

Fashion is choosing on-demand



Jared Maymon

Investor Relations



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In addition to U.S. GAAP financials, this presentation includes certain non-GAAP financial measures. These non-GAAP financial measures are in addition to, and not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. Please see the reconciliation table that appears among the financial tables in our earnings release being issued today, which earnings release is attached as Exhibit 99.1 to our report of foreign private issuer on Form 6-K being furnished to the SEC today, which reconciliation table is incorporated by reference in this presentation.

This presentation contains statistical data that we obtained from industry publications and reports generated by third parties. Although we believe that the publications and reports are reliable, we have not independently verified this statistical data.

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Agenda

- 9.00** **Fashion is Choosing On-Demand**
Ronen Samuel, CEO & Lauri Hanover, CFO
- 10.30** **Break**
- 10.50** **Customer Panel – Success with On-Demand**
Ilan Elad, President KDAM
- 11.40** **Customer Panel – Moving to On-Demand**
Chris Govier, EVP Strategic Growth & Marketing
- 12.15** **Lunch**
- 1.00** **Innovation Panel – Creative Possibilities**
Tomer Artzi, President KDAP and Kobi Mann, CTO
- 1.20** **Q&A and Closing Remarks**
Ronen Samuel, CEO & Lauri Hanover, CFO
- 2.15** **Depart for Tech Demo**
- 6.30** **Evening VIP Dinner**



Ronen Samuel

CEO



Our goal has always been to help the fashion and textile industry become more sustainable by choosing on-demand



Kornit's growth potential is at the convergence of three key vectors





**Market
Readiness To
Choose
On-Demand**

**The Maturity
of Kornit
Technology**

**Our
Go-To-Market
Strategy &
Execution**

Fashion is choosing ON-DEMAND

For the **AGILITY**
they need:

SPEED
FLEXIBILITY
CREATIVITY
+ SUSTAINABILITY



Today – consumers live online and demand immediate gratification



Living Online

- 6 – 7 hours a day
- 143 minutes on social media
- ~5B on social media
- ~96% Gen Z on YouTube Social Media

Source: Statista

Online Influencers Defining Trends

57% → YouTube

53% → TikTok

44% → Instagram

41%

Millennials believe their algorithm “knows me better than I know myself”

51%

Gen Z’s believe social media influencers create new trends

Source: ARCHRIVAL

Immediate Gratification

63% online shoppers consider delivery speed a vital factor

69% less likely to shop with retailer again if delivery date missed

88% willing to pay for same-day or faster delivery

Source: Starlinks, KiboCommerce

Self-Expression & Choice

720k # of SKUs Shein launches annually

70% Of Gen Z and Millennials consumers are more likely to buy from a brand that helps them show their “tribe”

Growing demand for AI

Source: Gittermary, Indigo 9 Digital 2022, Forbes

Brands and retailers have built a supply chain that LACKS AGILITY



BUILT FOR LONG RUNS



BUILT FOR FAR-OUT FORECASTS



BUILT FOR OFF-SHORE PRODUCTION

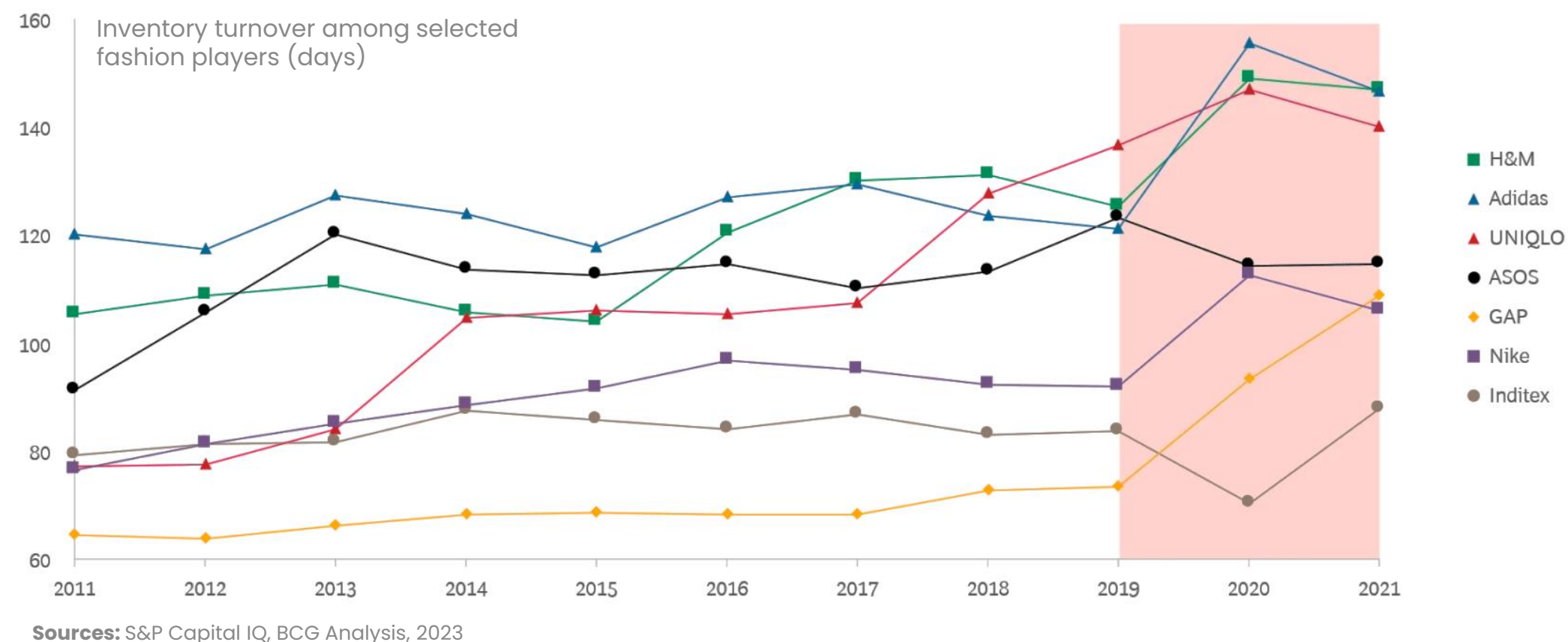


BUILT FOR FIXED SEASONS

Data shows the existing supply chain is burdened by operational costs that on-demand eliminates

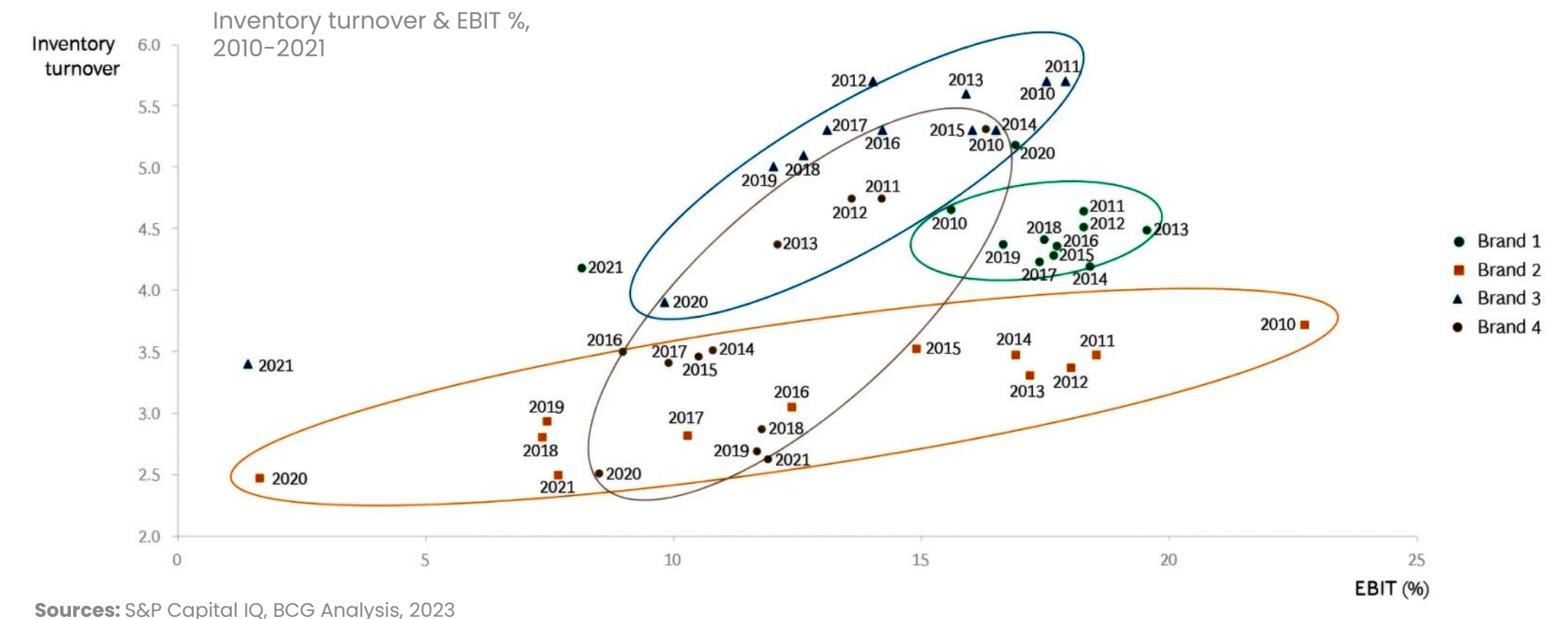


Fashion Brands are facing more serious inventory pressure since the pandemic



- Poor inventory management directly increases costs.
- Brands need supply chain strategies that can respond to market trends and maintain high sales turnover & sell-through which reduces the need for inventory markdowns & warehouse costs

Inventory turnover is positively correlated with profitability



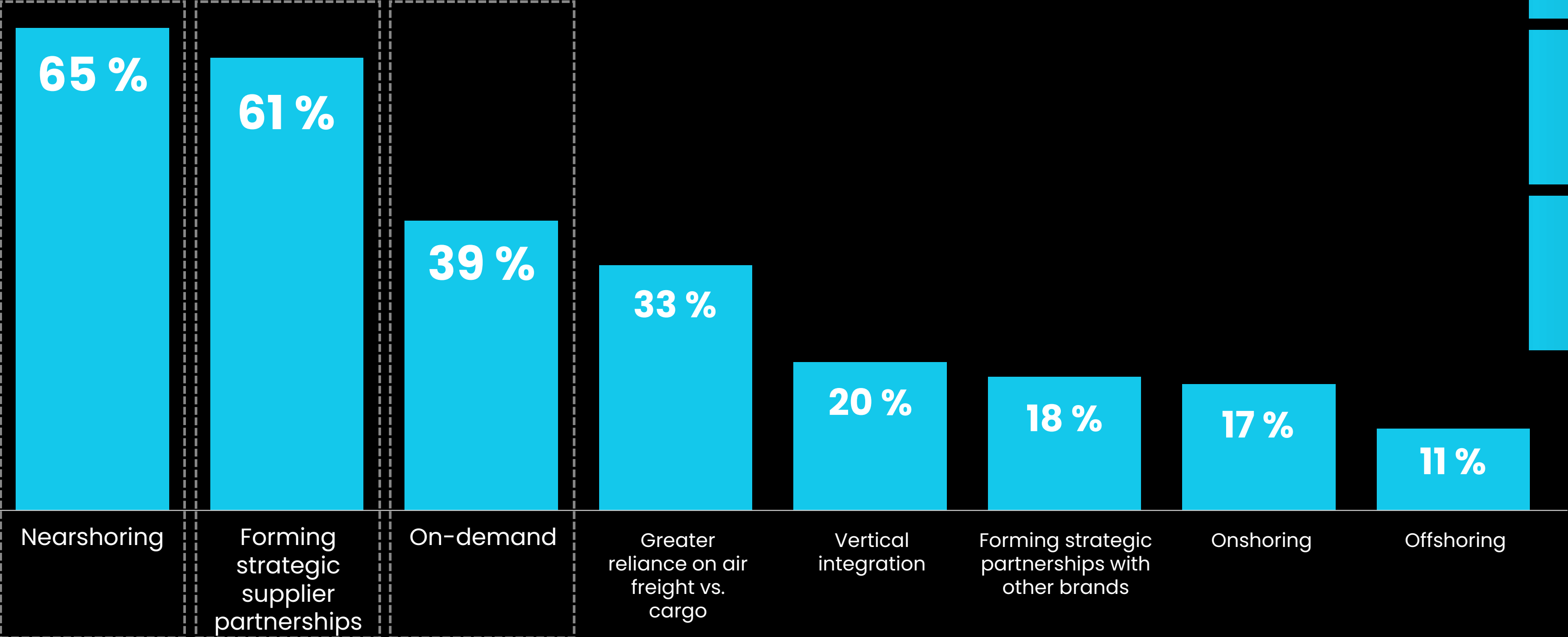
- Good inventory management directly increases profitability.
- Brands with agile supply chains can improve turnover and increase full-price sales which drives higher revenues and in turn reduces excess inventory and frees up working capital.

Solving this problem could add \$1Tn to earnings in the fashion industry

Industry Executives are prioritizing on-demand to advance their supply chain



The top priorities
Executives are considering



39% plan to move to on-demand manufacturing

65% will begin near-shoring

61% forming strategic partnerships

Source: BoF-McKinsey State of Fashion 2023 Survey

On-demand gives brands & retailers all the **AGILITY** they need to thrive in today's market



MINIMAL INVENTORY



ON-DEMAND PRODUCTION



UNLIMITED CREATIVITY



SHORT-RUNS



ENHANCED BRAND LOYALTY



INSTANT TRENDS REACTION



TIME-TO-MARKET



NEAR/ON-SHORE

External factors such as legislation and regulations are poised to drive significant changes across the industry



SUSTAINABILITY

The Fashion Industry is responsible for significant emissions, pollution and waste

“Sustainability presents the biggest opportunity ... for the fashion industry in 2023

”
The State of Fashion, 2023

Source: The State of Fashion 2023, BOF McKinsey & Company

LEGISLATION & REGULATION



87%
87% of fashion executives think sustainability regulations will impact their businesses in 2024

Source: The State of Fashion 2024, BOF McKinsey & Company

“French lawmakers approve bill penalizing fast fashion”
CNNStyle
March 2024

TRADE TARIFFS

“US coalition formed to address de minimis import loophole”
JustStyle
March 2024

“For First Time in Two Decades, U.S. Buys More From Mexico Than China”
New York Times
February 2024

The industry's most sustainable way to print fashion textiles



Waterless Production for a Greener Planet
Up to **95%**

Energy-Efficient Production
Up to **94%**

GHG Emission Saving
Up to **83%**

Chemicals Restricted Substance Reduction

OEKO-TEX®
CONFIDENCE IN TEXTILES
ECO PASSPORT

bluesign®

ISO
ISO 14001:2015



On-Demand Manufacturing: Reducing Overproduction
By **30%**

Transparent Reporting and Accountability

Kornit offers the **AGILITY** customers need to meet the demands of today's consumers

SPEED to market

FLEXIBILITY to produce short-runs

CREATIVITY that is unlimited

+

SUSTAINABILITY that consumers want





**Market
Readiness To
Choose
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**The Maturity
of Kornit
Technology**

**Our
Go-To-Market
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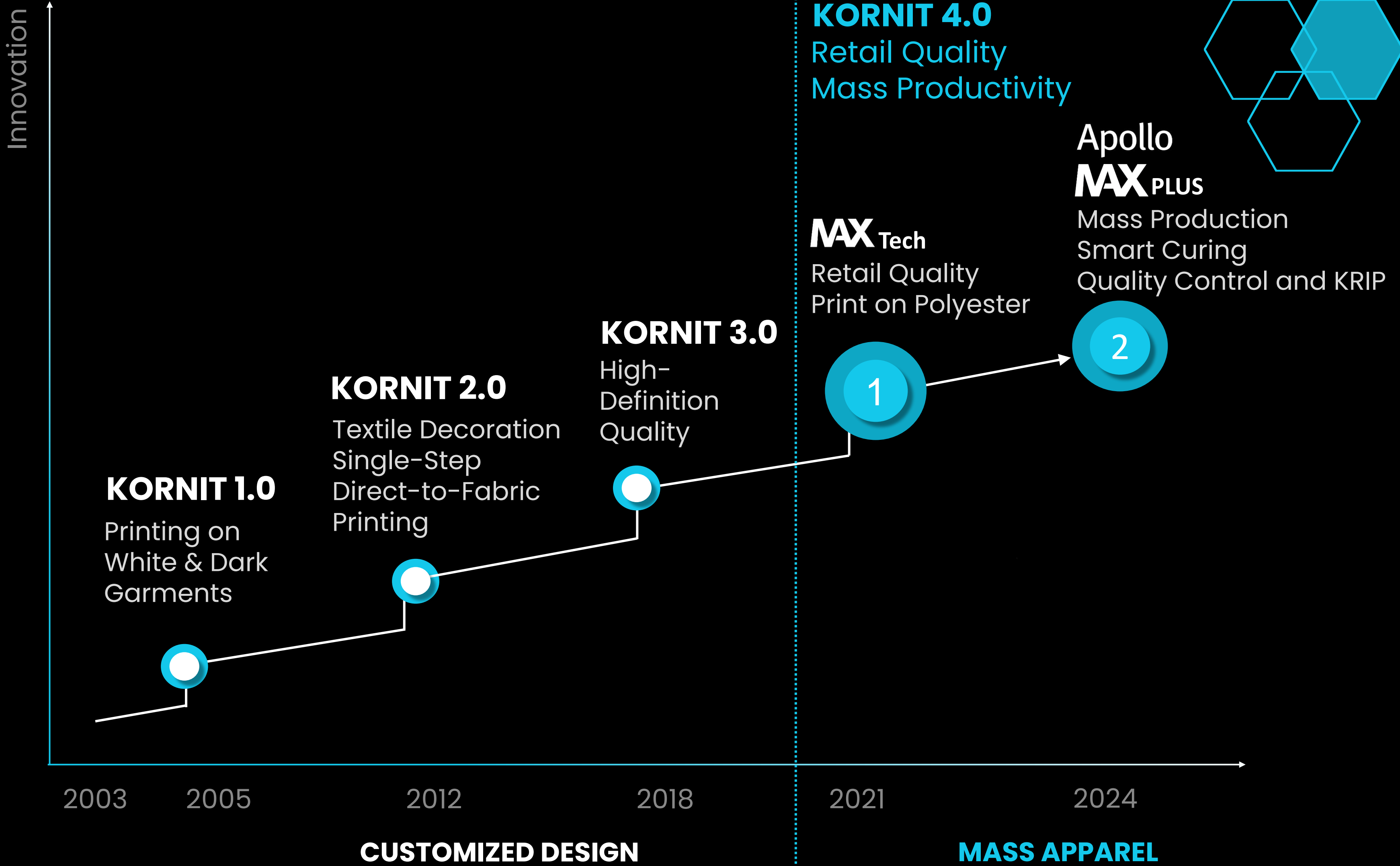
Kornit's patented NeoPigment inks unlock quality, creativity and sustainability



Introducing the revolutionary
MAX technology



Pioneering DTG innovation to expand the possibilities of on-demand production for our customers



Kornit MAX print technology is a paradigm shift in meeting our customers' most critical requirements



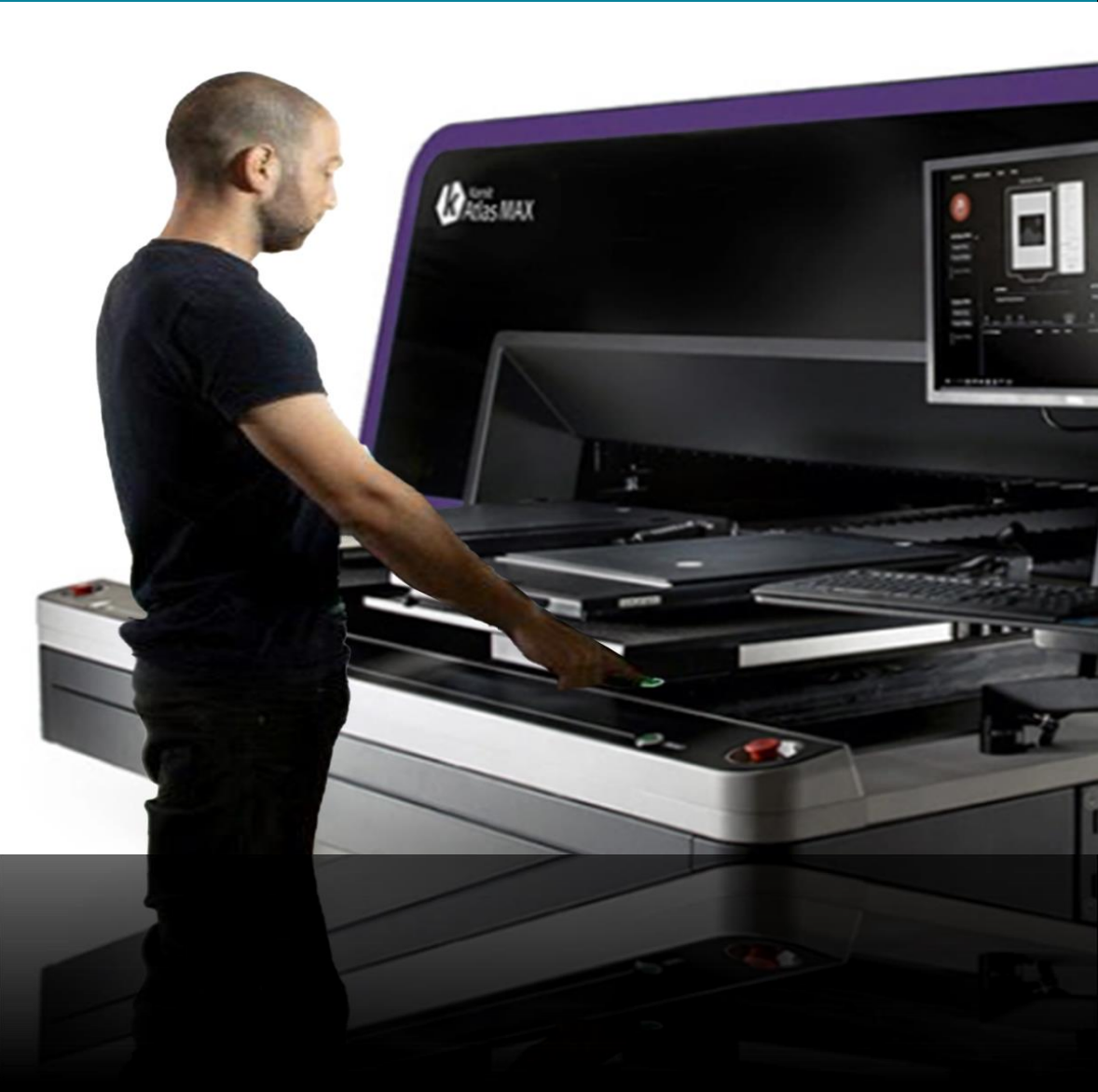
Retail Quality

Robust, repeatable and quality assurance – surpassing **screen-printing** durability



Enhanced Productivity

Increasing speed and productivity



Unlimited Creativity

New-to-market applications like Raised (XDI), Denim, Vinyl-wide media variety



Sustainable Production

Single-step process: no pre- or post-treatment while meeting the most stringent regulations



Kornit MAX print technology is the replacement choice for traditional analog methods



Silk-Screen



Heat Transfer



Dye-Sublimation



Embroidery



A broad range of opportunities across multiple market segments



Customized Design



Athleisure



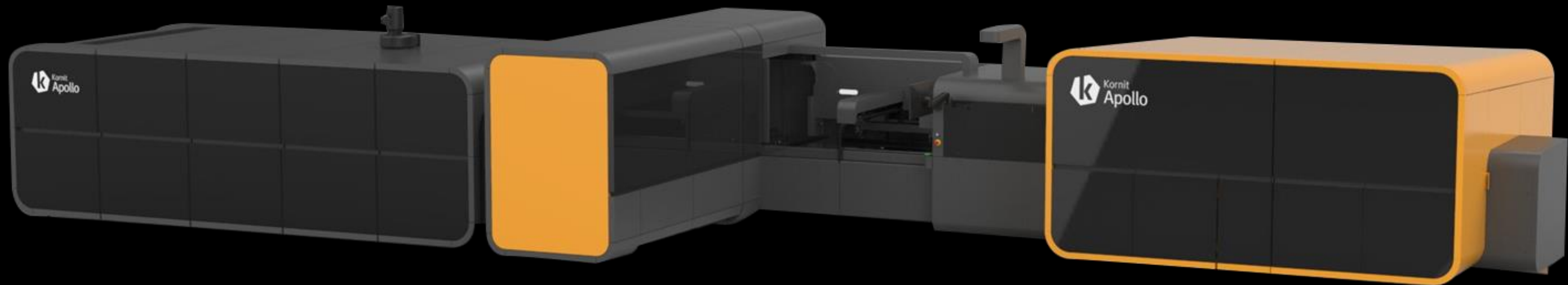
Promotional



Brands & Retailers



Apollo is the game changing mid-run solution **that customers are choosing**



Fully automated, digital mass production:

- MAX Plus Print
- Best-in-class Total Cost (TCO) for mid-runs
- Shortest Time-To-Market (TTM)
- Labor efficiency – up to 400 SPH by single operator

zumiez



AIR WAVES™

FIFTHSUN

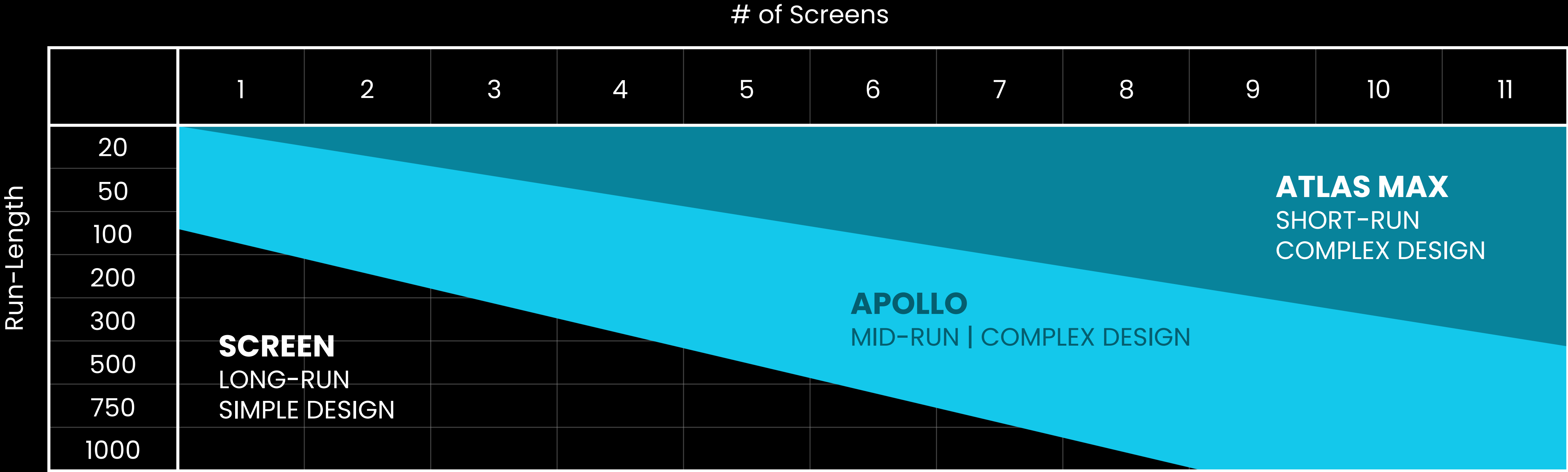
“We’re not only expanding our capacity but also unlocking opportunities in untapped brand markets”

Scott Valancy, COO at T-Shirt Central

“Apollo enabled us to easily meet increased demand”

Jaymes Clements, Mad Engine Global

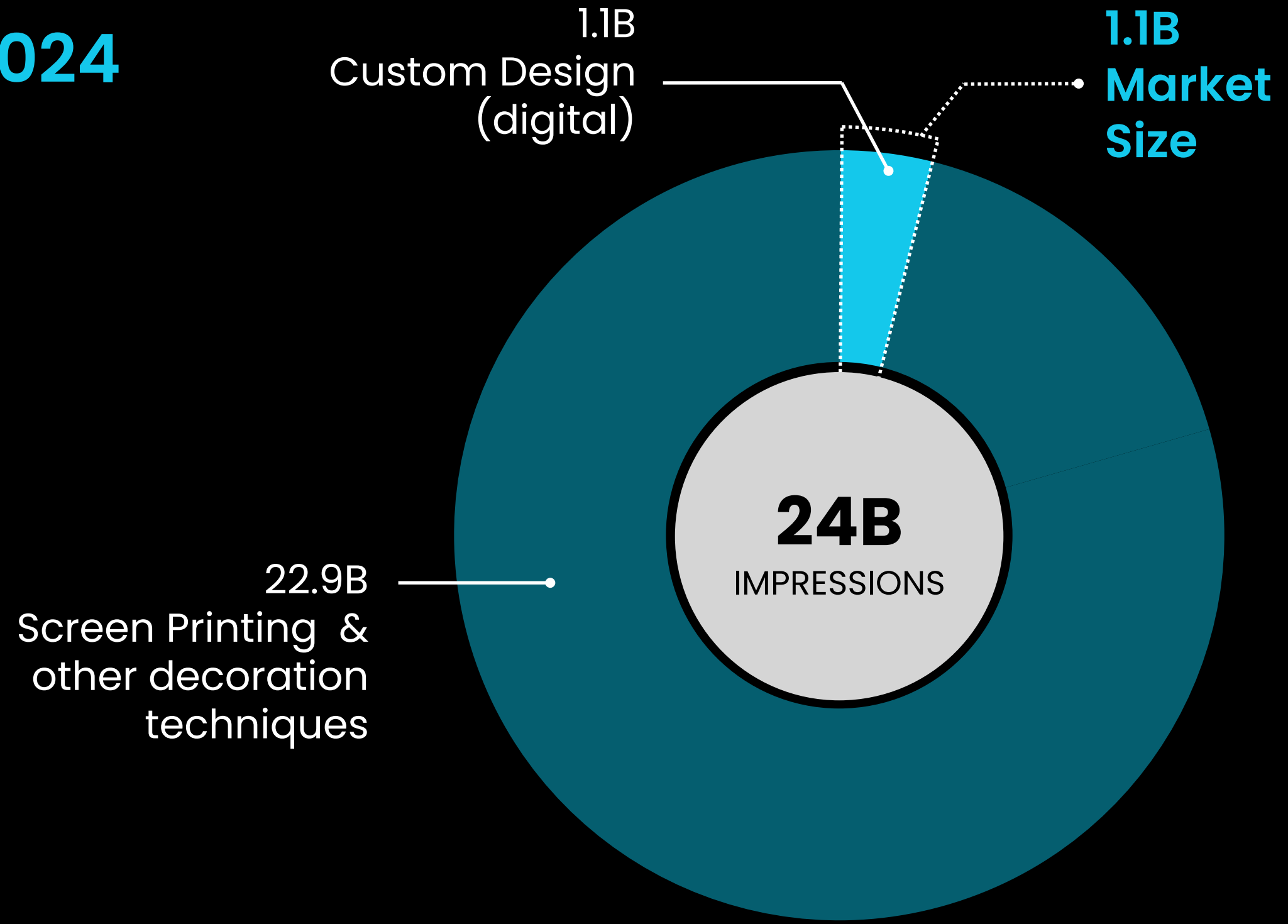
Customers can now cost effectively produce both mid- and short-runs on-demand



Customized Design – a lucrative 1.1B impression market



2024

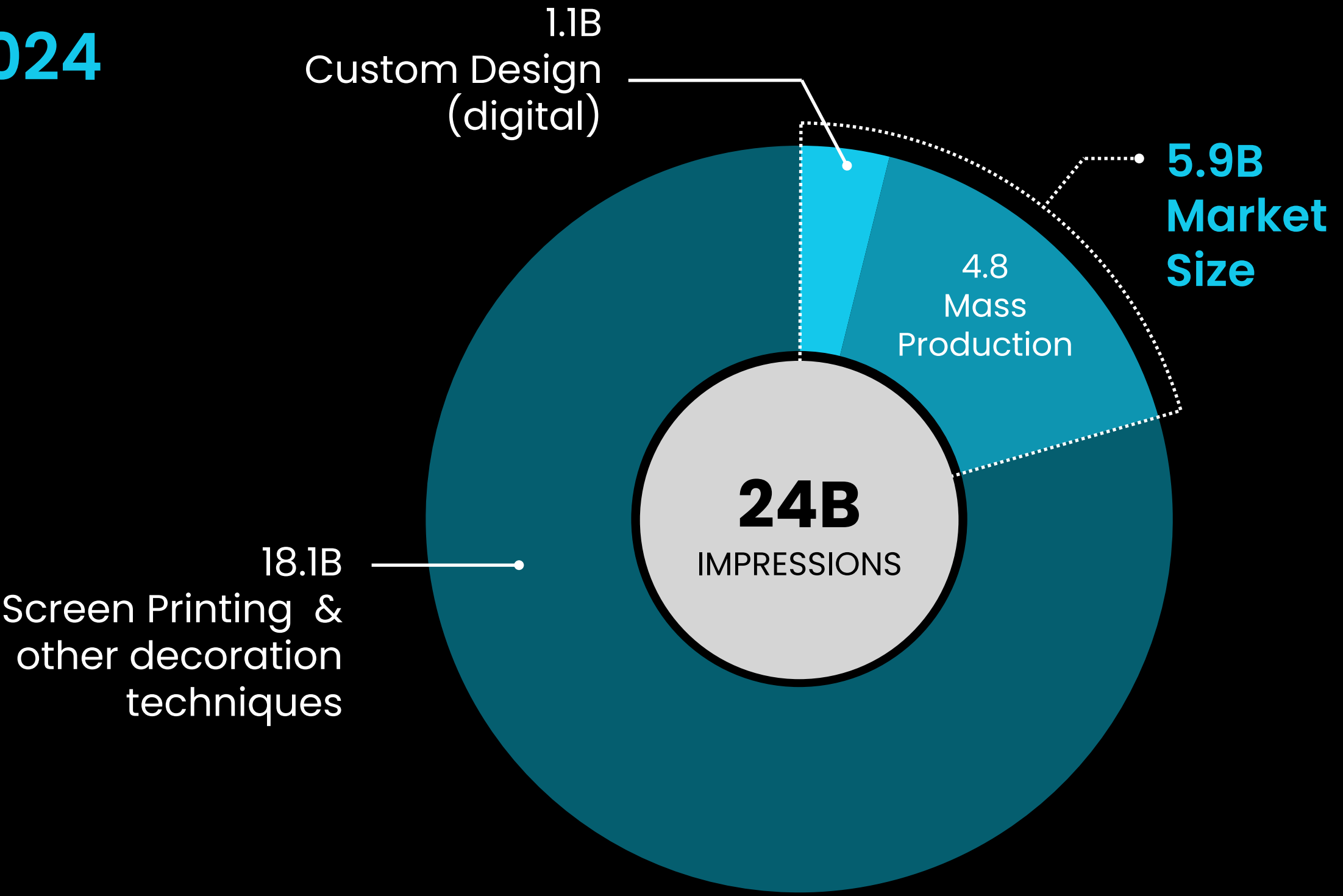


Source: Global Data 2024, Deloitte 2019

With the addition of Max technology our addressable market increases by over 4x to 5.9B impressions



2024

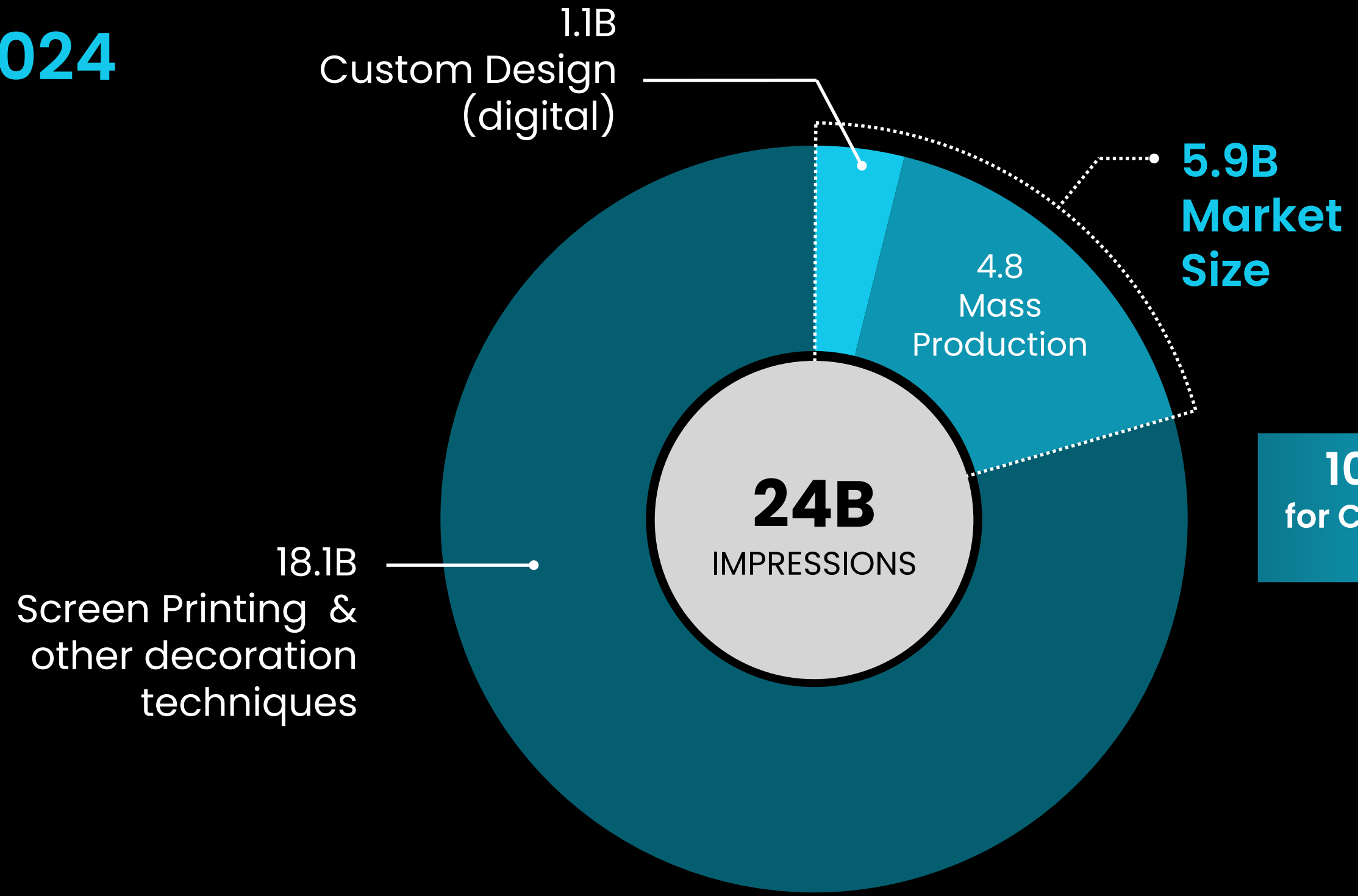


Source: Global Data 2024, Deloitte 2019

Our target markets have attractive CAGRs and by 2028 our accessible market will reach 8.6B impressions

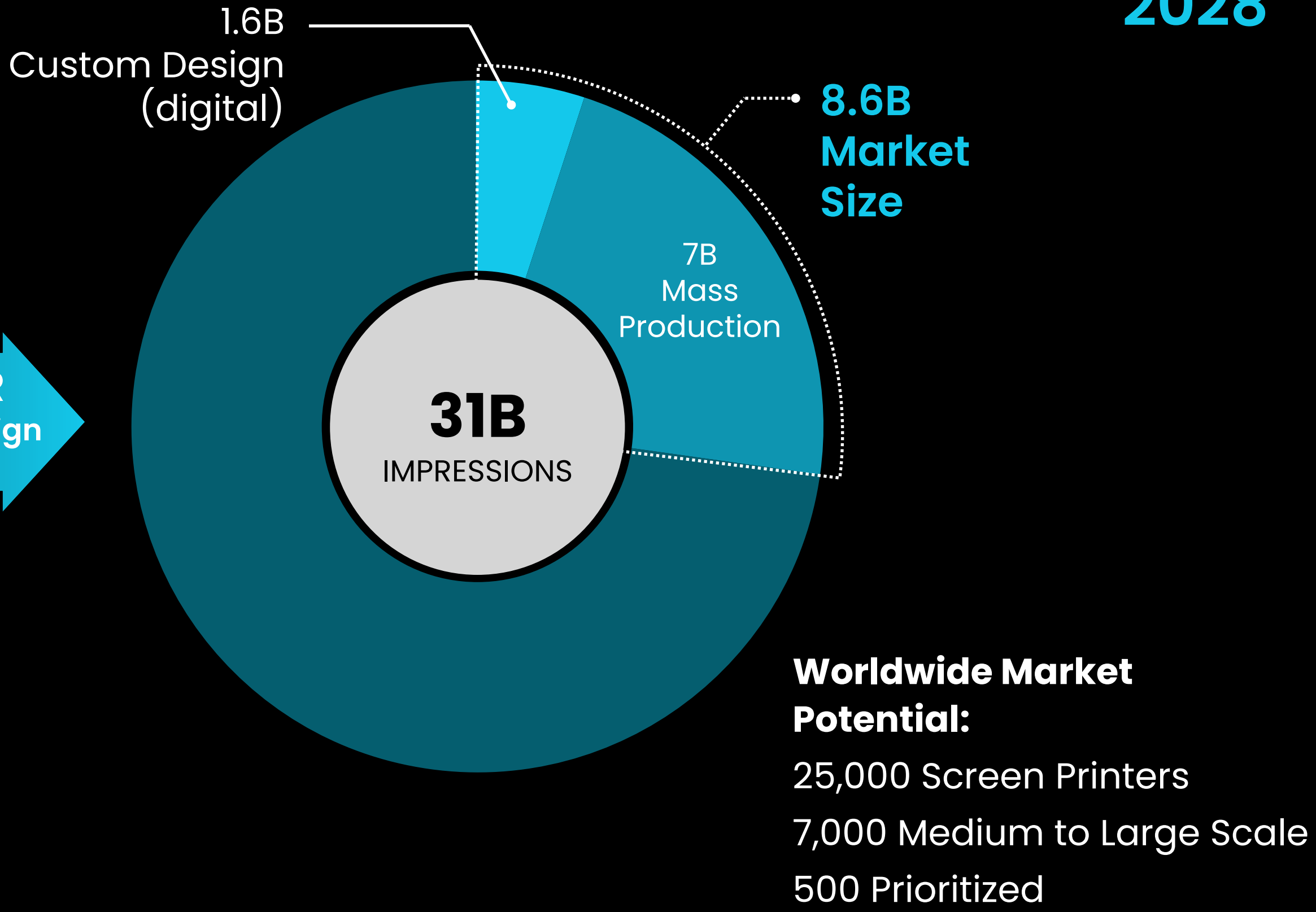


2024



10% CAGR for Custom Design & Mass

2028



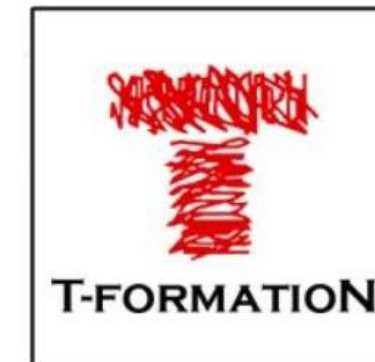
Source: Global Data 2024, Deloitte 2019

Helping our customers to become more sustainable by choosing on-demand



"...we've seen the number of jobs of up to 500 pieces dramatically increasing... Teaming with Kornit, we're going to be able to deliver to customers what they want, when they want – and at the level of quality and vibrancy they've come to expect from us"

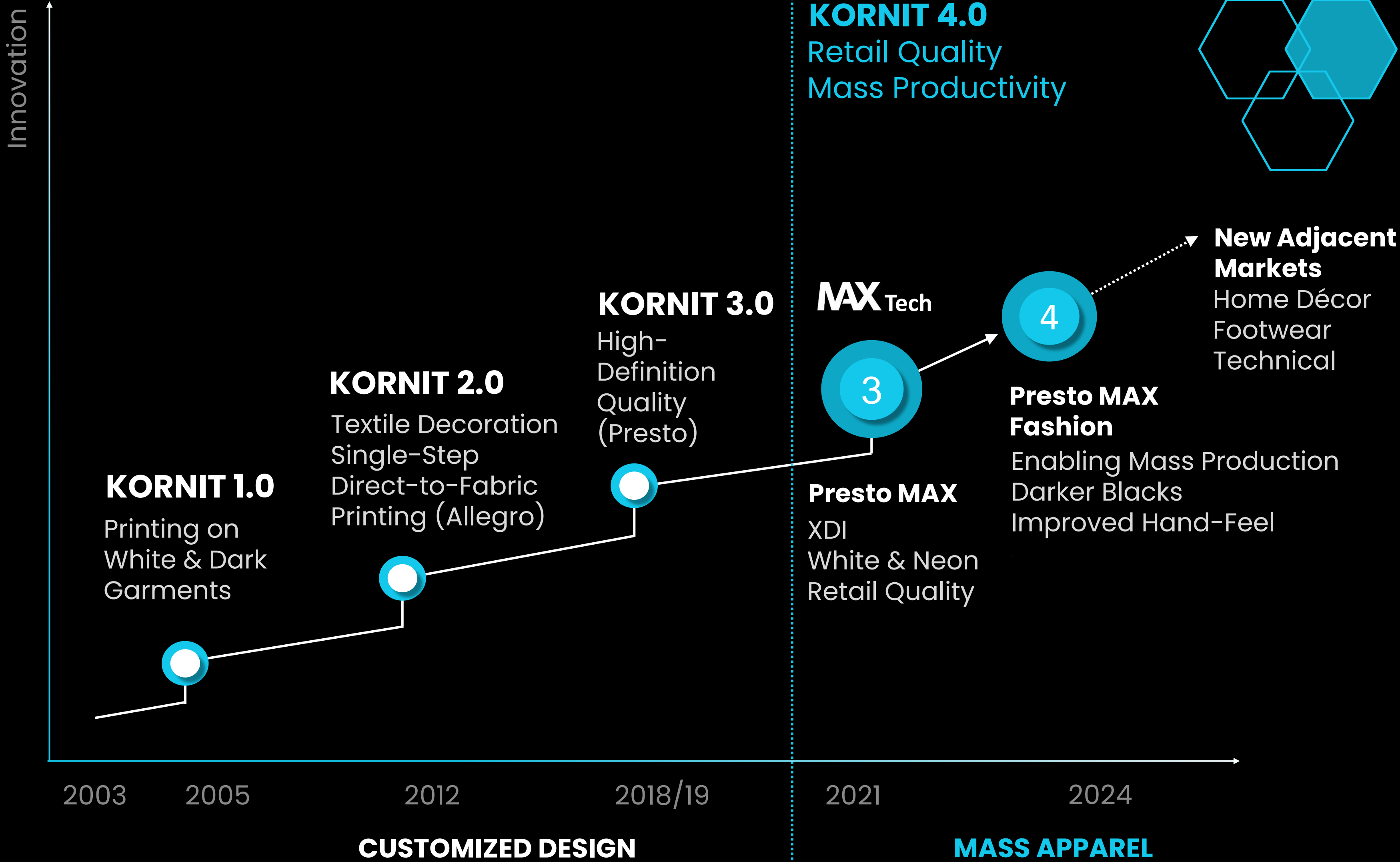
Volker Rehdanz, Owner and Managing Director, Print Palace Textildruck



"...the industry has evolved dynamically in just the past few years. Driven by accelerated customer expectations, analog production methods such as screen-printing didn't always align with the market demands...Kornit Apollo is the right solution, at the right time"

Alan Gentry, President of T-Formation.

Significant advances in Roll-to-Roll innovation have opened new possibilities in on-demand production



Mass apparel applications on various media, absorbent & nonabsorbent



Cotton



Polyester



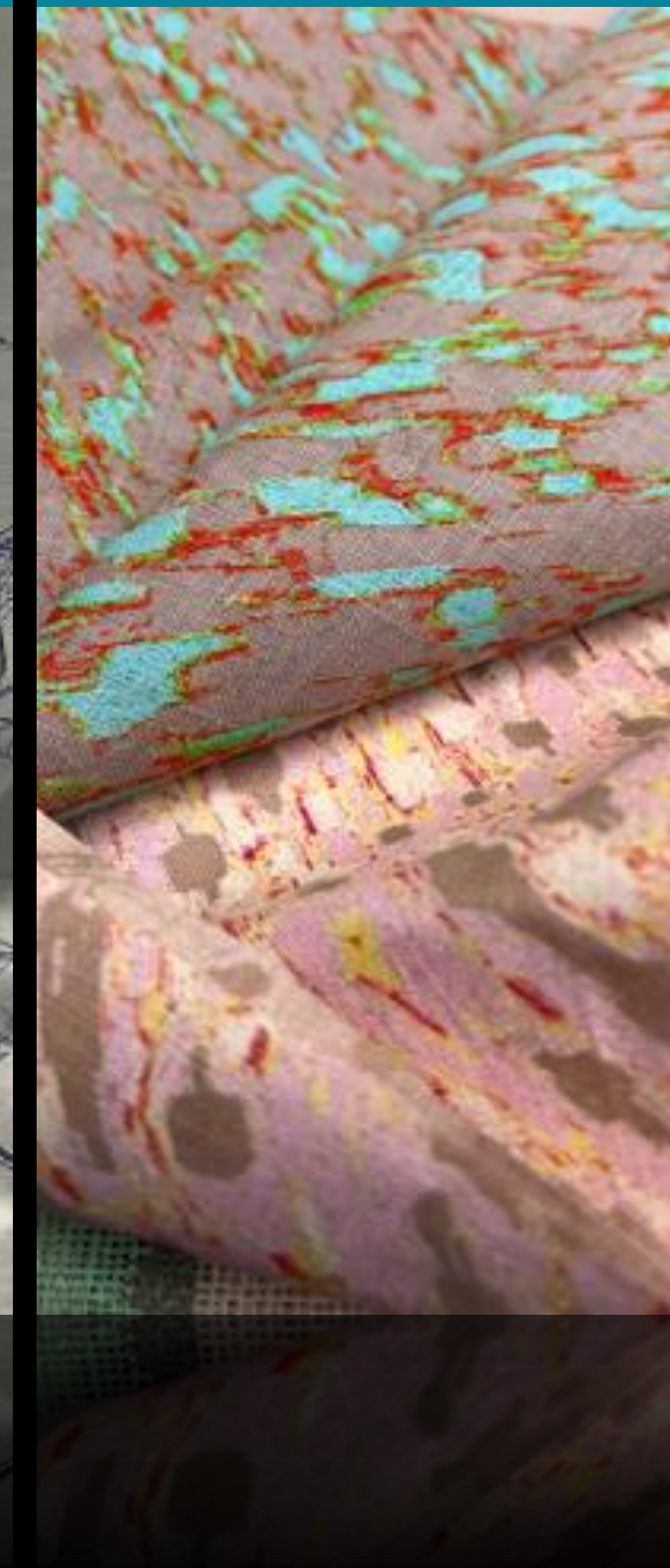
Nylon



Viscose



Silk



Wool



Leather



Home décor applications in multiple forms



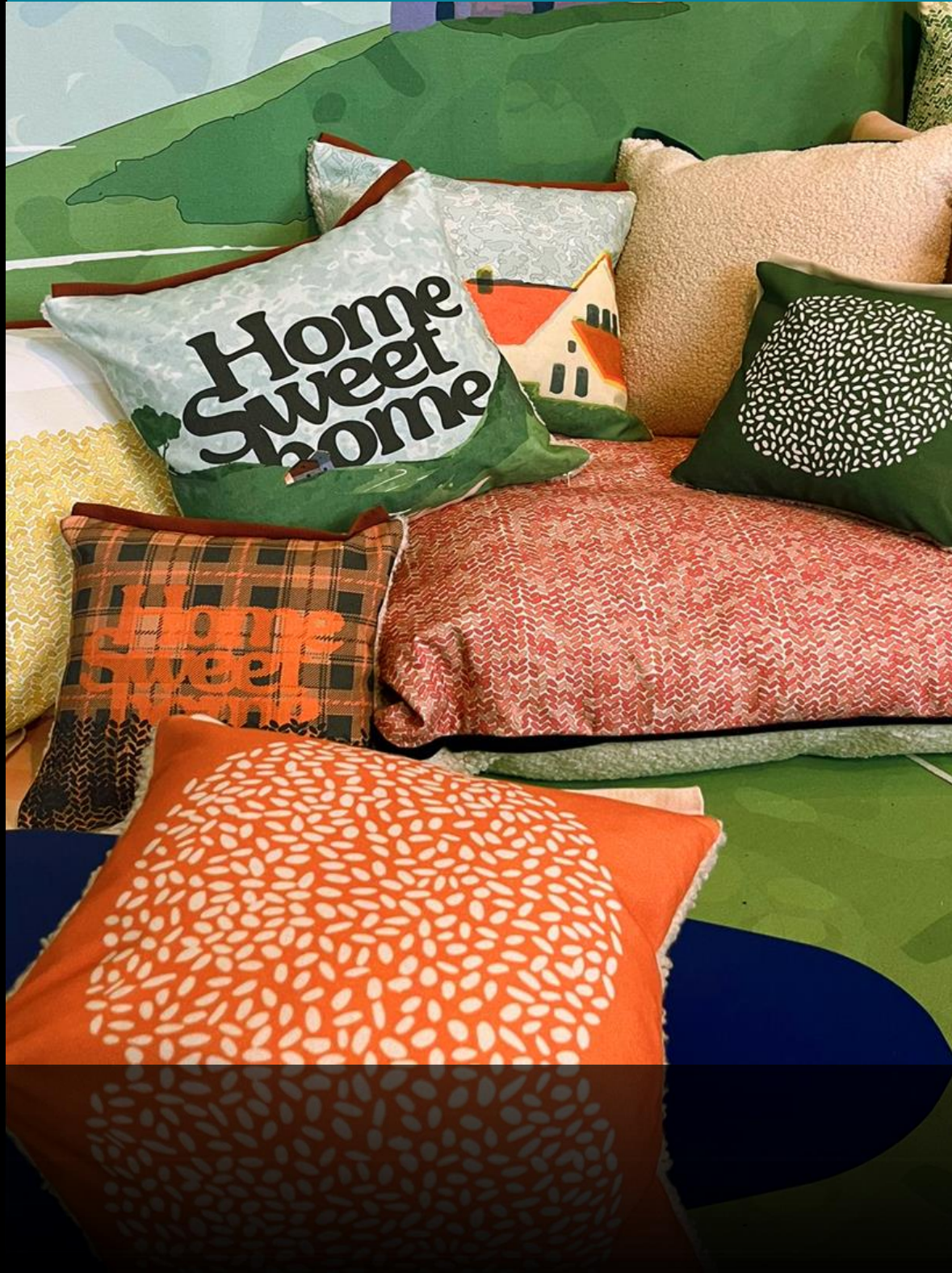
BED LINEN



UPHOLSTERY



OUTDOOR



WALLPAPERS



Presto MAX Fashion sets a new standard for sustainable on-demand Roll-to-Roll production



Fully automated, digital mass production:

- Single-Step Process
- Media & Application Versatility
- High Print Quality
- Cost Efficiency
- Sustainability

pixartprinting



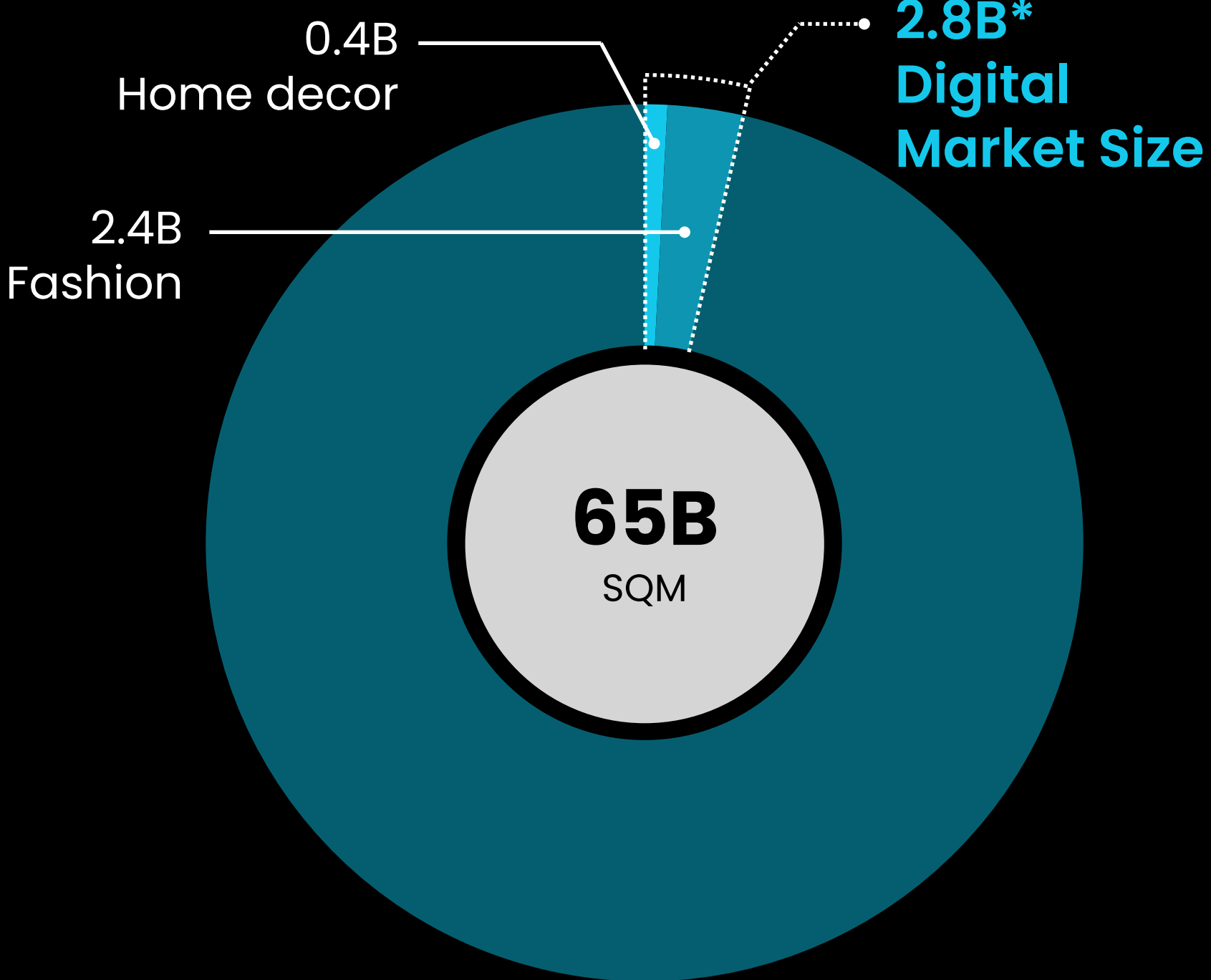
ARVIND
FASHIONING POSSIBILITIES



Today our Roll-to-Roll addressable market is 2.8B SQM



2024

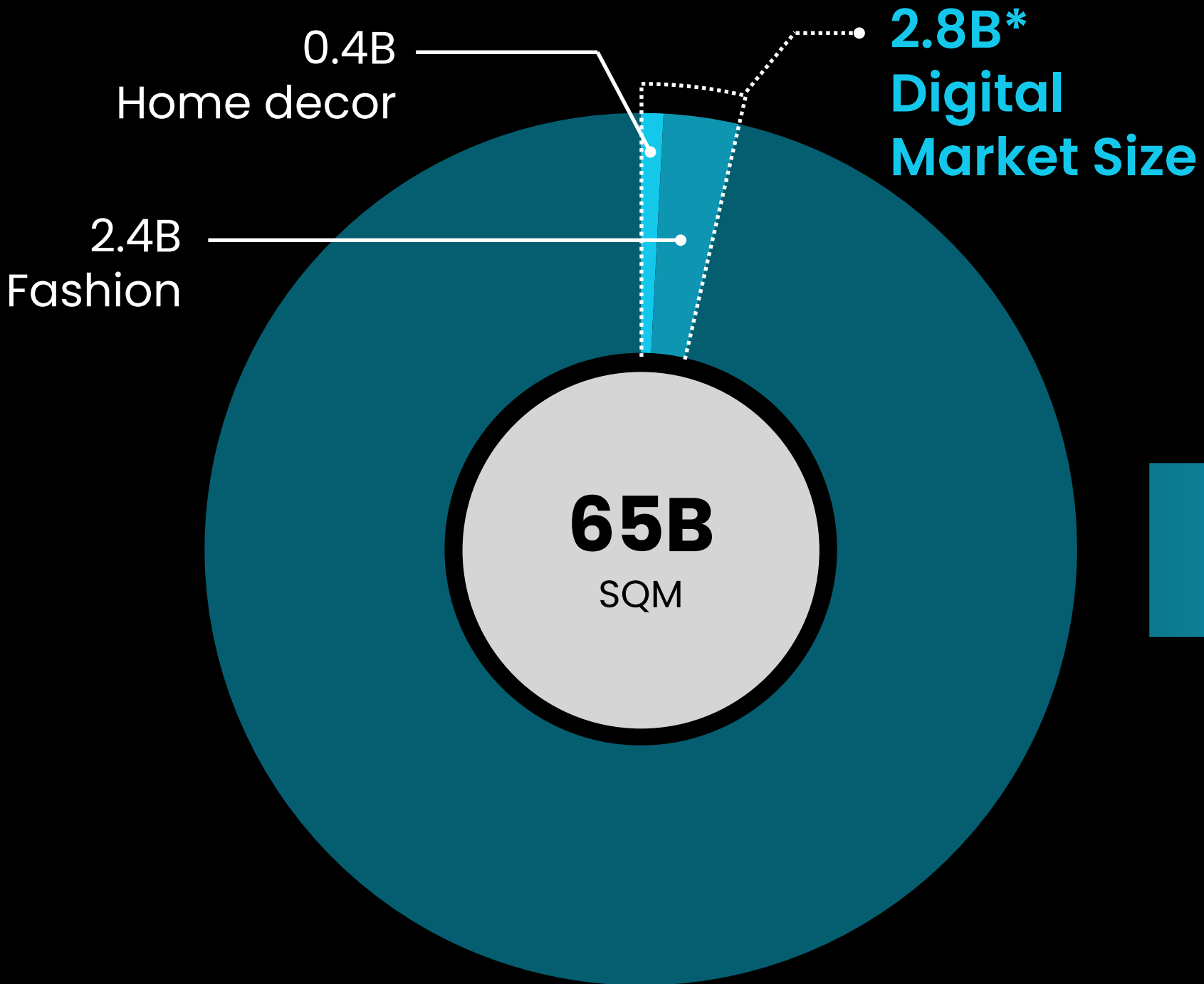


Source: Pira 2023-2028 (smithers)

Presto MAX and MAX Fashion increase our addressable market by over 3x to 8.5B SQM

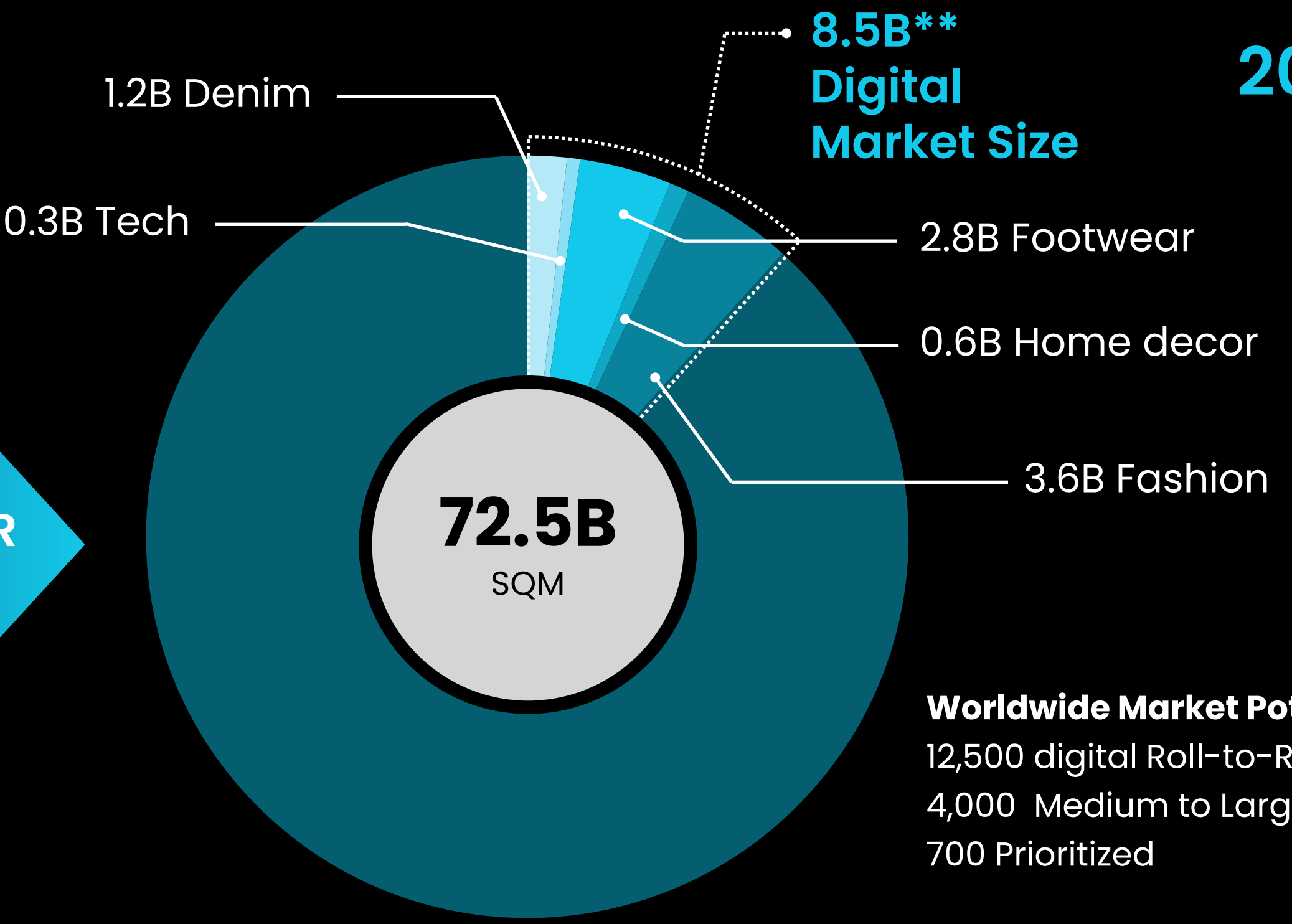


2024



10.3% CAGR digital

2028



Worldwide Market Potential:
 12,500 digital Roll-to-Roll printers
 4,000 Medium to Large Scale
 700 Prioritized

Source: Pira 2023-2028 (smithers)

Helping our customers to become more sustainable by choosing on-demand



SUTEX
CONCIENCIA ECOLÓGICA - MODA SOSTENIBLE

“For nearly four decades Sutex has been driven by one goal – providing the highest quality textiles for fashion and clothing in the most sustainability way. Kornit and their Presto Max solution have been key to our vision. Their roll-to-roll solution is the premier on-demand digital production solution on the market today. Kornit’s technology enables us to achieve the quality and color vibrancy our customers have come to expect from us”

Leon Amitai, Owner, Sutex

pixartprinting

“In our expanded relationship with Kornit, we are creating a brand that is truly one-of-a-kind, combining world-class digital pigment printing with the most comprehensive production and logistics workflow to produce finished garments in days with no minimum orders”

Paolo Roatta, Chief Executive Officer at Pixartprinting and SVP at Cimpres

Offering our customers the broadest range of solutions for their on-demand needs



Ink, consumables & applications



CMYK + Red +Green
White base
Neon
Darker Blacks

Printing systems



Smart production & ancillaries

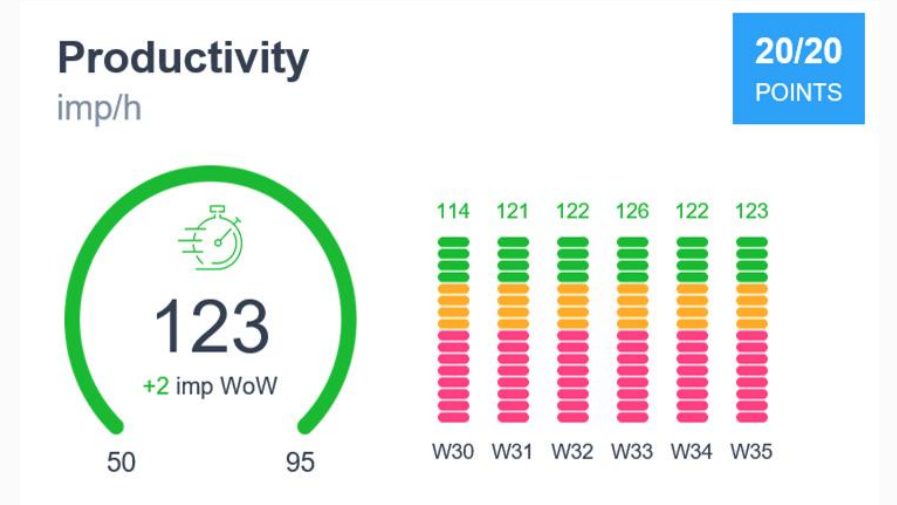
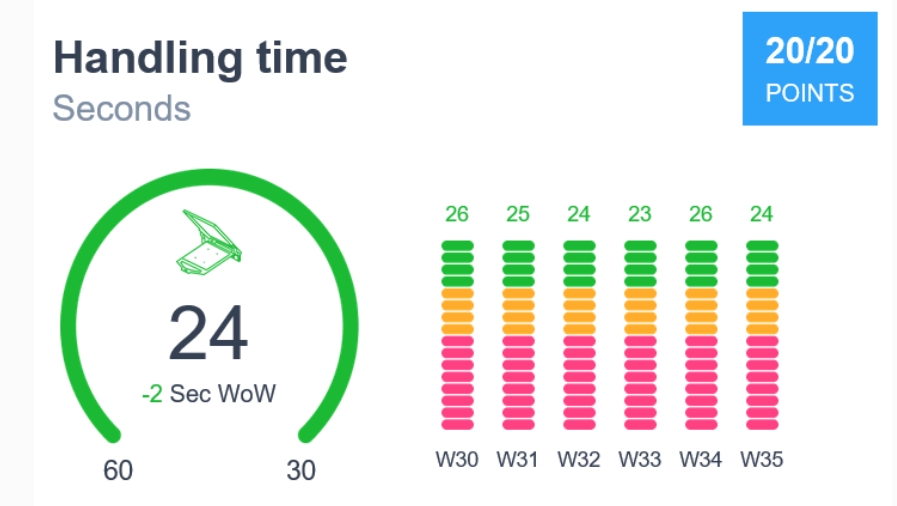


QualiSet
Smart Autonomous Calibration

K-Rip

XDI

Data-driven for better productivity & experience

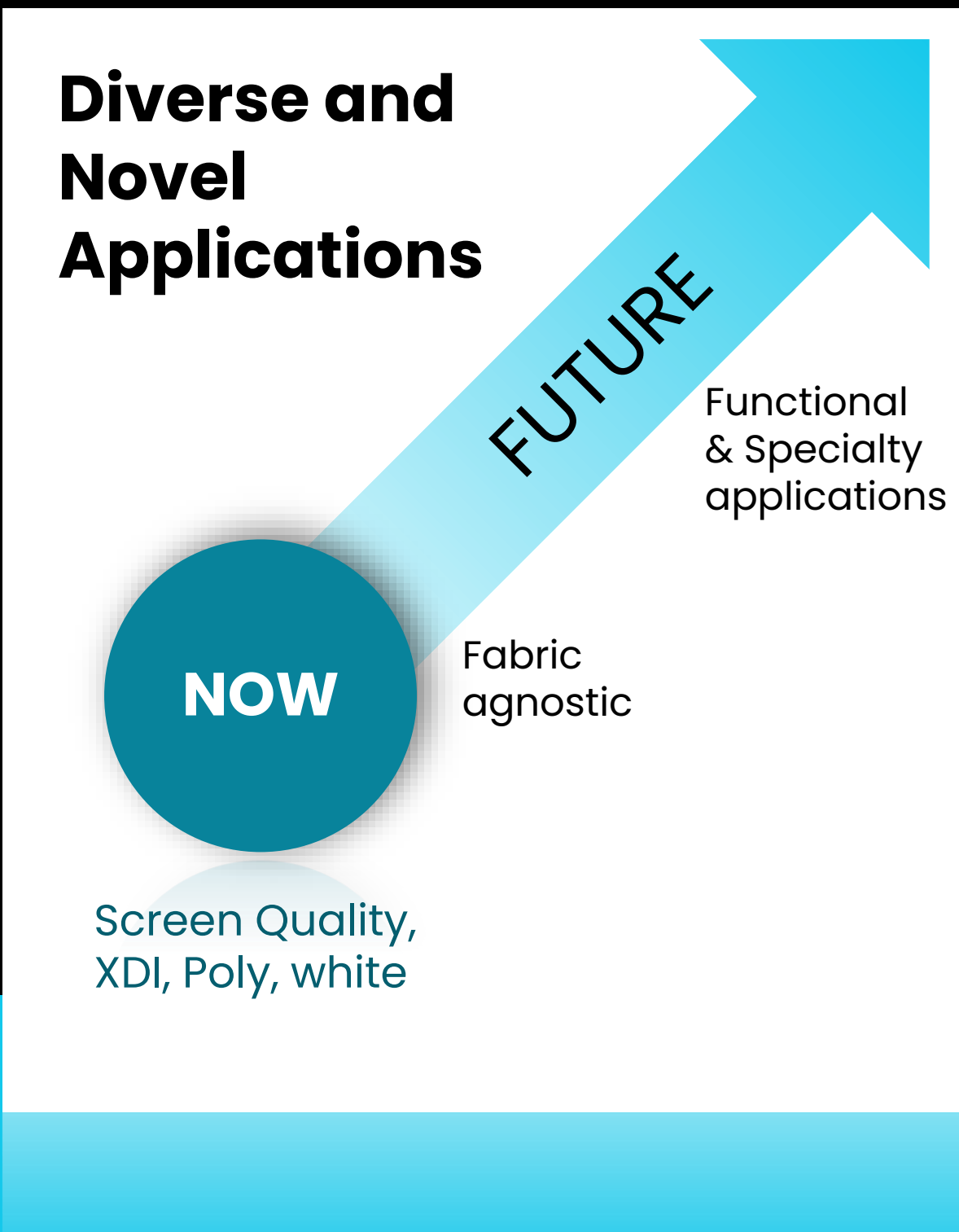


Kornit[×]
Global Fulfilment Network

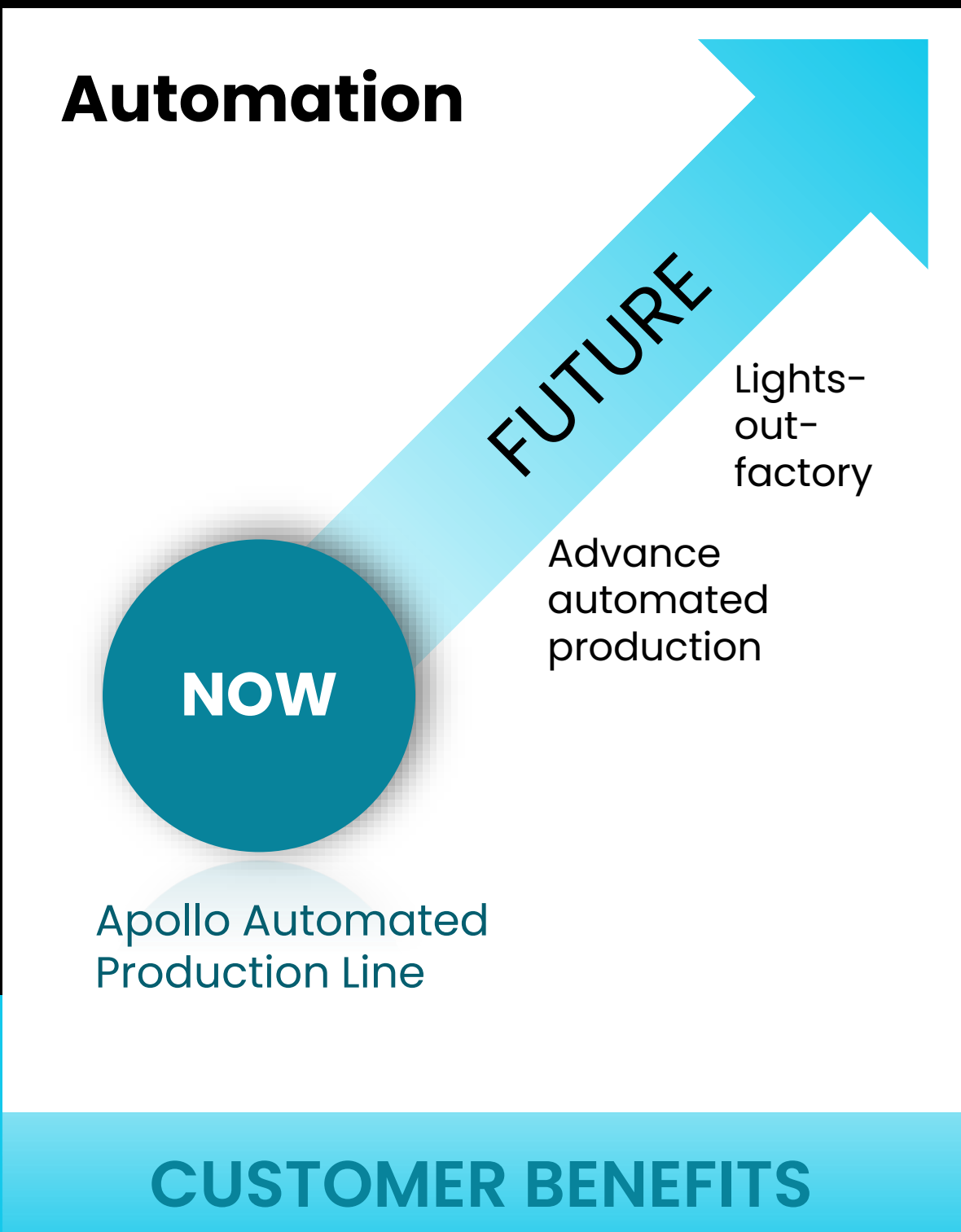
Our award-winning technology has propelled Kornit to be the undisputed leader in the industry



Kornit continually innovates across three key vectors

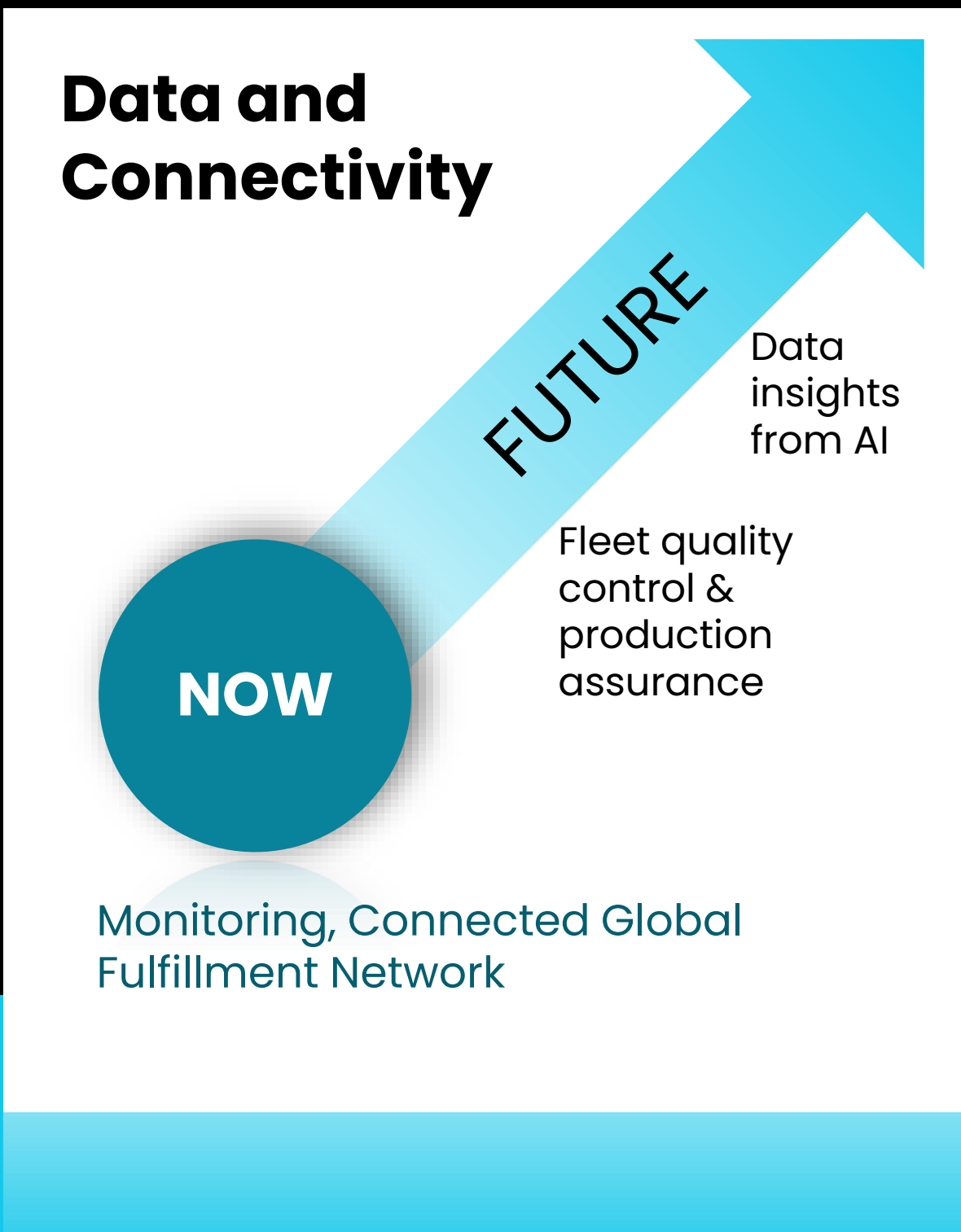


Business growth from a broader offering



CUSTOMER BENEFITS

Increased profitability and consistency



Continuous improvement from accelerated digital transformation



**Market
Readiness To
Choose
On-Demand**

**The Maturity
of Kornit
Technology**

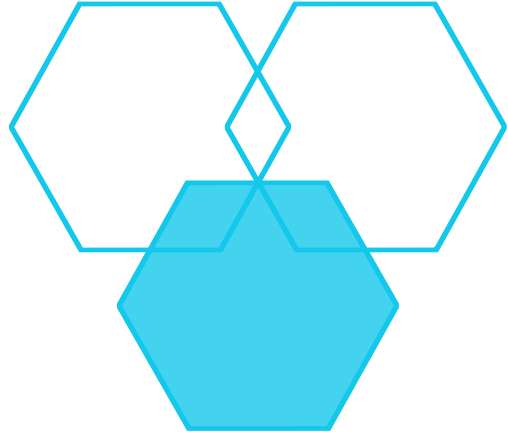
**Our
Go-To-Market
Strategy &
Execution**

We have a focused go to market strategy to attract high-value impressions to Kornit Technology

- We are **STRENGTHENING** our Core
- We are **BROADENING** our Foundation
- We are **BUILDING** into new adjacencies



Concentrating on current and emerging opportunities where we can excel



EXISTING

NEW

ADJACENCIES

STRENGTHENING our Core

Our goal is to Empower our EXISTING 1,100 customers to sustain and enhance their success:

- Customized Design
- Customized Design w/ Screen

BROADENING the Foundation

Our goal is to Make It Easy for NEW Screen Fulfillers to move to on-demand:

- Focus on mid-large screen players experiencing a shift to short- and mid-run lengths

Our goal is to Make It Easy for NEW Demand Generators to integrate on-demand into their supply chain:

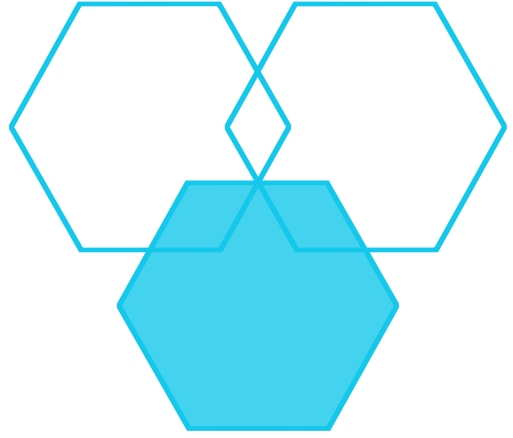
- Digital Platforms
- Volume Aggregators
- Influencer Brands

BUILDING into new adjacencies

Our goal is to Penetrate NEW opportunities in high-value adjacencies:

- Footwear
- Home Décor

Our Go-To-Market strategies are amplified with critical enablers



Solution Selling

- Consultative sales approach/value-based selling - require change in DNA
- Long-term partnership focus
- Tailored financing options

Route to Market

- Omni-channel strategy (Direct, In-direct and Hybrid)
- Partner and strategic alliances

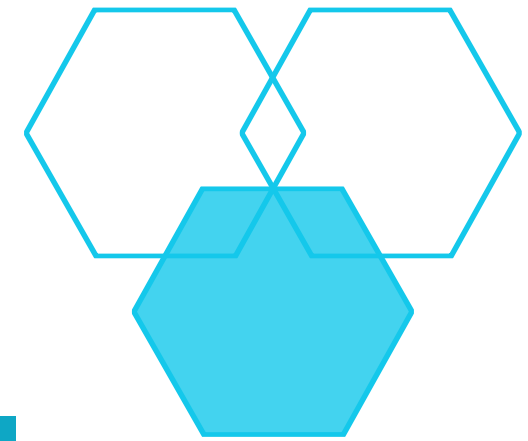
Business models

- CapEx
- All-inclusive clicks (AIC)
- Kornit^x

Organizational Design

End-to-end responsibility from pre-sales to production delivery and post-sale customer success and growth

AIC is capitalizing on our strong cash position to accelerate adoption of on-demand production



AIC covers the cost of:	<ul style="list-style-type: none">• Systems• Consumables• Full-Service Support• Software and Workflow	
Contractual Commitment:	<ul style="list-style-type: none">• Minimum annual impressions• 5-year term	
Benefits:	<ul style="list-style-type: none">• Predictable costs• No capital investment required• Incentive pricing above the minimum agreements• Revenue-cost alignment	
Customers who choose AIC are:	<ul style="list-style-type: none">• New to digital technology• Seeking predictable cost structures• CapEx might be a constraint	<i>AIC is currently available on Apollo and Atlas systems</i>
Customers who choose CapEx are:	<ul style="list-style-type: none">• Familiar with digital technology• Experienced optimizing costs• CapEx is not a constraint	<i>CapEx is currently available on all systems</i>

Lauri Hanover

CFO



Overview of All-Inclusive Click (AIC)

Basic mechanics of AIC

Offers clearer visibility and a strong flow of high-margin ARR

Initial contract term of five years

Fixed revenue expectations from minimum commitments

Aligns Kornit's revenue with customer success

Accounting policies and statement impact

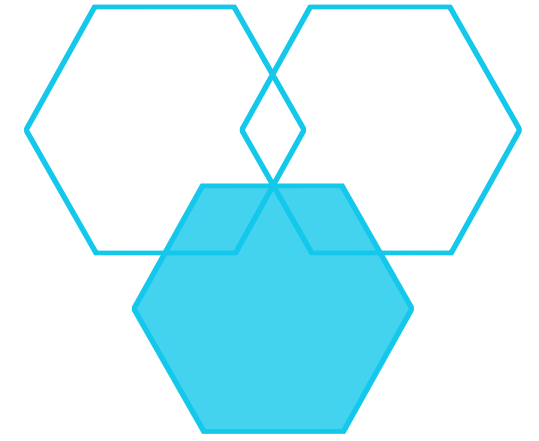
Revenue is recognized over time

All revenue from AIC (systems, consumables, and services) are captured together within Products revenue

AIC systems are held as a long-term assets

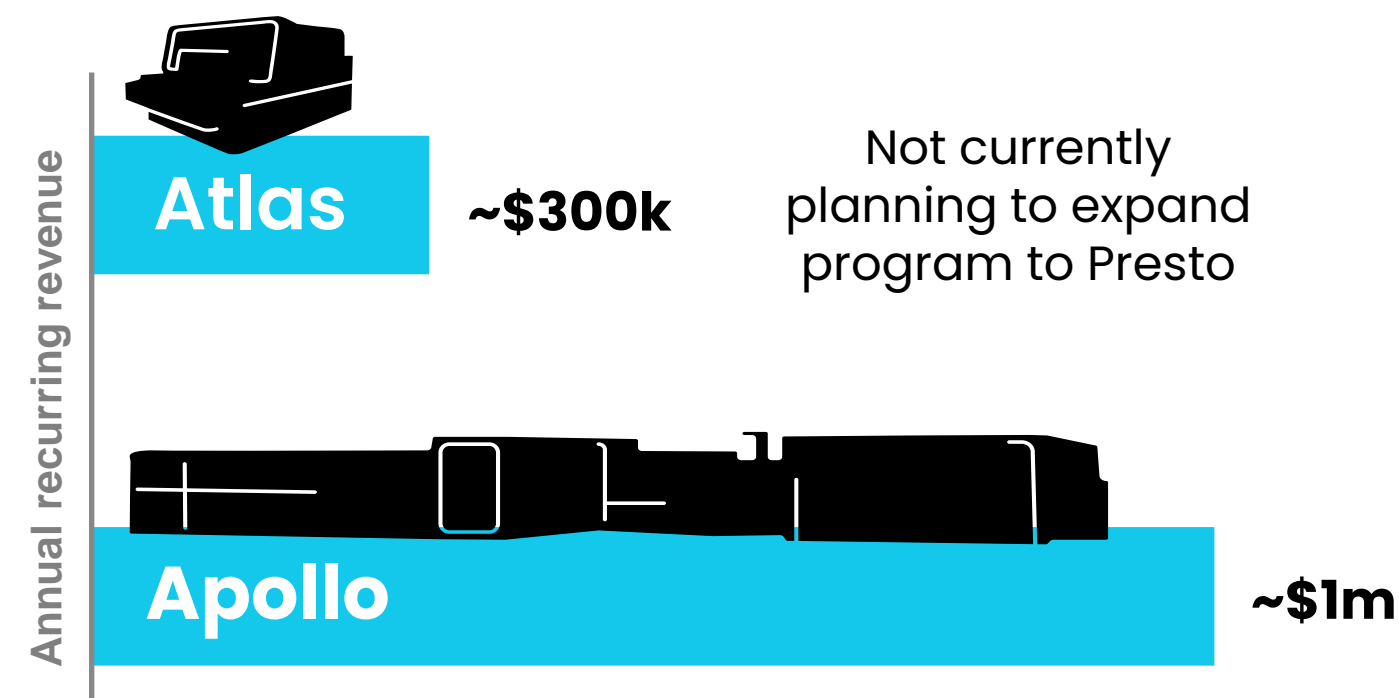
AIC assets are depreciated over five years (contract length)

Detail on All-Inclusive Click (AIC)

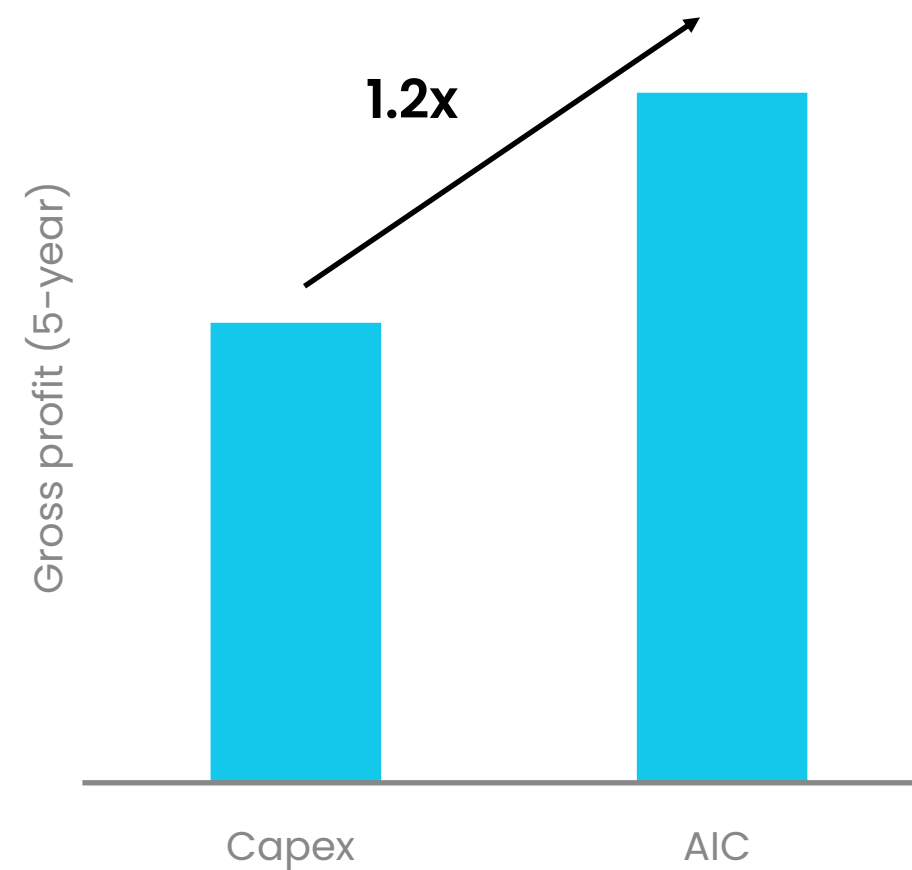


Expanding our market penetration while driving greater visibility and lower volatility

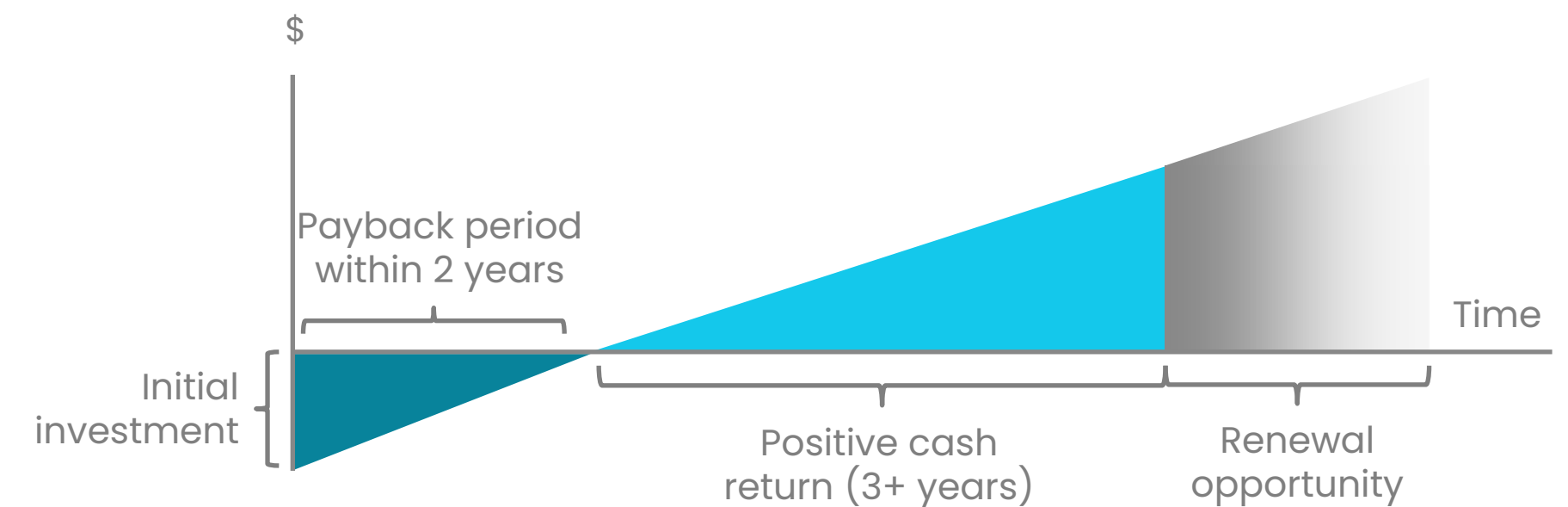
Minimum volume commitments on AIC lead to a strong ARR profile



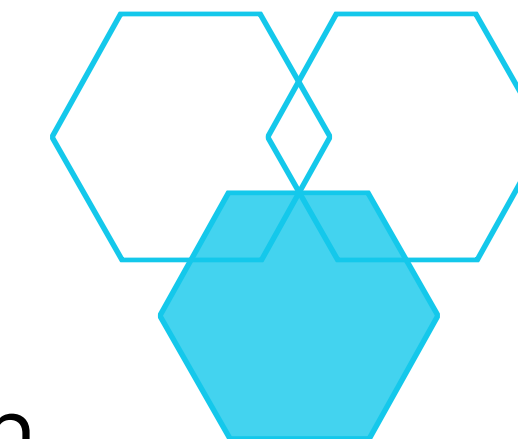
Gross profit expansion is driven by volume and price to cover capital costs



Per system, our investments in AIC are expected to pay back within two years



Financial framework and targets



Revenue (4-6 years)

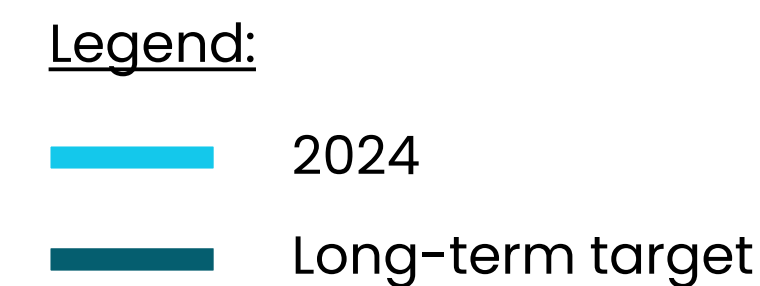
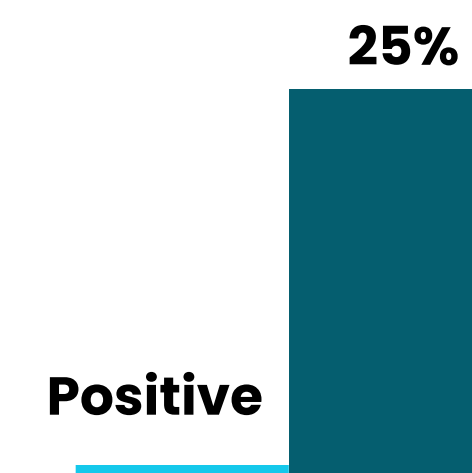
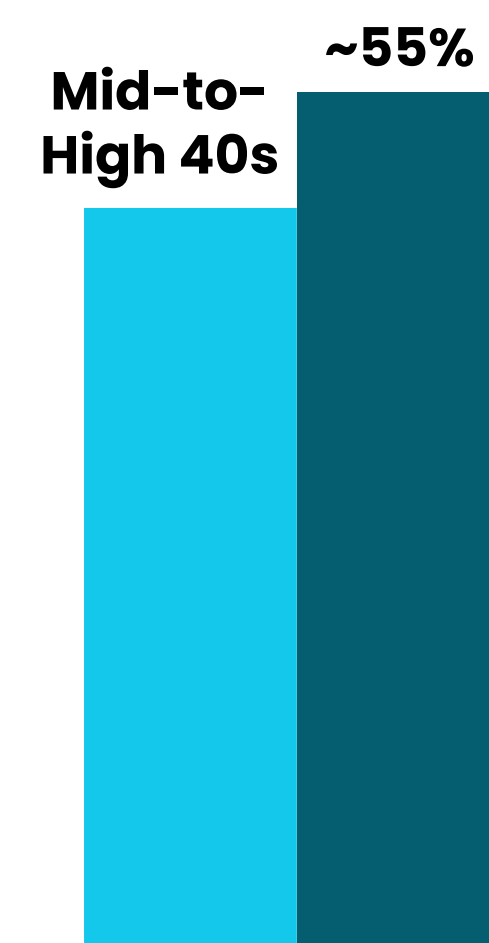
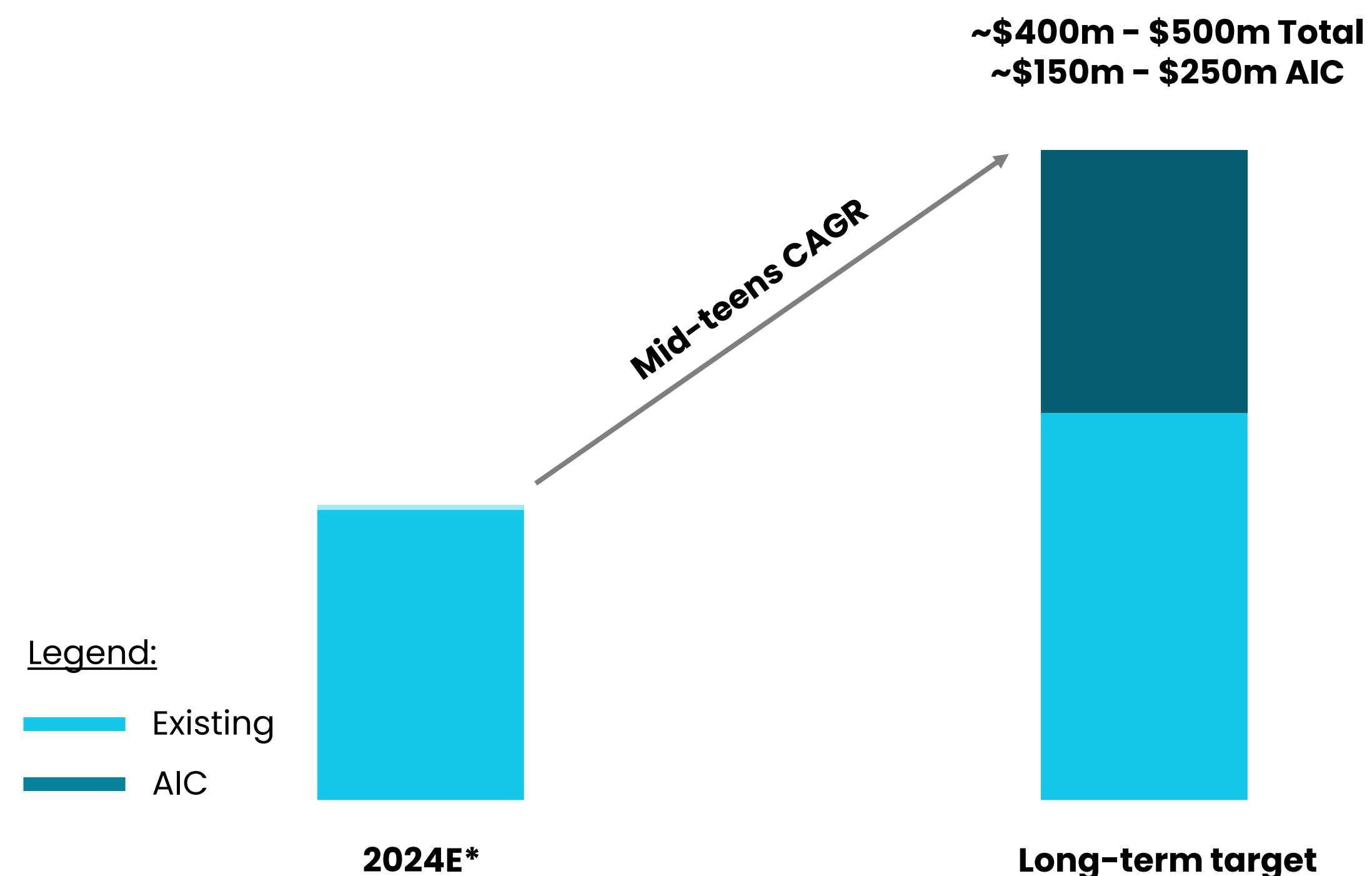
We are anticipating a meaningful lift from AIC, while revenue from our existing business expected to grow at a slower rate

Gross margin

Expecting a favorable impact to gross margin from sales mix and cost efficiencies

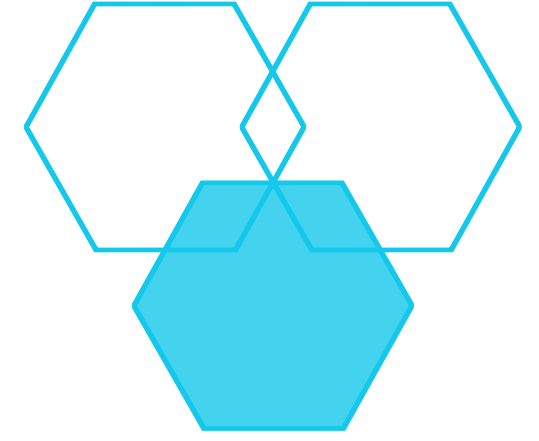
Adjusted EBITDA

Expecting operating leverage from 2025 onwards



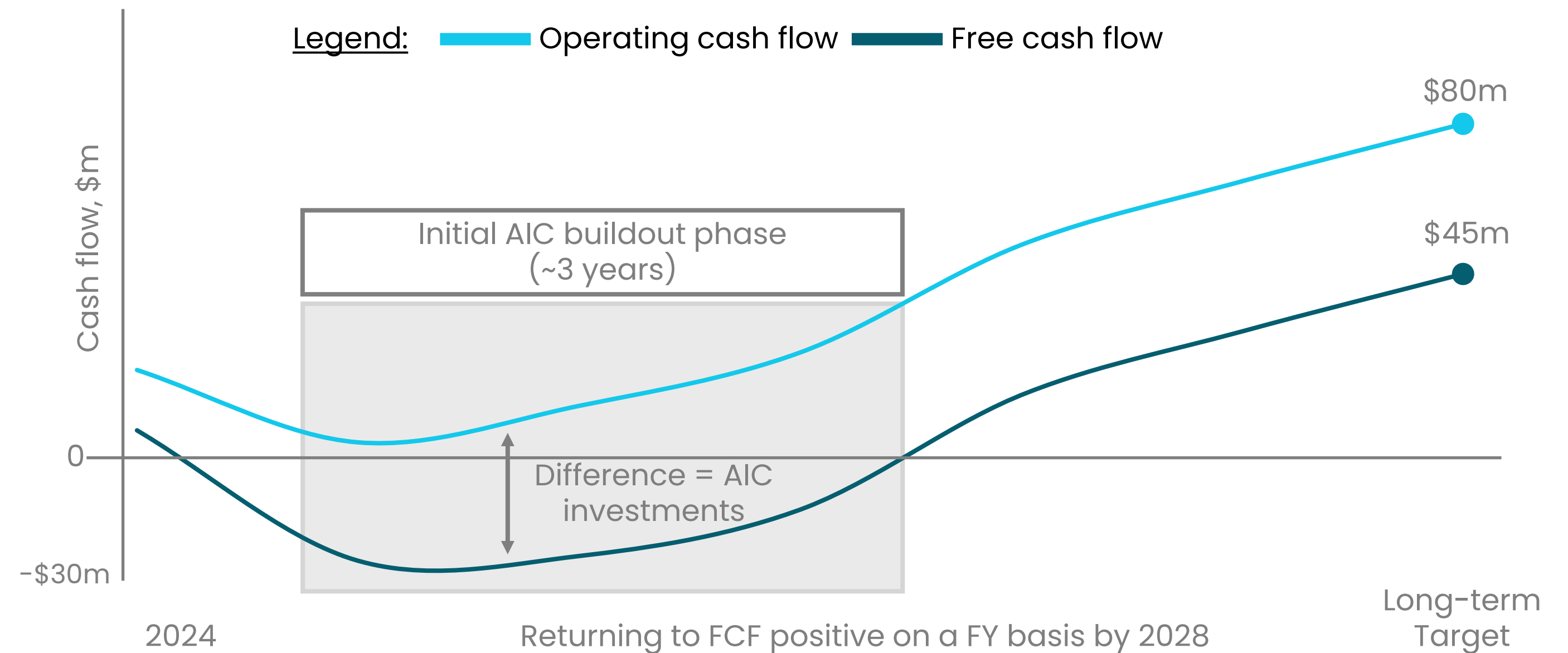
* We have not provided specific FY24 outlook

Financial framework and targets – Investing in our growth



- Targeting ~\$90m in AIC growth investment from 2024-2027
- AIC impact on cash flow turns positive after initial buildout phase
- Expecting additional ~\$100m in AIC growth investment from 2028 through 2030
- Expecting strong OCF and FCF 2028 and thereafter

Organic growth investments in AIC will impact cash flows



* We have not provided specific FY24 outlook

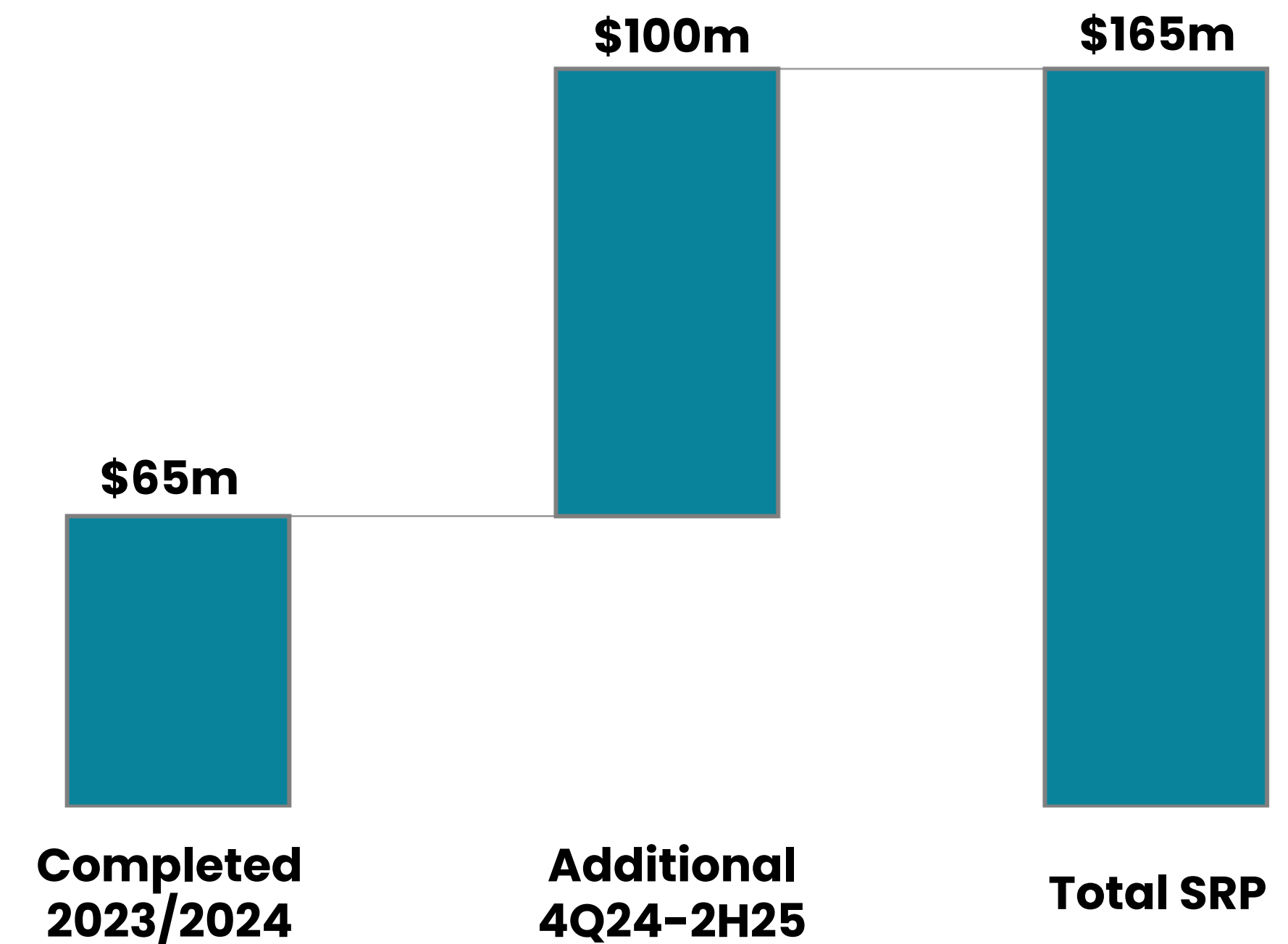
Capital allocation

Organic growth investments	AIC Buildout Expanding the AIC program to our medium-term target is expected to result in ~\$190m of aggregate organic investments from 2024-2030
Strategic acquisitions	Extending our reach Primarily focused on small and potentially medium sized bolt-on technology and GTM acquisitions
Share repurchases	Additional repurchase authorization Adding \$100m to our share repurchase program for a total notional value of \$165m. Targeting program completion by the end of 1H25.

Buyback authorization

- We believe Kornit's current valuation does not properly reflect the long-term growth potential of the business
- We view this disconnect as an opportunity to deploy capital to drive shareholder return as our business fundamentals improve
- As a result, we are committing to an additional repurchase program of up to \$100m
- We aim to complete this program by the end of the first half of 2025

We are committing to an additional repurchase program of \$100m



New KPI disclosures

With AIC moving out of the pilot phase, we now plan to disclose additional metrics to track the program's success

Impressions

We define an impression as any digital print operation direct to a garment or a digital print operation on a square meter of Roll-to-Roll fabric.

Beginning in Q1'25, we plan to begin disclosing the actual number of impressions printed each quarter on a trailing twelve-month basis to help investors understand the rate of market penetration.

This KPI is important as we shift our focus to maximizing the number of impressions produced with Kornit solutions.

ARR

We define ARR as the sum of anticipated revenue from our AIC deals, calculated as the minimum volume commitment multiplied by price per impression.

Also beginning in Q1'25, we plan to begin disclosing total ARR from our AIC solution.

This KPI is important as a meaningful portion of our medium and long-term financial targets are expected to be driven by the AIC program. We will continue to provide guidance on revenue and adjusted EBITDA.

Key takeaways

- AIC is removing barriers to adoption while leveraging our balance sheet to penetrate target markets
- Our focused go-to-market strategy, in combination with our new technologies and business model is set to drive growth and profitability
- We will continue to have a deep focus on profitability and operating cash flow; however, scaling AIC will require organic investment
- We plan to repurchase up to \$100m of our stock over the next three quarters
- We will continue to judiciously review small and potentially medium sized bolt-on acquisitions that expand our serviceable market



Closing Remarks

Our goal – help the fashion and textile industry become more sustainable by choosing on-demand

The Convergence of three vectors

- The Market is ready
- The Technology is ready
- Our Go-To-Market is ready

Forward looking outlook

- Apollo and AIC
- Expanded markets
- Double-digit profitable growth
- Stock buy back



New era of digital printing Footwear



Tomer Artzi
President of Kornit Asia Pacific
Kornit Digital

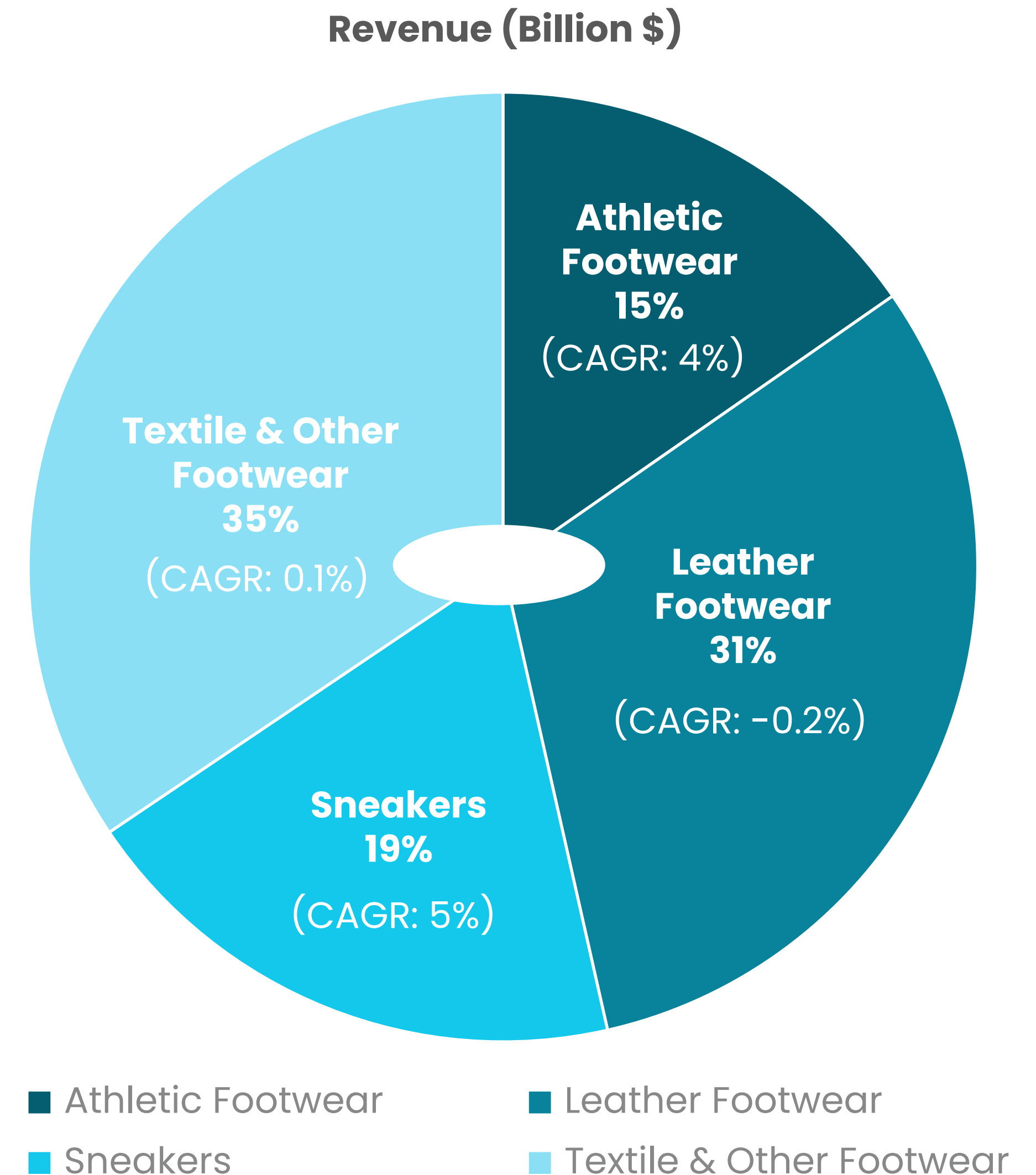


Kobi Mann
Chief Technology Officer
Kornit Digital

Footwear Market Fit

- **Market:** \$424B market
- Driven by innovative & high value applications
- Key drivers – Streetwear and athletic footwear
- Innovation primarily on sole & mid-sole
- Limitation on graphical decoration

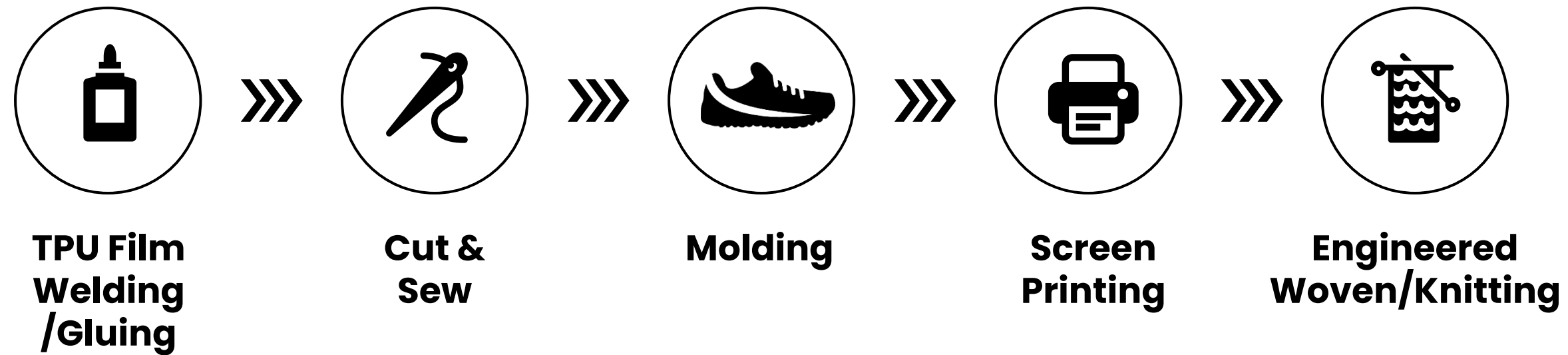
*CAGR for 2024-2028



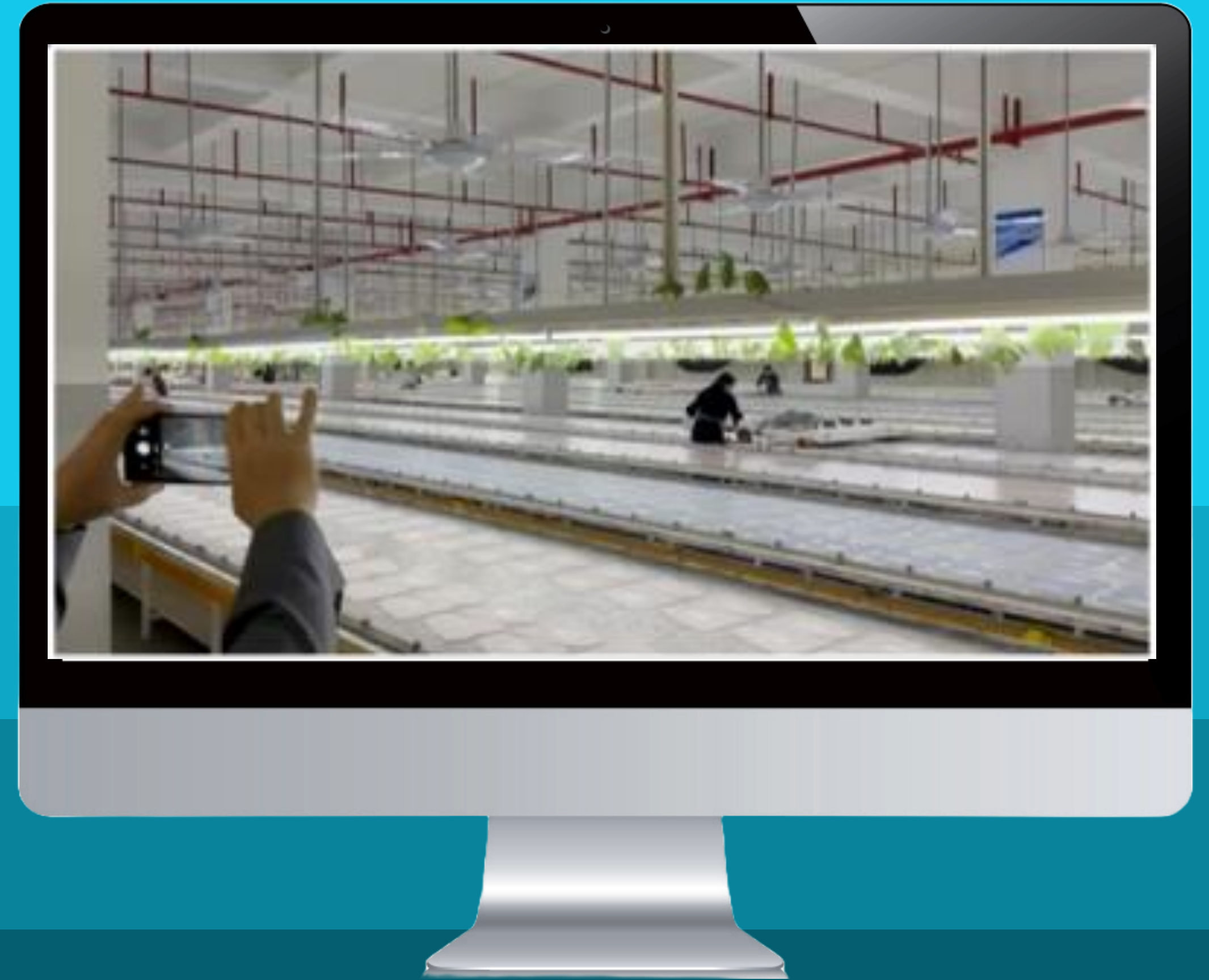
Footwear Market Fit



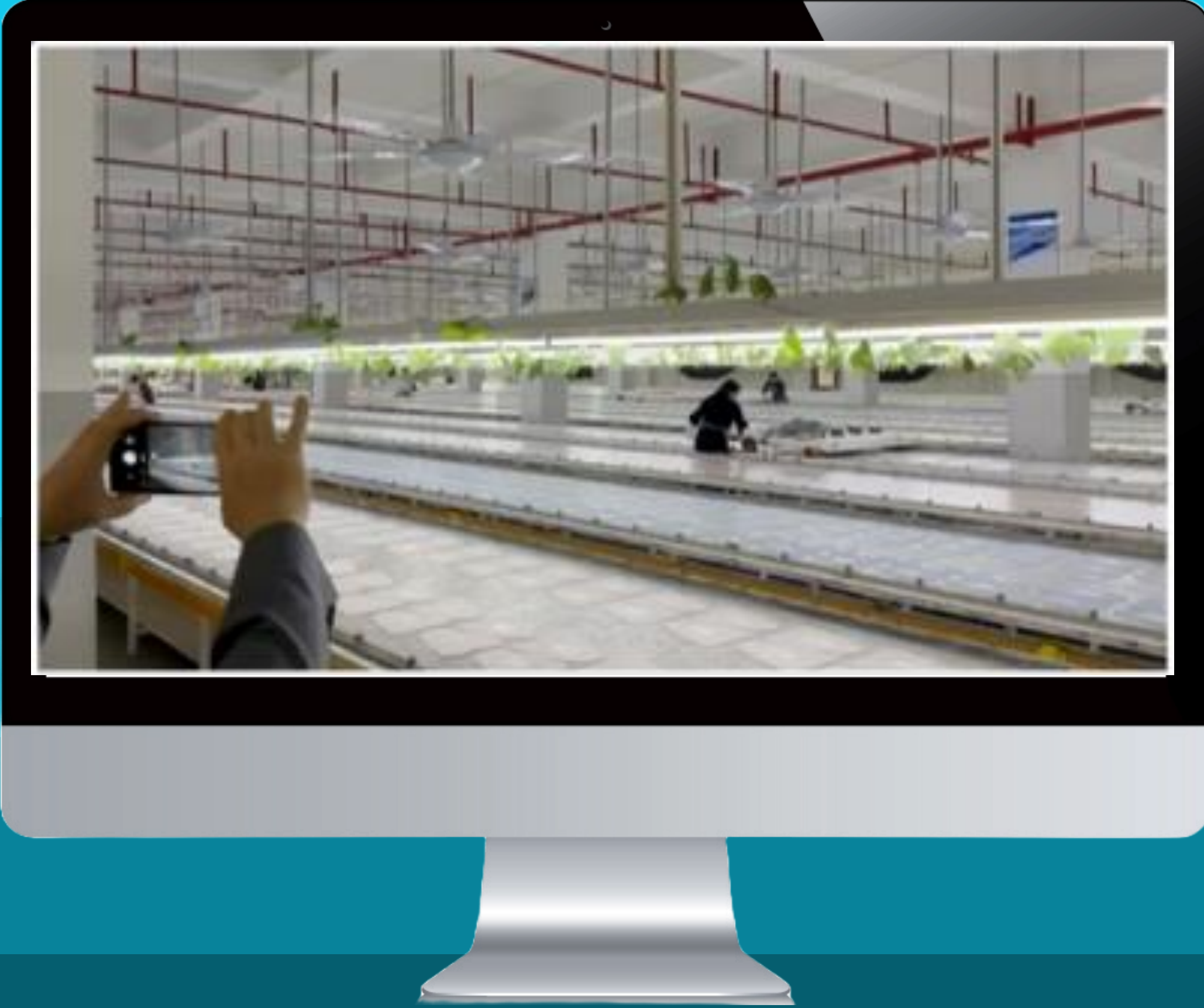
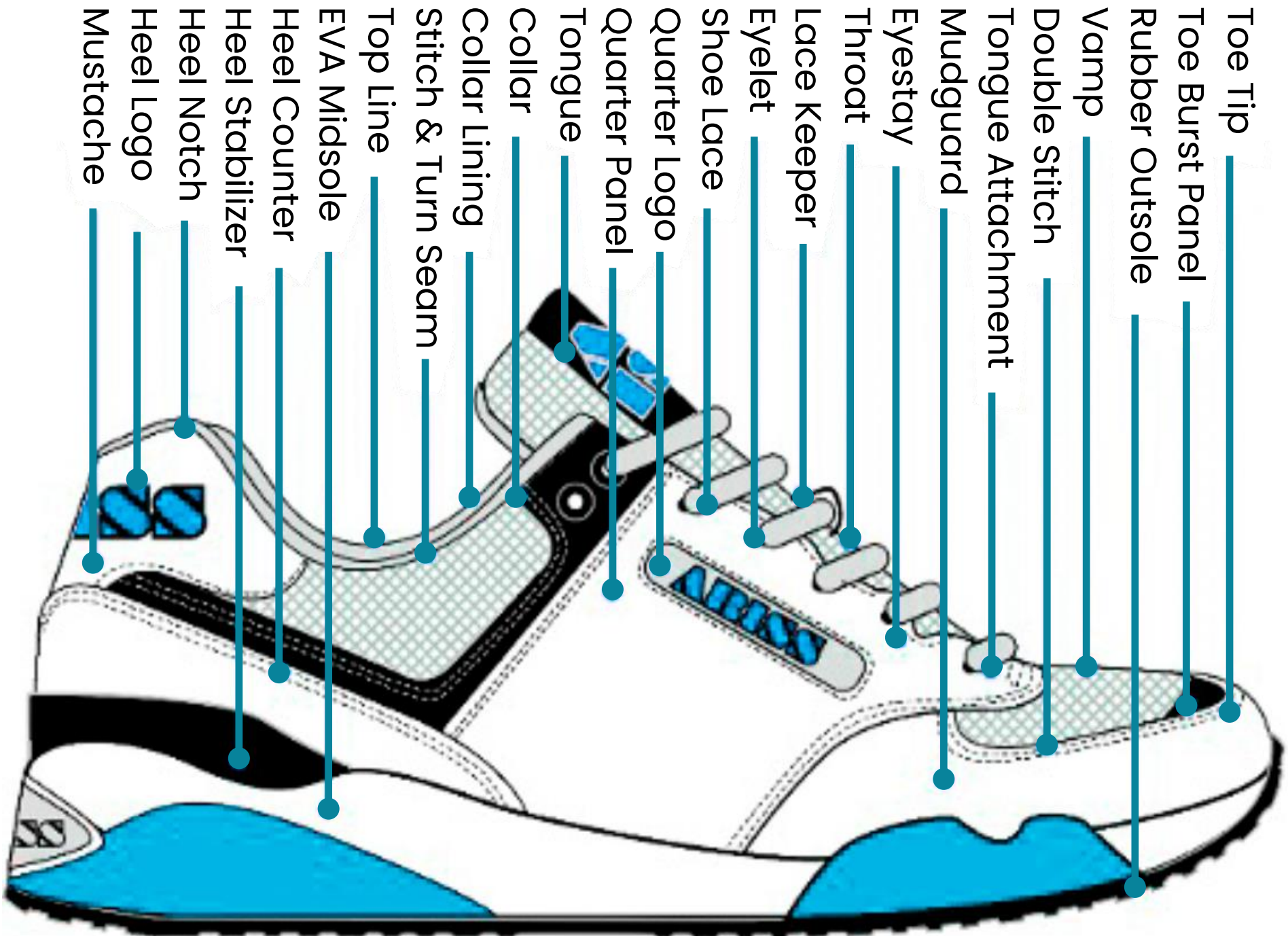
Current Practices Are Analog Fabric Manipulation



- Multiple manual steps
- Multiple Quality Check Points
- Design Limitations
- No “Limited Addition”



Current Practices Are Analog Fabric Manipulation



Footwear digital production



ATLAS MAX
POLY



PRESTO
MAX

System

A proven digital printing system with XDI capabilities

PROCESS

Unique additive printing process

MAX

XDi



NEXT-GEN materials

Proprietary Polymers dedicated for soft application high resistance

CMKY

Functional

FOOTWEAR Digital Production



Kornit Unique Value Proposition

Media
multiple uppers' fabrics

- Industry Standards**
- ✓ BellyFlex
 - ✓ Martindale
 - ✓ Canvas Rub

Self expression 



Footwear Digital Decoration



VS



Thank you!