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## ARCADIS CAPITAL MARKETS DAY

### Arcadis Presenters

**Alan Brookes**, CEO

**Virginie Duperat-Vergne**, CFO

**Heather Polinsky**, President of Resilience Global Business Area

**Mark Cowlard**, President of Places Global Business Area

**Greg Steele**, President of Mobility Global Business Area

**Juud Tempelman**, President of Intelligence Global Business Area

**Christine Disch**, Investor Relations Director

### Q&A Participants

**Anthony Manning**, Bank of America Securities

**David Kerstens**, Jefferies

**Hans Pluijgers**, Kepler Cheuvreux

**Luuk van Beek**, Degroof Petercam

**Marteen Verbeek**, the IDEA

**Martijn den Drijver**, ODDO ABN AMRO

**Quirijn Mulder**, ING

**Kamil Walczyszyn**, Praxis

**Christine Disch:** Good afternoon, ladies and gentlemen. My name is Christine Disch Investor Relations Director at Arcadis, and it is my pleasure to welcome all of you to our Capital Markets Day. Today marks the next phase in our strategic journey, and over the next couple of hours, we will navigate through key aspects of our business, and we will dive deeper into our performance over the last strategy cycle, prospects for the future, and the strategic vision that defines Arcadis' growth moving forward.

Two of our presentations today have been pre-recorded from sites in Australia and New York to showcase some of the important work we have been doing on the ground. At Arcadis, we start every internal meeting with a health and safety moment as a commitment to health and safety in the workplace. We would like to do the same today. To that extent, please familiarize yourself with the emergency exits in the very unlikely event we have an emergency. There are no fire drills scheduled for today, so kindly make sure where your nearest exit is.

This year, we welcomed Alan Brookes as our new CEO. Alan has been with Arcadis for over a decade, most recently as our COO. Alan brings a wealth of experience, strategic vision, and a commitment to innovation that aligns seamlessly with Arcadis' corporate values. As you would expect, there's a disclaimer. Before I hand you over to Alan, we have a short video to set the scene.

## Global Leader in Consultancy, Design & Engineering

**Alan Brookes:** Well hello everybody and a very warm welcome to Arcadis Capital Markets Day. I hope the video provided you with some insights into the breadth and depth of what we actually do in Arcadis. We are here today and I want to thank you for joining us at this important event whether virtually or here live at the venue Lord's.

You may be wondering why we're at Lord's. Well it's the global home of cricket and we thought a suitable venue firstly because we're launching our global strategy. Secondly, because Lord's is a major client for Arcadis. We've been involved here since 2017, looking at the redevelopment of the stands, Edrich and Compton stands, which you may have seen if you have been with us here today, and actually looking at improving the sight lines. So improving the spectator experience, if you like. Also, we've been looking at the hospitality facilities, and we've been looking at accessibility for people into the venue.

These are complex projects, projects that need careful planning, option appraisals and really looking at the delivery in a live sports venue. This is what we really do well, and this is what our true expertise is about. So I hope you think like me. This is a world class facility, and we are really proud to be involved with it.

So let's talk about the agenda that I'd like to take you through today. I'm going to be joined by Virginie Duperat, our Chief Financial Officer, but along with the presidents of our Global Business Areas, or GBAs; Heather Polinsky for Resilience; Mark Cowlard for Places; Greg Steele for Mobility; and Newt Templeman, who joined us very recently to lead Intelligence.

I'll open with a short introduction to Arcadis, reflecting on the progress we have made over the last strategy cycle and outline our growth markets that we see to drive our future growth.

We will then unveil the three year business strategy. We'll be looking at what we believe are the market tailwinds and the evolving client needs that are going to drive our strategic focus into the future. Our GBA leaders will outline the size of those market opportunities and Virginie will explain the implications to translate that into the financial performance and goals we've set ourselves for the next three years.

I want to say right at the outset that fundamentally our goal is to align with those strong markets that we see for the future. We will look to increase our profitability

and then manage the business in an even more efficient manner. As you saw in the video we have been around for 135 years. We have found and focused on innovation of lasting solutions to some of the world's biggest challenges.

We've been delivering sustainable design and engineering and consultancy services for natural and built assets all over the world. Our 36,000 consultants, architects, designers, engineers, project planners, water and sustainability experts operate across 30 countries. We are known for our deep roots in sustainability, and this has been recognized by EcoVadis.

Last year, we worked on 40,000 projects. 80% of those projects, in terms of net revenue, were linked to delivering UN Sustainable Development Goals. And we generated € 3.7 billion net revenue over the last 12-month period.

Our clients want trusted partners that can deliver best-in-class solutions, regardless of wherever they are in the world. At Arcadis, we leverage that global expertise, we share our knowledge, and we create innovative solutions and technology to serve and delight our clients.

We have strong, enduring client relationships. This is evidenced by 95% of our revenues in this year come from clients that we had in 2022. These relationships span public, regulated and private sector clients from multinationals like Merck and Johnson & Johnson to major government agencies such as Network Rail and the Rijkswaterstaat.

During the last strategy cycle, we also established our Key Client Program. This includes 160 key clients, which present the largest opportunity for Arcadis. Our Key Client Program is an important driver of our growth. I'll touch on this later in more detail. But I want to say we are a well-diversified business today. We are not dependent on one type of client, nor geography. And since 2022, we operate through our four Global Business Areas or GBAs, if you like Resilience, Places, Mobility and Intelligence.

Each of the GBAs work together and support clients and they address their most pressing business needs and challenges. Whether it's our Resilience and Places business working together on environmental permitting and construction management services to support the development of a semiconductor facility in the U.S..

Or Mobility and Intelligence experts working and supporting with the Queensland Department of Roads and improving real time information on its public transport network. We provide services across every phase of asset creation, management and look to clients to help them with their projects globally.

Over the last three years, we've been able to balance exposure across our sectors, helping to optimize returns. Minimize risk and create agility. This is particularly with our people who truly do respond to client needs wherever they need us. Let's take

a deeper dive into the services and solutions we offer across the high end growth markets.

These markets where we already command a strong position, such as advanced industrial facilities or water. These markets define for us the growth accelerators of the future. For example, growing demand in energy transition and climate adaptation solutions. Not only are these markets fast growing for us, but they are also where we can increase our market share and we leverage our strong position from one region to another. Like we're doing right now with energy transition capabilities from Europe to the U.S.. These markets are where we want to focus over the next three years.

Let's spotlight environmental remediation, for example, and specifically nature-based solutions and biodiversity. According to the World Economic Forum, investments in nature-based solutions needs to double by the mid-century to prevent an environmental crisis.

At Arcadis, we are a global leader in delivering solutions to reduce pressure on our environment and on natural resources. Over 30 years, we have worked on projects that are nature and biodiversity positive, reducing carbon emissions and promoting greater well-being.

For example, in the Netherlands, following the river floods in the 1990s, we've been supporting the Dutch Government, adopting a nature-based design and engineering and project management approach towards river management. Instead of the traditional approach of raising the dikes, we have helped create more capacity for river water by designing deepening channels, broadening the riverbeds, and setting the dikes aside to increase the space for water storage.

This concept actually had the coined name of Room for the River. This has helped enhance biodiversity and water security and created planet positive results for nature, for society, and the economy. Turning now to one of the growth accelerators, designing smart sustainable buildings and shaping decarbonization strategies.

Arcadis has a rich legacy in designing sustainable facilities and advising on carbon reduction. With building operations now accounting for 39% of global energy consumption, we see significant potential to scale our services globally. Our recent work, for example, with real estate and workplace provider HB Reavis as one example where the client wanted to develop its own net zero strategy to meet ESG targets.

Our sustainability advisory team applied our consulting expertise to reduce Scopes 1, 2, and 3 emissions and look at offset strategies. We will deliver a 35% reduction carbon emissions program across their entire portfolio by 2030. We have combined these services into a net zero tool. Net zero catalyst is what we've called it and are currently advising 12 other clients on a similar net zero roadmap.

Another example where we see a buoyant growth market is with digitally enabled operations. Today, this accounts for 2% of our revenue, but with the advent of AI based technology. We are investing in new digital products and solutions to meet our clients needs.

One solution that revolutionizes the way we assess the condition and performance of infrastructure in new bridge maintenance service is called Bridge Health. This solution leverages cutting edge technology such as thermal imaging optical sensors and lidar scanning to safely and accurately assess the structural integrity of bridges and their potential risk of failure.

The tool has been used on structures such as San Remo Bridge in Australia, where the automated maintenance inspection techniques after 40% to 100% life cycle extension. Our GBA precedents will shortly touch on other market growth areas and how they will take forward over the next three years. But what I hope right now is these projects is that some of the global and geographical coverage we have with the diversified expertise and attractive client offerings focused on the future, show what we can do and that Arcadis is a resilient business with strong foundations and really looking at the expansion and growth in our revenues and margin.

## **Delivery on our 2021 - 2023 Strategy**

I'd like to take you back three years. The last three years for us have been truly transformational. In 2020, we were a regionally organized business, employing 27,000 people with a broad geographical footprint. But each of our operating regions run their own business across four segments, Buildings, Infrastructure, Water and Environment. Although we were successful generating € 2.5 billion net revenue with an EBITDA of 8.6%, we were not not efficient. Our operating costs were relatively high. Collaboration was limited, and our clients didn't always get a consistent service from one country to another. To us, it felt fragmented. When my predecessor, Peter Oosterveer, launched our last strategy, maximizing impact, in November 2020, he and I, as his COO, together with the rest of the executive leadership team at that time, were determined to drive the change and reposition Arcadis for the future.

We wanted to focus and scale our operation to maximize and capitalize on our strong heritage in sustainability and become a digital leader in our sector. All of this underpinned by our mission to improve quality of life. Fast forward now to November 2023, and I'm delighted to report that we have achieved what we set out to do. This has been reflected in our operating performance.

We have successfully delivered our financial targets and made significant progress across our non-financial targets, including our commitment to achieve net zero greenhouse gas emissions within our global operations by 2035. If we take a deeper look at this transformation, in 2021, we shifted to a global operating model to streamline our services and bring the best of our cadence to our clients globally.

Our four GBAs are now working together to provide clients with holistic services and solutions right across the world. We grew our GECs in the Philippines, India and Romania by 50%, providing capability, capacity and a competitive advantage across a wide array of projects and services for our clients.

We focused and scaled. We've added new opportunities in North America and Europe, integrating new businesses and strategically repositioning Arcadis by shifting the exposure of commercial and real estate, for example, markets, but investing then in high growth industrial and advanced manufacturing expertise.

Through the acquisition in 2022 of IBI, DPS and Giftge Consult, we now command a leading market position in architecture and urbanism, where we are the fourth biggest firm in the world today, as well as in advanced industrial facilities, energy transition and digital products.

We took the decision to divest and withdraw from several smaller countries and businesses in Europe and Southeast Asia that didn't meet our growth ambitions, that we couldn't see for the future would meet our plans, we moved away from.

As we look ahead, I see more opportunities for efficiencies across the business. And Virginie and I will touch on these shortly.

On digital leadership, our clients' appetite to innovate and digitize their solutions has shown no signs of slowing. Over the last three years, we've been on a journey and continue to invest in new digital tools, including an Object Type Library to standardize our design and engineering services, and a new clients' products that really help us with an AI-powered transport strategy optimizer, for example.

This product has been recently taken up by clients such as Birmingham City Council. It helps to prioritize investments, support a more transparent and collaborative decision-making process. Our digital leadership has been further enhanced by the creation of our Intelligence GBA in December 2022, which works across and with all our GBAs and their clients.

This brings together the best of IBI's Intelligence business and Arcadis Gen and provides a very attractive suite of innovative technology enabled solutions and products across the entire asset lifecycle. There is more to come here and Newt will take you through the plans for Intelligence later in this session.

Finally, on sustainability, Arcadis has been pioneering solutions to protect, restore and improve our planet for as long as we have been in existence. And over the last three years, we have accelerated our efforts. We have created a new sustainability advisory team to provide clients with comprehensive and holistic strategies.

We've invested in new capabilities to support the fast paced energy transition market. And we've become pioneers in sustainable design and engineering services,

designing net zero facilities like the Joan building in Amsterdam. When this building opened, it scored an impressive 83% sustainability rating. This is one of the top three highest excellence scores in the Netherlands today.

But like all businesses, we cannot be complacent. We must be bold and continue to play a leading role in accelerating a planet-positive future, which I'll elaborate on very shortly. To summarize the slide, this sums up the transformation over the last three years, particularly in North America.

We now command a strong presence here, notably in Places and Mobility, with Canada becoming our third largest country after the U.S. and the U.K.. Arcadis today is a very different business than in November 2020, when we announced our previous strategy cycle.

We now have in place an attractive range of market leading positions, strong capabilities, growing GECs and highly talented people. This positions us well for the future and is the foundation to take our business forward in this new strategy cycle.

## **Our 2024 - 2026 Strategy: "Accelerating a planet positive future"**

So let me turn to this next three years. We have lived all of us through a global pandemic, one that has started to reshape society and forced us to make decisions such as rebuilding supply chains. We are experiencing extraordinary advances in technology. We are witnessing now mass migration as it continues to put strains on cities, and urban infrastructure. And we see the need for climate action is now accelerating. Temperatures in the Northern Hemisphere this summer were the hottest in history. We are seeing similar patterns in the Southern Hemisphere. The megatrends that guided our last strategy have intensified, and our clients are increasingly seeking different help and advice. These are the world's most pressing challenges.

It is these that now form our new tailwinds, creating strong market dynamics and opportunities that sit at the very heart of our expertise as a business. The facts and figures you see on this slide are really highlighting the potential for us. On climate change, \$3.5 trillion of investment is needed every year to meet net zero by 2050.

This creates opportunities for our climate adaptation, energy transition, and sustainability advisory services. On urbanization, \$3.5 trillion to be spent on creating smart and connected cities by 2030. This opens up growth potential for our new digital products like CurbIQ.

On evolving supply chains, \$150 billion on reshoring manufacturing. Creating opportunities to sell our design and process engineering solutions, particularly from within Arcadis DPS.

On infrastructure, over the last decade we've seen we've generated many opportunities, but \$1 trillion are to be spent on water infrastructure. And this is really

absolutely right for our water engineering and program management teams. These investments are quite staggering and open up a wealth of opportunities for Arcadis.

As these tailwinds blow opportunities in our direction, simultaneously, our clients are faced with new constraints. These are changing the way that decisions are being made and requires our role to also evolve. First, the cost of capital is higher. This makes Capex optimization and speed to market a key decision factor when making such decisions.

Secondly, with energy costs increasing, there is an urgency for clients to decarbonize their assets and increase their asset performance. This requires us not only to think about investment, but operational aspects that support with asset performance solutions.

Thirdly, our clients are increasingly making decisions in more complex stakeholder environments, with increasingly divergent objectives and greater societal expectations. To support our clients' navigate the changing dynamics, we need to become their trusted advisor and their partner.

We're already seeing clients reach out to help them with growing asset needs. For example, fiscal stimulus and legislative changes are causing our clients to look at new areas, such as on-shoring of advanced industrial facilities, climate adaptation solutions, and the transition to renewable energy.

These trends are driving demand across all our global markets, but particularly in North America and Europe. Energy transition, for example, is now a core expertise of Arcadis, and one where we are developing our own talent pipeline to meet that market need.

The impact of climate change is forcing our city clients to look at their defenses, and as a leader in flood alleviation and water management, we are well placed to offer that expertise. Equally, decarbonization and the need to make assets more attractive is at the forefront of our growing architecture, urbanism and Mobility capabilities.

Combining this with AI and the use of data, we can help our clients repurpose and improve their assets while supporting the adoption of new forms of smart mobility. These opportunities, aligned with our data management expertise, together with deep asset knowledge, enables Arcadis to be a differentiator in this changing world. This is our chance to improve quality of life for the generations to come.

With this thought in mind, our 2024 to 2026 strategy is really focused on one strategic mission to accelerate a planet positive future by addressing our clients needs and making a profound impact on our world. The next 10 years will be the decade of change the assets, facilities and infrastructure we design and build today are likely to still be in operation in 2050.

As a leading global design architecture and engineering firm we really see we have a unique chance to make a positive difference and to be the accelerator in this decade of change. But how will we accelerate a planet positive future? Our strategy centers on three strategic focus areas.

By partnering with our clients on sustainable project choices. Creating value through digital plus human innovation, and investing in the future focused skills and an inclusive workplace powered by our people. If we look at sustainable project choices, firstly, we will deliberately focus on projects that align with our strategy.

Whether it's supporting municipalities in Belgium to adopt district heating networks and reduce emissions, or convincing Australian decision makers about the benefits of electric vehicles, we will sharpen our business selection criteria. We will focus on projects that accelerate a planet positive future and adopt different solutions.

Whilst at the same time, we will enhance our profitability by prioritizing higher margin projects. We will also make our pursuit processes even more rigorous than they are today. To ensure that we make consistent choices, reducing the acceptance of subpar projects and avoiding ones that are not consistent with our strategy.

As I mentioned earlier, an important driver of growth is our Key Client Program. This represents the 160 key clients of Arcadis today. And these are tending to be the larger and more profitable projects. Often these are repeat projects for our clients. We expect or they expect the same service wherever they want to operate in the world and they want the same quality.

This is something we are really well positioned for. This has been a really successful program for us. So we are now looking to build on this success by expanding the program by 50% in this next strategy cycle. The expanded program will allow us to target a broader group of clients, including those from the new growth markets and introduce a more tailored driven approach.

This will include increasing our advisory services to these clients, helping to get our experts closer to the clients' business strategies right from the outset. Another objective of our expanded Key Client Program is to increase our market share from our clients, working across our GBAs and crucially providing a more holistic service and better value.

We see our services and the role with clients change. We increasingly find the traditional commercial models are not always suitable. Whether it is digital products or valuable advice to optimize investment spend or the ability to accelerate the project delivery, we are bringing significant value to these clients.

From 2024 we will increasingly look towards new commercial models that enable us to participate in value creation. And, for instance, through incentive-based pricing or upside-sharing models.

Turning to our second area of strategic focus, Arcadis is a smart, digitally-enabled organization. We combine deep asset knowledge with cutting-edge innovation, data, and technology to participate and advise clients on the best possible solutions. With our new Intelligence GBA, we are primed to leverage these capabilities to support our clients across the entire project lifecycle, combining the best of digital and human innovation.

With clients increasingly looking to optimize their assets, Opex and maintenance spending is growing, allowing our Intelligence business to tap into these opportunities and adding digitally enabled products and insights. I am really excited about our digital journey and the progress that we've already made in the last three years in areas like intelligent transport systems and digital asset management tools.

The diverse portfolio of products such as enterprise decision analytics and Travel-IQ offer our clients ongoing support in asset operations. They provide us with an opportunity to tap into large operational expenditure of our clients, offering long term predictable revenue streams at higher margins.

Over the next three years, we will continue to invest in digital products to support smart cities and advance the energy transition, fostering greater GBA collaboration and expand our offering to provide greater value and cost savings to our clients. Within our own operations, we will double down on digitalization, standardization, and automation of all our operating procedures.

This will enable us to automate through bots, freeing up our people to focus on higher value activities. Our first opportunity is to focus on the automation of our pursuit processes. This reduces the cost, improves the robustness of the decision making, and enhances the project planning and resourcing through the adoption of these bots. And these have already been developed by Arcadis IBI. The continuation of our journey will enable us to leverage automation, AI, and our skilled teams, blending the best of digital and human innovation at Arcadis.

Turning to our people. If we are truly serious about our commitment to accelerating a planet-positive future and tackling clients pain points. We can't do it without the ingenuity of our people. At Arcadis, they are simply our greatest strength. Our skilled teams are the powerhouse behind our organization, driving our success through their expertise, client relationships and leading solutions. My commitment over the next three years is to empower our people to shape their own future and advance their careers.

I want them to develop new skills for the future and create new opportunities to help them make choices based on their preferences and their capabilities. This will allow us to continually upskill our people and align our expertise to the needs of the clients and their projects around the world.

From 2024, we will invest in becoming a skills powered organization. This project, partly funded by our largest shareholder, the Lovinklaan Foundation, will prioritize

our people's expertise, continuous learning, and adaptability over the traditional structures and silos.

It will ensure the long-term resilience of our people while enabling us to future-proof our business and attract and retain the very best talent. Over this strategy cycle, we will also add more than 2,500 energy transition professionals to our team through our own Energy Transition Academy.

This will meet growing client needs in this very important area, and Heather will touch further on this shortly. The investment in careers will complement our people-first values, our people-first values which include diversity and inclusion and belonging, which are central to everything that we do.

We want every Arcadian to feel valued in our business and empowered to bring their full selves to work. It's important to me that we bring the power and diverse talent of all Arcadians to our clients wherever they need us and wherever they are. This is why our GECs are crucial to our success. They are brimming with talent. We want to expand their reach and improve the quality and speed of service that they deliver whilst at the same time creating greater efficiency for our business. Over the next three years, we will double the GEC's relative contribution in projects. We will integrate them further into our business. We will increase recruitment and explore new locations for growth.

I am confident the theme of this next strategy cycle is a true purpose for our people. Combined with our people-first values, it will really give that real sense of purpose for people to get behind. It will inspire them through the clients they work for and the projects that they do. It will support us in attracting and retaining the best people for the future. And crucially, it will create a positive, lasting impact for our clients and the communities in which we work.

## **ESG at Arcadis: Sustainability is in our DNA**

As I mentioned, it is our mission to accelerate a planet positive future. We embed sustainable values into all our client solutions, our business operations, our people and the community programs. Fortunately for Arcadis, we start on a strong foundation dating back to 1888. It can be said that sustainability is in our very DNA.

Over the last three years, we have played a crucial role in addressing our clients' needs with sustainable solutions that can be accessed and deployed across the globe. It could be the energy transition project in Scotland or electric vehicle infrastructure strategy for Sydney, Arcadians are always on hand, ready to develop and implement solutions to meet our clients' challenges of today and their aspirations of tomorrow.

We have partnered with the Green Building Councils and the World Business Council for Sustainable Development, as well as other organizations to develop new

solutions across the built and natural environment, advancing the case for a more sustainable and equitable world.

I am delighted that our combined efforts have been rated by some of the most advanced and respected rating agencies in the world today, as you can see on the screen. Within our own operations, we have made strong progress in reducing our carbon footprint. We have reduced Scopes 1 and 2 emissions by 65%. And last year, we halved air travel and transitioned to 100% renewable energy.

I'll touch on this more shortly. For our people, we have continued to invest in talent, in programs and cultural initiatives to attract and retain the very best people. This is reflected in our employee survey results, which are now at the top quartile of our industry with a plus 51 net promoter score, as well as our numerous awards you can see on the screen relating to Forbes and the Financial Times.

I am proud that over half my own leadership team is now female. As we look to the next cycle, we will target that over 40% of the people across our entire organization will be female. Our communities is crucial and we don't forget the role that we can play as a business to make a positive difference.

Our partnerships with the UN-Habitat Shelter program is now in its 23 year. We have actually completed over 150 missions that improve living conditions for some of the world's most vulnerable people. Our Local Sparks initiative continues to grow from strength to strength. This supports up to 30 local community initiatives a year.

Over the next three years, I hope to introduce other initiatives to help tackle inequality, including exploring how we can attract more young people from marginalized backgrounds into a career in our sector. Of course, there's always more we can do. We can try and tackle climate crisis, growing inequality and biodiversity loss. But for me, it's crucial we continue to innovate. We must innovate, measure and track our impact if we are to make a lasting difference.

That's why we are developing new client methodologies and tools to measure sustainability across five themes, Carbon, Nature, Water, Circularity and Social Impact. We are starting with the scaling of whole of life carbon measurements in our projects, an initiative called Project Carbon.

As you can see, this aims to embed carbon impact measurements into our projects to identify and implement decarbonization opportunities across all our clients activities, from the initial raw material to the end of life waste disposal. By analyzing and assessing the greatest areas of impact, we can create new solutions that really accelerate a planet positive outcome.

This initiative also provides an opportunity, of course, for us to engage with our clients, look at sustainability advisory and showcase the innovation and value we can bring to that sustainability agenda. During the last strategy cycle, we also established

our ambition to become net zero by 2035. These targets were verified through the Science Based Targets Initiative in 2022.

We are reaffirming those targets in our next strategy cycle with near-term commitments to achieve 70% reduction in Scope 1 and 2 greenhouse gas emissions by 2026 and a 45% reduction in Scope 3 emissions by 2029.

As I mentioned earlier, our people are our greatest asset. We continue to live by our people-first principles and over the next three years, we will invest in future-focused skills through initiatives like sustainabilities, our digital sustainability training platform and, of course, our flagship skill-powered organization program.

I'm confident these measures, along with a commitment to give back to our local communities, will enable us to attract and retain the best people. It will increase employee engagement scores and bring the power of all Arcadians to our clients, wherever they are, wherever they need us.

So, to close, we stand ready to bring our skills and expertise to address the world's biggest challenges, to accelerate a planet-positive future, by partnering on sustainable project choices with our clients, blending digital and human innovation, and investing in new skills powered by our people.

Thank you. I'd now like to hand over to our GBA presidents to take you through their plans and some detail on their markets for the next three years.

## **Resilience Global Business Area Strategy**

**Heather Polinsky:** Thank you, Alan. Good afternoon. I'm Heather Polinsky, the President of the Resilience Global Business Area. I'm here in Lower Manhattan, New York, not far from Battery Park City, where we partnered with Battery Park City Authority to deliver a coastal risk management system to help protect Lower Manhattan from sea level rise and extreme storms.

We are able to do this with bringing sustainability and resilience for all people in the area. And it's something I'm very proud of, as well as many Arcadians. So I'm happy to be here with you to talk a little bit about Resilience Global Business Area.

So, as Alan mentioned earlier, the megatrends that we are seeing around the world are facing us in resilience. You don't have to look too far to see the impacts of extreme weather, climate change, and the energy crisis. The business decisions that we're making in Resilience are creating value for the organization, but most importantly, improving quality of life for those around us.

When I think about the impacts of climate change, whether it was droughts this last summer in Spain and Italy, or extreme heat in the United States in Arizona and California, or even just the fact hurricanes are coming fast and furiously, climate change is undeniable.

What we have in society is not just climate, but also rapid urbanization, which is making it even worse. Arcadis and the Resilience team are focused on helping solve these challenges and problems. These challenges create a business opportunity for Arcadis, but most importantly, it allows us to make a difference in the world and create a planet-positive future.

In addition to the global context, local markets are also important to us. And when I think about Resilience, 57% of our net revenue is in the U.S., and we have a leading position in environmental restoration, water optimization, and climate adaptation.

We have earned this reputation through decades of experience in remediating contaminated groundwater plumes, securing clean water, including addressing lead service lines and in climate adaptation, we're working in New Orleans, Galveston, and right here in New York to help protect the coastline from rising sea level as well as extreme weather events like Superstorm Sandy, which we supported here and continue to support.

We have strong presence in the Netherlands, Germany, Belgium, Spain, France, and Italy. And we're providing environmental restoration, climate adaptation, and energy transition services across Europe. Specifically on the energy transition front, transmission and distribution is something we are known for and valued from our clients.

For example, for Gasunie subsidiary Hyde Network, we're producing a high pressure hydrogen transmission line that will support energy transition. In the U.K., we partner with clients like National Grid and the Environment Agency to bring energy, water, and environment services to our clients.

We bring innovations to our clients through partnerships like Cobalt Water, which is an artificial intelligence specialist, where we're developing tools that will help wastewater systems be able to reduce ozone depleting substances and really have a positive impact on meeting their 2030 net zero goals.

In Latin America, specifically Brazil and Chile, we are known for our support to energy transition and sustainable operations. Bringing all this great talent from across the globe to our clients is how we will succeed. We can serve their needs in environment, energy, water, across the globe when we bring the best of Arcadis forward.

When I think about how we'll accomplish this, there's three key elements. One is our global communities of practice where we take our solutions and services and scale them globally to take what we do best in one part of the world and translate it to other areas and other clients.

The second is our global excellence centers using their capacity and capability and efficiency to help us deliver to our clients needs. Specifically, we will be growing our GEC capabilities and energy transition through the Energy Transition Academy,

which I'll talk about a little bit later. And then lastly, it's a one Arcadis for our clients. And for Resilience, we partner with Places and Mobility, bringing specialists in biodiversity and conducting environmental assessments to help our clients' projects move forward.

When we couple that with the market drivers, it makes a big impact on our business. In the U.S., there's been announcements for \$1 trillion in water infrastructure over the next decade. \$30 billion in clean energy. And the European Green Deal also includes \$1.8 trillion in investments in clean energy.

Then if we couple the market drivers with the increasing concern for public health, the U.S. EPA is establishing regulations around PFAS and lead service lines that are driving requirements. And it's not just all about the financial performance that we'll create based on our clients and supporting them with their needs. It's also about responding to COP28 and low carbon emissions and improving the quality of life around the world.

This very focus on social equity and affordability of the solutions that we put forward for our clients and the communities that we work in is something that sets us apart and differentiates us in the eyes of our clients. Alan talked to you and I've talked to you about our climate adaptation solution and services and I want to spend a little more time talking to you about water optimization, our environmental remediation and PFAS solutions, and the work that we're doing around energy transition to meet this increasing demand and build for our future.

By 2030, billions will be without clean water and sanitation if progress does not quadruple. Couple that with climate change and we're seeing challenges in both the sourcing and quality of water. We're supporting the the use, operation and maintenance and improvement of aging infrastructure to be able to support providing clean water to everyone.

As I sit here in Lower Manhattan, a hub of Resilience, I think back to a few months ago when I participated at the UN Water Conference and confirmed our commitment to clean water and providing access to water and affordability of water to all. Our experience dates back to the 1920s in providing water services, in fact, here in New York City. And when I think about what we do into the future, it's bringing innovation and data-driven decisions to support our clients.

We have two promising technologies that illustrate our capabilities in bringing this innovation forward for water optimization. The first is the use of Digital Twins. We have a Digital Twin called Water Finder. It really looks at how do we reduce leakage and loss of water in water systems. Given the limited water capacity and capability in certain areas, this is really important.

When I think about a second technology that we have, it's HydroNET. HydroNET's a real-time data tool that allows us to predict weather events and then respond to them. In fact, we just started a relationship with the California Data Collaborative. It's

a group of 18 different entities, communities, agricultural entities, and institutions, where we're helping them understand their water usage and availability, really impacting millions of Californians to make sure they get the most out of the water that they have available to them.

We're also joining forces with the Intelligence GBA that was just newly formed, with Enterprise Data Analytics, supporting aging infrastructure and rehabilitation programs. It will allow us to be able to develop products and also long-term revenue. And as we move into the next topic, I'm going to talk to you about our work around PFAS, or per- and polyfluoro alkylized substances.

We see them related to firefighting foams, manufacturing, cleaning, industrial products, cosmetics, and other household products. We see them in motor oil. Luckily, we're at the forefront of the industry at Arcadis. And we have the best minds creating innovative, holistic, and resilient solutions to support the response.

Fluoro Fighter is a chemical that we use to be able to rinse PFAS from firefighting systems to remove the layers that PFAS creates in those systems, reducing future contamination. And in addition, we've been hired by 70 clients to replace firefighting foams with more sustainable solutions.

We've done this in Australia, the Netherlands, Germany, the U.S., the U.K. This is an area that Arcadis is really strong and a great example about how we look forward to the requirements of our clients, prepare for them, and help them respond to their biggest challenges.

Now, turning to the future, let's talk about our growth accelerator, Energy Transition. In U.S. and Europe, we are seeing significant expansion in renewable energy, and in many countries we are seeing commitments towards moving to electric vehicles and hydrogen vehicles by 2050.

Energy supply, how we create, store, and distribute energy, as well as energy use, how we efficiently use energy, repurpose the supply, and ensure that we have what we need in order to move forward as a society is critical in our approach to energy transition.

We have the proven ability and experience to be able to meet our clients' needs, whether it's cities and communities where we work, live, and play, or it's industrial clients or municipalities that we're supporting. At Arcadis, we have five communities of practice related to Energy Transition.

One is the transmission, distribution, and storage of energy. And I would say the most important, as it's a linchpin to all the other areas. Industrial decarbonization, urban energy systems, and then renewable energy sources like offshore wind and hydrogen round out the five areas that Arcadis will focus in order to support our clients in their energy transition.

We have a strong presence in Europe and the U.K. and demonstrated experience working for clients like Elia, TenneT, National Grid and Emapyrean. We're looking to take this portfolio projects and experience and expand our capabilities as well as our support to clients into the U.S. and Brazil.

I'm really proud of the acquisition that we made this year of Giftge Consults and how they've helped us in developing a leading position in the Netherlands and Germany around transport infrastructure, transmission line design and routing and siting activities.

In the U.S. we're looking to expand our support to clients but it's not starting fresh. We are already supporting clients like Southern Cal Edison and everything from permitting to transmission line design. We're poised and ready for the future to grow our Energy Transition business to support our Resilience business and Arcadis as a whole.

But we've recognized to limit temperature rise to 1.5C we need to act swiftly. We need to take bold moves. What we want has never been done before. I am proud to announce that we have launched the Arcadis Energy Transition Academy, where we will reskill and upskill our employees as well as those in industry to be able to meet the challenges of the Energy Transition.

We're partnering with universities and institutions, sharing content, supporting curriculum development, creating connections with the students so we can create a pipeline of resources to come to Arcadis and support us as we help our clients in the Energy Transition.

In fact, we're looking at adding 2,500 scientists, engineers, and professionals to help us in growing our ability to respond to this pressing need from our clients. We are incredibly proud of the work that we've done in the Netherlands and the North Sea.

In fact, with our Places colleagues, we've been supporting TenneT in an innovative and groundbreaking approach to land converter stations. This will increase efficiency, increase capacity, and supercharge the distribution of offshore wind energy through Europe.

In fact, this converter station will double the effectiveness that we see currently in Germany and triple that which is in the Netherlands. The Energy Transition is a critical element for society, for sustainability, and for the world around us. And Arcadis is poised to really respond to this through investments in our people, investments in technology and innovation, and really working closely with our clients to not only meet today's needs, but anticipate the needs of the future.

Thank you for the opportunity to share with you some of the things that I'm excited about, as it relates to our Resilience business within Arcadis. We have amazing people who are committed to our clients and committed to the environment. And I know that we have the right strategy to make the right project choices so we can

have the biggest impact on Arcadis and the world around us, creating a planet-positive future for everyone.

And with that, I'm excited to turn it over to Mark so he can share some of the great examples and inspiring stories that we have from the Places Global Business Area.

## Places Global Business Area Strategy

**Mark Cowlard:** So good afternoon. I'm Mark Cowlard, the President of our Places Global Business Area here at Arcadis. When we talk about Places it's not just about the physical space but the human and environmental impact of our surroundings.

And Places matter. Not one day goes by without the world views focusing on the impact of Places in society. We hear about a shortage of beds and medical personnel in hospitals in parts of the world. Pressure on the availability or cost of housing. Challenges on our high streets, the rise of the gigafactory and the race to create new vaccines.

Reflecting on this our focus and passion is helping to design and create those places that shape our lives, our economies, our industries. We work together with our colleagues across Arcadis to create places that positively impact both people and society.

It's in our Arcadis DNA to make those places sustainable, safe and smart. So as the world continues to evolve and a society demands more of its places, existing clients are asking us new questions and new clients are discovering our value and asking us questions for the very first time. And our strategic focus reflects this.

We identified advanced industrial facilities for growth three years ago and we're realizing that growth today. We benefit from strong heritage in the automotive industry, our recent growth in technology and from our acquisitions of the IBI Group and DPS Group, now enabling true end-to-end delivery including process engineering.

Public facilities represent all those assets owned, operated and maintained by public organizations such as Governments and Councils. This covers multiple sectors such as education, housing, defense and healthcare. These places are the backbone of modern society, central to people's quality of life, and across the globe we continue to work with governmental organizations to build, operate and maintain them.

Retrofitting and repurposing sees us addressing the decarbonization agenda, changing regulation and evolving societal demands. Our role is to ensure that portfolios are optimized for owners, investors, landlords, occupants alike. And next, architecture and urbanism.

Combining IBI Group along with CRTKL, we are proud to be one of the largest architectural practices in the world and we can now fully embed architecture in all

that we do. Alongside the expertise we have across Arcadis, architecture and urbanism supports urban areas to become places where communities can thrive. Creating master plans to connect people and communities both physically and digitally and creating urban environments that are smart, diverse, future-proof and accessible.

Finally the built environment is a huge contributor to the climate crisis and as such we need to make our buildings smart and sustainable and in places we see a real opportunity to not only bring our net zero expertise to clients but also to improve and interpret the data at our disposal.

This data can help us to understand and address the climate challenge through smarter measurement and management of carbon and provide valuable insights into operating costs, user experience and future investments. And so partnering with our colleagues in Intelligence, who you will hear from shortly, there is real opportunity for collaboration within Arcadis to further evolve the work we do with our clients in this space.

But now, I want to focus on our leading positions. In North America, our acquisitions have been a real accelerator to further strengthen our brand, reputation and recognition. We've continued to build influence organically with key clients in the region, build relationships with new clients and contribute to iconic commissions such as our appointment as lead consultant on the future of 5th Avenue in the heart of New York.

Our position is strong in the U.K. and Ireland. We're seeing growth in defense projects, advanced industrial facilities and in technology too, as investments continue into data centers and other infrastructure to meet society's increased demand for artificial intelligence. And our capabilities in building intelligence solutions are also shaping cutting office developments in the heart of the City of London, bolstered by a recent partnership with Honeywell.

In Continental Europe we've continued to make significant inroads growing from our foundations in the Netherlands where we continue to lead the charge with net zero. Whether it's working with automotive sales company backed by Stellantis and Mercedes on their new battery manufacturing facility in Germany or the Belgian Defense Ministry on new defense infrastructure for their F-35A investment.

Cross-country, cross-sector, or cross Europe, we're strong in all that we do. And we continue to lead in Australia too, leveraging our digital cost management platform to deliver new innovations and add value to our projects. And in China we're realizing the advantage of shifting our focus from traditional cost commercial management to project and program management and starting to strengthen our focus on industrial manufacturing in the region too.

So as Alan mentioned the client offerings we provide reflect their growing needs but they're also catalyzed by macroeconomic factors such as government stimulus and

legislation. For example in advanced industrial facilities some clients are telling us their decision to build new facilities in the U.S. is in part due to the Inflation Reduction Act. Due to a shift towards onshoring the U.S. is also leading the way in semiconductor manufacturing with the CHIPS and Science Act announced back in 2022.

This provides \$39 billion of funding which are earmarked for manufacturing incentives. Europe has also recently followed suit with its own €43 billion policy driven investment up until 2030. And we continue to anticipate efforts from around the world to attract inbound investment and to stay competitive.

These policies result in a significant pipeline of large opportunities for us, which I'll touch on in a minute. Now with architecture and urbanism, the UN estimates that 68% of the world population will live in urban areas by 2050. This growth requires investments into existing places to cope with an increased population, changing societal expectations and a need to embed sustainability in all aspects of our lives.

Our opportunity is to grow it further in North America and the U.K. and bring it to new geographies, all of which face similar challenges. The Government stimulus packages are not only designed to stimulate economic growth, but also to support a more sustainable future.

As mentioned at the start, we're part of this, bringing our pioneering net zero know-how to ensure all buildings can be smart and sustainable. So, with cities responsible for consuming 78% of the world's energy, the impact and the opportunity for us in the public and private sectors is just enormous.

So taking a deeper dive into advanced industrial facilities, these facilities are the home of technologies, industries and processes that define both our present but also our future. Cutting edge pharmaceutical research and development, semiconductor chips, hyperscale data centers, logistics centers, gigafactories.

A huge amount of planning goes into developing these facilities. Complexity exists across every stage, from business case to country and site selection, permitting, design, build, tooling and validation. But unlike many of our competitors, Arcadis can integrate and deliver a holistic solution.

In addition to creating the building that houses the facilities our expert team can work inside out bringing decades of industry manufacturing insight to support processes, engineering and plant design. This crucially sees us working with clients to navigate the complexity and risk of moving successfully from construction to production.

We couple this with our seamless delivery approach, a consistent and efficient blueprint that scales and replicates across the world where we deploy the very best teams bringing our collective expertise to follow their clients and their projects wherever it is that they're located.

We see great opportunity to further leverage the skills and capacity of our GECs, advances in standardization and automation and the deep knowledge and experience from our experts who have led successful careers from within the industries that we now serve.

You can see here that the market for advanced industrial facilities is just vast and valuable and this represents just the currently available data in the public domain. There are significant investments upwards of \$650 billion being made in advanced industrial facilities by some of the biggest blue chip firms in technology, in automotive, aerospace, new mobility and life sciences. We are a clear leader in this market.

We understand the diversity of these facilities, the need to build to time, to cost and to scale, but also to meet the most specific manufacturing or logistical challenges that many of these clients will face, including adherence to strict non-negotiable regulation. This regulation is especially acute in the life sciences industry and we are already working with 19 out of the top 20 biopharma companies.

Through our expertise we are now one of the leading companies that can both design and validate critical contamination free clean rooms. This is a real key differentiator not just in life sciences but increasingly within advanced technology and gigafactories.

In North America NY creates, a global leader for R&D for the semiconductor industry, was planning to retrofit an existing facility and chose us to partner with them. We provided project management as well as a single partner to execute all aspects of the clients needs. We did it safely with zero incidents through to handover and operation.

Another recent project success. So, we're selected to deliver a new manufacturing facility in North America supporting renewable energy technologies client, CubicPV. Cubic selected us for full architectural and engineering design services, including expertise from our Resilience GBA, our Places GBA, advanced process manufacturing and architecture and urbanism divisions, as part of a fully integrated Arcadis team.

Now, across our business, many projects we contribute to involve architectural elements, and we now boast the skills and capability as one Arcadis to deliver these at scale for our clients. Likewise, the clients and projects under the stewardship of architecture and urbanism can now benefit from the broad range of solutions and services across the breadth of our business.

We're doing this now, and there are examples of architecture and urbanism, engineering, consultancy, combining on existing and new commissions for the likes of Johnson & Johnson, Boeing and the U.S. Army. And in Derry, Northern Ireland, where we've been trusted to create new critical outpatient facilities for the community, we're also leveraging our skills in medical planning. The potential of

what we can create together is just enormous and we believe that all clients will benefit from our architecture and urbanism expertise, whatever the scale.

Let me bring this to life. When travelling to Toronto for the first time, I was excited to get a glimpse of the city from the plane. I was eager to identify some of the key landmarks. I quickly found the city's central business district, identifiable through the huge cluster of towers that reached up into the sky. But, as the aircraft banked, I was amazed to see further clusters of towers. What I initially thought was a central business district was instead just one of many new urban developments in the city.

We have played a significant role in creating these impressive communities, addressing housing needs for the flourishing local and migrant population that make Toronto their home, supporting the city's prosperity.

A great example is CityPlace, the largest master-planned mixed-use community in Toronto, with 30 residential towers, for 20 of which we provided master-planning, urban design and architectural services over a 20-year period. We have worked with this client, Concord, on three other similar master-planned communities in Toronto, Vancouver and Calgary, delivering over 50 towers.

So we know that by 2050, the majority of buildings across the globe need to be net zero. Our industry must come together to make all buildings smarter and more sustainable. Whether retrofitting an existing building to reduce operational carbon or considering embodied carbon when designing a new building, whether it's a tower or a bungalow.

Organizations across the globe have committed to address climate change through ambitious and far-reaching net zero targets and ESG goals. But as the deadlines get closer, it's clear that they need help to transform ambition into action. So our role is to help them to achieve this, to be ready now for 2050.

A great example is the City of London Corporation. Our work with them has been far-reaching, driven through robust project plans and has covered many different interventions. We created a sustainable design and technology standard that will influence their new developments and major retrofits, including optimum technology to support net zero.

We implemented a Digital Twin of the square mile to model the potential impact of climate change on their assets. And then we're even helping to reduce the carbon impact of heating per square mile. Net zero challenges are not limited to a particular sector and they impact the vast majority of our clients in Places GBA.

We believe our combination of skills is unique and that we're perfectly placed to help our other clients meet the challenges ahead. So going back to where we started and the impact of Places, I hope that you can see whether it's healthcare, housing, gigafactories, life sciences or net zero, we as a GBA, we as one Arcadis are

well-positioned to support our clients' most complex and pressing needs, helping us all to accelerate a planet-positive future.

Thank you for your time today. I'd like to hand you now back to Christine.

**Christine Disch:** Okay. We're going to have a break and be back in 20 minutes.

Welcome back. Continuing with our GBAs and next up is mobility. And from Australia, I would like to introduce the President of our Mobility GBA, Greg Steele.

## Mobility Global Business Area Strategy

**Greg Steele:** Hi everyone. I'm Greg Steele, the Global President for the Mobility Business area. I'm based in Australia and I'm coming to you from my hometown of Brisbane or Toowoomba country, from the perspective of our First Nations people.

In this regard, I acknowledge the traditional custodians of this land and elder's past, present and future. Behind me, you can see Roma Street Station, which is part of the \$6 billion Cross River Rail project, where Arcadis is providing independent design and construction assurance services for Brisbane's first rail metro. Also, off the back of the work on Federation Square in Melbourne, we have recently won the planning for the transformation of all these rail yards into a vibrant inner city stadium precinct for the 2032 Olympics.

When we talk about mobility, we're referring to the vehicles, services and infrastructure that support transport of all kinds. We have over 6,000 technically focused Arcadians across 12 countries working with clients around the world to accelerate our net zero carbon ambitions and deliver or manage their infrastructure in a safer, more efficient and sustainable way. We also take very seriously our responsibility to assist clients to meet their enormous challenge of achieving a net zero carbon future. This is a driving passion of mine and many other Arcadians who are also focused on leading the way to decarbonized mobility, project by project.

Our solutions include intelligent rail and transit, connected highways, new mobility and transportation hubs. Let me bring a little bit of flavor to these for you. Our intelligent rail and transit solution addresses the increasing demand for rail and transit as it becomes the transport mode of choice for many cities around the world to meet their net zero carbon ambitions. For our connected highways clients, data-driven solutions are helping make transport safer, more efficient and sustainable. Digitally driven asset and mobility management is increasing in demand, as is guidance around new vehicle technology.

In collaboration with our intelligence group, we are capturing work for clients in new frontiers like connected and autonomous vehicles. Our new mobility and transportation hub solution is assisting clients to revolutionize the way people and

goods move. In line with society's demands for digitally connected, inclusive and sustainable transport, we're seeing increased demand for our expertise in decarbonizing ports, increasing the efficiency of these ports and advanced air mobility.

Our global model sets us apart from our competitors, and when we combine our global expertise and global excellence centers with our local knowledge and client relationships, we can provide the best of Arcadis to our clients in the countries we choose to focus on.

When it comes to North America, the transport sector is on fire. I'm very proud of how we've grown in the U.S. over the last few years, and super excited about the prospects for large transformational highway and rail projects. We now work for over 30 Department of Transport and transit agencies. We are seeing increased demand for new mobility projects, particularly bus fleet electrification and EV infrastructure. Nation building projects like California high-speed rail, and city-shaping projects like the LA Metro Connector are leveraging our depth of experience and expertise in program and construction management from around the world.

Thanks to joining forces with IBI, we now have a leading position in Canada for the planning and design of rail and bus rapid transit. This position will only get stronger now that we can leverage our global expertise and global excellence centers.

In continental Europe, we concentrate our efforts in the Netherlands, Belgium, France, Germany and Poland. In the Netherlands, our innovative digital approach and the use of AI in asset management sets us apart and has significantly improved the performance of the one-third portion of the Dutch rail network we manage with our joint venture partner. In France, Arcadis is designing lines 15 and 18 of the Grand Prix Metro, harnessing our deep expertise and major tunnel infrastructure.

In the UK and Ireland, our rail design expertise is demonstrated through our work on the high-speed rail to mega project. We are working closely with our places GBA on projects like Curzon Street, which is the main station for HS2 in Birmingham. We are also well known for our highways capability, the project management and planning for lower Thames crossing being an example. We are seeing growing demand for new mobility solutions as well.

Finally, in Australia, we're working on many major motorway projects, including the 16.8 billion WestConnex in Sydney, while in Melbourne, we're supporting the smarter roads program, providing our client with a rapid specialist response to support in proactively managing the transport network. Our success over the next three years will be built off the back of the solid global foundation we've already laid. A few of the key market drivers include global asset management market is set to double in the next five years, reaching 76 billion.

In the U.S., the extraordinary transport expenditure increases over the next decade will demand focus from us. We are also seeing exciting growth in non-traditional

areas like EV infrastructure market, which will be worth over \$400 billion by 2030, and advanced air mobility, where we've already had some exciting wins. This market was valued at \$8.2 billion in 2022 and is expected to grow to over \$50 billion by 2032.

Off the back of these market drivers, we see three key profitable growth opportunities over the next three years for mobility. So firstly, becoming a leading advisor in the shift towards decarbonizing and digitizing the transport sector. This plays to our heritage and experience and is strengthened by our global approach and new intelligent business area. Secondly, leveraging our strong positions in design and engineering across the UK and Australia to capitalize on the increased infrastructure investment in North America. We have significant headroom for growth in the U.S. and Canada, scaling those best practices from Australia and the UK. And our global excellence centers will play a key role in this.

And finally, digitally driven asset and mobility management. With an increasing focus on ageing assets and the outsourcing of mobility management in cities, we are well placed to globally scale our innovative digital approaches. Earlier this year, I spoke at the Global International Federation of Consulting Engineers or FIDIC Conference in Singapore, where I highlighted the need for consultants to elevate their approach, lift their thinking to meet client challenges to decarbonize transport across the whole asset life cycle and take more of a whole a whole-of-city approach.

Arcadis is well-placed to meet this challenge for our clients through our work in cities like Rotterdam, Sydney and Atlanta, where we are at the forefront of planning and managing mobility networks for a net zero-carbon future. Other important elements of this growth opportunity are planning, designing and managing the construction of rail and transit systems, which are the mass transit mode of choice for most large cities, planning and designing for the transition to EV networks, planning and designing micro-mobility networks for modes like bicycles and e-scooters. And this is in high demand globally as active travel becomes an essential ingredient to decarbonizing cities. Our Dutch heritage in bicycle design and expertise certainly sets us apart from competitors in this area.

And finally, the use of digital processes and systems to drive efficiency and safety in transport networks. This is illustrated through our work with client ProRail in the Netherlands, where we are implementing the European Railway Traffic Management System. This work is leading the world in transforming existing rail networks to becoming fully digital, and our intent is to automate these ourselves and scale globally. Our global excellence centres in India, Romania and the Philippines already play and will continue to play, an integral role in providing much-needed capacity to meet these challenges.

In North America, we see enormous opportunity to take market share in the design and engineering of major highway, rail and transit projects. We are already leveraging our global major projects expertise from the U.K. and Australia. Our close relationships with global contractors and the capacity of our global excellence centres are real game changers here. Our global model is helping us win more work and deliver more efficiently.

A few examples are the UK business assisting with a large transit contract in Toronto and our Dutch expertise in immersed tube tunnelling being applied to the Fraser River port tender in Vancouver.

In short, the opportunities for Arcadis in North America are extraordinary. Building from our strong foundations of asset mobility management in Europe, we are scaling several products and services globally. One is Bridge Health, which Alan spoke of earlier, and the other is our own Intelligent Asset Insights, where we now have over 40 commissions around the world and growing. Developed by Arcadians, Intelligent Asset Insights monitor and track assets using computer vision, automating the process of detecting and collecting asset information through automated data collection, analytics and artificial intelligence. This information is then used to optimize the asset life cycle and maintenance costs. This solution is helping our public and private sector clients across roads, rail, waste detection and even wildlife classification.

For the Waterwolf Tunnel assets for key client, the province of North Holland, Arcadis will act as managing agent to oversee controls, operations, surveillance and civil maintenance of the technical installations across the three major tunnels. This is a €125 million commission for Arcadis over the next 10 years. As well as being responsible for major maintenance work across the assets, we will help improve efficiency through the use of digital processes such as our digital twin technology, smart predictive maintenance planning will be used to monitor and maintain the structures and drive efficiencies.

This digital approach to asset management drives safety and performance and resonates well across country borders, meeting the demand for digital asset management strategies in Europe, the UK, North America and Australia. Hopefully this has brought to life for you the approach we will take over the next three years to grow our mobility business, enhance profitability and accelerate a planet positive future. One we can all be proud of and to have contributed towards.

I'll now hand over to Juud to go through the strategy for the intelligence global business area. Thank you.

## Intelligence Global Business Area Strategy

**Juud Tempelman:** Hello, good afternoon. That was a great presentation from Greg, and with great sound effects, don't you agree? The first one I wasn't sure I was hearing it, and then the second one I thought we're definitely hearing it. So, it's a great honor to be here, and what a great location. My name is Juud Tempelman and as Alan has mentioned earlier, I was appointed as the Global Business Area President for Intelligence on October 1. I'm a Dutch national. I live in the Netherlands, but I lived abroad and for the past 20 years, I worked in commercial and operational leadership roles across the globe, in commercial real estate, professional services and energy and actually with a focus on building digital businesses.

I joined Arcadis at a very exciting time. So, we've mentioned it before, but in 2022, Arcadis completed the acquisition of IBI Group. And a key part of IBI Group was IBI Intelligence, a strong and established digital business. And IBI Intelligence perfectly complemented the existing Arcadis Gen business.

So, 2023 has been a year of integration. We now have one global business area in intelligence with a team of 1,000 plus colleagues, many of them highly experienced technologists and digital advisors. But it wasn't just a year of integration. The business has already demonstrated strong performance and created a solid base on which we will build.

So, let's talk about the business. With Intelligence, we have a leading digital offering and are well positioned for growth. We're collaborating across the business areas to bring a compelling and unique offering to our clients. This is focused on software and digital products combined with our deep engineering and asset expertise. Building on these foundations 2024 will be a year of Arcadis wide growth for intelligence and together will bring our unique capabilities to our clients across all global business areas. This not only provides attractive revenue opportunities, but it will also extend our client relationships into the operational phase of the assets.

So, in essence, we'll be blending our digital and human innovation into everything that we do. And there is no better time than now, so we've seen many clients drive digital innovation within their own operating groups, but what's different today are the challenges that they are facing. These challenges are driving our clients to look for new ways to manage their portfolios and optimize their expenses. They want thought leadership, and they want a partner to drive digital integration across their operating assets, and we can and we will be that partner.

In my view, Arcadis is the digital leader in this industry today. And while our competitors are starting to provide digital capabilities, we have an established portfolio of leading products and software platforms across the industries that we operate in. We've grouped our intelligence business into three business offerings. One is smart assets and building analytics. Secondly, digital transportation technologies. And thirdly, intelligent operations. And I'll give you some insight on all of these later. But first, let's look at our global footprint.

So already we're strong in North America, the UK and Ireland, where integration with our GBAs is key to our growth. The opportunity lies in the size of Arcadis' entire footprint, where we have a chance to grow and scale our business. So for instance, in North America, we see opportunity to scale our portfolio of analytics products to more than 90% of our client base. And let me give you another example. So, for our transport clients, some of the clients that Greg referred to earlier, our mobility team can do the design and engineering on major infrastructure products. And we will come along as intelligence to provide technology to support ongoing maintenance and operations throughout the asset's lifecycle.

So that's really our positioning. On one side, we have the strength of our market-leading business areas, their deep client relationships and the asset knowledge. That's one part of our offer. And on the other side, we've got these market-leading intelligence capabilities. And together, we offer a truly holistic offering to our clients. And as you can see, we have an established suite of products. And what's really jumping out is we also have these technologies across different asset classes as you can see here at the bottom.

I'll share some examples in a moment. First, let's look at some of the market drivers. I think we've spoken generally in the previous or in the earlier presentation by Alan about what the key tailwinds are. What we see in intelligence, clients are looking ways to make better investment decisions. We see aging infrastructure, increasing cost of capital, budget constraints and they're complicating decision-making.

Our smart asset building or our smart -- sorry, our smart asset and building analytics technology actually helps clients make better decisions at the right time and at the right investment point and align it with their priorities. And in addition, we see increasing demands in utilization and performance of operating assets. We at Arcadis have the technology in place to help clients deliver on their ambitions.

And as you can see, we only expect the market to grow. And this is where we at Arcadis are positioned to create real impact. So, let's talk about the key growth opportunities. The first one is enterprise data analytics. And I'll come back to you with an example on this in a bit.

The second opportunity is digital transportation technology. We have a range of products, including Travel-IQ, Curb IQ that you might have seen in the other space this morning, Hotspot and our tolling platforms.

Looking at the broader opportunity, all of these products in the digital transportation space support our clients with the interface with their end users. And it's a sizable market. So, everyday millions of people use our technologies. We proceed over \$1.5 billion of client revenues every year. We manage 1,200 toll lanes globally. And when you drive, and maybe some of you do this, maybe you've never done that.

But if you go from Ontario to Michigan, there are four public transport connections. There are bridges and tunnels. The entire network is operated by our award-winning platform. And Hotspot is our newest integrated end-user mobility solution for commuting, parking, taxi, transport and payment. And we have over 500,000 paying customers.

Then the third trend is technology in other asset classes. And we call these intelligent operations. We've already heard Heather speak about HydraNet. Another example is Ken Flood. So, Ken Flood is an open-source flood management system. It uses real-time flood prediction on maps and shows three major elements of risk. The extent or likelihood of flooding, the level of exposure and the vulnerability to damage. And we created a data layer of subterranean, so underground

environments that are overlaid to determine and therefore mitigate the impact of flooding on real estate. And this means that people can see if their parking garages or basements are at risk of flooding, and then allows them to take appropriate action.

So, let's go to one of the examples. As I touched on earlier, a particular growth opportunity is with our market-leading enterprise data, analytics, or EDA products. And we're looking to grow our business within the U.S. We're seeing opportunity to expand our work in buildings and facilities, thanks to our places at GBA. And we're also working with our clients and colleagues in resilience to expand in the water utility space.

It uses analytics to help clients improve decision-making around asset performance and future investments. So, we program EDA to reflect our clients' investment targets and objectives. And it works across all asset classes. Then it can overlay on any asset management system and integrates all the different data sources. It analyzes and optimizes the data to inform the best investment decisions to deliver the biggest impact on performance and to optimize capital planning. It can also empower our clients to measure their carbon footprint and plan their route to net zero.

Today, EDA already serves some of the largest global rail and water clients, such as Amtrak and Severn Trent Water. And because EDA is systems agnostic, we are in a strong position to capitalize on future opportunities.

Let me give you an example in the real estate factor, where we've helped infrastructure Ontario. They were faced with falling occupancy rates and the need to modernize and retrofit their portfolio. It's an incredibly large and diverse portfolio. It includes today approximately 2,000 buildings, and they're planning to grow that to 7,500 buildings.

However, to manage this growth, they needed to be more agile, have more transparency, and reduce complexity in their decision-making. Using EDA, we were able to collect condition assessments across their entire portfolio, and this created a deeper understanding of their assets. They're now well positioned to plan their rationalization and optimization of their portfolio based on our EDA insights. And this then informs their capital investment strategy.

EDA has a track record of delivering some impressive results. So in previous applied, across a range of critical infrastructure, so think of water and energy networks, transport, cross asset portfolios for cities, we have improved portfolio efficiency by 30%. It has reduced planning and reporting times by 80%. And it has increased project execution accuracy by 20%.

So in this way, EDA plays a critical role in capital investment strategy. It empowers our clients to maximize the value of their data to develop the best asset investment plan and an affordable life cycle cost, which is really important in the current interest environment.

So, let me share another example with you, Travel-IQ. It's one of our leading products in our digital transportation space. We see an opportunity for growth with our mobility clients. It's a traffic communication solution that keeps users informed with timely and accurate information. It already has market dominance in North America, where a staggering 100 million Americans have access to our platform every single day. So that's one-third of U.S. citizens. And we've expanded globally.

So besides the U.S., Travel-IQ has been deployed successfully in Canada, Scotland, and South Africa. But what differentiates it? What makes it so exciting? Firstly, we get live information directly from the State Department of Transport. And that means that we can provide that information to our road users in real time. So we are able to report real time on things like traffic, roadworks, crash events, as well as winter conditions like snow, ice, floods, hurricanes, and fire. And we're constantly upgrading and evolving the technology and building capabilities to make sure we stay up to date.

And as a proof point, since 2018, Travel-IQ has been key to modernizing Arizona's transport services. Arizona now has a comprehensive and highly efficient road and traffic information system, and the client recently renewed their contracts with a new five-year contract with us. And this underscores their confidence in our capabilities, and it signifies the opportunity together to further enhance the system.

So, as you've heard, we have a strong Intelligence business. We've got a proven track record in bringing impactful products to market. We focus our growth on the geographies and sectors where Arcadis already has a market-leading position. And looking to the future, we'll continuously evolve our product portfolio to service clients over the long term in all sectors across all GBAs. And it's through collaboration with Heather, Greg, and Mark and their teams that we'll bring the best of One Arcadis to our clients, helping to solve their challenges across the entire asset lifecycle.

I believe we have a significant opportunity for growth, building new products, and investing in existing ones to strengthen and scale our portfolio. And in this way, we will combine the best of digital and human innovation to capture growth opportunities worldwide, meeting the needs of our clients today and for the future.

Thank you. And now I'd like to hand over to Virginie to talk you through the financial framework.

## Financial Framework and Capital Allocation

**Virginie Duperat-Vergne:** Good morning, good afternoon, ladies and gentlemen. You've now heard from all our GBA presidents, and I hope you have learned more about all our businesses. And if you allow me, I would like to get you through the translation of our strategic objectives into financial targets. And for that, I'm going to start to first look back on our achievements over the '21-'23 strategic cycle and see how it is converted in the new cycle.

I'm pleased to report that we have delivered strong organic top-line growth over the last strategic cycle, with net revenues growing steadily over the three-year period, and for the three-year period ending as of September 30, 2023, the compound annual growth rate was 7%, well in our mid-single-digit target over the cycle.

In addition, our net order intake has grown consistently, supported by organic growth and strategic acquisition, and resulting in a strong net revenue backlog of €3.1 billion at the end of Q3 2023.

Our positive top-line performance, both in terms of order intake and net revenue generation, has been driven by, first, solid demand in our key-end markets, combined with our key-client program designed to help us grow our relationships and deliver even more value to our clients.

And secondly, the implementation of our global business area structure, helping us better align our resources with client needs and accelerate top-line growth. All this, enhanced by the successful repositioning of our business portfolio, accelerated by the success of the revenue synergies generated through the acquisition of IBI and DPS.

Since their creation early 2022, over the period to Q3 2023, our global business areas have delivered robust organic growth, with places at 4%, resilience at 11% and mobility even over 13%. Intelligence is rapidly emerging, showing a 23% performer organic growth since their creation one year ago.

As explained by Alan, we see strong tailwinds in a number of our key markets, which are rebalancing our portfolio toward higher growth markets. And through our GBA model, we can capitalize on this with additional potential from cost selling opportunities. We continue to invest in our key growth accelerators, including energy transition and sustainable operations smart sustainable buildings, new mobility and intelligence, helping us maintain a leadership position in these markets, driving further growth and increasing opportunities.

In addition, we will drive further growth through our key client program 2.0 and through use of our digital tools, which will drive share in our clients Opex spend. Combining all these factors with the current economic context in mind, we are well positioned to achieve continued mid to high single-digit organic growth over the 2024-2026 cycle.

Now, over the last strategy cycle, we delivered consistent margin improvement to meet our strategic target of above 10% with operating EBITDA margin coming in at 10.1% As of end of Q1, Q3 2023 year-to-date. Our successful solid margin development is a result of several strategic initiatives, including increasing contribution from global excellence centers in all our businesses and geographies across key clients, reducing voluntary attrition as well as improving onboarding process, especially in resilience, our fast-growing business, reducing office footprint by 35% compared to 2020 baseline, while offering new style collaborative working

environment to more than 15,000 Arcadians, repositioning of places, including full integration of architecture in that business line, and China portfolio shrinking and shifting to higher value-added project management capabilities.

And finally, focusing on our core activities through divestment on non-core countries and businesses. These initiatives more than offsets the normalization effect of travel and other costs post-COVID crisis, the pressure of wage and other cost inflation, the cost of winding down Middle East, and to a lesser extent, some acquisition integration costs that fall in our operating EBITDA.

We are committed to continuing to improve margins and are well positioned to deliver this in the next strategy cycle. So, with those strong foundations behind us, we feel we are well positioned in this new strategic cycle to go on bridging the gap in terms of margin delivery and continue to significantly improve our profitability.

The combination of organic leverage with the three levers presented earlier by Alan sustainable project choices, digital plus human innovation and powered by people should put us in a position to deliver an improved operating EBITDA margin of at least 12.5% in 2026.

And I will now take you through each of these buckets to see how they do contribute to margin increase. You can see that they are all represented the same way on this slide but they do not all contribute the same way and some of these levers do cover greater opportunities than others.

If we go one contributor by one, the first contributor to our profitability is a combination of the organic growth leverage we expect to go on seeing with the results of some of the actions we have engaged during the current cycle but that will bring benefits in '24 and beyond. And amongst those the most salient ones are the finalization of Middle East wind down and the benefits resulting from the cost energy plan we are implementing following the acquisitions of IBI and DPS.

And as an example of this first lever, we will continue our office footprint reduction program, executing on our cost synergy program following the acquisition of IBI, DPS, Giftge, and on the Middle East wind down. And we will also work on further optimizing that base, focusing on additional footprint condition where possible, and maintaining footprint and cost base while absorbing the growth.

Moving to the second lever. Our second lever to increase operating margin is as we said, sustainable project choices. As explained earlier by Alan, we are adopting a focused approach toward projects by being deliberate in our bidding choices, remaining true to our values and economic criteria, focusing on higher added value offers, and reinforcing our positions, developing new solutions where we make a difference, as Alan showed you earlier.

In parallel, continuing to increase the robustness of our project selection process is a key driver in the current context where the tailwinds we described earlier in the

presentation are creating a high demand for the solutions we offer.

Combined to that focused approach, expanding our key client program is a critical element of our plan, as key clients often represent larger projects with repeat opportunities and a larger potential for Global Excellence Centre contribution, all this resulting in higher margins.

In addition, by leveraging our existing client base, we can reduce sales and marketing costs, increasing efficiency in our bidding and selling process through intimate knowledge and direct access.

Through sustainable project choices lever, we also increased our focus on the opportunity for cross-selling between our global business areas, which we started with revenue synergies focus post-acquisition of IBI and DPS, delivering further margin uplift through operating leverage.

Our third large opportunity to increase our profitability is the digital plus human innovation lever. How we will deliver higher margin? By increasing the contribution of intelligence to our existing projects. You've just heard Juud commenting on the fabulous opportunities that intelligence represents for Arcadis.

Within one year of existence, we've seen this global business area grow organically on a proforma basis of 23% year-on-year, demonstrating that we have a very compelling offer in terms of software and digital products, combined with our deep engineering, implementation and operations expertise.

And as we know, 2023 being the year of integration, it's important to recognize that this margin potential will be partially offset by our continued investment in new products and organization upscaling in the next coming years.

In addition, in the rest of our global business areas, we will also continue to standardize our operating procedures through the application of artificial intelligence and other digital tools, which will drive increased consistency, combined with strong potential for further cost reduction.

We will equally go on focusing on the automation of our internal processes, expanding usage of IBI bots, and bringing this automation to a higher level. And as such, automation of our pursuit process is a priority focus area for us, serving both purposes of increased efficiency and increased robustness of the process I was referring to on the previous slide.

Through these various initiatives, we expect to be able to reduce non-billable hours by 400,000 over the course of the strategic cycle. And as you can see, this third lever is extremely large and diverse in terms of opportunities, and we really expect it to be a powerful lever for our performance improvement.

Finally, last lever, again echoing Alan, let me cover this one, which is a very powerful one. Our powered by people strategic pillar will also make a significant contribution to margin uplift. We will deliver improved workforce efficiency through resource planning and through our commitment to invest and develop a skill-powered organization. With our global business area transversal organization and through the evolution of ways of working post-Covid crisis, we have already largely started to allocate expertise from wherever they sit to those projects in the world which really require them.

We expect to be able to better monitor our profitability while enhancing people development and career paths through an optimized allocation of resources and skills to those projects which need them.

In addition, we intend to reinforce our Global Excellence Centre organization and to double over the cycle the share of hours executed in our GECs compared to our total billable hours, bringing the GEC contribution up to 20% in total.

As a consequence, we will explore options for a new Global Excellence Centre and Global Shared Service Centre location to support our growth and further de-risk our operating model.

The combination of the variety of the levers, the detailed action plans we have already engaged and the momentum we see from clients gives us strong confidence in our ability to go on improving our performance to deliver at least 12.5% operating EBITDA margin in 2026.

We started our last strategic plan period with a robust balance sheet. And over the last three years, we have generated a strong cash flow of €514 million, including just over €100 million of Capex. We significantly improved our DRO from 82 to 68 days thanks to our investment in increasing our capability to build our clients faster and to strong cash collection commitment.

And as a consequence, we generated a 65% cash conversion rate on EBITDA across the cycle. We have used that cash to return €290 million to shareholders through dividend and share buybacks.

We have also made a significant investment in inorganic growth of €900 million, which includes the recent acquisitions of IBI and DPS in September and December last year. All this has been achieved while keeping our leverage well within our target range of 1.5x to 2.5x. And in parallel, we got our initial investment grade credit rating from S&P and we issued our inaugural bond on the market.

We start this new cycle with refinancing fully achieved with all our main debt maturities in 2027 and beyond. So what does it mean in terms of capital allocation? Our capital allocation framework remains consistent with the previous cycles and is set as follows.

First, we confirm our commitment to a dividend payout ratio of 30% to 40% of net income from operations for the strategic cycle complemented by additional shareholder returns when appropriate.

Secondly, this will be achieved while further strengthening our balance sheet keeping our leverage within our target range of 1.5x to 2.5x and retaining our investment grade rating.

Then, with regards to Capex, we will invest €40 million to €60 million annually over the cycle, mainly in technology infrastructure and development costs, as well as in further developments of new style collaborating working environment.

And finally, we will continue to pursue value accretive M&A opportunities in line with our strategic priorities, focusing on the targets that complement our businesses and accelerate the delivery of our strategic plan through revenue synergies.

So, let's summarize here our financial and non-financial targets for the current cycle.

What do we expect to deliver? Number one, an organic net revenue growth of mid to high single-digit over the cycle. An operating EBITDA margin of at least 12.5% in 2026.

We want to maintain our leverage ratio, net debt to operating EBITDA, of 1.5x to 2.5x and we want to remain investment grade rated. We want to maintain our dividend policy of 30% to 40% of net income from operations.

If I turn now to the non-financial targets. First one, reduce our Scope 1 and Scope 2 GHG emissions by 70% by the end of 2026. Reduce our Scope 3 GHG emissions by 45% by the end of 2029.

On the people side, we want to remain in top quartile of professional service sector when it goes to employee net promoter score. And finally, we want to increase gender diversity and really get over 30% of women in workforce.

And with this, I want to thank you for your attention and hand you back to Alan for a wrap-up session. Thank you.

## Wrap up

**Alan Brookes:** It's the only slides that you photograph, so I'm not sure what that was about, but I'd just like to wrap-up this session, if I may, and open up for questions. But to do so, can I first summarize where we are on our strategy and commitments to 2026?

I said earlier, I really believe the last three years have been truly transformational for Arcadis. We have built a strong operating model. We've acquired new, exciting businesses. And we've scaled our solutions and repositioned businesses where

necessary into the new growth markets. We're on course to have achieved our financial strategic targets for '21 to '23. And in the next strategy cycle, we will build on our strong foundations of the last strategy and continue to focus how we move forward into the new growth market accelerators and really make a difference.

With a collective mission of accelerating a planet positive future, together with our own ESG commitments, we will focus on our clients by partnering together on sustainable project choices, combining this with digital and human innovation and harnessing the power of our people to deliver our clients' aims and ambitions.

Turning to the targets that we've set, we have done for the last six years a commitment to both a financial and non-financial target to our stakeholders. I hope now that we have explained these targets in detail to you through this presentation. I would like to reiterate that these represent a significant step forward relative to where we are today.

And now, let me summarize the main takeaways for you. To meet our clients' needs, we will focus on the growth markets where we have a right to play. Energy transition, climate adaptation, water management, decarbonization, industrial and high-tech manufacturing, as well as urbanism and smart mobility.

We'll bring new, innovative intelligence products to manage data and improve the operational performance for our clients. And through our key client program, we will be more selective, improving our price points. We will broaden and deepen our client relationships, cross-sell more of our intelligence products, and create greater operational efficiencies. We aim to further tighten our processes that we set up in the current strategy cycle, all of which of these will be crucial to meeting our targets set out by Virginie.

Over the next three years we will double down on our standardization and automation initiatives, while we grow the leveraging capabilities of our GECs. We'll invest in a future ready organization, new skills for our people through our skills powered organization program.

We will close out the Middle East, continue our workplace optimization program and further operational improvements. Together these commitments will help us deliver our next three-year strategy and they'll generate an organic growth of mid-single to high digits and also an operating margin of at least 12.5%.

And with that, I'll hand back to Christine and look to see what questions you may have.

## Questions and Answers

**Hans Pluijgers:** Okay. I'll -- Hans Pluijgers, Kepler Cheuvreux. Keeping to one question, but there are a few questions within the question. You give some, let's say, some detail on the, a little bit detail on the building blocks to get to the 12.5%, at least 12.5% margin. You indicated digital and human and power people were the largest part of it, but maybe give some more numbers on that, let's say some more, let's say specific detail on that. And especially within that, how will the process be with respect to moving more people to the GECs, and especially from a culture perspective, how are you going to manage that?

And the same with respect to focus on higher margin business with your clients. So how do you culturally kind of change that within the company? You have been working on it, but especially now, you should accelerate it. So can you give me some detail from a management perspective how it works?

**Alan Brookes:** I'm going to start with the first bit and I'll do the second.

**Virginie Duperat-Vergne:** Sure. Thank you, Hans. Let's start with the figure part. Number one, I think it's important to recognize the journey already accomplished. We've gone from 8.6% to 10.1% in the last strategic cycle, so then we are just trying to repeat exactly the same type of increase. The difference is that part of it is also relying on buckets that are already existing.

As I said, some of the figures you already have in mind, you have €20 million of cost synergies that are coming in, only for that are going to be in 2023, so then the rest is coming in the new cycle.

You can add the Middle East. Let's go back to Q3. The Middle East is representing 0.3% in our margin, so then that's also something that you can add in that bucket. Then if we start from the first lever sustainable project choices, if we have a look to the current backlog, because this is a backlog which is building our P&L for tomorrow, the current backlog, when I look to it today, about half of it is already at or above our target margin in the backlog. So, then the question is about, obviously, executing. You need to execute well that backlog, and also building the rest of the backlog.

And that's how the key client program and the deliberate bidding choices comes into this improvement of the backlog. How do you execute well and also make sure that you don't get into inefficiencies? This is about the third lever and the digital plus human innovation, where we say, namely, we want to save 400,000 hours of non-billable hours. And these hours, once you get them out, obviously, you can convert

them in added value and potentially even billable hours to the project, bringing additional elements of margin and potentially of revenue also.

And then the last bucket about power by people, the biggest element of it is about the contribution of GEC. Today, using the GEC generally represent a saving of 50% if we compare to not using it. So then if we increase the contribution in our billable hours for 10% to 20%, and we get that saving in, then you can calculate how we will project.

**Alan Brookes:** I think maybe just to build on that, Hans, in terms of the rest of your question, we haven't just started this. We've been on a journey for the last three years. And what we've been doing is showing the benefits of the GECs already. So we have now pretty much all of our businesses across Europe, across America, using the GECs and understanding the benefits of the GECs. So it isn't a new thing that we are doing, it's building on something we already have because the benefits now have already been seen.

And then what we are looking at, is how we can leverage that into the future. All our GBA Officers you will have seen have talked about using the GECs for the future and if we look to the future we're seeing a lot of recruitment in those areas because of the skills and benefits we see. And I think this is the journey that we've been on.

I think also in terms of the choices that we're making, we started this back in May where we started talking to our leaders around the choices that they make and the impact those choices have. And when we analyze the growth markets and the growth accelerators for the future, we could all see how exciting it was to link the work that we do to actually making a difference to the planet.

And that's what's excited people, it's attracted people to us and I think it gives real purpose to the work that we're doing for the future. And I think that means that people are making those choices now. And that's what Virginie is describing in terms of the backlog we can already see and the choices that we're already making. So I do believe that, that journey is a continuation as we move forward.

**Virginie Duperat-Vergne:** And maybe the big difference is that when we started the previous cycle, some of the challenge was about convincing the senior leadership about the benefit of the GEC. But that's, you've heard the GBA President and the senior leadership are not here, but this is done. So then it's about implementing rather than convincing that it works. Because that, the benefits, is also the GBA organization that is really easy for them to perceive now.

**Hans Pluijgers:** Do we have targets in relation for increasing the number of users?

**Virginie Duperat-Vergne:** Targets cannot be about increasing the number of people, because that makes no sense and such. So then targets are rather about delivering the margin. And when it's such a fantastic enabler, this is about it. And then there is also something which is the process. How do you implement the process when the guy owning the process, and are critical in knowing the process are located there? So then if you don't use them, that might be quite difficult.

**Alan Brookes:** And also we've set, if you like, standards that we want to see on projects where appropriate for the use of the GECs, and that has to be analyzed as part of the pursuit process that Virginie also referred to.

**Christine Disch:** Okay, thank you. Next question. Quirijn Mulder, ING, please go ahead.

**Quirijn Mulder:** Yeah, good afternoon, everyone. Thanks for the presentation and all the information. I would like to limit myself to two questions on the margins. One is, is it correct to assume that the margin improvement, let me say the 240 basis points in three years time, it's mostly back-end loaded given the time you need for, let me say, to increase the global excellence centers and, of course, to take out Middle East, is that the correct assumption?

And what is the breakdown you accept with regard to the margins given the fact that resilience makes easier 12.5% than places, for example? Is there any difference there?

**Virginie Duperat-Vergne:** So, number one, yes, obviously, Middle East will happen when it will happen and there's no anticipation, so obviously that pushes a little bit of it. Let's remember that there is quite a large part of the synergies that are expected to come in '24, so that's definitely the margin '24. GEC will progressively come over because that's something that builds on the long-term. The path that is back and loaded, in my view, is rather the automation part.

And then on your second question, sorry, a blank in my mind, Quirijn, which was about, sorry?

**Quirijn Mulder:** It's about, you say, what are the demands for the different GBAs, given the fact that you look at 12 more percent and resilience is already there, for example, and places is behind.

**Virginie Duperat-Vergne:** So, places is exactly, if you go back to H1, places is exactly at the group average level. So then, places is not really behind. Let's also remember that places is also the most impacted one by the Middle East. So then, that's also mechanically something that is to be taken into account. Then, I think that what will also come is probably the acceleration of, obviously, resilience as high added value offers in their portfolio, but the combination also of intelligence working with places and mobility will also incrementally increase margins in all the GBAs.

**Alan Brookes:** We also see that, if you look, we said about repositioning places. And as we've moved more to the advanced industrial manufacturing, we're seeing this at a higher margin level anyway. So, this is the journey we've been on. We talked earlier about moving China from cost management to project management. So, these are actions we've been taking. And we should be able to close out the Middle East by the end of next year. So, these all contribute to the future.

**Christine Disch:** Thank you, Quirijn. Next up, Martijn, please go ahead. ABN AMRO. ODDO ABN AMRO.

**Martijn den Drijver:** Yeah, thank you, Christine. I'm going to use the same tactic, obviously.

**Alan Brookes:** We may need reminding, so.

**Martijn den Drijver:** It's not going to work. A lot of talk about targets, but there are a few targets missing, actually, at least if you compare to your last strategic period. There's no target for DSO, no target for networking capital, and most surprisingly, there's no target for returns either. My question is, why did you not include these targets? And is that in relation to your M&A strategy? You said you want to maintain investment grade, so below 2.5x. And is that decision on the return perhaps influenced by your M&A strategy? In other words, are you foreseeing an acquisition the size of IBI DPS? I have three questions in one.

**Virginie Duperat-Vergne:** Let me answer that one. Number one, if we want to keep our FFO to net debt ratio and being our bracket of leverage, that really imposes stronger targets in terms of DSO, return of working capital and all that stuff, which I consider a little bit of being housekeeping. We've been demonstrating to you that we do well our housekeeping, so then that will go on being done because otherwise we will fail on that target. So that target is larger and encompasses the entire balancing and strengthening the balancing will go on. Does it mean, for example, that we are going to stop, reporting on the DSO and working cap on a quarterly basis? Absolutely not, because you need

to get to that. But at the end of the day, rather than having, long tails of working of targets, that get into that, that's exactly where we are.

We want to remain on that bracket. We will go on working on our networking capital. We think that we have today, with 12.5%, something which is quite robust. There is no point, and we will never, and I think we've been very strong in that, let get away, our commitment to billing, our commitment to getting the cash in due time, our commitment to get a strong balance sheet. But we thought we wanted to encompass that in one big single target, not to have a very long list, because that's also a comment that has been coming from some of you. So that's one of the elements on that.

Then the M&A, we've been very clear, I think. We want to go on doing some M&A where it is accretive and when we see a potential for revenue synergy. Does that give us any idea of something which is that big or that big? No clue.

Probably, I think if we want to say something on that, the important thing to say is that we have a strong commitment to go on developing our digital assets and our digital business. And it's quite logical to think that if there is a nice target in the intelligence space, that's probably where we will go.

**Martijn den Drijver:** Yeah.

**Christine Disch:** David Kerstens, Jeffries. Please go ahead.

**David Kerstens:** Thank you. Just following up on M&A question. You said you have now completely integrated IBI and DPS, but your returns on capital are probably not yet at the levels where you want them to be. So I was wondering, how much more in terms of revenue synergies do you need to realize? And when will those be realized to get to the targeted level of say your record of 8.5% or your former return target of 10%.

**Alan Brookes:** I think just to start off, I would say when we talk about integrating, we've stood up the businesses, we're working forward. What we said was that we'll get some cost synergies this year. We've already got over €100 million of revenue synergies going into next year. Now what we can look at, and you heard, is we're using the skills of the businesses across our GBAs, we will continue to develop further.

So, we see further inefficiencies coming through into next year, but what we want to do is make sure we've got an integrated solution and proposition to the market. So that's what we've done so far. But yes, there will be further work that we will do through into next year to really raise the benefits of these businesses that we've acquired, as you heard from the GBA officers.

**Virginie Duperat:** When you -- this commenting on cross-selling opportunities, this is exactly what it is about and it is about revenue synergies and that's the reason why we've been getting this business in and we've seen far more traction as we admitted ourself than then we initially thought. So the power of that is definitely some things that we will go on focusing on and we'll go on pushing.

In terms of working cap, you're absolutely right David, there's a lot that we can still can do in terms of IBI and DPS balance sheet and that's part, of our strong balance discipline and getting that on track and that's something that we will go on doing and that the teams are working on. So then that I think is definitely something.

We are not going to let go on because it's a fantastic opportunity in reinvesting faster in our business development and getting that also is part of the capability of investing a bit faster in the business and getting to that 12.5% that we've seen earlier.

**Christine Disch:** Thank you, David, for your question. Next up, Luuk van Beek, Degroof Petercam. Please go ahead.

**Luuk van Beek:** Yes, I have a question about the matrix of services and geographies. If you look at the slides that you provided, then you see that there are quite some white spots where between services and geographies. Do you have the intention to fill in certain of these white spots, and if so, which ones? And on the other side, if you -- are there any businesses that you intend to phase out, like you've done with the Middle East, and will it be excluded from organic growth?

**Alan Brookes:** I'll start with the second question first, and that is we did an exercise through the current strategy cycle where we said where do we want to focus and scale. We reviewed our entire portfolio, and we've moved out of businesses largely in Southeast Asia and some in Europe where we didn't see a sustainable future at the levels we wanted.

Having done that, and when we conclude on the Middle East, we feel that, that was the work that we needed to do, and we don't intend to really, at this stage, move out of any other areas. We will constantly review our portfolio for fit, but we've done the work that we wanted to do, and we think that part is complete.

In looking to the future, we're very happy with the markets geographically speaking, that we're now in. You probably heard from all the GBA officers the opportunity to scale in terms of North America, in terms of Europe, in terms of Australia, and I think that's where we are really focused, so we're happy with where we are.

In terms of solutions, we will continue to develop those solutions, and in particular, bring in more and more intelligence products and software to support our client decisions and support their ongoing efficiency of operation. So that's where we will probably focus into the future, and broadening and deepening our client relationships across our GBAs, and in particular, using intelligence software products.

**Christine Disch:** Maarten Verbeek, the IDEA!. Please go ahead.

**Maarten Verbeek:** Maarten Verbeek, the IDEA!. You target a mid to high single-digit organic growth rate, let's say 7%. You can also argue that's actually a step back from your previous target of 5% since at that moment it was hardly an inflation rate increase compared to today. So first part of my only question, how much have you penciled in of those tariffs and rate increases going forward?

And then you mentioned that your FDs will become much more efficient, you talk about billable hours, you talked about AI, bots, et cetera. To service that growth of 7%, how much do you think your average workforce has to increase? And then lastly, because that was also one I was missing on the non-financial target. Your voluntary turnover rate, you haven't made that one in this past period, and I think it's a very important one. So why haven't you renewed that one?

**Alan Brookes:** Let me -- look I would say, what you've asked there. I think the first thing I would say, let's take the voluntary turnover rate. The reason we've looked at it is, month on month, it's been coming down and down right since we started the initiatives last year. What we felt was more important at this stage is, as we move forward, is the engagement score, if you like, of our people and what they're telling us that they need.

Because we think with a true sense of purpose, with a strong engagement score that's been rising to top quartile, then we are retaining the people where we need to retain them. I don't disagree it's a really important measure and we'll never be satisfied in that sense, but as we look to the skills for the future and as we look at upskilling our people, we will monitor this, of course, like Virginie has said before with the financials, but actually what we're trying to do is say, let's engage, let's excite, and let's develop our people's skills. And we think with that, we will retain the right level of people for the future.

Where we are today, we've got a good idea of meeting our criteria in our core markets, but we need to recognize that obviously as we move out to places like the Middle East, this does impact that sort of rate, if you like. So, we'll be very visible on where we are with our turnover of people. So don't worry about that side of things. We will show that.

**Virginie Duperat-Vergne:** Yeah, I think that where we are today, obviously there is some part of inflation. So you're right, it can look in some respect a little bit shyer than the previous one. But part of what we say is also about deliberate project choices and really getting the right project that we want in the backlog. And that's also something that we currently do. We really try to monitor, and we are going to go on doing that, what is getting in our backlog and what we want to execute. So there is a space, we do not deny that, to grow faster and to take a bit more and potentially be less critical or less difficult in what we get on board. But that's not our choice.

And to be consistent, we really need to monitor that. I would rather take that on the contrary and say, this means to high single-digit growth really work in the current inflationary environment. I have no crystal ball. I have no clue how long it will last. Is it 18 months, two years, three years? What will be this inflation effect that we see? And part of our growth is about that, like it is for everyone. That is really a key question. It might very well be that it starts reversing a little bit toward the end of the cycle.

But definitely based on what we see today we think it is the most logical one, if we take into account the tailwinds that we see the fact that we want to be selective and make deliberate choices and also our absence of crystal ball on the inflation path.

**Alan Brookes:** Maybe just to add one comment to that just to build on literally what Virginie has just said and that is we've used the word balance with our people and our leaders because we don't just want to grow we want to grow by being selective as Virginie says and meet our margin targets, and it is a balance because you don't just want growth at any price we want to grow in the really core projects that we want to choose and we wanted at the right price and the right margin so that's the right balance we feel for the future right now.

**Marteen Verbeek:** (inaudible)

**Alan Brookes:** Yeah I think what we're aiming for is growth of our revenue faster than the growth in our people, because we will use standardization automation, we will use bots, so we don't foresee growing at the same rate. And we will use more GEC growth than we will in the countries for the types of services and solutions we're moving to. So we won't grow as fast on the people headcounts.

**Christine Disch:** Sorry, I think I see hands in the air at back.

**Alan Brookes:** Hands, you see?

**Christine Disch:** Yeah,

**Virginie Duperat-Vergne:** Okay. Sorry, the light is bright.

**Alan Brookes:** I know, we can't see a thing.

**Christine Disch:** Anthony Manning from Bank of America.

**Anthony Manning:** Yeah, hi, thanks, Christine, right from the back. Just building on that last question, we've clearly heard today that there's a huge market opportunity out there, but as you're being so selective on your projects. Can you give us a sense of what proportion of work out there does fit those criterias? How much work are you turning down? And kind of with that, is that mid to high single organic growth kind of constrained just by how much you want to grow, or is there so much work out there that still fit that criteria, it could potentially be higher?

**Alan Brookes:** Yeah, I said at the start that 80% of the work we do today meets the sort of SDG criteria. And I think what we're looking at now is having done the analysis for this strategy period and identified those growth markets, we see huge opportunities. Some of the figures you saw today, both from me and the GBA presidents, show the opportunity that's out there for us. What we're looking to is therefore be selective, and it means that we can choose where we want to play in terms of those opportunities for our future. What we see is, in the past, we've probably taken some revenue below par for what we wanted to do. And now what we're saying is, let's pull up, if you like, the work that we do to those projects that we do today, which is at that level, and as Virginie says, 50% of our backlog already, and let's pull that up to get everybody there over the strategy period.

So we're not worried about the work as we see it today. Obviously, we will be agile to that. Coming through this strategy period, we interviewed many of our clients to see what their plans were, to look at their strategies, and make sure that what we're telling you today can be underpinned by what our clients are telling us. And therefore, we can make those right choices to deliver on that margin. So we think the work is there. We think across those GBAs. And we think if we make the choices, then we'll get the right level of growth with the right level of margin.

**Christine Disch:** Thank you. We have time for a few more questions. Hans Pluijgers, one follow-up, please.

**Alan Brookes:** He's never going to do that. Not with A, B, and C, Han.

**Hans Pluijgers:** Sinem is going to sit next to me, so she'll cut me off. So I'll try and do it quick, and maybe she misses that. Quickly on the -- coming back on the revenue growth, you mentioned, let's say that you see a need a lot of opportunity out there, but over the last few years, growth by GBA has been somewhat different. So could you give me some indication, let's say, how do you see it forward by GBA? One quick follow-up, the 400,000 billable hours savings, how much is the total billable hours, is that currently?

**Alan Brookes:** Do you want to start there and I'll do the other one?

**Virginie Duperat-Vergne:** The 400,000 billable hours? Yeah, probably €35 million, something like this.

**Alan Brookes:** I think when you look at the different global business areas, what we've been doing is repositioning. So we're very confident now that resilience obviously has a strong market, as you heard from Heather. So we'll continue to develop there. But we see really that there is great opportunity, as you heard from Greg, in mobility. The size of those projects, the opportunity of those projects, we're seeing huge demand there, particularly for aged infrastructure. So we're seeing similar levels of growth there. And when you look at what Mark said about the places, GBA, by shifting our focus, what we've seen is the first parts of the stimulus packages start to land in our backlog, but it's only the real start of those.

We are expecting, as we move into '24 and beyond, that those stimulus packages of the U.S. and Europe will start to come through. When you hear about the sort of Chips Act, yes, but also now what people are doing about the onshoring there, the pipeline is really strong. So we're expecting places to come back and really be a player there, assuming the stimulus packages do flow into '24, which is what our expectation is. And then the intelligence business, you saw the demand in intelligence, and the 23% proforma, we expect that to be probably our fastest growing GBA in terms of percentage terms. So we expect to see that come through as we leverage intelligence across the other GBAs. So that's where you'll see fastest percentage growth, and the others actually will be strong coming through. Places will rely on the stimulus packages landing, which we do believe they will.

**Christine Disch:** Okay, thank you. A follow-up question by Martijn den Drijver for ODDO ABN AMRO.

**Alan Brookes:** You've got somebody over here as well with a hand that you probably can't see, Christine. And I can only just see the hand, yeah.

**Martijn den Drijver:** Yeah. It was mentioned in one of the slides, additional returns when appropriate. What are the qualifications needed to call a situation appropriate? Is that minus 1x the net debt EBITDA? So can you elaborate a little bit on that? Thank you.

**Virginie Duperat-Vergne:** I think that we'll go back to what we've been doing in the past. So I remember in the past, we had to cancel dividend one year because of extra situation that was a COVID and we came back on it. We did a big LTI at one point of time, bigger. So we put a share buyback on it. So that's what we call being appropriate. And depending on the situation and depending, on the tax rules, depending on everything, that's the choice that we will make or not.

**Christine Disch:** OK, thank you, Martijn. Yeah, let's have two more questions. Second, last for Kamil from Praxis, please go ahead.

**Kamil Walczyszyn:** All right, thank you. The first question is on your margin assumption. So one of the drivers is bidding for higher margin contracts. So firstly, what in your current backlog, do you see already higher margins than already last reported Q3, and how much higher we could expect?

Secondly, in that same context, are you changing how you're bidding for contracts and other new practices on criteria that each developed team needs to get to get the contract? And lastly, if you stratify your current contracts -- portfolio of contracts, I assume there's some variation between the high margin contracts and low margin projects. Can you give a little bit of clarity on how big opportunity is there on limiting the low margin projects, and what's the proportion of that in your current portfolio?

**Virginie Duperat-Vergne:** I'll take one and three.

**Alan Brookes:** Okay.

**Virginie Duperat-Vergne:** It's not the same one. Today, if we go to back to the, to the backlog and if we analyze the backlog that we currently have, we think that about half of our backlog is at the target margin or above the target margin. So that's our strong assumption to say, okay, we have solid foundations to see what we do with the rest.

And how do we do with the rest? It's about, that project selection because part of it, let's admit it, there's a little bit of first in, first out also. You get something on the table, people get excited about it. Is it really what you want? Can be a nice project. The thing is that is another one in the queue that the same team should focus on.

So long as your bidding project is too local and such, you don't have this overview on what is coming everywhere and how to make sure that you attach your resources, resource planning, workforce, and such, to working on the bid as fast as you can on the right one for the follow-up.

And we've seen, that part of it has naturally come with the creation of the GBAs and by getting to the next step, then we can do faster and achieve faster. And also by having some sort of early tendering process where you say, okay, this one is absolutely one I want to be on. And in that one also it's about, but Mark would tell you that far better than I would.

There are 10 packages, but I frankly need to be bidding on packages one, four, and seven. That's also the type of things that the team are working on, trying to have this robust process and automating that. And that's what Alan said earlier, automating this is one of our priorities because this is about making sure that you've been to all the screening you wanted to be, to avoid in some cases doing something that looks attractive, but just because you've not seen the better one that was just behind the corner. It's not yet in front of your eyes or in front of the eyes of someone else. And again, that's about allocating your workforce and your resources to where they can make the difference.

**Alan Brookes:** Remind me of your second question, I'm sorry.

**Kamil Walczyszyn:** Whether you changed the criteria...

**Alan Brookes:** Yeah, we've actually, what we've done earlier in this year is already with the GBA presidents, we've worked through the criteria, both in terms of obviously margin is one thing and the GEC percentage is another where we're looking at what is the combination and what's the outturn margin that we're trying to manage. That's already in place through the client process and we will continue to look and tighten that. So what we're trying to do here is say, we're not saying we won't do anything that falls below a minimum criteria, but what we've got to do is escalate that to understand why we would do it.

So it could be a major government contract where there's other opportunities to bring in, say, Intelligence products down the line, which would sell at a higher margin, typically.

So what's the combination across the GBAs that we would get to? So we've got to get more sophisticated, and that's why we want to automate it. But that's already in place, and we're continuing to work on that now.

**Christine Disch:** Thank you, Kamil for your question. The last question goes to Quirijn Mulder from ING.

**Quirijn Mulder:** Thank you. It's one question about M&A. If I make my calculation then, and looking at your cash flow, then at the end of 2025, your net debt over EBITDA is something like 1%, and you have a room for acquisitions in the range of €800 million, in my view. And that means, in my view, there are two possibilities. One, is you are going to look at acquisitions in industry, or you're going to look for intelligence, which I sense is your preference, to make steps in preference. But if it is in intelligence, it would be a transformative acquisition, in my view, given the size of that amount. So, can you maybe elaborate on that, what your direction will be before, let me say, some investors are going to speak about asking you about share buybacks, et cetera?

**Virginie Duperat-Vergne:** Thanks, Quirijn. Let's go back to the way we've been getting, IBI and DPS on the plate. The way we work is that we build our strategic map. You've seen the strategic map. You had seen the previous one. And based on that, we constantly work with the team saying, okay, where are we strong to deliver organically, to deliver by ourselves? Where do we think that to get faster, or because something is missing, in what we have, it would be better to go outside.

And that's what we do. And in parallel, the team is analyzing, what's around us in the market, what could be something interesting, and what makes sense. And that's the way we play the different things. So it's very difficult for me to tell you that we are going to do a €5 million, or a €100 million, or a €500 million acquisition, because this is not the way we would think about it.

The question is, in intelligence, in what you'd want to achieve when she's working with Mark or on developing a new product, or getting more advanced in water optimization, is there something in the market that we see should be a fantastic complement and would be there?

And then, if we would bring that in, does that make a difference, or is it better to keep that, for example, as a commercial partner? Because it can be the case in some cases. So that's our way of approaching things.

Then, our leverage target commitment is also to tell you that, in some respect, if there is a fantastic, very big intelligence target that is crossing the street. Okay, we'll have difficulties to let Alan convince me, and convince himself that we need to break everything to go around it. I frankly rather think, if I'm honest, that in that space, we will probably go on doing what intelligence has been successful in doing when intelligence was only one part of IBI, which is quite a number of small bolt-on acquisition of software here and there. And then the question is a little bit what we've done with HydroNET.

You get them in. They are super successful either with one type of clients or in one geographies. How can we leverage in what we have in Arcadis to either bring them to all the geographies that we have or, to a higher number of markets and sectors? And that's where we see power. And that's really our focus when we talk about M&A at the moment.

**Christine Disch:** Thank you very much for your questions. I will now hand over to Alan for closing remarks.

**Alan Brookes:** Thanks, Christine. Okay, yeah, thanks very much for your questions. I'm sure you will have others and we can go through those with you. I'd like to leave you, though, personally with three reasons why I'm confident of the new strategy. Firstly, we're focusing on our clients' needs. We've tested those needs.

We've identified the growth markets and we will double down on areas of strength and accelerating markets where we feel really strong as a business. And whilst at the same time, we'll grow our key client programme by 50%. The second reason for me is we have a clear plan. Detailed plans are now in place for our operational efficiencies. Be that doubling the use of the GEC, tightening the pursuit process, realising synergies and implementing standardisation automation over the next strategy period.

And thirdly, we have a clear purpose that is already resonating with our people, which we can then grow and develop the skills of the future and support our clients wherever they need us to deliver.

This marks for me a very comprehensive approach. It gives me the confidence that we can deliver on the strategy we set out today, whilst crucially we accelerate a planet-positive future for everybody.

And with that, I'd like to thank you all, both here and virtually, for your attendance.

Thank you very much.

**[END OF TRANSCRIPT]**