Introduction to Costain

Q3 2025

Together we
shape, create, deliver

Key figures at a glance

Major contractor delivering critical infrastructure to support the UK's needs and growth

Market Capitalisation	Monthly Average No. of employees	Forward Work Position
c. £400m As at 30 Jun 2025	c. 3,200 (c. 14,500 incl. subcontractors) During 2024	£5.4bn As at 31 Dec 2024

Revenue	Adjusted EBIT	Adjusted EPS
c. £1.25bn 12 months to 31 Dec 2024	£43.1 m (3.4% margin) 12 months to 31 Dec 2024	14.6p 12 months to 31 Dec 2024

Free Cash Flow	Net Cash	DPS
£27.1m 12 months to 31 Dec 2024	£158.5m As at 31 Dec 2024	2.4p 12 months to 31 Dec 2024

Our business

Creating a sustainable future

Purpose	**Improving people's lives**					
Vision	**To create connected, sustainable infrastructure enabling people and the planet to thrive**					
Sustainable future	**A more prosperous UK**	**A more resilient UK**	**A decarbonised UK**			
Strategic focus	Growth in strong markets	Predictable best in class delivery	A resilient customer mix	A meaningful consultancy service	To be an admired growing company	
Markets	**Working strategically with Tier 1 customers to meet critical national needs**					
	Transport			**Natural Resources**		
	Road	**Rail**	**Integrated Transport**	**Water**	**Energy**	**Defence & Nuclear Energy**
Expertise	**We deliver major capital programmes and provide valued consultancy services through our broad capabilities**					
	Engineering & Construction	Maintenance & Renewals	Advisory & Digital Solutions	Engineering & Design	Delivery Partner	

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Significant growth in strategic infrastructure investment

Market Dynamics: Consistency – Continuity – Collaboration

<table>
<tr><th></th><th>Committed investment [1]</th><th>Investment period</th><th>2026</th><th>2027</th><th>2028</th><th>2029</th><th>2030</th><th>2031</th><th>2032</th></tr>
<tr><td>National and local roads</td><td>£24bn</td><td>2026 - 2030</td><td colspan="5">Motorway and local road improvements[5]</td><td colspan="2"></td></tr>
<tr><td>High Speed Rail</td><td>£25bn</td><td>2026 - 2030</td><td colspan="5">HS2 Phase 1 (London - West Midlands)[6]</td><td colspan="2"></td></tr>
<tr><td>Network Rail</td><td>£43bn</td><td>2024 - 2029</td><td colspan="4">CP7</td><td colspan="3">CP8</td></tr>
<tr><td>Other rail enhancements</td><td>£10bn</td><td>2026 - 2032</td><td colspan="7">Rail enhancements (outside of CP7)</td></tr>
<tr><td rowspan="2">Local & regional transport</td><td>£21bn</td><td>2022 - 2032</td><td>CRSTS[2]</td><td colspan="6">Transport for City Regions (TCR)</td></tr>
<tr><td>£8bn</td><td>2024 - 2027</td><td colspan="2">TfL business plan</td><td colspan="5"></td></tr>
<tr><td>Aviation</td><td>£18bn</td><td>2022 - 2039</td><td colspan="7">Airport expansion</td></tr>
<tr><td>Water</td><td>£104bn</td><td>2025 - 2030</td><td colspan="5">AMP8</td><td colspan="2">AMP9</td></tr>
<tr><td rowspan="4">Energy</td><td>£9bn</td><td>2026 - 2030</td><td colspan="7">CCUS</td></tr>
<tr><td>£6bn</td><td>2026 - 2030</td><td colspan="5">GB Energy[3]</td><td colspan="2"></td></tr>
<tr><td>£24bn</td><td>2026 - 2031</td><td colspan="6">RIIO-3</td><td></td></tr>
<tr><td>£22bn</td><td>2023 - 2028</td><td colspan="3">RIIO-ED2</td><td colspan="4">RIIO-ED3</td></tr>
<tr><td>Defence</td><td>£144bn[4]</td><td>2026 - 2030</td><td colspan="5">Public defence spend</td><td colspan="2"></td></tr>
<tr><td rowspan="4">Nuclear Energy</td><td>£14bn</td><td>2026 - 2030</td><td colspan="5">Nuclear decommissioning</td><td colspan="2"></td></tr>
<tr><td>£2bn</td><td>2026 - 2030</td><td colspan="5">Small modular nuclear reactors</td><td colspan="2"></td></tr>
<tr><td>£3bn</td><td>2026 - 2030</td><td colspan="5">Nuclear fusion</td><td colspan="2"></td></tr>
<tr><td>£14bn</td><td>2026 - 2030</td><td colspan="5">Sizewell C</td><td colspan="2"></td></tr>
</table>

(1) 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 19 August 2025. (2) City Region Sustainable Transport Settlements. (3) Excludes nuclear spending, covered below. (4) Capital spending only (excludes resource spend; however, includes non-addressable equipment spending). (5) Announced committed spend, awaiting announcement on National Highways RIS3 spend. (6) Committed spend in parliament period – total investment to completion will be higher but no formal, up to date, estimate published.

Meeting our customers broader needs

Shape and Create	Deliver	Operate and Optimise
We use our construction and engineering expertise to design the right approach	We create sustainable projects with carbon, social value and nature at the core of our approach	We help operate, maintain and optimise infrastructure, and provide advice on deconstruction and decommissioning
Concept and Analysis / Solution Design	Procure / Construct and Install / Commission	Operate / Maintain and Renew / Optimise / Strategy and Delivery

Major capital programmes

- Engineering and Construction
- Maintenance and Renewals

Consultancy

- Delivery Partner
- Engineering and Design
- Advisory and Digital Solutions

Engineering solutions on major capital programmes

A leading construction partner for complex infrastructure

Thames Tideway


Road


Nuclear Energy


Strategic Reservoir Programmes

HS2


AMP8 Water Frameworks

Aviation


Devolved Transport

COSTAIN

Building a meaningful consultancy service

Leveraging our core expertise in complex programme delivery

Delivery Partner


Defence

Cadent


Devonport

Heathrow


Urenco

Engineering and Design Services


UU


bp


Southern Water


TfL

Network Rail

Advisory and Digital Solutions


EDF


TfL


Yorkshire Water


Network Rail


National Highways

- Consultancy services comprised 16.5% of H1 25 revenue (FY 24: 12%)
- Wins in H1 25 include:
  - ***Urenco***: Delivery partner framework plus FEED contract for Europe's first commercial advanced nuclear fuels facility
  - ***Sizewell C***: 10-year framework to provide engineering, project delivery and quality control expertise
  - ***DESNZ:*** framework to provide strategic advisory services on adoption of new technologies to enable the UK's transition to clean energy
  - ***National Highways***: SPaTs3 framework
  - ***Storengy UK***: FEED contracts for underground hydrogen storage facility

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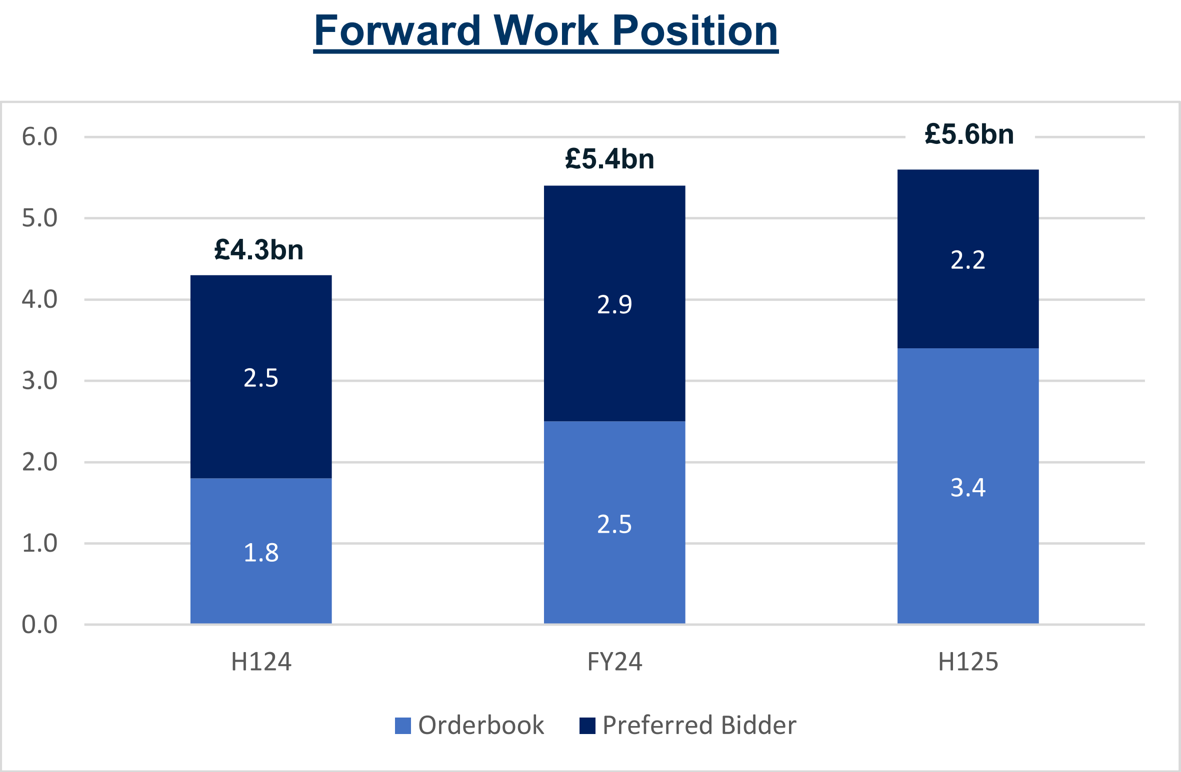
Strength of forward work position

Well positioned to deliver future growth



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 £5.6bn, up from £5.4bn at end of FY 24
- More than 4x FY 24 revenue
- Forward work position is built on long-term programmes that enable us to deliver a high consistency, continuity and quality of work for our customers
- Improving risk profile - as at the end of H1 25, the forward work position included **no single stage lump sum contracts** and was predominated by target cost contracts where the scope of work, design and cost are developed and agreed with the client

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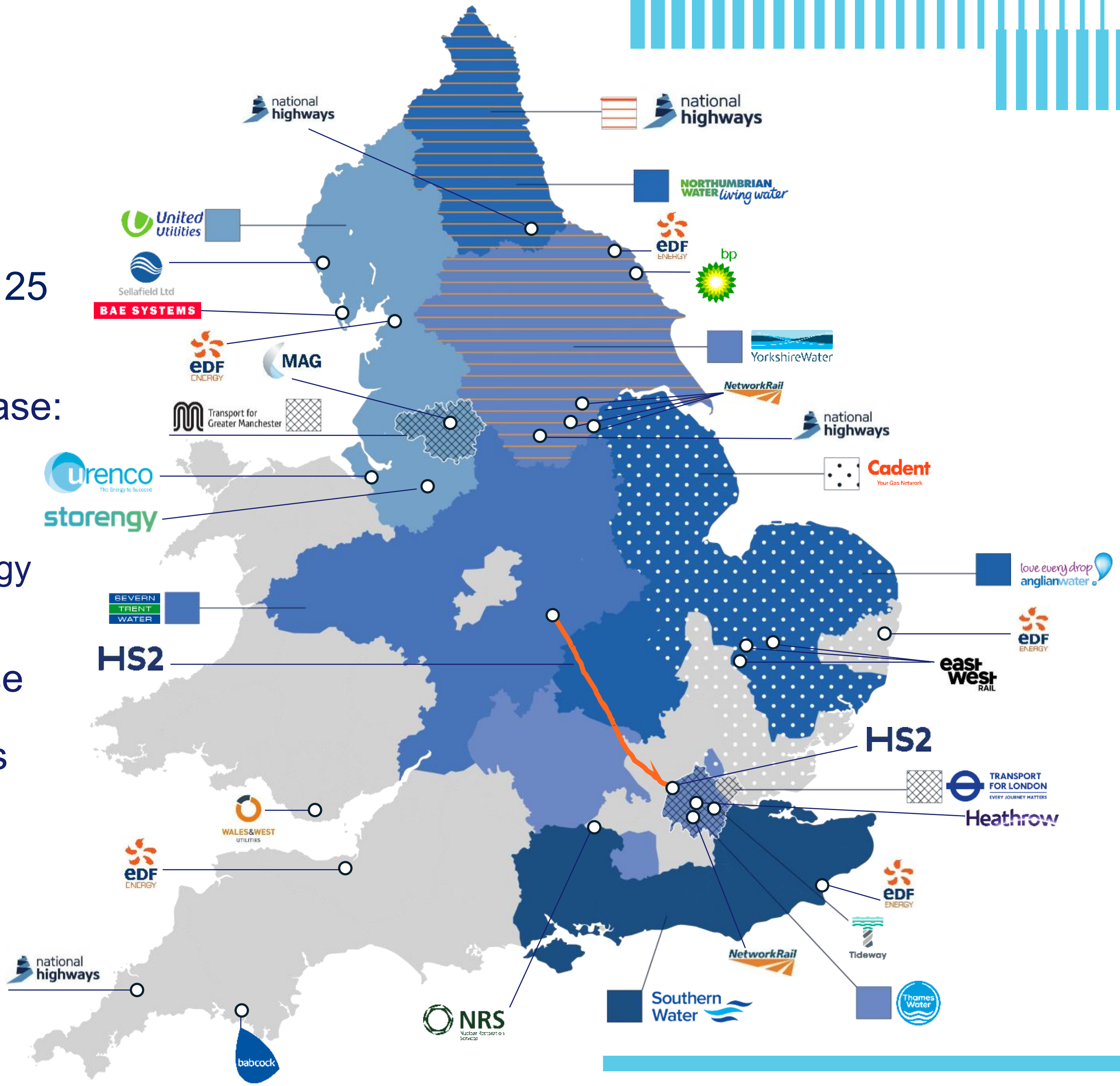
Diverse range of forward work

Focussed on broadening our customer mix

- Forward work increased to £5.6bn at end H1 25 (FY 24: £5.4bn, H1 24: £4.3bn)
- We have an increasingly diverse customer base:
  - Strong position in water
  - Improving position in aviation & local transport
  - 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



Predictable best in class delivery

Effective risk management & operational excellence is improving the quality of the business

Work winning

- Contract selection
- Independent review
- Enhanced legal process

Contract duration

- Operational standards
- Financial oversight
- Deep dive risk review
- Senior management review

No single stage fixed price contracts, predominantly target cost contracts where scope of work, design and cost are developed and agreed with the client

Underpins margin targets and the quality of forward work position

COSTAIN

Financial performance & capital allocation

Together we
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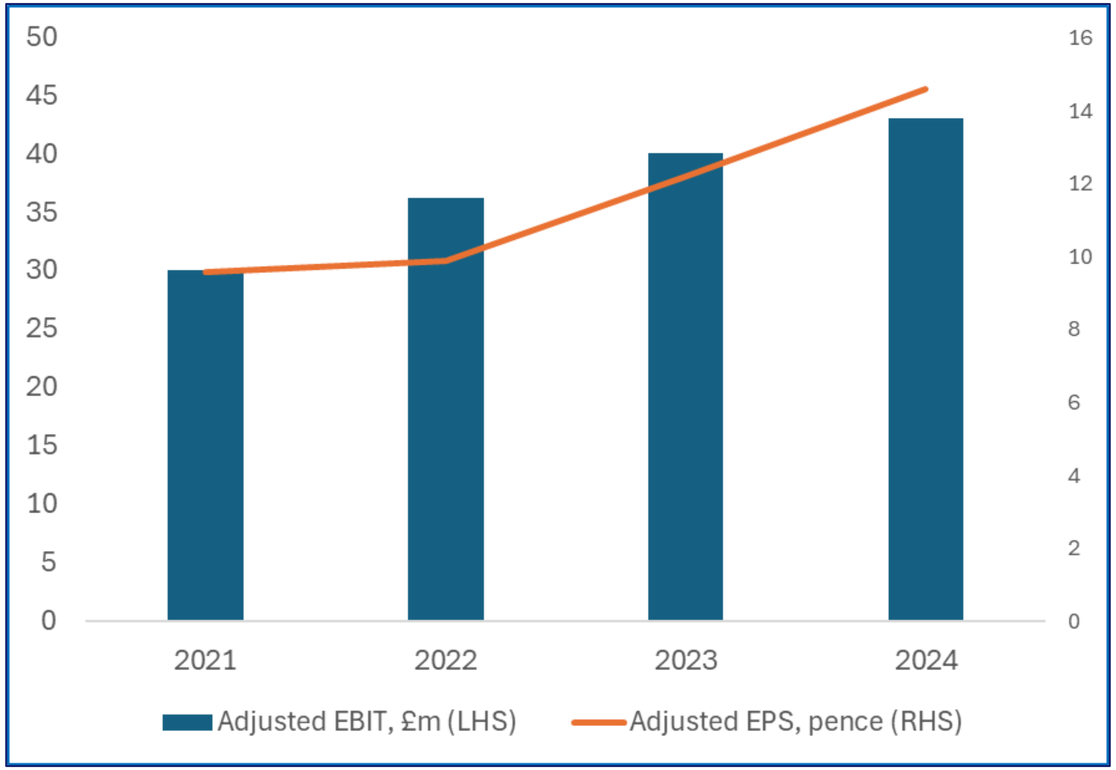
Strong financial performance and position

Double-digit CAGR in adjusted EBIT, adjusted EPS and net cash since 2021

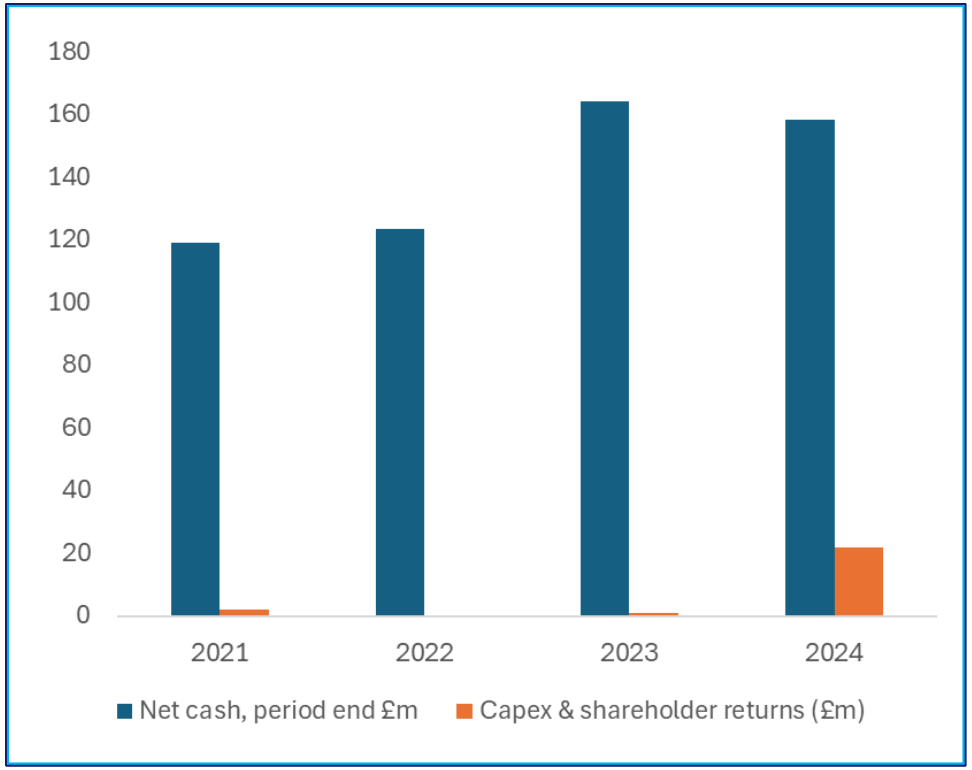
Improving profitability

13% Adj. EBIT CAGR, 15% Adj. EPS CAGR



Strengthened balance sheet

10% Net Cash CAGR



Enabled resumption of dividend in FY23 followed by a £10m share buyback and doubling of dividend in FY24

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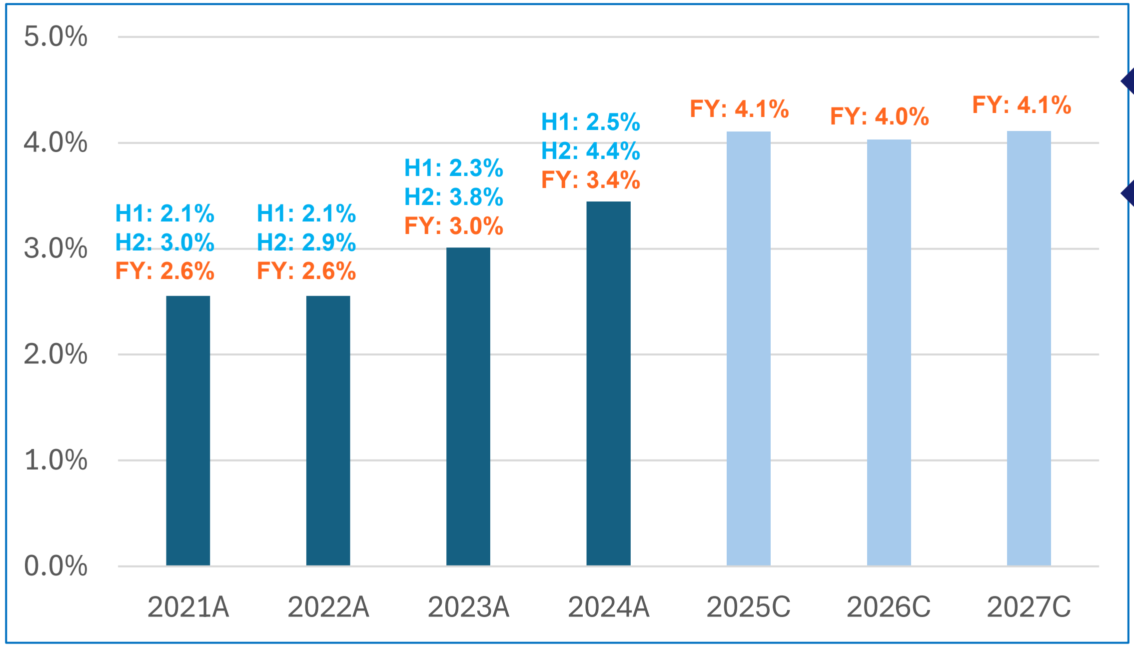
Delivering on margin expansion targets

On target to deliver 4.5% margin run-rate during FY25

Adjusted Operating Margin %



Note: 2021 – 2024: Actuals; 2025 – 2027: Consensus (see appendix, p.27)

Targets

Target 4.5% run-rate during FY25

Exceeded target of 3.5% run-rate during FY24 (achieved 4.4%)

Future Margin Expansion Drivers

- Improving quality of contract portfolio
- Operating leverage as volumes build, notably in 2027
- Increasing mix of consultancy services
- Ambition to deliver 5%+ margin

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Capital allocation

- Investing for growth:
  - Cost base continues to prioritise capabilities and expertise to support growth
  - Capital expenditure of around £10m in systems across FY 25 and FY 26
- Significant increase in H1 25 dividend to 1.0p (H1 24: 0.4p)
- Target dividend cover of three times adjusted earnings
- Annual valuation check of the defined benefit pension scheme as at 31 March 2025 confirmed scheme in surplus
- Continuing to review options for restructuring of pension scheme
- On 16 June 2025 the Group launched a £10m share buyback programme which completed on 15 August 2025. This follows a £10m share buyback programme in H2 24

Heathrow Airport

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Financial guidance

Ongoing progress expected in FY25/26 with step-change in performance in FY27

- FY25 adjusted operating profit expected to be in line with market expectations (range £44.8m - £48.8m, average £46.4m)
- On track to meet margin target of 4.5% run-rate during FY25
- Net cash at end FY25 expected to be in line with market expectations (c. £170m after allowing for £10m share buyback announced in June 2025)
- **High quality forward work position drives confidence in future, with ongoing progress in FY25 and FY26 and step-change in performance in FY27**

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Summary

Together we
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Credit - Tideway

We are building a differentiated market position

Improving quality of contract and customer portfolio

We **focus our expertise in four selected infrastructure markets** of transportation, water, energy and defence.

All offer **attractive growth prospects,** and we benefit from:

- **Long-term customer relationships** built on 160 years of experience
- **Broad end-to-end service offering**, which enhances value to our customers
- **Effective risk management,** which is driving **predictable best-in-class delivery and higher margins**

Resulting in **improved diversification and resilience of our customer base** and a **higher quality business**.

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Clear path to earnings growth and enhanced shareholder returns

Return to top line growth, increasing capital allocation optionality

Potential to continue double digit EBIT CAGR through 2027*:

- Further earnings progress expected in FY25 and FY26
- Step-change in forward work position in FY24 expected to deliver a step-change in revenue in FY27

Capital allocation priorities:

- Invest for growth (e.g. systems, capabilities and expertise)
- Progressive dividend (target 3x cover)
- Selective M&A
- Return surplus capital to shareholders (e.g. buybacks in FY 24 and FY 25)

Next 12 months capital allocation focus:

- Review dividend parity rule and other pension scheme options

* See appendix for consensus forecasts for FY25-FY27

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Conclusion

Strategy is delivering, Group is financially strong, increasing confidence in future

Clear strategy is improving the quality of the business

- Broadening and deepening our long-term customer base through our construction and consultancy service mix, with wins such as Sizewell C and Urenco, new customers in water and expansion of existing frameworks (e.g. Heathrow, TfL, Babcock)
- High-quality forward work position of £5.6bn, covering diverse range of infrastructure programmes, bidding activity levels remain high
- Improving risk profile through effective risk management and predictable best in class delivery; delivered on FY24 margin target, on track to deliver FY25 margin target

Delivering strong financial performance and shareholder returns

- Adjusted EBIT and adjusted EPS CAGRs of 13% and 15% respectively since FY21
- Net cash balance improved from £119m at end FY21 to £159m at end FY24 (10% CAGR)
- £10m share buyback and doubling of dividend in FY24, followed by further £10m share buyback in FY25

Increasingly confident in the Group's prospects

- Improved quality of contract portfolio, a broader customer and service mix, and enhanced business resilience is driving confidence in delivery of further progress in FY 25 and FY 26 with a step-change in performance in FY 27
- Real momentum in our target markets of Transport, Water, Energy, and Defence and Nuclear Energy provided by the Government's commitments in 10-year Infrastructure Strategy & Infrastructure Pipeline, and committed regulatory investment in water, energy and aviation

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.

Appendices

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Major recent contract awards announced

Customer	Nature of work & services	Estimated value
Anglian Water	Five-year extension to Strategic Pipeline Alliance contract to deliver an additional 260 kilometres of major strategic pipeline in the East of England to improve resilience to drought and climate change Costain awarded Anglian Water contract extension - 12:17:20 04 Jun 2025 - COST News article | London Stock Exchange	Not disclosed
Urenco	Programme delivery partner for Urenco's infrastructure investment at its Capenhurst facility. Costain selected by Urenco to deliver major growth programme | Costain	Not disclosed
HS2	Deliver high voltage power supply systems along the route from Birmingham to London Siemens and Costain JV wins HS2 Systems Contract	c. £300m
HS2	Deliver tunnel and lineside mechanical & electrical systems Costain Wins New HS2 Systems Contract	c. £400m
TfL	Gallows Corner Flyover design & build, design work on Piccadilly line, support for CCTV services Costain appointed to deliver major London road upgrade | Costain	Not disclosed
Southern Water	AMP8 framework: water & wastewater asset upgrade work Costain wins AMP8 framework with Southern Water	c. £500m
United Utilities	AMP8 framework: water & wastewater asset upgrade work Costain Secures New AMP8 Framework Agreement	c. £400m
Northumbrian Water	AMP8 framework: water & wastewater asset upgrade work, with five-year extension option AMP8 Water Framework Win with NWG & Trading Update	c. £670m (across 12 yrs)

Headline H1 25 financial results

Increased operating profit, margin and forward work underpins confidence in FY 25 expectations

Financial Summary	H1 25 £m	H1 24 £m	Change
Revenue	**525.4**	639.3	(17.8)%
Adjusted operating profit(1)	**16.8**	16.3	3.1%
Adjusted operating profit(1) margin	**3.2%**	2.5%	0.7pp
Reported operating profit	**16.4**	13.9	18.0%
Reported profit before tax	**18.2**	17.0	7.1%
Adjusted basic earnings per share(2)	**5.5p**	5.6p	(1.7)%
Reported basic earnings per share	**5.4p**	5.0p	8.0%
Dividend per share	**1.0p**	0.4p	150.0%
Net Cash Balance(3)	**144.9**	166.0	(£21.1)m
Forward Work Position(4)	**£5.6bn**	£4.3bn	£1.3bn

- Group revenue of £525.4m, a reduction on the prior period reflecting growth in Natural Resources offset by reduction in Transportation
- Group adjusted operating profit up 3.1% to £16.8m reflecting quality of contracts and strong execution
- Group adjusted operating margin up 70bps to 3.2%
- Group reported profit before tax up 18.0% to £16.4m
- Adjusted basic earnings per share (EPS) down 1.7% to 5.5p, with adjusted operating profit increase offset by lower net finance income
- Enhanced shareholder returns, with significant increase in interim dividend to 1.0p
- Strong balance sheet, with net cash of £144.9m, year-end net cash expected to be around £170m
- Increased high quality forward work position of £5.6bn

1. Adjusted operating profit and adjusted operating profit margin are adjusted metrics and exclude the impact of contract adjustments and other items totalling £0.4m (H1 24: £2.4m).
2. Adjusted basic earnings per share is an adjusted metric and excludes the impact of contract adjustments and other items, net of tax, totalling £0.3m (H1 24: £1.8m).
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 29 to 30 for a reconciliation of reported to adjusted measures.

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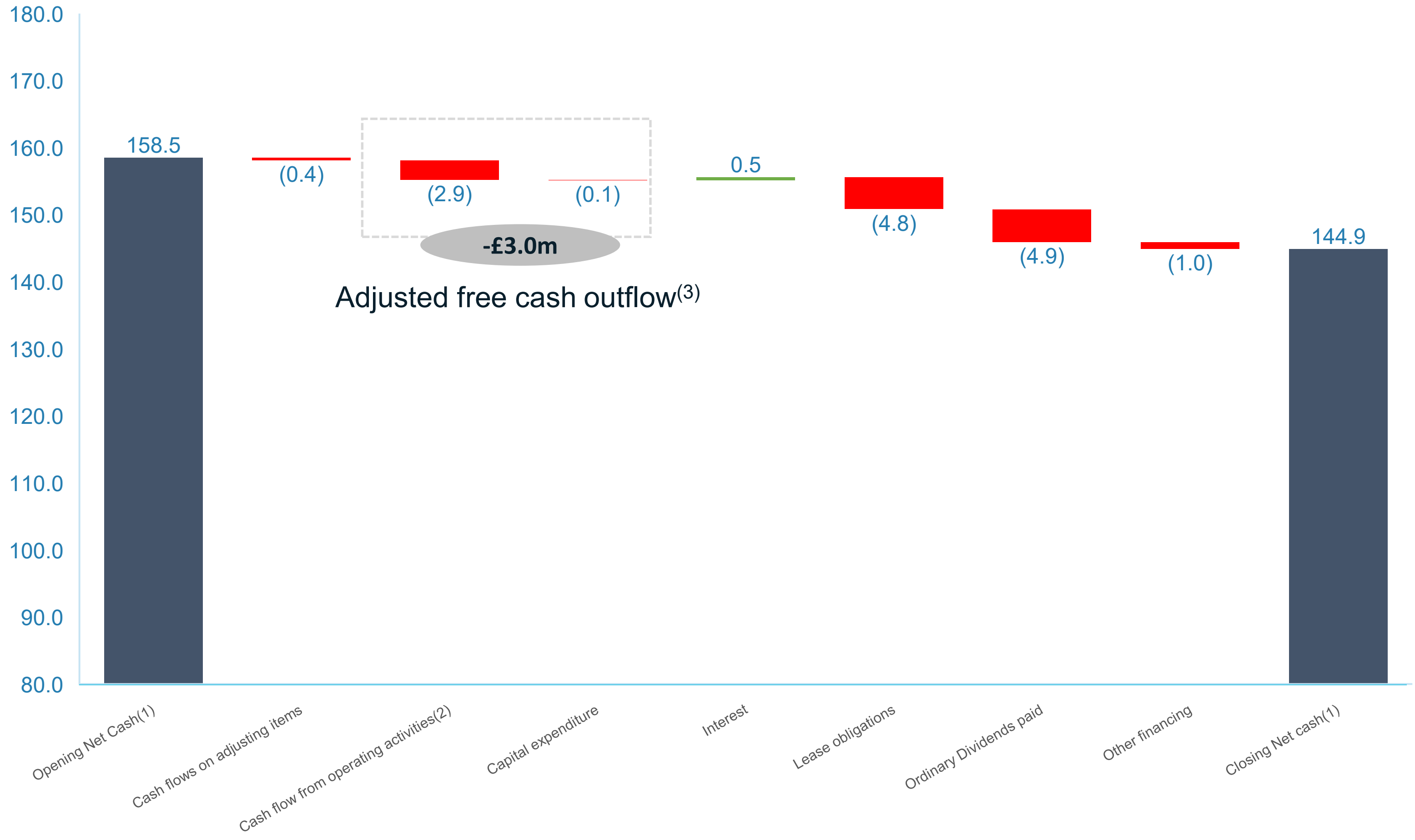
H1 25 cash walk

Net cash position at end of H1 25 of £144.9m, expect year-end net cash position to be around £170m



- Adjusted free cash outflow of £3.0m
- Closing net cash position of £144.9m
- **Expect FY 25 year-end net cash position to be around £170m**, in line with our prior expectations after taking account of the £10m share buyback programme and higher dividend payments
- During H1 25 we paid 97% of invoices within 60 days (H1 24: 97%). 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 30 for detailed calculation.

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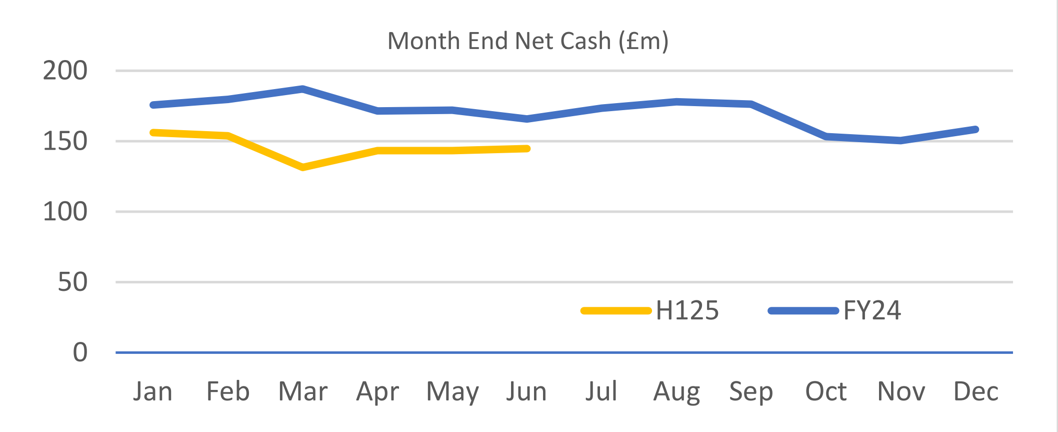
Cash and banking facilities

Strong balance sheet, with successful refinancing of facilities

Net Cash[1] £m	H1 25	FY 24
Cash	85.0	95.8
Cash held at joint ventures	59.9	62.7
Loans	0.0	0.0
	144.9	**158.5**
Average month end net cash	149.4	169.8



	H1 25	FY 24
Cash and cash equivalents	144.9	158.5
Cash and cash equivalents - with restrictions	28.7	38.4
Cash and cash equivalents (including cash with restrictions)	173.6	196.9

- Average month-end net cash balance during H1 25 £149.4m (FY 24: £169.8m)
- Average week-end net cash balance during H1 25 £152.9m (FY 24: £164.3m)
- New four-year agreement of bank and bonding facilities to September 2029, with an option to extend by a further year, comprising £100m RCF (previously £85m) and surety and bank bonding facilities totalling £295m (previously £270m)
- No drawdown of RCF through H1 2025
- Significant headroom on bonding facilities at 30 June 2025
  - Facility £295m (FY 24 £270m)
  - Utilisation £71.2m (FY 24 £65.3m)

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.

Consensus forecasts

Based on analyst forecasts following 20 August 2025 H1 25 Results Announcement

	FY 23A	FY 24A	FY 25C	FY 26C	FY 27C
Revenue (£m)	1,332.0	1,251.1	1,130.6	1,250.1	1,398.5
Adjusted EBIT (£m)	40.1	43.1	46.4	50.4	57.5
Adjusted EBIT margin (%)	3.0%	3.4%	4.1%	4.0%	4.1%
Adjusted PBT (£m)	44.2	48.5	50.3	53.0	60.3
Adjusted EPS (pence)	12.2	14.6	14.0	15.0	17.0
DPS (pence)	1.2	2.4	3.0	3.4	4.1
Net cash (£m)	164.4	158.5	171.0	196.1	226.0

Consensus based on average of Investec, Panmure Liberum, Deutsche Numis, Peel Hunt, Cavendish and Berenberg forecasts

COSTAIN

Creating a sustainable future

Steadfast in our commitment to ESG

- Well-placed to meet 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

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