



Reshaping the Group for long-term growth

2019 was a year of significant progress, both in terms of revenue growth, up 4.7% compared with 2018, and the subsequent announcement of the sale of the majority of our conventional cash businesses (the "Transaction"). This Transaction, which is now around 71% complete, is a major milestone in the execution of our corporate strategy, greatly enhancing our strategic, commercial and operational focus and strengthening our financial position. Our clear aim is to capitalise on this focus to strengthen our position as the industry-leading global security company. Our investment in technology solutions is delivering clear benefits to our customers and has driven growth in key markets. We plan to deepen and extend these capabilities further in order to support our goal of accelerating profitable growth. In the short term, our priority is to take appropriate action to protect employees, customers and the company in light of the Covid-19 pandemic.

– **Ashley Almanza**, Group Chief Executive Officer

Our vision

Our enduring vision is to be the world's leading global, integrated security company and the trusted partner of choice in our industry.

We differentiate G4S by investing in technology, our people and values, customer service and customer relationships. This enables G4S to provide industry leading solutions that protect and add value for our customers.

Reshaping the group

The sale of the majority of the Group's conventional cash solutions businesses (see page 16) represents an important milestone in the execution of our corporate strategy. It enables us to focus on the growth of our core integrated security solutions business and the further development of our rapidly growing Retail Technology Solutions business whilst providing an opportunity to simplify and streamline the Group which creates the opportunity to capture cost efficiencies.

G4S is a global market leader in security, providing both established and new technology-enabled security solutions to customers around the world.

Security is a growing service industry and we believe that G4S has the expertise and global footprint to grow core security revenues (81% of Group revenues) at 4-6% per annum and generate margins of 5-6% (excluding Risk Consulting and Security Technology Solutions). As a result of our investment in technology, we are deriving an increasing proportion of revenues from technology-enabled solutions and, at the end of December 2019, around 47% (2018: 45%) of our Secure Solutions revenues included at least one of our technology offerings in the customer service.

Our technology-enabled security solutions includes our Risk Consulting and Security Technology business (11% of the Group) where we are targeting revenue growth of 10-12% per annum and margins in the range of 8-15%. Our technology focus creates additional security and efficiency benefits for customers and increases our ability to differentiate G4S's offering in the security market, which in turn supports our goal of accelerating profitable growth.

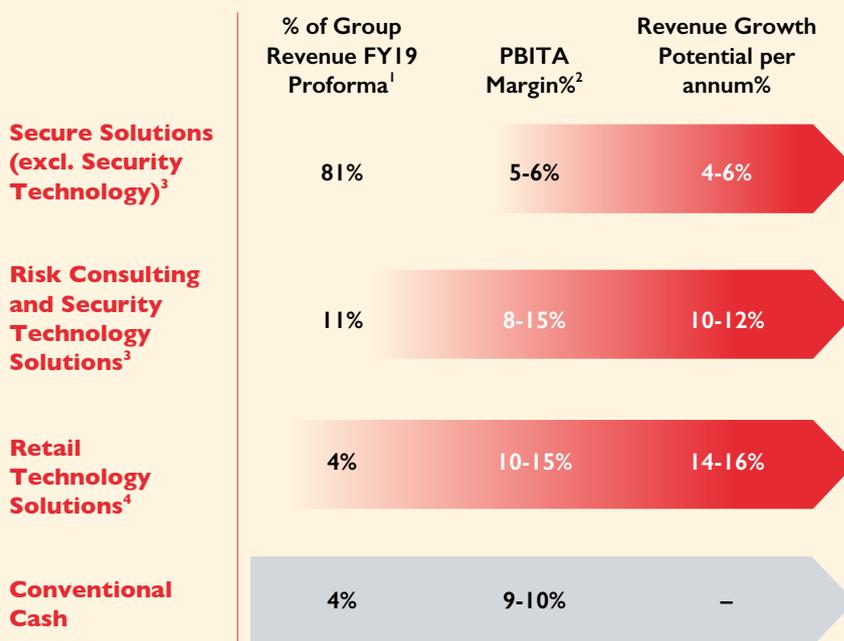
Our vision 2025

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

Differentiate G4S by investing in technology, our people and values and customer service and relationships

Shape of the Group going forward



1. Proforma results are reconciled to underlying results on page 69.

2. Pre corporate costs.

3. Technology-enabled security solutions (47% of revenue) combines elements of Secure Solutions and Risk Consulting and Security Technology.

4. Includes Retail Cash Solutions, CASH360 and SA-Deposita.

G4S has retained certain cash technology businesses where we believe that we hold industry-leading positions. Our Retail Technology Solutions businesses are expected to grow very strongly at 14-16% per annum and generate margins of 10-15%. In addition, G4S has retained the UK Cash Solutions business as we believe that this is the most appropriate way to manage the associated pension fund obligation.

Strategic Priorities

As we look to the future, driving organic growth in our core services will remain a priority and alongside that we aim to accelerate growth in Risk Consulting and Security Technology Solutions. That in turn gives us the opportunity to offer higher-value services, earn higher margins and achieve a positive margin-mix

In addition to top-line priorities we will remain cost focused with the objective of delivering the existing programme of £10m cost savings per year and an incremental efficiency programme of a further £15m to £20m per year over the period to 2021. In the near term we have also taken action to reduce costs further in response to the Covid-19 pandemic – see below.

We achieved a strong underlying operating cash flow performance in 2019 and expect to sustain this in order to increase investment in our growth strategy and to support free cash flow generation.

People, Culture & Values

Achievement of our strategic goals relies upon our 558,000 colleagues delivering high-quality service to customers across a wide range of geographic markets and industry sectors across the world.

In order to achieve this in a safe, ethical and sustainable way, it is critical to the success of G4S that we embed the right culture across the company. Our values underpin our culture and are fundamental tools in setting, communicating and implementing our standards across the Group in order to shape the way that we work. For further information on how our values are embedded in the organisation, see page 27.

Our regular management and employee engagement surveys demonstrate that employees positively identify with these G4S values. With 90% of the c.450,000 employees who responded to the most recent survey confirming that the company's values have

£7.7bn

UNDERLYING REVENUE IN 2019

558,000

EMPLOYEES

90

AROUND 90 COUNTRIES
OF OPERATION ACROSS
SIX CONTINENTS

Strategic priorities



Growth

- Continue to drive organic growth in core services
- Accelerate growth in Risk Consulting and Security Technology Solutions



Profitability

- Higher-value solutions to drive positive margin mix
- Deliver efficiency programme benefits: 2020/21



Financial discipline

- Deliver free cash flow – see page 147
- Increase investment in growth strategy
- Resume Dividends post-Covid-19



People, culture & values

- Embed G4S values in the way we work
- Safe, ethical and sustainable performance
- Goal of Zero Harm

We act with..

**INTEGRITY
AND RESPECT**

We are passionate about...

**SAFETY, SECURITY AND
SERVICE EXCELLENCE**

We achieve this through...

**INNOVATION
AND TEAMWORK**

Our Values

Our people and values underpin everything we do.

been clearly communicated to them and 82% of employees saying that they feel able to speak up if they notice unethical behaviour (see page 35).

Employee fatalities have reduced significantly over the past seven years and we continue to invest in people, training and systems to enhance the group's health and safety performance and to focus on our goal of zero harm.

In addition to our people, culture and values and the health, safety and protection of employees and people under G4S care, our other corporate social responsibility priority areas are focused on human rights and anti-bribery and corruption. A summary of our performance and policies can be found on pages 50 and 51.

COVID-19

G4S has taken a number of actions since the start of the pandemic including:

- Implementing enhanced health and safety procedures, including the use of personal protective equipment, increased hygiene resources, social distancing and other measures to support the safe delivery of our services.
- Using an employee welfare fund to assist employees in greatest need of support.
- Offering additional services to support customers.

- Reducing direct and indirect costs by around £100m this year, including the acceleration of previously announced programmes.
- The Executive Directors and certain senior executives will not be paid bonuses for 2019, and are suspending their participation in the 2020 bonus programme and 2020 annual salary increases.
- Reducing LTIP awards for 2020 by 25%.
- Suspending the final 2019 dividend of £95m.
- Deferring around £50m tax payments to 2021 under a US federal social security programme.
- Targeting capital investment savings of around £20m.

The Group has adopted a prudent stance in relation to liquid resources. We have a favourable debt maturity model, and a strong liquidity profile, which are further boosted by the proceeds being realised from the previously announced sale of the majority of the Group's conventional cash businesses.

Underlying results

In 2019 the Group delivered underlying revenue of £7.7bn, an increase of 4.7%, which reflects our continued investment in developing and marketing integrated, technology-enabled solutions. Adjusted PBITA was in line with the prior year at £501m reflecting this investment. Lower interest costs offset by a higher tax rate meant that earnings rose by 0.8% whilst a strong focus on cash generation saw operating cash flow increase by 8.8% to £633m.

The Group's net debt to Adjusted EBITDA at the year-end was 2.88x (2018: 2.75x) and was 2.36x on a proforma basis post the sale of the conventional cash business. The proceeds from the sale will enable us to invest in the business, to reduce net debt and to target net debt to Adjusted EBITDA of 2.0x – 2.5x over time. The Group's earnings per share was up 0.6% at 17.0 pence per share (2018: 16.9p).

Statutory results

On a statutory basis, revenue increased by 3.4% and Adjusted PBITA was up 3.7%. Goodwill impairment charges of £291m and restructuring and separation costs of £57m resulted in profit before tax of £27m (2018: £142m) and a loss per share of 5.9 pence per share (2018: earnings per share of 5.2p).

Outlook

Notwithstanding the near-term uncertainty caused by Coronavirus, we have good reason to have confidence in the outlook for G4S.

The Group's diversified revenue base, financial strength and liquidity provide the Group with substantial and sustainable resilience. With the sale of our conventional cash businesses and the actions we are taking in response to the pandemic, we aim to emerge as a leaner and focused market leader in the global delivery of technology enabled security solutions.

The long-term, fundamental strength of the global security market, together with the competitive strength of our Secure Solutions and Retail Technology Solutions businesses, underpins our confidence in the outlook for the Group.

Combining technology with our established security offerings is strengthening our sales mix and contract retention, whilst the rapid development of our retail technology business is expected to be sustained. The Group is now even more strongly positioned to be the world's leading security company of choice for customers, employees and shareholders.

Our business plan reflects our commitment to remain soundly financed with a new target of maintaining net debt to EBITDA between 2.0x and 2.5x in the medium term.

I would like to thank all of our 558,000 colleagues for their continued hard work and customer service in 2019. I am particularly proud and grateful for their outstanding response to the Covid-19 pandemic.

Ashley Almanza

Group Chief Executive Officer