
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the month of **November 2020**

Commission File Number **001-36903**

KORNIT DIGITAL LTD.
(Translation of Registrant's name into English)

12 Ha'Amal Street
Park Afek
Rosh Ha'Ayin 4824096 Israel
(Address of Principal Executive Office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

CONTENTS

Results of Operations and Financial Condition- Third Quarter of 2020

On November 10, 2020, Kornit Digital Ltd. (“**Kornit**”) issued a press release entitled “Kornit Digital Reports Third Quarter 2020 Results,” in which Kornit reported its results of operations for the quarter ended September 30, 2020. A copy of that press release is furnished as Exhibit 99.1 hereto.

In conjunction with the conference call being held on November 10, 2020 to discuss Kornit’s quarterly results for the quarter ended September 30, 2020, Kornit has also made available to its investors a slide presentation to provide additional information regarding its business and its financial results. That slide presentation is attached as [Exhibit 99.2](#) to this Report of Foreign Private Issuer on Form 6-K (this “**Form 6-K**”) and is incorporated herein by reference.

The U.S. GAAP financial information contained in the (i) consolidated balance sheets, (ii) consolidated statements of operations and (iii) consolidated statements of cash flows included in the press release attached as Exhibit 99.1 to this Report of Foreign Private Issuer on Form 6-K is hereby incorporated by reference into Kornit’s Registration Statements on Form F-3 (File No. 333-248784) and Form S-8 (File No.’s 333-203970, 333-214015, 333-217039, 333-223794, 333-230567 and 333-237346).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 10, 2020

KORNIT DIGITAL LTD.

By: /s/ Guy Avidan
Name: Guy Avidan
Title: Chief Financial Officer

Exhibit Index

Exhibit No.	Description
99.1	Press release, dated November 10, 2020, titled "Kornit Digital Reports Third Quarter 2020 Results"
99.2	Slide presentation for conference call of Kornit held on November 10, 2020 discussing quarterly financial results for the third quarter of 2020

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Kornit Digital Reports Third Quarter 2020 Results

Acceleration of Digital Textile Transformation Fuels Outperformance

- Third quarter revenue of \$57.4 million, net of non-cash warrants impact of \$2.2 million
- Third quarter GAAP operating profit of \$2.7 million; Non-GAAP operating profit of \$6.5 million, net of \$2.2 million attributed to the non-cash impact of warrants
- Revenue growth and overall business performance exceed previous expectations
- Milestone in sustainable services profitability achieved a quarter ahead of plan
- Strong operating leverage, inclusive of investments in innovation and scaling go-to-market
- Excellent momentum with Custom Gateway introduction and integration

Rosh-Ha'Ayin, Israel – November 10, 2020 – Kornit Digital Ltd. (NASDAQ: KRNT), a company that develops, manufactures and markets industrial digital printing technologies for the garment, apparel and textile industries, today reported results for the third quarter ended September 30, 2020.

“We delivered a very strong third quarter, exceeding our expectations on revenue growth and profitability, as we continue to engage in exciting projects with leading global brands and fulfillers across geographies. Our industry is accelerating the transition to digital sustainable on-demand manufacturing and we have never been better positioned to meet the market opportunities ahead of us,” said Ronen Samuel, Kornit Digital’s CEO. “Looking forward, we see huge momentum in the business, and we are entering 2021 with a very strong pipeline.”

2019 GAAP and Non-GAAP figures in today’s press release are presented using a different valuation basis for the warrants impact compared to previous years as a result of the recently issued accounting standards update (ASU 2019-08).

The following table compares the adverse, non-cash impact that our outstanding warrants had on our results of operations during the third quarter of 2020 and 2019, respectively:

Third Quarter Warrants Impact

	Three Months Ended September 30,			
	2020		2019	
	Net of Warrants Impact	Warrants Impact	Net of Warrants Impact	Warrants Impact
Revenue	\$ 57.4M	\$ 2.2M	\$ 47.3M	\$ 2.4M
Non-GAAP Gross Margin	48.1%	188bps	47.7%	255bps
Non-GAAP Operating Margin	11.3%	322bps	13.0%	425bps
Non-GAAP Net Margin	13.5%	314bps	13.9%	420bps
Non-GAAP Diluted Earnings Per Share	\$ 0.18	\$ 0.05	\$ 0.16	\$ 0.05

“We are very pleased with our business acceleration as third quarter revenue of \$57.4 million, net of \$2.2 million attributed to the non-cash impact of warrants, reflects an increase of 21.4 percent year-over-year. Customers and partners are ramping production not only to meet the upcoming holiday season but also the unprecedented and sustained demand in e-commerce,” said Guy Avidan, Kornit Digital’s Chief Financial Officer. “Given third quarter outperformance and the strength of our pipeline we are raising our previously provided second-half 2020 revenue outlook from low double-digit to 25 percent year-over-year growth.”

Third Quarter 2020 Results of Operations

- Total revenue for the third quarter of 2020 was \$57.4 million, net of \$2.2 million attributed to the non-cash impact of warrants, compared to \$47.3 million, net of \$2.4 million attributed to the non-cash impact of warrants in the prior year period.
- GAAP net income for the third quarter of 2020 was \$3.9 million, or \$0.09 per diluted share, compared to net income of \$4.7 million, or \$0.11 per diluted share, for the third quarter of 2019.
- Non-GAAP net income for the third quarter of 2020 was \$7.7 million, or \$0.18 per diluted share, including \$0.05 per diluted share attributed to the non-cash impact of warrants, compared to non-GAAP net income of \$6.6 million, or \$0.16 per diluted share, net of \$0.05 per diluted share attributed to the non-cash impact of warrants, for the third quarter of 2019.

Fourth Quarter 2020 Guidance

The Company will discuss its expectations for the fourth quarter of 2020 live during its earnings conference call, which will be available for replay via webcast at ir.kornit.com, as referenced below.

Third Quarter Earnings Conference Call Information

The Company will host a conference call today at 5:00 p.m. ET, or 12:00 a.m. Israel time, to discuss the results, followed by a question and answer session for the investment community. A live webcast of the call can be accessed at ir.kornit.com. To access the call, participants may dial toll-free at 1-877-407-0792 or +1-201-689-8263. The toll-free Israeli number is 1 809 406 247. The confirmation code is 13711406.

To listen to a telephonic replay of the conference call, dial toll-free 1-844-512-2921 or +1-412-317-6671 (international) and enter confirmation code 13711406. The telephonic replay will be available beginning at 8:00 p.m. ET on Tuesday, November 10, 2020, until 11:59 p.m. ET on Tuesday, November 24, 2020. The call will also be available for replay via the webcast link on Kornit's Investor Relations website.

Forward Looking Statements

Certain statements in this press release are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and other U.S. securities laws. Forward-looking statements are characterized by the use of forward-looking terminology such as "will," "expects," "anticipates," "continue," "believes," "should," "intended," "guidance," "preliminary," "future," "planned," or other words. These forward-looking statements include, but are not limited to, statements relating to the Company's objectives, plans and strategies, statements of preliminary or projected results of operations or of financial condition and all statements that address activities, events or developments that the Company intends, expects, projects, believes or anticipates will or may occur in the future. Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties. The Company has based these forward-looking statements on assumptions and assessments made by its management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe to be appropriate. Important factors that could cause actual results, developments and business decisions to differ materially from those anticipated in these forward-looking statements include, among other things: the duration of the global COVID-19 pandemic, which, if extending for further significant periods of time, may continue to impact, in a material adverse manner, our operations, financial position and cash flows, and those of our customers and suppliers; the degree of our success in developing, introducing and selling new or improved products and product enhancements including specifically our Poly Pro and Presto products the extent of our ability to consummate sales to large accounts with multi-system delivery plans, the degree of our ability to fill orders for our systems, the extent of our ability to continue to increase sales of our systems, ink and consumables, the extent of our ability to leverage our global infrastructure build-out, the development of the market for digital textile printing, the availability of alternative ink, competition, sales concentration, changes to our relationships with suppliers, the extent of our success in marketing, and those additional factors referred to under "Risk Factors" in Item 3.D of the Company's Annual Report on Form 20-F for the year ended December 31, 2019, filed with the U.S. Securities and Exchange Commission on March 23, 2020. Any forward-looking statements in this press release are made as of the date hereof, and the Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Non-GAAP Discussion Disclosure

Non-GAAP financial measures consist of GAAP financial measures adjusted to exclude the impact of share-based compensation expenses, acquisition related expenses, excess cost of acquired inventory, foreign exchange differences associated with ASC 842, amortization of acquired intangible assets, deferred tax impact and the one-time impact of COVID-19, and the tax effect of the foregoing. The purpose of such adjustments is to provide an indication of our performance exclusive of non-cash charges and other items that are considered by management to be outside of our core operating results. These Non-GAAP measures are among the primary factors management uses in planning for and forecasting future periods. Furthermore, the Non-GAAP measures are regularly used internally to understand, manage and evaluate our business and make operating decisions, and we believe that they are useful to investors as a consistent and comparable measure of the ongoing performance of our business. However, our Non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP. Additionally, these Non-GAAP financial measures may differ materially from the Non-GAAP financial measures used by other companies.

About Kornit

Kornit Digital Ltd. (NASDAQ: KRNT) develops, manufactures and markets industrial digital printing technologies for the garment, apparel and textile industries. Kornit delivers complete solutions, including digital printing systems, inks, consumables, software and after-sales support. Leading the digital direct-to-garment printing market with its exclusive eco-friendly NeoPigment printing process, Kornit caters directly to the changing needs of the textile printing value chain. Kornit's technology enables innovative business models based on web-to-print, on-demand and mass customization concepts. With its immense experience in the direct-to-garment market, Kornit also offers a revolutionary approach to the roll-to-roll textile printing industry: digitally printing with a single ink set onto multiple types of fabric with no additional finishing processes. Founded in 2002, Kornit Digital is a global company, headquartered in Israel with offices in the USA, Europe and Asia Pacific, and serves customers in more than 100 countries worldwide.

**KORNIT DIGITAL LTD.
AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(U.S. dollars in thousands)**

	September 30, 2020	December 31, 2019
	(Unaudited)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 283,680	\$ 40,743
Short-term bank deposit	51,808	95,000
Marketable securities	10,723	32,567
Trade receivables, net	49,685	40,510
Inventory	46,268	37,477
Other accounts receivable and prepaid expenses	8,495	6,985
Total current assets	450,659	253,282
LONG-TERM ASSETS:		
Marketable securities	59,057	95,393
Deposits and prepaid expenses	406	356
Severance pay fund	297	301
Deferred taxes	7,067	7,781
Property, plant and equipment, net	25,844	17,489
Operating lease right-of-use assets	21,837	22,806
Intangible assets, net	11,474	2,494
Goodwill	13,629	5,564
Total long-term assets	139,611	152,184
Total assets	\$ 590,270	\$ 405,466
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	\$ 24,812	\$ 23,449
Employees and payroll accruals	13,434	9,165
Deferred revenues and advances from customers	10,373	2,688
Operating lease liabilities	3,893	3,902
Other payables and accrued expenses	9,421	6,373
Total current liabilities	61,933	45,577
LONG-TERM LIABILITIES:		
Accrued severance pay	1,112	1,035
Operating lease liabilities	18,271	19,231
Other long-term liabilities	1,368	1,320
Total long-term liabilities	20,751	21,586
SHAREHOLDERS' EQUITY	507,586	338,303
Total liabilities and shareholders' equity	\$ 590,270	\$ 405,466

**KORNIT DIGITAL LTD.
AND ITS SUBSIDIARIES**
CONSOLIDATED STATEMENTS OF OPERATIONS
(U.S. dollars in thousands, except share and per share data)

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2020	2019	2020	2019
	(Unaudited)		(Unaudited)	
Revenues				
Products	\$ 103,536	\$ 114,347	\$ 49,290	\$ 43,317
Services	17,504	16,869	8,102	3,976
Total revenues	<u>121,040</u>	<u>131,216</u>	<u>57,392</u>	<u>47,293</u>
Cost of revenues				
Products	50,117	53,311	23,031	19,102
Services	20,066	19,863	7,330	5,972
Total cost of revenues	<u>70,183</u>	<u>73,174</u>	<u>30,361</u>	<u>25,074</u>
Gross profit	<u>50,857</u>	<u>58,042</u>	<u>27,031</u>	<u>22,219</u>
Operating expenses:				
Research and development	22,213	16,386	8,689	5,610
Selling and marketing	25,375	24,322	8,587	7,849
General and administrative	18,957	13,044	7,093	4,688
Total operating expenses	<u>66,545</u>	<u>53,752</u>	<u>24,369</u>	<u>18,147</u>
Operating income (loss)	<u>(15,688)</u>	<u>4,290</u>	<u>2,662</u>	<u>4,072</u>
Financial income, net	4,427	1,127	1,630	582
Income (loss) before taxes on income	<u>(11,261)</u>	<u>5,417</u>	<u>4,292</u>	<u>4,654</u>
Taxes on income (Tax benefit)	<u>(577)</u>	<u>6</u>	<u>350</u>	<u>(14)</u>
Net income (loss)	<u>(10,684)</u>	<u>5,411</u>	<u>3,942</u>	<u>4,668</u>
Basic earnings (losses) per share	<u>\$ (0.26)</u>	<u>\$ 0.15</u>	<u>\$ 0.09</u>	<u>\$ 0.12</u>
Weighted average number of shares used in computing basic earnings (losses) per share	41,059,090	37,208,558	41,536,835	40,471,832
Diluted earnings (losses) per share	<u>\$ (0.26)</u>	<u>\$ 0.14</u>	<u>\$ 0.09</u>	<u>\$ 0.11</u>
Weighted average number of shares used in computing diluted earnings (losses) per share	<u>41,059,090</u>	<u>38,584,788</u>	<u>42,692,989</u>	<u>42,159,655</u>

**KORNIT DIGITAL LTD.
AND ITS SUBSIDIARIES**
RECONCILIATION OF GAAP TO NON-GAAP CONSOLIDATED STATEMENTS OF OPERATIONS
(U.S. dollars in thousands, except share and per share data)

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2020	2019	2020	2019
	(Unaudited)		(Unaudited)	
GAAP cost of revenues	\$ 70,183	\$ 73,174	\$ 30,361	\$ 25,074
Cost of product recorded for share-based compensation (1)	(772)	(419)	(281)	(182)
Cost of service recorded for share-based compensation (1)	(568)	(374)	(208)	(144)
Intangible assets amortization on cost of product (3)	(75)	(75)	(25)	(25)
Excess cost of product on acquired inventory (a)	-	(2,790)	-	-
Acquisition related expenses (2)	-	(28)	-	-
COVID-19 one time impact (4)	(520)	-	(74)	-
Non-GAAP cost of revenues	<u>\$ 68,248</u>	<u>\$ 69,488</u>	<u>\$ 29,773</u>	<u>\$ 24,723</u>
GAAP gross profit	\$ 50,857	\$ 58,042	\$ 27,031	\$ 22,219
Gross profit adjustments	1,935	3,686	588	351
Non-GAAP gross profit	<u>\$ 52,792</u>	<u>\$ 61,728</u>	<u>\$ 27,619</u>	<u>\$ 22,570</u>
GAAP operating expenses	\$ 66,545	\$ 53,752	\$ 24,369	\$ 18,147
Share-based compensation (1)	(5,970)	(3,791)	(2,191)	(1,515)
Acquisition related expenses (2)	(648)	(57)	(648)	-
Intangible assets amortization (3)	(622)	(532)	(371)	(224)
COVID-19 one time impact (4)	69	-	-	-
Non-GAAP operating expenses	<u>\$ 59,374</u>	<u>\$ 49,372</u>	<u>\$ 21,159</u>	<u>\$ 16,408</u>
GAAP Financial income	\$ 4,427	\$ 1,127	\$ 1,630	\$ 582
Foreign exchange losses associated with ASC 842	28	780	110	242
Non-GAAP Financial income	<u>\$ 4,455</u>	<u>\$ 1,907</u>	<u>\$ 1,740</u>	<u>\$ 824</u>
GAAP Taxes on income (Tax benefit)	\$ (577)	\$ 6	\$ 350	\$ (14)
Tax effect on to the above non-GAAP adjustments	346	933	526	62
Taxes on income (Tax benefit) (b)	610	807	(405)	347
Non-GAAP Taxes on income (Tax benefit)	<u>\$ 379</u>	<u>\$ 1,746</u>	<u>\$ 471</u>	<u>\$ 395</u>
GAAP net income (loss)	\$ (10,684)	\$ 5,411	\$ 3,942	\$ 4,668
Share-based compensation (1)	7,310	4,584	2,680	1,841
Acquisition related expenses (2)	648	85	648	-
Intangible assets amortization (3)	697	607	396	249
COVID-19 one time impact (4)	451	-	74	-
Excess cost of product on acquired inventory (a)	-	2,790	-	-
Foreign exchange losses associated with ASC 842	28	780	110	242
Tax effect on to the above non-GAAP adjustments	(346)	(933)	(526)	(62)
Deferred taxes on income (Tax benefit) (b)	(610)	(807)	405	(347)
Non-GAAP net income (loss)	<u>\$ (2,506)</u>	<u>\$ 12,517</u>	<u>\$ 7,729</u>	<u>\$ 6,591</u>
GAAP diluted earnings (losses) per share	<u>\$ (0.26)</u>	<u>\$ 0.14</u>	<u>\$ 0.09</u>	<u>\$ 0.11</u>
Non-GAAP diluted earnings (losses) per share	<u>\$ (0.06)</u>	<u>\$ 0.32</u>	<u>\$ 0.18</u>	<u>\$ 0.16</u>
Weighted average number of shares				
Shares used in computing GAAP diluted net earnings (losses) per share	<u>41,059,090</u>	<u>38,584,788</u>	<u>42,692,989</u>	<u>42,159,655</u>
Shares used in computing Non-GAAP diluted net earnings (losses) per share	<u>41,059,090</u>	<u>38,753,127</u>	<u>42,972,182</u>	<u>42,247,859</u>
(1) Share-based compensation				
Cost of product revenues	772	419	281	182
Cost of service revenues	568	374	208	144
Research and development	1,243	934	463	334
Selling and marketing	2,150	1,132	769	496
General and administrative	2,635	1,725	1,017	685
	<u>7,368</u>	<u>4,584</u>	<u>2,738</u>	<u>1,841</u>
(2) Acquisition related expenses				
Cost of product revenues	-	28	-	-
Research and development	-	-	-	-
Selling and marketing	-	14	-	-
General and administrative	648	43	648	-
	<u>648</u>	<u>85</u>	<u>648</u>	<u>-</u>
(3) Intangible assets amortization				
Cost of product revenues	75	75	25	25
Research and development	315	-	315	-

Selling and marketing	307	532	56	224
	<u>697</u>	<u>607</u>	<u>396</u>	<u>249</u>
(4) COVID-19 one time impact				
Cost of product revenues	527	-	74	-
Cost of service revenues	(7)	-	-	-
Research and development	(57)	-	-	-
Selling and marketing	(1)	-	-	-
General and administrative	(11)	-	-	-
	<u>451</u>	<u>-</u>	<u>74</u>	<u>-</u>

- (a) Consists of charges to cost of revenues for the difference between the higher carrying cost of the acquired inventory from a distributor purchased on February 8, 2019 which was recorded at fair value and the standard cost of the Company's inventory, which adversely impacts the Company's gross profit.
- (b) Non cash impact related to the recognition of deferred taxes with respect to carryforward losses in Israel.

**KORNIT DIGITAL LTD.
AND ITS SUBSIDIARIES**
CONSOLIDATED STATEMENTS OF CASH FLOWS
(U.S. dollars in thousands)

	Nine Months Ended		Three Months Ended	
	September 30,		September 30,	
	2020	2019	2020	2019
	(Unaudited)		(Unaudited)	
Cash flows from operating activities:				
Net income (loss)	\$ (10,684)	\$ 5,411	\$ 3,942	\$ 4,668
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	3,411	3,359	1,215	1,137
Fair value of warrants deducted from revenues	3,564	3,964	2,158	2,430
Share-based compensation	7,310	4,584	2,680	1,841
Amortization of discount on marketable securities	248	(119)	83	(35)
Realized gain on sale of marketable securities	(503)	(271)	(401)	-
Increase in trade receivables	(7,933)	(23,344)	(8,549)	(11,181)
Decrease (increase) in other receivables and prepaid expenses	(1,615)	405	(771)	(345)
Decrease (increase) in inventory	(9,529)	(1,107)	(4,324)	418
Decrease (increase) in operating leases right-of-use assets	(29)	52	(62)	18
Decrease (increase) in deferred taxes, net	(823)	(632)	561	14
Decrease in other long term assets	38	204	120	-
Increase (decrease) in trade payables	571	447	10,462	(3,335)
Increase in operating lease liabilities	29	780	111	242
Increase in employees and payroll accruals	4,318	1,184	3,983	1,967
Increase (decrease) in deferred revenues and advances from customers	7,663	(1,123)	7,770	651
Increase in other payables and accrued expenses	2,120	1,654	1,688	702
Increase in accrued severance pay, net	81	46	18	39
Increase (decrease) in other long term liabilities	48	(123)	191	87
Loss from sale and disposal of property and Equipment	75	1	-	1
Foreign currency translation income (loss) on inter company balances with foreign subsidiaries	(294)	684	(477)	673
Net cash provided by (used in) operating activities	(1,934)	(3,944)	20,398	(8)
Cash flows from investing activities:				
Purchase of property and equipment	(10,758)	(4,065)	(2,247)	(2,101)
Acquisition of intangible assets and capitalization of software development costs	(121)	(799)	-	(149)
Proceeds from sale of property and equipment	4	3	-	3
Cash paid in connection with acquisition	(15,059)	(4,715)	(15,059)	-
Decrease (increase) in bank deposits	43,192	(89,000)	27,996	(12,000)
Proceeds from sale of marketable securities	58,532	31,445	37,730	1,000
Proceeds from maturity of marketable securities	20,006	1,500	2,561	1,000
Purchase of marketable securities	(18,542)	(44,599)	-	-
Net cash provided by (used in) investing activities	77,254	(110,230)	50,981	(12,247)
Cash flows from financing activities:				
Proceeds from secondary offering, net	162,720	129,710	162,720	(669)
Exercise of employee stock options	4,942	5,400	2,138	3,131
Payments related to shares withheld for taxes	(82)	-	(18)	-
Payment of contingent consideration	-	(303)	-	-
Net cash provided by financing activities	167,580	134,807	164,840	2,462
Foreign currency translation adjustments on cash and cash equivalents	37	(95)	13	(87)
Increase (decrease) in cash and cash equivalents	242,937	20,538	236,232	(9,880)
Cash and cash equivalents at the beginning of the period	40,743	74,132	47,448	104,550
Cash and cash equivalents at the end of the period	283,680	94,670	283,680	94,670
Non-cash investing and financing activities:				
Purchase of property and equipment on credit	382	359	382	359
Inventory transferred to be used as property and equipment	823	167	312	167
Property and equipment transferred to be used as inventory	51	-	-	-
Issuance expenses on credit	739	-	739	-
Acquisition costs on credit	204	-	204	-
Lease liabilities arising from obtaining right-of-use assets	2,769	1,333	849	531
Capitalization of software development costs	-	151	-	151



Kornit
Digital
bonding
matters

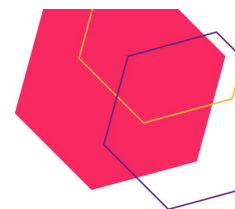
KORNIT DIGITAL

(NASDAQ: KRNT)

Q3 2020 EARNINGS CALL
SUPPORTING SLIDES



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 and its prospectus supplement to the prospectus contained in its registration statement on Form F-3, filed with the U.S. Securities and Exchange Commission on March 23, 2020 and September 17, 2020, respectively, including the Risk Factors set forth therein, completely and with the understanding that our actual future results may be materially different from what we expect. Specifically, we face the risk that the duration of the global COVID-19 pandemic may continue on for a further significant period of time be extensive, which could continue to impact, in a material adverse manner, our operations, financial position and cash flows, and those of our customers and suppliers. 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.

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.

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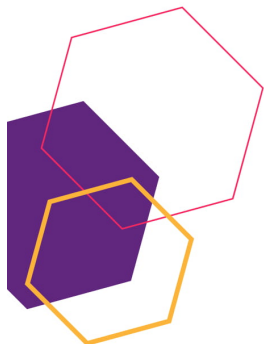
OUR VISION

CREATE A **BETTER**
WORLD

WHERE EVERYBODY CAN **BOND**,
DESIGN



ON TODAY'S CALL





Kornit
Digital
bonding
matters

BUSINESS HIGHLIGHTS

RONEN SAMUEL
CEO

EXCEEDED EXPECTATIONS FOR THIRD QUARTER

IMPROVING OUTLOOK FOR THE SECOND HALF OF THE YEAR

- Total revenue of \$57.4 million, net of \$2.2 million in warrants related to a global strategic account
 - Sequential growth of approximately 53% in Q3 compared to Q2 2020
 - Year over year growth of approximately 21%
- Strong demand for industrial systems in North America and EMEA
- Extraordinary quarter for consumables and services across all regions
- Important milestone in services business:
 - Sustainable profitability a quarter ahead of plan, while maintaining focus on customer excellence
 - Expect services margins to improve as we continue to scale the business.
- Strong operating margin for the quarter and expect to over-achieve our operating profit objective for 2020

ACTIVITY AND BUSINESS MOMENTUM

INDUSTRY AT AN INFLECTION POINT, WE ARE FOCUSED ON LEADING THE TRANSFORMATION TO ON-DEMAND

- Partnering with customers to deliver incremental demand for systems, ink and services as we enter holiday season
- Engaged in large scale expansion projects in North America
 - Unique partnership with Delta Apparel and Hot Topics
- EMEA experiencing resurgence
 - UK investments yield immediate results
- Encouraging signs of industry recovery in Asia Pacific
 - Scaling local sales and support infrastructure required to deliver on global expansion projects
 - Welcoming Tokyo-based seasoned executive, to lead Asia Pacific and scale operations

ACTIVITY AND BUSINESS MOMENTUM

- Unprecedented success of the Atlas
 - Record shipment quarter
 - Accelerating R&D efforts for next generation of applications
- Considerable traction for the Vulcan Plus with customers investing in fleets
- Phenomenal momentum for DTF, fueled by transition of fashion industry to sustainable on-demand manufacturing
 - Important deal with Italian digital fulfillment partner to some of the largest fashion brands in the world
- Execution with global strategic account remains very strong
- Custom Gateway acquisition is at the heart of our solution strategy
 - Impact exceeding expectations and pleased with integration progress
 - Generated over 80 opportunities globally since announcement, and received multiple orders

EXTREMELY WELL POSITIONED

- Seeing strong momentum and entering 2021 with a very strong backlog
- Increasing outlook for second half of the year:
 - From low double-digit year-over-year revenue growth, to 25% YoY growth
- Welcome to our new shareholders
- Exciting times for Kornit and for the entire textile industry
- Extremely confident to execute on the massive opportunity ahead of us



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FINANCIALS HIGHLIGHTS

GUY AVIDAN
CFO

QUARTERLY WARRANTS IMPACT

	Q3 20			Q2 20			Q3 2019		
	Net of Warrants Impact	Warrants Impact K\$/BPS/EP S		Net of Warrants Impact	Warrants Impact K\$/BPS/EP S		Net of Warrants Impact	Warrants Impact K\$/BPS/EP S	
Revenues	\$57,392	\$2,158	\$59,550	\$37,436	\$842	\$38,278	\$47,293	\$2,429	\$49,722
Gross Profit	\$27,619		\$29,777	\$16,512		\$17,354	\$22,570		\$24,999
Gross Margin	48.1%	188 BPS	50.0%	44.1%	123 BPS	45.3%	47.7%	255 BPS	50.3%
Operating Profit	\$6,460		\$8,618	-\$2,543		-\$1,701	\$6,162		\$8,591
Operating Margin	11.3%	322 BPS	14.5%	-6.8%	235 BPS	-4.4%	13.0%	425 BPS	17.3%
Net Profit	\$7,729		\$9,887	-\$1,330		-\$488	\$6,591		\$9,020
Net Margin	13.5%	314 BPS	16.6%	-3.6%	228 BPS	-1.3%	13.9%	420 BPS	18.1%
Diluted EPS	\$0.18	\$0.05	\$0.23	-\$0.03	\$0.02	-\$0.01	\$0.16	\$0.05	\$0.21

\$ in thousands except per share amounts

Q3 2020 FINANCIAL RESULTS

	GAAP			Non-GAAP		
	Q3 2020	Q3 2019	YoY Change	Q3 2020	Q3 2019	YoY Change
Total Revenue	\$57.4	\$47.3	\$10.1	\$57.4	\$47.3	\$10.1
Gross Profit	\$27.0	\$22.2	\$4.8	\$27.6	\$22.6	\$5.0
Operating Income (Loss)	\$2.7	\$4.1	(\$1.4)	\$6.5	\$6.2	\$0.3
Net Income (Loss)	\$3.9	\$4.7	(\$0.8)	\$7.7	\$6.6	\$1.1
Diluted EPS	\$0.09	\$0.11	(\$0.02)	\$0.18	\$0.16	\$0.02
Diluted Shares (M)	42.7	42.2	0.5	43.0	42.2	0.8

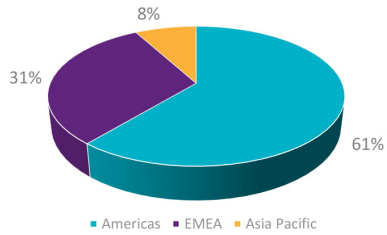
\$ in millions except per share and share amounts

QUARTERLY REVENUES

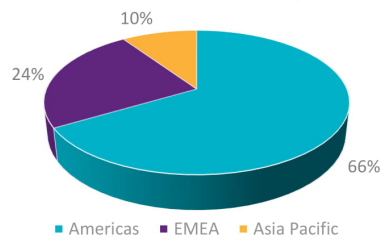
- Revenues of \$57.4 million vs. \$47.3 million in prior year, an increase of 21.4% YoY and an increase of 53.3% QoQ
- A global customer accounted for 14.8% of revenues compared to 20.2% in prior year
- 10 largest accounts represented 58.3% of revenues compared to 56.3% in prior year

Geographic Revenue Split

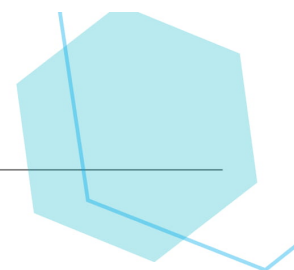
Q3 2020
Geographic Segments %



Q2 2020
Geographic Segments %



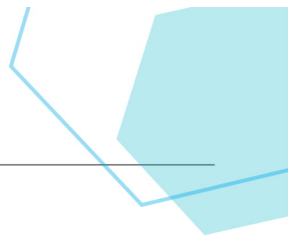
QUARTERLY GROSS MARGIN AND OPEX



- Non-GAAP gross margin of 48.1% increased from 47.7% in Q3 2019
- Non-GAAP operating expenses of \$21.2 million increased 29.0% year over year

	Q3 2020	Q3 2019
Research & Development	13.8%	11.2%
Sales & Marketing	13.5%	15.1%
General & Administrative	9.6%	8.5%
Total Operating Expenses	36.9%	34.8%

QUARTERLY P&L KPI



	Q3 2020	Q3 2019
Non-GAAP Operating Income (Loss)	\$6.5	\$6.2
Non-GAAP Net Income (Loss)	\$7.7	\$6.6
Non-GAAP Diluted EPS	\$0.18	\$0.16
GAAP Net Income (Loss)	\$3.9	\$4.7
GAAP Diluted EPS	\$0.09	\$0.11
Adjusted EBITDA	\$9.4	\$13.1

\$ in millions except per share amounts

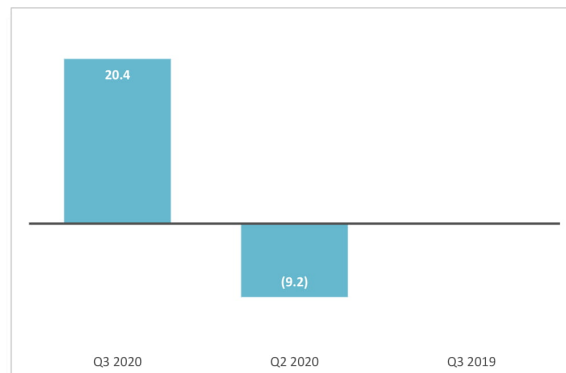
QUARTERLY BALANCE SHEET AND CASH FLOW

Balance Sheet

	Q3 2020	Q2 2020	Q3 2019
Cash, Bank Deposits and MK Securities	405.3	237.4	250.4
Accounts Receivables	49.7	39.8	44.9
Inventory	46.3	42.1	34.4
Trade Payable	24.8	13.0	17.3
Net Working Capital	388.7	217.7	259.8

\$ in millions

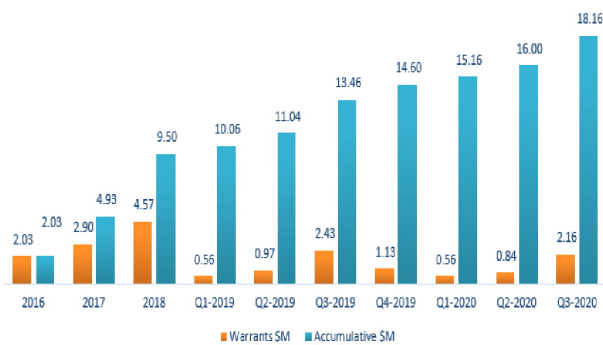
Cash from Operating Activities



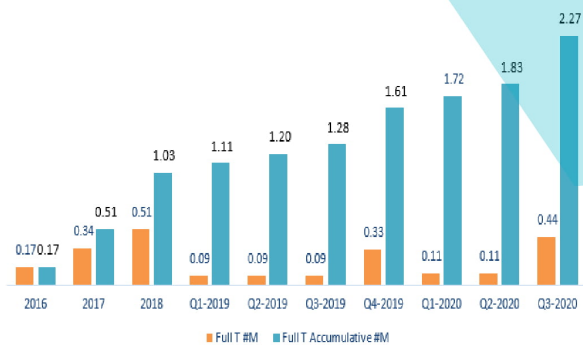
\$ in millions

WARRANTS IMPACT AND VESTING

Warrants Impact*



Warrants Vesting**



* Revenue recognition base impact

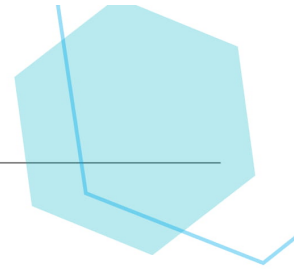
** Collection base impact

*** During Q3 2,162,463 of the warrants were exercised

AMAZON WARRANTS AGREEMENT

- 2,932,176 warrants to purchase ordinary shares of the Company at an exercise price of \$13.04 were issued to Amazon as a customer incentive. The warrants are subject to vesting as a function of payments for purchased products and services of up to \$150 million beginning on May 1, 2016, with the shares vesting incrementally each time Amazon makes a payment totaling \$5 million to the Company.
- As part of September 16, 2020 secondary public offering, Amazon exercised 2,162,463 warrants by cashless sale of 1,689,942 shares. As of September 30, 2020, 109,956 warrants are exercisable.
- The Company utilized the Monte Carlo simulation approach to estimate the fair value of the warrants. We early adopted the new guidance as of January 1, 2019 and will use the fair value of the unvested warrants on the adoption date rather than upon the later vesting dates in order to determine the reduction of the transaction price
- The Company recognized a reduction to revenues of \$2.2 million during the third quarter of 2020 and \$2.4 million during the third quarter of 2019 (\$5.1 million during the year ended December 31, 2019)

Q4 2020 GUIDANCE*



- Revenue is expected to be between \$60.0 million to \$64.0 million
- Non-GAAP operating income is expected to be between 13% to 16% of revenue

**we assume zero impact on revenue and operating margin for the purposes of guidance*

THANK YOU

OUR VISION

CREATE A **BETTER WORLD**

WHERE EVERYBODY CAN BOND, DESIGN AND
EXPRESS THEIR IDENTITIES, ONE IMPRESSION AT A TIME



WARRANTS IMPACT CHANGE IN ASU 2019-08

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	2019
GAAP prior to adoption of ASU 2019-08	38,161	43,890	44,581	48,649	175,281
Warrants impact prior to adoption of ASU 2019-08	989	2,416	5,143	1,130	9,678
Warrants impact %	2.5%	5.2%	10.3%	2.3%	5.2%
Warrants impact after adoption of ASU 2019-08	560	974	2,429	1,130	5,093
Warrants impact %	1.4%	2.2%	5.2%	2.3%	2.8%
GAAP after adoption of ASU 2019-08	38,590	45,332	47,295	48,649	179,866