



Kornit
Digital
bonding
matters

CUSTOM **GATEWAY**
Enabling On Demand

INVESTORS FIRESIDE CHAT

AUGUST 18, 2020



TODAY'S FIRESIDE CHAT



THE STORY BEHIND THE ACQUISITION

BUSINESS HIGHLIGHTS

PERSONAL INTRODUCTIONS

HEAR FROM OUR CUSTOMERS

Q&A

NEWS OF THE WEEK!

KORNIT DIGITAL

ACQUIRES

CUSTOM GATEWAY

TO CONNECT THE VIRTUAL FRONT END
WITH THE PHYSICAL BACK END



Kornit
Digital
bonding
matters

CUSTOM **GATEWAY**
Enabling On Demand



AND ENABLE
ON-DEMAND
SUSTAINABLE
MANUFACTURING



**CONSUMER
HABITS ARE**
CHANGING



**GROWING
SENTIMENT TO**
SUSTAINABILITY



E-COM IS
BOOMING
B2B B2C

SELF-EXPRESSION

SOCIAL MEDIA

IMMEDIATE GRATIFICATION

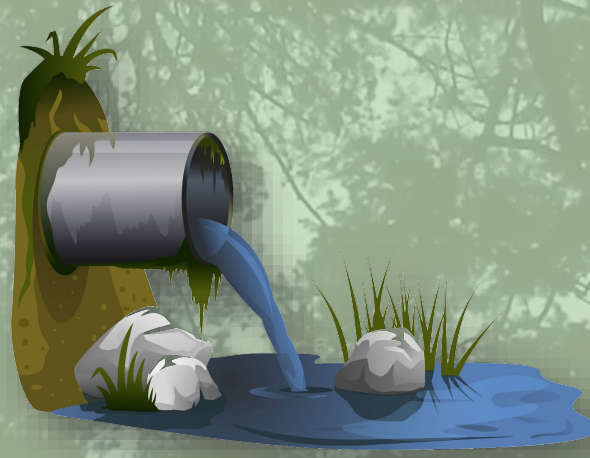
“THE ‘GET IT TO THE CONSUMER IMMEDIATELY’ **RACE”**



SUSTAINABILITY



WASTE



**WATER
POLLUTION**

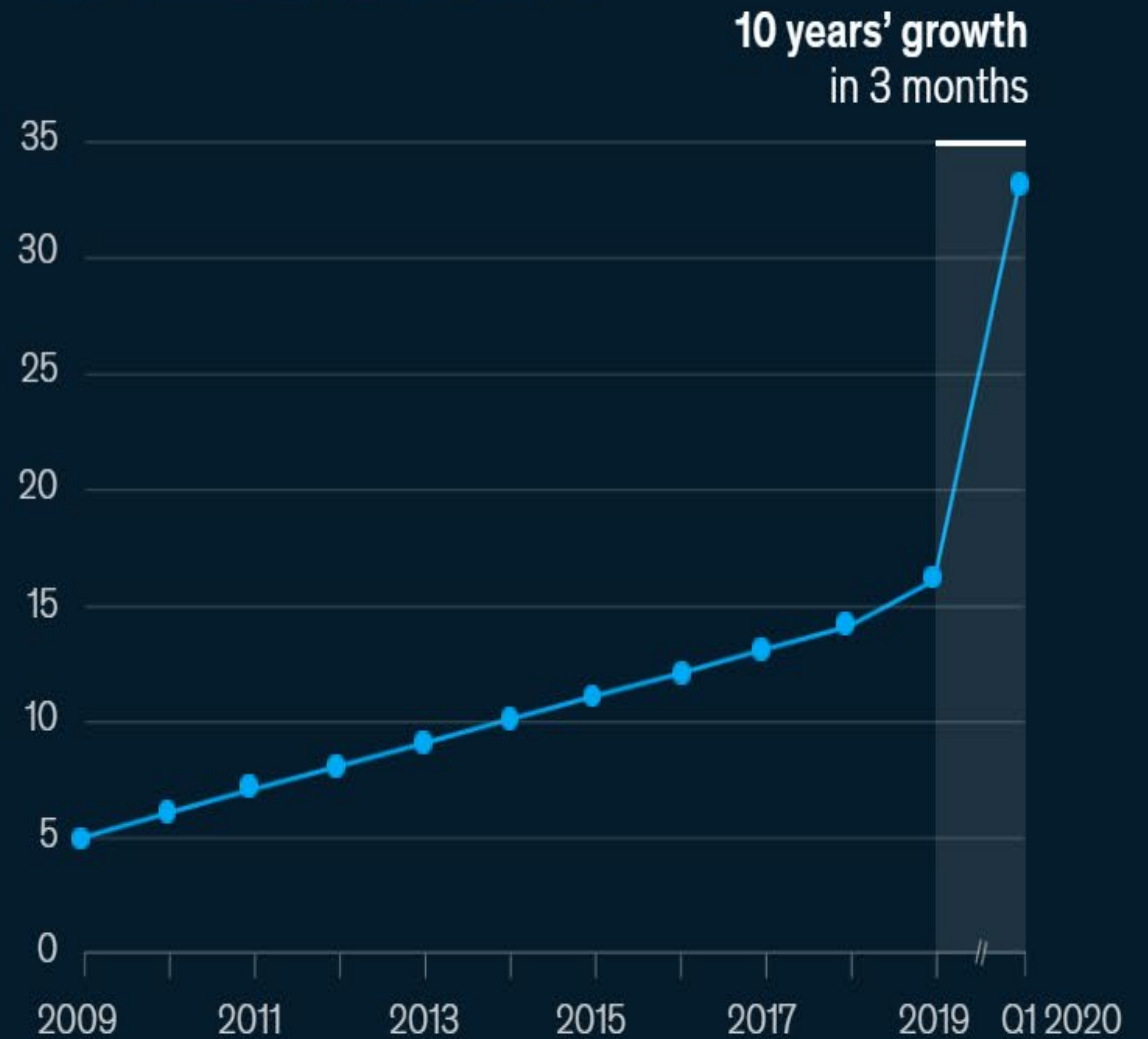


**WATER
WASTE**

The leap

“How fast is the world moving around us? Consider how quickly e-commerce has replaced physical channels in three months.”

US e-commerce penetration, %



Source: Leading management consulting firm

OVERALL BUSINESS HAS DECLINED



-\$1.1B in Q1 (19%)



-\$0.5B in Q1



-57% March to May



-\$1B in Q1



-17% in Q1



BUT FOR BRANDS AND RETAILERS ONLINE BUSINESS IS BOOMING!



+39%

New users vs. 4/2019



+30%

Online activities



+55%

Online sales in March



+32%

Online sales in March



+93%

YoY growth of e-commerce
segment in May

FUNDAMENTAL CHANGE IN BUSINESS MODEL

Adidas Says It Can See \$4.3 Billion in Online Sales This Year As Shoppers Flock to Digital

By Samantha McDonald



MarketWatch

Nike's new CEO is expected to keep digital development in the fast lane

Published: Oct. 26, 2019 at 9:18 a.m. ET
By Tonya Garcia

Analysts are bullish on the choice of John Donahoe to succeed Mark Parker



Forbes

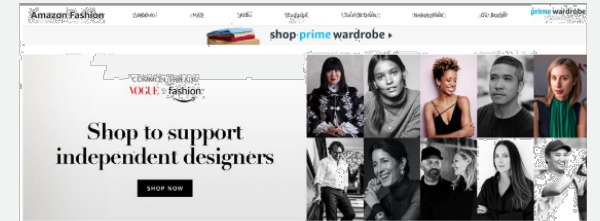
1,628 views | Jul 14, 2020, 09:02am EDT

Vogue And Amazon Fashion Add Designer Anna Sui And More To Their Digital Storefront



Roxanne Robinson Contributor @Retail

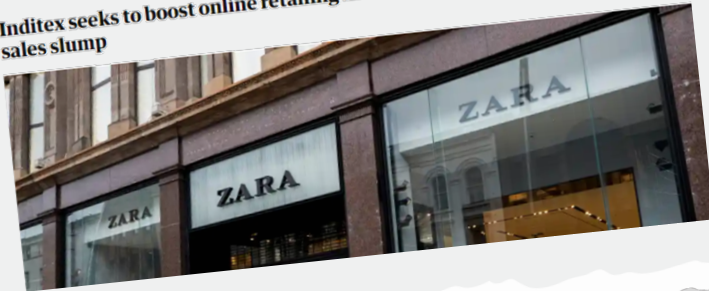
I am a Paris-based journalist covering the luxury and fashion industry.



Search The Guardian International

Zara owner to close up to 1,200 fashion stores around the world

Inditex seeks to boost online retailing as coronavirus causes 44% sales slump



BUSINESS INSIDER

H&M speeds up store closings in 2020 and shifts focus to online shopping

Mary Hanbury Jun 26, 2020, 1:17 PM



Creative Cloud
Make it with Creative Cloud
Apps for photography, design, video, and more
from US\$9.99/mo.

ONLINE MARKETPLACES

1B

amazon

PRINTFUL

REDBUBBLE

Spoonflower

PROMOTIONAL

2.5B

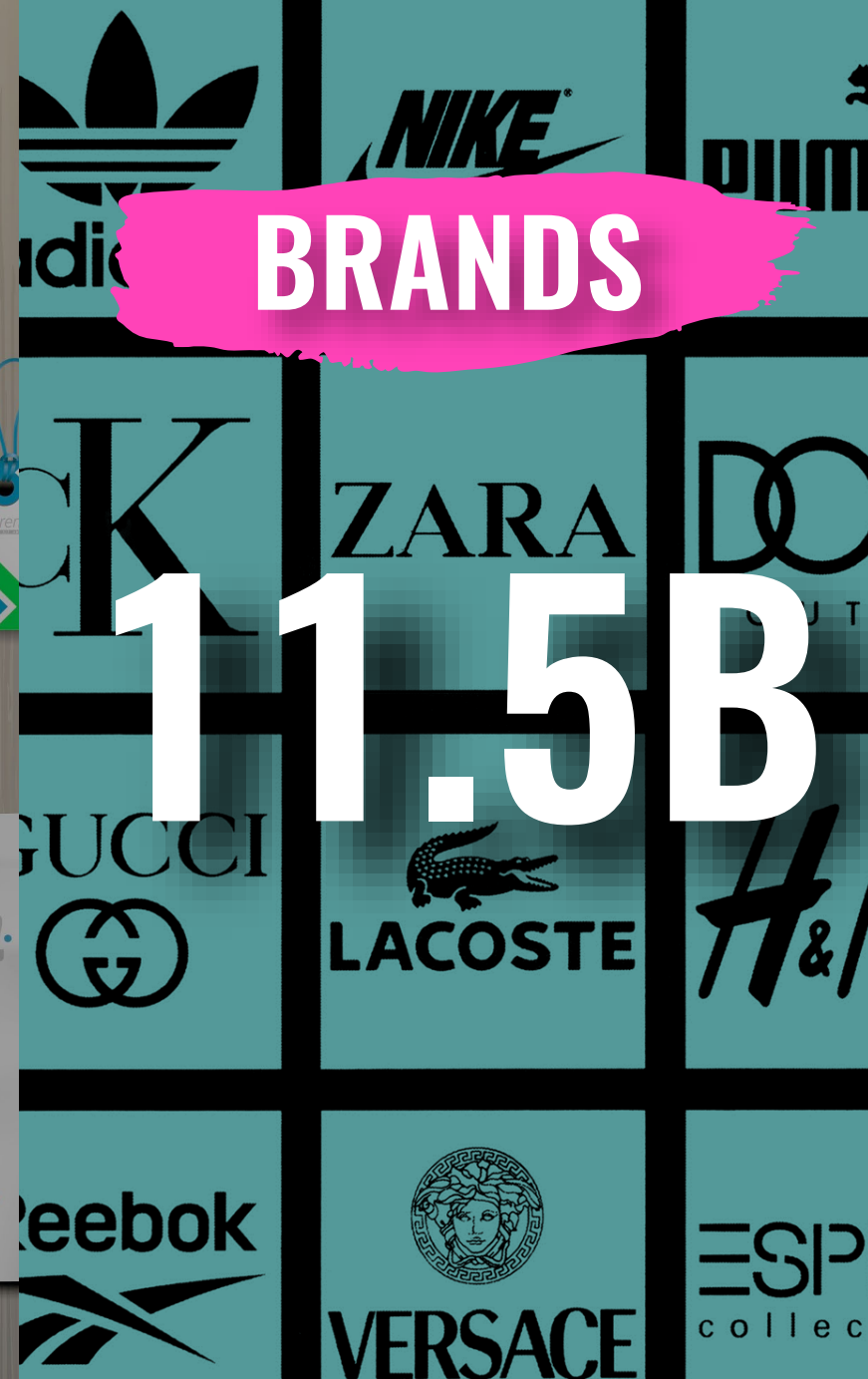
SPORTS EVENTS
RECREATIONAL SPORT
ENTERTAINMENT

Sign Up

PRE-PURCHASED

BRANDS

11.5B



BRANDS JOURNEY INTO ON-DEMAND PRODUCTION



BRANDS AND RETAILERS ARE RUNNING ENDLESSLY
TO TRY AND KEEP UP WITH THE
DIGITAL PACE

FAST FASHION





B2B – NEARSHORE
(NEIGHBORING COUNTRY)



B2C – ONSHORE
(SAME COUNTRY)

Reshoring possible as US firms look to shorter, faster supply chains post-pandemic

By Hannah Abdulla | 2 June 2020

Font size Email Print

**PROXIMITY
PRODUCTION**

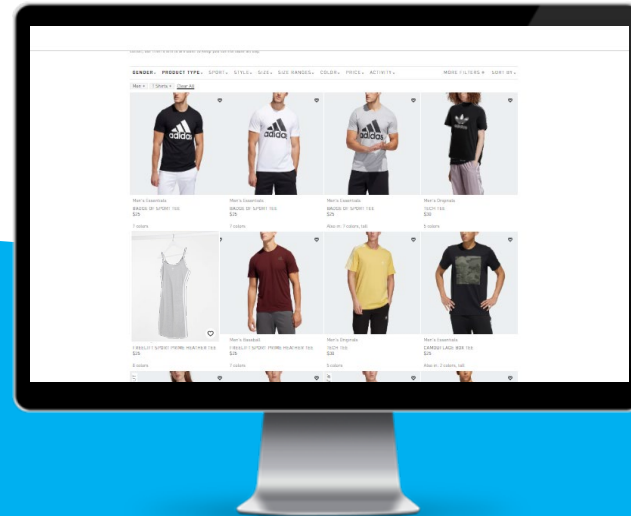
WORLD NEWS FEBRUARY 7, 2020 / 3:52 PM / 4 MONTHS AGO

Turkish clothes makers see orders shifting from coronavirus-hit China

BRANDS AND RETAILERS ARE RUNNING ENDLESSLY
TO TRY AND KEEP UP WITH THE
DIGITAL PACE

MOVING DIRECT-TO-CONSUMER

**SAME PRODUCTS
DIFFERENT CHANNEL**



EFFECTIVE ON-DEMAND MANUFACTURING IS THE ANSWER



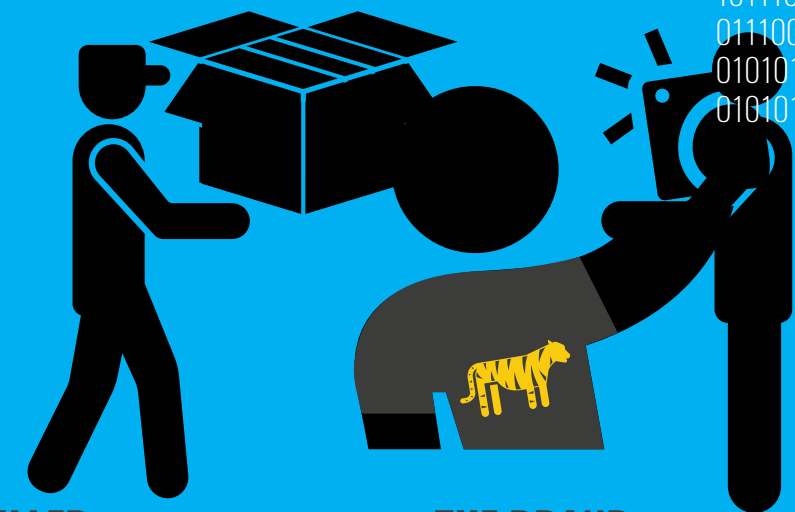


THE CONSUMER
ORDERS AN ITEM ONLINE

THE BUSINESS
ORDERS ITEMS FOR
REPLENISHMENT



**BY USING THE WORKFLOW A.I.-
BASED ENGINE** THE ORDER
IS STREAMLINED TO FULFILLERS/
MANUFACTURERS FOR ON-DEMAND
PRODUCTION



THE FULFILLER
PRODUCES AND SENDS IT
DIRECTLY TO THE
CONSUMER OR BUSINESS



THE BRAND
IS THE SOLE INTERFACE TO
THE CONSUMER
(DATA PROTECTION, QUALITY
ASSURANCE)

KORNIT'S WORKFLOW MAIN ADVANTAGES FOR FULLFILLERS



Full digitization of the
production floor environment



Growth in
impressions and
system utilization



Improve integration with
existing IT systems

Workflow based on data-based
insights will enable optimized end-
to-end processes and will drive
production efficiency







ANDREW TALBOT
CEO and Founder, Custom Gateway



~50
Employees



HQ
Manchester,
UK



Formerly
privately
owned



Cloud
software

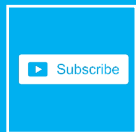


Globally active



>300
Customers

BUSINESS MODEL



Subscriptions



Transactions



Services

CUSTOM GATEWAY

Enabling On Demand

CUSTOM GATEWAY'S PLATFORM HAS A PROVEN
TRACK RECORD WITH TIER 1 RETAILERS,
FULFILLERS, AND BRANDS

next



BRANDS
&
RETAILERS



STREAMLINING EFFICIENT ON-
DEMAND ORDERING AND
MANUFACTURING



FULLFILLER
S

SEAMLESS INTEGRATION WITH
LEADING MARKETPLACES

- SCALING UP PRODUCTION
- AUTOMATING PROCESS
- REDUCING ADMINISTRATION
- EXTRA OPPORTUNITIES



Globally, more than 50% of e-commerce sales were made through the top 100 online marketplaces in 2018.

Source: *eMarketer*, 2019

Online marketplaces set to exceed \$7 trillion in sales by 2024.

Source: *iBe financial services*, 2020

KORNIT WORKFLOW SOLUTION WITH A DIRECT CONNECTION TO THE KONNECT SYSTEM

Enhanced Big Data helps drive intelligent business decisions



COMMON VISION

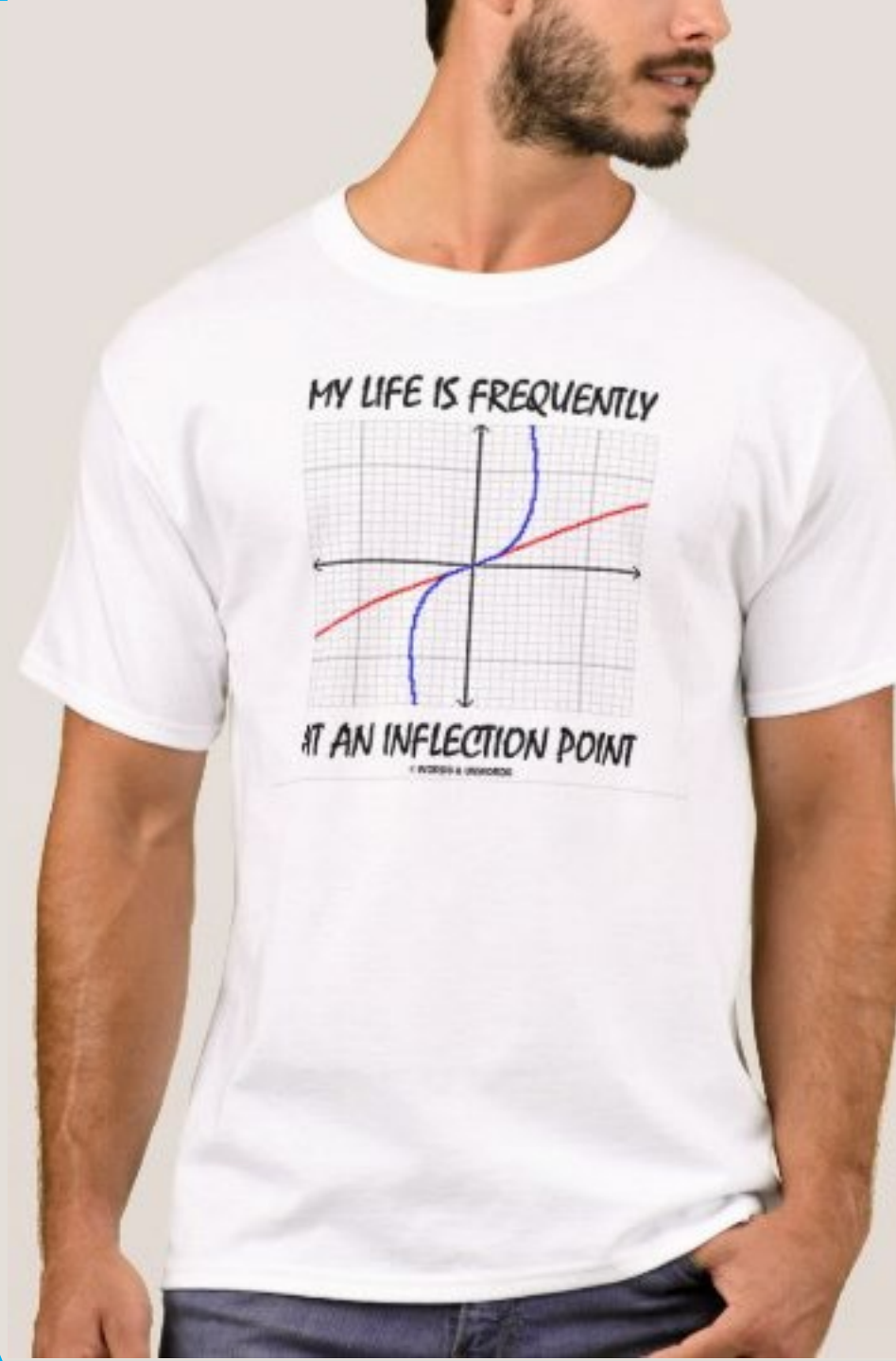
MUTUAL CUSTOMERS

SOLUTION PARTNERS

CULTURAL MATCH



KORNIT IS AT AN INFLECTION POINT



INFLECTION POINT

Extremely strong pipeline and backlog of orders

Strategic accounts projects

Geographical expansion of strategic accounts

Expansion of our global strategic account

Brands expansion

Strong demand for Atlas, Vulcan+, Presto and AV PolyPro

Move to direct in UK/Germany/Japan

Major R&D projects

Service scalability

\$500M goal



BENZION SENDER
EVP R&D



CHUCK MEYO
KDAM President



JED SEIFERT
Co Founder



TOM HASSELL
Vice President



BILLY KORS
CEO

SCOTT VALANCY
COO

Q & A

