FIRST HALF YEAR RESULTS 2018

Amsterdam, 26 July 2018

IMPROVING QUALITY OF LIFE

DISCLAIMER

Statements included in this presentation that are not historical facts (including any statements concerning investment objectives, other plans and objectives of management for future operations or economic performance, or assumptions or forecasts related thereto) are forward-looking statements. These statements are only predictions and are not guarantees. Actual events or the results of our operations could differ materially from those expressed or implied in the forward looking statements. Forward-looking statements are typically identified by the use of terms such as “may,” “will”, “should”, “expect”, “could”, “intend”, “plan”, “anticipate”, “estimate”, “believe”, “continue”, “predict”, “potential” or the negative of such terms and other comparable terminology.

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

ARCADIS Design & Consultancy for natural and built assets

PETER OOSTERVEER

Chief Executive Officer

BRUSSELS METRO

Arcadis has been commissioned by Beliris to supervise the expansion of the Brussels metro

OUR **STRATEGIC FRAMEWORK 2018 - 2020**

PEOPLE & CULTURE

- **Voluntary staff turnover**
  Voluntary staff turnover < Market
- **Staff engagement**
  Engagement score improving annually
- **Brand**
  Top 5 Brand Awareness in markets we serve
- **Clients**
  Top Quartile performance for Client Experience

INNOVATION & GROWTH

- **Organic Revenue Growth**
  - Surpass GDP growth in our markets
  - Revenue growth for key clients 2 times overall growth
- **Innovation**
  Digital adoption by our people and our clients
- **Sustainability**
  Significantly contribute to UN Sustainable Development Goals

FOCUS & PERFORMANCE

- **Margin**
  Operating EBITA trending to 8.5% - 9.5% of net revenues in 2020
- **Net Working Capital/DSO**
  - NWC <17% of gross revenues
  - DSO < 85 days
- **Return**
  Return on invested capital >10%
- **Dividend**
  30 - 40% of Net Income from Operations
- **Leverage**
  Net Debt/EBITDA between approximately 1.0 and 2.0

CHANGE OF LEADERSHIP STRUCTURE TO ACCELERATE PROGRESS ON IMPLEMENTATION STRATEGY

EXECUTIVE LEADERSHIP TEAM

								
Peter Oosterveer* Chief Executive Officer	**Sarah** Kuijlaars* Chief Financial Officer	**Mary Ann** Hopkins Group Executive Americas	**Alan** Brookes Group Executive Europe, Middle East	**Greg** Steele Group Executive Asia Pacific	**Rob** Mooren Group Executive Project Services	**Stephan** Ritter Group Executive Innovation & Transformation	**Erik** Blokhuis Group Executive Sales & Business Development	**Lia** Belilos Chief People Office
IT / Arcadis Way Legal & Compliance Internal Audit	Financial Planning, Reporting & Business Appraisal Tax & Treasury Risk & Control Investor Relations	North America Latin America CallisonRTKL	Continental Europe United Kingdom Middle East	Asia Australia Pacific	GECs Health & Safety Project Management Excellence	Corporate Strategy & Development Digital Marketing & Communications Sustainability	Global Clients Global Solutions Sales Excellence	People Strategy & Culture

* The Chief Executive Officer and the Chief Financial Officer together form the Executive Board

HIGHLIGHTS FIRST HALF YEAR 2018

- Organic net revenue growth, operating margin improvement and strong cash flow
  - Improved results Americas
  - Cash collection Middle East (KSA)
- New Executive Leadership Team in place
- Significant investments in digital capabilities and skills
- Middle East portfolio analysis completed
- Focus on disciplined project management and client selection starting to yield results
- Strategic review CallisonRTKL concluded: remains part of Arcadis
- Renewable natural gas plant, part of the ALEN joint venture in Brazil, is technically operational

SARAH KUIJLAARS

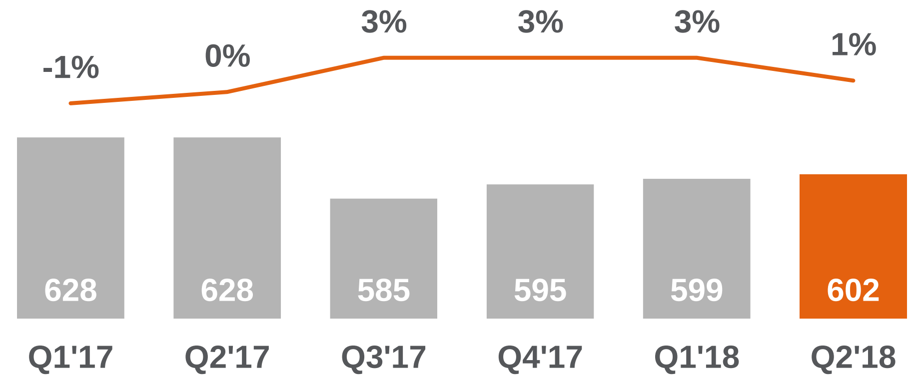
Chief Financial Officer

WESTCONNEX, SYDNEY

Arcadis providing detailed design services and independent verification services on different stages

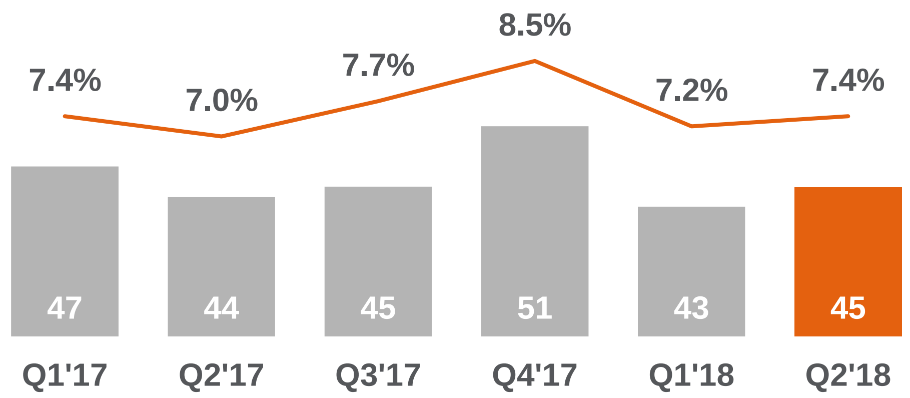
QUARTERLY **REVENUE AND OPERATING EBITA**

Net Revenues and organic growth
€ millions, %



- Net revenues at €602 million for Q2, resulting in 1% organic growth. Currency translation effect was -5% due to a stronger Euro
- North America, Continental Europe, the UK, and Australia delivered organic growth
- Revenue decline in Middle East, Asia and CallisonRTKL

Operating EBITA (margin)
€ millions, %



- Operating EBITA for Q2 improved organically by +6% to €45 million, the currency translation effect was -5%
- Operating EBITA margin improved to 7.4%, driven by Americas, Continental Europe, the UK and Australia
- Reported revenues and EBITA in Q2 positively impacted by an average of 1 working day

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FIRST HALF YEAR 2018 REVENUES, NET INCOME AND BACKLOG

In € millions	HALF YEAR 2018	HALF YEAR 2017	HALF YEAR change	SECOND QUARTER 2018	SECOND QUARTER 2017	SECOND QUARTER change
Net revenues	1,202	1,256	*-4%*	602	628	*-4%*
Organic growth	*2%*			*1%*		
EBITDA	100	100	*0%*	53	48	*11%*
EBITA	79	80	*-1%*	42	38	*11%*
EBITA margin	*6.6%*	*6.4%*		*7.0%*	*6.1%*	
Operating EBITA[1)]	88	90	*-3%*	45	44	*2%*
Organic growth	*2%*			*6%*		
Operating EBITA margin	*7.3%*	*7.2%*		*7.4%*	*7.0%*	
EBIT	68	64	*6%*			
Net income	35	34	*4%*			
Net income from operations [2)]	44	47	*-6%*			
NIfO per share [3)]	0.51	0.55	-7%			
Backlog net revenues (billions)	2.1	2.2	*-4%*			
Backlog organic growth	0%					

[1)] *Excluding acquisition and restructuring costs*
[2)] *Corrected for non-recurring items (e.g. restructuring)*
[3)] *Average number of shares H1 2018: 86.5 million (H1 2017: 85.1 million)*

- Organic net revenue growth at 2%; driven by North America, Continental Europe, the UK and Australia
- Operating EBITA margin up to 7.3% from improvement Americas
- NIFO per share at €0.51 (H1 2017: €0.55):
  - Increased financing charges: interest rates USD loans and impact IFRS 9
  - Loss from associates of € 4.5 million, mainly related to non-core clean energy assets Brazil
  - Effective tax rate: 26% (H1 2017: 30%)
- Organic backlog flat, improvement in Continental Europe, Australia and CallisonRTKL, compensating for 20% decline Middle East

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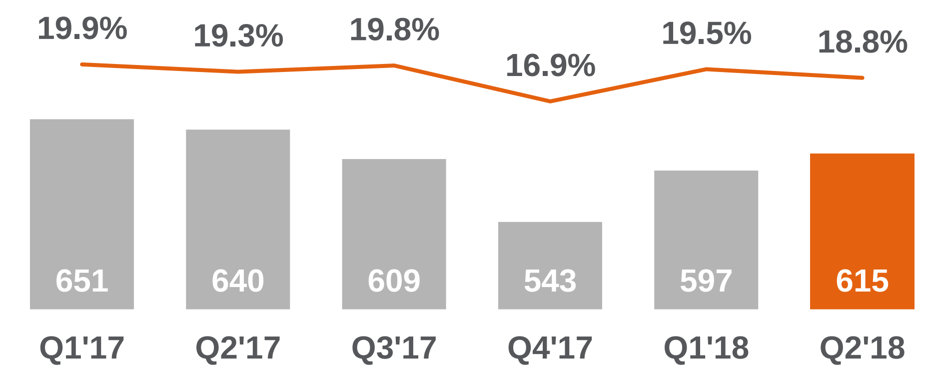
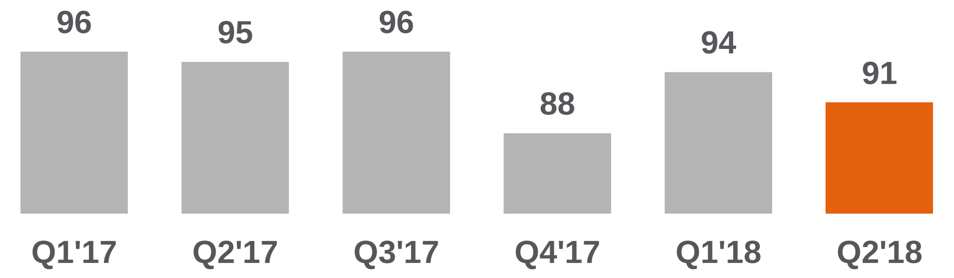
IMPROVEMENT WORKING CAPITAL AND DAYS SALES OUTSTANDING

Net working capital
€ millions & as % of gross revenues



- Collection of €19 million of overdue receivables in the Middle East (KSA) in the second quarter (H1: €25 million)
- Improvement in Net Working Capital % mostly driven by cash collection Middle East
- Reduction in accounts payable of -€23 million versus Q2 and -€34 million versus Q4 2017

Days Sales Outstanding
number of days



- Improvement of DSO to 91 days (Q2 2017: 95 days)

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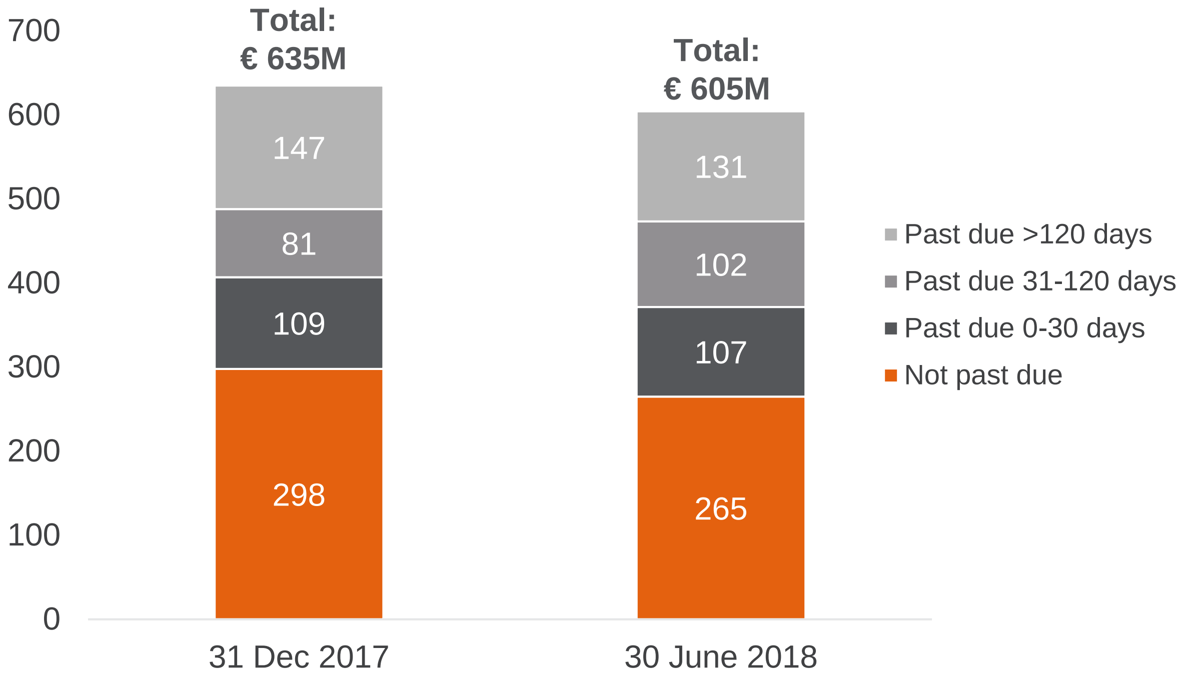
REDUCTION IN LONG OVERDUE RECEIVABLES

Gross & Net receivables

€ millions



	31 Dec 2017	30 June 2018
Gross Receivables	**635**	**605**
Provision receivables	-57	-56
Provision %	8.9%	9.3%
Net Receivables[1)]	**578**	**549**

[1)] *Excluding receivables from associates*

- 5% lower gross receivables at €605 million, due to focus on collection
- Decrease in overdue receivables more than 120 days driven by:
  - Cash collection KSA
  - Partial payment Oil & Gas project involving insurance (US)

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CASH FLOW STATEMENT

in € millions	2018	2017
EBITDA	**100**	**100**
Changes in net working capital	-61	-70
Changes in other working capital	15	-5
Tax paid	-21	-11
Net interest paid	-11	-13
Other	-3	-5
Cash flow from operating activities	**19**	**-4**
Capital expenditure	-25	-24
Free cash flow	**-6**	**-28**

- Free cash flow in second quarter of +€54 million (Q2 2017: +€34 million)
- Free cash flow of €-6 million (H1 2017: -€28 million)
- Improved working capital from cash collection Middle East partly offset by payment subcontractors (“paid-if-paid”)
- Other working capital improvement caused by less prepayments (4-year software license)
- Tax paid impacted by higher preliminary tax assessments, partly caused by lower tax loss compensation

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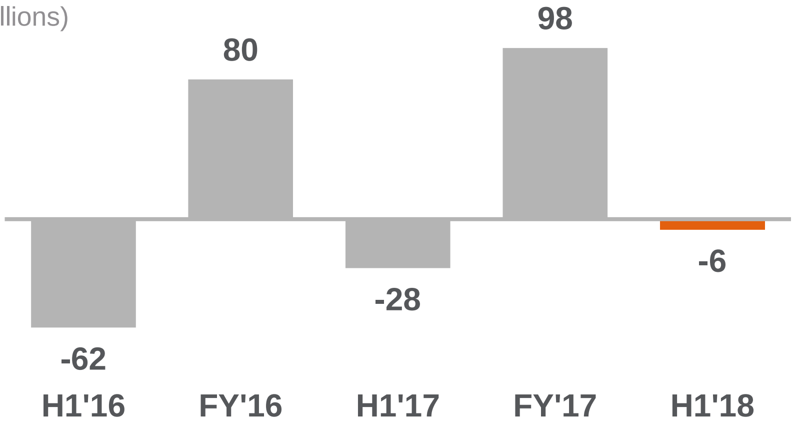
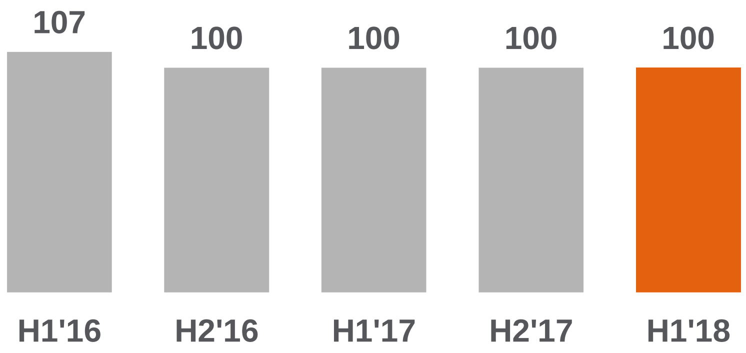
STRONG FREE CASH FLOW LOWER NET DEBT

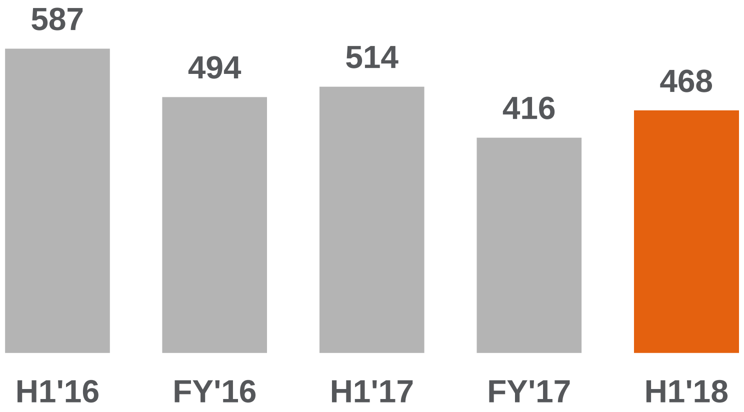
Free Cash Flow
(€ millions)



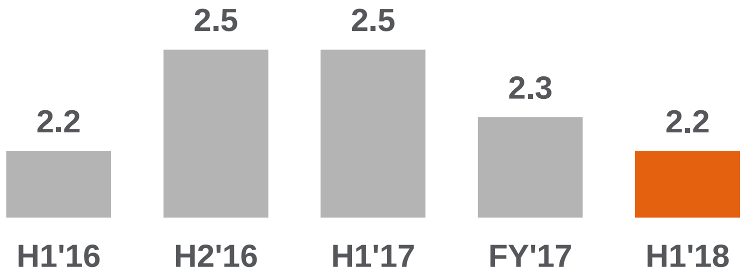
EBITDA
(€ millions)



Net Debt
(€ millions)



Average net debt / EBITDA
Calculated using bank covenant methodology



AMERICAS STRONG MARGIN IMPROVEMENT

(31% of net revenues)	HALF YEAR			SECOND QUARTER		
	2018	**2017**	change	**2018**	**2017**	change
Gross revenues	551	599	*-8%*	288	302	*-5%*
Net revenues	365	394	*-7%*	189	198	*-5%*
Organic growth	*2%*			*2%*		
EBITA	25.9	17.5	*48%*			
Operating EBITA	28.2	23.4	*20%*			
Operating EBITA margin	*7.7%*	*5.9%*				
Backlog organic growth	0%					
DSO	88	87				

COASTAL RESILIENCE
BRIDGEPORT, CONNECTICUT

- Organic net revenue growth of 2%: 3% growth in North America and 3% decline in Latin America
- Strong operating margin improvement to 7.7%:
  - North America at 8.8% driven by strong results Water and continued solid results Environment and Infrastructure
  - Latin America Operating EBITA improved by €5 million, close to break-even result
- Backlog organic growth Water, offset by slight decline in other business lines

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EUROPE & MIDDLE EAST GROWTH IN EUROPE, SELECTIVITY IN MIDDLE EAST

(46% of net revenues)	HALF YEAR			SECOND QUARTER		
	2018	**2017**	change	**2018**	**2017**	change
Gross revenues	708	685	*3%*	360	335	*7%*
Net revenues	567	566	*0%*	275	278	*-1%*
Organic growth	*3%*			*1%*		
EBITA	33.7	36.6	*-8%*			
Operating EBITA	39.3	39.8	*-1%*			
Operating EBITA margin	*6.9%*	*7.0%*				
Backlog organic growth	-2%					
DSO	95	111				

INTELLIGENT INFRASTRUCTURE FOR NETWORK RAIL
UK

- Organic net revenue growth of 3%: 3% growth in Continental Europe (almost all countries), 15% in UK (large infrastructure projects), 8% decline in the Middle East (selective bidding)
- Operating EBITA declined slightly: higher investments in people, digitization and Arcadis Way
- Margins in Europe compensate for lower margin in the Middle East
- Substantial cash collection from overdue receivables in KSA, resulting in improved DSO
- Backlog impacted by 20% decline in the Middle East due to continued selective bidding

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ASIA PACIFIC DIVERSIFICATION IN AUSTRALIA AND FOCUS IN ASIA

(14% of net revenues)	HALF YEAR			SECOND QUARTER		
	2018	2017	change	2018	2017	change
Gross revenues	186	196	*-5%*	98	105	*-7%*
Net revenues	164	172	*-5%*	84	89	*-6%*
Organic growth	*5%*			*2%*		
EBITA	11.8	14.1	*-16%*			
Operating EBITA	11.1	14.2	*-22%*			
Operating EBITA margin	*6.8%*	*8.3%*				
Backlog organic growth	0%					
DSO	93	86				

ARCADIS ONE OF FIRST COMPANIES TO PIONEER DRONES IN CONSTRUCTION SECTOR SINGAPORE

- Organic net revenue growth of 5%: 20% growth for Australia (diversification into infrastructure) and 3% decline Asia
- The operating EBITA margin declined mainly due to lower revenues and €2 million write downs in Asia (Q1), Australia continues to be strong and improved year-on-year
- Increase DSO due to Asia
- Greg Steele appointed Group Executive Asia Pacific to improve focus and performance

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CALLISONRTKL FOCUS ON EXECUTION STRATEGIC PLAN

(9% of net revenues)	HALF YEAR			SECOND QUARTER		
	2018	**2017**	change	**2018**	**2017**	change
Gross revenues	141	168	*-16%*	73	88	*-17%*
Net revenues	105	124	*-15%*	54	63	*-14%*
Organic growth	*-7%*			*-7%*		
EBITA	8.0	12.3	*-35%*			
Operating EBITA	9.3	13.1	*-29%*			
Operating EBITA margin	*8.8%*	*10.6%*				
Backlog organic growth	6%					
DSO	78	71				

CREATE NEW DOWNTOWN
SALT LAKE CITY

- Organic net revenues decline of 7% driven by lower activity levels across all practices
- After slow start of the year the results improved in Q2 with an operating EBITA margin of 11%
- Exceptionally strong order intake in the second quarter is driven by the commercial and workplace practices

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NON-CORE **CLEAN ENERGY ASSETS** BRAZIL (ALEN)

Seropédica plant producing renewable natural gas

- The renewable gas plant at Seropédica (Rio de Janeiro) is now technically operational
- This plant is estimated to produce approximately 70 million m^3 of renewable natural gas annually
- Long term renewable natural gas off-take contracts are currently being negotiated
- For the gas-to-power plants delivery contracts are in place
- The loss from this associate in H1 was €4.7 million
- The intention is to divest all plants once in operation, this process will be initiated in the second half of 2018 and we expect a divestment in 2019

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ON TRACK TO DELIVER ON OUR **2018-2020 STRATEGIC PRIORITIES**

STRATEGIC PRIORITIES	PROOF POINTS H1 2018
People & Culture	• Executive Leadership Team aligned with strategic framework • 4,500 Arcadians onboarded for Expedition DNA basecamp (Digital capabilities) • Brand recognition; Superbrand status in the UK (second year in a row)
Innovation & Growth	• Investments to accelerate innovation SEAMS Building Analytic Capability techstars • Major project wins due to digital asset management capabilities and water expertise • Continued strong growth for Global Key Clients
Focus & Performance	• Operating EBITA margin improved to 7.3% • NWC & DRO improved: 18.8% and 91 days • Leverage ratio improved to 2.2

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SUMMARY AND OUTLOOK

- Strong executive leadership team in place in full alignment with strategic framework
- Build on growth momentum Americas, Continental Europe, the UK and Australia
- Continued focus on cash collection, disciplined project management and client selection
- Perform portfolio analysis for Asia and adjust Middle East to revised portfolio
- Initiate the divestment process of all non-core clean energy assets Brazil
- Confirm revenue growth and improved operating margin for full 2018

Arcadis.
Improving quality of life.

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