



GROW MORE WITH LESS™

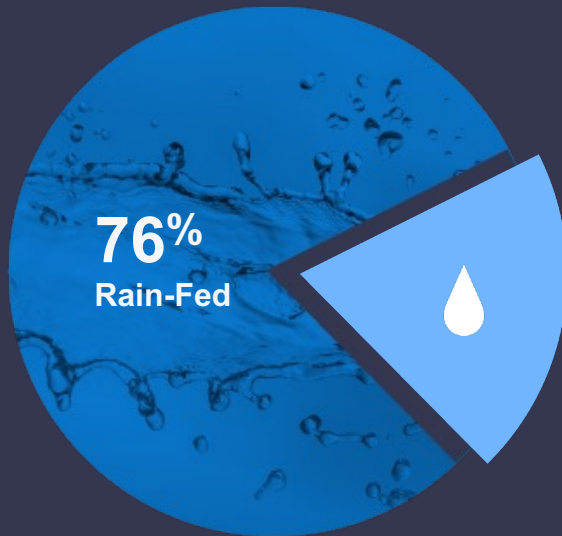
Netafim Story 2023

We Started Out Of Necessity

 Hatzerim, 1950

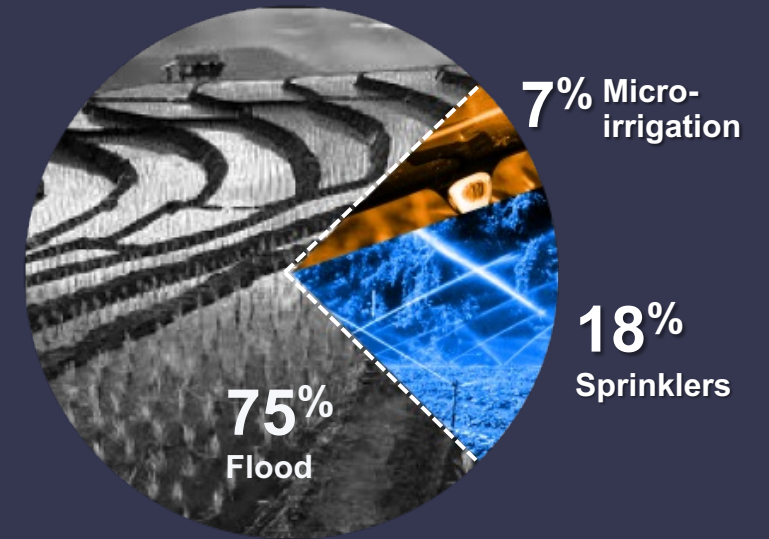
Traditional Agriculture Methods Are Not Sustainable

Irrigated Area As %
Of Arable Land



Only **24%**
of the land is irrigated

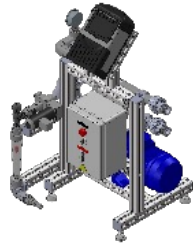
Water use in irrigated land
is very inefficient



Our company evolution

Products

Introduced the world's first commercialized dripper

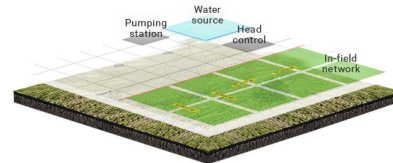


Solutions

Netafim introduces irrigation automated fertigation system, followed by crop management software

Projects

end-to-end, turnkey project from the water source to the root zone tailored to each customer's needs



Services

Netafim introduces Netafim Services the leading enabler for the adoption, implementation and successful operation of sustainable precision agriculture

Greenhouses

Netafim acquire 'Gakon' A significant Glasshouse Solutions & Turnkey provider based in Holland



Standard Products Vs. Projects/Services

Standard Products Vs. Projects/Services

Product-Oriented Business Model	Project/Services-Oriented Business Model
Market Knowledge	Individual Customer Knowledge Account Based Management
Dealer commercial approach (demand creation) – Dealer related	Direct commercial approach (demand creation) - Netafim
Product oriented	Customer Oriented - Tailor made custom solutions
Core Knowledge and contribution to customer-Dealer	Core Knowledge and contribution to customer-Netafim
Short term - Product Sales oriented - operational aspects	Long-term operational aspects (Design, logistic, Installation, O&M, Monitoring and Control, Periodic billing etc.)
Product Operations & Supply Chain Management (S&OP – Build to stock)	Demand Management (ARO – Build to order)



Challenges of Implementing a New Business Model Within the Existing Structure

- **Conflict** between new business model offering (direct to customers) vs. existing business model (dealers)
- Lack of **management focus** (on BU level) for a different business model (many initiatives and core business)
- **Lack of knowledge and capabilities** to support sales generation of different business model
- **Concerns around the ability to deliver (Operational)**
- **Hesitation of adopting** new initiatives from the corporate
- Establishing new business require **rapid response for** ongoing strategy **changes** (Agility)
- **Mismatch of KPI** between new business model and existing business model (qualitative and quantitative)
- **Operations and HSE standard processes** do not fully support different type of business model
- **Process and capabilities improvement initiative was focused on projects delivery only** – progress and initial results in areas we could control
- **Positioning and brand** – support (external & internal) mainly existing business model

Support System For Introducing New Business Model (Incremental sales only)

Main Principles:

Sales generation -
incubation model with
separate
management until
business maturity

**Shared resources at
the BU level -
“Host Management”
model**

**Win–Win (including
special
compensation to BU
management)**

**New adjusted
operational and HSE
supporting system**

Our proposal for change:

NEW BUSINESS MODEL

Lead Generation & Sales

- **Dedicated BD & Sales representatives**
- **New hierarchical sales structure.** Direct reporting to division management and/or GPS management

Marketing

- **New marketing approach** ABM- Account Based Marketing)
- **Different positioning**
- **New Branding (?)**

BU Support

- **“Host management” model:** Shared resources with expertise to support new business model (Finances, IT, Facilities, Agronomy HR, Legal, Technical team etc.)

Operations (Corporate & BU level)

- **Dedicated NGO team , BP to GPS:** procurement, supply chain, transportation, quality, safety and customer service

Monitoring & Control

- **Methodologies & Processes**
- KPI
- Dashboard
- Digital & IT Tools

Netafim Highlights

#1

Irrigation
Company

~30%

Market
Share



110+
Countries

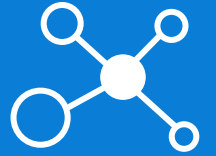


150

Agronomic
Experts
Worldwide

33

Subsidiaries



HQ in
Israel



~5,000
Employees

2



Recycling
Plants

19



Manufacturing
Plants

> 1.1
Billion
Sales



57

Years
Of
Innovation



600

Projects professional such as
project managers, engineers,
installations, etc

Serving millions of farmers around the world since 1965

Thank you