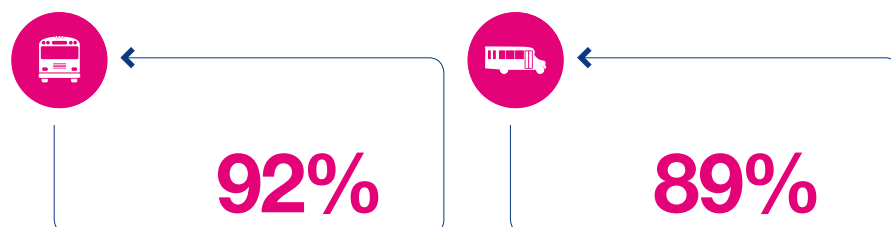# Key performance indicators

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(1) Focused and disciplined bidding in our contract businesses

**First Student and First Transit contract retention**
(%)

92%

89%

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.

First Student had a strong summer 2018 bid season with average price increases in excess of the employee cost inflation we face from the strong employment market in the US. We achieved a retention rate of 92% on our at-risk contracts subject to bid. This is an increase of 9 percentage points year-on-year (2018: 83%) and is also the highest level achieved in a number of years.

In First Transit, we also significantly increased our retention of at-risk contracts to 89% (2018: 82%) in the year.

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

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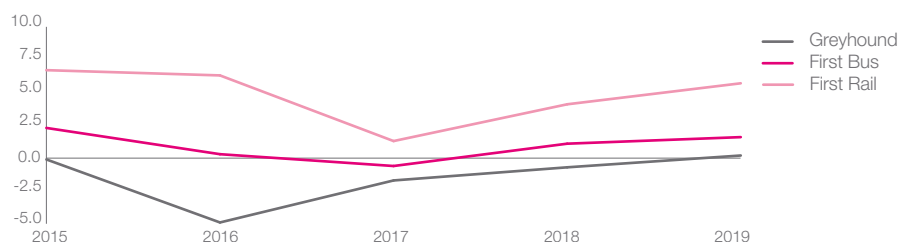
Like-for-like (LFL) revenue adjusts for changes in the composition of the divisional portfolio, holiday timing, 53rd week, severe weather and other factors that distort the year-on-year trends in our passenger revenue businesses.

In the year Greyhound's LFL revenue increased by 0.2%, with short haul growth lower than 1,000+ mile long haul growth and mid-range trips were slightly down year-on-year with competition from airline capacity increases.

First Bus LFL passenger revenue growth was 1.6%, although industry conditions remain uncertain and demand patterns continue to vary significantly amongst our local markets across the country.

In First Rail, LFL passenger revenue growth was 5.8%. Industry growth rates continue to be affected by UK macroeconomic uncertainty, modal shift due to lower fuel prices and changing working practices, while our networks have experienced challenges from strike action in SWR's case and the effect of rail infrastructure upgrade works.

Group revenue
(£m)

Year	£m
2019	7,126.9
2018	6,398.4
2017	5,653.3
2016	5,218.1
2015	6,050.7

Reported Group revenue in the year increased by 11.4% including a full year of the SWR franchise and the translation of our US Dollar-based businesses into pounds Sterling at stronger rates than the prior year, partly offset by the 53rd week in the Road divisions last year. Adjusting for these factors, Group revenue increased by 5.7% with growth in all our divisions apart from Greyhound, where revenues reflected the ongoing challenges in its long haul markets and withdrawal of services in Western Canada.

(3) Continuous improvement in operating and financial performance

Punctuality
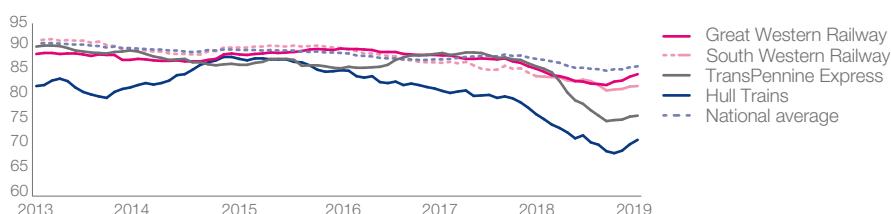
Greyhound on-time performance[1]
(%)

Year	Value
2019	72.8
2018	76.2

First Bus punctuality
(%)

Year	Value
2019	91.0
2018	90.9
2017	91.1
2016	91.4
2015	91.8

1   We implemented GPS tracking in 2017; earlier data is not comparable due to this change in methodology.

First Rail Public Performance Measure
(PPM)

- Great Western Railway
- South Western Railway
- TransPennine Express
- Hull Trains
- National average

Safety[1]

Employee lost time injury rate
(per 1,000 employees per year)

Year	Value
2019	13.67
2018	14.13
2017	14.41

Passenger injury rate
(per million miles)

Year	Value
2019	5.12
2018	5.73
2017	5.74

1   This year we updated our safety reporting definitions and data collection processes to capture a wider set of inputs to our safety KPIs. Historic data has been restated to reflect this. We continue to refine and enhance our reporting every year, and carry out robust analysis and review to help inform our safety strategy and plans.

Financial performance

Adjusted operating profit
(£m)

Year	Value
2019	332.9
2018	317.0
2017	339.0
2016	300.7
2015	303.6

Adjusted EPS
(pence)

Year	Value
2019	14.4
2018	12.3
2017	12.4
2016	10.3
2015	9.8

Greyhound's on-time performance score was affected by poor fleet reliability. We took steps to improve this during the year through the introduction of new vehicles, as well as improvements to our fleet maintenance processes. As a result, although overall on-time performance fell during the year, as a whole we saw an improvement in the second six-month period.

First Bus punctuality measures percentage of services no more than one minute early or five minutes late and has seen a slight year-on-year improvement, despite congestion remaining a significant issue for services in many cities including Bristol. We continue to work with all local authorities to resolve or mitigate this and are able now to provide evidence to pinpoint problem areas through our GPS linked data.

The national average score of rail punctuality and reliability (PPM) saw a decrease during the year with contributory factors including TOCs being affected by substantial infrastructure upgrades on their networks as well as disruption caused by the introduction of the May 2018 national rail timetable. First Rail TOCs have been similarly affected with significant upgrade work on all three of our franchises although in common with other operators our PPM improved towards the end of the year.

We achieved a 3% reduction in our Employee lost time injury rate thanks to reductions in Greyhound, First Bus and First Student, despite increases in First Transit and First Rail. Total employee injuries were also reduced by 3%, in line with our continuing focus on positive safety behaviours and rules compliance through our Be Safe programme. There has also been progress in all divisions in reducing severity of injuries, with major injuries significantly down.

Passenger injuries per million miles have reduced by 11%, driven primarily by progress in First Bus, which offset an increase in First Transit. We continually review the root cause of passenger injuries, using data analysis to shape the focus of our safety programmes. More information on our approach to safety can be found on page 37.
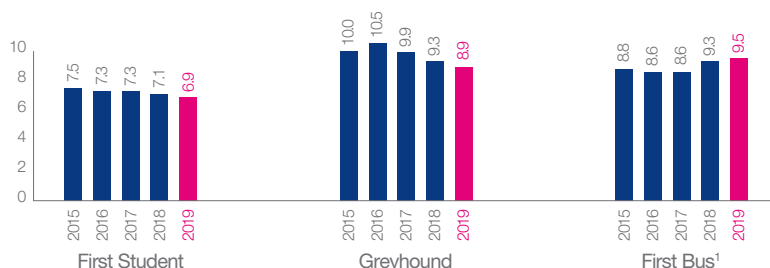
Adjusted operating profit and adjusted EPS highlight the recurring financial results of the Group before amortisation charges and certain other items (as set out in note 4 to the financial statements) which distort year-on-year comparisons.

Adjusted operating profit in constant currency increased by 4.0% or by 10.5% adjusting for SWR and the 53rd week in the Road divisions last year, reflecting progress in First Rail, First Bus and First Student partly offset by Greyhound and First Transit.

On a constant currency basis, adjusted EPS increased by 15.2% (or by 17.1% in reported currency), mainly reflecting lower net finance costs.

Key performance indicators continued

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

Average fleet age
(Years)

	First Student	Greyhound	First Bus[1]
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
2019	6.9	8.9	9.5

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

First Student made investments in buses during the year reflecting the strong increase in retention rates and uplift in new business wins achieved; therefore, our average fleet age reduced to 6.9 years.

Following a number of years where Greyhound required few additional vehicles, we have stepped up our fleet renewal plan, resulting in the addition of 108 new vehicles to the fleet this year. As a result our reported average fleet age reduced to 11.6 years (2018: 12.1 years), while adjusting for refurbishment the effective age was 8.9 years

Our significant fleet investment programme in First Bus had led to a number of years where the fleet age reduced, but for the last two years we have been investing in the fleet at lower levels and therefore the fleet age increased to 9.5 years.

Group ROCE
(%)

Year	Value
2019	10.5
2018	9.5
2017	7.3
2016	7.2
2015	7.8

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 increased to 10.5%, with higher adjusted operating profit and lower capital employed as translated at year end currency rates. In the prior year Group ROCE was 8.9% at constant exchange rates and 9.5% as reported.

The Road divisions ROCE was 6.4% (2018: 6.3% at constant exchange rates and 6.6% as reported).

5 Maintain responsible partnerships with our customers and communities

Customer and passenger satisfaction
First Student
(Average rating out of ten)

Year	Value
2019	8.75
2018	8.75
2017	8.76
2016	8.38
2015	8.38

First Transit
(Average rating out of ten)

Year	Value
2019	8.88
2018	9.05
2017	8.84
2016	8.64
2015	8.72

Greyhound
(Net Promoter Score)[1]

Year	Value
2019	-28.7
2018	-12.8
2017	-0.8
2016	-23.2

First Bus
(% satisfied with their journey overall)

Year	Value
2019	83
2018	84
2017	84
2016	84
2015	86

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

First Student and First Transit conduct annual surveys of clients, and maintained high levels of overall customer satisfaction in the year despite the effects of driver shortages in some areas. Scores were strong due to the continued focus on safety, operational consistency, and service delivery for our customers.
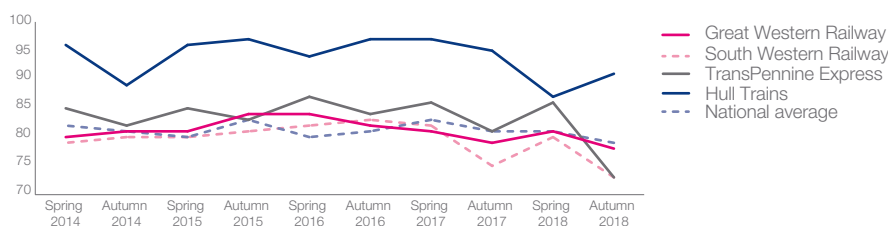
We refocused Greyhound's customer satisfaction KPI on the Net Promoter Score (NPS) methodology in 2016. This improved significantly in 2017, but fell in both of the last two years as on-time performance grew weaker. 2019 was especially impacted by summer on time performance, and improved in the second half of the year with new fleet deliveries. Initiatives aimed at improving customer service – for example customer awareness training, introduction of infotainment and e-ticketing – helped mitigate the performance score but did not outweigh punctuality.

Overall satisfaction with First Bus in the independent Transport Focus Bus Passenger Survey in England was 83%, which was a slight drop compared to last year (84%). Overall scores improved in four of our operating companies. Punctuality is a key driver of customer satisfaction, and our scores in certain areas particularly affected by congestion reflected this. Our driver welcome/greeting score and driver helpfulness and attitude score both improved, reflecting the focus given in the year to improving customer service. We also achieved a reduction in complaints about driver interaction compared with the previous year.

First Rail
(% satisfied with their journey overall)

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

X-axis: Spring 2014, Autumn 2014, Spring 2015, Autumn 2015, Spring 2016, Autumn 2016, Spring 2017, Autumn 2017, Spring 2018, Autumn 2018

The latest independent Transport Focus National Rail Passenger Survey saw overall satisfaction across the country decrease year-on-year. GWR's scores reflected a number of short-term challenges including engineering work and employee training on new trains. Hull Trains again scored very highly for overall satisfaction in the Autumn survey, although the Spring figures were affected by fleet performance issues. SWR's scores were affected by several major incidents that unfortunately caused significant disruption and the period of the survey also saw additional disruption caused by RMT strike action. TPE also saw a decrease as when the survey was taken last autumn we were experiencing unprecedented disruption to customer journeys across the rail network in the North, following delays to a crucial electrification project.

Community investment
(£m measured using the LBG model)

- 2019: 3.60
- 2018: 3.18
- 2017: 1.83
- 2016: 1.42
- 2015: 1.70

Legend: Cash | Time | In-kind | Leverage
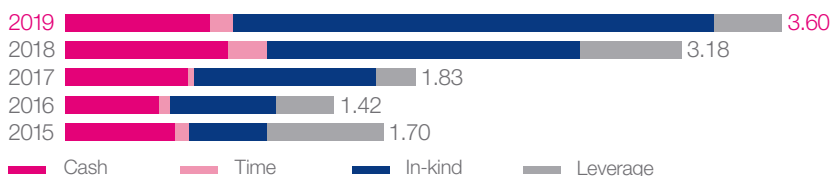
This year we contributed £3.6m to the communities we serve across the UK and North America. This was measured by using the London Benchmarking Group (LBG) model which tracks cash contributions made directly by the Group, time (employee volunteering), in-kind support (such as travel tickets, and advertising space) and leverage (including contributions from other sources such as employees, customers and suppliers).

We have re-stated our 2018 charitable contribution data as a result of improvements in data quality and verification.

Greenhouse gas emissions
(Tonnes of carbon dioxide equivalent – tCO$_2$(e))

	2019	2018	2017	2016
Scope 1	2,344,768	2,431,367	2,436,362	2,416,781
Scope 2[a] (location based)	265,924	276,973	270,988	267,241
Scope 3	18,179	9,339	10,668	15,126
Out of Scope	14,654	10,065	9,530	13,585
Total	2,643,524	2,727,744	2,727,548	2,712,733
% change (against 2016 baseline)	-3%	1%	1%	n/a
Scope 2[b] (market based)	48,768	46,683	46,128	72,134
Per £1m of revenue	371	385	400	426
% change (against 2016 baseline)	-13%	-10%	-6%	n/a

Figures in the table above have been restated in consideration of changes in methodologies, improvements in the accuracy, or discovery of errors in previous years' data as per our stated policy.

Our gross carbon emissions have been classified in the following way:

- Scope 1 – Direct emissions from: vehicle use (owned and leased); fugitive refrigerant gas emissions; heating fuels used in buildings, and road and rail fuel use.
- Scope 2 – Indirect emissions from: electricity used in our buildings, and to power our electric rail and bus fleet. We report both location-based emissions (taking into account the UK grid average) and market-based emissions (reflecting the amount of energy from renewable sources).
- Scope 3 – Indirect emissions from: First Travel Solutions (including third party vehicle provision); business travel by air; hotel stays; water supply and treatment; and waste recycling and disposal.
- Out of Scope – Indirect emissions from: biofuel usage from all divisions in line with DEFRA reporting guidelines.

Data in this table has been independently assured by Carbon Credentials.

Please also see the Environmental Data Report (2019) on our website for further information.

94% of our greenhouse gas (GHG) emissions derive from the fuel and electricity we use to power our road and rail fleets.

From our baseline reporting year (2015/16), we have reduced our overall GHG emissions and carbon intensity (per £1m revenue) by 3% and 13% respectively.

Relevant factors in this include a 3.3% reduction in diesel, gas-oil and petrol use, and increases in the use of biofuel and gaseous fuels. In 2018/19 for example we recorded a 41% increase in compressed natural gas (CNG) use in our US businesses.

Decarbonisation of our power networks, coupled with increased electrification in First Rail has played a key role in reducing our carbon intensity per passenger and per £1m revenue.

Our reporting follows the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, applying the operational control approach to our organisation boundary against a materiality threshold of 5%. Any operation emitting less than 5% of the Company's total GHG emissions (or in combination with other emissions are less than 5% of corporate emissions) are regarded as immaterial.

An Environmental Data Report (2019) is available on our website (www.firstgroup.com/responsibility) and provides further analysis on our carbon, energy and environmental impacts, alongside information on our data and assurance processes.