



Securing Your World



2020 HALF YEAR RESULTS

23 JULY 2020

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AGENDA

01 Focused Strategy and Execution

02 Performance and Outlook

03 Financial Review

04 Q&A

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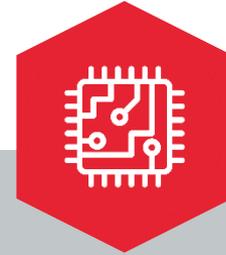
G4S VISION 2025



The world's leading
**global, integrated
security company**



Trusted partner of
choice providing
**innovative, industry
leading solutions**
that protect and add
value for our
customers



We **differentiate
G4S** by investing in
**technology, our
people and values
& customer
relationships**

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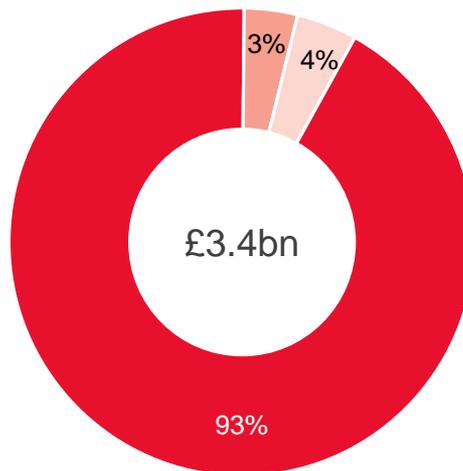


FOCUSED STRATEGY & EXECUTION

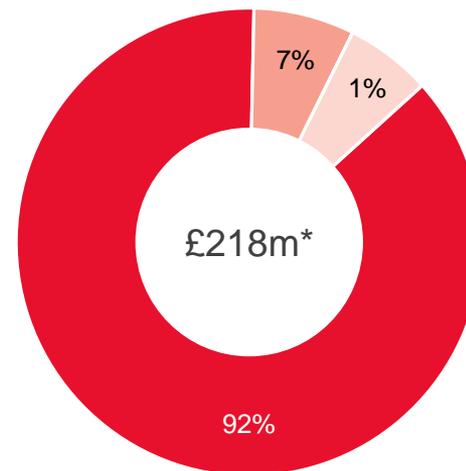
SHAPE OF THE GROUP

SECURE SOLUTIONS

- Global business, 85+ countries
- Diversified markets
- Global blue chip client base
- Revenue HY20: £3.1bn
- PBITA HY20: £202m*
- Growing integrated, technology enabled solutions – 49% of revenue



HY 2020 Revenue



HY 2020 PBITA

Secure Solutions Retail Technology Solutions Conventional Cash

* Before corporate costs.

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FOCUSED STRATEGY & EXECUTION

FOCUS ON INTEGRATED, TECHNOLOGY ENABLED SOLUTIONS

	% of Group 2020 HY Revenue	2020 HY PBITA Margin ¹	Prospective Revenue Growth Potential p.a.
Underlying businesses			
Secure Solutions (excl. RC & Security Technology)	83%	6%	4–6%
Risk Consulting (RC) and Security Technology Solutions	10%	12%	10–12%
Retail Technology Solutions³	3%	13%	14–16%
Conventional Cash	4%	2%	–

1. Pre corporate costs.

2. 49% of Secure Solutions revenue is integrated security technology enabled – two or more of security professionals, risk consulting, technology, and data and intelligence.

3. Includes Retail Technology Solutions, Cash360, SA-Deposita.

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STRATEGY

STRATEGIC PRIORITIES – MARCH 2020



GROWTH

- Continue to drive organic growth in core services
 - Accelerate growth in risk consulting and technology solutions
-



PROFITABILITY

- Higher value solutions drive positive margin mix
 - Deliver productivity and efficiency programme:
 - Existing programmes £10m
 - Post cash separation: incremental £15-20m
-



FREE CASH FLOW

- Deliver FCF
 - Increase investment in growth strategy
 - Dividend

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PERFORMANCE

HALF YEAR: 2020 | UNDERLYING RESULTS

	Revenue	2020: £3.35bn (-1.5%)	Secure Solutions £3.1bn (2019: £3.1bn) 49% Integrated Solutions (+5%) Cash Solutions (16.5%); Covid-19 impact in UK Cash
	PBITA	2020: £187m (2019: £196m)	Secure Solutions +1.5%; margin + 20bp Cash Solutions (33.3%); Covid-19 impact in UK Cash
	Cash Flow	OCF £364m (2019: £164m) FCF £178m (2019: -£51m)	Strong underlying OCF improvement excluding £152m tax deferrals
	EPS	2020: 6.3p (2019: 6.3p)	Lower minority charge Benefit of refinancing strategy implemented in prior year
	DPS	Interim dividend not proposed (2019: 6.11p/sh)	Prioritising financial strength in near term Board recognises importance of resuming dividend as uncertainty eases

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PERFORMANCE

HY 2020 GROWTH

- Secure Solutions Revenue: £3.1bn (2019: £3.1bn)
 - Organic growth in Americas (+5.4%) and Asia (+1.4%)
 - Europe & Middle-East adversely impacted by Covid-19 (– 6.5%)
- Cash Solutions Revenue: £0.22bn (2019: £0.27bn)
 - Conventional cash: severe Covid impact; now emerging from lockdown
 - Retail Technology Solutions: large order-backlog, ready to mobilise in H2 20

PERFORMANCE

HY 2020 PROFITABILITY & FREE CASH FLOW

- Profitability – resilient performance
 - Integrated, technology enabled solution revenues +5%: differentiating G4S and driving current and future growth and margin
 - 2020: £100m direct & indirect cost savings (+£80m)
- FCF – underlying improvement
 - Reducing legacy cash costs (historically £100m p.a.)
 - Alignment of executive incentives
 - Reduce leverage and resume dividends

SUMMARY AND OUTLOOK

STRATEGIC AND FINANCIAL INFLECTION POINT

- Highly focused, global secure solutions business
- Growing capabilities in delivering integrated solutions (ISS)
- ISS adding value to customers and driving growth and profitability
- Market leading Cash Technology businesses
- Productivity – reducing c£100m indirect and direct costs
- Intensified focus on free cash flow

FOCUSED STRATEGY AND FOCUSED EXECUTION

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H1 2020 RESULTS

UNDERLYING RESULTS

	Six months ended 30 June £m		Change %
	2020	2019	YoY
Revenue	3,353	3,403	(1.5)
PBITA	187	196	(4.6)
<i>PBITA margin</i>	5.6%	5.8%	(20bp)
Interest	(50)	(55)	
Tax	(37)	(37)	
Non-controlling interests	(3)	(7)	
Earnings attributable to equity holders	97	97	-
EPS	6.3p	6.3p	-
Operating cash flow	364	164	122
OCF conversion	195%	84%	

- SS (0.2%); CS (16.5)%
- SS +1.5%; CS (33.3)%
- SS + 20bp; CS (180)bp
- Refinancing and proceeds
- 27% tax rate
- Covid-19 impact on NCIs
- £152m deferred payroll and indirect tax
- OCF conversion 113% before tax deferral

H1 2020 RESULTS

ORGANIC REVENUE GROWTH PROFILE

Year-on-year growth

	Q1	April	May	June	Q2	H1
Africa	(0.1%)	(4.6%)	(1.0%)	(1.1%)	(2.3%)	(1.5%)
Americas	6.9%	5.4%	2.0%	4.2%	3.9%	5.4%
Asia	4.2%	1.4%	(3.4%)	(2.3%)	(1.5%)	1.4%
Europe & Middle East	(1.4%)	(12.8%)	(13.6%)	(8.3%)	(11.6%)	(6.5%)
Secure Solutions	2.9%	(3.0%)	(5.1%)	(1.6%)	(3.2%)	(0.2%)
Cash Solutions	(2.3%)	(35.5%)	(33.5%)	(20.0%)	(30.0%)	(16.5%)
Total Group	2.5%	(5.8%)	(7.5%)	(2.9%)	(5.3%)	(1.5%)

- Covid-19 pandemic impact peaked in April and May across the Group
- Revenue trends improving towards the end of Q2

H1 2020 RESULTS

BRIDGE: UNDERLYING TO STATUTORY RESULTS

£m	Underlying results	Change % YoY	Onerous contracts	Disposed businesses	Restructuring & separation	Acquisition related amortisation and other	Statutory
Revenue	3,353	(1.5)	12	160			3,525
PBITA	187	(4.6)	-	12			199
PBT	137	(2.8)	(4)	8	(25)	101	217
Earnings	97	-	(3)	3	(23)	93	167
OCF	364	+122	(4)	14	(24)	-	350

- Diminishing impact of onerous contracts (£22m provision remaining – utilisation over period to 2038)
- Restructuring costs of £9m and final separation costs of £16m in line with guidance
- Net specific items benefit £101m, disposal profit £171m offset by SFO DPA £50m, UK cash branch asset impairment £13m, legacy claim on a closed business of £5m & amortisation £2m

H1 2020 RESULTS

STATUTORY RESULTS

	Six months ended 30 June £m		Change %
	2020	2019	YoY
Revenue	3,525	3,807	(7.4)
PBITA	199	234	(15.0)
<i>PBITA margin</i>	5.6%	6.1%	(50bp)
Specific items, restructuring etc.	72	(67)	
Interest	(54)	(59)	
Tax	(47)	(39)	
Non-controlling interests	(3)	(10)	
Earnings attributable to equity holders	167	59	183.1
EPS	10.8p	3.8p	184.2
Operating cash flow	350	192	82.3

- Revenue - Disposals & OCPs 4.9%; FX 1.0%; Underlying 1.5%
- PBITA - Disposals 10.4%; Underlying 4.6%
- £171m disposal profit
- Refinancing and proceeds
- 22% tax rate (2019 36%) – minimal tax on disposal to Brink's

H1 2020 RESULTS

MOVEMENT IN NET DEBT

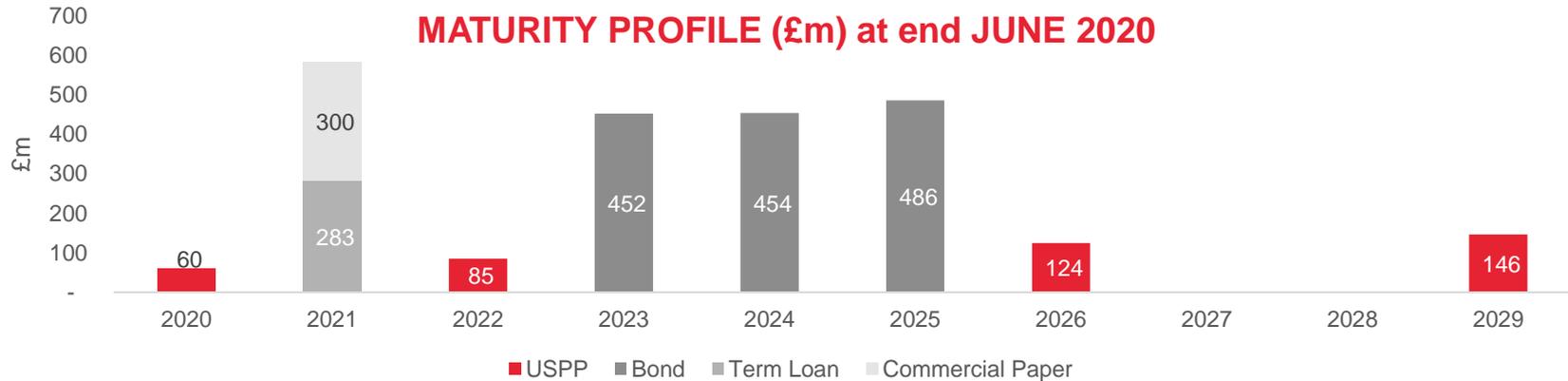
	Six months ended 30 June £m		H1 2020 proforma
	2020	2019	2020
Operating cash flow before restructuring & separation	374	210	360
Restructuring & separation	(24)	(18)	(6)
Fixed asset spend & new leases	(76)	(94)	(64)
Net interest	(60)	(81)	(59)
Tax	(30)	(47)	(29)
Other items in free cash flow	(6)	(21)	(6)
Free cash flow	178	(51)	196
Net debt movement from acquisitions & disposals	433	15	
Dividends to equity holders	-	(95)	
Net debt movement before FX	611	(131)	

- H1 2020 proforma excludes disposed businesses
- OCF - £152m deferred taxes benefit; c£50m net reversal in H2; balance in 2021
- Cash separation cash flows in H1 £18m
- Restructuring spend in H1 £6m expect c. £35m for FY
- Interest weighted to H1 – expect c. £90m for FY
- Net debt movement from acquisitions & disposals includes net cash consideration £522m less £87m of net cash in disposed businesses
- Further disposal proceeds of c. £135m and SFO settlement expected in H2

FINANCIAL FRAMEWORK

STRONG LIQUIDITY

- Improving leverage: net debt to EBITDA 2.58x (2019: 2.90x)
- Strong liquidity: net cash of £1.1bn, unutilised committed bank facilities £650m (maturing 2024/25)
- Accessed £300m from the Bank of England CCFF fund
- USPP \$74.5m matured 15th July, paid from cash



* Exchange rates @ 30/06/20 or hedged rates where applicable.

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Strategy: Focused Execution

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