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La Redazione

# Italian Security Leaders, Top 25: growing...without compromises



This is already the fourth 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 four-year basis, taking a look at the progress of the security sector over the entire period from 2011 to 2014, together with some preliminary considerations on 2015, the results of which are about to come in. And yes, it's true that the four years we're analysing haven't been brilliant for the Italian economy taken as a whole. As far as our sector's concerned, though, our inquiry shows it to be mature. What's more, it's growing all the time without compromising its profitability.

**T**his analysis is declaredly journalistic in its format. It derives from a deep, unbroken knowledge of the market, from its beginnings in the 1970s through to more recent evolutions. Rather than a “value” assessment, it aims to give a “sector” assessment. A watchful, rigorous classification, that is to say, and the first within the memory of the sector, of an industry that is becoming increasingly dynamic and integrated.

But this financial inquiry intends to provide far more than a mere X-ray photo of the market. What we want to propose is a method for a company to make its own internal analysis. A method for looking inward at its accounts, its numbers, its suppliers and its customers. A means to improvement, to change if need be, and in any case to growth. For there can be no doubting that, today more than ever, company analysis, financial as well as strategic, is a basic element for the success or failure of a company. For this reason, this year we have split Italian Security Leaders, Top 25 into two parts. In this issue we publish only the statistics relating to evolution and trends. In February 2016 we will give the figures company by company. This way, we hope that readers will have fully metabolized this first part, which we consider the most important for the goals we have always sought to achieve. Our aim, as ever, is to know the sector in order to know ourselves.

## METHODOLOGY

This is our fourth annual survey on the state of the security sector in Italy. From year to year we have consolidated our methodology, and we believe it now represents the best possible balance between accurate analysis and maximum coverage of the sample. First of all, we have limited our analysis to companies – including foreign ones – with an Italian VAT number. This means we can find details of their financial statements in the principal databanks, and in particular Aida –Bureau Van Dijk. That is why we are completing this inquiry only now. The time technically necessary for the companies to present their financial statements and for these to become visible in the databanks means that it is difficult to get a good coverage of the sample before autumn of the following year.



## THE SAMPLE ANALYZED

**The sample analysed in this financial survey includes 365 companies:**

- Italian or foreign, provided they have an **Italian VAT number**
- with a 2014 balance sheet (to be compared with the 2013 balance sheet) available in the principal databanks on **20 November 2015**.
- 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 **20 November 2015**
- **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.

## OPERATIONAL CATEGORIES

In order not to double or treble the figures by mixing together production, distribution and installation/integration, each of which has its respective margins and mark ups, we have once again subdivided the Top 25 into four basic operational categories. These are production, distribution, integration and production/distribution. This latter is a fairly common “hybrid” category.



## 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.**

## 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, components, telephone systems, networking, time & attendance). A similar decision was made for units for which security is a marginal or in any case minority component of the overall business revenue. We have, for example, kept separate from the general cate-

gory 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 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 and simply to list them in alphabetical order in a separate box. You should note that this box refers only to multinationals that are present in Italy with a company and an Italian VAT number. There is a third type of multinational found on the Italian market and it is often a significant one. These are Italian companies that are part of foreign groups whose core business is security. Companies of this kind have been included in the survey sample because they are entirely dedicated to security and have Italian VAT numbers. In many cases, though, they do not get into the top 25 because the administrative policies of their mother companies favour invoicing directly abroad.

To sum up, then, there are three types of multinationals operating in Italy in the security sector:

1. those active with a foreign VAT number (excluded from this research by default since it is impossible to obtain their financial statements);
2. those active with an Italian VAT number and dedicated exclusively to security (included in this research, even if many of them invoice directly abroad in the majority of cases, with the result that they do not get at the first positions of our Top 25);





FIGURE 1

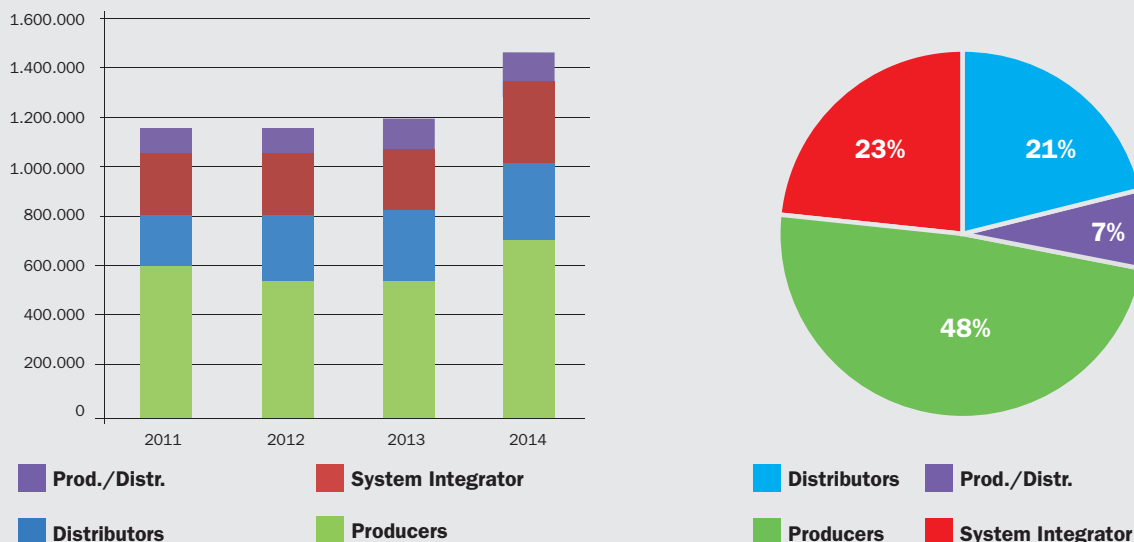


Figure 1. Distribution of income on the overall sample. Note the prevalence of producers at 48%.

- those active with an Italian VAT number but with only a business unit dedicated to security (excluded from this research because their core business is not security).

## THE SAMPLE ANALYZED

In order to identify the 25 security companies that performed best on the Italian market during 2014, a&s Italy and KF Economics selected a sample of 365 Italian incorporated companies. This figure came from our examination of a first sample of nearly 600 operators linked in some way to the security sector. These were whittled down according to the following criteria: location on the territory (with an Italian VAT number) and focus on the Italian market; core business in the security sector; main activity (category operative in the supply chain). All this with the distinguishing features described above.

We have regularly updated this sample over the past four years. As and when necessary, entities are added that have newly entered the market or have acquired a

degree of visibility they did not have previously. Similarly, operators are removed when security can no longer be considered their core business. This decision, as always, brings its disadvantages. We may lose sight of important entities, especially in the CCTV field – that is to say, multinationals. But, as we said above, we feel it is inadvisable to use unofficial information on the division of the company revenue by sector of activity, except where a company has been constituted that is dedicated exclusively to security.

As can be seen in **Figure 1**, the sample analysed remains fairly stable as to the proportions between the players. As a result of the ongoing inclusion of new entities (increased this year to 365 from 250 in 2012), the coverage of the sector has gradually widened. This has also brought improved authority to our study and its ability to reflect the overall development of the sector. The sample is still dominated, therefore, by producers, who represent 48% of the revenue, followed by distributors and systems integrators, which cover a further 45%. The remaining 7% is represented by producers/distributors.



TABLE 1

2014 Revenue Classification	2013 Revenue Classification	Company Name	Region	Revenue	Growth of Revenue	EBITDA	EBITDA Sales Margin	EBIT	EBT	No. employees	Sector
1	2	NOTIFIER ITALIA SRL	Lombardia	43.321	3%	6.893	16%	6.143	6.243	89	Producer
2	1	PROJECT AUTOMATION SPA	Lombardia	38.668	-10%	2.435	6%	1.627	1.831	206	System integrator
3	3	HESA SPA	Lombardia	35.353	1%	1.274	4%	741	656	67	Distributor
4	n.d.	CIMA S.P.A.	Emilia-Romagna	31.368	397%	6.226	20%	5.960	6.006	95	Producer
5	4	TECNOALARM SRL	Piemonte	30.340	3%	7.730	25%	6.978	6.984	114	Producer
6	5	SAIMA SICUREZZA SPA	Toscana	27.341	-1%	3.088	11%	2.532	2.541	113	Producer
7	6	BENDEL SECURITY SRL	Abruzzo	26.977	7%	6.101	23%	5.551	5.370	140	Producer
8	7	SELESTA INGEGNERIA SPA	Liguria	22.198	-11%	4.620	21%	1.583	-666	186	Producer
9	8	UTC FIRE & SECURITY ITALIA SRL	Lombardia	21.956	-8%	1.077	5%	1.031	-3.056	41	Prod/Distr
10	11	ATRAL ITALIA SRL	Emilia-Romagna	19.985	-6%	536	3%	141	143	57	Producer
11	14	INIM ELECTRONICS SRL	Marche	19.622	19%	7.431	38%	6.722	6.710	70	Producer
12	10	HONEYWELL SECURITY ITALIA SPA	Lombardia	19.273	-11%	-1.099	-6%	-1.426	-2.073	58	Prod/Distr
13	9	VIDEOTEC SPA	Veneto	19.101	-17%	1.493	8%	906	977	104	Producer
14	13	ELECTRONIC'S TIME S.R.L.	Puglia	17.511	4%	1.074	6%	830	415	42	Distributor
15	12	GUNNEBO ITALIA SPA	Lombardia	17.317	-4%	-446	-3%	-597	-242	77	Prod/Distr
16	16	EL.MO. SPA	Veneto	17.178	7%	1.213	7%	847	651	62	Producer
17	17	DISTRIBUZIONE APPARECCHIATURE SICUREZZA DIAS SRL	Lombardia	16.668	10%	1.406	8%	919	919	6	Distributor
18	15	DAB SISTEMI INTEGRATI SRL	Lazio	16.653	4%	819	5%	694	568	89	System integrator
19	21	AIKOM TECHNOLOGY S.R.L.	Emilia-Romagna	15.554	21%	839	5%	779	690	14	Distributor
20	18	SISTEMI INTEGRATI SRL	Emilia-Romagna	14.653	-3%	2.629	18%	1.717	1.699	14	System integrator
21	19	SICURTEC SRL	Lombardia	14.566	1%	394	3%	225	126	50	Distributor
22	50	HIKVISION ITALY S.R.L.	Lombardia	13.748	98%	298	2%	232	177	21	Producer
23	n.d.	DATA GENERAL SECURITY S.R.L.	Lazio	12.753	-37%	-94	-1%	-160	-289	10	System Integrator
24	22	COOPER CSA SRL	Lombardia	12.627	3%	1.480	12%	1.309	-108	29	Producer
25	20	SICURIT ALARMITALIA SPA	Lombardia	12.386	-4%	453	4%	383	384	44	Prod/Distr
		TOP 25 Average		21.485	19%	2.315	10%	1.827	1.466	72	
		smE and corporations average		12.054	18%	1.161	9%	837	703	45	

**Table 1.** TOP 25 of the whole sector by revenue (data in thousands of euro). The average REVENUE of the Top 25 in 2014 was 21 million – almost five times the average of 4.4 million for the entire sample.

## TOP 25: KEY POINTS

There were no substantial changes between 2013 and 2014. The 2013 leaders held their place in almost all classifications. A year-by-year analysis of profitability and

growth (SME and corporate entities) shows how, starting in 2012, there has been a steady increase in the revenues of the sample companies, with margins remaining substantially stable. This shows that the sector has succeeded in growing without compromising its profitability.

**Past trends of the value/rating** show **different paths** for the four types of company considered:

- **systems integrators** and producers have witnessed a reversal of the growth in their rating and value which we noted from 2012 to 2013. We must remember, though, that systems integrators are the sample that has undergone the greatest evolution compared with 2013. These changes are also due, therefore, to the features of the new operators who have entered the lists;
- if **producers/distributors** worsened in terms of both value and rating from 2012 to 2013, from 2013 to 2014 their rating further weakened while their value improved. It nevertheless remains less than excellent. Even though their rating is good, their failure to generate value undermines their long-term solidity.
- **distributors**, on the other hand, have seen an increase in both rating and value.

## 1. GENERAL CLASSIFICATION BY REVENUE

A look at the TOP 25 classification for all entities (producers, distributors, systems integrators and producers/distributors), ordered by revenue, shows that this group of companies has remained substantially stable over the last four years. There have been few new entries and few changes of position in the classification. In the first five positions we find Notifier Italia (43.3 million euro), followed by Project Automation (38.7 million), Hesa (35.3 million), Cima (31.3 million) and Tecnoalarm (30.3 million). This trend reflects a mature sector. Its leaders have by now implemented solid operative models, and these allow them to face even the most turbulent years without loss of leadership. We should note the entry into the classification of two new entities that were not part of the sample in the previous years: Cima and Data General Security. Also to be noted is the leap forward by Hikvision, which moves from 50<sup>th</sup> to 22<sup>nd</sup> position as the result of an impressive 98% growth. The Security 50 classification, moreover, shows this advance to have been worldwide – see p. 42. Looking at the results geographically, however, we have to note the almost total absence of companies from



TABLE 1 B

	Income	Income Growth	EBITDA	EBITDA Sales Margin	EBIT	EBT	No. employees
<b>2011</b>	23.871	6%	2.028	8%	1.454	1.325	66
<b>2012</b>	20.429	-4%	1.876	8%	1.294	-242	81
<b>2013</b>	20.644	8%	2.106	9%	1.624	1.457	73
<b>2014</b>	21.485	19%	2.315	10%	1.827	1.466	72

**TABLE 1 b.** A comparison between the TOP 25 in the entire sector by revenue. After the hiatus in 2012 there has been an improvement in margins.



TABLE 1 C.

	Income	Income Growth	EBITDA	EBITDA Sales Margin	EBIT	EBT	No. employees
<b>2011</b>	5.539	26%	460	7%	325	283	34
<b>2012</b>	4.191	19%	317	4%	203	45	22
<b>2013</b>	4.451	10%	373	6%	268	233	19
<b>2014</b>	4.406	39%	387	-4%	266	219	18

**Table 1 c.** A comparison between the samples in the entire sector from 2011 to 2014. The average revenue diminished during the observation period, but this is due to the enlargement of the sample.

Southern Italy (see **Table 1**).

Variations over these four years have not been marked, but if we compare the averages of the various TOP 25 classifications (see **Table 1 b**), we see that, after a considerable slowing in 2012, margins have improved, compared with a reduction in the average revenue – the EBITDA/Sales has increased from 8% to 10%. The evolution of the sample (**Table 1 c**) also shows a reduction in the average revenue. It must not be forgotten, however, that this factor is also a logical consequence of the extension of the sample to new entities. The most useful indicator for an understanding of the average revenue of the sector is the average growth of the SME and Corporate entities, which are less “sullied” by smaller, more volatile entities. This gives a value of 18%, very close to the 19% of the TOP 25 (see **Table 1**).



TABLE 2

2014 Growth Classification	2013 Growth Classification	Company Name	Region	2014 Revenue	Growth of Revenue 2014 on 2013	EBITDA	EBITDA Sales Margin	EBIT	EBT	No. employees	Sector
1	n.d.	LOGITAL SRL	Liguria	5.577	732%	118	2%	66	65	1	System Integrator
2	n.d.	CIMA S.P.A.	Emilia-Romagna	31.368	397%	6.226	20%	5.960	6.006	95	Producer
3	n.d.	TELEMATIC SOLUTIONS S.R.L.	Lombardia	6.775	167%	790	12%	782	807	23	Producer
4	1	HIKVISION ITALY S.R.L.	Lombardia	13.748	98%	298	2%	232	177	21	Producer
5	n.d.	CONSIAG S.P.A.	Toscana	7.760	49%	4.260	55%	511	3.005	1	System Integrator
6	61	COMETA - S.P.A.	Toscana	8.488	36%	383	5%	223	197	36	Producer
7	n.d.	TELEVISTA S.R.L.	Veneto	5.770	34%	128	2%	109	64	13	Distributor
8	51	TELETRONICA SPA	Friuli-Venezia Giulia	8.687	33%	538	6%	297	81	47	System integrator
9	n.d.	SELCOM S.R.L.	Veneto	9.522	31%	2.011	21%	1.805	1.867	17	System Integrator
10	3	VIDEOTREND S.R.L.	Lombardia	10.909	25%	788	7%	706	496	30	Prod/Distr
11	2	AIKOM TECHNOLOGY S.R.L.	Emilia-Romagna	15.554	21%	839	5%	779	690	14	Distributor
12	69	TSI SYSTEM SPA	Lombardia	6.452	19%	338	5%	253	165	26	System integrator
13	7	INIM ELECTRONICS SRL	Marche	19.622	19%	7.431	38%	6.722	6.710	70	Producer
14	n.d.	S.I.C.E. SOCIETA' ITALIANA COSTRUZIONI ELETTRONICHE S.R.L.	Toscana	10.287	17%	507	5%	444	426	14	System Integrator
15	38	COMBIVOX SRL	Puglia	8.402	17%	1.938	23%	1.658	1.667	40	Producer
16	n.d.	SYNC LAB S.R.L.	Campania	7.494	16%	850	11%	366	153	154	Producer
17	n.d.	BOSCH SECURITY SYSTEMS S.P.A.	Lombardia	12.030	13%	379	3%	359	369	17	Producer
18	n.d.	CIODUE S.P.A.	Lombardia	11.013	13%	834	8%	615	590	44	Producer
19	13	DOPPLER SRL	Piemonte	8.500	12%	615	7%	535	536	31	Distributor
20	37	SENSITRON SRL	Lombardia	6.711	12%	672	10%	603	601	14	Producer
21	18	VENITEM SRL	Veneto	8.239	12%	2.207	27%	2.098	2.192	23	Producer
22	19	SINTEL ITALIA SPA	Lazio	11.216	11%	815	7%	263	81	48	Producer
23	19	DISTRIBUZIONE APPARECCHIATURE SICUREZZA DIAS SRL	Lombardia	16.668	10%	1.406	8%	919	919	6	Distributor
24	63	PILOMAT SRL	Lombardia	7.074	8%	1.133	16%	932	943	36	Producer
25	50	NAI S.R.L.	Veneto	7.014	7%	224	3%	92	41	15	Producer
		TOP 25 Average BY GROWTH		10.595	72%	1.429	12%	1.093	1.154	33	
		smE and corporations average		12.054	18%	1.161	9%	837	703	45	
		Total Average		4.406	39%	387	-4%	266	219	18	

**Table 2.** TOP 25 OF THE WHOLE SECTOR BY GROWTH OF INCOME (SMALL-MEDIUM ENTERPRISES AND CORPORATIONS). This classification is characterized by a high rotation of companies.

Both the overall sample and the TOP 25 reveal, lastly, a worrying decrease in the average number of employees. This, combined with the increase in revenue, does

at least point to increasing efficiency by the workforce. Outsourcing, too, in the logistics sector for example, has had a strong impact on personnel levels.



## GROWTH OF INCOME

The TOP 25 classification by growth of income considers only SME and Corporate companies, that is to say companies with an income in 2014 of at least 5 million euro. This is because, generally speaking, growth for smaller-sized companies can show more volatile trends due, for example to a single large order. This is not in itself a significant trend for the sector (see **Table 2**). This classification, consequently, tends to be disintegrated by a higher rotation of players. This year, however, there are three exceptions. Hikvision, Videotrend and Aikom were already in the first three places in 2014 and remained at the summit of the TOP 25 for growth in 2015. An interesting aspect is that these tend, on average, to be companies that, while strong in growth, also succeed in maintaining excellent margins (12% of EBITDA/Sales compared with -4% for the sample and 10% for the TOP 25 by revenue). It has to be said, though that some of these entities have such a low number of employees as to suggest a holding structure rather than an operative company, growing in potential through acquisitions and not organically.

## 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. This indicator is significant because it shows a company's capacity to produce value for the property starting from its core business. Unlike other indicators, in fact, such as the net profit on sales, it is not affected by aspects linked to the financial and extraordinary management of the company.

Not least for this reason, the EBITDA, with a multiple applied that depends mainly on the trade sector and the activities performed, and net of debt, is a starting-point for an estimate of the economic value of a company. This combination, too, tends to remain "stable" over time. Many of the present leaders were at the top in previous years as well. This reflects the fact that the creation of a high margin is a slow process. It starts from constant attention to cost reduction, followed by focus on products and services with higher value, until a brand has been created that enables high margins to be obtained even in a highly competitive market (see **Table 3**). It must be said that, by its very nature, the EBITDA tends to be higher for producer than for trading companies. It does not show amortizations, for example. This means that, when the EBITDA is equal, a trading company (which does not normally have significant am-





TABLE 3

2014 EBITDA/ SALES Classification	2013 EBITDA/ SALES Classification	Company Name	Region	2014 Revenue	Growth of Revenue 2014 on 2013	EBITDA	EBITDA Sales Margin	EBIT	EBT	No. employees	Sector
1	n.d.	CONSIAG S.P.A.	Toscana	7.760	49%	4.260	55%	511	3.005	1	System Integrator
2	1	INIM ELECTRONICS SRL	Marche	19.622	19%	7.431	38%	6.722	6.710	70	Producer
3	3	VENITEM SRL	Veneto	8.239	12%	2.207	27%	2.098	2.192	23	Producer
4	5	TECNOALARM SRL	Piemonte	30.340	3%	7.730	25%	6.978	6.984	114	Producer
5	2	COMBIVOX SRL	Puglia	8.402	17%	1.938	23%	1.658	1.667	40	Producer
6	8	AVS ELECTRONICS SPA	Veneto	10.267	0%	2.350	23%	2.175	2.172	45	Producer
7	6	BENTEL SECURITY SRL	Abruzzo	26.977	7%	6.101	23%	5.551	5.370	140	Producer
8	13	SERTEC SRL	Veneto	6.444	6%	1.409	22%	1.244	1.268	10	Distributor
9	n.d.	SELCOM S.R.L.	Veneto	9.522	31%	2.011	21%	1.805	1.867	17	System Integrator
10	n.d.	QUBIX S.P.A.	Veneto	11.353	3%	2.390	21%	2.210	2.153	13	Distributor
11	n.d.	SAFETY HI-TECH SOCIETA' A RESPONSABILITA' LIMITATA -	Lazio	5.677	-12%	1.193	21%	755	-497	16	Producer
12	7	SELESTA INGEGNERIA SPA	Liguria	22.198	-11%	4.620	21%	1.583	-666	186	Producer
13	49	SILENTRON SPA	Piemonte	6.947	-22%	1.401	20%	1.065	1.098	24	Producer
14	n.d.	CIMA S.P.A.	Emilia-Romagna	31.368	397%	6.226	20%	5.960	6.006	95	Producer
15	9	SISTEMI INTEGRATI SRL	Emilia-Romagna	14.653	-3%	2.629	18%	1.717	1.699	14	System integrator
16	n.d.	S.C.A.M.E. SISTEMI S.R.L.?	Lombardia	8.016	-16%	1.379	17%	1.172	1.103	17	System Integrator
17	16	PILOMAT SRL	Lombardia	7.074	8%	1.133	16%	932	943	36	Producer
18	10	NOTIFIER ITALIA SRL	Lombardia	43.321	3%	6.893	16%	6.143	6.243	89	Producer
19	17	SICEP SPA	Toscana	7.080	-3%	1.100	16%	535	294	39	Producer
20	14	VAGO SPA	Lombardia	7.393	0%	1.141	15%	683	696	36	System integrator
21	32	GPS STANDARD SPA	Valle d'Aosta/ Vallée d'Aoste	7.487	-4%	1.130	15%	142	-1	67	Producer
22	12	BORDOGNA SPA	Lombardia	5.925	-22%	867	15%	90	-477	66	Producer
23	63	ZUCCHETTI AXESS SPA	Lombardia	11.654	3%	1.367	12%	1.019	966	57	Producer
24	n.d.	COOPER CSA SRL	Lombardia	12.627	3%	1.480	12%	1.309	-108	29	Producer
25	n.d.	TELEMATIC SOLUTIONS S.R.L.	Lombardia	6.775	167%	790	12%	782	807	23	Producer
		Average TOP25 per EBITDA Sales		13.485	25%	2.847	21%	2.194	2.060	51	
		Average PMI e Corporate		12.054	18%	1.161	9%	837	703	45	
		Average Total		4.406	39%	387	-4%	266	219	18	

**Table 3.** TOP 25 OF THE WHOLE SECTOR BY EBITDA/SALES (small-medium enterprises and corporations). ebitda is a fundamental indicator of profitability.

ortizements) will be able to generate a much greater net profit than a producer, which inevitably has significant amortizement on its equipment. Consequently, although

the highest-placed distribution company is only in eighth place, this does not mean that its performance is inferior to those positioned above it.



## 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.

## PROFITABILITY AND GROWTH

Our methodological premises were described in detail in the previous issue, though our summary boxes repeat the main points. We give here the general data on the sector emerging from the first part of this survey. The first good news is that the security sector has succeeded in maintaining a fairly strong growth without compromising its profitability. In particular, no substantial changes occurred from 2013 to 2014. Indeed in almost all of our rankings, the leader companies in 2013 confirmed their position the following year. The general Top 25 ranking for all the companies in order of revenue confirms that this group of companies has remained substantially stable over the last four years, with few new entries and equally few changes within the ranking. This same stability is also shown by the EBITDA expressed as a percentage of sales – the so-called EBITDA margin. The overall picture that emerges is that of a mature sector, in which the leaders have by now successfully established solid operative models. The models have enabled them to handle even difficult, turbulent years without losing the competitive advantage already gained. In this second part, we will examine some other

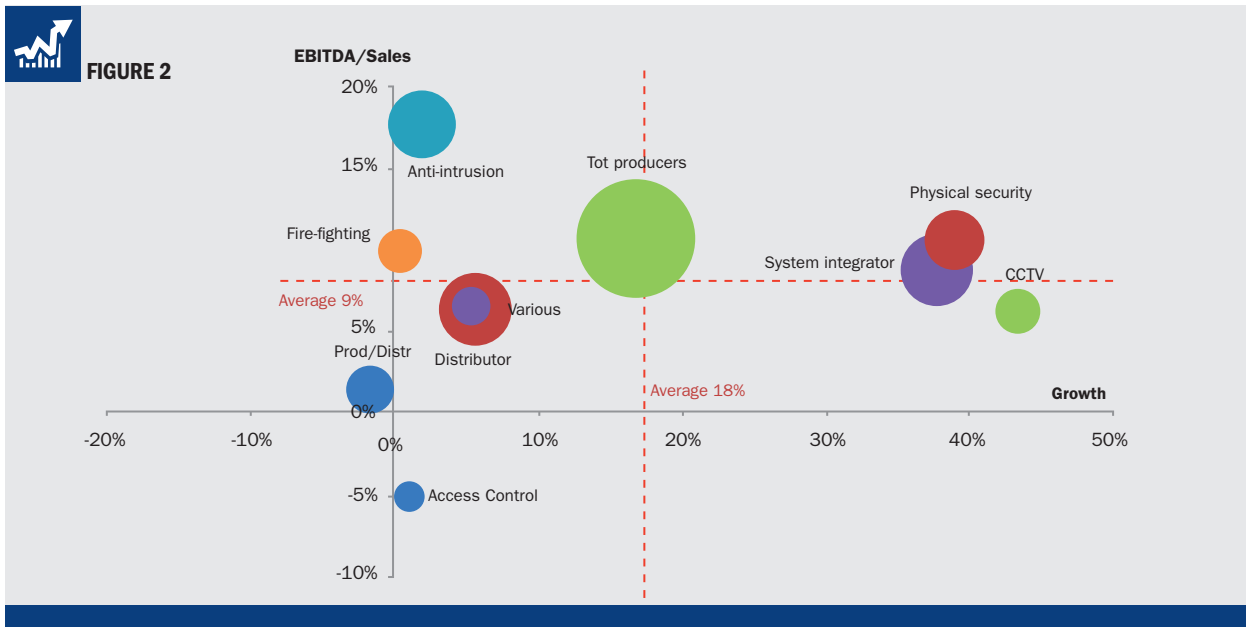


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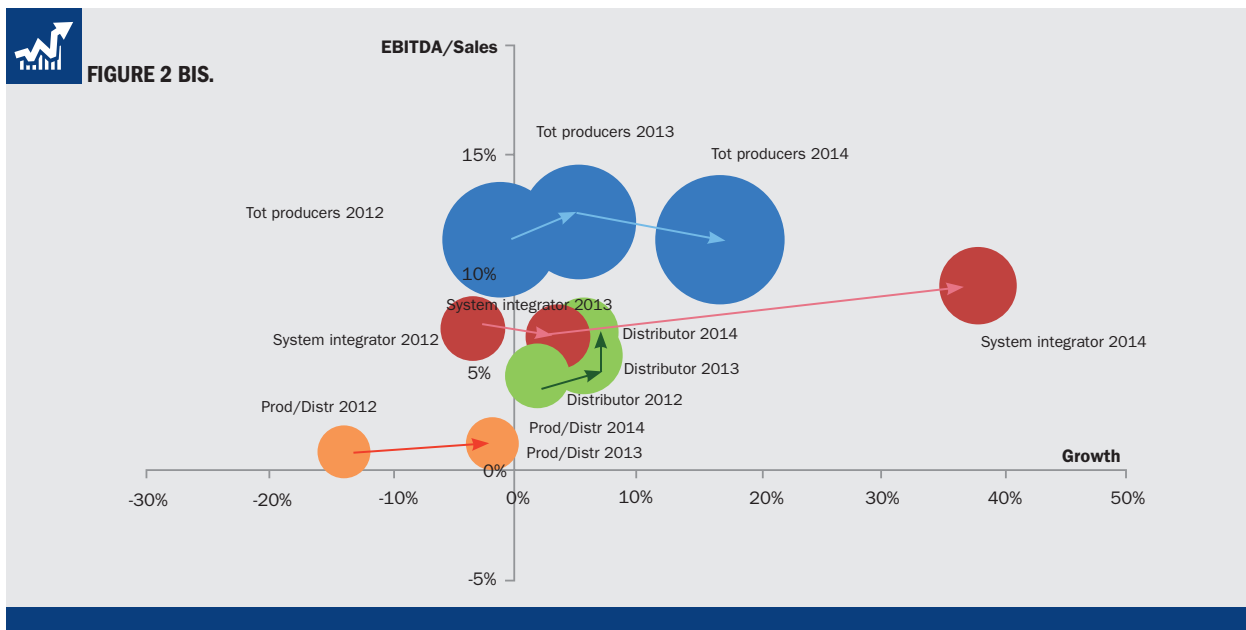




**Figure 2.** NB: The dimension of the bubbles is equal to the turnover of the sector. This figure expresses the distribution of EBITDA% and income growth 2013-14 (only SMEs/Corporate). Copyright a&s Italy. All rights reserved

general aspects, such as the relationship between profitability and growth and the rating. We will then take a more detailed look at the single typologies of operators we have investigated – producers, distributors, systems integrators and producers/distributors – and the relat-

ed tables. We will begin by analysing profitability and growth. A combined analysis of growth and profit margins is very useful as a means of identifying dynamic sectors that are able to avoid crippling profit margins. We often find, in fact, growth obtained at the expense of



**Figure 2 bis.** Historical trend of profitability and growth. The giant leap of system integrators is mainly linked to the entry of a new company. Copyright a&s Italy. All rights reserved

profitability. This leads, in the medium-term, to company crisis situations. The sectors that have grown most, compared with 2013, regard producers and, in particular, those of CCTV and physical security. Anti-intrusion devices have remained stable but nevertheless show good profit margins, indicating a sector that is mature but resistant to new entries (Figure 2). A year-by-year analysis of profitability and growth trends (Small-Medium Enterprises and Corporations) reveals a steady increase in revenue in the sample companies, with substantially stable profit margins. This shows that the sector has succeeded in growing without sacrificing its profitability. Worth noting, in addition, is the strong increase in the systems integrators sample. This has been notably influenced by the entry of a company (Logital Srl) with a growth rate of more than 700% (Figure 2b).

## RATING AND VALUE-CREATING CAPACITY

As we saw in the previous report, K Finance (an M&A company and the majority shareholder of KF Economics) uses two indicators as tools with which to analyse a company's competitive advantage: KF Rating and the Financial Value Index<sup>1</sup>. The rating shows the company's ability to resist the turbulences of the economic situation, while the FVI shows its capacity to generate value for shareholders. Only by combining these two data can we obtain a full picture of a company's competitive advantage. In all the studies we have made, the recognized leaders are close to the top both for rating and for the FVI. Those known to be in greater difficulty appear near the bottom in both cases (Figure 3). In the distribution sector, anti-intruder devices stood out in 2014. As noted above, these register a high value because of their excellent profit margins and low indebtedness, which gives them above-average solidity. Producers/distributors, on the other hand, have fallen slightly behind. They can boast good solidity, and let us remember that the national average of the 2014 Financial Statements registers a value of around KR3. Their financial value, how-

<sup>1</sup> KF Economics has long developed a rating model used today by scores of leading Italian companies and by the Public Administration, and has elaborated the FVI (Financial Value Index), which estimates the financial value a company creates for every 100 euro of revenue. The index calculates the value as a multiple of the gross operative revenue (EBITDA), net of financial debt, and relates it to the income. That is to say:  $FVI = (EBITDA \times \text{multiple} - \text{Financial Debts}) / \text{Income}$ . Copyright a&s Italy. All rights reserved



TABLE 4

Sectors	Income	EBITDA/Sales Average	Average income growth
Anti-intrusion	171.803	17,9%	1,9%
Fire-fighting	82.203	9,8%	0,4%
Access Control	22.174	-5,2%	0,8%
Physical security	138.580	10,6%	38,9%
CCTV	67.302	6,3%	43,2%
Various	54.492	6,5%	5,3%
<b>Tot producers</b>	<b>536.554</b>	<b>10,9%</b>	<b>16,8%</b>
<b>Distributor</b>	<b>193.701</b>	<b>6,4%</b>	<b>5,7%</b>
<b>Prod/Distr</b>	<b>89.096</b>	<b>1,3%</b>	<b>-1,7%</b>
<b>System integrator</b>	<b>205.274</b>	<b>8,9%</b>	<b>37,8%</b>
<b>Total (SMEs and Corporate)</b>	<b>1.024.626</b>	<b>8,9%</b>	<b>18,2%</b>

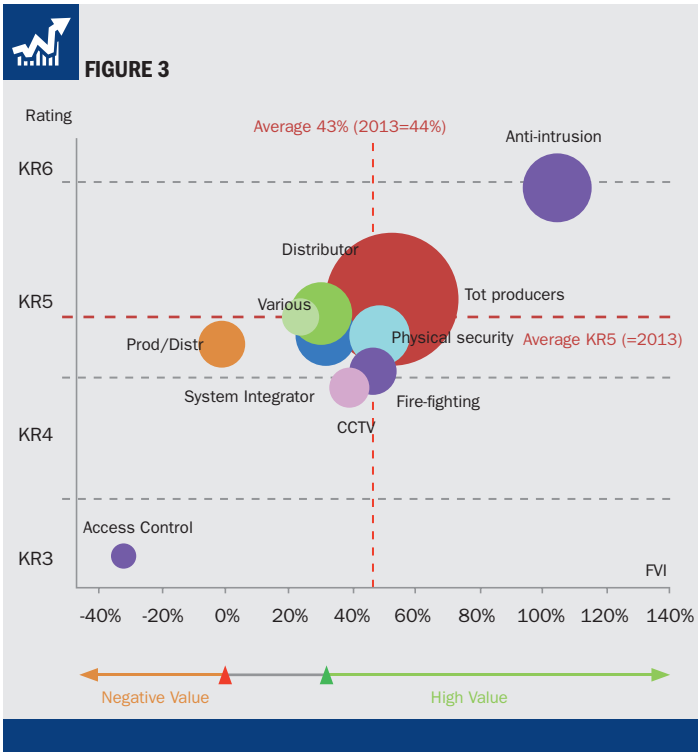
**Table 4.** EBITDA% distribution and income growth 2013-14 (only SMEs/Corporate). Copyright a&s Italy. All rights reserved

ever, is more limited. Similarly, for CCTV strong growth and a good financial value combine to give a slightly lower-than-average rating.

Access control shows a negative financial value and is clearly in difficulty, even though its rating level is in line with the national average.

Past value/rating trends show different patterns for the four typologies of subjects (Figure 4). Producers/distributors worsened in terms of both value and rating between 2012 and 2013. Between 2013 and 2014, however, they improved their value, while their rating worsened still further. This is a far from excellent result, since an inability to generate value also undermines solidity over the medium term.

The distributors have succeeded in increasing both their rating and their value. Systems integrators and producers, on the other hand, registered a reversal of the increasing growth and value trends observed between 2012 and 2013. In the case of systems integrators, however, it



**Figure 3.** Rating Distribution and Financial Value Index (FVI%). By comparing the capacity to generate value (FVI) and the rating (company's ability to resist the turbulences) we can effectively and quickly identify the strategic and financial position of a company, a sector or a division (only SMEs/Corporate). Copyright a&s Italy. All rights reserved

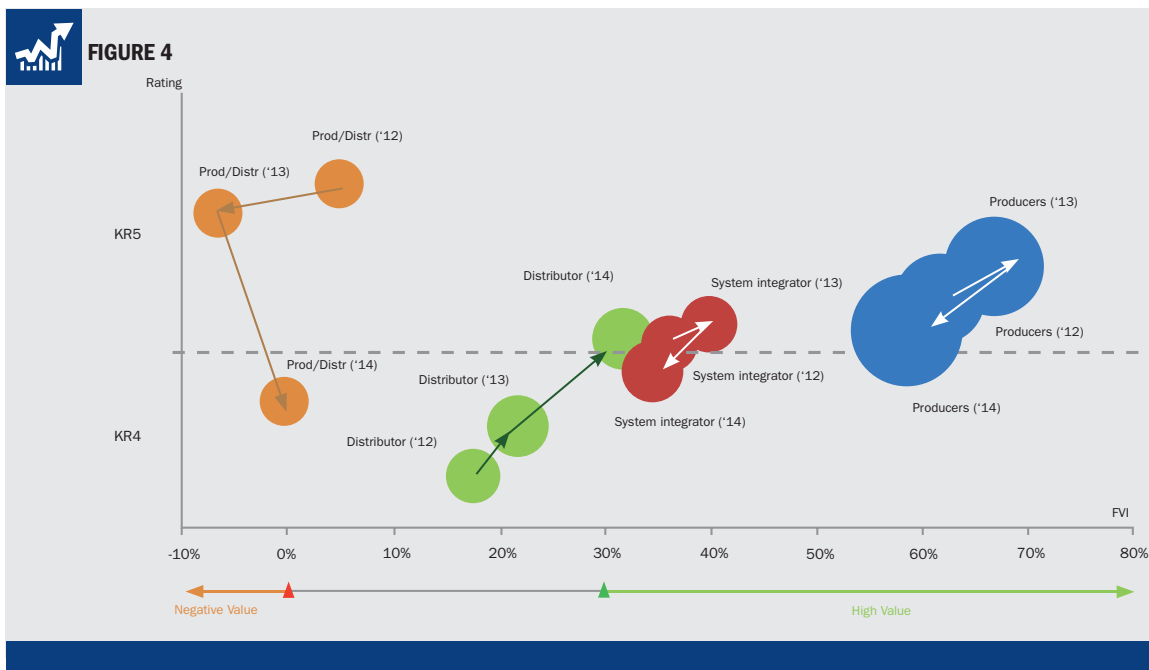
must be borne in mind that this is the sample that has seen the greatest evolution compared with 2013, with changes linked to the features of the new entries.

## RATING

Figure 4b shows that the security sector maintains its placement in a higher solidity zone than the Italian average, which is around KR3. Nevertheless, it should be noted that certain more solid sectors, such as anti-intrusion devices, appear alongside others, such as access control, which are placed below the Italian average.

## AVERAGE NFP/REVENUE SUBDIVIDED BY OPERATIVE CATEGORIES

The net financial position, abbreviated as NFP and also described as net financial debt, identifies the net debt of the companies examined and expresses the balance between sources and investments of a financial nature. The NFP/Revenue value expresses the NFP for production needs in the specific structures examined. It is a particularly important ratio since it summarizes the financial debt needed per unit of revenue. An analysis of



**Figure 4.** Rating Distribution and Financial Value Index (FVI%). Historic comparison (only SMEs/Corporate). Copyright a&s Italy. All rights reserved





TABLE 5 BIS

Tipologia	Categories Average NFP/R 2014	Categories Average NFP/R 2013	Categories Average NFP/R 2012	Categories Average NFP/R 2011
Distributor	8%	10%	9%	8%
Producers / Distributor	8%	3%	3%	20%
Producers	6%	8%	10%	9%
System Integrator	-3%	7%	9%	6%
<b>Total</b>	<b>5%</b>	<b>8%</b>		

**Table 5 bis.** Average NFP/Revenue subdivided by operative categories (all the companies with available NFP). debt/revenue ratio fell slightly in 2013 for all typologies except producers/distributors. Copyright a&s Italy. All rights reserved

Table 5b shows that the debt/revenue ratio fell slightly in 2013 for all typologies except producers/distributors. Since the sample in this latter case is a very small one, the value can be unduly volatile.

### PRODUCERS

The sample of producers reveals the anti-intrusion seg-



TABLE 5

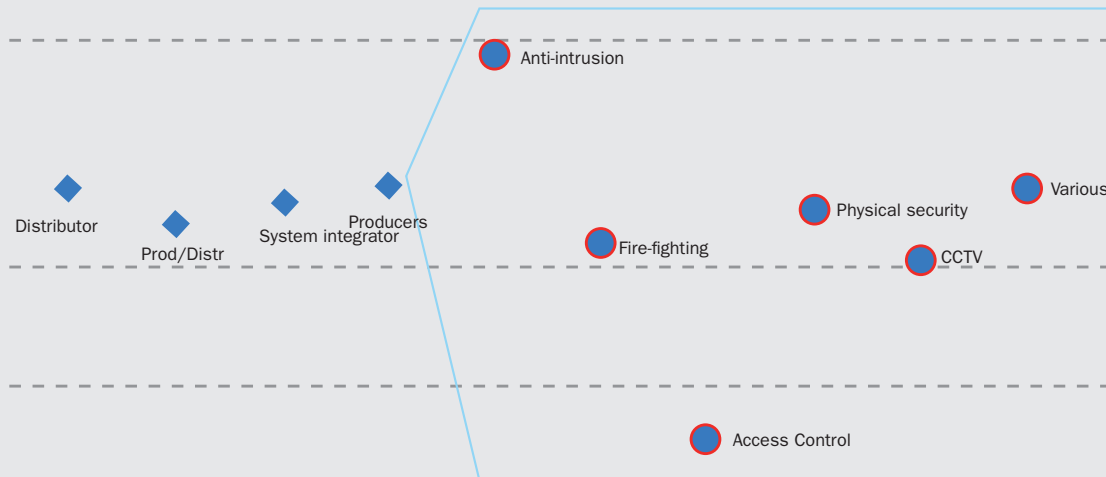
Sectors	Income	FVI average	CS Average	Average Rating Class
Anti-intrusion	171.803	106%	645	KR6-
Fire-fighting	82.203	46%	543	KR5-
Access Control	22.174	-32%	441	KR3
Physical security	138.580	50%	563	KR5
CCTV	67.302	39%	535	KR4+
Various	54.492	24%	574	KR5
<b>Tot producers</b>	<b>536.554</b>	<b>58%</b>	<b>577</b>	<b>KR5</b>
<b>Distributor</b>	<b>193.701</b>	<b>31%</b>	<b>574</b>	<b>KR5</b>
<b>Prod/Distr</b>	<b>89.096</b>	<b>0%</b>	<b>557</b>	<b>KR5-</b>
<b>System integrator</b>	<b>205.274</b>	<b>34%</b>	<b>565</b>	<b>KR5</b>
<b>Total</b>	<b>1.024.626</b>	<b>43%</b>	<b>572</b>	<b>KR5</b>

**Table 5.** Rating Distribution and Financial Value Index (FVI%) (only SMEs/Corporate). Copyright a&s Italy. All rights reserved

ment as the most significant, but with growth of only 2%. CCTV continues to register strong growth (43%), closely



FIGURE 4 BIS



**Figure 4 bis.** Rating distribution. In terms of financial solidity, the security sector maintains its placement in a higher solidity zone than the Italian average, which is around KR3. Copyright a&s Italy. All rights reserved



FIGURE 5

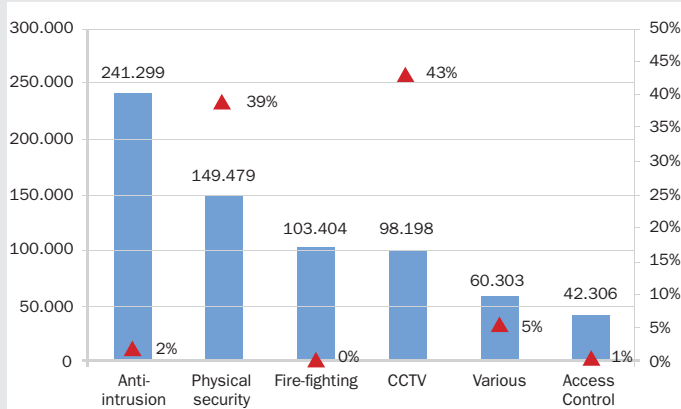


Figure 5. Producers: 2014 income and income growth (over 2013) by product. Anti-intrusion has the main share but its growth is limited. Copyright a&s Italy. All rights reserved

followed by physical security (39%). Access control, lastly, remains in a marginal and static position (1%) but can boast, as is shown, an interesting financial value (Figure

5). In the TOP 25 ranking by revenue, Notifier Italia maintains first position, followed by the new entry Cima, the revenue of which has shot up by 397% compared with the previous year. Following on are Tecnoalarm, Saima Sicurezza and Bentel Security – all one position down compared with 2013. In terms of profit margins, on the other hand, first place goes to Inim Electronics (38%). If we examine the distribution of the TOP 25 producers by technology, we find that it does not polarize around any particular segment (Table 7). We must also note, unfortunately, that, at least in terms of the registered offices, no companies from Southern Italy are present.

### CABLE PRODUCERS

Cable producers normally serve a range of sectors – from telephone equipment to the electrical sector and broadcasting. Security is not their principal reference market. Our study has therefore kept cable producers separate from producers operating in the security sector. In view of the importance of this item for the sector spin-off, however, especially in the light of the convergence between security and networking in correlation to the new emerging technologies, we have always drawn





TABLE 6

2014 Producers Classification	2013 Producers Classification	Company Name	Region	Revenue 2014	Growth of Revenue 2014 over 2013	EBITDA	EBITDA Sales Margin	EBIT	EBT	No. employees	Sector
1	1	NOTIFIER ITALIA SRL	Lombardia	43.321	3%	6.893	16%	6.143	6.243	89	Fire-fighting
2	n.d.	CIMA S.P.A.	Emilia-Romagna	31.368	397%	6.226	20%	5.960	6.006	95	Physical security
3	2	TECNOALARM SRL	Piemonte	30.340	3%	7.730	25%	6.978	6.984	114	Anti-intrusion
4	3	SAIMA SICUREZZA SPA	Toscana	27.341	-1%	3.088	11%	2.532	2.541	113	Physical security
5	4	BENTEL SECURITY SRL	Abruzzo	26.977	7%	6.101	23%	5.551	5.370	140	Anti-intrusion
6	5	SELESTA INGEGNERIA SPA	Liguria	22.198	-11%	4.620	21%	1.583	-666	186	Physical security
7	7	ATRAL ITALIA SRL	Emilia-Romagna	19.985	-6%	536	3%	141	143	57	Anti-intrusion
8	8	INIM ELECTRONICS SRL	Marche	19.622	19%	7.431	38%	6.722	6.710	70	Anti-intrusion
9	6	VIDEOTEC SPA	Veneto	19.101	-17%	1.493	8%	906	977	104	CCTV
10	9	EL.MO. SPA	Veneto	17.178	7%	1.213	7%	847	651	62	Various
11	25	HIKVISION ITALY S.R.L.	Lombardia	13.748	98%	298	2%	232	177	21	CCTV
12	10	COOPER CSA SRL	Lombardia	12.627	3%	1.480	12%	1.309	-108	29	Anti-intrusion
13	n.d.	BOSCH SECURITY SYSTEMS S.P.A.	Lombardia	12.030	13%	379	3%	359	369	17	Various
14	n.d.	BLUEH TECHNOLOGY SRL	Lazio	11.794	-6%	-19	0%	-62	-124	7	CCTV
15	11	ZUCCHETTI AXESS SPA	Lombardia	11.654	3%	1.367	12%	1.019	966	57	Access Control
16	15	SINTEL ITALIA SPA	Lazio	11.216	11%	815	7%	263	81	48	Various
17	12	CESPRO SRL	Toscana	11.126	-1%	458	4%	359	566	61	Physical security
18	n.d.	CIODUE S.P.A.	Lombardia	11.013	13%	834	8%	615	590	44	Fire-fighting
19	n.d.	TECHCO SECURITY ITALIA S.R.L.	Lombardia	10.520	-2%	-2.319	-22%	-2.645	-2.857	65	Access Control
20	13	AVS ELECTRONICS SPA	Veneto	10.267	0%	2.350	23%	2.175	2.172	45	Anti-intrusion
21	16	TECHNOMAX SRL	Lombardia	9.638	2%	569	6%	529	382	34	Physical security
22	n.d.	CONFORTI S.P.A.	Veneto	9.115	-9%	486	5%	267	-12	50	Physical security
23	14	ARGUS SECURITY SRL	Lombardia	9.069	-11%	553	6%	154	16	54	Fire-fighting
24	n.d.	R.STAHL SRL	Lombardia	8.582	-7%	750	9%	565	544	13	Various
25	30	COMETA - S.P.A.	Toscana	8.488	36%	383	5%	223	197	36	Physical security
		Average TOP 25 (producers)		16.733	22%	2.149	10%	1.709	1.517	64	
		Average SMEs and Corporate (producers)		12.775	17%	1.631	11%	1.243	1.072	56	
		Total Average (producers)		4.894	34%	587	5%	430	370	23	

**Table 6.** TOP 25 Classification of producers by revenue (2014). TOP 25 companies are once again stronger than the average, also from the point of view of growth. Yet they suffer if compared to the average of SMEs in terms of profitability. Copyright a&s Italy. All rights reserved





TABLE 7

2014 Producers Classification	2013 Producers Classification	Company Name	Region	Revenue 2014	Growth of Revenue 2014 over 2013	EBITDA	EBITDA Sales	EBIT	EBT	No. employees
1	1	NOTIFIER ITALIA SRL	Lombardia	43.321	3%	6.893	16%	6.143	6.243	89
18	n.d.	CIODUE S.P.A.	Lombardia	11.013	13%	834	8%	615	590	44
24	14	ARGUS SECURITY SRL	Lombardia	9.069	-11%	553	6%	154	16	54
<b>Physical security</b>										
2	n.d.	CIMA S.P.A.	Emilia-Romagna	31.368	397%	6.226	20%	5.960	6.006	95
4	3	SAIMA SICUREZZA SPA	Toscana	27.341	-1%	3.088	11%	2.532	2.541	113
6	5	SELESTA INGEGNERIA SPA	Liguria	22.198	-11%	4.620	21%	1.583	-666	186
17	12	CESPRO SRL	Toscana	11.126	-1%	458	4%	359	566	61
22	16	TECHNOMAX SRL	Lombardia	9.638	2%	569	6%	529	382	34
23	n.d.	CONFORTI S.P.A.	Veneto	9.115	-9%	486	5%	267	-12	50
25	30	COMETA - S.P.A.	Toscana	8.488	36%	383	5%	223	197	36
<b>Anti-intrusion</b>										
3	2	TECNOALARM SRL	Piemonte	30.340	3%	7.730	25%	6.978	6.984	114
5	4	BENTEL SECURITY SRL	Abruzzo	26.977	7%	6.101	23%	5.551	5.370	140
7	7	ATRAL ITALIA SRL	Emilia-Romagna	19.985	-6%	536	3%	141	143	57
8	8	INIM ELECTRONICS SRL	Marche	19.622	19%	7.431	38%	6.722	6.710	70
12	10	COOPER CSA SRL	Lombardia	12.627	3%	1.480	12%	1.309	-108	29
20	13	AVS ELECTRONICS SPA	Veneto	10.267	0%	2.350	23%	2.175	2.172	45
<b>CCTV</b>										
9	6	VIDEOTEC SPA	Veneto	19.101	-17%	1.493	8%	906	977	104
11	25	HIKVISION ITALY S.R.L.	Lombardia	13.748	98%	298	2%	232	177	21
14	n.d.	BLUEH TECHNOLOGY SRL	Lazio	11.794	-6%	-19	0%	-62	-124	7
<b>Various</b>										
10	9	EL.MO. SPA	Veneto	17.178	7%	1.213	7%	847	651	62
13	n.d.	BOSCH SECURITY SYSTEMS S.P.A.	Lombardia	12.030	13%	379	3%	359	369	17
16	15	SINTEL ITALIA SPA	Lazio	11.216	11%	815	7%	263	81	48
25	n.d.	R.STAHL SRL	Lombardia	8.582	-7%	750	9%	565	544	13
<b>Access Control</b>										
15	11	ZUCCHETTI AXESS SPA	Lombardia	11.654	3%	1.367	12%	1.019	966	57
19	n.d.	TECHCO SECURITY ITALIA S.R.L.	Lombardia	10.520	-2%	-2.319	-22%	-2.645	-2.857	65
		Average TOP 25 (producers)		16.733	22%	2.149	10%	1.709	1.517	64
		Average SMEs and Corporate (producers)		12.775	17%	1.631	11%	1.243	1.072	56
		Total Average (producers)		4.894	34%	587	5%	430	370	23

**Table 7.** . TOP 25 producers by technology. Note that the group of companies is not focused on one particular segment. Copyright a&S Italy. All rights reserved



up a table dedicated to companies from the world of cable producers that also deal in security (Table 8). The market leader in this segment by sales remains Ramcro, closely followed by CEAM and CAVICEL. From the point of view of profitability (EBITDA/Sales), the sceptre goes to CEAM (13%), while on the basis of annual revenue growth the best was Beta Cavi (13%).

## DISTRIBUTORS

Two facts confirm the stability of the TOP 25 ranking by distributors. Firstly, apart from one single addition to the sample, Qubix, all companies present were already in the top 27 positions in 2013 (Table 9). Secondly, the top places are occupied once more by Hesa, Electronic's



TABLE 8

2014 Producers Classification	2013 Producers Classification	Company Name	Region	Revenue 2014	Growth of Revenue 2014 over 2013	EBITDA	EBITDA Sales	EBIT	EBT	No. employees
1	1	RAMCRO SPA	Lombardia	22.935	-5%	1.556	7%	1.002	505	57
2	n.d.	CEAM CAVI SPECIALI S.P.A.	Veneto	19.481	8%	2.566	13%	1.785	1.713	84
3	n.d.	CAVICEL S.P.A.	Lombardia	18.246	0%	1.575	9%	655	530	67
4	2	PROSPECTA CAVI SPECIALI SRL	Emilia-Romagna	9.024	1%	503	6%	299	106	13
5	4	BETA CAVI SRL	Campania	7.089	13%	769	11%	383	215	29
6	3	ELAN SRL	Marche	6.172	-2%	169	3%	158	65	11
7	5	MICRO TEK S.R.L.	Lombardia	5.070	4%	420	8%	387	329	9
8	6	LUCEAT SRL	Lombardia	483	-45%	4	1%	-25	-30	10
		Average cable producers		11.062	-3%	945	7%	580	429	35

**Table 8.** Main cable producers also working in the security sector. This year, once again, Ramcro is ranking first by revenue. Copyright a&s Italy. All rights reserved



TABLE 9

2014 Producers Classification	2013 Producers Classification	Company Name	Region	Revenue 2014	Growth of Revenue 2014 over 2013	EBITDA	EBITDA Sales	EBIT	EBT	No. employees
1	1	HESA SPA	Lombardia	35.353	1%	1.274	4%	741	656	67
2	2	ELECTRONIC'S TIME S.R.L.	Puglia	17.511	4%	1.074	6%	830	415	42
3	3	DISTRIBUZIONE APPARECCHIATURE SICUREZZA DIAS SRL	Lombardia	16.668	10%	1.406	8%	919	919	6
4	5	AIKOM TECHNOLOGY S.R.L.	Emilia-Romagna	15.554	21%	839	5%	779	690	14
5	4	SICURTEC SRL	Lombardia	14.566	1%	394	3%	225	126	50
6	n.d.	QUBIX S.P.A.	Veneto	11.353	3%	2.390	21%	2.210	2.153	13
7	6	S. & A. SRL	Lombardia	11.063	2%	-4	0%	-66	-116	31
8	7	TRANS AUDIO VIDEO	Campania	8.915	-8%	251	3%	205	161	20
9	9	LASERLINE SAFETY AND SECURITY SYSTEMS SRL	Lombardia	8.802	7%	331	4%	150	67	23
10	10	DOPPLER SRL	Piemonte	8.500	12%	615	7%	535	536	31
11	8	SICURTEC BRESCIA SRL	Lombardia	8.323	-10%	367	4%	232	62	22
12	12	ITS ITALELETRONICA S.R.L.	Abruzzo	6.585	4%	365	6%	211	169	22
13	11	DODIC ELETTRONICA S.R.L.	Lazio	6.521	3%	161	2%	108	133	15
14	14	SERTEC SRL	Veneto	6.444	6%	1.409	22%	1.244	1.268	10
15	15	ASCANI ELETTROCOMM S.R.L.	Marche	5.940	3%	289	5%	267	80	21
16	16	TOP ITALIA S.R.L.	Sicilia	5.833	2%	342	6%	236	227	7
17	21	TELEVISTA S.R.L.	Veneto	5.770	34%	128	2%	109	64	13
18	13	CHECKPOINT SOCIETA A RESPONSABILITA LIMITATA	Lazio	4.999	-18%	126	3%	105	53	16
19	20	TROLESE S.R.L.	Veneto	4.861	11%	123	3%	77	58	13
20	19	MICROCONTROL ELECTRONIC S.R.L.	Lombardia	4.853	10%	241	5%	162	88	14
21	18	TRS STANDARD S.R.L.	Veneto	4.800	1%	129	3%	20	14	18
22	27	ABES S.R.L.	Piemonte	4.591	24%	115	3%	96	55	13
23	23	FPM S.R.L.	Veneto	4.473	9%	148	3%	71	28	7
24	24	SECURITY DISTRIBUTION POINT S.R.L.	Veneto	4.473	9%	148	3%	71	28	7
25	22	VITEKNA DISTRIBUZIONE S.R.L.	Campania	4.442	5%	320	7%	273	273	13
		Average TOP 25 (distributors)		9.248	6%	519	5%	392	328	20
		Average SMEs and Corporate (distributors)		11.394	6%	684	6%	525	448	24
		Total Average (distributors)		4.088	-1%	222	-6%	166	130	10

**Table 9.** TOP 25 distributors by revenue. A few variation if compared to 2013. Copyright *a&s Italy*. All rights reserved

Time and DIAS, followed by AIKOM Technology, which is growing strongly (21%). Worth noting, lastly, is the fact that, while in the case of producers the presence of

Southern Italian companies is practically zero, there are some excellent performances in the distribution sector, confirmed by the rankings of the last few years.





TABLE 10

2014 Prod/Distr Classifica- tion	2013 Prod/Distr Classifica- tion	Company Name	Region	Turnover 2014	Growth of Income 2014 over 2013	EBITDA	EBITDA Sales Margin	EBIT	EBT	No. employees	Sector
1	1	UTC FIRE & SECURITY ITALIA SRL	Lombardia	21.956	-8%	1.077	5%	1.031	-3.056	41	Various
2	2	HONEYWELL SECURITY ITALIA SPA	Lombardia	19.273	-11%	-1.099	-6%	-1.426	-2.073	58	Various
3	3	GUNNEBO ITALIA SPA	Lombardia	17.317	-4%	-446	-3%	-597	-242	77	Physical security
4	4	SICURIT ALARMITALIA SPA	Lombardia	12.386	-4%	453	4%	383	384	44	Various
5	5	VIDEOTREND S.R.L.	Lombardia	10.909	25%	788	7%	706	496	30	CCTV
6	6	BETTINI SRL	Lombardia	7.256	-10%	20	0%	-104	-147	43	CCTV
7	n.d.	SAET I.S. - S.R.L.	Piemonte	4.716	9%	666	14%	471	560	15	Anti-intrusion
8	7	GSG INTERNATIONAL SRL	Lombardia	3.250	-18%	243	7%	159	38	16	CCTV
9	8	MESA SRL	Toscana	2.735	-19%	-24	-1%	-338	-489	14	Various
10	9	TECNOPOST SPA	Lombardia	2.376	3%	249	10%	162	209	22	Physical security
11	n.d.	SAET SERVICE S.R.L.	Piemonte	1.994	-18%	251	13%	201	196	11	Anti-intrusion
12	11	SIQR SRL	Lombardia	893	8%	22	3%	16	0	3	CCTV
13	12	TSEC SRL	Lombardia	548	19%	-1	0%	-95	-105	3	Physical security
		Average TOP25 (prod / distr)		8.124	-2%	169	4%	44	-325	29	
		Average PMI e Corporate (prod / distr)		14.849	-2%	132	1%	-1	-773	49	

**Table 10.** TOP Producers/Distributors. Again in 2014 these companies “are similar” to distributors and producers in terms of margins. Copyright *a&s Italy*. All rights reserved

## PRODUCERS/DISTRIBUTORS

The producers/distributors ranking is substantially unchanged compared with 2013 (Table 10). Videotrend

stands out for considerably increased income (+25%), as does SAET for an improved profit margin (14%). In 2014, as previously, producers/distributors are closer to distributors than to producers in their profit margins.





TABLE 11

Classifica System Integrator 2014	Classifica System Integrator 2013	Company Name	Region	Revenue 2014	Growth of Income 2014 over 2013	EBITDA	EBITDA Sales	EBIT	EBT	No. employees
1	1	PROJECT AUTOMATION SPA	Lombardia	38.668	-10%	2.435	6%	1.627	1.831	206
2	2	DAB SISTEMI INTEGRATI SRL	Lazio	16.653	4%	819	5%	694	568	89
3	3	SISTEMI INTEGRATI SRL	Emilia-Romagna	14.653	-3%	2.629	18%	1.717	1.699	14
4	n.d.	DATA GENERAL SECURITY S.R.L.	Lazio	12.753	-37%	-94	-1%	-160	-289	10
5	n.d.	VENEZIA INFORMATICA E SISTEMI - VENIS S.P.A.	Veneto	11.667	-35%	290	2%	56	235	86
6	n.d.	S.I.C.E. SOCIETA' ITALIANA COSTRUZIONI ELETTRONICHE S.R.L.	Toscana	10.287	17%	507	5%	444	426	14
7	n.d.	SELCOM S.R.L.	Veneto	9.522	31%	2.011	21%	1.805	1.867	17
8	9	TELETRONICA SPA	Friuli-Venezia Giulia	8.687	33%	538	6%	297	81	47
9	5	CONSORZIO NAZIONALE SICUREZZA SCARL	Campania	8.672	-2%	303	3%	155	62	8
10	n.d.	S.C.A.M.E. SISTEMI S.R.L.?	Lombardia	8.016	-16%	1.379	17%	1.172	1.103	17
11	n.d.	CONSIAG S.P.A.	Toscana	7.760	49%	4.260	55%	511	3.005	1
12	8	VAGO SPA	Lombardia	7.393	0%	1.141	15%	683	696	36
13	7	C.I.S.A. - COSTRUZIONI IMPIANTI SPECIALI ANTIFURTO SRL	Lombardia	7.082	-11%	304	4%	273	331	27
14	6	SECURITY TRUST.IT SRL	Lombardia	6.633	-22%	60	1%	-130	-445	35
15	10	TELEIMPIANTI SPA	Emilia-Romagna	6.586	6%	351	5%	290	242	39
16	13	TSI SYSTEM SPA	Lombardia	6.452	19%	338	5%	253	165	26
17	11	SAIET TELECOMUNICAZIONI SPA	Emilia-Romagna	6.405	3%	249	4%	211	64	11
18	n.d.	CONSORZIO GOSS ITALIA	Veneto	6.224	2%	18	0%	17	13	n.d.
19	12	TELEFONIA E SICUREZZA SPA	Lombardia	5.586	-5%	102	2%	32	19	42
20	n.d.	LOGITAL SRL	Liguria	5.577	732%	118	2%	66	65	1
21	16	SPEE SRL	Abruzzo	4.984	8%	721	14%	187	100	37
22	15	FG.S. BRESCIA SRL	Lombardia	4.802	1%	331	7%	256	111	37
23	n.d.	UMBRA CONTROL S.R.L.	Umbria	4.795	-22%	16	0%	-22	-61	36
24	n.d.	TONALI - S.P.A.	Lombardia	4.702	-2%	149	3%	54	82	19
25	14	TONALI SERVICE SRL	Lombardia	4.376	-18%	-36	-1%	-173	-251	16
		Average TOP25 (system integrator)		9.157	29%	758	8%	413	469	36
		Average PMI and Corporate (system integrator)		10.264	38%	888	9%	501	587	38
		Average Total (system integrator)		3.453	82%	254	-15%	134	142	17

**Table 11.** TOP 25 System Integrators. Compared to 2013, ten new entries are the fruit of the work of enlarging the sample, yet the ranking maintains the first three positions. Copyright a&s Italy. All rights reserved



## SYSTEMS INTEGRATORS

The systems integrators ranking maintains the first three positions of the previous year (Project Automation, DAB and Sistemi Integrati). Ten new entries are the fruit of the work of enlarging the sample (Table 11). The profit margins of the TOP 25 have increased by two percentage points from the 6% of 2013. If we limit ourselves to companies in the ranking with incomes above five million euro, however, we find a significant growth (38%) and an even greater profit margin (9%). Differently from the situation with distributors and producers, there are very few small-medium companies (and no corporation) in this category).

## GEOGRAPHY

As can be seen from Table 12 (which refers to companies with a revenue above 5 million Euro), the highest profitability is shown by the companies from Central Italy (12%) – in 2013 it was the South that prevailed. In terms of the average growth in income, however, the North-East takes the first position (24%). All the areas under consideration nevertheless registered increasing revenues.

Table 13, lastly, shows that the North-East is the region that holds the greatest percentage of every typology of operator. Producers are at the top for revenue in all regions, while a prevalence of distributors is confirmed in the South.



TABLE 12

Location	Average income growth	EBITDA/Sales Average
Centre	5%	12%
North-East	24%	10%
North-West	23%	7%
South	5%	10%
<b>Total</b>	<b>18%</b>	<b>9%</b>
<i>SMEs and Corporate</i>		

Table 12. Geographical distribution of EBITDA/Sales and income growth. Corporate and SME. Copyright a&s Italy. All rights reserved

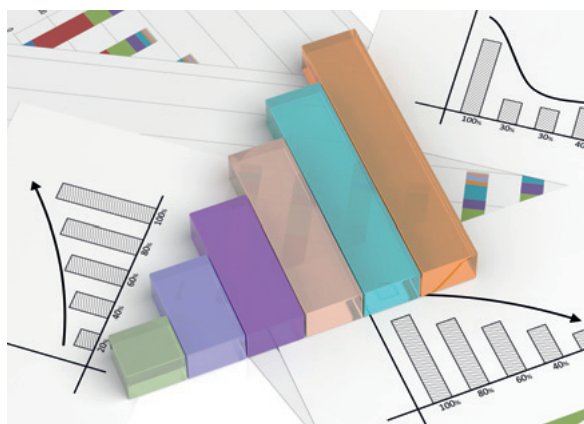


TABLE 13

Typology	North-West		North-East		Centre		South		Total Italy	
	Num.	Ricavi	Num.	Ricavi	Num.	Ricavi	Num.	Ricavi	Num.	Ricavi
Producers	72	334.982	38	169.871	22	134.860	10	55.277	142	694.990
System integrator	39	143.017	27	97.982	27	79.966	5	17.459	98	338.424
Distributor	30	140.701	24	86.775	11	30.457	11	52.763	76	310.696
Prod/Distr	12	102.873			1	2.735			13	105.608
<b>Total</b>	<b>153</b>	<b>721.573</b>	<b>89</b>	<b>354.629</b>	<b>61</b>	<b>248.018</b>	<b>26</b>	<b>125.499</b>	<b>329</b>	<b>1.449.718</b>

Table 13. Geographical distribution by typology of operator. Copyright a&s Italy. All rights reserved



## ANIE SICUREZZA: 2014 CONFIRMS THE RECOVERY BEGUN IN 2011

The statistics issued by ANIE Sicurezza, too, show that the positive recovery trend begun in 2011 was confirmed in 2014. Indeed, this recovery has enabled an increase to be registered at an almost pre-crisis level. The aggregate revenue, in fact, increased by 5% compared with 2013, revealing a staying power above the average in the Italian manufacturing world. The total aggregate revenue for the sector represented by ANIE Sicurezza was around 2 billion euro, though the overall result conceals different trends within the single segments. The most sustained annual growth was registered by video-surveillance (10.9%). This is partly due to its high attention towards innovation and its ability to develop as fully as possible the applicative functions made available by the new technologies.

The anti-intrusion segment registered an increase of 7.6%, benefiting from the growing demand for security expressed by the market. Fire prevention, on the other hand, showed an increase of around 2%, decidedly below the average level for the sector. Exports provided a good stimulus, especially the North African, Sub-Sahara African and Middle Eastern markets. On the internal front, the Public Administration, as well as the retail and industrial segments, continue to provide a consistent demand. Among the critical areas noted, ANIE drew particular attention to compete through down pricing and a tendency to postpone payments. This latter is particularly present in the installation and service areas, which continue to affect negatively companies' profits margins and profitability. Elements stimulating growth, on the other hand, are the high vocation towards technological innovation and an increasing attention to personalized offers, user-friendly devices and integration with new technologies. In the opinion of ANIE, the demand for technologies with highly specialized, non-standardized content will orient the growth of the Italian industry in the longer term. These considerations confirm some of the major aspects emerging from the Security 50 ranking drawn up by a&s International (see a&s Italy no. 36/2015). For example, the companies interviewed for that survey (that is to say, some of the most important operators at worldwide level) observed that the demand for solutions increasingly geared to customers' specific needs is one of the prevailing trends of the market today. They, too, noted that down pricing was a negative aspect not to be underestimated. It should be said, finally, that the generally positive picture painted by ANIE may be affected by the slowdown in revenue growth and the reduced profitability characterizing most of the companies in the Security 50 classification.

### 2014/2013 TURNOVER TRENDS OF THE SECTORS BY SEGMENTS

FIRE-FIGHTING	1,8%
ANTI-INTRUSION	7,6%
<i>Anti-intrusion and centralized monitoring systems</i>	1,4%
<i>Access Control</i>	2,4%
CCTV	10,9%
BUILDING AUTOMATION	1,5%

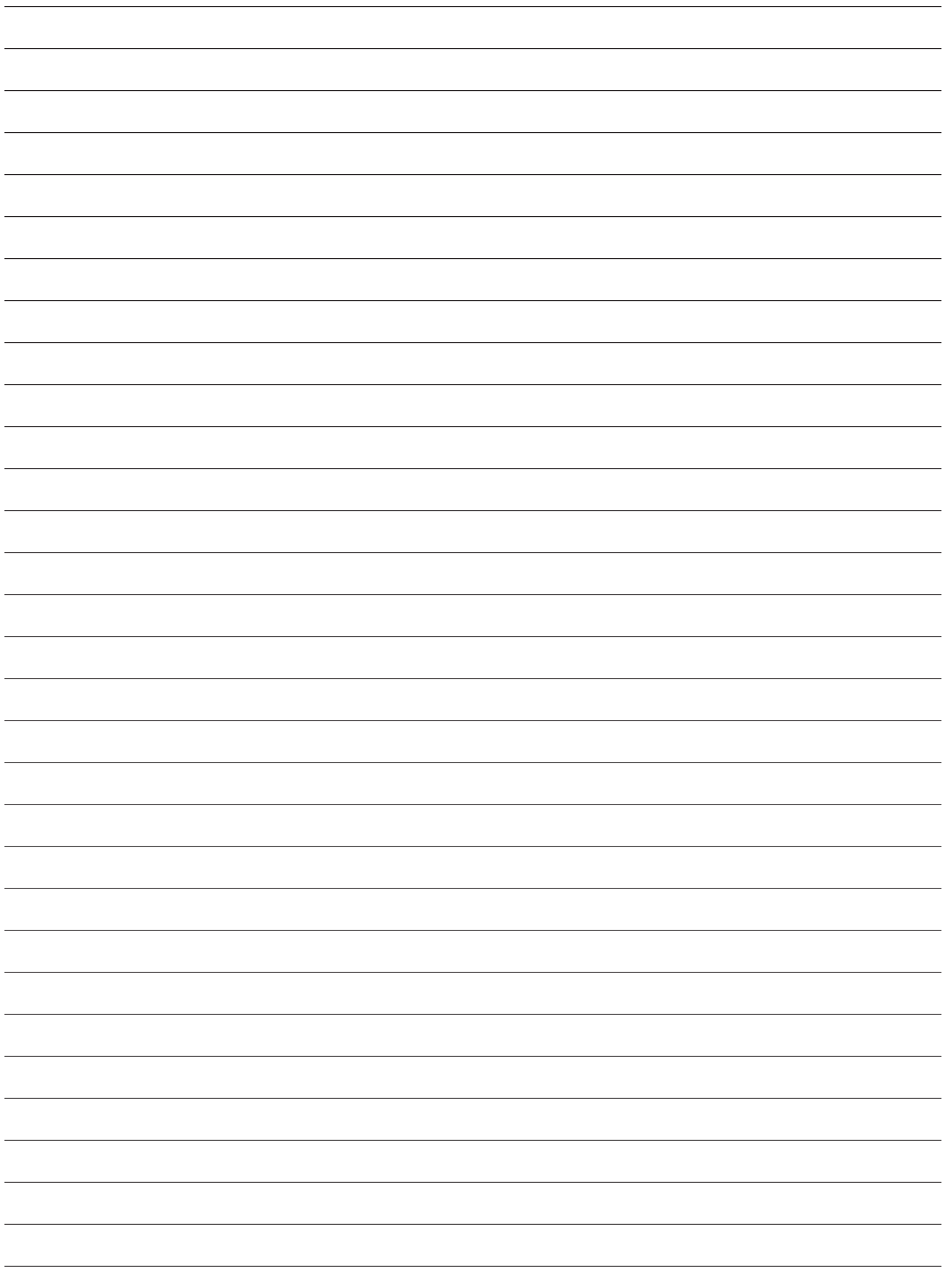
### 2014/2013 VARIATION - SECTOR

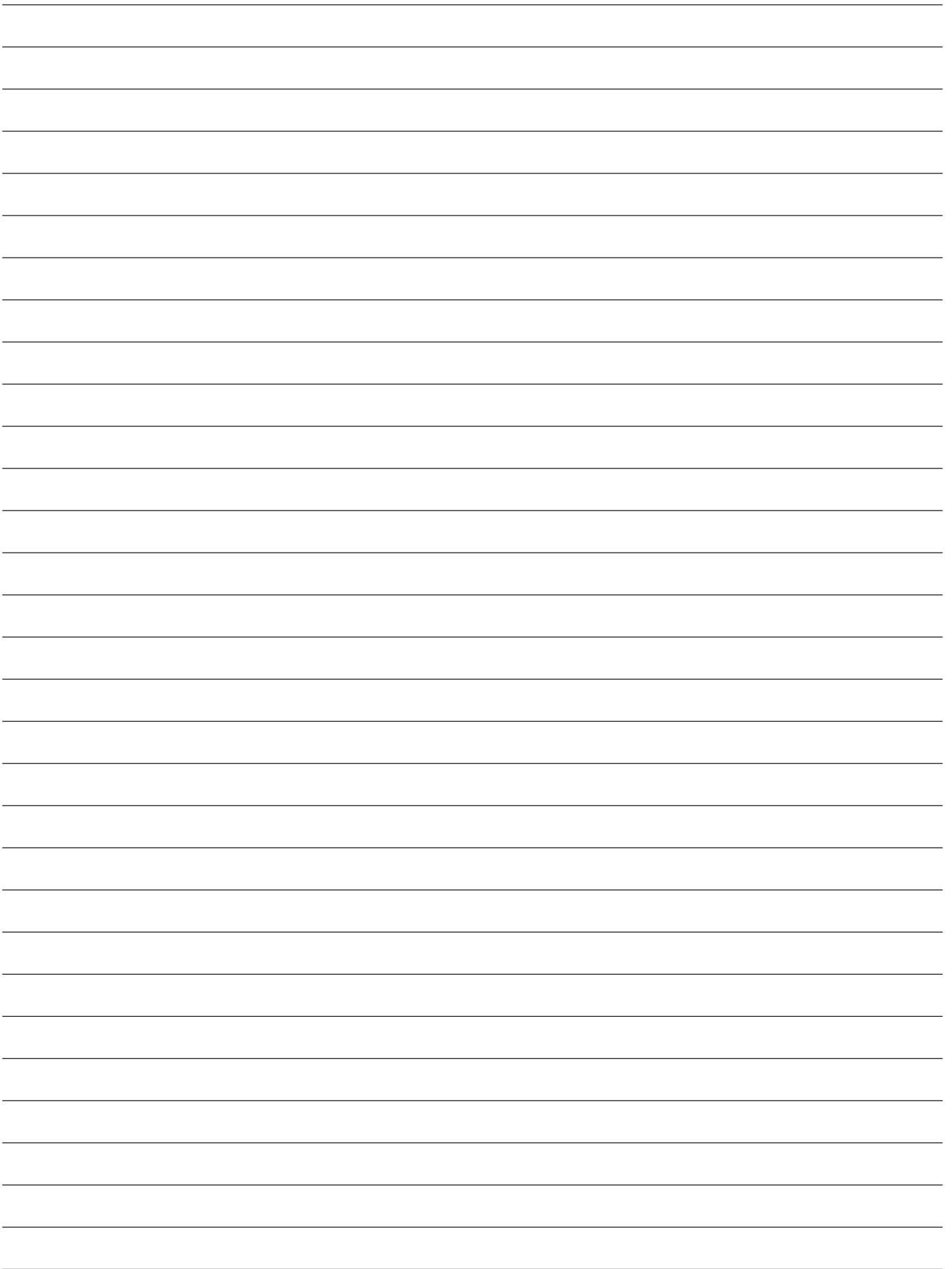
Domestic market	1,0%
Total revenue	0,9%
Export	0,9%
Import	2,5%

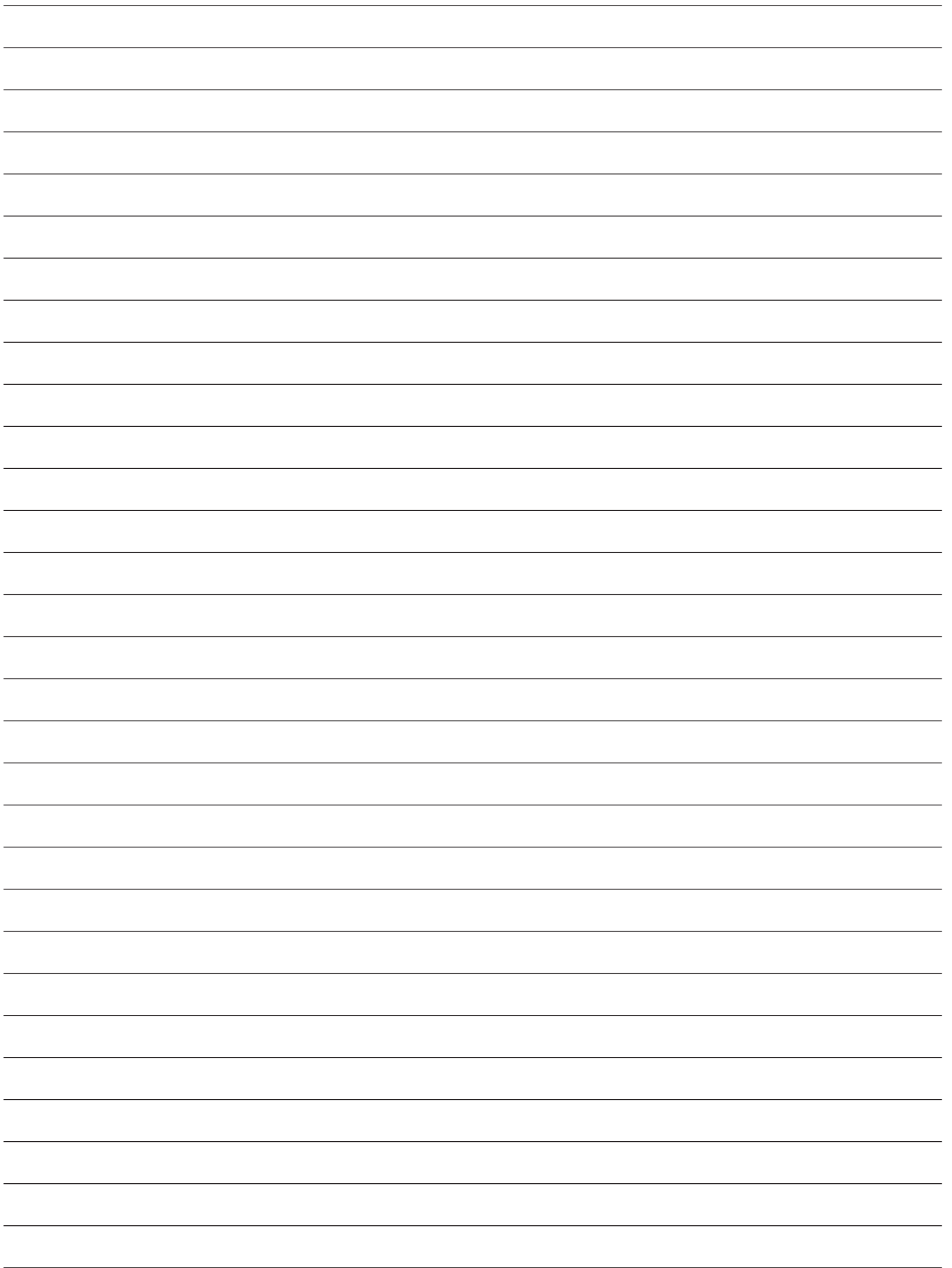
Source: ANIE Sicurezza











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