Continued strong client demand and improved operational performance

Arcadis Second Quarter & Half Year 2023 Results

Analyst Conference Call, July 27th, 2023

Alan Brookes  CEO
Virginie Duperat-Vergne  CFO
Christine Disch  IR Director
Q2 and Half Year 2023 Results

Alan Brookes | Chief Executive Officer
First 50 days

Key Client engagement

Integration Arcadis IBI & Arcadis DPS

On track to deliver strategic targets set for 2023

Strategy development and feedback

Save the date

Capital Markets Day

16 November, London
Summary of results

Strong results from continued client demand and improved operational performance

Second quarter 2023 results

Net Revenue
+30% (YoY) to:
€945M

Order intake
+36% (YoY) to:
€976M

Net Backlog at:
€3,249M

Operating EBITA margin\textsuperscript{1)} improved to:
9.8%
(last year 9.3%)

Voluntary Turnover\textsuperscript{2)}
12.6%
(last year 15.9%)

\textsuperscript{1)} Excluding acquisition, restructuring and non-operating integration-related costs
\textsuperscript{2)} Excluding Middle East as these operations are being wound down
Significant wins in the quarter accelerate revenue synergies and add to already strong pipeline

Places, Resilience, Arcadis DPS
Design of the US’ largest solar panel manufacturing facility

Solution: Industrial Manufacturing
Client: CubicPV | US

Places, Arcadis DPS
Project management & execution resources for facilities

Solution: Engineering, Project Management
Client: Semiconductor client

Places, Arcadis IBI
Masterplanning for expansion of holiday resorts center

Solution: Architecture, Design & Engineering
Client: Global Real Estate client
Global Business Areas: Resilience

Strong momentum, growth and outlook driven by continued high client demand

Second quarter 2023 results

QUARTER SUMMARY

- **Environmental Restoration:** demand remains strong with digital innovation as a differentiator (green metrics analytics)
- **Water optimization:** federal spending up on large infra projects (related to “lead and copper” rule requirements)
- **Energy Transition:** launch of Arcadis Energy Transition Academy

**Net Revenues** *(Q2, yoy)*

+13% at €346M
Organic growth\(^1\): 11.4%

**Order intake** *(Q2, yoy)*

+23% at €356M

**PROJECT EXAMPLE**

**Biodiversity leader in NL:** Restoring flora & fauna in Dutch rivers

*Solution*  
Nature-Based Solutions (NBS)

*Client*  
Dutch Water Authority | NL

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1) This excludes the impact of currency movements, acquisitions, divestments, and footprint reductions (such as the Middle East)
Global Business Areas: Places

Delivering on repositioned portfolio while successfully integrating acquisitions

Second quarter 2023 results

QUARTER SUMMARY

- US stimulus attracts newcomers to industrial manufacturing market; we provide support with “First Time Through” (FTT) Planning
- Carbon management continues to be a key focus area
- Net Zero & Intelligent buildings: Ecosystem partnerships (e.g. Honeywell) on energy optimization

Net Revenues (Q2, yoy)

+58% at €372M
Organic growth: 2.7%

Order intake (Q2, yoy)

+59% at €385M

Honeywell collaboration:
Reduce carbon emissions and cut energy use in commercial buildings worldwide

Solution: Net Zero & Intelligent Buildings
Clients: >300 buildings for real estate clients globally

1) This excludes the impact of currency movements, acquisitions, divestments, and footprint reductions (such as the Middle East)
Global Business Areas: Mobility

Increased demand driving growing pipeline of opportunities

Second quarter 2023 results

**QUARTER SUMMARY**

- Connected Highways and Intelligent Rail: growing innovation and complexities are addressed with our (data) solutions
- US and Australian demand for New Mobility services accelerates as clients benefit from federal funding

**Net Revenues (Q2, yoy)**

+9% at €204M

Organic growth:\textsuperscript{1)}: 11.3%

**Order intake (Q2, yoy)**

+16% at €212M

Support to shape policies on Advanced Air Mobility services

Solution: New Mobility

Client: San Diego Association of Governments (SANDAG) | US

\textsuperscript{1)} This excludes the impact of currency movements, acquisitions, divestments, and footprint reductions (such as the Middle East)
Global Business Areas: Intelligence

Differentiating through combining digital innovation and engineering services

Second quarter 2023 results

QUARTER SUMMARY

• Solid demand for Traffic, Transit and Travel solutions from large Key Clients
• Enterprise Decision Analytics: Good synergy wins in US
• Cross GBA collaboration drives good wins: Enterprise Decision Analytics, sustainable asset investment and programs, combined with GBA design & consulting capabilities

Net Revenues (Q2) €23 million

Order intake (Q2) €23 million

Mobility & Intelligence: Integrating real-time availability with parking payments

Solution: Combining HotSpot & CurbIQ
Client: Mobility clients in North America
Part 2

Financial Results

Virginie Duperat-Vergne | Chief Financial Officer
Improved performance across key metrics

Half year 2023 results

- **Net Revenue**
  - €1,886M
  - (H1'22: €1,418M)
  - **10.6%**
  - Organic Net Revenue growth

- **Operating EBITA**
  - €185M
  - (H1'22: €133M)
  - **9.8%**
  - (H1'22: 9.3%)

- **Net Debt**
  - €1,186M
  - (2022: €1,005M)
  - **12.4%**
  - (H1'22: 13.3%)

- **Net Working Capital %**
  - €1,186M
  - (2022: €1,005M)
  - **12.4%**
  - (H1'22: 13.3%)

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- Continued strong growth: Net Revenues +33% year on year
  - Currency impact: -1.1% (US and C$)
  - Strong growth at Arcadis IBI and Arcadis DPS

- Operating EBITA: +40% year on year, margin at 9.8% (9.3%)
  - Strong improvement while successfully integrating acquisitions
  - Continued investment in development of our people

- Disciplined Net Working Capital management, Days Sales Outstanding reduced to 66 days (Q2’22: 69 days)

- Bridge loan refinancing process completed following successful issuance of Schuldschein loan

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1/ This excludes 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
Order intake exceeds revenue for H1, resulting in book to bill of 1.08

Order Intake, Net Revenue and Book-to-Bill
€ millions

<table>
<thead>
<tr>
<th></th>
<th>H2'20</th>
<th>H1'21</th>
<th>H2'21</th>
<th>H1'22</th>
<th>H2'22</th>
<th>H1'23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenue</td>
<td>1,207</td>
<td>1,276</td>
<td>1,288</td>
<td>1,418</td>
<td>1,601</td>
<td>1,886</td>
</tr>
<tr>
<td>Order Intake</td>
<td>1,342</td>
<td>1,409</td>
<td>1,336</td>
<td>1,500</td>
<td>1,589</td>
<td>2,039</td>
</tr>
<tr>
<td>Book-to-Bill</td>
<td>1.11</td>
<td>1.10</td>
<td>1.04</td>
<td>1.06</td>
<td>0.99</td>
<td>1.08</td>
</tr>
</tbody>
</table>

- Record net revenue levels in H1’23 from strong organic growth\(^1\) and acquisitions Arcadis IBI and Arcadis DPS
- Record order intake in H1’23 resulted in a net revenue backlog of €3.2 billion and a Book-to-Bill of 1.08 for H1’23
- Organic backlog growth\(^1\): 5.0% YtD (Q2’22: 3.6%) and 1.1% QtD (Q2’22: -0.9%), well above last year

\(^1\) Excluding the impact of currency movements, acquisitions, divestments, and footprint reductions (such as the Middle East)
Resilience
Excellent performance across the board

36% of net revenues

<table>
<thead>
<tr>
<th></th>
<th>Half year</th>
<th>Second quarter</th>
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<tbody>
<tr>
<td></td>
<td>2023</td>
<td>2022</td>
</tr>
<tr>
<td>Net revenues</td>
<td>678</td>
<td>589</td>
</tr>
<tr>
<td>Organic NR growth (%)</td>
<td>12.6%</td>
<td></td>
</tr>
<tr>
<td>Operating EBITA</td>
<td>76</td>
<td>60</td>
</tr>
<tr>
<td>Operating EBITA margin (%)</td>
<td>11.2%</td>
<td>10.1%</td>
</tr>
<tr>
<td>Order intake</td>
<td>779</td>
<td>628</td>
</tr>
<tr>
<td>Net revenues in backlog</td>
<td>999</td>
<td>842</td>
</tr>
<tr>
<td>Backlog organic growth (qtd)</td>
<td>0.8%</td>
<td>-2.4%</td>
</tr>
<tr>
<td>Backlog organic growth (ytd)</td>
<td>10.9%</td>
<td>4.5%</td>
</tr>
</tbody>
</table>

- Strong revenue and backlog growth driven by strong momentum
- Backlog development in the quarter beats seasonal pattern
- Margin improvement driven by North America
- Continued investments in digital products and partnerships e.g. in smart water management

© Arcadis 2023 | Arcadis Q2 and Half Year 2023 Results

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
Good revenue growth and improved margin

**Places**

**40% of net revenues**

<table>
<thead>
<tr>
<th></th>
<th>Half year</th>
<th>Second quarter</th>
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<tbody>
<tr>
<td></td>
<td>2023</td>
<td>2022</td>
</tr>
<tr>
<td>Net revenues</td>
<td>760</td>
<td>463</td>
</tr>
<tr>
<td>Organic NR growth (%)</td>
<td>5.0%</td>
<td></td>
</tr>
<tr>
<td>Operating EBITA</td>
<td>70</td>
<td>41</td>
</tr>
<tr>
<td>Operating EBITA margin (%)</td>
<td>9.2%</td>
<td>8.9%</td>
</tr>
<tr>
<td>Order intake</td>
<td>792</td>
<td>502</td>
</tr>
<tr>
<td>Net revenues in backlog</td>
<td>1,574</td>
<td>968</td>
</tr>
<tr>
<td>Backlog organic growth (qtd)</td>
<td>0.9%</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Backlog organic growth (ytd)</td>
<td>2.2%</td>
<td>3.6%</td>
</tr>
</tbody>
</table>

- Good revenue and backlog growth driven by North America, UK and Continental Europe
- Selective order intake at Arcadis DPS
- Continued soft market conditions in China
- Margin improvement driven by Arcadis IBI’s strong position in North America and Industrial Manufacturing performance in Continental Europe
- Excluding Middle East, operating EBITA margin at 9.9% for H1’23

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
Continued strong client demand, underlying margin improvement

• Good order intake momentum driven by North America and Continental Europe
• Stimulus driving investments in upgrading of infrastructure assets in US and Australia
• Strong margins in North America, Continental Europe, and Australia
• Excluding Middle East, operating EBITA margin at 10.3% for H1’23

<table>
<thead>
<tr>
<th>22% of net revenues</th>
<th>Half year</th>
<th></th>
<th>Second quarter</th>
<th></th>
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<tbody>
<tr>
<td></td>
<td>2023</td>
<td>2022</td>
<td>change</td>
<td>2023</td>
</tr>
<tr>
<td>Net revenues</td>
<td>403</td>
<td>366</td>
<td>10%</td>
<td>204</td>
</tr>
<tr>
<td>Organic NR growth (%)</td>
<td>13.5%</td>
<td></td>
<td></td>
<td>11.3%</td>
</tr>
<tr>
<td>Operating EBITA</td>
<td>38</td>
<td>35</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Operating EBITA margin (%)</td>
<td>9.4%</td>
<td>9.5%</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Order intake</td>
<td>423</td>
<td>370</td>
<td>14%</td>
<td>212</td>
</tr>
<tr>
<td>Net revenues in backlog</td>
<td>560</td>
<td>521</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Backlog organic growth (qtd)</td>
<td>2.1%</td>
<td>0.3%</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Backlog organic growth (ytd)</td>
<td>3.9%</td>
<td>2.0%</td>
<td>9%</td>
<td></td>
</tr>
</tbody>
</table>

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
Intelligence

Focus on cross GBA collaboration to provide greater digital value to clients

- Good synergy wins with Key Clients and revenue growth from digital solutions and software products
- Investments in continued product development, integration and organizational set-up
- Strong backlog and pipeline of opportunities from continued cross GBA collaboration

<table>
<thead>
<tr>
<th>2% of net revenues</th>
<th>Half year</th>
<th>Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ millions</td>
<td>period ended 30 June 2023</td>
<td></td>
</tr>
<tr>
<td>Net revenues</td>
<td>45</td>
<td>23</td>
</tr>
<tr>
<td>Operating EBITA(^2)</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Operating EBITA margin (%)</td>
<td>9.6%</td>
<td></td>
</tr>
<tr>
<td>Order intake</td>
<td>45</td>
<td>23</td>
</tr>
<tr>
<td>Net revenues in backlog</td>
<td>115</td>
<td></td>
</tr>
<tr>
<td>Backlog organic growth (qtd(^1))</td>
<td>0.2%</td>
<td></td>
</tr>
<tr>
<td>Backlog organic growth (ytd(^1))</td>
<td>0.2%</td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) 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
### Strong operational performance

**Generating 10% EPS growth year on year**

<table>
<thead>
<tr>
<th></th>
<th>H1 2023</th>
<th>H1 2022</th>
<th>change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBIT</strong></td>
<td>169</td>
<td>130</td>
<td>30%</td>
</tr>
<tr>
<td>Amortization &amp; impairment (including PPA effect)</td>
<td>-19</td>
<td>-5</td>
<td></td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>150</td>
<td>125</td>
<td>19%</td>
</tr>
<tr>
<td>Net finance expense</td>
<td>-27</td>
<td>-6</td>
<td></td>
</tr>
<tr>
<td>Taxes on income</td>
<td>-43</td>
<td>-34</td>
<td></td>
</tr>
<tr>
<td>Effective income tax rate(^1)</td>
<td>35%</td>
<td>28%</td>
<td></td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>80</td>
<td>86</td>
<td>-8%</td>
</tr>
<tr>
<td><strong>Net Income from Operations (NIfO)(^1)</strong></td>
<td>103</td>
<td>93</td>
<td>11%</td>
</tr>
<tr>
<td><strong>EPS (NIfO per share)(^2)</strong></td>
<td>1.15</td>
<td>1.04</td>
<td>10%</td>
</tr>
</tbody>
</table>

1) Corrected for non-recurring items (e.g. acquisition & restructuring costs, expected credit loss and impairments)
2) Average number of shares H1 2023: 89.7 million (H1 2022: 89.2 million)
Free Cash Flow generation in line with seasonality and impacted by:
- Financing of accelerated growth
- Changes in US tax law
- FCF in the quarter of €-26 million, in line last year’s €41 million when excluding cash out related to US taxes

<table>
<thead>
<tr>
<th></th>
<th>H1’22 FCF</th>
<th>Arcadis IBI &amp; Arcadis DPS</th>
<th>Change Working Capital</th>
<th>US Taxes</th>
<th>Financing costs</th>
<th>Integration costs</th>
<th>Other</th>
<th>H1’23 FCF</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FCF</strong></td>
<td>18</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-134</td>
</tr>
</tbody>
</table>

Strong growth and seasonality reflected in FCF
Cost synergies identified already above target, delivery on track

Cost synergies of €20 million currently identified, above target of €18 million initially communicated.

- **Workplace** Integration and rationalization
- **Technology & scale benefits** IT integration & platform improvement
- **Operations** Rationalization of overhead, insurance, support

- **IBI** €10M
- **DPS** €8M

Cost synergies identified to be delivered by end of 2024:
- **€20M** Annualized savings

Cost synergies expected for full year 2023:
- **€4M**
Wrap up
Key takeaways

Strong results, integration on track

– Excellent performance, continued strong demand
  ▪ Global Operating Model continues to drive revenue growth and margin improvement

– Integration to be completed by year-end
  ▪ Synergy wins materializing
  ▪ Identified cost synergies exceeding initial target

Positive outlook, clear priorities

– Strong pipeline
  ▪ Well positioned to capitalize on significant market opportunities

– On track to deliver 2023 targets

– Preparations for next strategic cycle progressing well

Save the date
Capital Markets Day
16 November, London
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The forward-looking statements are based upon our current expectations, plans, estimates, assumptions and beliefs that involve numerous risks and uncertainties. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth in the forward-looking statements.