

Kevin Karstedt
Karstedt Associates, Ltd.

Taking a look at our
packaging world.



K ARSTEDT
A SSOCIATES, LTD.

GAA Leadership Summit April 27-29, 2010

Solutions for the Consumer Products and Package Printing Industries









Here's my Lens

- Have been on both sides of the food chain
 - Customer
 - Print, Graphics & Systems Supplier
- Have developed tools for the industry
- Have been a “pundit” and a “pioneer”
- Have talked with 1000s and been to 100s



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Guess I will be working for a long time...



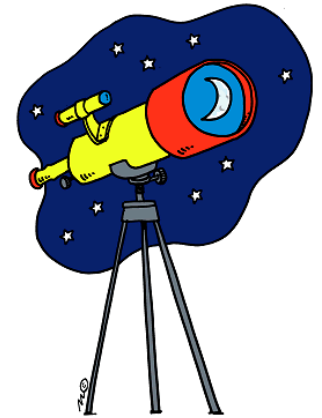
Trends Affecting the Packaging Supply Chain

- In addition...
- 2009 Study by an industry association
- Talked with 62 of your peers
- Surveyed another 180
- Eye on the next 5 years
- All this lead to some very interesting insights and some validation



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Major Trends/Issues

- 20 major issues affecting the supply chain

| | | | |
|--------------------------|----------------------|------------------------------|------------------------------------|
| Sustainability | Global Economics | Retaining Qualified Workers | High Energy Costs |
| Major Retailers | G7 & Quality Control | Security & Brand Protection | Package Design |
| Target Marketing | Co-Branding | Shifts in Printing Processes | Printers/Converters in Fulfillment |
| Offshore Manufacturing | Role of Trade Shops | Private Labels | Global Brands |
| Investment Opportunities | Supply Chain Changes | Converter Consolidation | Reduction of Printing Presses |



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Security & Brand
Protection

Shifts in Printing
Processes

Private Labels

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Through YOUR Lens

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Through YOUR Lens

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2

3

4

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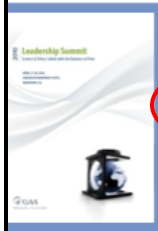
Process Share of Market

| | 1997 | 2002 | 2007 | 2008 | 2009 | 2010 (e) | 2011 (e) | 2012 (e) | 2014 - 2017 (e) |
|-----------------------|------|------|------|------|------|----------|----------|----------|-----------------|
| Litho & DI | 46% | 42% | 42% | 40% | 39% | 38% | 36% | 34% | 21% |
| Roto | 18% | 17% | 14%+ | 13%+ | 13%+ | 13%+ | 12%+ | 11%+ | 11% |
| Flexo | 18% | 19% | 22% | 22% | 22% | 23% | 24% | 23%+ | 21% |
| Letterpress | 7% | 6% | | | | | | | |
| Screen/ Misc. | 3% | 3% | 2%+ | 2%+ | 2%+ | 2% | 2% | 1%+ | 1%+ |
| Hybrid | | | 3%+ | 3%+ | 3%+ | 3%+ | 4% | 4%+ | 3%+ |
| Digital | 8% | 13% | 17%+ | 17%+ | 18%+ | 20% | 21%+ | 23% | 31% |

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- Commands the attention of Offset press manufacturers as never before.
- Share of wallet struggle with larger Flexo, but holds the high ground on quality, competes overall on long run efficiency, consistency, global brand integrity and availability
- Digital is Coming

GAA Leadership Summit April 27-

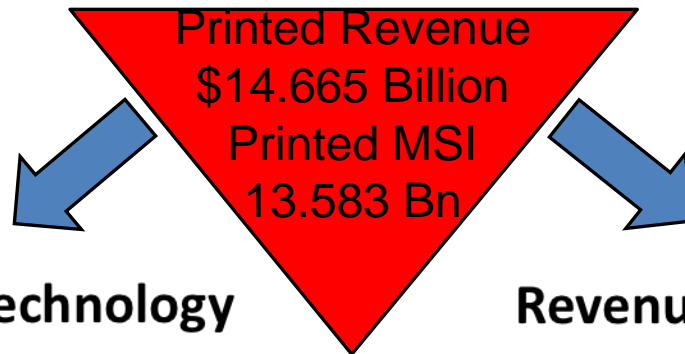


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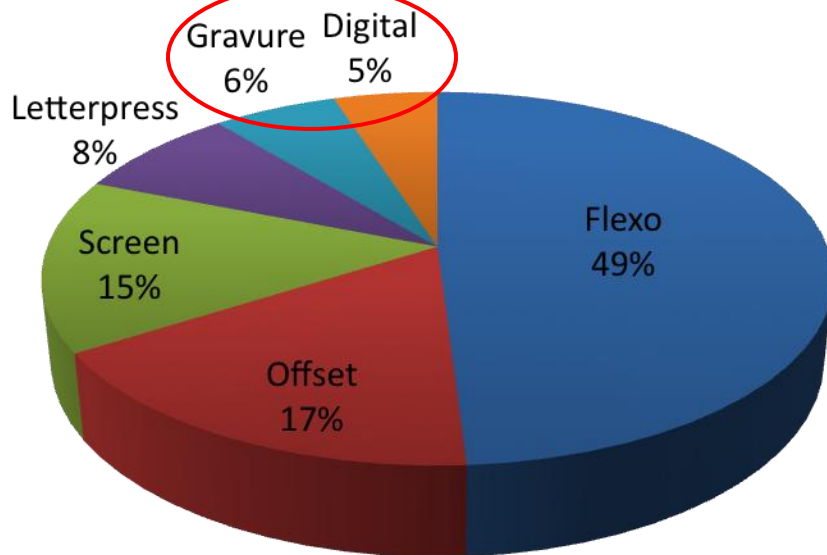
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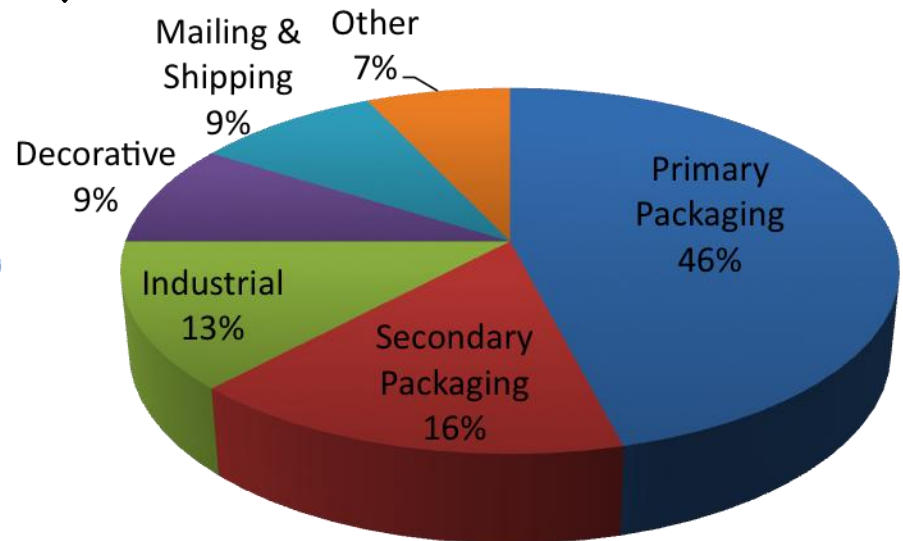
Example: Narrow Web Label



Revenue by Print Technology



Revenue by Application



Through Their Lens'

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Through Your Customer's Len

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Thank You!

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kevin@karstedt.com
716-992-2017

