FULL YEAR RESULTS 2018

Peter Oosterveer – CEO
Sarah Kuijlaars – CFO

Amsterdam, 14 February 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.

PETER OOSTERVEER

Chief Executive Officer

NEW YORK CITY | UNITED STATES

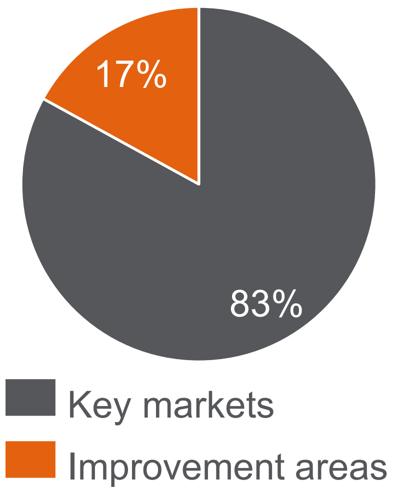
HELP THE CITY OF NEW YORK REDUCE WASTE COLLECTION TRAFFIC BY 63%

OUR PERFORMANCE AT A GLANCE

- Strong performance in key markets North America, Continental Europe, the UK and Australia
  - Organic net revenue growth of 3% to €2.4 billion (gross revenues: €3.3 billion)
  - Operating EBITA margin of 7.3% (2017: 7.6%); including project write-offs and provisions related to the Middle East and Asia, with a total margin impact of 0.8%
- Firm measures taken to turnaround lagging performance of the Middle East and Asia
  - Goodwill impairment of €40 million, mainly reflecting re-assessment of the Middle East
- Non-core clean energy assets Brazil: preparation for divestment of all assets initiated
- Significantly improved balance sheet
- Proposal to maintain dividend at €0.47 per share (2017: €0.47), pay-out ratio 47%

FOCUS & SELECTIVITY TO IMPROVE PERFORMANCE

Total Net Revenues



Key markets
83% of the business
- North America
- Continental Europe
- The UK
- Australia
- CallisonRTKL

Org. NR growth	Op. EBITA %	DSO
6%	8.7%	67

Improvement areas
17% of the business
- Middle East
- Asia
- Latin America

Org. NR growth	Op. EBITA %	DSO
-8%	1.0%	163

STRONG PERFORMANCE IN KEY MARKETS

Organic NR %	Op. EBITA %	DSO
6%	8.7%	67

North America

- Strong positions in Environment and Water
- Voluntary turnover <10%, engagement score up
- Strong backlog and pipeline
- Market leader in digital EHS Services

Continental Europe

- Strong position in Infrastructure and Buildings
- Market leader in the Netherlands
- Increased application of digital technologies to capture work

United Kingdom

- Strong growth in Infrastructure
- ‘UK Superbrand’ and ranked top 25 best places to work for
- Increase in data analytics solutions (SEAMS)

Australia

- Strong Infrastructure pipeline in Sydney and Melbourne
- Population growth in major cities drives urban renewal and enhanced mobility

CallisonRTKL

- Streamlined organizational structure
- Strong performance in H2; indicator of momentum

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FIRM MEASURES TO TURNAROUND LAGGING PERFORMANCE MIDDLE EAST & ASIA

Middle East

Org. NR %	Op. EBITA %	DSO
-16%	-3%	265

- Phase out fixed price design & engineering work
- Selectivity towards program & project management
- Reduce presence in KSA
- Exit Oman and Bahrain

Asia

Org. NR %	Op. EBITA %	DSO
-3%	5%	125

- Leadership changes
- Organizational structure optimized
- Selectivity towards project & cost management
- Exit non-core countries and activities

Latin America

Org. NR %	Op. EBITA %	DSO
-2%	-2%	120

- Organization structure optimized
- Focus on key private clients
- Leverage post-electoral economic sentiment

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NON-CORE CLEAN ENERGY ASSETS BRAZIL

Process update

Gas Verde (gas-to-gas plant)

- Certified and operational, 35% of volume signed, a further 35% under negotiation, remaining volume off-take under discussion with 2 buyers

Gas-to-power plants

- Nova Iguaçu plant completed, delivers 60% of power generation, total production under contract
- São Gonçalo plant being assembled, operational in course of 2019
- Total production under contract

Financial update

- Net exposure €59 million:
  - Provision: €28 million for ECL
  - Off balance guarantee: €87 million
  - Net investment valued at nil
- ALEN has €50 million loans from external lenders to be refinanced during 2019
- Independent third party verified business case in Q4
- Loss expected for H1 2019; break-even in H2 2019

Investment bank mandated for divestment

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2018 DELIVERY UPON 2020 STRATEGIC PRIORITIES

PEOPLE & CULTURE

- **Voluntary staff turnover**
  Voluntary staff turnover < market
  → Slight increase, North America improved
- **Staff engagement**
  Engagement score improving annually
  → Engagement score up
- **Brand**
  Top five brand awareness in markets we serve
  → Superbrand status UK maintained
- **Clients**
  Top-quartile performance for client experience
  → Net promotor Score of 45

INNOVATION & GROWTH

- **Organic Revenue Growth**
  Surpass GDP growth in our markets
  → 3%
- **Revenue growth key clients**
  Two times overall growth
  → 10%
- **Innovation**
  Digital adoption by our people and clients
  → Market leader Digital EHS
- **Sustainability**
  Significantly contribute to UN Sustainable Development Goals
  → 80% of business impacts SDGs

FOCUS & PERFORMANCE

- **Margin**
  Operating EBITA: 8.5% -9.5%
  → 7.3%
- **Net Working Capital & DSO**
  NWC <17% of GR | DSO < 85 days
  → 15.1% and 80 days
- **Return**
  ROIC >10%
  → 4.7%
- **Dividend**
  30 - 40% of Net income from Operations
  → Pay out ratio: 47%
- **Leverage**
  Net Debt / EBITDA: 1.0 - 2.0
  → Year end: 1.7

SARAH KUIJLAARS

Chief Financial Officer

UTRECHT | THE NETHERLANDS

CONCEPT & DETAILED DESIGN OF A VERTICAL FOREST: THE WONDERWOODS BUILDING

FULL YEAR 2018 KEY METRICS

Key metrics In € millions	FULL YEAR 2018	 2017	 change
Gross Revenues	3,256	3,219	*1%*
Net revenues	2,440	2,437	*0%*
Organic growth %	3%		
EBITA	162	161	*0%*
Operating EBITA[1)]	177	186	*-5%*
Operating EBITA margin	7.3%	7.6%	
Free cash flow	149	98	*53%*
Net working capital %	15.1%	16.9%	
Net debt	342	416	*-18%*
Backlog net revenues (billions)	2.0	2.1	*-3%*
Backlog organic growth	-4%		

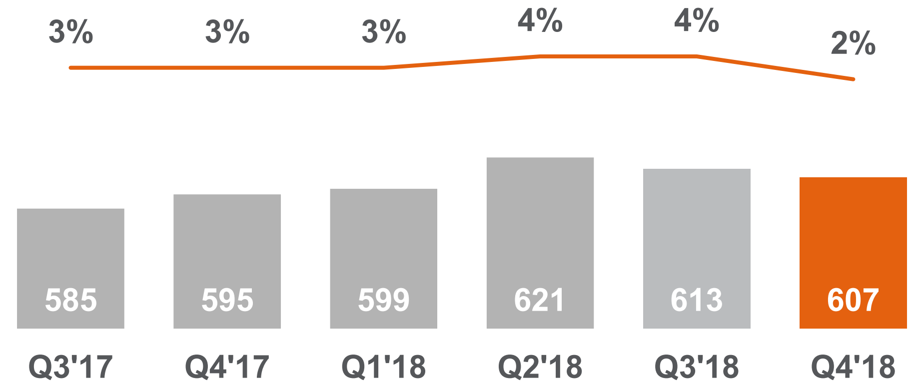
[1)] *Excluding acquisition and restructuring costs*

- EBITA in line with last year despite -€6 million currency impact
- Operating EBITA impacted by project write-offs and provisions in the Middle East and Asia (impact of 0.8%)
- Strong free cash flow leading to year-end Net Debt to EBITDA ratio of 1.7
- Net working capital % improved to 15.1% (2017: 16.9%); DSO to 80 days (2017: 88 days)
- Excluding the Middle East organic backlog at +2%

QUARTERLY **REVENUES AND OPERATING EBITA (MARGIN)**

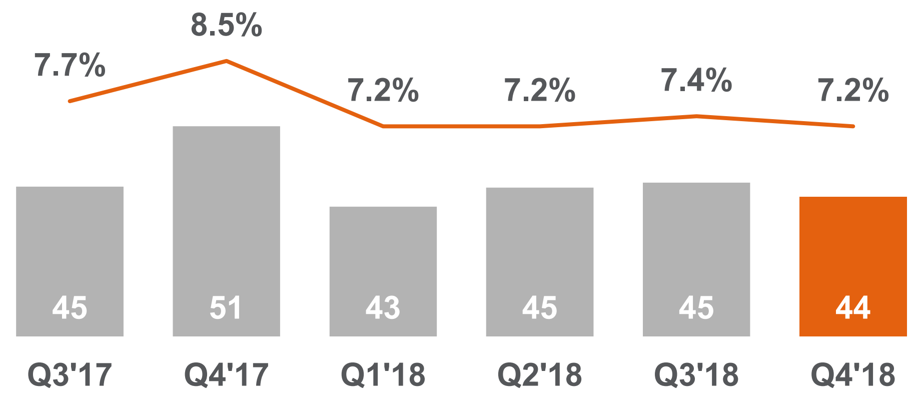
Net Revenues and organic growth

€ millions, %



Operating EBITA (margin)

€ millions, %



- Strong growth and solid margins in key markets
- Q4 growth and margins impacted by project write-offs and provisions in the Middle East and Asia (impact of 1.8%)

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FULL YEAR 2018 EBITDA SLIGHTLY UP; DIVIDEND MAINTAINED AT €0.47

In € millions	FULL YEAR 2018	2017	change
EBITDA	204	200	*2%*
Depreciation	(43)	(40)	
EBITA	162	161	*0%*
Amortization & impairment	(63)	(31)	
EBIT	98	130	*-24%*
Net finance expense	(27)	(26)	
Taxes on income	(30)	(20)	
Normalized income tax rate[1)]	27%	20%	
Credit loss and result from associates	(67)	(12)	
Minority interest	(1)	(1)	
Net income	(27)	71	
Net income from operations[2)]	88	101	*-13%*
EPS[3)]	(0.31)	0.82	
EPS from operations[3)]	1.01	1.18	*-15%*
Dividend (proposal) per share	0.47	0.47	

[1)] Excluding ALEN- and goodwill impairment
[2)] Corrected for non-recurring items (e.g. acquisition & restructuring costs, and impairment)
[3)] Average number of shares 2018: 87.1 million (2017: 85.9 million)

- EBITDA +2% at €204 million
- Net income for the year of -€27 million due to:
  - ALEN impairment €53 million (Total ALEN losses 2018 of € 67 million)
  - Goodwill impairment €40 million
- Net income from operations 13% lower mainly due to normalized taxes
- Proposal to maintain dividend at €0.47 per share; pay-out ratio at 47%

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IMPROVEMENT IN NET WORKING CAPITAL (%)

Ageing of Receivables and NWC (%)

Period end, in € millions	2018	% of total	2017	% of total
Not past due	324	50%	298	47%
Past due 0-30 days	106	17%	109	17%
Past due 31-120 days	86	13%	81	13%
> 120 days due	127	20%	147	23%
Gross Receivables	**643**	**100%**	**635**	**100%**
Provisions	-61		-57	
Provision %	10%		9%	
Trade Receivables[1)]	**582**		**578**	
Net Work in Progress	174		202	
Accounts payables	-235		-237	
Net Working Capital	**521**		**543**	
Net Working Capital (%)	**15.1%**		**16.9%**	

[1)] *Excluding receivables from associates*

- NWC % improvement driven by cash collection from reduction overdue receivables (>120 days), WIP conversion and subsequent collection efforts
- Another €21 million reduction on overdue receivables >120 days, from cash received in January 2019 relating to oil & gas project involving insurance

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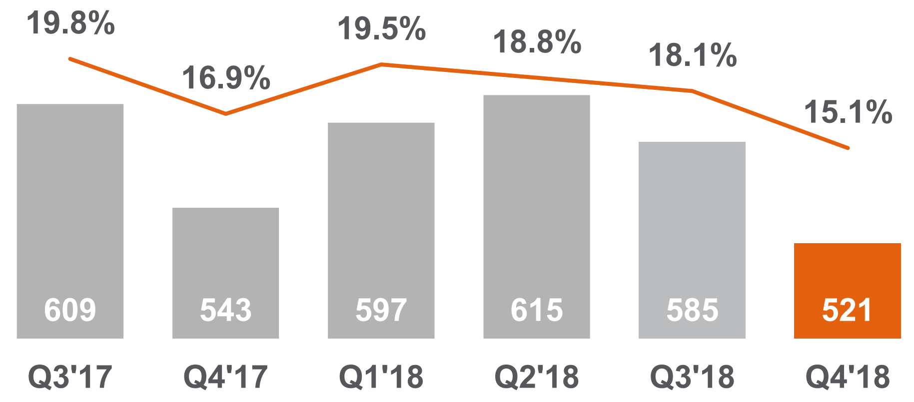
QUARTERLY **NET WORKING CAPITAL AND DSO IMPROVEMENT**

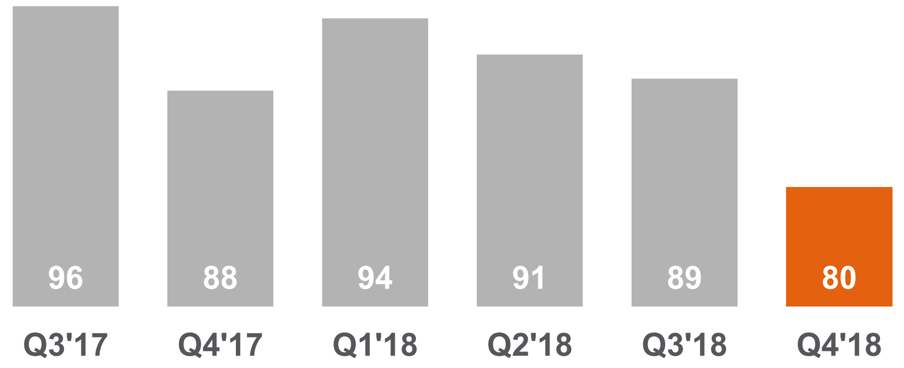
Net Working Capital

%



Days Sales Outstanding

Days



- Improvement vs. Q3 from strong WIP conversion and subsequent collection efforts, and accounts payables
- Outperforming our 2020 strategic targets of:
  - NWC <17% of gross revenues
  - DSO < 85 days

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STRONG **CASH FLOW GENERATION**

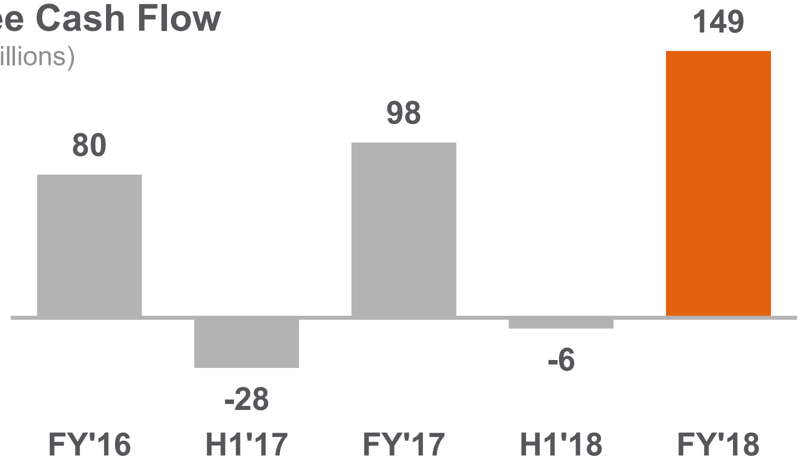
Cash Flow statement (€ million)

In € millions	2018	2017
EBITDA	**204**	**200**
Changes in net working capital	31	2
Changes in other working capital	38	2
Tax paid	-35	-25
Net interest paid	-22	-24
Other	-2	-4
Cash flow from operating activities	**214**	**151**
Capital Expenditures	-65	-53
Free cash flow	**149**	**98**

- Improved net working capital from collection efforts
- Changes other working capital of €38 million:
  - Less prepayments on IT and rental contracts (€13 million)
  - Higher accruals of employee related payments (€12 million)
  - Other tax payables (VAT) (€10 million)
- Tax impacted by higher preliminary tax assessments
- Capital expenditure increase from:
  - Arcadis Way
  - Office consolidation

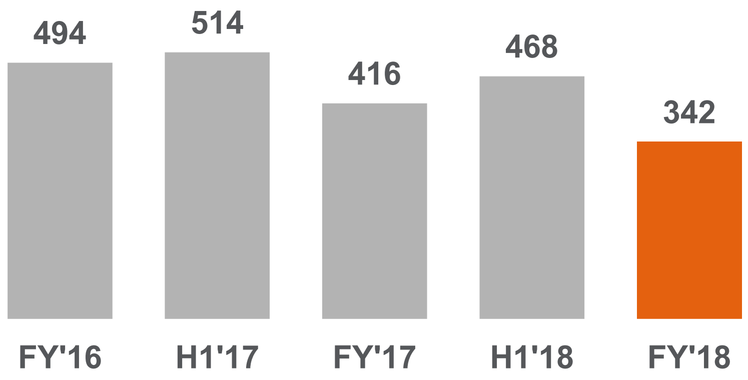
STRONG FREE CASH FLOW LOWER NET DEBT

Free Cash Flow
(€ millions)

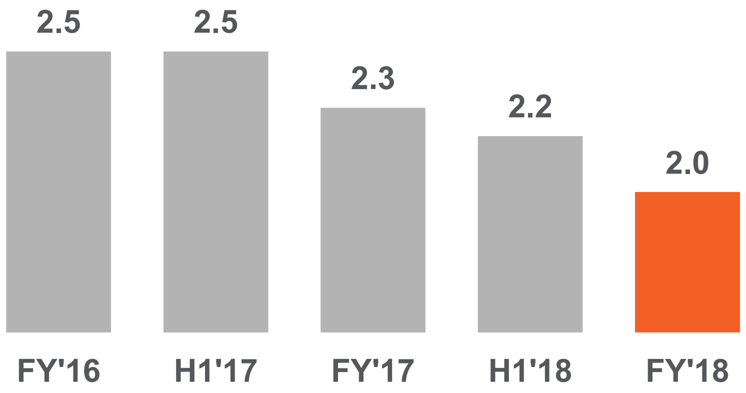


EBITDA
(€ millions)

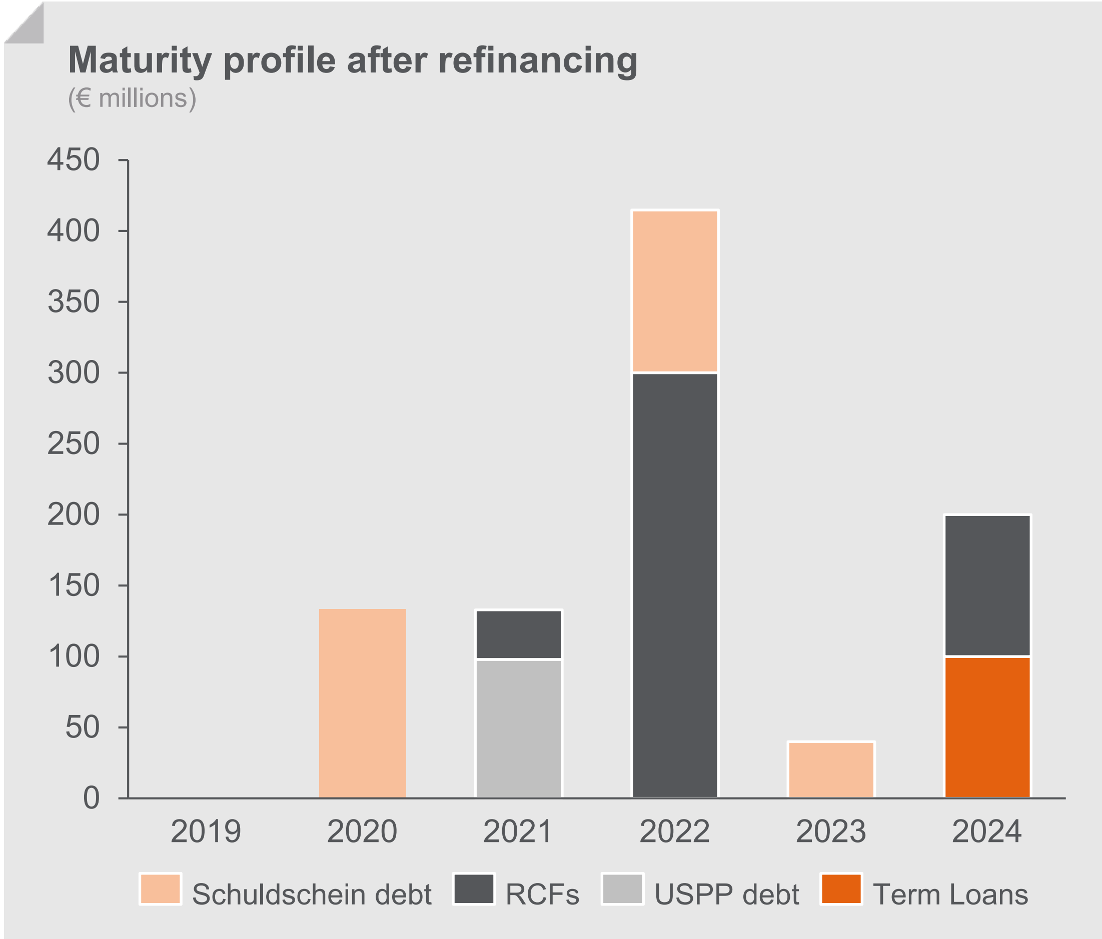
Net Debt
(€ millions)



Average net debt / EBITDA
Calculated using bank covenant methodology



SUCCESSFUL REFINANCING OF €200 MILLION MATURITY PROFILE EXTENDED



- €200 million of syndicated committed credit facilities refinanced with six core relationship banks
- Maturity of two Term loans and a Revolving Credit Facility (RCF) extended to 2024, option to extend to 2026
- Interest-discount when certain sustainability KPI's are met
- Total of €915 million of unsecured committed credit facilities that are stepwise maturing
- Total loans and borrowings €588 million (2017: €689 million)
- Weighted average interest rate of 3.8% (2017: 3.2%)

AMERICAS STRONGER ACROSS ALL METRICS

(31% of net revenues)	FULL YEAR			FOURTH QUARTER		
	2018	**2017**	change	**2018**	**2017**	change
Gross revenues	1,186	1,175	*1%*	334	293	*14%*
Net revenues	755	751	*1%*	199	175	*14%*
Organic growth	5%			11%		
EBITA	52	36	*44%*			
Operating EBITA	55	47	*16%*			
Operating EBITA margin	7.3%	6.3%				
Backlog organic growth	7%					
DSO	78	84				

WASTE WATER MANAGEMENT FOR GENERAL MOTORS | US

- Strong organic net revenue growth in North America 6% and -2% decline in Latin America
- Operating margin North America at 8.8% driven by strong results in Water and Environment
- Latin America operating EBITA improved by €5 million versus 2017 at €1 million loss
- Strong organic backlog growth for both regions

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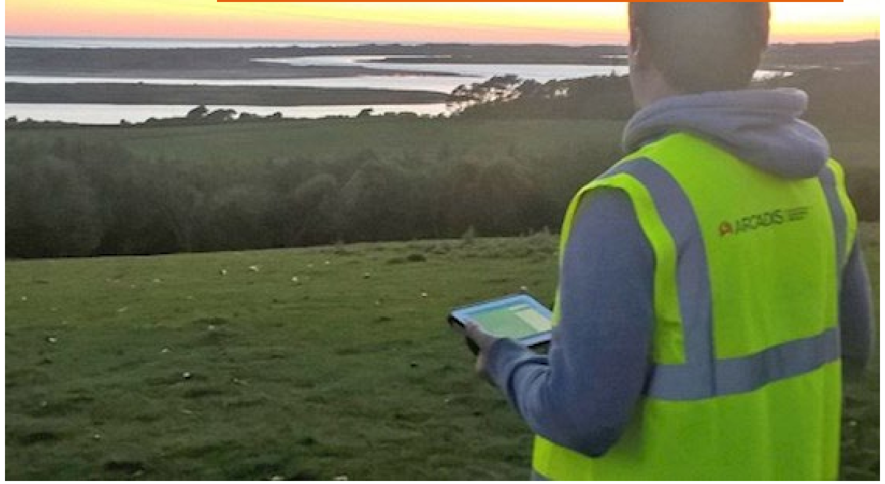
EME EUROPE IMPROVES ACROSS THE BOARD; MIDDLE EAST: TURNAROUND MEASURES TAKEN

(46% of net revenues)	FULL YEAR 2018	2017	change	FOURTH QUARTER 2018	2017	change
Gross revenues	1,392	1,337	*4%*	349	340	*3%*
Net revenues	1,133	1,113	*2%*	267	282	*-6%*
Organic growth	3%			-3%		
EBITA	68	74	*-8%*			
Operating EBITA	77	84	*-8%*			
Operating EBITA margin	6.8%	7.6%				
Backlog organic growth	-10%					
DSO	81	96				

DIGITAL DATA CAPTURE ON LOWER THAMES CROSSING | UK



- Continental Europe: organic net revenue growth 3% and operating EBITA margin at 8.4%, led by the Netherlands
- The UK: 13% organic net revenue growth and 8.7% operating EBITA margin despite continued uncertainty around Brexit
- Strategic re-orientation Middle East led to organic net revenue decline; margin impacted by write-offs and provisions
- Backlog strong in UK +13% and Continental Europe +5%, Middle East -57%, from continued selective bidding

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ASIA PACIFIC FIRM ACTIONS TO IMPROVE PERFORMANCE ASIA; AUSTRALIA OUTSTANDING

(14% of net revenues)	FULL YEAR			FOURTH QUARTER		
	2018	**2017**	change	**2018**	**2017**	change
Gross revenues	375	387	*-3%*	97	98	*-1%*
Net revenues	331	344	*-4%*	82	85	*-4%*
Organic growth	2%			-2%		
EBITA	24	30	*-20%*			
Operating EBITA	25	31	*-17%*			
Operating EBITA margin	7.7%	8.9%				
Backlog organic growth	-4%					
DSO	89	85				

DETAILED DESIGN FOR METRO TUNNEL PROJECT MELBOURNE | AUSTRALIA

- Asia: organic net revenue decline of 3% and operating EBITA margin of 4.9% due to project write-offs
- Australia remained robust with 10% organic net revenue growth, and 11.7% operating EBITA margin
- Organic backlog Asia declined 10%, Australia +28% from key wins in major urban areas

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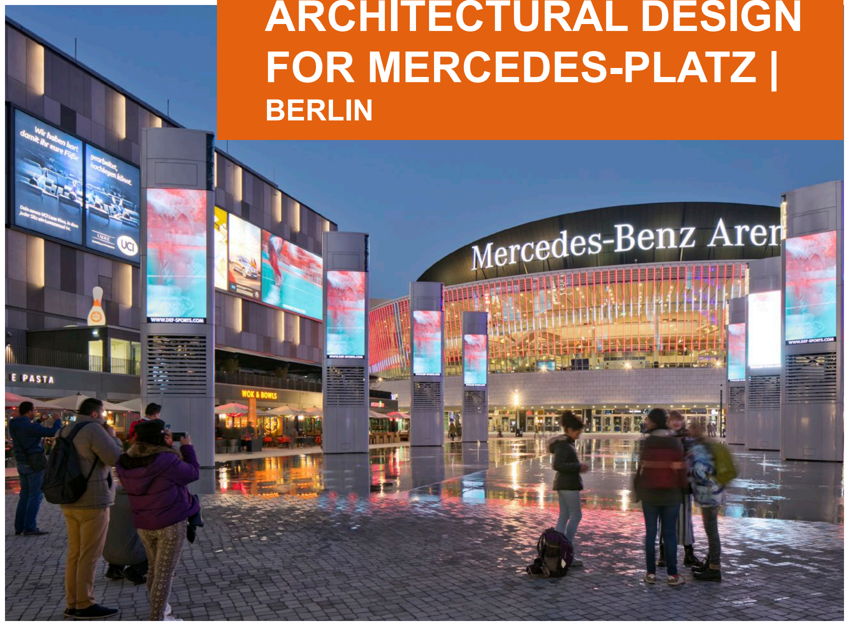
CALLISONRTKL NEW ORGANIZATIONAL SET-UP; BACK TO GROWTH

(9% of net revenues)	FULL YEAR			FOURTH QUARTER		
	2018	2017	change	2018	2017	change
Gross revenues	301	320	*-6%*	81	73	*11%*
Net revenues	220	229	*-4%*	59	53	*12%*
Organic growth	0%			10%		
EBITA	17	21	*-17%*			
Operating EBITA	19	24	*-19%*			
Operating EBITA margin	8.8%	10.4%				
Backlog organic growth	-9%					
DSO	70	73				

ARCHITECTURAL DESIGN FOR MERCEDES-PLATZ | BERLIN



- Net revenues back to organic growth in second half of 2018
- Operating EBITA margin impacted by strategic review process and provisions for bad debt in Asia and the Middle East
- Backlog decline of 9% due to project cancellations in China
- New organizational set-up to improve performance

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PETER OOSTERVEER

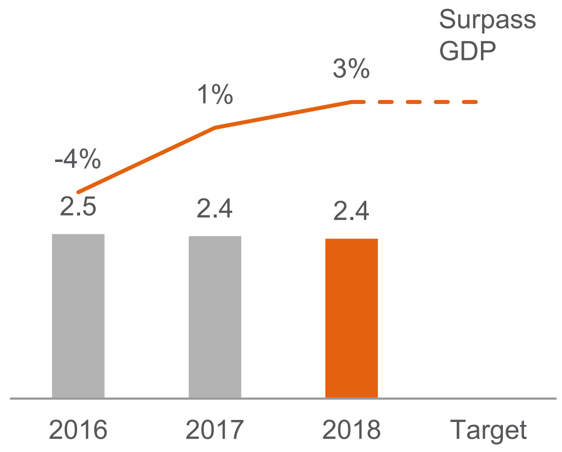
Chief Executive Officer

ALAMEDA CREEK | SAN FRANSISCO

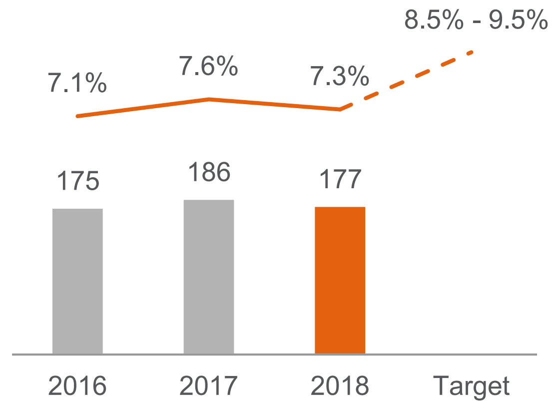
STRENGTHEN BAY AREA'S RESILIENCE TO CHANGING WEATHER CONDITIONS

DELIVERING SUSTAINABLE VALUE

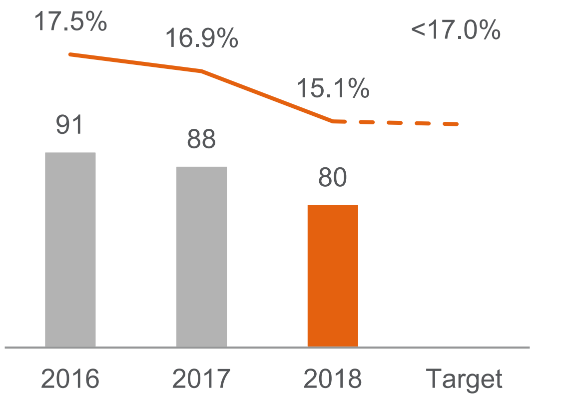
Net Revenues & Organic growth
€ billioon and %



Operating EBITA (margin)
€ millions and %



NWC% and DSO
% and days



Enablers

- Top-250 client program
- Sustainable & resilient cities
- Digital value propositions

- Execute plan ME and Asia
- MEPC & GEC's
- Cost optimization

- Client selection
- Arcadis Way
- Cash collection (overdues)

STRATEGIC PRIORITIES 2019

- **Revenue growth**
  - Build on growth momentum North America, Continental Europe, the UK, Australia and CallisonRTKL
  - Leverage streamlined client portfolio and digital solutions
- **Further margin improvement**
  - Rigorous adherence to actions identified for the Middle East and Asia to improve performance
  - Leverage of "Make Every Project Count", growth Global Excellence Centers
- **Further cost optimization**
- **Continue strong cash collection and further strengthen the balance sheet**
- **Non-core clean energy assets Brazil**
  - Complete last gas-to-power facility, finalize remaining gas off-take contracts, intend to divest all assets in 2019

Arcadis.
Improving quality of life.

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