



Source: Barvy a Laky

Barvy a Laky Teluria draws from more than 100 years of experience in the paint and coatings business

Expanding from East to West

Czech coatings manufacturer aims at internationalization

Miriam von Bardeleben

Barvy a Laky Teluria, s.r.o. is a middle-sized Czech paint company located 40 km north of Brno. It has a turnover of around EUR 20.5 million and an export share of 20 %. The chemical company, which has 165 employees, is the only manufacturer in the group Barvy a Laky Hostivař. The group operates one of the largest sales networks in the Czech Republic. Barvy a Laky is a member of The Association of Paint Manufacturers of the Czech Republic.

Tradition and experiences

The chemical engineer Bohumír Jeřábek bought a mill on the river Svitava in Skrchov and founded Teluria-Letovice in 1910. It produced powder paints at the beginning. The company was nationalized in 1948. Production portfolio dramatically changed in 1970's with the introduction of the interior wall paint "Remal" and later with floor adhesives. "The company was again privatized in 1993 and the original name 'Teluria' returned. "Further key changes came with the current owner. The assortment was ideally interconnected and position of the company was significantly strengthened", says Director Jakub Noll.

Production and assortment

Barvy a Laky produces around 13.500 tons of water and solvent based products for DIY, professional and industrial use, including water and solvent based paints, polyurethanes, epoxy paints, interior and exterior wall paints, adhesives, thinners, special alkyd resins, insulating varnishes. Integral are tinting systems for industrial, architectural and DIY. The professional systems are based on own tinting colour pastes.

Dynamics and development

"The turning point was when we moved our synthetic paints production from Prague to a new plant in our factory in 2008 with an investment of EUR 5.4 million. The choice of the new technological assets was based on the wish for simplicity, flexibility and repeatability", explains

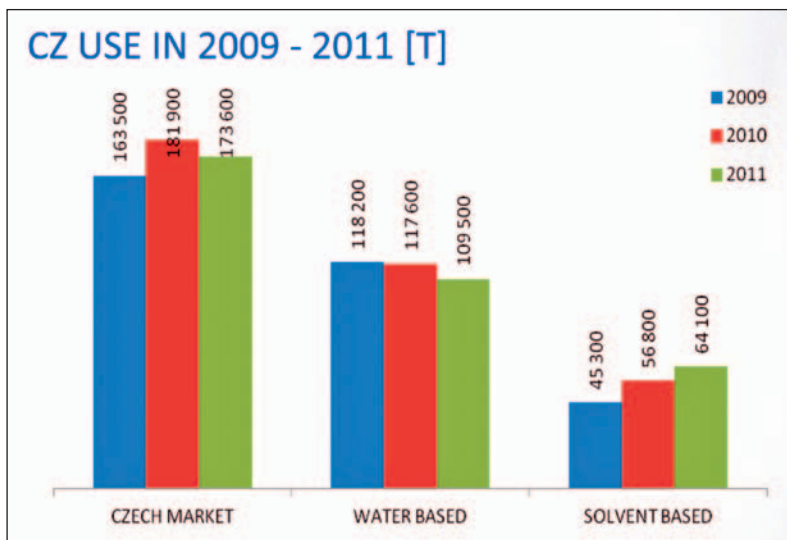


Fig.1: Solventborne coatings are still strong in the Czech Republic. The increase of solventbornes shown in this chart also includes thinners. Source (3): AVNH

Company facts

Name: Barvy a Laky Teluria, s.r.o.
 Location: Letovice, Czech Republic
 Managing Director: Jakub Noll
 Portfolio: DIY and industrial SB & WB paints and varnishes
 Turnover: around EUR 20.5 million
 Export share: 20 %
 Sales: 99 % in C+E Europe, 1 % in W. Europe
 Employees: 165
 Contact: jakub.noll@teluria.cz/
 www.barvyteluria.cz

The Czech paint and coatings market:

Current structure:
 • Players: about 45 manufacturers and 63 importers
 • The four most important producers have an output of 13,000 to 40,000 t.
 Three of them are connected with own sales networks, including shops.
 • Several independent wholesalers
 • Import dominates in paints for industrial use
 Recent changes in the market:
 2004: PRIMALEX became part of SigmaKalon (since 2008 part of PPG)
 2000: BALAKOM entered Austrian Sefra GmbH (since 2006 part of AkzoNobel)
 2008: Barvy a laky acquired BALAK
 2009: TEBAS was sold to PPG
 Three traditional manufacturers moved their production out of the Czech Republic

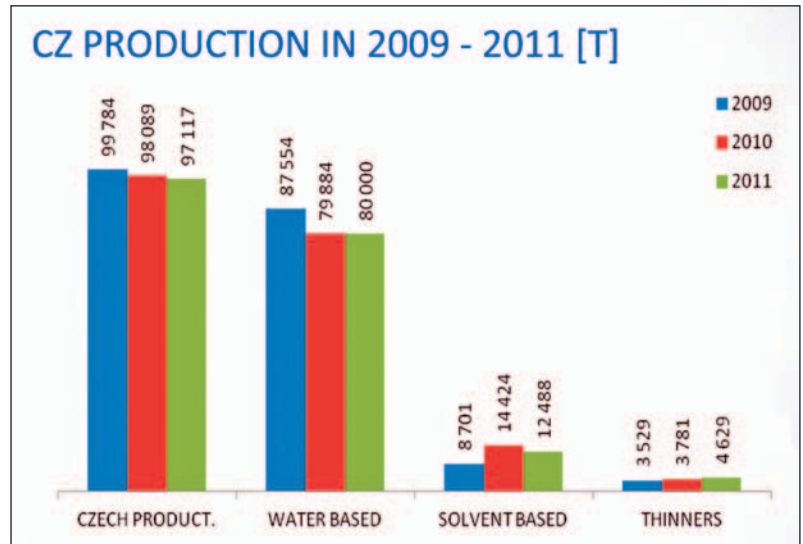


Fig. 2: Czech paint and coatings production has been stagnating in the past years

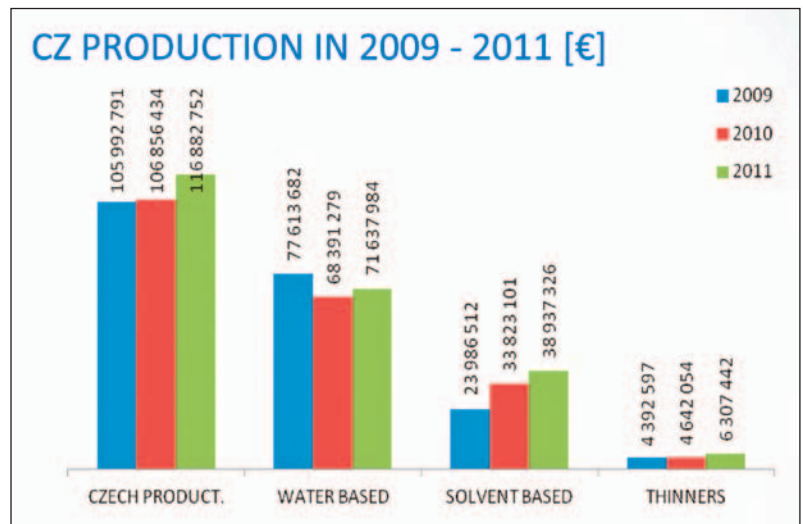


Fig. 3: In spite of lower tonnage the prices increased, especially for solventborne

Noll. "The heart of our plant is an 'in plant' version of our own professional tinting system." When setting up the new plant, energy efficiency was ensured by waste heat recovery, regeneration of waste solvents and minimizes emissions by regenerative thermal oxidation.

Four years ago, Jakub Noll became Managing Director of Barvy a Laky. After 15 years in the paint industry and eight years as production manager in synthetic paints in the same company, Noll not only took over the steering wheel of the oldest independent manufacturer in the Czech paint market, but additionally became president of the Association of Paint Manufacturers of the Czech Republic last year.

In 2009, the company did not only get a news management, but also opened a dispatch warehouse for 3000 pallets in Jevicko. Only three years later, in 2012, the production strategy changed, and instead of still buying every raw material from suppliers, the coatings manufacturer installed a small batch reactor for special alkyd resins, but also for the production of insulating varnishes.

In August 2013, the coatings manufacturer started to build a production facility for water based production, supported by a grant. Adjusting the portfolio according to VOC 2010, Barvy a Laky had a strong focus on paints for

architectural and industrial use. A significant part of the development has been driven by the effort to increase the export share, in Central + Eastern Europe, as well as in Western Europe, through private label management.

"Force the pace"

Barvy a Laky Teluria can draw from more than 100 years of experience in manufacturing and sale. To prevail against the strong international competition, the company tries to enhance its environmental consciousness and puts emphasis on quality control aspects. "Our quality system has been based on certificate ISO 9001 since 2002. Currently, we are additionally preparing for an environmental management certificate. Some of our products have trademarked Environmental Friendly Products", states the Managing Director. "We believe that in addition to ensuring good business opportunities, continuous R&D achievements are most important, as nowadays innovations are 'widely shared', so to speak. Hence, we have to keep forcing the pace", Jakub Noll is convinced. ◀



Jakub Noll, Barvy a Laky Teluria