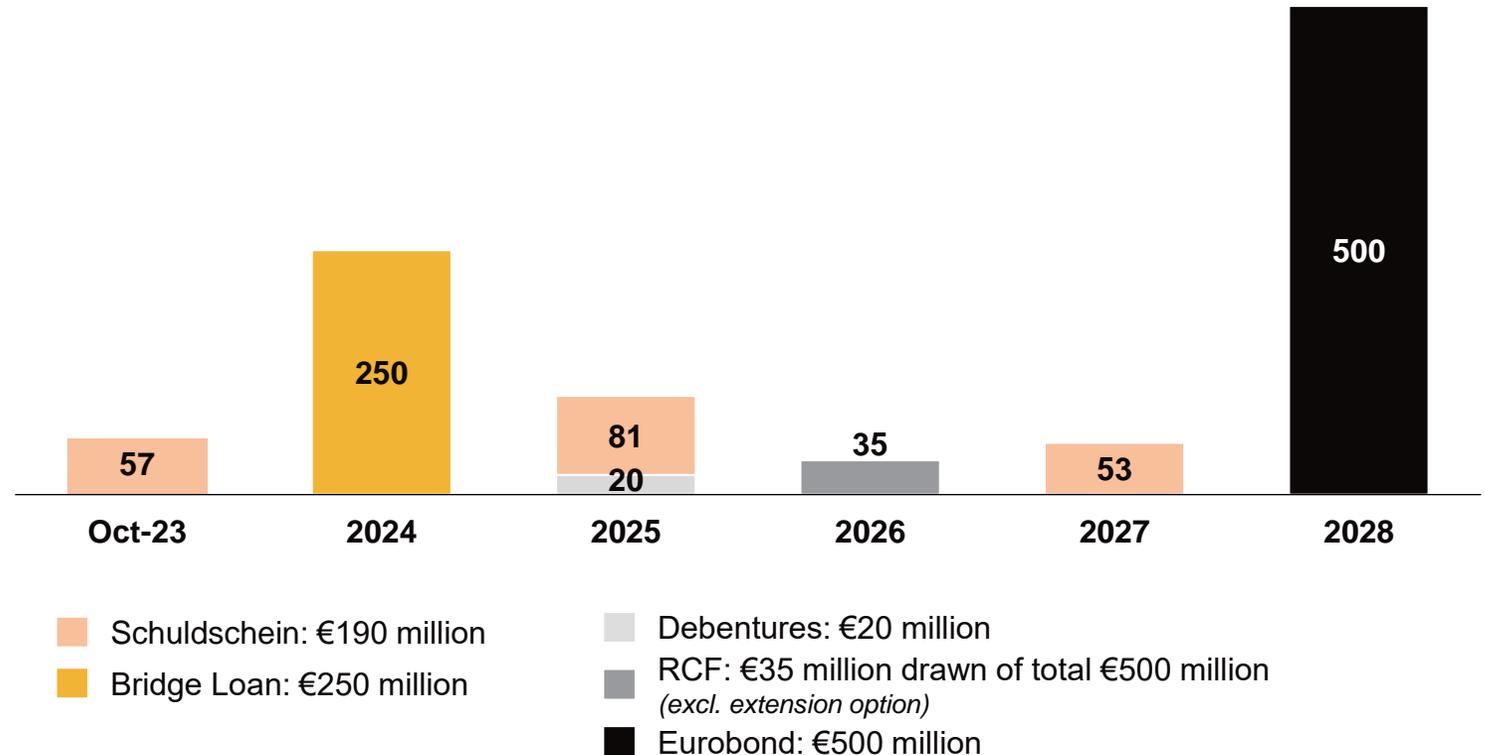
³⁾ Free Cash Flow = Cash flow from operating activities corrected for capex and lease liabilities

Well balanced debt profile

- Feb-23: Successful refinancing of the €750 million bridge loan: issuance of €500 million inaugural Eurobond, with 5-year tenure
- Senior unsecured fixed rate notes have an annual coupon of 4.875%
- Standard & Poor's Investment grade rating BBB-, outlook: stable

Net Debt **€1,072M**
(Q4'22: €1,005M)

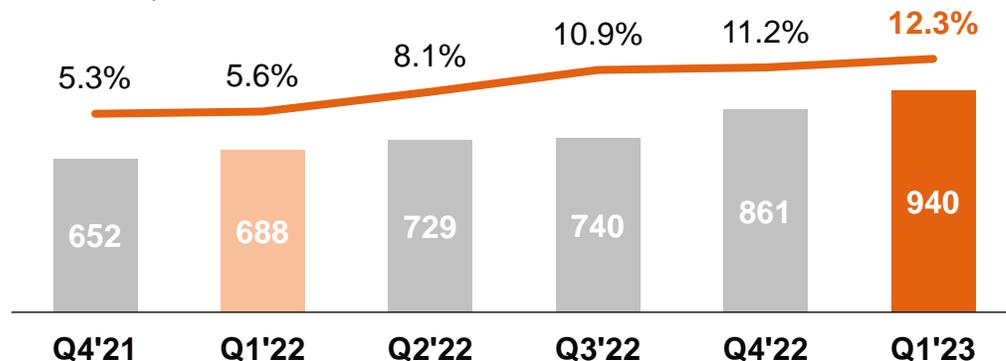
Debt maturity profile
€ millions



Accelerated revenue growth paralleled by strong order intake

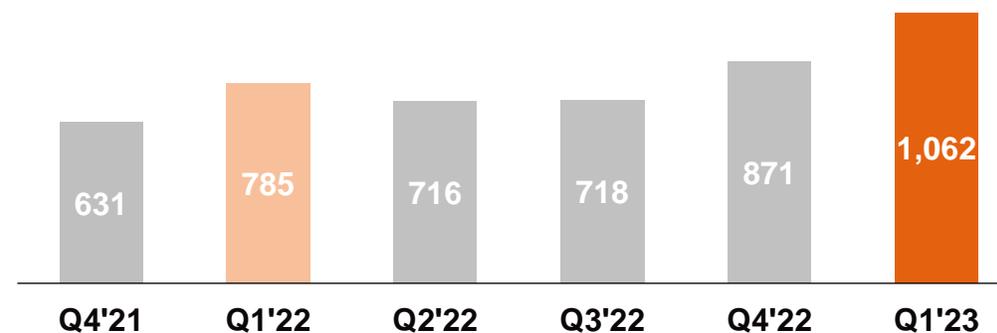
Net Revenues and Organic Growth¹⁾

€ millions, %



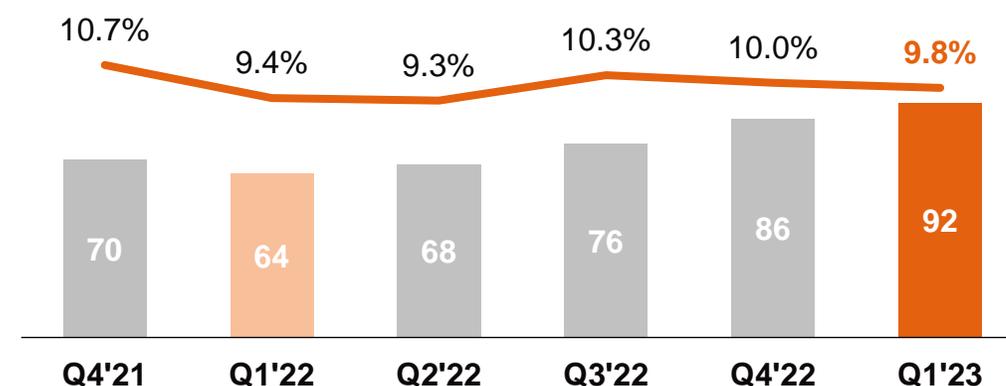
Order Intake

€ millions, %



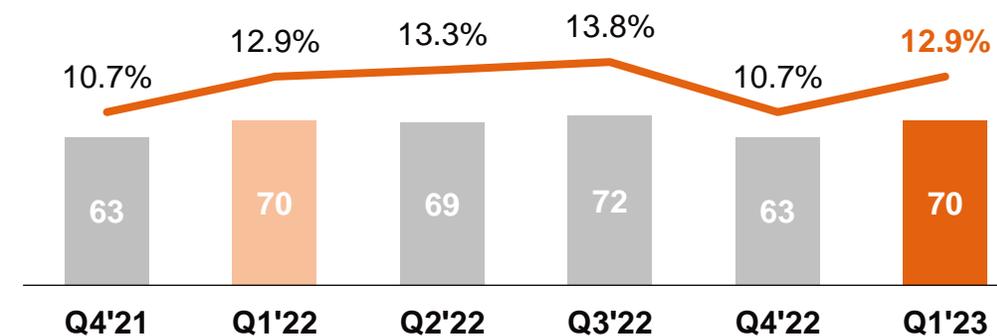
Operating EBITA (margin)²⁾

€ millions, %



Days Sales Outstanding and Net Working Capital (%)

Days, %



¹⁾ Excluding the impact of currency movements, acquisitions, divestments, and footprint reductions (such as the Middle East)

²⁾ Excluding acquisition, restructuring and non-operating integration-related costs

Global Business Areas drive growth acceleration



Resilience

Net revenue: €332M (35% of total)
Organic Growth: 13.0%¹⁾

- Solid across markets in which we operate
- Cross selling to Arcadis IBI existing client portfolio
- Strong market demands force us to set right priorities



Places

Net revenue: €388M (41% of total)
Organic Growth: 8.7%¹⁾

- Strong growth North America and Europe
- Diversification towards more balanced portfolio
- Newly launched Architecture & Urbanism unit
- Substantial synergy opportunities in pipeline



Mobility

Net revenue: €200M (21% of total)
Organic Growth: 15.3%¹⁾

- Strong across markets, especially US, Australia, UK
- Collaboration with Arcadis IBI and Intelligence drives enhanced positioning in market
- High revenue visibility for the remainder of the year



Intelligence

Net revenue: €21M (2% of total)

- Good performance across regions, especially North America, UK
- Set-up of fit for purpose organization, fostering innovation

¹⁾ Excluding the impact of currency movements, acquisitions, divestments, or footprint reductions (such as the Middle East)

Part 3

Wrap up

Peter Oosterveer | Chief Executive Officer



Arcadis IBI & Arcadis DPS integration process on track: allowing continued focus on clients and operations



- Significant wins in industrial manufacturing, pharmaceuticals, semiconductor, energy transition
- Building a strong sales pipeline through synergy opportunities:
 - Aligned operating models
 - Joined go-to market strategies
- Cost synergies materializing and on track
- Onboarding Arcadis IBI & Arcadis DPS Clients to Key Client program
- Increased competitiveness for large-scale opportunities



Onboarding Arcadis IBI's clients into the Key Clients program

Client: QuadReal Property Group | Toronto | Owns & manages assets in 25 cities globally

Arcadis: Program mgmt. & design of flagship real-estate developments Toronto

Opportunity: speaking to client to provide support globally

Recent wins



ARCADIS | IBI GROUP and GBA Places
Plant expansion
for Bridgestone Americas

ARCADIS | DPS GROUP and GBA Places
New semiconductor facility
for confidential client in Europe

ARCADIS | IBI GROUP and GBA Resilience
Construction management of site grading
for large Automotive client

Summary

- Continued strong client demand
- Global Operating Model enabler for good revenue growth, margin improvement and continued order intake
- Integration Arcadis IBI and Arcadis DPS progressing well
- Synergy wins materializing with growing number of opportunities
- On track to deliver 2023 targets

Looking back...



Improved performance from a strong foundation



Attract and retain key talent, deliver profitable growth and strong cash conversion

Q&A

