
Capital Markets Day

Welcome

2 July 2019



Capital Markets Day

Alex Vaughan CEO

2 July 2019



Half year trading update 28 June 2019

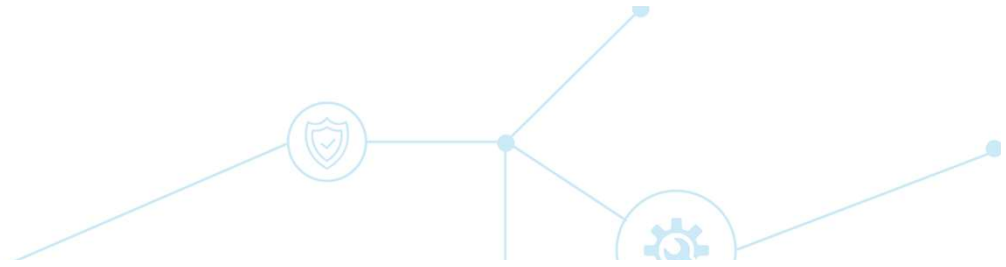
- Trading on current contracts overall in line in H1 2019
- Delay to timing of certain contract starts and new awards and a contract cancellation
- Leading to FY 2019 revenue lower than previously anticipated and underlying operating profit expected to be in the range £38 million to £42 million
- Significant new orders secured in the first 6 months of the year resulting in order book at £4.2 billion, including c£900 million secured for FY 2020
- Robust balance sheet including strong net asset position and positive net cash

Introducing our 'Leading Edge' strategy

- The market opportunity to grow the business
- A strategy to enhance value
- Financial ambition
- A clear implementation plan



A fast-changing market



Mega trends giving rise to urgent national needs

Increasing capacity | Greater resilience | Enhanced security
Improved customer service | Significantly improved efficiency | Accelerating decarbonisation



Population growth



A revolution in technology use



Decaying infrastructure assets



New innovations



Interconnectivity



Climate change



Need for higher productivity



Demand for change

Enabling new solutions to meet these demands

Innovation | Collaboration | Digital technology | Automation | Efficiency

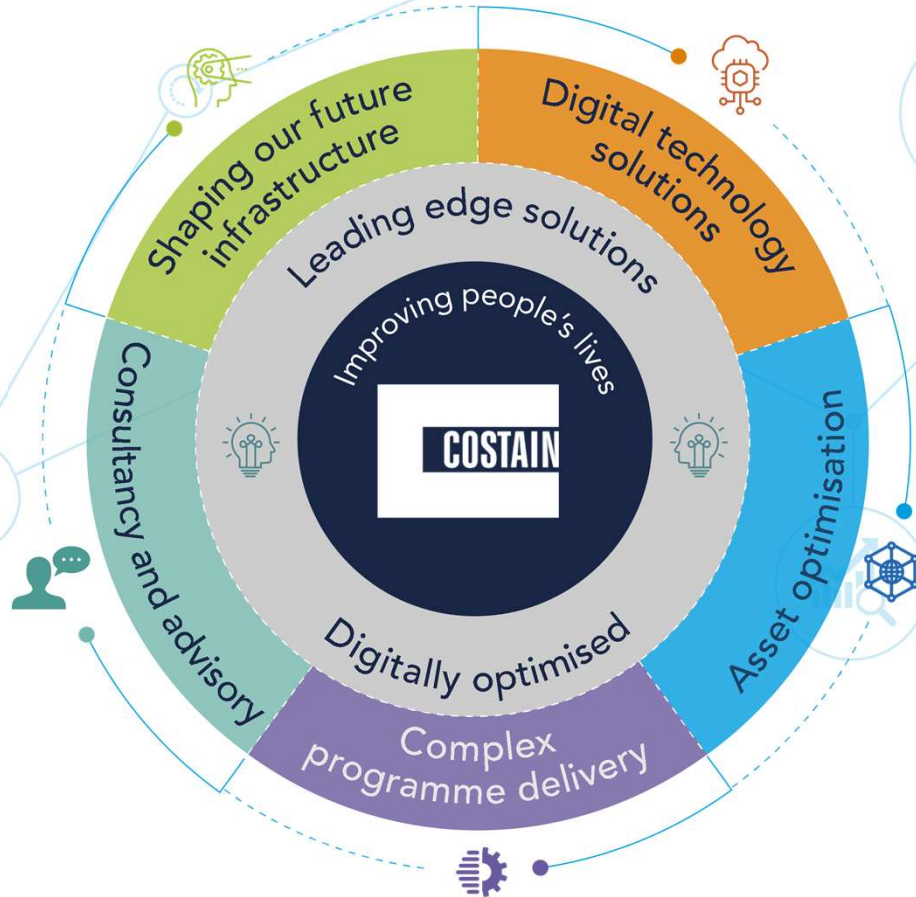


Our 'Leading Edge' strategy

Increased alignment with our clients' changing requirements



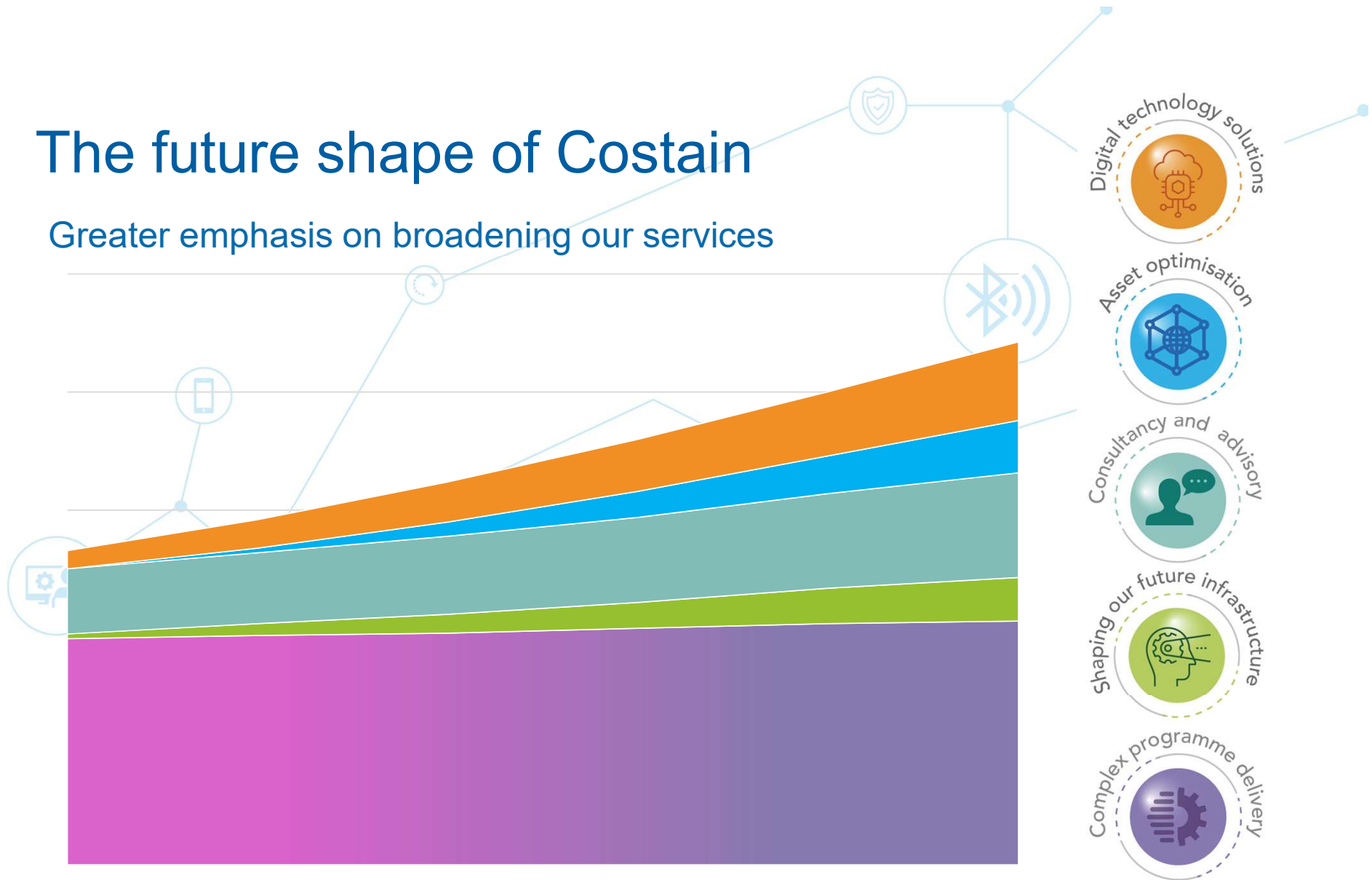
Our 'Leading Edge' strategy



c £20 billion per annum addressable market spend

The future shape of Costain

Greater emphasis on broadening our services





Shaping our future infrastructure

Creating inventive solutions to meet clients' needs
Tomorrow's transport | Sustainable energy
Intelligent assets | Nano technology

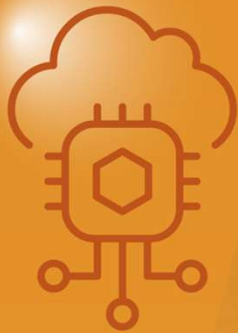




Valued advisor and consultant

Being curious in meeting our clients' wider needs
Leveraging our life cycle expertise | Value centric consultancy
Disruptive design automation | Client intimacy





Digital technology solutions

Enabling the integration of technology, transforming performance
Connectivity and automation | Intelligent asset optimisation
Digital operations | Digital insight

COSTAIN



Optimising asset performance

Optimising the performance of existing infrastructure
A >£5bn per year new market opportunity
Scale our asset optimisation capabilities
Benefit driven commercial models





Leading edge delivery

Safer, faster, better, smarter, costs less

Leading edge ways of working | Efficient delivery, always
Digitally enabled | Our outstanding team





Our differentiator

Our long-term strategic relationships, client insight, benefits driven leading edge services, delivery pedigree, and importantly our outstanding, diverse team

COSTAIN

Financial ambition

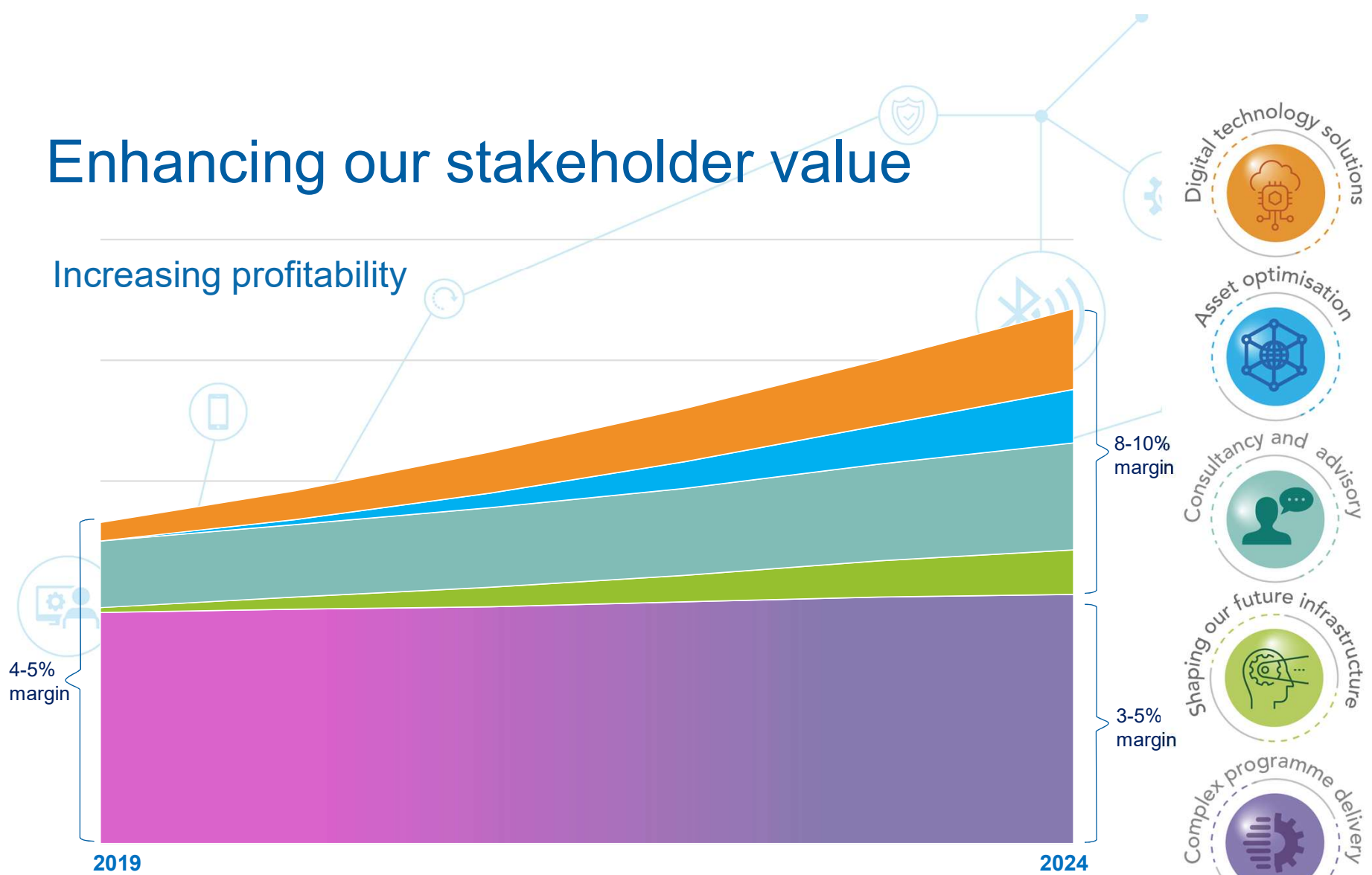
Tony Bickerstaff

CFO



Enhancing our stakeholder value

Increasing profitability



4-5% margin

8-10% margin

3-5% margin

2019

2024

Broadening our services | Increasing profit
Increasing margins | Increasing revenue

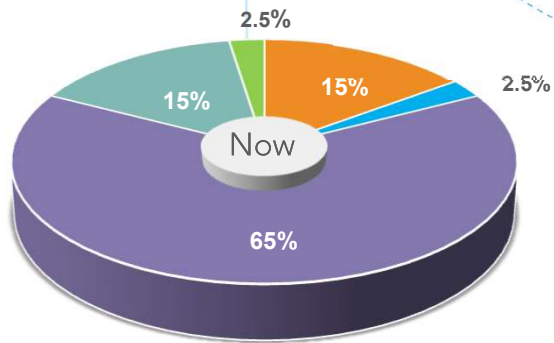


- Digital technology solutions
- Asset optimisation
- Consultancy and advisory
- Shaping our future infrastructure
- Complex programme delivery

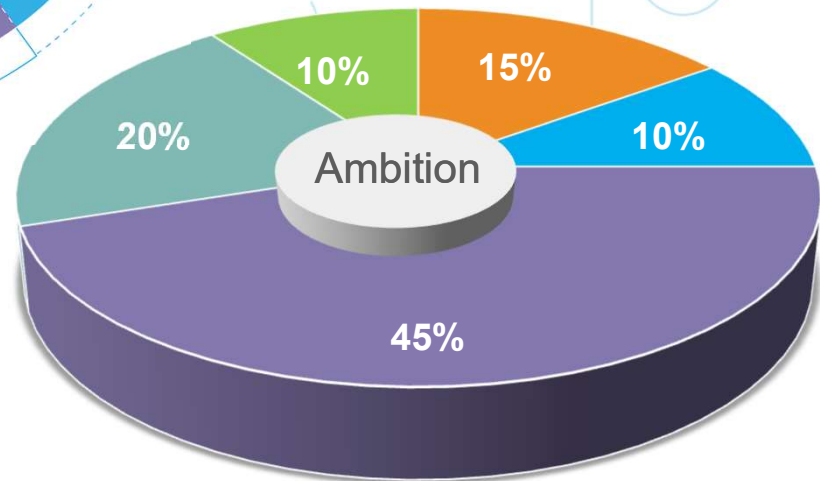
Growing our capability



Our ambition

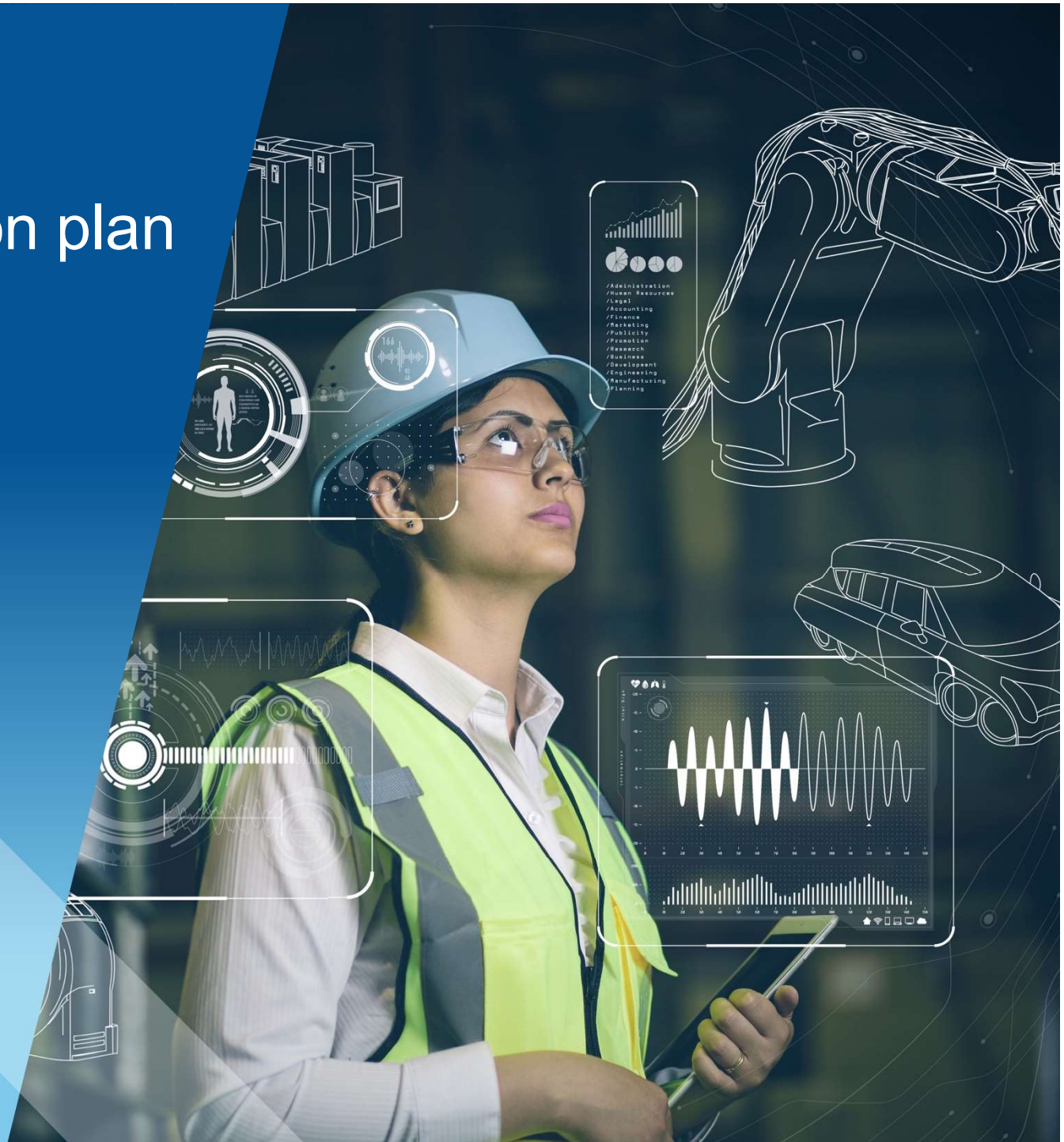


The changing profit mix from our integrated services



4% - 5% → Increasing divisional margins → 6% - 7%

A clear implementation plan



A clear implementation plan



Being at our best



Accelerating technology



Increased competitiveness



Building a sales culture



Unlocking our capability



Turning reputation into value



Positioned for greater shaping

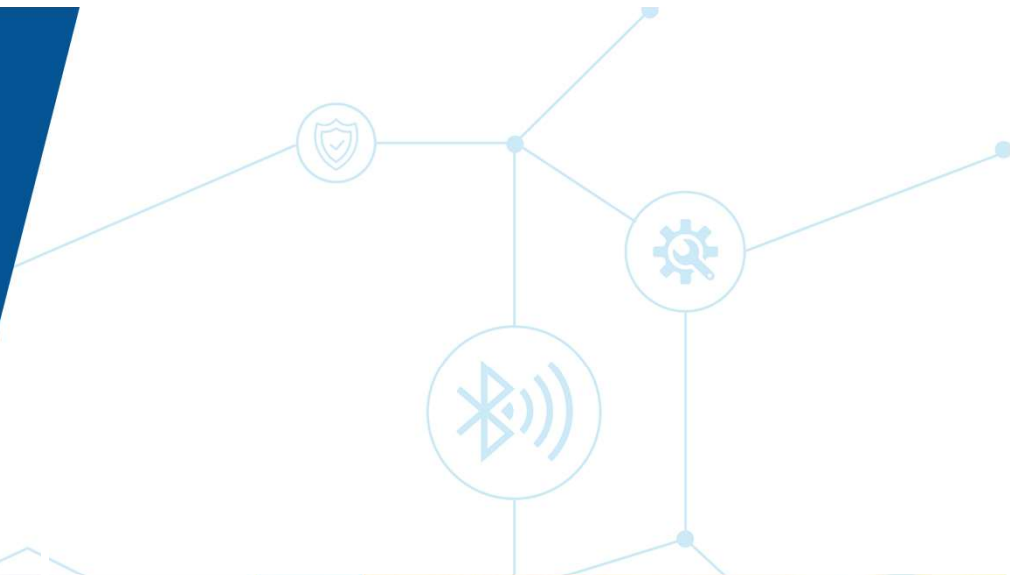


Leading edge performance



Organisational changes bringing greater client focus

Divisional and sector alignment



Transportation
Highways | Rail | Aviation



Natural resources
Water | Energy | Defence



Our services in action



Future-shaping strategic consultancy

- Providing strategic consultancy advice to energy clients to help them transition to a hydrogen future



Consultancy and advisory

- Early assurance review for DfT on delivery schedule for Heathrow expansion



Digital technology solutions

- Developing, trialling and testing A2M2 element of the London-Paris-Amsterdam CAM connected corridor



Optimising asset performance

- Ensuring compliance, increasing capacity and delivering multi-million pound operational savings for a major water company through the optimisation of existing asset performance



Complex programme delivery

- Data-driven programme management with automated delivery on a major strategic highway, achieving safer, faster, better, smarter and lower cost outcomes



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Questions

