

KEY PERFORMANCE INDICATORS

The Board and the Operational Management teams regularly monitor and develop a range of financial and non-financial Key Performance Indicators (KPIs) to allow them to measure performance against expected targets, which can be analysed under various categories

The following represents a selection of these indicators:

Financial KPIs

	Link to strategy	Relevance and performance
Group total revenue		Our clear strategy for growth makes turnover an important barometer of the Group's success. Turnover has grown significantly from 2013, increasing by 53.5% to £186.5m (2013: £121.5m), equating to 11.3% p.a.
Underlying operating margin enhancement		Growth is about more than just the top line. Controlling our cost base is a key part of our investment plans. Reflecting our success in this area, underlying operating margin has increased by 470bps, from 6.6% in 2013 to 11.3% in 2017. This represents margin growth since 2013 of 14.4% p.a.
Group underlying profit before tax		Underlying profit before tax is a key measure of the underlying performance of the business. Our underlying profit before tax has grown by over 180.8% (or 29.4% p.a.) since 2013.
Underlying Cash conversion as a % of underlying EBITDA		Our quality of earnings is reflected in our ability to consistently turn underlying EBITDA in to underlying cash. 2017 was strongly cash generative with a conversion rate of 97.3% (2013: 85.3%).
Return on Capital Employed ('ROCE')		ROCE measures the return that we are able to provide to both our equity and debt investors. Maintaining this continues to be a key focus of the Group. Since 2013 our ROCE has grown by 13.3% p.a. to 19.9% (2013: 12.1%).
Underlying diluted earnings per share ('EPS')		EPS is a key target for the Group. Our clear strategy for growth is focused on increasing this ratio year-on-year. Since 2013 underlying diluted EPS has increased by 8.09p to 12.82p (2013: 4.73p).
Key multinational OEM revenue		£86.0m of Group sales come from 25 key multinational OEMs. Working to grow this revenue as well as building relationships with new multinational OEMs is the backbone of our overall growth strategy.

Non-financial KPIs

	Link to strategy	Relevance and performance
Broaden skills of management		Training programmes continue to be developed that allow our employees across the globe to learn together and share best practice. These programmes include operational, functional and leadership elements and are designed for our employees to enhance existing, and acquire, new skills.
Manufacturing to distribution ratio		By expanding our manufacturing capabilities and capacities around the world, we will not only reduce our reliance on purely distribution revenues, but we will also be able to improve our profit margins as revenues increase faster than the underlying semi-fixed cost bases we have in our manufacturing sites.



Historic performance

Position on target?

2017	£186.5m	✓
2016	£161.4m	
2015	£154.7m	
2017	11.3%	✓
2016	10.4%	
2015	9.9%	
2017	£20.5m	✓
2016	£16.0m	
2015	£14.3m	
2017	97.3%	✓
2016	88.9%	
2015	50.2%	
2017	19.9%	✓
2016	18.5%	
2015	18.6%	
2017	12.82p	✓
2016	9.99p	
2015	8.68p	
2017	£86.0m	✓
2016	£75.4m	
2015	£66.9m	

Historic performance

Position on target?

Over the last three years, 21% of UK employees have completed the management development programme. ✓

2017	35%	65%	✓
2016	34%	66%	
2015	33%	67%	

Key
■ Manufacturing
■ Distribution

Key to Strategic Pillar icons



Acquisitions



Continue to add value and differentiate



Investing in people



Investment driven growth



Operational efficiencies



Read about our **Group Strategy** on pages 18 and 19