Key strategic indicators

Indicator (AER)	**Organic revenue growth > GDP (%)**	**Underlying operating margin (%)**
Medium-term target	**In excess of GDP – FY23 2.1%**	**10-13%**
Key metric	2023 9.8% 2022 13.6% 2021 (6.0)%	2023 4.9% 2022 6.7% 2021 6.4%
Definition	Group organic revenue growth is calculated as Group sales less acquisitions in the current financial year, against the prior year at actual exchange rate Global GDP growth has been independently calculated based on time frame (ref: Oxford Economics)	Underlying operating profit as a percentage of sales
Why we measure it	Our focus on growth makes revenue growth in excess of prevailing macroeconomic conditions an important barometer of the Group's success	Our medium-term aspiration is to become both a bigger and more profitable company, making margin improvement a key measure of our success. Underlying operating margin enhancement is expected to come from operational leverage gains, gross margin improvements and operational efficiencies
Our progress in FY23	The Group delivered 9.8% organic revenue growth, 770bps higher than the annual global GDP 2.1%, reflecting a very strong performance in the year	The positive margin impact of increased sales in the year was offset by inflationary cost impacts in gross margin. Underlying operating margin was further reduced by investments in overheads relating to recruitment, Project Atlas BAU costs as well as inflation cost impacts

Key strategic indicators continued

Underlying ROCE (%)

12-16%

2023	5.4%
2022	8.3%
2021	6.8%

Underlying operating profit as a percentage of average capital employed (net assets + gross debt)

ROCE looks beyond profit to measure how efficiently we are able to generate a return to our investors. Enhancing this metric continues to be a key focus for the Group. Our strategic priorities and capital allocation criteria have been specifically set to support this

The reduction in ROCE reflects an increased asset base combined with reduced profits, causing a reduction of 290bps in FY23 to 5.4% (FY22: 8.3%)

Group revenue in North America (%)

>25%

2023	12.1%
2022	8.0%
2021	5.1%

Revenue generated by our North American region as a percentage of Group revenue

North America is the biggest fastenings market in the world, and yet it forms less than c.12% of the Group's revenue. A truly global fastenings business needs a North American region of credible scale and reach. Our medium-term target has been specifically set to redress that imbalance

The North American businesses delivered extremely high growth of 50.3% to £26.6m compared to FY22. Organic growth has driven 28.5% of this. TR Falcon has provided 21.8% acquisition growth

CO_2e reduction from FY19 baseline

(26.8)%

2023	(26.8)%
2022	(27.6)%
2021	(23.3)%

The percentage reduction in our global Scope 1 and 2 greenhouse gas emissions

The Group is committed to maintaining high standards of environmental management. We are aligning ourselves with the Science-Based Target initiative (SBTi) to ensure our measurements and targets are meaningful

We established a net zero target aligned to the science-based targets initiative for our Scope 1 and 2 emissions in line with our sustainability strategy commitment, this target also forms part of the performance element of the Executive bonus