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Market Data Defence

Defence – Developments

- UK Defence supply chain bolstered to support armed forces
- UK organisations selected in first AUKUS Innovation Challenge
- State-of-the-art armoured vehicle fleet supported under new contract
- UK, US and Canada to collaborate on cybersecurity and AI research

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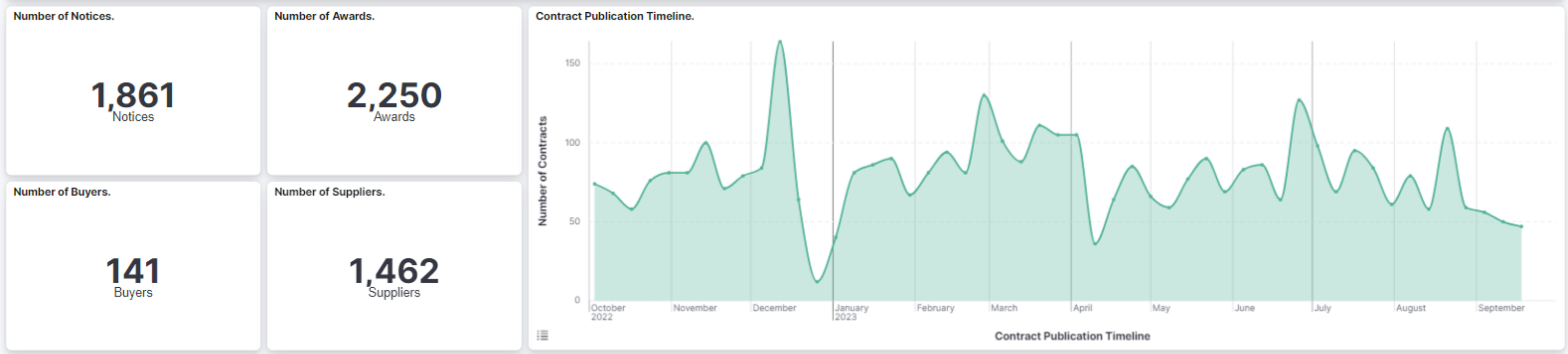
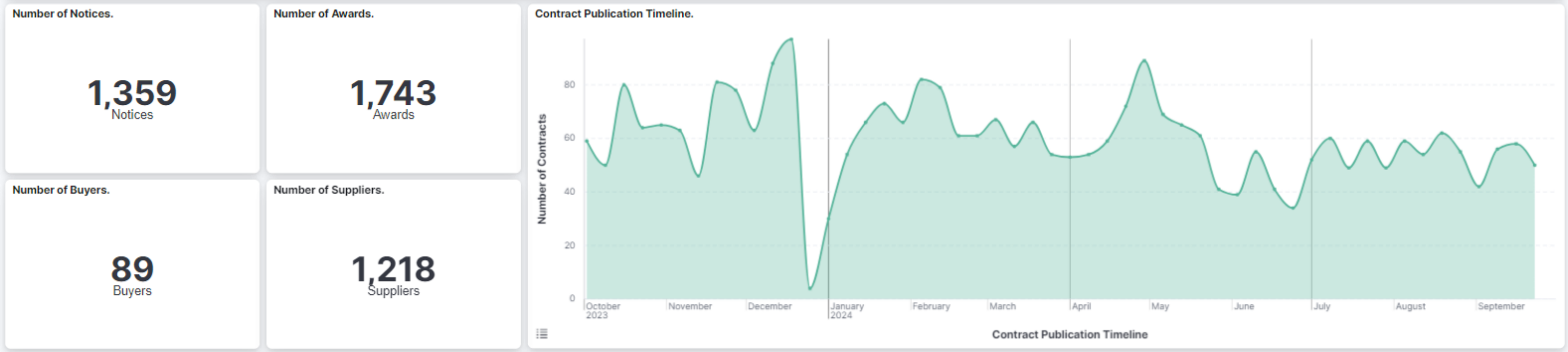
Defence Market landscape – notices and awards





- Comparing contracting activity Oct 2022 – Sept 2023 to Oct 2023 to Sept 2024 below).

Trend from prior months continues:

- 2023/24 – contract notices down 27%… awards are down 22.5%

- Buyers in period 2023/24 are down 36.9% and suppliers down 16.7%

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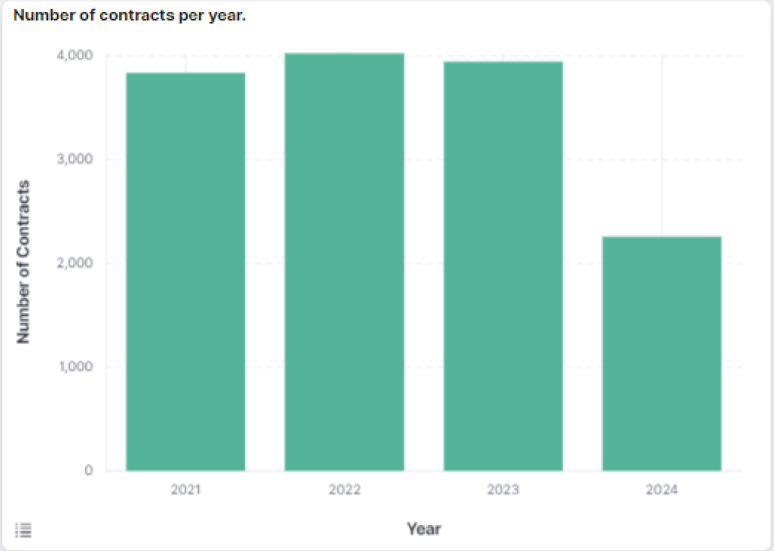
Defence Total Notice View

Contract Year (analysis).

Year	Contracts	Buyers	Suppliers	Total Value	Median Value
2021	3,837	312	1,099	30,803,335,270	372,171.193
2022	4,028	172	1,240	48,100,156,428	292,496.523
2023	3,943	148	1,414	68,795,292,302	354,688.853
2024	2,256	52	996	105,020,245,881	407,938



- Volume of notices in 2023 2.1% less than 2022
- Median value of notices significantly higher than 2021,2022; could equal 2023

Total award value in 2023 exceeded 2022 by £20 billion.

- Overall fewer but higher value contracts (frameworks a factor again)
- Sizeable, consistent market

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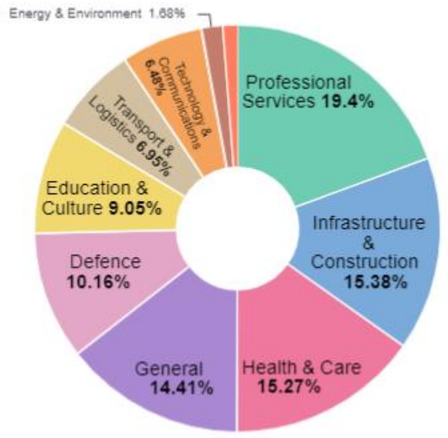
What's being bought in Defence?

Industry Category (analysis).

Industry Category	Contracts	Contracts percentages	Buyers	Suppliers	Total Value	Median Value
Professional Services	695	19.644%	22	306	10,297,907,767	275,468.5
Infrastructure & Construction	551	15.574%	29	195	80,444,800,424	642,236
Health & Care	547	15.461%	28	241	6,767,207,422	300,000
General	516	14.585%	28	198	85,456,703,485	799,575
Defence	364	10.288%	22	140	12,033,276,292	2,400,000
Education & Culture	324	9.158%	18	130	83,552,173,500	416,770
Transport & Logistics	249	7.038%	14	141	6,924,976,774	300,000
Technology & Communications	232	6.557%	14	124	6,671,012,226	317,145
Energy & Environment	60	1.696%	10	23	1,828,167,225	1,011,000

Industry Category (breakdown).



- Professional Services is the most popular by volume
- Infrastructure & Construction and Education & Culture are two sectors with the highest total value (over £80bn each)

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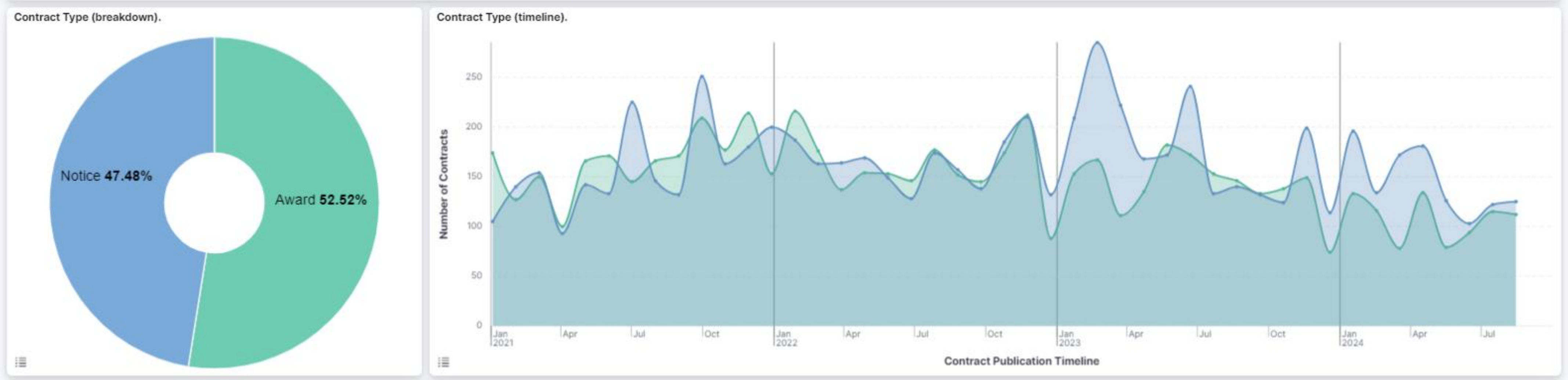
Defence Awards – transparency and insight



Data for Jan 2021 to Sept 2024

- Awards (blue line) outstripping notices (green line) – good for transparency intel/planning/early engagement
- Gap widened further in Apr 2024
- **Procurement becoming more transparent – confidence/trust**

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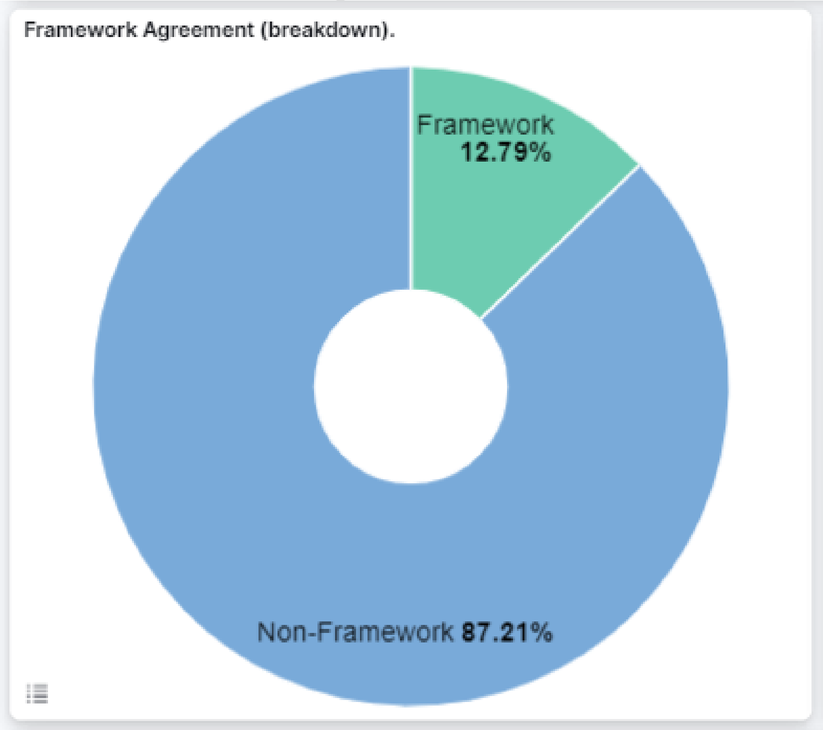
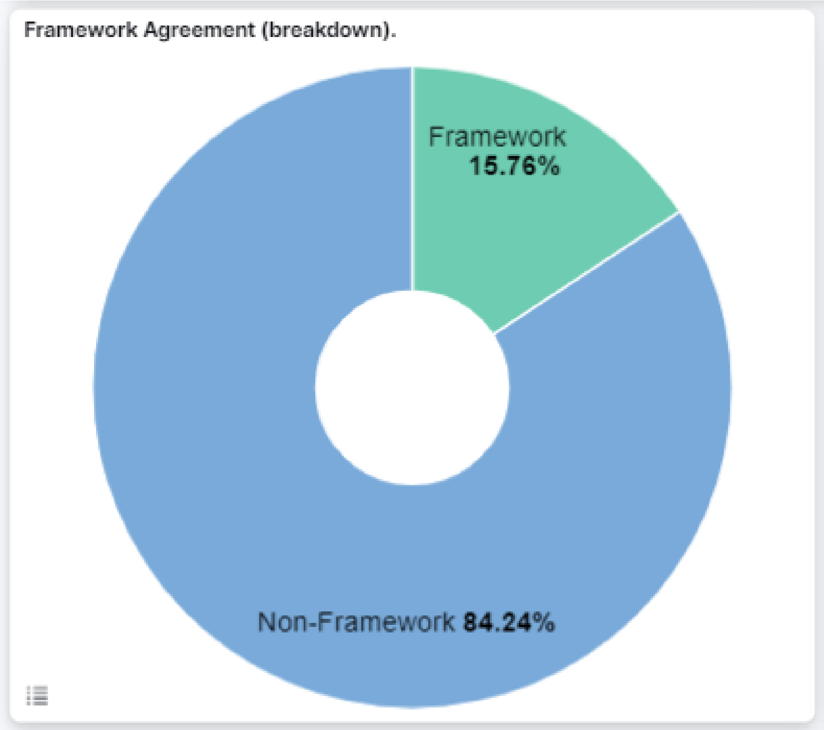
Defence Framework Agreements versus Non-Framework Agreements



Oct 22 – Sept 23

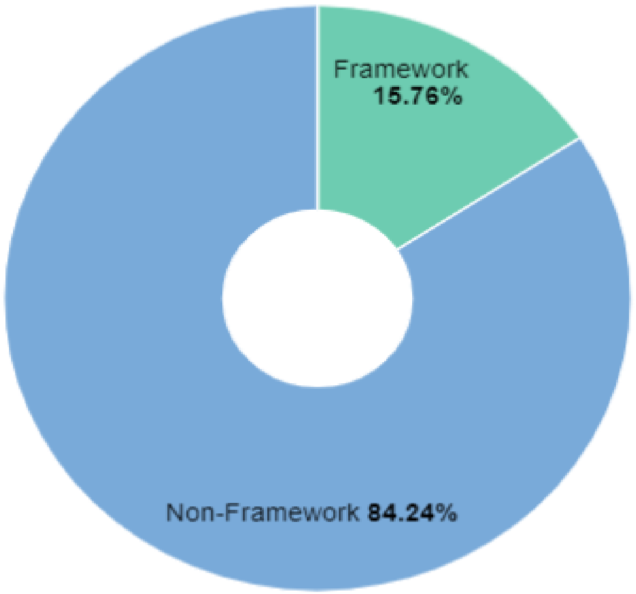


Oct 23 – Sept 24

- Growth in use of frameworks continues
- Significant increase in Oct 23 - Sept 24 (2.97% points) versus prior period
- Critical for buyers and suppliers
- Potential for trend to continue – efficiency, savings

Defence Framework Agreements versus Non-Framework Agreements

Framework Agreement (breakdown).



- Analysis of framework awards shows the high relative value of frameworks
  - 15. 76% of notice volume, but 74.3% of award value
- 22.4% of suppliers have access to 74.3% of the total value of contract awards published in Oct 23-Sept 24…gap is growing
- Frameworks tend to be for larger, longer and more complex requirements (but not always)
- **Essential for suppliers to track and engage with frameworks**
  - *But a large volume of notices still exist outside of this approach*

Framework Agreement (analysis).

Framework Agreement	Contracts	Buyers	Suppliers	Total Value
Non-Framework	2,613	81	1,013	29,141,109,836
Framework	489	21	293	84,402,453,015

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Market Competitiveness – Defence

Total number of unique Buyers.

575
Buyers

Total number of unique Suppliers.

3,539
Suppliers

Number of unique Buyers & Suppliers over time.

Buyer (analysis) - top 1000.

Buyers	Contracts	Contracts percentages	Suppliers	Total Value	Median Value
Ministry Of Defence	9,724	69.141%	2,564	224,708,075,899	403,372.917
Defence Science & Technology Laboratory	1,553	11.042%	685	743,481,633	97,298
Leidos Supply Ltd	493	3.505%	93	4,732,215,328	2,800,000
Irish Defence Forces	379	2.695%	87	294,891,865	300,000
Air Corps Contracts Section	96	0.683%	21	11,899,099	250,000
Vivo Defence Services Ltd	94	0.668%	0	183,355,000	1,500,000
Awe Plc	84	0.597%	23	1,344,761,629	1,350,000
Defence Forces Ireland	68	0.484%	34	36,497,866	280,000
Defence Equipment & Support	62	0.441%	36	306,987,086	770,127
Babcock Land Defence Ltd	52	0.37%	21	625,558,000	7,000,000

- Jan 2021 to July 2024
- Supplier/Buyer ratio of 6.15:1
- Market dominated by large players

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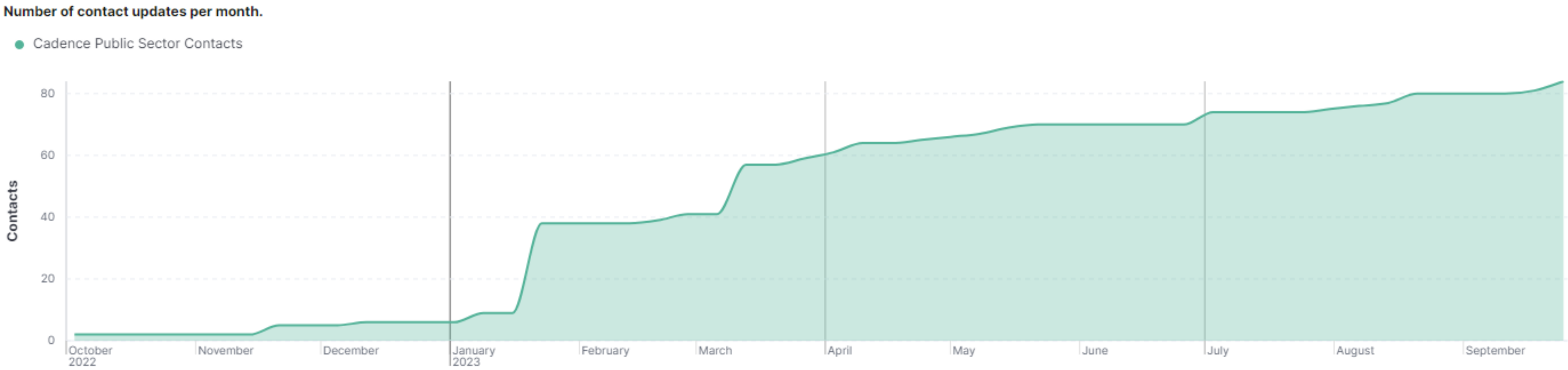
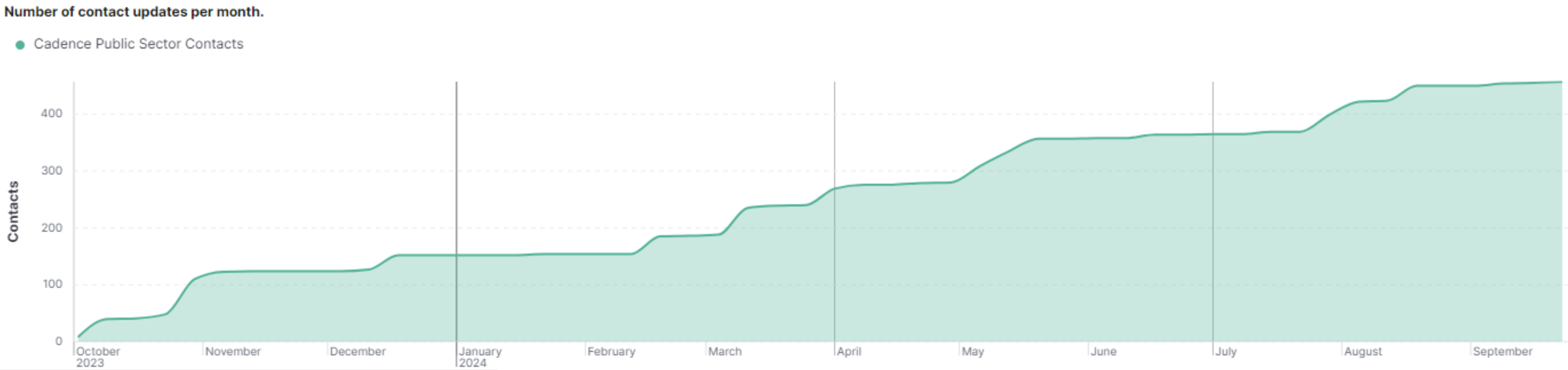
Contact Updates for Defence Sector

Even though the numbers are small, we are still seeing a significant increase in contact updates. More than 5x the updates in more organisations that the year past. This can reflect the geopolitical tensions and the recent events happening. As well as Defence getting more funding and expanding the sector and procuring more.



Oct 2022 – Sept 2023
84 contacts and 82 unique job titles updated across 14 organisations



Oct 2023 – Sept 2024
457 contacts and 409 unique job titles updated across 21 organisations

Organisational Updates for Defence Sector

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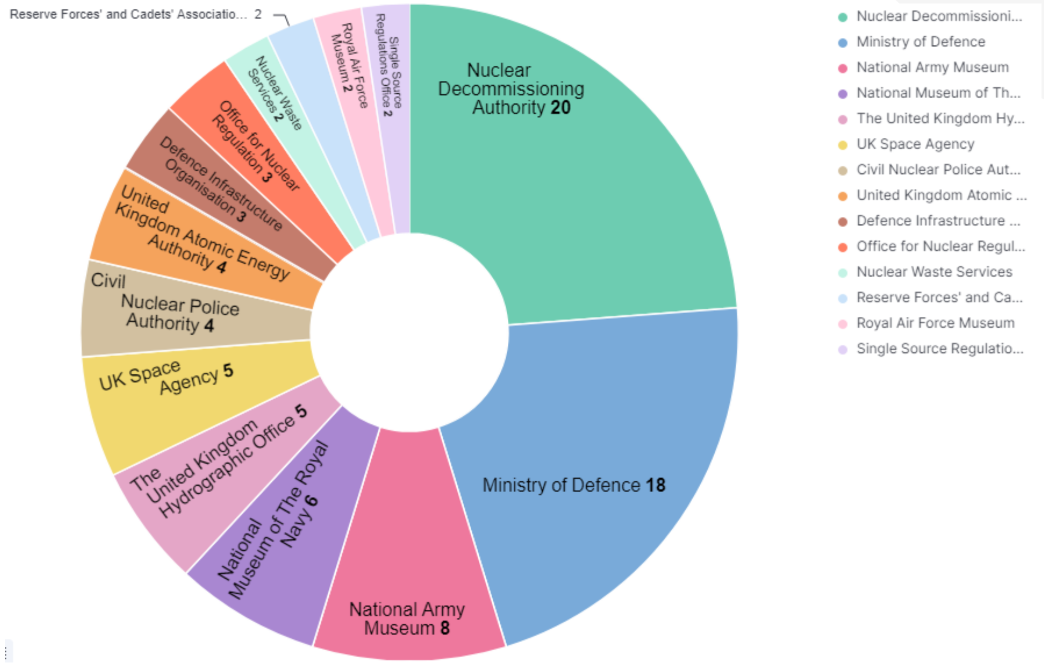
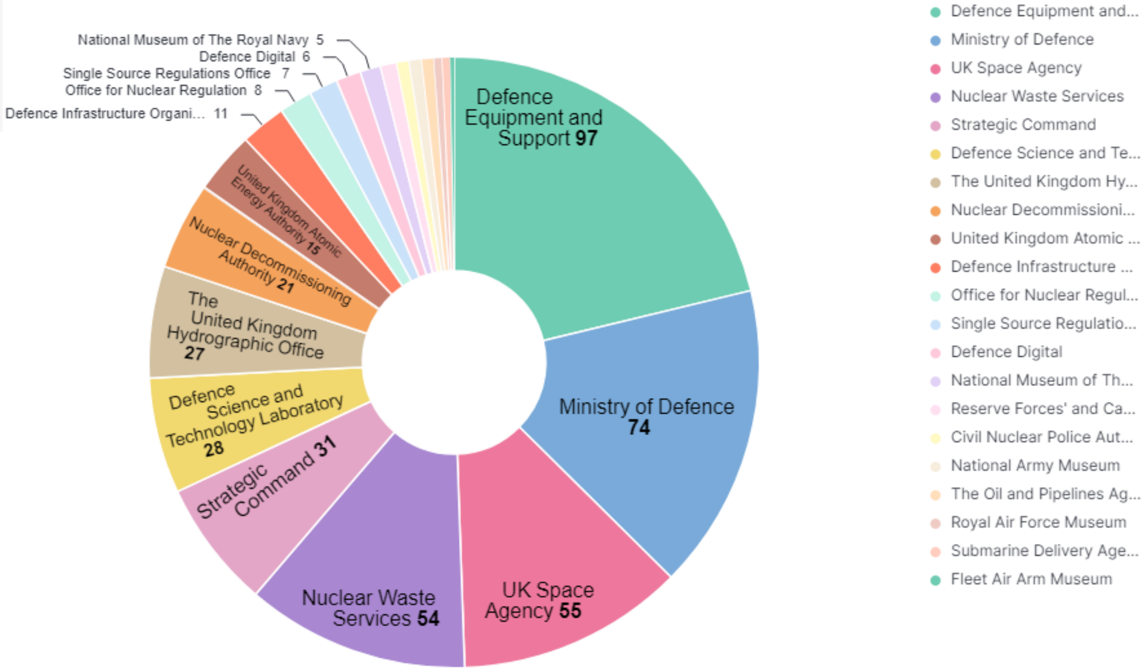


Oct 22 – Sept 23

Top 5 orgs with most updates. We can see Nuclear Decommissioning Authority and Ministry of Defence in the top.



Oct 23 – Sept 24

Top 5 orgs with most updates. Ministry of Defence still at the top, as well as the DE&S, the procurement arm of MoD, due to a merger with DECA and the UK Space Agency, who have been trying to expand to 4 other cities in the UK.

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Job Title Updates for Defence Sector

With the defence sector trying to implement better modernisation and technologies it makes sense that they are focusing more and more on procurement and commercial roles.

Oct 22 – Sept 23

Top 10 roles with most updates. We can see a lot of commercial, development and project roles.

Oct 23 – Sept 24

Top 10 roles with most. Still a lot of commercial roles, but also a few key decision makers such as COOS and CIOs.