First half year results 2019

Organic growth, continued solid results and sustained cash flow improvement

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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.

CITY OF LOS ANGELES | U.S.A.

Improving stormwater quality and creating recreational space in Los Angeles

6 CLEAN WATER AND SANITATION

11 SUSTAINABLE CITIES AND COMMUNITIES

13 CLIMATE ACTION

15 LIFE ON LAND

Peter Oosterveer
CEO

Another solid quarter

- Continued solid results led by strong performance in North America
- Europe & Middle East: strong performance Netherlands, one less working day, lower results France
- Measures to improve results in Asia, Middle East and Latin America start to yield results
- Continued investments in people and digital offerings to capitalize on opportunities in:
  - Sustainable cities & smart mobility
  - Future proof industries
  - Environmental consultancy
  - Water management
- Strategic priorities clear - on track to deliver on 2020 targets

FIRST HALF YEAR RESULTS 2019

Improvement on all key financial metrics

- Organic net revenue growth of 2%
- Operating EBITA margin improved to 7.6% (7.2%*)
- EBITDA up 12% to €112 million (€100 million*)
- NWC% improved to 16.2% (18.8%*)
- Sustained free cash flow improvement leading to a leverage ratio of 1.6 (2.2*)
- Organic backlog growth at 3% year-to-date

* Half year 2018 figures. 2019 and 2018 figures based on IAS 17

Non-core clean energy assets Brazil (ALEN)

Divestment process led by Itaú Bank

Divestment process

- Information memorandum prepared and shared with potential buyers
- Intention to divest assets in 2019

Financial update

- Successful refinancing by ALEN of €50 million bank loans
- Loss for Arcadis in Q2 of €2 million
- Operational result expected to be break-even towards the end of the year

Operational performance

- Gas Verde (gas-to-gas plant) certified and operational, 70% of volume contracted with NEOgas and Ternium
- Gas deliveries initiated, further increase in coming months

Gas-to-power plants

- Nova Iguaçu plant completed and operational at maximum capacity
- São Gonçalo plant being assembled, completion scheduled for Q4 2019

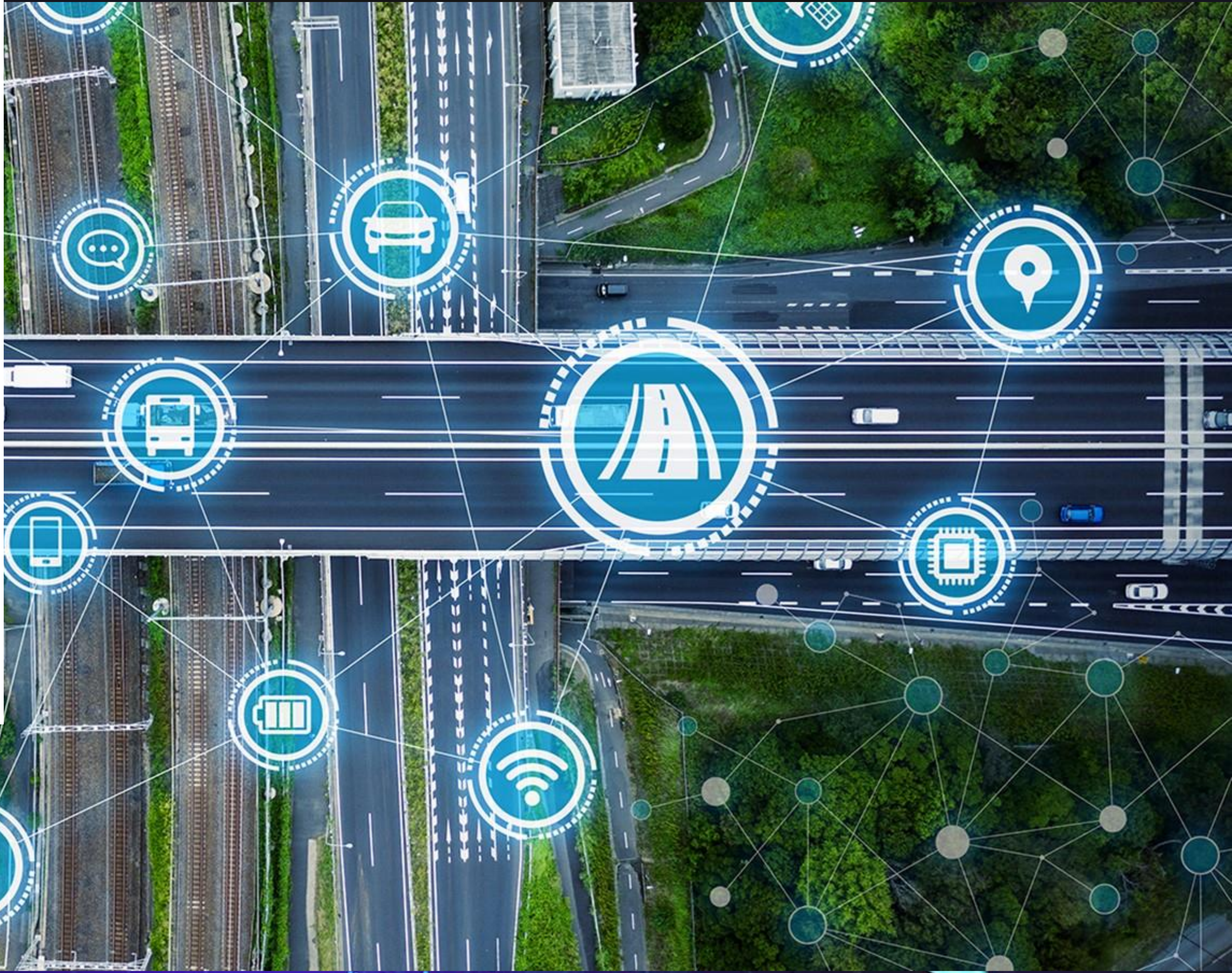
UK GOVERNMENT

Creating a simulation environment, including A.I. models, to test autonomous vehicles

11 SUSTAINABLE CITIES AND COMMUNITIES

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Sarah Kuijlaars
CFO



Improved metrics

	Half year			Second quarter		
in € millions *	2019	2018	change	2019	2018	change
Gross revenues	1,707	1,586	8%	878	819	7%
Net revenues	**1,275**	**1,220**	**5%**	**647**	**621**	**4%**
Organic growth %	**2%**			**2%**		
EBITDA	112	100	12%	56	53	5%
EBITDA margin %	8.8%	8.2%		8.7%	8.5%	
Operating EBITA	**97**	**88**	**10%**	**49**	**45**	**10%**
Organic growth %	5%			6%		
Operating EBITA margin %	**7.6%**	**7.2%**		**7.6%**	**7.2%**	
Net income	38	35	9%			
Net income from operations	49	44	10%			
NIfO per share	0.55	0.51	8%			
Backlog net revenues (bn)	2.1	2.1				
Backlog organic growth % (YtD)	3%					

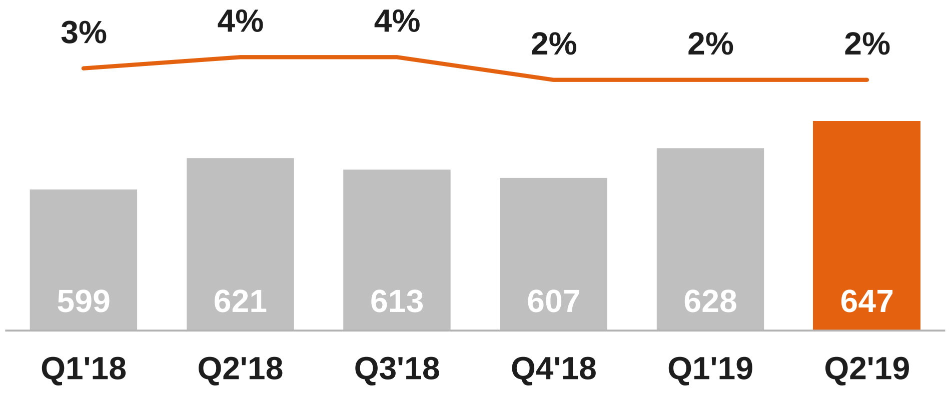
- Organic net revenues growth driven by North America
- Impact of one less working day
- Financing charges flat at €14 million
- Tax rate at 35%; expected full year tax rate ~29%
- Credit loss on ALEN at €5 million (H1 2019)

*Figures are based on IAS 17. Interim financial statements are based on IFRS 16.

Sustained improvement

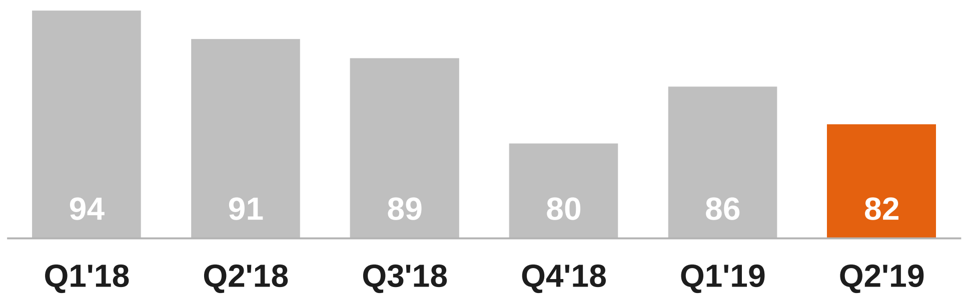
Net Revenues and organic growth

€ millions, %



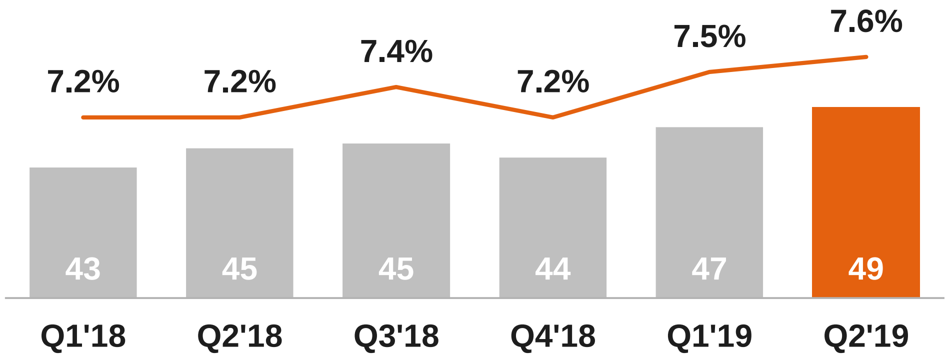
Days Sales Outstanding

Days



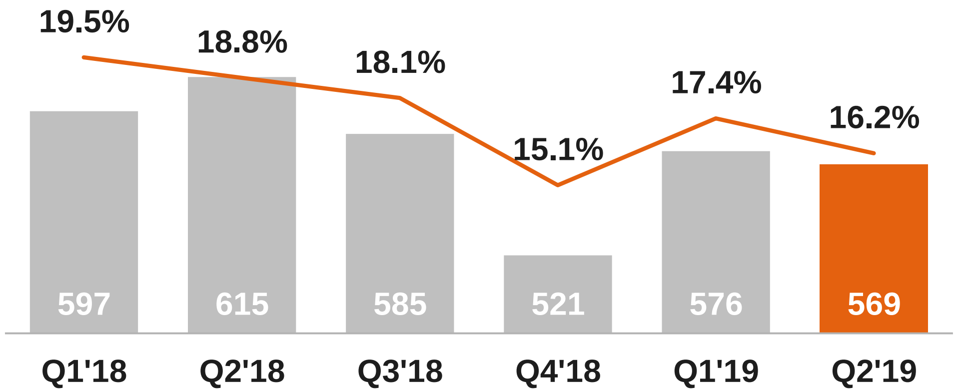
Operating EBITA (margin)

€ millions, %



Net Working Capital (%)

€ millions, %



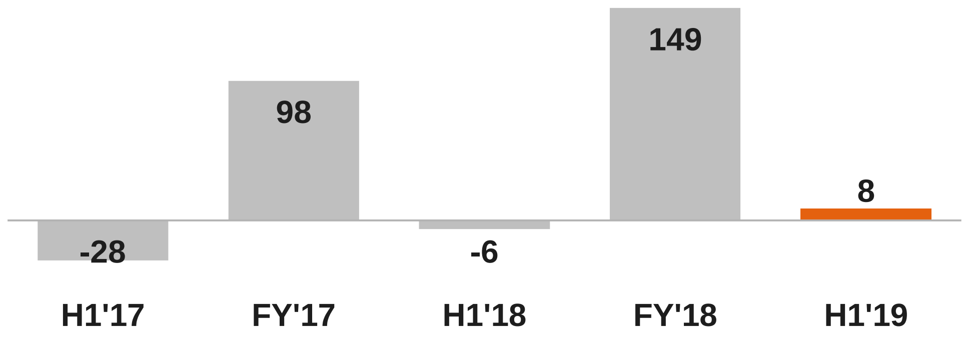
Strong cash flow generation

in € millions	2019	2018
EBITDA	**112**	**100**
Changes in net working capital	-45	-61
Changes in other working capital	-8	15
Tax paid	-20	-21
Net interest paid	-13	-11
Other	2	-3
Cash flow from operations	**28**	**19**
Capital expenditures	-20	-25
Free cash flow	**8**	**-6**

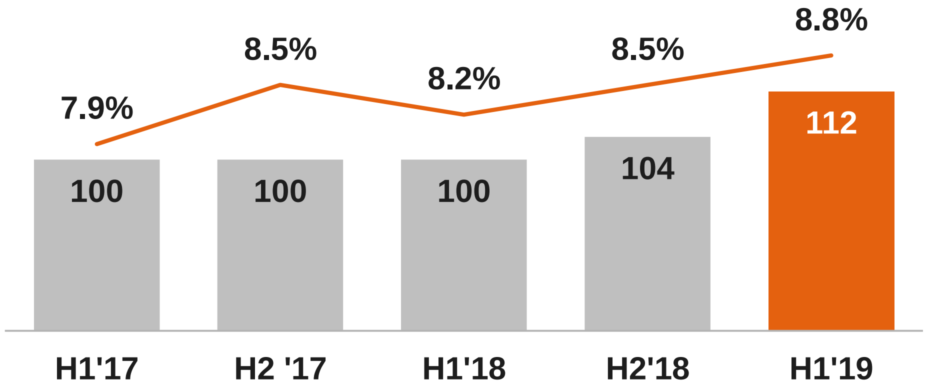
- Strong cash flow second quarter 2019 of €60 million (Q2 2018: €54 million)
- Seasonal pattern in net working capital development
- Lower capex

Continued strengthening of the balance sheet

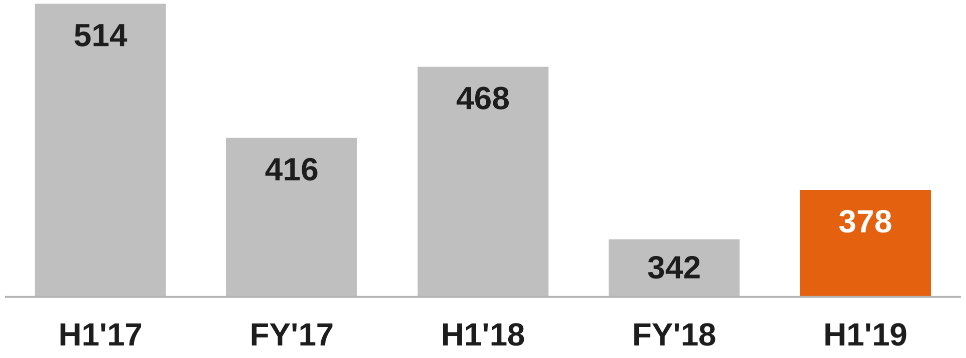
Free cash flow
€ millions



EBITDA (%)
€ millions, %



Net debt
€ millions



Average net debt / EBITDA
Calculated using bank covenant methology

Americas - stronger across all metrics

	Half year			Second quarter		
33% of net revenues	2019	2018	change	2019	2018	change
Gross revenues	679	551	23%	360	288	25%
Net revenues	426	365	17%	222	189	18%
Organic growth %	10%			11%		
EBITA	35	26	36%			
Operating EBITA	37	28	32%			
Operating EBITA margin %	8.7%	7.7%				
Backlog organic growth % (YtD)	6%					
DSO	76	88				

- Strong results in environmental consultancy, and continued solid results in Water and Infrastructure
- Operating EBITA in Latin America improved by €2 million
- Organic Backlog growth at 6%, year-on-year at 13%, strong pipeline

Europe & Middle East - strong performance in the Netherlands

	Half year			Second quarter		
45% of net revenues	2019	2018	change	2019	2018	change
Gross revenues	692	708	-2%	345	360	-4%
Net revenues	574	586	-2%	283	294	-4%
Organic growth %	-2%			-2%		
EBITA	35	34	5%			
Operating EBITA	38	39	-3%			
Operating EBITA margin %	6.6%	6.7%				
Backlog organic growth % (YtD)	4%					
DSO	85	95				

- Results impacted by one less working day, and lower results in France
- Strong performance Netherlands, lingering Brexit impacting timing of infrastructure spending
- Middle East: margin improved and lower DSO as a result of sustained discipline on cash collection

Asia Pacific - improvement in Asia and strong margins Australia

13% of net revenues	Half year 2019	Half year 2018	Half year change	Second quarter 2019	Second quarter 2018	Second quarter change
Gross revenues	188	186	1%	98	98	-1%
Net revenues	165	164	1%	86	84	2%
Organic growth %	-1%			0%		
EBITA	11	12	-8%			
Operating EBITA	12	11	12%			
Operating EBITA margin %	7.6%	6.8%				
Backlog organic growth % (YtD)	1%					
DSO	97	93				

- Organic net revenue growth Australia impacted by timing of large projects' ramp-up
- Measures Asia resulted in greater selectivity, increased business transparency and improved margin Q2 2019
- Share purchase agreement signed for sale of Design & Engineering activities in mainland China

CallisonRTKL - new leadership

	Half year			Second quarter		
9% of net revenues	2019	2018	change	2019	2018	change
Gross revenues	148	141	5%	76	73	4%
Net revenues	111	105	5%	57	54	4%
Organic growth %	-1%			-3%		
EBITA	9	8	7%			
Operating EBITA	9	9	-4%			
Operating EBITA margin %	8.1%	8.8%				
Backlog organic growth % (YtD)	-5%					
DSO	83	78				

- New CEO Kelly Farrell, registered Architect, with the firm since 2004 and in Executive Committee since 2016
- Leadership team is focusing on winning work, reducing employee turnover and improving operating EBITA
- CallisonRTKL named top Retail Design Firm by VMSD

Strong performance on all key financial metrics

- Solid results led by strong performance in North America
- Sustained improvement on all key financial metrics
- Strong free cash flow leading to a leverage ratio of 1.6
- Healthy business outlook for the second half 2019

SHANGHAI | CHINA

Using data analytics and our asset knowledge for regeneration of business district

11 SUSTAINABLE CITIES AND COMMUNITIES

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Peter Oosterveer
CEO

On track to deliver on our 2018-2020 strategic priorities

Strategic priorities	Proof points H1 2019
People & Culture	▪ Embedding cultural adjustments ▪ People First resulting in improved voluntary turnover ▪ Commercial awareness resulting in increased selectivity, focus on cash collection and support for 'Make Every Project Count'
Innovation & Growth	▪ Continued investments in digital offerings – EAMS, Techstars, Design Studio ▪ Creating a new entity to consolidate asset knowledge and digital capabilities ▪ Growth from Key Clients at 6% ▪ Strong growth in Arcadis FieldTech Solutions
Focus & Performance	▪ Operating EBITA margin improved to 7.6% ▪ NWC % & DRO improved to 16.2% and 82 days ▪ Leverage ratio improved to 1.6

Global megatrends strong fundamental for sustainable growth

Megatrends

- URBANIZATION & MOBILITY
- SUSTAINABILITY & CLIMATE CHANGE
- GLOBALIZATION
- DIGITIZATION

Significant potential in improving quality-of-life in cities; e.g. commute time ↓15-20% McKinsey & Company

The worlds most influential companies committed to 100% renewable power RE 100

Global Environmental Consulting Services Market (~$ 32 bn) to grow >3% for 2019-2025 PREMIUM MARKET INSIGHTS

By 2030, climate change & natural disasters may cost cities $314 billion a year THE WORLD BANK

Growth opportunities

SUSTAINABLE CITIES & SMART MOBILITY

INDUSTRY, INNOVATION AND INFRASTRUCTURE

FUTURE PROOF INDUSTRIES

ENVIRONMENTAL CONSULTANCY

WATER MANAGEMENT

Strategic priorities 2019

- **Further margin improvement**
  - Rigorous adherence to actions identified for the Middle East and Asia to improve performance
  - Leverage of “Make Every Project Count”, growth of the Global Excellence Centers
- **Revenue growth**
  - Further build on the growth momentum and focus on profitable growth
  - Leverage the streamlined client portfolio and digital solutions
- **Further cost optimization**
- **Non-core clean energy assets Brazil:** intention to divest all assets in 2019
- **Continue strong cash collection and further strengthen the balance sheet**

Arcadis.

Improving quality of life.

IFRS 16 impact

Accounting impact only, no net cash impact

Bank covenant ratios lease-adjusted

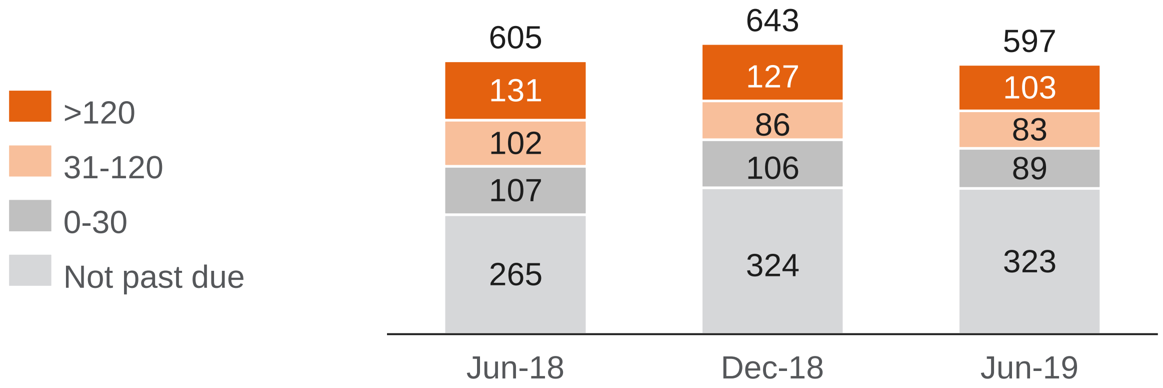
P&L impact H1 2019 € million, %	IAS 17	IFRS 16	Delta
Gross revenues	1,707	1,707	-
Net revenues	1,275	1,275	-
EBITDA	112	149	37
EBITDA margin	8.8%	11.7%	2.9%
Depreciation	-22	-57	-36
EBITA	90	91	1
EBITA margin	7.1%	7.1%	0.0%
Non-operating costs	-7	-7	0
Operating EBITA	97	98	1
Operating EBITA margin	7.6%	7.7%	0.1%
Net finance expense	-14	-19	-5
Net income	38	36	-2
Net income from operations	49	46	-3
NIfO / share	0.55	0.53	-0.02

Cash flow impact H1 2019 € million	IAS 17	IFRS 16	Delta
Free cash flow	8	44	36

Balance sheet impact 30 June 2019 € million	IAS 17	IFRS 16	Delta
Assets: right-of-use assets	0	255	255
Liabilities: lease liabilities	0	272	272
Liabilities: restoration provision	6	6	0

Significant decrease overdue receivables (>120 days)

Ageing of Gross Receivables and Net Working Capital (%)



in € millions	Jun-18	Dec-18	Jun-19
Gross receivables	**605**	**643**	**597**
Provision receivables	-56	-61	-57
Provision %	9%	10%	9%
Trade receivables[1)]	**549**	**582**	**541**
Net Work in Progress	270	174	256
Accounts Payables	-204	-235	-228
Net Working Capital	**615**	**521**	**569**
Net Working Capital %[2)]	**18.8%**	**15.1%**	**16.2%**

1) Excluding receivables from associates
2) Calculated using annualized Q2 Gross Revenues

- Overdue receivables (>120 days) reduced by €28 million YoY driven by cash collection North America, Middle East and Brazil
- YoY improvement in NWC% from:
  - Faster billing and cash collection
  - Accounts Payables increase by strong growth environmental consultancy in North America (more “blue collar” subcontracting)