

Key performance indicators

Identifying and monitoring performance is critical to inform strategic decision making

Key to principal risk factors

- 1 Economic environment
- 2 Market risk
- 3 Vehicle holding costs
- 4 The employee environment
- 5 Legal compliance
- 6 IT systems
- 7 Access to capital

Read more on strategy

See pages 16 to 25

Read more on our performance

See pages 4 to 11

Read more on managing risk

See pages 28 to 31

Financial		Operational																																																																					
<h3>Earnings</h3> <p>Underlying PBT and EPS are key measures of profitability. They also are key remuneration metrics. Underlying PBT and EPS are stated excluding exceptional costs in order to better compare performance year on year.</p>		<h3>Return on capital employed (ROCE)</h3> <p>In a capital intensive business ROCE is an important measure of performance. ROCE measures how efficiently the Group allocates capital to deliver returns to our shareholders.</p>		<h3>Vehicles on hire</h3> <p>Growing average vehicles on hire is critical to the success of our business. Placing vehicles on hire with customers at profitable rates is a critical driver of our earnings.</p>		<h3>Asset management</h3> <p>Utilisation needs to be optimised in order to be operationally efficient but must also be balanced against the need to have fleet available to meet customer demand. Utilisation is a measure of the proportion of available fleet on hire with customers.</p>		<h3>Staff retention</h3> <p>Attracting, retaining and developing the right people is key to the successful delivery of our strategy. Staff turnover is a key measure for monitoring performance in this area.</p>																																																															
<h4>Performance</h4> <h5>Underlying profit before tax (£m)</h5> <table border="1"> <tr><td>2015</td><td>85.0</td></tr> <tr><td>2016</td><td>82.9</td></tr> <tr><td>2017</td><td>75.0</td></tr> <tr><td>2018</td><td>57.0</td></tr> <tr><td>2019</td><td>61.1</td></tr> </table> <p>£61.1m +7.2%</p>		2015	85.0	2016	82.9	2017	75.0	2018	57.0	2019	61.1	<h4>Performance</h4> <h5>Underlying earnings per share (p)</h5> <table border="1"> <tr><td>2015</td><td>51.0</td></tr> <tr><td>2016</td><td>49.0</td></tr> <tr><td>2017</td><td>47.3</td></tr> <tr><td>2018</td><td>34.8</td></tr> <tr><td>2019</td><td>38.7</td></tr> </table> <p>38.7p +11.2%</p>		2015	51.0	2016	49.0	2017	47.3	2018	34.8	2019	38.7	<h4>Performance</h4> <h5>ROCE (%)</h5> <table border="1"> <tr><td>2015</td><td>13.0</td></tr> <tr><td>2016</td><td>12.2</td></tr> <tr><td>2017</td><td>10.5</td></tr> <tr><td>2018</td><td>7.5</td></tr> <tr><td>2019</td><td>7.70</td></tr> </table> <p>7.7% 20 bps</p>		2015	13.0	2016	12.2	2017	10.5	2018	7.5	2019	7.70	<h4>Performance</h4> <h5>Average vehicles on hire ('000)</h5> <table border="1"> <tr><td>2015</td><td>84.2</td></tr> <tr><td>2016</td><td>82.7</td></tr> <tr><td>2017</td><td>80.8</td></tr> <tr><td>2018</td><td>83.8</td></tr> <tr><td>2019</td><td>93.2</td></tr> </table> <p>93.2 +11.1%</p>		2015	84.2	2016	82.7	2017	80.8	2018	83.8	2019	93.2	<h4>Performance</h4> <h5>Utilisation (%)</h5> <table border="1"> <tr><td>2015</td><td>89</td></tr> <tr><td>2016</td><td>89</td></tr> <tr><td>2017</td><td>89</td></tr> <tr><td>2018</td><td>89</td></tr> <tr><td>2019</td><td>89</td></tr> </table> <p>89% +0ppts</p>		2015	89	2016	89	2017	89	2018	89	2019	89	<h4>Performance</h4> <h5>Staff turnover (%)</h5> <table border="1"> <tr><td>2015</td><td>22</td></tr> <tr><td>2016</td><td>23</td></tr> <tr><td>2017</td><td>20</td></tr> <tr><td>2018</td><td>20</td></tr> <tr><td>2019</td><td>24</td></tr> </table> <p>24% +4ppts</p>		2015	22	2016	23	2017	20	2018	20	2019	24
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<h4>Target</h4> <p>Our target is to grow the underlying PBT of the Group. The earnings profile in the coming years will be impacted by changes to depreciation rates.</p>		<h4>Target</h4> <p>Our target is to grow the underlying earnings per share of the Group. The earnings profile in the coming years will be impacted by changes to depreciation rates.</p>		<h4>Target</h4> <p>We aim to maintain ROCE above our weighted average cost of capital.</p>		<h4>Target</h4> <p>Our target is to grow vehicles on hire at profitable margins in order to maximise sustainable returns to investors.</p>		<h4>Target</h4> <p>We aim to maintain utilisation at current levels or above.</p>		<h4>Target</h4> <p>We aim to manage staff turnover at current levels or below reflecting the impact of self help actions in the UK&I.</p>																																																													
<h4>Strategy link</h4> <p>Monitoring the PBT of the Group measures the success of all of our strategic objectives.</p>		<h4>Strategy link</h4> <p>Monitoring EPS allows the Board to better plan how to allocate capital, including returns to shareholders.</p>		<h4>Strategy link</h4> <p>Monitoring ROCE allows the Group to identify the efficiency of the business model and allocate resources to the best growth opportunities.</p>		<h4>Strategy link</h4> <p>Monitoring Group vehicles on hire is critical to assessing the demand for our services and our market proposition.</p>		<h4>Strategy link</h4> <p>Monitoring utilisation allows the Group to assess how effectively we use our fleet and manage our operational efficiency.</p>		<h4>Strategy link</h4> <p>Monitoring staff turnover allows the Group to manage the impact our operations have on one of our key stakeholders.</p>																																																													
<h4>Risk factor link</h4> <p>1 2 3 4 5 6 7</p>		<h4>Risk factor link</h4> <p>1 2 3 4 5 6 7</p>		<h4>Risk factor link</h4> <p>1 2 3 4 5 6 7</p>		<h4>Risk factor link</h4> <p>1 2 3 4 5 6 7</p>		<h4>Risk factor link</h4> <p>1 2 3 4 5 6 7</p>		<h4>Risk factor link</h4> <p>1 2 3 4 5 6 7</p>																																																													
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<h4>Remuneration link</h4> <p>75% of Executive Director annual bonus is based on PBT targets.</p>		<h4>Remuneration link</h4> <p>33% of Executive Director long term incentive targets are based on EPS targets.</p>		<h4>Remuneration link</h4> <p>75% of Executive Director annual bonus is awarded subject to a minimum ROCE target being achieved. 33% of Executive Director long term incentive targets are based on ROCE targets.</p>		<h4>Remuneration link</h4> <p>25% of Executive Director annual bonus is based on personal objectives including operational measures. 33% of Executive Director long term incentive targets are based on TSR growth targets which incorporates operational performance.</p>																																																																	
<p>Read more on pages 34 to 39</p>		<p>Read more on pages 34 to 39</p>		<p>Read more on pages 34 to 39</p>		<p>Read more on pages 34 to 39</p>																																																																	