

## How we performed – our key performance indicators

We have modified the KPIs that we report externally in order that they are more aligned to how the business operates and to our strategy.

### This year we have aligned how we measure our performance against our strategic priorities.

The operational areas of Customer, Technology, Efficiency and People and their related KPIs provide a clear tool to measure the delivery of our strategic priorities; the remaining financial KPIs are directly impacted by this performance and are the resulting outcome.

## CUSTOMER

### CUSTOMER LOYALTY

**Measure**

Net Promoter Score.

**Relevance**

It is important that we understand the extent to which we meet our customers' needs. Net Promoter Score (NPS) measures the proportion of our customers who think we do an excellent job against those who think we are average or worse.

**Target**

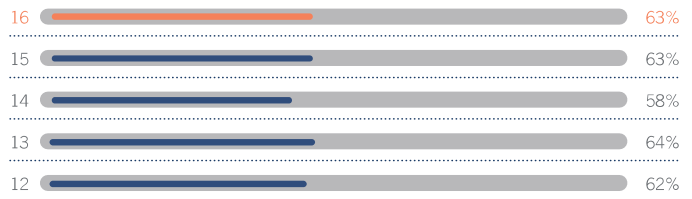
Sustainable improvements in the NPS over time.

**Performance**

In 2016, the NPS score was stable on the high level achieved in 2015. We see this as a good performance and the Strategic Priority around the customer should only work to improve this in the future.

### NET PROMOTER SCORE

**63%** 



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## CUSTOMER

### CUSTOMER ACTIVITY

**Measure**

Utility order intake and off-hire rate.

**Relevance**

The Utility order intake and utilisation rate are influenced by a wide range of factors but taken in context, they can be an indicator of how our strategy, sales approach and pricing are being received in the market. We track new orders won (MWs) and the off-hire rate, which is the number of MWs that off-hire during the year, divided by the number of MWs on-hire at the beginning of the year.

**Target**

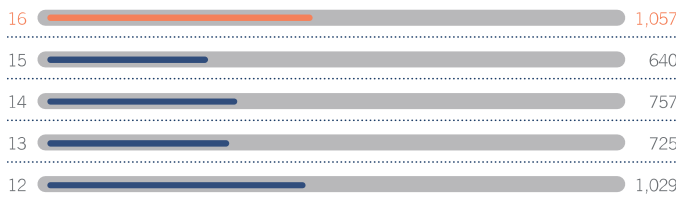
We aim to increase our order intake on an annual basis, subject to market conditions; our off-hire rate is often outside our control, however we aim to keep it as low as possible, noting that the historic average is around 30%.

**Performance**

During 2016, we had an order intake of over 1GW. While we believe some of this may be a result of the lower oil price impacting the affordability of our diesel engines, it also coincides with the implementation of our business priorities which have focused on customer, efficiency and technology.

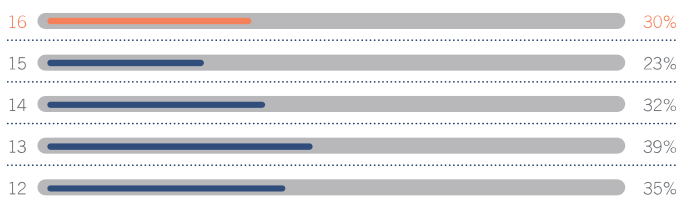
### POWER SOLUTIONS UTILITY ORDER INTAKE

**1,057MW** ▲



### POWER SOLUTIONS UTILITY OFF-HIRE RATE

**30%** ▲



READ MORE ABOUT OUR CUSTOMER INITIATIVES  
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## TECHNOLOGY

### FLEET SIZE AND COMPOSITION

**Measure**

Total power fleet size (in MW), split between engine type (Diesel, Diesel G3+, Gas, Next Generation Gas (NGG), HFO).

**Relevance**

Our strategy is to grow ahead of the market. To remain competitive we need to lower the total cost of energy to our customers. The best way to do this is through more fuel efficient engines or alternative sources of energy.

**Target**

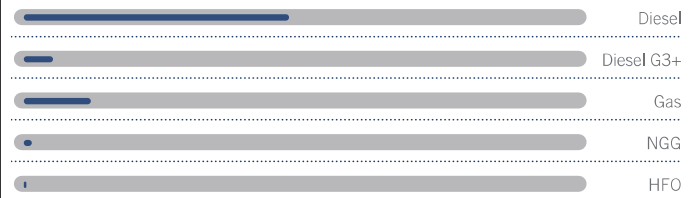
Increasing proportions of our market leading products in fuel efficiency, the diesel G3+ and Next Generation Gas engine. Additionally, an increasing proportion of our new medium speed HFO engine, in line with market demand.

**Performance**

In 2016, we upgraded 267 diesel sets to the G3+, produced over 200MW of our Next Generation Gas engine and started production of our HFO product.

### POWER FLEET COMPOSITION

**9,666MW**



READ MORE ABOUT OUR TECHNOLOGY INITIATIVES  
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## How we performed – our key performance indicators continued

### EFFICIENCY

#### CAPITAL ACTIVITY

**Measure**

Rental Solutions utilisation; Industrial utilisation; Utility utilisation, order intake and off-hire rate.

**Relevance**

We are a capital intensive business and in order to generate strong returns on our capital investment our fleet needs to be well utilised. Across our businesses we use physical utilisation as a metric (average MWs on-hire divided by the total fleet size in MW).

**Target**

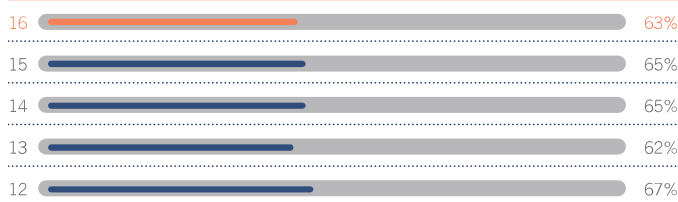
In our Rental Solutions and Power Solutions Industrial businesses we are targeting utilisation of between 60-70%, whilst in our Power Solutions Utility business we target over 80%.

**Performance**

In our Utility business we had a strong order intake, and so ended 2016 very close to our target utilisation levels. The utilisation level of our diesel fleet in the last quarter of the year was actually at 83%, above our target. Rental Solutions had a difficult year, with the downturn in oil related sectors in North America impacting the utilisation level.

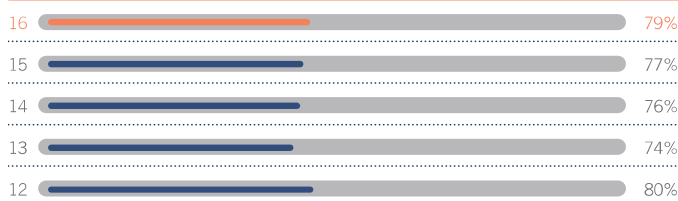
#### POWER SOLUTIONS INDUSTRIAL UTILISATION

**63%** ▼



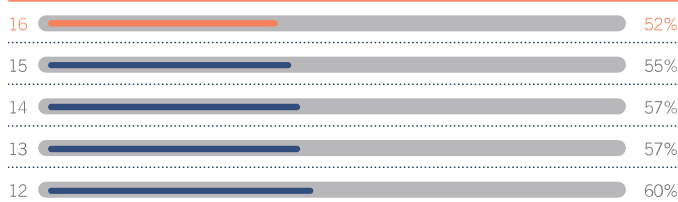
#### POWER SOLUTIONS UTILITY UTILISATION

**79%** ▲



#### RENTAL SOLUTIONS UTILISATION

**52%** ▼



READ MORE ABOUT EFFICIENCY  
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KEY



Metrics that are used for remuneration

PEOPLE

**SAFETY**

**Measure**

Lost Time Injury Frequency Rate (LTIFR).

**Relevance**

Rigorous safety processes are absolutely essential if we are to avoid accidents or incidents which could cause injury to people and damage to property and reputation. The main KPI we use to measure safety performance is Lost Time Injury Frequency Rate (LTIFR) which takes the number of lost time injuries and divides by the number of man hours worked. A lost time accident is a work related injury/illness that results in an employee's inability to work the day after the initial injury/illness.

**Target**

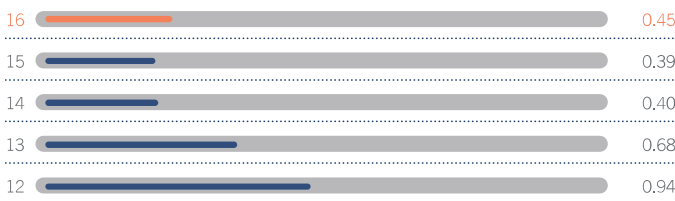
Continued reduction in accident rates.

**Performance**

During 2016, the LTIFR rate increased. In our investigations we found the majority of the increase related to manual handling activities and so we have been working with an external service provider to develop a company specific manual handling programme, which should reverse this trend.

**LOST TIME INJURY FREQUENCY RATE**

**0.45**



READ MORE ABOUT HEALTH & SAFETY  
PAGE 66

**EMPLOYEE SATISFACTION**

**Measure**

Employee turnover.

**Relevance**

It is the attitude, skill and motivation of our people which makes the difference between mediocre and excellent performance. We monitor permanent employee turnover as a reasonable proxy for how employees feel. It is measured as the number of employees who left the Group (other than through redundancy) during the period as a proportion of the total average employees during the period.

**Target**

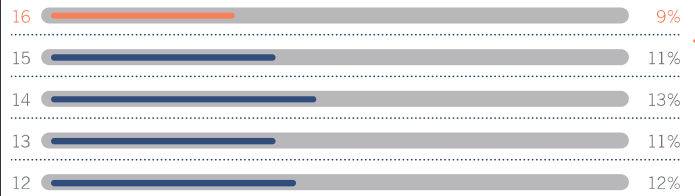
We aim to keep permanent employee turnover below historic levels in order to retain the skill base that we have developed.

**Performance**

This year employee turnover was 2% lower than the prior year.

**EMPLOYEE TURNOVER**

**9%**



READ MORE ABOUT OUR PEOPLE  
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## How we performed – our key performance indicators continued

### GROUP FINANCIAL PERFORMANCE

#### REVENUE GROWTH

**Measure**

Revenue growth excluding the impact of currency movements and pass-through fuel.

**Relevance**

As a business that is exposed to different cycles, we look at revenue growth over time and compare this to how the market has performed in order to deliver Shareholder value. This is calculated as the adjusted revenue growth over the previous year.

**Target**

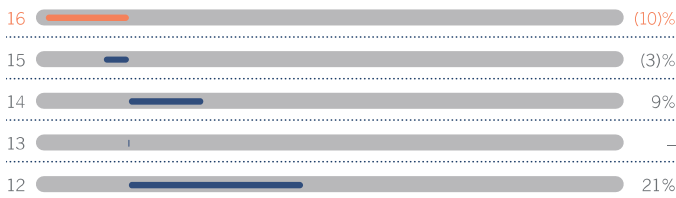
Our medium-term strategy is to grow ahead of our markets.

**Performance**

Revenue declined in Utility as a result of the off-hire of a large contract in Mozambique at the start of 2016, as well as repricing in our Argentina contracts. In Rental Solutions revenue declined with the downturn in oil related sectors in North America. For more details refer to the Performance Management Statement on page 40.

#### ADJUSTED REVENUE GROWTH

**(10%)** ▼



READ MORE ABOUT OUR MARKETS  
PAGE 12

#### OPERATING PROFIT MARGIN

**Measure**

Adjusted operating profit margin, i.e. pre-exceptional items and excluding pass-through fuel.

**Relevance**

Our business has a large fixed cost base due to our fleet, therefore strong operating profit margins demonstrate variable cost control and leverage of the fixed asset base. This is calculated as adjusted operating profit divided by adjusted revenue.

**Target**

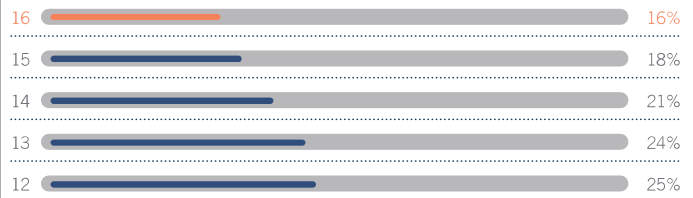
Our medium-term strategy is for Group operating profit margins to be around 20%.

**Performance**

The Operating Profit Margin was impacted by the revenue impacts of Utility off-hires and repricing in Argentina, as well as lower pricing in oil related sectors in North America. Refer to Performance Management Statement on page 40.

#### ADJUSTED OPERATING PROFIT MARGIN

**16%** ▼



READ MORE ABOUT OUR STRATEGY  
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KEY



Metrics that are used for remuneration

GROUP FINANCIAL PERFORMANCE

RETURN ON CAPITAL EMPLOYED +

**Measure**

Adjusted return on capital employed (ROCE), i.e. pre-exceptional items.

**Relevance**

In a business as capital intensive as Aggreko's, profitability alone is not an adequate measure of performance: it is perfectly possible to be generating good margins, but poor value for Shareholders, if assets (and in particular, fleet) are being allocated incorrectly. We calculate ROCE by dividing operating profit pre-exceptional items for a period by the average of the net operating assets as at 1 January, 30 June and 31 December.

**Target**

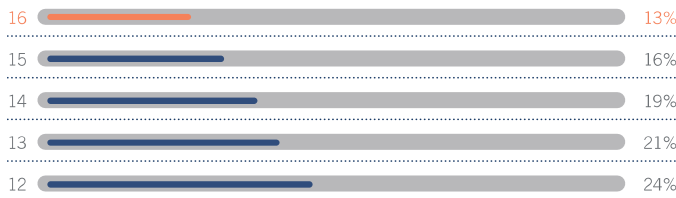
Our medium-term target is for ROCE to be around 20%.

**Performance**

Performance is explained in the Performance Management Statement on page 40.

RETURN ON CAPITAL EMPLOYED

13% ▼



READ MORE ABOUT OUR OPERATING ASSETS  
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EARNINGS PER SHARE +

**Measure**

Adjusted EPS, i.e. pre-exceptional items.

**Relevance**

We believe that EPS, while not perfect, is an accessible measure of the returns we are generating as a Group for our Shareholders, and comprises both revenue growth and trading margins. So, for the Group as a whole, the key measure of short-term financial performance is diluted EPS, pre-exceptional items. EPS is calculated based on profit attributable to equity Shareholders (adjusted to exclude exceptional items) divided by the diluted weighted average number of Ordinary Shares ranking for dividend during the relevant period.

**Target**

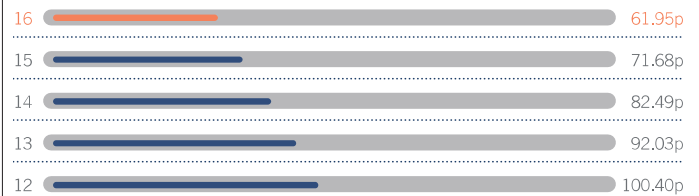
Whilst we are exposed to different cycles and EPS varies accordingly, we aim to grow EPS in line with our strategic aims.

**Performance**

Performance is explained in the Performance Management Statement on page 40.

DILUTED EPS

61.95p ▼



READ MORE ABOUT OUR EARNINGS PER SHARE  
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