

PRESS RELEASE

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Arcadis presents strategy update capitalizing on global trends

Clear choices with focus on people, innovation, and performance, driving profitable growth

- Global trends like climate change, sustainable industries and expanding cities create opportunities for Arcadis
- Sharp focus on selection of profitable clients and improvements in project delivery
- Clear choice for projects, businesses and geographies where we can lead
- Invest in people to build the workforce of the future
- Become a digital frontrunner in the industry
- Organic revenue growth to surpass GDP in Arcadis' markets
- Operating margin trending towards a range of 8.5% to 9.5% in 2020

Amsterdam, 21 November 2017 – Arcadis (EURONEXT: ARCAD), today presents its strategy 'Creating a Sustainable Future' in which it fully capitalizes on global trends like climate change, sustainable industries and expanding cities. Arcadis makes clear choices and will focus where it can lead and invest where it can win. The company is well positioned to realize revenue growth and operating margin improvements in the period 2018-2020. Arcadis guidance includes organic revenue growth to surpass GDP growth in its markets and operating margin trending to 8.5% to 9.5% in 2020.

The strategy update for the period 2018-2020 will be presented during a Capital Markets Day in London and contains three strategic pillars.

1. People & Culture

Arcadis is convinced that creating an environment for people to grow, perform and succeed will be vital to retain and attract the workforce of the future. We will be the employer of choice through continued investment in our people and by attracting capabilities for future needs.

2. Innovation & Growth

To capture the opportunities provided by global megatrends, Arcadis will step up investments in digitization to become a digital frontrunner in our industry. In addition, we will further leverage our global experience and deep client relationships to create organic growth.

3. Focus & Performance

Arcadis will focus where it can lead based on relevance for clients, local markets and global positions and will de-prioritize businesses that fail to meet our criteria for profitable growth. Disciplined client and project selection and improved project delivery will be created through the consistent use of the 'Arcadis Way'. Our competitiveness will be further improved by expanding the Global Excellence Centers.

CEO STATEMENT

Peter Oosterveer, CEO Arcadis, comments: "Today, we introduce our updated strategy, which builds on our strong legacy in Water, Infrastructure, Environment and Buildings and further advances Arcadis towards a highly innovative industry-leading Design & Consultancy. We are convinced that global megatrends like urbanization, mobility, sustainability, climate change, and digitization, provide us with ample opportunities to develop sustainable and resilient cities, offer smart infrastructural solutions and make industries future-proof.

I look forward to leading Arcadis into an exciting era. During my first half-year at Arcadis I have seen many great projects improving quality of life for people around the world and I have gained tremendous admiration for the capabilities, knowledge and passion of our people. Through our strategic initiatives, we will focus where we can lead and invest where we can win. Improvements resulting from better project selection and delivery, digital innovation, and expanded use of Global Excellence Centers will create profitable growth for Arcadis."

FINANCIAL GUIDANCE 2018-2020

The update of Arcadis' strategy has subsequently led to a new framework of targets.

The new financial guidance is:

- Organic revenue growth to surpass GDP growth in our markets
- Operating margin trending to 8.5% - 9.5% of net revenues in 2020 (2016: 7.1%)
- Net working capital as percentage of gross revenues <17.0% (2016: 17.5%) and DSO (days sales outstanding) < 85 days (2016: 91 days).
- Return on invested capital to exceed 10% (2016: 6.8%)
- Leverage: Net debt/EBITDA approximately between 1.0 and 2.0 (2016: 2.5)

Arcadis will execute the strategy with an efficient and robust capital structure and has fully embedded risk management in its operations. Arcadis' strategy also entails that it will review its portfolio of activities regularly. Because sustainability lies at the heart of Arcadis business it aims to significantly contribute to the United Nations Sustainable Development Goals.

STRATEGIC REVIEW CALLISONRTKL

The strategic review process of CallisonRTKL is progressing well and there are no further updates during the presentations on the Capital Markets Day.

FOR FURTHER INFORMATION PLEASE CONTACT:

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WEBCAST

Presentations in London will start at 08:30 am UK time (09:30 am CET). Until approximately 13:00 pm UK time (14:00 pm CET), the plenary sessions can be followed via a live webcast. 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 company 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.