

## SPF Elan-Praktik Ltd

**Volume of investments required: \$ 500 thousand**

### Use of funds

R&D - 12%

Acquisition of fixed assets - 20%

Product upgrade - 20%

Marketing - 18%

Acquisition of current assets - 20%

Other (certification of equipment  
and IP-protection) - 5%

### Company profile

1. Date of establishment – September 11, 2000.
2. Size and source of investment to date – \$ 200 000. PAT from previous years.
3. Production – vacuum coating systems for hard nanocomposite coatings.
4. Target market – corrosion resistance and surface treatment for different components (consumer goods, automotive components, moulds & dies, etc.).
5. Sales 2004 – \$ 326 000.
6. Description and value of assets – \$ 250 000. – Buildings, equipment, vacuum coating systems.
7. Goodwill and intellectual property rights – PCT patent application, know-how of different nanocomposite coatings.
8. Signs of public recognition – in 2003 the company won Russian Innovation Award from “Expert” magazine, got grants from the British Council, US AID programme (US State Department), and gained RAVI prize. In 2005 the company won tender from Russian Science Ministry for R&D coating technology for gas turbine application (state funding 28% – \$ 195 000), and also a tender from Italian Spectacle Frames Manufacturing Association for nanocomposite coating technology for galvanic replacement (project cost – \$ 280 000).

### Owners

SPF “Elan-Praktik” Ltd	20%
Individuals (4):	20%, 20%, 20%, 20%
Share of government property	0%

### Products characteristics

Technology and equipment for nanocomposite coatings – surface hardening and corrosion resistance. Advantages: nanocomposite coating structure allows to get optimal combinations of properties, unrealizable for one- or multilayered thin-ceramic coatings: extremely high hardness with high viscosity and low magnitude of internal residual stresses, high plastic deformation resistance with low coefficient of elasticity, high temperature resistance simultaneously strengthening tribological and chemical properties, etc. It made possible to withdraw ecologically dangerous electroplating processes from some Russian manufactures and in East Europe. Coating technology from “Elan-Praktik” could give a complete solution for customer’s problems. For example: in aluminum or brass die casting production it is needed to coat not only components, but even moulds which produce such components (wear and corrosion protection). In die work there is also a need to increase output of dies by coating deposition, but also it is necessary to coat on the component for corrosion resistance and decorative purposes.

### Markets & Competition

Our competitors have no technology for complete galvanic replacement yet. For example: some leading vacuum companies from EU participated in tender on developing nanocomposite coating technology on spectacle frames, but failed tests. Value of the market in this niche is \$20 million, value of European market for coatings on consumer goods is \$200–250 million. Value of market for coatings on dies and moulds is \$250 million.

Data	Products of the “Elan-Praktik”	PL1000 PLATIT	CC800 CemeCon
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Geographical Region – Russia, EU, North America. Market size \$ 500 million

2004	Company market share, \$ ths / %	326 / 0.07%	20 000 / 4%	15 000 / 3%
Geographical Region – Russia, EU, North America. Market size \$ 800 million				
2009	Company market share, \$ ths / %	17 000 / 2%	30 000 / 3.8%	25 000 / 3%

It was estimated by TRYKOR Inc (USA), that it is needed to reduce twice the cost of equipment for considerable growth of the market of electroplating replacement and for involving small and medium sized customers in PVD technology process. "Elan-Praktik" has divined the future demand and has concentrated therefore its efforts on R&D of modern vacuum coaters and nanocomposite coating technology with low prime cost.

#### **Marketing & Sales**

We have started moving towards the markets of the EU in the 2005. For this purpose a trade & service company in Wroclaw (Poland) was created, serving now for all our negotiations with customers from EU. Also we work within the Sixth Framework Programme of EU and use our laboratory in Wroclaw Technology Park.

#### **Prospects of development**

Within the Sixth Framework Programme of EU we develop nanocomposite coating technology for dies and moulds. Our partners are Research Centre AIMEN (Spain) and moulds manufacturers from Spain, Portugal, and Czech Republic. The purpose: development of new technologies for mould surface treatment, formation of positive image of the company in professional vacuum community abroad, setting contacts with new clients, especially in automotive component production sector, as this market sector has a considerable potential for growth.