



2016 FULL YEAR RESULTS

8 MARCH 2017





ASHLEY ALMANZA
CHIEF EXECUTIVE OFFICER



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AGENDA

- 
- 01 Highlights
 - 02 Financial Review
 - 03 Business Review
 - 04 Q&A

Securing Your World



G4S TRANSFORMATION

PROGRESS

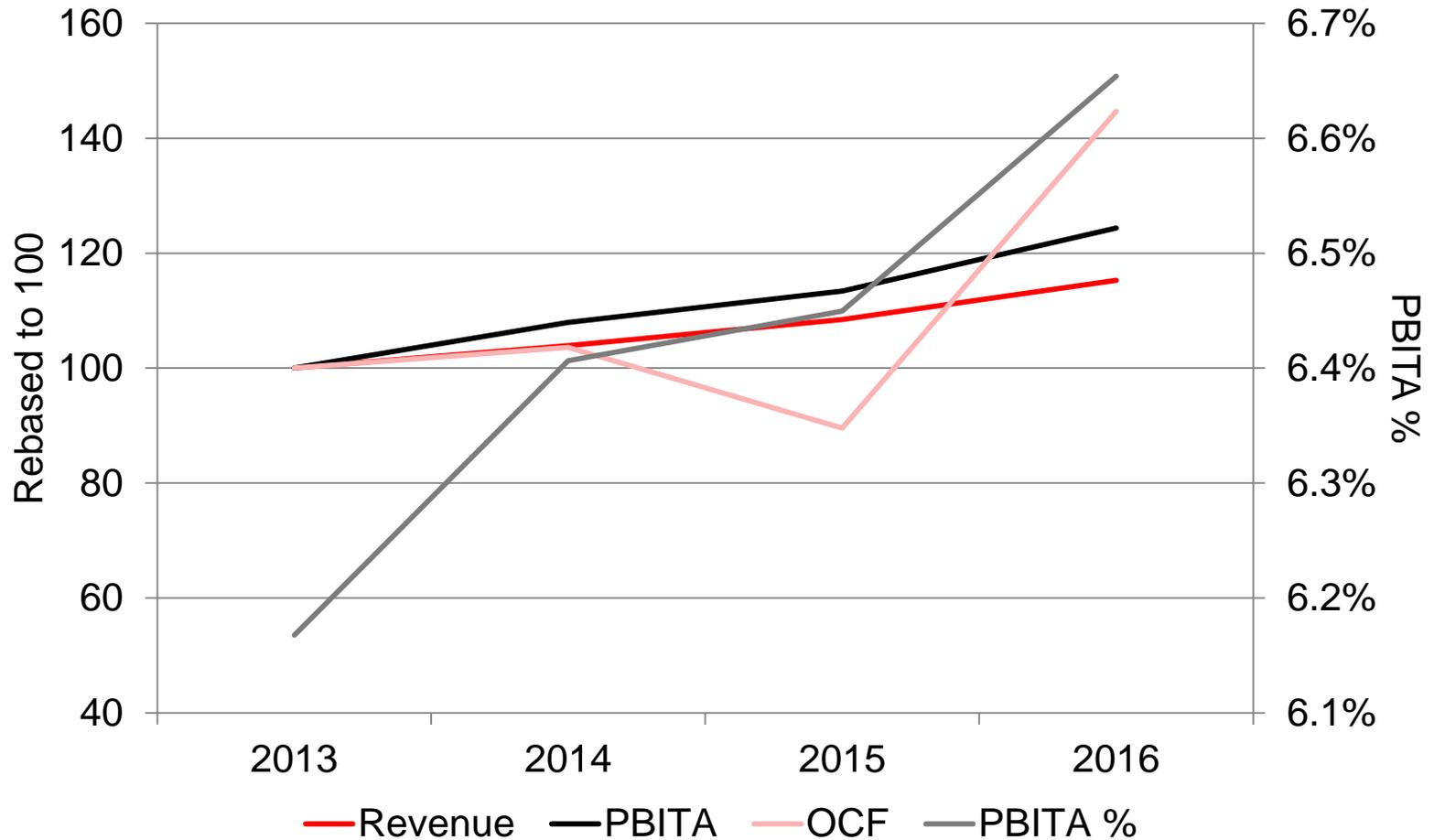
What we said in Nov 2013: strategic priorities	What we did: 2014 – 16
Management Changes	<ul style="list-style-type: none"> ▪ New Group Executive Committee members: 10 out of 13 ▪ Skills mix weighted to technology and marketing
People & Values	<ul style="list-style-type: none"> ▪ Global Leadership Team: 130 out of 220 new in role ▪ Updated values, policies and practices including health & safety ▪ Training
Strategic Focus	<ul style="list-style-type: none"> ▪ Portfolio programme ▪ Focussed Global Business: Secure Solutions & Cash Solutions ▪ Diversified by market, service & customer segment
Technology & Innovation	<ul style="list-style-type: none"> ▪ Leadership and added professional talent ▪ Re-organised, restructured and incentivised to innovate & collaborate ▪ Invested in IP: Symmetry, Secure Integration, Risk360, Secure360, GIS, Retail Cash Solutions, Deposita, CASH360, MTL (Monitoring)
Growth	<ul style="list-style-type: none"> ▪ Investment in sales & BD ▪ Diversified pipeline: £6.8bn ACV ▪ Revenue growth 2013 – 16: +15%
Execution	<ul style="list-style-type: none"> ▪ Customer Service: Established and improved group-wide NPS ▪ Contract selection, approval and management ▪ Growth + Productivity + financial discipline: <ul style="list-style-type: none"> ▪ PBITA Margin: 6.7% ▪ EPS: +45% ▪ OCF 2013 – 2016: £1.9 billion; +45%

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G4S TRANSFORMATION

GROUP: PROGRESS

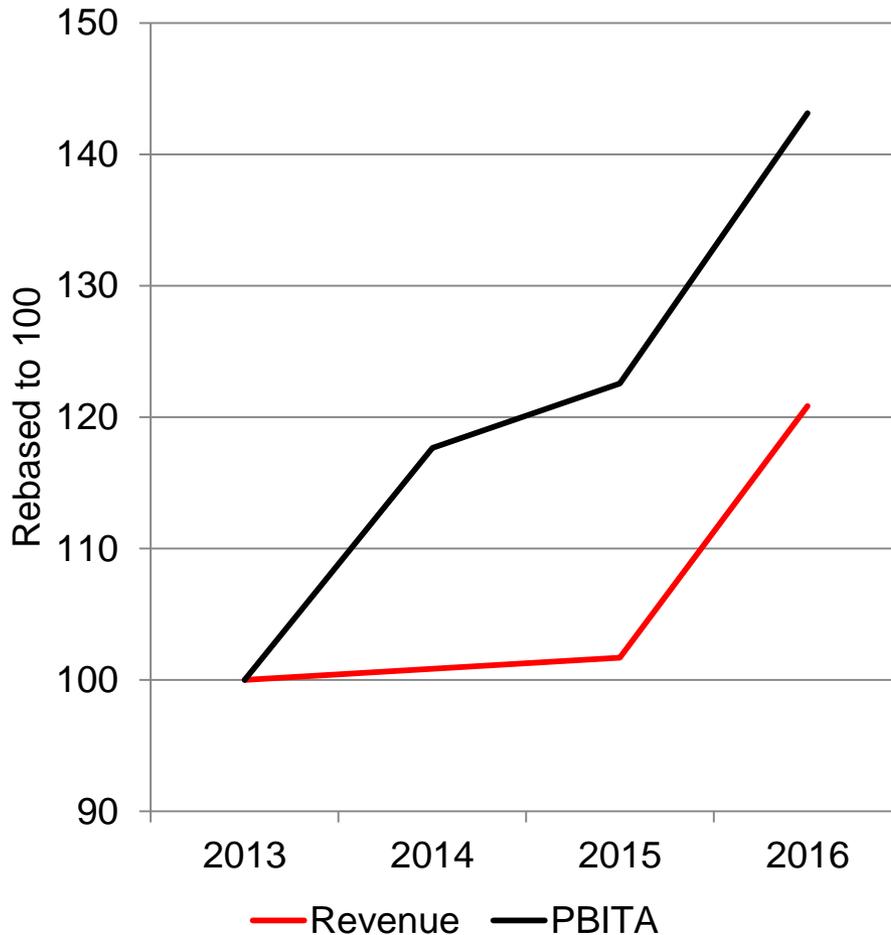


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G4S TRANSFORMATION

CASH SOLUTIONS: PROGRESS



Emerging Markets

- Earlier stage of transformation
- Investing in new services, operations and productivity
- ME / Asia: commodity prices, weaker trading
- Retail Solutions growing

Developed Markets

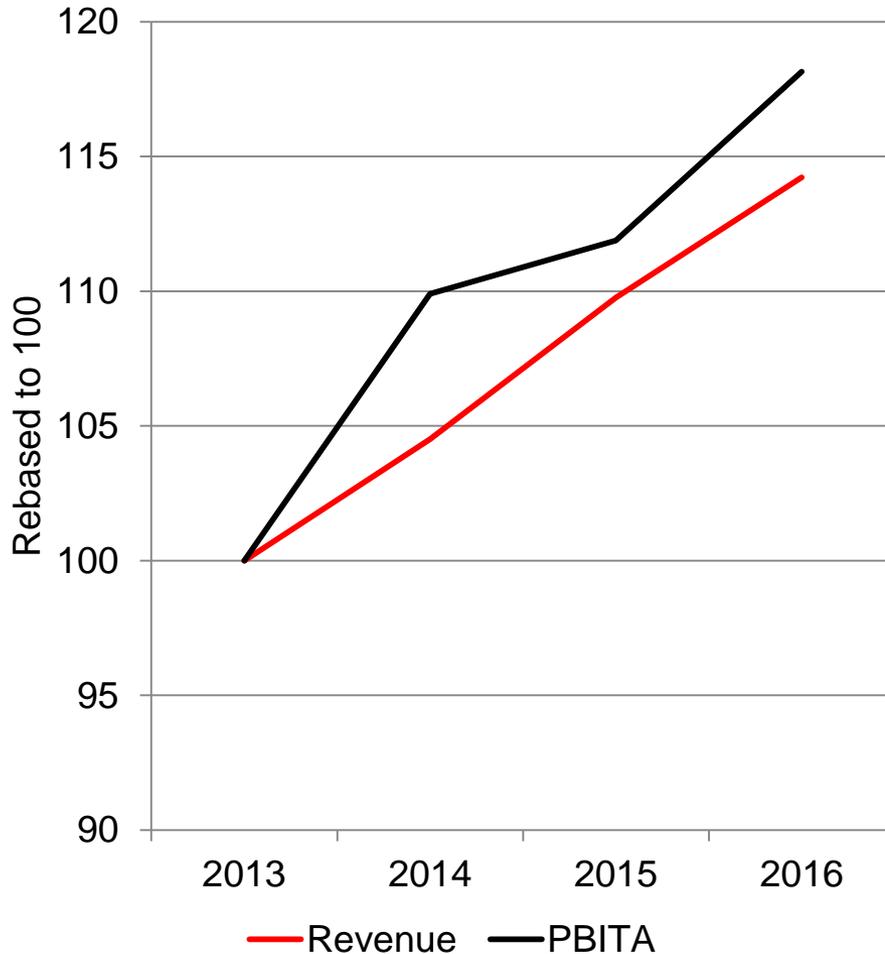
- Strong revenue growth
- Profit and cash conversion

Overall

- Substantial, diverse pipeline
- Opportunity to improve productivity

G4S TRANSFORMATION

SECURE SOLUTIONS: PROGRESS



Emerging Markets

- Sustained weakness in commodity prices: Africa and Middle East
- Continue to invest in sales, technology and innovation

Developed Markets

- Growth in all Regions
- Profit and cash conversion

Overall

- Global security environment providing demand support
- Substantial and diverse pipeline

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RESULTS HIGHLIGHTS

FULL YEAR: 2016

- New Sales: £2.5bn TCV, £1.3bn ACV
- Diversified Pipeline: £6.8bn ACV
- Revenue: +6.3%
- Revenue mix:
 - Technology, Software, Systems +36% YOY growth
 - Technology enabled solutions >£1.5 billion
- Earnings: £246m +16.6%
- OCF: £638m +61.5%
- Net Debt/EBITDA: 2.8x (2015: 3.4x)
- Dividend: Final 5.82p/sh.; Full 9.41p/sh.

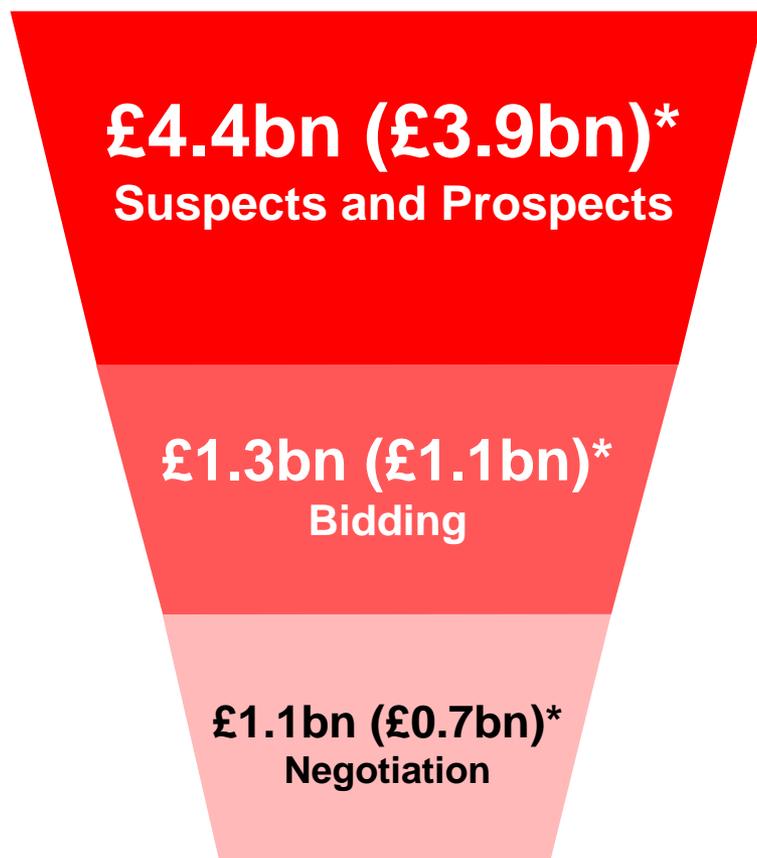
GOOD PROGRESS. MORE TO DO & MORE TO COME

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GROWTH OUTLOOK

SALES PIPELINE



*As at 1 January 2017 (1 January 2016)

- New sales contracts: £1.3bn ACV, £2.5bn TCV
- £6.8bn ACV Pipeline
- Diversified by:
 - Service
 - Market
 - Customer Segment
- Supports 4-6% revenue growth

OUTLOOK

SUSTAINABLE, PROFITABLE GROWTH

- Revenue growth 4 - 6% pa
- Revenue mix
 - Technology enabled security solutions ▲
 - Technology enabled cash solutions ▲
 - Integrated solutions ▲
- Productivity ▲
- Profit ▲
- Net debt/EBITDA ▼

A photograph showing two men in profile, facing each other inside a vehicle. The man on the left is wearing a cowboy hat and glasses. The man on the right is wearing a dark jacket. The background shows a bright sky and a wind turbine. The image is overlaid with a semi-transparent white band containing text.

TIM WELLER
CHIEF FINANCIAL OFFICER



AGENDA

01 Highlights

02 **Financial Review**

03 Business Review

04 Q&A

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FY 2016 RESULTS

STATUTORY RESULTS

Revenue

PBITA

PBITA margin

Specific items, restructuring, goodwill & other

Earnings attributable to equity holders

EPS

Cash generated by continuing operations

Net debt

Year ended 31 December		Change
2016	2015	YoY%
£7,590m	£6,863m	+10.6%
£461m	£391m	+17.9%
6.1%	5.7%	+40bps
£(59)m	£(208)m	+£149m
£198m	£8m	+£190m
12.8p	0.5p	+12.3p
£615m	£359m	+71.3%
£1,670m	£1,782m	£(112)m

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FY 2016 RESULTS

BRIDGE FROM CONTINUING BUSINESSES

	Continuing businesses	% change*	Onerous contracts	Portfolio businesses	Restructuring	Acquisition related amortisation and other	Statutory
Revenue	6,823	+6.3%	181	586	-	-	7,590
PBITA	454	+9.7%	-	7	-	-	461
Earnings	246	+16.6%	-	-	(10)	(38)	198
OCF	638	+61.5%	(16)	11	(18)	-	615

*Constant currency

- Detailed prior year reconciliations in prelims

STRONG PERFORMANCE ACROSS THE GROUP

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FY 2016 RESULTS

CONTINUING BUSINESS FINANCIAL PERFORMANCE

	Year ended 31 December		Change
	2016	2015	YoY%
Revenue	£6,823m	£6,419m	+6.3%
PBITA	£454m	£414m	+9.7%
<i>PBITA margin</i>	6.7%	6.4%	+30 bps
Interest	£(102)m	£(105)m	+2.9%
Tax	£(84)m	£(74)m	(13.5)%
Earnings attributable to equity holders	£246m	£211m	+16.6%
EPS	15.9p	13.7p	+16.5%
Cash from operating businesses	£638m	£395m	+61.5%

WORKING CAPITAL MANAGEMENT

CASH MATTERS

- Relentless focus during 2016
- Working capital inflow of £87m versus £69m outflow in 2015
- Receivables broadly held flat despite £727m increase in revenues
 - DSO 46 (2015: 50)
 - Reduced overdue debt by £16m
- Payables improved by £101m – supplier payments reverting to more normal cycle (transition to shared service centre in 2015)
 - DPO 35 (2015: 31)
- Cash conversion of 141% – normalised range of 100% - 125%

PORTFOLIO RATIONALISATION

SIGNIFICANT PROGRESS WITH MORE TO COME

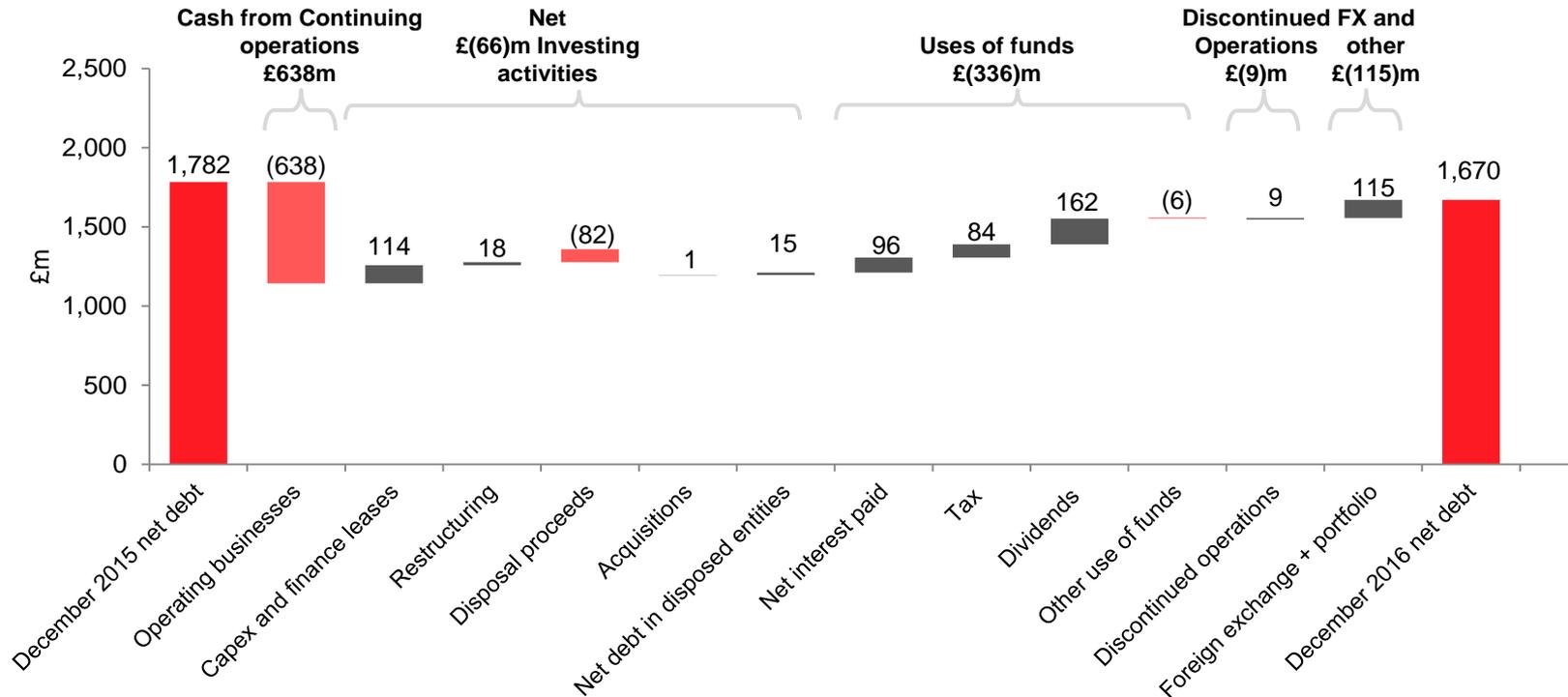
	Disposal complete	In progress	Total
Number of businesses	29	27	56
Annual Revenue (£bn)	1.0	0.4	1.4
Annual PBITA (£m)	25	(9)	16
Total proceeds (£m)	345	-	345

- Structured processes, active buyer interest
- Proceeds: £82m raised in 2016; agreement for further £88m

STRATEGIC, COMMERCIAL & OPERATIONAL FOCUS

FINANCIAL FRAMEWORK

CASH FLOW AND NET DEBT

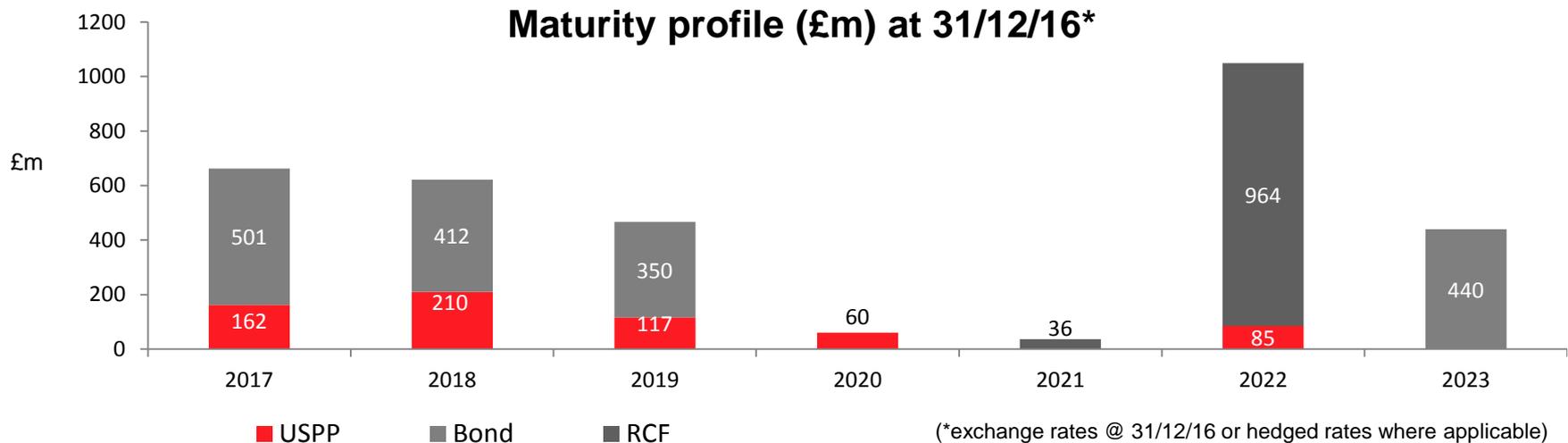


- Net cash flow of £222m more than covered adverse FX translation impact of £110m
- Net Debt / EBITDA 2.8x (3.4x at December 2015)

FINANCIAL FRAMEWORK

SOUNDLY FINANCED

- Very strong liquidity, a fully undrawn committed Revolving Credit Facility of £1billion and £692m of cash
- New six year Euro 500m Public Bond issued in November 2016. Heavily oversubscribed and the Group's lowest coupon of 1.5% achieved
- Revolving credit facility maturity extended to 2022
- Group plan supports Net Debt / EBITDA of 2.5x or lower by the end of 2017



A woman in a blue and red uniform is smiling and talking to a visitor with a backpack at an exhibition. The background shows other people and exhibition booths.

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CHIEF EXECUTIVE OFFICER



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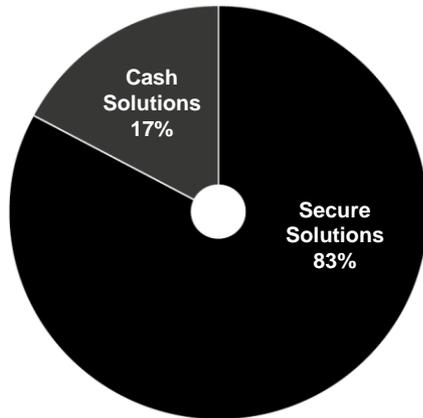


G4S TRANSFORMATION

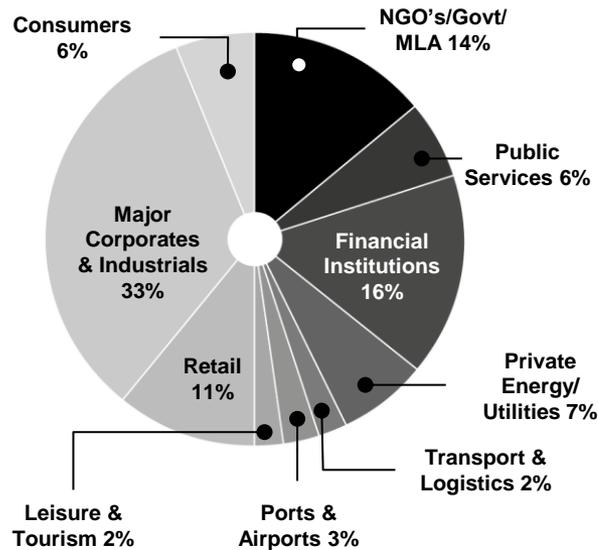
G4S TODAY

- Leading global security company: Secure and Cash Solutions
- Advantages of global scale and global brand with market service and customer diversification
- Operate in 95 countries in Emerging Markets and Developed Markets with c.560,000 employees
- Strongly growing revenues from technology, systems and integrated solutions

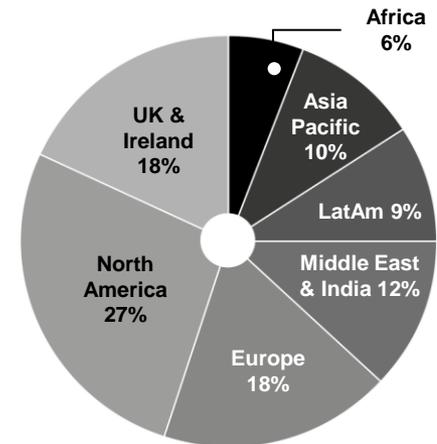
Business Segment Revenue 2016



Customer Segment Revenue 2016



Markets Revenue 2016



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SECURE SOLUTIONS



G4S SECURE SOLUTIONS FILM

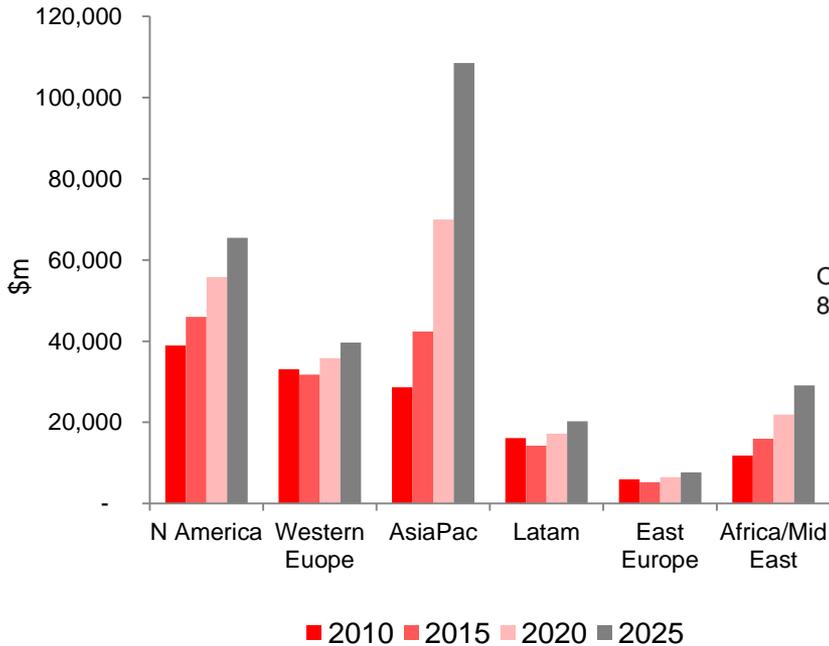


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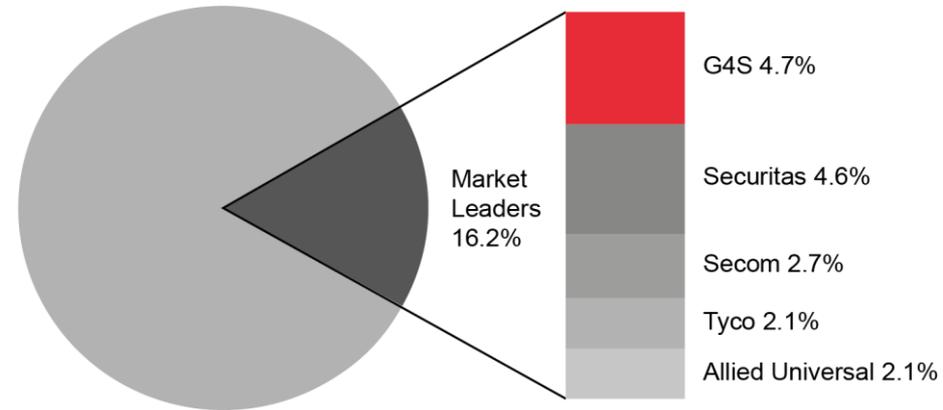


STRUCTURAL GROWTH MARKET

A MARKET LEADER



Global Security Services Market Share 2015 (\$180.2 billion)



Freedonia Security Industry: January 2017

GROWTH OUTLOOK: 5 – 6% CAGR 2015-25; \$200BN BY 2020

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CUSTOMER PRIORITIES



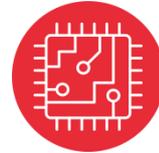
Asset Protection,
Theft & Investigations



Training & Retention



Workplace Violence



Technology
management



Terrorism



Secure Executive &
Employee Travel



Business Continuity



Global Security Ops
management



Budget & Funding



Cyber security

Source: Security 500, G4S, Freedonia

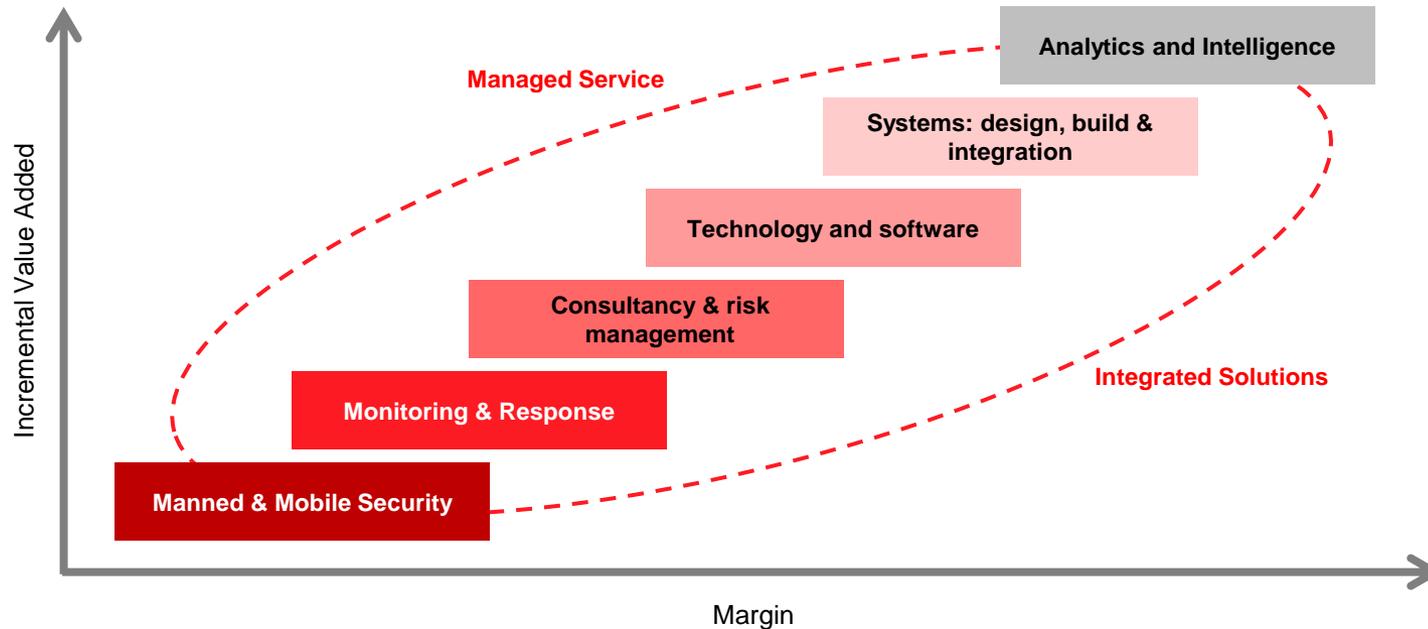
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CONTINUING BUSINESSES

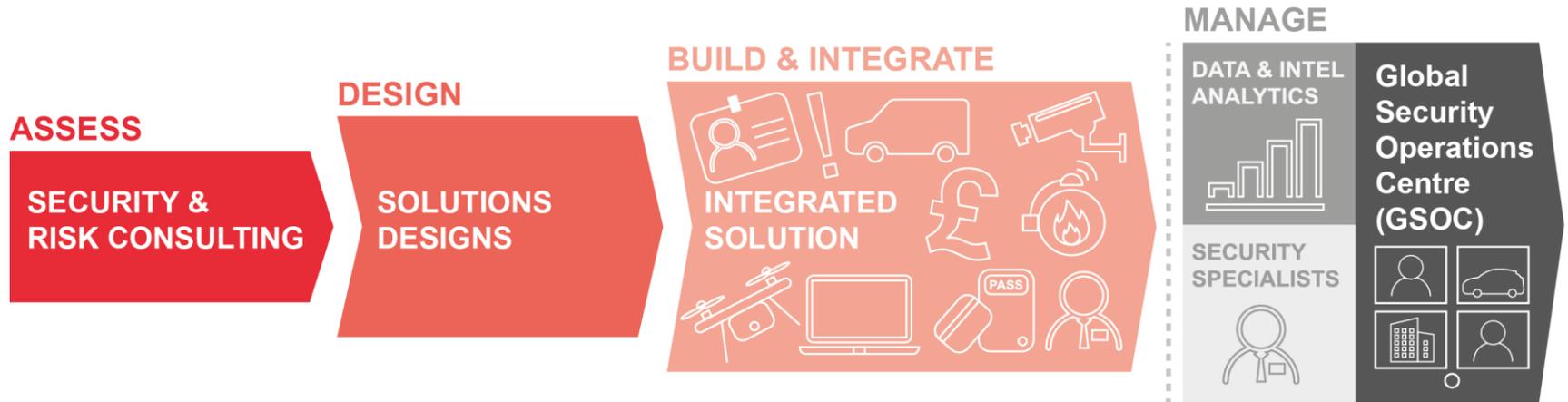
ADDING VALUE

Secure Solutions



- Cross selling and up-selling within and across markets
- Services scalable across global market footprint
- Continued investment in people, technology, software & systems

INTEGRATED SOLUTIONS



Key:



Fire & burglar alarms



Monitoring & response



Incident & crisis management



Video, CCTV & Software



Manned security



Patrol & response



Cost effective



Access control / Software



Visitor mgmt software



UAV & Robotics

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G4S SECURE SOLUTIONS

GLOBAL RESOURCE & CAPABILITY

Global Services:



Analytics & Intelligence



System Design,
Build & Integration



Technology &
Software



Consultancy &
Risk Management



Monitoring & Response



Manned & Mobile

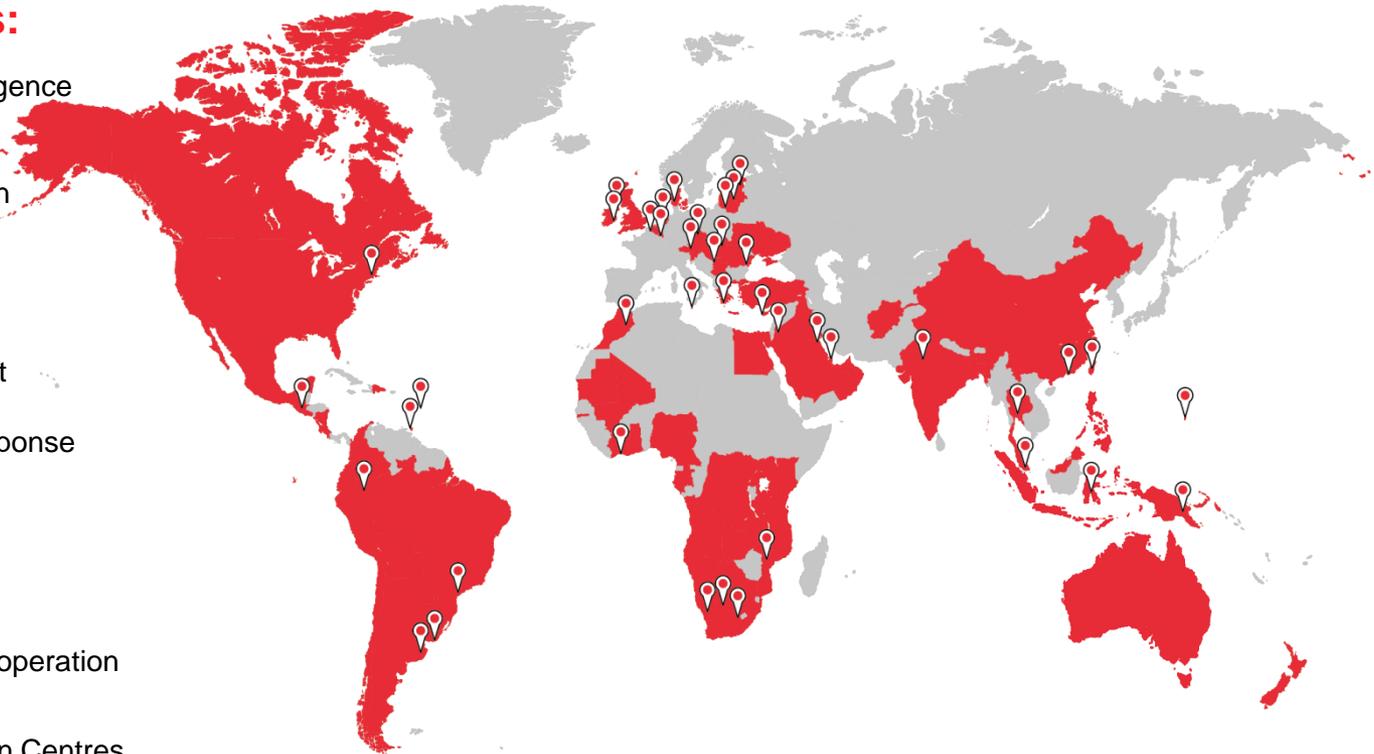
Key:



G4S countries of operation



Security Operation Centres



GLOBAL INFRASTRUCTURE AND CAPABILITY WITH OVER
500,000 MONITORING CONNECTIONS

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 **Innovation Centre**

CASH SOLUTIONS



G4S CASH SOLUTIONS

GLOBAL CASH MARKET TRENDS

ATM Cash Withdrawal Growth	Range	Average
Emerging Markets	9 to 20%	15%
Developed Markets	0 to 3%	1%
North West Europe	-2 to -7%	-5%
USA	1 to 2%	1.5%

- Cash withdrawals at ATMs growing globally
- Cash payments account for c.85% of transactions across the globe
- G4S growth strategy addresses opportunity in:
 - Emerging Markets as cash volumes grow
 - Developed Markets through volume consolidation

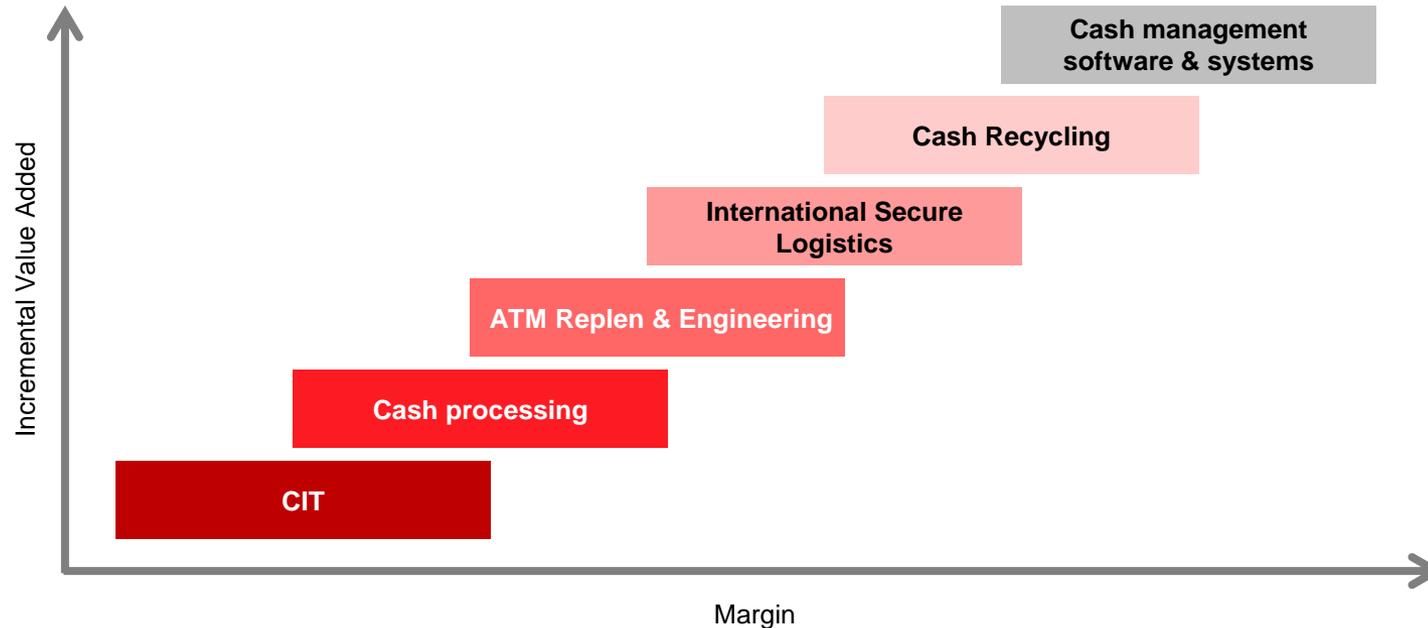
All CAGR 2011 – 15 % ex. US / NA 2009 – 12 | Source: Company estimates & bank for international settlements

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G4S CASH SOLUTIONS

ADDING VALUE



- Scale & Capability: Cost leadership, Technology & Innovation, Outsourcing
- Reduced cost of handling, increase ease of use

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G4S RETAIL SOLUTIONS FILM



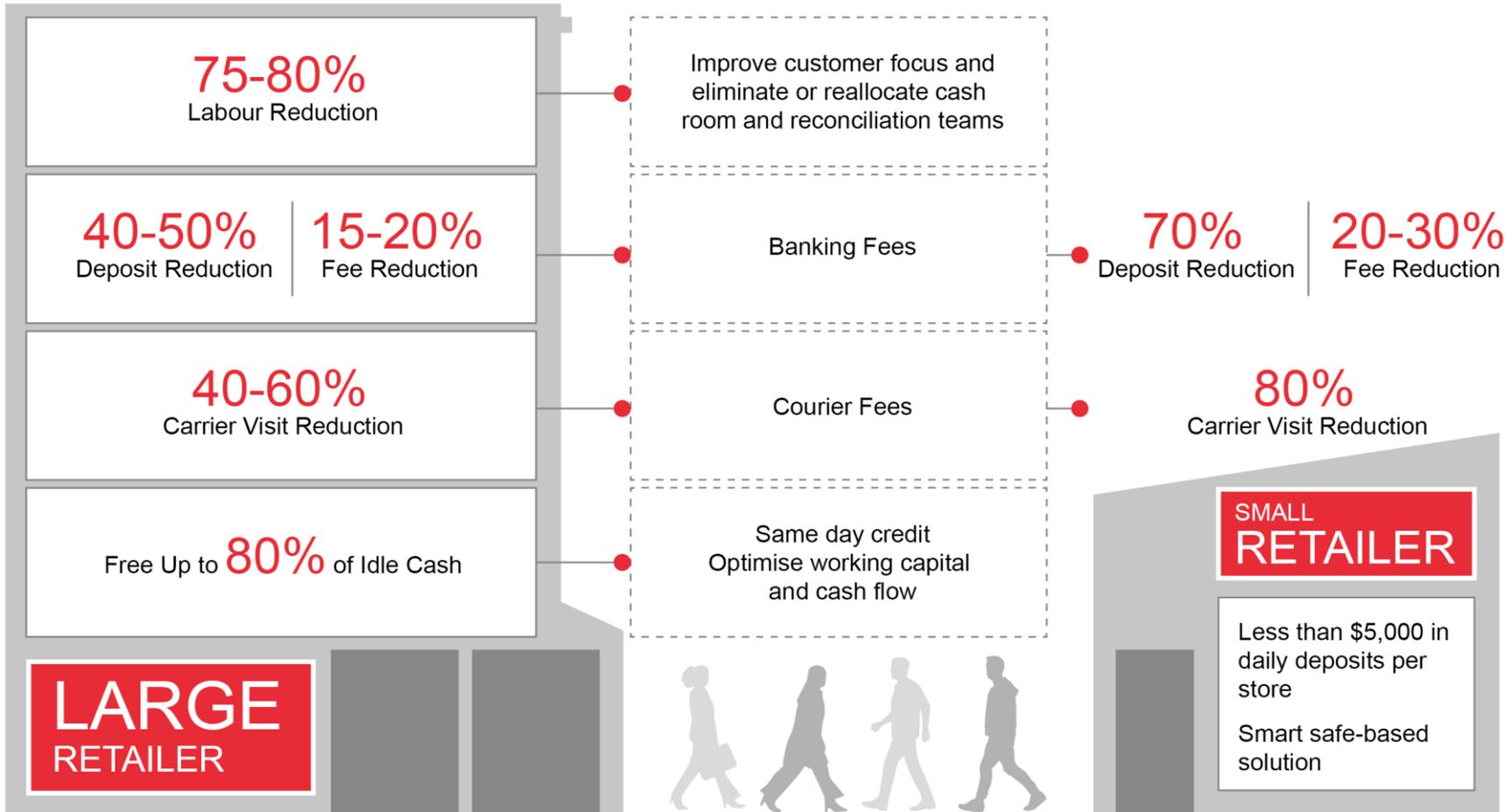
85%
OF WORLD WIDE
CONSUMER TRANSACTIONS
ARE CASH SETTLED.

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G4S RETAIL CASH SOLUTIONS

BENEFITS TO RETAIL AND BANKING CUSTOMERS



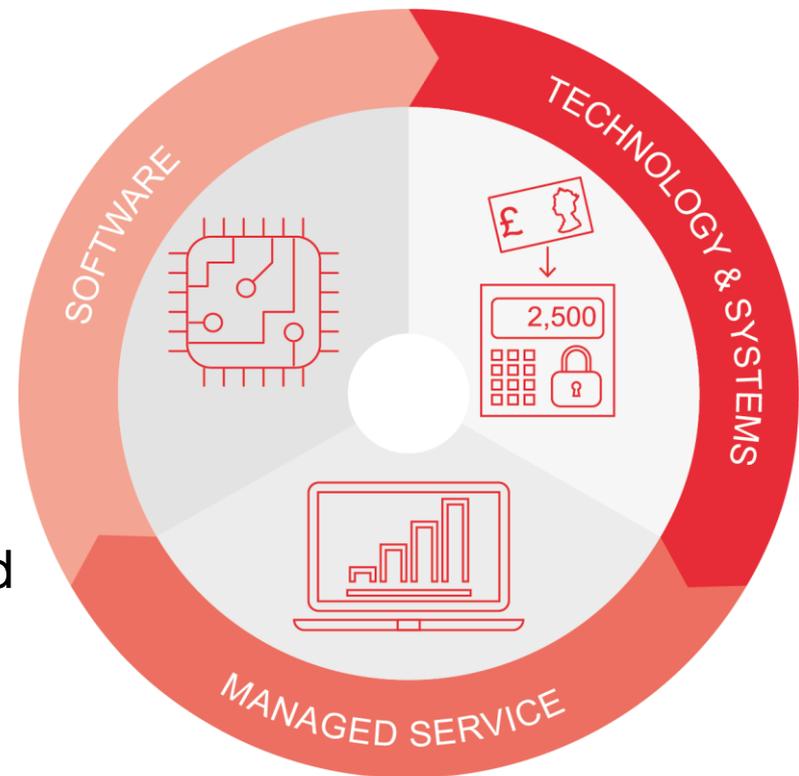
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G4S CASH SOLUTIONS

RETAIL SOLUTIONS

- Commissioned and committed services:
 - \$800m over 5 years
 - Hardware
 - Software
 - Service
- Up front investment in sales / BD
- Margins reflect customer value add
- Substantial pipeline



G4S CASH SOLUTIONS

STRONG MARKET POSITIONS GLOBALLY

Global Services:



Cash Management
Software & Systems



Int. Secure Logistics



Cash Recycling



ATM



Cash Processing



Cash in Transit

Key:



G4S countries of operation



#1/#2 MARKET POSITION IN 41/44 COUNTRIES

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G4S TRANSFORMATION

SUMMARY

Growth and Resilience:

- Scale – a global market leader
- Growth – strong market positions addressing structural growth
- Innovation – growing technology, software and systems revenues
- Diversification – across markets, service lines and customers
- Strong retention rates and improving cost base
- Strengthened risk management and financial discipline
- Financial and commercial discipline: productivity, capital and cash flow
- Motivated and experienced management team leading transformation
- Transformation producing positive results

MORE TO DO, MORE TO COME

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