

# SSRO

Single Source  
Regulations Office

## Activity type factsheet Information Technology Services

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 four activity types.

- Develop, Make and Support<sup>1</sup>
- Ancillary Services
- Construction
- Information Technology Services

The results of these groups are separately analysed and this factsheet describes the Information Technology Services group results.

For further information on the methodology used to calculate these rates please see the *Single Source baseline profit rate and capital servicing rates methodology*.

### Information Technology Services

Companies undertaking comparable activities considered as 'Information Technology Services' (ITS) are expected to engage in the development, or operation and maintenance, of bespoke and complex IT systems; or the integration of off-the-shelf components or software to deliver a bespoke IT system/service. This could cover a broad range of IT management and consultancy services and IT system, software or application development. In addition, comparable companies may also provide the hardware for IT systems or networks, or the training necessary to operate or maintain them.

### Profit on cost of production

	2021/22	2022/23	2023/24 <sup>2</sup>	2024/25	2025/26
Underlying rate (unadjusted for capital servicing)	10.65%	11.26%	11.31%	11.02%	9.43%
Capital servicing adjustment	-0.03%	-0.35%	-0.11%	-0.51%	-0.79%
Underlying rate	10.62%	10.91%	11.20%	10.51%	8.64%
Three-year rolling average	10.51%	10.61%	10.92%	10.78%	<b>10.12%</b>

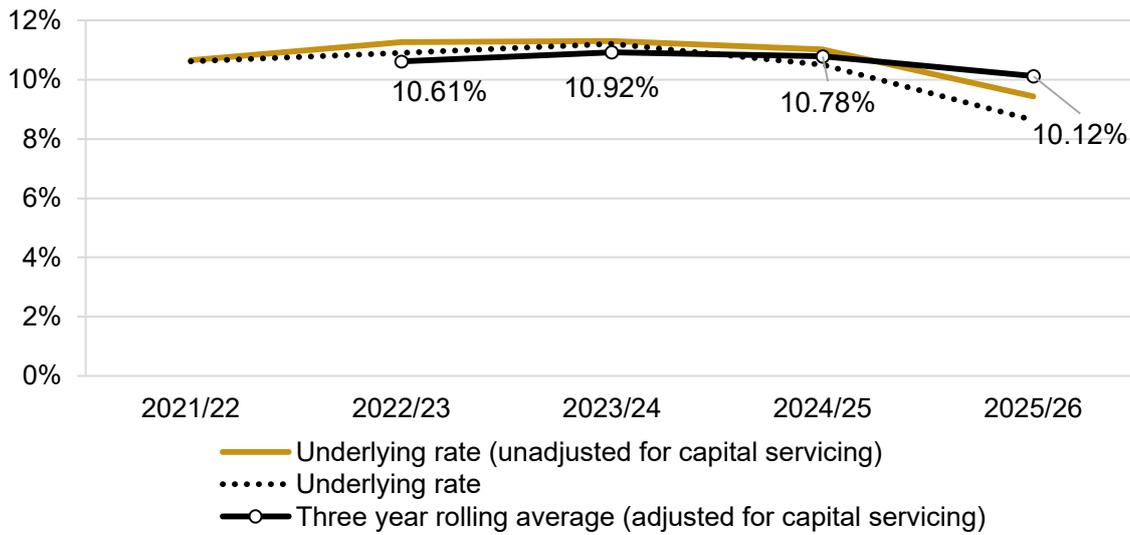
*Note: The capital servicing adjustment accounts, at an aggregate level, for different levels of capital employed across the companies in the index and so sets a baseline upon which step 4 of the contract profit rate applies.*

### Data sources

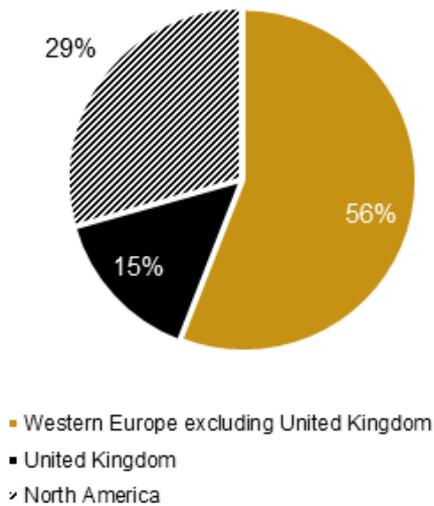
For further information on the data selection approach please see section 7 of the *Single Source baseline profit rate and capital servicing rates methodology*. A company update search of the Orbis database<sup>3</sup> was carried out on 1 November 2024 on data update number 354001 using software version 354. The financial data for the calculation was extracted from Orbis at the same time.

- 1 The 'Develop, Make and Support' activity type replaces the previous activity types of 'Develop and Make' and 'Provide and Maintain'. Further information can be found in the published Q&A document.
- 2 This was the first assessment year for this activity group. The ITS rates for 2021/22 and 2022/23 are the historical profits of the 2023/24 comparator group, as the SSRO's methodology did not include an ITS comparator group prior to this year. All other activity type factsheets represent the profit data of the groups that were assessed in that particular year.
- 3 <https://www.moodys.com/web/en/us/capabilities/company-reference-data/orbis.html>

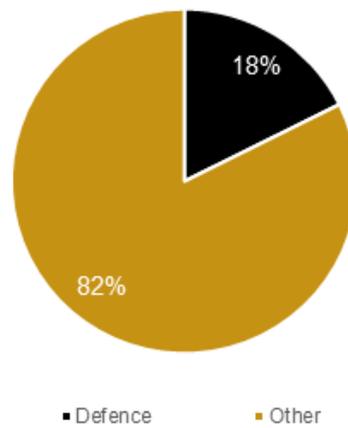
### Median capital servicing adjusted return on cost of production



### Proportion of companies by country



### Proportion of companies with defence keyword



### Supplementary statistics

Number of companies	35
<i>of which profit making</i>	34
Aggregate turnover (£billions)	106
Total capital employed (CE) (£billions)	7
Average company CP:CE ratio	14.13

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

## Names of companies in the index

Accenture Public Limited Company	Bouvet ASA	Kainos Group PLC	Prosource.It (UK) Ltd.
Adesso SE	Caci International INC (J)	Leidos Holdings, Inc.	PSI Software SE
Akamai Technologies INC	Cancom SE	Logility Supply Chain Solutions INC	Science Applications International Corp
Akhter Group Limited (J)	Ciena Corp	Manhattan Associates INC	Silli Solutions OYJ
Allgeier SE	Digia OYJ	Mensch UND Maschine Software SE	Sopra Steria Group SA
Ansys INC	DXC Technology Company	Mnemonic AS	Sword Group SE
Atos SE *	Gofore OYJ	Performance Technologies S.A	Tracsis PLC
Aubay	Infotel	Proact IT Group AB	TXT E-Solutions S.P.A.
Bjss Limited	IT Link	Progress Software Corporation	

\* 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.