

THIRD QUARTER 2017

TRADING UPDATE

Amsterdam, 25 October 2017

IMPROVING
QUALITY OF LIFE

DISCLAIMER

Statements included in this presentation 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.

BUSINESS HIGHLIGHTS THIRD QUARTER

- Organic net revenue growth in this quarter was positive for the first time in nine quarters
- Our focus on clients and a positive business sentiment in the majority of our markets contributed to a net revenue increase in North America, Continental Europe, the UK and Australia
- Revenue growth and cost reductions contributed to higher earnings, offsetting a loss in Brazil, challenging conditions in the Middle East and currency impacts
- We received significant cash payments for milestone-based contracts in the Middle East
- The improving results, strong pipeline, and our focus on business priorities provide us confidence that we will continue to make progress in the fourth quarter

FINANCIAL HIGHLIGHTS THIRD QUARTER

- Gross revenues €766 million. Net revenues €585 million, organically +3%
- EBITDA €50 million, +2%; operating EBITA €45 million, +4%
- Net working capital 19.8% (Q3 2016: 20.9%)
- Free cash flow of +€41 million in Q3 leading to lower year-on-year net debt of €492 million
- Backlog €2.0 billion, impacted by foreign exchange effects (-9% year-to-date). Over the first nine months, backlog increased 1% organically
- Capital markets day including strategy update 21 November 2017 in London

THIRD QUARTER AND YEAR-TO-DATE OPERATING RESULTS

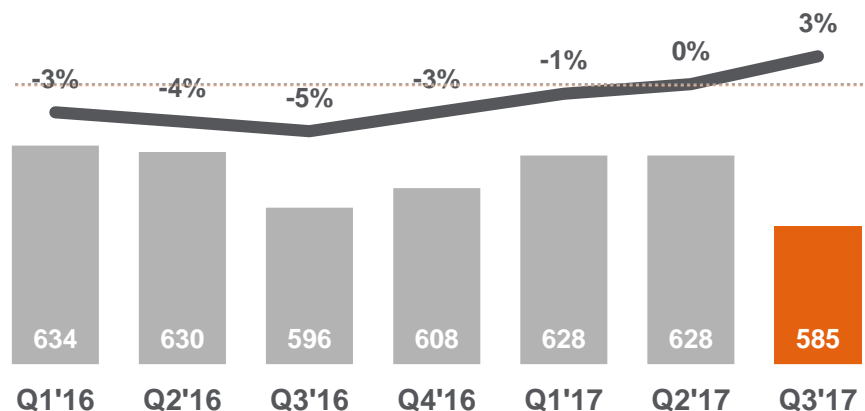
in € millions Period ended 30 September	THIRD QUARTER			YEAR-TO-DATE		
	2017	2016	change	2017	2016	change
Gross revenues	766	797	-4%	2,414	2,475	-2%
Net revenues	585	596	-2%	1,841	1,860	-1%
<i>Organic growth</i>	3%			0%		
EBITDA	50	49	2%	149	157	-5%
EBITA	40	39	4%	120	127	-5%
Operating EBITA¹⁾	45	43	4%	136	141	-4%
<i>Operating EBITA margin</i>	7.7%	7.3%		7.4%	7.6%	
Free cash flow	41	40		12	-22	
Net working capital %				19.8%	20.9%	
Net debt				492	554	
Backlog net revenues (billions)				2.0	2.2	

¹⁾ Excluding acquisition, restructuring and integration-related costs

REVENUE AND OPERATING EBITA Q3 2017

Net Revenues

(€ millions, YOY organic growth %)

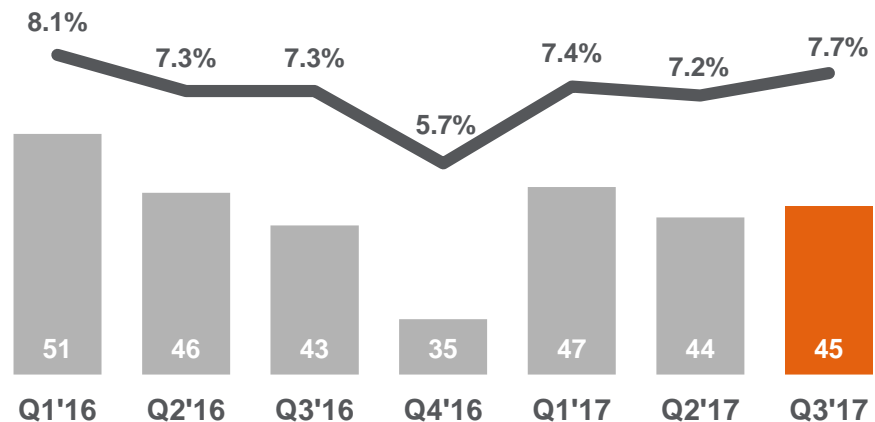


Net Revenues:

- Year-on-year organic net revenue growth 3% driven by North America Australia, UK and Continental Europe
- Declines in Latin America, Asia and CallisonRTKL
- Currency impact -4%

Operating EBITA

(€ millions, in margin %)



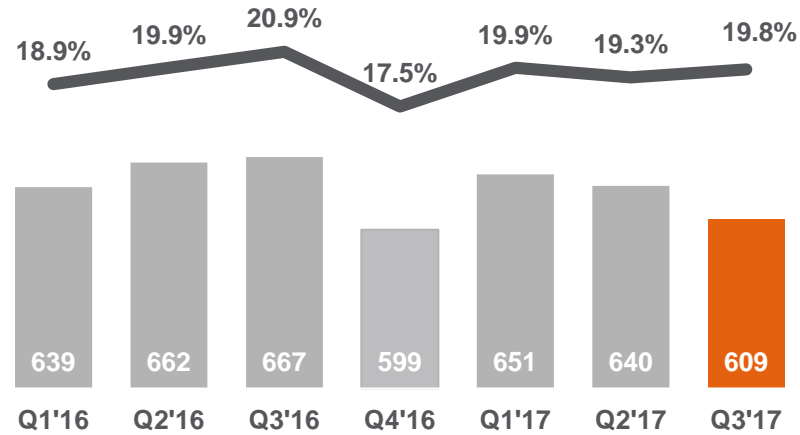
Operating EBITA:

- Operating EBITA margin 7.7% (Q3 2016: 7.3%)
- Additional restructuring measures were taken in Brazil to bring down costs

NET WORKING CAPITAL AND DSO

Net Working capital

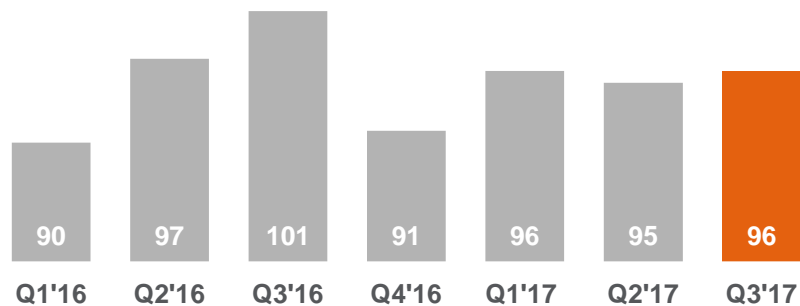
(€ millions & as % of gross revenues)



- Net working capital as percentage of gross revenues 19.8% (Q3 2016: 20.9%)
- Days sales outstanding decreased year-on-year with 5 days to 96 days (Q3 2016: 101 days)
- Free cash flow Q3 2017 +€41 million (Q3 2016: +€40 million)
- Significant cash payments received for milestone-based contracts in the Middle East

DSO

(number of days)



THIRD QUARTER SEGMENT RESULTS

Net revenues third quarter	2017	2016	Organic growth
Americas	181	190	-1%
Europe & Middle East	264	257	8%
Asia Pacific	87	88	1%
CallisonRTKL	53	61	-8%
Total	585	596	3%

Q3 performance

- In North America revenues increased organically by 3% in the quarter and 2% year-to-date driven by the Environmental, and Infrastructure businesses
- Net Revenues in Latin America were in line with the first quarters in 2017, year-to-date 29% below last year
- Organic increase of 8% driven by Continental Europe (9%) and UK (9%)
- Net revenues in the Middle East were organically flat and declined by 9% year-to-date
- Revenues in Asia declined organically by 2% in the quarter driven by a slower buildings market in Singapore. Revenues in China were higher
- In Australia net revenues grew by 9% in the quarter and 8% year-to-date
- Revenues of CallisonRTKL declined organically by 8% mainly due to lower activity levels in US commercial real estate

MARKET OUTLOOK AND LEADERSHIP PRIORITIES

Market 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:

- 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 and progressing the strategic review of CallisonRTKL



ARCADIS

Design & Consultancy
for natural and
built assets