Arcadis Acquires IBI Group

Accelerating our ‘Maximizing Impact’ strategy

18 July 2022

Improving Quality of Life
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Today’s Agenda and Presenters

01 Introduction
02 Strategic Rationale
03 Financial Overview
04 Q&A

Peter Oosterveer
CEO

Virginie Duperat-Vergne
CFO
IBI Group Accelerates Arcadis’ ‘Maximizing Impact’ Strategy

Transformational step in our digital leadership, creating a fourth GBA “Intelligence”

Strong geographic and business complementarity, adding significant scale in North America

Creates the global leader for urban planning, design and build of the resilient cities of tomorrow
Recommended Offer to Acquire IBI Group

Acquiring IBI Group

Cash consideration of **C$19.5** per share at **30%** premium\(^1\)

Transaction enterprise value of **C$873m** or **€664m**\(^2\)

Representing an EV to FY22E EBITDA multiple of **9.6x**\(^3\)

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**Strong Financial Profile, with Significant Synergy Potential and Margin Accretion from Day 1**

Track record of best-in-class revenue growth with a **2019-2021 CAGR of 8.6%**

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1. Compared to share price of 14.98 as of market close on 15-Jul-2022
2. Based on 0.7609 CAD/EUR FX as of 15-Jul-2022
3. EV/EBITDA multiple adjusted for C$15m of run-rate cost synergies

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A Highly Attractive Technology-Driven Design Firm

• **Technology-driven design firm** founded in 1974

• Provides **architecture, engineering, planning, systems** and **technology services**

• **Leader** in creating advanced urban environments, with intelligent systems, sustainable buildings and efficient infrastructure

• Strong technology capabilities with **Intelligence** business segment driving continued growth and recurring revenue
**Strong Track Record of Growth and a Diversified Revenue Profile**

### 2021A Net Revenues

- **Buildings**: 50%
- **UK & Other International**: 11%
- **United States**: 26%
- **Canada**: 63%
- **Intelligence**: 18%
- **Infrastructure**: 32%

### Sector Leading Financial Profile

- **2021A Net Revenues**
  - FY19A: C$377m
  - FY20A: C$393m
  - FY21A: C$444m

- **Adjusted EBITDA Margin**
  - FY19A: 15.3%
  - FY20A: 15.5%
  - FY21A: 15.3%

- **C$661m backlog**

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Exciting Range of Landmark Design Projects

**INTELLIGENCE**
Improve public transport experience through data

Manage London’s public travel demand using automated tools

**BUILDINGS**
Raising the IQ of built environments around the world

“The Curv”, Vancouver: a blueprint for sustainable design

**INFRASTRUCTURE**
Creating vibrant, technology driven environments

Design of Calgary’s green line corridor: 42 km’s of transit service
Great Cultural Fit – Strong alignment in Our Core Values

- People first
- Integrity
- Collaboration
- Sustainability
- Client Success

- Community
- Innovation
- Excellence
- Environment
- Partnerships

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IBI Group Fully Aligns with Our Strategy

- Development of new digitally enabled client solutions through the creation of a fourth Arcadis Global Business Area “Intelligence”
- Highly complementary combination strengthening all Arcadis GBAs in North America
- Strengthened position in highly attractive Canadian market
- Enhances capabilities and offering in Places

Significant revenue and cost synergies
Creating a New 4th GBA to Maximize Our Digital Impact

Role of the 4th GBA

Intelligence GBA

- Digital Client Solutions
- Innovation
- Driving Efficiency & Productivity
- Recurring Revenue

Attractive Suite of Combined Client Solutions

- Cost Clarity

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Our Combined GBA Structure Will Allow Clients to Benefit from Our High Complementarity and Strengthens our Position in North America
Provides Arcadis with a Strong Position in the Highly Attractive Canadian Market

- **Urbanization**
- **Immigration**
- **Infrastructure Investments**
- **Natural Resources**
- **Strongest G7 Macro Economic Outlook**

**Nearly three in four Canadians** live in one of the large urban centers.

**Canadian Government invested over C$122 billion** in infrastructure since 2016.

**~3% Projected Real GDP** between 2022 and 2024, fastest growing G7 country.

**1.8m new Canadian residents** between 2016 and 2021, with c. 80% coming from abroad.

Source: IMF, Reuters, Statistics Canada, Canadian Government Website

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Enhances Arcadis' Capabilities and Services in Places

‘Expanding Our Places Business and Offer a Broader Set of Capabilities and Services to our Global Client Base and Leveraging our City Executives Focus’

IBI Group Buildings

- Mixed-use and residential development
- Education
- Healthcare
- Transportation

C$220m 2021A Net Revenue

Technology Driving Smart and Sustainable Buildings

Long Term Development Master Planning

Land Engineering

Urban Planning

Synergetic Smart Cities Expertise: Combining Design with Transport Hubs and Digital Capabilities

CASE STUDY
Surpassing Net Zero: designing Buildings as a power station

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**Significant Revenue and Cost Synergies**

<table>
<thead>
<tr>
<th>Revenue Synergies</th>
<th>Cost Synergies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Complementary business models enable material revenue synergies</strong></td>
<td><strong>C$15m annual cost savings expected (~3.5% of IBI Group’s revenue, in line with sector precedents)</strong></td>
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<tr>
<td>Increase win rate with existing clients through bigger scale of combination in North America</td>
<td>Costs Duplications</td>
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<tr>
<td>Cross-selling opportunities across expanded client base</td>
<td>Savings from combination with Arcadis GEN &amp; CRTKL</td>
</tr>
<tr>
<td>Access to new markets beyond existing clients</td>
<td>Indirect Cost Savings</td>
</tr>
<tr>
<td>Improved Gross Revenue to Net Revenue conversion</td>
<td>Listing Costs</td>
</tr>
<tr>
<td>Global scalability of existing solutions and more efficient development of new digital solutions</td>
<td>Operational Costs</td>
</tr>
</tbody>
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## Key Transaction Highlights and Financial Terms

### Acquiring IBI Group
- **Cash consideration of C$19.5 per share at 30% premium**

### Strong Financial Profile, with Significant Synergy Potential and Margin Accretion from Day 1
- **Transaction enterprise value of C$873m or €664m**
- **Attractive combined business profile with expected cost synergies of C$15m representing ~3.5% of IBI Group’s FY21 Revenues**

### Financing and Transaction Timeline
- **leverage** to remain in line with target range of 1.5-2.5x
- **Recommended by IBI Group’s Board of Directors** and fully supported by IBI Group’s largest shareholder, the GMP and affiliates

### Transaction enterprise value of C$873m or €664m
- **Representing an EV to FY22E EBITDA multiple of 9.6x**
- **Improving the pro-forma EBITDA margin profile from day 1, with IBI Group margins being ~200bps higher**
- **Transaction expected to close in H2 2022**

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The closing of the transaction is subject to customary closing conditions including IBI Group shareholder approval and applicable regulatory and court approvals.

Transaction expected to close in the second half of 2022.
Combination of Arcadis and IBI Group Offers a Compelling Opportunity

- Arcadis and IBI Group are two highly complementary businesses with significant opportunity to accelerate growth together
- Expands our scale in North America and enhances our capabilities in key focus areas Places and Digital
- Attractive financial terms, supported by strong synergy potential
- World class talent at IBI Group
- Shared cultural values, employee focus and commitment to ESG