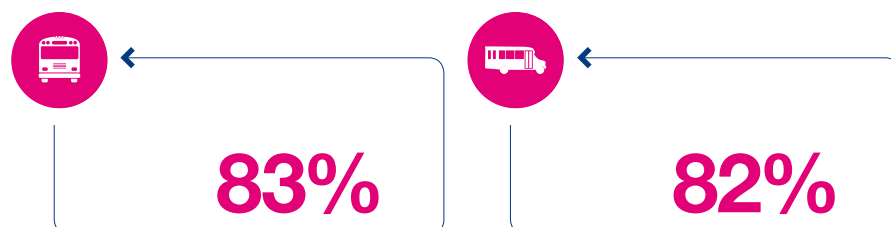# Key performance indicators

---

(1) **Focused and disciplined bidding in our contract businesses**

First Student and First Transit contract retention
(%)

83%

82%

We measure contract retention as a percentage of existing business subject to bid in the year (rather than as a percentage of the contract portfolio as a whole). In First Student and First Transit we typically expect retention of around 90%.

In First Student, our 83% contract retention rate during the summer 2017 bid season was slightly lower than we had hoped for but the 5.3% average price increase was in line with our bidding strategy.

In First Transit, our contract retention rate was 82% during the year, principally reflecting the two shuttle contracts in the Canadian oil sands region that were not renewed in the year.

---

(2) **Driving growth through attractive commercial propositions in our passenger revenue businesses**

Greyhound, First Bus and First Rail change in like-for-like revenue
(% change year-on-year)
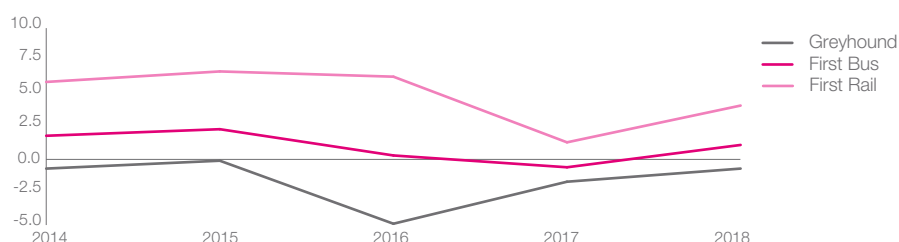
Like-for-like revenue adjusts for changes in the composition of the divisional portfolio, holiday timing, the 53rd week, severe weather and other factors that distort the year-on-year trends in our passenger revenue businesses.

In the year Greyhound's like-for-like revenue decreased by 0.7%, reflecting good short haul growth being more than offset by declines in long haul demand, where competition from the ultra low cost airlines has intensified.

First Bus like-for-like passenger revenue growth was 1.1%, and it accelerated in each quarter of the year, supported by like-for-like commercial passenger volume growth of 0.2%.

In First Rail, like-for-like passenger revenue growth was 4.1%, within which the equivalent figure for TPE was 10.0%, in GWR was 2.7%, while in our open access operation Hull Trains it was 3.3%. Comparing SWR with the equivalent period under the prior franchise, like-for-like passenger revenue growth was 2.8%.

Group revenue
(£m)

Year	Revenue
2018	6,398.4
2017	5,653.3
2016	5,218.1
2015	6,050.7
2014	6,717.4

Reported Group revenue in the year increased by 13.2% including the new SWR franchise from 20 August 2017, the 53rd week in the Road divisions and the translation of our US dollar-based businesses into pounds Sterling at stronger rates than the prior year. Adjusting for these factors, Group revenue increased by 1.0% with growth in First Rail, First Transit and First Bus partly offset by small reductions in Greyhound and First Student revenues.

Key performance indicators

---

(4) Prudent investment in our key assets (fleets, systems and people)

Employee engagement
Your Voice employee engagement score
(%)

FirstGroup
60% to 88%

External benchmark
| UK | 64% |
| North America | 68% |

We carried out a number of Your Voice employee engagement surveys during 2017/18 and will complete surveys for the remainder of the Group later in 2018.

Our First Rail businesses once again scored well, with employee engagement scores between 60-88% compared with an external UK benchmark norm of 64%.

The First Bus score of 61% represents a 4% improvement on their 2015 survey.

Engagement scores in our North American divisions ranged from 69-74%, against an external benchmark norm of 68%.

Average fleet age
(Years)

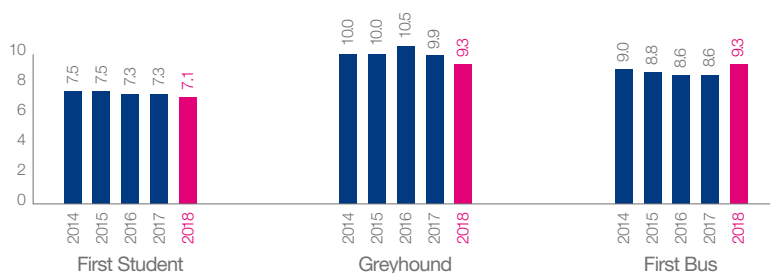|	First Student	Greyhound	First Bus
2014	7.5	10.0	9.0
2015	7.5	10.0	8.8
2016	7.3	10.5	8.6
2017	7.3	9.9	8.6
2018	7.1	9.3	9.3

First Bus 2018 data calculated on basis of vehicles in service. 2017 data also re-stated on that basis.

First Student continued to make investments in buses during the year and also benefited from cascading buses around our operations; our average fleet age reduced modestly to 7.1 years.

Following a number of years where Greyhound required few additional vehicles, this year our fleet renewal plan saw the introduction of 88 new buses into our fleet. As a result our reported average fleet age reduced to 10.9 years, while adjusting for refurbishment the effective age was 9.3 years.

Our significant fleet investment programme in First Bus had led to a number of years where the fleet age reduced, but we are now investing in the fleet at lower levels and therefore the fleet age increased to 9.3 years. All our recent diesel additions are Euro VI engine buses.

Group ROCE
(%)

Year	Value
2018	9.5
2017	7.3
2016	7.2
2015	7.8
2014	8.2

Reported return on capital employed (ROCE) is a measure of capital efficiency and is calculated by dividing adjusted operating profit after tax by net assets excluding debt items.

Group ROCE was 9.5% in 2018, with lower adjusted operating profit and lower capital employed as translated at year end currency rates. Group ROCE was 7.9% at constant exchange rates in the prior year and 7.3% as reported.

The Road divisions ROCE was 6.6% (2017: 6.1% at constant exchange rates and 5.7% as reported).

---

(5) Maintain responsible partnerships with our customers and communities

Customer and passenger satisfaction

First Student
(Average rating out of ten)

Year	Value
2018	8.75
2017	8.76
2016	8.38
2015	8.38
2014	8.36

First Transit
(Average rating out of ten)

Year	Value
2018	9.05
2017	8.84
2016	8.64
2015	8.72
2014	8.77

First Student and First Transit continued to maintain high levels of overall customer satisfaction in the year, through continued focus on delivering for our customers.

Customer and passenger satisfaction continued
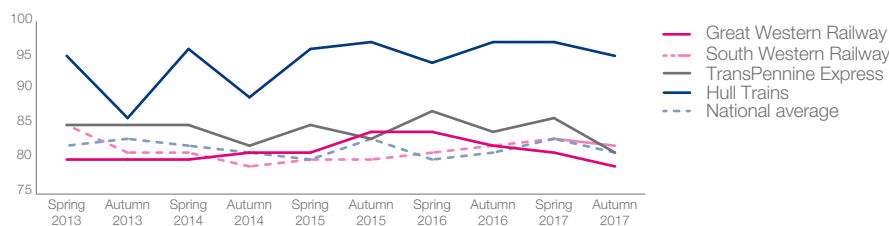
Greyhound
(Change in Net Promoter Score)[1]

Year	Value
2018	-12%
2017	+22%

1   Moved to NPS methodology in late 2016; earlier data not comparable due to this change.

First Bus
(% satisfied with their journey overall)

Year	Value
2018	84
2017	84
2016	84
2015	86
2014	86

First Rail
(% satisfied with their journey overall)

Legend: Great Western Railway, South Western Railway, TransPennine Express, Hull Trains, National average

As part of Greyhound's business model transformation, we refocused our customer satisfaction KPI on the Net Promoter Score (NPS) methodology in 2016. This improved significantly in 2017, but dipped in 2018 as on-time performance grew weaker. We are taking action to address this through improvements to fleet maintenance and focus on punctuality.

In First Bus, overall satisfaction in the independent transport focus national bus passenger survey remains high and this year, in particular, our value for money scores increased. In the Welsh survey our First Cymru business scored highly and was the top operator. Similarly in Scotland, First Glasgow came through well and with a significantly improved score, being the second best operator in Scotland. Our First York, First Scotland East and First Leicester businesses also saw high overall scores this year.

The latest independent Transport Focus national rail passenger survey saw overall satisfaction nationally at similar levels to last year, but the survey showed significant year-on-year increases in customer satisfaction in 17 of the 38 categories. Hull Trains again scored very highly for overall satisfaction whereas GWR saw a slight reduction. For SWR, the survey was undertaken during the weeks following extensive work to lengthen platforms at Waterloo, leading to a reduction in satisfaction scores although there were some areas where satisfaction has risen, such as the attitude and helpfulness of our staff, Wi-Fi availability and ticket buying facilities. TPE saw an overall reduction of 3%, but satisfaction with stations was marked highly, as customers noted improvements in the availability of seating, shelter facilities and Wi-Fi.

Total FirstGroup community investment
(£m measured using the LBG model)

Year	Value
2018	4.12
2017	1.83
2016	1.42
2015	1.70
2014	1.90

Legend: Cash, Time, In-kind, Leverage
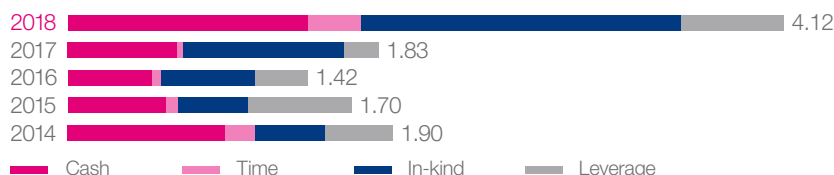
This year we contributed £4.12m to the communities we serve across the UK and North America. This was measured by using the method of the London Benchmarking Group (LBG) model which tracks cash contributions made directly by the Group, time (employee volunteering), in-kind support (such as travel tickets, advertising space) and leverage (including contributions from other sources such as employees, customers and suppliers).

The large increase from last year's total community investment figure is due primarily to increased data collection across the Group and more established processes in place to measure the positive contributions we're making. We also made a significantly higher contribution to our charity partner in 2018 – around £1m in total.

Environment
Greenhouse gas emissions
(Tonnes of carbon dioxide equivalent per £1m of revenue)

Year	Value
2018	385
2017	400
2016	464
2015	485
2014	467

Our emissions are calculated in line with the requirements of the WRI/WBCSD GHG Protocol. We report our emissions from all activities for which we are responsible across our operations expressed in tonnes of carbon dioxide equivalent ($CO_2(e)$), normalised per £1m revenue.

2017 data has been re-baselined to reflect the new addition of the SWR rail franchise in accordance with our stated re-baselining policy. In 2018, our normalised emissions decreased by 4% against 2017 levels.

Data from 2016 onwards now includes emissions attributed to the waste we produce through our operations.