

First quarter 2020 Trading Update

Revenue growth delivery whilst seeing first EBITA impact from COVID-19

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Peter Oosterveer - CEO & Jurgen Pullens - Director IR

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 there to) 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.

GLOBAL

Innovative PFAS capabilities result in multiple large & strategic wins



Peter Oosterveer
CEO



Health & Safety first, majority of our services continue

- Established Global COVID-19 Task Force in early March
- Initial focus on ensuring the health and safety of our people, clients, and communities
- 90% of our people work from home, supporting clients using digital platforms
- Significant pro-active measures implemented to address market effects and contain costs
- Work for public clients largely unaffected, and in some cases brought forward
- Arcadis business globally will be impacted by COVID-19, during Q1 mainly Asian countries affected

Immediate and significant action to protect our people and secure business continuity

Eight COVID-19 workstreams established early March:



90%

of our people work from home, supporting our clients using digital platforms

UNITED KINGDOM

Integral part in HS2, one of Britain's largest infrastructural projects

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



11 SUSTAINABLE CITIES
AND COMMUNITIES



Jurgen Pullens
Director Investor Relations



Continued revenue growth, first impact on EBITA from COVID-19 visible

First quarter financials in € millions

Period ended 31 March	2020	2019 ¹	Change
Gross revenues	872	829	5%
Net revenues	658	628	5%
<i>Organic growth</i>	<i>3%</i>	<i>2%</i>	
EBITDA	76	75	1%
EBITDA ²	56	56	0%
EBITA	45	46	-2%
<i>EBITA margin</i>	<i>6.8%</i>	<i>7.3%</i>	
Operating EBITA ³	48	48	-1%
<i>Operating EBITA Margin</i>	<i>7.2%</i>	<i>7.6%</i>	
Net working capital %	19.2%	17.4%	
Free cash flow	-84	-52	
Net debt	424	409	
Backlog net revenues (billions)	2.1	2.1	
Backlog organic growth (year-to-date)	2%	4%	

1) 2019 figures based on IFRS 16

2) Excluding IFRS 16 impact, used for net debt/EBITDA calculation

3) Excluding restructuring, acquisition & divestment costs

- Operating EBITA impacted by COVID-19 in Asia (~€5 million)
- Operating margin 7.2% (Q1 2019: 7.6%)
- NWC % higher due to invoicing inefficiencies (US) and COVID-19
- Free cashflow includes large engineering software license renewal (- €24 million)
- Solid backlog, no material cancellations of projects

First quarter segment revenue

	Net Revenue		
	Q1'20	Q1'19	Δ % *
Americas	€ 226M	€ 204M	7%
North America			
South America			
EMU	€ 302M	€ 290M	2%
Cont. Europe			
UK			
Middle East			
APAC	€ 79M	€ 79M	3%
Asia			
Australia			
CallisonRTKL	€ 51M	€ 54M	-8%
Total	€ 658M	€ 628M	3%

7% growth driven by all businesses, especially Water and Infrastructure

12% growth driven by Environment in Brazil

Strong growth Germany, solid performance Netherlands and Belgium

4% growth driven by Infrastructure, Water and Environment

5% decline; uncertainty in the market due to COVID-19 and low oil price

Organic net revenue decline of 15% from COVID-19 impact

Exceptionally strong growth of 32% from major public projects

Organic revenue decrease due to COVID-19 impact in China and retail

* Organic net revenue growth

Topline growth whilst seeing first impact COVID-19; invoicing inefficiencies in DSO

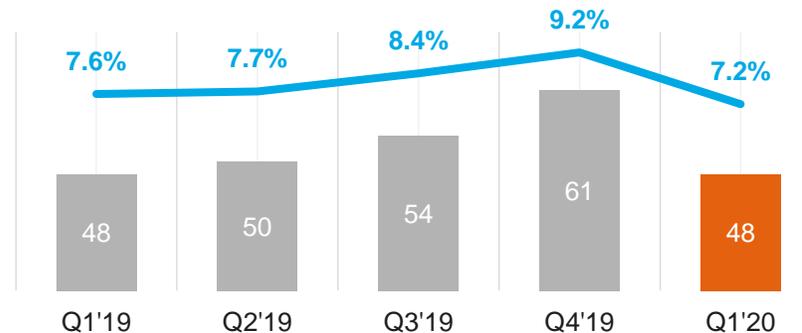
Net Revenues and organic growth

€ millions, %



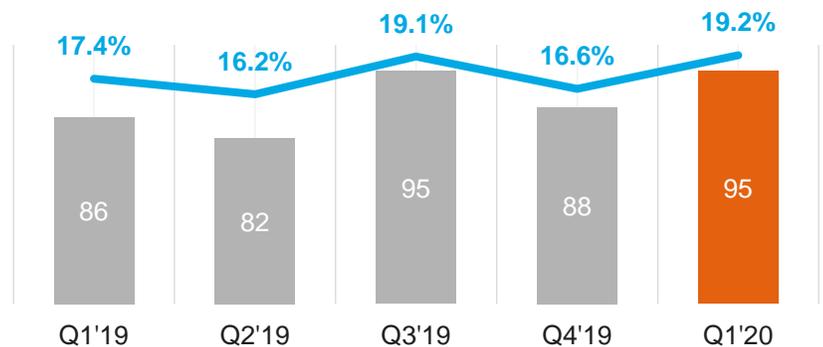
Operating EBITA (margin)

€ millions, %



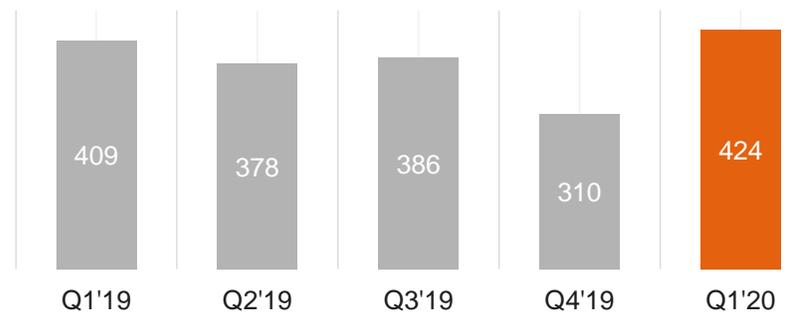
Days Sales Outstanding and Net Working Capital %

Days



Net Debt

€ millions



UNITED KINGDOM

Arcadis Gen: one platform, serving 4.3 million clients for Severn Trent Water



Peter Oosterveer
CEO



Closing remarks

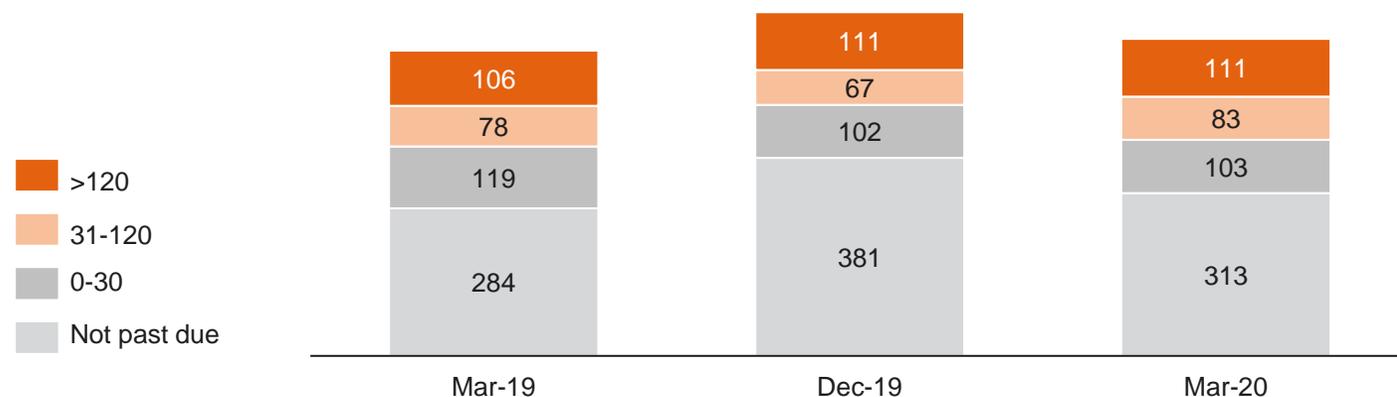
- Vital needs of societies remained unchanged; resilience even more relevant
- Proud and impressed by the agility and resiliency of all our people across the globe
- Primary focus now on supporting clients and business continuity
- Organic backlog growth, no material cancellation of projects
- Solid financial position and good liquidity
- Unable to accurately assess 2020 impact of COVID-19
- Given all uncertainties, reasonable to assume that not all strategic targets for 2020 will be met
- Committed to present strategy update 2021-2023 on 19 November 2020

Arcadis.

Improving quality of life.

Seasonal increase in Working Capital; impact Oracle and COVID-19

€ millions	Mar-19	% for GR	Dec-19	% for GR	Mar-20	% for GR
Gross receivables	587		662		609	
Provisions receivables	-59		-60		-60	
Provisions %	10%		9%		10%	
Trade receivables¹	528	16%	602	16%	550	16%
Net Work in Progress	255	8%	294	8%	363	10%
Accounts Payables	-208	-6%	-280	-8%	-242	-7%
Net Working Capital	576		616		671	
Net Working Capital (%)²		17.4%		16.6%		19.2%



1) Excluding receivables from associates
 2) Calculated using annualized Q1'20 Gross Revenues

- Net Working Capital and DSO impacted by inefficiencies in invoicing (US) and COVID-19 (Asia, CRTKL)
- Inefficiencies to be resolved in next quarters
- Seasonal increase in WIP of €69 million (Q1'19: + €81 million) in line with last year
- No material changes in ageing