

Securing Your World

## 11 July 2018

# G4S presents 2017 segmental results reflecting new organisation structure

In accordance with IFRS, the presentation of G4S's results from H1 2018 onwards will reflect the new organisation structure which was implemented on 1 January 2018. This saw the creation of new management structures for Secure Solutions and Global Cash Solutions which has enabled us to further strengthen the Group's strategic, commercial and operational focus in each of our core service lines .

In addition, the presentation of the Group's results will reflect the:

- elimination of the separate presentation of portfolio businesses as the portfolio programme is substantially complete; and
- introduction of the separate presentation of the impact of business disposals in the current and prior year.

These presentational changes do not change the Group's audited prior period results.

Ahead of the announcement of its half year 2018 results on 9 August, to aid comparison with prior periods, a summary of the Group's results for H1 2017 and FY 2017 reflecting the above changes and presented at average exchange rates for the six months ended 30 June 2018 is set out below:

| £m  | HY 2017<br>Adjusted |       |       | FY 2017<br>Adjusted |       |       |
|---|---------------------|-------|-------|---------------------|-------|-------|
|   | Revenue             | PBITA | EPS   | Revenue             | PBITA | EPS   |
| Core businesses as previously reported          | 3,715               | 235   | 8.3   | 7,427               | 496   | 17.9  |
| Portfolio businesses as previously reported     | 200                 | 2     | (0.1) | 282                 | (5)   | (1.0) |
| Business disposals: 2017 & 2018                 | (156)               | (10)  | (0.4) | (197)               | (14)  | (0.4) |
| Underlying businesses at actual exchange rates  | 3,759               | 227   | 7.8   | 7,512               | 477   | 16.5  |
| Exchange differences                            | (167)               | (9)   | (0.5) | (257)               | (14)  | (0.5) |
| Underlying businesses at H1 2018 exchange rates | 3,592               | 218   | 7.4   | 7,255               | 463   | 16.1  |

Reconciliations of the segmental and total group results as previously reported to those reported in the new structure 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 570,000 employees. For more information on G4S, visit <a href="https://www.g4s.com">www.g4s.com</a>.

### Reconciliation of segmental results for the six months ended 30 June 2017 to the new organisational structure

|                          | Core businesses |       |        |            |            |          | Underlying    |             |                |
|--------------------------|-----------------|-------|--------|------------|------------|----------|---------------|-------------|----------------|
|                          | as              |       |        | Core       |            |          | businesses at |             | Underlying     |
|                          | previously      | Cash  | Secure | businesses | Portfolio  | Disposed | actual        | Exchange    | businesses at  |
|                          |                 |       |        | in new     | businesses |          | exchange      | differences | H1 2018        |
|                          | (a)             | (b)   | (c)    | structure  | (d)        | (e)      | rates         | (f)         | exchange rates |
| Revenue - £m             | ` `             | ``    | ``     |            | ` ` `      | ```      |               |             |                |
| Africa                   | 228             | (34)  | -      | 194        | 6          | (1)      | 199           | (10)        | 189            |
| Asia                     | 367             | (115) | 179    | 431        | 13         | (13)     | 431           | (28)        | 403            |
| Middle East & India      | 427             | (27)  | (179)  | 221        |            |          |               |             |                |
| Europe                   | 654             | (146) | -      | 508        |            |          |               |             |                |
| United Kingdom & Ireland | 649             | (144) | =      | 505        |            |          |               |             |                |
| Europe & Middle East     | 1,730           | (317) | (179)  | 1,234      | 97         | (103)    | 1,228         | (6)         | 1,222          |
| Latin America            | 350             | (22)  | -      | 328        |            |          |               |             |                |
| North America            | 1,040           | (149) | =      | 891        |            |          |               |             |                |
| Americas                 | 1,390           | (171) | -      | 1,219      | 41         | (23)     | 1,237         | (106)       | 1,131          |
| Cash Solutions           | -               | 637   | -      | 637        | 43         | (16)     | 664           | (17)        | 647            |
| Total Core/Underlying    | 3,715           | -     | -      | 3,715      | 200        | (156)    | 3,759         | (167)       | 3,592          |
| Adjusted PBITA (g) - £m  |                 |       |        |            |            |          |               |             | 1              |
| Africa                   | 24              | (9)   | _      | 15         | 1          | (1)      | 15            | (1)         | 14             |
| Asia                     | 30              | (16)  | 14     | 28         | 1          | (1)      | 28            | (2)         | 26             |
| Middle East & India      | 34              | (1)   | (14)   | 19         |            | ` '      |               |             |                |
| Europe                   | 48              | (20)  | . ,    | 28         |            |          |               |             |                |
| United Kingdom & Ireland | 53              | (14)  | -      | 39         |            |          |               |             |                |
| Europe & Middle East     | 135             | (35)  | (14)   | 86         | 5          | (5)      | 86            | -           | 86             |
| Latin America            | 15              | (3)   | -      | 12         |            |          |               |             |                |
| North America            | 57              | (17)  | -      | 40         |            |          |               |             |                |
| Americas                 | 72              | (20)  | -      | 52         | -          | (2)      | 50            | (3)         | 47             |
| Cash Solutions           |                 | 80    | -      | 80         | (5)        | (1)      | 74            | (3)         | 71             |
| Total before corporate   |                 |       |        |            |            |          |               |             |                |
| costs                    | 261             | -     | -      | 261        | 2          | (10)     | 253           | (9)         | 244            |
| Corporate costs          | (26)            | -     | -      | (26)       | -          | -        | (26)          | -           | (26)           |
| Total Core/Underlying    | 235             | -     | -      | 235        | 2          | (10)     | 227           | (9)         | 218            |

|   | Core<br>businesses<br>as<br>previously<br>reported | Portfolio<br>businesses<br>(d) | Disposed<br>businesses<br>(e) | Underlying<br>businesses<br>at actual<br>exchange<br>rates | Exchange<br>differences<br>(f) | Underlying<br>businesses<br>at H1 2018<br>exchange<br>rates |
|---|--|--------------------------------|-------------------------------|--|--------------------------------|---|
| Other financial KPIs - £m   |  |                                |                               |  |                                |   |
| Profit before tax<br>Profit after tax<br>Earnings<br>Earnings per share - p | 181<br>138<br>128<br>8.3                           | 1<br>(1)<br>(1)<br>(0.1)       | (10)<br>(7)<br>(6)<br>(0.4)   | 172<br>130<br>121<br>7.8                                   | (10)<br>(7)<br>(7)<br>(0.5)    | 162<br>123<br>114<br>7.4                                    |
| _   |  |                                |                               |  |                                |   |

| Reconciliation to statutory results | Underlying<br>businesses at<br>actual<br>exchange<br>rates | Add back:<br>Disposed<br>businesses (e) | Restructuring | Onerous<br>contracts | Acquisition related amortisation and other | Statutory<br>results at<br>actual<br>exchange<br>rates | Exchange<br>differences<br>(f) | Statutory<br>results at H1<br>2018<br>exchange<br>rates |
|-------------------------------------|--|---|---------------|----------------------|--|--|--------------------------------|---|
| Other financial KPIs - £m           |  |   |               |                      |  |  |                                |   |
| Profit before tax                   | 172  | 10                                      | (14)          | (5)                  | 55   | 218  | (12)                           | 206   |
| Profit after tax                    | 130  | 7                                       | (11)          | (4)                  | 42   | 164  | (8)                            | 156   |
| Earnings                            | 121  | 6                                       | (11)          | (4)                  | 38   | 150  | (8)                            | 142   |
| Earnings per share - p              | 7.8  | 0.4                                     | (Ò.7)         | (0.3)                | 2.5  | 9.7  | (0.5)                          | 9.2   |
| Operating cash flow                 | 183  | 6                                       | (13)          | ` -                  | -  | 176  | ` -                            | 176   |

### Reconciliation of segmental results for the year ended 31 December 2017 to the new organisational structure

|                          | Core businesses |               |               |                     |                   |                  |                       |                    |                     |
|--------------------------|-----------------|---------------|---------------|---------------------|-------------------|------------------|-----------------------|--------------------|---------------------|
|                          | as              |               |               | Core                |                   |                  | Underlying            |                    | Underlying          |
|                          | previously      | Cash          |               | businesses          | Portfolio         | Disposed         |                       | -                  | businesses at H1    |
|                          | reported<br>(a) | Solutions (b) | Solutions (c) | in new<br>structure | businesses<br>(d) |                  | actual exchange rates | differences<br>(f) | 2018 exchange rates |
| Revenue - £m             | (a)             | (n)           | (6)           | Structure           | (u)               | ( <del>e</del> ) | exchange rates        | (1)                | rates               |
| Kevende - Ziii           |                 |               |               |                     |                   |                  |                       |                    |                     |
| Africa                   | 457             | (70)          | -             | 387                 | 12                | (3)              | 396                   | (13)               | 383                 |
| Asia                     | 736             | (223)         | 358           | 871                 | 25                | (25)             | 871                   | (45)               | 826                 |
| Middle East & India      | 845             | (54)          | (358)         | 433                 |                   |                  |                       |                    |                     |
| Europe                   | 1,356           | (303)         | -             | 1,053               |                   |                  |                       |                    |                     |
| United Kingdom & Ireland | 1,334           | (293)         | -             | 1,041               |                   |                  |                       |                    |                     |
| Europe & Middle East     | 3,535           | (650)         | (358)         | 2,527               | 102               | (115)            | 2,514                 | (20)               | 2,494               |
| Latin America            | 693             | (41)          | -             | 652                 |                   |                  |                       |                    |                     |
| North America            | 2,006           | (225)         | -             | 1,781               |                   |                  |                       |                    |                     |
| Americas                 | 2,699           | (266)         | -             | 2,433               | 56                | (23)             | 2,466                 | (160)              | 2,306               |
| Cash Solutions           | -               | 1,209         | -             | 1,209               | 87                | (31)             | 1,265                 | (19)               | 1,246               |
| Total Core/Underlying    | 7,427           | -             | -             | 7,427               | 282               | (197)            | 7,512                 | (257)              | 7,255               |
| Adjusted PBITA (g) - £m  |                 |               |               |                     |                   |                  |                       |                    |                     |
| Africa                   | 46              | (18)          | _             | 28                  | 1                 | (1)              | 28                    | (1)                | 27                  |
| Asia                     | 65              | (32)          | 27            | 60                  | -                 | ` -              | 60                    | (3)                |                     |
| Middle East & India      | 58              | `-            | (27)          | 31                  |                   |                  |                       | ` '                |                     |
| Europe                   | 104             | (43)          | ` -           | 61                  |                   |                  |                       |                    |                     |
| United Kingdom & Ireland | 120             | (35)          | -             | 85                  |                   |                  |                       |                    |                     |
| Europe & Middle East     | 282             | (78)          | (27)          | 177                 | 4                 | (8)              | 173                   | (1)                | 172                 |
| Latin America            | 29              | (7)           | -             | 22                  |                   |                  |                       |                    |                     |
| North America            | 123             | (25)          | -             | 98                  |                   |                  |                       |                    |                     |
| Americas                 | 152             | (32)          | -             | 120                 | -                 | (2)              | 118                   | (7)                | 111                 |
| Cash Solutions           | -               | 16Ó           | -             | 160                 | (10)              | (3)              | 147                   | (2)                | 145                 |
| Total before corporate   |                 |               |               |                     |                   |                  |                       |                    |                     |
| costs                    | 545             | -             | -             | 545                 | (5)               | (14)             | 526                   | (14)               | 512                 |
| Corporate costs          | (49)            | -             | -             | (49)                | -                 | -                | (49)                  | -                  | (49)                |
| Total Core/Underlying    | 496             | -             | -             | 496                 | (5)               | (14)             | 477                   | (14)               | 463                 |

|                           | Core<br>businesses<br>as<br>previously<br>reported | Portfolio<br>businesses<br>(d) | Disposed<br>businesses<br>(e) | Underlying<br>businesses<br>at actual<br>exchange<br>rates | Exchange<br>differences<br>(f) | Underlying<br>businesses<br>at H1 2018<br>exchange<br>rates |
|---------------------------|--|--------------------------------|-------------------------------|--|--------------------------------|---|
| Other financial KPIs - £m |  |                                |                               |  |                                |   |
| Profit before tax         | 383  | (7)                            | (14)                          | 362  | (11)                           | 351   |
| Profit after tax          | 291  | (14)                           | (7)                           | 270  | (8)                            | 262   |
| Earnings                  | 277  | (15)                           | (6)                           | 256  | (7)                            | 249   |
| Earnings per share - p    | 17.9   | (1.0)                          | (0.4)                         | 16.5   | (0.5)                          | 16.1  |
| Operating cash flow       | 527  | (7)                            | (9)                           | 511  | ` -                            | 511   |

| Reconciliation to statutory results | Underlying<br>businesses at<br>actual<br>exchange<br>rates | Add back:<br>Disposed<br>businesses<br>(e) | Restructuring | Onerous<br>contracts | Acquisition related amortisation and other | Statutory<br>results at<br>actual<br>exchange<br>rates | Exchange<br>differences<br>(f) | Statutory<br>results at H1<br>2018<br>exchange<br>rates |
|-------------------------------------|--|--|---------------|----------------------|--|--|--------------------------------|---|
| Other financial KPIs - £m           |  |  |               |                      |  |  |                                |   |
| Profit before tax                   | 362  | 14   | (20)          | (19)                 | 49   | 386  | (11)                           | 375   |
| Profit after tax                    | 270  | 7  | (16)          | (15)                 | 12   | 258  | (8)                            | 250   |
| Earnings                            | 256  | 6  | (16)          | (15)                 | 5  | 236  | (8)                            | 228   |
| Earnings per share - p              | 16.5   | 0.4  | (1.0)         | (1.0)                | 0.3  | 15.2   | (0.5)                          | 14.7  |
| Operating cash flow                 | 511  | 9  | (19)          | ` <u>-</u>           | -  | 501  | ` -                            | 501   |

- a) Results from core businesses as previously reported in the Group's results for the six months ended 30 June 2017 or the year ended 31 December 2017 as appropriate. Segment results were presented geographically with segments combining Secure Solutions and Cash Solutions.
- b) As reported in the 2017 Integrated Report and Accounts, in January 2018 the Group created a new 'Cash Solutions' division. This column presents the re-classification of the results from the Cash Solutions businesses that were previously reported in the geographical segments into the new Cash Solutions division.
- c) With effect from 1 January 2018, the Secure Solutions division was consolidated into four regions: Americas, Europe & Middle East, Africa and Asia. Following this re-organisation, the results of certain businesses previously reported in the Middle East & India region (primarily India and Bangladesh) are now reported in the Asia region.
- d) As reported in the 2017 Integrated Report and Accounts, the Group's portfolio business divestment and closure programme is now materially complete. The financial impact of portfolio businesses is no longer material and to simplify reporting moving forwards, the Group has ceased separate columnar disclosure of these businesses.
- e) 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 businesses in both the current and prior periods. These include the Youth Services businesses in North America, the children's homes business in the UK and Group businesses in Israel and Bulgaria in 2017 and the document storage business in Kenya and the Group's businesses in Hungary in 2018.
- f) The 30 June 2017 results were presented at average exchange rates for the six months ended 30 June 2017 and those for the year ended 31 December 2017 were presented at average exchange rates for the year ended 31 December 2017. The comparative results have been re-presented at average exchange rates for the six months ended 30 June 2018.
- g) Adjusted PBITA is an Alternative Performance Measure as defined in the 2017 Integrated Report and Accounts, together with restructuring, acquisition-related amortisation, specific and other items.