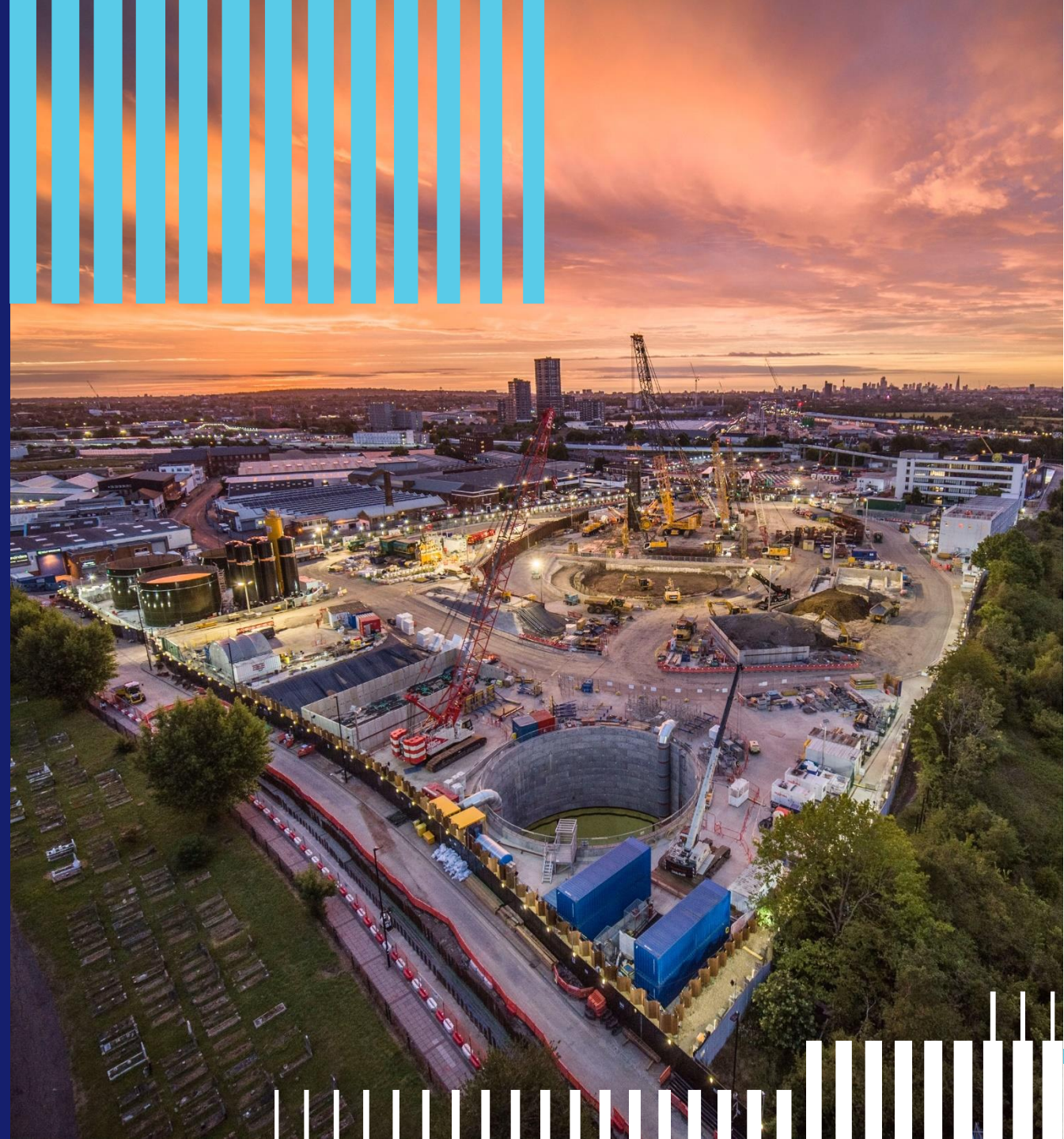




Results presentation

For the year ended 31 December 2024

Together we
shape, create, deliver





Operating Review

Alex Vaughan
Chief Executive Officer

Together we
shape, create, deliver



Credit - Tideway



Highlights

Another strong financial performance, with record growth in forward work position to £5.4bn

- **Another strong full year 2024 (FY 24) financial performance**
 - Revenue of £1,251m
 - Adjusted operating profit⁽¹⁾ of £43.1m up 7.5%
 - Adjusted operating margin of 3.4% (FY 23: 3.0%)
 - Adjusted EPS 14.6p (FY 23: 12.2p) up 19.7%
 - Period end net cash ⁽¹⁾ of £158.5m (FY 23: £166.0m) after £10m buyback
- **Clear strategy delivering results**
 - Record forward work position increase of £1.5bn to £5.4bn, more than four times FY 24 annual revenue
 - H2 24 adjusted operating margin exceeding 3.5% target and on track to meet FY 25 target of 4.5%
 - Critical national needs driving long-term investments in our chosen markets
- **Delivering increasing returns to shareholders**
 - Pension in surplus at FY 24
 - Buyback of £10m completed in November
 - Final proposed dividend of 2.0p (FY 23: 0.8p). Full year 2.4 p (FY 23: 1.2p) a doubling year-on-year

Transportation

Broadening customer mix

Revenue

£845.8m

(FY 23: £943.1m)

Adjusted operating profit¹

£29.9m

(FY 23: £28.0m)

Adjusted operating margin¹

3.5%

(FY 23: 3.0%)

FY 25 secured revenue

£606m

Improved operating performance

Increase in both adjusted operating profit and margin.

Road

Completing three Highways schemes and continuing highways mandate. Next phase of National Highways M60 scheme secured. Good visibility of forward opportunities and growing pipeline.

Rail

HS2 main works progressing to defined budget. Two major HS2 systems contracts won in December, and pursuing CP7 contracts with Network Rail.

Integrated Transport

Growing activities on secured frameworks with Heathrow, Manchester Airports Group and TfL. Strong programme of future bids.



Natural Resources

Major Water AMP8 wins in year with growth in all sectors

Revenue

£405.3m

(FY 23: £388.9m)

Adjusted operating profit¹

£23.8m

(FY 23: £21.8m)

Adjusted operating margin¹

5.9%

(FY 23: 5.6%)

FY 25 secured revenue

£340m

Operating profit increase

Continued improvement in operational performance and growing margins.

Water

Secured significant wins in AMP8 investment cycle, with both new and existing customers including AMP9 rollovers.

Energy

At the forefront of the industrial energy transition, with established leading expertise in hydrogen and CCUS, supporting energy resilience and targeting electricity transmission.

Defence & Nuclear Energy

Growing role with leading defence contractors, well positioned for expansion across the nuclear energy spectrum, with significant bid pipeline.





Financial Review

Helen Willis
Chief Financial Officer

Together we
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Headline financial results

Another strong financial performance, with record growth in forward work position

Financial Summary	FY 24 £m	FY 23 £m	Change %
Revenue	1,251.1	1,332.0	(6.1)%
Adjusted operating profit ⁽¹⁾	43.1	40.1	7.5%
Adjusted operating profit ⁽¹⁾ margin	3.4%	3.0%	0.4pp
Reported operating profit/(loss)	31.1	26.8	16.0%
Reported profit/(loss) before tax	36.5	30.9	18.1%
Adjusted basic earnings per share ⁽²⁾	14.6p	12.2p	19.7%
Reported basic earnings/(loss) per share	11.3p	8.1p	39.5%
Dividend per share	2.4p	1.2p	100.0%
Net Cash Balance ⁽³⁾	158.5	164.4	(£5.9m)
Forward Work Position ⁽⁴⁾	£5.4bn	£3.9bn	£1.5bn

- Group revenue of £1,251m, a reduction on the prior period reflecting the timing of contract starts and completions
- Group adjusted operating profit up 7.5% to £43.1m reflecting an increased operating margin in both divisions
- Group adjusted operating margin up 40bps to 3.4% (H2 24 adjusted operating margin of 4.4%)
- Group reported profit before tax up 18.1% to £36.5m
- Adjusted basic earnings per share (EPS) up 19.7% to 14.6p
- Doubling year-on-year of full year dividend per share to 2.4p
- Net cash in line with expectations at £158.5m after £10m share buy back
- Record increase of £1.5bn in high-quality forward work position to £5.4bn

1. Adjusted operating profit and adjusted operating profit margin are adjusted metrics and exclude the impact of contract adjustments and other items totalling £12.0m (FY 23: £13.3m).

2. Adjusted basic earnings per share is an adjusted metric and excludes the impact of contract adjustments and other items, net of tax, totalling £9.0m (FY 23: £11.4m).

3. Net cash is defined as cash and cash equivalents less interest-bearing borrowings (excluding leases under IFRS 16 and net of unamortised arrangement fees) and excluding cash and cash equivalents - with restrictions.

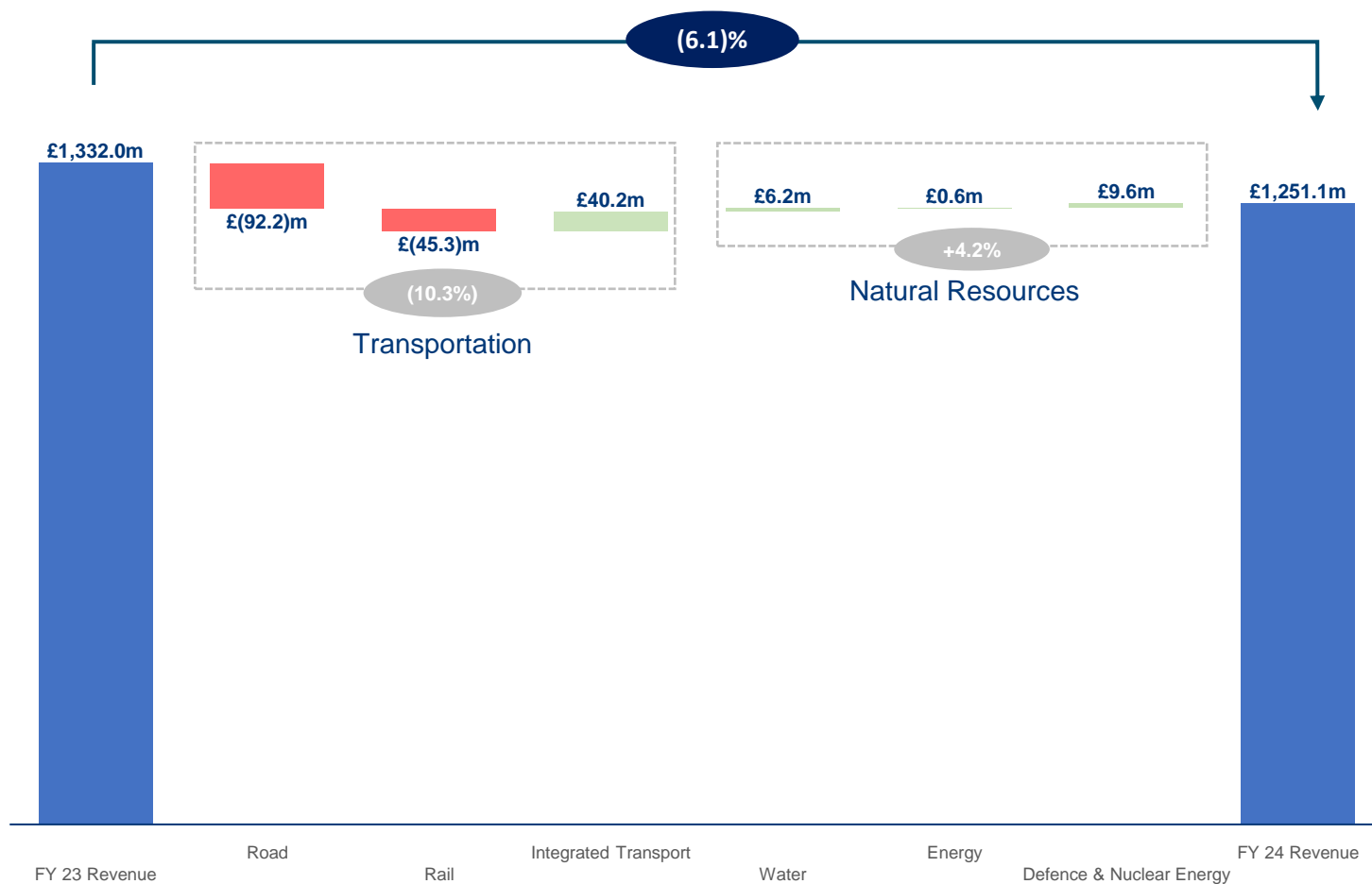
4. Forward work is the total of order book and preferred bidder book which includes revenue from contracts which are partially or fully unsatisfied and probable revenue from Water and other frameworks included at allocated volume.

See slides 31 to 32 for a reconciliation of reported to adjusted measures.

Revenue walk

Growth in Natural Resources more than offset by expected reduction in Transportation

Revenue FY 24 vs FY 23

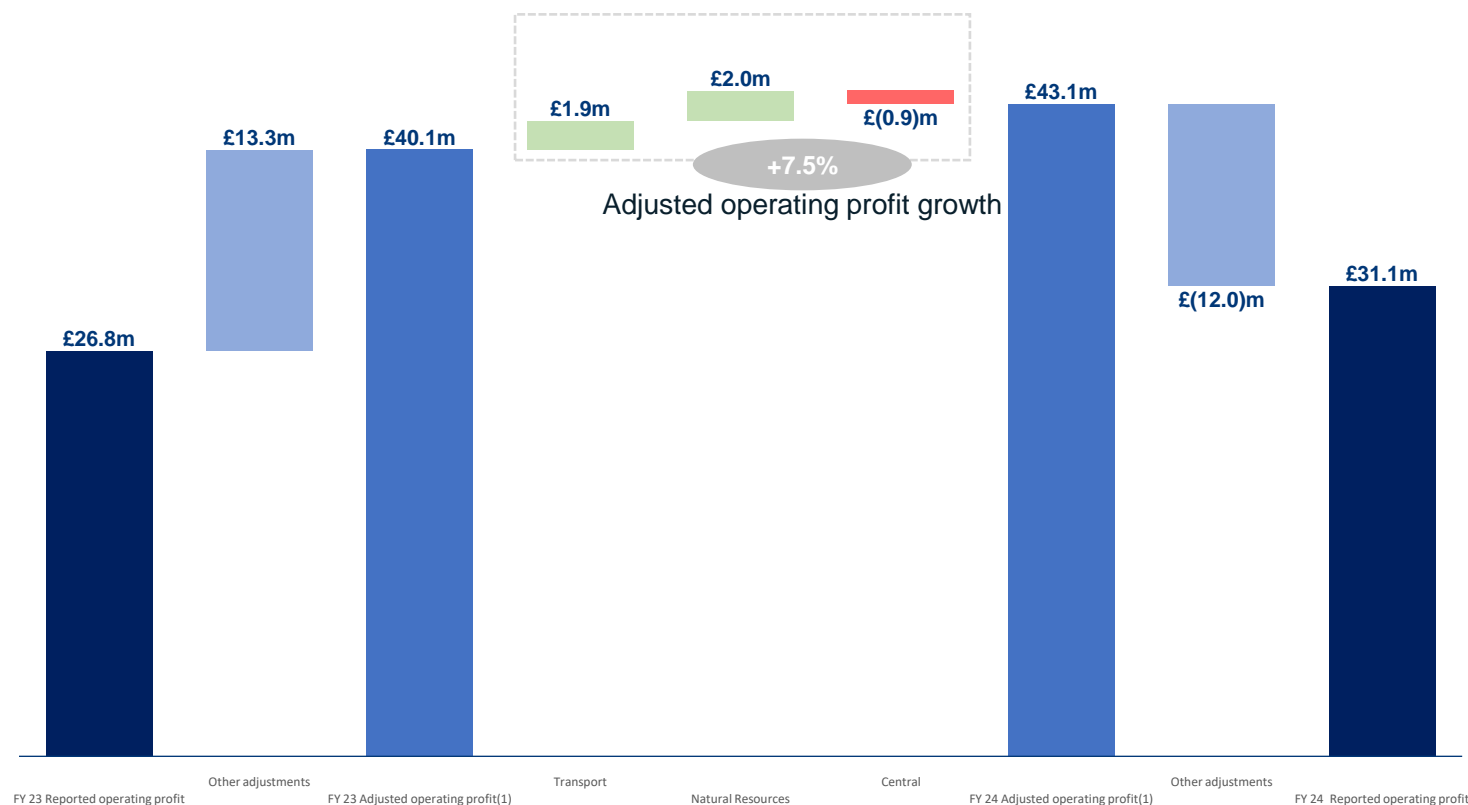


- **Overall group revenue** reduced by 6.1% reflecting the timing of contract starts and completions
- **Natural Resources revenue up 4.2%** reflecting growth in Water, Defence and Nuclear Energy, and Energy
- **Transportation revenue** reduced by 10.3% reflecting lower volumes across Road & Rail partially offset by growth in Integrated Transport

Operating profit walk

Adjusted operating profit growth on increased operating margin in both divisions

Operating Profit FY 24 vs H123



- **Adjusted operating profit growth of 7.5%.** Reported operating profit up 16.0%
- **Transportation operating margin up 50bps to 3.5%** (FY 23: 3.0%) due to improved operating performance and margins in newer contracts.
- **Natural Resources operating margin up 30bps to 5.9%** (FY 23: 5.6%) on higher mix of consultancy revenues.
- **Higher central costs** primarily on inflation.
- **Total administrative expenses** down £5.8m to £72.2m in FY 24 (FY 23: £78.0m).

Adjusting items

Total adjustments to reported items in the year were £12.0m

£m	FY 24	FY 23
	Other Adjustments	
Transformation and restructuring costs	5.4	8.0
Fire safety claims	6.7	0.0
Profit on sale of assets previously written down	(0.1)	0.0
Impairment of development intangible asset	0.0	5.3
Total operating profit adjustments	12.0	13.3

- £5.4m (FY 23: £8.0m) of Transformation and restructuring costs in respect of this final year of our Transformation programme
- £6.7m in respect of fire safety claims
- FY 23 included £5.3m on the impairment of an intangible asset as part of repositioning digital services

Finance income/(expense)

Net finance income benefitting from strong cash position

Finance Income / (Expense)	FY 24 £m	FY 23 £m
Interest income from bank deposits	6.7	4.8
Interest income on the net assets of the defined benefit pension scheme	2.6	3.2
Finance income	9.3	8.0
Banking facility fees	(1.4)	(2.3)
Interest expense on lease liabilities	(2.5)	(1.5)
Finance expense	(3.9)	(3.9)
Net finance income	5.4	4.1

- £6.7m of interest income from bank deposits, higher than FY 23 of £4.8m on increased cash placed on deposit at higher rates
- £2.6m of interest income on the net assets of the defined benefit pension scheme, lower than FY 23 of £3.2m due to a lower pension scheme asset position over the year
- £1.4m of banking facility fees, lower than FY 23 of £2.3m on reduction of facility and lower amortisation of arrangement fees.
- £2.5m of interest expense on lease liabilities under IFRS 16, higher than FY 23 of £1.5m due to higher charges on new property leases

Balance sheet

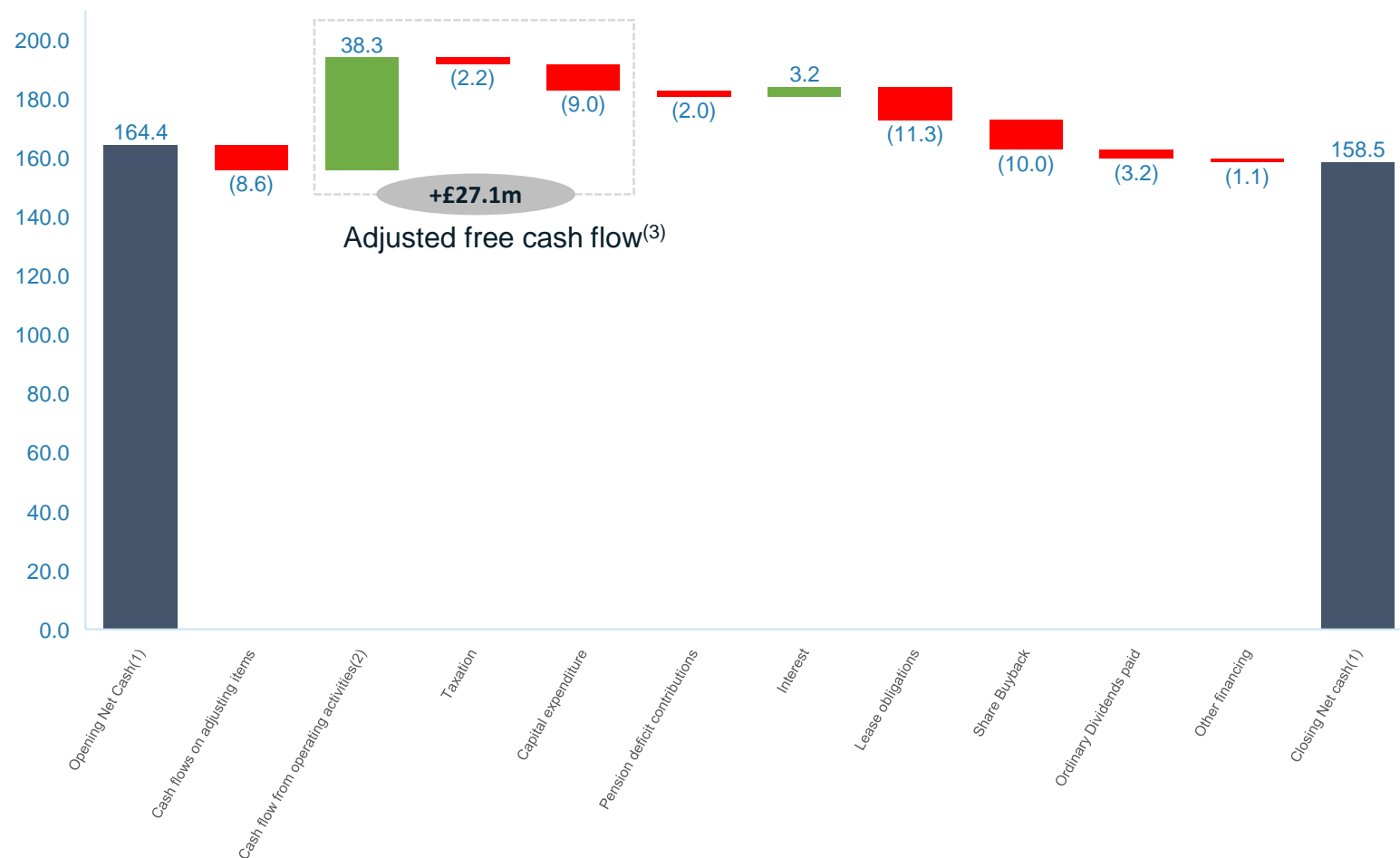
Net assets position continues to strengthen

Consolidated statement of financial position	FY 24 £m	FY 23 £m as restated
Assets		
Retirement benefit asset	54.9	53.5
Other non-current assets	99.8	90.6
Total non-current assets	154.7	144.1
Current assets		
Trade receivables and other current assets	195.6	209.3
Cash and cash equivalents - with restrictions	38.4	24.4
Cash and cash equivalents	158.5	164.4
Total current assets	392.5	398.1
TOTAL ASSETS	547.2	542.2
Current liabilities		
Trade payables and other liabilities and lease obligations	296.9	306.6
Interest bearing loans and borrowings	0.0	0.0
Total current liabilities	296.9	306.6
Non-current liabilities		
Retirement benefit obligation	0.0	0.0
Other payables and lease obligations	14.6	16.2
Interest bearing loans and borrowings	0.0	0.0
Total non-current liabilities	14.6	16.2
TOTAL LIABILITIES	311.5	322.8
Equity	235.7	219.4

- Strong net cash position of £158.5m after £10m share buy back
- Retirement benefit asset increased on FY 23 position
- Other non-current assets higher than the FY 23 position following capital investment during FY 24
- Trade receivables and other assets decreased on FY 23 position driven by lower trade receivables
- Trade payables and other liabilities decreased on FY 23 position driven by lower contract liabilities

FY 24 cash walk

Continued strong adjusted free cash flow



- Adjusted free cash flow of £27.1m
- Closing net cash position of £158.5m, which included the costs of our £10m share buyback programme which concluded in November 2024
- Capital expenditure from investing in upgrading our HR system to increase efficiencies within the business and also in office moves
- We expect our FY 25 year-end net cash position to be in line with current market expectations of around £180m
- During FY 24 we paid 98% of invoices within 60 days (FY 23: 98%). In January 2025, Costain was re-confirmed as one of the fastest-paying lead contractors in construction

1. Net cash is defined as cash and cash equivalents less interest-bearing borrowings (excluding leases under IFRS 16 and net of unamortised arrangement fees) and excluding cash and cash equivalents - with restrictions.

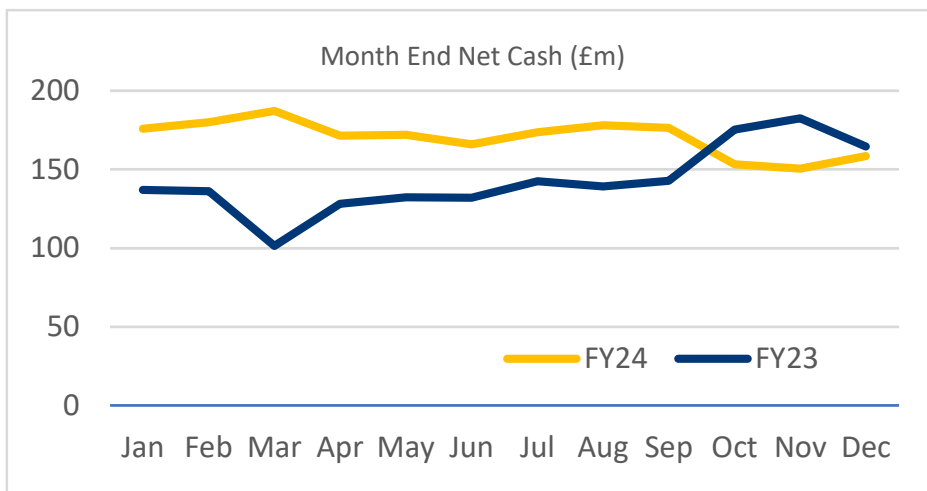
2. Excluding adjusting items, interest, taxation and pension deficit contributions, shown separately, and excluding cash flows on cash and cash equivalents - with restrictions.

3. Adjusted free cash flow is an adjusted metric and is defined as cash from operations, excluding cash flows relating to adjusting items and pension deficit contributions, less taxation and capital expenditure and excluding cash and cash equivalents - with restrictions. See slide 32 for detailed calculation.

Cash and banking facilities

Continued growth in average cash during period

Net Cash £m	FY 24	FY 23
Cash	95.8	105.2
Cash held at joint ventures	62.7	59.2
Loans	0.0	0.0
	158.5	164.4
Average month end net cash	169.8	141.4



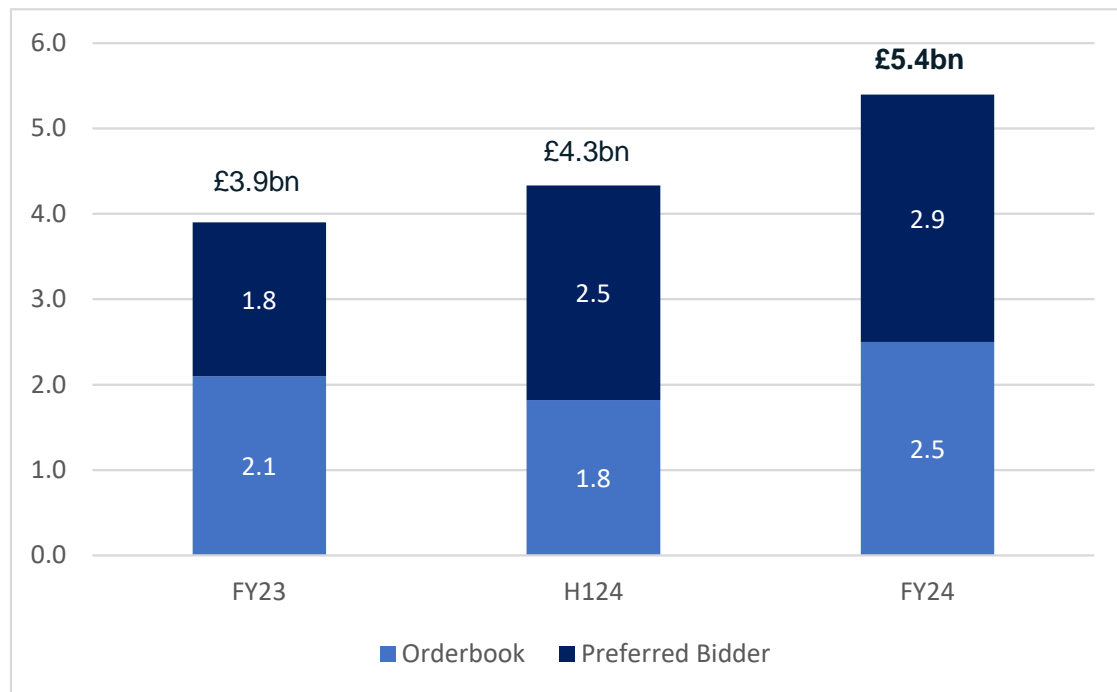
	FY 24	FY 23
Cash and cash equivalents	158.5	164.4
Cash and cash equivalents - with restrictions	38.4	24.4
Cash and cash equivalents (including cash with restrictions)	196.9	188.8

- No drawdown of RCF through 2024
- Average month-end net cash balance during the period was £169.8m, higher than FY 23 of £141.4m
- Average week-end net cash balance during the period £164.3m, higher than FY 23 of £141.0m.
- Significant headroom on bonding facilities at 31 December 2024
 - Facility £270m (FY 23 £270m)
 - Utilisation £65.3m (FY 23 £69.9m)
- Banking facilities with an agreed maturity date of September 2026
 - RCF £85m
 - Surety & Bank Bonding Facilities £270m

Strength of forward work position

Well positioned to deliver future growth

Forward Work Position



Forward work is the total of order book and preferred bidder book which includes revenue from contracts which are partially or fully unsatisfied and probable revenue from Water and other frameworks included at allocated volume.

- Forward work position of £5.4bn, a record increase of £1.5bn on FY 23
- Contract wins across all sectors and significant growth in Water and Rail
- More than 4x FY 24 annual revenue
- Ongoing shift towards the preferred bidder book away from the order book as we continue to secure long-term framework positions
- The preferred bidder book includes contracts in Water, Energy, Defence and Nuclear Energy, Road and Integrated Transport, including Heathrow
- Improving risk profile

Predictable delivery

Effective risk management underpins margin growth



Work winning



Independent review



Enhanced legal process



Contract duration



Operational standards



Financial oversight



Deep dive risk review



Senior management review

Underpins margin targets and quality of forward work

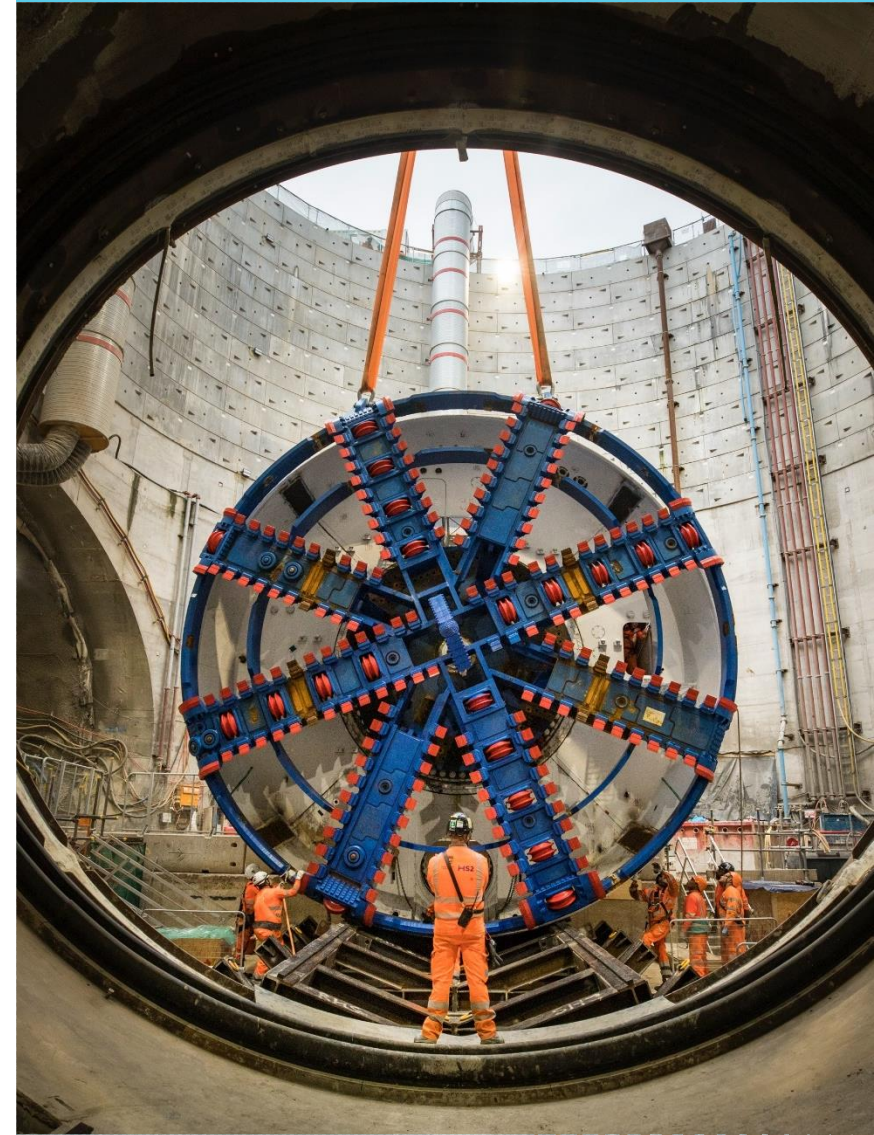
Capital allocation

- Invested for growth during FY 24 as part of our Transformation programme.
- Doubling year on year of full year dividend of 2.4p with proposed final dividend per share of 2p.
- Targeting dividend cover of three times adjusted earnings.
- Actuarial valuation of the Costain defined benefit pension scheme as at 31 March 2024 in surplus. Contribution and “dividend matching” suspended for a year.
- Returned surplus capital to shareholders with share buyback of £10m completed in November 2024.



Further progress in FY24

- We secured a record increase in volume of work in FY24
- Transformation focus shifted to continuous improvement
- The high quality and volume of our forward work, together with growth on existing frameworks, gives us good visibility on future revenue and margin
- Exceeded our margin target for FY24 and we remain on track to deliver an adjusted operating margin run-rate of 4.5% during the course of FY25
- Continuing positive net free cash flow generation
- Dividend increased and share buy back complete





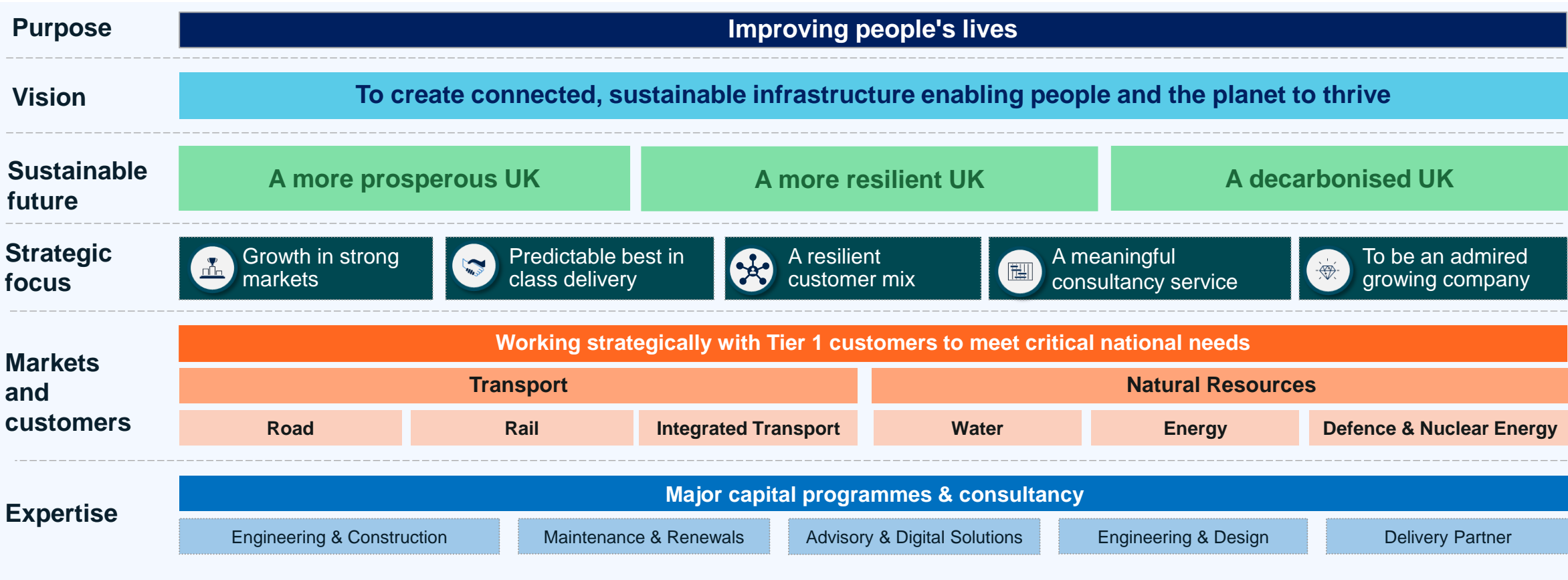
Strategy & Outlook

Alex Vaughan, Chief Executive Officer

Together we
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Our business

Creating a sustainable future



Strong infrastructure investment

Majority of customers procure against five-year investment plans¹

	Committed investment	Investment period	2025	2026	2027	2028	2029	2030	
National Highways	£27bn	2020-2025	RIS2	RIS3					
High Speed Rail	£45-54bn	2018–2030	Phase 1 (London–West Midlands)						
Integrated Rail Plan	£54bn	2022-2050	IRP						
Network Rail	£43bn	2024-2029	CP7					CP8	
Local and regional transport	c£20bn	2022–2032	City Regional Sustainable Transport Settlements (CRSTS)						
	c£8bn	2023–2026	TfL 2024 Business Plan						
Aviation	£8bn+	2022-2030	Airport expansion						
Water	£104bn	2025-2030	AMP7	AMP8					
Energy	£12bn	2020-2030	10-Point Plan						
	£30bn	2021–2031	RIIO-2		RIIO-3				
	£23bn	2023-2028	RIIO-ED2 (Electricity Distribution)			RIIO-ED3			
Defence	£289bn	2023-2028	Defence Equipment Plan						
	£27bn	2024-2029	Defence Infrastructure Organisation						
Nuclear	£12bn	2024-2027	NDA*						
	c£20bn	2025-2035	Sizewell C ²						

*NDA – Nuclear Decommissioning Authority

- These investment plans are not all addressable by Costain and there are market opportunities which do not fall under these investment plans available to the Group. The estimates are as of 31 December 2024.
- Final Investment Decision (FID) is expected later in 2025.

Meeting our customers broader needs



Engineering & construction solutions on major capital programmes

A leading capital delivery partner for complex infrastructure



Thames Tideway



Road



HS2



AMP8 Water Frameworks



Heathrow



TfL

- Collaborate across our customer and supply chain to create a solution that reduces risk, enhances reputation and leaves a positive impact on society, the environment and the local community
- Our experts work with customers across their asset lifecycle to shape, create and deliver in addition to operate and optimise
- Serving long-standing Tier 1 customers

Building a meaningful consultancy service

Leveraging our core expertise in complex programme delivery

Delivery Partner



Defence



Cadent



Devonport



Heathrow



bp

Engineering & Design Services



UU



bp



Southern Water



EDF



Network Rail

Advisory & Digital Solutions



EDF



TfL



Yorkshire Water



Network Rail

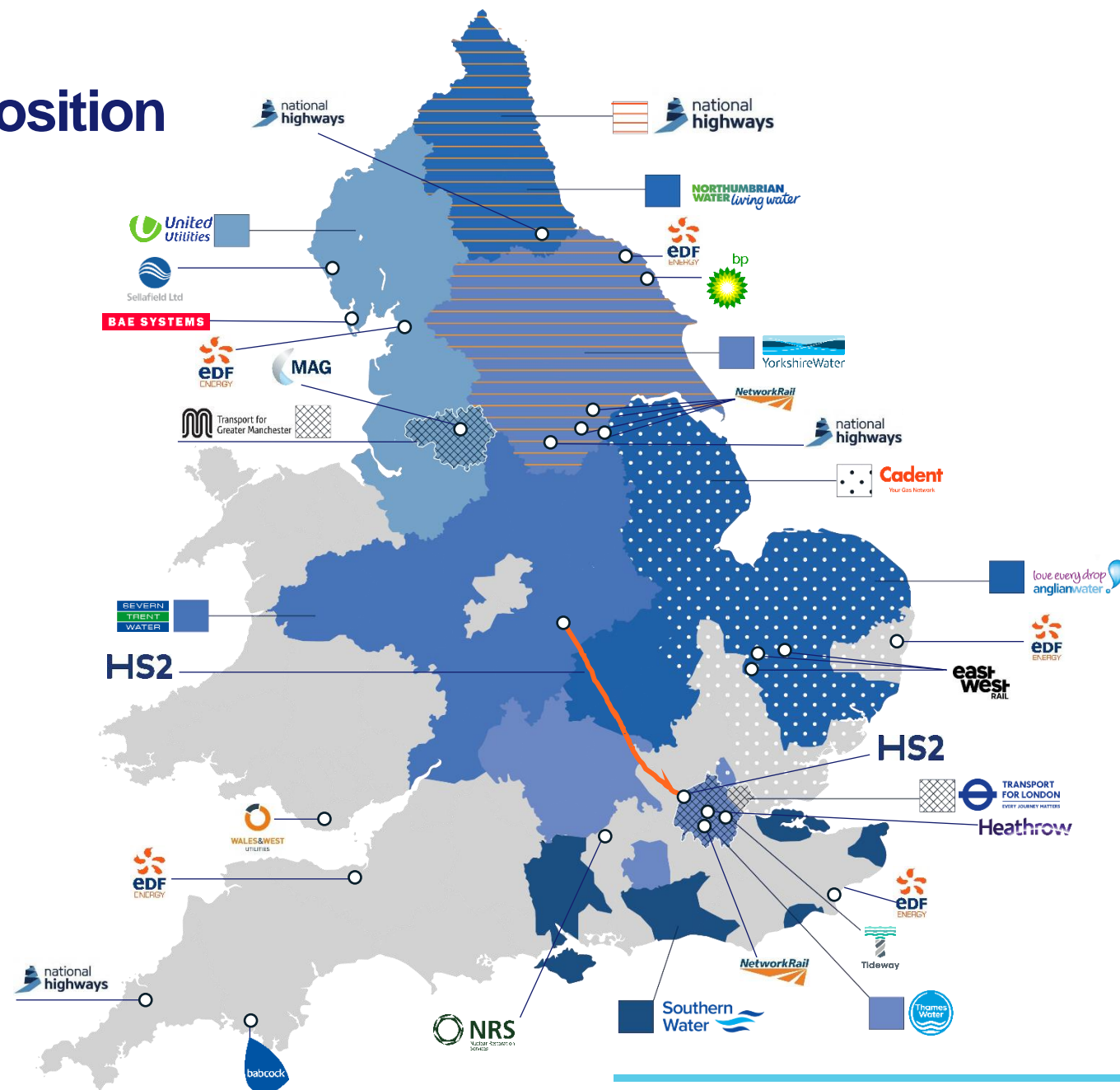


National Highways

- A leading Delivery Partner overseeing our customers' major infrastructure programmes
- A growing design and Project Controls/P3M expert
- An energy process engineering expert
- A valued advisor where innovation, project management and problem-solving skills are highly valued
- Our focus is on improving and transforming infrastructure performance such as situational intelligence and digital twins
- Consultancy services contributed around 12% of Group revenue in FY 24

Strong growth in forward work position

- Forward work increased from £3.9bn to £5.4bn in 2024
- We have an increasingly diverse customer base:
 - Major series of wins in Water with AMP8 and AMP9
 - Increasing presence at Heathrow
 - Growing Energy, and Defence and Nuclear Energy
 - Growing consultancy revenue
- Mix of revenue contributing to margin increase
- Increasing revenue duration from frameworks
- Pipeline of bidding remains strong
- Improving risk profile



Creating a sustainable future

Steadfast in our commitment to ESG

- Well placed to meet our customers' expectations and offer the best solutions
- Supports winning new work and business growth
- Attract and retain the best team, who are motivated by our purpose to improve people's lives
- Continue to be a positive partner to our local communities, our relationship built on mutual trust
- Live up to our core values

2024 Sustainability highlights



100%

relevant contracts produced
of a carbon baseline,
reduction target and plan



0.11

Lost Time Injury Rate
(LTIR)



41%

of our spend with SMEs



100%

of relevant contracts
have biodiversity
net gain plans



£410k

community investment
(sum of charitable
giving and employee
volunteering hours)



20

point increase in our
engagement score, retaining
our one star 'Very Good'
company to work for status



95%

of employees feel health
and safety is taken
seriously



PAS2080

2023 standard update has
been verified with BSI



46

average Considerate
Constructors Scheme
score (out of 50)

Confidence in the Group's growth prospects

Ongoing progress in FY 25 and FY 26, with a step change in FY 27 performance

- Exceeded margin targets of 3.5% during FY 24 and on track to meet 4.5% FY 25.
- Increase of 150% in final dividend to 2.0p, with 2.4p for full year 2024, a doubling year-on-year.
- Added record £1.5bn to high quality forward work position with £5.4bn at end of year, contracts won across all sectors. Increase in revenue duration and visibility.
- Benefitting from long-term relationships with our growing customer base, and broader service mix.
- Clear strategy focusing on essential infrastructure to meet critical national needs, provides confidence in future growth.



Credit - Tideway



Q&A

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COSTAIN



Appendices

Together we
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Cash flow

Consolidated cash flow statement	FY 24 £m	FY 23 £m as restated
Cash from operations before changes in working capital and provisions	46.2	48.1
Changes in working capital and provisions	(16.6)	29.5
Movement in employee benefits	(1.9)	(8.0)
Interest and tax paid	1.0	0.2
Net cash from operating activities	28.7	69.8
Capital expenditure	(9.0)	(0.1)
Issue of ordinary share capital	0.0	0.0
Ordinary dividends paid	(3.2)	(1.1)
Share buyback	(10.0)	0.0
Acquisition of treasury shares	(1.1)	(1.3)
IFRS 16 leases	(11.3)	(12.6)
Repayment of borrowings, net	0.0	0.0
Net (decrease)/increase in cash and cash equivalents	(5.9)	40.6
Cash and cash equivalents at beginning of year	164.4	123.8
Cash and cash equivalents at end of year	158.5	164.4
Borrowings	0.0	0.0
Net cash at end of year	158.5	164.4
Cash and cash equivalents - with restrictions at beginning of year	188.8	134.1
Net increase in cash and cash equivalents - with restrictions	8.1	54.7
Cash and cash equivalents - with restrictions at end of year	196.9	188.8

Adjusted to Reported Reconciliation

£m	FY 24				FY 23			
	Reported	Contract Adjustments	Other Adjustments	Adjusted	Reported	Contract Adjustments	Other Adjustments	Adjusted
Group Revenue	1,251.1	0.0	0.0	1,251.1	1,332.0	0.0	0.0	1,332.0
Cost of sales	(1,147.8)	0.0	0.0	(1,147.8)	(1,227.2)	0.0	0.0	(1,227.2)
Gross Profit	103.3	0.0	0.0	103.3	104.8	0.0	0.0	104.8
Administrative expenses	(72.2)	0.0	12.0	(60.2)	(78.0)	0.0	13.3	(64.7)
Group operating profit	31.1	0.0	12.0	43.1	26.8	0.0	13.3	40.1
Net finance expense	5.4	0.0	0.0	5.4	4.1	0.0	0.0	4.1
Profit before tax	36.5	0.0	12.0	48.5	30.9	0.0	13.3	44.2
Taxation	(5.9)	0.0	3.0	(8.9)	(8.8)	0.0	(1.9)	(10.7)
Profit for the year attributable to equity holders of the parent	30.6	0.0	(9.0)	39.6	22.1	0.0	11.4	33.5
Basic earnings per share (pence)	11.3	0.0	3.3	14.6	8.1	0.0	4.2	12.2

£m	FY 24				FY 23			
	Reported	Contract Adjustments	Other Adjustments	Adjusted	Reported	Contract Adjustments	Other Adjustments	Adjusted
Natural Resources Revenue	405.3	0.0	0.0	405.3	388.9	0.0	0.0	388.9
Transport Revenue	845.8	0.0	0.0	845.8	943.1	0.0	0.0	943.1
Group Revenue	1,251.1	0.0	0.0	1,251.1	1,332.0	0.0	0.0	1,332.0
Natural Resources operating profit	23.8	0.0	0.0	23.8	21.7	0.0	(0.1)	21.8
Transport operating profit	29.9	0.0	0.0	29.9	20.9	0.0	(7.1)	28.0
Central operating loss	(22.6)	0.0	(12.0)	(10.6)	(15.8)	0.0	(6.1)	(9.7)
Group operating profit	31.1	0.0	(12.0)	43.1	26.8	0.0	(13.3)	40.1

Adjusted Free Cash Flow

Adjusted free cash flow	FY 24 £m	FY 23 £m
Cash from operations	41.7	69.6
Add back cash flow on adjusting items	8.6	9.2
Add back pension deficit contributions	2.0	8.1
Less cash flows on cash and cash equivalents - with restrictions	(14.0)	(14.1)
Less taxation	(2.2)	(0.7)
Adjusted cash from operating activities	36.1	72.1
Capital expenditure	(9.0)	(0.1)
Adjusted free cash Flow	27.1	72.0
<i>Memo: including operating leases, which are shown outside of cash from operations</i>		
IFRS 16 leases	(11.3)	(12.6)
Adjusted free cash flow after IFRS 16 leases	15.8	59.4

FY 24 IFRS 16 impact

Income statement impact	£m
Decrease in operating costs	13.9
Loss on disposal of assets	(0.7)
Increase in depreciation	(11.4)
Increase in finance costs	(2.5)
Net impact on income statement	(0.8)

Fixed Assets impact	£m
Fixed assets opening position	26.4
Additions	18.4
Disposals	(6.4)
Depreciation	(11.4)
Fixed assets closing adjustment	27.0

Liabilities impact	£m	£m	£m
	Opening	Movement	Closing
Current liabilities	10.3	2.7	13.0
Non-current liabilities	14.0	(1.2)	12.8
	24.3	1.5	25.8

Cautionary forward-looking statements

This presentation contains certain statements that are forward-looking statements based on current expectations and reasonable assumptions. Various known and unknown risks, uncertainties and other factors may cause actual results to differ from any future results or developments expressed or implied from the forward-looking statements.

Each forward-looking statement speaks only as of the date of this document. The Group accepts no obligation to publicly revise or update these forward-looking statements or adjust them to future events or developments, whether as a result of new information, future events or otherwise, except to the extent legally required