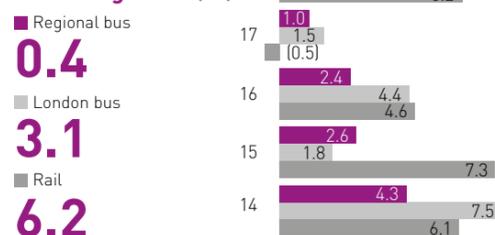# Measuring our performance

Our selected set of KPIs are the measures we use to assess the Group's progress against our strategic objectives and allow us to effectively monitor our performance.

Protect and grow the core

Like for like revenue growth (%)

■ Regional bus
0.4

□ London bus
3.1

■ Rail
6.2

Year	Regional bus	London bus	Rail
18	0.4	3.1	6.2
17	1.0	1.5	(0.5)
16	2.4	4.4	4.6
15	2.6	1.8	7.3
14	4.3	7.5	6.1

Description

For our rail operations, we measure revenue generated through the provision of passenger transport services. In our bus division, we measure total revenue as non-passenger revenue is less material.

Performance

Our regional and London bus businesses both delivered modest revenue growth despite market challenges. In our rail business, revenue growth improved with increases at both GTR and Southeastern.

Adjusted net debt/EBITDA (X)

1.30

Year	Value
18	1.30
17	1.30
16	1.08
15	1.17
14	1.48

Description

The adjusted net debt/EBITDA ratio is used to indicate the Group's ability to pay down its debt from earnings. Adjusted net debt, which is total net debt excluding restricted cash in our rail division, is measured against earnings before interest, tax, depreciation and amortisation (EBITDA).

Performance

Adjusted net debt to EBITDA remained stable at 1.3 times and remains below our target range of 1.5 to 2.5 times, and well below our bank covenant limit of 3.5 times.

Operating profit (£m)

135.9

* pre-exceptional items

Year	Value
18	135.9*
17	150.6
16	162.6
15	120.7
14	121.7

Description

The Group's operating profit measures the profit earned from our ongoing core business operations excluding deductions of interest and tax. This helps us measure the underlying performance of our operating companies.

Performance

Reduction overall compared to last year reflecting the expiry of the London Midland rail franchise in December. Operating profit from our bus business increased slightly from last year with an advance at London bus more than offsetting a small reduction in our regional bus business.

Cashflow/EBITDA (X)

0.73

Year	Value
18	0.73
17	0.67
16	0.96
15	0.71
14	0.98

Description

The cashflow EBITDA ratio is used to monitor the conversion of operating profit into operating cash. Cashflow is the cash we generate from our operations, after working capital movements and after cash tax paid during the year.

Performance

Cash conversion improved from last year largely due to a smaller increase in working capital this year and slightly lower cash tax paid.

Dividend payout ratio (%)

56%

* pre-exceptional items

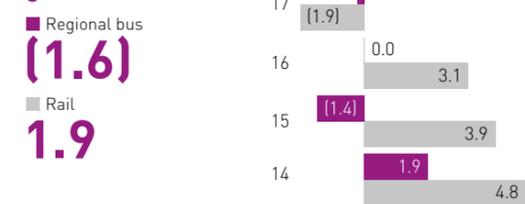| Year	Value
18	56*
17	49
16	44
15	61
14	48

Description

We measure the proportion of our net income that is paid to shareholders by way of dividend. It is calculated as dividend per share divided by earning per share.

Performance

At 56%, the dividend payout ratio has increased from last year's 49% and was in-line with our new dividend policy of payout ratio in the range of 50% to 75%.

Protect and grow the core

Like for like passenger volume growth (%)

■ Regional bus
(1.6)

□ Rail
1.9

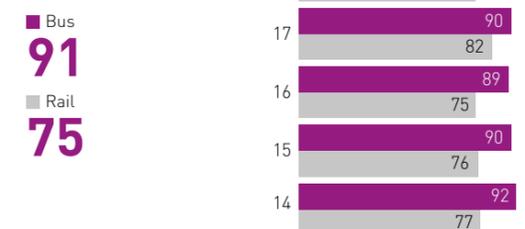| Year	Regional bus	Rail
18	(1.6)	1.9
17	(0.2)	(1.9)
16	0.0	3.1
15	(1.4)	3.9
14	1.9	4.8

Description

We measure the number of passenger journeys taken on our regional bus and rail services compared with the previous year. This is measured on a like for like basis, adjusting for significant acquisitions and new franchises. As we are contracted on the basis of mileage in our London bus division, we do not measure passenger numbers.

Performance

In regional bus, passenger numbers fell by 1.6%. This was better than the industry average which saw declines of over 2%. In rail, passenger numbers grew by 1.9%, an improvement on the 1.9% decline in the prior year as a result of full services resuming at London Bridge station and growth at GTR.

Customer satisfaction (%)

■ Bus
91

□ Rail
75

Year	Bus	Rail
18	91	75
17	90	82
16	89	75
15	90	76
14	92	77

Description

Customer satisfaction is measured by the independent passenger watchdog Transport Focus. Surveys are conducted twice a year for our rail franchises and annually for our regional bus operations. Our primary customer in London bus is TfL. We measure satisfaction by performance against TfL performance targets, such as excess waiting time.

Performance

Our focus on delivering high quality locally focused services enabled us to maintain our sector leading position in regional bus, with an improved score of 91%. In rail, our score dipped from last year's strong improvement.

Regional bus punctuality (%)

85.6

Year	Value
18	85.6
17	84.9
16	86.2
15	86.9
14	90.0

Description

The punctuality of our regional bus operations is measured as the percentage of buses which arrive at their stop between one minute before and five minutes after their scheduled time. Therefore, the higher the percentage the better.

Performance

Bus punctuality saw an improvement of 0.7 percentage points from last year's level. We also received the highest score for punctuality as part of the Transport Focus survey on passenger satisfaction.

London bus punctuality (minutes)

0.91

Year	Value
18	0.91
17	1.04
16	1.22
15	1.21
14	1.05

Description
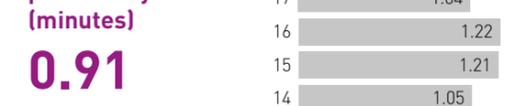
The punctuality of London bus operations is measured by excess waiting time. This is the time passengers have to wait for a bus above the average scheduled waiting time. The lower the excess waiting time, the better the performance.

Performance

Further improvement with excess waiting time reduced to below a minute for the first time since 2013, due to our continued focus on operational performance and working in partnership with TfL.

Rail punctuality (%)

80.6

| Year	Value
18	80.6
17	81.9
16	82.8
15	86.7
14	86.9

Description

The punctuality of our rail operations is measured on the basis of the DfT's Public Performance Measure (PPM) on a moving annual average basis. PPM is the percentage of trains that arrive at their final destination within five minutes of their scheduled arrival time.

Performance

Punctuality of our rail services fell from the prior year. This was adversely impacted by problems at GTR with the complexity of the timetable changes in May.

Protect and grow the core

Description	Performance

Employee engagement index (%)

■ Bus
65

□ Rail
67

|	Bus	Rail
18	65	67
17	58	60
16	47	59
15	46	63
14	40	60
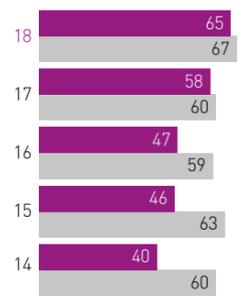
Description
We measure how engaged our people are through annual independent employee surveys, conducted independently by ORC, across all of our businesses.

Performance
We achieved higher employee engagement scores across bus and saw a significant improvement in our rail businesses, reflecting the focus we have on employee involvement, personal development and performance management.

Absenteeism (% of working hours)
4.2

|	
18	4.2
17	3.8
16	3.9
15	3.9
14	3.9
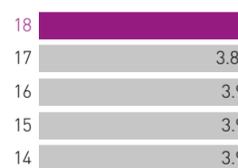
We measure employee absence by the percentage of scheduled hours not worked due to unplanned absence from work, across the whole organisation.

Absenteeism saw a modest increase over the last year, mainly due to the rail division with an increase at GTR which is likely to relate to the industrial dispute.

Employee turnover (%)
11.3

18	11.3
17	10.5
16	11.4
15	10.5
14	9.4
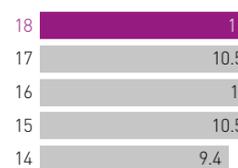
Employee turnover is measured by the percentage of employees who leave the Group during the year.

Slight increase compared to last year mainly due to our bus Division, where there has been contract changes at Go-Ahead London and route restructuring at Go East Anglia.

SPADs per million miles
0.63

|	
18	0.63
17	0.85
16	0.69
15	0.77
14	0.80

Across the rail industry train operating companies report signals passed at danger (SPADs). Many SPADs happen each year and most have little or no potential to cause harm. All SPADs are given a risk ranking which considers the actual and possible consequences of each incident.

SPADs saw a significant improvement of 26% compared with last year to the lowest level since 2012, as a result of tighter controls and exacting standards of driver training to minimise risks.

RIDDOR accidents per 100 employees
0.42

|	
18	0.42
17	0.51
16	0.62
15	0.70
14	0.76
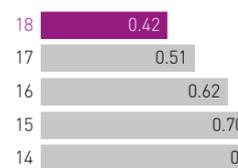
RIDDOR (reporting of injuries, diseases and dangerous occurrences regulations) relates to a work place incident that results in any absence from work for over seven days or any legally reportable incident to the Health and Safety Executive.

RIDDOR accidents per 100 employees improved by 18% compared to the prior year, owing to our high priority to ensure that our people have the necessary tools and training to do their jobs safely.

Bus accidents per million miles
36.1

|	
18	36.1
17	38.1
16	37.3
15	38.2
14	37.8
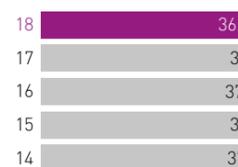
We monitor the number of bus accidents which result in a notification to a claims handler for every million miles we operate, including cases where we are not at fault.

An improvement of 5% compared with last year to the lowest level recorded since 2013, due to continual investment in training and monitoring the performance of our drivers.

Protect and grow the core

Description	Performance

Carbon emissions per passenger journey (kgs)
0.70

|	
18	0.70
17	0.75
16	0.82
15	0.88
14	0.85
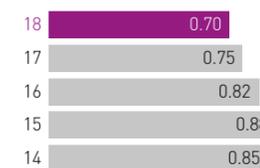
Description
We monitor all of the energy used within our operations and calculate our CO_2e emissions by using the appropriate CO_2e conversion factor. Currently, we divide our CO_2e emissions by the number of passenger journeys made to establish CO_2e per passenger journey.

Performance
A further improvement of 7% from last year. This has resulted in our carbon emissions per passenger journey being 21% lower than the 2014/15 baseline, exceeding our target of a 10% reduction over the period.

Carbon emissions per vehicle mile (kgs)
1.22

18	1.22
17	1.47
16	1.59
15	1.78
14	1.91
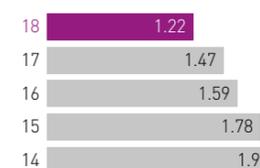
As a commitment to better reflect our CO_2e emissions, we will no longer report on CO_2e per passenger journey and instead report the more accurate CO_2e conversion factor of using CO_2e per vehicle mile.

Continual improvement has been achieved by improving the efficiency of our bus and rail fleet, introducing low carbon vehicles and reducing energy used in our premises. The expiry of the London Midland franchise during the year also had an impact.

Win new bus and rail contracts

Annualised revenue secured on international contracts
£250m

Description
To reflect our growth and future ambitions, as part of the strategic pillar of win new bus and rail contracts, we have added a new KPI for this year.

Annualised revenue consists of annual revenue secured through international contracts we have won in our targeted markets as part of our international strategy. Many of these contracts are in mobilisation and, thus, this revenue has not yet been earned.

Performance
We continue to see an attractive pipeline of opportunities in our selected target markets and have so far secured annualised revenues of around £250m from successful international bids, with the award of a second bus contract in Dublin and a fourth German rail contract during the year.

Develop for the future of transport

Projects and initiatives actively being tested and trialled

Description
We are developing a KPI relating to our third strategic pillar of developing for the future of transport. Through our initiatives and projects throughout the year, we will explore an appropriate metric to measure our performance.

We constantly strive to be more relevant to customers so that we can continue to fulfil their evolving preferences and future proof our operations. By seeking new ways to apply our skills and expertise, we can position our business to capture opportunities through a process of research, testing and trialling and enable sustainable performance over the long term.

Performance
Our project team is currently exploring a range of solutions and working on a number of initiatives to make public transport a clear and simple choice. These include:

• PickMeUp
• Mobileeee
• The Billion Journey Project
• New forms of contactless ticketing.
• Mobility as a Service (MaaS)
• Hammock