

Europe's smaller VARs shine in tough conditions

[London – 18 February 2015] Smaller resellers in Europe are growing faster than larger ones; helped by expansion in key vertical markets such as the Public Sector; Bank/Finance/Insurance and Manufacturing/Industry (58%). Healthcare is rising fast as a category of interest to resellers. Security is, perhaps unsurprisingly, the fastest growing area of business for VARs in Europe.

These features emerge from IT Europa's latest database report: **Solutions VARs in Europe - the Top 500**. In the report, and looking back at the last year for which complete figures were available, total revenues of all companies included increased 29.13% in 2013 over comparable numbers for 2011. From 2012 to 2013 revenues increased just 3.98%, however. There has been considerable movement of names up and down the list as many of the larger companies have acquired, sold off divisions and moved work outside Europe.

In 2014, the most popular vertical markets which companies were catering to were: the Public Sector (67.2% of companies); Bank/Finance/Insurance (59.4%); Manufacturing/Industry (58%); Retail (49.6%); and Healthcare (39.4%). The fastest growing areas of activity for VARs were: security (68.23% of companies); mobility (30.17%); accountancy (13.22%); e-procurement (13.11%); and application infrastructure (13.02%). The only markets which declined were: e-commerce/Internet (-145.72%), and Supply Chain Management (-179.8%). Other notable horizontal segments include: storage (17.6%); Business Intelligence/analytics (13.8%); networking (9.4%); and virtualisation (9.4%).

Of the 500 companies profiled, 14 were parent companies of groups of companies, 55 subsidiary companies, 418 independents and 13 publicly listed and the total revenues for all companies in the report reached \$44.7 billion. The parent companies saw total revenues decline by 6% while the best performers were subsidiary companies with 11.02% increase in revenues in 2012-2013; followed by independent companies with 6.15% increase; and public companies with 4.72% increase. Only 6.8% of the companies in the report have staff numbers greater than 1000, two thirds have fewer than 100.

Largest geographic markets in terms of 2013 revenue (the last complete year for which reported figures are available) are (in descending order): United Kingdom (total revenues of \$11 billion); Germany (\$8.36 billion); France (\$5.95 billion); Spain (\$4.34 billion); Italy (\$2.56 billion); Netherlands (\$1.89 billion); Austria (\$1.61 billion); Denmark (\$1.2 billion); and Norway (\$1.18 billion). The 10 largest geographic markets covered in terms of numbers of companies profiled are: Germany (89 companies); United Kingdom (87); Italy (48); France (47); Spain (33); Poland (28); Netherlands (22); Russia (18); Turkey (15); and Austria (13).

In terms of revenue increases across geographic markets in the period of 2012-2013, Bulgaria is the best performer with 48.58% revenue growth. The second best performer is Belarus with 29.38%, followed by Lithuania (29.3%); Czech Republic (12.48%) and then Turkey (11.91%).

In this report, all Nordic countries experienced revenue growth: Sweden (8.85%), Norway (7.62%), Iceland (6.66%), Finland (4.06%), and Denmark (1.45%). In the previous report, Denmark and Sweden experienced revenue decline (-2.44% and -6.48% respectively).

The UK market is positioned at 31 and experienced revenue decline of -4.06%, compared to 21.48% revenue growth in the last published report. Similarly, in the last published report, Belgium experienced the highest revenue growth of 31.1%, but in this report experienced revenue decline of -1.71%.

The places where it was hardest to be a VAR, which experienced revenue decline in both 2012 and 2014 were: Slovak Republic (-29.26%; -25.61%), Portugal (-14.2%; -13.8%) and Greece (-17.41%; -2.77%) in 2012 and 2014 respectively.

The “**Solution VARs in Europe – The Top 500**” database report spans 33 countries and represents the most detailed view available of this key market sector. It has been compiled from detailed interviews by IT Europa’s own research team. The company profiles include sales breakdowns by company activity, which markets a company operates in, and detailed information on staff numbers and development plans, along with contact details for the top executives of each company. The report is available from **IT Europa** (www.iteuropa.com) costing from £2,350. Data can also be extracted and supplied by country, region or on a bespoke basis.

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