



2016 Half Year Results

10 August 2016

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Ashley Almanza Group CEO

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Agenda

- Key Messages
- Results Highlights
- Business Review
- G4S Transformation
- Financial Review
- Conclusion

- **Results**
 - Profitable Growth
 - Strong Operating and Net Cash Flow
 - Net Debt / EBITDA 3.2x post £59m FX translation
- **G4S Transformation**
 - People, Sales, Service & Innovation, Productivity, Portfolio
 - Delivering tangible benefits
 - Strategic, commercial and operational focus
 - Growth: pipeline, sales and revenue
 - Profitability: PBITA margin expansion
 - Cash Flow
 - Much further to go to realise full potential
- **Outlook:**
 - Positive demand for G4S services: 4-6% p.a.



Results Highlights & Business Review

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Continuing Businesses |

Six months ended 30 June 2016*

	Continuing businesses	% change	Onerous contracts	Portfolio businesses	Restructuring	Acquisition related amortisation and other	Statutory	% change
Revenue	3,086	+5.1%	114	332			3,532	+1.9%
PBITA	199	+8.2%	-	4			203	+6.8%
Earnings	102	+13.3%	1	(3)	(2)	(29)	69	+25.5%
OCF	293	+51.8%	4	9	(9)	(24)	273	+70.6%

*Constant currency

Investing in Continuing Businesses

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Results Highlights | Growth

- Revenue Growth: +5.1%
 - Emerging Markets: +9.7%
 - Developed Markets: +2.4%
- Sales: New contracts £0.7bn ACV, £1.4bn TCV
- Diversified pipeline: £6.3bn ACV

Positive demand for G4S services

Results Highlights | Profit and Cash Flow

- Growth + Productivity => enhanced profitability
 - PBITA: £199m +8.2%
 - Earnings: +13.3%
- Operating Cash Flow: £293m (+51.8%)
- Net Cash Flow: £59m (H1 2015: £(79)m outflow)
- ND/EBITDA 3.2x; FX: £59m adverse
- Forward impact of FX: 80% revenues non UK
- Interim Dividend 3.59p/sh

Focus on Growth, Productivity & Cash Flow

Business Review | Africa

£m Continuing businesses performance at constant exchange rates	Revenue	Growth	PBITA		
	2016	HoH	2016	2015	% change
	203	+7.4%	20	19	5.3%

- Revenue: +7.4%; growth across markets and services
- Productivity programme relatively immature
- PBITA: 5.3%
 - Cost of sales and productivity programmes;
 - Wage inflation & PI programme
- Diversified Sales: foreign governments, NGOs, banking, retail & leisure, infrastructure and resource sector

Business Review | Asia Pacific

£m Continuing businesses performance at constant exchange rates	Revenue	Growth	PBITA		
	2016	HoH	2016	2015	% change
	307	+3.4%	23	19	21.1%

- Revenue: +3.4%
- PBITA: +21.1%
 - Contract portfolio / revenue mix
 - Operational restructuring
- Investing in sales and productivity programmes
- Diversified sales: banking, construction, infrastructure, retail, industrial, care & justice

Business Review | Middle East & India

£m Continuing businesses performance at constant exchange rates	Revenue	Growth	PBITA		
	2016	HoH	2016	2015	% change
	405	+16.4%	40	39	2.6%

- Revenue: +16.4%
- PBITA: + 2.6%
 - Investment in organisational capability & capacity
 - Productivity & operational excellence
 - Sales, service & innovation
- Diversified sales: engineering, banking, aviation, retail & distribution, property, technology

Business Review | Latin America

£m Continuing businesses performance at constant exchange rates	Revenue	Growth	PBITA		
	2016	HoH	2016	2015	% change
	278	+9.4%	11	10	10.0%

- Revenue: +9.4%; across markets and services
- PBITA: +10.0%
 - Price increase programme
 - Initial productivity gains
- Diversified sales: energy, natural resource, consumer products, banking and financial services, telecom, construction and automotive sectors

Business Review | Europe

£m Continuing businesses performance at constant exchange rates	Revenue	Growth	PBITA		
	2016	HoH	2016	2015	% change
	563	+5.6%	35	32	9.4%

- Revenue: +5.6%
 - Strong growth in Cash Solutions and Secure Solutions
- PBITA: +9.4%
 - Contract portfolio / revenue mix
 - Productivity gains
- Diversified sales: retail, leisure, banking, government, aviation, ports

Business Review | North America

£m Continuing businesses performance at constant exchange rates	Revenue	Growth	PBITA		
	2016	HoH	2016	2015	% change
	767	+3.5%	43	41	4.9%

- Revenue: + 3.5%
- PBITA: + 4.9%
 - Sales mix and productivity gains
- Diversified sales & substantial pipeline
- Cash Retail Solutions \$0.8 billion TCV (2013: nil)
- Positive momentum into H2

Business Review | UK & Ireland

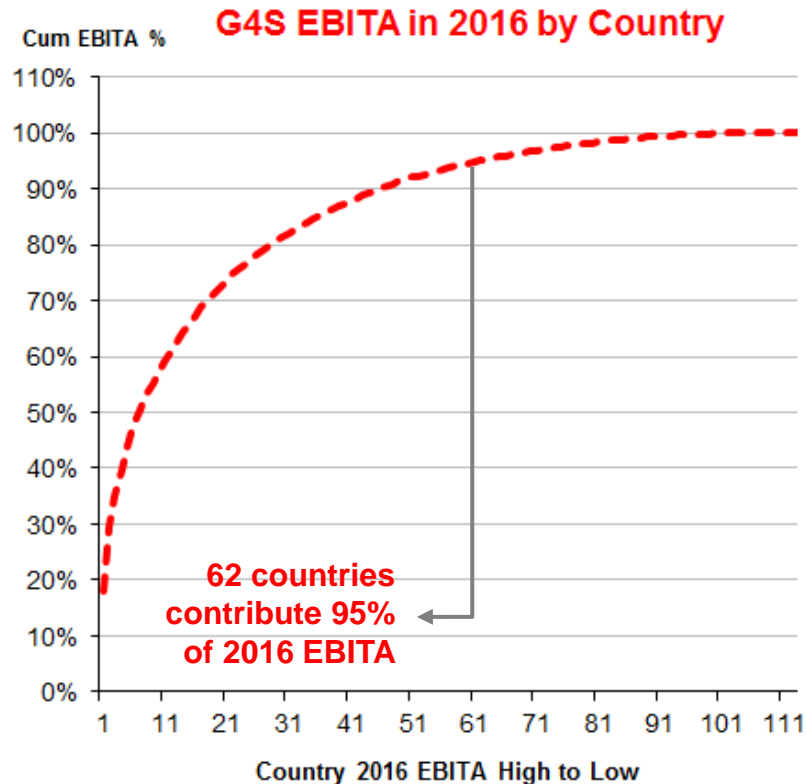
£m Continuing businesses performance at constant exchange rates	Revenue	Growth	PBITA		
	2016	HoH	2016	2015	% change
	563	-1.9%	48	47	2.1%

- Revenue: -1.9%
 - Employment Services
- PBITA: +2.1%
 - Operational restructuring & overhead efficiency
- Sales: banking, local government, NHS, Police, C&J, retail and leisure
- Momentum in Cash and Health

G4S Transformation

- Portfolio programme
- Growth & Innovation
- Productivity
- Financial Discipline & Cash Management

G4S Transformation | 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

Active portfolio management = focus and performance

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G4S Transformation | Portfolio programme

	Disposal complete	Disposal, closure in progress	Total
Number of businesses	25	38	63
Annual Revenue (£m)	900	610	1,510
Annual PBITA (£m)	14	(6)	8
Total proceeds (£m)	288	-	288

- Structured processes, active buyer interest
- Proceeds: £250m to £350m in 2016/17

Strategic, Commercial & Operational Focus

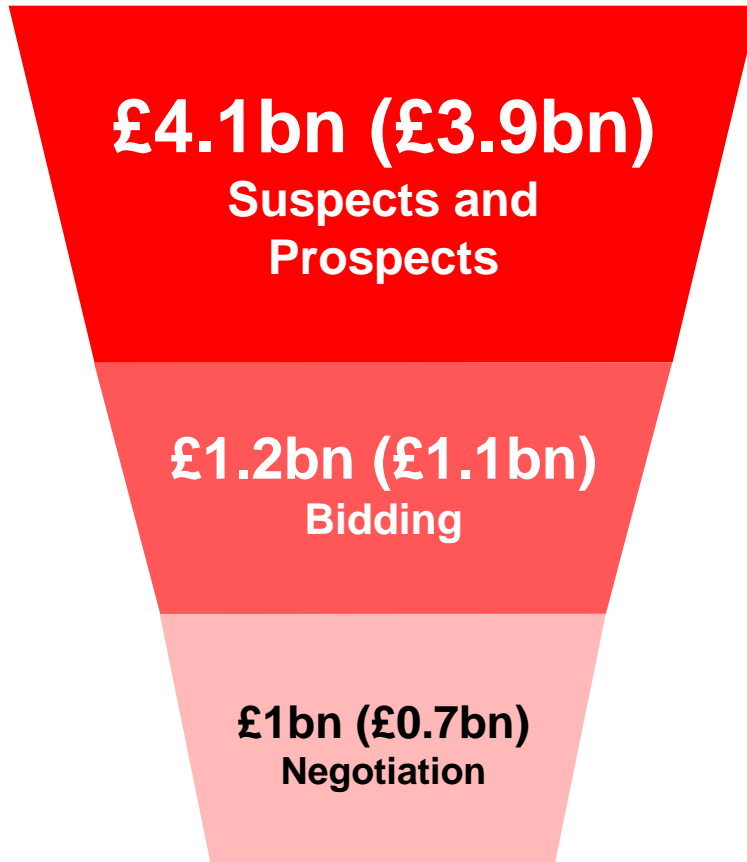
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G4S Transformation | Growth & Innovation

- Investment in Sales:
 - Sales organisation
 - Sales leadership
 - Sales training
 - Account management
 - Pipeline and Sales management
- Investment in Service & Product Innovation

G4S Transformation | Growth & Innovation

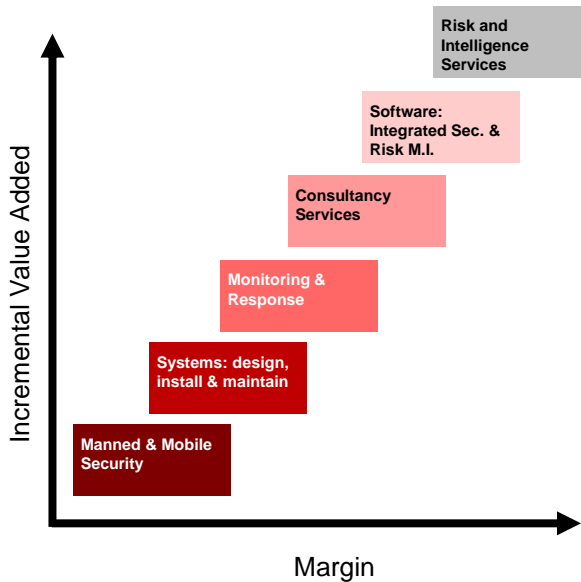


Note: As at 29 July 2016 (1 January 2016)

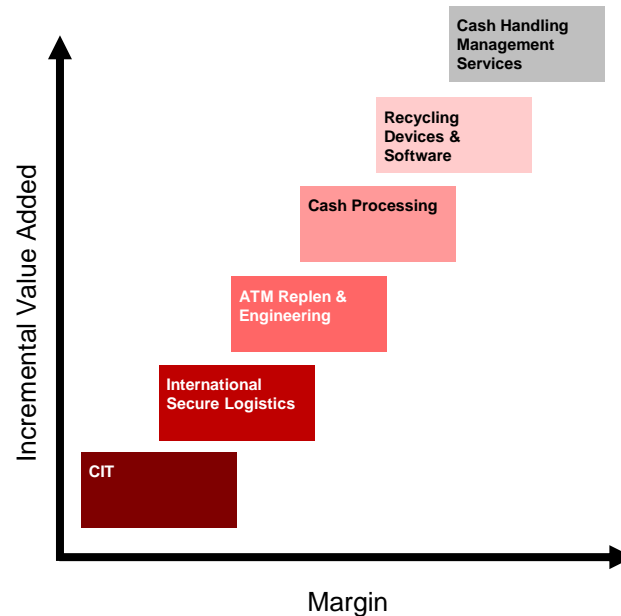
- Investment in Sales and BD
- H1 2016 new contracts
£0.7bn ACV, £1.4bn TCV
- £6.3bn ACV Pipeline
- Diversified by:
 - Service
 - Market
 - Customer Segment

G4S Transformation | Growth & Innovation

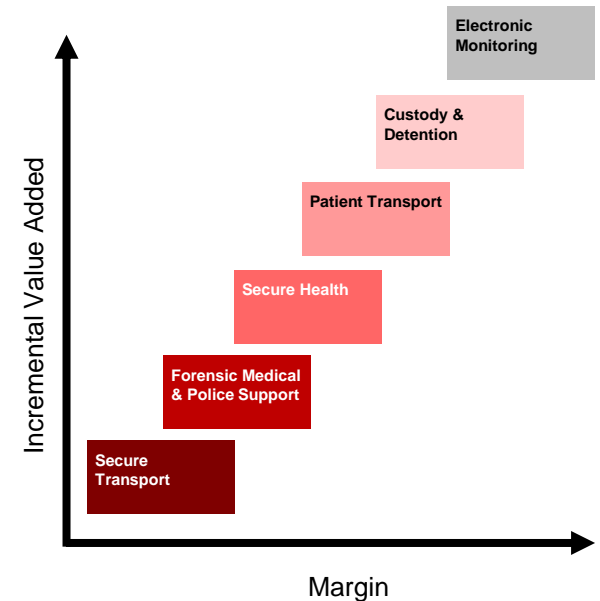
Secure Solutions



Cash Solutions



Care & Justice




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

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G4S Transformation | Growth & Innovation

- AMAG
 - Symmetry Connect
 - RISK360
 - GIS & TravelAware
 - Consulting & Security
 - CASH360™
 - Deposita
 - CASH45
- 
- 11% of group revenues
 - 8% growth in H1 16
 - Value add
 - Positive margin mix
 - Discrete & integrated solutions

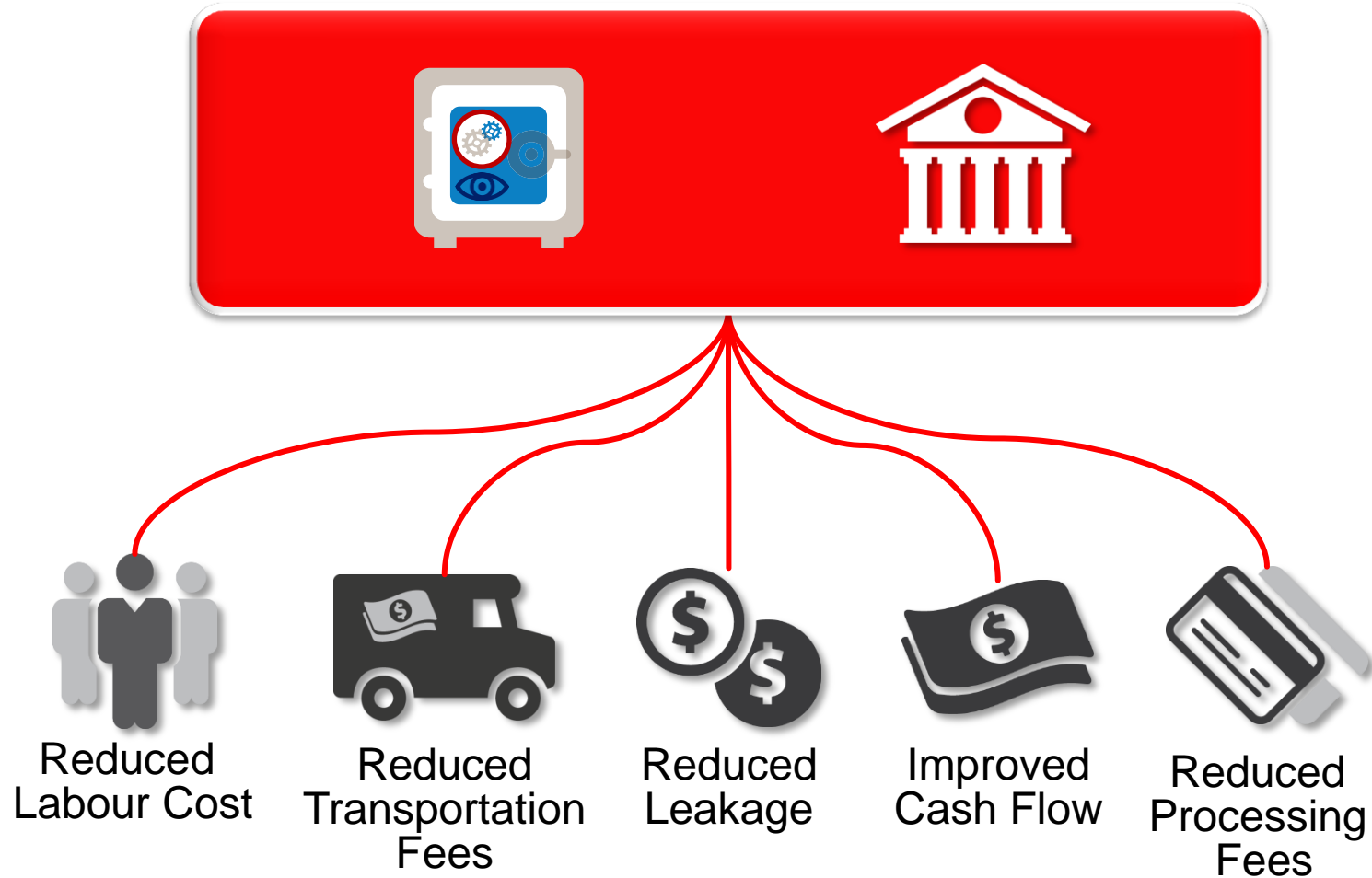
Link to AMAG & Symmetry marketing materials:

http://www.amag.com/~media/Files/AMAG%20Technology/Brochures/Infographic_Brochure_6-12-14-web.pdf

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G4S Transformation | Retail Solutions



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G4S Transformation | Retail Solutions

- Partnership with Global Bank/s
- Large Store solutions:
 - Installed / commissioning: 1,100 stores
 - Rolling out / order book: further c.3,450 stores
- Small / Med Store solution:
 - In 750 stores; growing order book
- Underwritten: 5 year initial contract
- Margins reflect customer value add







- **TCV \$0.8bn (2013: Nil)**
- **Substantial further pipeline**



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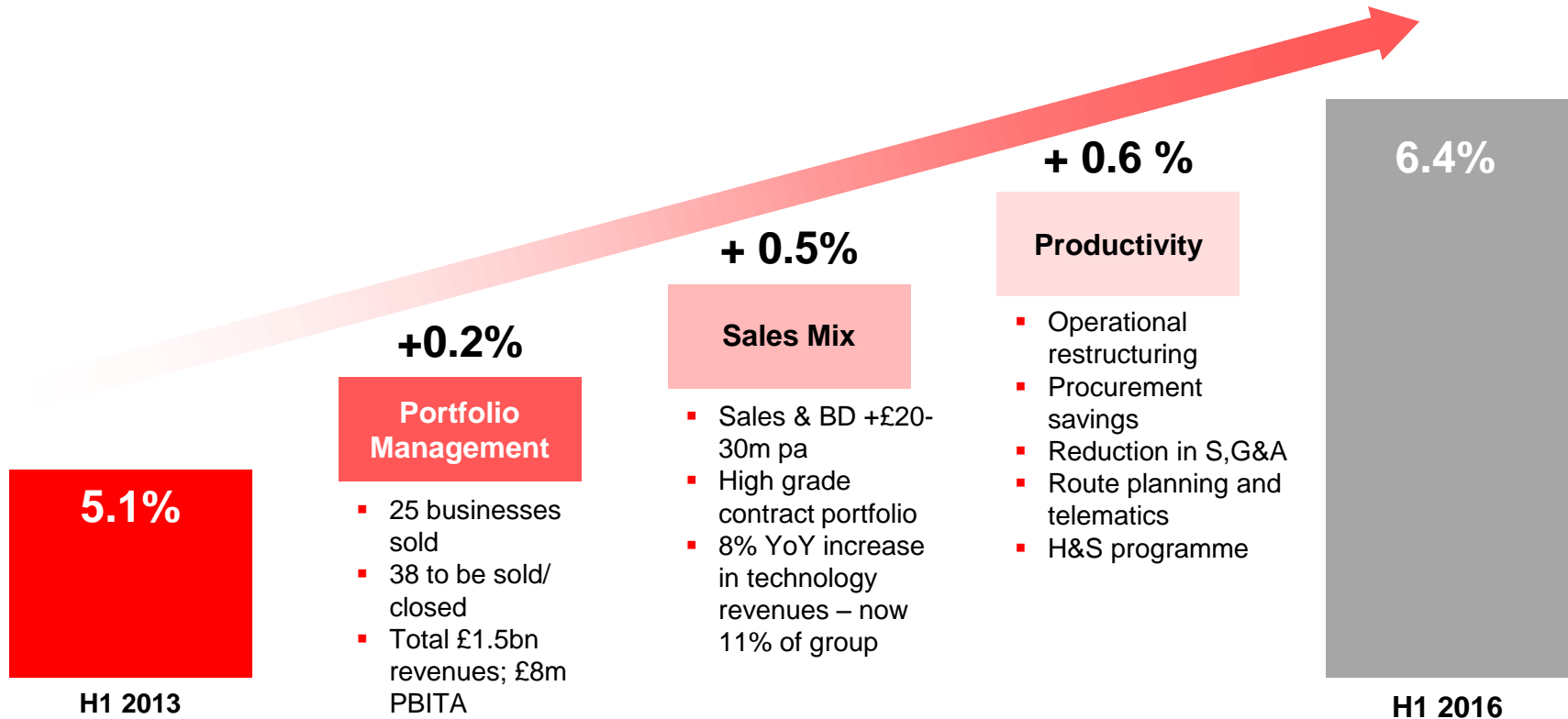
G4S Transformation | Productivity

Programme	Status	Progress
Safety Performance		<ul style="list-style-type: none"> Foundation laid: building culture & performance
Route planning & telematics		<ul style="list-style-type: none"> Telematics 4,400 since 2014 Route scheduling covers c.9K vehicles
Organisation efficiency & restructuring		<ul style="list-style-type: none"> Operational restructuring De-layering and globalising functions
Procurement & Property		<ul style="list-style-type: none"> Annualised savings of >£20m Reduced suppliers and demand Rationalising property
Direct labour efficiency		<ul style="list-style-type: none"> Multi-year program – pilot in Ireland in H2 2016 Significant prize
IT & lean process automation		<ul style="list-style-type: none"> IT service management model Progressive, disciplined programme

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G4S Transformation | PBITA Margin



Tangible results – more to do

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G4S Transformation | PBITA Margin

PBITA % by Service Line*

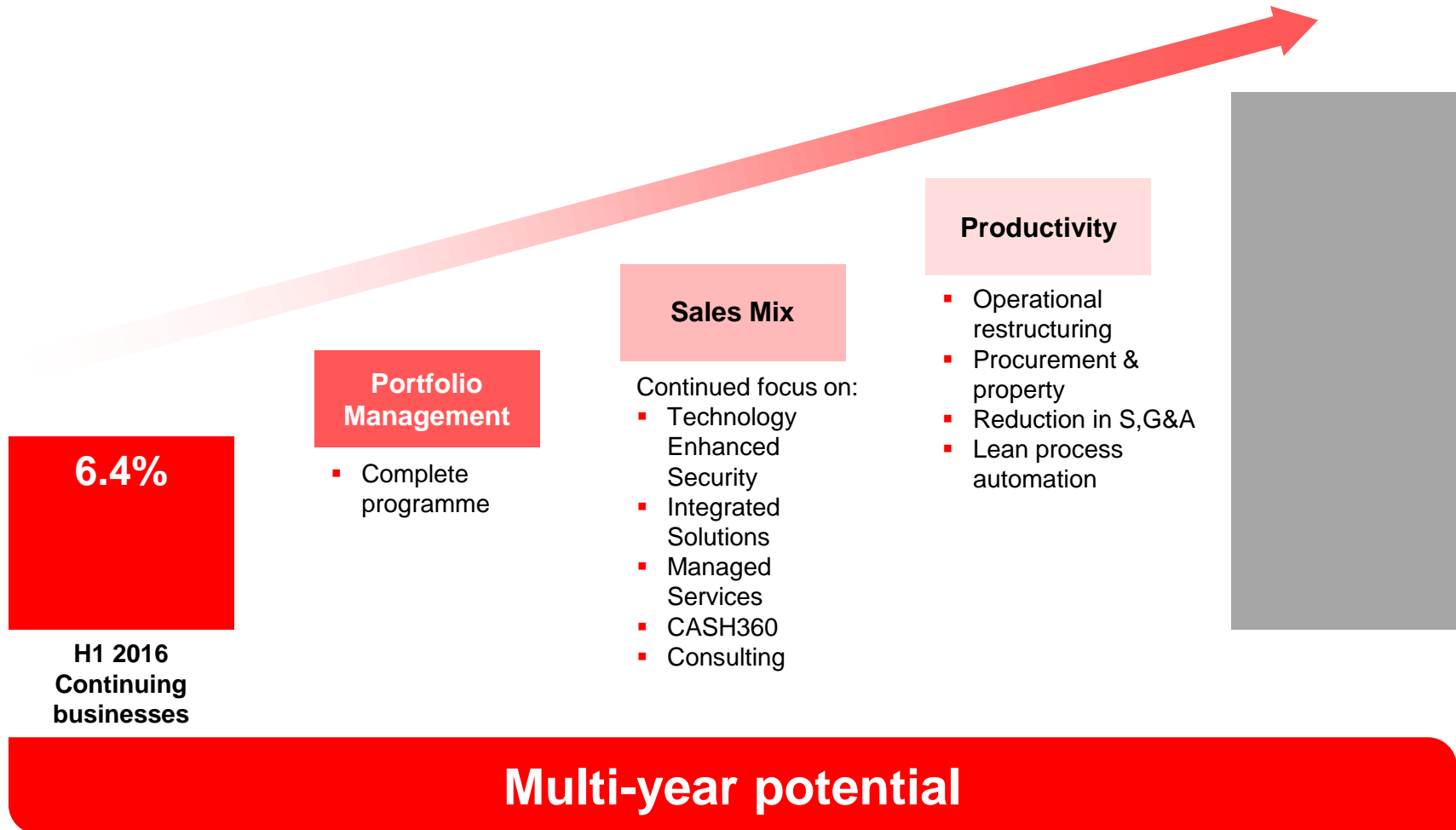
	H1 2013	H1 2016
Secure Solutions	5.3%	6.1%
Cash Solutions	9.5%	12.7%

*excludes corporate costs

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G4S Transformation | PBITA Margin



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Himanshu Raja Group CFO

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H1 2016 Results | Continuing businesses

	Six months ended 30 June		Fav/(unfav)
	2016	2015	YoY
Revenue	£3,086m	£2,936m	5.1%
PBITA	£199m	£184m	8.2%
PBITA Margin %	6.45%	6.27%	18bp
Interest	£(50)m	£(51)m	2.0%
Tax	£(36)m	£(32)m	(12.5%)
NCl's	£(11)m	£(11)m	-
Earnings	£102m	£90m	13.3%
Operating cash flow	£293m	£193m	51.8%
OCF conversion	147%	105%	

Revenue growth:

- **Region:** Emerging Markets up 9.7%, Developed Markets up 2.4%
- **Service Line:** Secure Solutions up 5.5%; Cash Solutions up 3.1%

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Continuing Businesses |

Six months ended 30 June 2016*

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*Constant currency

Investing in Continuing Businesses

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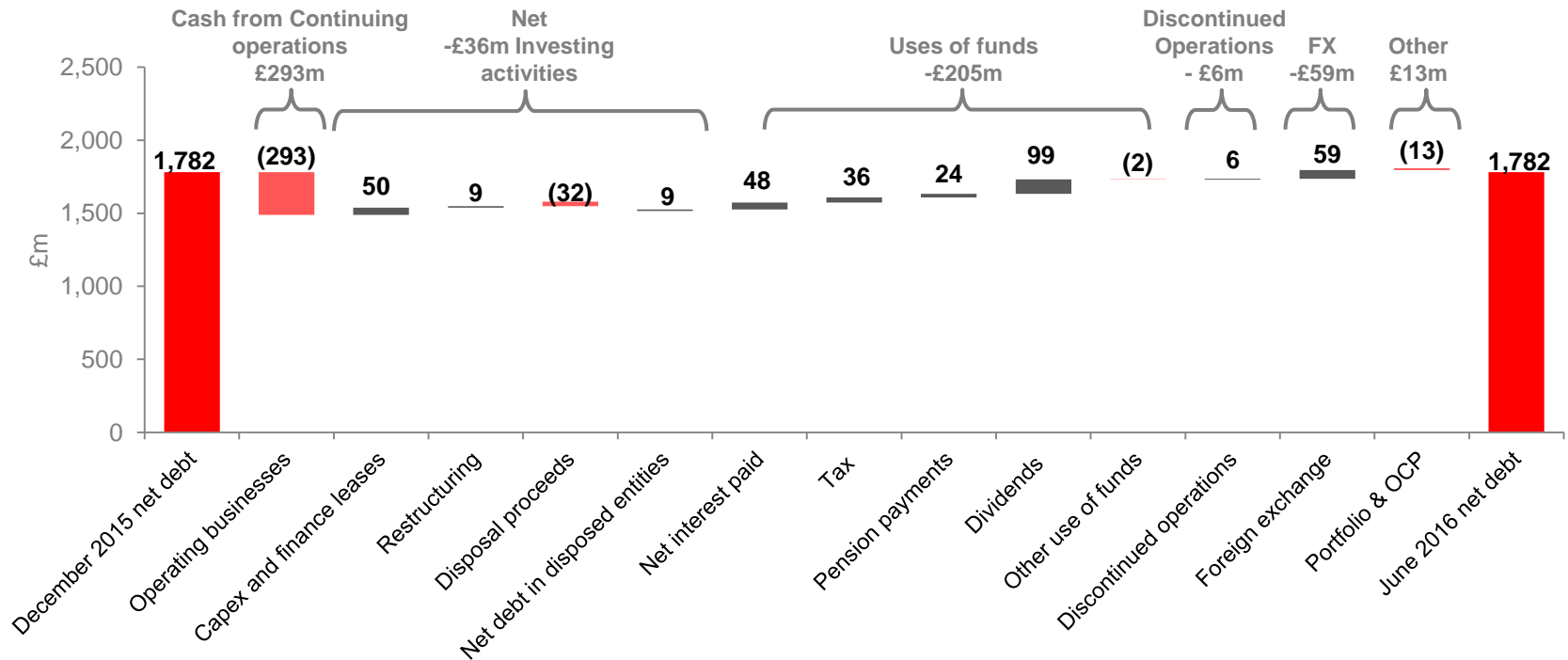


Disciplined Financial Management

Objective from November 2013	H1 2016	2015	2014	2013
Quarterly Review of Contracts <ul style="list-style-type: none"> ▪ Number reviewed ▪ Annualised revenue 	218 £2,597m	214 £2,363m	202 £2,234m	168 £2,025m
Single pool of capital – capex > 10% post tax IRR	£50m	£104m	£138m	£178m

- Contract risk management: established processes
- Strengthened finance and risk management capability
- Single pool of capital: focussed investment discipline
- Restructuring investments paying back within 3 years

Financial Framework | Cashflow and Net Debt



- Net cash flow of £59m covered FX translation impact of £59m
- Net Debt / EBITDA 3.2x (3.3x at December 2015)
- Triennial pension review: strong asset appreciation and deficit reduced
- FX tailwind to earnings and cashflow

Working Capital | Good progress: more to do

Statutory Results £m	June 2016	June 2015	YoY Change £
Revenue	3,532	3,421	111
Receivables	1,397	1,363	(34)
	40%	40%	
Payables	1,062	1,051	11

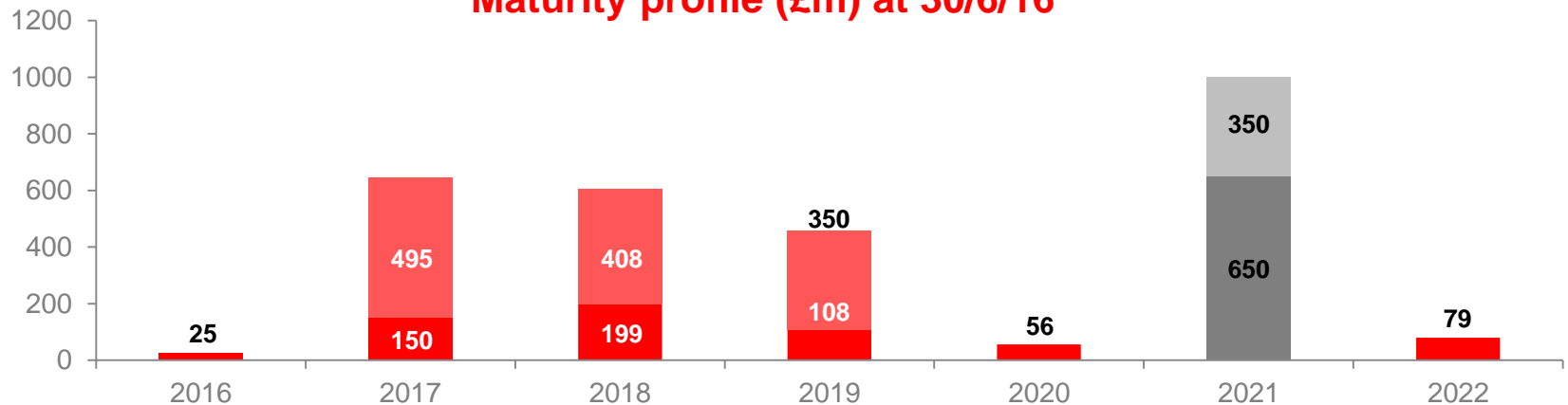
Sustainable improvement in working capital management

- Receivables
 - £34m growth YoY against a £111m growth in revenue
 - Cash matters programme
- Payables
 - £11m growth YoY
 - Segmented supplier base
 - Some regions DPOs and DSOs now aligned

Liquidity

- **Strong liquidity**, unutilised committed facilities of c.£350m and cash c.£800m
- **New** Euro 600m bank facility signed August 2016
- Revolving credit facility refinanced in January 2015, with **maturity extended** to 2021
- **Flexible** access to long-term capital markets
- Group plan supports Net Debt / EBITDA of 2.5x or lower in 12-18 months

Maturity profile (£m) at 30/6/16*



■ USPP
 ■ Bond
 ■ RCF Drawn
 ■ RCF Undrawn

(* exchange rates @ 30/6/16 or hedged rates where applicable)

Net Debt / EBITDA | Progress with plan

3.2x

Growth / Productivity

- Revenue +4-6%
- Business mix
- Innovation
- Productivity

Cash flow

- Working Capital:
 - Receivables
 - Payables
 - Procurement
 - Event to billing
- Capital discipline
 - Managing Onerous Contracts
 - Restructuring
 - Capex
- Pension

Portfolio Management

- Strategic focus
- Proceeds of £250-350m in 2016/17
- £32m raised at H1 2016

2.5x

June 2016

December 2017

Multiple routes to 2.5x



Q&A

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Appendix

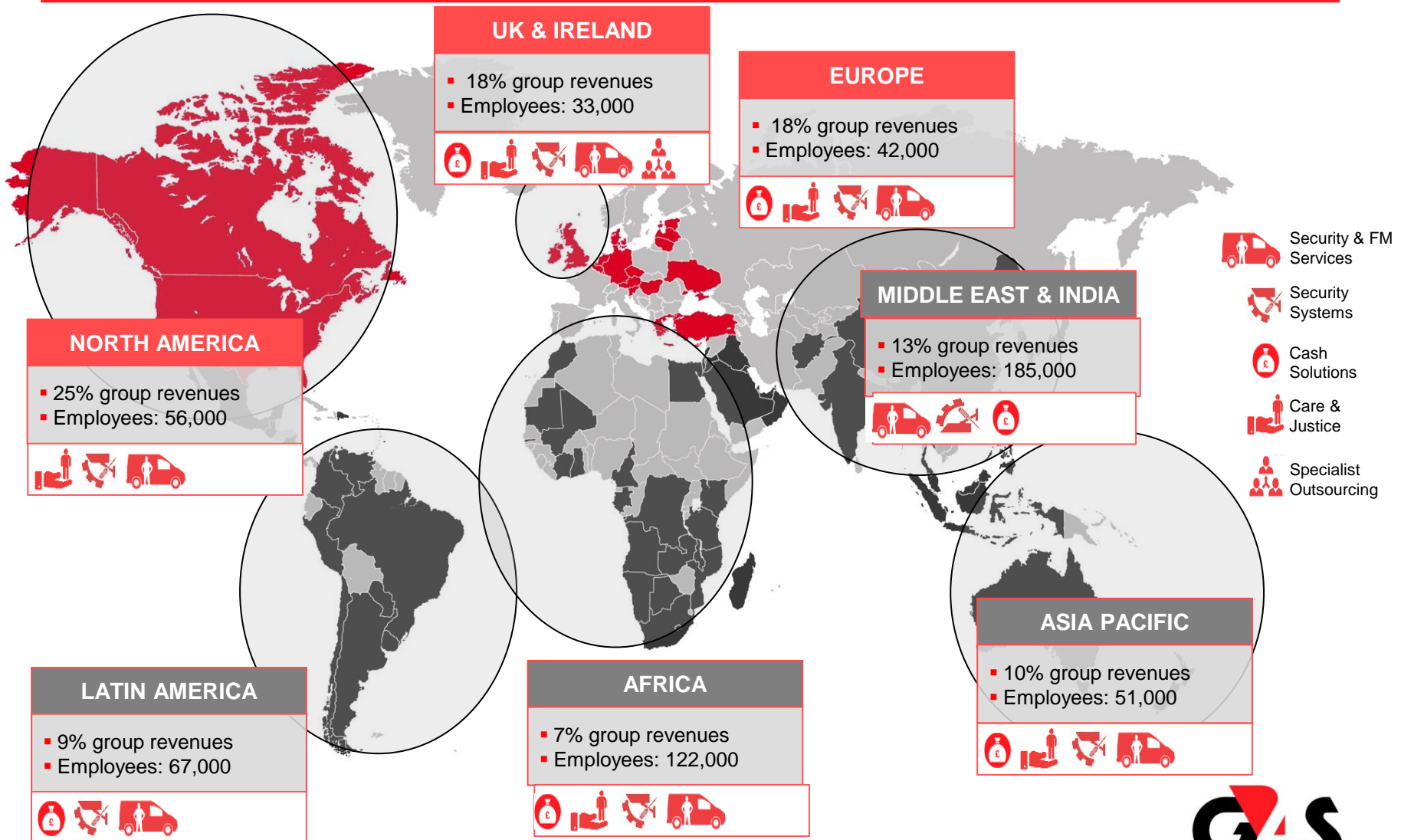
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Impact of FX on PBITA

	H1 2015 average rates	H1 2016 average rates	PBITA H1 15 @ H1 15FX	PBITA H1 15 @ H1 16FX	Change (£m)	June 2016 closing rates
ZAR	18.1627	21.7629	5	4	(1)	19.5773
INR	95.7941	95.8563	13	13	-	90.2267
SAR	5.7259	5.3584	17	19	2	5.014
BRL	4.5288	5.2786	1	1	-	4.2827
COP	3804.1486	4418.0282	4	3	(1)	3888.7264
EUR	1.3669	1.2861	25	27	2	1.2033
USD	1.5261	1.4287	34	36	2	1.3368
Other			82	81	(1)	
Total			181	184	3	

If June 2016 closing rates were applied to H1 2016 PBITA from continuing businesses of £199m, it would have increased 6% to £211m, with increases mainly due to movements in the US\$ and euro since 1 January 2016.

Global market coverage | Markets and Services



Excluding businesses to be sold

