

3 July 2019

## G4S presents 2018 segmental results reflecting the restatement for IFRS 16 – Leases, recent business disposals, re-classification of onerous contracts and foreign exchange rates

Ahead of the announcement of its half year 2019 results on 9 August 2019, to aid comparison with the results of prior periods, a summary of the Group's results for H1 2018 and FY 2018 based on alternative performance measures, reflecting the adoption of IFRS 16 – Leases, businesses sold and the re-classification of onerous contracts, presented at average exchange rates for the six months ended 30 June 2019 is set out below:

£m	HY 2018			FY 2018		
	Revenue	Adjusted PBITA	EPS	Revenue	Adjusted PBITA	EPS
<b>Underlying results as previously reported</b>	<b>3,599</b>	<b>212</b>	<b>7.4</b>	<b>7,289</b>	<b>474</b>	<b>16.7</b>
Restatement for IFRS 16 - Leases	-	10	(0.1)	-	24	(0.1)
Business disposals	(52)	4	0.1	(7)	(1)	(0.1)
Onerous contract re-classification	6	1	0.1	-	-	-
<b>Underlying results at actual exchange rates</b>	<b>3,553</b>	<b>227</b>	<b>7.4</b>	<b>7,282</b>	<b>497</b>	<b>16.5</b>
Exchange differences	28	3	0.1	21	2	0.1
<b>Underlying results at June 2019 exchange rates</b>	<b>3,581</b>	<b>230</b>	<b>7.6</b>	<b>7,303</b>	<b>499</b>	<b>16.6</b>

The adoption of IFRS 16 had no material effect on the Group's net debt to EBITDA ratio, which remained at 2.7x at both 31 December 2018 and 30 June 2018.

Reconciliations from the segmental and total group results as previously reported, are set out at the end of this announcement.

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### Notes to Editors:

G4S is the leading global, integrated security company, specialising in the provision of security services and solutions to customers. Our mission is to create material, sustainable value for our customers and shareholders by being the supply partner of choice in all our markets.

G4S is quoted on the London Stock Exchange and has a secondary stock exchange listing in Copenhagen. G4S is active in around 90 countries and has around 546,000 employees. For more information on G4S, visit [www.g4s.com](http://www.g4s.com).

### Statutory accounts:

This Statement is not the Group's statutory accounts and should be read in conjunction with the Integrated Report and Accounts 2018, which is available at [www.g4s.com](http://www.g4s.com). The Integrated Report and Accounts 2018 was reported on by the company's auditor and delivered to the Registrar of Companies. The report of the auditor was (i) unqualified, (ii) did not contain a reference to any matters to which the auditor drew attention by emphasis of matter without qualifying their report, and (iii) did not contain any statement under section 498 (2) or (3) of the Companies Act 2006.

Reconciliation from segmental and total group results for the six months ended 30 June 2018 as previously reported

	Underlying results at actual exchange rates (at H1'18)	Businesses sold or closed since H1'18 (a)	Onerous contracts re-classified since H1'18 (b)	IFRS 16 – Leases (c)	Underlying results at actual exchange rates (at Jun '19)	Exchange differences	Underlying results at Jun '19 exchange rates
<b>Revenue - £m</b>							
Africa	197	-	-	-	197	(3)	194
Americas	1,177	-	-	-	1,177	25	1,202
Asia	434	-	-	-	434	6	440
Europe & Middle East	1,231	(12)	6	-	1,225	2	1,227
Cash Solutions	560	(40)	-	-	520	(2)	518
<b>Total Underlying</b>	<b>3,599</b>	<b>(52)</b>	<b>6</b>	<b>-</b>	<b>3,553</b>	<b>28</b>	<b>3,581</b>

<b>Adjusted PBITA (d) - £m</b>							
Africa	15	-	-	1	16	-	16
Americas	54	1	-	2	57	2	59
Asia	28	-	-	1	29	-	29
Europe & Middle East	83	-	1	3	87	-	87
Cash Solutions	60	3	-	3	66	1	67
<b>Total before corporate costs</b>	<b>240</b>	<b>4</b>	<b>1</b>	<b>10</b>	<b>255</b>	<b>3</b>	<b>258</b>
Corporate costs	(28)	-	-	-	(28)	-	(28)
<b>Total Underlying</b>	<b>212</b>	<b>4</b>	<b>1</b>	<b>10</b>	<b>227</b>	<b>3</b>	<b>230</b>

	Underlying results at actual exchange rates (at H1'18)	Businesses sold or closed since H1'18 (a)	Onerous contracts re-classified since H1'18 (b)	IFRS 16 – Leases (c)	Underlying results at actual exchange rates (at Jun.'19)	Exchange differences	Underlying results at Jun '19 exchange rates
<b>Other financial KPIs - £m</b>							
Profit before tax	158	3	1	(2)	160	3	163
Profit after tax	120	3	1	(2)	122	2	124
Earnings	115	1	1	(2)	115	2	117
Earnings per share - p	7.4	0.1	0.1	(0.1)	7.4	0.1	7.6
Operating cash flow	179	2	2	67	250	-	250

Reconciliation to statutory results	Underlying results at actual exchange rates (at H1 '18)	Add back: Disposed businesses (a)	Restructuring	Onerous contracts	Acquisition related amortisation and other	Statutory results at actual exchange rates	Exchange differences	Statutory results at Jun '19 exchange rates
<b>Other financial KPIs - £m</b>								
Profit before tax	160	(2)	(14)	(2)	(5)	137	4	141
Profit after tax	122	(2)	(11)	(2)	(1)	106	3	109
Earnings	115	-	(11)	(2)	(1)	101	3	104
Earnings per share - p	7.4	-	(0.7)	(0.1)	(0.1)	6.5	0.2	6.7
Operating cash flow	250	-	(10)	14	-	254	-	254

Reconciliation from segmental and total group results for the year ended 31 December 2018 as previously reported

	Underlying results at actual exchange rates (at FY'18)	Businesses sold or closed in H1'19 (a)	Onerous contracts re-classified in H1'19 (b)	IFRS 16 – Leases (c)	Underlying results at actual exchange rates (at Jun.'19)	Exchange differences	Underlying results at Jun '19 exchange rates
<b>Revenue - £m</b>							
Africa	405	-	-	-	405	(6)	399
Americas	2,443	-	-	-	2,443	33	2,476
Asia	881	-	-	-	881	8	889
Europe & Middle East	2,501	(7)	-	-	2,494	(9)	2,485
Cash Solutions	1,059	-	-	-	1,059	(5)	1,054
<b>Total Underlying</b>	<b>7,289</b>	<b>(7)</b>	<b>-</b>	<b>-</b>	<b>7,282</b>	<b>21</b>	<b>7,303</b>

<b>Adjusted PBITA (d) - £m</b>							
Africa	32	-	-	2	34	(1)	33
Americas	129	-	-	4	133	2	135
Asia	63	-	-	2	65	1	66
Europe & Middle East	179	(1)	-	7	185	-	185
Cash Solutions	121	-	-	9	130	-	130
<b>Total before corporate costs</b>	<b>524</b>	<b>(1)</b>	<b>-</b>	<b>24</b>	<b>547</b>	<b>2</b>	<b>549</b>
Corporate costs	(50)	-	-	-	(50)	-	(50)
<b>Total Underlying</b>	<b>474</b>	<b>(1)</b>	<b>-</b>	<b>24</b>	<b>497</b>	<b>2</b>	<b>499</b>

	Underlying results at actual exchange rates (at FY'18)	Businesses sold or closed in H1'19 (a)	Onerous contracts re-classified in H1'19 (b)	IFRS 16 – Leases (c)	Underlying results at actual exchange rates (at Jun.'19)	Exchange differences	Underlying results at Jun '19 exchange rates
<b>Other financial KPIs - £m</b>							
Profit before tax	365	(1)	-	(2)	362	2	364
Profit after tax	272	(1)	-	(2)	269	1	270
Earnings	259	(1)	-	(2)	256	1	257
Earnings per share - p	16.7	(0.1)	-	(0.1)	16.5	0.1	16.6
Operating cash flow	453	(2)	-	137	588	-	588

Reconciliation to statutory results	Underlying results at actual exchange rates (at Jun.'19)	Add back: Disposed businesses (a)	Onerous Restructuring contracts (b)	Onerous contracts (c)	Acquisition related amortisation and other (d)	Statutory results at actual exchange rates	Exchange differences	Statutory results at Jun '19 exchange rates
<b>Other financial KPIs - £m</b>								
Profit before tax	362	(9)	(31)	(9)	(171)	142	(2)	140
Profit after tax	269	(10)	(24)	(9)	(139)	87	(1)	86
Earnings	256	(5)	(24)	(9)	(137)	81	(1)	80
Earnings per share - p	16.5	(0.3)	(1.6)	(0.6)	(8.9)	5.2	(0.1)	5.2
Operating cash flow	588	-	(26)	30	-	592	-	592

a) To present results on a consistent and comparable basis, the results from any businesses sold in either the current or prior periods are excluded from the underlying results in both the current and prior periods. These include the sales of the Cash Solutions businesses in the United Arab Emirates, Colombia and Saudi Arabia in H2 2018 as previously disclosed and the disposal of a business in Estonia in H1 2019.

b) As disclosed in the FY 2018 results, during H2 2018, the performance of one of the Group's contracts previously reported within onerous contracts, with revenues of £21m in H1 2018, improved to the extent that it is expected to generate profits over the remainder of its term and was therefore re-classified to underlying results. In addition, two UK Care & Justice contracts with revenues of £15m in H1 2018, that were previously profitable and reported within underlying results, became loss-making and were re-classified to onerous contracts.

c) As explained on page 157 of the 2018 Integrated Report and Accounts, the Group adopted IFRS 16 – Leases with effect from 1 January 2019. The effect of adopting IFRS 16, as presented at 31 December 2018, was rounded to the nearest £5m and was subject to the Group completing its work in respect of onerous leases, foreign exchange rates, and a number of other items. The unaudited impact of the adoption of IFRS16 on the Group's underlying results is presented above.

d) Adjusted PBITA is an Alternative Performance Measure as defined in page 41 of the 2018 Integrated Report and Accounts.