

Continued strong growth

Strategic margin target delivered

Arcadis Q3 2023 Trading Update

Analyst Conference Call, October 26th, 2023

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CEO

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CFO

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Part 1

Q3 2023 Trading update

Alan Brookes | Chief Executive Officer

Summary of results

Strong margin performance in the quarter, on track to achieve financial strategic targets

Organic Net Revenue Growth¹ in Q3'23

9.0%

Operating EBITA Margin² QtD

10.6%

Q3'22: 10.3%

Operating EBITA Margin² YtD

10.1%

2023 Strategic Target >10%

Voluntary Turnover³

12.0%

Q3'22: 15.4%

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

³⁾ Excluding Middle East as these operations are being wound down

Global Business Areas: Resilience

Positive market themes driving high client demand and continued strong momentum

Third quarter 2023 results

QUARTER SUMMARY

- **Water Optimization:** tightening regulation in wastewater treatment in the US and UK drives demand
- **Environmental Remediation:** multiple PFAS opportunities concentrated around PFAS manufacturers and firefighting for various clients
- **Energy Transition:** multiple opportunities in energy transmission

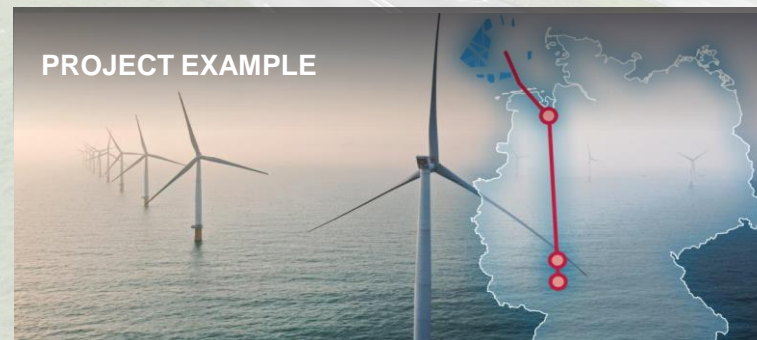
Organic Net Revenue growth¹
(Q3, yoy)

+11.2%

Q3 Net Revenue: €328 million

Organic Net Backlog growth¹
(Q3, yoy)

+12.0%



Support on Germany's energy grid expansion plan: technical planning review and route planning services

Solution
Client

Energy Transition
Amprion | Germany

Global Business Areas: **Places**

Continued portfolio shift, following pipeline opportunities

Third quarter 2023 results

QUARTER SUMMARY

- Contribution of **Industrial Manufacturing** continues to increase with attractive opportunities
- Expanding our global service offering with **Architecture & Urbanism**
- **Pipeline remains resilient** with continued opportunities partly driven by stimulus

Organic Net Revenue growth¹
(Q3, yoy)

-0.1%

Q3 Net Revenue: €378 million

Organic Net Backlog growth¹
(Q3, yoy)

-0.7%

PROJECT EXAMPLE



Drive Cornwall's carbon neutral development: urban planning & regeneration of assets

Solution	Smart Sustainable Buildings & Urban Planning
Client	Cornwall Council UK

Global Business Areas: **Mobility**

Increased demand and cross selling driving growing pipeline

Third quarter 2023 results

QUARTER SUMMARY

- Growing complexities in transportation make our digital offering clear differentiator for **Connected Highways and Intelligent Rail**
- Collaboration with **Architecture and Urbanism** drives enhanced positioning in the market
- Significant **investment programs** drive resilient pipeline opportunities globally

Organic Net Revenue growth¹
(Q3, yoy)

+14.6%

Q3 Net Revenue: €204 million

Organic Net Backlog growth¹
(Q3, yoy)

+4.8%

PROJECT EXAMPLE



Promote more sustainable commuting options in Georgia (US) through data analysis and dashboarding

Solution
Client

Intelligent Highways
Georgia Dept. of Transportation

Global Business Areas: **Intelligence**

Cross GBA collaboration enables comprehensive digital solutions offering

Third quarter 2023 results

QUARTER SUMMARY

- Strong market proposition with accelerated **enterprise software spend and client partnerships** for developing new digital solutions
- Good wins in North America for **Enterprise Decision Analytics** in collaboration with Mobility
- Multiple opportunities in the pipeline for digital water solutions

Net Revenue growth¹
(Proforma, Q3, yoy)

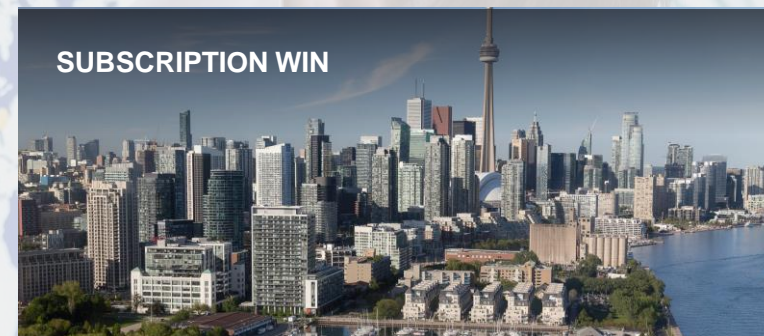
22.8%

Q3 Net Revenue: €23 million

Organic Net Backlog growth¹
(Q3, yoy)

14.2%

SUBSCRIPTION WIN



5-year EDA subscription for Infrastructure Ontario: optimizing capital asset management decision-making processes

Solution
Client

**Enterprise Decision Analytics
Infrastructure Ontario | Canada**

Part 2

Financial Results

Virginie Duperat-Vergne | Chief Financial Officer



On track to deliver strategic financial targets

Third quarter 2023 results

€932M

Q3'22: €740M

Net Revenue

9.0%

Organic Net Revenue growth¹

€99M

Q3'22: €76M

Operating EBITA²

10.6%

Q3'22: 10.3%

Operating EBITA margin

12.9%

Q3'22: 13.8%

Net Working Capital %





€117M

Q3'22: €38M

Free cash flow

- Continued strong growth: Net Revenues **+26%** year on year
 - Currency impact: -5% mostly driven by weaker USD and AUD
- Operating EBITA: **+30%** year on year, margin at **10.6%**, driven by operational leverage
 - YtD margin: **10.1%**, achieving 2023 strategic target of >10%
- Disciplined Net Working Capital management
 - Days Sales Outstanding reduced to 68 days (Q3'22: 72 days)
- Strong free cash flow generation of €117 million well above last year (Q3'22: €38 million)

Complementary portfolio of activities drives strong organic growth of 9%

Q3 Net Revenue <i>In the quarter</i>			
	% Total Arcadis	Organic growth ¹ yoy	
Resilience	 35%	+11%	<ul style="list-style-type: none"> • Strong positive themes in Energy Transition and Environmental Remediation • Growth driven by US, UK and Germany
Places	 41%	0%	<ul style="list-style-type: none"> • Focus on growing industrial manufacturing market, increasing presence in North America • Softness in China and UK offset growth in North America and Europe
Mobility	 22%	+15%	<ul style="list-style-type: none"> • Strong performance North America and Europe • Joint wins with Architecture & Urbanism contribute to growth in new markets
Intelligence	 2%	+23% <i>Pro forma</i>	<ul style="list-style-type: none"> • Strong growth across regions, especially in North America and UK • Numerous wins for Key Clients in collaboration with other GBAs

Solid year on year organic backlog growth on the back of ARCADIS well diversified businesses

€3.1B

Q3'22: €2.8M

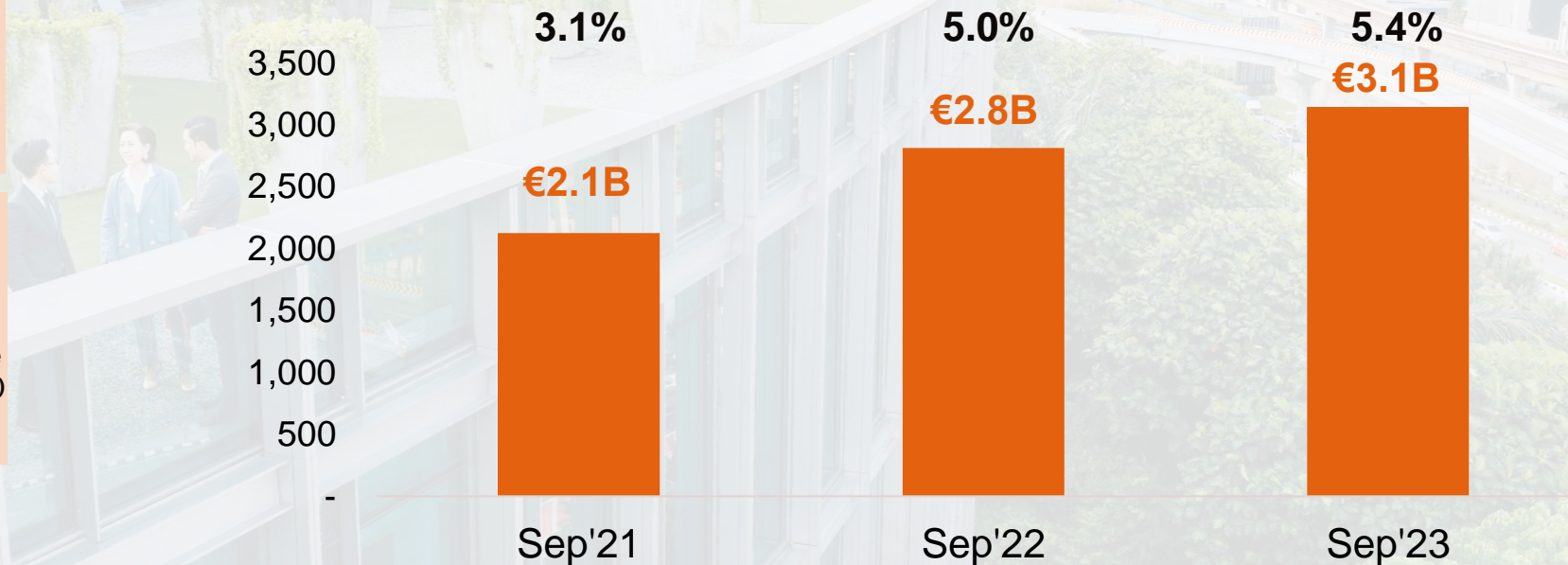
Total Net Revenue Backlog

5.4%

Organic Net Revenue Backlog growth YoY¹⁾

Net Revenue Backlog and Organic Growth¹⁾ (year-on-year)

€ billions



IJJA: 20% released, 80% still to be awarded

CHIPS act: spend for EU >\$120B and US: >\$318B, materially from 2024 onwards

\$15B for US Water utilities for **Lead Service Line Replacement**

UK Government doubling spend to £5B to improve **flooding defenses** in England by 2027

Part 3

Wrap up

Alan Brookes | Chief Executive Officer

Key takeaways

Another strong quarter, continued positive outlook

- **Excellent performance in the quarter, solid order intake and good pipeline developments**
 - Well positioned to capitalize on significant market opportunities
- **Strong margin improvement**
 - Year-to-date margin at 10.1%: meeting the 2023 full year strategic target >10%
- **Strong cash generation**
- **All financial targets on track**



Capital Markets Day

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We will be sharing our **strategy and targets for 2024 - 2026**.

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Q&A



Alan Brookes
CEO



Virginie Duperat-Vergne
CFO

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