PRESS RELEASE

ARCADIS TRADING UPDATE Q3 2018

Third quarter highlights:
- Organic net revenue growth of 4% to €613 million (Q3 2017: €585 million)
- Organic operating EBITA growth of 1% to €45 million (Q3 2017: €45 million)
- Operating EBITA margin of 7.4% (Q3 2017: 7.7%)
- Net working capital improved to 18.1% (Q3 2017: 19.8%), DSO to 89 days (Q3 2017: 96 days)

Non-core clean energy assets Brazil (ALEN):
- Gas-to-gas plant operational, certified and has started limited delivery of gas to the market
- Final negotiations with several parties, including the Rio metropolitan utility gas company (CEG) on long term off-take contracts for the remaining renewable natural gas
- The loss from the associate in the quarter was €6 million
- Re-assessment of the business case led to an impairment and provision of in total €53 million

Year-to-date highlights:
- Net revenues €1,833 million; organic growth +4%
- Operating EBITA of €133 million; organic growth +1%
- Operating EBITA margin of 7.3% (Q3 2017: 7.4%)
- Net debt reduced to €468 million (Q3 2017: €492 million)
- Continued improvement of balance sheet and commitment to 30-40% dividend pay-out of net income of operations
- Revised outlook 2018: Arcadis confirms organic net revenue growth and expects EBITDA in line with 2017

Amsterdam, 24 October 2018 – Arcadis (EURONEXT: ARCAD), the leading global Design & Consultancy for natural and built assets, reports strong net revenue growth of 4% for Q3 2018. In line with the strategic objectives Days Sales Outstanding improved by 7 days to 89 days. Re-assessment of the business case of the ALEN associate led to an impairment and provision of in total €53 million.

Peter Oosterveer, CEO Arcadis, comments: “I’m pleased with the further improvement of our performance in North America as well as with the solid results in most of our other regions. Our focus on being selective in ensuring we only pursue the right opportunities, combined with the necessary discipline to successfully execute the projects we won, starts to bear fruit. I am disappointed about our performance in Asia, but expect this to improve following organizational changes we have implemented. We will continue to build on the growth momentum in North America, Continental Europe, the UK and Australia and further sharpen our focus on selectivity, disciplined project management and cash collection in all regions.

In Brazil, the ALEN associate continued to make progress with the physical completion of the non-core clean energy assets, albeit that we have incurred a delay compared to our initial schedule. Off-take contracts for the power production are in place and ALEN is in final negotiations with several parties for long-term off-take contracts for the renewable natural gas produced by the gas-to-gas plant. This facility received its long awaited operational certificate last week and a relatively small part of the daily production will be delivered to the market starting next week. The delays which have resulted from these developments have led to a re-assessment of the business case of the ALEN associate and a fair value adjustment.”

Improving quality of life
KEY FIGURES

<table>
<thead>
<tr>
<th>in € millions</th>
<th>THIRD QUARTER</th>
<th>YEAR-TO-DATE</th>
<th>Period ended 30 September</th>
<th>change</th>
<th>change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
<td>2018</td>
<td>2017</td>
<td></td>
</tr>
<tr>
<td>Gross revenues</td>
<td>808</td>
<td>766</td>
<td>6%</td>
<td>2,394</td>
<td>2,414</td>
</tr>
<tr>
<td>Net revenues</td>
<td>613</td>
<td>585</td>
<td>5%</td>
<td>1,833</td>
<td>1,841</td>
</tr>
<tr>
<td>Organic growth</td>
<td>4%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>54</td>
<td>50</td>
<td>8%</td>
<td>153</td>
<td>149</td>
</tr>
<tr>
<td>EBITA</td>
<td>43</td>
<td>40</td>
<td>7%</td>
<td>122</td>
<td>120</td>
</tr>
<tr>
<td>EBITA margin</td>
<td>7.0%</td>
<td>6.8%</td>
<td></td>
<td>6.7%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Operating EBITA</td>
<td>45</td>
<td>45</td>
<td>1%</td>
<td>133</td>
<td>136</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>23</td>
<td>41</td>
<td></td>
<td>17</td>
<td>12</td>
</tr>
<tr>
<td>Net working capital %</td>
<td>18.1%</td>
<td>19.8%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net debt</td>
<td>468</td>
<td>492</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Backlog net revenues (billions)</td>
<td>2.0</td>
<td>2.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Backlog organic growth (year-to-date)</td>
<td>-6%</td>
<td></td>
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</table>

(1) Excluding acquisition, restructuring and integration-related costs

REVIEW OF PERFORMANCE

REVENUES BY SEGMENT

Organic net revenue growth of 4% in the third quarter, trending up from previous quarters led by North America, Continental Europe, the UK, Australia and CallisonRTKL. Net revenues declined in the Middle East, Asia and Latin America.

AMERICAS

(30% of net revenues)

<table>
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<th>change</th>
<th>change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
<td>2018</td>
<td>2017</td>
<td></td>
</tr>
<tr>
<td>Gross revenues</td>
<td>301</td>
<td>284</td>
<td>6%</td>
<td>852</td>
<td>882</td>
</tr>
<tr>
<td>Net revenues</td>
<td>191</td>
<td>181</td>
<td>6%</td>
<td>557</td>
<td>576</td>
</tr>
<tr>
<td>Organic growth</td>
<td>6%</td>
<td></td>
<td></td>
<td>3%</td>
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</table>

In North America, net revenues increased organically by 7% in the quarter and 4% year-to-date by all businesses.

The revenue in Latin America was impacted by a further deterioration of the Brazilian economy and the uncertainty surrounding the presidential elections.

EUROPE & MIDDLE EAST

(47% of net revenues)

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<thead>
<tr>
<th>in € millions</th>
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<th>change</th>
<th>change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
<td>2018</td>
<td>2017</td>
<td></td>
</tr>
<tr>
<td>Gross revenues</td>
<td>336</td>
<td>312</td>
<td>8%</td>
<td>1,044</td>
<td>997</td>
</tr>
<tr>
<td>Net revenues</td>
<td>281</td>
<td>264</td>
<td>1%</td>
<td>867</td>
<td>830</td>
</tr>
<tr>
<td>Organic growth</td>
<td>5%</td>
<td></td>
<td></td>
<td>6%</td>
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</table>
The United Kingdom continued strong organic net revenue growth, with 12% in the quarter and 14% year-to-date driven by large infrastructure projects.

In Continental Europe, net revenues increased organically by 4% in the quarter and 4% year-to-date spread across most countries.

The strategic re-orientation and higher selectivity led to a lower organic net revenue in the Middle East; -11% in the quarter and -9% year-to-date.

**ASIA PACIFIC**
(14% of net revenues)

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<thead>
<tr>
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<th>Year-to-Date</th>
<th>change</th>
<th>change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross revenues</td>
<td>92, 92</td>
<td>278, 288</td>
<td>0%</td>
<td>-3%</td>
</tr>
<tr>
<td>Net revenues</td>
<td>85, 87</td>
<td>249, 258</td>
<td>-2%</td>
<td>-4%</td>
</tr>
<tr>
<td><strong>Organic growth</strong></td>
<td>1%</td>
<td></td>
<td></td>
<td>4%</td>
</tr>
</tbody>
</table>

In Australia, organic net revenue grew 6% in the quarter and 15% year-to-date, as we deliver a number of key infrastructure, buildings and environmental projects across major urban areas.

Net revenues in Asia declined organically by 2% in the quarter and 3% year-to-date. We have made a number of leadership changes, have simplified the organizational structure and are finalizing our portfolio review.

**CALLISONRTKL**
(9% of net revenues)

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<thead>
<tr>
<th>in € millions</th>
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<th>Year-to-Date</th>
<th>change</th>
<th>change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross revenues</td>
<td>79, 79</td>
<td>220, 247</td>
<td>1%</td>
<td>-11%</td>
</tr>
<tr>
<td>Net revenues</td>
<td>56, 53</td>
<td>161, 177</td>
<td>5%</td>
<td>-9%</td>
</tr>
<tr>
<td><strong>Organic growth</strong></td>
<td>5%</td>
<td></td>
<td>-3%</td>
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</table>

Net revenue grew organically by 5% in the quarter and declined 3% year-to-date due to the weaker start of the year. The revenue in the quarter benefitted from the strong order intake in the second quarter.

**OPERATING EBITA**

Operating EBITA in the quarter increased organically by 1% to €45 million, resulting in an operating EBITA margin of 7.4% (Q3 2017: 7.7%). The margin improved in North America, Continental Europe, the Middle East and Australia, which was offset by a decline in Asia (partly caused by a €1 million write-off), Latin America and CallisonRTKL.

EBITA increased by 7% in the quarter to €43 million (Q3 2017: €40 million). Non-operating costs were €2 million, down from €5 million in Q3 2017.
CASH FLOW, WORKING CAPITAL AND BALANCE SHEET
At the end of September, net working capital as a percentage of gross revenues was 18.1% (Q3 2017: 19.8%). Days sales outstanding improved by 7 days to 89 days (Q3 2017: 96 days). Free cash flow in the third quarter was €23 million (Q3 2017: €41 million), while year-to-date free cash flow was €17 million (2017: €12 million). The lower cash flow in the quarter was mainly due to timing of salary payments. Net debt at the end of September was €468 million, lower than the €492 million in September 2017.

BACKLOG
Backlog at the end of September 2018 was €2.0 billion (Q3 2017: €2.0 billion), representing 10 months of revenues. Year-to-date backlog decreased by 6% largely caused by a 50% organic decline in the Middle-East due to continued selective bidding which is the result of our strategic re-orientation.

NON-CORE CLEAN ENERGY ASSETS BRAZIL (ALEN)
Progress
Progress continued to be made by the ALEN associate in the completion of the energy assets. The gas-to-gas plant is operational and has been certified by the regulator. The largest gas-to-power plant is in commissioning and is scheduled to start delivering energy in November 2018. The third and last plant is on track to become operational in Q1 2019.

The gas-to-gas plant (Gás Verde) will deliver a relatively small part of the daily production to the market starting next week and is in final negotiations with several parties, including the Rio metropolitan utility gas company (CEG) on long term off-take contracts for the remaining renewable natural gas. As the concession holder, CEG has the legal obligation to substitute maximum 10% of their natural gas with renewable natural gas. Gás Verde is the first substantial provider of renewable natural gas in the Rio metropolitan area and can deliver up to half of this quota.

Re-assessment of the ALEN business case
The re-assessment of the business case of the ALEN associate was required considering delays in the construction process and sales contracts, increasing costs and assumed lower contract prices. Based on these latest insights Arcadis takes a value adjustment of €53 million on the ALEN business case, which consist of a €35 million impairment of shareholder loans and an expected credit loss on guarantees of €18 million, which is in accordance with IFRS 9. The loss from associate in the quarter was €6 million. On the balance sheet remains a provision of €23 million for the off-balance sheet financial guarantee of €78 million.

PRIORITIES 2018
Our priorities for the remainder of 2018 are:
• Build on the growth momentum in North America, Continental Europe, the UK and Australia
• Improve performance and finalize portfolio analysis for Asia
• Continue strong cash collection
• Complete gas-to-power facilities and conclude off-take contracts for renewable natural gas. Initiate divestment process of all non-core clean energy assets
FINANCIAL CALENDAR
14 February 2019       Q4 and full year results 2018

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ABOUT ARCADIS
Arcadis is the leading global Design & Consultancy firm for natural and built assets. Applying our
depth 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 €3.2 billion in revenues. We support UN-Habitat
with knowledge and expertise to improve the quality of life in rapidly growing cities around the

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.

AUDITOR’S INVOLVEMENT
The figures in the third quarter update have not been audited by an external auditor.

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.