



# Ashley Almanza Group CEO

Securing Your World

# Legal Disclaimer

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Certain statements in this document are forward-looking statements. These forward-looking statements speak only as at the date of this document. These statements concern, or may affect, future matters and include matters that are not facts. Such statements are based on current expectations and beliefs and, by their nature, are subject to a number of known and unknown risks and uncertainties that could cause actual results and outcomes to differ materially from any expected future results or performance expressed or implied by the forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements. The information and opinions expressed in this document are subject to change without notice and neither the Company nor any other person assumes any responsibility or obligation to update publicly or review any of the forward-looking statements contained within this document, regardless of whether those statements are affected as a result of new information, future events or otherwise.

# G4S

## Group Overview

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- **Global, integrated security business:**
  - Diversified by market, service & customer segments
  - Positive long term demand for security & related services
  - Unrivalled market positions & footprint
  - Deep security heritage & expertise
  - Strengthening organisational capability & capacity
- **G4S Transformation:**
  - Portfolio restructuring; strategic, commercial & operational focus
  - Clearing up legacy accounting & contracting issues
  - Investing in and growing Continuing Businesses
- **Tangible Progress**
- **Significant unrealised potential / value**

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# G4S Markets & Services

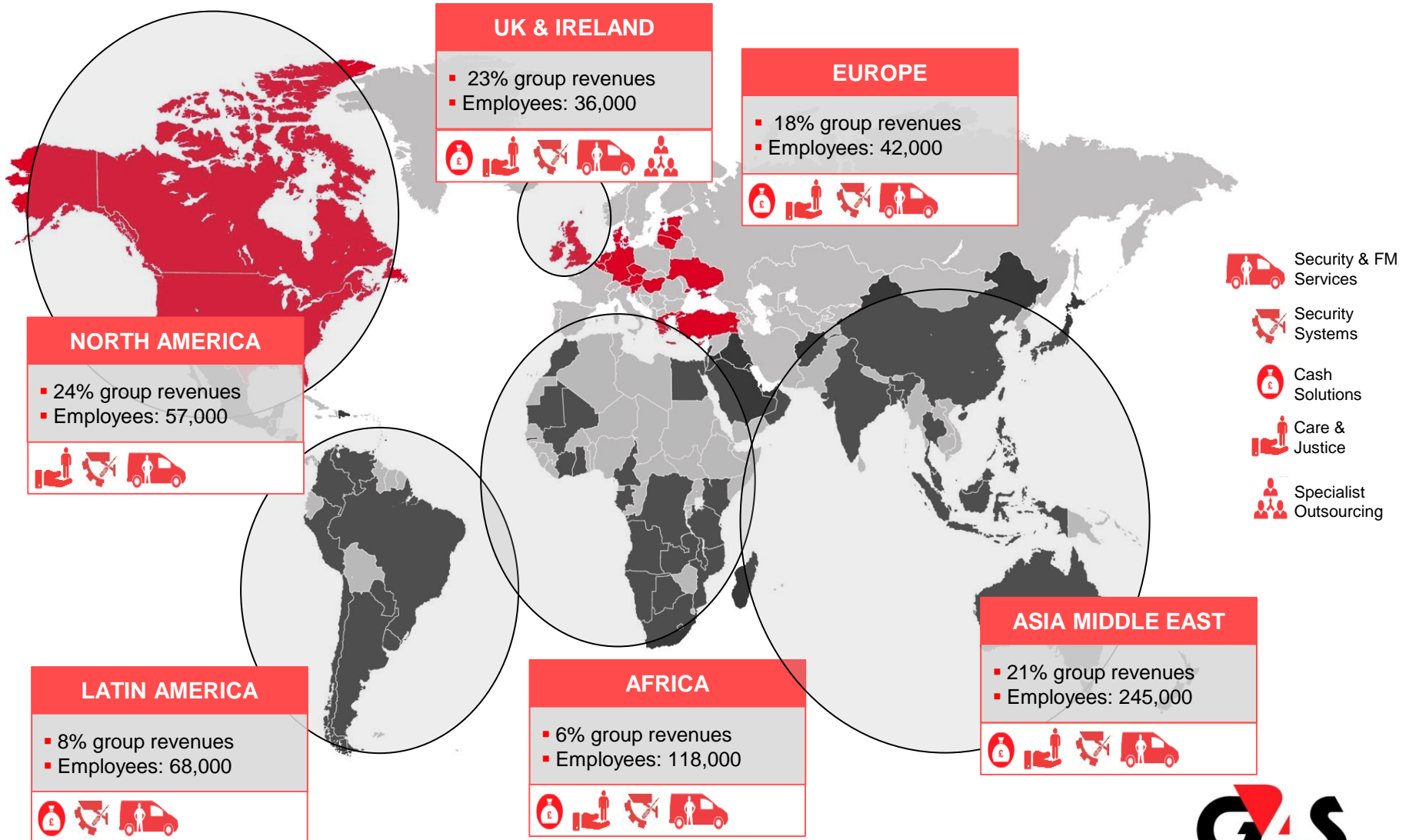
## Diverse Services and Customer Segments

| Business Segment                             | Service Line  | Major Customer Segments  | % Revenues in 2015 |
|--|---|--|--------------------|
| <b>Security &amp; FM Services</b>            | <ul style="list-style-type: none"> <li>▪ Manned &amp; Mobile Security</li> <li>▪ Secure FM Services</li> <li>▪ Monitoring &amp; Response</li> <li>▪ Armoured Security</li> <li>▪ Risk &amp; Security Consultancy</li> </ul> | <ul style="list-style-type: none"> <li>▪ Major corporates &amp; industrials</li> <li>▪ Government</li> <li>▪ Financial institutions</li> <li>▪ Energy &amp; utilities</li> <li>▪ Retail &amp; Distribution</li> <li>▪ Airports and Ports</li> <li>▪ Natural resources</li> </ul> | <b>58%</b>         |
| <b>Security Systems &amp; Tech</b>           | <ul style="list-style-type: none"> <li>▪ Security Systems Install &amp; Maintenance</li> <li>▪ Security Systems Software / Integration</li> <li>▪ Fire &amp; Alarm Services</li> </ul>                                      | <ul style="list-style-type: none"> <li>▪ Major corporates &amp; industrials</li> <li>▪ Government</li> <li>▪ Financial institutions</li> <li>▪ Private energy &amp; utilities</li> <li>▪ Retail</li> </ul>   | <b>8%</b>          |
| <b>Care &amp; Justice Services</b>           | <ul style="list-style-type: none"> <li>▪ Custody &amp; rehabilitation</li> <li>▪ Prisoner escorting</li> <li>▪ Immigration Services</li> <li>▪ Electronic Monitoring</li> </ul>   | <ul style="list-style-type: none"> <li>▪ Central Government</li> <li>▪ Local Government</li> <li>▪ Government Agencies &amp; Authorities</li> <li>▪ Police authorities</li> </ul>  | <b>9%</b>          |
| <b>Specialist Outsourcing Services</b>       | <ul style="list-style-type: none"> <li>▪ Police services</li> <li>▪ Employment Support Services</li> <li>▪ Secure health services</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Central and local government</li> <li>▪ Private energy &amp; utilities</li> </ul>   | <b>11%</b>         |
| <b>Cash Solutions &amp; Secure logistics</b> | <ul style="list-style-type: none"> <li>▪ Cash management outsourcing</li> <li>▪ Cash consulting</li> <li>▪ ATM management</li> <li>▪ Retail Cash Management</li> <li>▪ Int. Secure Logistics</li> </ul>                     | <ul style="list-style-type: none"> <li>▪ Financial Institutions</li> <li>▪ Retail</li> <li>▪ Mining</li> <li>▪ Leisure</li> <li>▪ Other</li> </ul>   | <b>14%</b>         |

Secure Solutions

# G4S Markets & Services

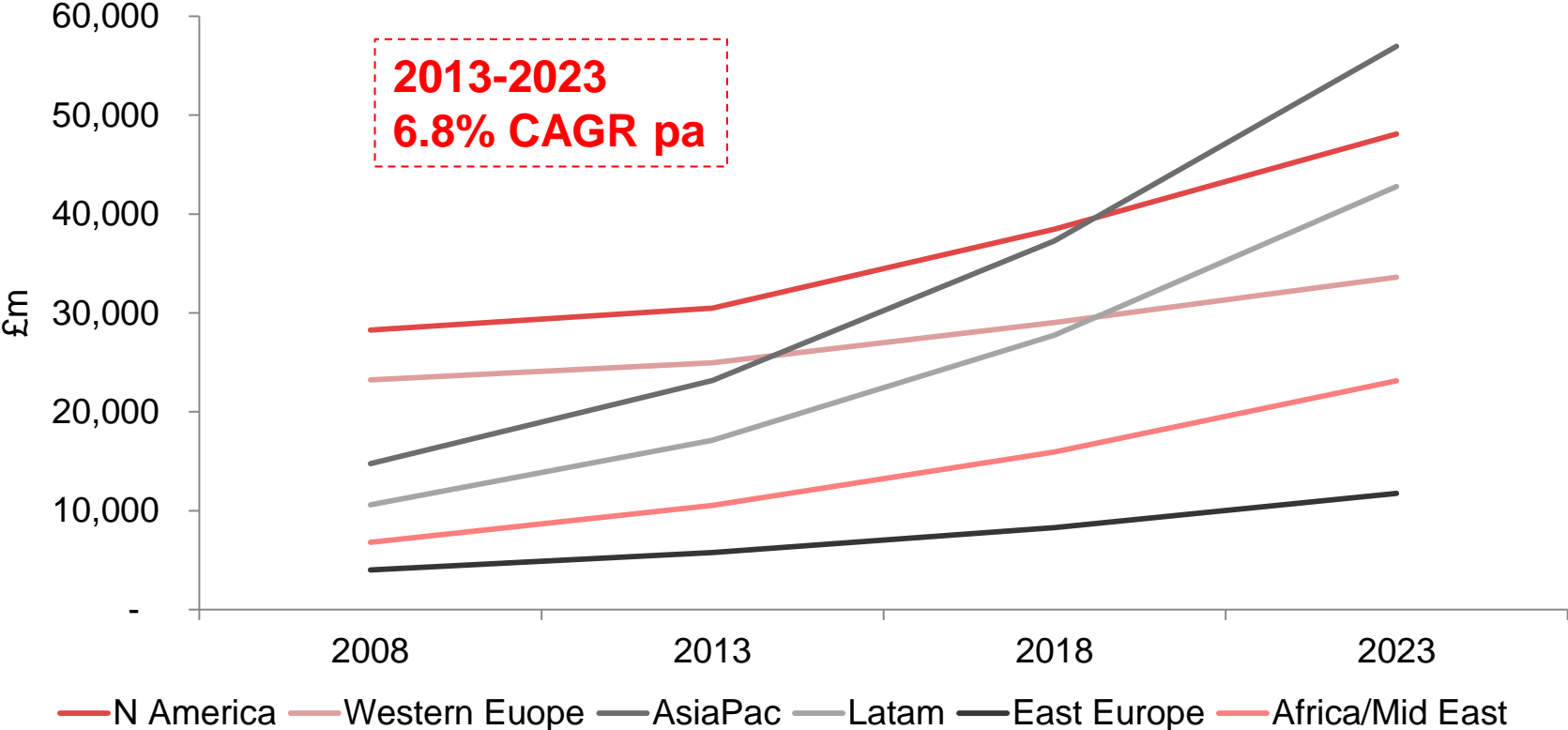
## Global Market Coverage



Financial information for FY 2015



# Global Security Market by Region



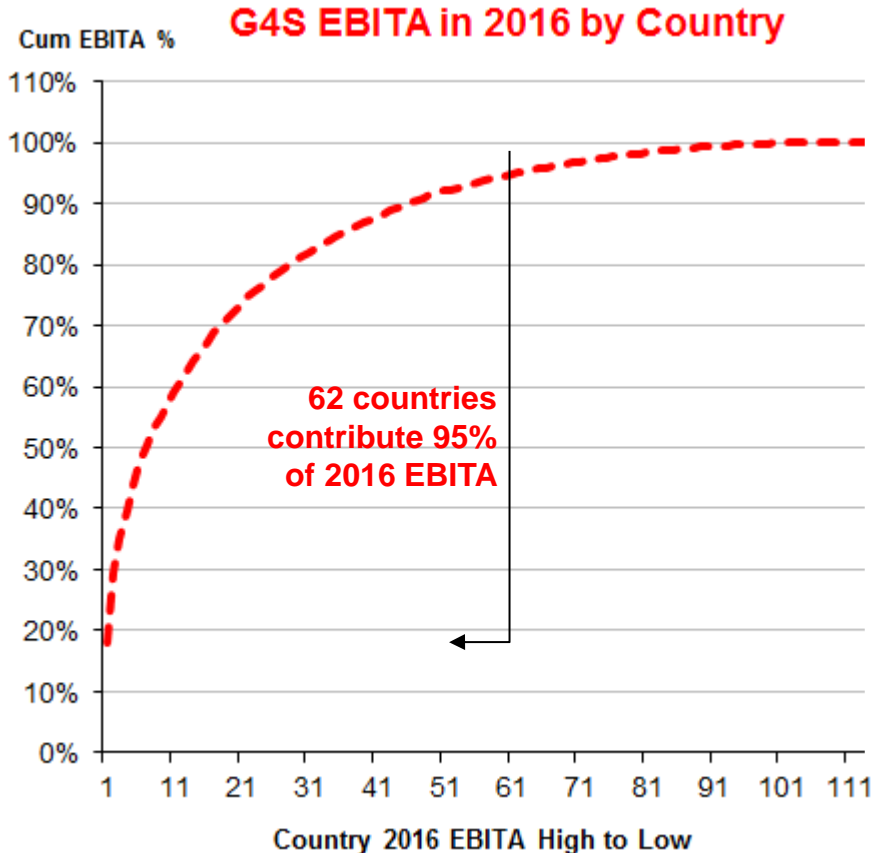
Source: Freedonia World Security report November 2014

**Structural growth markets**

# G4S Transformation

- Portfolio programme
- Resolving legacy accounting & contract issues
- Investing in & growing continuing businesses

# Portfolio Programme



Review criteria applied to all businesses:

- Materiality of contribution over next 3-5 years:
  - Organic growth
  - EBITA
  - Cash generation
  - Turnaround potential
- Market value
- Risk profile

*G4S November 2013*

**Strategic, Operational and Commercial Focus**

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# Portfolio Programme

**Update at 9 May 2016**

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|                             | <b>Disposal<br/>complete</b> | <b>Disposal,<br/>closure in<br/>progress</b> | <b>Total</b> |
|-----------------------------|------------------------------|--|--------------|
| <b>Number of businesses</b> | 24                           | 42   | 66           |
| <b>Revenue (£m)</b>         | 877                          | 690  | 1,567        |
| <b>PBITA (£m)</b>           | 13                           | (8)  | 5            |
| <b>Total proceeds (£m)</b>  | 283                          | -  | 283          |

**Further £250-£350m proceeds in next 12-24 months**

# Legacy Onerous Contracts

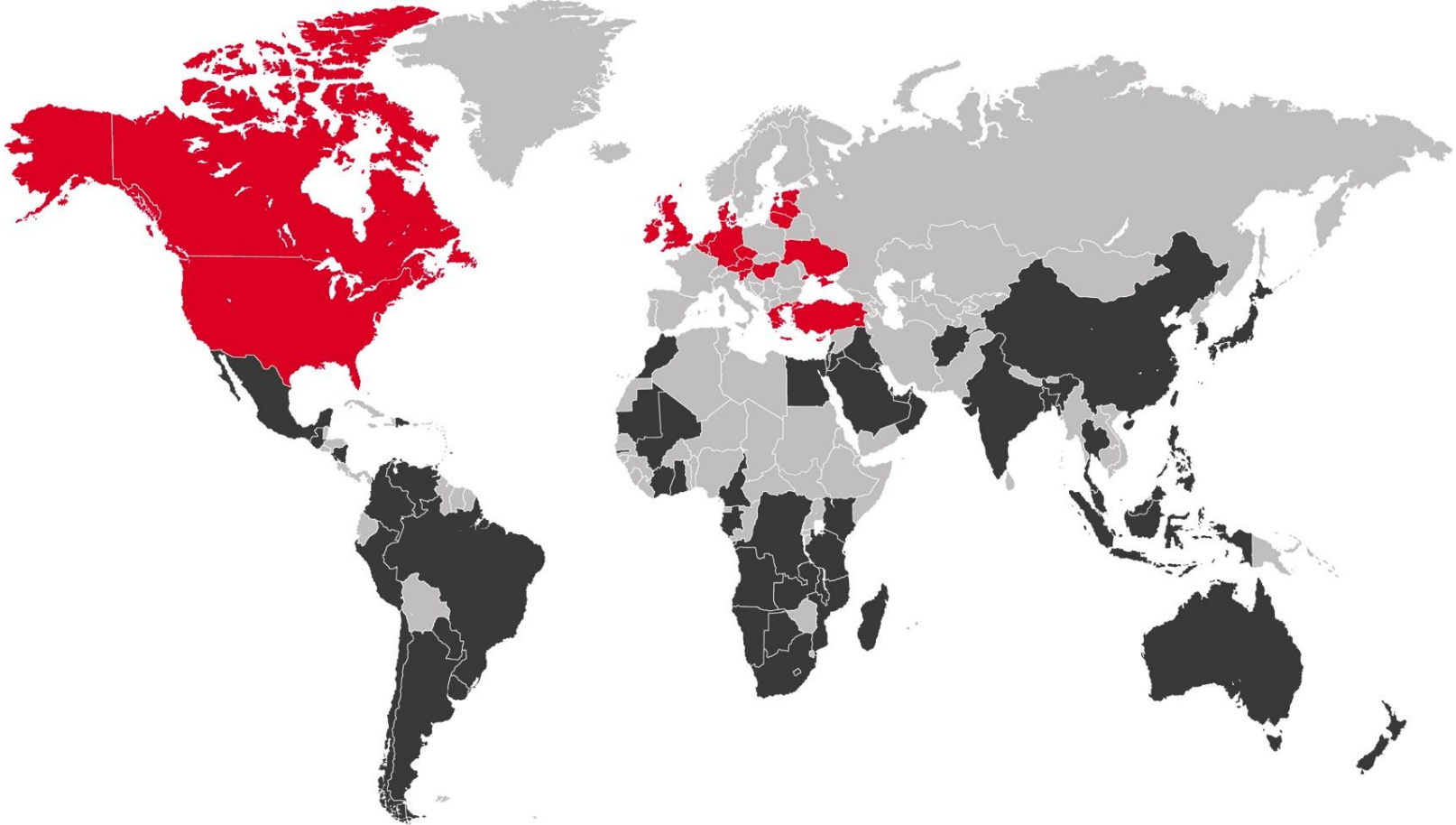
## Summary

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- UK Public sector 2007 – 2012
- Total cost including EM c.£250m
- Estimated annual cash cost 2016 / 17: £20-£30m
- Contingent exposure: Compass £57m
- Actively managing these contracts
- Enhanced contract approval and management

**Legacy issues diminishes over 2 / 4 years**

# Continuing Businesses



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# Continuing Businesses

## Strategic Priorities

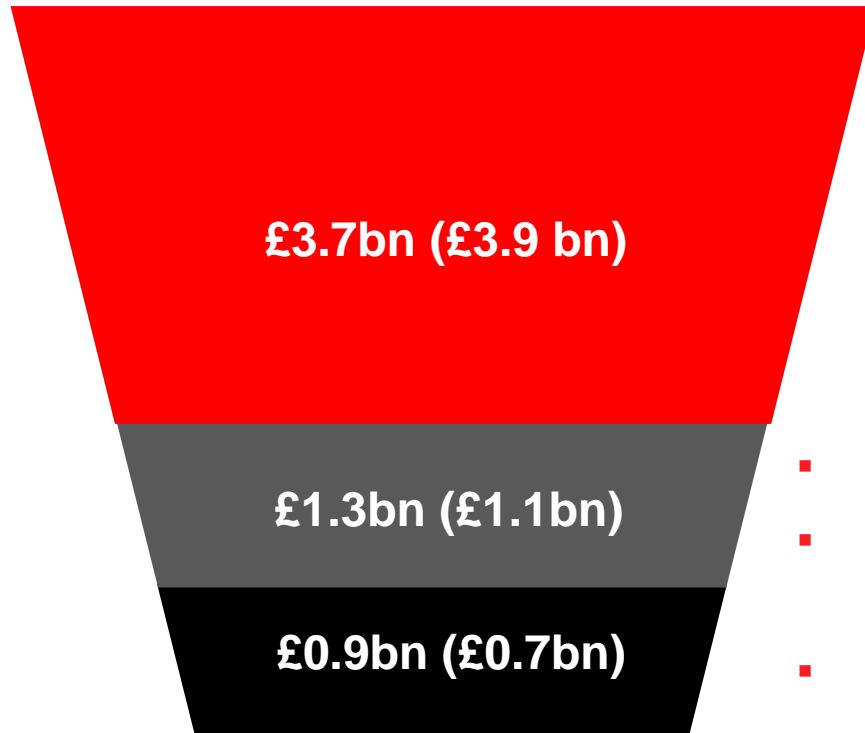
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- **Growth – investment in:**
  - Sales & Business Development
  - Sales Operations
  - CRM
  - Innovation
  - Service Excellence
- **Operational Excellence – investment in:**
  - Restructuring
  - Procurement
  - Lean processes
  - IT / Ops
- **People & Organisation**
- **Financial Discipline: contracts, capex, cash flow, ND / EBITDA**

# Continuing Businesses

## Growth: Pipeline

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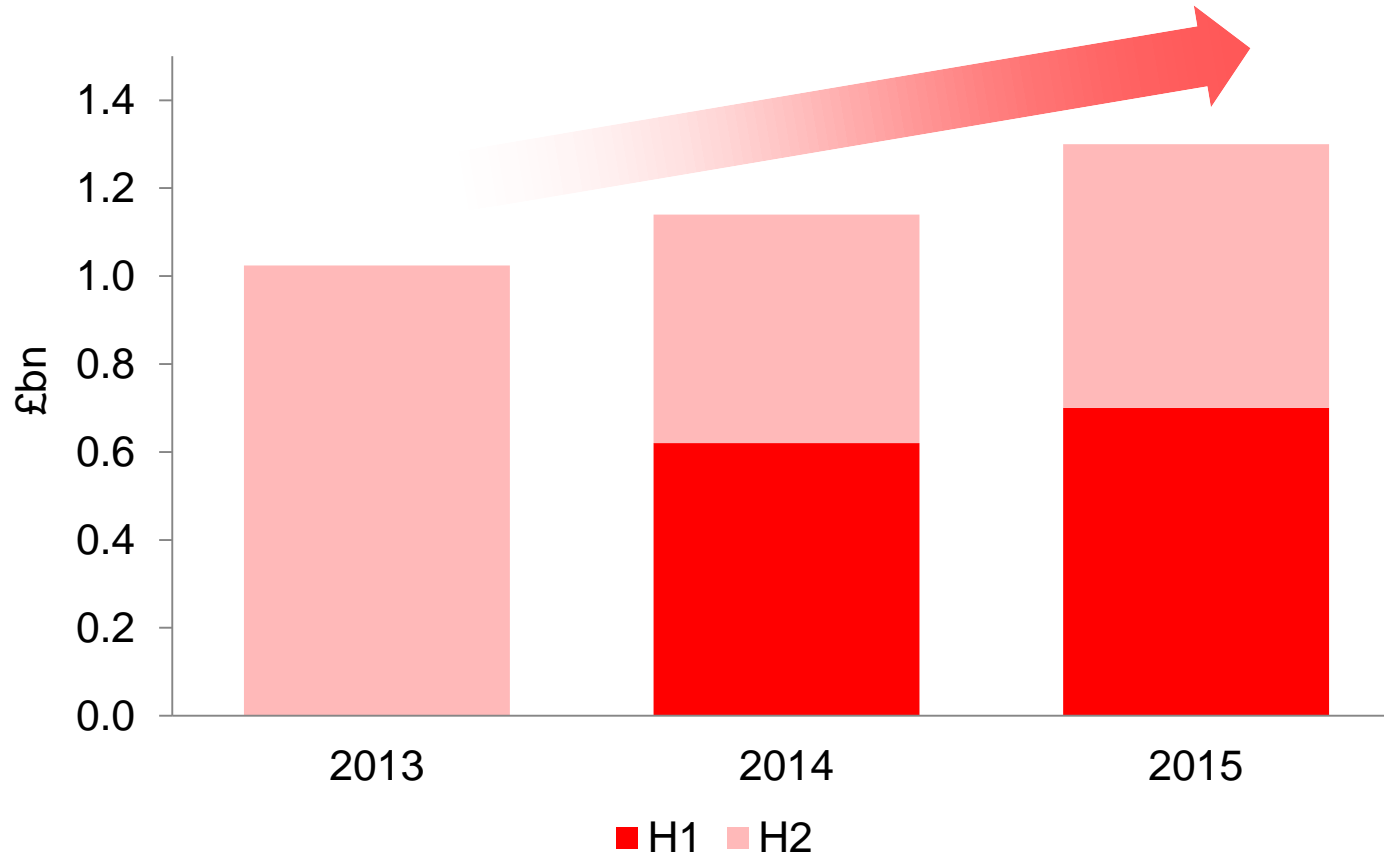
- Leads and Prospects (unrisked)
- Bidding
- Negotiation

- Investment in Sales and BD
- 2016 YTD new contracts £450m ACV, £950m TCV
- Pipeline £5.9 bn ACV

Note: As at 1 May 2016 (1 January 2016)

# Continuing Businesses

## Growth: Increasing Win Rate (Get & Grow)



*Note: 2013 no data for H1 vs. H2.*

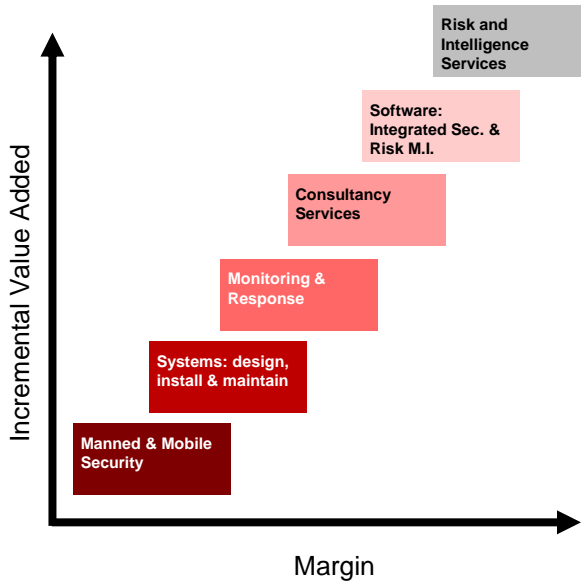
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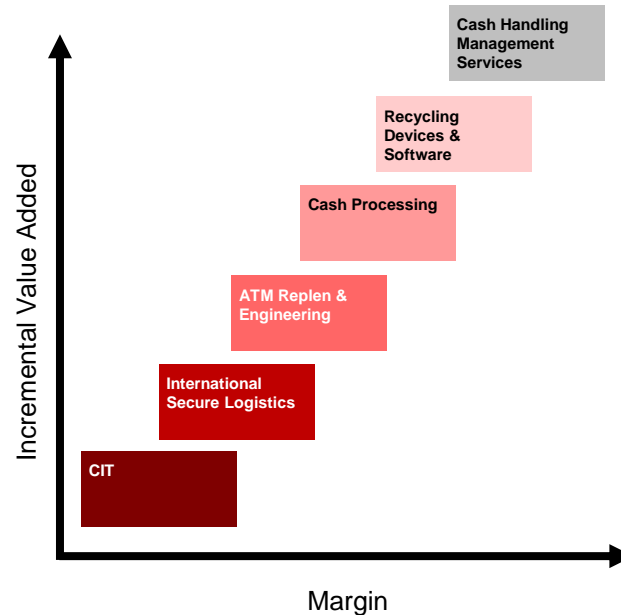
# Continuing Businesses

## Growth & Innovation

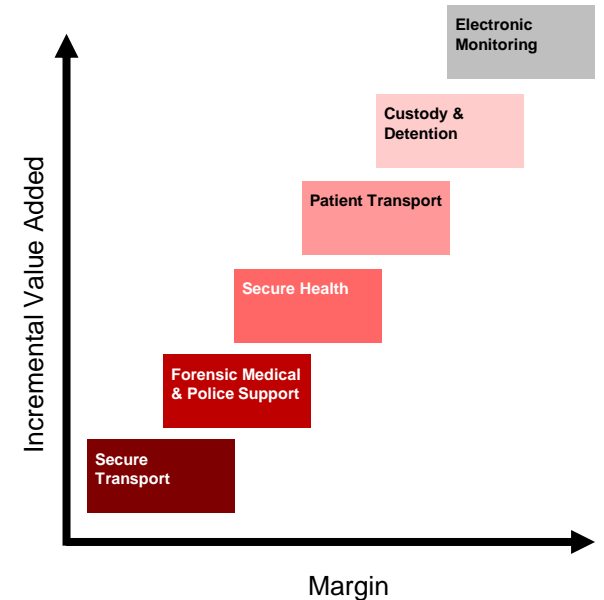
### Secure Solutions



### Cash Solutions



### Care & Justice



- Diversified service lines provide both resilience & growth options
- Services scalable across unrivalled market footprint
- Cross selling in and across markets offers enormous potential

# Continuing Businesses

## Growth: Investment in innovation

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- AMAG
- Symmetry Connect
- RISK360
- CASH360
- CASH45
- GIS & TravelAware
- Deposita
- Bank in a Box



# Continuing Businesses

## Growth: US CASH360

- Partnership with Global Bank
  - Jointly marketed
- Major retailers: Large Box
  - 632 stores
- Small Box:
  - 603 stores
- Growing order book
- Contracted + Order book:  
c.\$80m ACV / c.\$400m TCV
- Revenues begin to ramp in H216

### Smart Safe workflow



An **end-to-end vault solution** also enables you to receive provisional credit for cash deposited into a bill-validating safe. Based on capability, a bank will establish connectivity with the service provider and generally **provide provisional credit** on safe deposits.



### Cash recycling workflow (example)



# Continuing Businesses

## Operational Excellence

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- Operational restructuring
- Fleet operations
- Procurement
- IT spend
- Core Operational Systems:
  - Lean, integrated processes
  - IT enabled
  - Ireland Pilot: detailed design and build
  - Multi-year, phased programme

# Continuing Businesses

## People & Organisation

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- Seven Regions
  - Africa, AsiaPac, Europe, Latam, Middle East & India, North America, UK&I
  - Strengthened leadership in-market
- Global Leadership Team: 130 / 220
- Capability building in key business unit leadership positions:
  - GM / SD / FD / HRD / Ops
- Underpinned by Group Values

# Continuing Businesses

## Performance (1 January 2016 – FY 2015)

|                          | Continuing<br>businesses | %<br>change | Onerous<br>contracts | Portfolio<br>businesses | Restructur-<br>ing | Specific<br>and<br>other | Statutory |
|--------------------------|--------------------------|-------------|----------------------|-------------------------|--------------------|--------------------------|-----------|
| Revenue                  | 5,825                    | +3.9%       | 234                  | 804                     |                    |                          | 6,863     |
| PBITA                    | 391                      | +5.7%       | 0                    | 1                       |                    | (1)                      | 391       |
| OCF                      | 447                      |             |                      |                         |                    |                          |           |
| Other cash flow<br>items |                          |             | (26)                 | 28                      | (46)               | 26                       |           |

Progress in continuing businesses

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# Continuing Businesses

## Q1 2016 update

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- Growth + Productivity:
  - Revenue growth 4.5%
  - PBITA + 6.5%
  - c.£450m ACV / c.£950m TCV new business won
- No impairments or onerous contract charges
- Cash flow of £85m (Q1 2015: £5m)
- Cash flow includes £24m reversal of Y/E working capital
- Disposal programme on track
- Outlook: Positive start provides good support for further operating and financial progress

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