

SSRO

Single Source
Regulations Office

Activity type factsheet Develop and Make

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. Part of the methodology is the categorisation of comparator companies in to four activity types.

The results of these groups are separately analysed and this fact sheet describes the Develop and Make 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*.

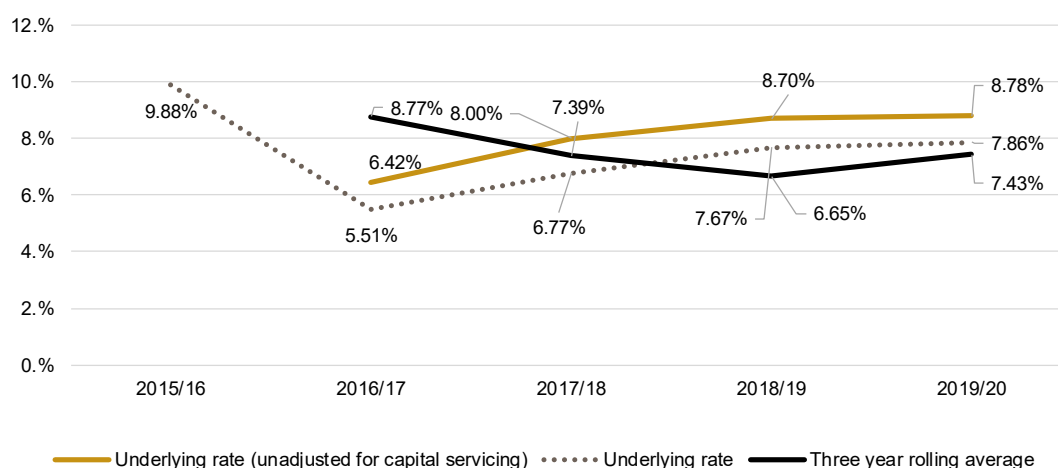
Companies undertaking comparable activities considered as 'develop and make' are expected to engage in manufacturing and the design and development contributing to that process.

	2015/16	2016/17	2017/18	2018/19	2019/20
Underlying rate (unadjusted for capital servicing)	-	6.42%	8.00%	8.70%	8.78%
Capital servicing adjustment	-	-0.91%	-1.23%	-1.03%	-0.92%
Underlying rate	9.88%*	5.51%	6.77%	7.67%	7.86%
Three year rolling average	10.60%	8.77%	7.39%	6.65%	7.43%

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

**Calculated using the Review Board's methodology, which did not incorporate separate activity types or a separate presentation of capital servicing adjustments. Consequently, for 2015/16 the underlying rate used in the SSRO's calculations and the three-year rolling averages are common across all activity types.*

Median capital servicing adjusted return on cost of production

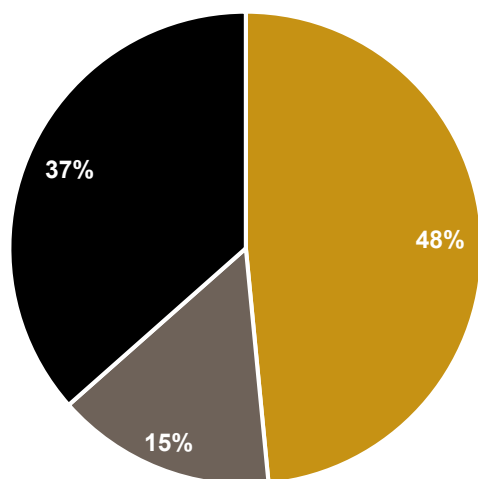


Names of companies in the index

Aaon INC	Carraro SPA	Federal Signal Corp	Laxaa Specialvehicles Aktiebolag
AB Volvo	Castledon Ltd	Flir Systems INC	Lecitrailer SA
Accuracy International Limited	Caterpillar INC	Flowserve Corp	Leonardo S.P.A.
Ace Aeronautique	C-Com Satellite Systems Inc.	Forni Industriali Bendotti - S.P.A.	Lockheed Martin Corp
Advanced Energy Industries INC	Ceco Environmental Corp.	Foster & Freeman Limited	Luminex Corp
Aerojet Rocketdyne Holdings, Inc.	Chart Industries INC	Fraccaroli E Balzan S.P.A.	M.A.X. Automation AG
Aerovironment, Inc.	Chemring Group PLC	Fraсте S.P.A.	Macpresse Europa S.R.L.
Aguirre Maquinaria Agricola SL.	Ciemmeclabria S.R.L.	Fratelli Mazzocchia S.P.A.	Mactaggart Scott (Holdings) Limited *
Airbus SE	CMF Structures	Futura Robotica SRL	Magna International INC
Alamo Group INC	CNH Industrial N.V.	G.H.B. (Holding) Limited	Malm Orstad AS
Alexander Dennis Limited	Co.Mec.El. Costruzioni Meccaniche Elettroniche S.R.L.	Gencor Industries, Inc.	Manitou BF SA
Allied Motion Technologies, Inc.	Cobham PLC	General Dynamics Corp	Manitowoc Company, Inc. (The)
Allison Transmission Holdings, Inc.	Codimag	Gentex Corp	Marden Edwards Limited
Alstom S.A.	Cogeim Europe SRL	Gentherm INC	Marel HF.
Altra Industrial Motion Corp.	Cognex Corp	Gilbert Gilkes & Gordon Limited	Maschinenfabrik Berthold Hermle AG
Altran Technologies SA	Cohort PLC	GKN PLC	Matteuzzi SRL
American Axle & Manufacturing Holdings, Inc.	Colosio S.R.L.	Gorman-Rupp Company (The)	Meggitt PLC
American Outdoor Brands Corporation	Colt Investments Limited	Granada Material Handling Limited	Mercury Systems INC
Andritz AG	Columbus Mckinnon Corp	Gray & Adams (Doncaster) Limited	Millutensil S.R.L.
Antonio Carraro S.P.A.	Comerio Ercole S.P.A.	Greenbrier Companies INC	Mino S.P.A.
Aquasium Technology Limited	Commercial Vehicle Group, Inc.	Guzzetti S.P.A.	MKS Instruments INC
Artec Pulverisation	Construcciones Y Auxiliar De Ferrocarriles, S.A.	Haldex AB	Modine Manufacturing CO
Astec Industries INC	Continental AG	Harris Corp *	Molins Public Limited Company
Atlas Copco AB	Cormach S.R.L.	Heico Corp	Moog INC
ATS Automation Tooling Systems Inc.	Cosman - S.R.L.	Hemaco SRL	Mora S.P.A. - Carrelli Elevatori
Autoliv, Inc.	CPI Aerostructures INC	Hermanos Toimil Garcia SL	Morgan Advanced Materials PLC
Automazione Industriale B.R.C. S.P.A.	CTT Systems AB	Heroux-Devtek Inc.	MS International PLC
Axcelis Technologies INC	Cubic Corp	Honeywell International INC	MTS Systems Corp
Axon Enterprise, Inc.	Cummins Inc.	Huntington Ingalls Industries, Inc.	MTU Aero Engines AG
BAE Systems PLC	Curtiss Wright Corp	HWA AG	Nammo AS
Bailey Trailers Limited	CVD Equipment Corporation	Idex Corp	Navistar International Corp
Barnes Group INC	Cyberoptics Corp	li-Vi INC	NC Engineering (Hamiltonsbawn) Limited
Bavelloni S.P.A.	Dallan S.P.A.	Indus Holding AG	NG Bailey Group Limited
Beretta Alfredo S.R.L.	Dana Incorporated	Industrias Maxi SA	Nicolas Correa S.A.
Bevan Group Ltd	Data I/O Corp	Ingenieria Y Tecnicas De Montajes Lointek SL	Nogva Motorfabrikk AS
Boeing Company (The)	De Lama - S.P.A.	Ingersoll-Rand PLC	Nordson Corp
Borgwarner INC	Deere & CO	Interroll Holding AG	Nortan S.R.L.
Bradgate Containers (Holdings) Limited	Del BO Impianti S.R.L.	Intra Limited	Northrop Grumman Corporation
Bram-Cor S.P.A.	Del Morino - S.R.L.	Intricon Corporation	Novanta INC
Brembo SGL Carbon Ceramic Brakes S.P.A. In Breve Bscob S.P.A.	Deutz AG	Introsys - Integration For Robotic Systems - Integracao De Sistemas Roboticos, S.A.	Nuova Idropress - Societa' PER Azioni In Forma Abbreviata Nip S.P.A.
Brooks Automation, Inc.	Dinolift Oy	John Bean Technologies Corp	O.M.A.R. S.R.L.
Bruker Corporation	DOM SRL	Julio GIL Agueda E Hijos SA	O.M.V. - Officine Meccaniche Vicario S.P.A.
BWX Technologies Inc.	Douglas Dynamics, Inc.	Kadant INC	Ocme - Societa' A Responsabilita' Limitata
C.M.A. - Costruzioni Montacarichi ED Ascensori - Societa' A Responsabilita' Limitata	Ducommun INC	Kaman Corp	Officina Meccanica F.Lli Tabarelli S.P.A.
C.M.A. S.P.A.	Dunphy Technology Limited	Katsa Oy	Officina Meccanica Sestese S.P.A.
C.M.F. S.R.L.	Durr AG	Kesla OYJ	Officine Bieffebi S.P.A.
C.S.C. - S.P.A.	Esco Technologies INC	KMG Systems Limited	Officine Meccaniche Gallaratesi S.P.A.
Caci International INC	Espey Manufacturing & Electronics Corp	Koenig Und Bauer AG	Officine Minelli S.R.L.
Calpeda S.P.A.	Esterline Technologies Corp	Konecranes OYJ	Ormet S.R.L.
Caprari S.P.A.	Etablissements Biebuyck	Kongsberg Gruppen ASA	Oshkosh Corporation
Carmanah Technologies Corp.	Eurotank Oy	L.B. - Officine Meccaniche - S.P.A.	Ovlac Fabricacion De Maquinaria Agricola SA
Carpenteria Manessi S.R.L.	FB Design S.R.L.	L.D.M. Officina Meccanica S.R.L.	Oxford Instruments PLC
	Fedegari Autoclavi - S.P.A.	L3 Technologies INC	

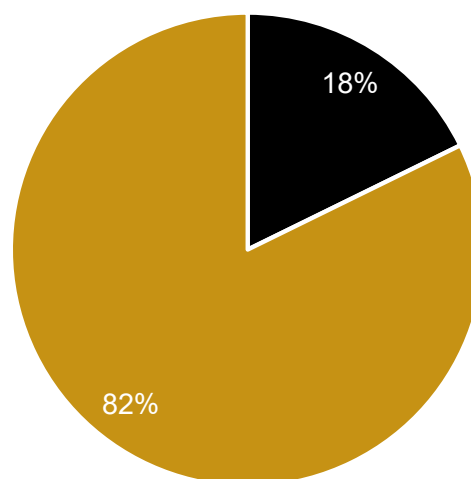
Oy Tamlans Ab	Saab AB	T Kverneland & Soenner AS	TTS Group ASA
Paccar INC	Saf-Holland S.A	T.B. Group S.R.L.	Ultra Electronics Holdings PLC
Park Electrochemical Corp	Safran	T.V.Z. S.R.L.	United Technologies Corporation
Parkburn Precision Handling Systems Limited	Samp S.P.A.	TAI Milano S.P.A.	Univer S.P.A.
Paul Mueller Company	Sandvik AB	Talleres Ratera SA	V.N.A. Trucks Limited
Polaris Industries INC	Schmitt - Elevadores, LDA	Teagle Holdings Limited	Varian Medical Systems INC
Ponsse OYJ	Scisys PLC *	Technipes S.R.L.	Wabash National Corp
Power Torque Engineering Limited	Sele S.R.L.	Techprecision Corp	Wabco Holdings Inc.
Prima Industrie SPA	Servotronics INC	Tecnodinamica S.R.L.	Wacker Neuson SE
Qinetiq Group PLC	Sfoggia Agriculture Division S.R.L.	Teledyne Technologies Incorporated	Wartsila OYJ
Radley Engineering Limited	Sicamb - S.P.A.	Tennant CO	Washtec AG
Raytheon Company	Smith Brothers (Leicester) Limited	Tenneco Inc.	Westinghouse Air Brake Technologies Corp
Reductores Cunat SA	Smiths Group PLC	Terex Corp	Whale Tankers Limited
Rheinmetall AG	Societa' Industriale Costruzione Macchine Agricole S.P.A.- In Sigla S.I.C.M.A.-S.P.A.	Tesmec SPA	Witt & Son UK Holdings Limited
Robor SRL	Spartan Motors INC	Textron INC	Woodward, Inc.
Rockwell Automation, Inc.	Spirit Aerosystems Holdings, Inc.	Thales SA	Worthington Industries INC
Rockwell Collins INC	SPX Corp	Thwaites Limited	Xylem Inc.
Rodman Polyships SA	Star Refrigeration Limited	Tomra Systems ASA	Zago S.R.L.
Rolls-Royce Holdings PLC	Sturm Ruger & CO INC	Tornos Holding S.A	Zambello Riduttori 2 - S.R.L.
Roper Technologies, Inc.	Supertino S.R.L.	Toscotec S.P.A.	Zambello Riduttori S.R.L.
S.T.M. - Societa' PER Azioni	Systemair AB	Transdigm Group Incorporated	

Number of companies by country



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

Number of companies by defence as keyword



- Defence
- Other

Supplementary statistics

Number of companies	293	Total capital employed (CE)	£213.29
Aggregate turnover	£867.46	Average company CP:CE ratio	3.62

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