

SSRO

Single Source
Regulations Office

Assuring value, building confidence

Activity type factsheet

Under the Defence Reform Act 2014 (the 'Act'), the SSRO must provide the Secretary of State with its assessment of the appropriate rates used to determine the contract profit rate for pricing qualifying defence contracts and qualifying sub-contracts. In order to determine the contract profit rate, the parties must begin with a baseline profit rate. The baseline profit rate is calculated from an index of public and private companies.

Develop and make

Companies undertaking comparable activities considered as 'develop and make' are expected to engage in manufacturing and the design and development contributing to that process.

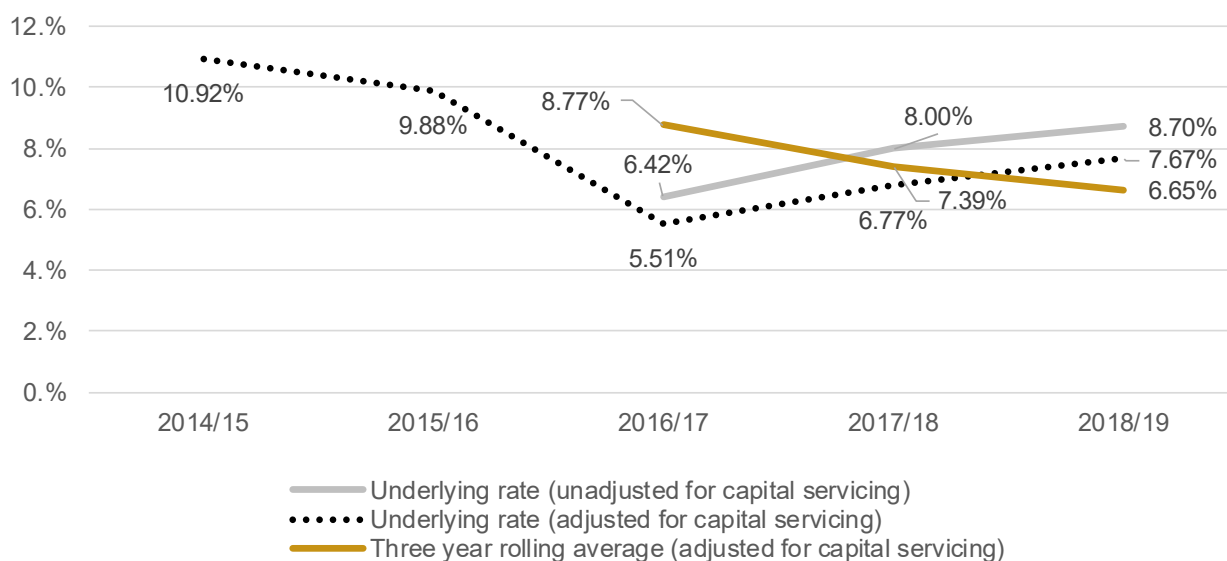
For further information please see the *Single source baseline profit rate, capital servicing rates and funding adjustment methodology*.

Profit on cost of production

	2014/15	2015/16	2016/17	2017/18	2018/19
Underlying rate (unadjusted for capital servicing)	-	-	6.42%	8.00%	8.70%
Capital servicing adjustment	-	-	-0.91%	-1.23%	-1.03%
Underlying rate	10.92%*	9.88%*	5.51%	6.77%	7.67%
Three year rolling average	10.70%	10.60%	8.77%	7.39%	6.65%

Note: The capital servicing (CS) adjustment accounts for different levels of capital employed across the companies in the index.

Median capital servicing adjusted return on cost of production



**Calculated using the Review Board's methodology, which did not incorporate separate activity types. Consequently, for 2014/15 and 2015/16 the underlying rates used in the SSROs calculations and the three year rolling averages are common across all activity types.*

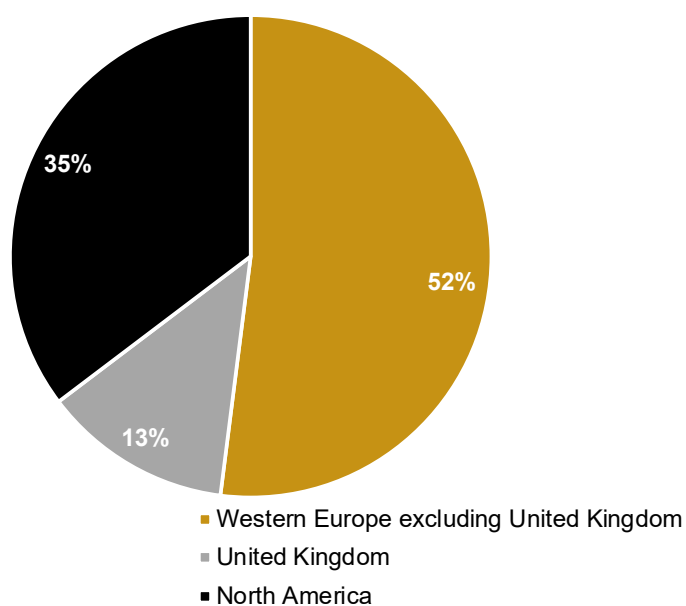
Names of companies in the index

Aaon INC	C.M.F. S.R.L.	EUROJET Turbo Gesellschaft mit beschränkter Haftung	Kaoussis, A., S.A.
AAR Corp	C.S.C. - S.P.A.	Eurotank Oy	Kesla OYJ
Ab Solving Oy	Caci International INC	Fabricacion De Elevadores SL	KMG Systems Limited
AB Volvo	Calf S.P.A.	FB Design S.R.L.	Koenig Und Bauer AG
Accuracy International Limited	Calpeda S.P.A.	Fedegari Autoclavi - S.P.A.	Konecranes OYJ
Ace Aeronautique	Capello S.R.L.	Federal Signal Corp	Kongsberg Gruppen ASA
Advanced Energy Industries INC	Caprari S.P.A.	Flir Systems INC	Kuortaneen Teollisuuspalvelu Oy
Aerojet Rocketdyne Holdings, Inc.	Carmanah Technologies Corp.	Flowserve Corp	L.B. - Officine Meccaniche - S.P.A.
Aerovironment, Inc.	Carpenteria Manessi S.R.L.	Foster & Freeman Limited	Laxaa Specialvehicles Aktiebolag
Aguirre Maquinaria Agricola SL.	Carraro SPA	Fraccaroli E Balzan S.P.A.	Lecitrailer SA
Alamo Group INC	Caterpillar INC	Fraste S.P.A.	Leonardo S.P.A.
Alexander Dennis Limited	Chart Industries INC	Fratelli Mazzocchi S.P.A.	Lewag Holding AG
Allied Motion Technologies, Inc.	Ciemmeclabria S.R.L.	Frer S.R.L.	Lid Jarnindustri AS
Allison Transmission Holdings, Inc.	CMF Structures	Fresia Societa' PER Azioni In Sigla Fresia S.P.A.	Lockheed Martin Corp
Alstom S.A.	CNH Industrial N.V.	Futura Robotica SRL	Luminex Corp
Altra Industrial Motion Corp.	Co.Mec.El. Costruzioni Meccaniche Elettroniche S.R.L.	G.H.B. (Holding) Limited	M.A.X. Automation AG
American Axle & Manufacturing Holdings, Inc.	Codimag	Gencor Industries, Inc.	Macpresse Europa S.R.L.
American Outdoor Brands Corporation	Cogeim Europe SRL	Generac Holdings Inc.	Magna International INC
Analogic Corp	Cognex Corp	General Dynamics Corp	Manitou BF SA
Andritz AG	Cohu INC	General Electric Company	Marden Edwards Limited
Antonio Carraro S.P.A.	Colosio S.R.L.	Gentex Corp	Marel HF.
Aquasium Technology Limited	Colt Investments Limited	Gentherm INC	Maschinenfabrik Berthold Hermle AG
Artec Pulverisation	Columbus Mckinnon Corp	Gilbert Gilkes & Gordon Limited	Matteuzzi SRL
Astec Industries INC	Comerio Ercole S.P.A.	GKN PLC	Mecbo - S.R.L.
Atlas Copco AB	Commercial Vehicle Group, Inc.	Gorman-Rupp Company (The)	Meggitt PLC
Atop - S.P.A.	Construcciones Y Auxiliar De Ferrocarriles, S.A.	Graham Corp	Mercury Systems INC
ATS Automation Tooling Systems Inc.	Continental AG	Granada Material Handling Limited	Mikron Holding AG
Autoliv, Inc.	Cormach S.R.L.	Gray & Adams (Doncaster) Limited	Miller Industries INC
Automazione Industriale B.R.C. S.P.A.	Cosman - S.R.L.	Greenbrier Companies INC	Millutensil S.R.L.
Axcelis Technologies INC	Croma Security Solutions Group PLC	Grovgaarden AS	Mino S.P.A.
Axon Enterprise, Inc.	CTT Systems AB	Guzzetti S.P.A.	MKS Instruments INC
BAE Systems PLC	Cubic Corp	Haldex AB	Modine Manufacturing CO
Bailey Trailers Limited	Cummins Inc.	Hardinge INC	Moog INC
Barnes Group INC	Curtiss Wright Corp	Heico Corp	Moss SAS
Baatservice Holding AS	Cyberoptics Corp	Hemaco SRL	MTS Systems Corp
Baural	Dalair Limited	Hermanos Toimil Garcia SL	MTU Aero Engines AG
Bavelloni S.P.A.	Dallan S.P.A.	Heroux-Devtek Inc.	MTU Turbomeca Rolls-Royce Gesellschaft mit beschränkter Haftung
Behr-Hella Thermocontrol GmbH	Dana Incorporated	Honeywell International INC	Nammo AS
Beretta Alfredo S.R.L.	Data I/O Corp	Huntington Ingalls Industries, Inc.	Natural GAS Services Group, Inc.
Beta Marine Limited	De Lama - S.P.A.	Idex Corp	Navalimpianti - S.P.A.
Bevan Group Ltd	Deere & CO	ii-Vi INC	Navistar International Corp
Boeing Company (The)	Del BO Impianti S.R.L.	Indus Holding AG	NC Engineering (Hamiltonsbawn) Limited
Borgwarner INC	Del Morino - S.R.L.	Industrias Maxi SA	New Flyer Industries Inc.
Bradgate Containers (Holdings) Limited	Deutz AG	Ing. Bonfiglioli S.R.L.	Nicolas Correa S.A.
Bram-Cor S.P.A.	Dinlift Oy	Ingenieria Y Tecnicas De Montajes Lointek SL	Nogva Motorfabrikk AS
Brembo SGL Carbon Ceramic Brakes S.P.A. In Breve Bscb S.P.A.	DOM SRL	Ingersoll-Rand PLC	Nordson Corp
Brian James Trailers Limited	Douglas Dynamics, Inc.	Interroll Holding AG	Nortan S.R.L.
Brooks Automation, Inc.	Dril-Quip INC	Introsys - Integration For Robotic Systems - Integracao De Sistemas Roboticos, S.A.	Northrop Grumman Corporation
Bruker Corporation	Ducommun INC	John Bean Technologies Corp	Novanta INC
BWX Technologies Inc.	Dunphy Technology Limited	Julio Gil Agueda E Hijos SA	Nuova Idropress - Societa' PER Azioni In Forma Abbreviata Nip S.P.A.
C-Com Satellite Systems Inc.	Durr AG	Kadant INC	O.M.A.R. S.R.L.
C.M.A. - Costruzioni Montacarichi ED Ascensori - Societa' A Responsabilita' Limitata	Esco Technologies INC	Kaman Corp	O.M.V. - Officine Meccaniche Vicario S.P.A.
C.M.A. S.P.A.	Espey Manufacturing & Electronics Corp		
	Esterline Technologies Corp		

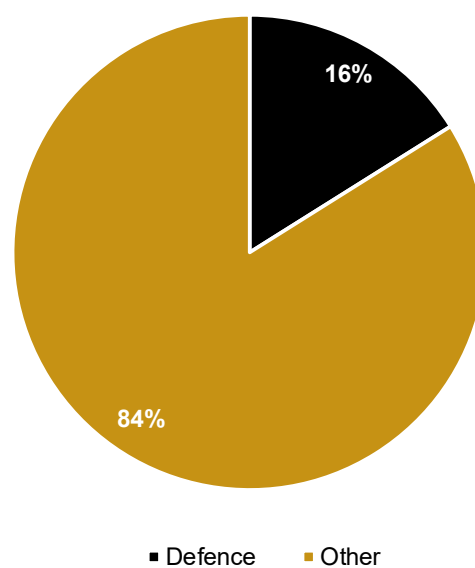
Ocme - Societa' A Responsabilita' Limitata	SRT Marine Systems PLC	Altran Technologies SA *
Officina Meccanica F.Lli Tabarelli S.P.A.	Star Refrigeration Limited	L3 Technologies INC *
Officina Meccanica Sestese S.P.A.	Sturm Ruger & CO INC	Morgan Advanced Materials PLC *
Officine Bieffebi S.P.A.	Supertino S.R.L.	MS International PLC *
Officine Meccaniche Gallaratesi S.P.A.	Supreme Industries INC	NG Bailey Group Limited *
Officine Minelli S.R.L.	Svetruck Aktiebolag	Sener Grupo De Ingenieria Sociedad Anonima *
Orbital Atk, Inc.	Systemair AB	
Ormet S.R.L.	T.B. Group S.R.L.	
Oshkosh Corporation	T.V.Z. S.R.L.	
Ovlac Fabricacion De Maquinaria Agricola SA	TAI Milano S.P.A.	
Oy Leinolab Ab	Talleres Ratera SA	
Oy Tamlans Ab	Teagle Holdings Limited	
Paccar INC	Technipes S.R.L.	
Park Electrochemical Corp	Techprecision Corp	
Parkburn Precision Handling Systems Limited	Tecnoeam S.R.L.	
Polaris Industries INC	Tecnodinamica S.R.L.	
Ponsse OYJ	Tel-Instrument Electronics Corp	
Posimat SA	Teledyne Technologies Incorporated	
Powell Industries INC	Tennant CO	
Prensoland SA	Tenneco Inc.	
Prima Industrie SPA	TEST-FUCHS GmbH	
Radley Engineering Limited	Textron INC	
Raytheon Company	Thales SA	
Reductores Cunat SA	Thomas Broadbent & Sons,Limited	
Rheinmetall AG	Thwaites Limited	
Robor SRL	Thyssenkrupp AG	
Rockwell Automation, Inc.	Tomra Systems ASA	
Rockwell Collins INC	Toscotec S.P.A.	
Rodman Polyships SA	Transdigm Group Incorporated	
Roper Technologies, Inc.	Tume-Agri Oy	
S.T.M. - Societa' PER Azioni	United Technologies Corporation	
Saab AB	Univer S.P.A.	
Saf-Holland S.A	Uutech Group OYJ	
Safran	V.N.A. Trucks Limited	
Samp S.P.A.	Varian Medical Systems INC	
Sandvik AB	Wabash National Corp	
Schmitt - Elevadores, LDA	Wabco Holdings Inc.	
Sele S.R.L.	Wacker Neuson SE	
Servotronics INC	Wartsila OYJ	
Servovalve S.P.A.	Washtec AG	
Sfoggia Agriculture Division S.R.L.	Westinghouse Air Brake Technologies Corp	
Sicamb - S.P.A.	Whale Tankers Limited	
Smith Brothers (Leicester) Limited	Witt & Son UK Holdings Limited	
Smiths Group PLC	Woodward, Inc.	
SOC Francaise Const Materiel Ferroviaire	Worthington Industries INC	
Societa' Europea Veicoli Leggeri-Sevel-Spa	Xylem Inc.	
Societa' Industriale Costruzione Macchine Agricole S.P.A.- In Sigla S.I.C.M.A.-S.P.A.	Zago S.R.L.	
Socoges S.R.L.	Zambello Riduttori 2 - S.R.L.	
Spartan Motors INC	Zambello Riduttori S.R.L.	
Spirit Aerosystems Holdings, Inc.	Zodiac Aerospace	
SPX Corp	Airbus SE	
	Qinetiq Group PLC	
	Ultra Electronics Holdings PLC	
	Chemring Group PLC *	
	Cohort PLC *	

**indicates new company for 2018/19*

Number of companies by country*



Number of companies by defence as keyword*



* The pie chart is based on companies with a positive capital servicing adjusted profit level indicator.

Supplementary statistics

Number of companies	323	Total capital employed (CE)	£258.03
Aggregate turnover	£980.64	Average company CP:CE ratio	3.45

Source: Bureau van Dijk – Orbis (Cash figures shown in GBP billions)

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Provide and maintain

Companies undertaking comparable activities considered as 'provide and maintain' are expected to deliver services to ensure the availability of an asset either through repair and servicing to third party equipment, or through hire or lease arrangements that include associated upkeep and maintenance services.

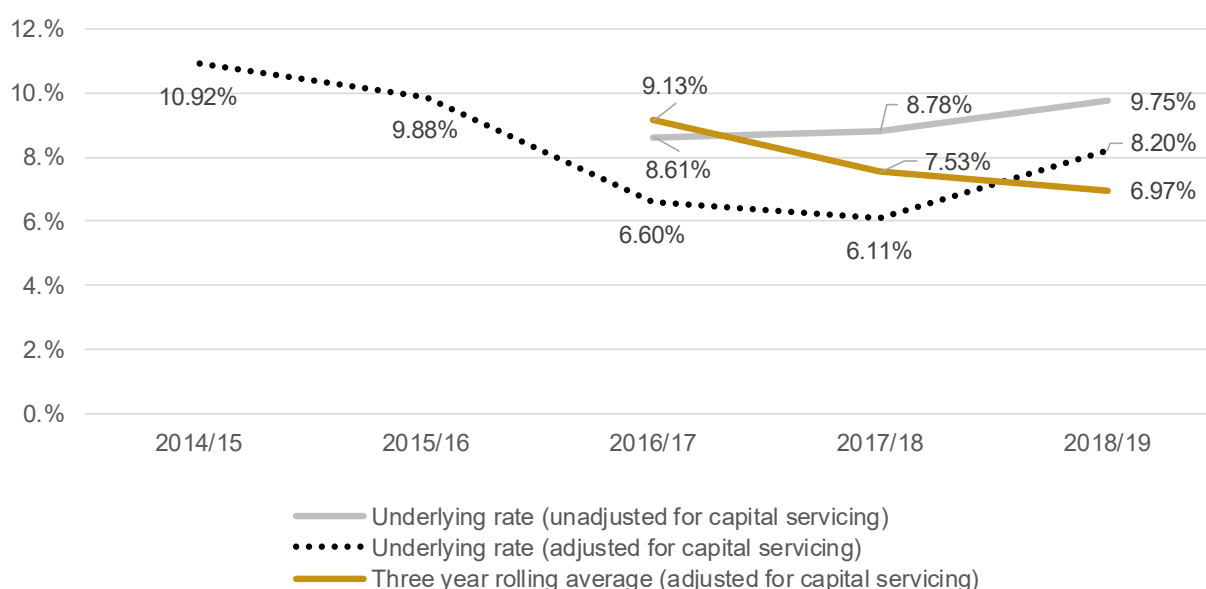
For further information please see the *Single source baseline profit rate, capital servicing rates and funding adjustment methodology*.

Profit on cost of production

	2014/15	2015/16	2016/17	2017/18	2018/19
Underlying rate (unadjusted for capital servicing)	-	-	8.61%	8.78%	9.75%
Capital servicing adjustment	-	-	-2.01%	-2.67%	-1.55%
Underlying rate	10.92%*	9.88%*	6.60%	6.11%	8.20%
Three year rolling average	10.70%	10.60%	9.13%	7.53%	6.97%

Note: The capital servicing (CS) adjustment accounts for different levels of capital employed across the companies in the index.

Median capital servicing adjusted return on cost of production



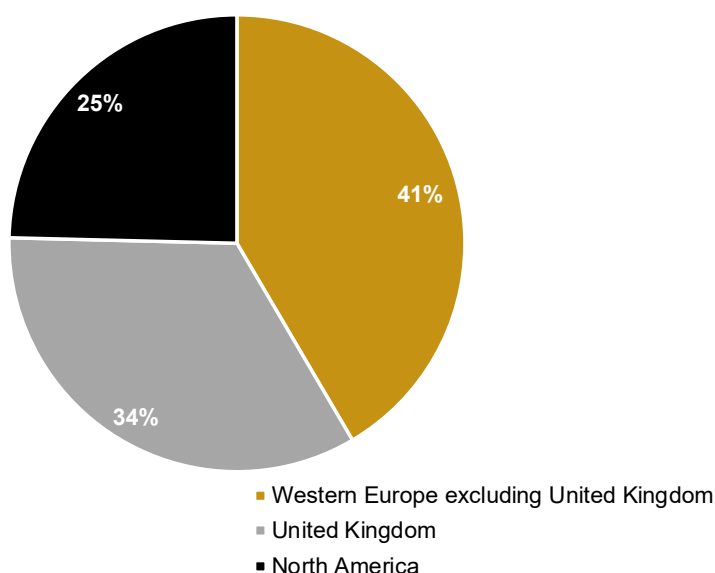
*Calculated using the Review Board's methodology, which did not incorporate separate activity types. Consequently, for 2014/15 and 2015/16 the underlying rates used in the SSROs calculations and the three year rolling averages are common across all activity types.

Names of companies in the index

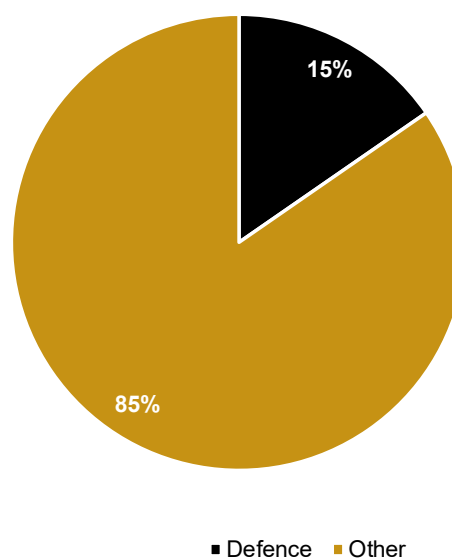
Aerocentury Corp	Gama Aviation PLC	Renew Holdings PLC
Aggreko PLC	Gatx Corp	RWG (Repair & Overhauls) Limited
Air Lease Corporation	General De Alquiler De Maquinaria SA	Science Applications International Corp
Airtanker Services Limited	GHL Holdings Limited	Speedy Hire PLC
American Shipping Company ASA	Goltens Oslo AS	Toromont Industries Ltd
Ascent Flight Training (Holdings) Limited	H&E Equipment Services, Inc.	Total Aircraft Product Support (Holdings) Limited
Ashtead Group Public Limited Company	Hameen Rakennuskone Oy	Triumph Group INC
Atlas Air Worldwide Holdings, Inc.	Helidax	United Rentals INC
Avation PLC	Helisim	Venpa SUD SRL
Aviation Training International Limited	Hudson Technologies INC	VMS (Holdings) Limited
Babcock International Group PLC	Insta Group Oy	Willis Lease Finance Corp
Bas Maskintuleie AS	John Nixon Limited	X-Airservices
Binter Technic, Sociedad Limitada.	Kongsberg Terotech AS	James Fisher And Sons Public Limited Company *
Boels Holding B.V.	LGH Holdings Limited	Leidos Holdings, Inc. *
Byggesystemer Norge AS	Loc'Hiam	Snec-Lavalin Group INC *
CAE INC	M J Church (Plant) Limited	
Clive Barford Limited	Mcgrath Rentcorp	
Cowles Holdings Limited	Mediacor Marseille Provence	
Cramo OYJ	Muehlhan AG	
Cuyper Vorkliffen	Nautic Center Sociedad Anonima	
Diesel Tecnica S.R.L.	Niederstaetter S.P.A.	
Dublin Aerospace Limited	Orrmac (NO 50) Limited	
DXP Enterprises INC	Pendennis Shipyard (Holdings) Limited	
Falkvarv AB	Pentagas SRL	
Gaditana De Chorro Y Limpieza SL	Ramirent OYJ	

*indicates new company for 2018/19

Number of companies by country*



Number of companies by defence as keyword*



* The pie chart is based on companies with a positive capital servicing adjusted profit level indicator.

Supplementary statistics

Number of companies	65	Total capital employed (CE)	£33.87
Aggregate turnover	£44.15	Average company CP:CE ratio	1.14

Source: Bureau van Dijk – Orbis (Cash figures shown in GBP Billions)

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Ancillary services

Companies undertaking comparable activities considered as 'ancillary services' are expected to deliver either one of administrative, facilities or IT support activities. Companies undertaking these support services are not expected to bear any significant risks other than that of failing to provide the contracted outputs. This captures risk in relation to the delivery of the services, contract risk, procurement risk, staff risk and some quality control risk in respect of these activities.

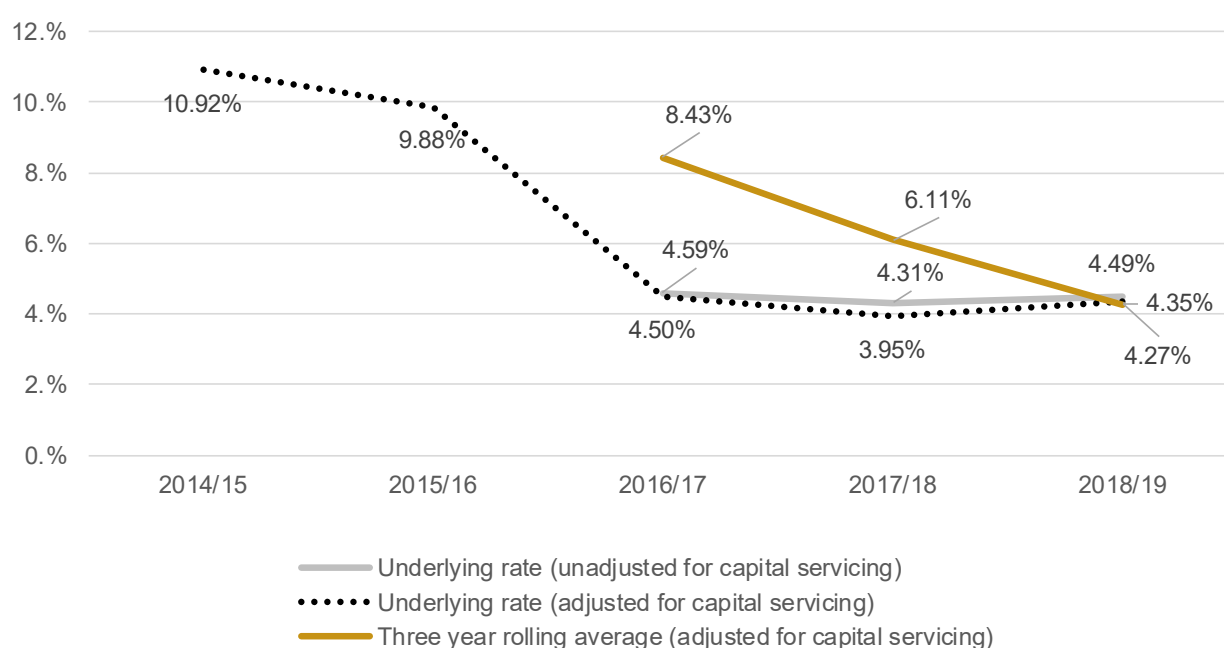
For further information please see the *Single source baseline profit rate, capital servicing rates and funding adjustment methodology*.

Profit on cost of production

	2014/15	2015/16	2016/17	2017/18	2018/19
Underlying rate (unadjusted for capital servicing)	-	-	4.59%	4.31%	4.49%
Capital servicing adjustment	-	-	-0.09%	-0.36%	-0.14%
Underlying rate	10.92%*	9.88%*	4.50%	3.95%	4.35%
Three year rolling average	10.70%	10.60%	8.43%	6.11%	4.27%

Note: The capital servicing (CS) adjustment accounts for different levels of capital employed across the companies in the index.

Median capital servicing adjusted return on cost of production



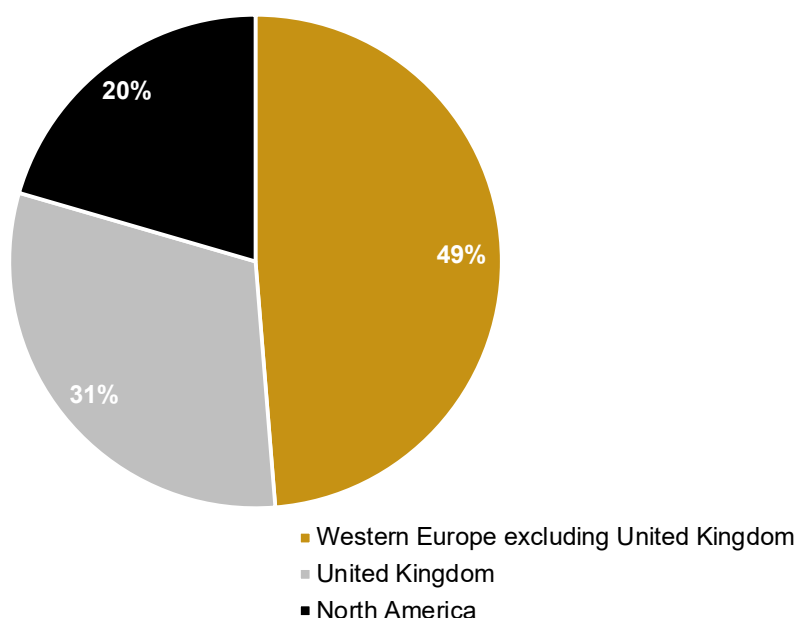
*Calculated using the Review Board's methodology, which did not incorporate separate activity types. Consequently, for 2014/15 and 2015/16 the underlying rates used in the SSROs calculations and the three year rolling averages are common across all activity types.

Names of companies in the index

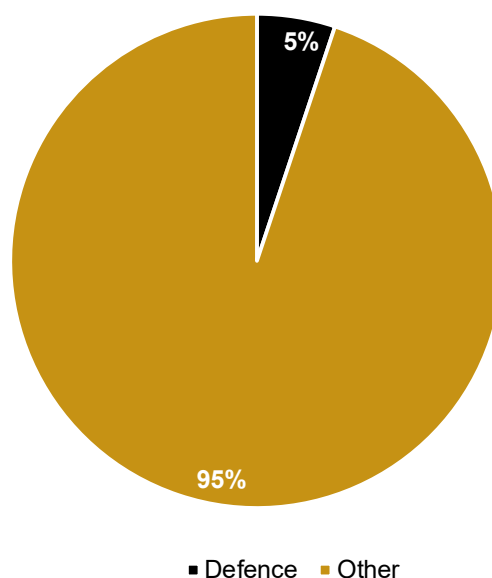
A Saether Compagniet AS	Gestion Aeronautica Integral Canaria SL	Synergy Security Solutions Limited
ABM Industries INC	Gruppo Unicomm S.P.A.	Taylor Made Computer Solutions Limited
ADG Italia S.R.L.	Guilbert Proprete	The Abbotshurst Group Public Limited Company
Aramark	Healthcare Services Group INC	The Quarr Group Limited
Automatic Data Processing INC	Iron Mountain INC	Total Support Services Limited
AUX Nettoyeurs Encaustiqueurs Reunis	Mint Renhold AS	Trinet Group, Inc.
Beilby Marsham Ltd	Novasol	Carillion PLC
Bilby PLC	O.V.D. Invest	Compass Group PLC *
Bulloughs Cleaning Services Limited	Paychex INC	Elior Group *
Churchill Contract Services Group Holdings Limited	Pihakatti Oy	ISS A/S *
Compagnie Parisienne DU Nettoyage	Puligest S.R.L.	
Cynergistek, Inc.	Pulitori ED Affini - S.P.A.	
Garnica Sociedad Anonima	Rentokil Initial PLC	
Gerusia SL	Royal Holding AS	
	Serco Group PLC	

*indicates new company for 2018/19

Number of companies by country*



Number of companies by defence as keyword*



* The pie chart is based on companies with a positive capital servicing adjusted profit level indicator.

Supplementary statistics

Number of companies	39	Total capital employed (CE)	£4.74
Aggregate turnover	£78.41	Average company CP:CE ratio	15.22

Source: Bureau van Dijk – Orbis (Cash figures shown in GBP Billions)

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Construction

Companies undertaking comparable activities considered as 'construction' are expected to deliver services in relation to the construction of buildings or other structures at fixed locations. Companies could provide such services either on a contract basis with designs and specifications received or using their own designs. Comparable companies may be responsible for the management of the construction project, and are likely to bear contract risk, procurement risk, staff risk and some quality control risk in respect of these activities. They are not expected to bear any significant property price risk in respect of these activities.

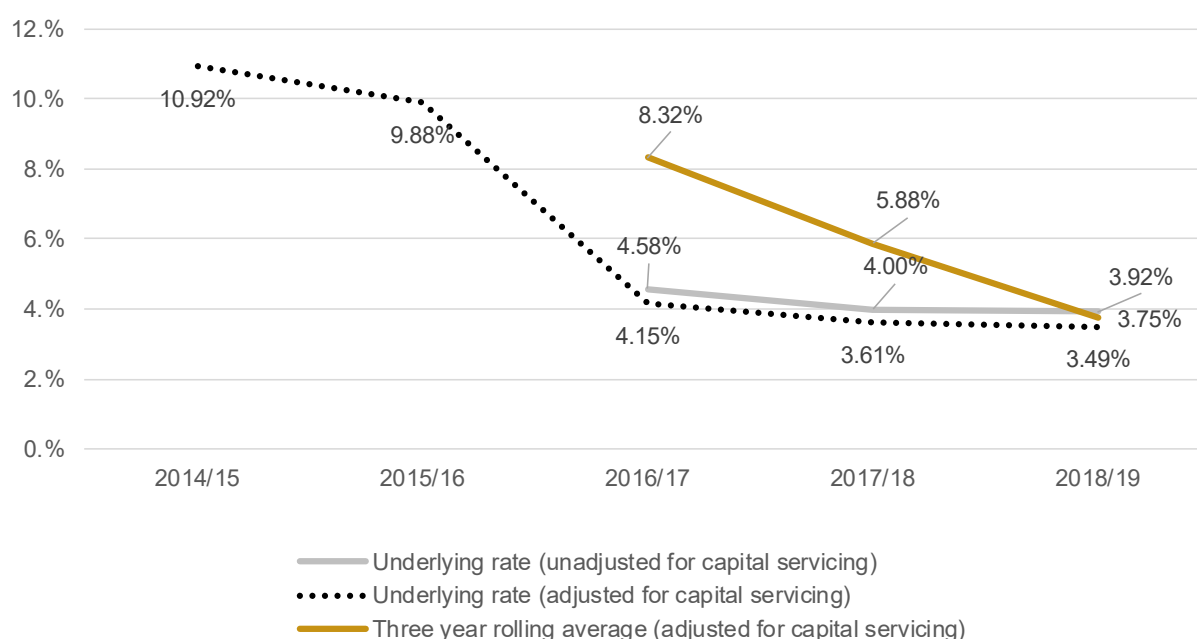
For further information please see the *Single source baseline profit rate, capital servicing rates and funding adjustment methodology*.

Profit on cost of production

	2014/15	2015/16	2016/17	2017/18	2018/19
Underlying rate (unadjusted for capital servicing)	-	-	4.58%	4.00%	3.92%
Capital servicing adjustment	-	-	-0.43%	-0.39%	-0.43%
Underlying rate	10.92%*	9.88%*	4.15%	3.61%	3.49%
Three year rolling average	10.70%	10.60%	8.32%	5.88%	3.75%

Note: The capital servicing (CS) adjustment accounts for different levels of capital employed across the companies in the index.

Median capital servicing adjusted return on cost of production



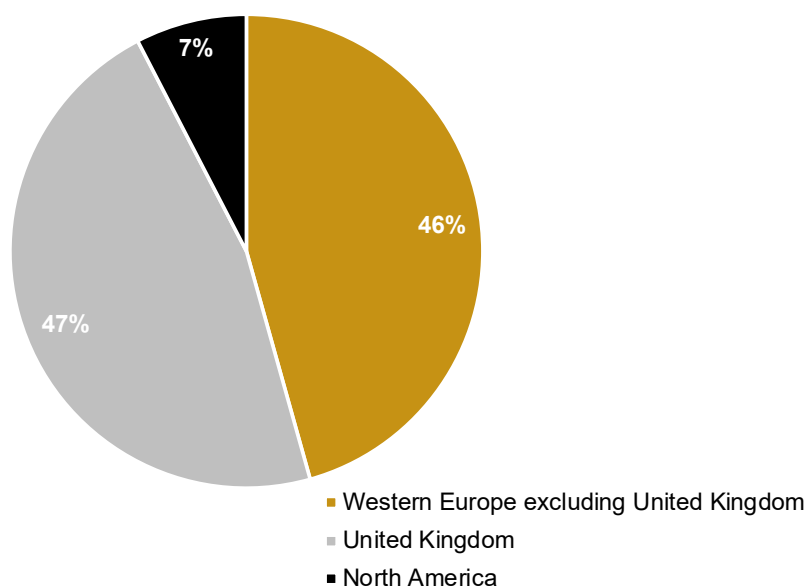
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Names of companies in the index

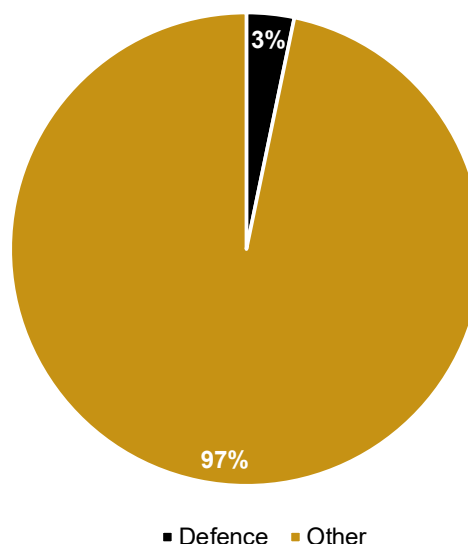
3B Construction Ltd	Feltham Group Limited	Lonsdale Holdings Limited	Russells Limited
Aecon Group INC	Firing & Thorsen AS	M.P.B. Structures Ltd	S & B Stenersen AS
AF Gruppen ASA	Fluor Corp	M.Price Limited	SAS Piazza Batiment
Altus Bau GmbH	Forth Holdings Limited	Mabey Holdings Limited	Serneke Group AB (Publ)
Ardmore Construction Limited	Galtec Holdings Limited	Magnus M Thunestvedt AS	Setten Genesis S.P.A.
Ards Holdings Limited	George Cox (Holdings) Limited	Masterson Holdings Limited	Severfield PLC
AAasen & OEvelid AS	Gianni Benvenuto - S.P.A.	Mba Entreprenoer AS	Skanska AB
Barco Etancheite	Glasgiven Contracts Limited	Mcphillips (Holdings) Limited	Stenseth & Rs Entreprenoer AS
Barlindhaug AS	GMI Construction Holdings PLC	Mitchellson Formwork & Civil Engineering Limited	Steve Hoskin Construction Limited
Barnwood Group Limited	H. G. Construction (Holdings) Limited	Modebest Group Holdings Limited	Strabag SE
Betonmastaehre AS	Haandverkskompaniet AS	Morgan Sindall Group PLC	Structura UK Limited
Bird Construction INC	Hardwicke Investments Limited	NGE	Stuart Olson Inc.
Birken & Co AS	Implenia AG	Nusteel Holdings Limited	T Clarke Public Limited Company
Blenheim House Construction Limited	Industry Project And Engineering Systems	Obres I Contractes Penta SA	Thomas Johnstone (Holdings) Limited
Blindage Terrassement Infrastructure	Irmaos Almeida Cabral, LDA	Oliver Connell And Son Limited	Tolent PLC
Bouygues SA	J H Naevdal Bygg AS	Ove Skaar AS	Tonroe Group Limited
Bowmer And Kirkland Limited	J P Dunn Construction Limited	P P O'Connor Limited	Tutor Perini Corporation
Buckingham Group Contracting Limited	J. & P. Avax S.A.	P.A.C. S.P.A. - In Forma Abbreviata	Veidekke ASA
Campre Gestion Y Promocion SL	Jarvis Group Limited	PAC SPA	Vinci
Celgas S.R.L.	Justeau Freres	Peab AB	WYN Construction Limited
CIT Blaton	Koninklijke Bam Groep NV	Porr AG	Aecom *
Conlon Holdings Limited	Landmark Groundworks Limited	Purcell Construction Limited	Henry Group (NI) Limited *
Elettrica Rizzi S.R.L.	Life Build Solutions Ltd	R.J. Mcleod (Contractors) Limited	
Energy Services of America Corp.		Rougier ET Fils	

*indicates new company for 2018/19

Number of companies by country*



Number of companies by defence as keyword*



* The pie chart is based on companies with a positive capital servicing adjusted profit level indicator.

Supplementary statistics

Number of companies	92	Total capital employed (CE)	£6.34
Aggregate turnover	£153.75	Average company CP:CE ratio	23.04

Source: Bureau van Dijk – Orbis (Cash figures shown in GBP Billions)