
**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 March 2015

Commission File Number 001-35751

STRATASYS LTD.

(Translation of registrant's name into English)

c/o Stratasys, 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 March 2, 2015, Stratasys Ltd. (“we,” “us” or the “Company”) announced our financial results for the fourth quarter and fiscal year ended December 31, 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 March 2, 2015, 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.

2

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: March 2, 2015

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

3

EXHIBIT INDEX

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

Exhibit	Description
99.1	Press release dated March 2, 2015.

99.2 Script for the Company's conference call held on March 2, 2015.

99.3 PowerPoint presentation with additional information.



STRATASYS REPORTS FOURTH QUARTER AND FISCAL YEAR 2014 FINANCIAL RESULTS

Company reports \$217 million in revenue in the fourth quarter of 2014, including organic revenue growth of 26% over the same period last year

Organic growth, excluding MakerBot revenue, of 29% in the fourth quarter compared to the same period last year, driven primarily by strong demand for design and manufacturing products and services

Fourth quarter non-GAAP net income of \$24.9 million, or \$0.48 per diluted share; GAAP net loss was \$92.0 million, or (\$1.81) per share

MINNEAPOLIS & REHOVOT, Israel — March 2, 2015 — Stratasys Ltd. (NASDAQ: SSYS) today announced financial results for the fourth quarter and fiscal year 2014.

Q4-2014 Financial Results Summary:

- Revenue for the fourth quarter of 2014 was \$217 million, representing a 40% increase over the \$155.1 million for the same period last year.
- GAAP net loss for the fourth quarter was \$92.0 million, or (\$1.81) per share, compared to a loss of \$2.0 million, or (\$0.04) per share, for the same period last year.
- Non-GAAP net income for the fourth quarter was \$24.9 million, or \$0.48 per diluted share, compared to non-GAAP net income of \$25.8 million, or \$0.50 per diluted share, reported for the same period last year.
- Revenue from MakerBot branded products and services contributed \$26.6 million to fourth quarter revenue.
- The Company invested a net amount of \$21.4 million in R&D projects (non-GAAP basis) during the fourth quarter, representing 9.8% of net sales.
- The Company generated \$14.9 million in cash from operations during the fourth quarter, and finished the year with approximately \$443 million in cash and cash equivalents and short-term bank deposits. The cash balance includes a \$50 million drawdown on the company's revolving debt facility.
- EBITDA for the fourth quarter amounted to \$29.6 million.
- As previously announced, in December 2014, the Company updated the goodwill impairment analysis of its MakerBot reporting unit. As a result, the Company recognized a non-cash, non-tax-deductible goodwill impairment charge of \$102 million in the fourth quarter.
- The Company sold 11,214 3D printing and additive manufacturing systems during the quarter, and on a pro-forma combined basis, has sold a total of 121,661 systems worldwide as of December 31, 2014.

Fiscal 2014 Financial Results Summary:

- Non-GAAP revenue for fiscal 2014 was \$750.4 million, representing a 54% increase over the \$486.7 million for the same period last year. GAAP revenue for fiscal 2014 was \$750.1 million compared to \$484.4 million for fiscal 2013.
- GAAP net loss for fiscal 2014 was \$119.4 million, or (\$2.39) per share, compared to a loss of \$27.0 million, or (\$0.64) per share, for the same period last year.
- Non-GAAP net income was \$103.6 million for fiscal 2014, or \$2.00 per diluted share, compared to non-GAAP net income of \$82.0 million, or \$1.84 per diluted share, reported for the same period last year.
- Fiscal 2014 reported revenue and earnings were within the company's pre-announced ranges provided on February 2, 2015.
- Backlog at the end of 2014 amounted to \$14.3 million, versus \$28.5 million at the end of 2013.

David Reis, chief executive officer of Stratasys, said, "Growth in our core business reflects the increasing demand for additive manufacturing, and our leadership within the marketplace. During the fourth quarter, MakerBot was affected by challenges associated with the introduction and scaling of its new product platform and its rapidly evolving distribution model. As market adoption continues to evolve and to the extent MakerBot continues to establish and expand sales channels, the Company expects MakerBot growth rates to ramp up to, or exceed, overall Company averages by 2016."

Recent Business Highlights:

- Launched 11 new 3D printing products and materials at Euromold 2014, including two new Fortus FDM production systems as well as a significant expansion of our triple-jetting Connex line of multi-color, multi-material 3D printers.
- Announced a multi-year investment plan focused on enhancing vertical industry focus, expanding services, accelerating product development, and building sales and marketing infrastructure- all designed to support annual revenues of \$3 billion in 2020.
- Announced the combination and rebranding of Solid Concepts, Harvest Technologies and RedEye to form Stratasys Direct Manufacturing, a leading strategic platform to meet customers' additive manufacturing needs, and drive further adoption of Stratasys' Additive Manufacturing Solutions.
- Expanded MakerBot's U.S. distribution channel to include Staples and Fry's Electronics and announced a European distribution agreement with Tech Data Europe's Datech.
- Announced the development of new MakerBot PLA Composite Filaments at this year's International CES that included iron, bronze, limestone, and maple.
- Completed the acquisition of certain assets of Hong Kong-based Stratasys reseller Intelligent CAD/CAM Technology Ltd, strengthening Stratasys' local presence and improving direct access to customers in the Asia Pacific region.
- The Econolyst, an Additive Manufacturing and 3D Printing consultancy and research firm, led by Dr. Phil Reeves, a 20-year industry veteran in the Additive Manufacturing space, joined Stratasys Services Group to form the foundation of the new Stratasys Strategic Consulting Division.

"Over the course of the past year we introduced 25 major new 3D printing systems and materials, expanded our go-to-market initiatives, and completed several strategic acquisitions. We are pleased

with the progress we have made in integrating our recent acquisitions, and we look forward to enhancing our customer offering through the myriad technologies offered by our newly branded Stratasys Direct Manufacturing service, comprising Solid Concepts, Harvest Technologies and RedEye, as well as GrabCAD. We are positioning Stratasys for long-term growth by assembling best-in-class technologies and teams to build a market leading company with the most comprehensive product and service solutions in the industry," concluded Reis.

Financial Guidance:

Stratasys continues to expect to achieve its fiscal year 2015 guidance, as previously provided in its February 2, 2015 press release:

- Revenue of \$940 million to \$960 million.
- Non-GAAP net income of \$109 million to \$118 million, or \$2.07 to \$2.24 per diluted share.
- GAAP net loss of \$23 million to \$10 million, or (\$0.45) to (\$0.20) per share.
- Tax rate of 5% to 10%.
- Capital expenditures of \$160 to \$200 million.
- Total operating expenses in 2015 are expected to be in the range of 46% to 47% of anticipated revenues.
- Projected Non-GAAP net income is expected to be derived disproportionately from the second half of fiscal 2015, driven by the projected timing of revenue and operating expenses.

Non-GAAP earnings guidance excludes \$85 million of projected amortization of intangible assets; \$32 million to \$35 million of share-based compensation expense; \$41 million to \$43 million in non-recurring expenses related to acquisitions; and includes \$30 million to \$31 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%.

Stratasys Ltd. Q4-2014 Conference Call Details

Stratasys will hold a conference call to discuss its fourth quarter financial results on Monday, March 2, 2015 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://edge.mediaPserver.com/m/p/fsefp4qi>.

The conference call script and accompanying slide presentation will be available on the Stratasys Web site at www.stratasys.com under the "Investors" tab.

To participate by telephone, the domestic dial-in number is 800-510-9691 and the international dial-in is 617-614-3453. The access code is 23883766. 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.

Cautionary Statement Regarding Forward-Looking Statements

The statements in this press release regarding Stratasys' business and operating expectations, projections and goals, as well as its financial guidance and projections under the caption "Financial Guidance," are "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 "will," "expect," "anticipate," "continue," "believe," "project" or other similar words, but are not the only way these statements are identified. 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 extent of our success at introducing new or improved products and solutions that gain market share; the extent of our success at efficiently and successfully integrating the operations of various companies that we have acquired or may acquire; the impact of competition and new technologies; general market, political and economic conditions in the countries in which we operate; projected capital expenditures and liquidity; changes in our strategy; government regulations and approvals; changes in customers' budgeting priorities; the overall global economic environment; 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, 2014 to be filed with the U.S. Securities and Exchange Commission (the "SEC") on March 3, 2015, 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 the Stratasys Direct Manufacturing digital-manufacturing service comprising the services previously provided by RedEye, Harvest Technologies and Solid Concepts. Stratasys has more than 2,900 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 Balance Sheets

(in thousands)	December 31, 2014	December 31, 2013
ASSETS		
Current assets		
Cash and cash equivalents	\$ 442,141	\$ 414,088
Short-term bank deposits	595	200,370
Accounts receivable, net	150,806	99,200
Inventories	123,385	88,406
Net investment in sales-type leases	8,170	6,696
Prepaid expenses	7,931	5,470
Deferred income taxes	25,697	16,501
Other current assets	37,903	21,398
Total current assets	<u>796,628</u>	<u>852,129</u>
Non-current assets		
Goodwill	1,323,502	1,195,891
Other intangible assets, net	597,903	622,330
Property, plant and equipment, net	157,036	91,005
Net investment in sales-type leases - long term	14,822	11,219
Other non-current assets	9,216	9,647
Total non-current assets	<u>2,102,479</u>	<u>1,930,092</u>
Total assets	<u>\$ 2,899,107</u>	<u>\$ 2,782,221</u>
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	\$ 37,359	\$ 35,375
Short term debt	50,000	—
Accrued expenses and other current liabilities	47,760	32,849
Accrued compensation and related benefits	42,332	21,441
Obligations in connection with acquisitions	28,092	12,027
Deferred revenues	45,023	36,033
Total current liabilities	<u>250,566</u>	<u>137,725</u>
Non-current liabilities		
Obligations in connection with acquisitions - long term	26,461	16,998
Deferred tax liabilities	55,835	105,901
Deferred revenues - long-term	5,946	3,315
Other non-current liabilities	25,091	18,495
Total non-current liabilities	<u>113,333</u>	<u>144,709</u>
Total liabilities	<u>363,899</u>	<u>282,434</u>
Redeemable non-controlling interests	3,969	—
Equity		
Ordinary shares, NIS 0.01 nominal value, authorized 180,000 shares; 50,923 and 49,211 shares issued and outstanding at December 31, 2014 and December 31, 2013, respectively	139	133
Additional paid-in capital	2,568,149	2,412,197
Retained earnings (accumulated deficit)	(33,871)	85,549
Accumulated other comprehensive income (loss)	(3,647)	1,908
Equity attributable to Stratasys Ltd.	2,530,770	2,499,787
Non-controlling interest	469	—
Total equity	<u>2,531,239</u>	<u>2,499,787</u>
Total liabilities and equity	<u>\$ 2,899,107</u>	<u>\$ 2,782,221</u>

	Three Months Ended December 31, 2014 (unaudited)	2013 (unaudited)	Twelve Months Ended December 31, 2014	2013
Net sales				
Products	\$ 168,595	\$ 134,943	\$ 612,138	\$ 414,853
Services	48,517	20,142	137,991	69,550
	<u>217,112</u>	<u>155,085</u>	<u>750,129</u>	<u>484,403</u>
Cost of sales				
Products	82,985	65,088	302,838	213,427
Services	28,943	12,195	84,897	44,803
	<u>111,928</u>	<u>77,283</u>	<u>387,735</u>	<u>258,230</u>
Gross profit	105,184	77,802	362,394	226,173
Operating expenses				
Research and development, net	23,189	17,669	82,270	52,310
Selling, general and administrative	95,646	64,462	351,993	202,040
Goodwill impairment	102,470	—	102,470	—
Change in the fair value of obligations in connection with acquisitions	(24,862)	(853)	(26,150)	754
	<u>196,443</u>	<u>81,278</u>	<u>510,583</u>	<u>255,104</u>
Operating loss	(91,259)	(3,476)	(148,189)	(28,931)

Financial expense	(4,145)	(650)	(6,529)	(450)
Loss before income taxes	(95,404)	(4,126)	(154,718)	(29,381)
Income tax benefit	(3,370)	(2,137)	(35,248)	(2,474)
Net loss	(92,034)	(1,989)	(119,470)	(26,907)
Net income (loss) attributable to non-controlling interest	(25)	—	(50)	47
Net loss attributable to Stratasis Ltd.	<u>\$ (92,009)</u>	<u>\$ (1,989)</u>	<u>\$ (119,420)</u>	<u>\$ (26,954)</u>
Net loss per ordinary share attributable to Stratasis Ltd.				
Basic	\$ (1.81)	\$ (0.04)	\$ (2.39)	\$ (0.64)
Diluted	(1.81)	(0.07)	(2.39)	(0.68)
Weighted average ordinary shares outstanding				
Basic	50,912	48,955	50,019	42,079
Diluted	50,912	49,036	50,019	42,099

Stratasis Ltd.

Reconciliation of GAAP to Non-GAAP Results of Operations

(in thousands, except per share data)

	Three Months Ended December 31, 2014			Three Months Ended December 31, 2013		
	GAAP (unaudited)	Adjustments*	Non-GAAP (unaudited)	GAAP (unaudited)	Adjustments*	Non-GAAP (unaudited)
Net sales						
Products	\$ 168,595	\$ —	\$ 168,595	\$ 134,943	\$ 668	\$ 135,611
Services	48,517	—	48,517	20,142	—	20,142
	<u>217,112</u>	<u>—</u>	<u>217,112</u>	<u>155,085</u>	<u>668</u>	<u>155,753</u>
Cost of sales						
Products	82,985	(14,490)	68,495	65,088	(14,765)	50,323
Services	28,943	(1,915)	27,028	12,195	(495)	11,700
	<u>111,928</u>	<u>(16,405)</u>	<u>95,523</u>	<u>77,283</u>	<u>(15,260)</u>	<u>62,023</u>
Gross profit	105,184	16,405	121,589	77,802	15,928	93,730
Operating expenses						
Research and development, net	23,189	(1,822)	21,367	17,669	(2,207)	15,462
Selling, general and administrative	95,646	(20,368)	75,278	64,462	(17,633)	46,829
Goodwill impairment	102,470	(102,470)	—	—	—	—
Change in the fair value of obligations in connection with acquisitions	(24,862)	24,862	—	(853)	853	—
	<u>196,443</u>	<u>(99,798)</u>	<u>96,645</u>	<u>81,278</u>	<u>(18,987)</u>	<u>62,291</u>
Operating income (loss)	(91,259)	116,203	24,944	(3,476)	34,915	31,439
Financial expense	(4,145)	—	(4,145)	(650)	—	(650)
Income (loss) before income taxes	(95,404)	116,203	20,799	(4,126)	34,915	30,789
Income taxes (benefit)	(3,370)	(750)	(4,120)	(2,137)	7,133	4,996
Net income (loss)	(92,034)	116,953	24,919	(1,989)	27,782	25,793
Net loss attributable to non-controlling interest	(25)	—	(25)	—	—	—
Net income (loss) attributable to Stratasis Ltd.	<u>\$ (92,009)</u>	<u>\$ 116,953</u>	<u>\$ 24,944</u>	<u>\$ (1,989)</u>	<u>\$ 27,782</u>	<u>\$ 25,793</u>
Net income (loss) per ordinary share attributable to Stratasis Ltd.						
Basic	\$ (1.81)		\$ 0.49	\$ (0.04)		\$ 0.53
Diluted	(1.81)		0.48	(0.07)		0.50
Weighted average ordinary shares outstanding						
Basic	50,912		50,912	48,955		48,964
Diluted	50,912		52,491	49,036		51,429

Stratasis Ltd.

Reconciliation of GAAP to Non-GAAP Results of Operations

(in thousands, except per share data)

	Twelve Months Ended December 31, 2014			Twelve Months Ended December 31, 2013		
	GAAP	Adjustments*	Non-GAAP	GAAP	Adjustments*	Non-GAAP
Net sales						
Products	\$ 612,138	\$ 235	\$ 612,373	\$ 414,853	\$ 2,316	\$ 417,169

Services	137,991	—	137,991	69,550	—	69,550
	750,129	235	750,364	484,403	2,316	486,719
Cost of sales						
Products	302,838	(69,717)	233,121	213,427	(58,826)	154,601
Services	84,897	(6,925)	77,972	44,803	(1,575)	43,228
	387,735	(76,642)	311,093	258,230	(60,401)	197,829
Gross profit	362,394	76,877	439,271	226,173	62,717	288,890
Operating expenses						
Research and development, net	82,270	(8,813)	73,457	52,310	(5,490)	46,820
Selling, general and administrative	351,993	(94,442)	257,551	202,040	(57,652)	144,388
Goodwill impairment	102,470	(102,470)	—	—	—	—
Change in the fair value of obligations in connection with acquisitions	(26,150)	26,150	—	754	(754)	—
	510,583	(179,575)	331,008	255,104	(63,896)	191,208
Operating income (loss)	(148,189)	256,452	108,263	(28,931)	126,613	97,682
Financial expense	(6,529)	—	(6,529)	(450)	—	(450)
Income (loss) before income taxes	(154,718)	256,452	101,734	(29,381)	126,613	97,232
Income taxes (benefit)	(35,248)	33,403	(1,845)	(2,474)	17,575	15,101
Net income (loss)	(119,470)	223,049	103,579	(26,907)	109,038	82,131
Net income (loss) attributable to non-controlling interest	(50)	—	(50)	47	125	172
Net income (loss) attributable to Stratasys Ltd.	<u>\$ (119,420)</u>	<u>\$ 223,049</u>	<u>\$ 103,629</u>	<u>\$ (26,954)</u>	<u>\$ 108,913</u>	<u>\$ 81,959</u>
Net income (loss) per ordinary share attributable to Stratasys Ltd.						
Basic	\$ (2.39)		\$ 2.07	\$ (0.64)		\$ 1.95
Diluted	(2.39)		2.00	(0.68)		1.84
Weighted average ordinary shares outstanding						
Basic	50,019		50,019	42,079		42,079
Diluted	50,019		51,805	42,099		44,511

FINAL SSYS Q4 2014 & FY 2014 Earnings Script**SLIDE#1: TITLE SLIDE****SLIDE#2: CONFERENCE DETAILS****Speaker: Shane Glenn**

Good morning, everyone, and thank you for joining us to discuss our fourth-quarter and year-end financial results. On the call with us today are David Reis, CEO, and Erez Simha, CFO and COO of Stratasys.

SLIDE#3: FLS

I remind you 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 website later today.

We will begin by reminding everyone 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 related to the Company's objectives, plans, strategies, statements that contain projections of results of operations or financial conditions, including with respect to the MakerBot, Solid Concepts, Harvest Technologies and GrabCAD acquisitions, and all statements other than statements of historical fact 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 extent of our success at introducing new or improved products and solutions that gain market share; the extent of our success at efficiently and successfully integrating the operations of various companies that we have acquired or may acquire; the impact of competition and new technologies; general market, political and economic conditions in the countries in which we operate; projected capital expenditures

and liquidity; changes in our strategy; government regulations and approvals; changes in customers' budgeting priorities; the overall global economic environment; litigation and regulatory proceedings; and those factors referred to under risk factors, information on the Company, operating and financial review and prospects, and generally the Company's annual report for 2014 to be filed on Form 20-F on March 3, 2015, and other reports that the Company files 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 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 the 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 SLIDE**Speaker: David Reis**

Thank you, Shane, and good morning, everyone.

On our February 3 conference call, we discussed preliminary fiscal 2014 financial results; discussed the key drivers behind our fourth quarter performance; provided our fiscal 2015 financial guidance; and unveiled a new strategic investment plan designed to support the future growth of our business.

Today, we will review our 2014 fourth quarter and year-end results and the strategic investment plan in more detail.

Our core business, excluding MakerBot and our newly acquired service bureaus, performed impressively in the fourth quarter. However, our fourth quarter results were impacted by slower growth of MakerBot revenue during the period, driven by challenges associated with the introduction and scaling of its new product platform and its evolving distribution model.

Nevertheless, we are excited about our opportunity to build upon MakerBot's leading position in the new product category of desktop 3D printing, and we will continue to invest to provide MakerBot with the ability to further scale and build superior product platforms positioned for long-term growth as the adoption of 3D printing expands.

As we look back at 2014, we are pleased with our many accomplishments.

1. We launched over 25 major new 3D printing systems and materials throughout the year, including 11 new systems and materials in the fourth quarter alone.
2. We completed the alignment of the Company's R&D and global operations that resulted from the Stratasys-Objet merger.

3. We made significant investments in infrastructure, including the completion of a new PolyJet manufacturing facility in Kiryat Gat, Israel.
4. We greatly expanded our go-to-market capabilities, through strategic investments in our channel, development of our Vertical Business Unit and Strategic Accounts Management initiatives, and through major distribution partnerships.
5. We completed over six strategic acquisitions, including Solid Concepts and Harvest Technologies, two leading parts manufacturing services, and GrabCAD, a leading cloud-based software collaboration platform.
6. We also reached a significant milestone in 2014 with over 100,000 cumulative systems shipped on a pro-forma combined company basis; we believe that Stratasys is the only 3D printing company to have achieved this level of scale.

2014 was a year of significant growth and investment, and 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: QUARTER HIGHLIGHTS

Speaker: Erez Simha

Thank you, David, and good morning, everyone.

Our revenue for the fourth quarter increased by 40% over last year to \$217 million. This included organic revenue growth of 26% over the fourth quarter of last year.

Our organic revenue (excluding MakerBot) grew by 29% over last year.

Our non-GAAP gross margin came in at 56% for the quarter; non-GAAP net income declined by 3% over last year to \$24.9 million, or \$0.48 per diluted share, compared to non-GAAP net income of \$25.8 million, or \$0.50 per diluted share, for the same period last year.

SLIDE#6: REVENUE

Product revenue in the fourth quarter increased by 24% to \$168.6 million, as compared to the same period last year.

Within product revenue, system revenue increased by 28% over the same period last year.

As discussed on our February 3rd call, our results were impacted by slower growth of MakerBot revenue during the period, which grew by 7% in the fourth quarter over the prior year, contributing \$26.6 million in revenue.

The two key challenges affecting MakerBot's performance in the quarter, as discussed on our February 3rd call, were related to the introduction and scaling of its new product platform and MakerBot's evolving distribution model.

During 2014, and specifically in the fourth quarter, MakerBot made significant hardware and software improvements to its product line, and is adjusting to its new distribution model.

Throughout 2014, MakerBot invested in the development of a multi-tier distribution strategy enabling broader distribution. However, given the nature and scope of the new partnerships that this strategy entails, in comparison with MakerBot's traditional distribution model, predictable sales patterns and reorder rates have yet to be established.

It's important to remember that we are leading the industry in creating a new market within the desktop category, and we expect some volatility as we build out the necessary infrastructure to continue our growth plans.

Within product revenue, consumables revenue increased by 27% in the fourth quarter compared to the same period last year, driven primarily by our growing installed base of 3D printers, and the relatively high usage trends of our high-end production systems.

Service revenue in the fourth quarter increased by 141% to \$48.5 million, as compared to the same period last year. Excluding the recent acquisitions of Solid Concepts and Harvest Technologies, service revenue grew by 40%.

Within service revenue, customer support revenue increased by an impressive 46% as compared to the same period last year, driven primarily by our growing installed base of systems.

SLIDE#7: UNIT SALES

The Company sold 11,214 3D printing and additive manufacturing systems during the fourth quarter, and on a combined pro-forma basis, has sold 121,661 systems worldwide as of December 31, 2014.

We observed strong unit sales growth during the fourth quarter, specifically for design and manufacturing solutions that target enterprise level prototyping to direct digital manufacturing applications.

The new product introductions we made at Euromold have been met with strong demand, particularly the higher-end Fortus and PolyJet systems.

SLIDE#8: GROSS PROFIT

Gross margin was 56.0% for the fourth quarter compared to 60.2% for the same period last year.

Gross margin relative to last year was mainly impacted by the charges and reserves relating to the introduction and scaling of our new MakerBot product platform, which we discussed on our February 3rd call, as well as by lower gross margin generated by the incremental revenue recognized from the acquisition of Solid Concepts and Harvest Technologies.

Excluding the impact of acquisitions and these incremental charges, fourth quarter gross margin would have been relatively flat year-over-year.

Compared to the third quarter of 2014, the decline in gross margin was driven by the MakerBot charges and reserves, as well as a shift in product mix — specifically, the third quarter of 2014 experienced relatively stronger sales of the Objet 1000 following the product's initial launch during that period.

SLIDE#9: OPERATING PROFIT

Operating expenses increased 55% in the fourth quarter compared to last year, driven primarily by the inclusion of Solid Concepts and Harvest Technologies operating expenses; as well as by increased sales, marketing and R&D investments to support our growth expectation and fund new product introductions.

Net R&D expenses increased by 38% to \$21.4 million in the fourth quarter, as compared to the same period last year; R&D as a percentage of net sales was at 9.8%, compared to 9.9% for the same period last year.

The increase in R&D expense was driven primarily by an increase in headcount and overall systems and material project acceleration.

SG&A expenses increased by 61% to \$75.3 million for the fourth quarter, as compared to \$46.8 million for the same period last year, primarily driven by the inclusion of Solid Concepts and Harvest Technologies expenses, headcount additions, increased travel, and higher sales and marketing expense.

We received a tax benefit of 19.8% compared to the effective tax rate of 16.2% for the same period last year. Our tax expenses were impacted by a one time benefit of R&D credit in the US, and tax settlement from prior years.

SLIDE#10: BALANCE SHEET

As we discussed on our conference call on February 3, Stratasys updated the goodwill impairment of our MakerBot reporting unit in December 2014. As a result, we incurred a one-time, non-cash, non-tax-deductible goodwill impairment charge of \$102 million in the fourth quarter.

We maintain approximately \$443 million in cash and cash equivalents and short-term bank deposits. The cash balance includes a \$50 million drawdown on the Company's revolving credit facility.

EBITDA for the fourth quarter amounted to \$29.6 million. Backlog at the end of 2014 amounted to \$14.3 million, versus \$28.5 million at the end of 2013.

Cash flow generated by operations was \$14.9 million. Capital expenditures amounted to approximately \$16.7 in facility and equipment investment.

Inventory increased to \$123.4 million in the fourth quarter, compared to \$119.3 at the end of the third

quarter.

Accounts receivable increased to \$150.8 million in the fourth quarter, compared to \$140.7 million at the end of the third quarter, while DSO on 12-month trailing revenue was 73, compared to 74 in the third quarter and 74 in the fourth quarter last year.

SLIDE#11: SUMMARY SLIDE

In summary,

1. We are continuing to observe increased demand for our design and manufacturing enterprise solutions and expect growth in 2015 at a rate of more than 25% for these higher-end solutions. Nevertheless, we believe growth will be stronger in the second half and weaker in the first
2. We are seeing growth in our consumables business, which is a reflection of our growing installed base and efforts to educate the market around our advanced materials.
3. We believe that we are making the appropriate investments in strategic initiatives and infrastructure to help accelerate our growth moving forward by increasing headcount and driving new product initiatives and sales and marketing.
4. We have a strong balance sheet and we continue to position the company for future growth through strategic investments, as well as through additional acquisitions.

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 2015 financial guidance. Shane.

SLIDE#12: GUIDANCE

Speaker: Shane Glenn

Thank you, Erez.

As we announced on February 3, for 2015 we estimate total revenue in the range of \$940 to \$960 million, representing growth of 25% to 28% compared to fiscal 2014, with non-GAAP net income in the range of \$109 to \$118 million, or \$2.07 to \$2.24 per diluted share. We project a GAAP net loss for fiscal 2015 in the range of \$23 to \$10 million, or (\$0.45) to (\$0.20) per share.

Projected non-GAAP revenue and net income is expected to be derived disproportionately from the second half of fiscal 2015, driven by the projected timing of revenue and operating expenses.

We expect the year to start slower and estimate that MakerBot performance will continue to negatively impact company results in the first half of 2015.

We expect total operating expenditures to be in the range of 46% to 47% of anticipated revenues on an annual basis. We also expect to incur capital expenditures in the range of \$160 to \$200 million in 2015, and expect an effective tax rate of 5% to 10%.

SLIDE#13: LONG-TERM MODEL

Finally, I want to reiterate the following goals for the Company's long term operating model. We aim to achieve:

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

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

Now, I'd like to turn the call back over to David Reis. David?

David Reis

Thank you, Shane.

Taking a step back to look at the big picture, 2014 was a year of significant progress for Stratasys.

Our core business is growing, reflecting increasing demand for additive manufacturing applications worldwide.

We continue to position the Company to succeed over the long term by making strategic investments in our business that will help expand our global reach; further develop our products and services for specific industries and applications; and strengthen our relationships with our customers.

SLIDE #14 MakerBot Update

I want to highlight some of MakerBot's achievements over the past two years.

MakerBot has experienced rapid growth since inception, with sales expanding by over 600% from 2012 to 2014, and, to date, has sold approximately 80,000 units, by far the largest number of desktop 3D printers in the industry.

MakerBot maintains significant brand leadership, and has developed an extensive 3D printing ecosystem through software, mobile applications, user community, content, and strategic partnerships.

During the fourth quarter of 2014, our results were impacted by slower growth of MakerBot revenue — a result of the issues we have previously outlined.

As MakerBot continues to scale, we expect to see continued evolution of, and investment in, its business, including its product development, sales and marketing and organizational structure.

As we develop the business, we expect MakerBot's growth path will experience some inconsistencies, and expect the first half of 2015 will be challenging. However, as we address these issues, we expect MakerBot growth rates to ramp up to, or in excess of, overall company averages by 2016.

SLIDE #15 OUTLOOK AND INVESTMENT PLAN

Looking ahead, we believe that Additive Manufacturing is poised to enter a new phase of increased adoption.

Following extensive review of our evolving industry and growth opportunities, the management and the Board of the Company have decided to implement an aggressive plan that we believe will position Stratasys to support annual revenues of \$3 billion in 2020.

The plan is intended to allow Stratasys to capitalize on the trends we are seeing in the marketplace by improving our industry focus, expanding our Stratasys Direct Manufacturing services, driving product innovation, and building the necessary infrastructure for future growth.

SLIDE #16 INDUSTRY FOCUS - VERTICALS

One area of investment is targeted at accelerating efforts around our Vertical Business Unit, or VBU, initiative.

The goal of the VBU initiative is to drive adoption for vertical applications and solutions within areas we have identified as having a high potential for Additive Manufacturing.

These include verticals such as aerospace, automotive, healthcare and education.

In 2014, the VBU completed the initial phase of a three-year plan and launched a defined strategy and KPIs across key verticals.

We have already observed results in key verticals; with over 50 deals for manufacturing applications having been closed with VBU support in 2014.

In addition, industry-specific material certification processes with key partners have been developed; and a Stratasys education curriculum program was launched in the fourth quarter.

SLIDE #17 SERVICES - STRATASYS DIRECT MANUFACTURING

To enhance our solutions around services, our investment plan focuses on the expansion of our newly- branded Stratasys Direct Manufacturing parts services, or SDM.

Stratasys Direct Manufacturing is supported by our recent acquisitions of Solid Concepts and Harvest Technologies; and we are happy to report progress in combining these two leading service providers with our previously existing RedEye paid parts service. This includes:

- 1.) A fully integrated sales team and deployment of our CRM;
- 2.) Significant progress in rolling out a single quoting engine for the combined service offerings;
- 3.) And a plan for proceeding with a full IT integration later this year that will support these services.

Looking beyond these accomplishments, the next steps in the integration process are to develop go-to-market strategies that create cross-selling opportunities between SDM

and our traditional printing solutions.

Additionally, we believe there are ways in which we can leverage our Vertical Business Unit team to accelerate SDM sales into manufacturing verticals.

We expect to enter into the second half of 2015 with a clearer go-to-market plan for creating these revenue synergies, which we expect to produce tangible results in 2016.

SLIDE #18 SERVICES - PROFESSIONAL SERVICES

As additive manufacturing enters a new phase of increased adoption and growth, we believe expanding our professional services capabilities will be critical.

The Stratasys Services Group will provide customers with expert consulting around additive manufacturing strategy across technologies and solutions.

We are pleased to announce that the team at Econolyst, a UK-based additive manufacturing and 3D printing consultancy and research firm, will join Stratasys to support this effort.

The team, led by 20-year industry veteran Dr. Phil Reeves, will form the foundation of the new Strategic Consulting Division, a part of the Stratasys Services Group.

SLIDE #19 PRODUCTS AND INNOVATION

Another area of focus is on product development.

This includes new products based on existing technologies; new platforms based on long-term innovation and development projects; software platform development; as well as the creation of a leading 3D printing ecosystem.

We are already benefiting from our investments to accelerate new products to market, as seen in our 11 new 3D printing systems and materials launched at Euromold in November.

We drove hard to get these products to the market given our anticipation of strong demand, which we have observed. In fact, in recent years, our additional investments in new product development have generally shown a return in a one-to-two year time frame, and we are optimistic that our investment plan will enable us to continue that trend.

Looking longer-term, we have multiple innovation products that have the potential to produce new platforms that could greatly expand the adoption of existing applications, as well as open up new markets. These additional investments are by definition longer-term investments, with at least a two-to-four year time horizon expected for product launch.

Ultimately we believe that a robust software ecosystem that can improve 3D printing accessibility is critical to driving adoption of our products and services.

Our recent acquisition of GrabCAD gives us the opportunity to provide a common core platform and user experience for our 3D printing systems and parts services offerings.

The GrabCAD acquisition has brought us group of talented software professionals with a deep understanding of the needs of designers and engineers, which allows Stratasys to deliver enhanced collaboration tools and improved accessibility relating to 3D CAD content to our customers.

SLIDE #20 SALES AND MARKETING, GO-TO-MARKET

Another critical area for investment is our sales and marketing infrastructure. We want to develop enhanced channel programs designed to increase capacity, productivity and coverage, while expanding our account management efforts to further serve our customers.

We are encouraged by the significant growth we observed in 2014 within our Strategic Accounts Management initiative, which identifies leading, global accounts and implements a single account management plan to drive sales and coordinate fulfillment in partnership with our global reseller network. Our top ten strategic accounts, all large multinationals, reported total revenue growth in 2014 of 158% compared to 2013 — an impressive achievement.

Our continued investment in the channel is a necessary part of our growth. Our investments take many forms, ranging from sponsored training events for channel partners, to acquisitions of key assets within the channel.

For example, we recently acquired certain assets of our Hong Kong-based reseller Intelligent CAD/CAM Technology Ltd, which strengthened our local presence and improved our direct access to customers in the Asia Pacific region. We believe this acquisition will help support the growth we continue to observe in the APAC region.

Within MakerBot, we have also expanded MakerBot's U.S. distribution channels, and recently announced an agreement with the European distributor Datech, a specialty division of Tech Data Europe.

SLIDE #21 SUMMARY & OUTLOOK

In summary:

- 1.) Our core business is growing, and we are confident in our ability to continue to lead the additive manufacturing market.
 - 2.) Our investments in our Vertical Business Unit and Strategic Accounts Management initiatives are showing positive results as we strengthen our industry focus and expand our go-to-market strategy.
 - 3.) We announced Stratasys Direct Manufacturing, the combination of Solid Concepts, Harvest Technologies, and RedEye, and our PMI plan within parts services is proceeding on schedule.
 - 4.) Our recent new product introductions have been received positively by the market, and we look forward to an accelerated pace of product development moving forward
-

- 5.) Finally, we are confident that our investment plan and our growth strategy will enable us to put greater focus on long-term manufacturing-related opportunities, position the Company to capitalize on future growth opportunities, and help solidify our leading position in additive manufacturing and 3D printing.

Operator, please open the call for questions.

SLIDE #22 Q&A

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

Goodbye.



Q4 2014 Financial Results Conference Call



Q4 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:
800-510-9691

International Dial-in:
617-614-3453

Participant Passcode:
23883766

Live webcast and replay:

<http://edge.media-server.com/m/p/fsefp4qj>

Stratasys

Forward looking statement

The statements in this press release regarding Stratasys' business and operating expectations, projections and goals, as well as its financial guidance and projections under the caption "Financial Guidance," are "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 "will," "expect," "anticipate," "continue," "believe," "project" or other similar words, but are not the only way these statements are identified. 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 extent of our success at introducing new or improved products and solutions that gain market share; the extent of our success at efficiently and successfully integrating the operations of various companies that we have acquired or may acquire; the impact of competition and new technologies; general market, political and economic conditions in the countries in which we operate; projected capital expenditures and liquidity; changes in our strategy; government regulations and approvals; changes in customers' budgeting priorities; the overall global economic environment; 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, 2014 to be filed with the U.S. Securities and Exchange Commission (the "SEC") on March 3, 2015, 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.

Summary & Outlook

Core business growth in the fourth quarter driven by design and manufacturing solutions for the enterprise

MakerBot impacted by challenges associated with introduction and scaling of its new product platform and evolving distribution model

Successful launch of 25 major new products in 2014, including 11 new 3D printing systems and materials in the fourth quarter

Completed the alignment of company-wide R&D and operations in 2014, and made significant investments in infrastructure

Expanded channel and go-to-market capabilities, through strategic investments and distribution partnerships

Completed over six strategic acquisitions including Solid Concepts, Harvest Technologies, and GrabCAD

Reached significant milestone in 2014 with over 100,000 cumulative systems shipped on a pro-forma combined company basis

Financial Results

Stratasys Ltd.
Non-GAAP

Quarter Highlights

Revenue Growth  39% YOY

Organic Revenue Growth  26% YOY

Non-GAAP Gross Profit Growth  30%

Non-GAAP Net Income  3% YOY

MakerBot contributed \$26.6M in revenue

(\$ in millions unless noted otherwise)


	Q4-13	Q4-14	Change YOY
Unit Sales	10,963	11,214	+2.3%
Total Revenue	\$155.8	\$217.1	+39.4%
Revenue/ Employee	0.086	0.073	-15.1%
Gross Profit % margin	93.7 60.2%	121.6 56.0%	+29.7%
Operating Expenses % of sales	62.3 40.0%	96.6 44.5%	+55.2%
Operating Profit % margin	31.4 20.2%	24.9 11.5%	-20.7%
Pre-tax Profit % margin	30.8 19.8%	20.8 9.6%	-32.4%
Tax Rate	16.2%	-19.8%	-222.1%
EBITDA	36.0	29.6	-17.8%
Net Income % margin	25.8 16.6%	24.9 11.5%	-3.3%
EPS (Diluted)	\$0.50	\$0.48	-5.2%
Diluted Shares	51.4	52.5	+2.1%

Financial Results

Revenue
Stratasys Ltd.
Non-GAAP

Quarter Highlights

System Revenue  28% YOY

Consumable Revenue  27% YOY

Customer Support Revenue  46% YOY

(\$ in millions unless noted otherwise)

Total Revenue - Quarter



● Product ● Service

Total Revenue - Quarterly Trend



● Product ● Service

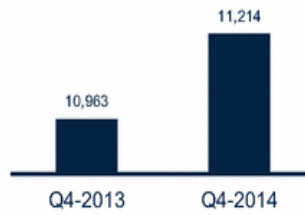
Financial Results

Stratasys Ltd.
System Unit Sales

Quarter Highlights

- Demand for design and manufacturing solutions driven by enterprise level prototyping and direct digital manufacturing applications
- New solutions introduced at Euromold 2014 well received by market

Total Units Sold - Quarter



Total Units Sold – Quarterly Trend



Financial Results

Gross Profit
Stratasys Ltd.
Non-GAAP

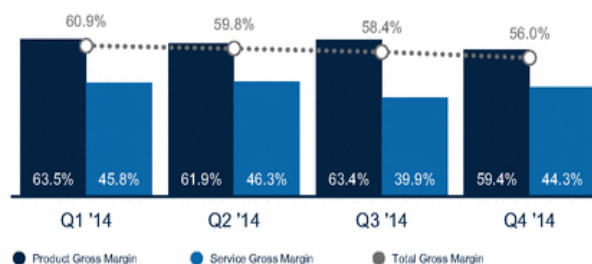
Quarter Highlights

- Excluding impact of acquisitions and charges and reserves related to MakerBot, gross margins flat YOY
- Sequential gross margin decline driven by product mix

(\$ in millions unless noted otherwise)

	Q4-13	Q4-14	% Change YOY
Product Revenue	\$135.6	\$168.6	
% of sales	87.1%	77.7%	+24.3%
Service Revenue	20.2	48.5	
% of sales	12.9%	22.3%	+140.9%
Product Gross Profit	85.3	100.1	
% margin	62.9%	59.4%	+17.4%
Service Gross Profit	8.4	21.5	
% margin	41.9%	44.3%	+154.5%
Total Gross Profit	93.7	121.6	
% margin	60.2%	56.0%	+29.7%

Gross Margin—Quarterly Trend



Financial Results

Operating Profit
Stratasys Ltd.
Non-GAAP

Quarter Highlights

- SG&A expansion driven primarily by the inclusion of Solid Concepts and Harvest Technologies, and the expansion of regional go-to-market infrastructure
- R&D expansion primarily driven by increased headcount, and the acceleration of product development initiatives

(\$ in millions unless noted otherwise)

	Q4-13	Q4-14	% Change YOY
R&D Expense	15.5	21.4	
% of sales	9.9%	9.8%	+38.2%
SG&A Expense	46.8	75.3	
% of sales	30.1%	34.7%	+60.8%
Total Operating Exp.	62.3	96.6	
% of sales	40.0%	44.5%	+55.2%
Total Operating Profit	31.4	24.9	
% margin	20.2%	11.5%	-20.7%

Operating Profit Analysis – Quarterly Trend



Financial Results

Balance Sheet Summary
Stratasys Ltd.

Quarter Highlights

- \$442.7M in cash and cash equivalents & bank deposits
- Generated \$14.9M in cash from operating activities in Q4 2014
- DSO on 12-month trailing revenue was 73, compared to 74 in the third quarter

(\$ in millions unless noted otherwise)

Selected balance sheet items (\$ in millions)	Q3-14	Q4-14
Cash, Cash Equivalents & Bank Deposits	\$458.9	\$442.7
Accounts Receivable	140.7	150.8
Inventories	119.3	123.4
Net Working Capital	546.6	546.1

Financial Results

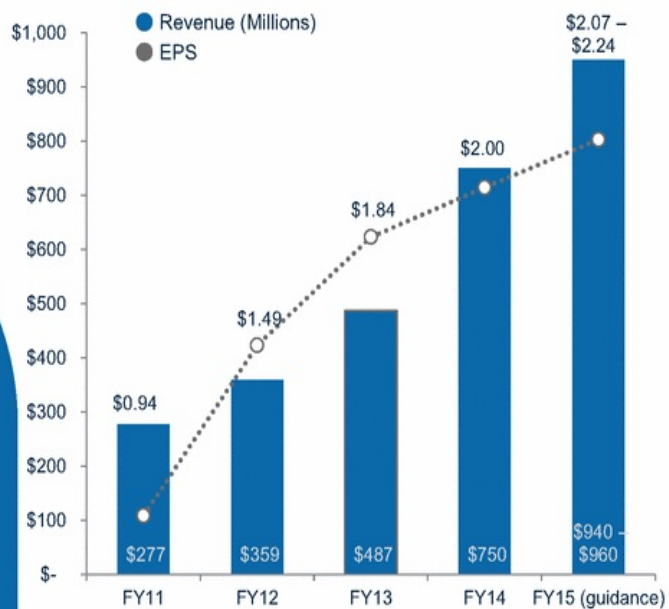
Projections
Stratasys Ltd.
Non-GAAP

Quarter Highlights

- Ongoing organic and inorganic sales growth
- Demand for design and manufacturing enterprise solutions
- Growing install base resulting in strong consumables growth
- Investments in strategic initiatives and infrastructure to drive growth

(\$ in millions unless noted otherwise)

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



Financial Guidance

Stratasys Ltd.
Revenue & Earnings Guidance
Non-GAAP

Fiscal 2015 Financial Guidance

Revenue (M)

\$940-960

Non-GAAP Diluted EPS

\$2.07-\$2.24

Reconciliation of GAAP to Non-GAAP Guidance

(\$ in millions, except per share data)

Revenue	\$940 to \$960
Non-GAAP Net Income	\$109.0 to \$118.0
(1) Stock-Based Compensation Exp.	\$32.0 to \$35.0
(2) Intangible Assets Amortization Exp.	\$85.0
(3) Merger Related Expenses	\$41.0 to \$43.0
(5) Tax expense related to adjustments	(\$30.0) to (\$31.0)
GAAP Net Loss	(\$23.0) to (\$10.0)
GAAP Loss Per Share	(\$0.45) to (\$0.20)
Non-GAAP Diluted Earnings Per Share	\$2.07 to \$2.24

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

MakerBot Update

Impressive Growth Over Last Two Years

- ✓ Sales expanded over 600% from 2012 to 2014
- ✓ Sold approximately 80,000 units to date
- ✓ Market leading brand and ecosystem



MakerBot in the Fourth Quarter

- ✓ Scaling and introduction of new product platform
- ✓ Evolution of distribution model
- ✓ Transitioning to a more mature business model

MakerBot in 2015

- ✓ Continued evolution of business, and investment in product development, sales and marketing and organizational structure
- ✓ We expect MakerBot growth rates to ramp up to, or in excess of, overall company averages by the end of 2016

Strategic Investment Plan

**Support \$3 Billion in
revenue by 2020**

01

Industry Focus

02

Services

03

Sales and
Marketing
Infrastructure

04

Products

Industry Focus

Accelerate Efforts Around Vertical Applications and Solutions:

- ✓ Aerospace
- ✓ Automotive
- ✓ Healthcare
- ✓ Education

2014 Vertical Business Unit Accomplishments

- ✓ Completed initial phase of three year plan
- ✓ Supported the closure of 50+ manufacturing deals
- ✓ Co-developed industry-specific materials certification processes
- ✓ Supported development of Stratasys Education Curriculum program



Services

Stratasys Direct Manufacturing

Supported by 8 advanced manufacturing facilities throughout United States

Includes complete range of AM manufacturing technologies



Stratasys Direct Manufacturing – 2014 PMI Update

- ✓ Three organizations rebranded as **Stratasys Direct Manufacturing**
- ✓ Single integrated sales team and Salesforce.com deployment
- ✓ Significant progress on unified quoting engine
- ✓ Proceeding with IT architecture integration

Stratasys Direct Manufacturing – 2015 to 2016 PMI Phase 2

- ❑ During H2 2014, develop go-to-market strategies for future generating synergies between SDM and hardware business
- ❑ Leverage VBU and Strategic Accounts Management (SAM) teams to drive synergies in 2016

Services

Stratasys Services Group

- ✓ Professional Services
- ✓ Customer Support Units
- ✓ **New Stratasys Strategic Consulting Division**

Stratasys Strategic Consulting Division

Econolyst, a UK-based additive manufacturing and 3D printing consultancy and research firm, will join Stratasys to form new consulting division

- ✓ Will offer a broad range of technology-agnostic strategic consulting and support for additive manufacturing adoption, education and innovation
- ✓ Strengthen the breadth and depth of Stratasys' Services expertise and capabilities
- ✓ Provide expert consulting around additive manufacturing strategy development, ideation and innovation and implementation planning across technologies and solutions



Products and Innovation

Increased investments in:

- ✓ New products
- ✓ Long term innovation projects
- ✓ Software development
- ✓ Ecosystem



Acceleration of New Product to Market

- ✓ Euromold product introductions met with strong demand
- ✓ ROI from accelerated investments generally expected in 1-2 year timeframe

Long Term Innovation and Development Projects

- ✓ Multiple new products in pipeline – including collaborations with industry leading manufacturers
- ✓ Potential to create groundbreaking new platforms
- ✓ ROI from investments in accelerated long term innovation products generally expected in at least a 2-4 year timeframe

Software and Ecosystem

- ✓ GrabCAD unique opportunity to develop leading 3D printing ecosystem
- ✓ Driving improved 3D printing accessibility and customer intimacy
- ✓ Early in PMI process

Sales & Marketing Infrastructure

Investments in Go-to-Market & Channel

- ✓ Training
- ✓ Assisting in scaling and hiring
- ✓ Strategic acquisitions

Strategic Accounts Management

- ✓ Initiative to create single point of contact for large, strategic accounts
- ✓ 65 Global Accounts, 35 in North America
- ✓ Fulfillment by channel or direct (varies depending on geography)
- ✓ For top 10 accounts, revenue growth of 158% in 2014 compared to 2013

Acquisition of Intelligent CAD/CAM in Hong Kong

- ✓ Strengthens local presence and improves direct access to customers in the Asia Pacific region
- ✓ Expanded local team lays foundation to support growth in key vertical markets
- ✓ Acquisition will help support strong growth in the APAC region

Summary & Outlook

Core business is growing and company is well positioned to maintain industry leadership position

Positive trends emerging from go-to-market investments, including our Vertical Business Unit and Strategic Accounts Management initiatives

Solid Concepts, Harvest Technologies, and RedEye now combined as Stratasys Direct Manufacturing – PMI process on schedule

New product introductions observing strong demand as pace of product development and innovation accelerates

Investment plan positions Stratasys for long term growth and market leadership within rapidly growing market

Company maintains strong balance sheet and is well positioned for strategic investments

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)	Q4-13			Q4-14		
	GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP
Net sales						
Products	\$134,943	\$668	\$135,611	\$168,595	\$ -	\$168,595
Services	20,142	-	20,142	48,517	-	48,517
Cost of sales						
Products	65,088	(14,765)	50,323	82,985	(14,490)	68,495
Services	12,195	(495)	11,700	28,943	(1,915)	27,028
Gross profit	77,802	15,928	93,730	105,184	16,405	121,589
Operating expenses						
Research and development, net	17,669	(2,207)	15,462	23,189	(1,822)	21,367
Selling, general and administrative	64,462	(17,633)	46,829	95,646	(20,368)	75,278
Goodwill impairment	-	-	-	102,470	(102,470)	-
Change in fair value of earn-out obligations in connection with acquisitions	(853)	853	-	(24,862)	24,862	-
Operating income (loss)	(3,476)	34,915	31,439	(91,259)	116,203	24,944
Financial expenses, net	(650)	-	(650)	(4,145)	-	(4,145)
Income (loss) before income taxes	(4,126)	34,915	30,789	(95,404)	116,203	20,799
Income taxes (benefit)	(2,137)	7,133	4,996	(3,370)	(750)	(4,120)
Net income (loss)	(1,989)	27,782	25,793	(92,034)	116,953	24,919
Net income (loss) attributable to non-controlling interest	-	-	-	(25)	-	(25)
Net income (loss) attributable to Stratasys Ltd.	(1,989)	27,782	25,793	\$ (92,009)	\$115,665	\$24,944
Net income (loss) per ordinary share attributable to Stratasys Ltd. (Diluted)	\$(0.07)		\$0.50	\$(1.81)		\$0.48
Diluted Shares	49,036		51,429	50,912		52,491

Reconciliation of Non-GAAP Adjustments

Stratasy Ltd.

(\$ in thousands)

	Q4-13	Q4-14
Net sales, products		
Deferred revenue purchase price	\$668	\$-
Cost of sales, products		
Acquired intangible assets amortization	(14,233)	(14,654)
Non-cash stock-based compensation expense	(496)	164
Merger related expense	(36)	-
Cost of sales, services		
Acquired intangible assets amortization	-	537
Non-cash stock-based compensation expense	(424)	(1,430)
Merger related expense	(71)	(1,022)
Research and development, net		
Non-cash stock-based compensation expense	(925)	(1,942)
Merger related expense	(1,282)	120
Selling, general and administrative		
Acquired intangible assets amortization	(5,319)	(7,607)
Non-cash stock-based compensation expense	(4,954)	(5,589)
Merger and acquisition related expense	(7,360)	(7,172)
Goodwill impairment		
Goodwill impairment	-	(102,470)
Change in fair value of earn-out obligations in connection with acquisitions		
Change in fair value of earn-out obligations in connection with acquisitions	853	24,862
Income taxes (benefit)		
Tax expense related to non-GAAP adjustments	7,133	(750)
Net income (loss) attributable to Stratasy Ltd.	\$27,782	\$116,953