



Kornit  
Digital  
bonding  
matters

# KORNIT DIGITAL

(NASDAQ: KRNT)

BECOMING THE OPERATING SYSTEM FOR  
SUSTAINABLE ON-DEMAND FASHION<sup>x</sup>



# SAFE HARBOR

This presentation contains forward-looking statements within the meaning of U.S. securities laws. All statements other than statements of historical fact contained in this presentation are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of these terms or other comparable terminology. These statements reflect our current views with respect to future events and are subject to known and unknown risks, uncertainties and other factors that may cause our or our industry’s actual results, levels of activity, performance or achievements to be materially different from those anticipated by the forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that future results, levels of activity, performance or events or circumstances described in the presentation will occur or be achieved. You should read the Company’s most recent annual report on Form 20-F, filed with the U.S. Securities and Exchange Commission, or SEC, on March 30, 2022, including the Risk Factors set forth therein. Except as required by law, we undertake no obligation to update or revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, after the date of this presentation.

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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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# KORNIT AT A GLANCE

Transforming the fashion, apparel and home decor industries

## FACTS & FIGURES

Founded 2002

**913** Employees with a global presence\*  
\*As of March 31, 2022

Approximately **24% CAGR** Top line growth 2012 - 2019

Approximately **34% CAGR** Top line growth 2019 - 2021

Attractive profitable recurring revenue business model

Revenue  Targeting \$1B revenue in 2026 (mgmt. goal)

## CUTTING EDGE PROPRIETARY TECHNOLOGY



Operating system for on-demand sustainable fashion<sup>X</sup>

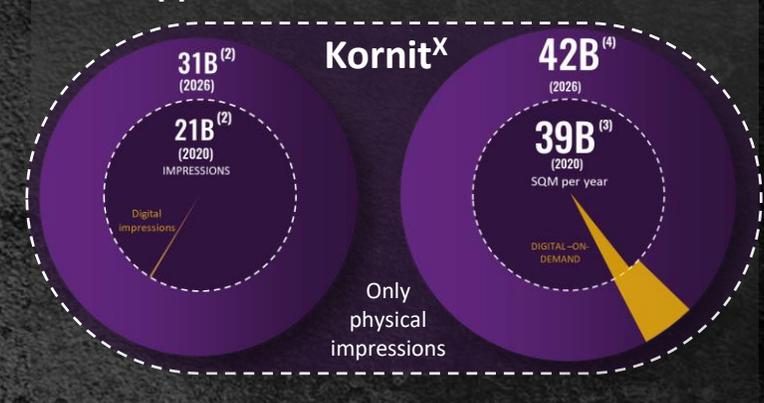


*Fashion<sup>X</sup> - Includes fashion, apparel, home décor, and other textile-based forms of self-expression*

## OPPORTUNITY

Decorated Apparel

Roll-to-Roll



Mega trends  Fueling adoption of on-demand sustainable textile manufacturing

Significant customer base of over **1,200**<sup>(1)</sup>

Selected customers:



(1) Including active Custom-Gateway customers

(2) 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 as of 2020. 31B represents projected annualized run rate of impressions for year-end 2026.

(3) Source: 2018 Digital Textile Industry Review. 39B represents estimated total volume in SQM of printed fabric output as of 2018.

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

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August 11, 2021

# Gen Z Leads Changing Consumer Shopping Habits



**SELF  
EXPRESSION**

**E-COM** KEEPS  
ACCELERATING

**RETAIL  
MELTDOWN**

**SUSTAINABILITY**

Traditional supply chain and production methods are

**BROKEN**

**DISFUNCTIONAL SUPPLY CHAIN IS A MAJOR PAIN POINT**  
for brands and retailers

CLEARANCE  
CLEARANCE  
CLEARANCE  
CLEARANCE

**30%**<sup>(1)</sup>  
EXCESS PRODUCTION



**144 TRILLION LITERS**  
of water are wasted annually

*Equals entire population's  
drinking needs for more than  
16 years*

# THE ANSWER IS

# ON-DEMAND SUSTAINABLE PROXIMITY PRODUCTION



# OUR MISSION

## BECOME THE OPERATING SYSTEM FOR ON-DEMAND SUSTAINABLE FASHION<sup>x</sup>

### CONNECTING THE VIRTUAL TO THE PHYSICAL WORLD

*Fashion<sup>x</sup> - Includes fashion, apparel, home décor, and other textile-based forms of self-expression*

# DEVELOP AND DEPLOY THE OPERATING SYSTEM

For on-demand sustainable fashion<sup>x</sup>

OUR STRATEGY

ESTABLISH KORNI<sup>x</sup>

DIGITIZE PRODUCTION

BRANDS



TRADITIONAL AND ONLINE RETAILERS



LICENSORS



ECOM PLATFORMS & MARKETPLACES



DESIGNERS AND INFLUENCERS



INVENTORY MANAGEMENT



MEDIA HANDLING



PRINT



ADDITIONAL DECORATION METHODS

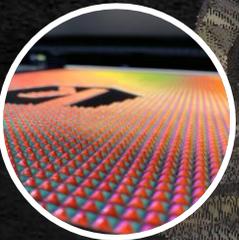


CUT-MAKE-TRIM

# DIGITIZE PRODUCTION

ATLAS MAX  
WITH XDi TECHNOLOGY

*Available*



*LCA*



ATLAS MAX POLY  
WITH XDi TECHNOLOGY

*Available 2Q22*



PRESTO MAX  
WITH XDi TECHNOLOGY

*Available 2Q22*



# FUTURE INNOVATIONS

EFFICIENCY AND QUALITY



Automation\*



Quest



Adjustable Pallets



Curing

APPLICATIONS



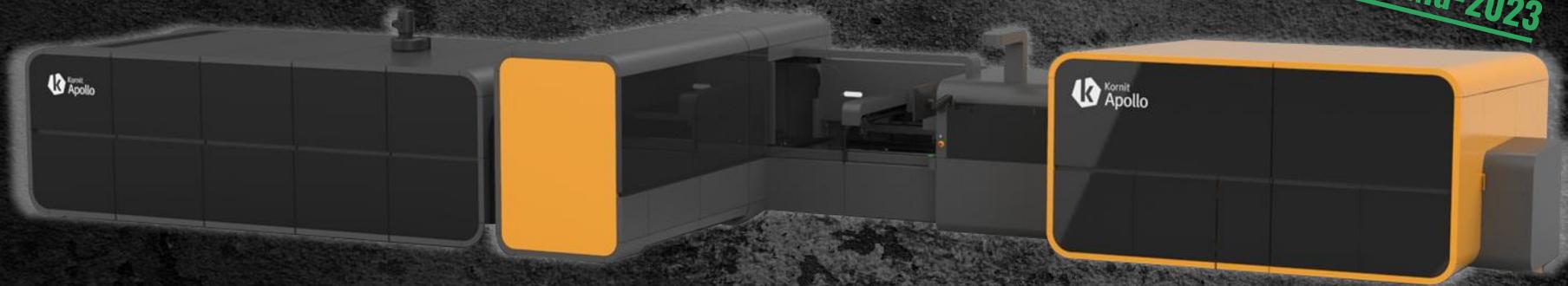
XDi



Voxel8



# KORNIT APOLLO - AN INDUSTRY-DISRUPTIVE DTG PLATFORM



- Most comprehensive digital single-step system targeting screen-print mass production markets
- Perfect solution for nearshore mid-runs mass production
- Best-in-class MAX quality – lowest total cost of ownership
- Uses smart curing from recently completed Tesoma acquisition

# FASHION<sup>x</sup> ON-DEMAND



*Fashion<sup>x</sup> - Includes fashion, apparel, home décor, and other textile-based forms of self-expression*

# FASHIONX ON-DEMAND

KFW  KORNIT  
FASHION WEEK  
TEL AVIV  
2022  
APRIL

KFW  KORNIT  
FASHION WEEK  
LONDON  
2022  
MAY

CONNECTING THE VIRTUAL AND  
PHYSICAL WORLDS, IN THE FAST-  
APPROACHING ERAS OF WEB 3.0  
AND THE METAVERSE



# LONG SUPPLY CHAINS ARE A MASSIVE PAIN POINT FOR DESIGNERS AND CREATORS

**HOW LONG DOES IT TAKE TO LAUNCH A COLLECTION?**  
So how long does all this actually take? I recommend **at least a year** from idea to the start of production for a first collection. If this business is not your full-time job or if you have many styles or a highly technical product, **it can take even longer – 18 months or even two years** is not uncommon. When you are considering starting your first collection, keep this timeline in

~**25** collections from  
idea to runway  
in **3 WEEKS**



# DEVELOP AND DEPLOY THE OPERATING SYSTEM

For on-demand sustainable fashion<sup>x</sup>

OUR STRATEGY

ESTABLISH KORNI<sup>x</sup>

DIGITIZE PRODUCTION

BRANDS



TRADITIONAL AND ONLINE RETAILERS



LICENSORS



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DESIGNERS AND INFLUENCERS



INVENTORY MANAGEMENT



MEDIA HANDLING



PRINT



ADDITIONAL DECORATION METHODS



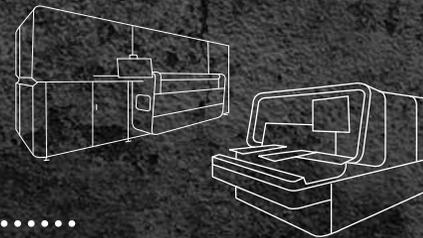
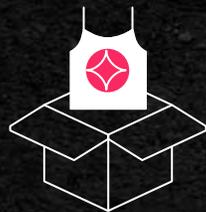
CUT-MAKE-TRIM

# KORNITX

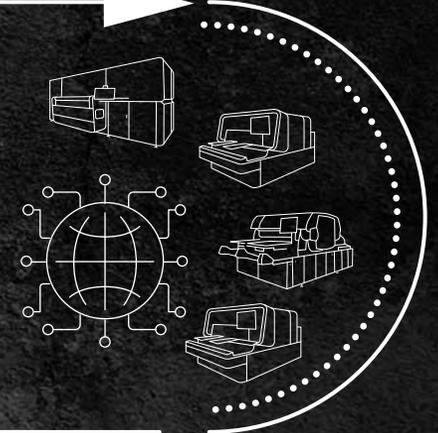


Consumers

 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

- Immediate gratification
- Consistent quality

Fulfiller

# KORNITX



Consumer



Proximity production

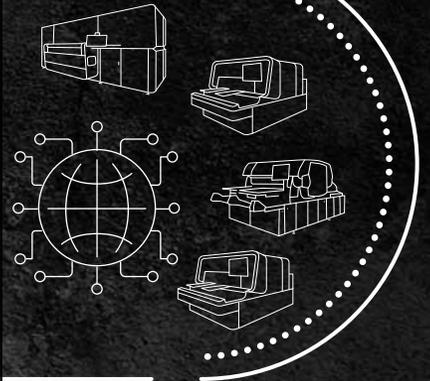
- Immediate gratification
- Consistent quality

Quality consistency (QUEST)

Brand integrity

Variety

Production flexibility and scale



# KORNIT<sup>x</sup>

## MANAGING PRODUCTION



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



Fulfillers

- Immediate gratification
- Consistent quality



# VIRTUAL IS THE NEW REALITY”

<https://nowfashion.com/virtual-fashion-from-gaming-to-the-runway-28800>  
<https://www.designweek.co.uk/issues/19-25-october-2020/made-virtual-apartment/>  
<https://www.vogue.com/article/tribute-virtual-clothes-digital-fashion>

<https://www.businessoffashion.com/articles/technology/facebooks-vision-for-fashion-in-the-metaverse>  
<https://www.tiktok.com/@happykelli?lang=en>  
[https://www.voguebusiness.com/technology/influencers-are-wearing-digital-versions-of-physical-clothes-now?gclid=CjwKCAjwz5IMBhAEiwAMEAwGIXzCbPTRUkzrgstcKhHotgZz9QN\\_A3r8LITWffaQKcyc\\_v4RNq8xoC1D4OAvD\\_BwE](https://www.voguebusiness.com/technology/influencers-are-wearing-digital-versions-of-physical-clothes-now?gclid=CjwKCAjwz5IMBhAEiwAMEAwGIXzCbPTRUkzrgstcKhHotgZz9QN_A3r8LITWffaQKcyc_v4RNq8xoC1D4OAvD_BwE)

<https://hypebeast.com/2022/11/nike-joins-metaverse-sparks-rumors-virtual-trademark-application-filed-announcement>  
<https://www.epicgames.com/fortnite/en-US/news/high-digital-fashion-drops-into-fortnite-with-balenciaga>  
<https://www.voguebusiness.com/technology/inside-gucci-and-robloxs-new-virtual-world>

## Made launches virtual apartment for “see-now-buy-now” experience

The online interiors store has created a virtual version of its Amsterdam show apartment to bring its latest collection into people’s homes.

By Henry Wong October 23, 2020 9:00 am



## Would You Spend Real Money on Virtual Clothes?

BY CHRISTIAN ALLAIRE



## Virtual Fashion: From Gaming to the Runway

By Sofia Celeste

When a startup known as The Fabricant sold a diaphanous \$9500 virtual dress to Richard Ma, the CEO of Quantstamp, as a present to his wife, its founder Kerry Murphy, knew that they were really on to something.

## Facebook’s Vision for Fashion in the Metaverse

While announcing Facebook’s rebrand as Meta, Mark Zuckerberg offered his vision of the metaverse — and how we’ll dress in it.



## Influencers are wearing digital versions of physical clothes now

Seeding physical samples can be costly and time-consuming; now, brands are promoting designs with realistic 3D renders.

BY MARGAN MCDOWELL  
21 SEPTEMBER 2021



## SOCIAL MEDIA IS LEADING THE REVOLUTION

## BRANDS ARE RESPONDING FAST

### Inside Gucci and Roblox’s new virtual world

Gucci is expanding its presence on Roblox, a metaverse and gaming platform, with a virtual two-week art installation. Vogue Business can exclusively reveal its budding brand awareness among some very young customers.

BY MARGAN MCDOWELL  
17 SEPTEMBER 2021

### Nike Is Preparing To Enter the Metaverse With Virtual Sneakers and Apparel

Filing several new trademarks for “downloadable virtual goods.”

### HIGH DIGITAL FASHION DROPS INTO FORTNITE WITH BALENCIAGA

9.20.2021

By The Fortnite Team

# KORNITX - A NEW FASHIONX EXPERIENCE

*Virtual collections  
and Metaverse*



*Personal  
concierge*



*Personal  
digital  
wardrobe*

# KORNIT<sup>x</sup>: EXPANDING THE PLATFORM

## VIRTUAL FRONT-END



- Virtual creation
- Content mgmt. and marketplaces
- Data analytics

## NETWORK



- Scale/volume
- Decisioning
- Routing
- AI

## PRODUCTION FLOOR



- Production solutions
- Integration
- Automation
- Optimization
- Image processing
- Productivity software



# COMMITMENT TO SUSTAINABILITY AND COMMUNITY

IT'S ABOUT GIVING PEOPLE THE  
STYLE, TREND, COMFORT, AND  
QUALITY THEY DESIRE, WHEN THEY  
DESIRE IT, IN SUSTAINABLE AND  
ETHICAL MEANS OF PRODUCTION

# TARGETED GOALS FOR YEARS TO COME

## REDUCE OVER PRODUCTION



Reduce overproduction by **billions** of apparel items annually

## REDUCE WATER & GHG



Cut down on water waste and water-polluting production

## EMPOWER FAIR LABOR



By creating a safer, healthier eco-system for employees

# IMPACT REPORT Released in Q3'21

Our impact report is written according to the GRI methodology, and we believe our technology places us as one of the global leaders in the field of sustainable Fashion-Tech



By **2026**, Kornit technology will enable the production of approximately **2.5 billion** apparel items in a responsible manner, **saving 4.3 trillion** liters of water and **17.2 billion kilograms** of greenhouse gas emissions and reducing **Overproduction in the fashion industry by 1.1 Billion** apparel items.



# LCA Life Cycle Assessment



**Kornit Atlas Max**  
vs. screen printing



Up to 94% less  
water Consumption



Up to 67% less  
energy consumed



Up to 82% less  
GHG emissions



**Kornit Presto S**  
vs rotary screen printing



Up to 96% less  
water Consumption



Up to 95% less  
energy consumed



Up to 83% less  
GHG emissions

\* Numbers are according to an LCA performed in 2022 by an Environment expert and a 3<sup>rd</sup> party audit and including the drying phase.

# WHY KORNIT

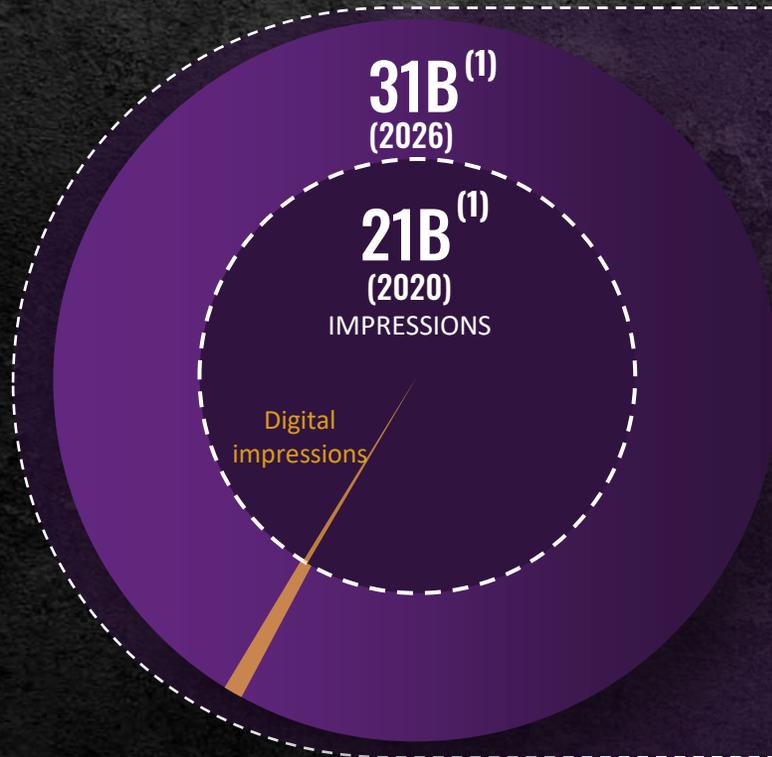


# KORNIT'S HUGE MARKET OPPORTUNITY

## DTG

TAM of 21B impressions

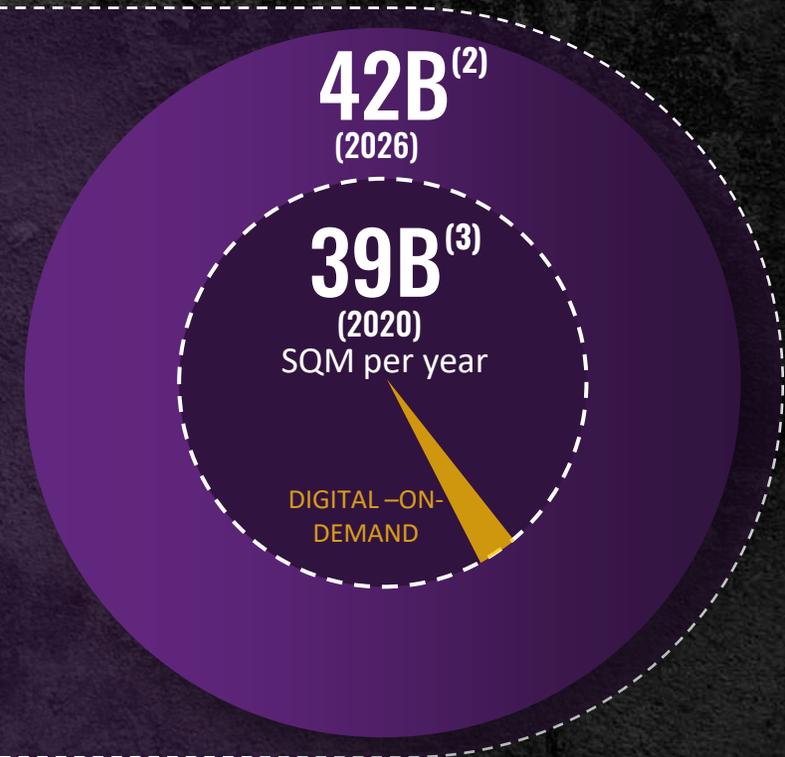
19B items\*



## DTF

TAM of 39B sqm

~4 Trillion impressions\*\*



**Kornit<sup>X</sup>**  
Only physical impressions

(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

2) Source: Company estimates. 39B represents estimated total volume in SQM of printed fabric output as of 2020. WTIN estimate for market size and CAGR: <https://www.wtin.com/article/2018/february/260218/2017-digital-textile-industry-review/>

3) Source: Company estimates. 42B represents projected total volume in SQM of printed fabric output in 2026. . WTIN estimate for market size and CAGR: <https://www.wtin.com/article/2018/february/260218/2017-digital-textile-industry-review/>

\*\* Assuming avg. impression of 100 cm<sup>2</sup> (10 by 10 cm)

# MARKET DISRUPTOR

CREATING  
THE NEW  
FASHION<sup>x</sup>  
EXPERIENCE

Best positioned to connect  
the virtual to the physical  
world



## EXCELLENT EXECUTION TRACK RECORD

- Delivering cutting-edge tech innovation
- Leading the business successfully through COVID
- Constantly exceeding management goals

**30% CAGR**

Top line growth from  
2017 - 2021

- Recurring revenue
- Profitability

# BUILDING A LEADING FASHTECH BRAND

WORN OUT L.A.: KORNI FASHION WEEK, GUCCI IN HOLLYWOOD, COSTUME COUTURE AND MORE

LINA LECARO × NOVEMBER 9, 2021



LAWEEKLY

Pat Cleveland, 71-Year-Old Model and Halston Reflects on First L.A. Runway Show

"All these different works of art are human beings, individual and very valuable. So let's keep the beauty in expressing ourselves, no matter what size or shape," said Cleveland about her first show for designer Julia Clancey.

By INGRID SCHMIDT | NOVEMBER 4, 2021 5:03PM

Hollywood

FASHION / FASHION FEATURES

Kornit Fashion Week Coming to L.A. With Ungaro, Asher Levine, ThreeAsFour, More

After launching in Tel Aviv in March 2020, Kornit Fashion Week is coming to downtown L.A. Nov. 2 through 5 with 22 shows.

By BOOTH MOORE | NOVEMBER 1, 2021 2:04PM

WWD

Jaime King shows off her model looks in one-shoulder black gown at Naot Footwear show in Los Angeles

By PAUL CHAVEZ FOR DAILYMAIL.COM

PUBLISHED: 01:49 GMT, 5 November 2021 | UPDATED: 03:30 GMT, 5 November 2021

Model looks at Naot Footwear show in LA

From Printer to the Catwalk: Kornit Fashion Week Shows Off New Printing Technology

Decerry Donato - 12:51 PM | November 05, 2021

dot.LA

MailOnline

Pat Cleveland Walks First L.A. Runway for Julia Clancey

"It's like a surprise I've been wanting to happen in my life because my Halston way," Cleveland said.

By BOOTH MOORE | NOVEMBER 4, 2021, 5:43PM

Ungaro, Guvanch and More to Be Highlighted in Kornit Fashion Week Inspired by 'Diversity of the Human Race'

From Nov. 2 to Nov. 5, an "inclusive lineup of diverse models" will be walking down the runway in L.A. wearing sustainable designs

By Melody Chiu | October 20, 2021 04:58 PM

People



# STRONG TEAM



**RONEN SAMUEL**  
CEO



**ALON ROZNER**  
CFO



**KOBI MANN**  
CTO



**JECKA GLASMAN**  
CCO



**AYELET ORYAN  
GODARD**  
CPO



**OMER KULKA**  
CMO



**ILAN GIVON**  
EVP Operations



**BENZION SENDER**  
EVP R&D



**AMIR SHAKED MANDEL**  
EVP Corporate  
Development & Strategy



**AARON YANELLI**  
Kornit<sup>x</sup> President



**CHUCK MEYO**  
KDAM President



**ILAN ELAD**  
KDAP President



**CHRIS GOVIER**  
KDEU President

# FINANCIAL HIGHLIGHTS



# GOAL

## \$1B REVENUE IN 2026\*

Targeting  
**\$1B** revenue  
in 2026

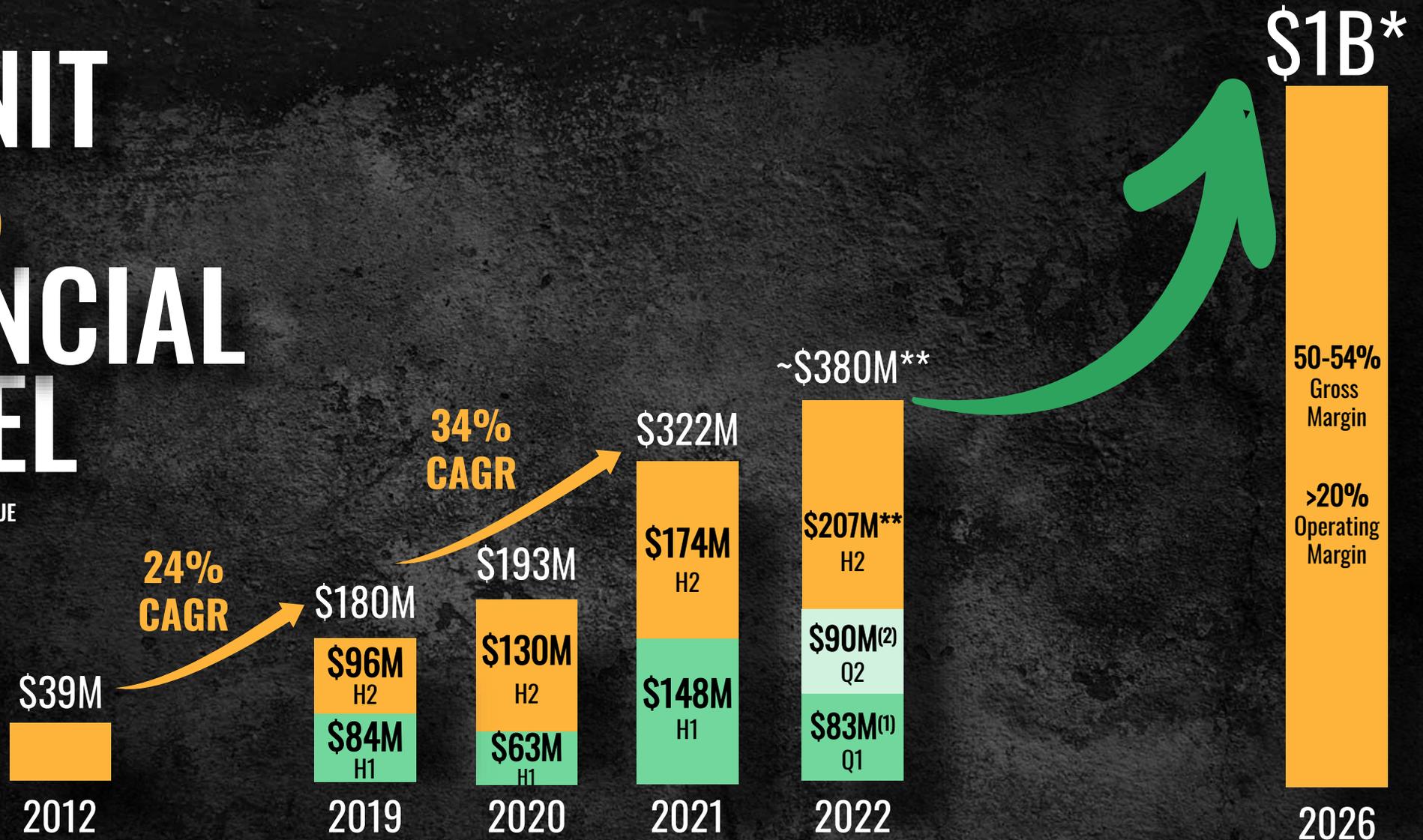
Targeting  
**50-54% GM**

Targeting Over  
**20% OM**

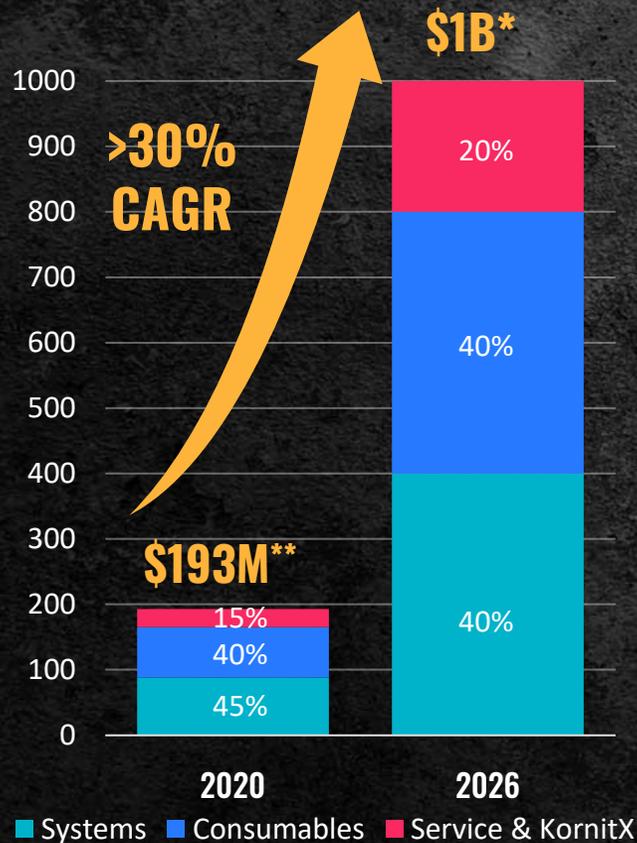


# KORNIT 2026 FINANCIAL MODEL

FIGURES REPRESENT REVENUE



# LONG TERM FINANCIAL HIGHLIGHTS



- Consumables and SW CAGR higher than systems CAGR

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

- Kornit<sup>X</sup> revenue >\$100M\* (SAAS, Transactions, VAS, % GMV)

- 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%

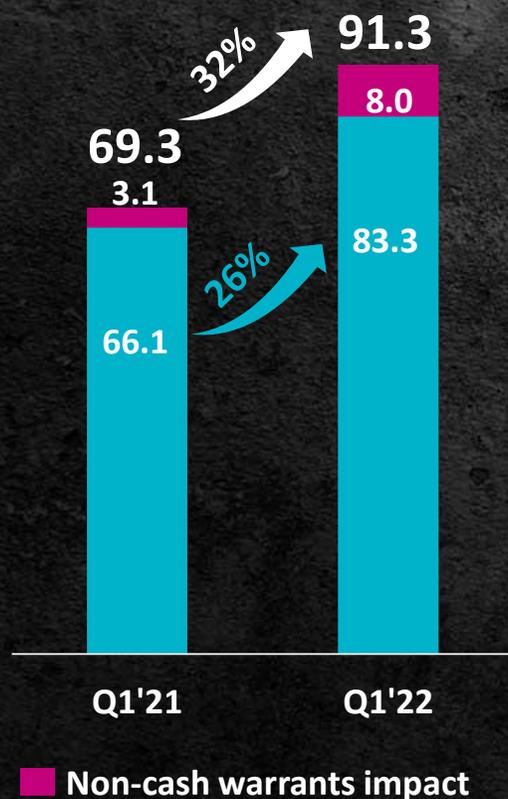
- Continued transition to mass production systems
- High growth of consumables business
- High growth of software solutions
- Increasing profitability of our value-added services
- Operational leverage and cost reduction
  
- Continue investing in growth while gaining operational leverage



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

# 1Q22 FINANCIAL UPDATE AND RESULTS

## Revenues (\$M)



## Gross Margin

### GAAP

40.1% of revenue

### NON-GAAP

41.5% of revenue

**Non-cash warrant  
impact on Non-GAAP  
Gross margin**

5.1%

## Net Income

### GAAP

(\$5.2M)  
(\$0.10) per basic share

### NON-GAAP

\$0.2M  
\$0.00 per diluted share

**Non-cash warrant  
impact on Non-GAAP  
Net Income**

\$8.0M  
\$0.16 per diluted share

## Balance Sheet

**Cash, deposits, and  
marketable securities**

~\$734M or  
\$14.40 per diluted share



# OUR VISION

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



Kornit  
Digital  
bonding  
matters

# THANKS

