



ROCTOOL and LICENSING OUT

A BUSINESS MODEL UNIQUE IN THE COMPOSITES AND PLASTIC INJECTION WORLD

ROCTOOL, PRECURSOR IN COMPOSITES AND PLASTIC INJECTION

In the Composite and Plastic injection markets, RocTool is the only company to practice licensing-out, which means granting licenses of its technologies. This Business Model is commonplace in certain industries such as Biotechnologies; however, it is an innovative idea in the Composites and Plastic Injection industries.

*“When we began, no-one believed we could be successful with the licensing-out strategy, as major players had failed before us. To date, we have **35 signed licenses** in plastics, electronics, automotive and cosmetic industries and **we are targeting over 100 in 3 to 4 years**”* said Alexandre Guichard, RocTool CEO.

It took 10 years of Research & Development and 15M€ for the company who are in full growth, to develop and perfect their patents and know-how. The start up, with 25 employees has developed its international clientele, however **nearly 1/3 of its expenditure remains devoted to R & D and Industrial Property matters.**

STAYING INNOVATIVE WHILE PRACTICING LICENSING-IN

With its unconventional Business Model, RocTool poses its arguments: *“For our clients, to follow an active policy of Licensing-in is an interesting and reassuring perspective: their R & D is partly outsourced, the up-front License payment is less expensive than setting up a dedicated R & D team, which of course leads to other associated charges and the Royalty payments are based on sales. Our clients do not want to miss out on state of the art, advanced technologies that can differentiate them from their competitors. Furthermore, we offer a defined test period to validate their process before starting production. This is a safe, turnkey solution which reassures the company purchasing the license.”* Alexandre Guichard adds.

In addition to licenses, according to their customers' needs, RocTool can also provide Induction Generators and all associated equipment.

www.roctool.com

ROCTOOL IN A FEW WORDS

Created in 2000, RocTool develops processes which improve productivity, quality and the appearance of parts. RocTool's first patent of reference relates to a **molding process** which is adapted for a composite car hood. The advanced industrialization is remarkable: **the process makes it possible to produce a part in 2 minutes cycle time, instead of 20 to 40 minutes by the conventional method.** RocTool launched into the Plastic Injection industry. **The company creates systems that improve the matter flow and surface quality, which in particular avoids painting of the parts, therefore reduces costs.**

27 to 29 March 2012,

Visit RocTool at JEC Europe (Paris) stand M31

More about RocTool

Since its creation in 2000, RocTool develops innovative processes for rapid material molding of Composite Materials and Plastic Injection. Winner on two occasions of the JEC Composites Awards, the company has sold over thirty patented licenses of its induction heating technologies, predominantly for applications of medium to large series. **RocTool** was introduced onto the Stock Market “NYSE Euronext Marché Libre” in Paris at the beginning of 2008. RocTool finds its headquarters and R&D centre at Savoie Technolac, Le Bourget du Lac (France) plus three offices at, Atlanta (USA), Tokyo (JAPAN) and Taiwan. RocTool also has demonstration platforms in France, Germany, Japan, Taiwan, USA and Italy.

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Interview with Alexandre GUICHARD, RocTool CEO

« Licenses: A Win/Win Partnership »



How do you explain the fact of being the only Composite and Plastic Injection player to practice patent grant, known as *Licensing-out?**

Alexandre Guichard: *Licensing-in** is not part of the Business culture in Composites or Plastic Injection industries, even less so in France. This is not at all an example of how major automotive suppliers, manufacturers or similar operate, whereas Automotive and Electronic manufacturers have practically all the departments especially created for this activity. They must **not miss out on technologies that can differentiate them compared to their competitors.**

What are the advantages of Licensing-in for Businesses?

Alexandre Guichard: Licensing-in allows them to acquire a technology that costs millions of Euros in investment and years of research without them having to invest themselves in R & D, because we provide them with **turnkey solutions**. Furthermore, our patents bring obvious productivity gains. It is a “Win/Win” Partnership with a **low initial investment**: Manufacturers pay Royalties on the amount of parts sold, if it does not work, aside from the *up-front* payment, it doesn’t cost them anything.

How do you respond to those who say that paying Royalties for 20 years would be expensive?

Alexandre Guichard: Licensing-in is a real solution for manufacturers who want to not only **remain at the forefront of innovation** but also **provide differentiating products**. There is little risk by purchasing our Licenses... manufacturers who pay Royalties for 20 years, are manufacturers who have been producing for 20 years!

100% of our Licensees use our technologies because they can make parts that they cannot do with other processes.

How many Licenses have been signed?

Alexandre Guichard: As of today, we have signed with companies such as Plastivaloire, in the Automobile industry, or Flextronics in Electronics. We have signed License agreements with leading car companies, Consumer Electronics and Cosmetics who are installing our technologies in their factories for mass production and very innovative programs. Three years ago, we had 5 License agreements; we now have 35 and regularly sign 1 or 2 new Licenses per month, which is quite considerable. At this rate, we will rapidly reach a hundred or more Licensing Agreements worldwide.

* A License is a contract under the terms of which the owner of a patent/s grants the right of usage to a company.

Licensing out: Grant of License from Licensor

Licensing in: Receiver of License - Licensee

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