

Continued strong growth

Strategic margin target delivered

Arcadis Q3 2023 Trading Update

Analyst Conference Call, October 26th, 2023

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CEO

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CFO

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IR Director

Part 1

Q3 2023 Trading update

Alan Brookes | Chief Executive Officer

Summary of results

Strong margin performance in the quarter, on track to achieve financial strategic targets

Organic Net Revenue Growth¹ in Q3'23

9.0%

Operating EBITA Margin² QtD

10.6%

Q3'22: 10.3%

Operating EBITA Margin² YtD

10.1%

2023 Strategic Target >10%

Voluntary Turnover³

12.0%

Q3'22: 15.4%

¹⁾ Excluding the impact of currency movements, acquisitions, divestments, and footprint reductions (such as the Middle East)

²⁾ Excluding acquisition, restructuring, and non-operating integration related costs

³⁾ Excluding Middle East as these operations are being wound down

Global Business Areas: Resilience

Positive market themes driving high client demand and continued strong momentum

Third quarter 2023 results

QUARTER SUMMARY

- **Water Optimization:** tightening regulation in wastewater treatment in the US and UK drives demand
- **Environmental Remediation:** multiple PFAS opportunities concentrated around PFAS manufacturers and firefighting for various clients
- **Energy Transition:** multiple opportunities in energy transmission

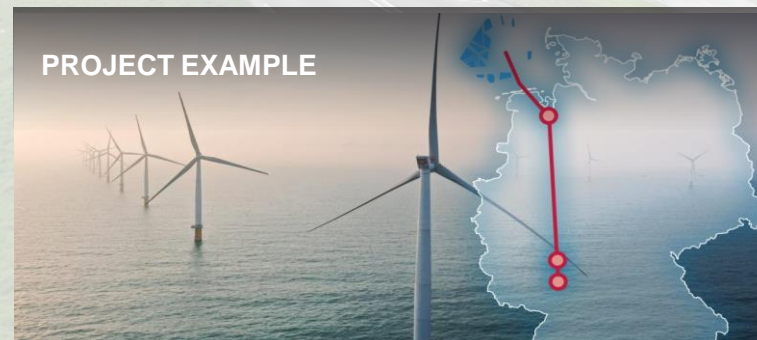
Organic Net Revenue growth¹
(Q3, yoy)

+11.2%

Q3 Net Revenue: €328 million

Organic Net Backlog growth¹
(Q3, yoy)

+12.0%



Support on Germany's energy grid expansion plan: technical planning review and route planning services

Solution
Client

Energy Transition
Amprion | Germany

Global Business Areas: **Places**

Continued portfolio shift, following pipeline opportunities

Third quarter 2023 results

QUARTER SUMMARY

- Contribution of **Industrial Manufacturing** continues to increase with attractive opportunities
- Expanding our global service offering with **Architecture & Urbanism**
- **Pipeline remains resilient** with continued opportunities partly driven by stimulus

Organic Net Revenue growth¹
(Q3, yoy)

-0.1%

Q3 Net Revenue: €378 million

Organic Net Backlog growth¹
(Q3, yoy)

-0.7%

PROJECT EXAMPLE



Drive Cornwall's carbon neutral development: urban planning & regeneration of assets

Solution	Smart Sustainable Buildings & Urban Planning
Client	Cornwall Council UK

Global Business Areas: **Mobility**

Increased demand and cross selling driving growing pipeline

Third quarter 2023 results

QUARTER SUMMARY

- Growing complexities in transportation make our digital offering clear differentiator for **Connected Highways and Intelligent Rail**
- Collaboration with **Architecture and Urbanism** drives enhanced positioning in the market
- Significant **investment programs** drive resilient pipeline opportunities globally

Organic Net Revenue growth¹
(Q3, yoy)

+14.6%

Q3 Net Revenue: €204 million

Organic Net Backlog growth¹
(Q3, yoy)

+4.8%

PROJECT EXAMPLE



Promote more sustainable commuting options in Georgia (US) through data analysis and dashboarding

Solution
Client

Intelligent Highways
Atlanta Regional Commission

Global Business Areas: **Intelligence**

Cross GBA collaboration enables comprehensive digital solutions offering

Third quarter 2023 results

QUARTER SUMMARY

- Strong market proposition with accelerated **enterprise software spend and client partnerships** for developing new digital solutions
- Good wins in North America for **Enterprise Decision Analytics** in collaboration with Mobility
- Multiple opportunities in the pipeline for digital water solutions

Net Revenue growth¹
(Proforma, Q3, yoy)

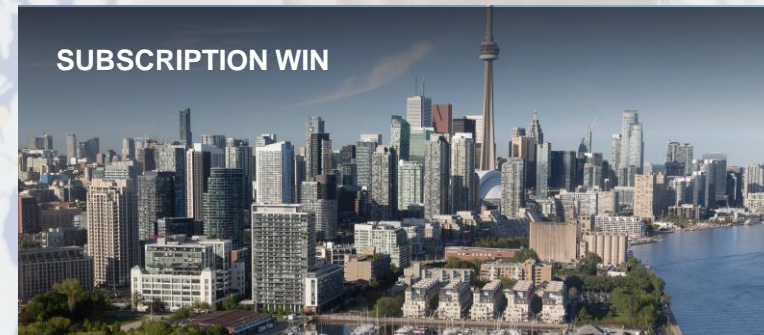
22.8%

Q3 Net Revenue: €23 million

Organic Net Backlog growth¹
(Q3, yoy)

14.2%

SUBSCRIPTION WIN



5-year EDA subscription for Infrastructure Ontario: optimizing capital asset management decision-making processes

Solution
Client

**Enterprise Decision Analytics
Infrastructure Ontario | Canada**

Part 2

Financial Results

Virginie Duperat-Vergne | Chief Financial Officer



On track to deliver strategic financial targets

Third quarter 2023 results

€932M

Q3'22: €740M

Net Revenue

9.0%

Organic Net Revenue growth¹

€99M

Q3'22: €76M

Operating EBITA²

10.6%

Q3'22: 10.3%

Operating EBITA margin

12.9%

Q3'22: 13.8%

Net Working Capital %





€117M

Q3'22: €38M

Free cash flow

- Continued strong growth: Net Revenues **+26%** year on year
 - Currency impact: -5% mostly driven by weaker USD and AUD
- Operating EBITA: **+30%** year on year, margin at **10.6%**, driven by operational leverage
 - YtD margin: **10.1%**, achieving 2023 strategic target of >10%
- Disciplined Net Working Capital management
 - Days Sales Outstanding reduced to 68 days (Q3'22: 72 days)
- Strong free cash flow generation of €117 million well above last year (Q3'22: €38 million)

Complementary portfolio of activities drives strong organic growth of 9%

Q3 Net Revenue <i>In the quarter</i>			
	% Total Arcadis	Organic growth ¹ yoy	
Resilience	 35%	+11%	<ul style="list-style-type: none"> • Strong positive themes in Energy Transition and Environmental Remediation • Growth driven by US, UK and Germany
Places	 41%	0%	<ul style="list-style-type: none"> • Focus on growing industrial manufacturing market, increasing presence in North America • Softness in China and UK offset growth in North America and Europe
Mobility	 22%	+15%	<ul style="list-style-type: none"> • Strong performance North America and Europe • Joint wins with Architecture & Urbanism contribute to growth in new markets
Intelligence	 2%	+23% <i>Pro forma</i>	<ul style="list-style-type: none"> • Strong growth across regions, especially in North America and UK • Numerous wins for Key Clients in collaboration with other GBAs

Solid year on year organic backlog growth on the back of ARCADIS well diversified businesses

€3.1B

Q3'22: €2.8M

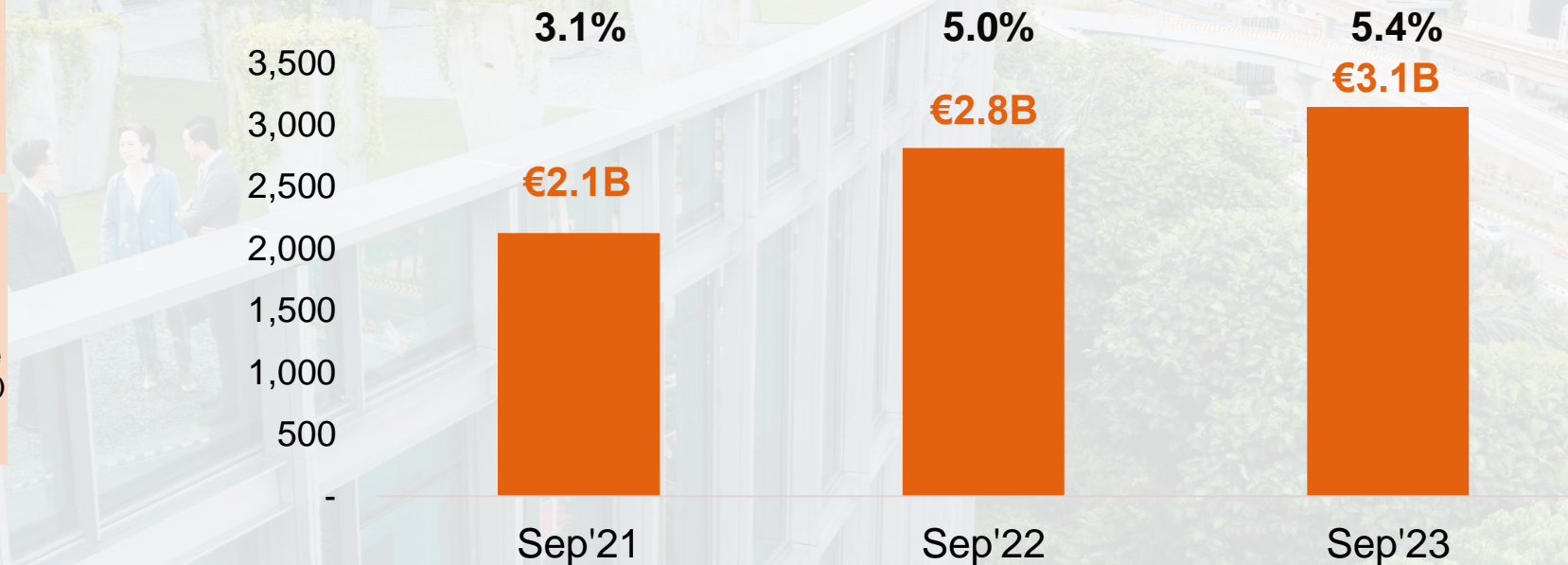
Total Net Revenue Backlog

5.4%

Organic Net Revenue Backlog growth YoY¹⁾

Net Revenue Backlog and Organic Growth¹⁾ (year-on-year)

€ billions



IJJA: 20% released, 80% still to be awarded

CHIPS act: spend for EU >\$120B and US: >\$318B, materially from 2024 onwards

\$15B for US Water utilities for **Lead Service Line Replacement**

UK Government doubling spend to £5B to improve **flooding defenses** in England by 2027

Part 3

Wrap up

Alan Brookes | Chief Executive Officer

Key takeaways

Another strong quarter, continued positive outlook

- **Excellent performance in the quarter, solid order intake and good pipeline developments**
 - Well positioned to capitalize on significant market opportunities
- **Strong margin improvement**
 - Year-to-date margin at 10.1%: meeting the 2023 full year strategic target >10%
- **Strong cash generation**
- **All financial targets on track**



Capital Markets Day

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Join us for an exclusive event where you will have the opportunity to hear directly from our CEO, Alan Brookes, CFO, Virginie Duperat, and members of our leadership team.

We will be sharing our **strategy and targets for 2024 - 2026**.

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Q&A



Alan Brookes
CEO



Virginie Duperat-Vergne
CFO

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