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PRESS RELEASE

ARCADIS REPORTS FULL YEAR RESULTS 2018

Revenue growth and strong cash flow

Operational
- Strong performance key markets North America, the UK, Continental Europe, and Australia
- Firm measures taken to turn around lagging performance in the Middle East and Asia
- Non-core clean energy assets Brazil: Preparation for divestment of all assets initiated

Financial
- Significantly improved balance sheet
- Net working capital improved to 15.1% (2017: 16.9%); DSO to 80 days (2017: 88 days)
- Strong free cash flow of €149 million leading to a year-end Net debt to EBITDA ratio of 1.7
- Organic net revenue growth of 3% to €2.4 billion (gross revenues of €3.3 billion)
- Operating EBITA margin decreased to 7.3% (2017: 7.6%); including project write-offs and provisions related to the Middle East and Asia with a total margin impact of 0.8%
- Goodwill impairment of €40 million, mainly reflecting re-assessment of Middle East, leading to a net loss of €27 million. Net income from operations of €88 million (2017: €101 million)
- Proposal to maintain dividend at €0.47 per share (2017: €0.47), pay-out ratio 47%

Amsterdam, 14 February 2019 – Arcadis (EURONEXT: ARCAD), the leading global Design & Consultancy for natural and built assets, reports 3% organic net revenue growth over 2018. The majority of Arcadis' businesses performed well, while set-backs in the Middle East and Asia negatively impacted results. Arcadis takes firm measures to turnaround these regions. Key financial metrics such as cash flow, net working capital and net debt significantly improved.

CEO STATEMENT

Peter Oosterveer, CEO Arcadis comments: "We made significant steps in 2018 towards our 2020 targets in our key markets North America, the UK, Continental Europe and Australia, which combined with CallisonRTKL, represent approximately 85% of our business. The set-backs we faced in the Middle East and Asia negatively impacted our results, especially in Q4. Overall, we generated strong cash flow from disciplined working capital management throughout the organization. As a result, our leverage ratio at year-end improved to 1.7, well within our 2020 strategic target range of between 1.0 and 2.0.

We are taking decisive actions to turnaround the underperforming businesses. Earlier headwinds in the Middle East caused us to be more selective, in order to de-risk our portfolio. This resulted in lower revenues and, as a consequence, we impaired goodwill. In Asia, we appointed new leadership and are executing the plan to focus on profitable core businesses, to exit certain countries and phase-out activities that underperform. In Latin America, we expect to improve our results in Brazil in a more stable post-election business environment. We are making progress with our non-core clean energy assets; ensuring new gas offtake contracts and bringing the largest gas-to-power plant to the operational status.

There is no denying that 2018 has been a challenging year for Arcadis, but we are pleased with the growth in the majority of our business, the strengthening of our balance sheet, as well as with the actions taken to improve our performance. Our strategy towards 2020 is clear and we have confidence that our efforts in 2018 will further pay off in 2019. This confidence and our cash generation in 2018 enables us to propose to maintain our dividend at €0.47 per share."

STRATEGY UPDATE

Late 2017, Arcadis launched its strategy of 'Creating a Sustainable Future', based on three pillars: People & Culture, Innovation & Growth, and Focus & Performance. Key Performance Indicators were identified for all three pillars and we are pleased with the progress to date, which includes;

People & Culture

Our focus on creating a stronger, unique culture with a growth mindset and a disciplined focus on pursuing the right clients while creating better financial performance is starting to bear fruit, in particular in North America, the UK, Continental Europe and Australia.
Our voluntary staff turnover slightly increased, with small increases in Asia, Australia and CallisonRTKL, partly offset by an improvement in North America. The overall engagement score for Arcadis improved compared to 2017, slightly above our target for the year.

Innovation & Growth

In 2018, we made significant progress on our Digital Agenda. We helped our clients succeed in a data driven world by offering more data analytics solutions, which were strengthened by the acquisition of SEAMS. Our 2017 acquisition of E2 ManageTech formed the foundation for Arcadis to be recognized by Verdantix as a market leader in delivering Digital EHS services. To accelerate the digital capabilities of our people we have developed 'Expedition DNA', our on-line learning platform, which to date has seen a voluntary participation of over 26% of our global workforce. The majority of our businesses created organic growth in line with our targets and the growth for our key clients exceeded our goals. We have sharpened our focus further by streamlining our client portfolio resulting in the identification of 250 key global and local clients.

Focus & Performance

In 2018, we initiated our program of "Make Every Project Count", focused on improving project performance by aligning behaviors, processes and systems to "The Arcadis Way". As a result of the program we see a higher focus on project selectivity and financial performance, including cash collection. We optimized the operating model of our GECs and expect to further grow this capability by approximately 15% in 2019.

Throughout 2018, we furthermore completed our portfolio analysis for both the Middle East as well as for Asia to allow us to focus where we can lead and de-prioritize businesses that fail to meet our criteria. Changes we made in 2017 in North America formed the cornerstone for our very robust performance throughout 2018 with Operating EBITA already in the 2020 range, just as has been the case in the UK, Continental Europe, Australia and CallisonRTKL.

As a result of this increased focus, we delivered strong cash flow and significantly improved our balance sheet. The accomplishments to date combined with our continued focus on the implementation of the three strategic pillars will enable Arcadis to achieve its targeted operating EBITA margin in the range of 8.5-9.5% in 2020, as well as to satisfy other key performance indicators.

REVIEW OF PERFORMANCE

Key Figures

in € millions	FULL YEAR			FOURTH QUARTER		
Period ended December 31	**2018**	**2017**	change	**2018**	**2017**	change
Gross revenues	*3,256*	*3,219*	*1%*	*862*	*805*	*7%*
Organic growth	*4%*			*6%*		
Net revenues	2,440	2,437	*0%*	607	595	*2%*
Organic growth	*3%*			*2%*		
EBITDA	204	200	*2%*	51	51	*0%*
EBITA	162	161	*0%*	39	41	*-5%*
EBITA margin	*6.6%*	*6.6%*		*6.5%*	*6.8%*	
Operating EBITA[1)]	177	186	*-5%*	44	51	*-14%*
Operating EBITA margin	*7.3%*	*7.6%*		*7.2%*	*8.5%*	
Net income	-27	71	*-138%*			
Net income from operations (NIFO)	88	101	*-13%*			
NIFO per share (in €)	1.01	1.18	*-14%*			
Dividend (proposal) per share (in €)	0.47	0.47	*0%*			
Avg. number of shares (millions)	87.1	85.9				
Net working capital %	15.1%	16.9%				
Days sales outstanding	80	88				
Free cash flow [2)]	149	98	*53%*	132	85	*54%*
Net debt	342	416	*-18%*			
Backlog net revenues (billions)	2.0	2.1	*-3%*			
Backlog organic growth	-4%			3%		

[1)] *Excluding acquisition, restructuring and integration-related costs*

[2)] *Cash flow from operating activities minus investments in (in)tangible assets*

REVIEW OF PERFORMANCE IN 2018

Net revenues totaled €2,440 million and increased organically by 3%, the currency impact was -3%. North America, Continental Europe, the UK, and Australia all delivered organic growth. Revenues declined particularly in the Middle East due to higher selectivity and the cancellation of a large project.

Operating EBITA decreased by 5% to €177 million (2017: €186 million) including a currency impact of -4%. Higher results in North America, the UK, Continental Europe and Australia were offset by lower results mainly from the Middle East and Asia. Operating EBITA margin decreased to 7.3% (2017: 7.6%); including project write offs and provisions in the Middle East and Asia with a total operating EBITA margin impact of 0.8%

Non-operating costs were €16 million (2017: €25 million), of which €15 million related to restructuring in Continental Europe and Brazil, €4 million to one-off pension costs in the UK, a release of €5 million due to the settlement of an acquisition related claim and €2 million in acquisition & divestment costs. The EBITA was €162 million, slightly higher than last year (2017: €161 million).

The normalized effective income tax rate was 27.2% (2017: 19.7%). The tax rate in 2017 was low due to the US tax reform resulting in a one-time gain of €13 million from revaluation of deferred tax positions.

Net finance expenses were €27 million (2017: €26 million). Net interest expenses decreased to €23 million (2017:€ 24 million) as a result of lower debt.

Result from investments accounted for using the equity method was a loss of €13 million (2017: loss of €12 million), related to non-core clean energy assets in Brazil. The credit loss on shareholder loans and corporate guarantees ('impairment ALEN') was €54 million.

Net income for the year was a loss of €27 million compared to a net income of €71 million in 2017, and was impacted by the impairment on the Brazilian energy assets, as communicated in Q3, and the goodwill impairment of €40 million in Q4.

Net income from operations decreased 13% to €88 million (2017: €101 million) or €1.01 per share (2017: €1.18).

REVIEW OF PERFORMANCE FOR THE FOURTH QUARTER

Net revenues were €607 million and increased organically by 2%, the currency impact was +1%. Strong growth was achieved in North America, the UK and CallisonRTKL. In the Middle East revenues declined by 34% due to more selectivity and de-risking.

Operating EBITA was €44 million (Q4 2017: €51 million). The operating EBITA margin was 7.2% (Q4 2017: 8.5%). The operating EBITA margin improved significantly in North America, Continental Europe, Australia and CallisonRTKL and remained solid in the UK. The lower operating EBITA margin was mainly caused by project write-offs and provisions in the Middle East and Asia with a margin impact of 1.8%

EBITA of €39 million was €2 million below last year (Q4 2017: €41 million). Non-operating costs were €5 million (Q4 2017: €10 million).

REVIEW BY SEGMENT

AMERICAS

(31% of net revenues)

in € millions	**FULL YEAR**			**FOURTH QUARTER**		
Period ended 31 December	**2018**	**2017**	*change*	**2018**	**2017**	*change*
Gross revenues	1,186	1,175	*1%*	334	293	*14%*
Net revenues	755	751	*1%*	199	175	*14%*
Organic growth	*5%*			*11%*		
EBITA	51.7	36.0	*44%*			
Operating EBITA[1)]	54.9	47.5	*16%*			
Operating EBITA margin	*7.3%*	*6.3%*				

[1)] Excluding acquisition, restructuring and integration-related costs

Organic net revenue growth was 5% for the year and 11% for the quarter. Strong organic growth in North America was partly offset by a small decline in Latin America. The operating EBITA margin increased to 7.3% (2017: 6.3%), due to an improvement in North America and a close to break-even result in Latin America.

NORTH AMERICA

In North America, net revenues increased organically by 6% and 11% in the fourth quarter. The higher revenues were mainly driven by Environment and Water. The operating EBITA margin improved further to 8.8% (2017: 8.1%). In December 2018, a settlement was reached with an insurance company about a long-term outstanding receivable of approximately US$24 million (€21 million) related to a large oil & gas project, of which the payment was received in January 2019. The backlog improved by 5%.

LATIN AMERICA

Organic net revenue growth in the fourth quarter was 2% and -2% for the year. The operating EBITA margin for the quarter was positive, leading to a slightly negative operating EBITA margin for the year of -1.8% (2017: -7.4%). In Brazil the post-electoral economic sentiment is positive but concrete measures and progress are yet to come. The backlog improved by 25%, positioning us for further improvement in 2019.

EUROPE & MIDDLE EAST

(46% of net revenues)

in € millions	FULL YEAR			FOURTH QUARTER		
Period ended 31 December	**2018**	**2017**	*change*	**2018**	**2017**	*change*
Gross revenues	1,392	1,337	*4%*	349	340	*3%*
Net revenues	1,133	1,113	*2%*	267	282	*-6%*
Organic growth	*3%*			*-3%*		
EBITA	68.4	74.0	*-8%*			
Operating EBITA[1)]	77.4	84.3	*-8%*			
Operating EBITA margin	*6.8%*	*7.6%*				

[1)] Excluding acquisition, restructuring and integration-related costs

Organic net revenue growth of 3%. The operating EBITA margin in EME was 6.8% (2017: 7.6%) and was impacted by write downs and provisions taken for work-in-progress in the Middle East.

CONTINENTAL EUROPE

Organic net revenue growth for the year was 3%, despite a 2% decline in the fourth quarter. The operating EBITA margin improved to 8.4% (2017: 7.3%) led by the Netherlands, Germany and Belgium. Backlog increased by 5%, especially in Germany and Belgium.

UNITED KINGDOM

The United Kingdom continued strong organic net revenue growth, with 9% in the quarter and 13% in the year, mainly driven by large infrastructure projects such as High Speed 2 and Lower Thames Crossing. The operating EBITA margin was 8.7% (2017: 9.2%). The win of many strategic pursuits contributed to a backlog growth of 13%.

MIDDLE EAST

The strategic re-orientation and the various measures including higher selectivity led to lower organic net revenues in the Middle East of -39% in the quarter and -17% in the year. The operating EBITA margin decreased to -2.5% (2017: 4.7%) due to provisions and project write offs. Backlog declined by 57% due to continued selective bidding and the cancellation of a large project.

ASIA PACIFIC

(14% of net revenues)

in € millions	FULL YEAR			FOURTH QUARTER		
Period ended 31 December	**2018**	**2017**	*change*	**2018**	**2017**	*change*
Gross revenues	375	387	*-3%*	97	98	*-1%*
Net revenues	331	344	*-4%*	82	85	*-4%*
Organic growth	*2%*			*-2%*		
EBITA	24.2	30.1	*-20%*			
Operating EBITA[1)]	25.4	30.7	*-17%*			
Operating EBITA margin	*7.7%*	*8.9%*				

[1)] Excluding acquisition, restructuring and integration-related costs

ASIA

Net revenues in Asia declined organically by both 3% for the year as well as in the quarter. The operating EBITA margin declined to 4.9% (2017: 8.8%) due to softening of the market in some countries and project write-offs. The backlog declined by 10%, mainly due to a few projects taken out of the backlog.

AUSTRALIA PACIFIC

In Australia, organic growth was 10% in the year on the back of significant work on metro projects, and declined 2% in the quarter compared to an exceptionally strong growth of 22% in Q4 2017. The operating margin improved further to 11.7% (2017: 10.3%). The backlog for the year improved by 28% due to project wins in key infrastructure, buildings and environmental projects across major urban areas.

CALLISONRTKL

(9% of net revenues)

in € millions	FULL YEAR			FOURTH QUARTER		
Period ended 31 December	**2018**	**2017**	*change*	**2018**	**2017**	*change*
Gross revenues	301	320	*-6%*	81	73	*11%*
Net revenues	220	229	*-4%*	59	53	*12%*
Organic growth	*0%*			*10%*		
EBITA	17.3	20.8	*-17%*			
Operating EBITA[1)]	19.4	23.9	*-19%*			
Operating EBITA margin	*8.8%*	*10.4%*				

[1)] *Excluding acquisition, restructuring and integration-related costs*

Net revenues were organically in line with last year and 10% higher in the quarter. The operating EBITA margin was 8.8% (2017: 10.4%) and was impacted by cost associated with the strategic review process completed in 2018 and provisions for bad debt in Asia and the Middle East. The organic backlog is 9% lower than last year due to project cancellations in China. CallisonRTKL is implementing a new organizational set-up to improve performance.

CASH FLOW, WORKING CAPITAL AND BALANCE SHEET

Working capital as a percentage of gross revenues was 15.1% (Q4 2017: 16.9%). The days sales outstanding decreased to 80 days (2017: 88 days). Free cash flow improved to €149 million (2017: €98 million). The cash flow improved due to a disciplined approach across the company and €25 million collected on overdue receivables in the Middle East (KSA) in the first half of the year. Net debt at the end of December was €342 million (2017: €416 million), resulting in an improved covenant leverage ratio of 2.0 (2017: 2.3). The leverage ratio at year-end improved to 1.7 (2017: 2.1). Early January 2019, Arcadis received a significant cash payment of €21 million relating to a long overdue receivable in the US related to a large oil & gas project that was settled in December 2018.

In January 2019, Arcadis successfully refinanced €200 million of syndicated committed credit facilities with its six core relationship banks. The maturity of two Term loans and a Revolving Credit Facility (RCF) has been extended to 2024, with the option for Arcadis to extend the RCF twice with one year to 2026. The terms of the refinanced credit facilities include an interest discount when certain sustainability KPI's are reached. Including the refinanced facilities, Arcadis has €915 million of unsecured committed credit facilities which are stepwise maturing between 2020-2024 (with the option for Arcadis to extend the RCF to 2026). The well diversified, multicurrency, unsecured committed credit facilities comprise of US Private Placements, Schuldschein, syndicated term loans and RCF's. Currently, there is ample headroom available in the unutilized part of these unsecured committed credit facilities.

BACKLOG

Backlog at the end of December 2018 was €2.0 billion (2017: €2.1 billion), representing ten months of net revenues. The backlog decreased organically by 4% caused by an almost 60% organic decline in the Middle East resulting from our continued selective bidding. Excluding the Middle East the backlog increased organically by 2%.

NON-CORE CLEAN ENERGY ASSETS BRAZIL (ALEN)

In 2018, Arcadis was confronted with several significant setbacks in relation to the ALEN associate. Overall, the project was delayed for more than six months and the investments increased significantly.

Progress continued to be made by the ALEN associate in the completion of the energy assets. The gas-to-gas plant is operational, and a contract is now signed for 35% of the capacity with an industrial buyer. An additional 35% of capacity is currently under negotiation with another industrial buyer. The delivery of the gas will start at the end of the first quarter. Discussions are ongoing with two other industrial gas consumers for the remaining capacity. The largest gas-to-power plant is in operation since the end of January and delivers 60% of the total capacity which will increase to 100% within two months. The third and last plant is on track to become operational in the course of 2019.

Considering delays in the construction process and sales contracts, increasing costs and assumed lower contract prices we performed a re-assessment of the business case in the third quarter. Based on these insights Arcadis took a value adjustment of €53 million on the ALEN business case.

On the balance sheet of 31 December 2018 is a provision of €28 million for expected credit loss. The net investment, including the shareholder loans, is valued at nil. The off-balance sheet financial guarantees for ALEN are €87 million. The operating loss in the fourth quarter was €3 million. As the assets start generating cash, we expect the loss to decline over time in 2019 and anticipate to be break-even in the second half of the year.

Itaú bank has been appointed as financial advisor for the divestment process. Itaú, the largest investment bank in Brazil has a strong track record in the energy sector in Brazil. The objective is to divest the energy assets in 2019.

STRATEGIC PRIORITIES 2019

Our strategy is based on three pillars: People & Culture, Innovation & Growth, and Focus & Performance. In 2019, our objective is to make further progress towards our strategic targets set for 2020:

- Revenue growth:
  - Build on growth momentum in North America, Continental Europe, the UK, Australia and CallisonRTKL
  - Leverage the streamlined client portfolio and digital solutions
- Further margin improvement:
  - Rigorous adherence to actions identified for the Middle East and Asia to improve performance
- Leverage of “Make Every Project Count”, growth Global Excellence Centers
- Further cost optimization
- Continue strong cash collection and further strengthen the balance sheet
- Non-core clean energy assets (Brazil): complete last gas-to-power facility, finalize remaining gas off-take contracts, intend to divest all assets in 2019

FINANCIAL CALENDAR 2019

18 April 2019	Trading update Q1 2019
25 April 2019	Annual General Meeting of Shareholders
25 July 2019	First half year results 2019
24 October 2019	Trading update Q3 2019

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ANALYST MEETING

Arcadis will hold an analyst meeting and webcast to discuss the full year results for 2018. The analyst meeting will be held at 10.00 hours CET today. The webcast can be accessed via the investor relations section on the company's website at https://www.arcadis.com/en/global/investors/.

ABOUT ARCADIS

Arcadis is a leading global Design & Consultancy for natural and built assets. Applying our deep market sector insights and collective design, consultancy, engineering, project and management services we work in partnership with our clients to deliver exceptional and sustainable outcomes throughout the lifecycle of their natural and built assets. We are 27,000 people, active in over 70 countries that generate €3.3 billion in revenues. We support UN-Habitat with knowledge and expertise to improve the quality of life in rapidly growing cities around the world. www.arcadis.com.

REGULATED INFORMATION

This press release contains information that qualifies or may qualify as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

FORWARD LOOKING STATEMENTS

Statements included in this press release 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.

Consolidated income statement

for the year ended 31 December

In € thousands	2018	2017
Gross revenues	**3,255,574**	**3,218,889**
Materials, services of third parties and subcontractors	(815,651)	(782,383)
Net revenues[1]	*2,439,923*	*2,436,506*
Personnel costs	(1,886,914)	(1,865,613)
Other operational costs	(354,686)	(371,252)
Depreciation and amortization	(42,600)	(39,586)
Amortization other intangible assets	(22,721)	(30,979)
Impairment charges	(40,386)	–
Other income	5,777	857
Total Operational costs	**(2,341,530)**	**(2,306,573)**
Operating income	**98,393**	**129,933**
Finance income	14,059	12,022
Finance expenses	(42,090)	(44,229)
Fair value change of derivatives	920	6,241
Net finance expense	**(27,111)**	**(25,966)**
Credit Loss on shareholder loans and corporate guarantees	(53,925)	–
Result from investments accounted for using the equity method	(12,692)	(11,619)
Profit before income tax	**4,665**	**92,348**
Income taxes	(30,413)	(20,481)
Result for the period	**(25,748)**	**71,867**

Result attributable to:

Equity holders of the Company (net income)	(26,701)	70,804
Non-controlling interests	953	1,063
Result for the period	**(25,748)**	**71,867**

Earnings per share (in €)

Basic earnings per share	(0.31)	0.82
Diluted earnings per share	(0.31)	0.81

1 Non-GAAP performance measure

Consolidated Statement of comprehensive income

for the year ended 31 December

In € thousands	2018	2017
Other comprehensive income, net of income tax		
Result for the period	(25,748)	71,867
Items that may be subsequently reclassified to profit or loss:		
Exchange rate differences for foreign operations	7,256	(87,729)
Exchange rate differences for equity accounted investees	(468)	(3,984)
Effective portion of changes in fair value of cash flow hedges	94	1,760
Items that will not be reclassified to profit or loss:		
Changes related to post-employment benefit obligations	4,858	5,101
Other changes	–	(2,098)
Other comprehensive income, net of income tax	**11,740**	**(86,950)**
Total comprehensive income for the period	**(14,008)**	**(15,083)**

Total comprehensive income attributable to:		
Equity holders of the Company	(14,882)	(16,098)
Non-controlling interests	874	1,015
Total comprehensive income for the period	**(14,008)**	**(15,083)**

Consolidated Balance sheet

as at 31 December

In € thousands	2018	2017
Assets		
Non-current assets		
Intangible assets and goodwill	1,054,246	1,074,262
Property, plant & equipment	103,578	92,643
Investments accounted for using the equity method	7,756	22,807
Other investments	637	607
Deferred tax assets	36,261	33,310
Pension assets for funded schemes in surplus	2,040	1,754
Derivatives	1,637	3,892
Other non-current assets	26,548	28,921
Total Non-current assets	**1,232,703**	**1,258,196**
Current assets		
Inventories	217	236
Derivatives	10,058	6,088
Trade receivables	583,740	579,135
Contract assets (unbilled receivables)	545,492	565,113
Corporate tax receivables	31,095	25,165
Other current assets	64,055	79,819
Assets classified as held for sale	377	4,417
Cash and cash equivalents	240,815	267,942
Total Current assets	**1,475,849**	**1,527,915**
Total Assets	**2,708,552**	**2,786,111**

	2018	2017
Equity and liabilities		
Shareholders' equity		
Total equity attributable to equity holders of the Company	**941,920**	**977,886**
Non-controlling interests	2,199	2,691
Total Equity	**944,119**	**980,577**
Non-current liabilities		
Provisions for employee benefits	45,848	50,896
Provisions for other liabilities and charges	21,743	26,699
Deferred tax liabilities	66,393	66,909
Loans and borrowings	386,061	474,429
Derivatives	1,115	1,134
Total Non-current liabilities	**521,160**	**620,067**
Current liabilities		
Contract liabilities (billing in excess of cost)	255,581	248,162
Contract liabilities (loss provisions)	115,643	114,797
Current portion of provisions	14,955	15,031
Corporate tax liabilities	35,925	31,753
Current portion of loans and short-term borrowings	202,163	214,266
Derivatives	9,614	5,418
Bank overdrafts	135	1,805
Accounts payable, accrued expenses and other current liabilities	609,257	552,971
Liabilities classified as held for sale	–	1,264
Total Current liabilities	**1,243,273**	**1,185,467**
Total Liabilities	**1,764,433**	**1,805,534**
Total Equity and liabilities	**2,708,552**	**2,786,111**

Consolidated Statement of changes in equity

In € thousands	Share capital	Share premium	Hedging reserve	Translation reserve	Retained earnings	Shareholder' equity	Non-controlling interests	Total equity
	Attributable to equity holders of the Company							
Balance at 1 January 2017	**1,721**	**372,560**	**(3,285)**	**2,607**	**625,466**	**999,069**	**2,647**	**1,001,716**
Result for the period	–	–	–	–	70,804	70,804	1,063	71,867
Other comprehensive income:								
Exchange rate differences	–	–	–	(91,665)	–	(91,665)	(48)	(91,713)
Effective portion of changes in fair value of cash flow hedges	–	–	1,561	–	–	1,561	–	1,561
Taxes related to effective portion of changes in fair value of cash flow hedges	–	–	199	–	–	199	–	199
Re-measurements on post-employment benefit obligations	–	–	–	–	6,116	6,116	–	6,116
Taxes related to re-measurements on post-employment benefit obligations	–	–	–	–	(1,015)	(1,015)	–	(1,015)
Other changes	–	–	–	–	(2,098)	(2,098)	–	(2,098)
Other comprehensive income, net of income taxes	**–**	**–**	**1,760**	**(91,665)**	**3,003**	**(86,902)**	**(48)**	**(86,950)**
Total comprehensive income for the period	**–**	**–**	**1,760**	**(91,665)**	**73,807**	**(16,098)**	**1,015**	**(15,083)**
Transactions with owners of the Company:								
Acquisitions and transactions with non-controlling interests	–	–	–	–	–	–	–	–
Dividends to shareholders	–	(21,002)	–	–	(15,476)	(36,478)	(971)	(37,449)
Issuance of shares	27	20,975	–	–	–	21,002	–	21,002
Share-based compensation	–	–	–	–	10,838	10,838	–	10,838
Taxes related to share-based compensation	–	–	–	–	284	284	–	284
Purchase of own shares	–	–	–	–	(8,343)	(8,343)	–	(8,343)
Share options exercised	–	–	–	–	7,612	7,612	–	7,612
Total transactions with owners of the Company	**27**	**(27)**	**–**	**–**	**(5,085)**	**(5,085)**	**(971)**	**(6,056)**
Balance at 31 December 2017	**1,748**	**372,533**	**(1,525)**	**(89,058)**	**694,188**	**977,886**	**2,691**	**980,577**
Impact of changes in accounting policies	–	–	–	–	(6,664)	(6,664)	–	**(6,664)**
Balance at 1 January 2018	**1,748**	**372,533**	**(1,525)**	**(89,058)**	**687,524**	**971,222**	**2,691**	**973,913**
Result for the period	–	–	–	–	(26,701)	(26,701)	953	(25,748)
Other comprehensive income:								
Exchange rate differences	–	–	–	6,867	–	6,867	(79)	6,788
Effective portion of changes in fair value of cash flow hedges	–	–	160	–	–	160	–	160
Taxes related to effective portion of changes in fair value of cash flow hedges	–	–	(66)	–	–	(66)	–	(66)
Re-measurements on post-employment benefit obligations	–	–	–	–	5,793	5,793	–	5,793
Taxes related to re-measurements on post-employment benefit obligations	–	–	–	–	(935)	(935)	–	(935)
Other comprehensive income, net of income taxes	–	–	94	6,867	4,858	11,819	(79)	11,740
Total comprehensive income for the period	**–**	**–**	**94**	**6,867**	**(21,843)**	**(14,882)**	**874**	**(14,008)**
Transactions with owners of the Company:								
Acquisitions and transactions with non-controlling interests	–	–	–	–	–	–	(806)	(806)
Dividends to shareholders	–	(26,716)	–	–	(13,693)	(40,409)	(560)	(40,969)
Issuance of shares	32	26,684	–	–	–	26,716	–	26,716
Share-based compensation	–	–	–	–	6,686	6,686	–	6,686
Taxes related to share-based compensation	–	–	–	–	101	101	–	101
Purchase of own shares	–	–	–	–	(10,307)	(10,307)	–	(10,307)
Share options exercised	–	–	–	–	2,793	2,793	–	2,793
Total transactions with owners of the Company	**32**	**(32)**	–	–	**(14,420)**	**(14,420)**	**(1,366)**	**(15,786)**
Balance at 31 december 2018	**1,780**	**372,501**	**(1,431)**	**(82,191)**	**651,261**	**941,920**	**2,199**	**944,119**

Consolidated Cash flow statement

for the year ended 31 December

In € thousands		2018	2017
Cash flows from operating activities			
Result for the period		(25,748)	71,867
Adjustments for:			
Depreciation and amortization		42,600	39,586
Amortization other identifiable intangible assets		22,721	30,979
Impairment charges		40,386	–
Income taxes		30,413	20,481
Net finance expense		27,111	25,966
Credit Loss on shareholder loans and corporate guarantees		53,925	
Result from Investments accounted for using the equity method		12,692	11,619
Adjusted profit for the period (EBITDA)		204,100	200,498
Change in Inventories		18	(43)
Change in Contract assets and liabilities		31,848	4,733
Change in Trade receivables		5,583	(11,203)
Change in Accounts payable		(6,004)	8,595
Change in Net working capital		31,445	2,082
Change in Other receivables		22,111	6,972
Change in Current liabilities		15,617	(4,703)
Change in Other working capital		37,728	2,269
Change in Provisions		(9,321)	(14,217)
Share-based compensation		6,686	10,838
Sale of activities net of cost (AHFS)		–	(1,756)
Change in operational derivatives		89	(393)
Settlement of operational derivatives		(10)	(152)
Dividend received		–	712
Interest received		15,927	9,888
Interest paid		(37,732)	(33,771)
Corporate tax paid		(34,739)	(24,867)
Net cash from operating activities	(A)	**214,173**	**151,131**

In € thousands		2018	2017
Cash flows from investing activities			
Investments in (in)tangible assets		(68,764)	(59,324)
Proceeds from sale of (in)tangible assets		3,640	5,865
Investments in consolidated companies		(9,964)	(5,141)
Proceeds from sale of consolidated companies		37	5,273
Investments in/loans to associates and joint ventures		(31,848)	(23,998)
Proceeds from (sale of) associates and joint ventures		1,923	9,464
Investments in other non-current assets and other investments		(2,640)	(4,869)
Proceeds from (sale of) other non-current assets and other investments		5,999	6,553
Net cash (used in)/from investing activities	(B)	**(101,617)**	**(66,177)**
Cash flows from financing activities			
Proceeds from exercise of options		2,793	7,612
Proceeds from issuance of shares		–	–
Purchase of own shares		(10,307)	(8,343)
Settlement of financing derivatives		3,264	(139)
New long-term loans and borrowings		110	266
Repayment of long-term loans and borrowings		(3,084)	(454)
New short-term borrowings		230,000	200,000
Repayment of short-term borrowings		(347,345)	(213,513)
Dividends paid		(14,290)	(17,263)
Net cash (used in)/from financing activities	(C)	**(138,859)**	**(31,834)**
Net change in Cash and cash equivalents less Bank overdrafts	(A+B+C)	**(26,303)**	**53,120**
Exchange rate differences		846	(46,150)
Cash and cash equivalents less Bank overdrafts at 1 January		266,137	259,167
Cash and cash equivalents less Bank overdrafts at 31 December		**240,680**	**266,137**

Segment information

Amounts in € millions (rounding may impact totals)	2018	2017
Gross revenues		
Europe & Middle East	1,392	1,337
Americas	1,186	1,175
Asia Pacific	375	387
CallisonRTKL	301	320
Total	**3,256**	**3,219**
Net revenues		
Europe & Middle East	1,133	1,113
Americas	755	751
Asia Pacific	331	344
CallisonRTKL	220	229
Total	**2,440**	**2,437**
EBITA		
Europe & Middle East	68.4	74.0
Americas	51.7	36.0
Asia Pacific	24.2	30.1
CallisonRTKL	17.3	20.8
Total EBITA	**161.5**	**160.9**
Non-recurring[1]	15.6	25.5
Total Operating EBITA	**177.2**	**186.4**
Operating EBITA[2]		
Europe & Middle East	77.4	84.3
Americas	54.9	47.5
Asia Pacific	25.4	30.7
CallisonRTKL	19.4	23.9
Total Operating EBITA	**177.2**	**186.4**

[1] Acquisition, restructuring, integration-related costs and changes in acquisition-related litigation provisions
[2] Operating EBITA is EBITA adjusted for non-recurring costs

Amounts in %	2018	2017
Segment mix (gross revenues)		
Europe & Middle East	43	42
Americas	36	37
Asia Pacific	12	12
CallisonRTKL	9	10
Total	**100**	**100**
Segment mix (net revenues)		
Europe & Middle East	46	46
Americas	31	31
Asia Pacific	14	14
CallisonRTKL	9	9
Total	**100**	**100**
EBITA margin		
Europe & Middle East	6.0%	6.7%
Americas	6.8%	4.8%
Asia Pacific	7.3%	8.7%
CallisonRTKL	7.9%	9.1%
Total	**6.6%**	**6.6%**
Operating EBITA margin		
Europe & Middle East	6.8%	7.6%
Americas	7.3%	6.3%
Asia Pacific	7.7%	8.9%
CallisonRTKL	8.8%	10.4%
Total	**7.3%**	**7.6%**