

2018 HALF YEAR RESULTS

9 AUGUST 2018

Securing Your World





ASHLEY ALMANZA
CHIEF EXECUTIVE OFFICER

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AGENDA

01 Results Highlights

02 Financial Review

03 Business Review

04 Q&A

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RESULTS HIGHLIGHTS

HALF YEAR: 2018 | UNDERLYING BUSINESSES



Revenue

Q218 +2.8%
1H18 +0.2%

Secure Solutions 1H18 +3.2% – growth in all regions
Cash Solutions 1H18 (13.4%) – US retail cash solutions contract 2017, effect now annualised



PBITA

£212m (2017: £219m)

Secure Solutions margin 5.9% (2017: 5.9%) – positive service mix and productivity gains offset wage inflation
Cash Solutions margin 10.7% (2017: 11.0%) – revenue, product/business development and attack related costs (Africa), partly offset by bullion contract profit



OCF %

84% (2017: 80%)

Seasonal norm



EPS

7.4p/sh (2017: 7.4p/sh)

In line



DPS

3.59p/sh (2017: 3.59p/sh)

Dividend policy unchanged

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OUTLOOK

REVENUE, MARGIN AND PRODUCTIVITY



Revenue

- Contract wins 1H18: £0.7bn
- Very strong contract retention



Margin

- Sales Mix
 - New contracts/service mix
 - Technology enabled security
 - Cash technology
- Price increases 2H18



Productivity

- Restructuring: direct and indirect costs
- Net benefit realisation

UNDERPINS POSITIVE OUTLOOK



TIM WELLER
CHIEF FINANCIAL OFFICER

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- 
- 01 Results Highlights
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HY 2018 RESULTS

UNDERLYING RESULTS – 2018 H2 WEIGHTED

	Six months ended 30 June £m		Change %
	2018	2017	HoH
Revenue	3,599	3,591	+0.2
PBITA	212	219	(3.2)
<i>PBITA margin</i>	5.9%	6.1%	(20bp)
Interest	(54)	(56)	(3.6)
Tax	(38)	(39)	(2.6)
Non-controlling interests	(5)	(9)	(44.4)
Earnings attributable to equity holders	115	115	-
EPS	7.4p	7.4p	-
Operating cash flow	179	183	(2.2)
OCF conversion	84%	80%	400bp

HY 2018 RESULTS

BRIDGE FROM UNDERLYING RESULTS

£m	Underlying results	Change % HoH	Onerous contracts	Disposed businesses	Restructuring	Acquisition related amortisation and other	Statutory
Revenue	3,599	+0.2	63	10	-	-	3,672
PBITA	212	(3.2)	-	1	-	-	213
Earnings	115	-	-	1	(11)	(2)	103
OCF	179	(2.2)	(6)	2	(10)	-	165

- Underlying results now include Portfolio businesses
- Onerous contract OCF outflow to decline materially post Compass (August 2019)
- Expect restructuring charge of £25m to £30m in FY2018

HY 2018 RESULTS

STATUTORY RESULTS

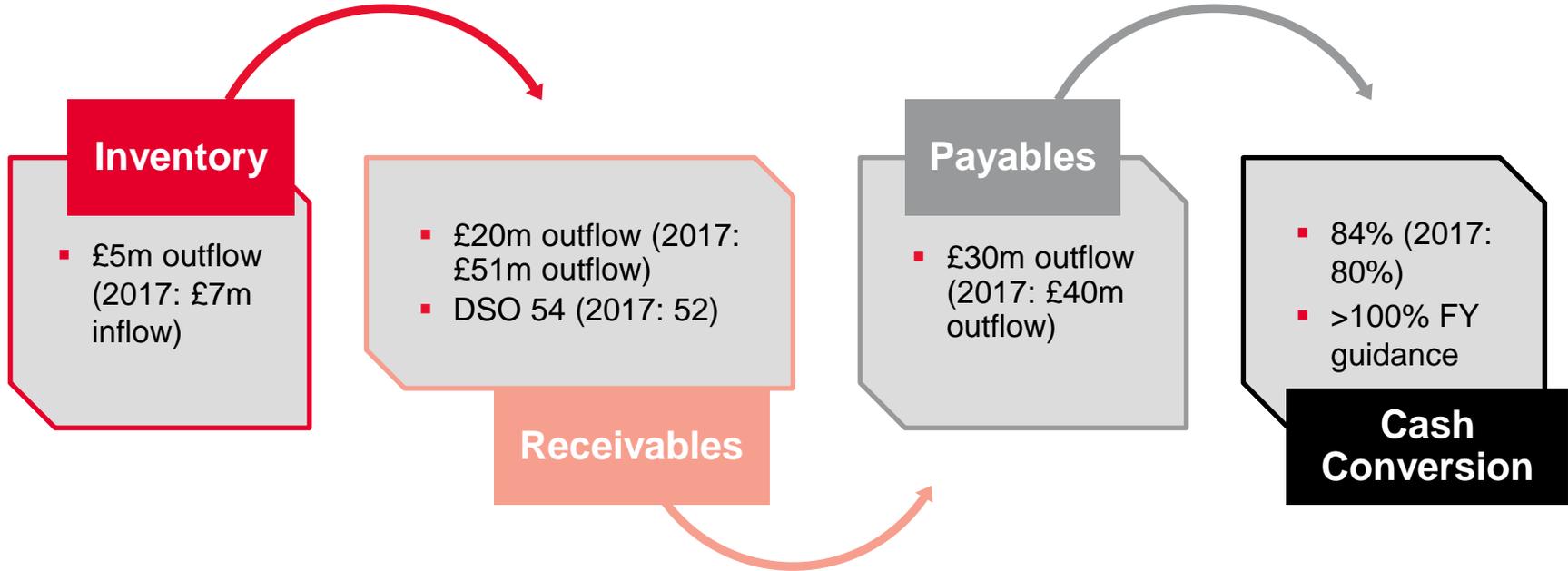
	Six months ended 30 June £m		Change %
	2018	2017	HoH
Revenue	3,672	3,971	(7.5)
PBITA	213	238	(10.5)
<i>PBITA margin</i>	5.8%	6.0%	(20bp)
Specific items, restructuring, amortisation & other	(20)	37	
Earnings attributable to equity holders	103	151	(31.8)
EPS	6.7p	9.8p	(31.6)
Operating cash flow	165	170	(2.9)

- FX headwind of c. 4%
- Revenue (£139m) and PBITA (£8m) lower due to disposals
- H1 2017 specific items included £68m disposal profits

WORKING CAPITAL MANAGEMENT

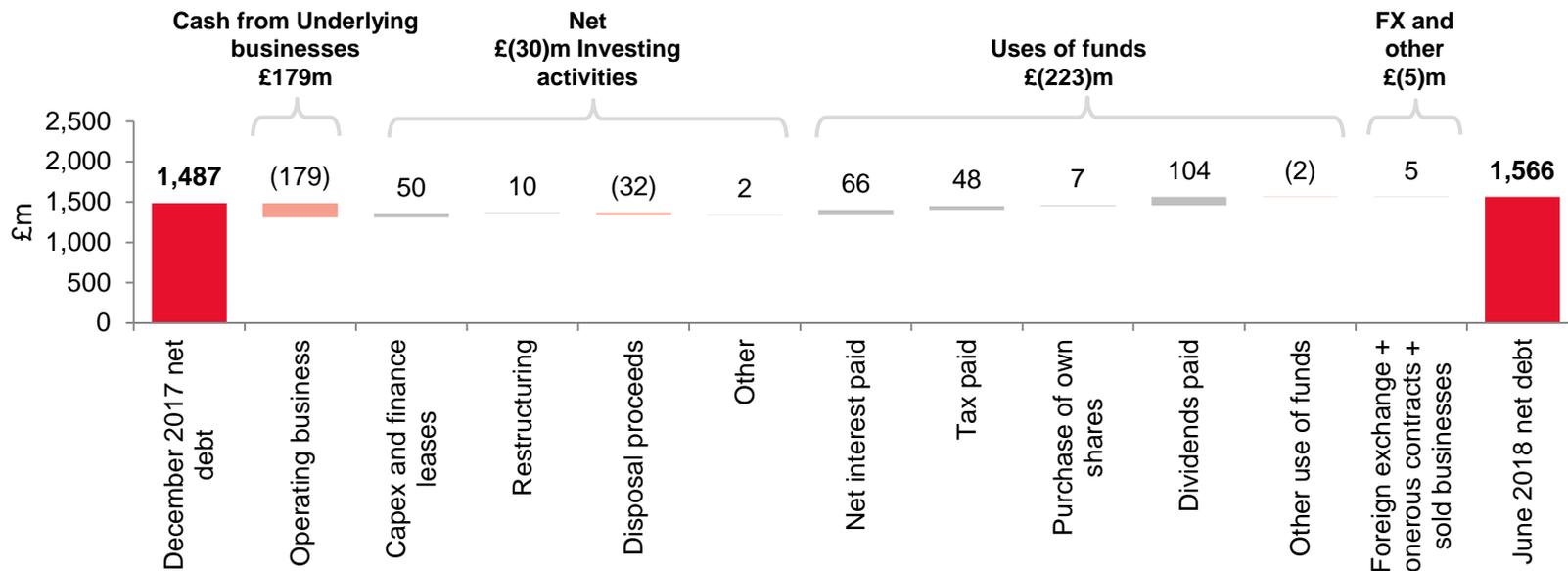
CASH MATTERS

2018 Operating cash flow continuing typical conversion ratio H1 vs. H2



FINANCIAL FRAMEWORK

CASH FLOW AND NET DEBT

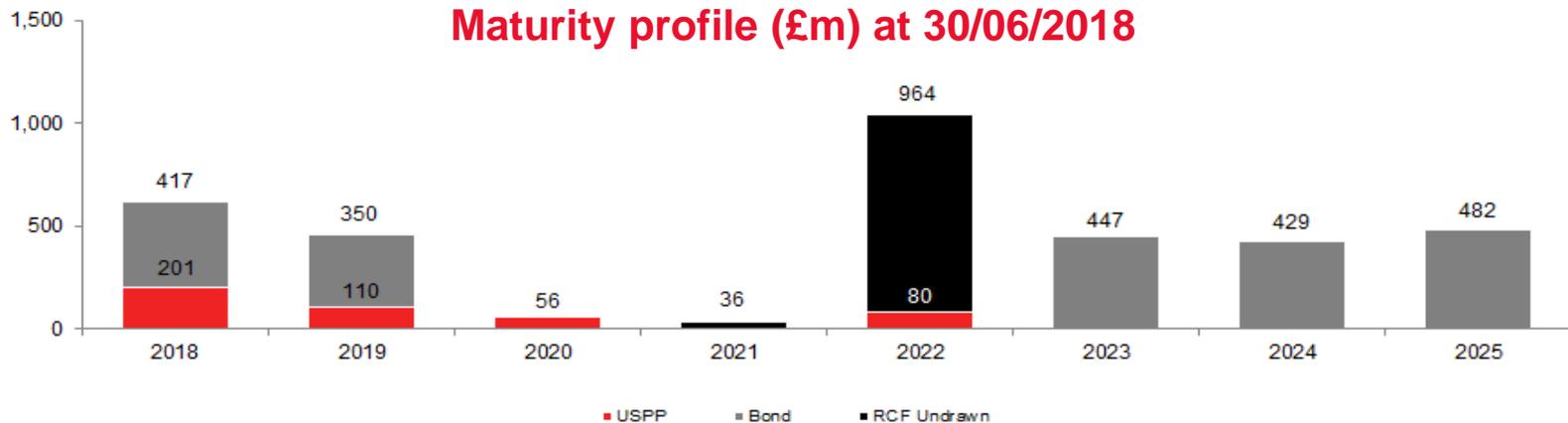


- Net cash outflow of £78m (2017: inflow of £58m)
- Net debt/EBITDA 2.7x (2.7x at June 2017); ≤2.5x by end 2018
- Capex guidance £100m to £120m

FINANCIAL FRAMEWORK

REFINANCING BENEFITS CAPTURED

- Completed refinancing has secured c. £20m annualised interest cost savings by 2019/2020
- Very strong liquidity, unutilised committed bank facilities of £1.0bn and cash of £967m
- New 7-year Euro 550m Public Bond issued in May 2018; £201m USPP matured in July 2018
- Net debt/EBITDA of 2.7x



Exchange rates @ 30/06/2018 or hedged rates where applicable.

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ASHLEY ALMANZA
CHIEF EXECUTIVE OFFICER

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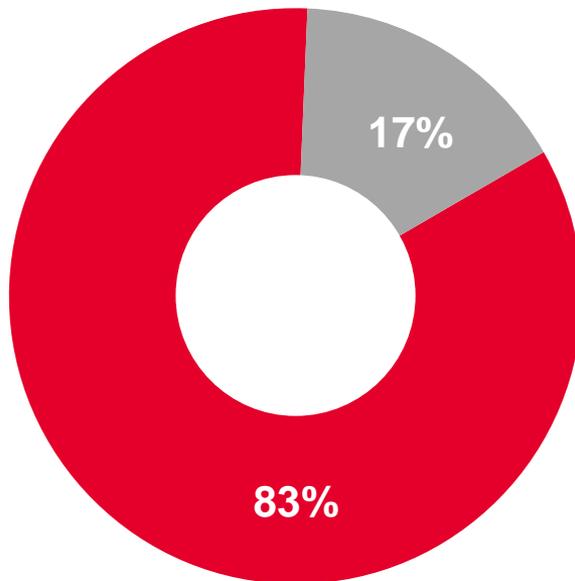


G4S – SECURING YOUR WORLD

FOCUSED BUSINESS

SECURE SOLUTIONS

- Global business, +90 countries
- Diversified markets
- Global blue chip client base
- Increasing integration of people and technology
- Risk based design of security solutions
- Revenue FY17: £6.0bn
- PBITA FY17: £368m



FY2017

CASH SOLUTIONS

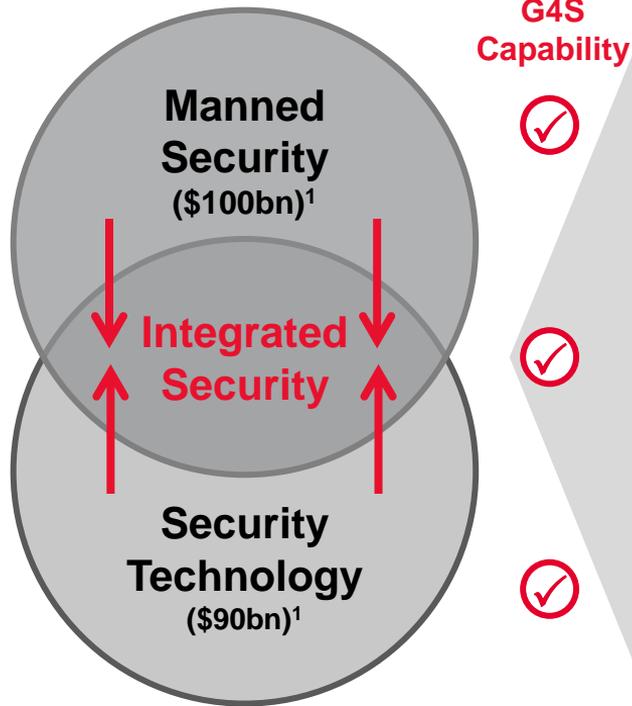
- Global CIT/cash processing: #1/#2 in 39/40 countries
- Industry leading cash technology
- Bank and retail cash management services
- Revenue FY17: £1.2bn
- PBITA FY17: £145m

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THE SECURITY MARKET

MARKET TRENDS

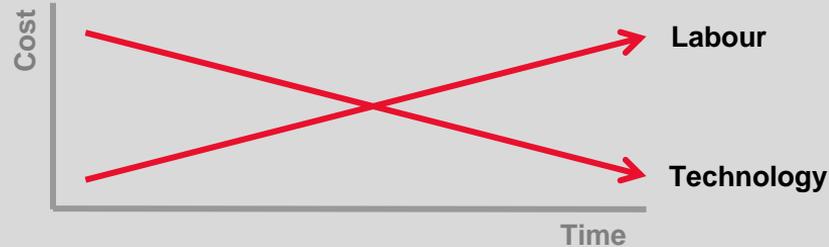


G4S
Capability



Technology Enabled Security

- Evolving customer needs
- A growing market as labour costs increase while technology becomes more efficient and powerful



1. Freedonia Global Security Service (2017) and Security Equipment (2015) report.

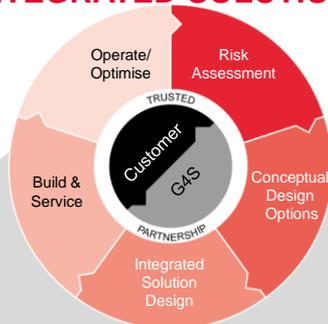
G4S SECURITY SOLUTIONS

TECHNOLOGY ENABLED SECURITY

MARKET TRENDS:

- ▲ Labour Cost
- ▼ Technology Cost
- ▲ Technology Speed and Resilience
- ▲ Data Analytics/
- ▲ Proactive Security

INTEGRATED SOLUTIONS



BENEFITS:

- ▲ Margin
- ▲ Longevity
- ▲ Growth
- ▲ Returns

SINGLE OR
MULTI SERVICE
COMBINATION



HISTORICALLY:
SEPARATE
PRODUCTS &
SERVICES



Global security operations centre (GSOC) | Alarm receiving centre (ARC) | Security operations centre (SOC)

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G4S SECURITY TECHNOLOGY

GROWING GLOBAL CAPABILITY

- **42%** of Secure Solutions revenue from technology-enabled security services*
- Security integration capability in **43** key markets
- **Over 500,000** monitoring connections
- Substantial, qualified supply chain

AMERICAS

 in 13 countries



ASIA

 in 10 countries



AFRICA

 in 2 countries



EME

 in 18 countries



* Manned security contract enhanced through G4S software, hardware and security systems.



Integration Capability



Manned and Mobile



Security Systems

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2018: 1H RESULTS AND FY OUTLOOK

SECURE SOLUTIONS AFRICA



5% group revenues; 6% PBITA

116,000 employees

Organic growth 4.2% (1H 2017 +4.4%)

Revenue		PBITA		Margin
1H 2018	% chge	1H 2018	% chge	1H 2018
197	+4.2	15	+7.1	7.6%

In £m, underlying results performance at constant FX

- Organic growth: 4.2%
- PBITA margin +20bp
 - Systems and technology revenues +7%
- Outlook 2H18
 - New business wins in mining, transport, manufacturing, telecommunications and distribution
 - Positive revenue mix

2018: 1H RESULTS AND FY OUTLOOK

SECURE SOLUTIONS AMERICAS



33% group revenues; 23% PBITA

118,000 employees

Organic growth 4.1% (1H 2017 +4.1%)

Revenue		PBITA		Margin
1H 2018	% chge	1H 2018	% chge	1H 2018
1,177	+4.1	54	+14.9	4.6%

In £m, underlying results performance at constant FX

- Organic growth: 4.1%
 - Corporate Risk and Security Integration
- PBITA margin + 40bp
 - Positive revenue mix, productivity gains offset wage inflation
 - Commercial discipline: self constrained growth
- Outlook 2H18
 - Growth across range of sectors including energy, IT, healthcare
 - Positive revenue mix
 - Productivity benefits

2018: 1H RESULTS AND FY OUTLOOK

SECURE SOLUTIONS ASIA



12% group revenues; 12% PBITA

177,000 employees

Organic growth 7.7% (1H 2017 +2.5%)

Revenue		PBITA		Margin
1H 2018	% chge	1H 2018	% chge	1H 2018
434	+7.7	28	+7.7	6.5%

In £m, underlying results performance at constant FX

- Organic growth: 7.7%
 - New contract wins in IT, transportation, financial services, automotive, diplomatic sectors
- Maintained PBITA margins at 6.5%
 - Revenue growth offsetting wage costs
- Outlook 2H18
 - 1H18 contract wins
 - Positive revenue mix
 - Wage/ price settlements

2018: 1H RESULTS AND FY OUTLOOK

SECURE SOLUTIONS EUROPE AND MIDDLE EAST



34% group revenues; 35% PBITA

114,000 employees

Organic growth 0.8% (1H 2017 +1.1%)

Revenue		PBITA		Margin
1H 2018	% chge	1H 2018	% chge	1H 2018
1,231	+0.8	83	(4.6)	6.7%

In £m, underlying results performance at constant FX

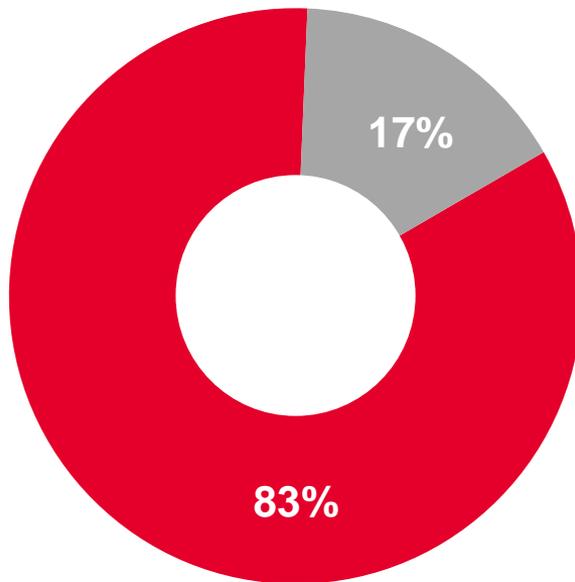
- Organic growth: 0.8%
 - Europe: constrained/labour market
 - Middle East stabilising
 - Growth in Risk Management
- PBITA margin: 6.7%
 - Reflect revenue and labour costs
- Outlook 2H18
 - 1H18 contract wins
 - Direct staff recruitment
 - Productivity benefits

G4S – SECURING YOUR WORLD

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FY2017

CASH SOLUTIONS

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G4S CASH SOLUTIONS

LEADING MARKET POSITIONS

-  Cash Management & Technology
-  International Secure Logistics
-  Cash Recycling
-  ATM
-  Cash Processing
-  Cash in Transit

Key:

-  G4S countries of operation



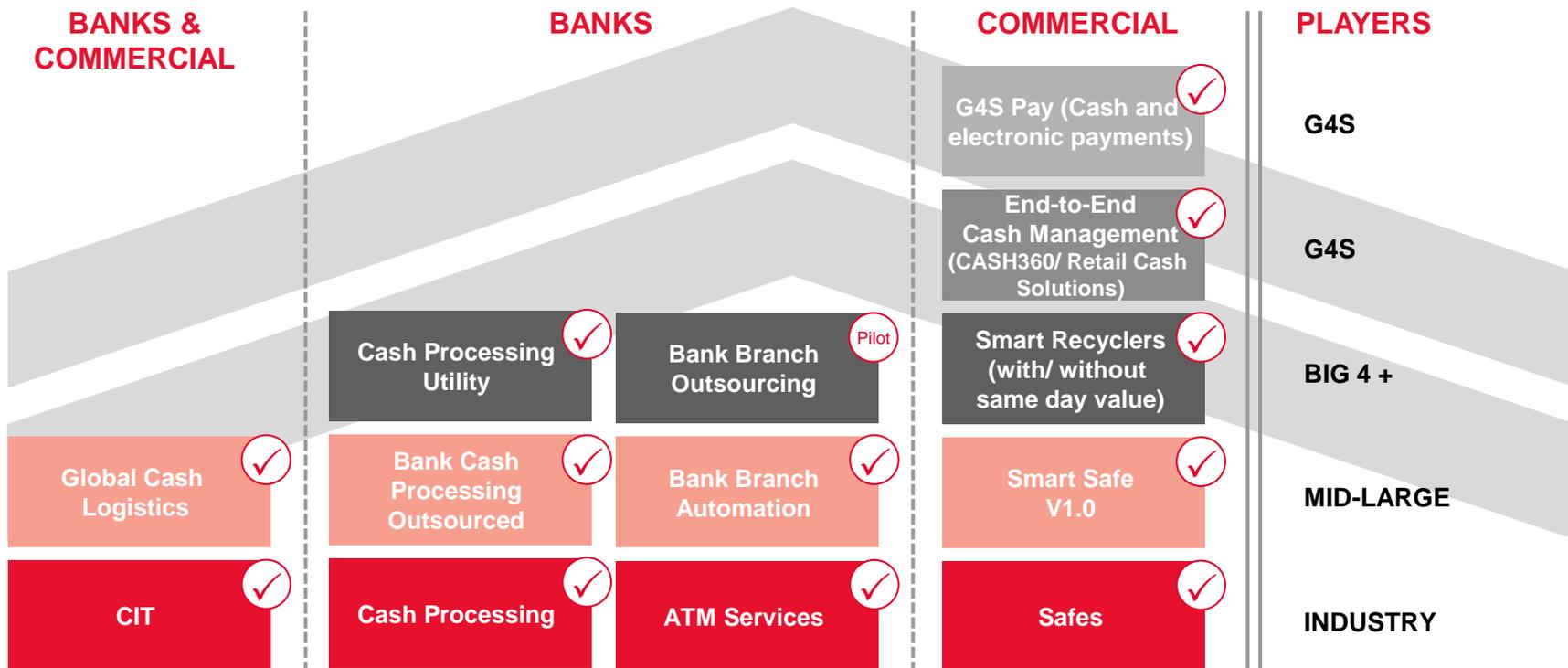
#1/#2 MARKET POSITION IN 39/40 COUNTRIES

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G4S CASH SOLUTIONS

UNIQUE CAPABILITY



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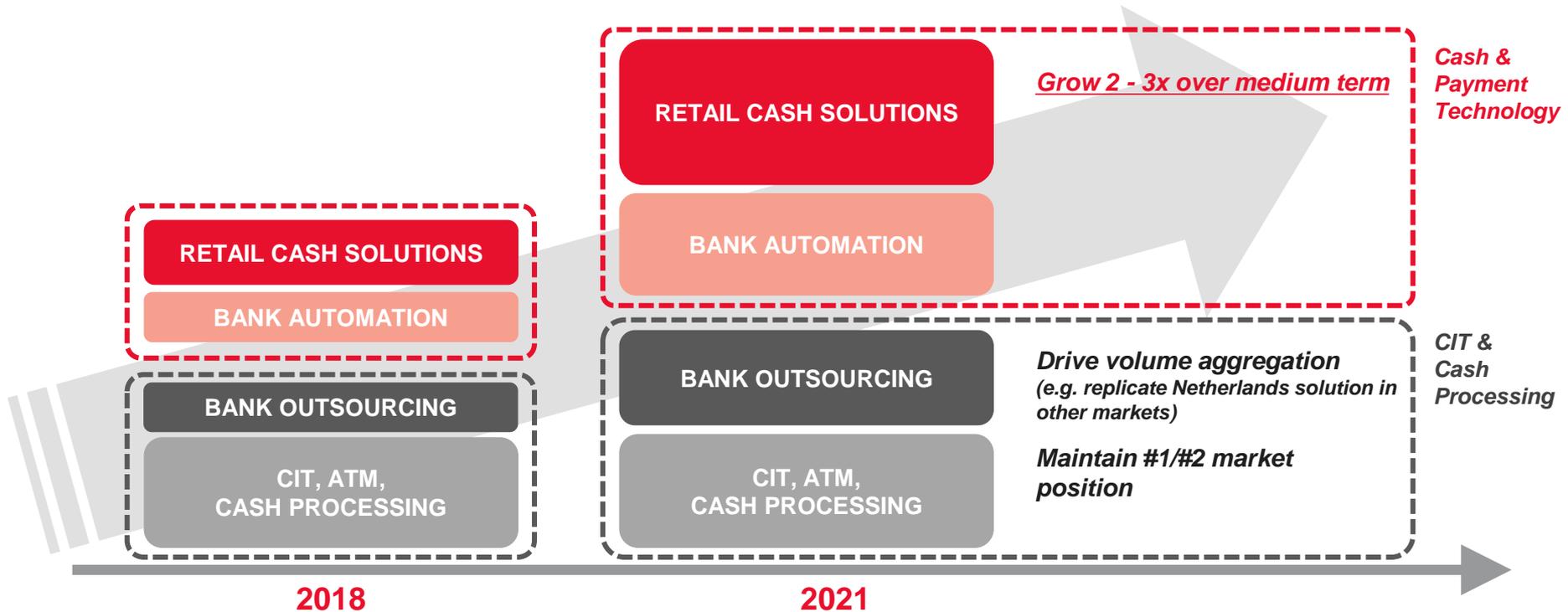


G4S capability



CASH SOLUTIONS

THE JOURNEY AHEAD



2018: 1H RESULTS AND FY OUTLOOK

GLOBAL CASH SOLUTIONS



16% group revenues; 25% PBITA

37,000 employees

Organic growth (13.4%); (1H 2017: +22.8%)

Retail solutions locations +10%

23 pilots in North America

Revenue		PBITA		Margin
1H 2018	% chge	1H 2018	% chge	1H 2018
560	(13.4)	60	(15.5)	10.7%

In £m, underlying results performance at constant FX

- Revenue growth -13.4%
- Mobilisation of large NA contract 1H17; now annualised
- PBITA margins -30bp
 - Revenue, product development, attack related costs
 - Partially offset by bullion contract
- Outlook 2H18:
 - Sales win in 1H18
 - Pilot conversion
 - Restructuring: in/direct

OUTLOOK

REVENUE, MARGIN AND PRODUCTIVITY



Revenue

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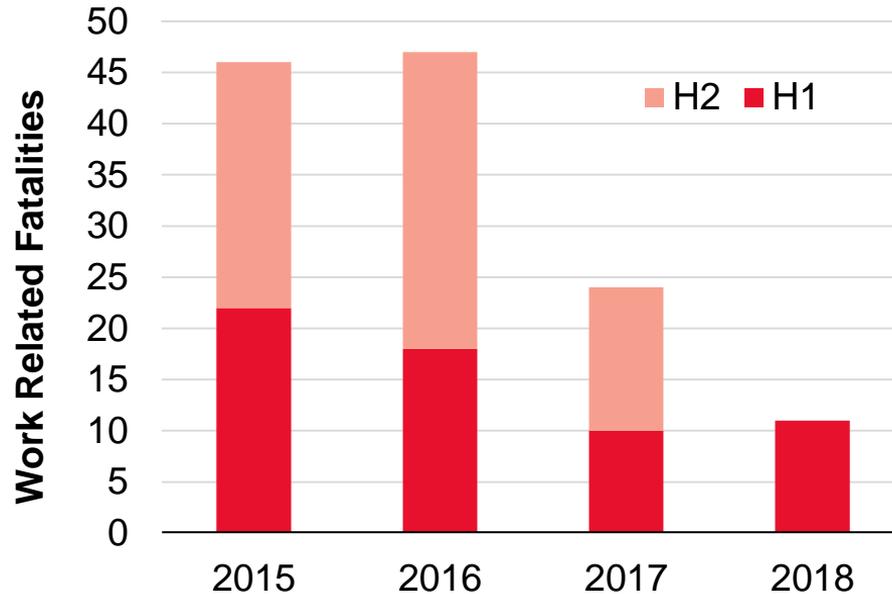
APPENDIX

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HEALTH & SAFETY

CULTURE & PERFORMANCE



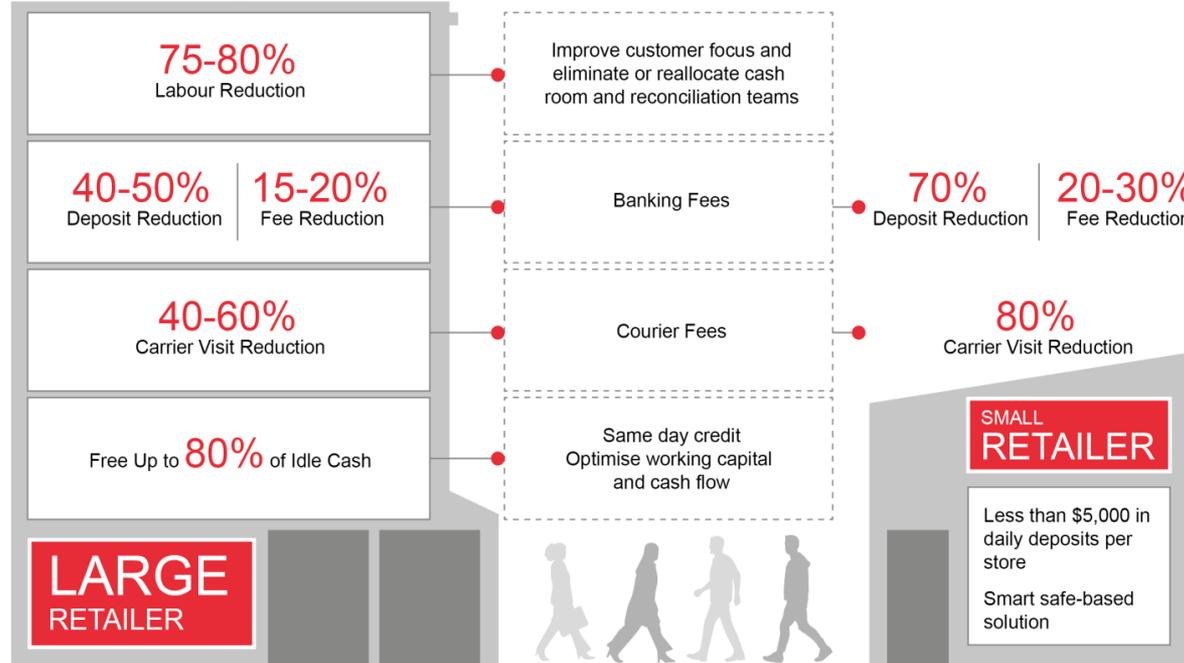
- Long term reduction in fatalities
- Learning from High Potential Incidents
- Challenges in SA Cash Solutions
- Marginal reduction in injury rate

OUR GOAL IS ZERO HARM

G4S RETAIL CASH SOLUTIONS

G4S INNOVATION DRIVING CHANGE

Benefits to retail and banking customers



RETAIL CASH SOLUTIONS

GLOBAL MARKET OPPORTUNITY IN EXISTING AND NEW POTENTIAL MARKETS +25BN*

AMERICAS

- No G4S US cash business 5 years ago
- Est. market size: c. £9-10bn
- G4S solution in c. 7,800 locations (5,700 big box)
- 23 pilots

EME

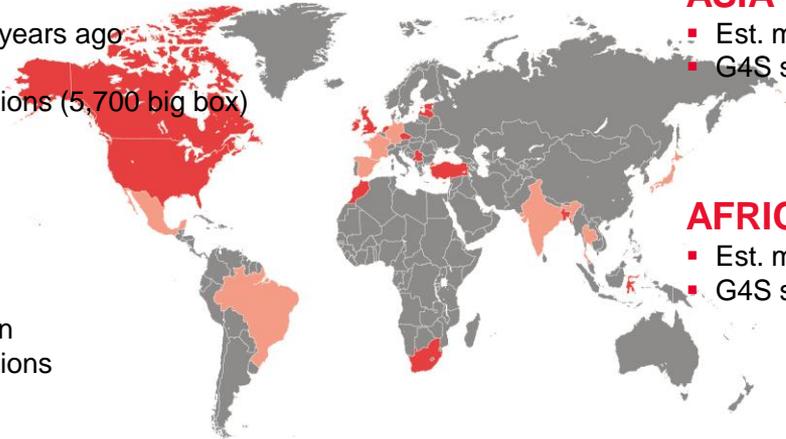
- Est. market size: c. £3.5-3.7bn
- G4S solution in c. 5,700 locations

ASIA

- Est. market size: c. £12.4-12.6bn
- G4S solution in c. 550 locations

AFRICA

- Est. market size: c. £350m
- G4S solution in c. 7,500 locations



- Established Market Position
- New Potential Markets

* Retail Cash Solutions, Cash 360, Deposita.

POTENTIAL FOR PROFITS FROM NEW SERVICES TO BE > TRADITIONAL

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DRIVING GROWTH IN TRADITIONAL CASH SERVICES

GELDSERVICE NEDERLAND (GSN)

The Customer

- GSN is a cash 'utility' organisation founded by ABN AMRO Bank, ING Bank and Rabobank in the Netherlands in 2011

G4S Service

- Strategic partnership between GSN and G4S to ensure cash availability and affordability
- Cash transport, ATM servicing and maintenance of 70% of bank branches and ATMs

The Benefits

- Service continuity
- Efficiency gains
- Reduced operational costs
- Improved quality of service

