

Costain on track to complete HS2 works as profits rise

Costain has said it is on track to complete its work on the HS rail link by 2027 as it reported an increase of almost 22% in profits, helped by inflation protection clauses in its contracts.

The construction company is starting work on the line's main tunnels this summer, with seven boring machines due to start running on the project, which will cut journey times between London and Birmingham and Manchester. The tunnels will run from Euston station via Old Oak Common before passing near Wembley Stadium and crossing under the M25 near West Ruislip.


Profit for the six months to June 30 reached £14 million, from revenue of over £665 million, up almost 20%. Costain said "inflation recovery mechanisms" in its contracts helped offset the impact of rising commodity and energy costs.

Its shares rose by over 7% to 40p in morning trade in London on Wednesday.

"While we remain mindful of the macro-economic backdrop, we are pleased with the quality and scale of our order book, including secured multi-year infrastructure programmes," said Alex Vaughan, Costain's chief executive.

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There was a fatality in July on the company's project at Gatwick airport in July, when a worker for its Kilnbridge subcontractor was killed. An investigation into the incident is underway and Costain said it was working with "the authorities and our client" to "fully understand its causes", adding: "Our focus at this time is on supporting the individual's family and on the wellbeing of our colleagues."