

a&S

Tecnologie e soluzioni per la sicurezza professionale

ITALY

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the Editorial Team

# Italian Security Leaders, Top 25: know the market to know yourself



FIRST PART



This is already the third edition of Italian Security Leaders, Top 25, the eagerly awaited financial survey drawn up each year by a&s Italy magazine together with the analyst KF Economics (K Finance Group). So maybe it's time to start drawing conclusions on a triennial basis, taking a look at the progress of the security sector over the entire period from 2010 to 2013, together with some preliminary considerations on 2014, the results of which are about to come in. These three years have certainly not been happy for the Italian economy as a whole, but our survey reveals a sector that continues to hold its own, not just on a year-to-year basis, but in a way that testifies to its continuity and strength even under the most difficult circumstances.



**T**he market is therefore surviving the shock waves of the crisis, a phenomenon that might be more correctly - as well as etymologically - defined as a metamorphosis. But it is precisely in this metamorphosis, this sense of necessary change, that the real hub of the question lies: how best to move? In what way? In which direction? With what means? What does change mean in this case, first of all? And where are we to start from? Well, Italian Security Leaders, Top 25 aims to offer a model of company analysis that takes into account the concept of change and growth that is becoming increasingly relevant for every industry. This financial analysis, as well as photographing the market, proposes a method for the internal analysis of the user's own company, an examination of its accounts, its numbers, its suppliers and its customers. Look within yourself to improve yourself. To change if need be. In any case to grow. Because there's no doubt that, especially in times like these, company analysis - financial as well as strategic - is the basic element for the success or failure of a company. With this in mind, we like to think that Italian Security Leaders, Top 25 may provide an opportunity to reflect together



## THE SAMPLE ANALYZED

**The sample analysed in this financial survey includes 304 companies:**

- Italian or foreign, provided they have an Italian VAT number
- with a 2013 balance sheet (to be compared with the 2012 balance sheet) available in the principal databanks on 2 December 2014.
- operating exclusively or mainly in the security sector on the basis of the criterion of their main activity in the Italian security market
- active in the Italian security market.

**The sample analysed in this financial survey does not include:**

- Italian or foreign companies whose balance sheet could not be viewed in the most common databanks (Cerved - Infocamere, Aida - Bureau Van Dijk) on the date of 2 December 2014
- foreign companies which, though active on Italian territory, do not have an Italian VAT number (and whose balance sheet therefore could not be viewed)
- companies which, though active in the Italian security market, have their core business in other productive sectors (e.g. building, door and window fixtures, electronics, IT, spare parts, security services' providers, cables, telephone systems, time & attendance, telecommunications, consumer areas, automation, broadcasting, etc).

We have therefore excluded multinationals not specifically dedicated to security, since it was not possible (if not in mere percentage terms or with approximate estimates of the division) to separate the volume produced by the business units dedicated to security nor to separate the Italian figures from the European or worldwide ones.





## MULTINATIONALS ACTIVE IN ITALY IN THE SECURITY SECTOR AND EXCLUDED FROM THE ANALYSIS

(alphabetical order)

Assa Abloy Italia	Physical defence
Bosch Security Systems Italia	Various
Canon Italia	CCTV
CBC Europe	CCTV
D-Link Mediterraneo	CCTV
Fujitsu Technology Solution	CCTV
JVC Professional Europe	CCTV
Panasonic Italia	CCTV
Pelco by Schneider Electric	CCTV
Samsung	CCTV
Siemens Italia	Various
Sony Italia	CCTV

The table shows multinationals that, under the vast umbrella of their business units, include some dealings with security in Italy (Video-surveillance, Fire prevention, Management Software, Building Automation, Anti-shoplifting devices, RFID, etc). Since it is not possible in most cases (as declared by the groups addressed themselves) to break down the security data from those of their activities as a whole or to separate the volumes produced in Italy from those produced in Europe or globally, we have decided to keep the sample separate, simply listing them in alphabetical order. The list considers only multinationals present in Italy with a direct outpost and an Italian VAT number.

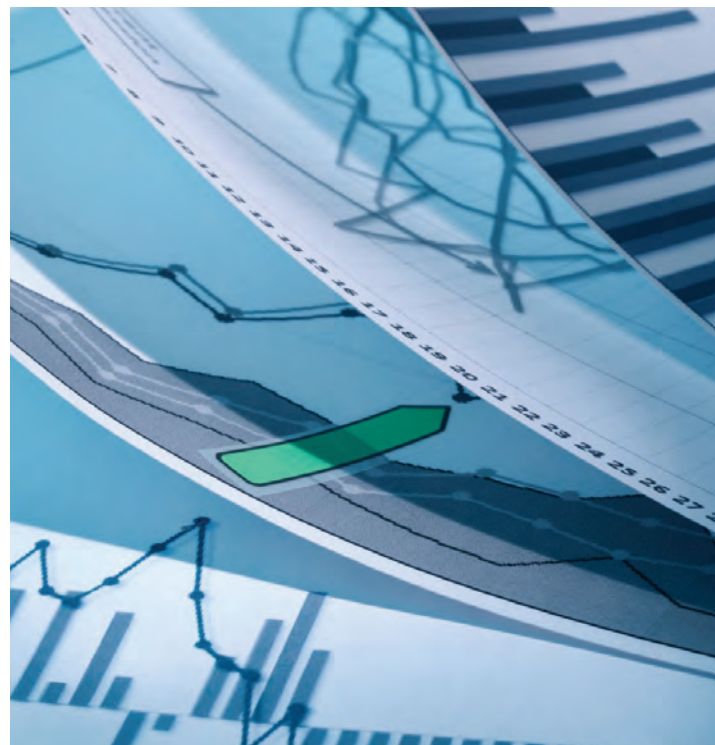
on the state of the security sector in Italy, as well as a range of tools for individual assessment and reflection on the business and on the financial and organizational structure of the single companies within the sector. We therefore ask our readers to set aside that invidious key to interpretation (commonly used in market surveys, alas) based on putting up a list of the good and the less good on the blackboard of the sector. This is not the point of our investigation, to the extent that we have decided to divide Italian Security Leaders, Top 25 into two parts. In this first issue, we are publishing only progress statistics and trends. No tables, no specific figures, no lists. Just the trends. Company-by-company figures will be published in February 2015. This will enable readers to metabolize first and foremost that part of the survey that we believe most relevant to the goal we have pursued since the beginning of this adventure: know the sector in order to know ourselves.

## METHODOLOGY

For any investigative work, it is necessary to set out a method, even if it means taking up awkward positions. In the first place, for obvious reasons of availability, we were able to analyze only those balance sheets deposited in Italy by companies, including some foreign ones, with an Italian VAT number. It should be noted that, as of 2 December 2014, the financial statements of many companies could not yet be retrieved from the databank, so the relevant updated statistics could not be used for the analysis.

## OPERATIONAL CATEGORIES

A common problem to all market surveys is that of choosing criteria with which to calculate the overall business turnover of a sector. In professional supply-chains with a double (or triple, in our case) distribution ring, there is the risk of doubling (or trebling) the value by spreading it over production, distribution and even installation/integration – with related margins and mark ups. We originally decided, therefore, to subdivide our “Top 25” in three principal operational categories: production, distribution and integration. This choice of fields gave rise to a further and delicate problem of evaluation: how were we



to classify those entities that produce, but at the same time integrate or distribute? Given the frequent mix between production, integration and distribution of products, the problem was far from secondary. After comparing evaluations of higher volumes we found a greater recurrence of the production/distribution mix compared with the other “mixed” typology, and therefore decided to make this a fourth category, in addition to the three originally identified. The categories on which our Top 25 are based are therefore: production, distribution, integration and production/distribution.

## MAIN ACTIVITY

The companies were classified under the respective categories on the basis of the main activity, or core business, declared by themselves.

The same assessment was made for the constantly increasing units providing both technologies and services for security (e.g. security services’ providers), or offering security only as part of a much broader trading context (mainly electrics, construction, information systems, automations, doors and windows, spare parts, telephone systems, networking, time & attendance). A similar decision was made for units for which security is a mar-

ginal or in any case minority component of the overall business turnover. We have, for example, kept separate from the general category the producers of cables serving several sectors as well as security (telephone systems, broadcasting, the electrical sector, etc.).

## MULTINATIONALS

The question of the “core business” concerns most multinationals, for which security is often no more than a marginal business unit compared with the volumes produced by the consumer departments. Given that the Italian security market – and the CCTV segment in particular - is undoubtedly dominated by the multinationals, the problem here is to separate the figures produced by “security” from those of the other units, and the Italian figures from the European or even global ones. In many cases, however, such a separation proved impracticable, as the multinationals themselves were the first to admit. To avoid falsifying the Top 25 data by comparing official figures with estimated incomes and costs, a&s Italy and KF economics have opted to exclude from the survey those multinationals which do not have a security-dedicated company in Italy.

## THE SAMPLE ANALYZED

Per individuare il campione, sono state primariamente selezionate le società di capitale rubricate con codici ATECO compatibili con il settore sicurezza. Da quel primo campione, le aziende sono state ulteriormente scremate sulla base dei criteri di: insistenza sul territorio italiano (partita IVA italiana); reperibilità del bilancio nelle banche dati al 2 dicembre 2014; focus sul mercato italiano della sicurezza; core business nel settore sicurezza; attività prevalente (categoria operativa all’interno della filiera).

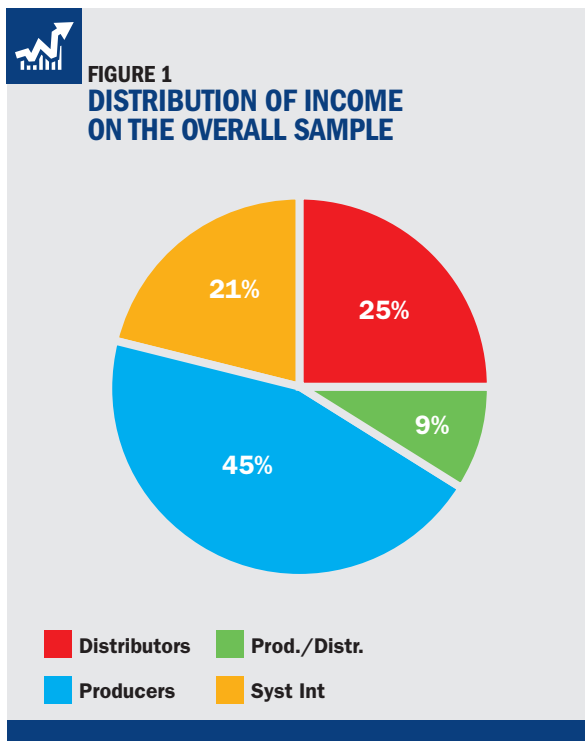
## CONCLUSIONS

This analysis has a declaredly journalistic matrix. It is rooted in a deep and ongoing knowledge of the market, from its beginnings in the 1970s to its most recent evolutions.

More than establishing a “hit parade”, it intends evaluate the “sector” as a whole, to provide a careful and







Turnover distribution: producers have the most weight, followed by distributors, systems integrators and producers/distributors.

## 1. GENERAL CLASSIFICATION

### TURNOVER

If we consider the general classification of the Top 25 – which combines producers, distributors and systems integrators – by turnover, in the first five positions we find Project Automation, Notifier Italia, Hesa, Tecnoalarm and Saima Sicurezza. Compared with 2012, Project Automation (systems integrators) gains one place, while Tecnoalarm (producer) gains two. The average turnover of the Top 25 in 2013 is 20.644 million € – almost five times the average for the entire sample, which is 4.452 million €. In absolute terms, the gap between those placed in the first 25 and the average for the sample increases still further if we examine the profitability indicators EBITDA, EBIT and EBT.

Figure 1 shows the distribution of the overall turnover for the sample (1,184.123 million €) between the different types of company. Producers continue to have the greatest weight (45%), followed by distributors (25%),

rigorous classification of a dynamic and increasingly integrated industry. An evaluation all the more interesting in a crucial moment of technological transformation, which sees physical security converging more and more strongly towards IT security, networking, telephone technology, broadcasting and construction. The plethora of convergences in progress is enriching the market with new and robust contestants, accustomed to highly competitive environments, gigantic investments and reduced margins. For this reason it is more important than ever to identify, classify and index the security players and to analyze their responses to these new and pressing market challenges. This is why it is fundamental to provide tools for company analysis and hence – we believe – for growth. We are aware that our choices verge on the radical. The present Top 25 can certainly be improved upon. Our next editions will surely reap the benefit of feedback from the players in the sector, the truest and most precious key for a correct interpretation of the market.



systems integrators (21%) and producers/distributors (9%).

If we compare these statistics with those of the two previous years, however (cf. Fig. 2), we find that, in absolute terms, producers have reduced their weight to the advantage, above all, of distributors and producer/distributors. Systems integrators have remained constant, on the other hand.

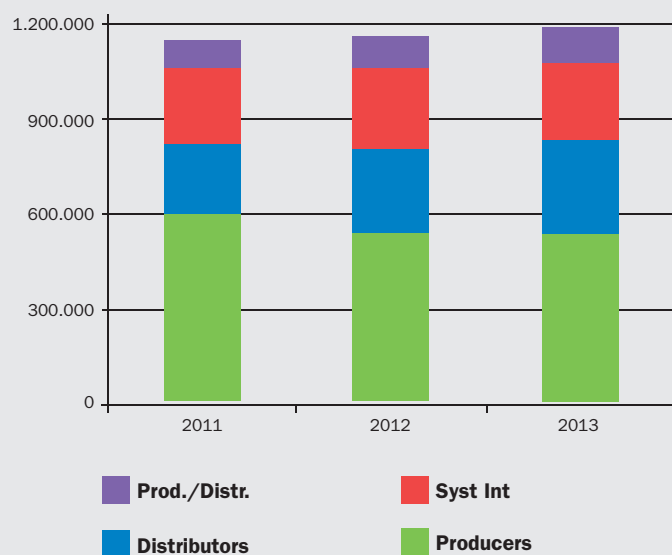
## AVERAGE GROWTH

The percentage variation of the 2013 turnover compared with that of 2012 – taking into account only small and medium-sized companies (with income exceeding 5 million €) and corporations (with income above 50 million €) – obviously finds different companies in the leading position compared with those in the principal classification.

The average growth of the top 25 (+13%) is only slightly higher than that of the entire sample (+10%). In this case too, nevertheless, the difference between the top



**FIGURE 2**  
**INCOME DISTRIBUTION**  
**OVER ENTIRE SAMPLE**  
**(TRENDS IN 2011-13)**



Three-yearly trends. It can be seen that, in absolute terms, producers have reduced their weight to the advantage, above all, of distributors and producer/distributors, while systems integrators have remained substantially stable.

25 and the entire sample becomes far greater in terms of absolute profitability, as is shown, for example, by two such important indicators as EBITDA and EBIT.

## PROFITABILITY EXPRESSED BY THE EBITDA MARGIN

A third and last criterion used for classification (only for small-medium enterprises and corporations) is that of the EBITDA expressed as a percentage of sales (the so-called EBITDA margin). We should remember that EBITDA – Earnings before Interest, Taxes, Depreciation and Amortization) – is a fundamental indicator of profitability. Taken in relation to sales, it shows the gross profits from sales and enables a better understanding of the effect of costs over time. The higher this value is, the more efficient and highly performing the company is deemed to be. Following this important parameter, the top five were Inim Electronics, Combivox, Venitem,

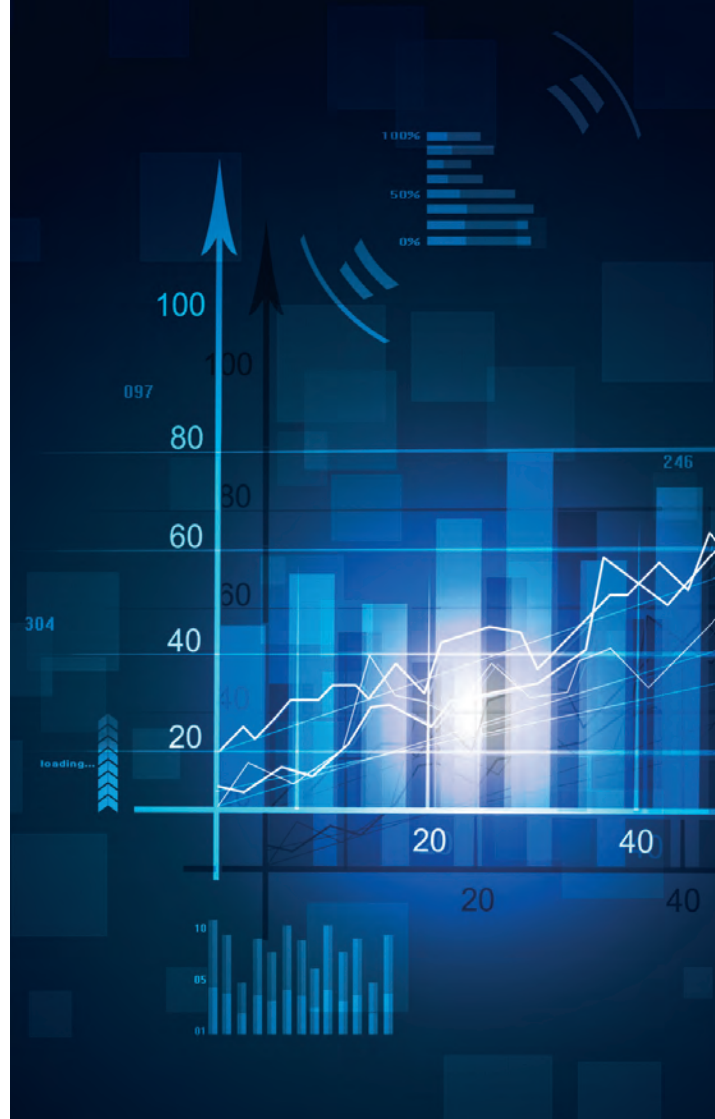




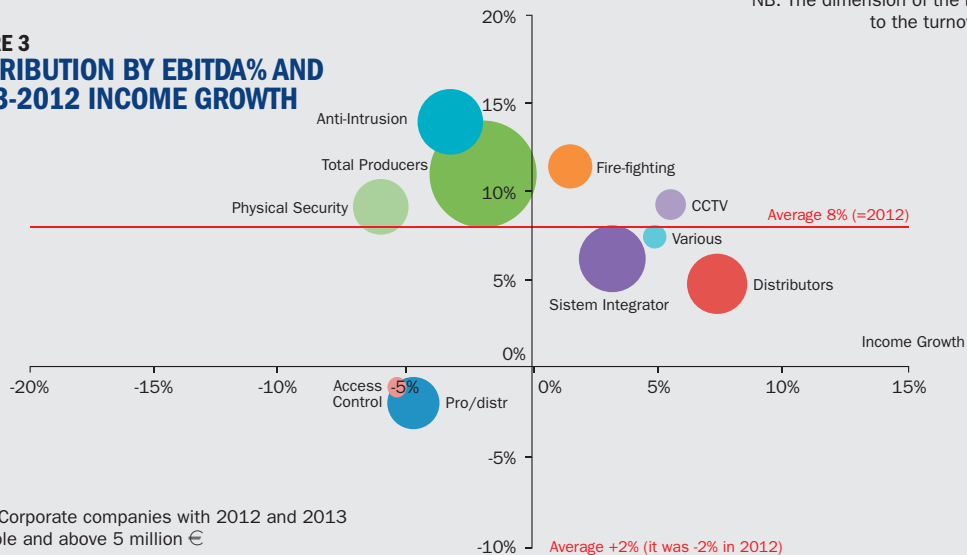
**TABLE 1**  
**DISTRIBUTION BY EBITDA% AND 2013-2012 INCOME GROWTH**

AREA	INCOME	EBITDA/V AVERAGE	GROWTH OF INCOME AVERAGE
Anti-intrusion	167.963	15%	-3%
Fire-fighting	70.795	12%	2%
Access Control	11.265	-1%	-5%
Physical security	100.550	10%	-6%
CCTV	31.221	10%	6%
Various	26.089	8%	5%
<b>Total Producers</b>	<b>407.883</b>	<b>12%</b>	<b>-2%</b>
<b>Distributors</b>	<b>163.347</b>	<b>5%</b>	<b>7%</b>
<b>Prod./Distr.</b>	<b>84.231</b>	<b>-2%</b>	<b>-5%</b>
<b>Syst Int</b>	<b>152.524</b>	<b>6%</b>	<b>3%</b>
<b>Total</b>	<b>807.985</b>	<b>8%</b>	<b>2%</b>

Producers are placed above other operator types in terms of profitability (EBITDA/V at 12%) but their turnover trend has slowed down (-2%), to the advantage of distributors (7%).



**FIGURE 3**  
**DISTRIBUTION BY EBITDA% AND 2013-2012 INCOME GROWTH**



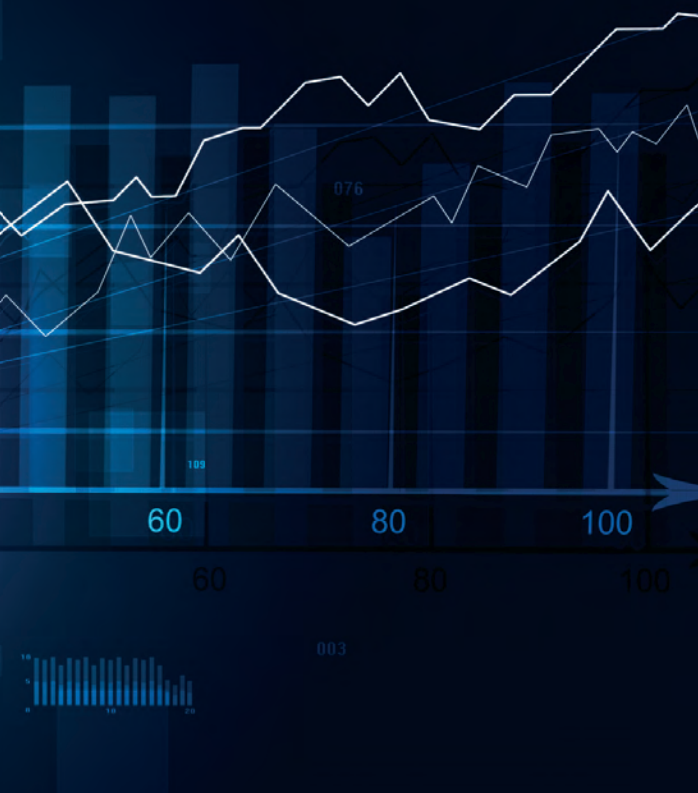
NB: The dimension of the bubbles is equal to the turnover of the sector

Small-medium/Corporate companies with 2012 and 2013 turnover available and above 5 million €

The comparison between two fundamental parameters such as the EBITDA margin and the income growth show how difficult it is to combine increased turnover with profitability







Smiths Detection Italia, Tecnoalarm. Unlike the previous two cases, all five are producers, which not surprisingly represent by far the majority of the Top 25 considered. The fact that, in recent years, the difference between the average EBITDA margin of the top 25 and that of the entire sample has widened (9% compared with 6%) shows that the best companies in the sector, faced with an increasingly difficult economic-financial situation, have succeeded in improving their managerial efficiency. This decidedly positive signal is accompanied by an unvaried overall financial reliability – as is shown by the KR5 rating, which is unchanged compared with last year.

## PROFITABILITY AND TURNOVER

Figure 3 and Table 1 compare two fundamental parameters – the EBITDA margin and income growth. They show how difficult it is to combine increased turnover

with profitability. In more detail, the following considerations may be made:

- Producers are placed above other operator types in terms of profitability (EBITDA/V at 12%), but their turnover trend has slowed down (-2%);
- Among producers, the most profitable sector is that of anti-intruder devices, with an average profitability of 15% (but income growth is negative). It is followed by fire prevention (12%) and, in equal position, physical security and CCTV (10%);
- Video-surveillance is in good health, both in terms of profitability and of income growth (10 and 6% respectively);
- Access control, on the other hand, registers a negative EBITDA/V, though a small one (-1%) and a certain loss of turnover (-5%);
- Consistently with previous years, producers/distributors remain penalized in terms of profitability and turnover (-2% and -5%);
- While distributors prove stronger in sales than in generating profit (7% as against 5%), systems integrators register the exact opposite: EBITDA/V at 6%, income growth at 3%.

## RATING AND CAPACITY TO CREATE VALUE

As in the last edition, we examined the financial solidity of companies belonging to the sample, using the rating model developed by KF Economics, today used by scores of leading Italian companies as well as by the Public Administration. KF Economics has created the IFV (Financial Value Index), which estimates the financial value generated by a company per 100 euro of turnover. The index calculates the value as a multiple of gross operating profits (EBITDA) net of financial debt and relates it to income as follows:  $IFV = (EBITDA \times 6 - \text{Financial Debts}) / \text{Income}$ . By comparing the capacity to create value (IFV) and the rating (which expresses the company's financial risk), it is possible to obtain a succinct and effective overview of the strategic-financial positioning of a company, a sector or a division: it is difficult to think of an aspect that has a more vital contemporary significance



**TABLE 2**  
**INCOMES, AVERAGE FVI**  
**AND RATING CLASS BY OPERATOR TYPOLOGY**

AREA	INCOME	FVI% AVERAGE	RATING CLASS AVERAGE
Anti-intrusion	170.728	88%	KR6
Fire-fighting	71.470	64%	KR4
Access Control	11.852	-16%	KR3
Physical security	100.717	45%	KR4+
CCTV	30.994	49%	KR6
Various	24.623	-13%	KR3+
<b>Total Producers</b>	<b>410.383</b>	<b>61%</b>	<b>KR5</b>
<b>Distributors</b>	<b>127.122</b>	<b>27%</b>	<b>KR4+</b>
<b>Prod./Distr.</b>	<b>80.378</b>	<b>5%</b>	<b>KR5+</b>
<b>Syst Int</b>	<b>146.821</b>	<b>36%</b>	<b>KR5</b>
<b>Total</b>	<b>764.704</b>	<b>45%</b>	<b>KR5</b>

In 2013 the anti-intruder device companies once again obtained the highest rating (KR6) in terms of financial reliability.

(see Figure 4 and Table 2). The advantage is that these yardsticks (value and rating) have an immediate market application: the value of mergers and acquisitions and the rating of the banking credit. This analysis therefore provides indicators that are decidedly in line – and easily verifiable – with market assessments. The value of the multiplier (here we used the multiplier 6) usually depends on the typology of the entity. For distributors in particular, however, use of the multiplier 6 can be very disadvantageous. By using this indicator generally for homogenous portfolios, there is no strong necessity to focus on identification of the ideal multiplier. In this case, however, since we were able to identify clearly the “pure” distributors, we have calculated the “compensated” FVI% figure with a multiplier of 8, decidedly more suitable for the typology of entities.

### WHO GENERATES VALUE

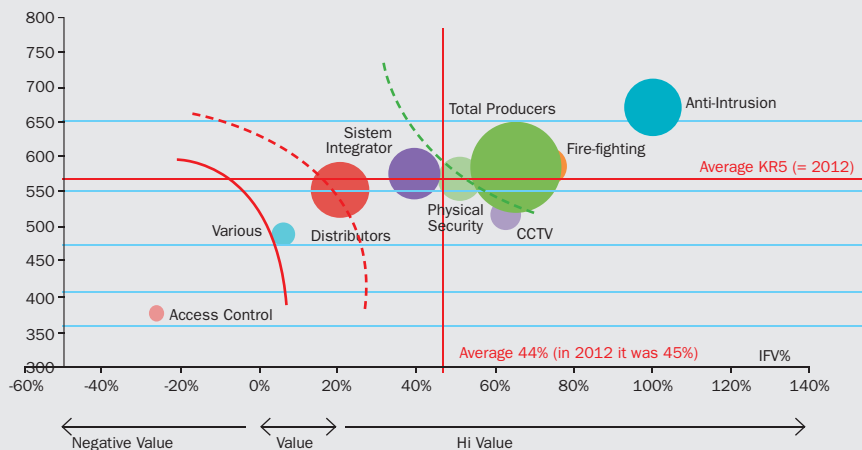
When applied to the world of security, the analysis described above confirms that in 2013, too, the sector was able to achieve truly excellent average values:

- an average financial value index of 44% (every 100 euro of billing in these companies generates an average of 44 euro of financial value for the company);



**FIGURE 4**  
**DISTRIBUTION BY RATING AND FINANCIAL VALUE INDEX (FVI%)**

Note: The dimension of the bubbles is equal to the turnover of the sector



By comparing the capacity to create value (IFV) and the rating (which expresses the financial risk of the company), the strategic-financial placing of a company, segment or sector can be identified simply and effectively.



- an average KR5 rating in an assessment scale ranging from KR1 (companies with high insolvency risk) to KR7 (companies with very small insolvency risk).

If we analyse the sample from this perspective, producers are the segment generating the most value, compared with distributors and systems integrators.

In relation to the sample analysed (which – as we said above – is not exhaustive), the wealthiest and most solid sector of all remains, as in 2013, that of anti-intruder devices (an FVI of 100% and KR6). This figure is partly symptomatic of the sample analysed (from which the great CCTV multinationals were missing). It may also be attributed, however, to an authentic rediscovery of the residential market that has been ongoing during the last three years. While the growth in anti-intruder devices in 2011 was prompted essentially by perimeter protection devices for green energy production plants, in 2012 the residential market compensated, at least in part, for a reduction in sales of perimeter protection devices for photovoltaic fields, caused by the ending of incentives. This trend continued well into 2013 and its keywords are: wireless, remote control of mobile devices, touch, domestic automation and IP platforms. Video monitors on IP alarms have enjoyed a good response, but have not been such a determining factor.



TO BE CONTINUED IN THE NEXT ISSUE



## GLOSSARY

**Ranking:** shows the position of the company in relation to the parameter classified.

**Gross Profit:** the difference between income and costs, excluding extraordinary costs, taxes and any other duties.

**Gross Profit/Sales:** known as Gross Profit Margin; the gross profit as a percentage of the sales

**EBT: (Earnings Before Taxes):** the income the company is able to generate before taxes and net of financial costs.

**EBIT (Earnings Before Interest And Taxes):** the company's operative income, or the income it is able to generate before taxes and financial costs.

**EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization):** the profit gross of payable interest, taxes and depreciation on tangible and intangible assets; a fundamental indicator of profitability.

**EBITDA/Sales:** also known as the EBITDA margin; the ratio between EBITDA and sales, showing the gross profitability of the sales; this parameter helps us to understand better the incidence of costs over time. A higher value indicates a more efficient and better performing company.



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## WOULD YOU LIKE A CUSTOMIZED ANALYSIS?

This is a survey of the sector from which we have omitted certain particularly sensitive data: if you would like a more specific analysis of specific questions, or if you would like a detailed breakdown of your competitors or your own company in terms of performance, business turnover and rating, contact us at [ethos@ethosmedia.it](mailto:ethos@ethosmedia.it)



La Redazione

# Italian Security Leaders, Top 25: know the market to know yourself



SECOND PART



Put your smartphone here and catch up on the general trends and progress of the sector!

Here we are at the last part of our third appointment with *Italian Security Leaders, Top 25*, the financial survey developed annually by the a&s Italy magazine together with the analyst KF Economics (K Finance Group). In the previous part, we examined the trends and compared the progress of the security sector from 2011 to 2013. We will now take look at the statistics for 2013, including projections and forecasts for 2014.



**TABLE 1**  
**TOP 25 OF THE WHOLE SECTOR BY TURNOVER**

2013 Classification	2012 Classification	Company Name	Region	Income	Growth of Income	EBITDA	EBITDA/Sales margin	EBIT	EBT	No. employees	Sector
1	2	PROJECT AUTOMATION SPA	Lombardia	42.783	0%	5.451	13%	4.673	1.383	214	Syst Int
2	1	NOTIFIER ITALIA SRL	Lombardia	42.134	-3%	7.137	17%	6.286	6.309	86	Producer
3	3	HESA SPA	Lombardia	35.125	4%	1.042	3%	590	529	68	Distributor
4	6	TECNOALARM SRL	Piemonte	29.390	2%	7.422	25%	6.775	6.787	112	Producer
5	4	SAIMA SICUREZZA SPA	Toscana	27.574	-18%	2.466	9%	1.961	2.009	103	Producer
6	8	BENTEL SECURITY SRL	Abruzzo	25.251	2%	5.504	22%	4.976	4.830	138	Producer
7	10	SELESTA INGEGNERIA SPA	Liguria	24.949	14%	5.437	22%	2.325	549	194	Producer
8	7	LTC FIRE & SECURITY ITALIA SRL	Lombardia	23.759	-6%	948	4%	669	3.474	44	Pro/distr
9	12	VIDEOTEC SPA	Veneto	22.895	15%	3.651	16%	2.993	2.728	105	Producer
10	9	HONEYWELL SECURITY ITALIA SPA	Lombardia	21.544	-6%	-1.637	-8%	-2.151	-2.262	54	Pro/distr
11	11	ATRAL ITALIA SRL	Emilia-Romagna	21.302	2%	931	4%	636	638	57	Producer
12	13	GUNNEBO ITALIA SPA	Lombardia	18.037	-9%	-1.013	-6%	-1.419	-1.577	85	Pro/distr
13	NA	ELECTRONIC'S TIME S.R.L.	Puglia	16.813	-3%	1.215	7%	969	511	37	Distributor
14	21	INIM ELECTRONICS SRL	Marche	16.550	27%	5.752	35%	5.313	5.329	65	Producer
15	19	DAB SISTEMI INTEGRATI SRL	Lazio	16.077	15%	1.157	7%	1.063	776	96	Syst Int
16	15	EL.MQ. SPA	Veneto	16.008	10%	1.185	7%	774	571	54	Producer
17	20	DISTRIBUZIONE APPARECCHIATURE SICUREZZA DIAS SRL	Lombardia	15.144	10%	884	6%	716	701	5	Distributor
18	14	SISTEMI INTEGRATI SRL	Emilia-Romagna	15.104	-0%	2.624	17%	1.762	1.747	11	Syst Int
19	18	SICURTEC SRL	Lombardia	14.379	0%	305	2%	201	107	52	Distributor
20	23	SICURIT ALARMITALIA SPA	Lombardia	12.864	3%	143	1%	97	107	45	Pro/distr
21	75	AIKOM TECHNOLOGY S.R.L.	Emilia-Romagna	12.835	164%	747	6%	722	641	13	Distributor
22	16	COOPER CSA SRL	Lombardia	12.257	-16%	370	3%	250	200	31	Producer
23	24	ZUCCHETTI AXESS SPA	Lombardia	11.265	-5%	-106	-1%	-493	-693	62	Producer
24	22	CESPRO SRL	Toscana	11.242	-12%	1.040	9%	953	1.070	61	Producer
25	25	S. & A. SRL	Lombardia	10.827	-1%	3	0%	-46	-49	31	Distributor
TOP25 Average				20.644	8%	2.106	9%	1.624	1.457	73	
Total Average				4.451	10%	373	6%	268	233	19	

The average turnover of the Top 25 in 2013 was 20.644 million – almost five times the average of 4.451 million for the entire sample.

...Continued from page 31 of a&s Italy no. 30

The following statement will seem inconsistent with the policy of a publisher that deals in financial surveys, but it's true: we don't like rankings. All the same, they're necessary if we're to make a serious analysis, because you can't do sums without numbers and a survey based on emotive sensations is a far cry from the idea of technical, rigorous journalism that a&s Italy has always made its own. There's no getting away from them, then, but at least we can talk about tables pure and simple (and therefore technical elements on which we can base our reflections and forecasts), rather than rankings (which mean gradings that imply prior pigeon-holing as "good" or "bad"). We want to underline this point because it's a basic element of the spirit that has underlain the conception and development of Italian Security Leaders over the years. And yet we often see our readers go straight to the tables: this has to be our fault. We haven't been successful in conveying the truly distinctive element of this financial survey. This element is our proposal of a



ITALIAN SECURITY LEADERS





**TABLE 2**  
**TOP 25 OF THE WHOLE SECTOR BY GROWTH OF INCOME (SMALL-MEDIUM ENTERPRISES AND CORPORATIONS)**

2013 Classification	2012 Classification	Company Name	Region	Income	Growth of Income	EBITDA	EBITDA/Sales Margin	EBIT	EBT	No. employees	Sector
1		HIKVISION ITALY SRL	Veneto	6.959	309%	499	7%	452	640	12	CCTV
2		AIKOM TECHNOLOGY SRL	Emilia-Romagna	12.835	164%	747	6%	722	641	13	
3		VIDEOTREND SRL	Lombardia	8.704	81%	667	8%	590	431	15	
4	41	SECURITY TRUST.IT SRL	Lombardia	8.484	54%	381	4%	294	149	47	
5		HILTRON SRL	Campania	5.383	48%	408	8%	191	165	48	Various
6		OPEN SKY SRL	Veneto	10.300	34%	845	8%	640	649	25	
7	2	INIM ELECTRONICS SRL	Marche	16.550	27%	5.752	35%	5.313	5.329	65	Anti-intrusion
8	24	SERTEC SRL	Veneto	6.052	19%	885	15%	843	943	9	
9		DODIC ELETTRONICA SRL	Lazio	6.340	16%	200	3%	148	143	15	
10	43	DAB SISTEMI INTEGRATI SRL	Lazio	16.077	15%	1.157	7%	1.063	776	96	
11	31	VIDEOTEC SPA	Veneto	22.895	15%	3.651	16%	2.993	2.728	105	CCTV
12	19	ARGUS SECURITY SRL	Lombardia	10.136	14%	819	8%	410	365	54	Fire-fighting
13		DOPPLER SRL	Piemonte	7.577	14%	696	9%	646	640	25	
14	36	TRANS AUDIO VIDEO	Campania	9.725	14%	469	5%	425	409	17	
15	42	SELESTA INGEGNERIA SPA	Liguria	24.949	14%	5.437	22%	2.325	549	194	Physical security
16	39	ITS ITALELETRONICA SRL	Abruzzo	6.319	12%	403	6%	267	141	21	
17		DEATRONIC SRL	Lazio	5.308	12%	161	3%	103	33	21	Various
18	15	VENITEM SRL	Veneto	7.389	12%	2.027	27%	1.909	1.906	21	Anti-intrusion
19	9	DISTRIBUZIONE APPARECCHIATURE SICUREZZA DIAS SRL	Lombardia	15.144	10%	884	6%	716	701	5	
20	32	EL.MO. SPA	Veneto	16.008	10%	1.185	7%	774	571	54	Various
21		TOP ITALIA SRL	Sicilia	5.697	9%	349	6%	240	132	9	
22	11	SMITHS DETECTION ITALIA SRL	Lombardia	5.904	8%	1.518	26%	935	985	17	Fire-fighting
23	1	LASERLINE SAFETY AND SECURITY SYSTEMS SRL	Lombardia	8.263	8%	389	5%	209	139	23	Access Control
24	13	TELEFONIA E SICUREZZA SPA	Lombardia	5.887	6%	-156	-3%	-213	-130	41	
25	29	VAGO SPA	Lombardia	7.363	5%	1.051	14%	521	523	36	
TOP 25 Average by growth				10.250	37%	1.217	10%	901	782	40	
Total Average				4.451	10%	373	6%	268	233	19	

The average growth of the top 25 in the classification is more than three times that of the entire sample (+10%). The figures for absolute profitability confirm this difference.



**TABLE 3**  
**TOP 25 OF THE WHOLE SECTOR BY EBITDA/SALES (SMALL-MEDIUM ENTERPRISES AND CORPORATIONS)**

2013 Classification	2012 Classification	Company Name	Region	Income	Growth of Income	EBITDA	EBITDA/Sales Margin	EBIT	EBT	No. employees	Sector
1	4	INIMELECTRONICSSRL	Marche	16.550	27%	5.752	35%	5.313	5.329	65	Producer
2	1	COMBIVOX SRL	Puglia	7.193	0%	2.075	29%	1.968	1.974	28	Producer
3	5	VENITEM SRL	Veneto	7.389	12%	2.027	27%	1.909	1.906	21	Producer
4	10	SMITHSDETECTIONITALIASRL	Lombardia	5.904	8%	1.518	26%	935	985	17	Producer
5	6	TECNOALARMSRL	Piemonte	29.390	2%	7.422	25%	6.775	6.787	112	Producer
6	3	BENTELSECURITYSRL	Abruzzo	25.251	2%	5.504	22%	4.976	4.830	138	Producer
7	12	SELESTAINGEGNERIASPA	Liguria	24.949	14%	5.437	22%	2.325	549	194	Producer
8	7	AVSELECTRONICSPA	Veneto	10.286	-0%	2.214	22%	2.059	2.016	45	Producer
9	2	SISTEMIINTEGRATISRL	Emilia-Romagna	15.104	-0%	2.624	17%	1.762	1.747	11	Syst Int
10	8	NOTIFIERITALIASRL	Lombardia	42.134	-3%	7.137	17%	6.286	6.309	86	Producer
11	18	VIDEOTECSPA	Veneto	22.895	15%	3.651	16%	2.993	2.728	105	Producer
12	13	BORDOGNASPA	Lombardia	7.643	-14%	1.180	15%	464	25	63	Producer
13	11	SERTECSRL	Veneto	6.052	19%	885	15%	843	943	9	Distributor
14	17	VAGOSPA	Lombardia	7.363	5%	1.051	14%	521	523	36	Syst Int
15	21	PROJECTAUTOMATIONSPA	Lombardia	42.783	0%	5.451	13%	4.673	1.383	214	Syst Int
16	9	PILOMATSRL	Lombardia	6.542	-12%	756	12%	540	570	34	Producer
17	15	SICEPSA	Toscana	7.286	-11%	695	10%	137	-132	43	Producer
18	16	CESPROSRL	Toscana	11.242	-12%	1.040	9%	953	1.070	61	Producer
19	35	DOPPLERSRL	Piemonte	7.577	14%	696	9%	646	640	25	Distributor
20	23	C.I.S.A.-COSTRUZIONIIPIANTISPECIALIANTIFURTOSRL	Lombardia	7.987	-3%	730	9%	681	692	28	Syst Int
21	39	SAIMASICUREZZASPA	Toscana	27.574	-18%	2.466	9%	1.961	2.009	103	Producer
22	20	SENSITRON SRL	Lombardia	6.018	1%	534	9%	465	506	12	Producer
23	14	TELEIPIANTISPA	Emilia-Romagna	6.206	-10%	512	8%	451	451	39	Syst Int
24	42	OPENSYS SRL	Veneto	10.300	34%	845	8%	640	649	25	Syst Int
25	22	ARGUSSECURITYSRL	Lombardia	10.136	14%	819	8%	410	365	54	Producer
TOP 25 Average by EBITDA/SALES				14.870	3%	2.521	16%	2.028	1.794	63	
Total Average				4.451	10%	373	6%	268	233	19	

The average Ebitda/Sales figure for the top 25 is almost three times that of the entire sample: 16 compared with 6%.



method for the internal analysis of the single companies making up the sector, an analysis of their accounts, suppliers and customers that is financial as well as strategic. Because knowing the sector is the first step towards knowing ourselves and it's the essential preliminary to preparing ourselves for the big change we all agree is needed. This is the mission of Italian Security Leaders and it's to support this mission that we've divided the survey in two parts, publishing only the trend data in the first instalment and leaving the tables and figures for the present issue. We would ask you to study them in the right spirit. You'll find the methodological premises in the previous part.



### MULTINATIONALS ACTIVE IN ITALY IN THE SECURITY SECTOR AND EXCLUDED FROM THE ANALYSIS

(alphabetical order)

Assa Abloy Italia	Physical defence
Bosch Security Systems Italia	Various
Canon Italia	CCTV
CBC Europe	CCTV
D-Link Mediterraneo	CCTV
Fujitsu Technology Solution	CCTV
JVC Professional Europe	CCTV
Panasonic Italia	CCTV
Pelco by Schneider Electric	CCTV
Samsung	CCTV
Siemens Italia	Various
Sony Italia	CCTV

The table shows multinationals that, under the vast umbrella of their business units, include some dealings with security in Italy (Video-surveillance, Fire prevention, Management Software, Building Automation, Anti-shoplifting devices, RFID, etc). Since it is not possible in most cases (as declared by the groups addressed themselves) to break down the security data from those of their activities as a whole or to separate the volumes produced in Italy from those produced in Europe or globally, we have decided to keep the sample separate, simply listing them in alphabetical order. The list considers only multinationals present in Italy with a direct outpost and an Italian VAT number.



### THE SAMPLE ANALYZED

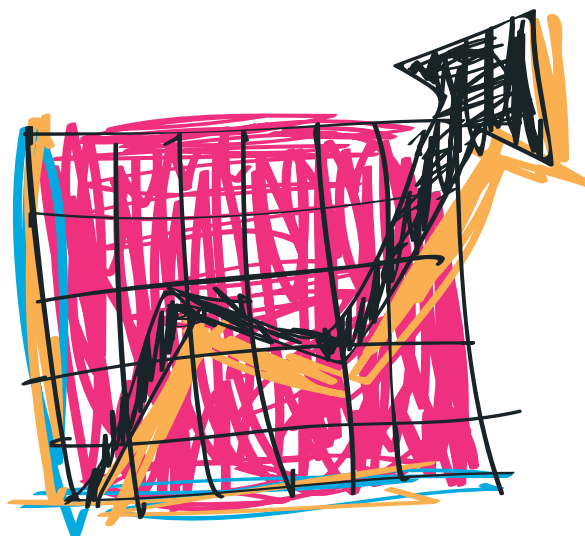
The sample analysed in this financial survey includes 304 companies:

- Italian or foreign, provided they have an **Italian VAT number**
- with a 2013 balance sheet (to be compared with the 2012 balance sheet) available in the principal databanks on 2 December
- operating exclusively or mainly in the security sector on the basis of the criterion of their main activity in the Italian security market
- active in the Italian security market.

The sample analysed in this financial survey does not include:

- Italian or foreign companies **whose balance sheet could not be viewed in the most common databanks** (Cerved - Infocamere, Aida - Bureau Van Dijk) on the date of 2 December 2014
- foreign companies which, though active on Italian territory, **do not have an Italian VAT number** (and whose balance sheet therefore could not be viewed)
- companies which, though active in the Italian security market, **have their core business in other productive sectors** (e.g. building, door and window fixtures, electronics, IT, spare parts, security services' providers, cables, telephone systems, time & attendance, telecommunications, consumer areas, automation, broadcasting, etc).

We have therefore **excluded multinationals not specifically dedicated to security**, since it was not possible (if not in mere percentage terms or with approximate estimates of the division) to separate the volume produced by the business units dedicated to security nor to separate the Italian figures from the European or worldwide ones.





**TABLE 4**  
**TOP 25 PRODUCERS BY TURNOVER**

2013 Classification	2012 Classification	Company Name	Region	Income	Growth of Income	EBITDA	EBITDA/Sales Margin	EBIT	EBT	No. employees	Sector
1	1	NOTIFIER ITALIA SRL	Lombardia	42.134	-3%	7.137	17%	6.286	6.309	86	Fire-fighting
2	3	TECNOALARM SRL	Piemonte	29.390	2%	7.422	25%	6.775	6.787	112	Anti-intrusion
3	2	SAIMA SICUREZZA SPA	Toscana	27.574	-18%	2.466	9%	1.961	2.009	103	Physical security
4	4	BENTEL SECURITY SRL	Abruzzo	25.251	2%	5.504	22%	4.976	4.830	138	Anti-intrusion
5	5	SELESTA INGEGNERIA SPA	Liguria	24.949	14%	5.437	22%	2.325	549	194	Physical security
6	7	VIDEOTEC SPA	Veneto	22.895	15%	3.651	16%	2.993	2.728	105	CCTV
7	6	ATRAL ITALIA SRL	Emilia-Romagna	21.302	2%	931	4%	636	638	57	Anti-intrusion
8	11	INIM ELECTRONICS SRL	Marche	16.550	27%	5.752	35%	5.313	5.329	65	Anti-intrusion
9	8	EL.MO. SPA	Veneto	16.008	10%	1.185	7%	774	571	54	Various
10	9	COOPER CSA SRL	Lombardia	12.257	-16%	370	3%	250	200	31	Anti-intrusion
11	13	ZUCCHETTI AXESS SPA	Lombardia	11.265	-5%	-106	-1%	-493	-693	62	Access Control
12	12	CESPRO SRL	Toscana	11.242	-12%	1.040	9%	953	1.070	61	Physical security
13	14	AVS ELECTRONICS SPA	Veneto	10.286	-0%	2.214	22%	2.059	2.016	45	Anti-intrusion
14	18	ARGUS SECURITY SRL	Lombardia	10.136	14%	819	8%	410	365	54	Fire-fighting
15	15	SINTEL ITALIA SPA	Lazio	10.081	0%	766	8%	214	8	53	Various
16	17	TECHNOMAX SRL	Lombardia	9.409	2%	509	5%	461	411	36	Physical security
17	16	SILENTRON SPA	Piemonte	9.329	-0%	346	4%	2.298	2.382	25	Anti-intrusion
18	20	MARCH NETWORKS SPA	Lombardia	8.326	-4%	339	4%	220	206	53	CCTV
19	10	GPS STANDARD SPA	Valle d'Aosta	7.821	-46%	544	7%	-246	-808	88	Anti-intrusion
20	19	BORDOGNA SPA	Lombardia	7.643	-14%	1.180	15%	464	25	63	Physical security
21	29	VENITEM SRL	Veneto	7.389	12%	2.027	27%	1.909	1.906	21	Anti-intrusion
22	22	LINCE ITALIA SPA	Lazio	7.379	-4%	269	4%	110	115	41	Anti-intrusion
23	21	SICEP SPA	Toscana	7.286	-11%	695	10%	137	-132	43	Anti-intrusion
24	25	COMBIVOX SRL	Puglia	7.193	0%	2.075	29%	1.968	1.974	28	Anti-intrusion
25	151	HIKVISION ITALY S.R.L.	Veneto	6.959	309%	499	7%	452	640	12	CCTV
TOP25 Average (Producers)				14.802	11%	2.123	13%	1.728	1.577	65	
Producers Average				5.127	6%	640	8%	487	444	25	

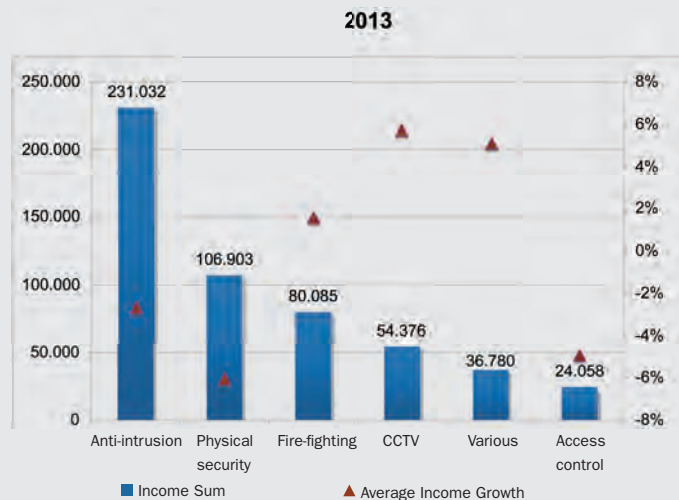
The Top 25 proved stronger in terms of profitability as well as income.

## PRODUCERS

At the top of the list of producers according to turnover (see **Tab. 4**) we find, once again, **Notifier Italia**, **Tecnoalarm** (which gains a position) and **Saima Sicurezza**, followed by **Bentel Security** and **Selesta Ingegneria**. These, too, have maintained last year's placing. The average income of the 25 best companies amounts to 14,802,000 euro, almost three times the average income for all the companies in the sample (5,127,000 euro). The top 25 also proved stronger in terms of profitability, that is to say the EBITDA margin (13% compared with 8%). As can be seen from **Figure 1** and **Table 5**, the anti-intruder sector provided the best results



**FIGURE 1**  
**PRODUCERS: 2013 INCOME BY GROWTH OF INCOME (ON 2013) BY PRODUCT**



The anti-intrusion sector is top by absolute values, but CCTV is first according to income growth.



**TABLE 5**  
**2013 INCOME AND INCOME GROWTH (COMPARED WITH 2012)**

2013 Classification	2012 Classification	Company Name	Region	Income	Growth of Income	EBITDA	EBITDA/Sales Margin	EBIT	EBT	No. employees
<b>Fire-fighting</b>										
1	1	NOTIFER ITALIA SRL	Lombardia	42.134	-3%	7.137	17%	6.286	6.309	86
14	18	ARGUS SECURITY SRL	Lombardia	10.136	14%	819	8%	410	365	54
<b>Anti-intrusion</b>										
2	3	TECNOALARM SRL	Piemonte	29.390	2%	7.422	25%	6.775	6.787	112
4	4	BENTEL SECURITY SRL	Abruzzo	25.251	2%	5.504	22%	4.976	4.830	138
7	6	ATRAL ITALIA SRL	Emilia-Romagna	21.302	2%	931	4%	636	638	57
8	11	INIM ELECTRONICS SRL	Marche	16.550	27%	5.752	35%	5.313	5.329	65
10	9	COOPER CSA SRL	Lombardia	12.257	-16%	370	3%	250	200	31
13	14	AVS ELECTRONICS SPA	Veneto	10.286	-0%	2.214	22%	2.059	2.016	45
17	16	SILENTRON SPA	Piemonte	9.329	-0%	346	4%	2.298	2.382	25
19	10	GPS STANDARD SPA	Valle d'Aosta	7.821	-46%	544	7%	-246	-808	88
21	29	VENITEM SRL	Veneto	7.389	12%	2.027	27%	1.909	1.906	21
22	22	LINCE ITALIA SPA	Lazio	7.379	-4%	269	4%	110	115	41
23	21	SICEP SPA	Toscana	7.286	-11%	695	10%	137	-132	43
24	25	COMBIVOX SRL	Puglia	7.19	0%	2.075	29%	1.968	1.974	28
<b>Physical security</b>										
3	2	SAIMA SICUREZZA SPA	Toscana	27.574	-18%	2.466	9%	1.961	2.009	103
5	5	SELESTA INGEGNERIA SPA	Liguria	24.949	14%	5.437	22%	2.325	549	194
12	12	CESPRO SRL	Toscana	11.242	-12%	1.040	9%	953	1.070	61
16	17	TECHNOMAX SRL	Lombardia	9.409	2%	509	5%	461	411	36
20	19	BORDOGNA SPA	Lombardia	7.643	-14%	1.180	15%	464	25	63
<b>CCTV</b>										
6	7	VIDEOTEC SPA	Veneto	22.895	15%	3.651	16%	2.993	2.728	105
18	20	MARCH NETWORKS SPA	Lombardia	8.326	-4%	339	4%	220	206	53
25	151	HIKVISION ITALY SRL	Veneto	6.959	309%	499	7%	452	640	12
<b>Others</b>										
9	8	EL.MO. SPA	Veneto	16.008	10%	1.185	7%	774	571	54
15	15	SINTEL ITALIA SPA	Lazio	10.08	0%	766	8%	214	8	53
<b>Access control</b>										
11	13	ZUCCHETTI AXESS SPA	Lombardia	11.265	-5%	-106	-1%	-493	-693	62
TOP25 Average (Producers)				14.802	11%	2.123	13%	1.728	1.577	65
Producers Average				5.127	6%	640	8%	487	444	25

The principal companies divided according to product.

in terms of overall turnover (231,032,000 euro) followed by physical security (106,903,000), fire prevention (80,085,000), CCTV (54,376,000) and access control (24,058,000). In terms of income growth, however, CCTV takes first place at slightly under 6%.

## CABLE PRODUCERS

In this investigation, too, cable-producing companies have been separated from the others since – though they are normally targeted at different sectors and not principally at the security market – they play an important role in the sector (especially in the light of the convergence between security and networking). Once again, the sector leader is **Ramcro**, well ahead of its competitors in spite of a decrease in its income since 2012.






**TABLE 6**  
**CABLE PRODUCERS**

2013 Classification	2012 Classification	Company Name	Region	Income	Growth of Income	EBITDA	EBITDA/Sales Margin	EBITDA Growth	EBIT	EBT	No. employees
1	1	RAMCRO SPA	Lombardia	24.102	-17%	1.560	6%	2%	828	294	55
2	2	PROSPECTA CAVI SPECIALI SRL	Emilia-Romagna	8.956	7%	451	5%	10%	237	91	28
3	3	ELAN SRL	Marche	6.298	-10%	168	3%	16%	151	99	10
4	4	BETA CAVI SRL	Campania	6.258	6%	738	12%	32%	341	206	29
5	5	MICRO TEK S.R.L.	Lombardia	4.862	-5%	414	9%	49%	385	392	7
6	6	LUCEAT SRL	Lombardia	874	-41%	-207	-24%	-10%	-254	-253	18

Ramcro is once again the leader in the sector, but Beta Cavi is top in terms of profitability.


**TABLE 7**  
**TOP 25 DISTRIBUTORS BY TURNOVER**

2013 Classification	2012 Classification	Company Name	Region	Income	Growth of Income	EBITDA	EBITDA/Sales Margin	EBIT	EBT	No. employees
1	1	HESA SPA	Lombardia	35.125	4%	1.042	3%	590	529	68
2	2	ELECTRONIC'S TIME SRL	Puglia	16.813	-3%	1.215	7%	969	511	37
3	4	DISTRIBUZIONE APPARECCHIATURE SICUREZZA DIAS SRL	Lombardia	15.144	10%	884	6%	716	701	5
4	3	SICURTEC SRL	Lombardia	14.379	0%	305	2%	201	107	52
5	19	AIKOM TECHNOLOGY SRL	Emilia-Romagna	12.835	164%	747	6%	722	641	13
6	5	S. & A. SRL	Lombardia	10.827	-1%	3	0%	-46	-49	31
7	7	TRANS AUDIO VIDEO	Campania	9.725	14%	469	5%	425	409	17
8	6	SICURTEC BRESCIA SRL	Lombardia	9.272	4%	503	5%	321	123	21
9	8	LASERLINE SAFETY AND SECURITY SYSTEMS SRL	Lombardia	8.263	8%	389	5%	209	139	23
10	10	DOPPLER SRL	Piemonte	7.577	14%	696	9%	646	640	25
11	14	DODIC ELETTRONICA SRL	Lazio	6.340	16%	200	3%	148	143	15
12	13	ITS ITALELETRONICA SRL	Abruzzo	6.319	12%	403	6%	267	141	21
13	11	CHECKPOINT SOCIETA A RESPONSABILITA LIMITATA	Lazio	6.074	2%	133	2%	112	71	16
14	16	SERTEC SRL	Veneto	6.052	19%	885	15%	843	943	9
15	12	ASCANI ELETTRICOMM SRL	Marche	5.740	2%	243	4%	221	71	19
16	15	TOP ITALIA SRL	Sicilia	5.697	9%	349	6%	240	132	9
17	17	EL.SI. SRL	Calabria	4.871	-1%	198	4%	109	2	20
18	20	TRS STANDARD SRL	Veneto	4.751	-2%	-39	-1%	-85	-93	19
19	22	MICROCONTROL ELECTRONIC SRL	Lombardia	4.393	12%	124	3%	64	65	12
20	23	TROLESE SRL	Veneto	4.392	27%	215	5%	163	137	10
21	26	TELEVISTA SRL	Veneto	4.295	33%	104	2%	84	48	13
22	21	VITEKNA DISTRIBUZIONE SRL	Campania	4.239	-6%	306	7%	263	252	12
23	27	FPM SRL	Veneto	4.096	30%	126	3%	68	30	7
24	28	SECURITY DISTRIBUTION POINT SRL	Toscana	4.096	30%	126	3%	68	30	7
25	18	EUROGROUP SRL	Lombardia	3.950	-19%	28	1%	-15	-110	11
TOP 25 Average (Distributors)				8.611	15%	386	4%	292	224	20
Average Distributors				3.596	23%	160	3%	114	83	9

**Table 7.** Top 25 distributors by turnover – the average turnover is around 8.6 million euro, higher than in 2012, but profitability levels are fairly lower: the average contribution margin is 4%.

**ITALIAN SECURITY LEADERS**




**TABLE 8**  
**TOP 25 PRODUCERS-DISTRIBUTORS BY TURNOVER**

2013 Classification	2012 Classification	Company Name	Region	Income	Growth of Income	EBITDA	EBITDA/Sales Margin	EBIT	EBT	No. employees	Sector
1	1	UTC FIRE & SECURITY ITALIA SRL	Lombardia	23.759	-6%	948	4%	669	3.474	44	Various
2	2	HONEYWELL SECURITY ITALIA SPA	Lombardia	21.544	-6%	-1.637	-8%	-2.151	-2.262	54	Various
3	3	GUNNEBO ITALIA SPA	Lombardia	18.037	-9%	-1.013	-6%	-1.419	-1.577	85	Physical security
4	4	SICURIT ALARMITALIA SPA	Lombardia	12.864	3%	143	1%	97	107	45	Various
5	NA	VIDEOTREND S.R.L. (*)	Lombardia	8.704	81%	667	8%	590	431	15	CCTV
6	5	BETTINI SRL	Lombardia	8.027	-5%	-225	-3%	-344	-392	44	CCTV
7	NA	SAET I.S. (**)	Piemonte	6.768	7%	999	15%	745	810	25	Anti-intrusion
8	7	GSG INTERNATIONAL SRL	Lombardia	3.940	17%	191	5%	146	42	15	CCTV
9	6	MESA SRL	Toscana	3.368	-32%	301	9%	63	-102	13	Various
10	9	TECNOPOST SPA	Lombardia	2.309	6%	51	2%	-16	38	21	Physical security
11	8	EICO ELETTRONICA INDUSTRIALE COMENSE SRL	Lombardia	2.172	-26%	-85	-4%	-182	-320	11	CCTV
12	10	SIQR SRL	Lombardia	825	-23%	-111	-13%	-116	-173	4	CCTV

TOP 25 Average (Producers/Distributors)

9.360 1% 19 1% -160 6 31

(\*) Reclassified from distributor to producer / distributor  
(\*\*) Combination of SAET I.S. e SAET Service

With an average billing of 9.36 million euro, the percentage increase in income on an annual basis was 1% – a positive figure in comparison with previous years.

In terms of profitability, on the other hand, **Beta Cavi** comes first with an EBITDA of 12% (see **Tab. 6**).

## DISTRIBUTORS

The classification of distributors by turnover (**Tab. 7**) is topped for the third year running by **Hesa**, followed by **Electronic's Time**, **DIAS**, **Sicurtec** and **Aikom Technology**. The average turnover of the Top 25 was around 8.6 million euro, higher than in 2012 and, as before, more than double the average for all the distributors (3.6 million euro). This figure is in contrast with the increase in income, where the average for the entire sample of distributors exceeded that of the top 25 (15% compared with 23%). Profitability levels, on the other hand, were generally on the low side: the average contribution margin was 4% for the top 25, 3% for the distributors as a whole. With a rating of KR4+ (as in 2012), the distributors in the sector continue to show a slightly lower financial solidity than that of the producers (KR5).

## PRODUCERS/DISTRIBUTORS

Producers/distributors are “hybrid” companies in which production and distribution have substantially the same weight (**Tab. 8**). We have identified twelve entities of this type in this year's edition, including Videotrend, which was classified last year as a pure distributor. The top three remain, as in 2012, **UTC Fire & Security Italia**, **Honeywell Security Italia-ADI Global** and **Gunnebo Italia**. With an average turnover of 9.36 million euro, the percentage increase in income on an annual base was 1%. This figure is nevertheless positive bearing in mind



**TABLE 9**  
**TOP 25 SYSTEM INTEGRATORS BY TURNOVER**

2013 Classification	2012 Classification	Company Name	Region	Income	Growth of Income	EBITDA	EBITDA/Sales Margin	EBITDA Growth	EBIT	EBT	No. employees
1	1	PROJECT AUTOMATION SPA	Lombardia	42.783	0%	5.451	13%	48%	4.673	1.383	214
2	3	DAB SISTEMI INTEGRATI SRL	Lazio	16.077	15%	1.157	7%	15%	1.063	776	96
3	2	SISTEMI INTEGRATI SRL	Emilia-Romagna	15.104	-0%	2.624	17%	-34%	1.762	1.747	11
4	7	OPEN SKY SRL	Veneto	10.300	34%	845	8%	179%	640	649	25
5	4	CONSORZIO NAZIONALE SICUREZZA SCARL	Campania	8.858	-16%	258	3%	-64%	153	164	8
6	14	SECURITY TRUST.IT SRL	Lombardia	8.484	54%	381	4%	-370%	294	149	47
7	5	C.I.S.A.- COSTRUZIONI IMPIANTI SPECIALI ANTIFURTO SRL	Lombardia	7.987	-3%	730	9%	9%	681	692	28
8	8	VAGO SPA	Lombardia	7.363	5%	1.051	14%	46%	521	523	36
9	10	TELETRONICA SPA	Friuli-Venezia Giulia	6.519	-5%	255	4%	-49%	-20	41	38
10	9	TELEIMPIANTI SPA	Emilia-Romagna	6.206	-10%	512	8%	-33%	451	451	39
11	11	SAIET TELECOMUNICAZIONI SPA	Emilia-Romagna	6.202	2%	-274	-4%	-16%	-320	-442	16
12	13	TELEFONIA E SICUREZZA SPA	Lombardia	5.887	6%	-156	-3%	-181%	-213	-130	41
13	6	TSI SYSTEM SPA	Lombardia	5.417	-30%	-45	-1%	-115%	-117	-180	29
14	12	TONALI SERVICE SRL	Lombardia	5.337	-6%	244	5%	-33%	-12	-82	14
15	15	F.G.S. BRESCIA SRL	Lombardia	4.752	-5%	221	5%	25%	140	83	35
16	18	SPEE SRL	Abruzzo	4.633	4%	814	18%	4%	207	100	37
17	22	CENTRUM SRL	Emilia-Romagna	3.982	4%	247	6%	-7%	208	209	21
18	21	COGEN SPA	Lombardia	3.742	-2%	154	4%	45%	126	81	25
19	16	DAGO ELETTRONICA SRL	Marche	3.639	-19%	250	7%	28%	153	131	38
20	20	CAMPUS SRL	Puglia	3.325	-14%	104	3%	-70%	41	67	31
21	23	ELETTRONICA CORTESI SRL	Emilia-Romagna	3.265	2%	136	4%	-204%	55	46	44
22	17	CITEL SPA(*)	Lombardia	3.244	-28%	429	13%	-10%	271	205	8
23	19	R.PIERRE DIGITAL SPA	Lombardia	3.154	-27%	99	3%	-82%	46	53	18
24	26	IVANO PROIETTI SISTEMI DI SICUREZZA SRL	Lazio	3.037	7%	132	4%	-211%	90	79	19
25	25	METROVOX SRL	Lazio	2.843	-1%	-194	-7%	-190%	-378	86	14
TOP 25 Average (System Integrators)				7.686	-1%	617	6%	-51%	421	275	37
System Integrators' Average				3.696	-2%	297	6%	-4%	203	137	20
(*) Reclassified from producer to systems integrator											

The average turnover of the Top 25 systems integrators is substantially unchanged compared with 2012, but profitability has decreased.

that the figure in previous years was a negative one. Profitability remains low – the average EBITDA margin was 1%.

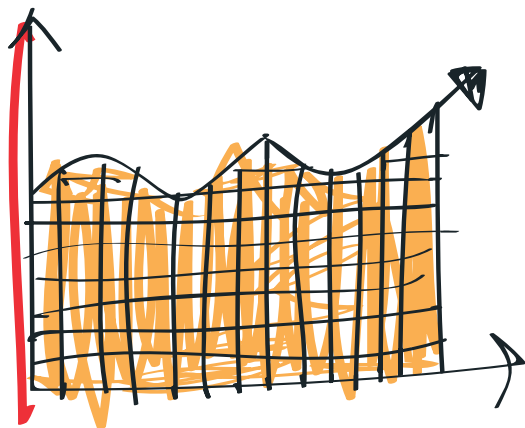
## SYSTEMS INTEGRATORS

The systems integrators sector is headed for the third year running by **Project Automation (Tab. 9)**, followed by **DAB Sistemi integrati** (which moves from third to se-

cond place) and **Sistemi Integrati**. The average turnover for the Top 25 systems integrators was substantially unchanged compared with 2012 (7,686,000 euro), and it continues to maintain a level more than double that of the average value for all integrators (3,696,000 euro). The contribution margin is now aligned with the average for the sample (in the previous edition there was a difference of no fewer than 5 percentage points). It should be noted, lastly, that the average EBITDA margin for the top 25 has decreased by 51% on an annual basis, a much larger reduction than the average for the entire sample of systems integrators (-4%). 2013, in short, seems to have penalized fairly heavily the profitability of the larger integrators.

## GEOGRAPHICAL DISTRIBUTION OF THE GROWTH

If we take as our reference the companies with a turnover above 5 million euro, **Table 10** reveals that in 2013,

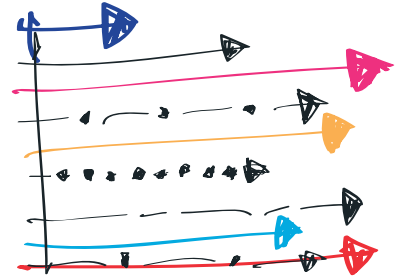






**TABLE 10**  
**GEOGRAPHICAL DISTRIBUTION**  
**OF GROWTH OF INCOME AND EBITDA/SALES**

Area	Growth of income average	EBITDA/Sales Average
Center	2%	8%
North-East	19%	10%
North-West	11%	7%
South	10%	11%
<b>Total</b>	<b>11%</b>	<b>8%</b>



Small-Medium Enterprises and Corporate



## THE 2012-13 ANIE FIGURES AND THE EVOLUTION OF THE MACRO-ECONOMIC FRAMEWORK IN 2014

The statistics published by ANIE/ANIE SICUREZZA on the evolution of the sector from 2012 to 2013 show that the internal market has held its own with an increase of one percentage point, in spite of the economic recession. The import figures are better still, with an increase of 2.5%. An analysis of the turnover trends by sector, lastly, reveals – as also emerged from our survey – that the CCTV sector had the highest growth rate (2.5%).

If we move our sights from Italy to the global economy we can see, first of all – from the data published on the [www.asmag.com](http://www.asmag.com) site – that during 2014 the world market for security systems and products has continued to **grow**, but **more slowly** than the research company had initially forecast (2-3% compared with an estimated 8-10%).

Secondly, at practically all sales channels levels, the small-to-medium enterprises have suffered a **reduction in their margins**. There is no doubt that the security sector is reflecting the highly critical situation of the global economic-financial framework. A large part of this sector, after all, depends on large-scale projects implemented with public funding. With public finance in a parlous state (we need only think of the Southern European countries), these projects are inevitably frozen in the hope of better times to come. The **difficulty of reconciling growth with profitability**, a problem our survey has emphasized several times, is a general phenomenon that has continued during 2014, urged on by the price war that imposes a difficult decision on companies: should they sacrifice growth or profit margins? This dilemma – as emerged in the previous edition of the Security Top 50 of a&s International – has induced many operators to shift from single products to systems/solutions. Another major challenge regards, in particular, **systems integrators** which, in small-to-medium-scale projects, still have to deal with far from negligible problems arising from the **compatibility and interoperability between products of different makes**. Not forgetting that the transition from products to solutions requires integrators to learn how to sell services that are really capable of generating value. 2014 has consolidated, lastly, the gradual **transformation** process involving **distributors**. Many experts of the sector have underlined the difficulties met by these latter on account of the erosion of their margins and problems in obtaining the products and services requested by their customers. A consultant interviewed by the sister magazine a&s International declared that, in order to be successful, a distributor must essentially follow one of two paths: become a large logistics company or focus single-mindedly on specific vertical sectors (or geographical areas or typologies of customers). History will judge.

### 2013/2012 Variation – Sector

Domestic market	1,0 %
Total turnover	0,9 %
Export	0,9 %
Import	2,5 %

### 2013/2012 Variation – Turnover trends of the sectors

Fire-fighting	0,5 %
Anti-intrusion, divided into:	1,3 %
- Anti-intrusion and Central Monitoring Systems	-1,8 %
- Access Control	0,4 %
- CCTV	2,5 %
Building Automation	0,3 %

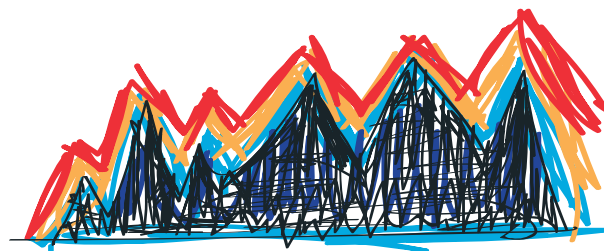


**TABLE 11**  
**GEOGRAPHICAL DISTRIBUTION OF GROWTH**

Sector	CENTRE		NORTH-EAST		NORTH-WEST		SOUTH	
	No.	Income	No.	Income	No.	Income	No.	Income
Distributor	13	31.955	23	68.230	32	142.216	15	56.091
Pro/distr	1	3.368			11	102.643		
Producer	20	108.193	25	122.497	55	263.401	5	41.568
Syst Int	13	36.403	21	71.997	28	117.717	4	17.843
<b>Total</b>	<b>47</b>	<b>179.919</b>	<b>69</b>	<b>262.724</b>	<b>126</b>	<b>625.977</b>	<b>24</b>	<b>115.503</b>

too, higher profitability was registered in the companies of the South, followed by those of the North-East. Furthermore, while the South and the North-East have seen a real growth in their respective turnover figures, the opposite has been the case with the North-West and the Centre. The North-West is nevertheless the region with the highest turnover in absolute terms.

A geographical analysis of the distribution of the typologies of companies classified as corporations and small-medium enterprises (**Tab. 11**) confirms the North-West as the region with the highest concentration of companies in each category. Producers prevail in all areas except the South, where distributors are more numerous.



## GLOSSARY

**Ranking:** shows the position of the company in relation to the parameter classified.

**Gross profit:** the difference between income and costs, excluding extraordinary costs, taxes and any other duties.

**Gross Profit/Sales:** known as Gross Profit Margin; the gross profit as a percentage of the sales.

**EBT (*Earnings before taxes*):** the income the company is able to generate before taxes and net of financial costs.

**EBIT (*Earnings before interest and taxes*):** the company's operative income, or the income it is able to generate before taxes and financial costs.

**EBITDA (*Earnings Before interest, Taxes, Depreciation and Amortization*):** the profit gross of payable interest, taxes and depreciation on tangible and intangible assets; a fundamental indicator of profitability.

**EBITDA/Sales:** also known as the EBITDA margin; the ratio between EBITDA and sales, showing the gross profitability of the sales; this parameter helps us to understand better the incidence of costs over time. A higher value indicates a more efficient and better performing company.



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