Free cash flow

The Company reports on Free cash flow (FCF) and it is used to evaluate cash available for financing activities, including shareholder distributions and debt servicing, after investment in maintaining and growing the business. It is also relevant for the STI of the EB and ELT (IAS 19). This measure is derived from the financial statements with a reconciliation below.

In € millions	2025	2024
Net cash from operating activities	**386**	**350**
(-) Capital expenditure	25	45
(+) Proceeds from sale of (in)tangible assets	1	0
(-) Lease payments	74	78
Free cash flow	**288**	**228**

Net Debt to Operating EBITDA

Net Debt to Operating EBITDA reflects the most recent leverage position of the company as it measures the operating income before amortization and depreciation relative to its net debt position. Net Debt is calculated in accordance with note 31 in the consolidated financial statements. Operating EBITDA is Operating EBITA adjusted for depreciation and amortization of software.

In € millions	2025	2024
Net debt	797	739
Operating EBITDA	523	557
Net debt to Operating EBITDA	**1.5**	**1.3**

Return to Shareholders as % of NIFO

Return to Shareholders as % of net income from operations measures how much of the income from operational activities is distributed back to the shareholders through dividends. For the 2024-2026 strategic period this is part of the financial targets and is set at between 30-40%.

	2025	2024
Dividend announced per share in €	1.05	1.00
Number of shares outstanding in million at moment of settlement[1]	85.1	89.4
Total Dividend distribution in €m[2]	**89.3**	**89.4**
Net Income from Operations in €m[3]	238	270
Return to Shareholders as % of NIFO	**37.5%**	**33.1%**

[1] Number of shares outstanding in 2024 is the actual number of shares outstanding at payment date in 2025. The number of shares outstanding for 2025 is the balance of shares outstanding at the publication date (19 February 2026)

[2] Total dividend distribution for 2025 is an estimate of 2026 payment based on the balance of outstanding shares at publication date.

[3] Refer to Non-GAAP performance measure table in the Consolidated Financial statements for further details

Glossary financial indicators

Term	Definition
Gross revenues	The gross inflow of economic benefits during the period arising in the course of ordinary activities. Gross revenues of Arcadis consist of external revenues net of value-added tax, rebates and discounts and after eliminating sales within the Arcadis Group.
Net revenues	Gross revenues minus materials, services of third parties and subcontractors, which are project-related costs of materials and services charged by third parties, including cost of subcontractor. Net revenues entail revenues produced by the activities of Arcadis' own staff.
Dividend per share	Dividends issued by Arcadis for every outstanding ordinary share.
EBITA	Earnings Before Interest, Taxes, and Amortization/Impairment of goodwill and/or identifiable assets excluding results from associates/ joint venture, fair value change of derivatives, and foreign exchange results.
EBITDA	The sum of EBITA, depreciation and amortization of software.
Operating EBITA	EBITA excluding restructuring, integration, disposal and acquisition related costs and net result from divestments.
Operating EBITA margin	Operating EBITA as percentage of net revenues
Net Income from Operations	Net income before non-recurring items (e.g. valuation changes of acquisition-related provisions, disposals and M&A costs, net result from divestments, expected credit loss on shareholder loans and corporate guarantees and one-off pension costs), the impairment/amortization of goodwill/ identifiable assets, and share-based compensations related to the Lovinklaan Foundation share purchase plan.
Net Income from Operations per share	Net Income from Operations in the year, divided by the average number of ordinary shares in the year.
Net Working Capital	Sum of Contract assets (unbilled receivables), Inventories and Trade receivables minus Accounts payables, Contract liabilities (billing in excess of revenue) and Provision for onerous contracts.
Net Working Capital as % of gross revenues	Net Working Capital/Gross revenues of last three months of the year * 4.
Return on Net Working Capital	The Operating EBITA for the year divided by the Net Working Capital at year-end.
Days Sales Outstanding	(Trade receivables + Unbilled receivables – Billings in excess of cost – Loss provision) x 91 days)/Gross revenues of last three months of the year.
Return on invested capital (ROIC)	The sum of earnings before interest after taxes and income from associates divided by average Group equity, amortized goodwill and net debt.
Net debt to EBITDA ratio (average)	Average net debt at year end/EBITDA. A measure of a Company's ability to pay off its incurred debt. This ratio gives the investor the approximate amount of time that would be needed to pay off all debt, excluding interest, taxes, depreciation and amortization.
Net debt to operating EBITDA ratio (average)	Average Net Debt (average of end of first half of year and end of second half of the year) / Operating EBITDA
Free cash flow	Cash flow from operating activities minus (dis)(in)vestments in (in)tangible assets and including lease payments.
Integration costs	Costs specifically related to the reorganization and onboarding of acquired entities. These costs include but are not limited to onboarding and streamlining of technology platforms and operations, reorganization of operating model, associated activities and personnel costs directly linked to integration activities.
Other non operating costs	Non-operating items comprise income and expenses that are not related to the Group's ongoing operating activities, are not restructuring/integration items or discontinued operations, and which management considers non-core for evaluating operating performance.
Backlog	Backlog is defined as the value of work contracted, but not completed as at the reporting date. Net backlog or backlog net revenues excludes sub-contractor and third party costs i.e the future revenue to be executed by Arcadis staff.
Order intake	Order intake reflects the amount of new projects for which contracts have been signed or variations agreed. The value in order intake reflects the scope of our services and excludes Sub consultant and third party costs and will convert into Net Revenue when executed. The management considers this an important measure in order to track future revenue development.
Net Order intake	Order intake less cancellations during the period.

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