Interim financial statements 2024

Accelerating a planet positive future

Sustainable project choices | Digital and human innovation | Powered by our people

This report contains the interim financial statements of Arcadis NV ('the Company' or 'the Group'), and consists of the interim management report and the interim condensed financial statements, including risk assessment and the responsibility statement of the Executive Board. These interim financial statements have not been audited.

Performance highlights

Second quarter and half year results 2024

Continued growth and improved operating margin as 2024-2026 strategy implementation commenced

Second quarter results

- Net revenue of €991 million, solid organic growth of 6.0%[1]
- Strong order intake of €1.1B resulting in organic backlog growth of 5.6% year-on-year
- Improved operating EBITA margin[2] to 11.5% (Q2’23: 9.7%[3]) driven by operating leverage and improved project portfolio
- Free cash flow of €8 million (Q2’23: €-26M), Net working capital % of 12.7% (Q2’23: 12.2%[3])

[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] 2023 revised to reflect the adjustments to the provisional opening balances of acquired entities recognized 30 June 2023 (in accordance with IFRS 3.49)

CEO statement

Amsterdam, 25 July 2024 – Arcadis, the world's leading company delivering data-driven sustainable design, engineering, and consultancy solutions for natural and built assets, sees continued growing client demand across all its business, resulting in net revenue of €991 million, organic growth of 6% and an improved operating EBITA margin of 11.5% (Q2'23: 9.7%[1]).

Alan Brookes, CEO Arcadis, said:
"Arcadis has delivered a strong first half year of its strategy cycle 2024-2026. Sustained client demand across all our Global Business Areas and specifically in solutions across Energy Transition, Water, Technology and Mobility resulted in strong revenue growth and order intake in the quarter. Operating leverage, an improved project portfolio and cost control allowed us to further improve our margin and deleverage our balance sheet. Meanwhile, we achieved the first milestones in our strategy implementation through the roll out of our Skills Powered Organization, the advancing of the Arcadis Energy Transition Academy and expansion of the Global Excellence Centers. Our deep asset knowledge, global expertise and complementary set of services are key success factors allowing us to further drive continued profitable growth and to better serve our clients."

[1] 2023 revised to reflect the adjustments to the provisional opening balances of acquired entities recognized 30 June 2023 (in accordance with IFRS 3.49)

Key figures*

in € millions Period ended 30 June 2024	Half year 2024	 2023	 change	Second quarter 2024	 2023	 change
Gross revenues	**2,512**	**2,477**	**1%**	**1,282**	**1,260**	**2%**
Net revenues	**1,959**	**1,886**	**4%**	**991**	**945**	**5%**
Organic growth (%)[1]	5.2%	10.6%		6.0%	9.0%	
Operating EBITDA[2]	**271**	**241**	**13%**	**141**	**120**	**17%**
Operating EBITA[2,3]	**217**	**184**	**18%**	**114**	**92**	**24%**
Operating EBITA margin (%)[2,3]	*11.1%*	*9.7%*		*11.5%*	*9.7%*	
Net income[3]	112	69	61%			
Net income for operations per share (in €)[3,4]	1.40	1.14	23%			
Net working capital (%)[3]	12.7%	12.2%				
Free cash flow[5]	-88	-134		8	-26	
Net debt[3]	1,016	1,193				
Order intake	2,194	2,039	8%	1,066	976	9%
Backlog net revenues	3,386	3,249	4%			
Backlog organic growth (%, yoy)[1]	5.6%	5.4%				
Backlog organic growth (%, ytd)[1]	6.7%	5.0%				
Voluntary employee turnover[6]	11.3%	12.6%				

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3 2023 revised to reflect the adjustments to the provisional opening balances of acquired entities recognized 30 June 2023 (in accordance with IFRS 3.49)
4 Net income before non-recurring items (e.g. valuation changes of acquisition-related provisions, acquisition and divestment costs, expected credit loss on shareholder loans and corporate guarantees and one-off pension costs)
5 Free cash flow: cash flow from operations adjusted for capex and lease liabilities
6 Voluntary turnover excludes the Middle East as these operations are being wound down

* 2023 and 2024 half year results as presented in this press release are unaudited

Review of the second quarter 2024: profit & loss items and backlog

Net revenues totaled €991 million, increasing by 6.0% organically, driven by all Global Business Areas (GBAs). Revenue and backlog growth was particularly strong in US and Europe with demand for our solutions across Energy Transition, Water, Technology and Mobility accelerating. The improved operating EBITA margin of 11.5% was driven by operating leverage, an improved portfolio and the materialization of cost synergies following a successful integration of IBI and DPS. Furthermore, we expanded our Global Excellence Centers workforce by 21% year-on-year to over 4,700 people, continued to invest in our key talent with the launch of our Skills Powered Organization, advancing of the Arcadis Energy Transition Academy.

Review of the half year 2024: profit & loss items and backlog

Net revenues totaled €1,959 million, increasing organically by 5.2% driven by all GBAs. The operating EBITA margin increased to 11.1% (H1’23: 9.7%[1]). Non-operating costs were €14 million, driven by portfolio optimizations such as the ongoing wind-down of the Middle East operations, merging of offices and other restructuring activities.

Net finance expenses were €23 million (H1’23: €28 million). Net income from operations increased by 23% to €126 million (H1’23: €102 million[1]), or €1.40 per share (H1’23: €1.14[1]).

Order intake increased by 8% year-on-year to a record level of €2,194 million, outperforming total revenue growth of 4% and resulting in a book-to-bill of 1.12x. We see a significant pipeline of opportunities driven by allocation of stimulus funding across Arcadis’ key markets. Excluding the Middle East, the Operating EBITA margin performance was 11.1% in the first half of 2024.

[1] Revised to reflect the adjustments to the provisional opening balances of acquired entities recognized 30 June 2023 (in accordance with IFRS 3.49)

Operational highlights

Resilience

(37% of net revenues)

in € millions	Half year			Second quarter		
Period ended 30 June 2024	2024	2023	change	2024	2023	change
Net revenues	727	678	7%	373	346	8%
Organic growth (%)[1]	8.6%	*12.6%*		9.0%	*11.4%*	
Operating EBITA[2]	93	76	23%			
Operating EBITA margin (%)	12.8%	11.2%				
Order intake	809	779	4%	361	356	1%
Backlog net revenues	1,048	999	5%			
Backlog organic growth (%, yoy)[1]	8.5%	14.1%				
Backlog organic growth (%, ytd)[1]	8.3%	10.9%				

[1] Underlying growth excl. impact of FX, acquisitions, footprint reductions, winddowns or divestments
[2] EBITA excluding restructuring, integration, acquisition and divestment costs

Solid demand across our Resilience solutions led to strong results in our key markets, including the US, the UK, the Netherlands and Germany. We continued to see significant growth in our Energy Transition solutions and relating advisory services. Our leading position in the Water sector resulted in significant project wins, underscoring our skills and ability to deliver high-value projects. Furthermore, we became more selective in our bidding processes, which resulted in increased discipline around order intake and was yet reflected in our margin performance. We continued to make investments in industry leading talent, including through our Arcadis Energy Transition Academy.

Places

(38% of net revenues)

in € millions Period ended 30 June 2024	Half year 2024	2023	change	Second quarter 2024	2023	change
Net revenues	751	760	-1%	377	372	1%
Organic growth (%)[1]	0.8%	*5.0%*		2.7%	*2.7%*	
Operating EBITA[2,3]	77	69	12%			
Operating EBITA margin (%)[2,3]	10.3%	9.0%				
Order intake	850	792	7%	467	385	21%
Backlog net revenues	1,575	1,574	0%			
Backlog organic growth (%, yoy)[1]	0.1%	-2.6%				
Backlog organic growth (%, ytd)[1]	5.1%	2.2%				

1 EBITA excluding restructuring, integration, acquisition and divestment costs
2 Underlying growth excl. impact of FX, acquisitions, footprint reductions, winddowns or divestments
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Places showed good revenue growth driven by Germany, the UK, Ireland, the Netherlands and Canada. Demand for datacenters design remained strong, while our semiconductor clients' demand picked up on the back of CHIPS Act funding. We see good opportunities in our project pipeline as stimulus fund allocations across our solutions portfolio are beginning to come through.

Mobility

(22% of net revenues)

in € millions Period ended 30 June 2024	Half year 2024	2023	change	Second quarter 2024	2023	change
Net revenues	434	403	8%	218	204	7%
Organic growth (%)[1]	7.7%	*13.5%*		7.1%	*11.3%*	
Operating EBITA[2]	45	38	20%			
Operating EBITA margin (%)	10.5%	9.4%				
Order intake	491	423	16%	218	212	3%
Backlog net revenues	642	560	15%			
Backlog organic growth (% yoy)[1]	16.0%	3.7%				
Backlog organic growth (% ytd)[1]	10.3%	3.9%				

1 EBITA excluding restructuring, integration, acquisition and divestment costs
2 Underlying growth excl. impact of FX, acquisitions, footprint reductions, winddowns or divestments

Mobility showed continued strong revenue growth in our key markets Australia, North America and Europe. Our global expertise resulted in significant multi-year project wins in H1'24, which are to contribute to order intake in the second half of 2024 and to our business performance in 2025 and beyond. Margin improvement resulted from double-digit US growth generating operating leverage, and improved performance with large government clients in the UK.

Intelligence

(2% of net revenues)

in € millions Period ended 30 June 2024	Half year 2024	2023	change	Second quarter 2024	2023	change
Net revenues	47	45	4%	24	23	1%
Organic growth (%)[1]	4.3%			1.7%		
Operating EBITA[2]	5	4	8%			
Operating EBITA margin (%)	10.0%	9.6%				
Order intake	44	45	-2%	20	23	-13%
Backlog net revenues	121	115	5%			
Backlog organic growth (%, yoy)[1]	6.1%					
Backlog organic growth (%, ytd)[1]	-2.3%	0.2%				

1 EBITA excluding restructuring, integration, acquisition and divestment costs
2 Underlying growth excl. impact of FX, acquisitions, footprint reductions, winddowns or divestments

Intelligence saw good growth in North America and UK, particularly driven by improved Enterprise Decision Analytics (EDA) sales. In addition, Intelligence was instrumental in generating significant synergy wins for large Key Clients, which were mostly recorded with Mobility and Places, as we continue to focus on leveraging our digital tools and our existing Key Client relationships. Meanwhile, we accelerated our digital strategy by making key hires and driving our digital product roadmap.

Balance sheet & cash flow

Days Sales Outstanding (DSO) was 66 days at the end of H1'24 (H1'23: 65 days[1]). Net Working Capital as a percentage of annualized quarterly gross revenues was 12.7% (H1'23: 12.2%[1]), with a strong June performance driving up the receivables position. Free cash flow in the quarter was a positive €8 million resulting in €-88 million for the half year (H1'23: €-134 million), in line with seasonal trends and including the first interest payment of €24 million on our Eurobond issued February 2023. Net debt decreased to €1,016 million (H1'23: €1,193 million[1]) leading to a Net Debt / Operating EBITDA ratio of 1.9x (H1'23: 2.4x).

Cost synergies realization on track

Following the finalization of the successful integration of Arcadis IBI and Arcadis DPS which was finalized by the end of 2023, the cost synergy realization is well on track with €20 million to be implemented by the end of 2024, mostly through further rationalization of workplaces and optimization of overheads, insurance & support.

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.

[1] Revised to reflect the adjustments to the provisional opening balances of acquired entities recognized 30 June 2023 (in accordance with IFRS 3.49)

Arcadis key financial metrics*

in € millions	Half year			Second quarter		
Period ended 30 June 2024	2024	2023	change	2024	2023	change
Gross revenues	2,512	2,477	1%	1,282	1,260	2%
Net revenues	1,959	1,886	4%	991	945	5%
Organic growth (%)[1]	5.2%	10.6%		6.0%	9.0%	
Operating EBITDA[2]	271	241	13%	141	120	17%
Operating EBITDA margin (%)[2]	13.9%	12.8%		14.2%	12.7%	
EBITA	204	167	22%	108	81	33%
EBITA margin (%)	10.4%	8.9%		10.9%	8.5%	
Operating EBITA[2,3]	217	184	18%	114	92	24%
Operating EBITA margin (%)[2,3]	11.1%	9.7%		11.5%	9.7%	
Net income[3]	112	69	62%	54	28	94%
Net income from operations (NIfO)[3,4]	126	102	23%	61	52	19%
Net income for operations per share (in €)	1.40	1.14	23%			
Avg. number of shares (millions)	90.0	89.7		90.1	89.8	0%
Net working capital (%)[3]	12.7%	12.2%				
Days sales outstanding (days)[3]	66	65				
Free cash flow[5]	-88	-134		8	-26	
Net debt[3]	1,016	1,193	-15%			
Order intake	2,194	2,039	8%	1,066	976	9%
Order intake organic growth (%)[1]	7.2%	10.7%		8.6%	11.2%	
Book-to-bill[6]	1.12	1.08		1.08	1.03	
Backlog net revenues	3,386	3,249	4%			
Backlog organic growth (% yoy)[1]	5.6%	5.4%				
Backlog organic growth (%, ytd)[1]	6.7%	5.0%				
Voluntary employee turnover[7]	11.3%	12.6%				

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5 Free cash flow: cash flow from operations adjusted for capex and lease liabilities
6 Book-to-bill: order intake / net revenues
7 Voluntary turnover excludes the Middle East as these operations are being wound down

* 2023 and 2024 half year results as presented in this press release are unaudited

Financial calendar

- 31 October 2024 – Q3 2024 Trading Update
- 13 February 2025 – Q4&FY 2024 Results
- 7 May 2025 – Q1 2025 Trading Update

Risk assessment

In our Annual Integrated Report 2023, we have extensively described risk categories and risk factors that could adversely affect our business and financial performance. These risk factors are deemed to be included by reference in this report. In the first six months of 2024 we have not identified new material risk types or uncertainties which might result in pressure on revenues or income in addition to existing, earlier identified risks. Additional risk(s) not known to us, or currently believed not to be material, may occur and could later turn out to have material impact on our business, financial objectives or capital resources.

Responsibility statement

This interim financial report contains the figures of Arcadis NV for the first half year of 2024, and consists of the first half year management report, segment reporting, interim condensed consolidated financial statements, and the responsibility statement of the Executive Board. The financial information in this report is unaudited. In accordance with article 5:25d of the Financial Supervision Act (Wet of het Financieel Toezicht), the Executive Board of Arcadis NV hereby declares that to the best of its knowledge, the interim condensed consolidated financial statements, which have been prepared in accordance with IAS 34 'Interim Financial Reporting', give a true and fair view of the assets, liabilities, financial position and profit or loss of Arcadis NV and its consolidated companies, and the first half year management report gives a fair view of the information pursuant to section 5:25d subsection 8 and 9 of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).

Amsterdam, the Netherlands, 25 July 2024

Alan Brookes, Chairman of the Executive Board
Virginie Duperat-Vergne, Chief Financial Officer

Interim condensed consolidated financial statements

Interim condensed consolidated income statement

For the six-month period ended 30 June

In € millions	Note	2024	2023[2]
Gross revenues	6	**2,512**	**2,477**
Materials, services of third parties and subcontractors		(553)	(591)
Net revenues[1]		*1,959*	*1,886*
Personnel costs	7	(1,519)	(1,488)
Other operational costs		(183)	(174)
Depreciation and amortization		(55)	(57)
Amortization other intangible assets	11	(15)	(31)
Other income		3	1
Total Operational costs		**(1,769)**	**(1,749)**
Operating income		**190**	**137**
Finance income		16	7
Finance expense		(45)	(30)
Fair value change of derivatives		6	(5)
Net finance expense	8	**(23)**	**(28)**
Result from investments accounted for using the equity method		0	0
Profit before income tax		**167**	**110**
Income taxes	9	(55)	(40)
Result for the period		**112**	**69**
Result attributable to:			
Equity holders of the Company (net income)		112	69
Non-controlling interests		(0)	(0)
Result for the period		**112**	**69**
Earnings per share (in €)			
Basic earnings per share	10	1.24	0.77
Diluted earnings per share	10	1.24	0.77

[1] Non-GAAP performance measure, to provide transparency on the underlying performance of our business. Reference is made to the Annual Integrated Report 2023 for the definition as used by Arcadis

[2] Revised in accordance with IFRS 3.49 to reflect the adjustments to the provisional opening balances of acquired entities recognized as at 30 June 2023. See note 2

The notes on pages 17 to 31 are an integral part of these Interim condensed consolidated financial statements

Interim condensed consolidated statement of comprehensive income

For the six-month period ended 30 June

In € millions	2024	2023[1]
Other comprehensive income, net of income tax		
Result for the period	**112**	**69**
Items that may be subsequently reclassified to profit or loss:		
Exchange rate differences for foreign operations	32	2
Reclassification in income statement	*-*	*0*
Changes in other comprehensive income	*32*	*2*
Exchange rate differences for equity accounted investees	-	0
Effective portion of changes in fair value of cash flow hedges	1	0
Items that will not be reclassified to profit or loss:		
Changes related to post-employment benefit obligations	1	(1)
Taxes related to remeasurements on post-employment benefit obligations	0	0
Other comprehensive income, net of income tax	**34**	**1**
Total Comprehensive income for the period	**146**	**70**
Total comprehensive income attributable to:		
Equity holders of the Company	146	70
Non-controlling interests	(0)	(0)
Total Comprehensive income for the period	**146**	**70**

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Non-GAAP performance measure

In € millions	Note	2024	2023[2]
Net income from operations[1]			
Result for the period attributable to equity holders (net income)		112	69
Amortization identifiable intangible assets, net of taxes		11	23
Disposal and M&A costs, net result from divestments		2	7
Integration costs		1	2
Net income from operations		**126**	**102**
Net income from operations per share[1] (in €)			
Basic earnings per share	10	1.40	1.14
Diluted earnings per share	10	1.40	1.14

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Interim condensed consolidated balance sheet

Before allocation of profit

In € millions	Note	2024 30 June	2023 31 December
Assets			
Non-current assets			
Intangible assets and goodwill	11	1,508	1,505
Property, plant & equipment		100	102
Right-of-use assets	12	232	249
Investments accounted for using the equity method	13	10	11
Other investments		5	4
Deferred tax assets		82	80
Pension assets for funded schemes in surplus		18	15
Other non-current assets		22	20
Total Non-current assets		**1,977**	**1,986**
Current assets			
Inventories		0	0
Derivatives		8	8
Trade receivables	14	731	731
Contract assets (unbilled receivables)	15	708	580
Corporate tax receivables		74	83
Other current assets		120	101
Cash and cash equivalents	16	269	290
Total Current assets		**1,910**	**1,793**
Total Assets		**3,887**	**3,779**

In € millions	Note	2024 30 June	2023 31 December
Equity and liabilities			
Shareholders' equity			
Total equity attributable to equity holders of the Company		**1,137**	**1,063**
Non-controlling interests		(2)	(2)
Total Equity	17	**1,135**	**1,061**
Non-current liabilities			
Provisions for employee benefits	18	38	40
Provisions for other liabilities and charges	19	39	51
Deferred tax liabilities		61	53
Loans and borrowings	20	952	871
Lease liabilities	12	200	211
Derivatives		1	2
Total Non-current liabilities		**1,291**	**1,228**
Current liabilities			
Contract liabilities (billing in excess of revenue)	15	498	503
Provision for onerous contracts (loss provisions)	15	11	13
Current portion of provisions	18,19	13	17
Corporate tax liabilities		68	67
Current portion of loans and short-term borrowings	20	15	-
Current portion of lease liabilities	12	67	70
Derivatives		6	9
Bank overdrafts	16	51	10
Accounts payable, accrued expenses and other current liabilities		732	801
Total Current liabilities		**1,461**	**1,490**
Total Liabilities		**2,752**	**2,718**
Total Equity and liabilities		**3,887**	**3,779**

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Interim condensed consolidated statement of changes in equity

	Attributable to equity holders of the Company							
In € millions	Share capital	Share premium	Hedge reserve	Translation reserve	Retained earnings	Shareholders' equity	Non-controlling interests	Total equity
Balance at 1 January 2024	**2**	**372**	**(1)**	**(117)**	**807**	**1,063**	**(2)**	**1,061**
Result for the period	-	-	-	-	112	112	(0)	112
Other comprehensive income	-	-	1	32	1	34	(0)	34
Total comprehensive income for the period	**-**	**-**	**1**	**32**	**113**	**146**	**(0)**	**146**
Transactions with owners of the Company:								
Acquisitions and transactions with non-controlling interests	-	-	-	-	-	-	-	-
Dividends to shareholders	-	-	-	-	(76)	(76)	-	(76)
Issuance of shares	-	-	-	-	-	-	-	-
Share-based compensation	-	-	-	-	4	4	-	4
Taxes related to share-based compensation	-	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	-	-
Share options exercised	-	-	-	-	-	-	-	-
Total transactions with owners of the Company	**-**	**-**	**-**	**-**	**(72)**	**(72)**	**-**	**(72)**
Balance at 30 June 2024	**2**	**372**	**0**	**(85)**	**848**	**1,137**	**(2)**	**1,135**

In € millions	Attributable to equity holders of the Company							
	Share capital	Share premium	Hedge reserve	Translation reserve	Retained earnings	Shareholders' equity	Non-controlling interests	Total equity
Balance at 1 January 2023	**2**	**372**	**1**	**(88)**	**708**	**995**	**(2)**	**993**
Result for the period[1]	-	-	-	-	69	69	(0)	69
Other comprehensive income	-	-	0	2	(1)	1	0	1
Total comprehensive income for the period[1]	**-**	**-**	**0**	**2**	**68**	**70**	**(0)**	**70**
Transactions with owners of the Company:								
Acquisitions and transactions with non-controlling interests	-	-	-	-	-	-	-	-
Dividends to shareholders	-	-	-	-	(66)	(66)	-	(66)
Issuance of shares	-	-	-	-	-	-	-	-
Share-based compensation	-	-	-	-	3	3	-	3
Taxes related to share-based compensation	-	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	-	-
Share options exercised	-	-	-	-	1	1	-	1
Total transactions with owners of the Company	**-**	**-**	**-**	**-**	**(62)**	**(62)**	**-**	**(62)**
Balance at 30 June 2023[1]	**2**	**372**	**1**	**(86)**	**714**	**1,003**	**(2)**	**1,001**

1 Revised in accordance with IFRS 3.49 to reflect the adjustments to the provisional opening balances of acquired entities recognized as at 30 June 2023. See note 2

The notes on pages 17 to 31 are an integral part of these Interim condensed consolidated financial statements

Interim condensed consolidated cash flow statement

For the six-month period ended 30 June

In € millions	Note	2024	2023[2]
Cash flows from operating activities			
Result for the period		**112**	**69**
Adjustments for:			
Depreciation and amortization		55	57
Amortization other identifiable intangible assets		15	31
Income taxes	9	55	40
Net finance expense	8	23	28
Result from Investments accounted for using the equity method		(0)	(0)
Adjusted profit for the period (EBITDA)[1]		**260**	**224**
Change in Inventories		0	(0)
Change in Contract assets and liabilities, provision for onerous contracts		(133)	(89)
Change in Trade receivables		11	26
Change in Accounts payable		(42)	(65)
Change in Net working capital		**(164)**	**(128)**
Change in Other receivables		(23)	(35)
Change in Current liabilities		(17)	(20)
Change in Other working capital		**(40)**	**(55)**
Change in Provisions		(21)	(8)
Share-based compensation	7	4	3
Gains/ losses on divestments		0	2
Gains/ losses on derecognition of leases		0	0
Change in operational derivatives		(1)	0
Settlement of operational derivatives		0	1
Dividend received		1	2
Interest received		16	7
Interest paid		(48)	(21)
Corporate tax paid		(36)	(105)
Net cash (used in)/ from operating activities		**(29)**	**(78)**

1 Non-GAAP performance measure, to provide transparency on the underlying performance of our business. Reference is made to the Annual Integrated Report 2023 for the definition as used by Arcadis

2 Revised in accordance with IFRS 3.49 to reflect the adjustments to the provisional opening balances of acquired entities recognized as at 30 June 2023. See note 2

	Note	2024	2023[2]
Cash flows from investing activities			
Investments in (in)tangible assets		(20)	(19)
Proceeds from sale of (in)tangible assets/ reversal of non-cash items		0	0
Investments in consolidated companies		(2)	(1)
Proceeds from sale of consolidated companies		1	7
Investments in/ loans to associates and joint ventures	13	0	0
Proceeds from (sale of) associates and joint ventures		0	0
Investments in other non-current assets and other investments		(4)	(2)
Proceeds from (sale of) other non-current assets and other investments		2	1
Net cash (used in)/ from investing activities		**(23)**	**(13)**
Cash flows from financing activities			
Proceeds from exercise of options	17	-	1
Settlement of financing derivatives		2	(7)
New long-term loans and borrowings	20	95	496
Repayment of long-term loans and borrowings	20	(15)	(500)
New short-term borrowings	20	15	190
Repayment of short-term borrowings	20	-	-
Payment of lease liabilities	12	(39)	(38)
Dividends paid		(76)	(66)
Net cash (used in)/ from financing activities		**(18)**	**75**
Net change in Cash and cash equivalents less Bank overdrafts		**(70)**	**(17)**
Exchange rate differences		8	6
Cash and cash equivalents less Bank overdrafts at 1 January		280	258
Cash and cash equivalents less Bank overdrafts at 30 June	16	**218**	**247**

The notes on pages 17 to 31 are an integral part of these Interim condensed consolidated financial statements

Notes to the interim condensed consolidated financial statements

1 General information

Arcadis NV is a public company organized under Dutch law. Its statutory seat is Amsterdam and its principal office is located in Amsterdam, the Netherlands.

Arcadis NV and its consolidated subsidiaries ('Arcadis', 'the Group' or 'the Company') is a leading global Design & Consultancy firm for natural and built assets. Applying deep market sector insights and collective design, consultancy, engineering, project and management services, the Group works in partnership with clients to deliver exceptional and sustainable outcomes throughout the lifecycle of their natural and built assets.

The interim condensed consolidated financial statements as at and for the six-month period ended 30 June 2024 include the interim financial statements of Arcadis NV, its subsidiaries, and the interests in associates and jointly controlled entities.

The interim condensed consolidated financial statements are unaudited.

2 Basis of preparation

Statement of compliance

The Interim condensed consolidated financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting', and should be read in conjunction with the annual Consolidated financial statements as at and for the year ended 31 December 2023, which are available upon request from the Company's registered office at Gustav Mahlerplein 97, 1082 MS Amsterdam, the Netherlands, or at www.arcadis.com and prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The Interim condensed consolidated financial statements do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual Consolidated financial statements as at and for the year ended 31 December 2023.

The financial statements presentation for the current period has been changed from thousands to millions of euros. It ensures a more relevant reporting for the users of the financial statements and align with market practice considering the increasing size of the Group operations over the years especially after major acquisitions done in 2022. Comparative figures have been presented accordingly (rounded up to the nearest whole number) and this does not affect the financial position, financial performance, nor cash flows of the entity.

The Interim condensed consolidated financial statements were authorized for issue by the Executive Board and Supervisory Board on 25 July 2024.

Significant accounting policies

The accounting policies applied, and methods of computation used in preparing these Interim condensed consolidated financial statements are the same as those applied in the Company's Consolidated financial statements as at and for the year ended 31 December 2023.

New standards, interpretations and amendments adopted by the Group

There are no significant changes in accounting policies but several amendments to International Financial Reporting Standards and interpretations became effective for annual periods beginning on or after 1 January 2024. The new amendments do not have a material impact on the Company's financial performance in the first six months of 2024 and the financial position as at 30 June 2024.

- **Classification of Liabilities as Current or Non-current – Amendments to IAS 1**
  In January 2020 and October 2022, the IASB issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
  - What is meant by a right to defer settlement
  - That a right to defer must exist at the end of the reporting period
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The Group classifies a liability arising from a loan as current or non-current based on the right to defer settlement irrespective of the timing when the actual payment is intended to be made. Therefore, the amendments had no impact on the Group's interim condensed consolidated financial statements.

- **Lease Liability in a Sale and Leaseback - Amendments to IFRS 16**
  In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. The amendments had no impact on the Group's interim condensed consolidated financial statements.

- **Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7**
  In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

  The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group's interim condensed consolidated financial statements.

Accounting estimates and management judgements

The preparation of the Interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses as well as the information disclosed. Actual results may always differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those applied to the Consolidated financial statements as at and for the year ended 31 December 2023.

Seasonality

There is no high seasonal pattern included in the year-to-date figures, therefore no additional financial information is disclosed on the six-month period ended 30 June 2024.

Exchange rates applied

	30 June 2024		31 December 2023		30 June 2023	
In €	Average	Period-end	Average	Period-end	Average	Period-end
US Dollar (USD)	0.92	0.94	0.92	0.91	0.93	0.92
Pound Sterling (GBP)	1.17	1.18	1.15	1.15	1.14	1.17
Australian Dollar (AUD)	0.61	0.62	0.61	0.62	0.63	0.61
Chinese Yuan Renminbi (CNY)	0.13	0.13	0.13	0.13	0.13	0.13
Canadian Dollar (CAD)	0.68	0.68	0.69	0.68	0.69	0.70
Brazilian Real (BRL)	0.18	0.17	0.19	0.19	0.18	0.19
United Arab Emirates Dirham (AED)	0.25	0.25	0.25	0.25	0.25	0.25

The exchange rates applied during the Q1 and Q2 financial closes are determined ahead of the interim reporting dates and may therefore differ from the actual spot rates as at the interim reporting date. Applying spot-rates as at 30 June 2024 on the balance sheet would have decreased the asset base by €16.1 million, decreased the liabilities by €8.1 million and decreased the equity base with €8.0 million, mainly due to a change in the GBP and USD rates. The impact on the condensed consolidated income statement is insignificant as the effect on the average exchange rate for the half-year is limited.

Revision of comparative information

The provisional amounts of IBI Group, DPS Group and Giftge Consult published as of 30 June 2023 has been revised due to the further fair value adjustments noted during the measurement period. IFRS 3.49 requires Arcadis to recognize adjustments to the provisional amounts as if the accounting for the business combination had been completed at the acquisition date. Thus, Arcadis has revised comparative information for prior period presented in the Interim condensed consolidated financial statements as needed, including changes in depreciation, amortization or other income effects recognized in completing the initial accounting.

The tables below summarize the adjustments recognized for each individual financial captions that impacted the published interim condensed consolidated income statement and cash flow statement for the six-month period ended 30 June 2023. Financial captions that were not affected by the revision have not been presented below. As a result, the subtotals and totals disclosed cannot be recalculated from the numbers provided. Refer to the Company's Consolidated financial statements as at and for the year ended 31 December 2023 for information on the acquisitions completed in 2023.

Revised interim condensed income statement for six-month period ended 30 June 2023 (condensed)

In € millions	Published	Revisions	Revised
Depreciation and amortization	(56)	(1)	(57)
Amortization other intangible assets	(19)	(12)	(31)
Total Operational costs	**(1,736)**	**(13)**	**(1,749)**
Operating income	**150**	**(13)**	**137**
Finance expenses	(29)	(1)	(30)
Net finance expense	**(27)**	**(1)**	**(28)**
Profit before income tax	**123**	**(13)**	**110**
Income taxes	(43)	3	(40)
Result for the period	**80**	**(11)**	**69**

Revised interim condensed cash flow statement for six-month period ended 30 June 2023 (condensed)

In € millions	Published	Revisions	Revised
Result for the period	**80**	**(11)**	**69**
Adjustments for:			
Depreciation and amortization	56	1	57
Amortization other intangible assets	19	12	31
Income taxes	43	(3)	40
Net finance expense	27	1	28
Net change in cash and cash equivalents less Bank overdrafts	**(17)**	**-**	**(17)**

3 Change in accounting policies

There are no significant changes in accounting policies adopted during the six-month period ended 30 June 2024.

4 Operating and reportable segments

The operating segment reporting follows the internal reporting used by the “Chief Operation Decision Maker” (“CODM”, being the Executive Leadership Team of the Group), to manage the business, assess the performance based on the available financial information and to allocate resources. The most important performance measures are EBITA (earnings before interest, tax, amortization of identifiable intangible assets, and impairment charges) and operating EBITA, as management believes this is key in evaluating the results of the segments relative to other companies that operate within the same industry. However, “CODM” also receives information about the segment’s net revenue.

Finance expenses, finance income, and fair value change of derivatives are not allocated to individual segments as the underlying instruments are managed on a group basis. Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

The amount of segment assets and liabilities is not disclosed. Segment assets and liabilities are not included in the measures used for allocating resources and assessing segment performance. The Group discloses the goodwill by segment which corresponds to the Groups of CGUs for impairment testing purpose.

Hereafter, the Groups of CGU's for the purpose of testing for impairment of goodwill, defined at the level of the operating segments are referred to as the CGU or the CGU's (in case of multiple groups of CGU's).

Therefore, the information used by the "CODM" to monitor progress, and for decision-making about operational matters is based on the four GBAs.

The operating segments are equal to the reportable segment and accordingly there is no aggregation applied.

The Company has no customers that account for more than 10% of total annual revenues.

In € millions	Resilience	Places	Mobility	Intelligence	Total segments	Corporate	Total consolidated
H1 2024							
Gross revenue[1]	1,027	963	521	58	2,569	(57)	2,512
Materials, services of third parties and subcontractors	(300)	(212)	(87)	(11)	(610)	57	(553)
Net revenues[2]	727	751	434	47	1,959	-	1,959
Operating costs	(616)	(665)	(380)	(38)	(1,699)	(3)	(1,702)
Other income	1	2	0	0	3	-	3
Depreciation and amortization	(21)	(19)	(11)	(4)	(55)	-	(55)
EBITA[2]	91	69	43	4	207	(3)	204
Amortization of other intangible assets	(1)	(11)	(1)	(2)	(15)	-	(15)
Operating income	90	58	42	2	193	(3)	190
Operating EBITA[2]	93	77	45	5	220	(3)	217
Total capital expenditure[3]	7	8	4	1	20	-	20

In € millions	Resilience	Places	Mobility	Intelligence	Total segments	Corporate	Total consolidated
H1 2023[4]							
Gross revenue[1]	951	1,019	478	58	2,506	(28)	2,477
Materials, services of third parties and subcontractors	(273)	(260)	(74)	(14)	(620)	28	(591)
Net revenues[2]	678	760	403	45	1,886	-	1,886
Operating costs	(586)	(681)	(357)	(38)	(1,662)	(3)	(1,665)
Other income	1	2	1	0	4	-	4
Depreciation and amortization	(21)	(22)	(11)	(3)	(57)	-	(57)
EBITA[2]	71	59	36	4	170	(3)	167
Amortization of other intangible assets	(3)	(23)	(2)	(3)	(31)	-	(31)
Operating income	68	36	34	1	140	(3)	137
Operating EBITA[2]	76	69	38	4	187	(3)	184
Total capital expenditure[3]	7	8	4	0	19	-	19

1 Intercompany revenue is not material and therefore, no information will be provided
2 Non-GAAP performance measure, to provide transparency on the underlying performance of our business. Reference is made to the Annual Integrated Report 2023 for the definition as used by Arcadis
3 Amount of investments in (in)tangibles
4 Revised in accordance with IFRS 3.49 to reflect the adjustments to the provisional opening balances of acquired entities recognized as at 30 June 2023. See note 2

Geographical information

in € millions	Net revenues by origin H1 2024	H1 2023
Americas	916	862
Europe & Middle East	878	844
Asia Pacific	165	180
Total	1,959	1,886

5 Consolidated interests

Business combinations

There were no business acquisitions during the six-month period ended 30 June 2024.

Business divestments

In June 2024, the Group divested a subsidiary that was part of acquired DPS activities. The net proceeds from the sale of the subsidiary amounted to €1.2 million and the net loss on the disposal amounted to €0.3 million (non-operating). Additionally, a loss of €0.4 million (non-operating) is recognized on completion of sale of two subsidiaries of Callison RTKL Inc. operating in US and Canada. Due to the limited size of disposal, no further disclosures are provided.

Deferred consideration

As at 30 June 2024, the liability for contractual after-payments and earn-outs for acquisitions amounts to €0.8 million (31 December 2023: €2.4 million). The decrease of €1.6 million is a result of final earn-out payments for RLC Architects (€1.1 million), Teranis (€0.4 million) and Peters Energy (€0.1million) which are entities acquired by Arcadis IBI prior to group's acquisition.

6 Revenue

Disaggregation of revenues

The management monitors the financial information based on the four Global Business Areas. The revenue for each of the four Global Business Areas are included in note 4.

Contract balances

The Group has recognized the following assets and liabilities related to contracts with customers:

In € millions	30 June 2024	31 December 2023
Other non-current assets	1	1
Trade receivables	731	731
Contract assets (Unbilled receivables)	708	580
Contract liabilities (Billing in excess of revenue)	(498)	(503)
Provision for onerous contracts (Loss provisions)	(11)	(13)
Total	**931**	**796**

7 Share-based compensation

Long-Term Incentive Plans

To stimulate the realization of long-term Company goals and objectives, Arcadis NV uses Long-Term Incentive Plans (LTIPs). Based on the 2023 Arcadis NV Long-Term Incentive Plan, the Company can grant equity-settled and cash-settled awards to eligible employees.

Restricted Share Unit (RSUs) granted in 2024

In the first six months of 2024, the following RSUs have been granted under the 2023 LTIP:

	Number of RSUs	Grant date	Vesting date[1]	Share price at grant date	Fair value at grant date
Annual grant EB/ELT	52,911	10 May 2024	10 May 2027	€60.75	€64.88/ €56.90
Annual grant other employees	120,119	10 May 2024	10 May 2027	€60.75	€56.90

1 Vesting is on the 5th business day after ex-dividend date in the third year after the grant

The fair value (€64.88) of the RSUs granted to EB and ELT members subject to meeting a Total Shareholder Return condition (1/3) was determined using a Monte Carlo simulation model, which considers the market conditions expected to impact Arcadis' TSR performance in relation to the peer group.

LTIP costs in H1 2024

The costs of RSUs are amortized over the vesting period and are included in 'Personnel costs'. In the first six months of 2024, an amount of €3.8 million (H1 2023: €3.4 million) is included for the RSUs granted to employees in 2024, 2023, 2022 and 2021. The higher cost during the year as compared to prior year is mainly due to the increased number of 2021 annual grants with a higher fair value vested this year compared to 2020 annual grants that vested last year.

Cash-settled awards granted in 2024

In the first six months of 2024, a number of 1,267 cash-settled awards have been granted under the 2023 LTIP. These awards will vest at the same date as the granted equity-settled awards (RSUs).

8 Net finance expense

In € millions	H1 2024	H1 2023[1]
Interest income on notional cash pools	15	7
Other finance income	1	0
Finance income	**16**	**7**
Interest expense on loans and borrowings	(21)	(21)
Interest expense on notional cash pools	(14)	(7)
Interest expense on leases	(4)	(5)
Other interest expense	(4)	(1)
Foreign exchange differences	(2)	4
Finance expense	**(45)**	**(30)**
Fair value change of derivatives	6	(5)
Total	**(23)**	**(28)**

1 Revised in accordance with IFRS 3.49 to reflect the adjustments to the provisional opening balances of acquired entities recognized as at 30 June 2023. See note 2

Arcadis utilizes notional cash pools in which debit and credit balances both attract interest income and expense, respectively. The Finance income in the first six months of 2024 increased to €16 million (H1 2023: €7 million) due to higher interest rates within these notional cash pools.

The finance expense increased to €45 million due to higher interest within cash pools and on average higher interest rates on loans and borrowings partially offset by lower debt position on average compared to H1 2023.

9 Income taxes

The effective income tax rate (income taxes divided by profit before income tax, excluding total result from investments accounted for using the equity method) for the six-month period ended 30 June 2024 is 33.1% (H1 2023: 35.3%). Management's estimate of the weighted average annual income tax rate expected for the full financial year is between 28% and 30%.

The effective tax rate differs from the corporate income tax rate in the Netherlands, primarily due to statutory tax rates in jurisdictions that the Company is operating in that are different than the Dutch statutory income tax rate, movements in derecognition of deferred tax assets, non-deductible items, non-recoverable withholding taxes, and prior year adjustments.

10 Earnings per share

For calculating the earnings per share, the following numbers of average shares were used:

(401,852)	H1 2024	H1 2023
Average number of issued shares	90,442,091	90,442,091
Average number of treasury shares	(401,852)	(766,480)
Total average number of ordinary outstanding shares	**90,040,239**	**89,675,611**
Average number of potentially dilutive shares	-	20,351
Total average number of diluted shares	**90,040,239**	**89,695,962**

The average number of potentially dilutive shares is based on the average share price in the first six months of 2024 on the Euronext Amsterdam Stock Exchange and the outstanding exercisable options that were in the money. As of 31 December 2023, all outstanding options have been exercised and no new options have been issued for the first six months of 2024.

For the calculation of earnings per share, no distinction is made between the different classes of shares.

The total earnings of the Group and the earnings per share are as follows:

In € millions	H1 2024	H1 2023[1]
Net income	112	69
Net income from operations[2]	126	102

1 Revised in accordance with IFRS 3.49 to reflect the adjustments to the provisional opening balances of acquired entities recognized as at 30 June 2023. See note 2
2 Non-GAAP performance measure, to provide transparency on the underlying performance of our business. Reference is made to the Annual Integrated Report 2023 for the definition as used by Arcadis

In €	H1 2024	H1 2023[1]
Earnings per share/Diluted earnings per share		
Net income	1.24/ 1.24	0.77/ 0.77
Net income from operations[2]	1.40/ 1.40	1.14/ 1.14

1 Revised in accordance with IFRS 3.49 to reflect the adjustments to the provisional opening balances of acquired entities recognized as at 30 June 2023. See note 2
2 Non-GAAP performance measure, to provide transparency on the underlying performance of our business. Reference is made to the Annual Integrated Report 2023 for the definition as used by Arcadis

11 Intangible assets and goodwill

In € millions	Goodwill	Other intangible assets	Software	Intangibles under development	Total
Cost	1,330	505	83	1	1,919
Accumulated amortization	-	(268)	(70)	-	(338)
Balance at 1 January 2023	**1,330**	**237**	**13**	1	**1,581**
Additions	-	-	9	1	10
Disposals	(8)	-	(0)	-	(8)
Amortization charges	-	(59)	(6)	-	(65)
Reclassifications	-	(1)	1	(1)	(1)
Exchange rate differences	(4)	(8)	0	-	(12)
Movements 2023	**(12)**	**(68)**	**4**	**-**	**(76)**
Cost	1,318	427	64	1	1,810
Accumulated amortization	-	(258)	(47)	-	(305)
At 31 December 2023	**1,318**	**169**	**17**	**1**	**1,505**
Additions	-	-	4	-	4
Disposals	-	-	-	-	-
Amortization charges	-	(15)	(5)	-	(20)
Reclassifications	-	-	-	-	-
Exchange rate differences	18	-	1	-	19
Movements H1 2024	**18**	**(15)**	**-**	**-**	**3**
Cost	1,336	427	69	1	1,833
Accumulated amortization	-	(273)	(52)	-	(325)
At 30 June 2024	**1,336**	**154**	**17**	**1**	**1,508**

12 Right-of-use assets and lease liabilities

The movements in the Right-of-use assets and lease liabilities in the first six months of 2024 are summarized below.

Right-of-use assets

In € millions	Leased land and buildings	Leased furnitures and fixtures	Leased (IT) equipment	Leased vehicles	Total
Balance at 1 January 2023	**261**	**1**	**2**	**21**	**285**
Additions and remeasurements	21	1	1	18	41
Depreciation charges	(58)	(1)	(1)	(13)	(73)
Derecognitions	(0)	(0)	(0)	(1)	(1)
Exchange rate differences	(3)	(0)	(0)	(0)	(3)
Movements 2023	**(40)**	**(0)**	**0**	**4**	**(36)**
At 31 December 2023	**221**	**1**	**2**	**25**	**249**
Additions and remeasurements	8	-	0	9	17
Depreciation charges	(27)	(1)	(0)	(7)	(35)
Derecognitions	(1)	0	0	(1)	(2)
Exchange rate differences	3	0	0	0	3
Movements H1 2024	**(17)**	**(1)**	**(0)**	**1**	**(17)**
At 30 June 2024	**204**	**0**	**2**	**26**	**232**

Lease liabilities

In € millions	30 June 2024	31 December 2023
Balance at 1 of January	**281**	**315**
Additions and remeasurements	16	39
Payments	(39)	(79)
Interest	4	9
Exchange rate differences	5	(3)
Closing balance	**267**	**281**
Non-current	200	211
Current	67	70
Total	**267**	**281**

During the period, right-of-use assets decreased due to depreciation charges during the period amounting to €35 million. This is partially offset by additions and remeasurements as a result of new offices leases and vehicle leases in North America and central Europe, and lease extensions exercised during the period. No impairment is recognized on right-of-use assets in the first six months of 2024.

In accordance with the Company's accounting policy, the service element of leases is not included in the right-of-use assets and lease liabilities and changes therefore do not impact the above figures.

13 Investments accounted for using the equity method

The most significant investments in associates and joint ventures are the same as reported in the Consolidated financial statements as at and for year ended 31 December 2023.

There are no loans to associates or joint ventures outstanding as at 30 June 2024 (2023: nil). The joint ventures have share capital consisting solely of ordinary shares, which are held indirectly by the Group, and are non-listed shares. As such there is no available quoted market price for the shares. The decrease in the investment using equity method is mainly due to dividend received from an associate amounting to €1.2 million during the period.

14 Trade receivables

Trade receivables include items maturing within one year.

In € millions	30 June 2024	31 December 2023
Trade receivables	777	789
Provision for trade receivables (individually impaired bad debt)	(47)	(60)
Provision for trade receivables (Expected Credit Loss)	(1)	(0)
Receivables from associates	2	2
Total	**731**	**731**

Provision for Trade receivables

The ageing of Trade receivables and the related provision, excluding Receivables from associates, at reporting date is:

	30 June 2024			31 December 2023		
In € millions	Gross Receivables	Provision bad debt	Provision ECL	Gross Receivables	Provision bad debt	Provision ECL
Not past due	511	(4)	(1)	518	(3)	(0)
Past due 0-30 days	90	(1)	(0)	95	(1)	(0)
Past due 31-60 days	33	(0)	(0)	40	(1)	(0)
Past due 61-120 days	38	(1)	(0)	36	(1)	(0)
Past due 121-364 days	49	(4)	(0)	37	(4)	(0)
More than 364 days past due	56	(37)	(0)	63	(50)	(0)
Total	**777**	**(47)**	**(1)**	**789**	**(60)**	**(0)**

The total provision for Trade receivables has developed as follows in the six-month period ended 30 June 2024:

In € millions	30 June 2024	31 December 2023
Opening balance	**61**	**54**
Allowances	2	17
Release of unused amounts	(3)	(5)
Remeasurement Expected Credit Loss	-	-
Utilizations	(13)	(5)
Exchange rate differences	1	(1)
Closing balance	**48**	**60**

15 Contract assets and liabilities

The balances of Contract assets and Contract liabilities, as well as the Provision for onerous contracts, are as follows:

	30 June 2024				31 December 2023			
In € millions	Contract assets	Contract liabilities	Provision for onerous contracts	Net position	Contract assets	Contract liabilities	Provision for onerous contracts	Net position
Cumulative revenue	9,668	7,854	-	17,522	6,857	6,067	-	12,924
Loss provisions	-	-	(11)	(11)	-	-	(13)	(13)
Expected Credit Loss allowance	(2)	(3)	-	(5)	(1)	(4)	-	(5)
Billings to date	(8,958)	(8,349)	-	(17,307)	(6,276)	(6,566)	-	(12,842)
Total	**708**	**(498)**	**(11)**	**199**	**580**	**(503)**	**(13)**	**64**

16 Cash and cash equivalents

Restricted cash amounted to €10.1 million and is composed of cash balances mainly held in China (31 December 2023: €19.9 million). The Group has control over these balances; however, repatriation may be limited due to restrictive local regulatory and judicial requirements or high costs involved. As a result, the cash balances of some countries cannot be fully included in the global cash pooling or liquidity enhancement structures. In line with industry practice, the Company considers cash outside of global cash pooling or liquidity enhancement structures to be restricted if the Group is unable to repatriate cash within a defined period via either dividends, intercompany loans, or settlement of intercompany invoices.

As of 30 June 2024, no Cash and cash equivalents and Bank overdrafts have been offset (31 December 2023: nil).

17 Equity attributable to equity holders

The development of the number of shares issued/ outstanding in the six-month period ended 30 June 2024 is presented in the table below.

Number of shares	Ordinary shares	Priority shares	Treasury stock	Total issued shares
At 31 December 2023	**89,972,929**	**600**	**469,162**	**90,442,691**
Shares issued (stock dividend)	-	-	-	-
Shares cancelled	-	-	-	-
Repurchased shares	-	-	-	-
Exercised shares and options	227,943	-	(227,943)	-
At 30 June 2024	**90,200,872**	**600**	**241,219**	**90,442,691**

Dividends

Dividend for the year ended 31 December 2023 was paid in May 2024. Based on the number of shares outstanding and a declared dividend of €0.85 per share, the total dividend amounted to €76.5 million (including priority shares). All dividend was paid in cash.

Purchase of shares

The Executive Board may, as mandated by the General Meeting of Shareholders and with approval from the Supervisory Board and Stichting Prioriteit Arcadis NV, purchase fully paid-up shares in Arcadis NV. In the first six months of 2024, no share was repurchased.

Vesting of RSUs

A total of 227,943 shares were transferred to participants in the Long-Term Incentive Plan due to the vesting of the RSUs granted in May 2021. Due to the Total Shareholder Return, sustainability performance and earnings per share position of Arcadis within the peer group these RSUs have vested for part of the participants at 133% of the grant.

18 Provisions for employee benefits

An actuarial gain (remeasurement) of €0.8 million (H1 2023: €1.2 million loss, net of taxes) has been recognized in Other comprehensive income in the six-month period ended 30 June 2024. The actuarial gain is mainly related to the defined benefit pension plans in the UK. The UK plans witnessed rise in bond yields which resulted in increased surplus position though partially offset by lower than expected investment performance.

The total provision for employee benefits amounts to €21.8 million as at 30 June 2024, of which €0.7 million is a current portion of the provision.

19 Provisions for other liabilities and charges

The movements in the Provision for other liabilities and charges in the six-month period ended 30 June 2024 are as follows:

In € millions	Restructuring	Litigation	Restoration	Other	Total
Balance at 1 January 2023	**5**	**35**	**6**	**7**	**53**
Additions	11	15	1	1	28
Amounts used	(5)	(6)	(1)	(0)	(12)
Release of unused amounts	(1)	(4)	(1)	(1)	(7)
Reclassifications	-	-	0	0	0
Exchange rate differences	(0)	(0)	(0)	(0)	(0)
Balance at 31 December 2023	**10**	**40**	**5**	**7**	**62**
Additions	5	1	0	1	7
Amounts used	(4)	(13)	(0)	(0)	(17)
Release of unused amounts	(2)	(1)	-	(1)	(4)
Reclassifications	(1)	(0)	0	0	(1)
Exchange rate differences	0	0	0	0	0
Balance at 30 June 2024	**8**	**27**	**5**	**7**	**47**
Non-current	5	24	4	6	39
Current	3	3	1	1	8
Balance at 30 June 2024	**8**	**27**	**5**	**7**	**47**

20 Loans and borrowings

Loans and borrowings as of 30 June 2024 are as follows:

In € millions	Interest rates between	30 June 2024	31 December 2023
Long-term bank loans	1.4% - 5.7%	435	355
Debentures	6.5%	21	20
Senior unsecured notes	4.9%	496	496
Short-term borrowings	4.4% - 4.9%	15	-
Total loans and borrowings		**967**	**871**
Current		15	-
Non-current		952	871
Total		**967**	**871**

The movement in non-current loans and borrowings was as follows:

In € millions	30 June 2024	31 December 2023
Balance at 1 January	**871**	**902**
New debt	95	719
Accrued interest	-	-
Redemptions	(15)	(750)
Acquisitions (deferred consideration)	-	-
From long-term to current position other long-term	-	-
Other	-	-
Exchange rate differences	1	0
Closing balance	**952**	**871**

The movement in short-term debts and current portion of long-term debts was as follows:

In € millions	30 June 2024	31 December 2023
Balance at 1 January	**-**	**56**
New debt	15	-
Acquisitions	-	-
Redemptions	-	(56)
Other	-	-
From long-term to current position other long-term	-	-
Exchange rate differences	0	0
Closing balance	**15**	**-**

Principal financing and debt reduction transactions during the interim period

As of 30 June 2024, the Company has drawn €80 million under the existing Revolving Credit Facility (RCF) and €15 million under the uncommitted facilities from core banks.

Credit facilities

The total short-term credit facilities amount to €423.5 million, which includes all uncommitted credit facilities, bank guarantee facilities and surety bond lines with financial institutions of which €211.6 million has been used as of 30 June 2024 (31 December 2023: €412.3 million facility and €196.7 million used respectively).

The Group has short-term uncommitted credit facilities of €117.1 million with relationship banks and three bank guarantee facilities totaling €75.8 million (31 December 2023: €120.0 million and €75.9 million respectively). These short-term credit facilities are used for financing of working capital and for general corporate purposes of the Group.

As of 30 June 2024, the total amount of bank guarantees and letters of credit that were outstanding under the €75.8 million guarantee facilities amounted to €56.3 million (31 December 2023: €48.1 million). Additionally, there were other outstanding bank guarantees, letters of credit and surety bonds amounting to €96.1 million (31 December 2023: €145.6 million).

21 Capital and financial risk management

In the six-month period ended 30 June 2024 there was no change in the Company's financial risk management objectives and policies, and in the nature and extent of risk arising from financial instruments compared to prior year.

Lines of Credit

In millions			30 June 2024				31 December 2023		
Type	Interest/fees	Available		Utilized		Available		Utilized	
		CAD	EUR	CAD	EUR	CAD	EUR	CAD	EUR
Revolving Credit Facility	EURIBOR		€ 600.0		€ 80.0		€ 600.0		€ 0.0
Debentures IBI	6.5%	CA$30.1	€ 20.6	CA$30.1	€ 20.6	CA$29.8	€ 20.4	CA$29.8	€ 20.4
Senior unsecured notes	4.875%		€ 500.0		€ 500.0		€ 500.0		€ 500.0
Committed facilities	EURIBOR		€ 0.0		€ 0.0		€ 0.0		€ 0.0
Uncommitted multi-currency facilities	Floating		€ 117.1		€ 58.8		€ 120.0		€ 0.0
Schuldschein notes	Fixed/floating		€ 358.0		€ 358.0		€ 358.0		€ 358.0
Guarantee facility	0.30% - 0.65%		€ 75.8		€ 56.3		€ 75.9		€ 48.1
Other (loans)	Various		€ 18.2		€ 0.5		€ 20.3		€ 3.0
Other (bank guarantees and surety bonds)	Various		€ 212.3		€ 96.1		€ 196.1		€ 145.6

The Company has drawn €80.0 million under the Revolving Credit Facility, €15.0 million under the uncommitted facilities with relationship banks, and €43.8 million under overdraft facilities from relationship banks, as of 30 June 2024.

Fair value

The financial instruments carried at fair value are analyzed by valuation method, using the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

All financial instruments carried at fair value within the Company are categorized in Level 2, except for the other investments in Techstars and Switch Energy, and the deferred consideration whereby a Level 3 valuation has been used. The valuation techniques and the inputs used in the fair value measurement did not change in the first six months of 2024 compared to 2023.

The fair value of loans and receivables is based on the present value of future principal and interest cash flows, discounted at the Group specific market rate of interest at reporting date. For financial leases the market rate of interest is determined by reference to similar lease agreements.

Financial covenants

The financial covenant set under the contracts of the committed credit facilities that are applicable to Arcadis includes a Total Leverage ratio. The Total Leverage ratio for the €600.0 million Revolving Credit Facility and the 2020 Schuldschein loans has a maximum of 3.5x.

For the Revolving Credit Facility, the Applicable Rating of the Rating Agency (S&P) prevails over the average net debt to EBITDA ratio in case of a rating of at least BBB or Baa2, which is the case at half-year 2024. The Total Leverage ratio for the 2023 Schuldschein loans, which is based on Operating EBITDA, has a maximum of 3.5x.

Both ratios are included in the next tables.

In € millions	Note	30 June 2024	31 December 2023
Long-term loans and borrowings	20	952	871
Short-term borrowings	20	15	-
Lease liabilities	12	200	211
Current portion of lease liabilities	12	67	70
Bank overdrafts	16	51	10
Total debt		**1,285**	**1,162**
Less: cash and cash equivalents		(269)	(290)
Net debt		**1,016**	**872**
Less: non-current portion deferred consideration		-	-
Net debt		**1,016**	**872**
EBITDA according to debt covenants[1]		**497**	**463**
Adjusted Operating EBITDA according to debt covenants[2]		**542**	**511**

1 EBITDA adjusted for share-based compensation and acquisition effects, in accordance with debt covenants. Non-GAAP performance measure, to provide transparency on the underlying performance of our business (reference is made to the Glossary Financial & Non-Financial indicators in the Annual Integrated Report 2023 for the definitions as used by Arcadis)

2 EBITDA adjusted for share-based compensation, restructuring, integration, disposal and acquisition related costs and net result from divestments, and any material one-off exceptional non-cash impairments and/or material one-off exceptional non-cash write-offs

Ratios

In €	30 June 2024	31 December 2023
Average net debt to EBITDA ratio according to debt covenants RCF and 2020 Schuldschein (Total Leverage Ratio)	1.9	2.2
Average net debt to adjusted Operating EBITDA ratio according to debt covenants for 2023 Schuldschein and Eurobond	1.7	2.0

The ratios as disclosed above are calculated based on the definitions as agreed with and aligned between the different providers of committed credit facilities. The calculation of the average Net Debt to EBITDA ratio is based on the average Net Debt of Q4 2023 and Q2 2024. Throughout the first six months of 2024, Arcadis complied with all financial covenants.

All outstanding loans and the syndicated Revolving Credit Facility do not contain an interest coverage ratio.

Going concern assumption

Management has assessed the going concern assumption and exercised judgment in making reasonable estimates. Based on the latest available financial (cash flow) forecasts and sensitivity analysis performed, management concluded that there is no material uncertainty related to events and conditions that may cast significant doubt on the Group's ability to continue as a going concern.

22 Commitments and contingent liabilities

The commitments as at 30 June 2024 for the drawn/ utilized guarantees and other commitments are summarized below.

Summary of commitments

In € millions	30 June 2024	31 December 2023
Short-term leases	1	1
Low-value leases	2	3
Total committed off-balance leases	**3**	**4**

In € millions	30 June 2024	31 December 2023
Bank guarantees	152	150
Corporate guarantees	168	160
Eliminations	(120)	(110)
Guarantees	**200**	**200**
Leases	3	4
Other commitments	14	37
Total	**217**	**241**

Lease contracts

The off-balance sheet leases at 30 June 2024 include short-term leases and low value leases.

Guarantees

Arcadis has issued corporate guarantees as security for credit facilities, bank guarantee facilities and surety bond lines. Guarantees or guarantee-like items issued by a financial intermediary (such as bank guarantees and surety bonds) can be issued in relation to projects, advances received, tender bonds or lease commitments to avoid cash deposits. Bank guarantees or surety bonds issued for project performance can be claimed by clients where Arcadis fails to deliver in line with the agreed contract. In such cases, the liability of the bank should be no greater than the original liability on Arcadis. In case the failure to perform arose due to an error or omission by Arcadis, the claim could be covered by the professional indemnity insurance cover.

The tables below summarizes the outstanding corporate and bank guarantees. They reflect only items that have been drawn or utilized that are not already shown on the balance sheet.

In € millions	Corporate guarantees	Bank guarantees	Eliminations[1]	Total
Debt facility financing	2	-	-	2
Bank guarantee and surety bond financing	113	152	(75)	190
Other	53	-	(45)	8
Balance at 30 June 2024	**168**	**152**	**(120)**	**200**

1 To avoid double-counting and the overstatement of contingent obligations, only one instance of any off-balance sheet item is reported, e.g. if Arcadis NV has provided a corporate guarantee for a local bank guarantee facility, any claim for payment by a client on an outstanding bank guarantee can only be honored once.

In € millions	Corporate guarantees	Bank guarantees	Eliminations[1]	Total
Debt facility financing	4	-	-	4
Bank guarantee and surety bond financing	117	150	(71)	197
Other	40	-	(40)	-
Balance at 31 December 2023	**160**	**150**	**(110)**	**200**

1 To avoid double-counting and the overstatement of contingent obligations, only one instance of any off-balance sheet item is reported, e.g. if Arcadis NV has provided a corporate guarantee for a local bank guarantee facility, any claim for payment by a client on an outstanding bank guarantee can only be honored once.

On 30 June 2024, only a part of the local bank guarantee facilities and local debt facilities have been used.

Other commitments

Other commitments as at 30 June 2024 do not significantly differ (in nature) from the Company's Other commitments at 31 December 2023.

Contingent liabilities

In the first six months of 2024, the Company was involved in various legal and regulatory claims and proceedings as a result of its normal course of business, either as plaintiff or defendant. Provisions are recognized only when management believes it is probable that Arcadis will be held liable, the amount is reasonably estimable, and the claim has not been insured.

23 Related party transactions

From time-to-time Arcadis enters into related party transactions. These transactions are conducted on an at arm's length basis with terms comparable to transactions with third parties. Intercompany transactions, balances, and unrealized gains on transactions between group companies are eliminated on consolidation.

The nature of the related party transactions conducted in the six-month period ended 30 June 2024 does not deviate in substance from the transactions as reflected in the Consolidated financial statements as at and for the year ended 31 December 2023.

The Company was not a party to any material transaction or loans with parties who hold at least 10% of the shares in Arcadis NV.

24 Events after the balance sheet date

There are no material subsequent events, that would have changed the judgement and analysis by management of the financial condition of the Company at 30 June 2024, or the result for the period ended 30 June 2024.

Amsterdam, the Netherlands, 25 July 2024

The Executive Board

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