Annual Results 2013

Neil McArthur, Chief Executive Officer
Renier Vree, Chief Financial Officer

Amsterdam, February 11, 2014
DISCLAIMER

• This presentation has been drafted in the period between the preparation and adoption of the annual accounts of ARCADIS NV. The figures in this presentation for the full year 2013 have been derived from the annual accounts (unaudited) of ARCADIS NV which are not yet public at the moment this presentation is issued. The annual accounts have not yet been adopted by the General Meeting of Shareholders. The figures related to the fourth quarter 2013 in this presentation are unaudited.

• 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 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.
Agenda

ARCADIS NV
Results Full Year 2013
Neil McArthur, CEO
• Annual overview
• Strategic progress
• Outlook

Renier Vree, CFO
• Q4 2013 financial results
• Full Year 2013 financial results

Q&A
### ARCADIS delivers 6% profit growth

<table>
<thead>
<tr>
<th>Gross revenues (€ billion)</th>
<th>Net revenues (€ billion)</th>
<th>(Proposed) Dividend per share (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.5 (-1%)</td>
<td>1.9 (+1%)</td>
<td>0.57 (+10%)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating EBITA (€ million)</th>
<th>Operating EBITA margin</th>
<th>Net income from operations (€ million)</th>
<th>Free cash flow (€ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>188.4 (+0%)</td>
<td>10% (at target)</td>
<td>111.1 (+6%)</td>
<td>109.0 (&gt; net income)</td>
</tr>
</tbody>
</table>

- 2% organic growth net revenue
- Stronger € impacted revenues and EBITA by -4%
- Strong growth Emerging Markets and MNC program
- Revenues declined in Continental Europe but operating margin improved to 7.9% in Q4
- Revenues North America flat, strong margins continued
- Solid year UK with organic growth and good margins
Portfolio Delivers Strong Returns
2013 Performance Summary

North America
- Net revenues: 39%
- Operating margin: 11.5%
- Flat revenues
- Stable, strong margins

Emerging Markets
- Net revenues: 26%
- Operating margin: 12.5%
- Double digit growth across Brazil, Middle East & Asia
- Strong margins

Continental Europe
- Net revenues: 23%
- Operating margin: 5.3%
- Revenue decline due to government austerity
- Margins improved to 7.5% in second half

United Kingdom
- Net revenues: 12%
- Operating margin: 8.3%
- Low growth
- Stable margins

Infrastructure
- Net revenues: 27%
- Operating margin: 8.8%
- Growth in emerging markets, now 40% of infrastructure
- Improving margins

Water
- Net revenues: 15%
- Operating margin: 9.0%
- Decline in revenues due to government austerity
- Margins stable

Environment
- Net revenues: 28%
- Operating margin: 12.2%
- Growth driven by private sector
- Strong margins

Buildings
- Net revenues: 30%
- Operating margin: 9.4%
- High growth in emerging markets
- Small decline in margins

11 February 2014
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2013 figures unaudited
Strategic highlights 2013

- Two acquisitions completed, both delivering above expectations
  - Geohidrología, Chile, water consulting for the water and mining industries
  - SENES, Canada, India, environmental consulting for the mining, energy and oil & gas sectors
- Major mergers over last two years continue to add value
  - EC Harris: good growth and 10% target EBITA reached in Q4
  - Langdon & Seah: strong growth and margin
  - Combined synergy wins EC Harris and Langdon & Seah > €90M
- Continental Europe
  - ONEurope transformation ahead of schedule
  - Market conditions challenging with -6% organic net revenue decline
  - Accelerated cost actions further improve operating margin to 7.9% in Q4
- 2014 – 2016 strategy launched
ONEurope: Margin improved second half; savings target increased

**Cost savings**

- **Savings target:** €25M
- **Full Year 2013 realized:** €16M
- **New target:** €32M

**Restructuring charges**

- **Restructuring costs 2013/2014:** €20.0M
- **Full Year 2013:** €14.4M

**Net revenue**

- **H1 2012:** €227M
- **H2 2012:** €225M
- **H1 2013:** €215M
- **H2 2013:** €212M
- **FY 2012:** €452M (-6%)
- **FY 2013:** €427M

**Operating margin**

- **H1 2012:** 4.1%
- **H2 2012:** 5.8%
- **H1 2013:** 3.2%
- **H2 2013:** 7.5%
- **Q4 2014 target:** 10.0%
- **FY 2012:** 5.0%
- **FY 2013:** 5.3%

2013 figures unaudited
sustainable growth | performance | collaboration

clear roadmap and targets for 2014 - 2016

OUR STRATEGY

Exceptional & Sustainable Outcomes

OUR TARGETS

2014 – 2016

GROWTH
Organic revenue growth > 5% CAGR
Inorganic revenue growth > 5% CAGR

MARGIN
Operating EBITA margin > 11%

CASH
Free Cash Flow > Net Income

RETURN
Return on invested capital > 13%
2014 leadership priorities aligned to our strategy

• Complete ONEurope transformation and deliver 10% operating margin in Q4
• Invest for increased organic growth
  • Expand the core
  • Focused growth on 7 priorities
• Drive performance excellence and culture of continuous improvement to raise margins and cash flow
• Strengthen collaboration by evolving operating model, business steering and culture
• Focus M&A on expanding our core and 7 growth priorities
Results Fourth Quarter and Full Year 2013
Income € 32M, up 3%

<table>
<thead>
<tr>
<th>amounts in € millions, unless otherwise stated</th>
<th>Q4 2013</th>
<th>Q4 2012&lt;sup&gt;1)&lt;/sup&gt;</th>
<th>△</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross revenues</td>
<td>643</td>
<td>664</td>
<td>-3%</td>
</tr>
<tr>
<td>Organic gross revenue growth</td>
<td>1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net revenues</td>
<td>468</td>
<td>487</td>
<td>-4%</td>
</tr>
<tr>
<td>Organic net revenue growth</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBITA</td>
<td>44.8</td>
<td>52.3</td>
<td>-14%</td>
</tr>
<tr>
<td>Operating EBITA&lt;sup&gt;2)&lt;/sup&gt;</td>
<td>50.4</td>
<td>59.1&lt;sup&gt;2)&lt;/sup&gt;</td>
<td>-15%</td>
</tr>
<tr>
<td>Operating EBITA margin</td>
<td>10.8%</td>
<td>12.1%</td>
<td></td>
</tr>
<tr>
<td>Net income from Operations&lt;sup&gt;3)&lt;/sup&gt;</td>
<td>32.3</td>
<td>31.4</td>
<td>3%</td>
</tr>
<tr>
<td>EPS (in €)&lt;sup&gt;3,4)&lt;/sup&gt;</td>
<td>0.44</td>
<td>0.44</td>
<td>0%</td>
</tr>
</tbody>
</table>

*Currency effect: Gross revenue +/- 5%; Net revenue +/- 5%; EBITA +/- 5%*

1) The 2012 figures have been restated for comparative reasons, as joint ventures are no longer proportionally consolidated, following the new accounting standard IFRS 11 ‘Joint Arrangements’.

2) Excluding restructuring & integration costs; Q4 2012 excluding impact tax benefit from EC Harris partnership structure related to Q1/Q3, margin in Q4 would have been 11.1%.

3) Before amortization and non-operational items

4) In 2013 based on 73.0 M shares outstanding (2012: 71.3 M)
Full Year Income € 111M, up 6%

<table>
<thead>
<tr>
<th>amounts in € millions, unless otherwise stated</th>
<th>FY 2013</th>
<th>FY 2012&lt;sup&gt;1)&lt;/sup&gt;</th>
<th>△</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross revenues</td>
<td>2,516</td>
<td>2,536</td>
<td>-1%</td>
</tr>
<tr>
<td>Organic gross revenue growth</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net revenues</td>
<td>1,893</td>
<td>1,871</td>
<td>1%</td>
</tr>
<tr>
<td>Organic net revenue growth</td>
<td>2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBITA</td>
<td>167.7</td>
<td>165.4</td>
<td>1%</td>
</tr>
<tr>
<td>Operating EBITA&lt;sup&gt;2)&lt;/sup&gt;</td>
<td>188.4</td>
<td>187.8</td>
<td>0%</td>
</tr>
<tr>
<td>Operating margin</td>
<td>10.0%</td>
<td>10.0%</td>
<td></td>
</tr>
<tr>
<td>Net income from Operations&lt;sup&gt;3)&lt;/sup&gt;</td>
<td>111.1</td>
<td>105.1</td>
<td>6%</td>
</tr>
<tr>
<td>EPS (in €)&lt;sup&gt;3,4)&lt;/sup&gt;</td>
<td>1.54</td>
<td>1.49</td>
<td>3%</td>
</tr>
</tbody>
</table>

*Currency effect: Gross revenue +/- 4%; Net revenue +/- 4%; EBITA +/- 4%

1) The 2012 figures have been restated for comparative reasons, as joint ventures are no longer proportionally consolidated, following the new accounting standard IFRS 11 ‘Joint Arrangements’.
2) Excluding restructuring, acquisition & integration costs
3) Before amortization and non-operational items
4) In 2013 based on 72.2 M shares outstanding (2012: 70.4 M)
Net Revenue grew 2% organically in 2013
Operating EBITA Q4 2013

- Acquisitions relate to SENES and Geohidrología
- Restructuring and integration charges €5.6 million (Q4 2012: €6.9 million)
- EBITA slightly lower in Water
Operating EBITA Full Year 2013, up 0.4%

- Restructuring and integration charges €19.6 million (2012: €18.2 million)
- Acquisition-related charges €1.1 million (2012: €4.2 million)
- Margin improvement in Infrastructure from cost savings Europe
## Margin Full Year at 10.0%

<table>
<thead>
<tr>
<th></th>
<th>2011 ¹)</th>
<th>2012 ¹)</th>
<th>2013</th>
</tr>
</thead>
<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>9.0%</td>
</tr>
<tr>
<td>Q3</td>
<td>10.0%</td>
<td>9.9%</td>
<td>10.9%</td>
</tr>
<tr>
<td>Q4</td>
<td>10.8%</td>
<td>12.1%   ²)</td>
<td>10.8%</td>
</tr>
<tr>
<td>year</td>
<td>9.7%</td>
<td>10.0%</td>
<td>10.0%</td>
</tr>
</tbody>
</table>

Operating margin: EBITA as % of net revenue, adjusted for reorganization, integration and acquisition related charges

¹) Operating margin 2011 and 2012 adjusted for IFRS 2013 (deconsolidation of joint ventures.)

²) Excluding impact tax benefit from EC Harris partnership structure related to Q1/Q3, margin in Q4 would have been 11.1%.

2013 figures unaudited
Strong full year cash flow at €140.1M

<table>
<thead>
<tr>
<th>€ millions</th>
<th>Q4 2013</th>
<th>Q4 2012</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the period</td>
<td>29.9</td>
<td>28.6</td>
<td>99.4</td>
<td>90.2</td>
</tr>
<tr>
<td>Depreciation &amp; amortization</td>
<td>14.5</td>
<td>13.2</td>
<td>51.1</td>
<td>47.4</td>
</tr>
<tr>
<td>Working Capital</td>
<td>63.5</td>
<td>41.3</td>
<td>-12.1</td>
<td>12.1</td>
</tr>
<tr>
<td>Other</td>
<td>-4.8</td>
<td>7.7</td>
<td>1.7</td>
<td>8.7</td>
</tr>
<tr>
<td>Net cash from Operations</td>
<td>103.1</td>
<td>90.8</td>
<td>140.1</td>
<td>158.4</td>
</tr>
</tbody>
</table>

- Net working capital as % of gross revenue: 15.7% (Q4 2012: 14.9%)
- Working capital affected by slow payments of public sector and less subcontracting

1) The 2012 figures have been restated for comparative reasons, as joint ventures are no longer proportionally consolidated, following the new accounting standard IFRS 11 ‘Joint Arrangements’.
Balance sheet remains healthy

- Net debt Q4 2013: €209 million (Q4 2012: €283 million)
- Average net debt/EBITDA Q4 2013: 1.4 (Q4 2012: 1.5) ¹)
- End of Q4 net debt/EBITDA 2013: 1.0 (Q4 2012: 1.3) ²)

¹) Average Net Debt Jun & Dec conform bank covenants
²) Net Debt end of Q4 (Dec) conform bank covenants

- Diversified sources of funding
- Improved spread of maturity of loans

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¹) Calculated from bank covenants

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Maturity Profile of Committed Facilities

- Term Loans USD 270m
- RCF EUR 150m
- USPP USD 200m
- Facility EUR 25m
Business lines

INFRASTRUCTURE
WATER
ENVIRONMENT
BUILDINGS
Growth across all business lines

Gross Revenue Full Year (€ million)

2011 | 2012 | 2013
---|---|---
2,017 | 2,536 | 2,516
27% | 25% | 24%
16% | 15% | 15%
38% | 34% | 33%
19% | 26% | 28%

CAGR<sup>1)</sup> 12%

1) Compound Annual Growth Rate

2) The 2012 figures have been restated for comparative reasons, as joint ventures are no longer proportionally consolidated, following the new accounting standard IFRS 11 ‘Joint Arrangements’.
Infrastructure

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

Metro line expansion
Santiago, Chile
Infrastructure (24% of revenues)

Full-year revenues in € million

- Reduced subcontracting in Continental Europe
- Tough market conditions in Continental Europe prevail
- Growth in Emerging Markets and North America
- Margins improved through pan-European operating model
- Operating margin 8.8%

2013

Gross revenue¹)
- Organic -1%
- Acquisitions 0%
- Currency -5%

Net revenue¹)
- Organic 2%

Backlog²)
- 8%

1) Rounding and reclassifications may impact totals
2) Organic development compared to year end 2012
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)

- Continental Europe affected by austerity
- Q4 North America lower from Sandy effect in 2012
- Emerging Markets see big project wins and growth from acquisitions
- Water for Industry successful globally
- Operating margin declined slightly to 9.0% (due to Continental Europe)

Gross revenue$^{1)}$ -1%
- Organic -1%
- Acquisitions 4%
- Currency -3%

Net revenue$^{1)}$ -3%
- Organic -3%

Backlog$^{2)}$ 10%

1) Rounding and reclassifications may impact totals
2) Organic development compared to year end 2012
Environment

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

Climate change adaptation consulting
Environment (33% of revenues)

Full-year revenues in € million

- **Gross revenue**
  - **2013**
  - US Federal market decline compensated by private sector growth
  - MNC/Private sector demand in oil & gas; mining remains strong
  - Growth at better prices in Brazil
  - Growth in parts of Continental Europe
  - Operating margin at 12.2% slightly lower due to increased competition US

- **Net revenue**
  - **2013**
  - 4%
  - Organic 3%

- **Backlog**
  - -13%
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 (28% of revenues)

Full-year revenues in € million

- Strong revenue growth in Emerging Markets
- UK also performed well
- Declines in North America and Continental Europe
- RTKL growth in commercial market North America and Asia; but declines in US healthcare and workplace
- Operating margin at 9.4% slightly behind last year (due to lower EC Harris partner benefit)

Gross revenue\(^1\)
- 2013: 5%
  - Organic: 5%
  - Acquisitions: 4%
  - Currency: -3%

Net revenue\(^1\)
- 2013: 4%
  - Organic: 4%

Backlog\(^2\)
- 2013: 14%

---

1) Rounding and reclassifications may impact totals
2) Organic development compared to year end 2012
Regions

NORTH AMERICA
EMERGING MARKETS
CONTINENTAL EUROPE
UNITED KINGDOM
Strong organic growth in emerging markets; now largest region by headcount

Gross Revenue 12 months (€M)

<table>
<thead>
<tr>
<th>Year</th>
<th>United Kingdom</th>
<th>Continental Europe</th>
<th>North America</th>
<th>Emerging Markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>2,017</td>
<td>5%</td>
<td>29%</td>
<td>14%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>21%</td>
<td>45%</td>
<td>52%</td>
</tr>
<tr>
<td>2012</td>
<td>2,536</td>
<td>11%</td>
<td>23%</td>
<td>21%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>12%</td>
<td>44%</td>
<td>45%</td>
</tr>
<tr>
<td>2013</td>
<td>2,516</td>
<td>12%</td>
<td>21%</td>
<td>23%</td>
</tr>
</tbody>
</table>

CAGR\(^1\) = 12%

Headcount at December 31\(^{st}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>United Kingdom</th>
<th>Continental Europe</th>
<th>North America</th>
<th>Emerging Markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>18.400</td>
<td>12%</td>
<td>26%</td>
<td>32%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>32%</td>
<td>29%</td>
<td>34%</td>
</tr>
<tr>
<td>2012</td>
<td>21.600</td>
<td>9%</td>
<td>29%</td>
<td>32%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>34%</td>
<td>29%</td>
<td>34%</td>
</tr>
<tr>
<td>2013</td>
<td>21.900</td>
<td>11%</td>
<td>24%</td>
<td>28%</td>
</tr>
</tbody>
</table>

CAGR\(^1\) = 9%

1) Compound Annual Growth Rate
2) The 2012 figures have been restated for comparative reasons, as joint ventures are no longer proportionally consolidated, following the new accounting standard IFRS 11 ‘Joint Arrangements’.
3) Gross Revenue 2011 for the United Kingdom only includes six weeks of Revenues generated by EC Harris.
Geographical mix pays off, stable margins at 10.0%

<table>
<thead>
<tr>
<th>Region</th>
<th>In € million</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>North America</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross revenue</td>
<td>1,143.9</td>
<td>1,106.1</td>
<td></td>
</tr>
<tr>
<td>Net revenue</td>
<td>750.4</td>
<td>737.7</td>
<td></td>
</tr>
<tr>
<td>Operating EBITA</td>
<td>91.7</td>
<td>84.6</td>
<td></td>
</tr>
<tr>
<td>Operating margin</td>
<td>12.2%</td>
<td>11.5%</td>
<td></td>
</tr>
<tr>
<td><strong>Emerging Markets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross revenue</td>
<td>525.7</td>
<td>582.8</td>
<td></td>
</tr>
<tr>
<td>Net revenue</td>
<td>429.4</td>
<td>494.3</td>
<td></td>
</tr>
<tr>
<td>Operating EBITA</td>
<td>49.2</td>
<td>61.7</td>
<td></td>
</tr>
<tr>
<td>Operating margin</td>
<td>11.5%</td>
<td>12.5%</td>
<td></td>
</tr>
<tr>
<td><strong>Continental Europe</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross revenue</td>
<td>580.3</td>
<td>534.3</td>
<td></td>
</tr>
<tr>
<td>Net revenue</td>
<td>451.6</td>
<td>426.8</td>
<td></td>
</tr>
<tr>
<td>Operating EBITA</td>
<td>22.5</td>
<td>22.7</td>
<td></td>
</tr>
<tr>
<td>Operating margin</td>
<td>5.0%</td>
<td>5.3%</td>
<td></td>
</tr>
<tr>
<td><strong>United Kingdom</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross revenue</td>
<td>286.2</td>
<td>292.8</td>
<td></td>
</tr>
<tr>
<td>Net revenue</td>
<td>239.9</td>
<td>233.7</td>
<td></td>
</tr>
<tr>
<td>Operating EBITA</td>
<td>24.4</td>
<td>19.5</td>
<td></td>
</tr>
<tr>
<td>Operating margin</td>
<td>10.2%</td>
<td>8.3%</td>
<td></td>
</tr>
</tbody>
</table>
Outlook
Outlook per business line

Infrastructure – continued growth
- Strong growth in Brazil & Middle East (40% of infra); niche growth in US
- PM opportunities UK; Continental Europe stabilizing based on recent wins

Water – return to growth
- North America growth in water treatment and flood work
- Strong demand Brazil; Continental Europe stabilizing; growth ‘Water for Industry’

Environment – low growth
- Capex drives growth in Brazil; US private sector good, increasing price pressure
- Growth in Europe from private sector demand

Buildings – continued growth
- Strong capex spend Middle East and Asia; UK growth supported by London
- US to benefit from commercial and BAC; Continental Europe stabilizing

Backlog
- Backlog: +3% organic during 2013
- Strong Q4 order intake in Buildings and Water. Good start of 2014
Outlook 2014 - 2016

• **sustainable growth | performance | collaboration:** Clear roadmap for future growth based on expanding the core, focused growth priorities and continued mergers and acquisitions

• Financial targets set:
  • Organic revenue growth > 5% CAGR
  • Inorganic revenue growth > 5% CAGR
  • Operating EBITA margin > 11%
  • Free Cash Flow > Net Income
  • Return on invested capital > 13%

• 2014: investment in capabilities to drive organic growth and performance excellence to enhance performance over three year period

• Increased revenues and net income expected for 2014, barring unforeseen circumstances
Imagine the result