



Kornit
Digital
bonding
matters

KORNIT 4.0

INVESTOR EVENT
MAY 18, 2021



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A STRONG START FOR 2021

OUR GOAL

\$1B

REVENUE
IN 2026






**SELF
EXPRESSION**



**RETAIL
MELTDOWN**



E-COM KEEPS
ACCELERATING



Traditional supply chain
and production
methods are
INADEQUATE



**CLEARANCE
CLEARANCE
CLEARANCE
CLEARANCE**

**EXCESS
PRODUCTION
IS A MAJOR
PAIN POINT**

for brands and
retailers

30%

OF ITEMS ARE NEVER
PURCHASED



21 MILLION TONS
of textile are wasted



28 TRILLION LITERS
of water are wasted



*Equals to entire US
population drinking needs for
more than 72 years*



WHAT IF THINGS WERE DIFFERENT?

THINGS CAN BE DIFFERENT!

ON-DEMAND SUSTAINABLE PROXIMITY PRODUCTION





ENDLESS
VIRTUAL VARIETY



FLEXIBLE INVENTORY
MANAGEMENT



IN-SEASON
REACTIVITY

OUR MISSION

BECOME THE OPERATING SYSTEM FOR ON-DEMAND SUSTAINABLE FASHION^x



Fashion^x - Includes fashion, apparel, home décor, and other textile-based forms of self-expression

DEVELOP AND DEPLOY THE OPERATING SYSTEM

For on-demand sustainable fashion^x

OUR STRATEGY

ESTABLISH KORNI^x

DIGITIZE PRODUCTION

BRANDS



TRADITIONAL AND ONLINE RETAILERS



LICENSORS



ECOM PLATFORMS & MARKETPLACES



DESIGNERS AND INFLUENCERS



INVENTORY MANAGEMENT



MEDIA HANDLING



PRINT



ADDITIONAL DECORATION METHODS



CUT-MAKE-TRIM

DIGITIZE PRODUCTION

DYE-BASED PRINTING



HEAT TRANSFER



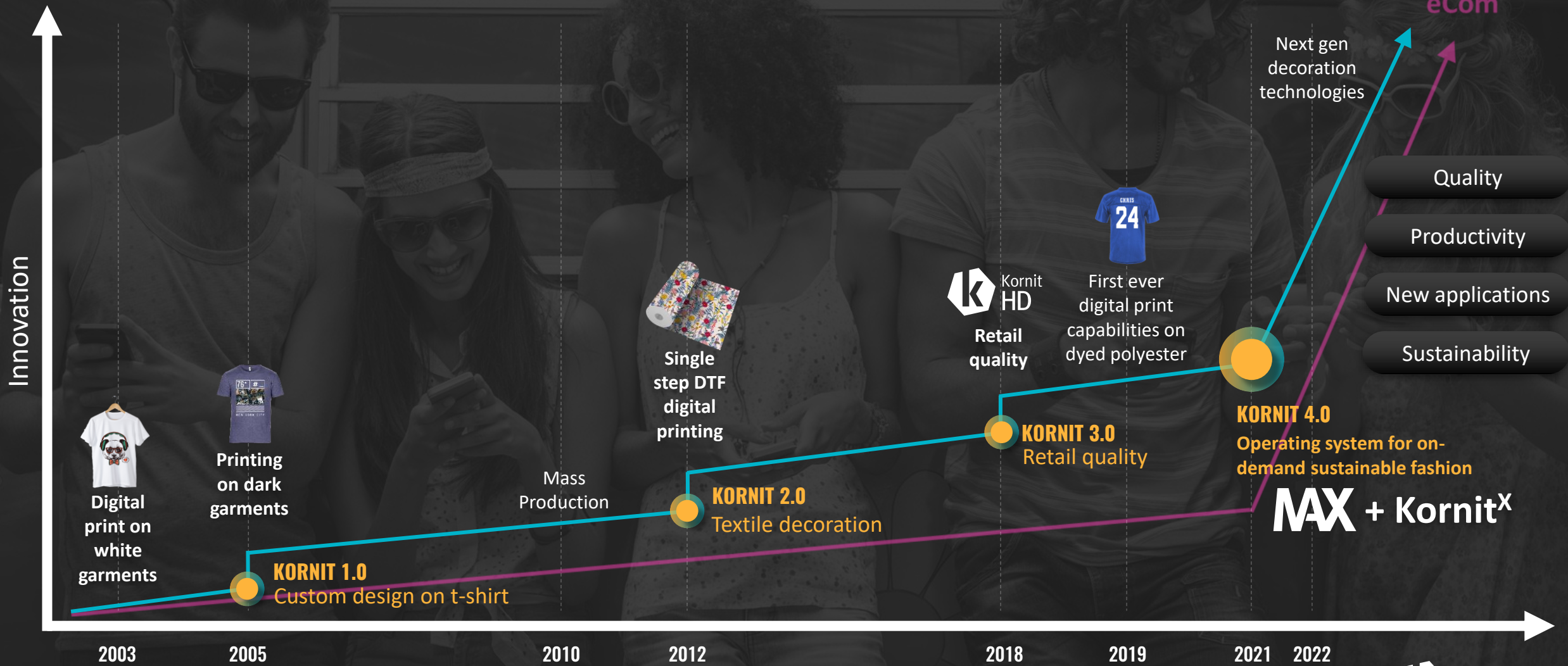
SCREEN



EMBROIDERY



ANSWERING MARKET NEEDS



INTRODUCING MAX TECHNOLOGY

*New standard for
on-demand
production*



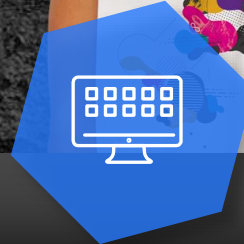
MAX TECHNOLOGY



**Highest quality
and Durability**




Productivity



**New
applications**



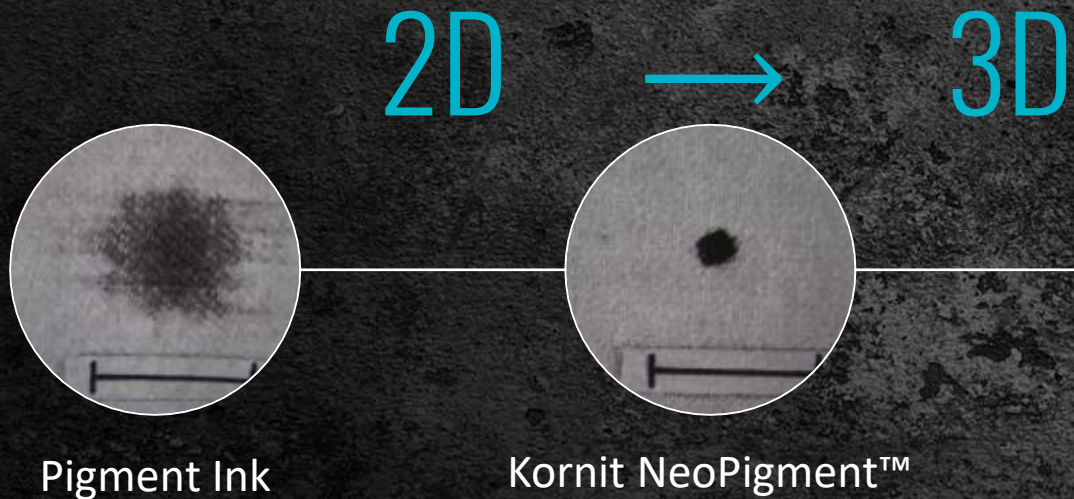
Sustainability

 Kornit
Atlas MAX

CO₂ NEUTRAL

ATLAS MAX

XDi TECHNOLOGICAL INNOVATION



KORNIT NEOPIGMENT™ PROCESS

Today our process optimizes ink efficiency for color



MAX TECHNOLOGY

By enhancing the process, we created functionality that controls not only color but providing absolute digital control of color, form and structure

XDi APPLICATIONS

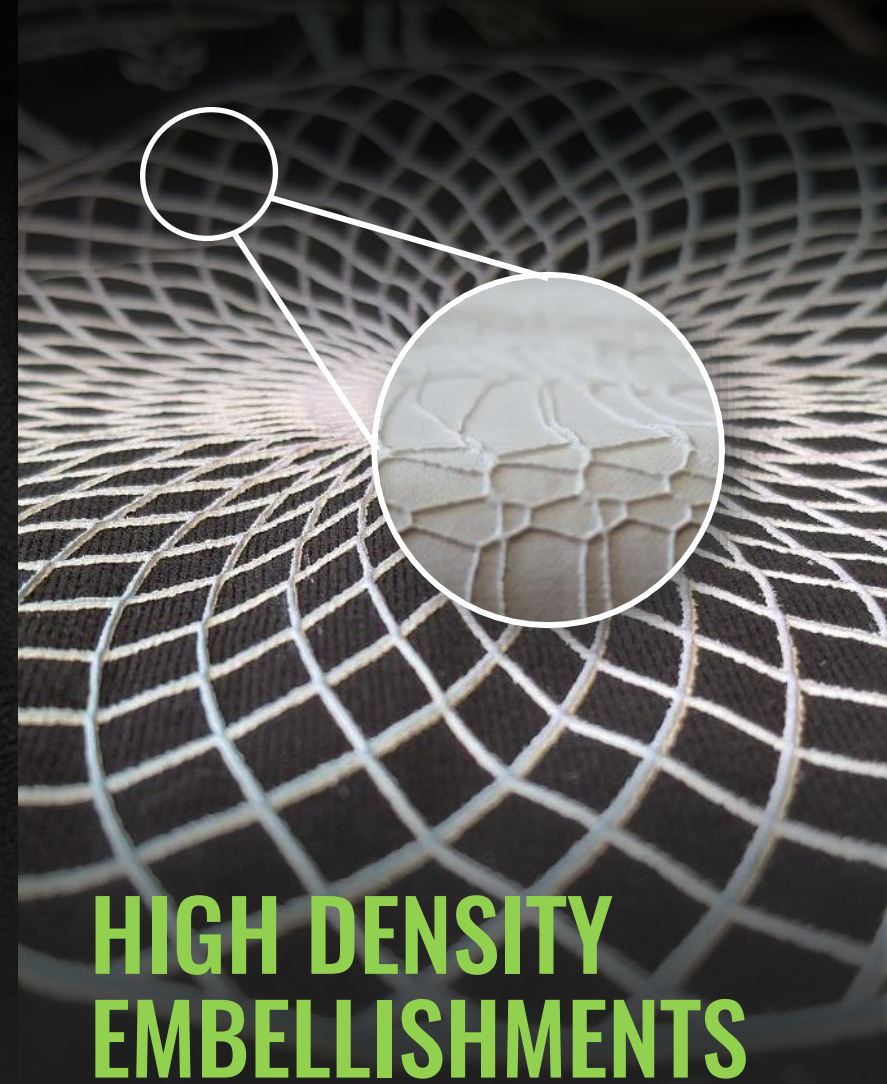
*Seamless 2D to 3D rendering
with automated algorithms*



EMBROIDERY

10

**HEAT TRANSFER
SCREEN & VINYL**



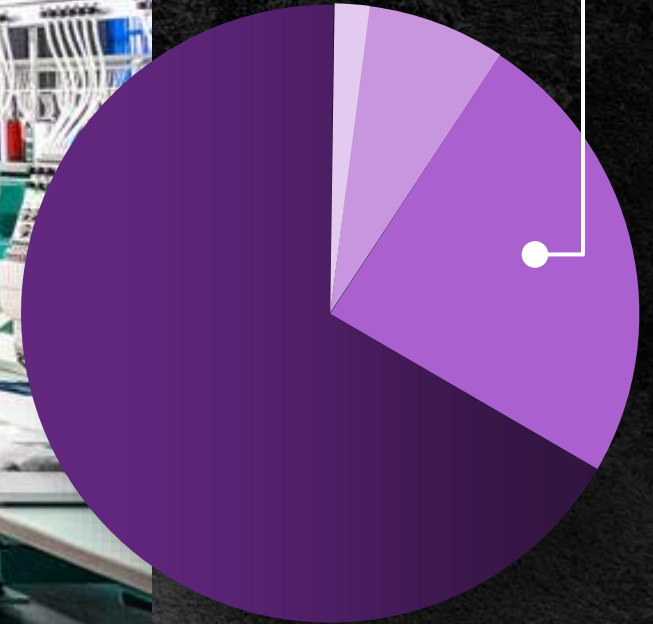
**HIGH DENSITY
EMBELLISHMENTS**

EMBROIDERY IS A 5.2B⁽¹⁾ IMPRESSIONS MARKET



Kornit TAM

Embroidery ←



	Duration	Cost (18,000 stitches)
Analog (5*5 cm)	8 minutes	\$3.6
Atlas Max	1-2 minutes	\$1.4

(1) BASED ON "GLOBAL EMBROIDERY MARKET INSIGHTS AND FORECAST FOR 2027" MAIA RESEARCH ANALYSIS. ESTIMATED NUMBER OF IMPRESSIONS IN 2021

HEAT TRANSFER AND VINYL ARE A 2.2B⁽¹⁾ IMPRESSIONS MARKET



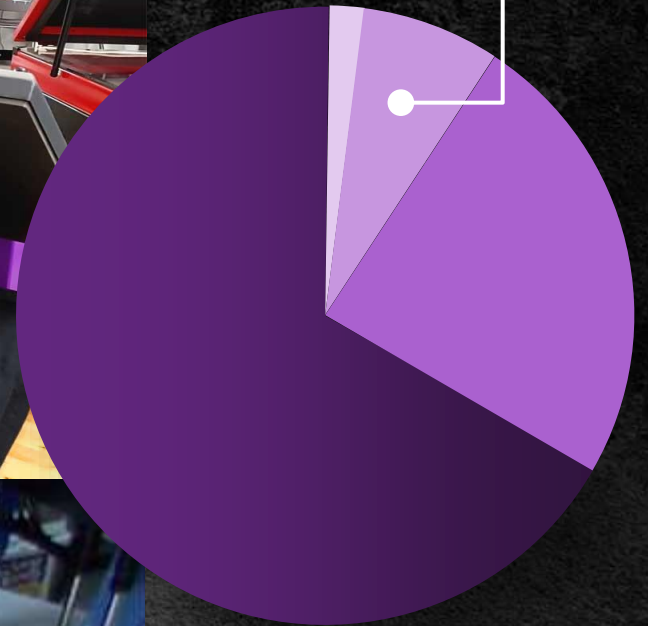
Vinyl	Duration (2 colors)	Cost (2 colors)
Analog	26 minutes	\$7.4
Atlas Max	1-2 minute	Polyester - \$3.5 Cotton - \$1.85

Heat Transfer	Duration (Name & Number)	Cost (Name & Number)
Analog	25 minutes	\$4.6
Atlas Max	1 minute	\$1.2



Kornit TAM

HT & Vinyl ←



(1) "GLOBAL DECORATED APPAREL MARKET RESEARCH REPORT 2017-2024", VALUE MARKET RESEARCH AND COMPANY ESTIMATES. ESTIMATED NUMBER OF IMPRESSIONS IN 2020

HIGH DENSITY IS A

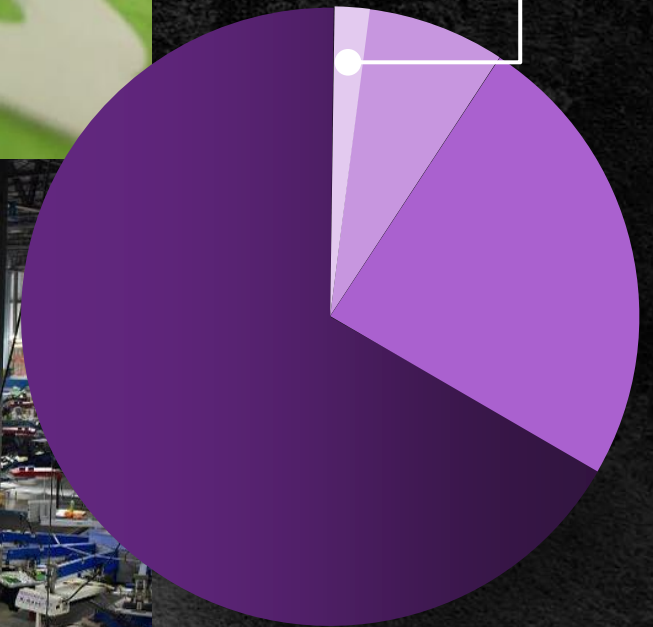
0.3B ⁽¹⁾

IMPRESSIONS MARKET



Kornit TAM

High Density ←

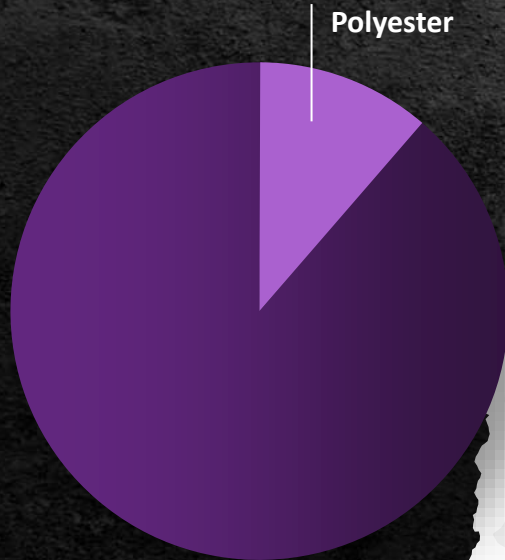


	Duration	Cost
Analog (5*5 cm)	25 minutes	\$6.5
Atlas Max	1-2 minutes	\$2

(1) "GLOBAL APPAREL SCREEN PRINTING MARKET ANALYSIS" MERKEL & SEARS 2017. ESTIMATED NUMBER OF IMPRESSIONS IN 2020

ATLAS MAX POLY

- Merging the MAX technology with **NecPoly Technology**
- Create new capabilities on poly



16%⁽¹⁾
OF T-SHIRTS ARE
MADE OF
POLYESTER

Athleisure orders rise by 84% since start of pandemic

BY TOM BOTTINLEY - 17TH FEBRUARY 2021



Marks & Spencer Goodmove: Flexfit sports bra



AUTOMATED ROBOTIC MEDIA HANDLING

- Productivity increase
- Ease of operations
- Production consistency



35 
Seconds*

Atlas current loading
and unloading

15 
seconds

Atlas MAX with
automation

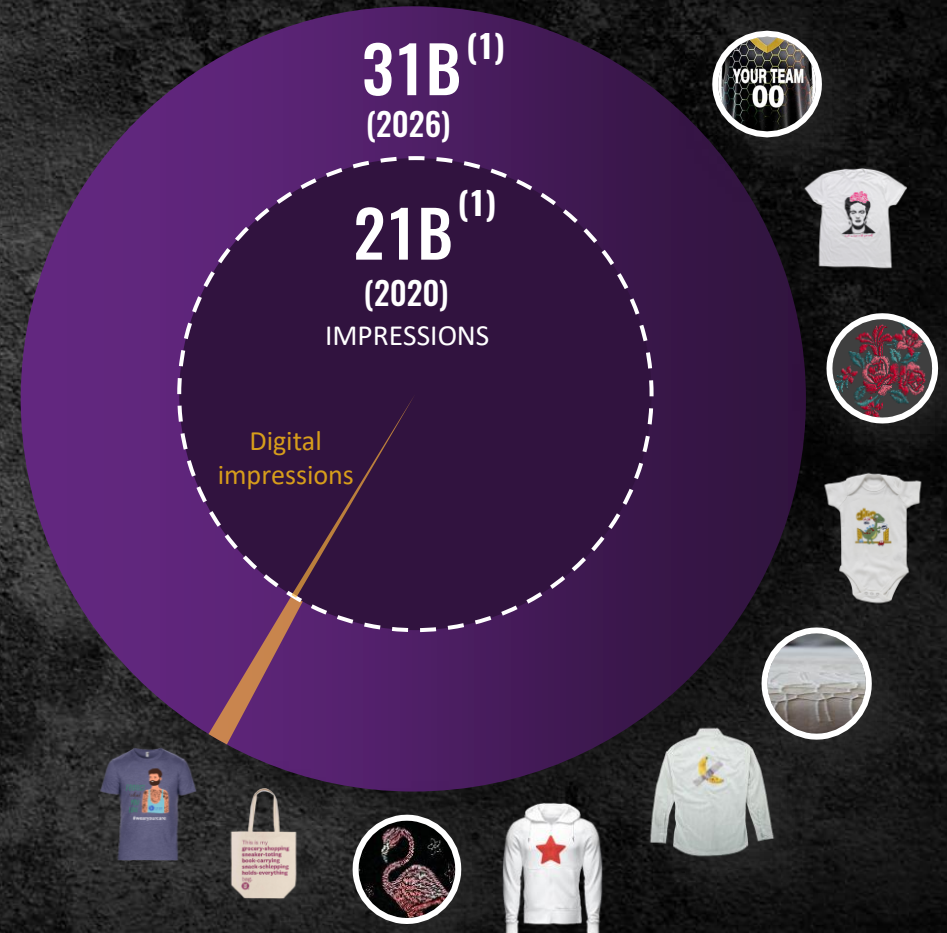
20% 
Additional
garments
per hour



DTG MARKET OPPORTUNITY

TAM of 21B impressions in 2020

19B items*



(1) Source: Company estimates for apparel impressions (including for example impressions on t-shirts, hoodies, pants, bags, etc.) 21B represents estimated annualized run rate of impressions for year-end 2020. 31B represents projected annualized run rate of impressions for year-end 2026. Including embroidery TAM expansion

* Assuming 1.1 impressions per item

FASHION^x ON-DEMAND



Fashion^x - Includes fashion, apparel, home décor, and other textile-based forms of self-expression

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

By Hannah Abdulla | 2 June 2020

Font size Email Print

ASOS and Fashion-Enter partner with Kornit Digital on sustainable, on-demand textiles production

BY LAURETTA ROBERTS - 5TH MAY 2021



Jenny Holloway, Fashion-Enter

Holloway said of the latest innovation. "We have worked with ASOS since 2008 and understand their commitment to quality ethical production and speed-of-response fashion. Working collaboratively with both ASOS and Kornit, FEL [Fashion-Enter] will **develop an in-house new microfactory concept** providing an innovative interconnected fashion world, which has the capacity to eliminate waste, risks, limitations, and pollutants from current outdated batch production.



FROM DESIGN TO FULL COLLECTION
IN 2 WEEKS

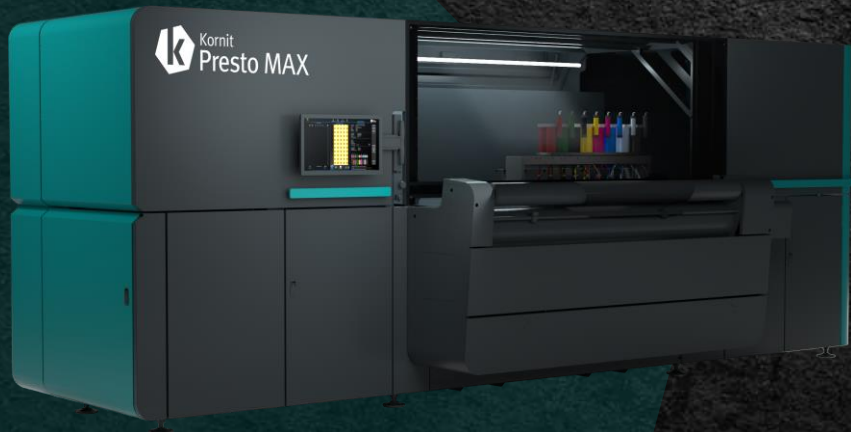


FROM DESIGN TO CATWALK
IN 1 DAY

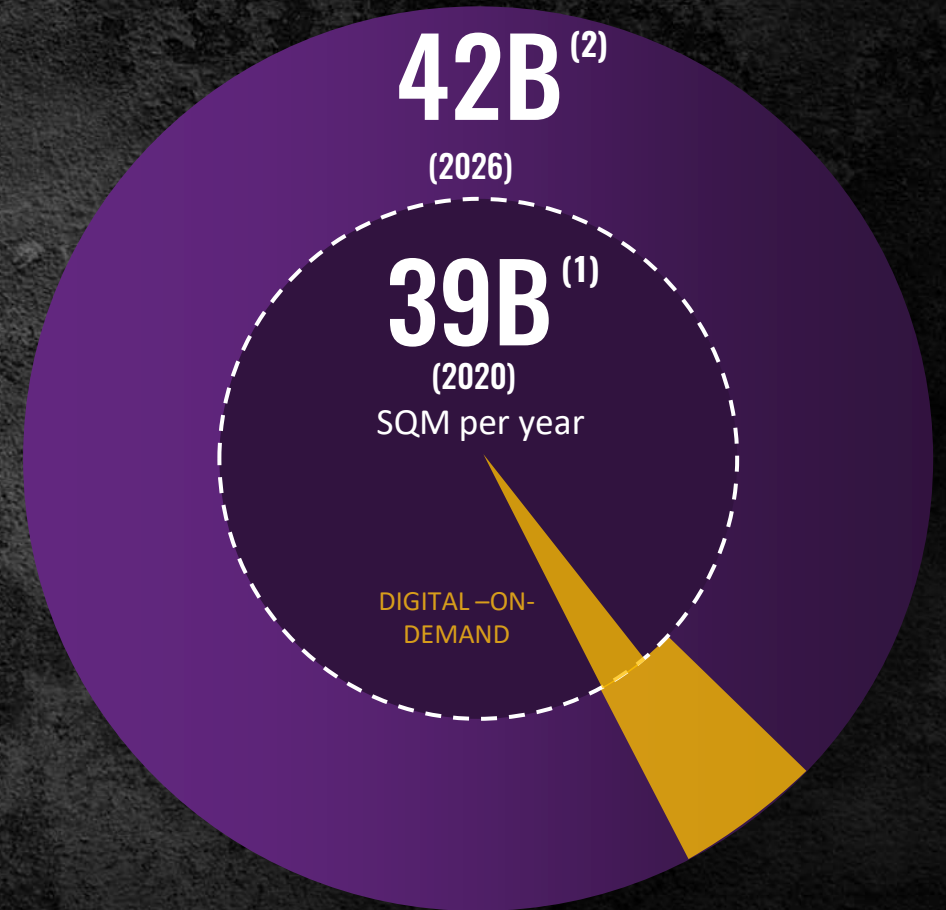
BREAKING LIMITS IN FASHION AND HOME DÉCOR

DIRECT-TO-FABRIC
TAM of 39B sqm
~4 Trillion impressions**

COMING
SOON:
MAX technology on Presto



- Elite Fabric retail quality
- Create new capabilities and applications on DTF
- End-to-end Micro factory workflow



(1) Source: Company estimates. 39B represents estimated total volume in SQM of printed fabric output as of 2020.

(2) Source: Company estimates. 42B represents projected total volume in SQM of printed fabric output in 2026.

** Assuming avg. impression of 100 cm² (10 by 10 cm)

DEVELOP AND DEPLOY THE OPERATING SYSTEM

For on-demand sustainable fashion^x

OUR STRATEGY

ESTABLISH KORNI^x

DIGITIZE PRODUCTION

BRANDS



TRADITIONAL AND ONLINE RETAILERS



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MEDIA HANDLING



PRINT



ADDITIONAL DECORATION METHODS



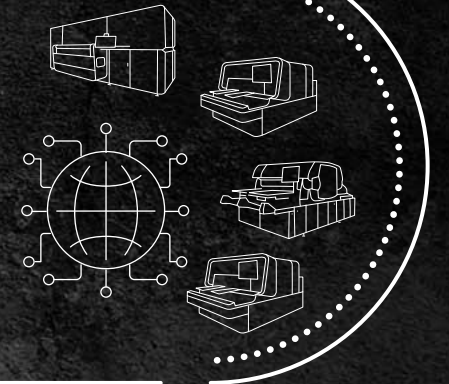
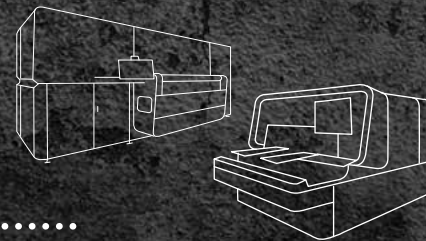
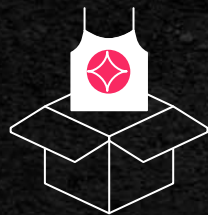
CUT-MAKE-TRIM

KORNITX



Consumers

Creators



Fulfillers

- Immediate gratification
- Consistent quality

KORNITX



Consumers

Creators

EMPOWERING THE FRONT-END

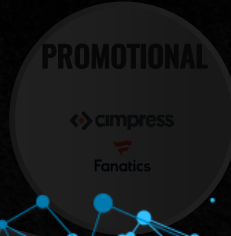
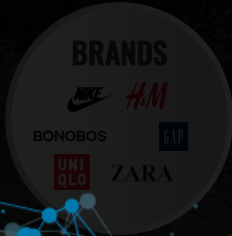


Design Display 2D/3D Online Store Order Mgmt. Virtual Catalog Virtual Fitting

Fulfiller

- Immediate gratification
- Consistent quality

KORNITX



Consumer



Proximity production

- Immediate gratification
- Consistent quality



Quality consistency (QUEST)



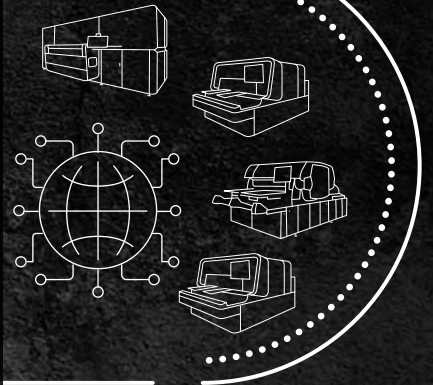
Brand integrity



Variety



Production flexibility and scale



KORNITX

MANAGING PRODUCTION



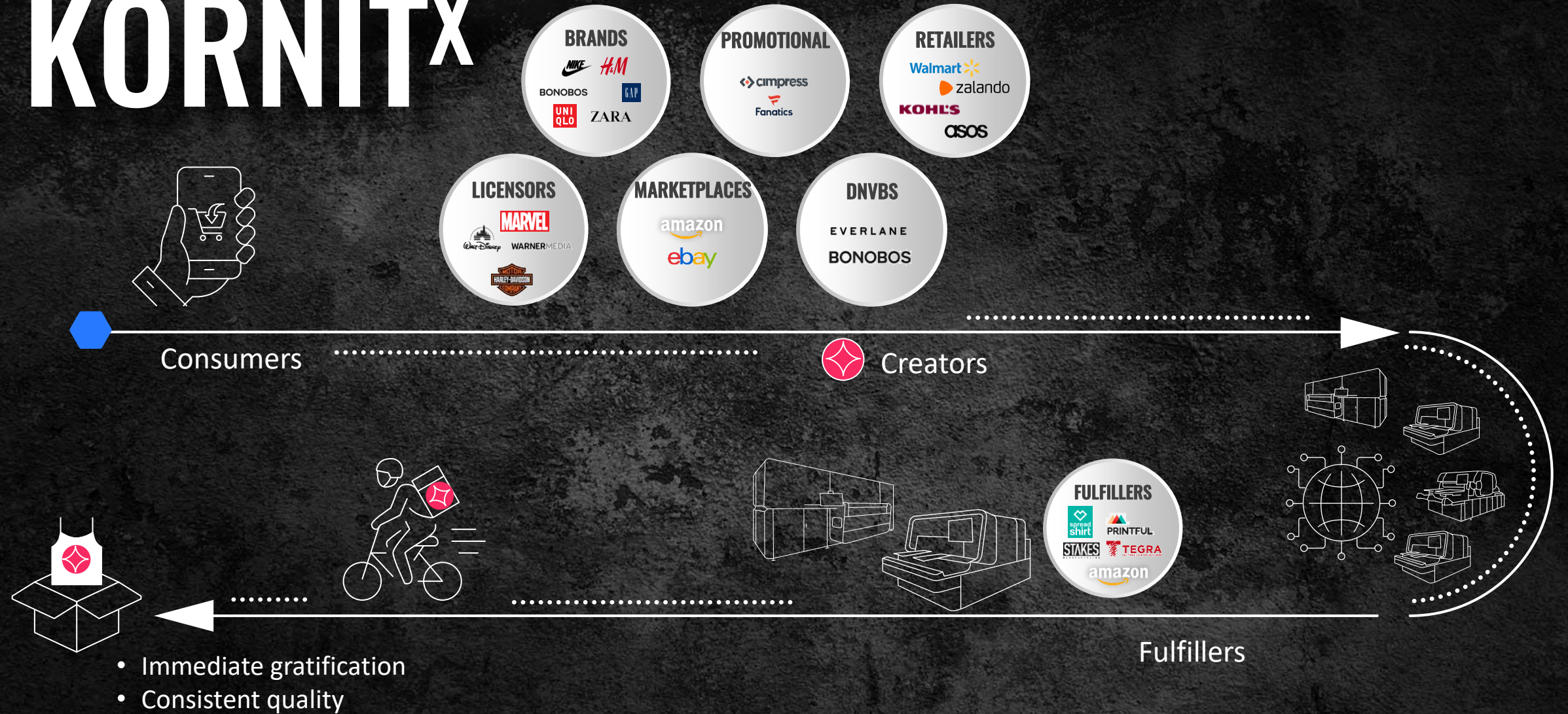
Consumers
 ERP order · Manage Inventory · Pick and route · Print · Cut Sew · Quality assurance · Pack · Ship
 Creators



Fulfillers

- Immediate gratification
- Consistent quality

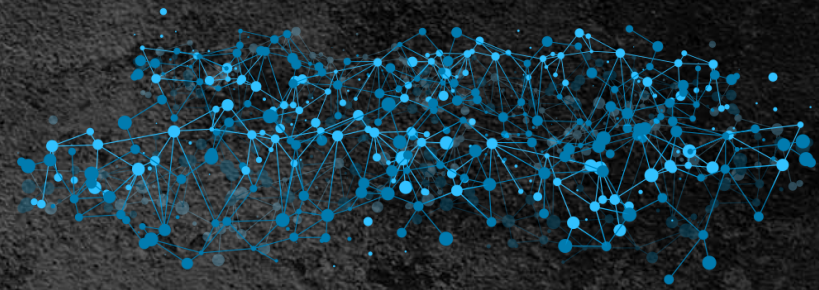
KORNITX





An online design platform, recently valued at \$15B with over 1B designs already created and a mission to empower everyone in the world to design

Using Kornit^X to
ROUTE & MANAGE
their print orders



Enable users to print their creations via a global network of printers

KORNITX GOAL

>\$100M

KORNITX REVENUE GOAL* IN 2026

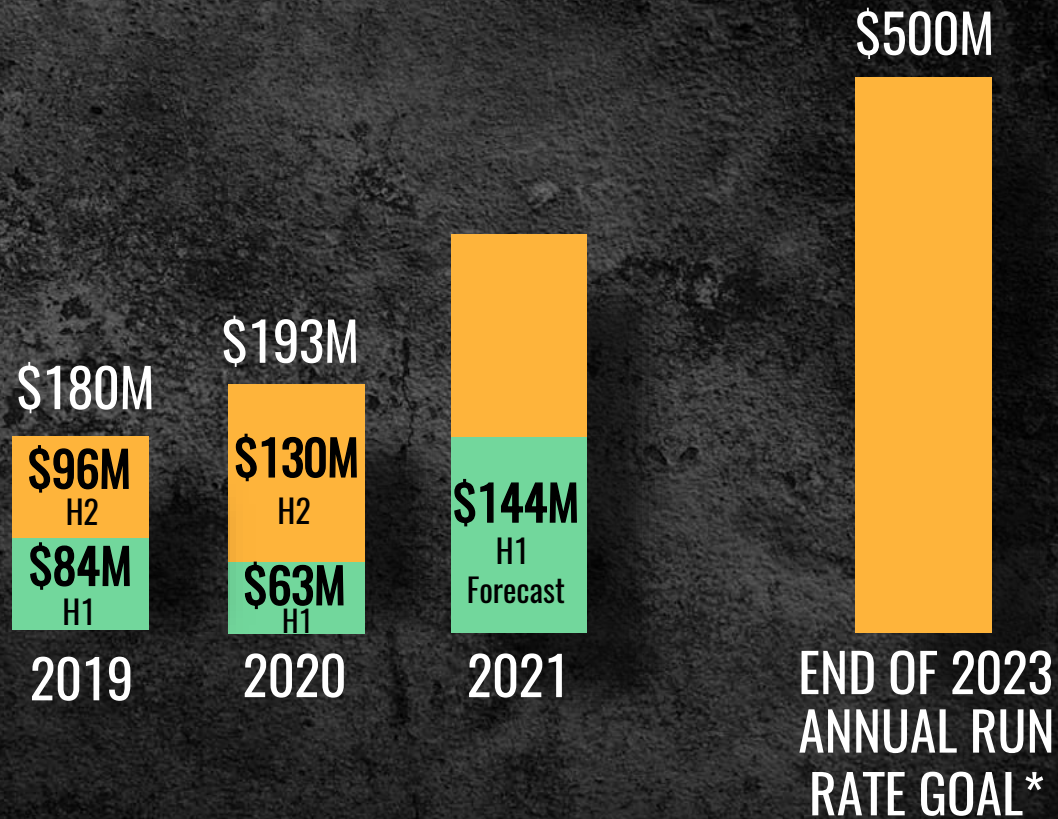
SAAS
Subscription
Transactions
VAS



KORNIT CURRENT FINANCIAL MODEL

FIGURES REPRESENT REVENUE

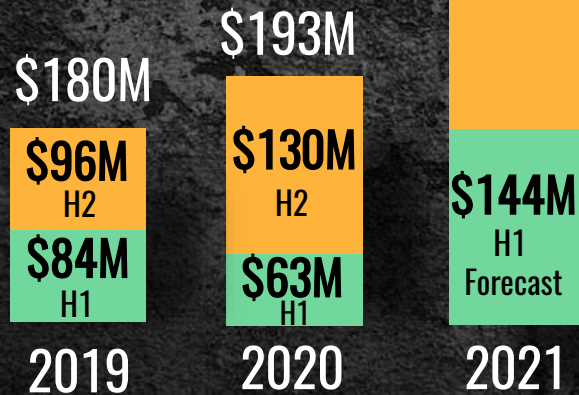
Last 5-year
CAGR (2014-2019)
24%



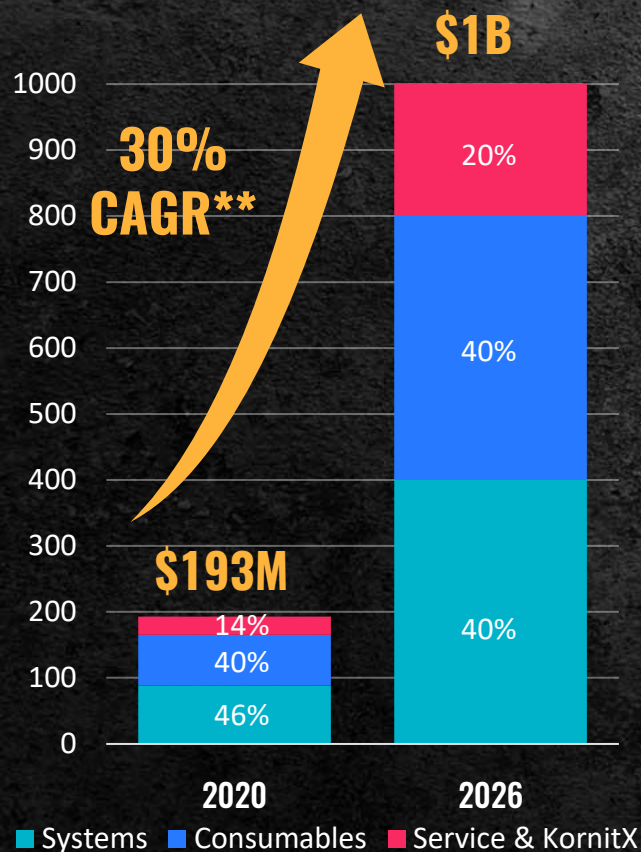
KORNIT 2026 FINANCIAL MODEL

FIGURES REPRESENT REVENUE

Last 5-year
CAGR (2014-2019)
24%



REVENUE GOAL* \$1B IN 2026



2021 revenue growth higher than 50%

Consumables and SW CAGR higher than systems CAGR

Kornit's 1B impressions are ~3% of DTG 31B TAM

Kornit^X revenue >\$100M

Continue to grow our value-added services

GROSS MARGIN AND OPERATING MARGIN GOALS*

2026 goals*:

Gross margin of 50%-54%

Operating margin of over 20%

- Continued transition to mass production systems
- High growth of consumables business
- High growth of software solutions
- Increasing profitability of our value-added services
- Operational leverage and cost reduction
- Continue investing in growth while gaining operational leverage



**TOTAL EXPECTED
REVENUE**
IN 5 YEARS**

GOAL

\$1B REVENUE IN 2026*

Targeting
\$1B revenue
in 2026

50-54% GM

Over
20% OP



BECOME THE OPERATING SYSTEM FOR ON-DEMAND SUSTAINABLE FASHION^x

\$1B



Fashion^x - Includes fashion, apparel, home décor, and other textile-based forms of self-expression



COMMITMENT TO SUSTAINABILITY AND COMMUNITY



OUR VISION

CREATE A **BETTER WORLD** WHERE
EVERYBODY CAN **BOND**, **DESIGN**
AND **EXPRESS THEIR IDENTITIES**,
ONE IMPRESSION AT A TIME



Kornit
Digital
bonding
matters

Q & A

