



26 February 2020

G4S plc

Sale of majority of conventional Cash businesses

G4S plc (“G4S” or the “Group”) announces that it has entered into an agreement to sell the majority of its conventional cash handling businesses, with 2019 revenues of £0.6 billion, to The Brink’s Company (“Brink’s”) for an enterprise value of £727 million. Under this agreement, G4S will receive net cash proceeds of approximately £670 million and assign around £60 million of net liabilities to Brink’s.

Ashley Almanza, G4S Chief Executive Officer, commented:

“This transaction represents an important milestone in the execution of our corporate strategy. The sale of these conventional cash businesses simplifies the Group and enables G4S to focus on the growth of our core integrated security solutions business and the further development of our rapidly growing cash and payment technology business. The proceeds from the sale of these conventional cash businesses reduce financial leverage and provide the Group with the flexibility to continue to invest in our core businesses and we believe that the increased focus and financial strength will deliver material benefits for customers, shareholders and employees.”

The Board has concluded that it is in the best interests of shareholders to develop further the Group’s rapidly growing payment and cash technology business, which owns industry-leading solutions such as Retail Cash Solutions, Cash360, Deposita and G4SPay. These industry-leading solutions deliver significant benefits for customers by transforming their payment and cash management processes.

The Board has determined that the sale of these conventional cash businesses is superior to a demerger of the Group’s Cash Solutions businesses and is in the best interests of G4S shareholders and other key stakeholders.

Transaction highlights

- Enterprise value of £727 million; a multiple of 10.8x FY2019 PBITA of £67 million after minority interests (£8 million) and attributable overheads (£7 million)
- Approximately 25,000 G4S employees will be joining Brink’s, a leading global cash company
- Proceeds to be used to reduce net debt and invest in the growth of the Group’s core businesses
- Pro forma Net Debt/EBITDA ratio: 2.4x as at 31 December 2019
- Gross assets disposed: £734 million; Profit on disposal approximately £300 million
- Completion of the sale is phased, with around 75% of the cash proceeds expected in H1 2020, 22% in H2 2020 and 3% after 2020. Timing subject to customary consultations and approvals
- Facilitates creation of simplified Group and creates the opportunity to reduce overheads by an annualised £15-20 million through 2020-21

Continuing G4S Group

The transaction announced today successfully concludes the Cash Separation review and represents an important milestone in the execution of the Group’s corporate strategy enabling G4S to focus on the growth of its core integrated security solutions business and to develop further its industry leading payment and cash technology business.

Security is a growing service industry and the Group expects to grow revenues at 4-6% per annum. G4S is a global leader in the development and delivery of integrated security solutions and the Group's growing capacity to deliver these solutions provides G4S with a significant competitive advantage in our core markets.

G4S has organically and rapidly built market-leading positions in the design and delivery of payment and cash technology solutions in some of the world's largest markets. The Group will continue to develop this high growth, technology-focused business. In addition, the Group will retain its UK cash solutions business, which is, and has been, the principal employer of G4S's Pension Scheme members. The UK cash solutions business is well positioned to provide outsourced cash management services to business and bank customers and, in so doing, to ensure that the UK continues to have a reliable and efficient cash infrastructure. The Board has concluded that it is in the best interests of the Pension Scheme's members and G4S that the UK cash solutions business is retained within the Group. The Group's payment and cash technology business together with the retained conventional cash business represent 8% of the continuing Group's total revenues.

As previously announced, we will be managing for value or exiting a number of non-core businesses to increase further our strategic, commercial and operational focus and our efficiency.

This announcement contains inside information.

The G4S plc FY 2019 results will be announced on 11 March 2020.

Investor and analyst briefing

There will be a webcast at 15.30 today - details are as follows:

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| Webcast | http://view-w.tv/707-803-23481/en |
| Call Details | Passcode: 015205 |
| Standard International Access | +44 20 3936 2999 |
| United Kingdom (Local) | 020 3936 2999 |
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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 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 550,000 employees. For more information on G4S, visit www.g4s.com.

Financial Advisors:

J.P. Morgan Limited, Goldman Sachs International and Citigroup Global Markets Limited acted as joint financial advisers to G4S.

Important Notices:

J.P. Morgan Securities plc (which conducts its UK investment banking activities as J.P. Morgan Cazenove), Goldman Sachs International and Citigroup Global Markets Limited (together, the "Banks"), each of which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Prudential Regulation Authority and the Financial Conduct Authority, are each acting for G4S and for no one else in connection with the transaction, and will not regard any other person as a client in relation to the transaction and will not be responsible to anyone other than G4S for providing the protections afforded to their respective clients, nor for providing advice in connection with the transaction, or any other matter, transaction or arrangement referred to in this announcement.