PRESS RELEASE

ARCADIS NV
Gustav Mahlerplein 97-103
P.O. Box 7895
1008 AB Amsterdam
The Netherlands
Tel +31 20 2011 011
www.arcadis.com

ARCADIS REPORTS FIRST HALF YEAR RESULTS 2017

- Gross revenues €1,648 million. Net revenues €1,256 million, organically -1%
- EBITDA €100 million, -8%; operating EBITA €90 million, -7%
- Net income from operations €47 million (H1 2016: €55 million)
- Net working capital 19.3% (Q2 2016: 19.9%)
- Free cash flow of +€34 million in Q2 leading to lower year-over-year net debt of €514 million
- Net debt/EBITDA covenant leverage ratio 2.5
- Strategy update 21 November 2017

KEY FIGURES

in € millions	HALF YEAR			SECOND QUARTER		
Period ended 30 June	2017	2016	change	2017	2016	change
Gross revenues	1,648	1,678	*-2%*	830	832	*0%*
Net revenues	1,256	1,263	*-1%*	628	630	*0%*
Organic growth	*-1%*			*0%*		
EBITDA	100	108	*-8%*	48	52	-8%
Operating EBITA	90	98	-7%	44	46	-5%
Operating EBITA margin	*7.2%*	*7.7%*		*7.0%*	*7.3%*	
Net income from operations	47	55	*-14%*			
Free cash flow	-28	-62		34	-10	
Net working capital %	19.3%	19.9%				
Net debt	514	587				

Amsterdam, 27 July 2017 – Arcadis (EURONEXT: ARCAD), the leading global Design & Consultancy firm for natural and built assets, reports half year results 2017.

CEO STATEMENT

Peter Oosterveer CEO Arcadis comments: "We start to see the benefits of the initiatives to position Arcadis for profitable growth that were launched under interim CEO Renier Vree. This included more focus on clients and on reducing working capital, while the simplified operating model helped to reduce costs. We are pleased that we created momentum in our North American business, which returned to growth after three years of decline. We see positive business sentiment and higher backlog in most of our businesses, whilst we remain cautious about market developments in Brazil and in the Middle East. In the Middle East, we received cash payments on overdue receivables and reached important milestones on multiple contracts. The results and developments in the first half year give us confidence that we will continue to make progress in the second half year.

Since joining at the end of April, I have visited most regions to get a good perspective on our clients, people, and performance. I was impressed by our people's passion to improve quality of life and their commitment. The client meetings convinced me that we have many opportunities to grow our business. I also see room for improvement in our project delivery and in utilizing the Global Excellence Centers in India, the Philippines and Romania. Furthermore, we are making strides in digital, working with clients and partners to create smart and sustainable urban areas that address the needs of society. I believe Arcadis is well positioned to capture profitable growth in the years ahead. We will provide a strategy update on 21 November 2017."

REVIEW OF PERFORMANCE

in € millions Period ended 30 June	HALF YEAR 2017	 2016	 change	SECOND QUARTER 2017	 2016	 change
Gross revenues	1,648	1,678	*-2%*	830	832	*0%*
Organic growth	*-2%*			*0%*		
Net revenues	1,256	1,263	*-1%*	628	630	*0%*
Organic growth	*-1%*			*0%*		
EBITDA	100	108	*-8%*	48	52	-8%
EBITA	80	88	*-9%*	38	41	*-8%*
EBITA margin	*6.4%*	*7.0%*		*6.1%*	*6.6%*	
Operating EBITA[1)]	90	98	-7%	44	46	-5%
Operating EBITA margin	*7.2%*	*7.7%*		*7.0%*	*7.3%*	
Net income	34	40	-15%			
Net income per share (in €)	*0.40*	*0.48*	*-17%*			
Net income from operations	47	55	*-14%*			
Net income from operations per share (in €)	*0.55*	*0.66*	*-17%*			
Net working capital %	19.3%	19.9%				
Free cash flow [2)]	-28	-62		34	-10	
Net debt	514	587				
Backlog net revenues (billions)	2.2	2.3				

[1)] *Excluding acquisition, restructuring and integration-related costs*
[2)] *Cash flow from operating activities minus investments in (in)tangible assets*

REVENUES AND INCOME

Organic growth was flat in the second quarter, trending positively after the decline in the first quarter. This resulted in an organic decline of 1% in net revenues for the first half year. North America, Continental Europe, the UK, and Australia delivered organic growth. Net revenues declined in Latin America and the Middle East. Revenues in CallisonRTKL and in Asia also declined but turned to growth in the second quarter.

EBITA decreased by 9% to €80 million (H1 2016: €88 million), mainly due to a loss in Brazil of €11 million (H1 2016: -€3 million). Operating EBITA decreased by 7% to €90 million (H1 2016: €98 million), as improvements in North America were offset by a €6 million operating loss in Latin America and lower results in the Middle East. The operating EBITA margin was 7.2% (H1 2016: 7.7%). Non-operating costs were €10 million (H1 2016: €10 million), mainly related to restructuring in Brazil and Continental Europe.

The income tax rate was 29.9% (H1 2016: 25.0%). Financing charges were 8% lower at €12.3 million (H1 2016: €13.3 million). Income from associated companies was a loss of €2.4 million (H1 2016: -€1.6 million), related to non-core energy assets in Brazil.

Net income from operations decreased 14% to €47 million (H1 2016: €55 million) or €0.55 per share (H1 2016: €0.66). Net income declined 15% to €34 million or €0.40 per share, compared to €40 million or €0.48 per share in the first half of 2016.

CASH FLOW, WORKING CAPITAL AND BALANCE SHEET

Working capital as a percentage of gross revenues was 19.3% (Q2 2016: 19.9%). Free cash inflow in the second quarter from higher cash collections improved this ratio. The days sales outstanding decreased to 95 days (Q2 2016: 97 days). Free cash flow in the second quarter was €34 million (Q2 2016: -€10 million) due to higher cash collections and focus on cash management. Net debt at the end of June was €514 million (H1 2016: €587 million), leading to a covenant leverage ratio of 2.5 (FY 2016: 2.5).

BACKLOG

Backlog at the end of June 2017 stood at €2.2 billion, representing stable 11 months of net revenues. The backlog increased organically by 3% to date versus a -1% decline in H1 2016. Compared to June 2016, backlog declined -4% due to cancellations in the second half of 2016.

In the first half-year, backlog grew especially in North America, the UK, Continental Europe, Asia and Australia, while Latin America, the Middle East and CallisonRTKL saw a declining order book.

ACQUISITION

While our focus is on organic growth, we continue to look to opportunities to further expand our service offering. Today we announced the acquisition of E2 ManageTech, an enterprise technology solutions firm providing IT and business services for the Environmental, Health and Safety (EHS) information market. E2 was established in 1998 and employs more than 50 people, located in the United States and Canada.

REVIEW OF PERFORMANCE FOR THE SECOND QUARTER

Net revenues were €628 million, while organic growth was flat. North America, Continental Europe, the UK, CallisonRTKL, and Australia delivered organic revenue growth. Net revenues were lower in Latin America and the Middle East. The currency effect was flat due to a stronger USD offsetting a weaker British Pound.

Operating EBITA was €44 million, 5% lower than in the same quarter last year (Q2 2016: €46 million). The operating EBITA margin was 7.0% (Q2 2016: 7.3%), mainly due to an operating loss in Brazil and lower results in the Middle East.

EBITA decreased by 8% to €38 million. Non-operating costs were -€6 million (Q2: 2016: -€5 million), mainly related to restructuring in Brazil and Continental Europe.

REVIEW BY SEGMENT

AMERICAS

(31% of net revenues)

in € millions Period ended 30 June	HALF YEAR 2017	 2016	 change	SECOND QUARTER 2017	 2016	 change
Gross revenues	599	606	*-1%*	302	296	*2%*
Net revenues	394	391	*1%*	198	194	*2%*
Organic growth	*-3%*			*-1%*		
EBITA	17.5	20.1	*-13%*			
Operating EBITA[1)]	23.4	24.0	*-3%*			
Operating EBITA margin	*5.9%*	*6.1%*				

[1)] *Excluding acquisition, restructuring and integration-related costs*

The organic change in net revenues of -3% consists of 1% growth in North America and 32% decline in Latin America due to the recession in Brazil. EBITA in Latin America decreased by €7 million due to an operating loss of €6 million (H1 2016: -€1 million) and €4 million restructuring charges (H1 2016: €2 million). Operating EBITA in North America was €3 million higher.

NORTH AMERICA

In North America revenues increased organically by 1% driven by environment, and infrastructure. Organic revenue growth in the second quarter was 3%. Overall good order intake lead to a higher backlog.

- Environment: strong order intake and margin improvement supported by profitable growth of Arcadis FieldTech Solutions
- Water: revenue declining. Hiring staff after recent project wins and improved outlook
- Infrastructure: significant revenue growth with improved margin
- Buildings: higher margins with modest revenue growth

LATIN AMERICA

Net revenues in the second quarter in line with the first quarter, still 32% below last year.

- Clients in Brazil continue to delay investment decisions, impacting our infrastructure business. The environmental business is more stable
- Further restructuring measures were taken and planned for Brazil to bring down costs in line with market reality
- Chile revenues lower with improved margin

EUROPE & MIDDLE EAST

(45% of net revenues)

in € millions Period ended 30 June	HALF YEAR 2017	 2016	 change	SECOND QUARTER 2017	 2016	 change
Gross revenues	685	725	*-5%*	335	361	*-7%*
Net revenues	566	581	*-3%*	278	289	*-4%*
Organic growth	*1%*			*-1%*		
EBITA	36.6	41.5	*-12%*			
Operating EBITA[1)]	39.8	46.7	*-15%*			
Operating EBITA margin	*7.0%*	*8.0%*				

[1)] *Excluding acquisition, restructuring and integration-related costs*

Organic growth in net revenues of 1% consists of 4% growth in Continental Europe, 5% increase in the UK, compensating a 13% decrease in the Middle East. EBITA decreased mainly due to the Middle East and the weaker British Pound. Operating EBITA improved in Continental Europe.

CONTINENTAL EUROPE

Net revenues increased organically by 4% to which all countries contributed. Improved market conditions in the private sector supported a strong order intake.

- Buildings generated strong revenue growth due to project wins in the Netherlands and Germany
- Infrastructure had slightly lower revenues as more work for rail projects could not compensate for a slowdown in highway activities
- Environment realized solid revenue growth driven by the Netherlands, Germany and Belgium, with better order intake for remediation activities and consultancy services
- Water revenues were slightly higher, with increased backlog for especially conveyance

UNITED KINGDOM

Organic net revenue growth was 5%, while backlog improved after winning many strategic pursuits.

- Buildings revenues were up supported by automotive and commercial development. Margin improved after costs actions were taken
- Infrastructure grew as rail investments continue. High level of bidding activity impacted profit margin
- Good growth in water following earlier wins with water utilities for the Asset Management Period cycle
- Higher revenues in environment driven by strategic environmental consultancy

MIDDLE EAST

Net revenues decreased by 13%. Backlog came down due to selective bidding and lower demand.

- The UAE was the most active market with a stable performance
- Revenues were lower in Qatar. Important milestones on multiple contracts were approved. Significant cash collection expected in Q3/Q4.
- In Saudi Arabia revenues came down. Partial cash payments for projects completed in 2016 were received

ASIA PACIFIC

(14% of net revenues)

in € millions Period ended 30 June	HALF YEAR 2017	 2016	 change	SECOND QUARTER 2017	 2016	 change
Gross revenues	196	183	*7%*	105	95	*10%*
Net revenues	172	166	*4%*	89	86	*4%*
Organic growth	*0%*			*1%*		
EBITA	14.1	14.4	*-2%*			
Operating EBITA[1)]	14.2	14.4	*-1%*			
Operating EBITA margin	*8.3%*	*8.7%*				

[1)] *Excluding acquisition, restructuring and integration-related costs*

Organic revenue growth in Asia Pacific was flat as growth in Australia compensated for a decline in Asia in the first quarter. Margins were almost flat.

ASIA

Net revenues declined organically by 5%, while in the second quarter the business returned to growth and backlog improved.

- Singapore generated lower revenues due to a slower buildings market and from exiting low margin services
- Revenues in China started growing again in the second quarter
- Diversification toward Infrastructure contributed to revenues

AUSTRALIA PACIFIC

Organic net revenue growth was 8%, fueled by major projects wins like Sydney Metro.

- Higher revenues from delivering major infrastructure, buildings and environmental projects across major urban areas of Australia

CALLISONRTKL

(10% of net revenues)

in € millions Period ended 30 June	HALF YEAR 2017	 2016	 change	SECOND QUARTER 2017	 2016	 change
Gross revenues	168	164	*3%*	88	80	*11%*
Net revenues	124	125	*-2%*	63	61	*2%*
Organic growth	*-3%*			*1%*		
EBITA	12.3	12.1	*1%*			
Operating EBITA[1)]	13.1	12.4	*5%*			
Operating EBITA margin	*10.6%*	*9.9%*				

[1)] *Excluding acquisition, restructuring and integration-related costs*

Due to a weak Q1, net revenues declined organically by 3% mainly due to lower activity levels in US commercial real estate.

- In Q2, momentum improved with an organic growth of 1%, supported by the Retail and Workplace practices
- EBITA margin improved due to cost measures

OUTLOOK 2017

- In general, positive business sentiment in most regions
- Increased infrastructure spending in many countries
- Uncertainty around Brazil and the Middle East remains
- Strong pipeline and cost reductions supporting profitable growth

LEADERSHIP PRIORITIES 2017

- Focusing on clients, leading to growth in backlog and revenues
- Reducing costs by simplifying organization structure, strengthening project management and expanding Global Excellence Centers
- Reducing working capital
- Driving innovation through digitalization
- Finalizing the strategy update

FINANCIAL CALENDAR 2017

25 October 2017	Third quarter results 2017
21 November 2017	Capital Markets Day, including strategy update

FOR FURTHER INFORMATION PLEASE CONTACT:

ARCADIS INVESTOR RELATIONS
Jurgen Pullens
Telephone: +31 20 2011083
Mobile: +31 6 51599483
E-mail: jurgen.pullens@arcadis.com

ARCADIS GROUP COMMUNICATIONS
Joost Slooten
Mobile: +31 6 27061880
E-mail: joost.slooten@arcadis.com

CONFERENCE CALL

Arcadis will hold an analyst meeting and webcast to discuss the half year 2017 results on 27 July 2017. The analyst meeting will be held at 10.00 hours CET today. The webcast can be accessed via the investor relations section on the company's website at www.arcadis.com.

ABOUT ARCADIS

Arcadis is the leading global Design & Consultancy firm for natural and built assets. Applying our deep market sector insights and collective design, consultancy, engineering, project and management services we work in partnership with our clients to deliver exceptional and sustainable outcomes throughout the lifecycle of their natural and built assets. We are 27,000 people, active in over 70 countries that generate €3.3 billion in revenues. We support UN-Habitat with knowledge and expertise to improve the quality of life in rapidly growing cities around the world. www.arcadis.com.

REGULATED INFORMATION

This press release contains information that qualifies, or may qualify as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

FORWARD LOOKING STATEMENTS

Statements included in this press release that are not historical facts (including any statements concerning investment objectives, other plans and objectives of management for future operations or economic performance, or assumptions or forecasts related thereto) are forward looking statements. These statements are only predictions and are not guarantees. Actual events or the results of our operations could differ materially from those expressed or implied in the forward looking statements. Forward looking statements are typically identified by the use of terms such as "may," "will," "should," "expect," "could," "intend," "plan," "anticipate," "estimate," "believe," "continue," "predict," "potential" or the negative of such terms and other comparable terminology. The forward looking statements are based upon our current expectations, plans, estimates, assumptions and beliefs that involve numerous risks and uncertainties. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Although we believe that the expectations reflected in such forward looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth in the forward looking statements.

-TABLES FOLLOW-