

Third quarter 2019 Trading Update

Continued revenue growth and margin improvement

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Amsterdam, 24 October 2019



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 there to) 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.

UNITED KINGDOM

Supporting on flood defenses across England

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INDUSTRY INNOVATION
AND INFRASTRUCTURE



11

SUSTAINABLE CITIES
AND COMMUNITIES



15

LIFE
ON LAND



Peter Oosterveer
CEO

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Continued revenue growth and margin improvement

- Strong performance in North America, the Netherlands and Australia
- Further performance improvements in Asia and Latin America
- Solid results in the UK, Brexit starting to impact timing of infrastructure and buildings projects
- Significant project win in digital solutions in the UK
- Further strengthening of global environmental expertise by innovative PFAS treatment technology
- Divestment process of non-core clean energy assets (ALEN) advancing, non-binding offers received

On track to achieve 2020 strategic targets

Third quarter financials:

- Organic net revenue growth of 3% to €642 million (Q3 2018: €613 million)
- Operating EBITA increased by 17% to €53 million (Q3 2018: €45 million), resulting in an improved margin of 8.3% (Q3 2018: 7.4%)
- Free cash flow of €4 million (Q3 2018: €23 million), temporarily held back by the implementation of the new Oracle Cloud solution in North America; a delay in cash generation of around €50 million

Year-to-date financials:

- Net revenues €1,917 million; organic growth +2%
- Operating EBITA margin improved to 7.8% (2018: 7.3%)
- EBITDA increased by 14% to €174 million (2018: €153 million)
- Net debt further reduced to €386 million (2018: €468 million), free cash flow at €12 million (2018: €17 million)

GERMANY

(Re)building stations for S-Bahn Munich

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INDUSTRY, INNOVATION
AND INFRASTRUCTURE



11

SUSTAINABLE CITIES
AND COMMUNITIES



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CLIMATE
ACTION



Sarah Kuijlaars
CFO

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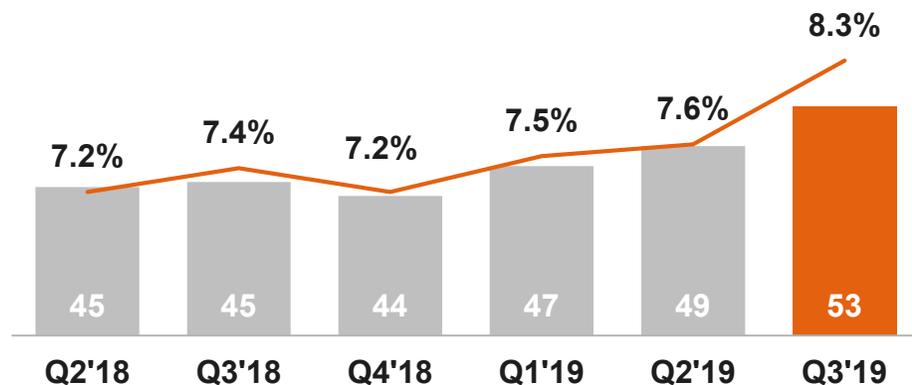
Third quarter segment revenue

	Net Revenue			
	Q3'19	Q3'18	Org. growth %	
Americas	€215M	€191M	9%	
North America			7%	Environment and Water continue to drive strong results
Latin America			20%	Growth in environmental consultancy and better business environment
EME	€280M	€281M	0%	
Cont. Europe			3%	Excellent performance in the Netherlands and Germany. France underperforms
UK			3%	Solid results, but lingering Brexit impacts timing of infrastructure and buildings projects
Middle East			-17%	Middle East remains area for improvement
APAC	€91M	€85M	6%	
Australia			13%	Driven by the ramp-up of larger infrastructure projects
Asia			0%	Focus on core activities drives margin improvement. Divestment Indonesia completed
CallisonRTKL	€56M	€56M	-5%	CallisonRTKL continues to reshape for growth under new leadership
Total	€642M	€613M	3%	

Sustained improvement

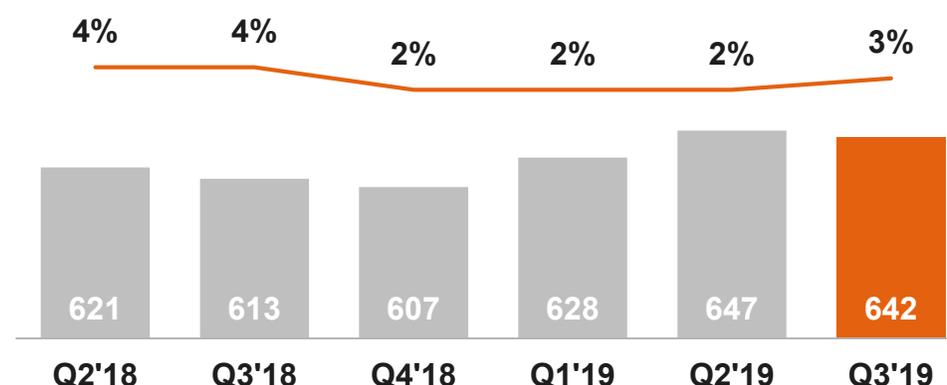
Operating EBITA (margin)

€ millions, %



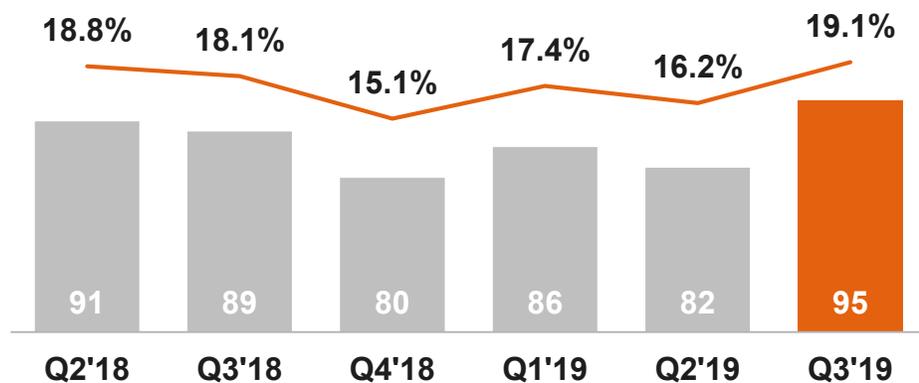
Net Revenues and organic growth

€ millions, %



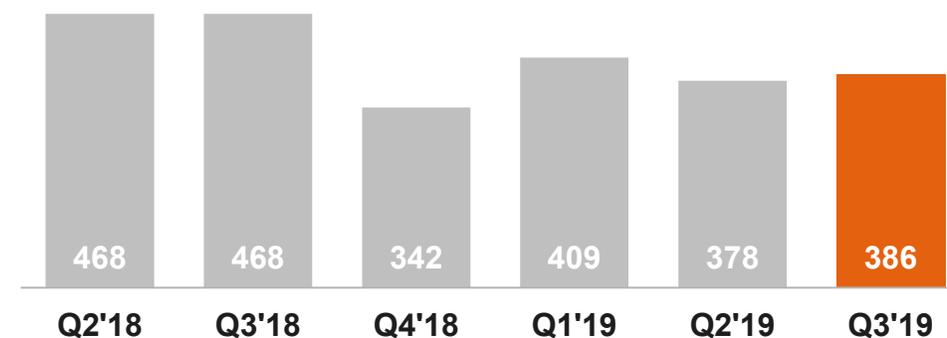
Days Sales Outstanding and Net Working Capital %

Days



Net Debt

€ millions



ROTTERDAM | MAASTUNNEL (1942)

Meeting demands of today while preserving monumental values



Peter Oosterveer
CEO



Arcadis Digital Agenda



AN  ARCADIS COMPANY



Significant contract win with Transport for London (TfL)

- Roll-out of single asset management tool for London Underground
- We will consolidate the management tool of TfL's assets into one single digital system; this will create efficiencies and improve reliability, safety and affordability of services for passengers across London

Arcadis' new business entity

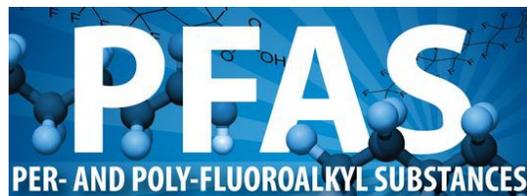
- We are creating a business entity that brings together:
 - Some of our existing digital capabilities;
 - Two recent acquisitions EAMS Group and SEAMS.



What will the new business entity bring?

- Data-driven products and solutions through which we digitally connect our clients to their built and natural assets, helping them make better decisions and create value

Arcadis offers world-class expertise and solutions to remove PFAS from water and soil



- One of the world's biggest emerging contaminants endangering humans and the environment
- Arcadis has significant expertise and facilitated resolution of PFAS for more than 15 years, with over 75 projects in 12 countries

Arcadis signs Head of Agreement for exclusive global license of innovative PFAS treatment technology | AUSTRALIA



Arcadis part of the national PFAS Expertise Centre | THE NETHERLANDS

Arcadis designed and installed 12 large scale water treatment systems for PFAS removal in the U.S. and Germany | UNITED STATES & GERMANY



US...

Toxic 'Forever Chemicals' Detected in California Drinking Water

CNN, 30 Sept 2019

Australia...

ARC announces funding for chemical remediation technology

University of Sydney, 24 Sept 2019

The Netherlands...

Dredging sector comes to a standstill as result of stricter PFAS standards

Dutch Financial Daily, 26 Sept 2019

24 October 2019 11

Summary

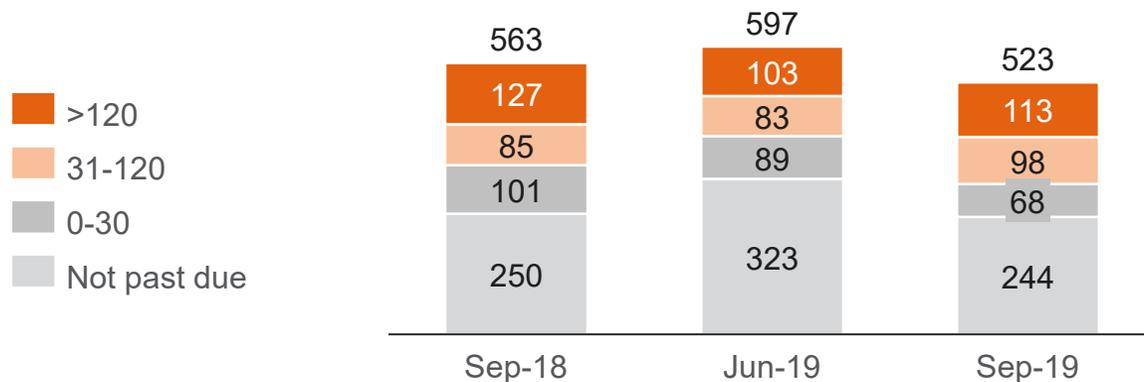
- Key Markets remain strong
- Continued revenue growth and margin improvement
- Management changes, simplification and greater selectivity enabled improvements in Asia and Latin America
- Cash flow in the US temporarily held back by the implementation of the new Oracle Cloud solution. Actions in place to remedy the situation in the fourth quarter
- Expanding capabilities in environmental consultancy and digital
- Divestment process of non-core clean energy assets advancing, aspire to have agreement in 2019, but may extend into the subsequent quarter

Arcadis.

Improving quality of life.

Working capital and cash collection strongly impacted by North America

Ageing of Gross Receivables and Net Working Capital (%)



in € millions	Sep-18	Jun-19	Sep-19
Gross receivables	564	597	524
Provision receivables	-55	-57	-58
Provision %	10%	9%	11%
Trade receivables¹⁾	509	541	465
Net Work in Progress	281	256	406
Accounts Payables	-205	-228	-232
Net Working Capital	585	569	639
Net Working Capital %²⁾	18.1%	16.2%	19.1%

1) Excluding receivables from associates

2) Calculated using annualized Q3'19 Gross Revenues

- Cash generation temporarily held back by the implementation of the new Oracle Cloud solution in North America
- Actions we are taking allow us to remedy the situation in North America in the fourth quarter
- Overdue receivables (>120 days) increase mainly due to legacy project in the Middle East