

---

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 **February 2021**

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- Fourth Quarter and Full-Year 2020

On February 16, 2021 Kornit Digital Ltd. (“**Kornit**”) issued a press release entitled “Kornit Digital Reports Fourth Quarter and Full-Year 2020 Results,” in which Kornit reported its financial results for the fourth quarter and full-year ended December 31, 2020. A copy of that press release is furnished as Exhibit 99.1 hereto.

In conjunction with the conference call being held on February 16, 2021 to discuss Kornit’s results for the fourth quarter and full year ended December 31, 2020, Kornit 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 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: February 16, 2021

KORNIT DIGITAL LTD.

By: /s/ Alon Rozner  
Name: Alon Rozner  
Title: Chief Financial Officer

Exhibit Index

<b>Exhibit No.</b>	<b>Description</b>
99.1	<a href="#">Press release, dated February 16, 2021, titled "Kornit Digital Reports Fourth Quarter and Full-Year 2020 Results"</a>
99.2	<a href="#">Slide presentation for conference call of Kornit held on February 16, 2021</a>

**Investor Contact:**

Allise Furlani  
The Blueshirt Group  
(212) 331-8433  
Allise@blueshirtgroup.com

**Kornit Digital Reports Fourth Quarter and Full-Year 2020 Results****Record Quarter with 49% Year-Over-Year Growth and Accelerating Momentum****Record \$34.3 million net cash from operations**

- Fourth quarter revenue grew 49% year-over-year to \$72.3 million, net of non-cash warrants impact of \$1.8 million
- Fourth quarter GAAP operating profit of \$9.0 million; Non-GAAP operating profit of \$11.8 million, net of \$1.8 million attributed to the non-cash impact of warrants
- Revenue growth, profitability and cash from operations significantly exceed expectations
- Record growth in recurring consumables business, and services outperformance
- Entering 2021 with strong backlog and visibility

**Rosh-Ha'Ayin, Israel – February 16, 2021** – Kornit Digital Ltd. (NASDAQ: KRNT) today reported results for the fourth quarter and full-year ended December 31, 2020.

“We delivered record fourth quarter results, exceeding our expectations on revenue growth, profitability, and net cash from operations, capping off a transformative year for Kornit,” said Ronen Samuel, Kornit Digital’s Chief Executive Officer. “2020 is the year in which the textile industry hit an inflection point. The massive leap in e-commerce and the exposed inefficiency of the traditional textile supply chain is accelerating the digital transformation that Kornit is leading. We see new and existing customers significantly expanding production capacity globally, and our recurring consumables business is growing strongly.”

Mr. Samuel continued: “We started 2021 more confident than ever, with accelerating industry tailwinds, an impressive backlog of global expansion projects with strategic accounts that we are in the process of fulfilling, and an extremely robust pipeline. 2021 will be an exciting year for Kornit, filled with strategic initiatives including the launch of new powerful products, introduction of a ground-breaking proprietary 3D textile application that will bring to the market unique embroidery, high-density printing, and vinyl heat transfer effects and significantly expand our addressable market, activity with the world’s largest brands, expansion of our software business line and entry into new market verticals. In 2018 we laid out our management goal to become a \$500 million revenue run rate business at the end of 2023, and we are more confident than ever in our ability to achieve this goal ahead of plan.”

---

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

	<b>Fourth Quarter Warrants Impact</b>			
	<b>Three Months Ended</b>			
	<b>December 31,</b>			
	<b>2020</b>		<b>2019</b>	
	<b>Net of Warrants Impact</b>	<b>Warrants Impact</b>	<b>Net of Warrants Impact</b>	<b>Warrants Impact</b>
Revenue	\$ 72.3M	\$ 1.8M	\$ 48.7M	\$ 1.1M
Non-GAAP Gross Margin	51.8%	117bps	50.2%	113bps
Non-GAAP Operating Margin	16.3%	203bps	12.0%	200bps
Non-GAAP Net Margin	16.0%	204bps	14.5%	194bps
Non-GAAP Diluted Earnings Per Share	\$ 0.24	\$ 0.04	\$ 0.17	\$ 0.02

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

	<b>Full-Year Warrants Impact</b>			
	<b>Year Ended</b>			
	<b>December 31,</b>			
	<b>2020</b>		<b>2019</b>	
	<b>Net of Warrants Impact</b>	<b>Warrants Impact</b>	<b>Net of Warrants Impact</b>	<b>Warrants Impact</b>
Revenue	\$ 193.3M	\$ 5.4M	\$ 179.9M	\$ 5.1M
Non-GAAP Gross Margin	46.7%	144bps	47.9%	144bps
Non-GAAP Operating Margin	2.7%	263bps	10.1%	248bps
Non-GAAP Net Margin	4.7%	257bps	10.9%	245bps
Non-GAAP Diluted Earnings Per Share	\$ 0.21	\$ 0.12	\$ 0.49	\$ 0.13

“We are very pleased with our results for the fourth quarter delivering accelerating top-line growth and strong profitability, driven by a robust peak season and strength in our recurring consumables business,” said Alon Rozner, Kornit Digital’s Chief Financial Officer. “As we enter 2021, we have strong visibility and we are very excited by demand from global customers relying on Kornit to achieve their goals. Our significant order backlog and solid pipeline position us well to drive sizable growth and profitability in 2021 and beyond.”

#### **Fourth Quarter 2020 Results of Operations**

- Total revenue for the fourth quarter of 2020 was \$72.3 million, net of \$1.8 million attributed to the non-cash impact of warrants, compared to \$48.7 million, net of \$1.1 million attributed to the non-cash impact of warrants in the prior year period.
- GAAP net income for the fourth quarter of 2020 was \$5.9 million, or \$0.12 per diluted share, compared to net income of \$4.8 million, or \$0.11 per diluted share, for the fourth quarter of 2019.
- Non-GAAP net income for the fourth quarter of 2020 was \$11.5 million, or \$0.24 per diluted share, including \$0.04 per diluted share attributed to the non-cash impact of warrants, compared to non-GAAP net income of \$7.1 million, or \$0.17 per diluted share, net of \$0.02 per diluted share attributed to the non-cash impact of warrants, for the fourth quarter of 2019.

#### **Full-Year 2020 Results of Operations**

- Total revenue for the full-year 2020 revenue was \$193.3 million, net of \$5.4 million attributed to the non-cash impact of warrants, compared to \$179.9 million, net of \$5.1 million attributed to the non-cash impact of warrants in the prior year period.
- GAAP net loss for the full-year 2020 was \$4.8 million, or \$0.11 per diluted share, compared to net income of \$10.2 million, or \$0.26 per diluted share, for the full-year 2019.
- Non-GAAP net income for the full-year 2020 was \$9.0 million, or \$0.21 per diluted share, net of \$0.12 per diluted share attributed to the non-cash impact of warrants, compared to \$19.6 million, or \$0.49 per diluted share, net of \$0.13 per diluted share attributed to the non-cash impact of warrants, for the full-year 2019.

#### **First Quarter 2021 Guidance**

The Company will discuss the details of its guidance live during its earnings conference call, which will be available for replay via webcast at [ir.kornit.com](http://ir.kornit.com), as referenced below.

#### **Fourth 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](http://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 13715009.

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 13715009. The telephonic replay will be available beginning at 8:00 p.m. ET on Tuesday, February 16, 2021, until 11:59 p.m. ET on Tuesday, March 2, 2021. 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 impact once again, 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, or SEC, on March 23, 2020, as supplemented from time to time, including in the prospectus supplement filed by the Company with the SEC pursuant to Rule 424(b)(5) under the Securities Act of 1933 on September 17, 2020, on March 23, 2020. Any forward-looking statements in this press release are made as of the date hereof, 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)**

	<b>December 31, 2020 (Unaudited)</b>	<b>December 31, 2019</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 125,777	\$ 40,743
Short-term bank deposit	224,804	95,000
Marketable securities	13,718	32,567
Trade receivables, net	51,566	40,510
Inventory	52,487	37,477
Other accounts receivable and prepaid expenses	9,178	6,985
<b>Total current assets</b>	<b>477,530</b>	<b>253,282</b>
<b>LONG-TERM ASSETS:</b>		
Marketable securities	71,636	95,393
Deposits and prepaid expenses	395	356
Severance pay fund	337	301
Deferred taxes	5,096	7,781
Property, plant and equipment, net	29,255	17,489
Operating lease right-of-use assets	21,053	22,806
Intangible assets, net	7,221	2,494
Goodwill	16,466	5,564
<b>Total long-term assets</b>	<b>151,459</b>	<b>152,184</b>
<b>Total assets</b>	<b>\$ 628,989</b>	<b>\$ 405,466</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Trade payables	\$ 32,016	\$ 23,449
Employees and payroll accruals	15,022	9,165
Deferred revenues and advances from customers	27,019	2,688
Operating lease liabilities	3,957	3,902
Other payables and accrued expenses	11,613	6,373
<b>Total current liabilities</b>	<b>89,627</b>	<b>45,577</b>
<b>LONG-TERM LIABILITIES:</b>		
Accrued severance pay	1,214	1,035
Operating lease liabilities	18,688	19,231
Other long-term liabilities	443	1,320
<b>Total long-term liabilities</b>	<b>20,345</b>	<b>21,586</b>
<b>SHAREHOLDERS' EQUITY</b>		
	519,017	338,303
<b>Total liabilities and shareholders' equity</b>	<b>\$ 628,989</b>	<b>\$ 405,466</b>

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

	Year Ended December 31,		Three Months Ended December 31,	
	2020	2019	2020	2019
	(Unaudited)		(Unaudited)	
Revenues				
Products	\$ 164,918	\$ 156,594	\$ 61,382	\$ 42,247
Services	28,413	23,272	10,909	6,403
Total revenues	<u>193,331</u>	<u>179,866</u>	<u>72,291</u>	<u>48,650</u>
Cost of revenues				
Products	75,040	71,057	24,923	17,746
Services	30,490	26,733	10,424	6,870
Total cost of revenues	<u>105,530</u>	<u>97,790</u>	<u>35,347</u>	<u>24,616</u>
Gross profit	<u>87,801</u>	<u>82,076</u>	<u>36,944</u>	<u>24,034</u>
Operating expenses:				
Research and development	31,464	22,407	9,251	6,021
Selling and marketing	36,405	33,573	11,030	9,251
General and administrative	26,661	18,498	7,704	5,454
Total operating expenses	<u>94,530</u>	<u>74,478</u>	<u>27,985</u>	<u>20,726</u>
Operating income (loss)	(6,729)	7,598	8,959	3,308
Financial income (expenses), net	3,498	3,313	(929)	2,186
Income (loss) before taxes on income	<u>(3,231)</u>	<u>10,911</u>	<u>8,030</u>	<u>5,494</u>
Taxes on income (Tax benefit)	1,552	744	2,129	738
Net income (loss)	<u>(4,783)</u>	<u>10,167</u>	<u>5,901</u>	<u>4,756</u>
<b>Basic earnings (losses) per share</b>	<u>\$ (0.11)</u>	<u>\$ 0.27</u>	<u>\$ 0.13</u>	<u>\$ 0.12</u>
Weighted average number of shares used in computing basic earnings (losses) per share	<u>42,286,275</u>	<u>38,079,394</u>	<u>45,941,153</u>	<u>40,655,404</u>
<b>Diluted earnings (losses) per share</b>	<u>\$ (0.11)</u>	<u>\$ 0.26</u>	<u>\$ 0.12</u>	<u>\$ 0.11</u>
Weighted average number of shares used in computing diluted earnings (losses) per share	<u>42,286,275</u>	<u>39,294,115</u>	<u>47,226,835</u>	<u>42,210,359</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)

	Year Ended December 31,		Three Months Ended December 31,	
	2020	2019	2020	2019
	(Unaudited)		(Unaudited)	
GAAP cost of revenues	\$ 105,530	\$ 97,790	\$ 35,347	\$ 24,616
Cost of product recorded for share-based compensation (1)	(1,056)	(632)	(284)	(213)
Cost of service recorded for share-based compensation (1)	(771)	(520)	(203)	(146)
Intangible assets amortization on cost of product (3)	(100)	(100)	(25)	(25)
Excess cost of product on acquired inventory (a)	-	(2,790)	-	-
Acquisition related expenses (2)	-	(28)	-	-
COVID-19 one time impact (4)	(520)	-	-	-
Non-GAAP cost of revenues	<u>\$ 103,083</u>	<u>\$ 93,720</u>	<u>\$ 34,835</u>	<u>\$ 24,232</u>
GAAP gross profit	\$ 87,801	\$ 82,076	\$ 36,944	\$ 24,034
Gross profit adjustments	2,447	4,070	512	384
Non-GAAP gross profit	<u>\$ 90,248</u>	<u>\$ 86,146</u>	<u>\$ 37,456</u>	<u>\$ 24,418</u>
GAAP operating expenses	\$ 94,530	\$ 74,478	\$ 27,985	\$ 20,726
Share-based compensation (1)	(8,209)	(5,462)	(2,239)	(1,671)
Acquisition related expenses (2)	(648)	(291)	-	(234)
Intangible assets amortization (3)	(712)	(757)	(90)	(225)
COVID-19 one time impact (4)	69	-	-	-
Non-GAAP operating expenses	<u>\$ 85,030</u>	<u>\$ 67,968</u>	<u>\$ 25,656</u>	<u>\$ 18,596</u>
GAAP Financial income (loss)	\$ 3,498	\$ 3,313	\$ (929)	\$ 2,186
Foreign exchange losses associated with ASC 842	1,320	250	1,292	(530)
Non-GAAP Financial income	<u>\$ 4,818</u>	<u>\$ 3,563</u>	<u>\$ 363</u>	<u>\$ 1,656</u>
GAAP Taxes on income (Tax benefit)	\$ 1,552	\$ 744	\$ 2,129	\$ 738
Tax effect on to the above non-GAAP adjustments	706	1,021	360	88
Taxes on income (Tax benefit) (b)	(1,259)	388	(1,869)	(419)
Non-GAAP Taxes on income (Tax benefit)	<u>\$ 999</u>	<u>\$ 2,153</u>	<u>\$ 620</u>	<u>\$ 407</u>
GAAP net income (loss)	\$ (4,783)	\$ 10,167	\$ 5,901	\$ 4,756
Share-based compensation (1)	10,036	6,614	2,726	2,030
Acquisition related expenses (2)	648	319	-	234
Intangible assets amortization (3)	812	857	115	250
COVID-19 one time impact (4)	451	-	-	-
Excess cost of product on acquired inventory (a)	-	2,790	-	-
Foreign exchange losses associated with ASC 842	1,320	250	1,292	(530)
Tax effect on to the above non-GAAP adjustments	(706)	(1,021)	(360)	(88)
Deferred taxes on income (Tax benefit) (b)	1,259	(388)	1,869	419
Non-GAAP net income (loss)	<u>\$ 9,037</u>	<u>\$ 19,588</u>	<u>\$ 11,543</u>	<u>\$ 7,071</u>
GAAP diluted earnings (losses) per share	<u>\$ (0.11)</u>	<u>\$ 0.26</u>	<u>\$ 0.12</u>	<u>\$ 0.11</u>
Non-GAAP diluted earnings (losses) per share	<u>\$ 0.21</u>	<u>\$ 0.49</u>	<u>\$ 0.24</u>	<u>\$ 0.17</u>
Weighted average number of shares				
Shares used in computing GAAP diluted net earnings (losses) per share	<u>42,286,275</u>	<u>39,294,115</u>	<u>47,226,835</u>	<u>42,210,359</u>
Shares used in computing Non-GAAP diluted net earnings (losses) per share	<u>43,712,110</u>	<u>39,751,470</u>	<u>47,556,867</u>	<u>42,710,001</u>
(1) Share-based compensation				
Cost of product revenues	1,056	632	284	213
Cost of service revenues	771	520	203	146
Research and development	1,712	1,294	469	360
Selling and marketing	2,893	1,689	743	557
General and administrative	3,604	2,479	1,027	754
	<u>10,036</u>	<u>6,614</u>	<u>2,726</u>	<u>2,030</u>
(2) Acquisition related expenses				
Cost of product revenues	-	28	-	-
Selling and marketing	-	14	-	-
General and administrative	648	277	-	234
	<u>648</u>	<u>319</u>	<u>-</u>	<u>234</u>
(3) Intangible assets amortization				
Cost of product revenues	100	100	25	25
Research and development	350	-	35	-

Selling and marketing	362	757	55	225
	<u>812</u>	<u>857</u>	<u>115</u>	<u>250</u>
(4) COVID-19 one time impact				
Cost of product revenues	527	-	-	-
Cost of service revenues	(7)	-	-	-
Research and development	(57)	-	-	-
Selling and marketing	(1)	-	-	-
General and administrative	(11)	-	-	-
	<u>451</u>	<u>-</u>	<u>-</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)

	Year Ended December 31,		Three Months Ended December 31,	
	2020	2019	2020	2019
	(Unaudited)		(Unaudited)	
<u>Cash flows from operating activities:</u>				
Net income (loss)	\$ (4,783)	\$ 10,167	\$ 5,901	\$ 4,756
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	4,711	4,441	1,300	1,082
Fair value of warrants deducted from revenues	5,366	5,094	1,802	1,130
Share-based compensation	10,036	6,614	2,726	2,030
Amortization of discount on marketable securities	395	(112)	147	7
Realized gain on sale of marketable securities	(503)	(271)	-	-
Decrease (increase) in trade receivables	(9,529)	(18,617)	(1,596)	4,727
Increase in other receivables and prepaid expenses	(2,333)	(1,204)	(718)	(1,609)
Increase in inventory	(15,827)	(4,183)	(6,298)	(3,076)
Increase in operating leases right-of-use assets	(56)	(571)	(27)	(623)
Decrease (increase) in deferred taxes, net	2,177	(5)	3,000	627
Decrease in other long term assets	54	386	16	182
Increase in trade payables	6,864	6,032	6,293	5,585
Increase in operating lease liabilities	1,321	898	1,292	118
Increase in employees and payroll accruals	6,366	1,423	2,048	239
Increase (decrease) in deferred revenues and advances from customers	24,286	(921)	16,623	202
Increase in other payables and accrued expenses	4,822	1,708	2,702	54
Increase (decrease) in accrued severance pay, net	143	26	62	(20)
Decrease in other long term liabilities	(877)	(136)	(925)	(13)
Loss from sale and disposal of property and Equipment	139	23	64	22
Foreign currency translation income (loss) on inter company balances with foreign subsidiaries	(362)	212	(68)	(472)
<b>Net cash provided by operating activities</b>	<b>32,410</b>	<b>11,004</b>	<b>34,344</b>	<b>14,948</b>
<u>Cash flows from investing activities:</u>				
Purchase of property and equipment	(13,489)	(5,416)	(2,731)	(1,351)
Acquisition of intangible assets and capitalization of software development costs	(121)	(1,337)	-	(538)
Proceeds from sale of property and equipment	4	3	-	-
Cash paid in connection with acquisition	(15,535)	(4,715)	(476)	-
Increase in bank deposits	(129,804)	(90,000)	(172,996)	(1,000)
Proceeds from sale of marketable securities	58,532	34,497	-	3,052
Proceeds from maturity of marketable securities	21,706	3,000	1,700	1,500
Purchase of marketable securities	(35,923)	(115,529)	(17,381)	(70,930)
<b>Net cash used in investing activities</b>	<b>(114,630)</b>	<b>(179,497)</b>	<b>(191,884)</b>	<b>(69,267)</b>
<u>Cash flows from financing activities:</u>				
Proceeds from secondary offering, net	162,720	129,710	-	-
Payment of deferred issuance cost	(739)	-	(739)	-
Exercise of employee stock options	5,660	5,901	718	501
Payments related to shares withheld for taxes	(596)	(177)	(514)	(177)
Payment of contingent consideration	-	(303)	-	-
<b>Net cash provided by (used in) financing activities</b>	<b>167,045</b>	<b>135,131</b>	<b>(535)</b>	<b>324</b>
Foreign currency translation adjustments on cash and cash equivalents	209	(27)	172	68
Increase (decrease) in cash and cash equivalents	85,034	(33,389)	(157,903)	(53,927)
Cash and cash equivalents at the beginning of the period	40,743	74,132	283,680	94,670
Cash and cash equivalents at the end of the period	125,777	40,743	125,777	40,743
<u>Non-cash investing and financing activities:</u>				
Purchase of property and equipment on credit	1,904	920	1,904	920
Inventory transferred to be used as property and equipment	990	-	167	-
Property and equipment transferred to be used as inventory	115	-	64	-
Issuance expenses on credit	-	-	-	-
Acquisition costs on credit	-	-	-	-
Lease liabilities arising from obtaining right-of-use assets	2,929	9,640	160	8,307
Capitalization of software development costs	-	112	-	112



Kornit  
Digital  
bonding  
matters

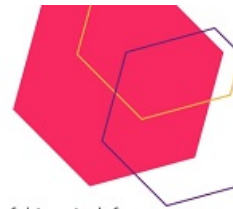
# KORNIT DIGITAL

(NASDAQ: KRNT)

Q4 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, or SEC, 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 and may negatively impact once again, 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. 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 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.

Kornit, Kornit Digital, the K logo, and NeoPigment are trademarks of Kornit Digital Ltd. All other trademarks are the property of their respective owners and are used for reference purposes only. Such use should not be construed as an endorsement of our products or services.



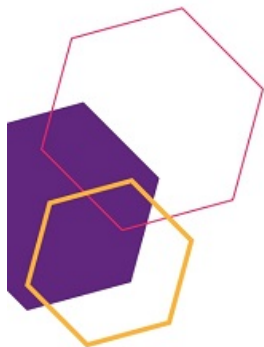




# OUR VISION

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

# ON TODAY'S CALL



4 ©2021 Kornit Digital. All rights reserved.



**Ronen Samuel**  
CEO

**Alon Rozner**  
CFO

**Amir Shaked Mandel**  
EVP Corp Dev



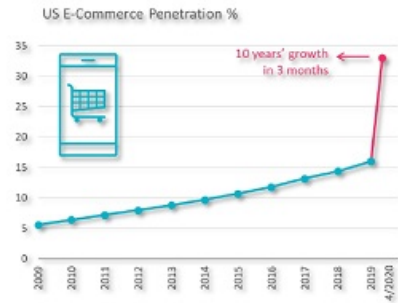
Kornit  
Digital  
bonding  
matters

# BUSINESS HIGHLIGHTS

RONEN SAMUEL  
CEO

# EXCEEDED EXPECTATION FOR FOURTH QUARTER

- Outstanding Fourth Quarter significantly exceeding guidance for top line and profitability
- Transformative year in Kornit's history
  - Inflection point in the textile industry
- More confident than ever in ability to achieve management goal of becoming a \$500 million revenue run rate business at the end of 2023, ahead of plan
- Total revenue of \$72.3 million, net of \$1.8 million in warrants related to a global strategic account
  - Year-over-year growth of approximately 49%
  - Record of \$34.3 cash flow from operations





# ACTIVITY AND BUSINESS MOMENTUM

- E-comm and online marketplaces continue to boom across verticals
  - Key and regional accounts adding multiple Atlases, Vulcans and AVHDs
- Healthy mix of new vs. existing accounts
- Presto is a game-changer, engagement with manufacturers for top fashion brands continues to grow
- Americas sets new record highs, good quarter in EMEA, expecting strong APAC recovery in 2021



# ACTIVITY AND BUSINESS MOMENTUM

- Enabled customers to have an incredibly successful peak season
- Staggering year-over-year growth of recurring consumables business
- Services outperform on growth and profitability
  - Proud with execution of customer success teams
- New business line leveraging strategic foundation of Custom Gateway:
  - Experiencing huge interest from brands and fulfillers
  - Robust pipeline across regions
  - Huge opportunity to build incremental recurring business model



**CUSTOM GATEWAY**  
Enabling On Demand



# STARTING 2021 STRONGER THAN EVER

- Accelerating industry tailwinds
- Impressive backlog and robust pipeline
- Significant strategic initiatives in 2021:
  - Launch of powerful new products
  - Launch breakthrough automation technology
  - Introduction of **ground-breaking 3D textile application** bringing unique embroidery, high density printing, and vinyl heat transfer effects – significantly expanding our addressable market
  - Scale new software workflow business line
  - Execute on backlog of massive global expansions
  - Engage in exciting projects with leading brands
  - Expand footprint, penetrate new markets



Home > Topics > Sustainability

FEBRUARY 12, 2021 11:09AM ET

# Kornit Fashion Week Tel Aviv Puts Sustainable Design in the Spotlight

By Arthur Friedman



# BREAKING LIMITS

# 2021

BREAKING NEWS

## Kornit Digital Presents Kornit Fashion Week Tel Aviv 2021

The opening gala will be hosted by supermodel Bar Rafaeli and Tel Aviv Fashion Week founder Motty Reif.



Tel Aviv Fashion Week founder Motty Reif



Kornit Digital bonding matters

# Fashion Week Tel Aviv





DISCOVER  
BUSINESS  
UNUSUAL

STAY TUNED



Kornit  
Digital  
bonding  
matters

# STARTING 2021 STRONGER THAN EVER



More confident than ever in our ability to execute on the massive opportunity ahead of us



Kornit's initiatives will further disrupt the industry fueling growth and profitability well beyond 2021



# WELCOME



# Alon Rozner



Kornit  
Digital  
bonding  
matters

# FINANCIALS HIGHLIGHTS

ALON ROZNER  
CFO

# Q4 2020 FINANCIAL RESULTS

	GAAP			Non-GAAP		
	Q4 2020	Q4 2019	YoY Change	Q4 2020	Q4 2019	YoY Change
Total Revenue	\$72.3	\$48.7	\$23.6	\$72.3	\$48.7	\$23.6
Gross Profit	\$36.9	\$24.0	\$12.9	\$37.5	\$24.4	\$13.1
Operating Income	\$9.0	\$3.3	\$5.7	\$11.8	\$5.8	\$6.0
Net Income	\$5.9	\$4.8	\$1.1	\$11.5	\$7.1	\$4.4
Diluted EPS	\$0.12	\$0.11	\$0.01	\$0.24	\$0.17	\$0.07
Diluted Shares (M)	47.2	42.2	5.0	47.6	42.7	4.9

\$ in millions except per share and share amounts

# QUARTERLY WARRANTS IMPACT

	Q4 2020			Q3 2020			Q4 2019		
	Net of Warrants Impact	Warrants Impact K\$/BPS/EPS		Net of Warrants Impact	Warrants Impact K\$/BPS/EPS		Net of Warrants Impact	Warrants Impact K\$/BPS/EPS	
Revenues	\$72,291	\$1,801	\$74,092	\$57,392	\$2,158	\$59,550	\$48,650	\$1,131	\$49,781
Gross Profit	\$37,456		\$39,257	\$27,619		\$29,777	\$24,418		\$25,549
Gross Margin	51.8%	117 BPS	53.0%	48.1%	188 BPS	50.0%	50.2%	113 BPS	51.3%
Operating Profit	\$11,800		\$13,601	\$6,460		\$8,618	\$5,822		\$6,953
Operating Margin	16.3%	203 BPS	18.4%	11.3%	322 BPS	14.5%	12.0%	200 BPS	14.0%
Net Profit	\$11,543		\$13,344	\$7,729		\$9,887	\$7,071		\$8,202
Net Margin	16.0%	204 BPS	18.0%	13.5%	314 BPS	16.6%	14.5%	194 BPS	16.5%
Diluted EPS	\$0.24	\$0.04	\$0.28	\$0.18	\$0.05	\$0.23	\$0.17	\$0.02	\$0.19

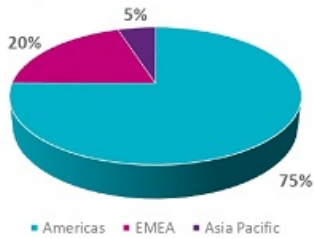
\$ in thousands except per share amounts

# QUARTERLY REVENUES

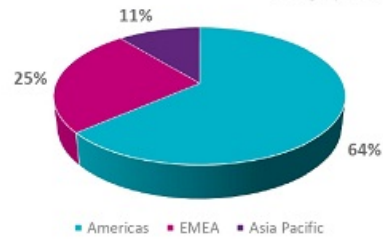
- Revenues of \$72.3 million vs. \$48.7 million in prior year, an increase of 48.6% YoY and an increase of 26.0% QoQ
- Service revenues of \$10.9 million accounting for 15.1% of revenues compared to \$6.4 in prior year
- 10 largest accounts represented 62.1% of revenues compared to 41.6% in prior year

## Geographic Revenue Split

Q4 2020  
Geographic Segments %

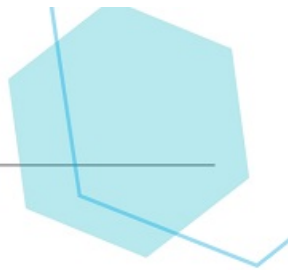


Q4 2019  
Geographic Segments %





# QUARTERLY GROSS MARGIN AND OPEX



- Non-GAAP gross margin of 51.8% increased from 50.2% in Q4 2019
- Non-GAAP operating expenses of \$25.7 million increased 38.0% year over year

	Q4 2020	Q4 2019
Research & Development	12.1%	11.6%
Sales & Marketing	14.2%	17.4%
General & Administrative	9.2%	9.2%
Total Operating Expenses	35.5%	38.2%

# QUARTERLY P&L KPI

	Q4 2020	Q4 2019
Non-GAAP Operating Income (Loss)	\$11.8	\$7.0
Non-GAAP Net Income (Loss)	\$11.5	\$8.2
Non-GAAP Diluted EPS	\$0.24	\$0.19
GAAP Net Income (Loss)	\$5.9	\$4.8
GAAP Diluted EPS	\$0.12	\$0.11
Adjusted EBITDA	\$14.8	\$7.8

\$ in millions except per share amounts

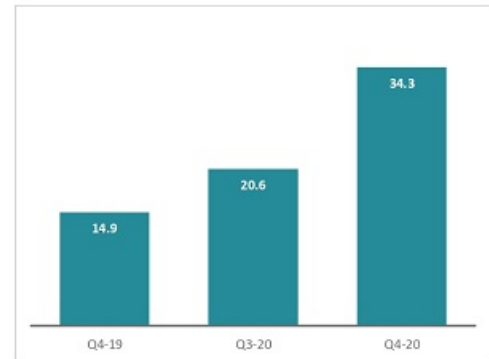
# QUARTERLY BALANCE SHEET AND CASH FLOW

## Balance Sheet

	Q4 2020	Q3 2020	Q4 2019
Cash & Cash Equivalents	\$435.9	\$405.3	\$263.7
Accounts Receivable	\$51.6	\$49.7	\$40.5
Inventory	\$52.5	\$46.3	\$37.5
Trade Payable	\$32.0	\$24.8	\$23.4
Net Working Capital	\$387.9	\$388.7	\$207.7

\$ in millions

## Cash from Operating Activities



\$ in millions

# ANNUAL WARRANTS IMPACT

	Y2020			Y2019		
	Net of Warrants Impact	Warrants Impact K\$/BPS/EPS		Net of Warrants Impact	Warrants Impact K\$/BPS/EPS	
Revenues	\$193,331	\$5,366	\$198,697	\$179,866	\$5,094	\$184,960
Gross Profit	\$90,248		\$95,614	\$86,146		\$91,240
Gross Margin	46.7%	144 BPS	48.1%	47.9%	144 BPS	49.3%
Operating Profit	\$5,218		\$10,584	\$18,178		\$23,272
Operating Margin	2.7%	263 BPS	5.3%	10.1%	248 BPS	12.6%
Net Profit	\$9,037		\$14,403	\$19,588		\$24,682
Net Margin	4.7%	257 BPS	7.2%	10.9%	245 BPS	13.3%
Diluted EPS	\$0.21	\$0.12	\$0.33	\$0.49	\$0.13	\$0.62

\$ in thousands except per share amounts

# 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

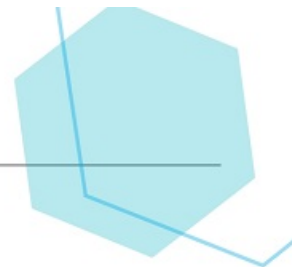
# AMAZON WARRANTS AGREEMENT

---

- 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 December 31, 2020, 659,736 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 \$1.8 million during the fourth quarter of 2020 and \$1.1 million during the fourth quarter of 2019 (\$5.4 million during the year ended December 31, 2020)

# Q1 2021 GUIDANCE\*

---



- Revenue is expected to be between **\$61.0** million to **\$65.0** million
- Non-GAAP operating income is expected to be between **8%** to **10%** of revenue

*\*we assume zero impact of warrants 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

