
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 2022**

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 Year-End of 2021

On February 15, 2022, Kornit Digital Ltd. (“**Kornit**”) issued a press release entitled “Kornit Digital Reports Record Fourth Quarter and Full-Year 2021 Results”, in which Kornit reported its results of operations for the fourth quarter and full year ended December 31, 2021. A copy of that press release is furnished as Exhibit 99.1 hereto.

In conjunction with the conference call being held on February 15, 2022 to discuss Kornit’s quarterly results for the fourth quarter and full year ended December 31, 2021, 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, 333-237346 and 333-254749).

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 15, 2022

KORNIT DIGITAL LTD.

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

Exhibit Index

Exhibit No.	Description
99.1	Press release, dated February 15, 2022, titled "Kornit Digital Reports Record Fourth Quarter and Full-Year 2021 Results"
99.2	Slide presentation for conference call of Kornit held on February 15, 2022 discussing quarterly and annual financial results for the fourth quarter and year-end of 2021

Investor Contact:

Andrew G. Backman
 Global Head of Investor Relations
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Kornit Digital Reports Record Fourth Quarter and Full-Year 2021 Results

- Record fourth quarter revenue of \$87.5 million, net of non-cash warrants impact of \$7.9 million; Full-Year 2021 revenue up 67% year-over-year to \$322.0 million, net of non-cash warrants impact of \$25.4 million
- Fourth quarter GAAP net income of \$1.0 million; Full-Year 2021 GAAP net income of \$15.5 million
- Fourth quarter Non-GAAP net income of \$6.4million, net of non-cash warrants impact of \$7.9 million; Full-Year 2021 Non-GAAP net income of \$36.1million, net of non-cash warrants impact of \$25.4 million
- Fourth quarter cash from operations of \$9.3 million; Full-Year 2021 cash from operations of \$52.5 million
- Record quarter for consumables and services, driven by a strong peak season
- Strong system sales in fourth quarter with ATLAS MAX exceeding expectations
- Entering 2022 with very strong backlog and visibility
- Major new product introductions starting in first quarter 2022

Rosh-Ha'Ayin, Israel – February 15, 2022 – Kornit Digital Ltd. (NASDAQ: KRNT), a worldwide market leader in sustainable, on-demand, digital fashion^x and textile production technologies, reported today results for the fourth quarter and full year ended December 31, 2021.

“2021 was a pivotal year for Kornit,” said Ronen Samuel, Kornit Digital’s Chief Executive Officer. “What we accomplished this past quarter, and over the entire year, reflects outstanding execution on the huge market opportunity we are pursuing and the strength of our unique business model. The mega trends that have been fueling our business are intensifying, traditional textile supply chains are completely broken at this point, and the need for digital on-demand, sustainable production continues accelerating.”

Mr. Samuel added, “We enter 2022 for what will be one of the busiest and most exciting years in the history of Kornit; a year with strong growth and a remarkable pipeline of ground-breaking new product introductions, starting already in the first quarter. We have never been in a better position as a company and we are extremely confident in our ability to meet our \$1B revenue goal by 2026, if not before.”

The following table compares the adverse, non-cash impact that the Company’s outstanding warrants had on the Company’s results of operations during the fourth quarters of 2021 and 2020, respectively:

Fourth Quarter Warrants Impact

	Three Months Ended			
	December 31,			
	2021		2020	
	Net of Warrants Impact	Warrants Impact	Net of Warrants Impact	Warrants Impact
Revenue	\$ 87.5M	\$ 7.9M	\$ 72.3M	\$ 1.8M
Non-GAAP Gross Margin	49.6%	4.2%	51.8%	1.2%
Non-GAAP Operating Margin	5.8%	7.7%	16.3%	2.1%
Non-GAAP Net Margin	7.3%	7.6%	16.0%	2.0%
Non-GAAP Diluted Earnings Per Share	\$ 0.13	\$ 0.16	\$ 0.24	\$ 0.04

The following table compares the adverse, non-cash impact that the Company's outstanding warrants had on the Company's results of operations during the full-years 2021 and 2020, respectively:

Full-Year Warrants Impact

	Year Ended December 31,			
	2021		2020	
	Net of Warrants Impact	Warrants Impact	Net of Warrants Impact	Warrants Impact
Revenue	\$ 322.0M	\$ 25.4M	\$ 193.3M	\$ 5.4M
Non-GAAP Gross Margin	48.2%	3.8%	46.7%	1.4%
Non-GAAP Operating Margin	9.4%	6.6%	2.7%	2.6%
Non-GAAP Net Margin	11.2%	6.5%	4.7%	2.5%
Non-GAAP Diluted Earnings Per Share	\$ 0.74	\$ 0.51	\$ 0.21	\$ 0.12

"We ended 2021 with an outstanding fourth quarter and entered 2022 with a strong backlog and pipeline," said Alon Rozner, Kornit Digital's Chief Financial Officer. "We generated record cash flow from operations in 2021, successfully navigated global supply chain pressures, and delivered on our commitments to our customers. We continue to invest in the business to capitalize on the enormous opportunities we see and to accelerate growth. Our good visibility into the business, combined with our experienced team, gives us the confidence that we can deliver on our commitments for the balance of 2022 and into 2023."

Fourth Quarter 2021 Results of Operations

- Total revenue for the fourth quarter of 2021 was \$87.5 million, net of \$7.9 million attributed to the non-cash impact of warrants, compared to \$72.3 million, net of \$1.8 million attributed to the non-cash impact of warrants in the prior year period.
- GAAP net income for the fourth quarter of 2021 was \$1.0 million, or \$0.02 per diluted share, compared to \$5.9 million, or \$0.12 per share, for the fourth quarter of 2020.
- Non-GAAP net income for the fourth quarter of 2021 was \$6.4 million, or \$0.13 per diluted share, net of \$0.16 per diluted share attributed to the non-cash impact of warrants, compared to non-GAAP net profit of \$11.5 million, or \$0.24 per diluted share, net of \$0.04 per diluted share attributed to the non-cash impact of warrants, for the fourth quarter of 2020.

Full-Year 2021 Results of Operations

- Total revenue for the full-year 2021 revenue was \$322.0 million, net of \$25.4 million attributed to the non-cash impact of warrants, compared to \$193.3 million, net of \$5.4 million attributed to the non-cash impact of warrants in the prior year period.
- GAAP net income for the full-year 2021 was \$15.5 million, or \$0.32 per diluted share, compared to net loss of \$4.8 million, or \$0.11 per basic share, for the full-year 2020.
- Non-GAAP net income for the full-year 2021 was \$36.1 million, or \$0.74 per diluted share, net of \$0.51 per diluted share attributed to the non-cash impact of warrants, compared to \$9.0 million, or \$0.21 per diluted share, net of \$0.12 per diluted share attributed to the non-cash impact of warrants, for the full-year 2020.

First Quarter 2022 Guidance

For the first quarter of 2022, the Company expects revenue to be in the range of \$87 million to \$91 million, and non-GAAP operating income to be in the range of 7% to 9% of revenue, and EBITDA Margins to be in the range of 9% to 11%. Consistent with past practice, this guidance excludes the impact of the fair value of issued warrants in the quarter.

The Company noted it expects higher operating margins in the second, third, and fourth quarters of 2022 versus the first quarter, and operating margins in the second half quarters to be in the mid-teens.

Fourth Quarter and Full-Year 2021 Earnings Conference Call Information

The Company will host a conference call today at 8:30 a.m. ET, or 3:30 p.m. Israel time, to discuss the results, followed by a question-and-answer session with 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 13726556.

To listen to a replay of the conference call, dial toll-free 1-844-512-2921 or +1-412-317-6671 (international) and enter confirmation code 13726556. The telephonic replay will be available beginning at 11:30 a.m. ET on Tuesday, February 15, 2022, until 11:59 p.m. ET on Tuesday, March 1, 2022. 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 Company's degree of success in developing, introducing and selling new or improved products and product enhancements including specifically the Company's Poly Pro and Presto products; the extent of the Company's ability to consummate sales to large accounts with multi-system delivery plans; the degree of the Company's ability to fill orders for Kornit's systems; the extent of the Company's ability to continue to increase sales of Kornit's systems, ink and consumables; the extent of the Company's ability to leverage Kornit's global infrastructure build-out; the development of the market for digital textile printing; the availability of alternative ink; competition; sales concentration; changes to the Company's relationships with suppliers; the extent of the Company's success in marketing; the duration and severity of, and the degree of recovery from, the global COVID-19 pandemic, which could potentially impact once again, in a material adverse manner, the Company's operations, financial position and cash flows, and those of the Company's customers and suppliers; 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, 2020, filed with the U.S. Securities and Exchange Commission, or SEC, on March 25, 2021, and to be described in Item 3.D of the Company's Annual Report on Form 20-F for the year ended December 31, 2021, which is expected to be filed with the SEC in March 2022. 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.

The presentation of non-GAAP financial information is not meant to be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with GAAP. Kornit urges investors to review the reconciliation of non-GAAP financial measures to the comparable GAAP financial measures included below, and not to rely on any single financial measures to evaluate its business. A reconciliation for non-GAAP operating income guidance set forth above is not provided because, as forward-looking statements, such reconciliation is not available without unreasonable effort due to the high variability, complexity, and difficulty of estimating certain items such as charges to share-based compensation expense and currency fluctuations which could have an impact on its consolidated results. Kornit believes the information provided is useful to investors because it can be considered in the context of Kornit's historical disclosures of this measure.

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, foreign exchange differences associated with ASC 842, amortization of acquired intangible assets, and the related tax effect of the foregoing. The purpose of such adjustments is to provide an indication of the Company's performance exclusive of non-cash charges and other items that are considered by management to be outside of the Company's 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 the Company's business and make operating decisions, and the Company believes that they are useful to investors as a consistent and comparable measure of the ongoing performance of the Company's business. However, the Company's 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 the Company's 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 (NASDAQ: KRNT) is a worldwide market leader in sustainable, on-demand, digital fashionx and textile production technologies. The company is writing the operating system for fashion with end-to-end solutions including digital printing systems, inks, consumables, and an entire global ecosystem that manages workflows and fulfillment. Headquartered in Israel with offices in the USA, Europe, and Asia Pacific, Kornit Digital serves customers in more than 100 countries and states worldwide. To learn more about how Kornit Digital is boldly transforming the world of fashion and textiles, visit www.kornit.com.

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

	December 31, 2021 (Unaudited)	December 31, 2020
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 611,551	\$ 125,777
Short-term bank deposit	9,168	224,804
Marketable securities	28,116	13,718
Trade receivables, net	49,797	51,566
Inventory	63,017	52,487
Other accounts receivable and prepaid expenses	14,863	9,178
Total current assets	776,512	477,530
LONG-TERM ASSETS:		
Marketable securities	\$ 149,269	\$ 71,636
Deposits and other long-term assets	856	395
Severance pay fund	357	337
Deferred taxes	9,551	5,096
Property, plant and equipment, net	45,046	29,255
Operating lease right-of-use assets	25,155	21,053
Intangible assets, net	10,063	7,221
Goodwill	25,447	16,466
Total long-term assets	265,744	151,459
Total assets	\$ 1,042,256	\$ 628,989
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	\$ 47,617	\$ 32,016
Employees and payroll accruals	22,482	15,022
Deferred revenues and advances from customers	5,401	27,019
Operating lease liabilities	5,058	3,957
Other payables and accrued expenses	17,499	11,613
Total current liabilities	98,057	89,627
LONG-TERM LIABILITIES:		
Accrued severance pay	\$ 1,543	\$ 1,214
Operating lease liabilities	21,900	18,688
Other long-term liabilities	1,203	443
Total long-term liabilities	24,646	20,345
SHAREHOLDERS' EQUITY	919,553	519,017
Total liabilities and shareholders' equity	\$ 1,042,256	\$ 628,989

**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,	
	2021	2020	2021	2020
	<u>(Unaudited)</u>		<u>(Unaudited)</u>	
Revenues				
Products	\$ 282,637	\$ 164,918	\$ 75,955	\$ 61,382
Services	39,369	28,413	11,593	10,909
Total revenues	<u>322,006</u>	<u>193,331</u>	<u>87,548</u>	<u>72,291</u>
Cost of revenues				
Products	132,730	75,040	34,273	24,923
Services	37,365	30,490	10,888	10,424
Total cost of revenues	<u>170,095</u>	<u>105,530</u>	<u>45,161</u>	<u>35,347</u>
Gross profit	<u>151,911</u>	<u>87,801</u>	<u>42,387</u>	<u>36,944</u>
Operating expenses:				
Research and development, net	43,729	31,464	12,993	9,251
Sales and marketing	58,752	36,405	18,036	11,030
General and administrative	36,637	26,661	11,665	7,704
Total operating expenses	<u>139,118</u>	<u>94,530</u>	<u>42,694</u>	<u>27,985</u>
Operating income (loss)	<u>12,793</u>	<u>(6,729)</u>	<u>(307)</u>	<u>8,959</u>
Financial income (expenses), net	2,599	3,498	(36)	(929)
Income (loss) before taxes on income (tax benefit)	<u>15,392</u>	<u>(3,231)</u>	<u>(343)</u>	<u>8,030</u>
Taxes on income (benefit)	(135)	1,552	(1,297)	2,129
Net income (loss)	<u>15,527</u>	<u>(4,783)</u>	<u>954</u>	<u>5,901</u>
Basic net income (loss) per share	<u>\$ 0.33</u>	<u>\$ (0.11)</u>	<u>\$ 0.02</u>	<u>\$ 0.13</u>
Weighted average number of shares used in computing basic net income (loss) per share	<u>47,079,358</u>	<u>42,286,275</u>	<u>47,778,868</u>	<u>45,941,153</u>
Diluted net income (loss) per share	<u>\$ 0.32</u>	<u>\$ (0.11)</u>	<u>\$ 0.02</u>	<u>\$ 0.12</u>
Weighted average number of shares used in computing diluted net income (loss) per share	<u>48,600,095</u>	<u>42,286,275</u>	<u>48,926,240</u>	<u>47,226,835</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,	
	2021	2020	2021	2020
	(Unaudited)		(Unaudited)	
Revenues	\$ 322,006	\$ 193,331	\$ 87,548	\$ 72,291
GAAP cost of revenues	\$ 170,095	\$ 105,530	\$ 45,161	\$ 35,347
Cost of product recorded for share-based compensation (1)	(1,355)	(1,056)	(355)	(284)
Cost of service recorded for share-based compensation (1)	(1,105)	(771)	(355)	(203)
Intangible assets amortization on cost of product (3)	(337)	(100)	(176)	(25)
Intangible assets amortization on cost of service (3)	(640)	-	(160)	-
Coronavirus one time impact (4)	-	(520)	-	-
Non-GAAP cost of revenues	\$ 166,658	\$ 103,083	\$ 44,115	\$ 34,835
GAAP gross profit	\$ 151,911	\$ 87,801	\$ 42,387	\$ 36,944
Gross profit adjustments	3,437	2,447	1,046	512
Non-GAAP gross profit	\$ 155,348	\$ 90,248	\$ 43,433	\$ 37,456
GAAP operating expenses	\$ 139,118	\$ 94,530	\$ 42,694	\$ 27,985
Share-based compensation (1)	(12,673)	(8,209)	(3,454)	(2,239)
Acquisition related expenses (2)	(960)	(648)	(766)	-
Intangible assets amortization (3)	(433)	(712)	(97)	(90)
Coronavirus one time impact (4)	-	69	-	-
Non-GAAP operating expenses	\$ 125,052	\$ 85,030	\$ 38,377	\$ 25,656
GAAP Financial income (expenses), net	\$ 2,599	\$ 3,498	\$ (36)	\$ (929)
Foreign exchange losses associated with ASC 842	336	1,320	638	1,292
Non-GAAP Financial income, net	\$ 2,935	\$ 4,818	\$ 602	\$ 363
GAAP Taxes on income (benefit)	\$ (135)	\$ 1,552	\$ (1,297)	\$ 2,129
Tax effect on to the above non-GAAP adjustments	302	706	2,256	360
Deferred tax benefit based on an Israeli statutory tax rate	(3,035)	(1,259)	(1,675)	(1,869)
Non-GAAP Taxes on income (benefit)	\$ (2,868)	\$ 999	\$ (716)	\$ 620
GAAP net income (loss)	\$ 15,527	\$ (4,783)	\$ 954	\$ 5,901
Share-based compensation (1)	15,133	10,036	4,164	2,726
Acquisition related expenses (2)	960	648	766	-
Intangible assets amortization (3)	1,410	812	433	115
Coronavirus one time impact (4)	-	451	-	-
Foreign exchange losses associated with ASC 842	336	1,320	638	1,292
Tax effect of the above non-GAAP adjustments	(302)	(706)	(2,256)	(360)
Deferred tax benefit at the Israeli statutory tax rate	3,035	1,259	1,675	1,869
Non-GAAP net income	\$ 36,099	\$ 9,037	\$ 6,374	\$ 11,543
GAAP diluted earning (loss) per share	\$ 0.32	\$ (0.11)	\$ 0.02	\$ 0.12
Non-GAAP diluted earning per share	\$ 0.74	\$ 0.21	\$ 0.13	\$ 0.24
Weighted average number of shares				
Shares used in computing GAAP diluted net earning (loss) per share	48,600,095	42,286,275	48,926,240	47,226,835
Shares used in computing Non-GAAP diluted net earning (loss) per share	48,836,435	43,712,110	49,163,475	47,556,867
(1) Share-based compensation				
Cost of product revenues	\$ 1,355	\$ 1,056	\$ 355	\$ 284
Cost of service revenues	1,105	771	355	203
Research and development	2,685	1,712	875	469
Selling and marketing	5,005	2,893	1,354	743
General and administrative	4,983	3,604	1,225	1,027
	15,133	10,036	4,164	2,726
(2) Acquisition related expenses				
General and administrative	\$ 960	\$ 648	\$ 766	\$ -
	960	648	766	-
(3) Intangible assets amortization				
Cost of product revenues	\$ 337	\$ 100	\$ 176	\$ 25
Cost of service revenues	640	-	160	-
Research and development	-	350	-	35
Selling and marketing	433	362	97	55

	1,410	812	433	115
(4) Coronavirus 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)	-	-
	-	451	-	-

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

	Twelve Months Ended		Three Months Ended	
	December 31,		December 31,	
	2021	2020	2021	2020
	<u>(Unaudited)</u>		<u>(Unaudited)</u>	
<u>Cash flows from operating activities:</u>				
Net income (loss)	\$ 15,527	\$ (4,783)	\$ 954	\$ 5,901
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation and amortization	6,967	4,711	2,022	1,300
Fair value of warrants deducted from revenues	25,423	5,366	7,855	1,802
Share-based compensation	15,133	10,036	4,164	2,726
Amortization of premium and accretion of discount on marketable securities, net	1,279	395	2,899	147
Realized gain on sale of marketable securities	(32)	(503)	-	-
<u>Change in operating assets and liabilities:</u>				
Trade receivables, net	1,782	(9,529)	69	(1,596)
Other accounts receivables and prepaid expenses	(5,303)	(2,333)	(3,450)	(718)
Inventory	(13,128)	(15,827)	(9,363)	(6,298)
Operating leases right-of-use assets and liabilities, net	211	1,265	608	1,265
Deferred taxes	(4,280)	2,177	(2,414)	3,000
Deposits and other long term assets	(110)	54	(34)	16
Trade payables	14,034	6,864	16,434	6,293
Employees and payroll accruals	9,698	6,366	820	2,048
Deferred revenues and advances from customers	(21,668)	24,286	(6,318)	16,623
Other payables and accrued expenses	5,862	4,822	(4,617)	2,702
Accrued severance pay, net	309	143	201	62
Other long - term liabilities	760	(877)	(496)	(925)
Loss from sale and disposal of property, plant and Equipment	-	139	-	64
Foreign currency translation loss on inter company balances with foreign subsidiaries	-	(362)	-	(68)
Net cash provided by operating activities	<u>52,464</u>	<u>32,410</u>	<u>9,334</u>	<u>34,344</u>
<u>Cash flows from investing activities:</u>				
Purchase of property, plant and equipment	\$ (15,301)	\$ (13,489)	\$ (5,877)	\$ (2,731)
Investment in equity securities	(351)	-	(351)	-
Acquisition of intangible assets and capitalization of software development costs	(130)	(121)	(130)	-
Proceeds from sale of property, plant and equipment	-	4	-	-
Cash paid in connection with acquisition, net of cash acquired	(14,991)	(15,535)	-	(476)
Investment in (proceeds from) bank deposits	215,636	(129,804)	231,935	(172,996)
Proceeds from sale of marketable securities	1,000	58,532	-	-
Proceeds from maturity of marketable securities	13,526	21,706	4,222	1,700
Investment in marketable securities	(110,458)	(35,923)	(66,148)	(17,381)
Net cash provided by (used in) investing activities	<u>88,931</u>	<u>(114,630)</u>	<u>163,651</u>	<u>(191,884)</u>
<u>Cash flows from financing activities:</u>				
Proceeds from public offering, net of issuance cost	\$ 341,799	\$ 162,720	\$ 341,799	\$ -
Payment of deferred issuance cost	-	(739)	-	(739)
Exercise of employee stock options	4,818	5,660	677	718
Payments related to shares withheld for taxes	(2,238)	(596)	(576)	(514)
Net cash provided by financing activities	<u>344,379</u>	<u>167,045</u>	<u>341,900</u>	<u>(535)</u>
Foreign currency translation adjustments on cash and cash equivalents	\$ -	\$ 209	\$ -	\$ 172
Increase (decrease) in cash and cash equivalents	485,774	85,034	514,885	(157,903)
Cash and cash equivalents at the beginning of the period	125,777	40,743	96,668	283,680
Cash and cash equivalents at the end of the period	<u>611,551</u>	<u>125,777</u>	<u>611,552</u>	<u>125,777</u>
<u>Non-cash investing and financing activities:</u>				
Purchase of property and equipment on credit	2,461	1,904	2,461	1,904
Inventory transferred to be used as property and equipment	2,621	990	1,690	167
Property, plant and equipment transferred to be used as inventory	4	115	-	64
Acquisition costs on credit	73	-	-	-
Receipt on account of shares	44	2,929	(94)	160
Lease liabilities arising from obtaining right-of-use assets	5,688	-	4,170	-



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KORNIT DIGITAL

(NASDAQ: KRNT)

Fourth Quarter & Full Year 2021

Earnings Conference Call Supporting Slides

February 15, 2022



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 25, 2022, including the Risk Factors set forth therein, and, when it is filed with the SEC (which is anticipated to occur in March 2022), the Company's upcoming annual report on Form 20-F covering the year ended December 31, 2022, 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. 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.

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ON TODAY'S CALL



Ronen Samuel
CEO



Alon Rozner
CFO



Amir Shaked Mandel
EVP Corp Dev



Andrew Backman
Global Head of IR

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BUSINESS HIGHLIGHTS

RONEN SAMUEL
Chief Executive Officer



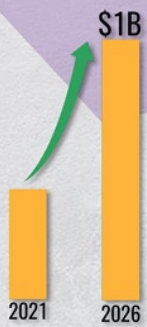
ENDING AN
EXCELLENT YEAR



ENTERING ONE OF
THE BUSIEST,
MOST EXCITING
YEARS IN OUR
HISTORY



PIVOTAL YEAR



VIRTUAL FRONT-END



PRODUCTION FLOOR



- Outstanding execution across the board
- Over 65% year-over-year revenue growth
- Shipped large number of mass production systems, fueling growth of recurring revenues for years to come
- Systems sales grew over 100%
- Recurring consumables and service revenues grew over 30%
- Delivered extraordinary operating margin, while continuing investing in business
- Unveiled 4.0 strategy, laid foundation for future growth of Kornit X
- Strengthened organization with outstanding talent
- Utilized balance sheet for smart inorganic innovations

RECORD Q42021

- Exceeded high-end of top line guidance
- Revenue of \$87.5 million, net of \$7.9 million in warrants related to a global strategic account.
- Exceptional peak season
- Gross margin expansion vs. Q420
- Operating margin in-line with guidance
- Ended quarter with strong backlog and robust pipeline across regions
- EMEA business growing strongly, with remarkable strategic projects
- Encouraging signs in Asia, strongest quarter ever
- One of best quarters ever for net new accounts in Americas
- Tremendous growth activities with global strategic account



STARTING 2022 WITH OUTSTANDING MOMENTUM

- Mega trends intensifying in magnitude
- Digital fashion and apparel outpacing overall e-comm growth
- Brands, designers, creators all looking to monetize digital traffic
- Traditional supply chains completely broken and unreliable
- Transformation to digital on-demand sustainable production accelerating
- Kornit best positioned to deliver on massive needs, as well as connect virtual and physical worlds



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STARTING 2022 WITH OUTSTANDING MOMENTUM

- Strong backlog of orders for ATLAS MAX, upgrades throughout 2022 and into 2023
- Atlas Poly will be a game-changer, unleashing massive untapped demand
- QUEST and Konnect software releases
- Unveiling next generation DTG platform in 2H22, changing industry balance for short-run mass production traditionally untapped by digital
- TESOMA acquisition further empowers end-to-end production process with further automation and quality

VIRTUAL FRONT-END



DIGITIZE PRODUCTION FLOOR

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QualiSet
Smart Autonomous Calibration

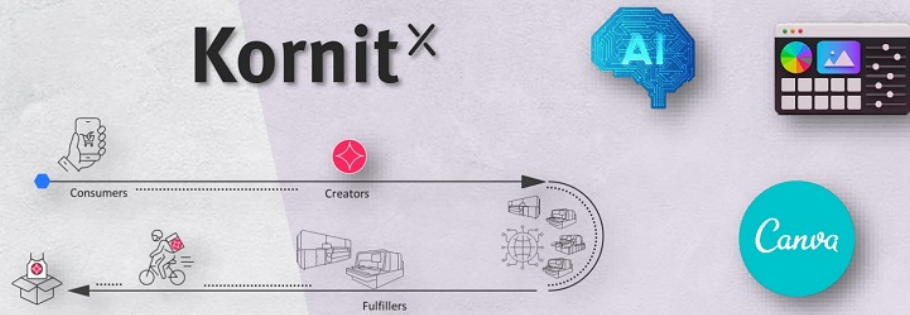
**Kornit
Konnect**



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PLAN TO TAKE KORNIT X TO AN ENTIRELY NEW LEVEL

- Scaling Global Fulfillment Network (GFN)
- Investing in tech layers of the platform
- Enriching our front-end offering
- Striking strategic alliances with mega-demand generators





KFW **TLV** KORNIT FASHION WEEK
TEL AVIV
2022
APRIL

KFW **LDN** KORNIT FASHION WEEK
LONDON
2022
MAY

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



KORNIT HAS NEVER BEEN IN A STRONGER POSITION

- Fundamentals are excellent
- Market opportunity is endless
- Competitive position is unmatched
- Extremely confident in ability to meet \$1B revenue goal by 2026, if not before





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FINANCIAL HIGHLIGHTS

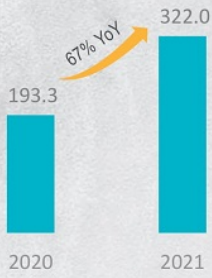
ALON ROZNER
Chief Financial Officer



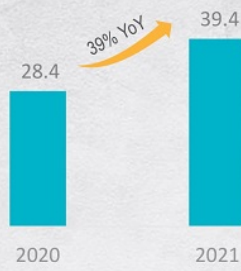
QUARTERLY AND ANNUAL REVENUES

- Q4 revenue of \$87.5 million, net of \$7.9 million non-cash warrant impact vs. \$72.3 million in prior year
 - Strong quarter for systems; record quarter for service and consumables
- Service revenue of \$11.6 million; 13.2% of total revenue
- 10 largest accounts represented 56.0% of revenues compared to 62.1% in prior year quarter
- Record quarter and a record year for both EMEA and APAC, and a record year for the Americas

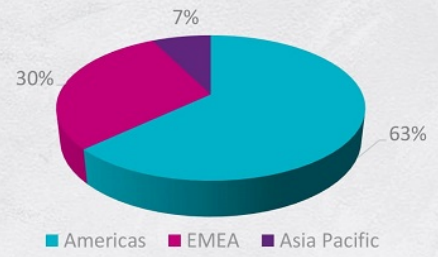
Full Year Revenues (M\$)



Full Year Service Revenues (M\$)

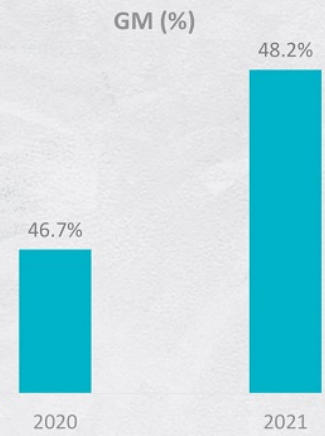


Q4/21 Revenue by Region



GROSS MARGIN

- Q4 Non-GAAP gross margins, net of the impact of the warrants, came in at 49.6%
- We expect Gross Margins to improve longer-term given:
 - Ongoing shift to higher mix of mass production systems
 - Profitability leverage in our growing recurring consumables business
 - Operational efficiencies and margin improvement in services business
 - Acceleration of KornitX and other software-driven initiatives



LOOKING AT THE SUPPLY CHAIN

- Confidence in our ability to deliver on our commitments for the balance of 2022 and into 2023
- Macro pressures have increased cost in certain areas
- Been able to mitigate some of this impact through cost reduction projects and securing raw materials and production slots well in advance

OPEX

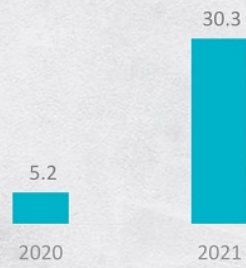
Non GAAP Operating Expenses (% of Revenue)		
	Q4 2021	Q4 2020
Research & Development	13.8%	12.1%
Sales & Marketing	18.9%	14.2%
General & Administrative	11.0%	9.2%
Total Operating Expenses	43.8%	35.5%

- We will continue to invest in the business in 2022, as we see vast opportunities for growth that will lead to long-term acceleration in revenues
- R&D was up due to continued investments in production floor innovations and NPIs
- Sales and Marketing expenses increase was due to the continued expansion of our go-to-market capabilities, gearing up lead-generation and customer facing activities in advance to the exciting NPI's
- General and Administrative expenses increase was due to continued staffing and other investments to support the overall business infrastructure, including investments in IT and data management as we move to our new ERP system

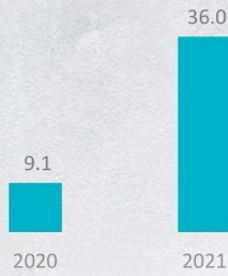
QUARTERLY AND ANNUAL PROFITABILITY

	Q4 2021	Q4 2020
Non-GAAP Operating Income (Loss)	\$5.1	\$11.8
Non-GAAP Net Income (Loss)	\$6.4	\$11.5
Non-GAAP Diluted EPS	\$0.13	\$0.24
GAAP Net Income (Loss)	\$1.0	\$5.9
GAAP Diluted EPS	\$0.02	\$0.12
Adjusted EBITDA	\$14.6	\$14.5

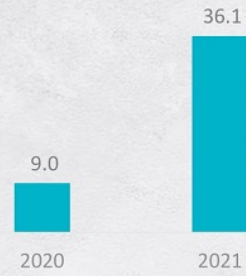
Non-GAAP Operating Profit (M\$)



Non-GAAP EBITDA (M\$)



Non-GAAP Net Income (M\$)



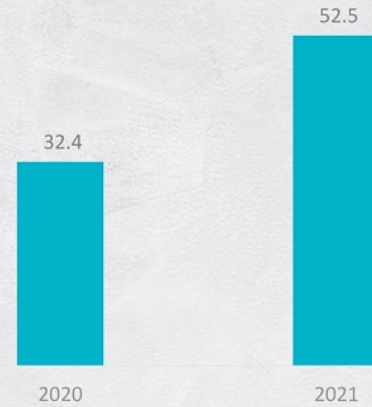
BALANCE SHEET AND CASH FLOW

Balance Sheet

	Q4 2021	Q3 2021	Q4 2020
Cash, Deposits & Marketable Securities	\$798.1	\$457.5	\$435.9
Accounts Receivable	\$49.8	\$49.9	\$51.6
Inventory	\$63.0	\$55.3	\$52.5
Trade Payable	\$47.6	\$30.6	\$32.0
Net Working Capital	\$678.5	\$388.9	\$387.9

\$ in millions

Cash from Operating Activities (\$M)



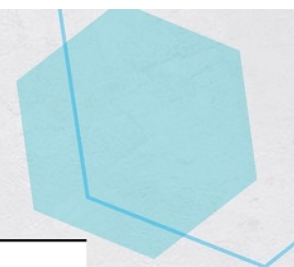
Q1 2022 GUIDANCE

- For the first quarter of 2022, the Company expects revenue to be in the range of \$87 million to \$91 million
- NON-GAAP operating income to be in the range of 7% to 9% of revenue
- EBITDA Margins to be in the range of 9% to 11%
- Expects higher operating margins in the second, third, and fourth quarters of 2022 versus the first quarter, and operating margins in the second half quarters to be in the mid-teens
- Consistent with past practice, this guidance excludes the impact of the fair value of issued warrants in the quarter

Q4 2021 WARRANTS IMPACT

	Three Months Ended			
	December 31,			
	2021		2020	
	Net of Warrants Impact	Warrants Impact	Net of Warrants Impact	Warrants Impact
Revenue	\$87.5M	\$7.9M	\$72.3M	\$1.8M
Non-GAAP Gross Margin	49.6%	4.2%	51.8%	1.2%
Non-GAAP Operating Margin	5.8%	7.7%	16.3%	2.1%
Non-GAAP Net Margin	7.3%	7.6%	16.0%	2.0%
Non-GAAP Diluted Earnings Per Share	\$0.13	\$0.16	\$0.24	\$0.04

ANNUAL WARRANTS IMPACT



	FY 2021		FY 2020	
	Net of Warrants Impact	Warrants Impact	Net of Warrants Impact	Warrants Impact
Revenue	\$322.0M	\$25.4M	\$193.3M	\$5.4M
Non-GAAP Gross Margin	48.2%	3.8%	46.7%	1.4%
Non-GAAP Operating Margin	9.4%	6.6%	2.7%	2.6%
Non-GAAP Net Margin	11.2%	6.5%	4.7%	2.5%
Non-GAAP Diluted Earnings Per Share	\$0.74	\$0.51	\$0.21	\$0.12

THANK YOU
Q&A

OUR VISION

CREATE A **BETTER WORLD**

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

