

## PRESS RELEASE

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### ARCADIS TRADING UPDATE Q1 2018

#### Arcadis continues organic net revenue growth of 3%

- Net revenues at €599 million (Q1 2017: €628 million); organically +3%, currency impact -8%
- Operating EBITA of €43 million (Q1 2017: €47 million), currency impact -6%
- Operating margin at 7.2% (Q1 2017: 7.4%); impacted by fewer working days in Europe and a decline in other segments, offset by margin improvement in the Americas
- Net working capital improved to 19.5% (Q1 2017: 19.9%)
- Net debt at €474 million (Q1 2017: €556 million)
- Good progress in market consultation process for CallisonRTKL
- Plan for divestment of clean energy assets in Brazil is on track
- Sarah Kuijlaars nominated as new CFO; subject to appointment at AGM (24 April '18)
- Confirms revenue growth and improved operating margin in 2018

**Amsterdam, 19 April 2018 – Arcadis (EURONEXT: ARCAD), the leading global Design & Consultancy firm for natural and built assets, reported a 3% organic increase in net revenues for Q1 2018. Operating margin at 7.2% (Q1 2017: 7.4%); impacted by fewer working days in Europe and a decline in other segments, offset by margin improvement in the Americas**

Peter Oosterveer, CEO Arcadis, comments: “Our focus on clients allowed us to win more work and deliver on the growth pillar of our strategy, and I am therefore pleased with the 3% organic net revenue growth in Q1 2018. The change in our leadership structure, announced in March 2018, creates a stronger alignment with our strategic priorities, and will help us to further improve on project delivery and financial performance. I look forward to working with our new CFO Sarah Kuijlaars to advance our strategic objectives and strengthen our financial discipline. I am convinced that Arcadis has a strong foundation to deliver revenue growth and operating margin improvement in the years ahead.”

#### KEY FIGURES

in € millions Period ended March 31	FIRST QUARTER		
	2018	2017	change
Gross revenues	767	818	-6%
Net revenues	599	628	-5%
<i>Organic growth</i>	3%	-1%	
EBITDA	47	52	-10%
EBITA	37	42	-12%
<i>EBITA margin</i>	6.2%	6.7%	
Operating EBITA <sup>1)</sup>	43	47	-8%
<i>Operating EBITA margin</i>	7.2%	7.4%	
Net working capital %	19.5%	19.9%	
Free cash flow	-60	-63	-4%
Net debt	474	556	-15%
Backlog net revenues (billions)	2.1	2.3	-8%
<i>Backlog organic growth (year-to-date)</i>	2%	5%	

<sup>1)</sup> Excluding restructuring, acquisitions & divestments costs

Improving quality of life

## REVIEW OF PERFORMANCE

### AMERICAS

(30% of net revenues)

in € millions

Period ended March 31	FIRST QUARTER		change
	2018	2017	
Gross revenues	263	297	-11%
Net revenues	177	196	-10%
<i>Organic growth</i>	2%	-6%	

Organic net revenue growth of 2% included 3% growth in North America and 3% decrease in Latin America. North America achieved an improvement in the water business and continued solid results in environment, infrastructure and buildings. Latin America's operating result was break-even for the first time in six quarters.

### EUROPE & MIDDLE EAST

(49% of net revenues)

in € millions

Period ended March 31	FIRST QUARTER		change
	2018	2017	
Gross revenues	348	350	-1%
Net revenues	292	288	1%
<i>Organic growth</i>	4%	3%	

Organic net revenue growth of 4% included an increase of 3% in Continental Europe and 14% in the UK, which more than compensated for an 11% decrease in the Middle East. The strong revenue increase in the UK was mainly driven by large infrastructure projects.

### ASIA PACIFIC

(13% of net revenues)

in € millions

Period ended March 31	FIRST QUARTER		Change
	2018	2017	
Gross revenues	88	91	-4%
Net revenues	80	83	-4%
<i>Organic growth</i>	7%	-2%	

Organic net revenue growth in Asia Pacific of 7%, driven by continued strong growth in Australia (21%), due to ramp up of large metro projects. Flat revenue development in Asia, with growth across the region, offset by project write-downs.

### CALLISONRTKL

(8% of net revenues)

in € millions

Period ended March 31	FIRST QUARTER		change
	2018	2017	
Gross revenues	68	80	-15%
Net revenues	50	61	-17%
<i>Organic growth</i>	-7%	-6%	

Organic net revenues declined by -7% driven by lower activity levels in the retail, workplace and healthcare practices. The results in the commercial business improved compared to last year.

## OPERATING EBITA

Operating EBITA decreased by 8% to €43 million (Q1 2017: €47 million), negatively impacted by currency effects (-6%). Operating margin was 7.2% (Q1 2017: 7.4%); impacted by fewer working days in Europe, selective bidding in Middle East and project write-downs in Asia, were almost offset by margin improvement in the Americas. Latin America achieved break-even results, continuing a positive trend. Non-operating costs amounted to €6 million (Q1 2017: €5 million), relating to restructuring and acquisitions & divestments. EBITA at €37 million (Q1 2017: €42 million).

## CASH FLOW AND WORKING CAPITAL

EBITDA in Q1 was €47 million (Q1 2017: €52 million). Net working capital as a percentage of gross revenues improved to 19.5% (Q1 2017: 19.9%), days of sales outstanding decreased to 94 days (Q1 2017: 96 days). Net debt of €474 million showed the seasonal increase during the quarter, but was sharply lower year-on-year (Q1 2017: €556 million) due to cash generation and a lower US Dollar. In Q1 2018 Arcadis collected €6 million on overdue receivables in KSA.

## BACKLOG

Backlog at the end of Q1 2018 stood at €2.1 billion (Q1 2017: €2.3 billion), representing 10 months of net revenues, including a currency impact of -9%. Backlog increased organically year-to-date by 2%, and was flat year-on-year.

## STRATEGIC REVIEW CALLISONRTKL

In September 2017, we announced the decision to perform a strategic review of CallisonRTKL, our architectural business. This review is part of our effort to sharpen our strategic focus. We evaluated a range of strategic options to optimize the value of CallisonRTKL, within or outside of Arcadis, and to provide the best prospects for our people, clients and shareholders. While a final decision has not been made yet, the process is on track, and we are making good progress in the market consultation process to assess the viability of a sale.

## BRAZILIAN CLEAN ENERGY ASSETS

Plan for divestment of clean energy assets in Brazil is on track. The largest gas-to-gas plant has been relocated and will enter into operation by the end of April. Two gas-to-power plants are scheduled to be in operation in August and September. The loss from associates in Q1 was €2 million. The intention is to divest all six plants once in operation, this process will be initiated in the second half of 2018.

## PRIORITIES 2018

We will execute our strategy against the background of a positive market outlook. We confirm our expectation to grow revenues and improve operating margin in line with our financial objectives as communicated in our strategic update.

Our priorities are:

- Deliver financial objectives as per the strategic framework 2018-2020
- Select projects, businesses and geographies where we can lead
- Improve project delivery
- Continue to invest in people and culture to build the workforce of the future
- Innovate to become a digital frontrunner in the industry
- Contribute significantly to the United Nations Sustainable Development Goals
- Conclude the strategic review process of CallisonRTKL
- Initiate the divestment of all clean energy assets in the second half of 2018

## FINANCIAL CALENDAR 2018

24 April 2018 Annual General Meeting of Shareholders  
26 July 2018 First half year results 2018  
24 October 2018 Trading update Q3 2018

## FOR FURTHER INFORMATION PLEASE CONTACT: ARCADIS INVESTOR RELATIONS

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## 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 €3.2 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](http://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.