

# SSRO

Single Source  
Regulations Office

## Activity type factsheet Provide and Maintain

Under the Defence Reform Act 2014, 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. Part of the methodology is the categorisation of comparator companies in to four activity types.

- Develop and Make
- Provide and Maintain
- Ancillary Services
- Construction

The results of these groups are separately analysed and this fact sheet describes the Ancillary Services group.

The baseline profit rate combines results from “Develop and Make” and “Provide and Maintain”, as set out in the *Recommendation Factsheet*. For further information on the methodology used to calculate these rates please see the *Single Source baseline profit rate, capital servicing rates and funding adjustment methodology*.

### 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.

### Profit on cost of production

	2016/17	2017/18	2018/19	2019/20	2020/21
Underlying rate (unadjusted for capital servicing)	8.61%	8.78%	9.75%	10.93%	9.92%
Capital servicing adjustment	-2.01%	-2.67%	-1.55%	-1.79%	-2.15%
Underlying rate	6.60%	6.11%	8.20%	9.14%	7.77%
Three-year rolling average	9.13%	7.53%	6.97%	7.82%	8.37%

*Note: The capital servicing adjustment accounts, at an aggregate level, for different levels of capital employed across the companies in the index and so sets a baseline upon which Step 6 of the contract profit rate applies.*

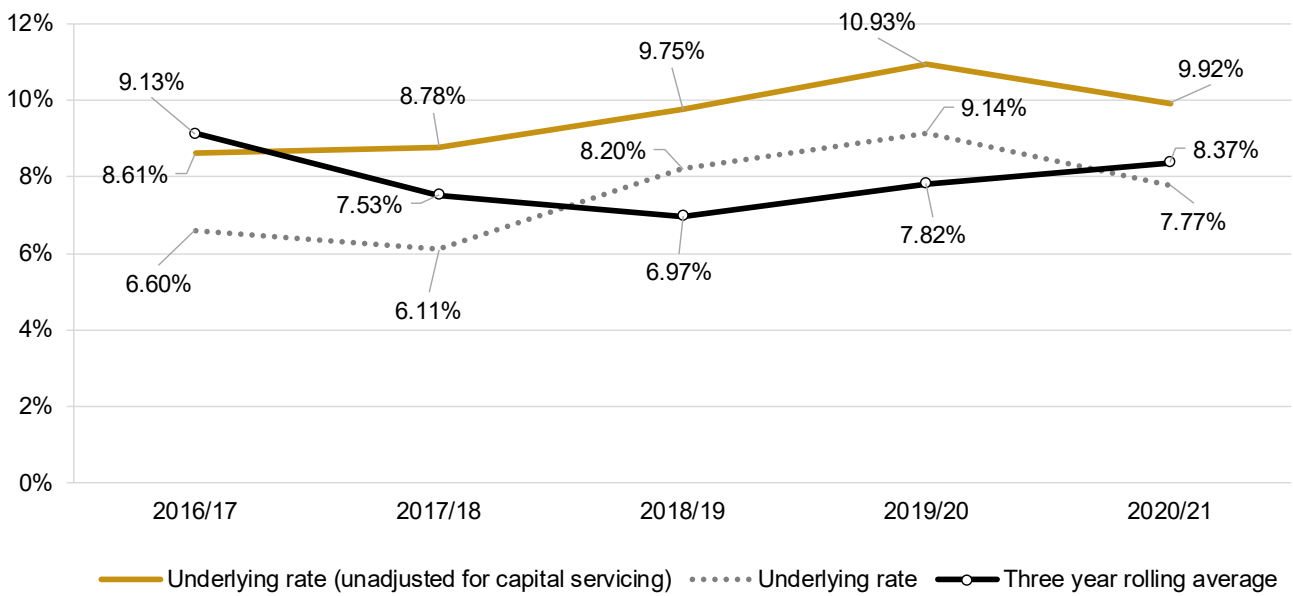
*The pre-2016/17 underlying rates used for the three-year average were calculated using the Review Board’s methodology, which were not specific to this activity type. 2014/15: 10.92%, 2015/16: 9.88%.*

### Data sources

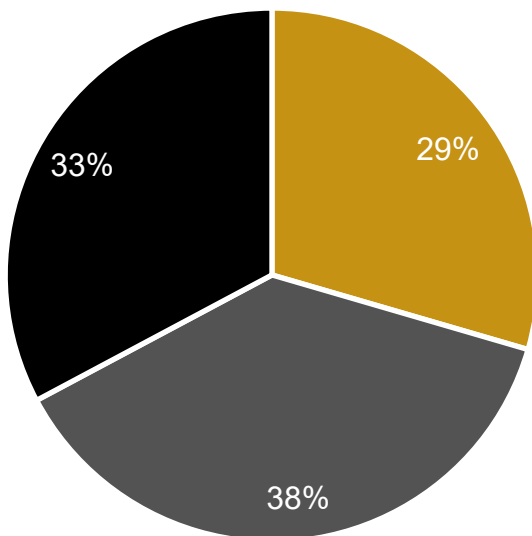
For further information on the data selection approach please see section 7 of the *Single Source baseline profit rate, capital servicing rates and funding adjustment methodology*. A full search of the Orbis database<sup>1</sup> was carried out on 11 November 2019 on data update number 189002 using software version 189. The financial data for the calculation was extracted from Orbis at the same time.

<sup>1</sup> <https://www.bvdinfo.com/en-gb/our-products/data/international/orbis>

### Median capital servicing adjusted return on cost of production

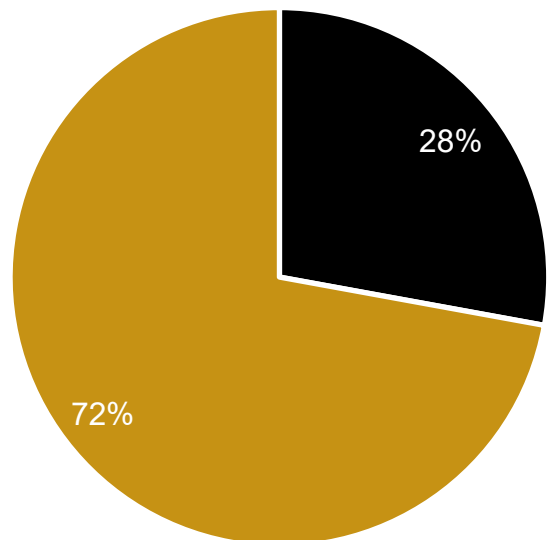


### Proportion of Companies by country



- Western Europe excluding United Kingdom
- United Kingdom
- North America

### Proportion of companies with defence keyword



- Defence
- Other

### Supplementary statistics

Number of companies	78
<i>of which profit making</i>	61
Aggregate turnover	£89
Total capital employed (CE)	£50
Average company CP:CE ratio	1.60

Source: Orbis (Cash figures shown in GBP Billions)

## Names of companies in the index

A C C Ingenierie et Maintenance *	C&J Energy Services, Inc.*	Insta Group Oy	Saltire Energy Limited
AAR Corp	CAE INC	Jacobs Engineering Group INC	Science Applications International Corp
AB Transio	CAI International INC	James Fisher and Sons Public Limited Company	Seacor Marine Holdings Inc. *
Adcock Refrigeration and AIR Conditioning Limited	Cowles Holdings Limited	John Nixon Limited	SnC-Lavalin Group INC *
Aerdragon Aviation Partners Limited	Cuypers Vorkliffen	John Wood Group P.L.C.	Speedy Hire PLC
Aggreko PLC	Dawsongroup PLC	Kbr, Inc.	Sureserve Group PLC *
Airtanker Holdings Limited	Dublin Aerospace Limited	KIS Partners AS	Team INC *
Airtanker Services Limited	DXP Enterprises INC	Leidos Holdings, Inc.	Total Aircraft Product Support (Holdings) Limited
ALC (Superholdco) Limited	Electromecanica Naval E Industrial SA	Mcgrath Rentcorp	Total Energy Services Inc.
Applus Services, S.A.	Finning International INC	Mobile Mini INC *	Turbo's Hoet Group
Archrock, Inc.	Forbes Energy Services Ltd. *	Moen Marin Group AS	United Rentals INC
Ashtead Group Public Limited Company	Gama Aviation PLC *	Muehlhan AG	VMS (Holdings) Limited *
Atlas AIR Worldwide Holdings, Inc.	GAP Holdings Limited	Natural GAS Services Group, Inc. *	VSE Corp
Aviation Training International Limited *	Gatx Corp	P B Donoghue (Waste Management) Limited	Westinghouse AIR Brake Technologies Corp
Babcock & Wilcox Enterprises, Inc. *	GHL Holdings Limited	Pekkaniska Group Oy	Williams Industrial Services Group INC *
Babcock International Group PLC	GNS Gesellschaft fuer Nuklear-Service mbH	PKL Topco Limited	Williams Shipping Holdings Limited
Basic Energy Services, INC *	GO Plant Fleet Services LTD *	Ramirent OYJ	Willis Lease Finance Corp
BBA Aviation PLC	H&E Equipment Services, Inc.	Renew Holdings PLC	Willis Mitsui & CO Engine Support Limited
Burkhalter Holding AG	Indra Sistemas SA	RWG (Repair & Overhauls) Limited	
Byggesystemer Norge AS	Infrabel *	Ryder System INC	

\* Indicates that the company is a loss-maker in the year. The data for loss-makers are not included in the 2020/21 assessment, but the companies will be taken forward for consideration next year.