

The background is a detailed architectural rendering of a modern public space. It features a large, white, curved structure with a wooden lattice roof, resembling a stadium or a large pavilion. Below this structure is a multi-level plaza with wide stairs, green landscaping with trees and shrubs, and many people walking and sitting. The scene is bright and sunny, suggesting a pleasant urban environment.

# Accelerated organic revenue growth, further margin and backlog improvement

Arcadis Q2 & HY 2021 Results

29<sup>th</sup> July, 2021





Image Credit: HS2 Ltd

# Creating sustainable mobility.

## Delivering net zero carbon rail station.

### Project

HS2, Birmingham Curzon Street station, UK

### Client

Mace-Dragados

### Services

Design & Engineering



9 INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



11 SUSTAINABLE CITIES  
AND COMMUNITIES

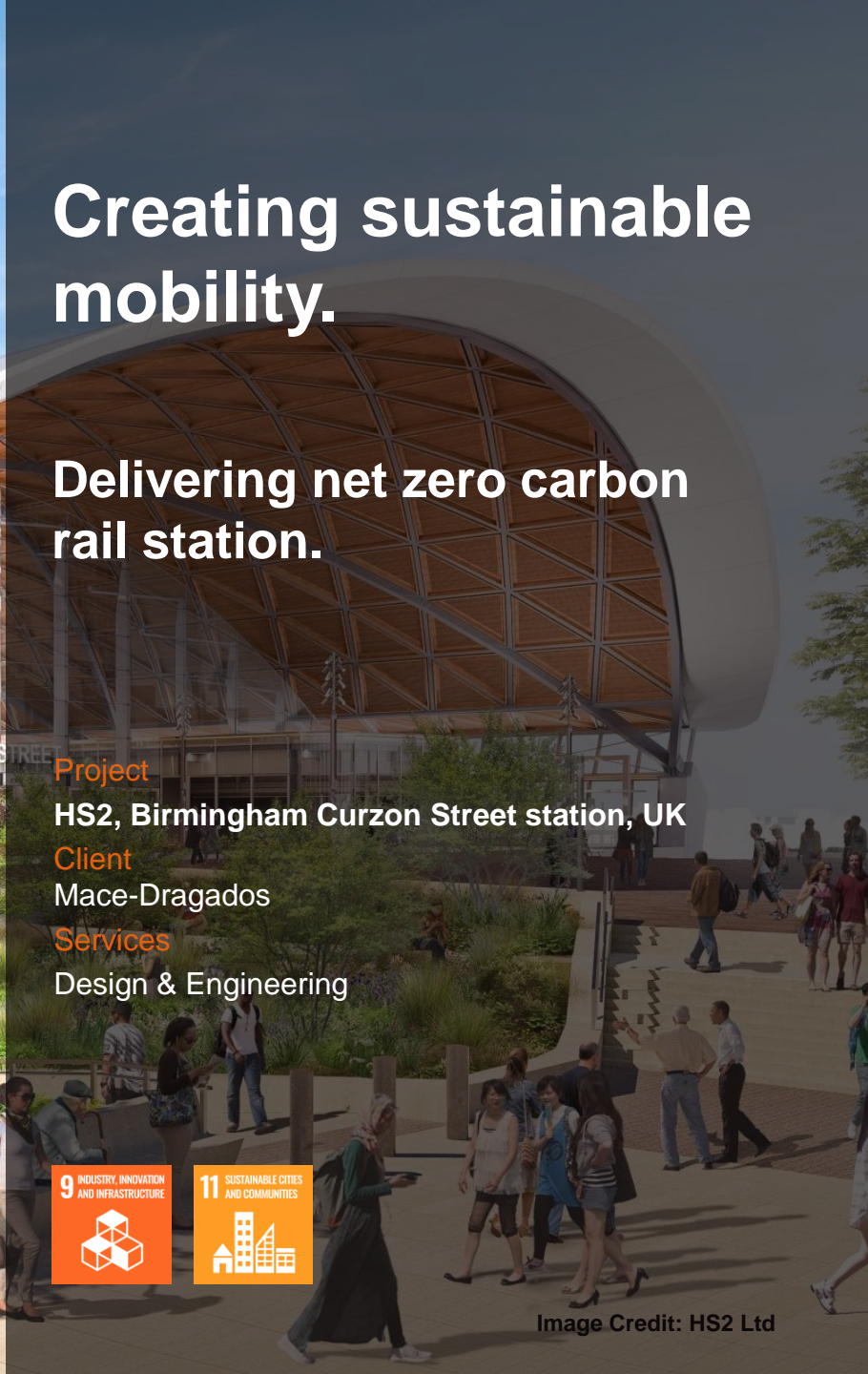


Image Credit: HS2 Ltd



# 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.

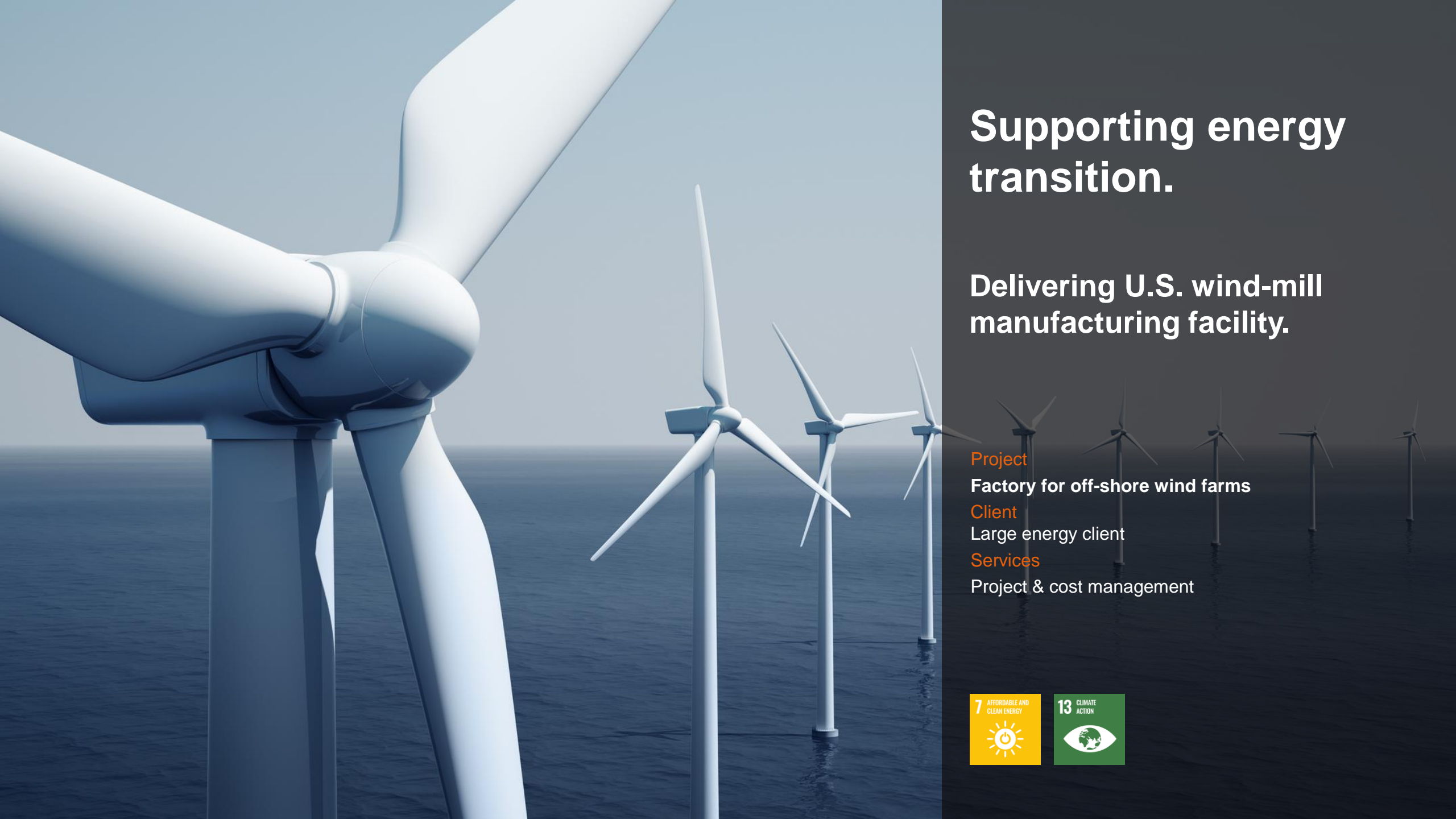
The background of the slide is a dark, atmospheric photograph of a wind farm. In the foreground, a large wind turbine is partially visible, its blades and tower extending from the left side. In the background, a series of smaller wind turbines are visible, receding into the distance over a calm sea under a hazy sky. The overall color palette is dark and monochromatic, with the text providing the primary source of color and contrast.

Part 1

# Q2 & HY 2021 results – key messages

Peter Oosterveer | Chief Executive Officer



A large-scale photograph of an offshore wind farm. In the foreground, a massive white wind turbine is partially visible, showing its hub and blades. In the background, a series of similar turbines are spaced out across a calm, dark blue sea under a clear, light blue sky. The perspective is from a low angle, looking out towards the horizon.

# Supporting energy transition.

## Delivering U.S. wind-mill manufacturing facility.

### Project

Factory for off-shore wind farms

### Client

Large energy client

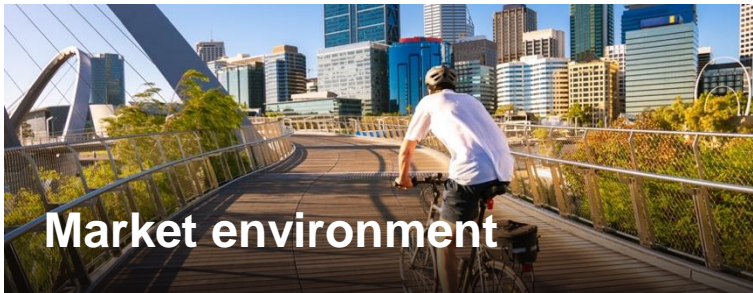
### Services

Project & cost management

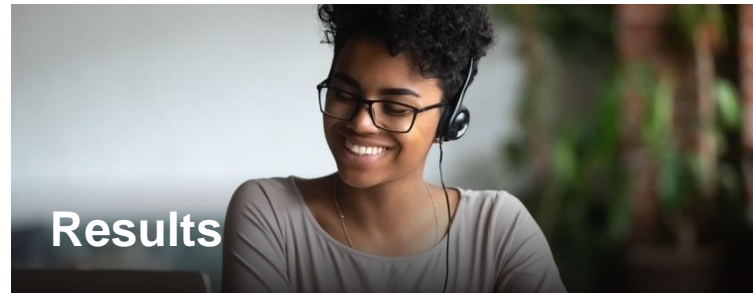




# Accelerated organic revenue growth, further margin and backlog improvement

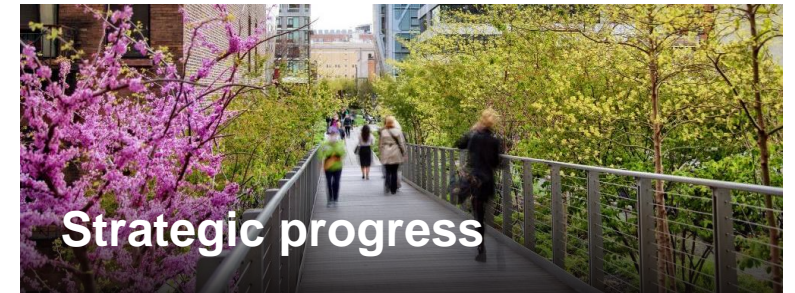


- Strong rebound of major economies creating positive business outlook
- Climate change, carbon reduction and increasing societal expectations drive client demand
- Capitalizing on public stimulus plans:
  - 14 new projects commissioned
  - > 80 projects in pipeline



## Second quarter results

- Revenue growth of 5.7%; Operating EBITA margin improved to 9.2%
- Continued strong order intake
- Strong balance sheet with net debt/EBITDA ratio of 0.3x



- Increased demand for sustainable solutions for public and private clients
- Advancing our digital expertise and capabilities
- Implementing hybrid working



# Delivering sustainable solutions to **improve** **quality of life**





# Reducing carbon footprint

**Creating the UK's first carbon neutral bus station.**

**Client:**  
Leicester City Council





# Driving city-wide resilience

**Reducing New York's flood risk.**



**Client:**  
New York City Department of Environmental Protection



# Innovative mobility solutions

Creating optimized and sustainable transportation for citizens.



**Client:**  
Land Transport Authority, Singapore





# Advancing our digital expertise and capabilities





# Arcadis Gen AppliedInsight **Water Artificial Intelligence Pipe Predictor**

Predicting failure and  
optimizing maintenance  
for water assets.







# Field Now Environmental digital data collection program

Instant data transparency  
for clients.

**Client:**

Public and private clients in Environment in US, UK  
and Latin America





# Intelligent Buildings

## Agile workspace software

Improving the experience, health, wellbeing and productivity for users.



Enhance the places  
where we live, work  
and thrive

### Type of clients:

Large global banking, commercial and industrial property clients



Arcadis London office

# Growing our business through focus & scale





# Continued backlog growth

H1 2021 results:



**€1.4** billion  
Order intake



**4%**  
Organic backlog growth



**1.1**  
Book-to-Bill



Focus  
and scale

Scaling our innovation globally

**PFAS remediation**

PFAS services growing at  
40% annually.



Part 2

# Financial Results

Virginie Duperat | Chief Financial Officer

## Supporting energy transition at the Port of Rotterdam

Project

Delta Corridor, Rotterdam

Client

Ministry of Infrastructure and Water

Services

Project & Cost management



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES



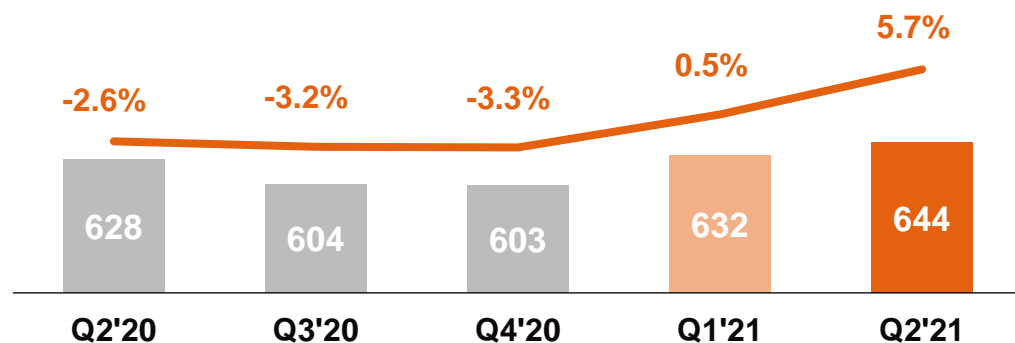
15 LIFE ON LAND



# Accelerated organic revenue growth in Q2

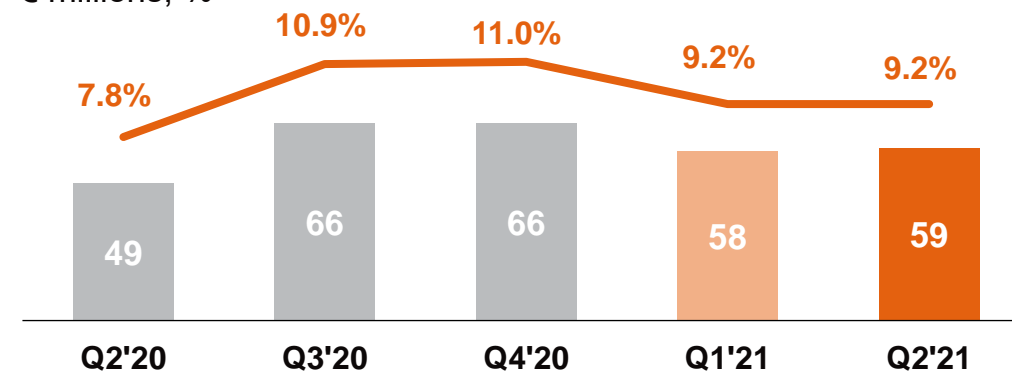
## Net Revenues and organic growth

€ millions, %



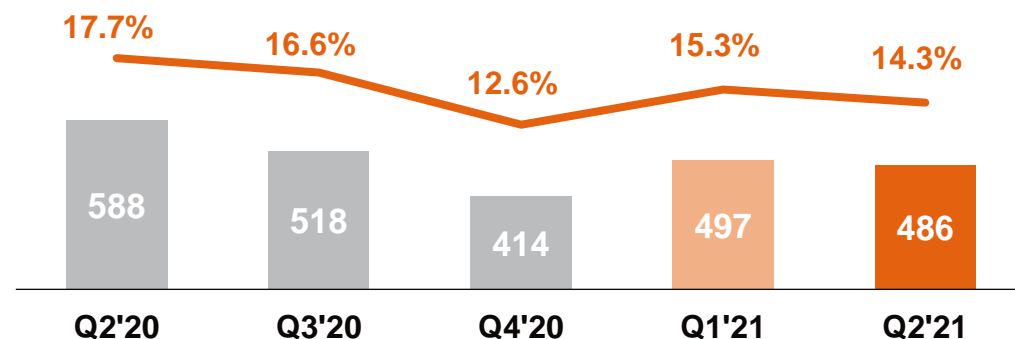
## Operating EBITA (margin)<sup>1)</sup>

€ millions, %



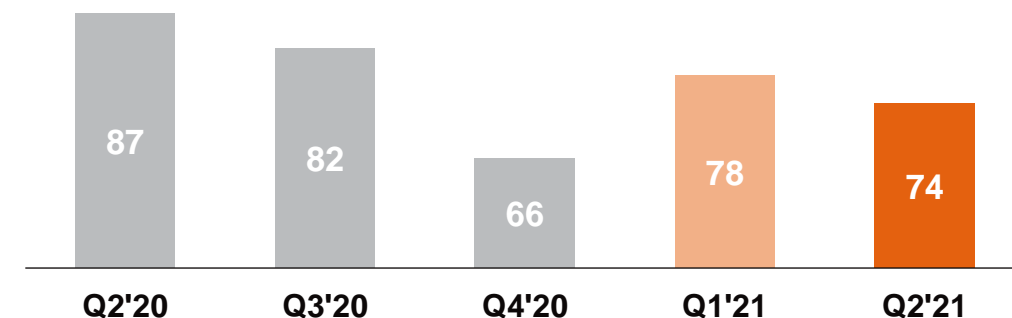
## Net Working Capital (%)

EUR millions, %



## Days Sales Outstanding

Days



## First half year results

# Solid operating margin and strong leverage ratio

**€1,276M**

(H1'20: €1,286M)

**Net Revenue**

**3.0%**

**Organic Net  
Revenue growth**

**€117M**

(H1'20: €97M)

**Operating EBITA**

**9.2%**

(H1'20: 7.6%)

**Operating EBITA  
margin**

**€30M**

(H1'20: €81M)

**Free Cash Flow<sup>1)</sup>**

**0.3x**

(H1'20: 1.3x)

**Average Net debt /  
Adjusted EBITDA<sup>1)</sup>**



Scaling our innovation globally

**Making net zero a  
reality for our clients**

Delivering **>1,200** hydrogen  
powered houses in the  
Netherlands

Reduce carbon  
footprint of Royal  
Botanic garden  
Edinburgh by **12%**

1) Free Cash Flow and Net debt / EBITDA are calculated based on IAS 17: lease liabilities are excluded



## Sustained growth and very strong financial results

### First half year

34% of total net revenues	2021	2020	Change
Gross revenues	669	712	-6%
Net revenues	432	452	-4%
<b>Organic growth (%)</b>	<b>5%</b>		
Operating EBITA	50	41	22%
<b>Operating EBITA margin</b>	<b>11.5%</b>	<b>9.0%</b>	

Second quarter	2021	2020	Change
Gross revenues	349	350	-1%
Net revenues	223	226	-2%
<b>Organic growth (%)</b>	<b>7%</b>		

### North America

- Organic growth in all business lines despite 2 working days less
- Operating margin improved due to higher efficiency
- Stimulus plans translating into real opportunities

### Latin America

- Excellent organic growth driven by Infrastructure



## Upgrade U.S. Infrastructure

**Client**  
Calcasieu Bridge, Los Angeles Department of Transportation

**Services**  
Project & Cost management and consultancy

# Europe & Middle East

## Outstanding performance UK

### First half year

48% of total net revenues	2021	2020	Change
Gross revenues	718	676	6%
Net revenues	609	573	6%
<b>Organic growth (%)</b>	<b>6%</b>		
Operating EBITA	55	40	39%
<b>Operating EBITA margin</b>	<b>9.1%</b>	<b>7.0%</b>	

Second quarter	2021	2020	Change
Gross revenues	360	324	11%
Net revenues	303	271	12%
<b>Organic growth (%)</b>	<b>10%</b>		

- Excellent Q2 revenue growth driven by significant growth in the UK
- Steady growth and solid performance Continental Europe
- Planned revenue decline in Middle East due to footprint reduction
- Operating margin further improved due to higher revenue, improved portfolio of projects and lower operational costs
- Well positioned for public stimulus plans



Image Credit: BDP

## Delivering a world class cancer research facility

### Client

Christies NHS Trust and the University of Manchester, UK

### Services

Project & Cost management



## Asia Pacific

# Solid performance in Australia, COVID-19 impact in Asia

### First half year

12% of total net revenues	2021	2020	Change
Gross revenues	173	182	-5%
Net revenues	159	164	-3%
<b>Organic growth (%)</b>	<b>-3%</b>		
Operating EBITA	8	10	-14%
<b>Operating EBITA margin</b>	<b>5.3%</b>	<b>6.0%</b>	

Second quarter	2021	2020	Change
Gross revenues	89	94	-5%
Net revenues	82	84	-3%
<b>Organic growth (%)</b>	<b>-2%</b>		

### Asia

- Revenues impacted by sustained lockdowns in most countries except China
- Margin impacted due to lower revenue and losses on a few projects

### Australia

- Continued strong operating margin despite modest revenue decline



## Applying digital solutions to large mixed-use projects

### Client

Hong Kong Housing Society

### Services

Project & Cost management

# CallisonRTKL

## In the initial phase of recovery

### First half year

6% of total net revenues	2021	2020	Change
Gross revenues	99	133	-25%
Net revenues	76	98	-22%
<b>Organic growth (%)</b>	<b>-15%</b>		
Operating EBITA	4	7	-43%
<b>Operating EBITA margin</b>	<b>5.0%</b>	<b>6.8%</b>	

Second quarter	2021	2020	Change
Gross revenues	51	63	-19%
Net revenues	37	47	-20%
<b>Organic growth (%)</b>	<b>-11%</b>		

- COVID-19 impact still felt in retail and commercial sector, especially in Asia
- Order intake improving in the US
- Book-to-bill greater than one for the total business



## Creating state of the art clinics

**Client**  
Saint Francis Health System

**Services**  
Design



# Strong EBITA performance generating 52% EPS growth

In € millions	H1 2021	H1 2020	change
<b>EBITA</b>	<b>115</b>	<b>92</b>	<b>25%</b>
Amortization & impairment	-6	-8	
<b>EBIT</b>	<b>109</b>	<b>84</b>	<b>30%</b>
Net finance expense	-13	-16	
Taxes on income	-20	-24	
Normalized income tax rate <sup>1)</sup>	21%	34%	
Exp. credit gain (loss) shareholder loans & corp. guarant.	1	17	
Minority interest	1	0	
<b>Net Income</b>	<b>78</b>	<b>62</b>	<b>26%</b>
<b>Net Income from Operations (NIfo)<sup>1)</sup></b>	<b>81</b>	<b>53</b>	<b>53%</b>
<b>EPS (NIfo per share)<sup>2)</sup></b>	<b>0.90</b>	<b>0.59</b>	<b>52%</b>

<sup>1)</sup> Corrected for non-recurring items (e.g. acquisition & restructuring costs, expected credit loss and impairment)

<sup>2)</sup> Average number of shares H1 2021: 89.6 million (H1 2020: 89.4 million)



## 25%

**EBITA growth**



## €81 million

**Net Income from  
Operations**



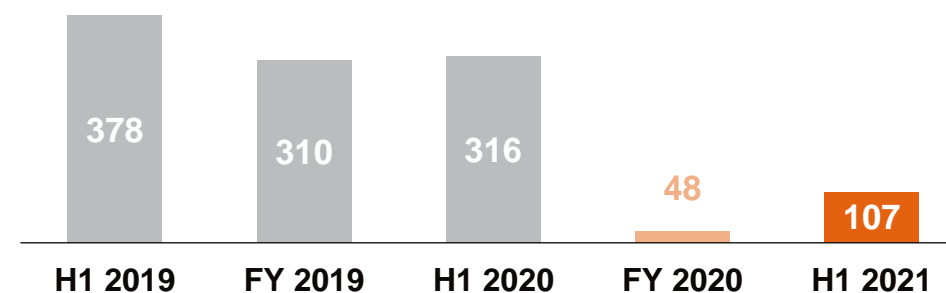
## €0.90

**EPS (NIfo per share)**

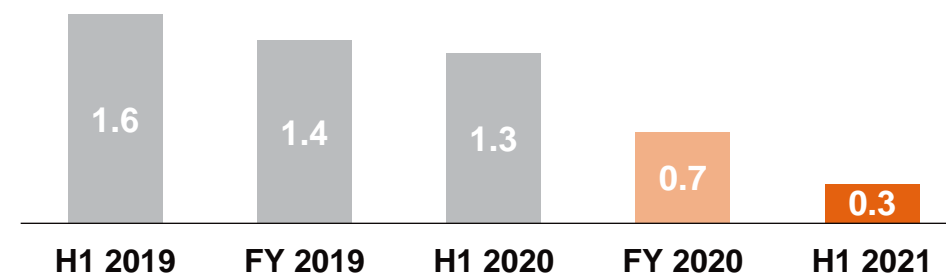
# Strong financial position with room **for investments**

- **Free cash flow** for first half year solid at €30 million (H1 2020: €81 million)
  - Increase Net Working Capital: €62 million (H1 2020: €16 million decrease)
  - Capex: €22 million (H1 2020: €16 million)
- **Net debt** significantly lower than H1 2020 driven by strong cash collection last 12 months
- **Share buy back**: €62 million and Dividend: €31 million (total H1 2020: €10 million)
- **Leverage ratio** further improved to 0.3x
- €36.0 million of floating rate Schuldschein loans and U.S. Private Placement note of \$110.0 million at 5.1% repaid in Q2

**Net debt<sup>1)</sup>**  
€ millions



**Average net debt / Adjusted EBITDA<sup>1)</sup>**  
Calculated using bank covenant methodology



1) (average) net debt and adjusted EBITDA are calculated according to bank covenants: lease liabilities are excluded



# Concluding remarks

- **Accelerated organic growth** in Q2 and sustained strong order intake
- **Operating margin 9.2%** in first half year, with excellent performance in Americas and UK
- **Solid Free Cash Flow**
- **Strong financial position;** leverage ratio at 0.3x





An aerial photograph of a large offshore oil rig in the ocean. The rig is a long, dark structure with several blue support vessels attached. A large, dark, circular cloud of smoke or oil is rising from the rig. A supply vessel is visible in the upper right. The text "Part 3" is overlaid in the top left.

Part 3

# Wrap up

Peter Oosterveer | Chief Executive Officer





# Support on cleaning oceans and rivers

## Project

**Environmental and Social Performance Management**

## Client

The Ocean Cleanup

## Services

Project & Cost Management





# Maximizing Impact: Strategy 2021-2023



## Financial targets

<b>Organic Net Revenue Growth</b> Mid-single digit	<b>Margin</b> Operating EBITA margin >10%
<b>Net Working Capital &amp; DSO</b> NWC <15% of gross revenues   DSO <75 days	<b>Return on Net Working Capital</b> Operating EBITA / Net Working Capital: 40-50%
<b>Return to shareholders</b> <ul style="list-style-type: none"> <li>Dividend: 30-40% of Net Income from Operations <ul style="list-style-type: none"> <li>no dilution</li> </ul> </li> <li>Additional returns when appropriate</li> <li>Net debt/EBITDA between 1.0 and 2.0</li> </ul>	

## Non-financial targets

<b>Voluntary staff turnover</b> < 10%	<b>Staff engagement</b> Improving annually
<b>Brand</b> Top 3 Brand Strength Index	<b>Diversity</b> Women in workforce >40%
<b>Carbon footprint</b> <ul style="list-style-type: none"> <li>Reduce emissions aligned with a 1.5C science-based target before 2030</li> <li>Carbon neutral operations investing in high quality, certified abatement and compensation programs from 2020</li> </ul>	





# Summary

- **Solid Operational performance**
  - Increase in revenue, improved margin and growth of backlog
- **Positive business outlook in major economies**
  - Climate change felt globally
  - Further increased demand for Sustainable solutions
- **Confidence in our ability to deliver strategic targets set for 2023**







Q&A