
**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
under the Securities Exchange Act of 1934**

For the month of November 2014.

Commission File Number 001-35751

STRATASYS LTD.

(Translation of registrant's name into English)

c/o Stratasy, Inc.
7665 Commerce Way
Eden Prairie, Minnesota 55344

2 Holtzman Street, Science Park
P.O. Box 2496
Rehovot, Israel 76124

(Address of principal executive offices)

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):

Yes ☐ No ☒

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

On November 5, 2014, Stratasy Ltd. ("we," "us" or the "Company") announced its financial results for the third quarter of 2014. A copy of our press release announcing our results is furnished as Exhibit 99.1 to this Report on Form 6-K ("Form 6-K") and is incorporated herein by reference.

In conjunction with the conference call held on November 5, 2014, to discuss our results, we are also furnishing a copy of the script used for the conference call to provide additional information regarding our business and our financial results (attached to this Form 6-K as Exhibit 99.2 and incorporated herein by reference) and a PowerPoint presentation with additional information (attached to this Form 6-K as Exhibit 99.3 and incorporated herein by reference).

The information in this Form 6-K, including Exhibits 99.1, 99.2 and 99.3, shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

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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.

STRATASYS LTD.

Dated: November 5, 2014

By: /s/ Erez Simha
Name: Erez Simha
Title: Chief Financial Officer and Chief Operating Officer

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EXHIBIT INDEX

The following exhibits are filed as part of this Form 6-K:

Exhibit	Description
99.1	Press release dated November 5, 2014.

99.2 Script for the Company's conference call held on November 5, 2014.

99.3 PowerPoint presentation with additional information.

**PRESS RELEASE**

FOR: STRATASYS LTD.

CONTACT: Shane Glenn, VP Investor Relations
(952) 294-3416
shane.glenn@stratasys.com

STRATASYS REPORTS RECORD THIRD QUARTER FINANCIAL RESULTS

Company reports \$204 million in revenue, which included a strong contribution from Makerbot and a 35% increase in organic revenue over the same period last year

Company reports non-GAAP net income growth of 50% over the same period last year to \$30.1 million, or \$0.58 per diluted share; GAAP net loss was \$31.3 million, or (\$0.62) per basic share

MINNEAPOLIS, MN & REHOVOT, ISRAEL, November 5, 2014 — Stratasys Ltd. (NASDAQ: SSYS) today announced record third quarter financial results.

Total revenue for the third quarter of 2014 was \$204 million, which included a 35% increase organically when compared to the same period last year and a 62% increase when including revenue from acquisitions.

Revenue from MakerBot branded products and services increased by over 80% when compared to the pro forma revenue that MakerBot generated during the third quarter of 2013. MakerBot product and service revenue is calculated as organic revenue beginning on August 15, 2014.

Non-GAAP net income for the third quarter increased by 50% over the same period last year to \$30.1 million, or \$0.58 per diluted share. GAAP net loss for the period was \$31.3 million, or (\$0.62) per basic share.

During the third quarter, Stratasys closed the acquisitions of Solid Concepts and Harvest Technologies, creating a leading additive manufacturing services platform that will support the company's expansion into end-use-parts production, and the introduction of applications within targeted vertical markets.

The company also announced and closed the acquisition of GrabCAD, a leading cloud-based platform for 3D CAD users that provides tools to facilitate 3D design collaboration, and has the potential to improve access to the company's 3D printing products and services.

Additionally, Stratasys established MakerBot Europe by acquiring MakerBot's German distributor, HAFNER'S BÜRO. MakerBot Europe will manage existing resellers as well

as expand the company's reach and develop additional strategic partnerships in the European market.

The company adjusted its financial guidance for fiscal 2014 to account for the recent acquisition of GrabCAD, with the expectation that ongoing development costs, as previously disclosed, are expected to negatively impact the fourth quarter by \$0.03 to \$0.05 per share. Non-GAAP net income guidance was adjusted to \$2.21 — \$2.31 per diluted share; versus previous guidance of \$2.25 — \$2.35 per diluted share.

Q3-2014 Financial Results Summary:

- Revenue for the third quarter of 2014 was \$203.6 million, representing a 62% increase, and 35% on an organic basis, over non-GAAP revenue of \$126.1 million reported for the same period last year.
- GAAP net loss for the third quarter was \$31.3 million, or (\$0.62) per basic share, compared to a net loss of \$6.6 million, or (\$0.16) per basic share, for the same period last year.
- Non-GAAP net income was \$30.1 million for the third quarter, or \$0.58 per diluted share, compared to non-GAAP net income of \$20.0 million, or \$0.45 per diluted share, for the same period last year.
- Third quarter per share calculations relative to last year were impacted by the issuance of approximately 5.2 million new ordinary shares in the September 2013 public offering, which raised a net amount of approximately \$463 million; the approximate 3.9 million new ordinary shares issued in consideration for the acquisition of MakerBot in August of 2013; and the approximately 1.2 million shares issued in consideration for the acquisitions of Solid Concepts and Harvest Technologies in July and August of 2014, respectively.
- Operating expenses expanded materially in the third quarter over last year driven by the addition of expenses from Solid Concepts, Harvest Technologies and MakerBot, as well as from significant incremental investments to support new product initiatives and the company's accelerating growth.
- The company invested a net amount of \$19.2 million in R&D projects (non-GAAP basis) during the third quarter, representing 9.4% of revenue; R&D expense was \$23.4 million on a GAAP basis.
- The company utilized \$10.7 million in cash for operations during the third quarter, driven primarily by one-time employee bonuses and retention payments related to recent acquisitions; and currently holds \$459 million in cash and cash equivalents, and short-term bank deposits, amounting to approximately \$9 per share. The cash balance includes a \$50 million drawdown on the company's revolving debt facility.
- Non-GAAP EBITDA for the third quarter amounted to \$40.0 million; and EBITDA based on GAAP net income was (\$22.2) million.
- The company sold 10,965 3D printing and additive manufacturing systems during the quarter, and on a combined pro forma basis, a cumulative 110,494 systems worldwide through September 30, 2014.

"Our organic revenue growth in the third quarter was an impressive 35%, as demand for our industry-leading products and services remained very strong," said David Reis, chief

executive officer of Stratasys. "We believe this trend validates our leadership position, supports our strategic initiatives, and reflects favorably on the contributions made by our recent acquisitions. As MakerBot sales continue to impress, sales of our higher-margin products remained a key growth driver during the third quarter, which had a positive impact on margins during the period. Overall, we are very pleased with our third quarter results, as we continued to recognize strong demand across a wide range of products and applications."

Recent Business Highlights:

- Completed the acquisitions of Solid Concepts and Harvest Technologies, and began the integration process to create a leading strategic platform to meet customers' additive manufacturing needs through an expanded technology and parts services business offering.
- Announced and completed the acquisition of GrabCAD, a provider of cloud-based collaboration tools for designers and engineers to manage, share and view CAD files. The addition of GrabCAD is expected to drive improved communication and ease of use throughout the 3D printing process, enhancing accessibility to the company's 3D printing solutions.
- Observed broad-based product demand, with particularly strong sales of high-end FDM and PolyJet systems and materials, including strong shipments of the Objet1000.
- Introduced multiple new systems and materials, including two new Fortus FDM systems as well as a significant expansion of our successful Connex line of multi-material 3D printers.
- Recognized strong demand for MakerBot branded desktop 3D printers, and expanded the MakerBot sales channel through the inclusion of Home Depot and the creation of MakerBot Europe.
- Announced a significant expansion of the program to place uPrint 3D printers in 100 UPS store locations across the U.S., following strong demand for their in-store 3D printing services.
- Significantly expanded the manufacturing capacity of the company's PolyJet product line through the opening of a new facility in Kiryat Gat, Israel.
- Reached a significant milestone with over 100,000 cumulative systems shipped on a combined company basis.

"We are excited about the potential of our recent acquisitions, and have initiated the process of integrating Solid Concepts and Harvest Technologies together with RedEye into a unified parts services offering," continued Reis. "In addition, we believe the recent acquisition of GrabCAD will ultimately position our company to provide improved

design collaboration tools, and greatly enhance customer accessibility to our 3D printing products and services. We believe these transactions demonstrate our commitment to invest strategically and position the company for long-term growth."

Financial Guidance:

Stratasys provided the following information regarding the company's projected revenue and net income for the fiscal year ending December 31, 2014:

- Revenue guidance remains at \$750 — \$770 million.
- Reflecting the recent acquisition of GrabCAD, non-GAAP net income guidance was adjusted to \$115 — \$120 million, or \$2.21 — \$2.31 per diluted share; versus previous guidance of \$117 — \$122 million, or \$2.25 — \$2.35 per diluted share.
- GAAP guidance was updated to a net loss of (\$31.6) — (\$24.4) million, or (\$0.63) — (\$0.49) per basic share.

Non-GAAP earnings guidance excludes \$80.6 million to \$81.1 million of projected amortization of intangible assets; \$29.4 million to \$29.9 million of share-based compensation expense; \$14.6 million of impairment charges; \$66.7 million to \$68.7 million in non-recurring expenses related to acquisitions; and includes \$46.9 million to \$47.9 million in tax expenses related to Non-GAAP adjustments.

Appropriate reconciliations between GAAP and non-GAAP financial measures are provided in a table at the end of this press release. The table provides itemized detail of the non-GAAP financial measures.

Stratasys reiterated the following information regarding the company's long-term operating model:

- Annual organic revenue growth of at least 25%.
- Non-GAAP operating income as a percent of sales of 18% to 23%.
- Non-GAAP effective tax rate of 10% to 15%.
- Non-GAAP net income as a percent of sales of 16% to 21%.

"We continue to observe strong market demand, and we are excited about our several new product launches. And finally, we have reiterated our growth forecasts and look forward to a strong finish to 2014," concluded Reis.

Stratasys provided the following additional information regarding the company's performance and strategic plans for 2014:

- Operating expenses will expand materially in 2014 compared to 2013, driven by significant investments to support MakerBot product development and sales expansion; other investments in sales and marketing to drive future market adoption; and increased R&D investments to fund technology innovation and new product development.
- Operating expenses for the remainder of 2014 will also include significant incremental investments to support the integration and alignment of the recent acquisitions of Solid Concepts and Harvest Technologies, as well as ongoing incremental expenses from the addition of GrabCAD.
- Capital expenditures are projected at \$50 million to \$60 million for 2014, and \$160 million to \$200 million for 2015, which includes significant investments to support future growth.

Stratasys Ltd. Q3-2014 Conference Call Details

Stratasys will hold a conference call to discuss its third quarter financial results on Wednesday, November 5, 2014 at 8:30 a.m. (ET).

The investor conference call will be available via live webcast on the Stratasys Web site at www.stratasys.com under the "Investors" tab; or directly at the following web address: <http://www.media-server.com/m/p/3my5yedw>.

To participate by telephone, the domestic dial-in number is 866-515-2913 and the international dial-in is 617-399-5127. The access code is 50996956. Investors are advised to dial into the call at least ten minutes prior to the call to register. The webcast will be available for 90 days on the "Investors" page of the Stratasys Web site or by accessing the provided web address.

(Financial tables follow)

Cautionary Statement Regarding Forward-Looking Statements

Certain information included or incorporated by reference in this press may be deemed to be "forward-looking statements" within the meaning of the Private Securities

Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are often characterized by the use of forward-looking terminology such as “may,” “will,” “expect,” “anticipate,” “estimate,” “continue,” “believe,” “should,” “intend,” “project” or other similar words, but are not the only way these statements are identified. These forward-looking statements may include, but are not limited to, statements relating to the company’s objectives, plans and strategies, statements that contain projections of results of operations or of financial condition (including, with respect to acquisitions) and all statements (other than statements of historical facts) 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 ability to efficiently and successfully integrate the operations of Stratasys, Inc. and Objet Ltd. after their merger as well as MakerBot, Solid Concepts, Harvest Technologies, and GrabCAD after their acquisitions and to successfully put in place and execute an effective post-merger integration plans; the overall global economic environment; the impact of competition and new technologies; general market, political and economic conditions in the countries in which the company operates; projected capital expenditures and liquidity; changes in the company’s strategy; government regulations and approvals; changes in customers’ budgeting priorities; litigation and regulatory proceedings; and those factors referred to under “Risk Factors”, “Information on the Company”, “Operating and Financial Review and Prospects”, and generally in the company’s annual report on Form 20-F for the year ended December 31, 2013 filed with the U.S. Securities and Exchange Commission (the “SEC”), in the “Risk Factors” attached as Exhibit 99.3 to the Report of Foreign Private Issuer on Form 6-K furnished by the company to the SEC on the date hereof, and in other reports that the company has furnished to or filed with the SEC. Readers are urged to carefully review and consider the various disclosures made in the company’s SEC reports, which are designed to advise interested parties of the risks and factors that may affect its business, financial condition, results of operations and prospects. Any forward-looking statements in this press release are made as of the date hereof, and the company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Non-GAAP Discussion Disclosure

The information discussed within this release includes financial results and projections that are in accordance with accounting principles generally accepted in the United States of America (GAAP). In addition, certain non-GAAP financial measures have been provided excluding certain charges, expenses and income. The non-GAAP measures should be read in conjunction with the corresponding GAAP measures and should be considered in addition to, and not as an alternative or substitute for, the measures prepared in accordance with GAAP. The non-GAAP financial measures are included in an effort to provide information that investors may deem relevant to evaluate results from the company’s core business operations and to compare the company’s performance with prior periods. The non-GAAP financial measures primarily identify and exclude certain discrete items, such as merger-related expenses, amortization expenses and expenses associated with share-based compensation required under ASC 718. The company uses these non-GAAP financial measures for evaluating comparable financial performance against prior periods.

This release is available on the Stratasys web site at www.stratasys.com

Stratasys Ltd. (Nasdaq:SSYS), headquartered in Minneapolis, Minnesota and Rehovot, Israel, is a leading global provider of 3D printing and additive and additive manufacturing solutions. The company’s patented FDM®, PolyJet™ and WDM™ 3D Printing technologies produce prototypes and manufactured goods directly from 3D CAD files or other 3D content. Systems include 3D printers for idea development, prototyping and direct digital manufacturing. Stratasys subsidiaries include MakerBot and Solidscape, and

the company operates a digital-manufacturing service comprising RedEye, Solid Concepts and Harvest Technologies. Stratasys has more than 2,800 employees, holds over 600 granted or pending additive manufacturing patents globally, and has received more than 25 awards for its technology and leadership. Online at: www.stratasys.com or <http://blog.stratasys.com>.

Stratasys Ltd.

Consolidated Statements of Operations

(in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014 (unaudited)	2013 (unaudited)	2014 (unaudited)	2013 (unaudited)
Net sales				
Products	\$ 160,200	\$ 107,887	\$ 443,542	\$ 279,910
Services	43,410	17,739	89,474	49,408
	<u>203,610</u>	<u>125,626</u>	<u>533,016</u>	<u>329,318</u>
Cost of sales				
Products	85,437	53,565	219,853	148,339
Services	30,326	11,469	55,954	32,608
	<u>115,763</u>	<u>65,034</u>	<u>275,807</u>	<u>180,947</u>
Gross profit	87,847	60,592	257,209	148,371
Operating expenses				
Research and development, net	23,353	13,514	59,081	34,640
Selling, general and administrative	110,803	51,587	256,349	137,577
Change in the fair value of obligations in connection with acquisitions	5,578	1,607	(1,289)	1,607
	<u>139,734</u>	<u>66,708</u>	<u>314,141</u>	<u>173,824</u>

Operating loss	(51,887)	(6,116)	(56,932)	(25,453)
Other income (loss)	<u>(1,384)</u>	<u>(452)</u>	<u>(2,383)</u>	<u>200</u>
Loss before income taxes	(53,271)	(6,568)	(59,315)	(25,253)
Income taxes (benefit)	<u>(21,919)</u>	<u>80</u>	<u>(31,877)</u>	<u>(337)</u>
Net loss	\$ (31,352)	\$ (6,648)	\$ (27,438)	\$ (24,916)
Net loss (income) attributable to non-controlling interest	\$ <u>(24)</u>	\$ <u>(22)</u>	\$ <u>(24)</u>	\$ <u>46</u>
Net loss attributable to Stratasys Ltd.	<u>\$ (31,328)</u>	<u>\$ (6,626)</u>	<u>\$ (27,414)</u>	<u>\$ (24,962)</u>
Net loss per ordinary share attributable to Stratasys Ltd.				
Basic	\$ (0.62)	\$ (0.16)	\$ (0.55)	\$ (0.63)
Diluted	(0.62)	(0.16)	(0.55)	(0.63)
Weighted average ordinary shares outstanding				
Basic	50,490	41,976	49,717	39,754
Diluted	50,490	41,976	49,717	39,754

Stratasys Ltd.

Consolidated Balance Sheets

(in thousands)

	September 30, 2014 (unaudited)	December 31, 2013
ASSETS		
Current assets		
Cash and cash equivalents	\$ 383,501	\$ 414,088
Short-term bank deposits	75,375	200,370
Accounts receivable, net	140,676	99,200
Inventories	119,262	88,406
Investment in sales-type leases, net	7,478	6,696
Prepaid expenses	9,759	5,470
Deferred income taxes	22,268	16,501
Other current assets	<u>37,114</u>	<u>21,398</u>
Total current assets	<u>795,433</u>	<u>852,129</u>
Non-current assets		
Goodwill	1,425,416	1,195,891
Other intangible assets, net	607,662	622,330
Investment in sales-type leases	14,643	11,219
Amounts funded in respect of employee rights upon retirement	3,255	3,166
Property, plant and equipment, net	143,335	91,005
Other non-current assets	<u>8,137</u>	<u>6,481</u>
Total non-current assets	<u>2,202,448</u>	<u>1,930,092</u>
Total assets	<u>\$ 2,997,881</u>	<u>\$ 2,782,221</u>
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	\$ 39,093	\$ 35,375
Short term debt	50,000	—
Accrued expenses and other current liabilities	40,530	32,849
Accrued compensation and related benefits	36,228	21,441
Obligations in connection with acquisitions	42,037	12,027
Unearned revenues	<u>40,909</u>	<u>36,033</u>
Total current liabilities	<u>248,797</u>	<u>137,725</u>
Non-current liabilities		
Employee rights upon retirement	4,859	4,683
Obligations in connection with acquisitions - long term	37,132	16,998
Deferred tax liabilities	65,393	105,901
Unearned revenues - long-term	5,528	3,315
Other non-current liabilities	<u>18,502</u>	<u>13,812</u>
Total liabilities	<u>380,211</u>	<u>282,434</u>
Equity		

Ordinary shares, NIS 0.01 nominal value, authorized 180,000 shares; 50,898 and 49,211 shares issued and outstanding at September 30, 2014 and December 31, 2013, respectively	139	133
Additional paid-in capital	2,560,256	2,412,197
Retained earnings	58,135	85,549
Accumulated other comprehensive income (loss)	(1,355)	1,908
Equity attributable to Stratasys Ltd.	2,617,175	2,499,787
Non-controlling interest	495	
Total equity	2,617,670	2,499,787
Total liabilities and equity	\$ 2,997,881	\$ 2,782,221

Stratasys Ltd.

Reconciliation of GAAP to Non-GAAP Results of Operations

(in thousands, except per share data)

	Three Months Ended September 30, 2014			Three Months Ended September 30, 2013		
	GAAP (unaudited)	Adjustments*	Non-GAAP (unaudited)	GAAP (unaudited)	Adjustments*	Non-GAAP (unaudited)
Net sales						
Products	\$ 160,200	\$ —	\$ 160,200	\$ 107,887	\$ 434	\$ 108,321
Services	43,410	—	43,410	17,739	—	17,739
	203,610	—	203,610	125,626	434	126,060
Cost of sales						
Products	85,437	(26,760)	58,677	53,565	(12,713)	40,852
Services	30,326	(4,236)	26,090	11,469	(395)	11,074
	115,763	(30,996)	84,767	65,034	(13,108)	51,926
Gross profit	87,847	30,996	118,843	60,592	13,542	74,134
Operating expenses						
Research and development, net	23,353	(4,178)	19,175	13,514	(1,538)	11,976
Selling, general and administrative	110,803	(42,936)	67,867	51,587	(13,660)	37,927
Change in the fair value of obligations in connection with acquisitions	5,578	(5,578)	—	1,607	(1,607)	—
	139,734	(52,692)	87,042	66,708	(16,805)	49,903
Operating income (loss)	(51,887)	83,688	31,801	(6,116)	30,347	24,231
Other loss	(1,384)	—	(1,384)	(452)	—	(452)
Income (loss) before income taxes	(53,271)	83,688	30,417	(6,568)	30,347	23,779
Income taxes (benefit)	(21,919)	22,269	350	80	3,640	3,720
Net income (loss)	\$ (31,352)	\$ 61,419	\$ 30,067	\$ (6,648)	\$ 26,707	\$ 20,059
Net loss (income) attributable to non-controlling interest	\$ (24)	\$ —	\$ (24)	\$ (22)	\$ 61	\$ 39
Net income (loss) attributable to Stratasys Ltd.	<u>\$ (31,328)</u>	<u>\$ 61,419</u>	<u>\$ 30,091</u>	<u>\$ (6,626)</u>	<u>\$ 26,646</u>	<u>\$ 20,020</u>
Net income (loss) per ordinary share attributable to Stratasys Ltd.						
Basic	\$ (0.62)		\$ 0.60	\$ (0.16)		\$ 0.48
Diluted	(0.62)		0.58	(0.16)		0.45
Weighted average ordinary shares outstanding						
Basic	50,490		50,490	41,976		41,976
Diluted	50,490		52,261	41,976		44,289

The Company considers these non-GAAP measures to be indicative of its core operating results and facilitates a comparison of operating results across reporting periods. The Company uses these non-GAAP measures when evaluating its financial results as well as for internal planning and forecasting purposes, however these measures should not be viewed as a substitute for the Company's GAAP results.

* Refer to the "Reconciliation of Non-GAAP Adjustments" herein for further information regarding adjustments.

Stratasys Ltd.

Reconciliation of GAAP to Non-GAAP Results of Operations

(in thousands, except per share data)

	Nine Months Ended September 30, 2014			Nine Months Ended September 30, 2013		
	GAAP (unaudited)	Adjustments*	Non-GAAP (unaudited)	GAAP (unaudited)	Adjustments*	Non-GAAP (unaudited)
Net sales						
Products	\$ 443,542	\$ 235	\$ 443,777	\$ 279,910	\$ 1,647	\$ 281,557
Services	89,474	—	89,474	49,408	—	49,408
	533,016	235	533,251	329,318	1,647	330,965
Cost of sales						
Products	219,853	(55,228)	164,625	148,339	(44,062)	104,277
Services	55,954	(5,010)	50,944	32,608	(1,080)	31,528
	275,807	(60,238)	215,569	180,947	(45,142)	135,805
Gross profit	257,209	60,473	317,682	148,371	46,789	195,160
Operating expenses						
Research and development, net	59,081	(6,991)	52,090	34,640	(3,282)	31,358
Selling, general and administrative	256,349	(74,076)	182,273	137,577	(40,017)	97,560
Change in the fair value of obligations in connection with acquisitions	(1,289)	1,289	—	1,607	(1,607)	—
	314,141	(79,778)	234,363	173,824	(44,906)	128,918
Operating income (loss)	(56,932)	140,251	83,319	(25,453)	91,695	66,242
Other income (loss)	(2,383)	—	(2,383)	200	—	200
Income (loss) before income taxes	(59,315)	140,251	80,936	(25,253)	91,695	66,442
Income taxes (benefit)	(31,877)	34,153	2,276	(337)	10,442	10,105
Net income (loss)	\$ (27,438)	\$ 106,098	\$ 78,660	\$ (24,916)	\$ 81,253	\$ 56,337
Net loss (income) attributable to non-controlling interest	\$ (24)	\$ —	\$ (24)	\$ 46	\$ 126	\$ 172
Net income (loss) attributable to Stratasy Ltd.	\$ (27,414)	\$ 106,098	\$ 78,684	\$ (24,962)	\$ 81,127	\$ 56,165
Net income (loss) per ordinary share attributable to Stratasy Ltd.						
Basic	\$ (0.55)		\$ 1.58	\$ (0.63)		\$ 1.41
Diluted	(0.55)		1.53	(0.63)		1.33
Weighted average ordinary shares outstanding						
Basic	49,717		49,717	39,754		39,754
Diluted	49,717		51,573	39,754		42,185

The Company considers these non-GAAP measures to be indicative of its core operating results and facilitates a comparison of operating results across reporting periods. The Company uses these non-GAAP measures when evaluating its financial results as well as for internal planning and forecasting purposes, however these measures should not be viewed as a substitute for the Company's GAAP results.

* Refer to the "Reconciliation of Non-GAAP Adjustments" herein for further information regarding adjustments.

Stratasy Ltd.

Reconciliation of Non-GAAP Adjustments

(in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Net sales, products				
Deferred revenue step-up	\$ —	\$ 434	\$ 235	\$ 1,647
Cost of sales, products				
Acquired intangible assets amortization	(14,328)	(12,252)	(41,582)	(42,795)
Impairment charges	(11,635)	—	(11,635)	—
Non-cash stock-based compensation expense	(797)	(406)	(2,011)	(1,039)
Merger related expense	—	(55)	—	(228)
	(26,760)	(12,713)	(55,228)	(44,062)
Cost of sales, services				
Acquired intangible assets amortization	(536)	—	(537)	—
Non-cash stock-based compensation expense	(485)	(387)	(1,217)	(1,020)
Merger related expense	(3,215)	(8)	(3,256)	(60)
	(4,236)	(395)	(5,010)	(1,080)
Research and development, net				
Non-cash stock-based compensation expense	(1,098)	(822)	(2,921)	(2,566)

Impairment charges	(3,000)	—	(3,000)	—
Merger related expense	(80)	(716)	(1,070)	(716)
	(4,178)	(1,538)	(6,991)	(3,282)
Selling, general and administrative				
Acquired intangible assets amortization	(6,474)	(3,838)	(17,344)	(14,758)
Non-cash stock-based compensation expense	(5,217)	(4,997)	(15,262)	(12,837)
Merger and acquisition related expense	(31,245)	(4,825)	(41,470)	(12,422)
	(42,936)	(13,660)	(74,076)	(40,017)
Change in the fair value of obligations in connection with acquisitions				
Change in the fair value of obligations in connection with acquisitions	(5,578)	(1,607)	1,289	(1,607)
Income taxes				
Tax expense related to non-GAAP adjustments	22,269	3,640	34,153	10,442
Net income attributable to non-controlling interest				
Depreciation and amortization expense attributable to non-controlling interest	—	61	—	126
Net income	<u>\$ 61,419</u>	<u>\$ 26,646</u>	<u>\$ 106,098</u>	<u>\$ 81,127</u>

Stratasys Ltd.

Reconciliation of GAAP to Non-GAAP Forward Looking Guidance

Fiscal Year 2014

(in millions, except per share data)

GAAP net loss	(\$31.6) to (\$24.4)
Adjustments	
Stock-based compensation expense	\$29.4 to \$29.9
Intangible assets amortization expense	\$80.6 to \$81.1
Impairment charges	\$14.6
Merger related expense	\$66.7 to \$68.7
Tax expense related to Non-GAAP adjustments	(\$46.9) to (\$47.9)
Non-GAAP net income	\$114.9 to \$120.1
GAAP loss per share	(\$0.63) to (\$0.49)
Non-GAAP diluted earnings per share	\$2.21 to \$2.31

Q3-2014 CONFERENCE CALL SCRIPT: FINAL**SLIDE#1: CONFERENCE CALL TITLE SLIDE****SPEAKER: OPERATOR****SLIDE#2: CONFERENCE CALL DETAILS****SPEAKER: SHANE GLENN**

Thank you, [OPERATOR]. Good morning everyone, and thank you for joining us to discuss our third quarter financial results. On the call with us today are David Reis, CEO; and Erez Simha, CFO and COO of Stratasys. A reminder that access to today's call, including the prepared slide presentation, is available online at the web address provided in our press release. In addition, a replay of today's call, including access to the slide presentation, will also be available, and can be accessed through the Investor Section of our web site.

SLIDE#3: FORWARD LOOKING STATEMENTS

A reminder that certain information included or incorporated in this presentation may be deemed to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are often characterized by the use of forward-looking terminology such as "may," "will," "expect," "anticipate," "estimate," "continue," "believe," "should," "intend," "project" or other similar words, but are not the only way these statements are identified. These forward-looking statements may include, but are not limited to, statements relating to the Company's objectives, plans and strategies, statements that contain projections of results of operations or of financial condition (including, with respect to the MakerBot, Solid Concepts, Harvest Technologies and GrabCAD acquisitions) and all statements (other than statements of historical facts) 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 ability to efficiently and successfully integrate the operations of Stratasys, Inc. and Objet Ltd. after their merger as well as the ability to successfully put in place and execute an effective post-acquisition integration plan for MakerBot, Solid Concepts, Harvest Technologies, GrabCAD, and the Company's other acquisitions; the overall global economic environment; the impact of competition and new

technologies; general market, political and economic conditions in the countries in which the Company operates; projected capital expenditures and liquidity; changes in the Company's strategy; government regulations and approvals; changes in customers' budgeting priorities; litigation and regulatory proceedings; and those factors referred to under "Risk Factors", "Information on the Company", "Operating and Financial Review and Prospects", and generally in the Company's annual report for 2013 filed on Form 20-F and in other reports that the Company files with the SEC, including the "Risk Factors" described in our Report of Foreign Private Issuer on Form 6-K furnished to the SEC on August 7, 2014. Readers are urged to carefully review and consider the various disclosures made in the Company's SEC reports, which are designed to advise interested parties of the risks and factors that may affect its business, financial condition, results of operations and prospects. Any forward-looking statements in this presentation are made as of the date hereof, and the Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

As in previous quarters, our focus on today's call will be on non-GAAP financial results. These non-GAAP financial measures should be read in combination with our GAAP metrics to evaluate our performance. We also note that we are not providing any pro forma financial results for acquisitions. Certain non-GAAP to GAAP reconciliations are provided in a table contained in our slide presentation and press release.

Now I would like to turn the call over to our CEO, David Reis. David.

SLIDE#4: SUMMARY & OUTLOOK**SPEAKER: DAVID REIS**

Thank you, Shane, and good morning everyone. Thank you for joining today's call.

We are very pleased with our third quarter results, which included strong top-line revenue growth, including an impressive organic revenue growth rate of 35%.

We continued to observe positive sales momentum from a broad range of products and applications, including a significant expansion in manufacturing applications, as well as another impressive contribution from MakerBot.

In addition, the strong demand we continue to observe for our high-performance systems and materials is contributing to a favorable product mix, which is having a positive impact on our margins.

We believe our third quarter performance provides additional validation for the rationale behind our strategic initiatives and acquisitions.

During the third quarter, we closed on the acquisitions of Solid Concepts, Harvest Technologies, GrabCAD and HAFNER'S BÜRO.

We believe these acquisitions will expand our ability to address a wider spectrum of market verticals, applications, and technology solutions.

We are focused on serving our growing customer base and executing our integration plans.

In addition, we are on an aggressive path to position the company for long term growth, through incremental strategic investments in our channel and corporate infrastructure; as well as through new product development and additional acquisitions.

I will return later in the call to provide you more details on these developments and our strategy, but first I would like to turn the call over to our COO and CFO, Erez Simha, who will provide you details on our financial results.

Erez.

SLIDE#5: FINANCIAL SUMMARY

SPEAKER: EREZ SIMHA

Thank you, David, and good morning everyone.

As David mentioned in his opening remarks, we are very pleased with our third quarter performance.

Financial highlights include:

1. Total revenue for the third quarter increased by 62% over last year to \$203.6 million.
 2. We generated impressive year-over-year organic revenue growth of 35%, driven by strong demand for our products and services.
 3. MakerBot branded product and services revenue was also impressive, increasing by over 80% when compared to the pro forma revenue that MakerBot generated during the third quarter of 2013.
 4. Our gross margin came in at a strong 58.4% for the quarter. Impressive when you consider the lower gross margin contribution of recent acquisitions.
 5. Non-GAAP net income for the third quarter increased by 50% over last year to \$30.1 million, or \$0.58 per diluted share.
-

6. Cash flow used for operations was \$10.7 million, driven by one-time employee bonuses and retention payments related to the Solid Concepts and Harvest Technology acquisitions.

SLIDE#6: REVENUE

Product revenue in the third quarter increased by 48% to \$160.2 million, as compared to \$108.3 million for the same period last year.

Within product revenue, system revenue increased by 59% in the third quarter over the same period last year, driven in large part by MakerBot's impressive contribution to the quarter.

Note that MakerBot revenue is calculated as organic revenue beginning on August 15th, midway through the period.

System revenue growth excluding the non-organic portion of MakerBot was also impressive, growing by 41% over last year.

We continue to observe strong growth across a wide range of products, driven by the ongoing adoption of 3D printing technology for a broad range of applications from prototypes to direct digital manufacturing.

A few notable areas of strength included:

1. The continued strength in high-end Fortus system sales, driven by increased demand for manufacturing applications;
2. Strong sales of high-end PolyJet systems, including our new line of Objet500 Connex multi-material 3D Printers, as well as the Objet1000.
3. In addition, we are encouraged by strong demand for our 5th Generation MakerBot products.

Within product revenue, consumables revenue increased by 32% in the third quarter compared to the same period last year, or 28% when excluding the non-organic portion of MakerBot.

The growth in consumables is driven primarily by our growing installed base of 3D printers, and the relatively high usage trends of our high-end systems.

In addition, we are observing favorable results from our efforts to provide application training and materials education to our customers.

These efforts are driving utilization towards advanced, higher-margin materials.

Combined with our growing installed base, and specifically the installed base of the Production Series and high-end Design Series systems, we believe our strategy of increasing consumption

and encouraging use of premium materials is a positive indicator of consumables revenue growth in future periods.

Service revenue in the third quarter increased by 145% to \$43.4 million, as compared to \$17.7 million for the same period last year— this included a 38% organic increase in service revenue.

Please note that the acquisitions of Solid Concepts and Harvest Technologies both closed in the third quarter, and made significant inorganic contributions to service revenue.

David will provide more details on our integration progress for Solid Concepts and Harvest Technologies later in the call.

The growth in service revenue was favorably impacted by an increase in revenue from maintenance contracts and service parts driven by our growing installed base of systems.

In addition, the growth in service revenue was impacted by the change in accounting treatment we implemented last year surrounding how we recognize warranty revenue.

SLIDE#7: UNIT SALES

We shipped 10,965 3D printers and additive manufacturing systems in the third quarter, as compared to 5,925 systems shipped in the third quarter last year.

The significant increase in unit shipments resulted primarily from the inclusion of MakerBot systems.

However, we also observed strong unit sales growth across other product lines during the third quarter, including our higher-end Fortus and PolyJet systems.

Including all systems sold by Stratasys, Objet, Solidscape and MakerBot since their respective inceptions, the company has now sold 110,494 units worldwide on a combined basis, as of the end of the third quarter.

This is a significant milestone for the company, as we believe Stratasys is the only company to have shipped over 100,000 systems, on a combined basis.

SLIDE#8: GROSS PROFIT

Gross margin was 58.4% for the third quarter compared to 58.8% for the same period last year.

Sales of the company's higher-margin products offset the impact of the relatively lower gross margin currently generated by MakerBot; and the lower gross margin generated by the incremental revenue recognized from the acquisition of Solid Concepts and Harvest Technologies.

SLIDE#9: OPERATING PROFIT

Operating expenses increased materially in the third quarter compared to last year, driven by the inclusion of Solid Concepts, Harvest Technologies, and MakerBot, as well as from increased sales, marketing, and R&D investments to support our growth expectations and fund new product introductions.

Net R&D expenses increased by 60% to \$19.2 million in the third quarter as compared to the same period last year.

R&D expenses, as a percentage of sales, were 9.4%, compared to 9.5% for the same period last year.

SG&A expenses increased by 79% to \$67.9 million for the third quarter as compared to \$37.9 million for the same period last year, driven primarily by the inclusion Solid Concepts, Harvest Technologies, and MakerBot, as well as:

1. Changes in our product distribution strategy involving an increased use of independent sales agents, which resulted in increased agent commissions;
2. Incremental expenses for strategic and marketing initiatives;
3. And an increase in headcount and infrastructure to support our growth.

We believe our accelerating organic growth rate is a reflection of the successful investments we have made over the past several quarters, and we will continue to make incremental investments going forward to support our aggressive growth expectations.

Our effective tax rate was 1.1% for the third quarter compared to the effective tax rate of 15.6% for the same period last year.

Our tax expense was impacted by the unique mix of taxable income that favored lower effective tax rate regions.

SLIDE#10: GEOGRAPHIC MIX

The following slide provides you a breakdown of our geographic sales.

Sales in all regions increased significantly in the third quarter of 2014 as compared to the same period last year, driven by the inclusion of MakerBot revenue, as well as from the strong demand we are experiencing across all regions. As in prior quarters, the Asia Pacific region remains one of our faster growing regions.

Non-GAAP Appendix Reminder

I won't be reviewing the specific reconciliations to GAAP for the non-GAAP measures we have discussed throughout our presentation today.

This information is provided in the slides appearing at the end of our presentation, as well as in our earnings release.

SLIDE#11: BALANCE SHEET SUMMARY

We maintain approximately \$459 million in cash and cash equivalents, and short term bank deposits on our balance sheet, amounting to \$9 per share, compared to \$578 million at the end of the second quarter.

The decrease in cash is primarily a result of the acquisitions of Solid Concepts and GrabCAD; as well as investments in working capital and expansion projects, offset by a \$50 million withdrawal from our credit facility.

Cash flow used for operations was \$10.7 million, as the company used significant free cash for one-time employee bonuses and retention payments related to the Solid Concepts and Harvest Technology acquisitions.

Capital expenditures amounted to approximately \$20.3 million in facility and equipment investments.

Inventories increased to \$119.3 million in the third quarter compared to \$114.3 million at the end of the second quarter, primarily due to inclusion of the newly acquired parts services businesses.

Accounts receivable increased to \$140.7 million in the third quarter compared to \$113.6 million at the end of the second quarter, while DSO, on 12-month trailing revenue, was 74, compared to 68 for the second quarter; and 74 for the third quarter last year, primarily due to inclusion of the newly acquired parts services businesses.

SLIDE#12: FINANCIAL RESULTS & PROJECTIONS

In summary, we are very pleased with our third quarter results.

1. We generated very impressive organic sales growth.
2. We reported record financial results, driven by broad-based demand across our product lines.
3. We should also highlight that our business, excluding acquisitions, experienced an expansion in margins over last year.
4. We believe that we are making the appropriate investments in strategic initiatives and infrastructure to accelerate our growth moving forward, and that we are on the leading edge of our exciting industry.
5. We have a strong balance sheet and we continue to position the company for future growth through strategic investments, as well as additional acquisitions.
6. Our investments will support future growth, mainly in headcount, infrastructure, new product initiatives, and sales and marketing to support new product introductions.

-
7. And finally, excluding an adjustment to our earnings forecast for the recent acquisition of GrabCAD, we have maintained our financial outlook for 2014 based on our positive momentum going into the fourth quarter.

I would now like to turn the call over to our VP of Investor Relations, Shane Glenn, who will provide you greater details on our updated financial guidance, Shane.

SLIDE#13: GUIDANCE

SPEAKER: SHANE GLENN

Thank you Erez.

As previously communicated, the recent acquisition of GrabCAD, which was closed in September, currently provides no incremental revenue, and includes ongoing development costs that are expected to negatively impact the fourth quarter by \$0.03 to \$0.05 per share.

Stratasys provided the following information regarding the company's projected revenue and net income for the fiscal year ending December 31, 2014:

1. Revenue guidance remains at \$750 — \$770 million.
2. Reflecting the recent acquisition of GrabCAD, non-GAAP net income guidance was adjusted to \$115 — \$120 million, or \$2.21 — \$2.31 per diluted share; versus previous guidance of \$117 — \$122 million, or \$2.25 — \$2.35 per diluted share.
3. GAAP guidance was updated to a net loss of (\$31.6) — (\$24.4) million, or (\$0.63) — (\$0.49) per basic share.

Non-GAAP earnings guidance excludes \$80.6 million to \$81.1 million of projected amortization of intangible assets; \$29.4 million to \$29.9 million of share-based compensation expense; \$14.6 million of impairment charges; \$66.7 million to \$68.7 million in non-recurring expenses related to acquisitions; and includes \$46.9 million to \$47.9 million in tax expenses related to Non-GAAP adjustments.

Appropriate reconciliations between GAAP and non-GAAP financial measures are provided in a table at the end of this press release. The table provides itemized detail of the non-GAAP financial measures.

Stratasys provided the following additional information regarding the company's performance and strategic plans:

1. Operating expenses will expand materially in 2014 compared to 2013, driven by: significant investments to support MakerBot product development and sales expansion;

other investments in sales and marketing to drive future market adoption; and increased R&D investments to fund technology innovation and new product development.

2. Growth in operating expenses includes significant investments to support the integration and alignment of the recent acquisitions of Solid Concepts and Harvest Technologies; as well as the inclusion of significant development expenses associated with the acquisition of GrabCAD.
3. Capital expenditures are projected at \$50 million to \$60 million for 2014, and \$160 million to \$200 million for 2015, which includes significant investments to support future growth.

SLIDE#14: LONG TERM TARGET OPERATING MODEL

Additionally, Stratasys reiterated its long-term operating model, as provided on the following slide.

Now I would like to turn the call back over to David Reis, who will provide you with a more detailed strategic overview. David.

SLIDE#15: MARKET OPPORTUNITY & STRATEGIC IMPERATIVES

SPEAKER: DAVID REIS

Thank you, Shane.

We are recognizing the results of a focused strategy that is capitalizing on many exciting growth opportunities.

We begin the fourth quarter with significant positive momentum, as our markets continue to grow and opportunities develop at an exciting rate.

We remain focused on our strategic imperatives and will pursue leadership in every area in which we operate; while investing aggressively to capture future growth and deliver shareholder value.

We remain focused on those objectives.

SLIDE #16-17: SOLID CONCEPTS, HARVEST & REDEYE

One of the fastest growing segments within our industry is Direct Digital Manufacturing and End-Use-Part production.

Our parts services strategy supports our core strategic imperatives of expanding our DDM expertise, as well as leading the market in the introduction of vertical market solutions.

Our recent acquisitions of Solid Concepts and Harvest Technologies have helped us grow our DDM and vertical market capabilities.

Since closing these acquisitions in the third quarter, we have been focused on the post-merger-integration process for the newly acquired companies with RedEye, with a team

consisting of leaders from across the combined organizations.

The integration will be an ongoing process over the next 18 months. Our plan is to combine the sales, application, marketing, business development and manufacturing functions into one unified group.

The rationale for our parts services initiative remains the same.

First, the new offering will be a growing and profitable business, supporting our strategic imperatives around DDM and vertical market applications.

Although early in this process, we are observing some positive trends from the combination, as we have begun to shift order fulfillment to maximize capacity utilization; as well as make better use of our geographic reach and combined technology expertise.

Second, we believe Stratasys will have opportunities for the synergistic selling of systems and services across our larger combined customer base.

To be clear, we are in the early stages of the integration process, and have not yet focused on realizing cross-selling synergies.

These transactions are fundamentally about growth and building the necessary infrastructure to continue to lead the additive manufacturing market.

SLIDE #18: GrabCAD

Future success within our industry will go beyond simply providing the market with the best hardware and material solutions.

We believe we must develop a leading 3D printing ecosystem that improves accessibility to our solutions, and allows us to enhance customer intimacy.

To advance this strategy, we recently announced the acquisition of GrabCAD, a leading cloud-based CAD collaboration platform and community site.

GrabCAD's solution is CAD software agnostic, and empowers designers and engineers to manage, share, and view CAD files.

GrabCAD has built a global, leading and fast growing community of mechanical engineers and designers, with approximately 1.5 million users who are passionate about design.

The company has also established an industry leading team of software professionals with a deep understanding of the needs of designers and engineers.

GrabCAD will operate as a unit within the Stratasys Global Products and Technology Group, and is expected to continue to provide enhanced collaboration tools and improved accessibility relating to 3D CAD content.

We believe that improving 3D printing accessibility is critical to driving adoption for our products and services.

GrabCAD is a unique opportunity for Stratasys to strengthen our ecosystem by providing a common core platform and user experience for all of our 3D printing systems and part services offerings.

We are early in the post-merger-integration process with GrabCAD, and are optimistic about the opportunities that this acquisition is expected to provide for our company.

SLIDE #19: NEW PRODUCT INTRODUCTIONS

While we have been busy with expanding our offerings through strategic acquisitions, we have maintained our internal focus on accelerating new solutions to market.

Our strategy includes the aggressive development of new products that meet our customers' needs, as well as the development of innovative go-to-market and channel expansion initiatives.

We introduced several new products since the beginning of the last quarter.

Following up on the successful launch of the Connex3, in September we announced the Connex1 and Connex2, and are observing strong demand for the new systems to address a variety of applications.

For example, the advanced capabilities of the Connex line is driving new opportunities within medical applications that require multiple materials, as well as high color and fine feature resolution.

Demonstrating our commitment to leading the market with innovative new products, yesterday we announced two new Fortus FDM systems and eight new PolyJet systems, including a significant expansion of our successful Connex line of multi-material 3D printers.

Additionally, we strengthened our material portfolio with Ultem 1010 resin for the Fortus 900mc. These product announcements were previously scheduled for Euromold, but based on anticipated strong demand we announced the new products yesterday at the SEMA trade show in Las Vegas.

This has been a very big year for new product introductions, as we have already released multiple new products and materials across our combined portfolio.

For example, the Objet 1000, which began shipping earlier this year, experienced strong demand and was a significant contributor to the quarter.

We believe the unmatched build-size, material selection, and part quality our high-end PolyJet offerings create a valuable proposition for numerous applications across multiple vertical markets.

SLIDE #20: New Channel & Go-to-market

In addition to launching new products, we are also focused on the development of new channels, go-to-market strategies, and strategic partnerships.

Expanding our channel and pursuing strategic partnership not only supports distribution of our new product introductions, but also improves 3D printing accessibility and customer intimacy by allowing us to connect with our customers in new and innovative ways.

In the third quarter we announced two significant channel expansions for our MakerBot branded products.

First, Home Depot, which is now carrying MakerBot Fifth Generation 3D Printers in select stores as a pilot program; and second, the creation of MakerBot Europe, the result of the acquisition of MakerBot's German distributor, HAFNER'S BÜRO.

We are also reaching new customers through the expansion of our UPS partnership.

Last year, The UPS Store selected the uPrint SE Plus as part of a 3D printing pilot program in six stores in select markets across the United States.

Over the past year, the six locations experienced increasing demand for 3D printing services among small businesses, startups, inventors, artists and professionals.

After the successful pilot program, UPS announced a nationwide expansion of its 3D printing services at nearly 100 locations.

We believe this as a positive indication of customer demand for increased access to 3D printing technology, and we believe we are well positioned to capitalize on the opportunity with our industry-leading products.

SLIDE #21: ORGANIZATIONAL INVESTMENTS

To support all these initiatives, and in light of the market demand we are experiencing, we will continue to invest in the necessary infrastructure that can support our growth.

We are a rapidly expanding global company, with over 29 offices worldwide, and nearly 3,000 employees.

Over 700 employees were added in the third quarter alone, the majority as a result of our recent acquisitions.

As Stratasys grows, we must build a scalable foundation that allows an ongoing emphasis on innovation and product development, while providing the necessary tools to fully leverage new products and services into the marketplace.

We believe we are leading the industry in building such an infrastructure.

SLIDE#22: SUMMARY & OUTLOOK

In summary:

1. We are extremely pleased with our third quarter financial results that include record top-line revenue, impressive organic growth, and strong profit growth.
2. We observed broad-based demand for our products and services, with particular strength in our high-performance systems and materials, as well as an impressive contribution from MakerBot.
3. The impact of our strategic investments is reflected in our impressive revenue growth, which we believe validates our strategy.
4. We closed the acquisitions of Solid Concepts, Harvest Technologies, and GrabCAD, expanding our ability to address a wide spectrum of market verticals and develop a broad set of solutions to meet our customer's evolving needs.
5. We continue to position the company to capitalize on future growth opportunities by making the necessary strategic investments in channel, product, and technology development; as well as executing a focused M&A strategy.
6. And finally, we continue to observe a favorable market environment and expect a strong finish to the year.

Operator, please open the call for questions.

SLIDE#23: Q&A

Thank you for joining today's call. We look forward to speaking with you again next quarter. Goodbye.

SLIDE#24-25: RECONCILIATION TABLES



Q3 2014 Financial Results Conference Call



1



Q3 2014 Conference and webcast details

Speakers

David Reis
CEO

Erez Simha
COO & CFO

Shane Glenn
VP, Investor Relations

Live Dial-in Information

Primary Dial-in:
866-515-2913

International Dial-in:
617-399-5127

Participant Passcode:
50996956

Live webcast and replay:
<http://www.media-server.com/m/p/3my5yedw>

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Forward looking statement

Certain information included or incorporated by reference in this press may be deemed to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are often characterized by the use of forward-looking terminology such as "may," "will," "expect," "anticipate," "estimate," "continue," "believe," "should," "intend," "project" or other similar words, but are not the only way these statements are identified. These forward-looking statements may include, but are not limited to, statements relating to the company's objectives, plans and strategies, statements that contain projections of results of operations or of financial condition (including, with respect to acquisitions) and all statements (other than statements of historical facts) 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 ability to efficiently and successfully integrate the operations of Stratasys, Inc. and Objet Ltd. after their merger as well as MakerBot, Solid Concepts, Harvest Technologies, and GrabCAD after their acquisitions and to successfully put in place and execute an effective post-merger integration plans; the overall global economic environment; the impact of competition and new technologies; general market, political and economic conditions in the countries in which the company operates; projected capital expenditures and liquidity; changes in the company's strategy; government regulations and approvals; changes in customers' budgeting priorities; litigation and regulatory proceedings; and those factors referred to under "Risk Factors", "Information on the Company", "Operating and Financial Review and Prospects", and generally in the company's annual report on Form 20-F for the year ended December 31, 2013 filed with the U.S. Securities and Exchange Commission (the "SEC"), in the "Risk Factors" attached as Exhibit 99.3 to the Report of Foreign Private Issuer on Form 6-K furnished by the company to the SEC on the date hereof, and in other reports that the company has furnished to or filed with the SEC. Readers are urged to carefully review and consider the various disclosures made in the company's SEC reports, which are designed to advise interested parties of the risks and factors that may affect its business, financial condition, results of operations and prospects. Any forward-looking statements in this press release are made as of the date hereof, and the company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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Summary & Outlook

Strong top-line revenue growth driven by acquisitions and an impressive organic growth rate of 35%

Positive sales momentum across a wide range of products, particularly from our high-end systems, as well as MakerBot

Favourable product mix contributed to healthy margins – offsetting the impact of acquisitions

Completed acquisitions of Solid Concepts, Harvest Technologies, GrabCAD, and HAFNER'S BÜRO

Focused on serving our growing customer base and executing our integration plans around corporate operations and acquisitions

Significant investments in Q3 to develop new market opportunities that will drive future growth and recurring revenue

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Financial Results

Stratasys Ltd.
Non-GAAP

Quarter Highlights

Revenue Growth ↑ 62% YOY

Organic Revenue Growth ↑ 35% YOY

Non-GAAP Gross Margin ↔ 58.4%

Non-GAAP Net Income Growth ↑ 50% YOY

MakerBot became an organic revenue source as of August 15th, 2014

(\$ in millions unless noted otherwise)

	Q3-13	Q3-14	Change YOY
Unit Sales	5,925	10,965	85.1%
Total Revenue	\$126.1	\$203.6	+61.5%
Revenue/ Employee	0.075	0.072	-4.5%
Gross Profit % margin	74.1 58.8%	118.8 58.4%	+60.3%
Operating Expenses % of sales	49.9 39.6%	87.0 42.7%	+74.4%
Operating Profit % margin	24.2 19.2%	31.8 15.6%	+31.2%
Pre-tax Profit % margin	23.8 18.9%	30.4 14.9%	+27.9%
Tax Rate	15.6%	1.1%	-92.7%
EBITDA	27.4	40.0	+45.7%
Net Income % margin	20.0 15.9%	30.1 14.8%	+50.3%
EPS (Diluted)	\$0.45	\$0.58	+27.4%
Diluted Shares	44.3	52.3	+18.0%

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Financial Results

Revenue
Stratasys Ltd.
Non-GAAP

Quarter Highlights

System Revenue ↑ 59% YOY

Consumable Revenue ↑ 32% YOY

(\$ in millions unless noted otherwise)

Total Revenue - Quarter



Total Revenue – Quarterly Trend



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Financial Results

Stratasys Ltd.
System Unit Sales¹

Quarter Highlights

- Strong Production and Design HE Series
- Impact of MakerBot Replicator 5th Generation 3D Printers
- Reached significant company milestone of over 100,000 3D printers sold on a combined pro forma basis

¹ Includes systems sold by Stratasys, Inc. in all periods; and units for MakerBot starting only on August 15, 2013

Total Units Sold - Quarter



Total Units Sold – Quarterly Trend



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Financial Results

Gross Profit
Stratasys Ltd.
Non-GAAP

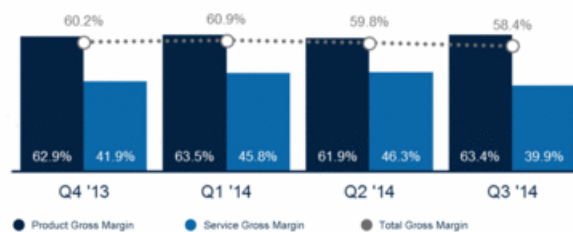
Quarter Highlights

- Sales of higher-margin products contributing to healthy margins
- Core business offsetting impact of acquisitions

(\$ in millions unless noted otherwise)

	Q3-13	Q3-14	% Change YOY
Product Revenue	\$108.3	\$160.2	+47.9%
% of sales	85.9%	78.7%	
Service Revenue	17.7	43.4	+144.7%
% of sales	14.1%	21.3%	
Product Gross Profit	67.5	101.5	+50.5%
% margin	62.3%	63.4%	
Service Gross Profit	6.7	17.3	+159.9%
% margin	37.6%	39.9%	
Total Gross Profit	74.1	118.8	+60.3%
Profit % margin	58.8%	58.4%	

Gross Margin – Quarterly Trend



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Financial Results

Operating Profit
Stratasys Ltd.
Non-GAAP

Quarter Highlights

- Investing for future growth
- Incremental operating costs from acquisitions

(\$ in millions unless noted otherwise)

	Q3-13	Q3-14	% Change YOY
R&D Expense % of sales	12.0 9.5%	19.2 9.4%	+60.1%
SG&A Expense % of sales	37.9 30.1%	67.9 33.3%	+78.9%
Total Operating Exp. % of sales	49.9 39.6%	87.0 42.7%	+74.4%
Total Operating Profit % margin	24.2 19.2%	31.8 15.6%	+31.2%

Operating Profit Analysis – Quarterly Trend



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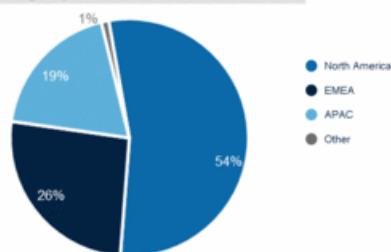
Financial Results

Revenue Geographic Mix
Stratasys Ltd.
Non-GAAP

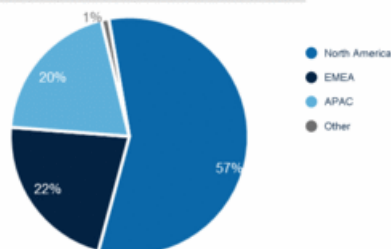
Quarter Highlights

- Growth across all regions
- Strong organic growth in Asia Pacific

Geographic Sales Q3-2013



Geographic Sales Q3-2014



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Financial Results

Balance Sheet Summary
Stratasys Ltd.

Quarter Highlights

- \$458.9M in cash and cash equivalents & bank deposits
- Increased accounts receivable and inventories primarily due to the acquisition of Solid Concepts and Harvest Technologies

(\$ in millions unless noted otherwise)

Selected balance
sheet items (\$ in millions)

	Q2-14	Q3-14
Cash , Cash Equivalents & Bank Deposits	\$577.9	\$458.9
Accounts Receivable	113.6	140.7
Inventories	114.3	119.3
Net Working Capital	717.2	546.6

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Financial Results

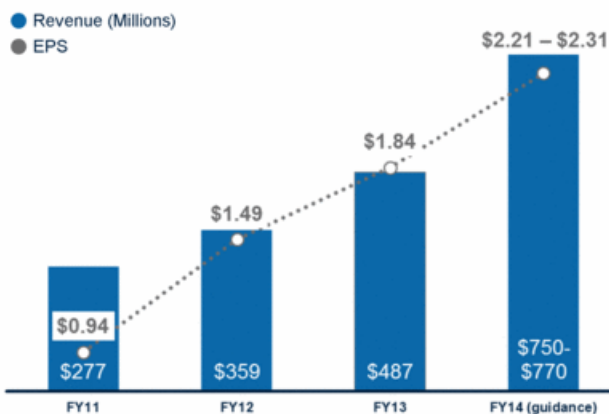
Projections
Stratasys Ltd.
Non-GAAP

Quarter Highlights

- Impressive organic and inorganic sales growth
- Broad-based demand across our product lines
- Investments in strategic initiatives and infrastructure to accelerate our growth
- Adjustment in 2014 guidance reflects the acquisition of GrabCAD

(\$ in millions unless noted otherwise)

* Periods prior to 2013 are pro forma including Objet, Ltd.



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Financial Guidance

Stratasys Ltd.
Revenue & Earnings
Guidance
Non-GAAP

Fiscal 2014 Financial Guidance

Revenue (M)

\$750-\$770

Non-GAAP Diluted EPS

\$2.21-\$2.31

Reconciliation of GAAP to Non-GAAP Guidance

(\$ in millions, except per share data)

Revenue	\$750 to \$770
Non-GAAP Net Income	\$114.9 to \$120.1
(1) Stock-Based Compensation Exp.	\$29.4 to \$29.9
(2) Intangible Assets Amortization Exp.	\$80.6 to \$81.1
(3) Impairment Charges	\$14.6
(4) Merger Related Expenses	\$66.7 to \$68.7
(5) Tax expense related to adjustments	(\$46.9) to (\$47.9)
GAAP Net Loss	(\$31.6) to (\$24.4)
GAAP Loss Per Share	(\$0.63) to (\$0.49)
Non-GAAP Diluted Earnings Per Share	\$2.21 to \$2.31

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Financial Guidance

Stratasys Ltd.
Long-Term Target Operating Model
Non-GAAP

Revenue growth

+25%

Operating margin

18%–23%
of sales

Effective tax rate

10%–15%

Net income margin

16%–21%
of sales

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Strategic Imperatives

01

Lead in
Prototyping

02

Expand the Direct
Digital Manufacturing
(DDM) Business

03

Introduce Vertical
Applications

04

Accelerate
New Solutions
to the Market

05

Improve 3D
Printing
Accessibility

06

Improve
Customer Intimacy

15

Creating A Global Leading Parts Services Business

Focused on:

- ✓ PMI process
- ✓ Exposing Synergies
- ✓ Accelerating Growth



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Parts Services Business Acquisitions' Rationale

End Use Parts Manufacturing Platform to lead in parts services

- ✓ Best Leadership & Process Knowhow
- ✓ Capacity & Infrastructure for growth
- ✓ Additive Manufacturing core competency
- ✓ DDM and EUP focused

Operate as a Growing, Profitable Business Unit Within Stratasys



Cross Selling Synergies
Parts Sell Printers <-> Printers Sell Parts



Establish a Fulfillment Platform for Expanding EUP Strategy

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GrabCAD

Improving Customer Intimacy & 3D Printing Accessibility

- ✓ Developing leading 3D printing ecosystem
- ✓ CAD software agnostic
- ✓ Early in PMI process

GrabCAD is a Leading 3D CAD Collaboration Platform

- Workbench provides a cloud-based collaboration platform for designers and engineers to manage, share and view CAD files
- Community of more than 1.5 million members from around the world who can access a large public CAD file library as well as connect with other engineers
- GrabCAD maintains an industry-leading software engineering team



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New Products

Lead in Prototyping & Accelerating New Solutions to Market

- Systems
- Materials

2014 H1	2014 H2
Objet500 Connex3 Color Multi-Material 3D Printer	Objet500, Objet350, & Objet260 Connex1 Multi-Material 3D Printer
MakerBot Replicator	Objet500, Objet350, & Objet260 Connex2 Multi-Material 3D Printer
MakerBot Replicator Mini	Objet350, & Objet260 Connex3 Color Multi-Material 3D Printer
MakerBot Replicator Z18	Objet30 Prime Desktop 3D Printer
Objet Eden260V Dental Advantage	Objet Eden260VS
Stratasys CrownWorx & FrameWorx	Fortus 450mc Production System
SolidScape Max2 High Precision 3D Printer	Fortus 380mc Production System
VeroGlaze Dental	ULTEM 1010 resin
Endur Simulated Polypropylene	ASA Thermoplastic
Expanded Connex3 color palettes	

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Expanding Access to 3D Printing

Improving Customer Intimacy & 3D Printing Accessibility

MakerBot Channel Expansion

- MakerBot 5th Generation 3D Printers available in select Home Depot locations
- MakerBot Europe established through the acquisition of German distributor HAFNER'S BURO
- Expanded local presence in Europe

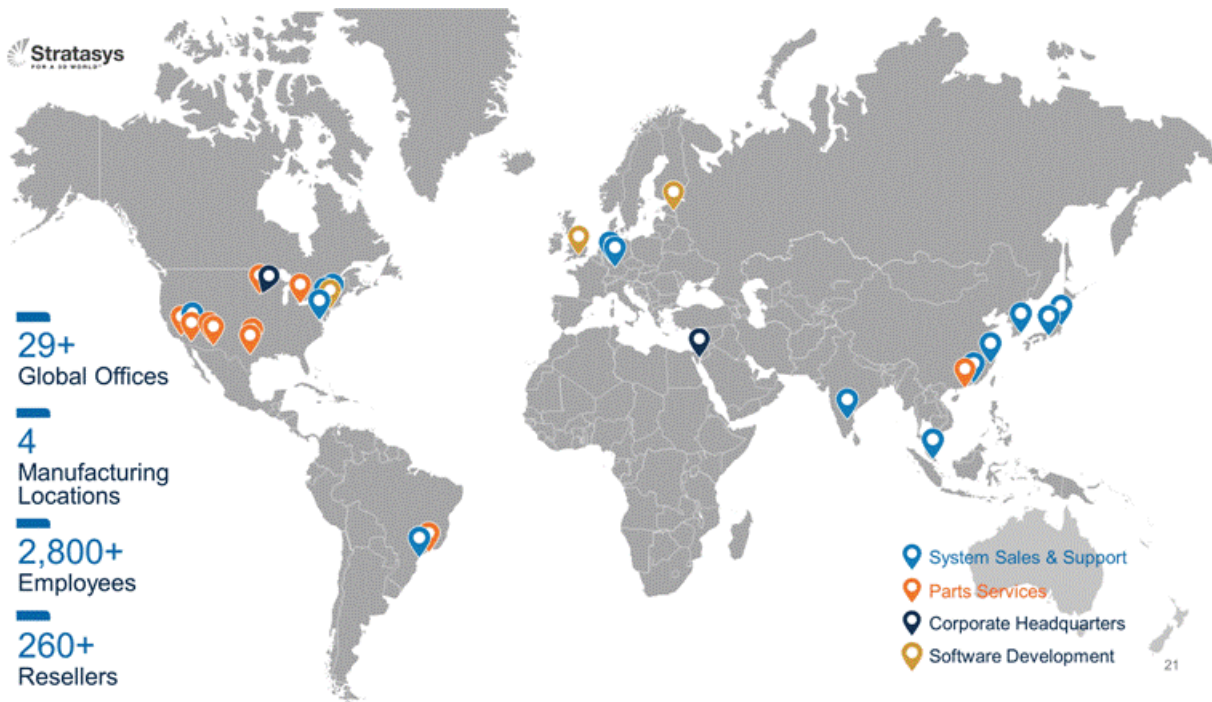


Expansion of Stratasys/UPS pilot program

- UPS placed uPrint SE Plus 3D Printers in six locations for pilot program
- Success of program has resulted in expansion to nearly 100 UPS locations in the U.S.



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Summary & Outlook

Impressive third quarter results, including record top-line revenue with strong organic growth

Observed broad-based demand for our products and services, with particular strength in our high-performance systems and materials, as well as an impressive contribution from MakerBot

Completed acquisitions, expanding ability to address a wide spectrum of market verticals and develop a broad set of customer solutions

Positioning the company to capitalize on future growth opportunities through strategic investments, while executing a focused M&A strategy

Continue to observe a favorable market environment and expect a strong finish to the year

We are Stratasys

We are innovation
We are fearless leaders
We are customer driven
Our quality matters
Our people make the difference



Reconciliation of GAAP to Non-GAAP Results of Operations

Stratasys Ltd.

(\$ in thousands except per share data)

	Q3-13			Q3-14		
	GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP
Net sales						
Products	\$107,887	\$434	\$108,321	\$160,200	\$ -	\$160,200
Services	17,739	-	17,739	43,410	-	43,410
Cost of sales						
Products	53,565	(12,713)	40,852	85,437	(26,760)	58,677
Services	11,469	(395)	11,074	30,326	(4,236)	26,090
Gross profit	60,592	13,542	74,134	87,847	30,996	118,843
Operating expenses						
Research and development, net	13,514	(1,538)	11,976	23,352	(4,177)	19,175
Selling, general and administrative	51,587	(13,660)	37,927	110,803	(42,936)	67,867
Change in fair value of obligations in connection with acquisitions	1,607	(1,607)	-	5,578	(5,578)	-
Operating income (loss)	(6,116)	30,347	24,231	(51,886)	83,687	31,801
Financial expenses, net	(452)	-	(452)	(1,385)	-	(1,385)
Income (loss) before income taxes	(6,568)	30,347	23,779	(53,271)	83,687	30,416
Income taxes (benefit)	80	3,640	3,720	(21,920)	22,270	350
Net income (loss)	(6,648)	26,707	20,059	(31,351)	61,417	30,066
Net income (loss) attributable to non-controlling interest	(22)	61	39	(24)	-	(24)
Net income (loss) attributable to Stratasys Ltd.	\$(6,626)	\$26,646	\$20,020	\$(31,327)	\$61,417	\$30,090
Net income (loss) per ordinary share attributable to Stratasys Ltd. (Diluted)	\$(0.16)		\$0.45	\$(0.62)		\$0.58
Diluted Shares	41,976		44,289	50,490		52,261

Reconciliation of Non-GAAP Adjustments

Stratasys Ltd.

(\$ in thousands)

	Q3-13	Q3-14
Net sales, products		
Deferred revenue purchase price	\$434	\$-
Cost of sales, products		
Acquired intangible assets amortization	(12,252)	(14,328)
Impairment charges	-	(11,635)
Non-cash stock-based compensation expense	(406)	(797)
Merger related expense	(55)	-
Cost of sales, services		
Acquired intangible assets amortization	-	(536)
Non-cash stock-based compensation expense	(387)	(485)
Merger related expense	(8)	(3,215)
Research and development, net		
Non-cash stock-based compensation expense	(822)	(1,097)
Impairment charges	-	(3,000)
Merger related expense	(716)	(80)
Selling, general and administrative		
Acquired intangible assets amortization	(3,838)	(6,474)
Non-cash stock-based compensation expense	(4,997)	(5,217)
Merger and acquisition related expense	(4,825)	(31,245)
Change in fair value of obligations in connection with acquisitions		
Change in fair value of obligations in connection with acquisitions	(1,607)	(5,578)
Income taxes (benefit)		
Tax expense related to non-GAAP adjustments	3,640	22,270
Net income (loss) attributable to non-controlling interest		
Depreciation and amortization expense attributable to non-controlling interest	61	-
Net income (loss) attributable to Stratasys Ltd.	\$26,646	\$61,417