





La Redazione

# Confirmations and new entries combine to reveal a growing sector



FIRST PART



This is already the fifth 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 five-year basis, taking a look at the progress of the security sector over the entire period from 2011 to 2015, together with some preliminary considerations on 2016, the results of which are about to come in. And yes, it's true that the five 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.

## METHODOLOGY

**A**ny survey needs to have a method. It may even need to take uncomfortable standpoints. First of all, for reasons of availability and comparability, we have analysed only financial statements deposited in Italy. Some of the companies may be foreign, but they must have an Italian VAT number. We observe that, as of 20 November 2016, some companies' financial statements were not yet available in the databanks, so their data could not be included in our analysis.

## OPERATIONAL CATEGORIES

A problem common to all market surveys is how to choose the criteria for calculating a sector's overall revenue. In professional supply chains with a double (or, in our case, treble) distribution circuit, there is a risk of doubling or trebling the figures by mixing together production, distribution and installation/integration, each of which has its respective margins and mark ups. We have subdivided the Top 25 into three basic operational categories. These are production, distribution and integration. This choice of field had given rise to a further, delicate evaluation problem: how do we classify entities that produce, but at the same time integrate or distribute? Given the frequent combination of production, integration and distribution of products, this was by no means a secondary question. As a result of setting our evaluations of greater volume alongside those of the greater presence of the production/distribution mix compared with the other "mixed" typology (that is to say, the production/systems integration mix), we decided to add a fourth category to the three already identified: that of companies dealing in production and distribution. The categories used to draw up the TOP 25 are therefore: production, distribution, integration and production/distribution. This classification has now been constant for several editions of the report: we believe, in fact, that it is still today the best way of photographing the market, because it balances the need to represent different categories of players without resulting in excessive fragmentation.



## THE SAMPLE ANALYZED

**The sample analysed in this financial survey includes 368 companies:**

- Italian or foreign, provided they have an **Italian VAT number**
- with a 2015 balance sheet (to be compared with the 2014 balance sheet) available in the principal databanks on **20 November 2016**.
- 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 2015 balance sheet could not be viewed in the most common databanks (Cerved - Infocamere, Aida - Bureau Van Dijk) on the date of **20 November 2016**
- 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.

## MAIN ACTIVITY

The companies were classified under the respective categories on the basis of the main activity, or core business, declared by themselves, for example physical security, anti-intrusion devices, fire prevention, CCTV.

This criterion mainly concerns producers; it is obviously less significant for distributors or systems integrators. The same assessment was made for the constantly increasing units providing both technologies and services





### 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.

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 category the producers of cables serving several sectors as well as security (telephone systems, broadcasting, the electrical sector, etc.): we have, however, dedicated a separate classification to these entities, given their intrinsic value in the security supply chain.

## 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, ever since the first edition in 2012, to exclude from the survey those multinationals which do not have a security-dedicated company in Italy, as well as those that consider security a marginal business unit.

## THE SAMPLE ANALYZED

Consequently, in order to identify our sample, we principally selected limited companies classified with ATECO codes compatible with the security sector.

These were whittled down according to the following criteria: location on the territory (with an Italian VAT number); balance sheet available in the principal databanks on 20 November 2016; core business in the security sector; main activity (category operative in the supply chain).

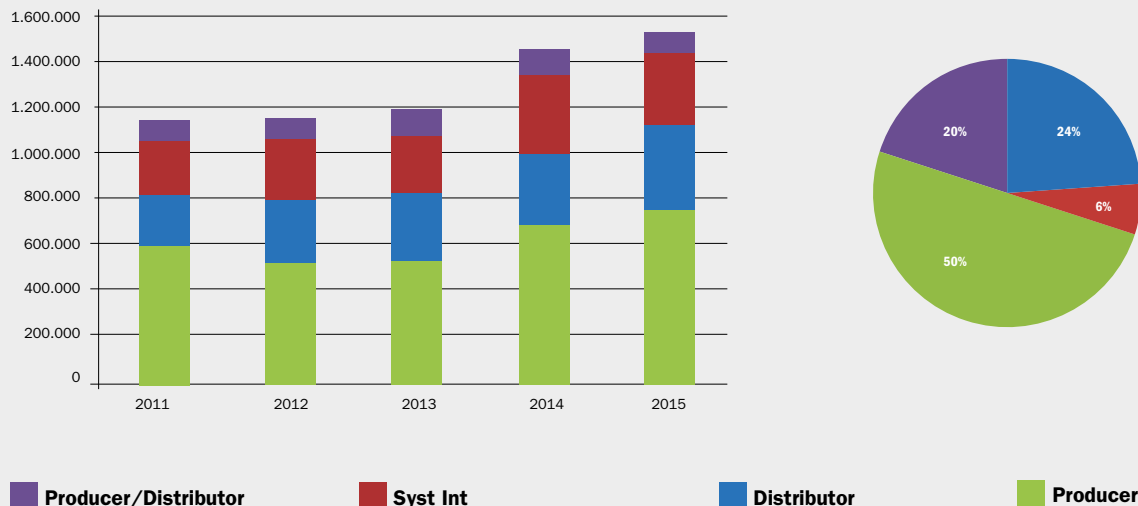
We added to this first sample certain entities known to the market as focused on the security sector but which, usually for historical reasons, are not registered in the Chamber of Commerce with a “correct” ATECO code. This group consists of companies that were created to operate in other sectors, but which have gradually come to focus on security.

## CONCLUSION

This 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



FIGURE 1



**Figure 1.** Distribution of income on the overall sample. Note the prevalence of producers at 50% of overall income.

recent evolutions. Rather than a “value” assessment, it aims to give a “sector” assessment of an industry that is becoming increasingly dynamic and integrated. This evaluation becomes even more interesting at a moment of technological transition, which sees physical security converging towards logical security, networking, telephone systems, broadcasting and building. In such a situation, physical security therefore has to measure itself against new, robust competitors, operators used to working in highly competitive climates, with gigantic investments and far smaller margins than our own. This is why it is important to identify, classify and index the security players and analyse their responses to the new and pressing market challenges. And this is why it is fundamental to provide tools for company analysis and consequently – we believe – for growth. We are of course well aware that we have made decisions bordering on the radical and that this survey leaves ample space for improvement. We are counting on sector operators’ comments and opinions. These have already helped us in the past to focus better the sample and they are the most precious keys to a correct interpretation of a market.

## AT A FIRST GLANCE

Taken together, the sample of the Italian companies operating in the security sector has not modified significantly since our previous analysis. It shows an increase in revenue from 1.42 to 1.52 billion euro and has maintained substantially the same division of income as in the previous edition, with producers generating 50%. We think it worth pointing out that this figure does not represent the entire security sector in Italy, the dimension of which is commonly estimated at around two billion euro, including installations (source: Anie Sicurezza). Missing from our survey, in fact, are several important multinationals that have not set up a company specifically dedicated to the Italian market and which are therefore excluded from our sample. In particular, the sector of producers of video-surveillance technologies is under-represented, and this is a segment that has always played a leading role in the growth of the sector. A significant element in this survey, compared with previous years, is the way in which the gap between the “TOP 25” and the rest of the sample has further widened. The average revenue of the Top 25 now stands at more



TABLE 1

2016 Revenue Classification (2015 balance sheets)	2015 Revenue Classification (2014 balance sheets)	Company Name	Region	2015 Revenue	Growth of Revenue 2015 on 2014	EBITDA	EBITDA Sales Margin	EBIT	EBT	No. employees	Sector
1	1	NOTIFIER ITALIA SRL	Lombardia	46.437	7%	7.637	16%	6.116	6.136	89	Producer
2	2	PROJECT AUTOMATION SPA	Lombardia	43.044	11%	2.653	6%	1.770	1.904	206	Syst Int
3	3	HESA SPA	Lombardia	39.531	12%	1.752	4%	930	987	66	Distributor
4	4	CIMA S.P.A.	Emilia-Romagna	36.175	15%	5.583	15%	5.304	5.332	99	Producer
5	5	TECNOALARM SRL	Piemonte	32.665	8%	8.701	27%	7.813	7.821	120	Producer
6	6	SAIMA SICUREZZA SPA	Toscana	31.834	16%	1.421	4%	1.039	1.053	128	Producer
7	7	BENTEL SECURITY SRL	Abruzzo	30.456	13%	5.832	19%	5.381	5.242	141	Producer
8	22	HIKVISION ITALY S.R.L.	Lombardia	26.169	90%	1.355	5%	589	552	27	Producer
9	19	AIKOM TECHNOLOGY S.R.L.	Emilia-Romagna	25.581	64%	1.000	4%	907	1.133	15	Distributor
10	11	INIM ELECTRONICS SRL	Marche	22.825	16%	8.331	36%	7.613	7.622	76	Producer
11	8	SELESTA INGEGNERIA SPA	Liguria	20.879	-6%	4.533	22%	1.612	575	184	Producer
12	13	VIDEOTEC SPA	Veneto	20.545	8%	1.923	9%	1.440	1.851	104	Producer
13	10	ATRAL ITALIA SRL	Emilia-Romagna	19.975	0%	638	3%	286	282	57	Producer
14	17	DISTRIBUZIONE APPARECCHIATURE SICUREZZA DIAS SRL	Lombardia	19.947	20%	1.402	7%	1.042	1.060	6	Distributor
15	15	GUNNEBO ITALIA SPA	Lombardia	18.843	9%	247	1%	157	141	79	Prod/Distr
16	16	EL.MO. SPA	Veneto	18.408	7%	1.242	7%	959	788	67	Producer
17	14	ELECTRONIC'S TIME S.R.L.	Puglia	17.374	-1%	1.288	7%	1.035	492	44	Distributor
18	12	HONEYWELL SECURITY ITALIA SPA	Lombardia	17.092	-11%	-2.391	-14%	-2.908	-2.976	39	Prod/Distr
19	18	DAB SISTEMI INTEGRATI SRL	Lazio	15.975	-4%	854	5%	656	390	70	Syst Int
20	21	SICURTEC SRL	Lombardia	14.984	3%	22	0%	-144	247	51	Distributor
21	20	SISTEMI INTEGRATI SRL	Emilia-Romagna	14.798	1%	2.699	18%	1.731	1.724	14	Syst Int
22	37	SICE TELECOMUNICAZIONI	Toscana	14.617	42%	339	2%	0	358	n.d.	Distributor
23	35	VIDEOTREND S.R.L.	Lombardia	14.109	29%	820	6%	735	607	40	Prod/Distr
24	26	BOSCH SECURITY SYSTEMS S.P.A.	Lombardia	13.647	13%	557	4%	537	572	17	Producer
25	25	SICURIT ALARMITALIA SPA	Lombardia	12.808	3%	44	0%	-5	155	45	Prod/Distr
		TOP 25 AVERAGE		23.549	15%	2.339	9%	1.784	1.762	74	
		SME AND CORPORATIONS AVERAGE		12.666	9%	1.159	8,5%	821	710	44	
		TOTAL AVERAGE		4.713	8%	403	6,5%	276	235	19	

**Table 1.** TOP 25 OF THE WHOLE SECTOR BY REVENUE (DATA IN THOUSANDS OF EURO). THE AVERAGE REVENUE OF THE TOP 25 IN 2015 WAS 24 MILLION € – ALMOST FIVE TIMES THE AVERAGE OF 4.7 MILLION FOR THE ENTIRE SAMPLE and in any case double the average revenue of the small-medium enterprises and corporations (revenue >5 million euro) in the sample.

than five times the average revenue of the entities in the entire sample. Even if we restrict our analysis to the most highly-structured companies in the sample (small-medium enterprises and corporations, that is to

say those with a revenue of more than 5 million euro), the average revenue of the entities present in the TOP 25 is still around double the average (24 million euro as against 13 million euro). This phenomenon is confirmed



if we look at the average increase in revenue of the Top 25 companies. This amounts to +15% compared with 2014, while the average growth of the companies in the entire sample was only 8%.

The first 7 positions in the classification are unchanged compared with 2015. At the top are the three Lombard companies Notifier Italia SRL (with a growth of 7% and a revenue of 46 million euro), Project Automation SPA (a growth of 11% with 43 million euro) and Hesa SPA (a growth of 12% with a revenue of 40 million euro). There are only three new entries in the first 25 companies by revenue: in 22nd place is SICE Telecomunicazioni (with a growth of 42% and a revenue of 15 million euro), in 23rd place is Videotrend SRL (a growth of 29% and a revenue of 14 million euro), while in 24th place is Bosch Security Systems SPA (a growth of 13% with a revenue of 14 million euro).

## CLASSIFICATION BY GROWTH

The TOP 25 classification by growth (and also by profitability) considers only SME and Corporate companies, that is to say companies with an income in 2015 of at least 5 million euro. This is because, when we evaluate growth in percentage terms, a small growth in absolute values declared by a company with a small revenue gives a completely different impression compared with a similar percentage growth declared by a small-medium enterprise or a corporation. For a small company, in fact, a single new order can reflect notably upon the revenue. Given these premises, the small-medium enterprises and corporations in the sample increased by an average of 9% compared with their 2014 revenues. Among these, the top 25 companies by growth increased by an average of 31%. As expected, on average these companies have paid a price in terms of profitability (8% of EBITDA/V), according to which they are placed slightly below the average for the small-medium enterprises and corporations in the sample (8.5%). They are nevertheless above the overall average for the entire sample (6.5%).

By its very nature, classification by growth has accustomed us to see a high level of rotation. In reality, if we look at the data in the 2015 Financial Statements, we see that very many companies have confirmed a strong growth from 2013 to 2014. At the top of this list is Hik-



TABLE 1 B

	Income	Income Growth	EBITDA	EBITDA Sales Margin	EBIT	EBT	No. employees
2011	23.871	6%	2.028	8%	1.454	1.325	66
2012	20.429	-4%	1.876	8%	1.294	-242	81
2013	20.644	8%	2.106	9%	1.624	1.457	73
2014	21.485	19%	2.315	10%	1.827	1.466	72
2015	23.549	15%	2.339	9%	1.784	1.762	74

**Table 1 b.** A comparison between the TOP 25 in the entire sector by revenue. Growth is continuing and profitability is maintained.



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
<b>2015</b>	4.713	8%	403	6,5%	276	235	19

**Table 1 c.** A comparison between the samples in the entire sector from 2011 to 2015. Growth has slowed but profitability has improved.

vision SRL (with an increase in income of 90% compared with its 2014 Financial Statement); in the 2015 classification it is in fourth place with an increase in its 2014 revenue of no less than 98% compared with 2013.

The second in the list, too, Aikom Technology SRL, with a growth of 64%, was already listed at no. 11 for increased income in the previous TOP 25. A new entry in this list, on the other hand, is Microcontrol Electronic SRL. In 2014 this company was not listed because it did not achieve the threshold revenue of 5 million euro; this year it is in third place with a growth of 61%.

## PROFITABILITY EXPRESSED BY THE EBITDA MARGIN

A third and last criterion used for classification (only for small-medium enterprises and corporations) is that of





TABLE 2

2016 Growth Classification (2015 balance sheets)	2015 Growth Classification	Company Name	Region	2015 Revenue	Growth of Revenue 2015 on 2014	EBITDA	EBITDA Sales Margin	EBIT	EBT	No. employees	Sector
1	4	HIKVISION ITALY S.R.L.	Lombardia	26.169	90%	1.355	5%	589	552	27	Producer
2	11	AIKOM TECHNOLOGY S.R.L.	Emilia-Romagna	25.581	64%	1.000	4%	907	1.133	15	Distributor
3	n.d.	MICROCONTROL ELECTRONIC S.R.L.	Lombardia	7.818	61%	463	6%	391	346	15	Distributor
4	87	BORDOGNA SPA	Lombardia	8.813	49%	1.292	15%	602	35	69	Producer
5	14	SICE TELECOMUNICAZIONI	Toscana	14.617	42%	339	2%	0	358	n.d.	Distributor
6	6	COMETA - S.P.A.	Toscana	11.702	38%	667	6%	487	469	39	Producer
7	72	TRANS AUDIO VIDEO	Campania	11.877	33%	568	5%	533	515	19	Distributor
8	n.d.	CIAS ELETTRONICA SRL	Lombardia	5.427	33%	557	10%	119	77	40	Producer
9	49	MARCH NETWORKS SPA	Lombardia	11.121	33%	478	4%	401	898	50	Producer
10	n.d.	TROLESE S.R.L.	Veneto	6.328	30%	152	2%	110	81	18	Distributor
11	10	VIDEOTREND S.R.L.	Lombardia	14.109	29%	820	6%	735	607	40	Prod/Distr
12	9	D.S.T. DISTRIBUZIONE SISTEMI TECNOLOGICI S.R.L., IN BREVE D.S.T. S.R.L.		6.598	27%	340	5%	299	262	21	Distributor
13	n.d.	GIUDICI & POLIDORI	Marche	7.539	26%	617	8%	591	582	15	Distributor
14	7	TELEVISTA S.R.L.	Veneto	7.136	24%	134	2%	113	72	18	Distributor
15	78	ARGUS SECURITY SRL	Lombardia	11.142	23%	943	8%	473	264	69	Producer
16	24	DISTRIBUZIONE APPARECCHIATURE SICUREZZA DIAS SRL	Lombardia	19.947	20%	1.402	7%	1.042	1.060	6	Distributor
17	43	TECHNOMAX SRL	Lombardia	11.424	19%	650	6%	614	495	35	Producer
18	57	CONSORZIO NAZIONALE SICUREZZA SCARL	Campania	10.263	18%	792	8%	665	608	9	Syst Int
19	46	HILTRON S.R.L.	Campania	6.478	18%	312	5%	121	31	47	Producer
20	74	KABA SRL	Emilia-Romagna	7.364	17%	279	4%	241	225	30	Producer
21	53	SAIMA SICUREZZA SPA	Toscana	31.834	16%	1.421	4%	1.039	1.053	128	Producer
22	13	INIM ELECTRONICS SRL	Marche	22.825	16%	8.331	36%	7.613	7.622	76	Producer
23	2	CIMA S.P.A.	Emilia-Romagna	36.175	15%	5.583	15%	5.304	5.332	99	Producer
24	19	DOPPLER SRL	Piemonte	9.747	15%	478	5%	347	349	31	Distributor
25	83	S.C.A.M.E. SISTEMI S.R.L.	Lombardia	9.114	14%	1.848	20%	1.578	1.504	22	Syst Int
		TOP 25 AVERAGE BY GROWTH		13.646	31%	1.233	8%	997	981	39	
		SME AND CORPORATIONS AVERAGE		12.666	9%	1.159	8,5%	821	710	44	
		TOTAL AVERAGE		4.713	8%	403	6,5%	276	235	19	

**Table 2.** TOP 25 OF THE WHOLE SECTOR BY GROWTH OF INCOME (SMALL-MEDIUM ENTERPRISES AND CORPORATIONS). The small-medium enterprises and corporations in the sample show an average growth of 9.4% compared with 2014 revenues.

the EBITDA expressed as a percentage of sales (the so-called EBITDA margin or EBITDA%). We should remember that EBITDA – Earnings before Interest, Taxes,

Depreciation and Amortization) – is a fundamental indicator of profitability.

This significance of this indicator is that it indicates a





TABLE 3

2016 EBITDA/SALES Classification (2015 balance sheets)	2015 EBITDA/SALES Classification	Company Name	Region	2015 Revenue	Growth of Revenue 2015 on 2014	EBITDA	EBITDA Sales Margin	EBIT	EBT	No. employees	Sector
1	1	CONSIAG S.P.A.	Toscana	5.659	-27%	3.601	64%	27	276	1	Syst Int
2	2	INIM ELECTRONICS SRL	Marche	22.825	16%	8.331	36%	7.613	7.622	76	Producer
3	5	COMBIVOX SRL	Puglia	8.768	4%	2.704	31%	2.389	2.395	39	Producer
4	4	TECNOALARM SRL	Piemonte	32.665	8%	8.701	27%	7.813	7.821	120	Producer
5	3	VENITEM SRL	Veneto	8.515	3%	2.185	26%	2.078	2.265	24	Producer
6	6	AVS ELECTRONICS SPA	Veneto	10.272	0%	2.338	23%	2.140	2.156	48	Producer
7	13	SILENTRON SPA	Piemonte	7.645	10%	1.683	22%	1.216	1.198	25	Producer
8	12	SELESTA INGEGNERIA SPA	Liguria	20.879	-6%	4.533	22%	1.612	575	184	Producer
9	16	S.C.A.M.E. SISTEMI S.R.L.?	Lombardia	9.114	14%	1.848	20%	1.578	1.504	22	Syst Int
10	10	QUBIX S.P.A.	Veneto	12.294	8%	2.441	20%	2.346	2.132	13	Distributor
11	7	BENTEL SECURITY SRL	Abruzzo	30.456	13%	5.832	19%	5.381	5.242	141	Producer
12	17	PILOMAT SRL	Lombardia	6.710	-5%	1.269	19%	1.072	1.321	36	Producer
13	8	SERTEC SRL	Veneto	6.274	-3%	1.184	19%	1.060	1.089	11	Distributor
14	15	SISTEMI INTEGRATI SRL	Emilia-Romagna	14.798	1%	2.699	18%	1.731	1.724	14	Syst Int
15	21	GPS STANDARD SPA	Valle d'Aosta/ Vallée d'Aoste	7.135	-5%	1.198	17%	59	46	49	Producer
16	18	NOTIFIER ITALIA SRL	Lombardia	46.437	7%	7.637	16%	6.116	6.136	89	Producer
17	19	SICEP SPA	Toscana	7.262	3%	1.167	16%	737	335	40	Producer
18	14	CIMA S.P.A.	Emilia-Romagna	36.175	15%	5.583	15%	5.304	5.332	99	Producer
19	22	BORDOGNA SPA	Lombardia	8.813	49%	1.292	15%	602	35	69	Producer
20	20	VAGO SPA	Lombardia	7.386	0%	1.070	14%	637	648	40	Syst Int
21	28	SENSITRON SRL	Lombardia	6.989	4%	957	14%	874	904	18	Producer
22	n.d	SAET I.S. - S.R.L.	Piemonte	5.154	9%	671	13%	486	628	15	Prod/Distr
23	26	SYNC LAB S.R.L.	Campania	8.231	10%	1.071	13%	700	312	134	Producer
24	23	ZUCCHETTI AXESS SPA	Lombardia	12.584	8%	1.571	12%	1.380	692	54	Producer
25	76	SECURITY TRUST.IT SRL	Lombardia	7.086	7%	865	12%	663	264	32	Syst Int
		TOP 25 AVERAGE FOR EBITDA/ SALES		14.005	5,8%	2.897	21%	2.225	2.106	56	
		SME AND CORPORATIONS AVERAGE		12.666	9,4%	1.159	8,5%	821	710	44	
		TOTAL AVERAGE		4.713	8,2%	403	6,5%	276	235	19	

**Table 3.** TOP 25 OF THE WHOLE SECTOR BY EBITDA/SALES (SMALL-MEDIUM ENTERPRISES AND CORPORATIONS). The profitability figures in this classification are of absolute excellence, confirming that this is a high revenue sector.

company's capacity to generate value for its ownership deriving from its core business. Unlike other indicators,

such as net profit on sales, EBITDA is not affected by aspects linked to the company's financial and extraordi-



nary management. For this reason, among others, EBITDA increased by a multiple (depending principally on the trade sector and the activity performed) and net of financial debt provides a starting point for an estimate of a company's economic value.

This set of factors, too, proves substantially "stable" over time. Many of the leaders, in fact, were already at the top of the list in the previous editions of this research. This shows that the creation of high profit margins is a slow process, beginning with constant attention to cost reduction, followed by focus on the products and services that generate the highest value, leading finally to the creation of a brand that enables high margins to be achieved even in a highly competitive market (see table 3). It should be emphasized, in any case, that the EBITDA/Sales, "when performance is equal", must, of its very nature, be higher for producer companies (characterized by high amortisements to be paid back through part of the EBITDA before pre-tax and pre-interest profits can be obtained) compared with companies active as distributors (for which the amortisements are less significant, with the result that the EBITDA is very close to pre-tax and pre-interest profits). Turning now to the classification, the same entities are in the first six places as in the previous edition. Still in first place is the systems integrator CONSIAG SPA (6 million euro with EBITDA/Sales at 64%), while INIM Electronics SRL (23 million euro, EBITDA/Sales at 36%) remains second. Combivox SRL, on the other hand, climbs to third place (9 million euro with EBITDA at 31%); in the previous edition it was listed fifth.

When looking at the classification, we should bear in mind that, structurally and as might reasonably have been expected, producers show a higher EBITDA/sales than distributors. Indeed, a manufacturing enterprise with a unique and sustainable advantage can increase its value by as much as 25%, while an equally excellent distributor would find it hard to go beyond 10%. This observation confirms that the profitability values we find in this classification are of absolute excellence, testifying to the fact that the security sector is a highly profitable one.



## GLOSSARY

**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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TO BE CONTINUED IN THE NEXT ISSUE

The Editor's

# Growth with profitability: identikit of a mature sector



SECOND PART

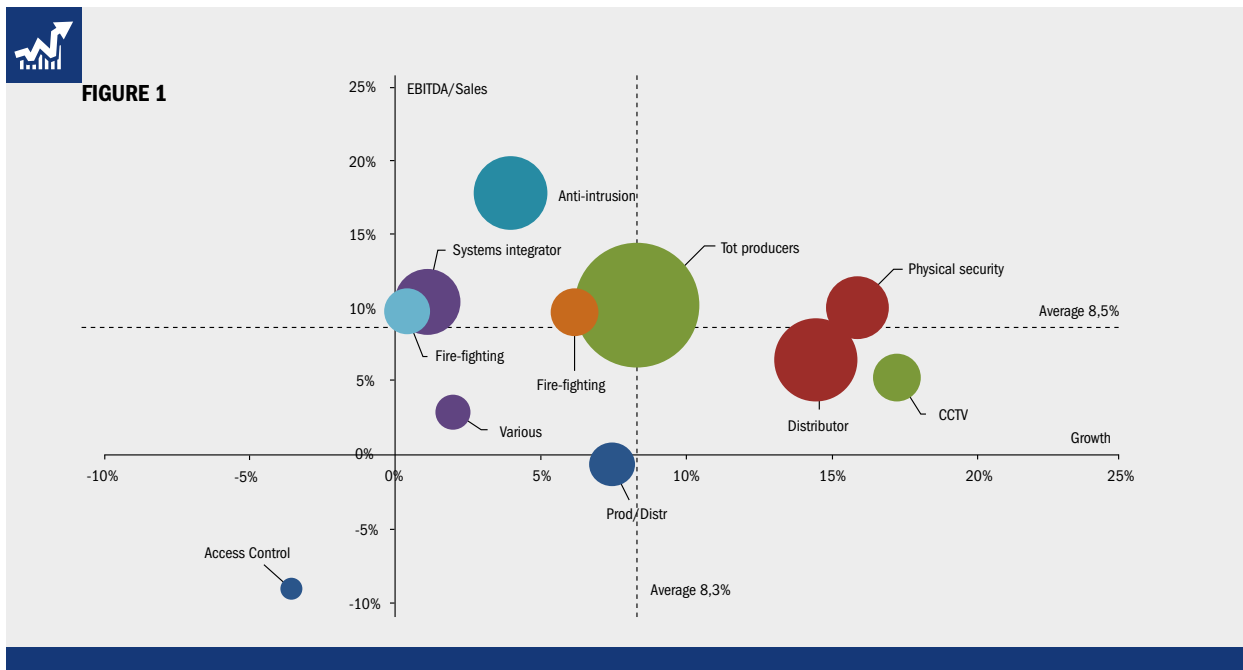


Here we are at the last part of our fifth appointment with Italian Security Leaders, Top 25, the financial survey developed annually by the a&s Italy magazine together with the analyst KF Economics (K Finance Group). A good moment, then, to sum up the results of the five-year period. We compare trends in the security sector in the years 2011 to 2015 with the results emerging from the recently concluded 2016. The five years analyzed were certainly not brilliant ones for the Italian economy as a whole. Our survey photographs, nevertheless, a sector that is now mature, one that is growing steadily without compromising profitability. The first part of our investigation (a&s Italy no. 42/December 2016) concentrated on the “macro” aspects of trends in the sector. This second part takes a look at the numbers.

PROFITABILITY AND GROWTH

**A**s in the previous edition, the sector of anti-intruder system producers is the profit margins leader with an excellent 17.8%. It is substantially stable, however (with an

average growth of +3.9%). CCTV systems producers are once again at the top for growth (+17.2%), but pay the price in terms of profitability (“only” 5.2%). This goes to prove that it is difficult, whether for a company or for a sector, to achieve exceptional profit margins and exceptional growth at the same time. An all-out push



**Figure 1.** The dimension of the bubbles is equal to the turnover of the sector. This figure expresses the distribution of EBITDA/Sales and income growth 2014-15 (only SMEs/Corporate) Copyright a&s Italy. All rights reserved

**BOX 1**

COMPETITIVE POSITION	EBITDA/INCOME %	
	Manufacturing company	Distribution company
SAD - Sex, Alcohol, Drugs	>50%	
monopoly/oligopoly	40%	>10% are not distributors
Single, sustainable competitive advantage	25%	8%
Recognizable competitive advantage	20%	7%
Modest competitive advantage	15%	6%
"me too" efficient	12%	5%
"me too"	10%	4%
mediocrity	8%	3,5%
survival	6%	3%
default	<6%	<3%

**Box 1.** Table showing comparison between EBITDA/Sales values and competitive position (only SMEs/Corporate). Copyright a&s Italy. All rights reserved

**TABLE 1**

Sectors	Income	EBITDA/ Sales average	Average income growth
Anti-intrusion	181.926	17,8%	3,9%
Fire-fighting	81.536	9,5%	6,3%
Access Control	21.512	-9,0%	-3,6%
Physical security	156.895	10,1%	15,9%
CCTV	71.475	5,2%	17,2%
Various	55.141	2,9%	2,0%
<b>Tot producers</b>	<b>568.485</b>	<b>10,1%</b>	<b>8,3%</b>
Distributor	248.181	6,3%	14,5%
Prod/Distr	70.632	-0,6%	7,5%
Systems integrator	172.218	10,4%	1,1%
<b>Total</b>	<b>1.059.517</b>	<b>8,5%</b>	<b>8,3%</b>

**Table 1.** Distribution of EBITDA/Sales and income growth 2014-15 (only SMEs/Corporate). Copyright a&s Italy. All rights reserved







FIGURE 2

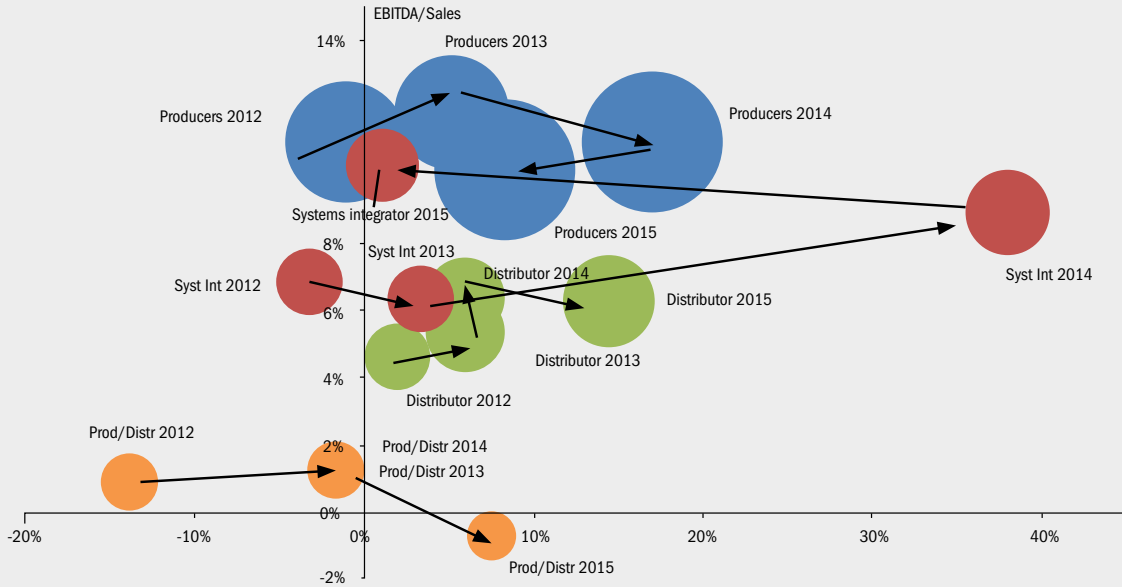


Figure 2. Past trends of profitability and growth. Copyright a&s Italy. All rights reserved



FIGURE 3

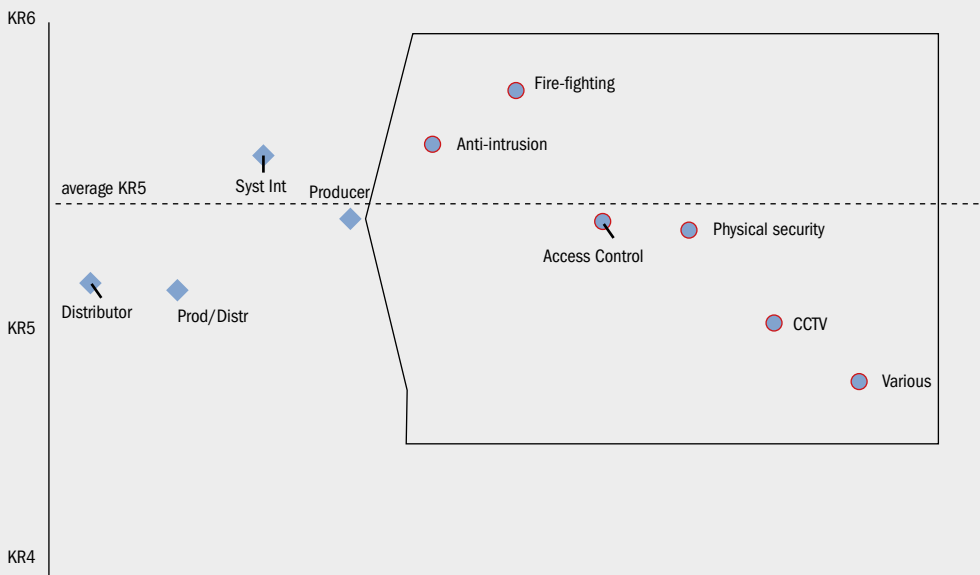


Figure 3. Past trends of profitability and growth. Copyright a&s Italy. All rights reserved





TABLE 2

Rating class	Description	Implications for Customers	PD %
KR7	Solvent and financially solid company able to resist even serious worsening of economic/market conditions.	Very solid supplier, maximum capacity to obtain operational financial resources with consequent low risk for continuity of supplies.	0,1
KR6			
	Company able to honour its debts regularly with good coverage capacity; this could deteriorate in the case of an extreme worsening of economic/market conditions.		0,6
KR5	Company able to honour its debts but exposed to worsening of economic/market conditions.	Solid supplier, high capacity to obtain operational financial resources. Limited risks for operative continuity.	2,1
KR4	Company with modest financial solidity but currently able to honour its debts.	Supplier with normal capacity to obtain financial resources. Operational risks in the case of economic crisis.	5,8
KR3	Financially weak company, exposed to insolvency risk.	Supplier with limited capacity to obtain financial resources. Risky if it has urgent financial needs in order to operate.	13,7
KR2	Company with significant insolvency risk.	Supplier with financial difficulties (including payment of its suppliers) that make it difficult to guarantee effective operations such as punctual delivery and quality.	30,5
KR1	Company with high insolvency risk.		74,7

**Table 2.** KF Economics rating classes. Copyright *a&s Italy*. All rights reserved

for growth is inclined to sacrifice efficiency to effectiveness, to increase market share by pursuing orders with poor margins or acquiring operators with low margins. Compared with last year, the sampling situation in the systems integrators sector has stabilized. The upward leap from 2013 to 2014 was mainly due to the entry of a large player not previously included in our sample. It has not been repeated.

We may note that, while systems integrators and producers have maintained constant profitability (EBITDA/Sales), their growth has slowed.

Distributors still declare growth in double figures (average growth of small-medium companies and corporations = 14.5% compared with 2015) and stable profitability (average EBITDA/Sales of small-medium companies and corporations = 6.3%). The process therefore continues of consolidated growth combined with good profit margins.

## RATING

So far, we have analysed income and profitability (EBITDA/Sales). In this paragraph, we focus on the other dimension used to measure company or sector performance: rating. Rating shows the extent to which an entity (or sector) can withstand negative pressure deriving from adverse external conditions. While not all low-rated companies become automatically insolvent, they are the entities most exposed to insolvency in the case of a slowing of the economic cycle, a crisis in the sector or internal problems.

The security sector has once again registered an excellent rating. The average assessment is around KR5, a couple of points higher than the average for Italian manufacturers (KR3).

The KF Economics scale goes from KR1 (maximum risk) to KR7. KR5 corresponds to an average bankruptcy risk of 0.2%, that is to say an average of two companies in a thousand in this category declare insolvency within twelve months of the assessment.

The most solid group this year has been that of fire prevention; last year this position was held by anti-intruder devices. All groups were solidly placed, however.



## RATING AND VALUE-CREATING CAPACITY

In the previous sections, we analysed certain dimensions of the sector, particularly profit margins and financial risk. Profit margins (EBITDA/Sales) provide an interesting indicator of the value generated by a company but, for a fuller picture, the value of the financial debt needs to be deducted.

The formula that expresses most simply the financial value generated by a company is  $\text{Financial Value} = \text{EBITDA} * M - \text{NFP}$ , where M is a multiplier specific to each company, enclosing “strategic” aspects such as dimension, growth rate, trademarks, patents or know-how. For a first analysis, however, multipliers typical of the family to which the subject belongs – such as M=6 for a manufacturer or M=8 for a distributor – may be used. These typical multipliers derive from observation of hundreds of financial transactions by comparable companies. This Financial Value, in fact, is the economic starting point for almost all negotiations for the acquisition of a company. The NFP (Net Financial Performance) is the net debt towards financial institutions. As can be seen in box 2, it has increased compared with 2014, but it has remained well within the sustainable range.

If we divide the Financial Value by the revenue, we obtain an index which we call the FVI (Financial Value Index). This enables us to compare the value generated by different companies.

An analysis of value (as summed up by the FVI) and Rating shows that the leading group is that of anti-intrusion systems producers, while access control is the group with the lowest level of excellence.

The trends of the value/rating placement (figure 5) reveal a gradual downward placing of the producers/distributors group. Distributors show an improvement, while producers and systems integrators remain stable.

### BOX 2

Categories	Average NFP/R 2015	Average NFP/R 2014	Average NFP/R 2013	Average NFP/R 2012	Average NFP/R 2011
<b>Distributor</b>	11%	8%	10%	9%	8%
<b>Producer / Distributor</b>	4%	8%	3%	3%	20%
<b>Producer</b>	7%	6%	8%	10%	9%
<b>Systems integrator</b>	3%	-3%	7%	9%	6%
Total	7%	5%	8%		

**Box 2.** Average financial indebtedness of the security sector. Debt has increased compared with 2014 but is in any case well within the sustainable range. Copyright a&s Italy. All rights reserved

### TABLE 3

Sectors	Average IVF%	Classe Rating Average
<b>Tot producers</b>	56%	KR5
<b>Systems integrator</b>	40%	KR5
<b>Distributor</b>	30%	KR5
<b>Anti-intrusion</b>	102%	KR6-
Physical security	45%	KR5
Prod/Distr	-2%	KR5
Fire-fighting	52%	KR5
CCTV	39%	KR5-
Various	5%	KR5
Access Control	-45%	KR4-
Total	42%	KR5

**Table 3.** Rating Distribution and Financial Value Index (FVI%) (only SMEs/Corporate). Copyright a&s Italy. All rights reserved





FIGURE 4

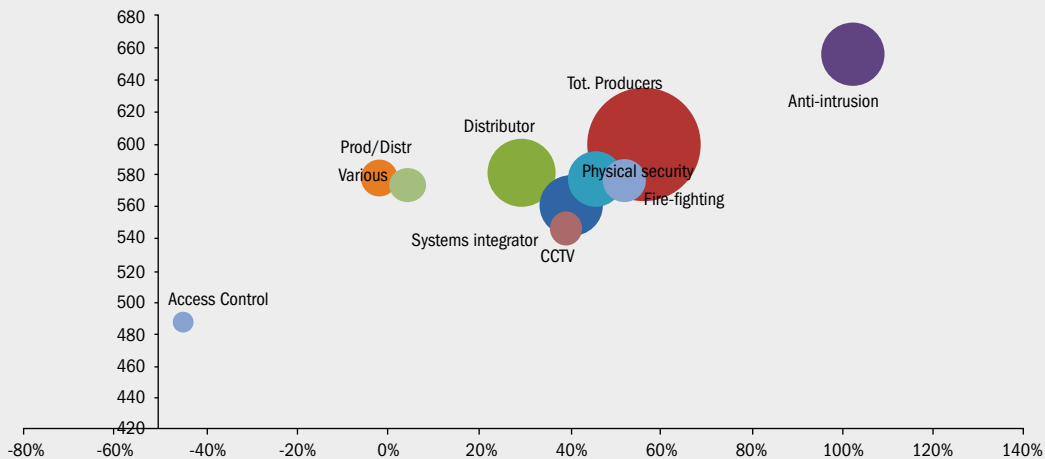


Figure 4. Rating Distribution and Financial Value Index (FVI%). The group leader is that of the anti-intruder systems producers while the least excellent group is that of access control. Copyright a&s Italy. All rights reserved



FIGURE 5

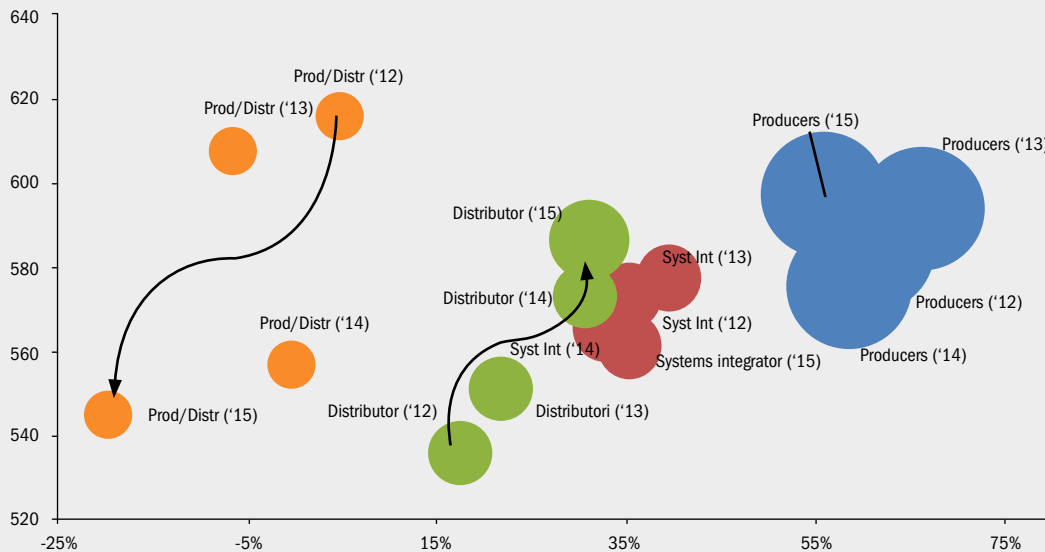


Figure 5. Rating Distribution and Financial Value Index (FVI%). Comparison of past trends (only SMEs/Corporate). Copyright a&s Italy. All rights reserved

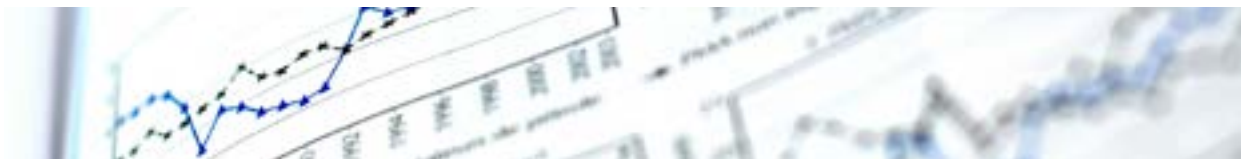






TABLE 4

2016 Producers Classification (2015 balance sheets)	2015 Producers Classification (2014 balance sheets)	Company Name	Region	2015 Revenue	Growth of Revenue 2015 on 2014	EBITDA	EBITDA Sales Margin	EBIT	EBT	No. employees	Sector
1	1	NOTIFIER ITALIA SRL	Lombardia	46.437	7%	7.637	16%	6.116	6.136	89	Fire-fighting
2	2	CIMA S.P.A.	Emilia-Romagna	36.175	15%	5.583	15%	5.304	5.332	99	Physical security
3	3	TECNOALARM SRL	Piemonte	32.665	8%	8.701	27%	7.813	7.821	120	Anti-intrusion
4	4	SAIMA SICUREZZA SPA	Toscana	31.834	16%	1.421	4%	1.039	1.053	128	Physical security
5	5	BENTEL SECURITY SRL	Abruzzo	30.456	13%	5.832	19%	5.381	5.242	141	Anti-intrusion
6	11	HIKVISION ITALY S.R.L.	Lombardia	26.169	90%	1.355	5%	589	552	27	CCTV
7	8	INIM ELECTRONICS SRL	Marche	22.825	16%	8.331	36%	7.613	7.622	76	Anti-intrusion
8	6	SELESTA INGEGNERIA SPA	Liguria	20.879	-6%	4.533	22%	1.612	575	184	Physical security
9	9	VIDEOTEC SPA	Veneto	20.545	8%	1.923	9%	1.440	1.851	104	CCTV
10	7	ATRAL ITALIA SRL	Emilia-Romagna	19.975	0%	638	3%	286	282	57	Anti-intrusion
11	10	EL.MO. SPA	Veneto	18.408	7%	1.242	7%	959	788	67	Various
12	13	BOSCH SECURITY SYSTEMS S.P.A.	Lombardia	13.647	13%	557	4%	537	572	17	Various
13	12	COOPER CSA SRL	Lombardia	12.731	1%	731	6%	509	-4.616	24	Anti-intrusion
14	17	CESPRO SRL	Toscana	12.643	14%	507	4%	389	451	65	Physical security
15	15	ZUCCHETTI AXESS SPA	Lombardia	12.584	8%	1.571	12%	1.380	692	54	Access Control
16	25	COMETA - S.P.A.	Toscana	11.702	38%	667	6%	487	469	39	Physical security
17	21	TECHNOMAX SRL	Lombardia	11.424	19%	650	6%	614	495	35	Physical security
18	23	ARGUS SECURITY SRL	Lombardia	11.142	23%	943	8%	473	264	69	Fire-fighting
19	27	MARCH NETWORKS SPA	Lombardia	11.121	33%	478	4%	401	898	50	CCTV
20	18	CIODUE S.P.A.	Lombardia	10.370	-6%	699	7%	550	539	44	Fire-fighting
21	20	AVS ELECTRONICS SPA	Veneto	10.272	0%	2.338	23%	2.140	2.156	48	Anti-intrusion
22	22	CONFORTI S.P.A.	Veneto	9.351	3%	575	6%	230	-41	46	Physical security
23	19	TECHCO SECURITY ITALIA S.R.L.	Lombardia	8.928	-15%	-2.714	-30%	-3.395	-3.984	68	Access Control
24	40	BORDOGNA SPA	Lombardia	8.813	49%	1.292	15%	602	35	69	Physical security
25	26	COMBIVOX SRL	Puglia	8.768	4%	2.704	31%	2.389	2.395	39	Anti-intrusion
		Average TOP25 (producers)		18.395	14%	2.328	11%	1.818	1.503	70	
		Average SME and Corporate (producers)		13.998	9%	1.685	10%	1.264	1.054	58	
		Totale Average (producers)		5.237	9%	600	9%	434	365	23	

Table 4. TOP 25 Classification of producers by revenue 2015. Copyright a&s Italy. All rights reserved

## PRODUCERS

The classification of producers by revenue finds Notifier Italia SRL (46Me), from the fire prevention sector, once

more in first place and continuing its growth story (+7%). CIMA SPA (36Me) is confirmed in the second place, while the third goes to Tecnoalarm SRL (33Me). The following positions are also substantially stable, with the excep-





TABLE 5

2016 Producers Classification (2015 balance sheets)	2015 Producers Classification (2014 balance sheets)	Company Name	Region	2015 Revenue	Growth of Revenue 2015 on 2014	EBITDA	EBITDA Sales Margin	EBIT	EBT	No. employees
<b>Fire-fighting</b>										
1	1	NOTIFIER ITALIA SRL	Lombardia	46.437	7%	7.637	16%	6.116	6.136	89
18	23	ARGUS SECURITY SRL	Lombardia	11.142	23%	943	8%	473	264	69
20	18	CIODUE S.P.A.	Lombardia	10.370	-6%	699	7%	550	539	44
<b>Physical security</b>										
2	2	CIMA S.P.A.	Emilia-Romagna	36.175	15%	5.583	15%	5.304	5.332	99
4	4	SAIMA SICUREZZA SPA	Toscana	31.834	16%	1.421	4%	1.039	1.053	128
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17	21	TECHNOMAX SRL	Lombardia	11.424	19%	650	6%	614	495	35
22	22	CONFORTI S.P.A.	Veneto	9.351	3%	575	6%	230	-41	46
24	40	BORDOGNA SPA	Lombardia	8.813	49%	1.292	15%	602	35	69
<b>Anti-intrusion</b>										
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5	5	BENDEL SECURITY SRL	Abruzzo	30.456	13%	5.832	19%	5.381	5.242	141
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10	7	ATRAL ITALIA SRL	Emilia-Romagna	19.975	0%	638	3%	286	282	57
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6	11	HIKVISION ITALY S.R.L.	Lombardia	26.169	90%	1.355	5%	589	552	27
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<b>Various</b>										
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<b>Access Control</b>										
15	15	ZUCCHETTI AXESS SPA	Lombardia	12.584	8%	1.571	12%	1.380	692	54
23	19	TECHCO SECURITY ITALIA S.R.L.	Lombardia	8.928	-15%	-2.714	-30%	-3.395	-3.984	68
		Average TOP25 (producers)		18.395	14%	2.328	11%	1.818	1.503	70
		Average SME and Corporate (producers)		13.998	9%	1.685	10%	1.264	1.054	58
		Totale Average (producers)		5.237	9%	600	9%	434	365	23

Table 5. TOP 25 producers by technology. Copyright a&amp;s Italy. All rights reserved



TABLE 6

2016 Cable Producers Classification (2015 balance sheets)	2015 Cable Producers Classification (2014 balance sheets)	Company Name	Region	2015 Revenue	Crescita Fatturato '15 su '14	EBITDA	EBITDA Sales Margin	EBIT	EBT	No. employees
1	1	RAMCRO SPA	Lombardia	24.484,431	7%	1.702,941	7%	1.170,493	640,007	56
2	2	CEAM CAVI SPECIALI S.P.A.	Veneto	21.908,948	12%	3.386,981	15%	2.475,505	2.413,515	94
3	3	CAVICEL S.P.A.	Lombardia	17.477,178	-4%	1.584,657	9%	627,225	551,256	68
4	4	PROSPECTA CAVI SPECIALI SRL	Emilia-Romagna	9.393,189	4%	487,453	5%	249,623	82,498	31
5	5	BATA CAVI SRL	Campania	7.731,14	9%	799,082	10%	420,302	257,564	31
6	7	MICRO TEK S.R.L.	Lombardia	5.840,159	15%	368,874	6%	330,437	301,696	9
7	8	LUCEAT SRL	Lombardia	321,475	-33%	-183,271	-57%	-201,057	-197,996	9
n.d.	6	ELAN SRL	Marche	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.

**Table 6.** Main cable producers also working in the security sector. Copyright a&s Italy. All rights reserved

tion of Hikvision Italy SRL, from the CCTV sector, which rises from 11th to 6th position, with a growth of 90%. The distribution of the TOP25 producers by sector shows that, once again, there is no dominant sector. The first place goes to fire prevention, the second to physical security and the third to anti-intrusion.

## 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 sec-

tor. The market leader in this segment by sales remains Ramcro.

## DISTRIBUTORS

In the TOP25 classification for distributors, we find almost exclusively entities already present last year. This reveals a situation of great stability among the leaders of the distributors' sector.

HESA SPA (40Me) confirms its place at the top of the list and continues its growth with +12%. The average profitability (EBITDA/Sales) of the TOP25 (6%) is slightly above the average for distributors (5.1%). According to KF Economics standards, this is in any case a good performance zone for a distributor.





TABLE 7

2016 Distributors Classification (2015 balance sheets)	2015 Distributors Classification (2014 balance sheets)	Company Name	Region	2015 Revenue	Growth of Revenue 2015 on 2014	EBITDA	EBITDA Sales Margin	EBIT	EBT	No. employees
1	1	HESA SPA	Lombardia	39.531	12%	1.752	4%	930	987	66
2	4	AIKOM TECHNOLOGY S.R.L.	Emilia-Romagna	25.581	64%	1.000	4%	907	1.133	15
3	3	DISTRIBUZIONE APPARECCHIATURE SICUREZZA DIAS SRL	Lombardia	19.947	20%	1.402	7%	1.042	1.060	6
4	2	ELECTRONIC'S TIME S.R.L.	Puglia	17.374	-1%	1.288	7%	1.035	492	44
5	5	SICURTEC SRL	Lombardia	14.984	3%	22	0%	-144	247	51
6	n.d.	SICE TELECOMUNICAZIONI	Toscana	14.617	42%	339	2%	277	358	n.d.
7	6	QUBIX S.P.A.	Veneto	12.294	8%	2.441	20%	2.346	2.132	13
8	7	S. & A. SRL	Lombardia	12.169	10%	698	6%	618	596	30
9	8	TRANS AUDIO VIDEO	Campania	11.877	33%	568	5%	533	515	19
10	10	DOPPLER SRL	Piemonte	9.747	15%	478	5%	347	349	31
11	11	SICURTEC BRESCIA SRL	Lombardia	8.792	6%	495	6%	352	90	22
12	9	LASERLINE SAFETY AND SECURITY SYSTEMS SRL	Lombardia	8.219	-7%	632	8%	357	286	23
13	20	MICROCONTROL ELECTRONIC S.R.L.	Lombardia	7.818	61%	463	6%	391	346	15
14	n.d.	GIUDICI & POLIDORI	Marche	7.539	26%	617	8%	591	582	15
15	17	TELEVISTA S.R.L.	Veneto	7.136	24%	134	2%	113	72	18
16	13	DODIC ELETTRONICA S.R.L.	Lazio	7.006	7%	239	3%	162	164	16
17	12	ITS ITALELETTRONICA S.R.L.	Abruzzo	6.640	1%	287	4%	198	134	25
18	n.d.	D.S.T. DISTRIBUZIONE SISTEMI TECNOLOGICI S.R.L., IN BREVE D.S.T. S.R.L.	Lazio	6.598	27%	340	5%	299	262	21
19	19	TROLESE S.R.L.	Veneto	6.328	30%	152	2%	110	81	18
20	14	SERTEC SRL	Veneto	6.274	-3%	1.184	19%	1.060	1.089	11
21	15	ASCANI ELETTRCOMM S.R.L.	Marche	6.061	2%	275	5%	254	47	21
22	16	TOP ITALIA S.R.L.	Sicilia	5.796	-1%	374	6%	271	167	7
23	18	CHECKPOINT SOCIETA A RESPONSABILITA LIMITATA	Lazio	4.958	-1%	146	3%	128	54	16
24	22	ABES S.R.L.	Piemonte	4.881	6%	103	2%	83	38	14
25	23	FPM S.R.L.	Veneto	4.675	5%	169	4%	86	40	9
		Average TOP25 (Distributors)		11.074	16%	624	6%	494	453	22
		Average SME and Corporate (distributors)		11.924	17%	690	6,1%	548	509	23
		Totale Average (distributors)		4.848	14%	275	5,1%	217	192	11

**TABLE 7.** TOP 25 distributors by revenue. HESA SPA confirms its top place and almost all the TOP 25 maintain their positions. Only three new entries. Copyright *a&s Italy*. All rights reserved





TABLE 8

2016 Prod/ Distr Classifi- cation (2015 balance sheets)	2015 Prod/Distr Classification (2014 balance sheets)	Company Name	Region	2015 Revenue	Growth of Revenue 2015 on 2014	EBITDA	EBITDA Sales Margin	EBIT	EBT	No. employees	Sector
1	3	GUNNEBO ITALIA SPA	Lombardia	18.843	9%	247	1%	157	141	79	Physical security
2	2	HONEYWELL SECURITY ITALIA SPA	Lombardia	17.092	-11%	-2.391	-14%	-2.908	-2.976	39	Various
3	5	VIDEOTREND S.R.L.	Lombardia	14.109	29%	820	6%	735	607	40	CCTV
4	4	SICURIT ALARMITALIA SPA	Lombardia	12.808	3%	44	0%	-5	155	45	Various
5	6	BETTINI SRL	Lombardia	7.779	7%	256	3%	138	110	42	CCTV
6	7	SAET I.S. - S.R.L.	Piemonte	5.154	9%	671	13%	486	628	15	Anti-intrusion
7	8	GSG INTERNATIONAL SRL	Lombardia	3.076	-5%	218	7%	164	22	11	CCTV
8	11	SAET SERVICE S.R.L.	Piemonte	2.691	35%	299	11%	270	263	12	Anti-intrusion
9	10	TECNOPOST SPA	Lombardia	2.551	7%	295	12%	192	232	22	Physical security
10	9	MESA SRL	Toscana	2.550	-7%	55	2%	-284	-411	11	Various
11	12	SIQR SRL	Lombardia	816	-9%	26	3%	19	13	1	CCTV
		Average TOP25 (prod / distr)		7.952	6%	49	4%	-94	-111	29	
		Average SME and Corporate (prod / distr)		12.631	8%	-59	2%	-233	-222	43	

**TABLE 8.** TOP Producers/Distributors. Again in 2015 these companies “are similar” to distributors and producers in terms of margins. Copyright *a&s Italy*. All rights reserved

## PRODUCERS/DISTRIBUTORS

Producers/distributors are entities that produce some components and integrate their offer by acting as distributor for other producers.

At the top of the list is GUNNEBO Italia SPA (18Me), which shows a growth of 9% and moves from third to

first place. Honeywell security Italia (17Me) remains in second place, followed by Videotrend SRL (14Me).

## SYSTEMS INTEGRATORS

The systems integrators ranking maintains the first three positions of the previous two years: Project Automation





TABLE 9

2016 Systems Integrators Classification (2015 balance sheets)	2015 Systems Integrators Classification (2014 balance sheets)	Company Name	Region	2015 Revenue	Growth of Revenue 2015 on 2014	EBITDA	EBITDA Sales Margin	EBIT	EBT	No. employees
1	1	PROJECT AUTOMATION SPA	Lombardia	43.044	11%	2.653	6%	1.770	1.904	206
2	2	DAB SISTEMI INTEGRATI SRL	Lazio	15.975	-4%	854	5%	656	390	70
3	3	SISTEMI INTEGRATI SRL	Emilia-Romagna	14.798	1%	2.699	18%	1.731	1.724	14
4	9	CONSORZIO NAZIONALE SICUREZZA SCARL	Campania	10.263	18%	792	8%	665	608	9
5	10	S.C.A.M.E. SISTEMI S.R.L.	Lombardia	9.114	14%	1.848	20%	1.578	1.504	22
6	4	DATA GENERAL SECURITY S.R.L.	Lazio	8.820	-31%	-172	-2%	-236	-202	9
7	8	TELETRONICA SPA	Friuli-Venezia Giulia	8.549	-2%	40	0%	-232	-229	44
8	n.d.	ADVANTEC S.R.L.	Piemonte	8.318	8%	35	0%	15	40	15
9	12	VAGO SPA	Lombardia	7.386	0%	1.070	14%	637	648	40
10	13	C.I.S.A.- COSTRUZIONI IMPIANTI SPECIALI ANTIFURTO SRL	Lombardia	7.231	2%	341	5%	299	334	29
11	17	SAIET TELECOMUNICAZIONI SPA	Emilia-Romagna	7.141	12%	175	2%	122	51	10
12	14	SECURITY TRUST.IT SRL	Lombardia	7.086	7%	865	12%	663	264	32
13	15	TELEIMPIANTI SPA	Emilia-Romagna	6.713	2%	460	7%	392	401	39
14	19	TELEFONIA E SICUREZZA SPA	Lombardia	6.138	10%	275	4%	201	186	44
15	18	CONSORZIO GOSS ITALIA	Veneto	5.983	-4%	13	0%	12	17	1
16	11	CONSIAG S.P.A.	Toscana	5.659	-27%	3.601	64%	27	276	1
17	22	FG.S. BRESCIA SRL	Lombardia	5.042	5%	219	4%	132	73	36
18	23	UMBRA CONTROL S.R.L.	Umbria	4.880	2%	107	2%	59	21	35
19	21	SPEE SRL	Abruzzo	4.763	-4%	642	13%	154	101	37
20	32	COGEN SPA	Lombardia	4.397	28%	258	6%	193	81	38
21	29	DAGO ELETTRONICA SRL	Marche	4.394	18%	200	5%	82	59	41
22	26	CENTRUM SRL	Emilia-Romagna	4.309	1%	141	3%	122	113	21
23	24	TONALI - S.P.A.	Lombardia	4.209	-10%	120	3%	-5	50	15
24	16	TSI SYSTEM SPA	Lombardia	4.080	-37%	-626	-15%	-754	-852	32
25	33	METROVOX SRL	Lazio	3.853	14%	164	4%	-23	46	14
		Average TOP25 (Systems integrator)		8.486	1%	671	8%	330	304	34
		Average SME and Corporate (Systems integrator)		10.427	1%	928	10%	496	470	37
		Average Total (Systems integrator)		3.378	3%	243,13	4,7%	122,91	108,40	17,68

**TABLE 9.** TOP 25 Systems Integrators. The first places in the systems integrators ranking remain unvaried from the previous edition. The TOP grew less than the overall sample. Copyright *a&s Italy*. All rights reserved

SPA (43M€) growing by 11%, DAB (15M€) and Sistemi Integrati SRL (15M€). Taken as a whole, systems integrators are stable (+3% growth since 2014). Of the TOP25, the entities with the highest revenue (small-me-

dium companies and corporations) have greater profitability (10% compared with 8% for the TOP25), showing that the scale effect is important for handling margins in this segment.



TABLE 10

Sector	North West		North East		Center		South		Tot. Italy	
	Num.	Income	Num.	Income	Num.	Income	Num.	Income	Num.	Income
Producer	75	376.666	39	181.353	21	133.969	9	62.084	144	754.073
Distributor	30	159.743	22	95.024	13	59.282	12	59.255	77	373.305
Systems integrator	37	141.525	25	77.174	21	61.755	8	26.927	91	307.380
Prod/Distr	10	84.921			1	2.550			11	87.470
<b>Total</b>	<b>152</b>	<b>762.855</b>	<b>86</b>	<b>353.552</b>	<b>56</b>	<b>257.556</b>	<b>29</b>	<b>148.266</b>	<b>323</b>	<b>1.522.228</b>

Table 10. Geographical distribution by typology of operator. Copyright a&amp;s Italy. All rights reserved



TABLE 11

Location	EBITDA/Sales Average	Average income growth
Centre	3%	9%
North-East	10%	9%
North-West	12%	7%
South	11%	11%
Total	9%	8%

Table 11. Geographical distribution of EBITDA/Sales and income growth. Corporate and SME. Copyright a&amp;s Italy. All rights reserved

## GEOGRAPHY

From a strictly geographical point of view, the sample remains strongly concentrated – both for numbers and for revenue – in the north-west, which contains 50% of the companies analysed.

Though the south is much less present than the north and centre, it has maintained a good growth rate (11%) and the best average profit margin (11% of EBITDA/Sales).



## GLOSSARY

**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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