

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 into five activity types:

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

The results of these groups are separately analysed and this fact sheet describes the Provide and Maintain 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

	2019/20	2020/21	2021/22	2022/23	2023/24
Underlying rate (unadjusted for capital servicing)	10.93%	9.92%	9.90%	7.02%	9.21%
Capital servicing adjustment	-1.79%	-2.15%	-1.65%	-1.01%	-1.48%
Underlying rate	9.14%	7.77%	8.25%	6.01%	7.73%
Rolling average*	7.82%	8.37%	8.39%	7.79%	7.92%

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.

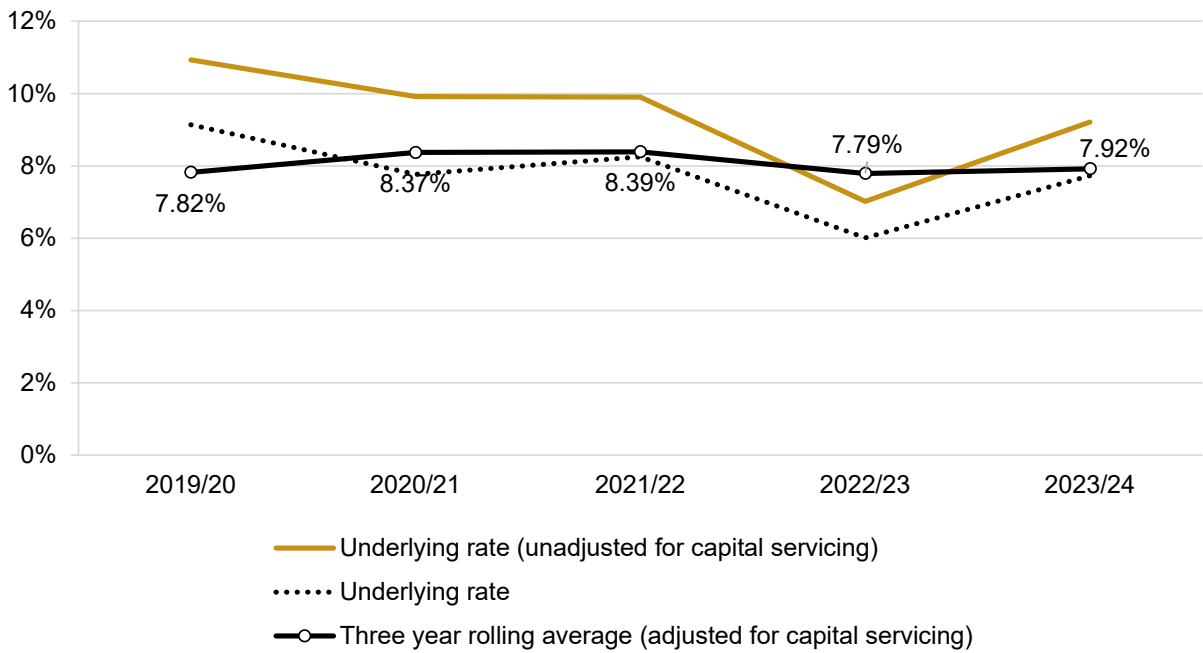
* A four-year average was used for 2022/23; a three-year average for pre-2022/23 and a three year average (excluding 2022/23 underlying rate) for 2023/24.

The pre-2019/20 underlying rates used for the three-year average were: 2018/19: 8.20% and 2017/18: 6.11%.

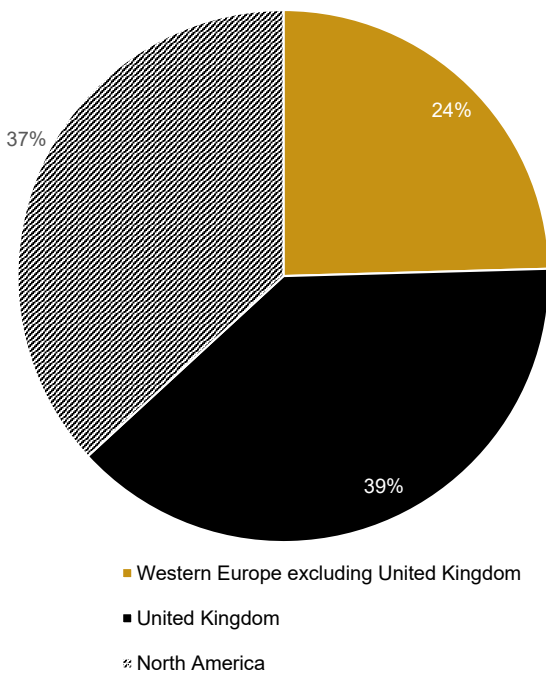
Data sources

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 company update search of the [Orbis database](#) was carried out on 1 November 2022 on data update number 329001 using software version 329. The financial data for the calculation was extracted from Orbis at the same time.

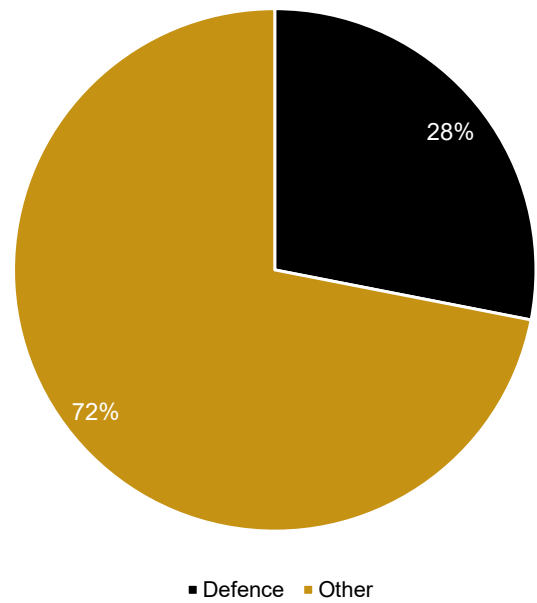
Median capital servicing adjusted return on cost of production



Proportion of companies by country



Proportion of companies with defence keyword



Supplementary statistics

Number of companies	69
<i>of which profit making</i>	57
Aggregate turnover	£100
Total capital employed (CE)	£53
Average company CP:CE ratio	1.71

Source: Orbis (Cash figures shown in rounded GBP Billions)

Names of companies in the index

AAR Corp	Limitada (J)	N3 Engine Overhaul Services GmbH & Co. KG (J)	Limited *
AB Transitio *	Finning International INC	Natural GAS Services Group, Inc. *	United Rentals, Inc.
Affinity Flying Training Services Limited (J)	Fisher (James) & Sons PLC * (J)	P B Donoghue (Waste Management) Limited (J)	Vegsund Slip Holding AS (J)
Airtanker Holdings Limited	Flowserve Corp (J)	Redde Northgate PLC (J)	VMS (Holdings) Limited
Airtanker Services Limited	Fortress Transportation and Infrastructure Investors LLC * (J)	Renew Holdings PLC	VSE Corp
Alltruck PLC (J)	G M Treble Holdings Limited (J)	Ricardo PLC (J)	Wartsila OYJ (J)
Applus Services, S.A.	Gama Aviation PLC *	Ropsley Limited * (J)	Werent S.R.L. (J)
Archrock, Inc.	Gatx Corp	RWG (Repair & Overhauls) Limited	Westinghouse AIR Brake Technologies Corp
Ashtead Group PLC	General de Alquiler de Maquinaria, S.A. (J)	Ryder System INC	Williams Shipping Holdings Limited
Atlas AIR Worldwide Holdings, Inc.	H&E Equipment Services, Inc.	Saltire Energy Limited	Willis Lease Finance Corp
Babcock & Wilcox Enterprises, Inc.	HSS Hire Group PLC (J)	Sawo Holding A/S (J)	Willis Mitsui & CO Engine Support Limited *
Babcock International Group PLC	Indra Sistemas S.A. (J)	Science Applications International Corp	
BAS Maskinutleie AS * (J)	Jacobs Engineering Group INC	Search Group Holdings Limited (J)	
CAE INC	Kbr, Inc.	Speedy Hire PLC	
Carlisle Refrigeration (Holdings) Limited (J)	Leidos Holdings, Inc.	Sureserve Group PLC	
Cowles Holdings Limited	Maxar Technologies Inc.	Talgo,S.A. (J)	
Crestchic PLC * (J)	Mcgrath Rentcorp	Talleres Mecanicos DEL SUR SA * (J)	
Cuypers Vorkliften	Milltex S.P.A. (J)	Technipfmc PLC * (J)	
Dawsongroup PLC	MTU Aero Engines AG	Toromont Industries LTD (J)	
Eurogruas Holding Corporativo Sociedad	Muehlhan AG	Total Aircraft Product Support (Holdings)	

* Indicates that the company is a loss-maker in the year.

(J) indicates a company which was not in the activity group last year, but has been added this year.