



**OPPORTUNITY TO  
INVEST IN A  
GLOBAL DIGITAL  
PACKAGING  
LEADER**

**November 2020**



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# TODAY'S PRESENTERS



**Shlomo Nimrodi**  
CEO

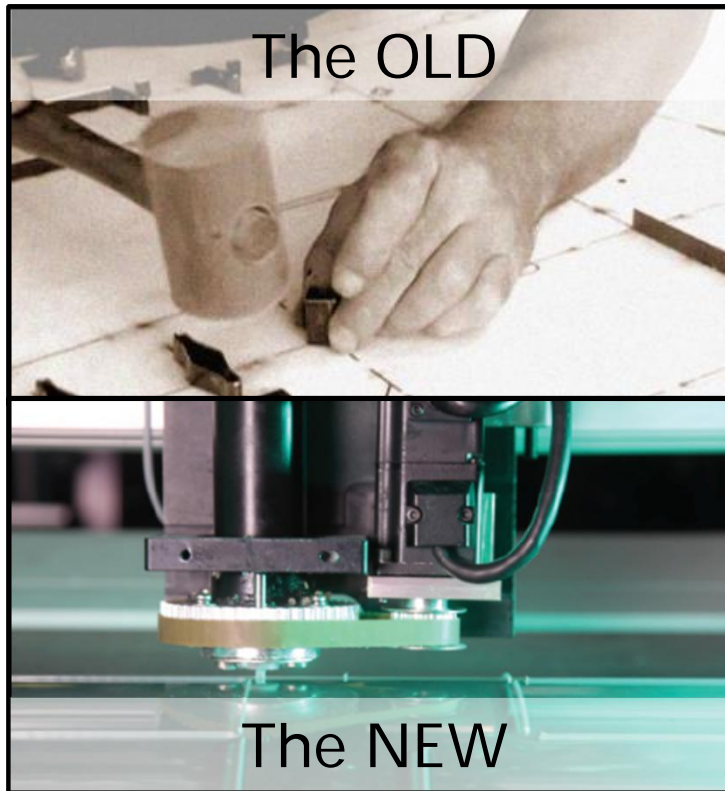
Many years leading multiple global companies as CEO including CFO & COO of Indigo



**Eitan Varon**  
CFO & CMO

26 years in the print industry.  
Scitex, Printar, VIM

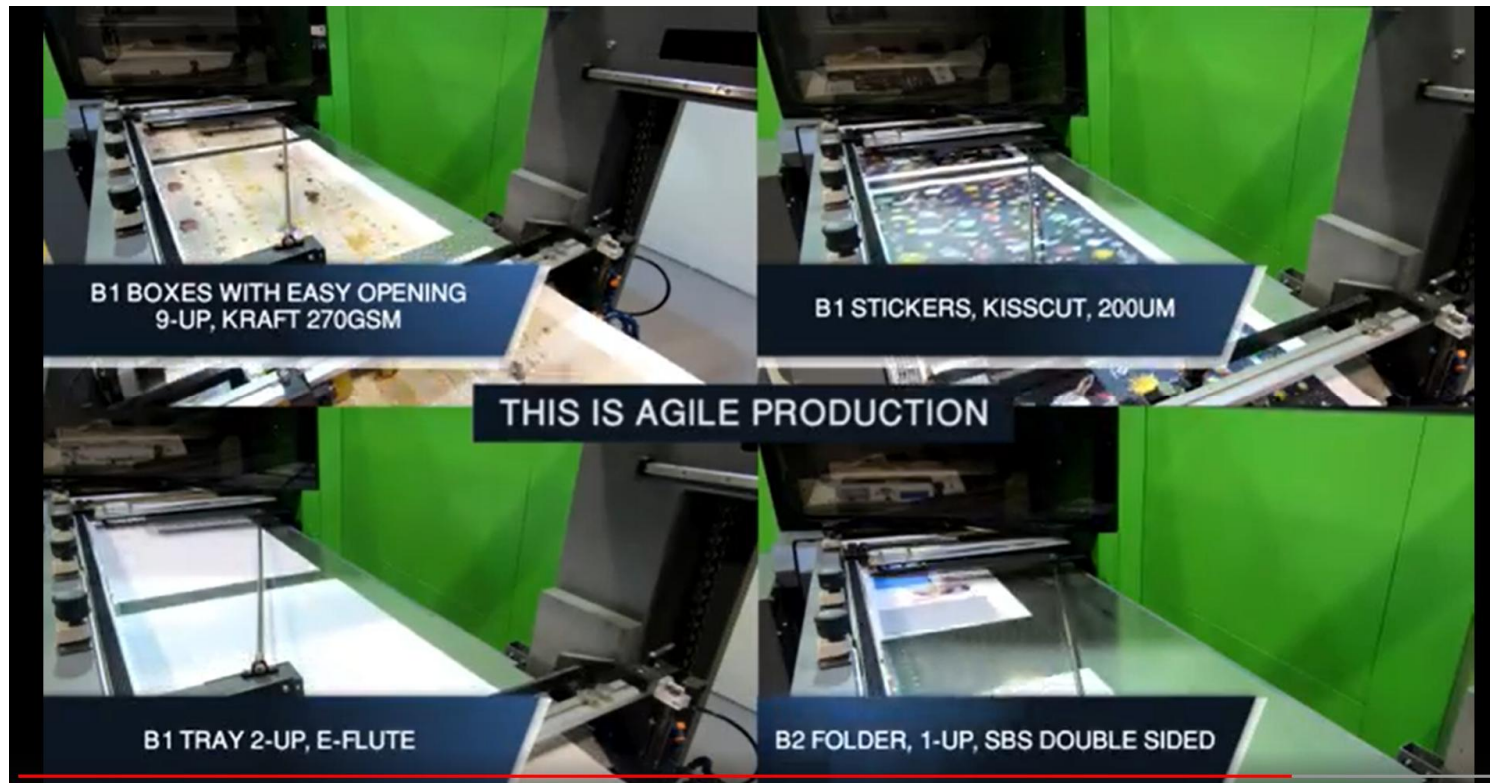
# THE HIGHCON VISION



TO BRIDGE THE GAP  
BETWEEN **AGILE**  
**PRODUCTION**  
& **DESIGN**  
**CREATIVITY** WITH  
INNOVATIVE DIGITAL  
TECHNOLOGY



# AGILE PRODUCTION



<https://youtu.be/d6Uvmw-F65g>

# THE MARKET GAP

## MOVING FROM ANALOGUE TO DIGITAL

### PRE PRESS



100%

Digital Solution  
Market  
Penetration

### PRINTING



Digital  
Solution Growing

14%  
/ year

### FINISHING



Going Digital  
**NOW!**



# HIGHCON AT A GLANCE

## THE WORLD'S FIRST DIGITAL FINISHING SOLUTION

### DISRUPTING A 150 YEAR-OLD INDUSTRY



2009  
Founded

\$105M  
Capital Raised

85  
Employees

Landa JVP



Cutting-edge, fully-operative  
Technology

>60

PATENTS,  
FILED GLOBALLY



World-class industry customers  
& consumer brands

60+ installations

15% Repeat orders



Post Revenues

Recurring  
Revenue  
business model



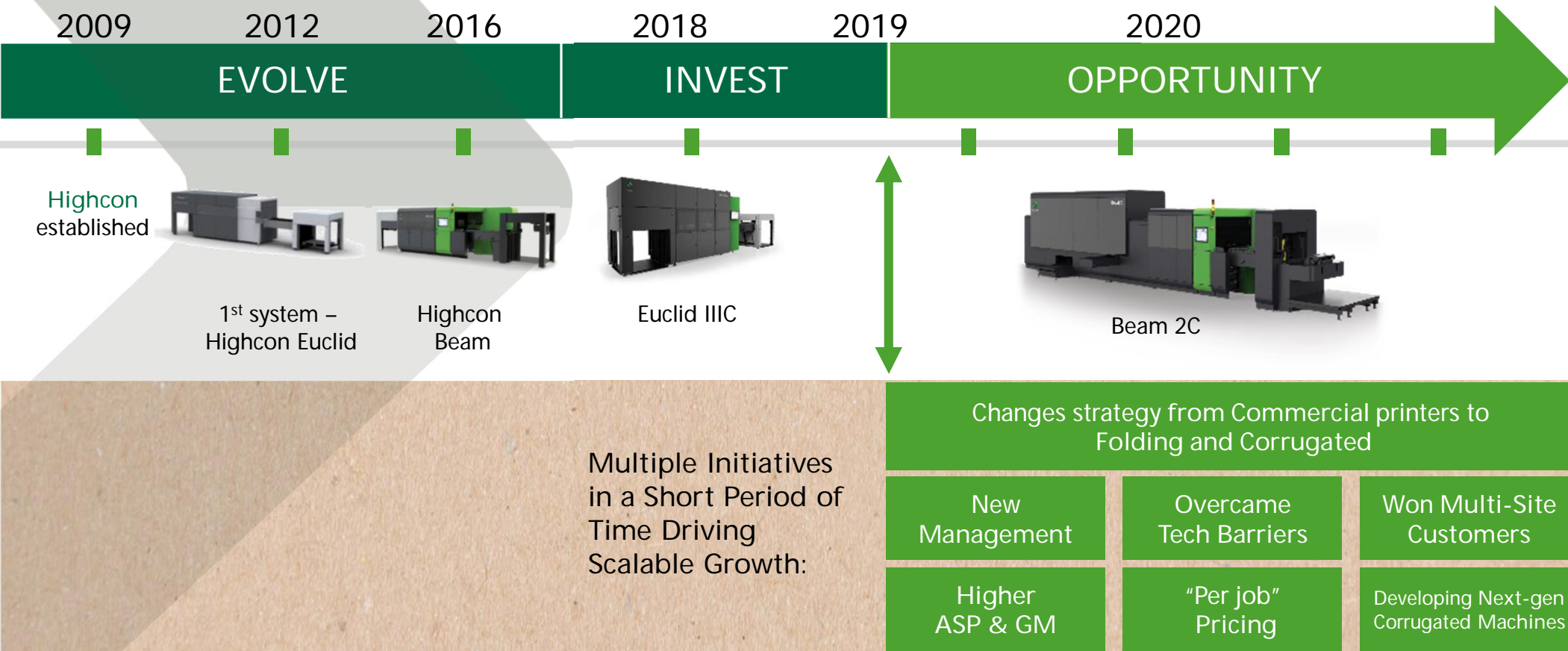
Coca-Cola

Nestlé



Mercedes-Benz

# HIGHLY SUCCESSFUL REPOSITIONING OF THE BUSINESS





# HIGHLY ACTIVE MANAGEMENT WITH PROVEN TRACK RECORD AND INDUSTRY LEADERS



**Shlomo Nimrodi**  
CEO

Many years leading multiple global companies including CFO & COO of Indigo



**Eitan Varon**  
CMO & CFO

26 years in the print industry – Scitex, Printar, VIM



**Dvir Harmelech**  
CTO, Head of R&D

Indigo, Applied Materials, NegevTEch, Landa



**Tal Harmon**  
VP Special Project Development

25 years R&D and management roles in Scitex and HP Scitex



**Jens Henrik Osmundsen**  
VP Sales & GM EMEA & APAC

30 years in the print industry – Indigo/HP



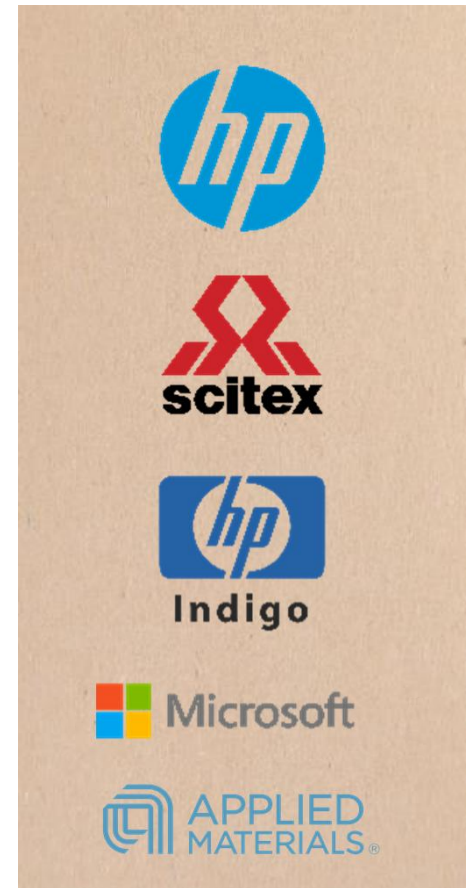
**Michael Ciaramella**  
VP Sales & GM Americas

27 years in the print industry – Microsoft, HP, Scitex, Kodak, Agfa

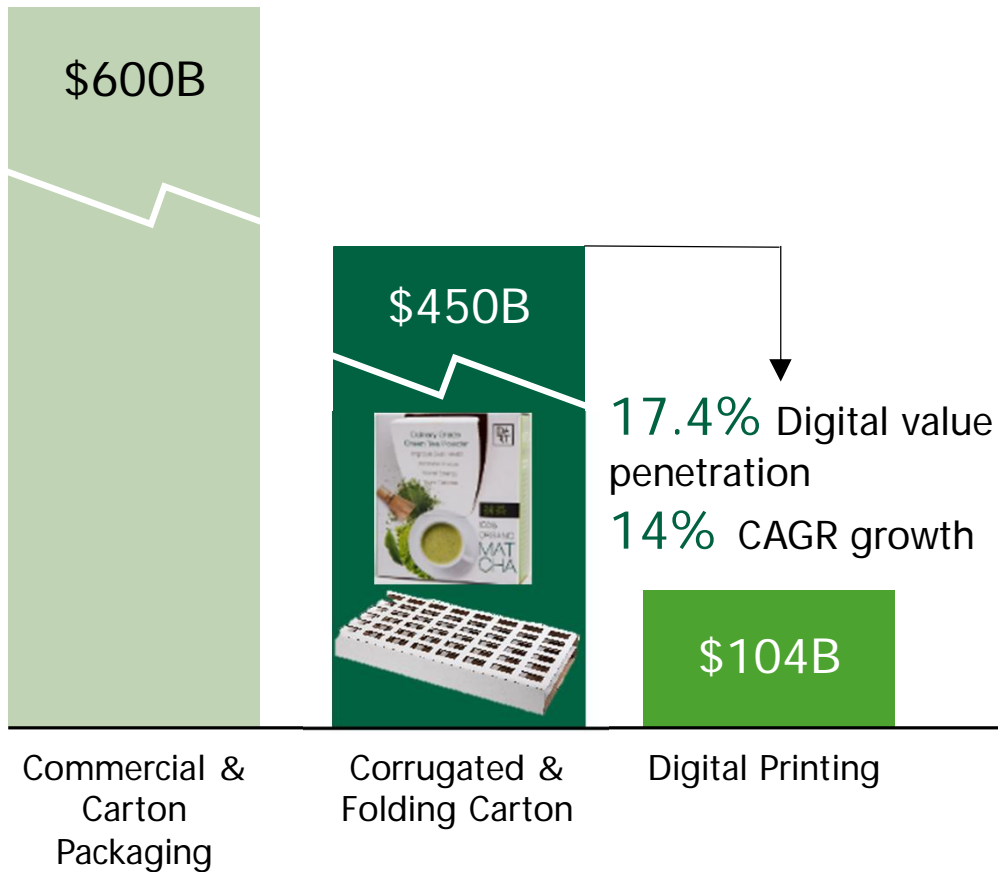


**Shmuel Haham**  
VP Operations & Customer Success

Operations management roles at Indigo, EMC, Comverse, MRV, Attenti



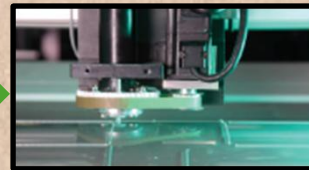
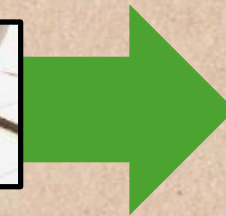
# HUGE MARKET IN EARLY TRANSFORMATION



Sources: Smithers Pira, Karstedt Partners LLC.



Mega trends are moving the industry to Digital Finishing



\$7B

Digital Finishing Equipment Opportunity

# 5 MEGA MARKET TRENDS DRIVING THE NEED FOR A DISRUPTIVE FINISHING SOLUTION

## 1 E-COMMERCE BOOM

- High speed manufacturing and rightsizing of packages – key in the next-day-delivery era
- New Emerging Web-To-Pack businesses

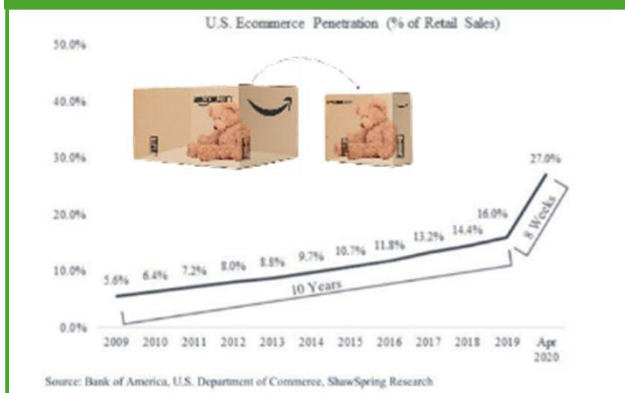
## 2 SUSTAINABILITY

- Supply chain efficiency
- Major companies commit to sustainable packaging

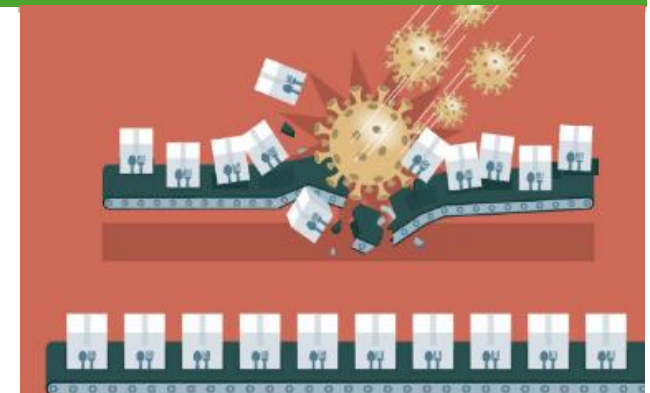


## 3 MANUFACTURING EFFICIENCIES

- Minimize inventory and working capital
- Automation / Industry 4.0
- Local manufacturing preference



25%+ of shipments is empty space<sup>(1)</sup>



(1) DS Smith.

# 5 MEGA MARKET TRENDS DRIVING THE NEED FOR A DISRUPTIVE FINISHING SOLUTION

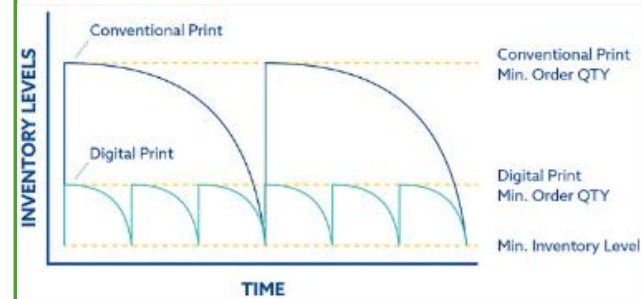
## 4 DESIGN CREATIVITY

- | Brand Owners increasing attention to consumer delight / Experience – stand-out, easy to open, dual-purposes
- | Customization
- | Shorter lifetime of designs (~6 months)



## 5 DIGITAL PRINTING

- | \$20bn+ Digital printing industry for packaging enhance digitalization of the industry<sup>(1)</sup>
- | Major players massively invest in digitalization of the packaging industry e.g. HP, EFI, Durst, KBA, Barberan, Brother...



The Boxmaker blog - What is the Packaging Replenishment Cycle?

(1) Karstedt Partners LLC.



# ISRAEL IS THE WORLD'S HUB FOR DIGITAL PRINTING



Multiple successful exit events (IPOs / M&A)



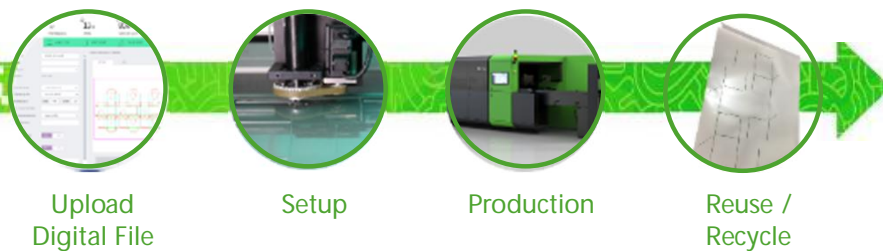
Highcon

Highcon is leveraging the global leadership and experience of Israeli industry pioneers



# OUR CUTTING-EDGE SOLUTION

## HIGHCON: 4 STEP SOLUTION



Product ready  
in Hours!

10-30%  
cost savings



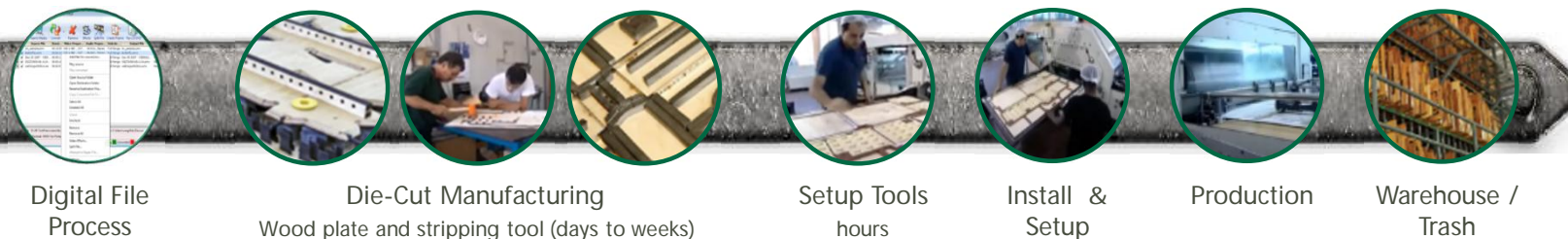
### STRONG ROI

Saving up to \$1,000 per job



Jobs per month	100
Cost saving per Job	\$900
Cost saving per Year	\$1,080K

## CONVENTIONAL DIE-CUT: ~12 STEP SOLUTION



Product  
ready in  
Days or  
Weeks

Note: The conventional die-cut process illustration includes only select steps.

# HIGHCON SIGNIFICANT VALUE PROPOSITION



TIME TO  
MARKET



MANUFACTURING  
EFFICIENCIES &  
SAVINGS



CUSTOMIZATION



ONLINE  
E-COMMERCE



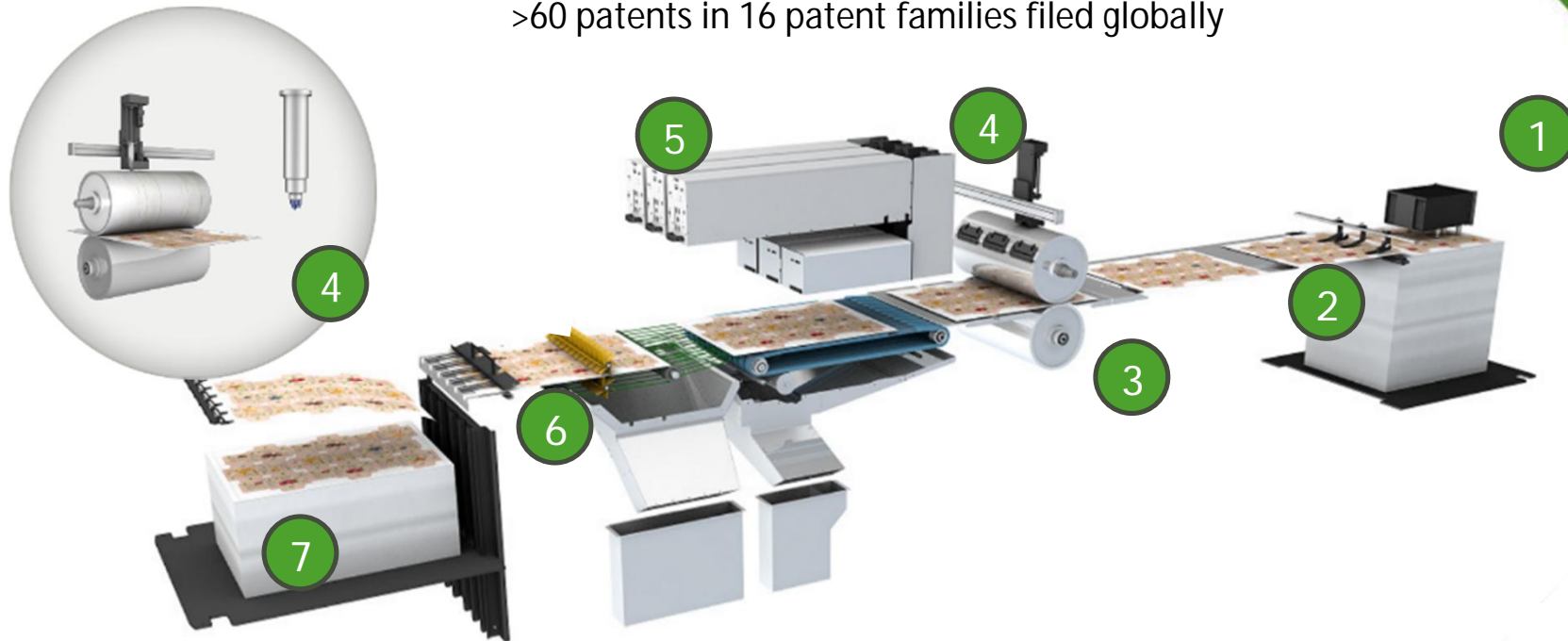
SUSTAINABILITY



CONSUMER  
DELIGHT / USER  
EXEPREINCE

# ROBUST IP

>60 patents in 16 patent families filed globally



1 Feeding system

2 Registration (mechanical)

3 Advanced registration

4 DART station (creasing)

5 Laser system (cutting)

6 Digital stripping

7 Stacking system



# Robust Solution Portfolio – ASP FROM \$600K - \$2.2M



## SHORT RUNS

### CORRUGATED

1mm – 3mm flutes



Highcon Euclid 5C  
2250 B1

## MEDIUM TO LONGER RUNS

1mm – 4mm flutes

Highcon  
Beam 2C



Highcon  
Beam 2C  
Nonstop



4000 SPH B1

### FOLDING CARTON

200 – 600  $\mu$



Highcon Euclid 5S  
2750 SPH B2



Highcon Euclid 5  
2250 SPH B1 / 2750 B2

200 $\mu$  – 2mm flutes



Highcon Beam 2  
5000 SPH B1

# WHO DO WE SELL TO?

	Medium to Large Corrugated & Folding Carton Producers	Online Web-to-Pack Businesses	"Emerging" Commercial printers
Motivation	Process improvement vs. conventional manufacturing lines	Speed to market, short runs, and cost-efficiency	Diversification, specialization
Primary Customers	Large Brand Owners	SMEs	SMEs

## Examples of Customers



Relying on Internal Sales Force and Growing Distributor Network

>15,000 Potential Customers

# LEADING BRANDS ALREADY USING HIGHCON TECHNOLOGY

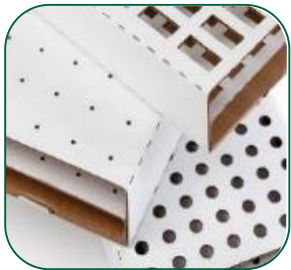


Judges include  
Amazon, P&G,  
Nestle, Coca Cola,  
Pepsico, Mondelez,  
Kraft Heinz, Barilla,  
etc., etc.

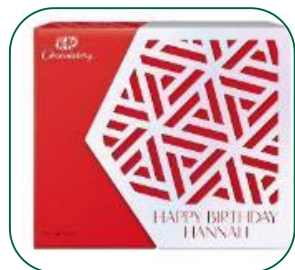


# APPLICATIONS BY PRIMARY MARKETS

## CORRUGATED – DISPLAY & PACKAGING



## FOLDING CARTON





# THIMM

## Award-winning packaging

### PACKAGES TARGETED AT INFLUENCERS

- Limited edition promotion
- Sent to bloggers and influencers

### PACKAGES FOR E-COMMERCE

- Innovating to create powerful visual impact
- Customers keep the boxes, driving brand loyalty

### DUAL-PURPOSE SAMPLES PACKAGE

- Ship in Own Container
- Protects while maintaining brand exposure



OBAL ROKU packaging competition



Differentiate, surprise and engage

# VIRTUAL PACKAGING

## From prototypes to full production

### RAMP UP FOR SMALLER BRANDS

- No MOQ – JIT packaging
- Volumes grow to match sales

### OUTSOURCE TO OTHER CONVERTERS

- Effective production of smaller quantities
- Open market sales

### FOCUS ON RAPID TURNAROUND

- ~50 new customers/month
- Word of mouth referrals





# GAFS KARTONG

## One of first Euclid customers

### MONO-MATERIAL PACKAGE

- Board to replace plastic tray insert
- Eye-catching outer box

### PACKAGES THAT ARE SUSTAINABLE

- Natural box for health-brand soap
- Client insisted on sustainable process

### DUAL-PURPOSE PACKAGE

- Package and shelf display
- Highly effective perforation ensures good display on shelf





<https://youtu.be/SOmDkmpnrF4>



# SECURED STRATEGIC ACCOUNTS

Potential for future business

	 	 	 	 	
Business Description:	<ul style="list-style-type: none"> <li>One of the world's largest paper &amp; packaging companies</li> <li>\$18B revenues</li> <li>94 operating facilities</li> </ul>	<ul style="list-style-type: none"> <li>Based in Germany</li> <li>~€650M revenues</li> <li>19 production sites across 6 countries</li> </ul>	<ul style="list-style-type: none"> <li>Leading commercial printing player</li> <li>\$2B revenues</li> </ul>	<ul style="list-style-type: none"> <li>Major packaging and labels player</li> <li>~\$1B revenues</li> <li>36 companies in Europe, US and China</li> </ul>	<ul style="list-style-type: none"> <li>Based in Australia</li> <li>\$3B revenues</li> <li>43 manufacturing plants across 7 countries</li> </ul>
Highcon Wins:	<ul style="list-style-type: none"> <li>Beam2 &amp; Euclid 5C</li> </ul>	<ul style="list-style-type: none"> <li>Beam2C</li> <li>Hosting Highcon Open Houses</li> </ul>	<ul style="list-style-type: none"> <li>Euclid 5 x 2</li> </ul>	<ul style="list-style-type: none"> <li>Beam2</li> </ul>	<ul style="list-style-type: none"> <li>Beam 2C</li> </ul>

Note: Revenue estimates for 2019.

# ENABLING 'WEB-TO-PACK' BUSINESSES

## EMERGING CATEGORY



Web-to-Pack are web platforms that enable any SME to design custom packing and print in 48hrs !

- On-trend with e-Commerce boom
- On-trend with growing demand for customization
- On-trend with consumer delight and flexible design
- Globalizing SME businesses – shipping worldwide

### Value Proposition for SME Customers



Super Fast  
Ordering



No  
Minimum



Custom  
Dimensions



Intuitive  
3D Design Tool



High Quality  
Full-Color Printing

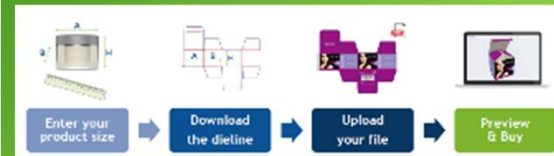


Sustainably Sourced  
and Recyclable



### User Friendly, Quick Process

Create your customer packaging  
in just a few steps

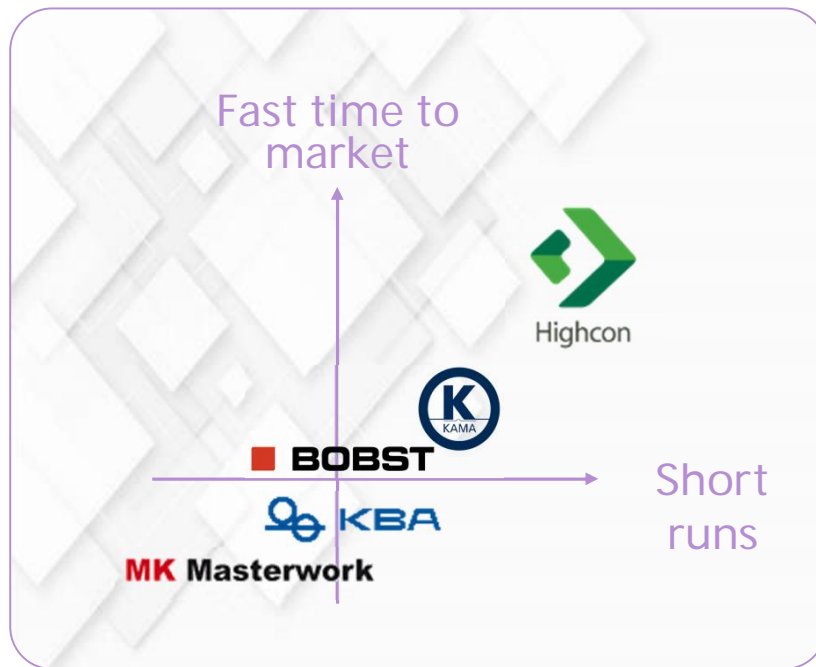


### Large SKU Selection Without The High Cost of Inventory



# COMPETITIVE LANDSCAPE

## Analog



## Digital



# KEY HIGHLIGHTS

## On path to replicate Israeli success stories in digital printing

- Category creator in the large, growing global packaging and display industry
- Disruptive, cutting-edge digital solution solving changing industry needs and replacing 150 years-old industry
- Proven technology and go-to-market strategy create clear path for growth – first mover advantage!
- Blue-chip customer base and consumer brands
- Sizeable growth trajectory with highly attractive recurring revenue business model
- Experienced management team with proven exit track record, backed by world-class strategic & financial investors



# THANK YOU



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Highcon