

Strategic priorities and performance overview

The combination of a growing integrated security business with an established global footprint and a unique and high-growth cash and payment technology business, strengthens the Group's growth prospects and margin profile for each business (see page 5).

This section summarises our strategic priorities and how we focus our resources and expertise in areas where we can achieve the best results for customers and sustainable growth and return for investors.

Our CSR approach covers a broad range of areas but we have four material priorities: health and safety, human rights, anti-bribery and corruption and people, culture and values which are covered in detail on page 22.



Strategic priorities

Underpinned by corporate culture based on group values and commitment to CSR.

Key risks

See Emerging and Principal risks on pages 81 to 87.

KPIs

See pages 48 to 51 for more detail and the progress in the Group's financial and non-financial KPIs and how they link to the Group's strategic priorities.



People, culture & values

We recruit, develop and deploy the best people in the industry

Strategic priorities

- Embed the right culture; promote our G4S values and sustain strong employee identification with those values
- Embed and reinforce correct health and safety behaviours
- Focus on talent acquisition, development and succession planning
- Engage to ensure best performance
- Incentivise and recognise success
- Harness and extend the diversity of our workforce and foster an inclusive workplace

Key risks

- Our trained and skilled people are hired by competitors or other companies or do not behave in line with the Group's values, resulting in adverse impact on customer service or those in our care
- Negative impacts on our employees' health and safety
- G4S managers not applying standards

KPI

84%

EMPLOYEES GAVE AN OVERALL FAVOURABLE RESPONSE IN 2019 EMPLOYEE SURVEY WITH C.450,000 RESPONSES



Growth

Customer excellence

We build long-term customer relationships based upon trust and understanding of customers' businesses and objectives

Strategic priorities

- Positive demand for security services driving revenue growth (see page 10)
- Investment in risk consulting expertise to lead initial customer engagement and develop excellent service and solution design
- Investment in technical and project management capability
- Investment in sales, marketing, account management teams, Salesforce CRM, embed G4S way of selling and contract retention programmes

Key risks

- Failure to understand customers' changing needs or falling short of customer expectations

KPI

£1.5bn

ANNUAL CONTRACT VALUE OF NEW BUSINESS WON IN 2019 (2018: £1.4BN)

Technology, innovation and data analytics

We design, market and deliver innovative, industry-leading technology and services that protect and add value for our customers wherever they operate

Strategic priorities

- We continue to invest in the resources, skills and capabilities to develop and deliver technology-enabled security and cash management solutions:
 - Secure Solutions – expand and upgrade technology-integration capability
 - Cash Solutions – further develop our market leading and fast growing payment and cash technology

Key risks

- Failure to market or deliver our services and technology effectively or failure to deliver adequate value for money

KPI

47%

TECHNOLOGY-ENABLED SECURITY REVENUES IN 2019 (2018: 45%)



Profitability

We have a growing proportion of revenues from higher growth and higher margin services and safe, secure, reliable and efficient operations

Strategic priorities

- The conventional cash transaction facilitates the creation of a simplified group and provides the opportunity to reduce overheads by an annualised £15-20m through 2020-2021
- Operational excellence and efficiency: implement lean, automated processes
- Continue to improve health and safety awareness and performance

Key risks

- Failure to comply with our standards results in harm, loss of expertise or investments failing to deliver benefit

KPI

-21%

REDUCTION IN HIGH POTENTIAL INCIDENTS IN 2019 COMPARED WITH 2018



Financial discipline

We manage risk effectively and ensure we provide profitable, cash generative services

Strategic priorities

- Driving improved cash flow
- New commitment to maintain net debt/ Adjusted EBITDA between 2.0x and 2.5x over the medium term
- Improved risk management, including contract risk management
- Established and embedded rigorous capital investment appraisal processes
- Manage for value or exit a number of non-core businesses to increase further our strategic, commercial and operational focus and efficiency

Key risks

- Inefficient capital management and failure to comply with group risk management standards

KPI

+8.8%

INCREASE IN UNDERLYING OPERATING CASH FLOW IN 2019

Our culture, values and commitment to corporate social responsibility underpin our strategy