First Quarter Results 2013

Neil McArthur, Chief Executive Officer
Renier Vree, Chief Financial Officer
Amsterdam, the Netherlands, 23 April 2013

Gardens by the Bay, Singapore.
(photo courtesy of Gardens by the Bay
Andy Kwek)
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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.
Agenda

ARCADIS NV
Results First Quarter 2013

Neil McArthur, CEO
• Quarterly overview
• Strategic progress
• Outlook

Renier Vree, CFO
• Financial results

Q&A
ARCADIS improves quarterly operating margin

- Double-digit organic revenue growth in Emerging Markets, partly compensating for tougher market conditions in Continental Europe
- Operating margin improves to 9.2% reflecting robust profitability in emerging markets and margin improvement at EC Harris
- Net income from operations up 8% reflecting growth of revenues and margin
- Two acquisitions completed: SENES, Canada and Geohidrología, Chile
- Confirmation of 2013 outlook: further increase of revenues and profit, barring unforeseen circumstances
Strategic progress continues

• Merger with EC Harris
  - Major synergy win with Kingdom Tower project in Jeddah, KSA
  - Built Asset Consultancy sees pick-up in NL and US

• Merger with Langdon & Seah
  - Organic growth of above 10% and continued high margins

• Geohydrologia, hydrogeological and environmental addition in Chile; 55 employees, strengthens our position in mining

• SENES, environmental services firm in Canada/India with 250 employees, improves our position to serve multinational clients

• Adjustment operating model Continental Europe proves timely

• M&A focus remains – emerging markets and selected other geographies
Continental Europe: cost savings in line with plan

- Initiatives to deliver annual cost savings of €25M+, to realize 10% operating EBITA in Q4-2014
- Total implementation costs in 2013/14 of ~€20M
- Shift is timely, margin initiatives underway, focus now also on growth
- First savings realized total €1.9M, restructuring cost to date €2.6M.
Aqu’Harel – Tender Design for navigation lock complex – Harelbeke, Belgium (involved: BE/NL)

Deutsche Bank – Global CapEx delivery program (involved: NL/DE/BE/UK)

Qatar National Bank – Assessments for built asset investments – France (involved: FR/UK)

Large Oil & Gas MNC client – Remediation services for gas processing plant – Germany (involved: DE/UK)

Laurentius Hospital – Renovation and new build – Roermond, Netherlands (involved: NL/BE)
Strong organic growth and mergers double revenue in Emerging Markets …

Gross Revenue Q1 (€ M)

CAGR$^1$ =14%

<table>
<thead>
<tr>
<th>Region</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>463</td>
<td>592</td>
<td>602</td>
</tr>
<tr>
<td>Continental Europe</td>
<td>31%</td>
<td>25%</td>
<td>22%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>12%</td>
<td>16%</td>
<td>12%</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>55%</td>
<td>47%</td>
<td>43%</td>
</tr>
<tr>
<td></td>
<td>11%</td>
<td>12%</td>
<td>23%</td>
</tr>
</tbody>
</table>

1) Compound Annual Growth Rate
... making Emerging Markets our largest region by headcount

Headcount at March 31

<table>
<thead>
<tr>
<th>Region</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>15,500</td>
<td>18,400</td>
<td>21,700</td>
</tr>
<tr>
<td>Continental Europe</td>
<td>38%</td>
<td>31%</td>
<td>25%</td>
</tr>
<tr>
<td>North America</td>
<td>40%</td>
<td>33%</td>
<td>28%</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>18%</td>
<td>24%</td>
<td>37%</td>
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</tbody>
</table>
## Income Q1 2013 €25.4 million, up 8%

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012 ¹⁾</th>
<th>△</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross revenue</td>
<td>602</td>
<td>592</td>
<td>2%</td>
</tr>
<tr>
<td>Net revenue</td>
<td>466</td>
<td>444</td>
<td>5%</td>
</tr>
<tr>
<td>EBITA</td>
<td>39.6</td>
<td>37.8</td>
<td>5%</td>
</tr>
<tr>
<td>Operating EBITA</td>
<td>42.8</td>
<td>39.2</td>
<td>9%</td>
</tr>
<tr>
<td>Operating margin</td>
<td>9.2%</td>
<td>8.8%</td>
<td></td>
</tr>
<tr>
<td>Net Income from Ops ²⁾</td>
<td>25.4</td>
<td>23.6</td>
<td>8%</td>
</tr>
<tr>
<td>EPS ²,³⁾</td>
<td>0.36</td>
<td>0.34</td>
<td>6%</td>
</tr>
</tbody>
</table>

*Currency effect: Gross revenue -/- 2%; Net revenue -/- 2%; EBITA -/- 3%*

¹⁾ Results 2012 adjusted for IFRS 2013 (deconsolidation of joint-ventures.)
²⁾ Net income from operations before amortization and non-operational items
³⁾ In 2013 based on 71.2 million shares outstanding (2012: 68.8 million)
Organic growth net revenue flat due to 10% decline in Continental Europe
Acquisitions were main growth driver

Growth Gross revenue

Growth Net revenue

Organic ▪ Acquisitions ▪ Total (excl. currency effect)
Operating EBITA Q1 2013, up 9%

- Restructuring & integration charges €3.1 million (Q1 2012: €1.5 million)
- Higher profit contributions from acquisitions, UK and Emerging Markets
- Continental Europe weighs on profitability
Quarterly operating margin improved; margin 10.8% excluding Continental Europe

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<thead>
<tr>
<th></th>
<th>2011 1)</th>
<th>2012 1)</th>
<th>2013</th>
</tr>
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<tbody>
<tr>
<td>Q1</td>
<td>9.4%</td>
<td>8.8%</td>
<td>9.2%</td>
</tr>
<tr>
<td>Q2</td>
<td>9.6%</td>
<td>9.1%</td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>10.0%</td>
<td>9.9%</td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>10.8%</td>
<td>12.1%</td>
<td>2)</td>
</tr>
<tr>
<td>year</td>
<td>9.7%</td>
<td>10.0%</td>
<td></td>
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</tbody>
</table>

Operating margin: EBITA as % of net revenue, adjusted for reorganization & integration charges

1. Operating margin 2011 and 2012 adjusted for IFRS 2013 (deconsolidation of joint-ventures.)
2. Excluding impact lower overhead costs EC Harris related to Q1/Q3, margin in Q4 would have been 11.1%.
Net income from operations up 8%  
EPS improves to €0.36
## Seasonal cash flow lower

<table>
<thead>
<tr>
<th>€ M</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the period</td>
<td>22.3</td>
<td>21.8</td>
</tr>
<tr>
<td>Depreciation &amp; amortization</td>
<td>11.8</td>
<td>9.9</td>
</tr>
<tr>
<td>Working Capital</td>
<td>(104.9)</td>
<td>(79.4)</td>
</tr>
<tr>
<td>Other</td>
<td>(2.0)</td>
<td>(3.8)</td>
</tr>
<tr>
<td>Net cash from Operations</td>
<td>(72.8)</td>
<td>(51.5)</td>
</tr>
</tbody>
</table>

- Net working capital as % of gross revenue: 19.9% (Q1-2012: 17.9%).
- Increased days receivables outstanding to 90 days (Q1-2012: 82 days).
- Working capital affected by EC Harris and bank holiday.
- Working capital reduction project continues.
Balance sheet remains healthy

- Net debt €402 million (Q4 2012: €283 million), including two cash acquisitions
- Average Net debt/EBITDA: 1.6 (Q4 2012: 1.5)
- Net debt/EBITDA for Q1: 1.9 (Q1 2012: 1.9)

- Diversified sources of funding
- Good spread of maturity of loans
- Renewal 2013 debt will be completed in Q2
Business lines

INFRASTRUCTURE
WATER
ENVIRONMENT
BUILDINGS
Strong growth trajectory across all business lines

Gross Revenue Q1 (€ M)

CAGR\(^1\) = 14%

<table>
<thead>
<tr>
<th>Year</th>
<th>Infrastructure</th>
<th>Water</th>
<th>Environment</th>
<th>Buildings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>463</td>
<td>26%</td>
<td>39%</td>
<td>18%</td>
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<td>2012</td>
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<tr>
<td>2013</td>
<td>602</td>
<td>27%</td>
<td>32%</td>
<td>26%</td>
</tr>
</tbody>
</table>

CAGR\(^1\)

- Infrastructure: +13%
- Water: +8%
- Environment: +4%
- Buildings: +39%

1\(^1\) Compound Annual Growth Rate
Infrastructure

- World class intelligent and integrated road and rail transport solutions
- Specialties: ports, airports, tunnels, bridges, large projects

Metro line expansion
Santiago, Chile
Infrastructure (26% of revenues)

- Lower subcontracting resulting from completion Floriade
- Strong growth South America also from increased public sector investments
- Growth in US in intelligent transport solutions
- Decline Continental Europe due to austerity and tougher markets
- Won Olympic Park and Village project in Rio de Janeiro
- Railway station design Driebergen-Zeist, Netherlands
Water

- World class water supply and waste water treatment system consultancy and design, also for industry
- Leading heritage in water management
Water (15% of revenues)

- In US, growth in water for industry offset by municipal declines
- Growth in UK market
- Netherlands sees growth, while Belgium, France, Germany decline
- Two water diversion projects won in Louisiana to strengthen coastal defenses
- Hurricane Sandy triggers emergency work and now climate adaptation projects
Environment

- World class remediation consulting and technologies
- Compliance management, impact assessments, climate adaptation

Climate change adaptation consulting
Environment (32% of revenues)

- Declines in US (public sector) and UK
- US revenues impacted by winter storms through reduced field work
- Growth in Brazil and France
- Growth in backlog with Multinational clients continues
- $18 million soil & groundwater remediation on Superfund site in New Jersey
- Fauna rescue and monitoring projects in Brazil
Buildings

- Plan, design, create, operate and regenerate buildings
- Sustainability by Design, Built Asset Consultancy, large scale Program, Project and Cost Management

Hospital design, Middle East
Buildings (27% of revenues)

Q1 Gross revenues in € million

- Revenue growth driven by Langdon & Seah, which itself grew more than 10%
- Organic growth led by Emerging Markets and UK
- US activities slowed in healthcare and public projects
- Continental Europe declined
- Dutch market is bottoming out with Built Asset Consultancy offering opportunities
- Kingdom Tower project won in Jeddah, KSA
- Louis Vuitton building in Hongqiao, Shanghai

Gross revenue
- Organic +1%  
- Acquisitions +20%  
- Currency -1%

Net revenue
- Organic -5%

Backlog +9%
Priorities and Outlook
Leadership priorities for 2013

• Implement pan-European operating model
• Stimulate improved organic growth and capture revenue synergies from recent acquisitions
• Evolve performance culture: margin improvement; working capital; project management
• Acquisitions to strengthen our positions both in emerging and selected mature markets
• Strategic review and target setting for 2014-2016 period
Outlook per business line

Infrastructure – growth continues
• Europe in decline and US stagnant due to government austerity
• South America benefiting from large infrastructure and industry projects

Water – recovery continues
• Capitalize on opportunities in South America and Middle East
• Industrial water and flood protection offer opportunities

Environment – momentum expected to return
• Private sector demand in mature and emerging markets creates growth
• Strong technology and Guaranteed Outcomes differentiate our position

Buildings – stronger organic growth
• Strong presence, opportunities for synergies and global growth
• Involvement in Capex and Opex programs via Built Asset Consultancy

Overall
• Backlog up 5% since year-end 2012; now at 12 months of revenue
• Outlook 2013: further increase of revenues and profit (barring unforeseen circumstances)
Imagine the result