

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 27, 2022

Impinj, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-37824
(Commission
File Number)

91-2041398
(IRS Employer
Identification No.)

400 Fairview Avenue North, Suite 1200
Seattle, Washington 98109
(Address of principal executive offices, including zip code)

(206) 517-5300
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading symbol(s) | Name of each exchange on which registered |
|---|-------------------|---|
| Common Stock, par value \$0.001 per share | PI | The Nasdaq Global Select Market |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Conditions.

On July 27, 2022, Impinj Inc. ("Impinj" or the "Company") issued a press release announcing its financial results for the second quarter ended June 30, 2022. A copy of the press release, entitled "Impinj Reports Second Quarter 2022 Financial Results" is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein.

The information in this current report on Form 8-K and the exhibit attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

99.1 [Press release dated July 27, 2022.](#)

104 Inline XBRL for the cover page of this Current Report on Form 8-K.

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 hereunto duly authorized.

Impinj, Inc.

By: /s/ Chris Diorio
Chris Diorio
Chief Executive Officer

Date: July 27, 2022

Impinj Reports Second Quarter 2022 Financial Results

SEATTLE, WA, July 27, 2022— Impinj, Inc. (NASDAQ: PI), a leading RAIN RFID provider and Internet of Things pioneer, today released its financial results for the second quarter ended June 30, 2022.

“Our second-quarter results were strong, with revenue and profitability exceeding our guidance,” said Chris Diorio, Impinj co-founder and CEO. “I expect demand to remain strong through second-half 2022, as we continue investing in our team, operations and platform.”

Second Quarter 2022 Financial Summary

- Revenue of \$59.8 million
- GAAP gross margin of 52.7%; non-GAAP gross margin of 54.7%
- GAAP net loss of \$11.5 million, or loss of \$(0.45) per diluted share using 25.4 million shares
- Adjusted EBITDA of \$3.8 million
- Non-GAAP net income of \$3.0 Million, or income of \$0.11 per diluted share using 26.6 million shares

A reconciliation between GAAP and non-GAAP information is contained in the tables below. Additionally, descriptions of these non-GAAP financial measures are provided in the “Non-GAAP Financial Measures” sections below.

Third Quarter 2022 Financial Outlook

Impinj provides guidance based on current market conditions and expectations; actual results may differ materially. Please refer to the comments below regarding forward-looking statements. The following table presents Impinj’s financial outlook for the third quarter 2022 (in millions, except per share data):

| | Three Months Ending September 30, 2022 |
|--|---|
| Revenue | \$63.5 to \$65.5 |
| GAAP Net loss | (\$7.5) to (\$6.0) |
| Adjusted EBITDA income | \$5.1 to \$6.6 |
| GAAP Weighted-average shares – basic and diluted | 25.70 to 25.90 |
| GAAP Net loss per share – basic and diluted | (\$0.29) to (\$0.23) |
| Non-GAAP Net income | \$4.0 to \$5.5 |
| Non-GAAP Weighted-average shares – basic | 25.70 to 25.90 |
| Non-GAAP Weighted-average shares – diluted | 26.70 to 26.90 |
| Non-GAAP Net income per share – basic | \$0.16 to \$0.21 |
| Non-GAAP Net income per share – diluted | \$0.15 to \$0.20 |

A reconciliation between GAAP and non-GAAP is provided in the "Non-GAAP Financial Measures" section below.

Conference Call Information

Impinj will host a conference call today, July 27, 2022 at 5:00 p.m. ET / 2:00 p.m. PT to discuss its second quarter 2022 results, as well as its outlook for its third quarter 2022. Interested parties may access the call by dialing +1-412-317-5196. A live webcast and replay will also be available on the company's website at investor.impinj.com. Following the call, a telephonic replay will be available for five business days and may be accessed by dialing +1-412-317-0088 and entering passcode 9824045.

Management's prepared written remarks, along with quarterly financial data, will be made available on our website at investor.impinj.com along with this release.

Forward-Looking Statements

This release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements regarding the market for RAIN RFID, our strategy, our prospects, the impact of Covid-19, the impact of silicon wafer and reader component availability and supply, and financial considerations for third quarter of 2022 and future periods.

Forward-looking statements are subject to known and unknown risks and uncertainties and are based on potentially inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. Actual results may differ materially from the results predicted and reported results should not be considered as an indication of future performance.

The potential risks and uncertainties that could cause actual results to differ from the results predicted include, among others, those risks and uncertainties included under the caption "Risk Factors" and elsewhere in our annual report on Form 10-K and quarterly reports on Form 10-Q filed with the U.S. Securities and Exchange Commission. All information provided in this release and in the attachments is as of the date hereof, and we undertake no duty to update this information unless required by law.

About Impinj

Impinj (NASDAQ: PI) helps businesses and people analyze, optimize, and innovate by wirelessly connecting billions of everyday *things* — such as apparel, automobile parts, luggage, and shipments — to the Internet. The Impinj platform uses RAIN RFID to deliver timely data about these everyday *things* to business and consumer applications, enabling a boundless Internet of Things. www.impinj.com

Impinj is a registered trademark of Impinj, Inc. All other trademarks are the property of their owners.

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IMPINJ, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except par value, unaudited)

| | June 30, 2022 ⁽¹⁾ | December 31, 2021 ⁽¹⁾ |
|---|------------------------------|----------------------------------|
| Assets: | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 32,580 | \$ 123,903 |
| Short-term investments | 130,719 | 69,443 |
| Accounts receivable, net | 40,128 | 35,449 |
| Inventory | 32,047 | 21,958 |
| Prepaid expenses and other current assets | 3,603 | 5,049 |
| Total current assets | <u>239,077</u> | <u>255,802</u> |
| Long-term investments | 20,440 | 14,225 |
| Property and equipment, net | 28,726 | 27,500 |
| Operating lease right-of-use assets | 10,044 | 11,667 |
| Other non-current assets | 2,240 | 2,462 |
| Goodwill | 3,881 | 3,881 |
| Total assets | <u><u>\$ 304,408</u></u> | <u><u>\$ 315,537</u></u> |
| Liabilities and stockholders' equity: | | |
| Current liabilities: | | |
| Accounts payable | \$ 10,099 | \$ 11,732 |
| Accrued compensation and employee related benefits | 5,928 | 6,365 |
| Accrued and other current liabilities | 2,920 | 2,481 |
| Current portion of operating lease liabilities | 3,635 | 4,143 |
| Restructuring liabilities | 119 | 591 |
| Current portion of long-term debt | — | 9,633 |
| Current portion of deferred revenue | <u>2,632</u> | <u>558</u> |
| Total current liabilities | <u>25,333</u> | <u>35,503</u> |
| Long-term debt, net of current portion | 279,449 | 278,661 |
| Operating lease liabilities, net of current portion | 10,408 | 11,934 |
| Other long-term liabilities | 113 | 279 |
| Deferred revenue, net of current portion | 364 | 236 |
| Total liabilities | <u><u>315,667</u></u> | <u><u>326,613</u></u> |
| Stockholders' equity: | | |
| Common stock, \$0.001 par value | 26 | 25 |
| Additional paid-in capital | 374,409 | 351,422 |
| Accumulated other comprehensive (loss) income | (1,226) | (39) |
| Accumulated deficit | (384,468) | (362,484) |
| Total stockholders' equity | <u>(11,259)</u> | <u>(11,076)</u> |
| Total liabilities and stockholders' equity | <u><u>\$ 304,408</u></u> | <u><u>\$ 315,537</u></u> |

(1) We adopted ASU 2020-06 on January 1, 2021 using modified retrospective transition method and accounted for our convertible notes due 2026, or the 2019 Notes, on a whole-instrument basis. Upon adoption, we no longer had unamortized debt discount related to the equity component of the 2019 Notes. The condensed consolidated financial statements under both periods are presented under ASU 2020-06.

IMPINJ, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data, unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|---------------|------------------------------|---------------|
| | 2022 | 2021 | 2022 | 2021 |
| Revenue | \$ 59,796 | \$ 47,268 | \$ 112,940 | \$ 92,516 |
| Cost of revenue | 28,294 | 22,491 | 52,659 | 45,758 |
| Gross profit | 31,502 | 24,777 | 60,281 | 46,758 |
| Operating expenses: | | | | |
| Research and development | 18,369 | 15,900 | 36,358 | 29,691 |
| Sales and marketing | 9,614 | 8,196 | 18,913 | 15,841 |
| General and administrative | 11,995 | 8,998 | 22,801 | 17,152 |
| Restructuring costs | — | — | — | 1,263 |
| Total operating expenses | 39,978 | 33,094 | 78,072 | 63,947 |
| Loss from operations | (8,476) | (8,317) | (17,791) | (17,189) |
| Other income (expense), net | 429 | (4) | 593 | 19 |
| Induced conversion expense | (2,232) | — | (2,232) | — |
| Interest expense | (1,250) | (525) | (2,511) | (1,050) |
| Loss before income taxes | (11,529) | (8,846) | (21,941) | (18,220) |
| Income tax expense | 6 | (60) | (43) | (102) |
| Net loss | \$ (11,523) | \$ (8,906) | \$ (21,984) | \$ (18,322) |
| Net loss per share — basic and diluted | \$ (0.45) | \$ (0.37) | \$ (0.87) | \$ (0.77) |
| Weighted-average shares — basic and diluted | <u>25,429</u> | <u>24,120</u> | <u>25,204</u> | <u>23,895</u> |

IMPINJ, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands, unaudited)

| | Six Months Ended June 30, | |
|---|------------------------------|-------------------------|
| | 2022 | 2021 |
| Operating activities: | | |
| Net loss | \$ (21,984) | \$ (18,322) |
| Adjustments to reconcile net loss to net cash provided by operating activities: | | |
| Depreciation | 2,973 | 2,076 |
| Stock-based compensation | 22,173 | 18,031 |
| Accretion of discount or amortization of premium on investments | 419 | 468 |
| Amortization of debt issuance costs | 806 | 188 |
| Induced conversion expense related to convertible notes | 2,232 | — |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (4,679) | (973) |
| Inventory | (10,089) | 12,265 |
| Prepaid expenses and other assets | 1,463 | (186) |
| Accounts payable | (2,201) | (3,053) |
| Accrued compensation and employee related benefits | (437) | 422 |
| Accrued and other liabilities | 366 | 364 |
| Operating lease right-of-use assets | 1,623 | 1,458 |
| Operating lease liabilities | (2,034) | (1,834) |
| Restructuring liabilities | (472) | 630 |
| Deferred revenue | 2,202 | (6,553) |
| Net cash provided by (used in) operating activities | <u>(7,639)</u> | <u>4,981</u> |
| Investing activities: | | |
| Purchases of investments | (115,697) | (19,825) |
| Proceeds from maturities of investments | 46,805 | 41,000 |
| Purchases of property and equipment | (3,724) | (7,858) |
| Net cash provided by (used in) investing activities | <u>(72,616)</u> | <u>13,317</u> |
| Financing activities: | | |
| Principal payments on finance lease obligations | — | (2) |
| Proceeds from exercise of stock options and employee stock purchase plan | 6,496 | 9,243 |
| Payment of 2019 Notes | (17,564) | — |
| Net cash provided by (used in) financing activities | <u>(11,068)</u> | <u>9,241</u> |
| Net increase (decrease) in cash and cash equivalents | <u>(91,323)</u> | <u>27,539</u> |
| Cash and cash equivalents | | |
| Beginning of period | 123,903 | 23,636 |
| End of period | <u><u>\$ 32,580</u></u> | <u><u>\$ 51,175</u></u> |

Non-GAAP Financial Measures

To supplement our condensed consolidated financial statements prepared and presented in accordance with U.S. generally accepted accounting principles, or GAAP, our key non-GAAP performance measures include adjusted EBITDA and non-GAAP net income (loss), as defined below. We use adjusted EBITDA and non-GAAP net income (loss) as key measures to understand and evaluate our core operating performance and trends, to prepare and approve our annual budget and to develop short- and long-term operating plans. We believe these measures provide useful information for period-to-period comparisons of our business to allow investors and others to understand and evaluate our operating results in the same manner as our management and board of directors. Our presentation of these non-GAAP financial measures is not meant to be considered in isolation or as a substitute for our financial results prepared in accordance with GAAP, and our non-GAAP measures may be different from similarly termed non-GAAP measures used by other companies.

Adjusted EBITDA

We define adjusted EBITDA as net income (loss) determined in accordance with GAAP, excluding, if applicable for the periods presented, the effects of stock-based compensation; depreciation; investigation costs; restructuring costs; settlement and related costs; other income, net; interest expense; loss on debt extinguishment; induced conversion expense associated with repurchases of our 2019 Notes; and income tax benefit (expense).

Non-GAAP Net Income (Loss)

We define non-GAAP net income (loss) as net income (loss), excluding, if applicable for the periods presented, the effects of stock-based compensation; depreciation; investigation costs; restructuring costs; settlement and related costs; amortization of debt discount related to the equity component of our convertible notes prior to the adoption of ASU 2020-06; induced conversion expense associated with repurchases of our 2019 Notes; and prepayment penalty on debt extinguishment.

On January 1, 2021, we adopted ASU 2020-06 using the modified retrospective transition method, accounting for the 2019 Notes on a whole-instrument basis. Upon adoption, the condensed consolidated financial statements for the three and six months ended June 30, 2022 and June 30, 2021, are presented under the new standard and we no longer recorded amortization of debt discount. In fourth-quarter 2021, we revised our definition of adjusted EBITDA to exclude the expense incurred in connection with the induced conversion expense associated with repurchases of our 2019 Notes.

IMPINJ, INC.
RECONCILIATIONS OF GAAP FINANCIAL MEASURES TO NON-GAAP FINANCIAL MEASURES
(in thousands, except percentages, unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|------------------------|------------------------------|------------------------|
| | 2022 | 2021 | 2022 | 2021 |
| GAAP Gross margin | 52.7 % | 52.4 % | 53.4 % | 50.5 % |
| Adjustments: | | | | |
| Depreciation | 1.5 % | 1.1 % | 1.6 % | 1.1 % |
| Stock-based compensation | 0.5 % | 1.0 % | 0.8 % | 0.8 % |
| Non-GAAP Gross margin | <u><u>54.7 %</u></u> | <u><u>54.5 %</u></u> | <u><u>55.8 %</u></u> | <u><u>52.4 %</u></u> |
| GAAP Net loss | \$ (11,523) | \$ (8,906) | \$ (21,984) | \$ (18,322) |
| Adjustments: | | | | |
| Depreciation | 1,465 | 1,036 | 2,973 | 2,076 |
| Stock-based compensation | 10,859 | 10,582 | 22,173 | 18,031 |
| Other income, net | (429) | 4 | (593) | (19) |
| Interest expense | 1,250 | 525 | 2,511 | 1,050 |
| Income tax expense | (6) | 60 | 43 | 102 |
| Restructuring costs | — | — | — | 1,263 |
| Induced conversion expense | 2,232 | — | 2,232 | — |
| Adjusted EBITDA | <u><u>\$ 3,848</u></u> | <u><u>\$ 3,301</u></u> | <u><u>\$ 7,355</u></u> | <u><u>\$ 4,181</u></u> |
| GAAP Net loss | \$ (11,523) | \$ (8,906) | \$ (21,984) | \$ (18,322) |
| Adjustments: | | | | |
| Depreciation | 1,465 | 1,036 | 2,973 | 2,076 |
| Stock-based compensation | 10,859 | 10,582 | 22,173 | 18,031 |
| Restructuring costs | — | — | — | 1,263 |
| Induced conversion expense | 2,232 | — | 2,232 | — |
| Non-GAAP Net income | <u><u>\$ 3,033</u></u> | <u><u>\$ 2,712</u></u> | <u><u>\$ 5,394</u></u> | <u><u>\$ 3,048</u></u> |
| Non-GAAP Net income per share: | | | | |
| Basic | \$ 0.12 | \$ 0.11 | \$ 0.21 | \$ 0.13 |
| Diluted | <u><u>\$ 0.11</u></u> | <u><u>\$ 0.11</u></u> | <u><u>\$ 0.20</u></u> | <u><u>\$ 0.12</u></u> |
| GAAP and non-GAAP Weighted-average shares — basic | <u><u>25,429</u></u> | <u><u>24,120</u></u> | <u><u>25,204</u></u> | <u><u>23,895</u></u> |
| GAAP Weighted-average shares — diluted | 25,429 | 24,120 | 25,204 | 23,895 |
| Dilutive shares from stock plans | 1,167 | 1,469 | 1,584 | 1,726 |
| Non-GAAP Weighted-average shares — diluted | <u><u>26,596</u></u> | <u><u>25,589</u></u> | <u><u>26,788</u></u> | <u><u>25,621</u></u> |

IMPINJ, INC.
RECONCILIATIONS OF GAAP FINANCIAL OUTLOOK TO NON-GAAP FINANCIAL OUTLOOK
(in thousands, except per share data, unaudited – calculated at the midpoint of the outlook range)

| | Three Months Ending September 30, 2022 |
|--|--|
| GAAP Net loss | \$ (6,750) |
| Adjustments: | |
| Forecasted Depreciation | 1,580 |
| Forecasted Stock-based compensation | 9,830 |
| Forecasted Interest expense | 1,260 |
| Forecasted Other income, net | (150) |
| Forecasted Income tax expense | 30 |
| Adjusted EBITDA | <u><u>\$ 5,800</u></u> |
| GAAP Net loss | \$ (6,750) |
| Adjustments: | |
| Forecasted Depreciation | 1,580 |
| Forecasted Stock-based compensation | 9,830 |
| Non-GAAP Net income | <u><u>\$ 4,660</u></u> |
| GAAP Net loss per share — basic and diluted | \$ (0.26) |
| Non-GAAP Net income per share | |
| Basic | <u><u>\$ 0.18</u></u> |
| Diluted | <u><u>\$ 0.17</u></u> |
| GAAP weighted-average shares — basic and diluted | 25,800 |
| Non-GAAP weighted-average shares — basic | 25,800 |
| Dilutive shares from stock plans | 1,000 |
| Non-GAAP weighted-average shares — diluted | <u><u>26,800</u></u> |