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**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 July 2015

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): ☐

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**CONTENTS**

On July 30, 2015, Stratasy Ltd. (“we” or “us”) announced our financial results for the second quarter of 2015. 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 July 30, 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.

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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: July 30, 2015

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 July 30, 2015.

99.2 Script for our conference call held on July 30, 2015.

99.3 PowerPoint presentation with additional information.



## STRATASYS REPORTS SECOND QUARTER 2015 FINANCIAL RESULTS

*Company reports \$182.3 million in revenue for the second quarter*

*Second quarter non-GAAP net income of \$8 million, or \$0.15 per diluted share; and GAAP net loss of \$23 million, or (\$0.55) per diluted share*

*Company provides update to financial guidance*

MINNEAPOLIS & REHOVOT, Israel, July 30, 2015 — Stratasys Ltd. (NASDAQ:SSYS) today announced financial results for the second quarter of 2015.

### Q2-2015 Financial Results Summary:

- Revenue for the second quarter of 2015 was \$182.3 million, compared to \$178.5 million for the same period last year;
- GAAP net loss for the second quarter was \$22.9 million, or (\$0.55) per diluted share, compared to GAAP net loss of \$173,000, or (\$0.00) per diluted share, for the same period last year.
- Non-GAAP net income for the second quarter was \$8 million, or \$0.15 per diluted share, compared to non-GAAP net income of \$28.0 million, or \$0.55 per diluted share, reported for the same period last year.
- The Company invested a net amount of \$22.5 million in R&D projects (non-GAAP basis) during the second quarter, representing 12% of revenues.
- The Company used \$15.6 million in cash for operations during the second quarter, and currently holds approximately \$502.6 million in cash and cash equivalents, and short term bank deposits. The cash balance includes a \$175 million drawdown on the Company's revolving credit facility.
- Non-GAAP EBITDA for the second quarter amounted to \$12.1 million.
- The Company sold 6,731 3D printing and additive manufacturing systems during the second quarter, and has sold a total of 135,928 systems worldwide as of June 30, 2015, on a pro forma combined basis.

"The merger between Stratasys and Objet in 2012 created synergies that combined with the heightened level of mainstream media attention within our industry, have contributed to a period of extraordinary growth for our company and industry over the past two years," said David Reis, chief executive officer of Stratasys. "We believe our industry is transitioning through a period of slower growth, as users digest their investments in 3D printing and expand the utilization of recently acquired capacity. Despite these headwinds, and certain ongoing macroeconomic challenges in Asia, we are encouraged by sequential improvement in areas of our business, and remain optimistic about our longer-term growth prospects."

### Business Highlights:

- Strengthened presence in Germany, Switzerland, and Austria through the acquisition of a key German channel partner, RTC Rapid Technologies GmbH; and made additional North American channel enhancements with the addition of W.D. Distributing, WYNIT, and Sam's Club.
- Partnered with CAD industry leader PTC, to provide improved integration between PTC Creo product design software and Stratasys 3D Printing Solutions.
- Enhanced high-end system capabilities with release of the Objet1000 Plus 3D Production System, providing significant speed improvements; as well as introduced a new high-volume filament packaging solution for Fortus 3D Production Systems.

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- Observed significant expansion within the dental vertical, including the further adoption of our Stratasys PolyJet based solutions for the production of custom-made orthodontic products.
  - Announced a multi-year collaboration with the Kangshua Group that includes providing up to 1,000 Solidscape high precision 3D printers to equip multiple new service bureaus and innovation centers in China; as well as the opening of a manufacturing facility, by Kangshua, to locally assemble Solidscape 3D printers for the Chinese market.
  - Reorganized the MakerBot channel in Europe and Asia to help leverage the existing Stratasys go-to-market infrastructure within those regions.
  - Completed a customer event for Stratasys Direct Manufacturing (SDM) that reached 239 customers and introduced the combined SDM organization as a total solution provider that focuses on applications from prototype to production.

"We are observing positive indicators and are beginning to see tangible results that reaffirm our strategy of developing targeted solutions within key market verticals," continued Reis. "Short-term, we will continue to make adjustments to our expenses to align with current market conditions. Long-term, we remain committed to our growth initiatives that include enhancing vertical solution capabilities, expanding customer support services, accelerating product development, and growing the sales and marketing infrastructure — all of which are designed to drive future growth."

### 2015 Guidance

Due to the Company's limited visibility regarding the timing of improvements in growth, the Company has withdrawn its previously delivered full year 2015 financial guidance, and instead has provided financial guidance for the third quarter of 2015 as follows:

- Total revenue in the range of \$175 to \$190 million, with non-GAAP net income in the range of \$1.5 to \$7.0 million, or \$0.03 to \$0.13 per diluted share.
- GAAP net loss of \$27.0 million to \$22.5 million, or (\$0.52) to (\$0.43) per share.
- Non-GAAP earnings guidance excludes \$18 million of projected amortization of intangible assets; \$9.5 million to \$10.0 million of share-based compensation expense; \$7 million to \$8 million in non-recurring expenses related to acquisitions; and includes \$6.0 million to \$6.5 million in tax expenses related to non-GAAP adjustments.

### Stratasys Ltd. Q2-2015 Conference Call Details

Stratasys will hold a conference call to discuss its second quarter financial results on July 30, 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](http://www.stratasys.com) under the "Investors" tab; or directly at the following web address: <http://edge.media-server.com/m/p/izi2aqma>.

To participate by telephone, the domestic dial-in number is 800-901-5241 and the international dial-in is 617-786-2963. The access code is 55067799.

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**

Certain statements in this press 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 characterized by the use of forward-looking terminology such as “will,” “expects,” “anticipates,” “continues,” “believes,” “should,” “intended,” “projected,” “guidance,” “preliminary,” “future,” “planned,” “committed,” and other similar words. These forward-looking statements include, but are not limited to, statements relating to the company’s objectives, plans and strategies, statements of preliminary or projected results of operations or of financial condition and all statements that address activities, events or developments that the company intends, expects, projects, believes or anticipates will or may occur in the future. Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties. The company has based these forward-looking statements on assumptions and assessments made by its management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe to be appropriate. Important factors that could cause actual results, developments and business decisions to differ materially from those anticipated in these forward-looking statements include, among other things: the company’s ability to efficiently and successfully integrate the operations of Stratasys, Inc. and Objet Ltd. after their merger as well as MakerBot, Solid Concepts, and Harvest Technologies 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; the company’s ability to satisfy the financial covenants under its revolving credit facility; 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 filed with the U.S. Securities and Exchange Commission (the “SEC”), and in other reports that the company has filed with or furnished to the SEC on the date hereof. 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 guidance and other 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 of intangible assets, one time write off of deferred tax assets, impairment charges, reorganization and other related costs, 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](http://www.stratasys.com)

Stratasys Ltd. (Nasdaq:SSYS), headquartered in Minneapolis, Minnesota and Rehovot, Israel, is a leading global provider of 3D printing and additive manufacturing solutions. The company’s patented FDM® and PolyJet™ 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 digital parts manufacturing service Stratasys Direct Manufacturing. Stratasys has more than 2,900 employees, holds over 800 granted or pending additive manufacturing patents globally, and has received more than 30 awards for its technology and leadership. Online at: <http://www.stratasys.com> or <http://blog.stratasys.com>.

**Stratasys Ltd.****Consolidated Balance Sheets**

(in thousands)

	June 30, 2015	December 31, 2014
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 352,268	\$ 442,141
Short-term bank deposits	150,370	595
Accounts receivable, net	136,970	150,806
Inventories	137,394	123,385
Net investment in sales-type leases	10,091	8,170
Prepaid expenses	9,898	7,931
Deferred income taxes	30,567	25,697
Other current assets	31,420	37,903
Total current assets	858,978	796,628
<b>Non-current assets</b>		
Goodwill	1,172,125	1,323,502
Other intangible assets, net	517,085	597,903
Property, plant and equipment, net	185,992	157,036
Net investment in sales-type leases - long term	19,093	14,822

Other non-current assets	10,960	9,216
Total non-current assets	1,905,255	2,102,479
<b>Total assets</b>	<b>\$ 2,764,233</b>	<b>\$ 2,899,107</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 40,687	\$ 37,359
Short term debt	175,000	50,000
Accrued expenses and other current liabilities	50,990	47,760
Accrued compensation and related benefits	45,230	42,332
Obligations in connection with acquisitions	12,003	28,092
Deferred revenues	48,821	45,023
Total current liabilities	372,731	250,566
<b>Non-current liabilities</b>		
Obligations in connection with acquisitions - long term	12,761	26,461
Deferred tax liabilities	36,293	55,835
Deferred revenues - long-term	6,069	5,946
Other non-current liabilities	26,677	25,091
Total non-current liabilities	81,800	113,333
<b>Total liabilities</b>	<b>454,531</b>	<b>363,899</b>
<b>Redeemable non-controlling interests</b>	<b>2,564</b>	<b>3,969</b>
<b>Equity</b>		
Ordinary shares, NIS 0.01 nominal value, authorized 180,000 shares; 51,669 and 50,923 shares issued and outstanding at June 30, 2015 and December 31, 2014, respectively	140	139
Additional paid-in capital	2,587,168	2,568,149
Accumulated deficit	(273,090)	(33,871)
Accumulated other comprehensive loss	(7,429)	(3,647)
Equity attributable to Stratasys Ltd.	2,306,789	2,530,770
Non-controlling interest	349	469
Total equity	2,307,138	2,531,239
<b>Total liabilities and equity</b>	<b>\$ 2,764,233</b>	<b>\$ 2,899,107</b>

## Stratasys Ltd.

### Consolidated Statements of Operations

(in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015 (unaudited)	2014 (unaudited)	2015 (unaudited)	2014 (unaudited)
<b>Net sales</b>				
Products	\$ 134,490	\$ 154,090	\$ 261,157	\$ 283,342
Services	47,832	24,375	93,896	46,064
	182,322	178,465	355,053	329,406
<b>Cost of sales</b>				
Products	67,666	73,394	166,037	134,416
Services	31,748	13,437	60,020	25,628
	99,414	86,831	226,057	160,044
<b>Gross profit</b>	<b>82,908</b>	<b>91,634</b>	<b>128,996</b>	<b>169,362</b>
<b>Operating expenses</b>				
Research and development, net	25,506	18,957	52,744	35,728
Selling, general and administrative	97,581	77,929	200,189	145,546
Goodwill impairment	—	—	150,400	—
Change in the fair value of obligations in connection with acquisitions	(6,680)	628	(19,936)	(6,867)
	116,407	97,514	383,397	174,407
<b>Operating loss</b>	<b>(33,499)</b>	<b>(5,880)</b>	<b>(254,401)</b>	<b>(5,045)</b>
<b>Financial income (expense)</b>	<b>(711)</b>	<b>337</b>	<b>(5,835)</b>	<b>(999)</b>
<b>Loss before income taxes</b>	<b>(34,210)</b>	<b>(5,543)</b>	<b>(260,236)</b>	<b>(6,044)</b>
Income tax benefit	(11,066)	(5,370)	(20,688)	(9,958)

<b>Net income (loss)</b>	(23,144)	(173)	(239,548)	3,914
Net loss attributable to non-controlling interest	(213)	—	(329)	—
Net income (loss) attributable to Stratasy Ltd.	<u>\$ (22,931)</u>	<u>\$ (173)</u>	<u>\$ (239,219)</u>	<u>\$ 3,914</u>
<b>Net income (loss) per ordinary share attributable to Stratasy Ltd.</b>				
Basic	\$ (0.48)	\$ (0.00)	\$ (4.71)	\$ 0.08
Diluted	(0.55)	(0.00)	(4.77)	0.08
<b>Weighted average ordinary shares outstanding</b>				
Basic	51,405	49,373	51,181	49,323
Diluted	51,870	49,373	51,413	51,238

## Stratasy Ltd.

### Reconciliation of GAAP to Non-GAAP Results of Operations

(in thousands, except per share data)

	Three Months Ended June 30, 2015			Three Months Ended June 30, 2014		
	GAAP (unaudited)	Adjustments*	Non-GAAP (unaudited)	GAAP (unaudited)	Adjustments*	Non-GAAP (unaudited)
<b>Net sales</b>						
Products	\$ 134,490	\$ —	\$ 134,490	\$ 154,090	\$ —	\$ 154,090
Services	47,832	—	47,832	24,375	—	24,375
	<u>182,322</u>	<u>—</u>	<u>182,322</u>	<u>178,465</u>	<u>—</u>	<u>178,465</u>
<b>Cost of sales</b>						
Products	67,666	(15,975)	51,691	73,394	(14,739)	58,655
Services	31,748	(841)	30,907	13,437	(340)	13,097
	<u>99,414</u>	<u>(16,816)</u>	<u>82,598</u>	<u>86,831</u>	<u>(15,079)</u>	<u>71,752</u>
<b>Gross profit</b>	82,908	16,816	99,724	91,634	15,079	106,713
<b>Operating expenses</b>						
Research and development, net	25,506	(3,016)	22,490	18,957	(1,318)	17,639
Selling, general and administrative	97,581	(24,020)	73,561	77,929	(17,617)	60,312
Change in the fair value of obligations in connection with acquisitions	(6,680)	6,680	—	628	(628)	—
	<u>116,407</u>	<u>(20,356)</u>	<u>96,051</u>	<u>97,514</u>	<u>(19,563)</u>	<u>77,951</u>
<b>Operating income (loss)</b>	(33,499)	37,172	3,673	(5,880)	34,642	28,762
<b>Financial income (expense)</b>	(711)	—	(711)	337	—	337
<b>Income (loss) before income taxes</b>	(34,210)	37,172	2,962	(5,543)	34,642	29,099
Income taxes (benefit)	(11,066)	6,279	(4,787)	(5,370)	6,475	1,105
<b>Net income (loss)</b>	(23,144)	30,893	7,749	(173)	28,167	27,994
Net loss attributable to non-controlling interest	(213)	—	(213)	—	—	—
Net income (loss) attributable to Stratasy Ltd.	<u>\$ (22,931)</u>	<u>\$ 30,893</u>	<u>\$ 7,962</u>	<u>\$ (173)</u>	<u>\$ 28,167</u>	<u>\$ 27,994</u>
<b>Net income (loss) per ordinary share attributable to Stratasy Ltd.</b>						
Basic	\$ (0.48)		\$ 0.15	\$ (0.00)		\$ 0.57
Diluted	(0.55)		0.15	(0.00)		0.55
<b>Weighted average ordinary shares outstanding</b>						
Basic	51,405		51,405	49,373		49,373
Diluted	51,870		52,705	49,373		51,196

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 GAAP to Non-GAAP Results of Operations

(in thousands, except per share data)

	Six Months Ended June 30, 2015			Six Months Ended June 30, 2014		
	GAAP	Adjustments*	Non-GAAP	GAAP	Adjustments*	Non-GAAP
<b>Net sales</b>						
Products	\$ 261,157	\$ —	\$ 261,157	\$ 283,342	\$ 235	\$ 283,577
Services	93,896	—	93,896	46,064	—	46,064
	355,053	—	355,053	329,406	235	329,641
<b>Cost of sales</b>						
Products	166,037	(61,887)	104,150	134,416	(28,468)	105,948
Services	60,020	(2,250)	57,770	25,628	(774)	24,854
	226,057	(64,137)	161,920	160,044	(29,242)	130,802
<b>Gross profit</b>	128,996	64,137	193,133	169,362	29,477	198,839
<b>Operating expenses</b>						
Research and development, net	52,744	(5,833)	46,911	35,728	(2,813)	32,915
Selling, general and administrative	200,189	(56,864)	143,325	145,546	(31,140)	114,406
Goodwill impairment	150,400	(150,400)	—	—	—	—
Change in the fair value of obligations in connection with acquisitions	(19,936)	19,936	—	(6,867)	6,867	—
	383,397	(193,161)	190,236	174,407	(27,086)	147,321
<b>Operating income (loss)</b>	(254,401)	257,298	2,897	(5,045)	56,563	51,518
<b>Financial expense</b>	(5,835)	—	(5,835)	(999)	—	(999)
<b>Income (loss) before income taxes</b>	(260,236)	257,298	(2,938)	(6,044)	56,563	50,519
Income taxes (benefit)	(20,688)	8,093	(12,595)	(9,958)	11,884	1,926
<b>Net income (loss)</b>	(239,548)	249,205	9,657	3,914	44,679	48,593
Net loss attributable to non-controlling interest	(329)	—	(329)	—	—	—
Net income (loss) attributable to Stratasy Ltd.	\$ (239,219)	\$ 249,205	\$ 9,986	\$ 3,914	\$ 44,679	\$ 48,593
<b>Net income (loss) per ordinary share attributable to Stratasy Ltd.</b>						
Basic	\$ (4.71)		\$ 0.20	\$ 0.08		\$ 0.99
Diluted	(4.77)		0.19	0.08		0.95
<b>Weighted average ordinary shares outstanding</b>						
Basic	51,181		51,181	49,323		49,323
Diluted	51,413		52,524	51,238		51,221

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 June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
<b>Net sales, products</b>				
Deferred revenue step-up	\$ —	\$ —	\$ —	\$ 235
<b>Cost of sales, products</b>				
Acquired intangible assets amortization	(12,301)	(14,029)	(27,206)	(27,254)
Other intangible assets impairment	—	—	(29,782)	—
Non-cash stock-based compensation expense	(1,237)	(710)	(2,462)	(1,214)
Reorganization and other related costs	(2,437)	—	(2,437)	—
	(15,975)	(14,739)	(61,887)	(28,468)
<b>Cost of sales, services</b>				
Non-cash stock-based compensation expense	(560)	(324)	(1,168)	(732)
Reorganization and other related costs	(75)	—	(75)	—
Merger and acquisition related expense	(206)	(16)	(1,007)	(42)
	(841)	(340)	(2,250)	(774)
<b>Research and development, net</b>				
Non-cash stock-based compensation expense	(1,506)	(885)	(3,374)	(1,823)
Reorganization and other related costs	(617)	—	(617)	—
Merger and acquisition related expense	(893)	(433)	(1,842)	(990)

	(3,016)	(1,318)	(5,833)	(2,813)
<b>Selling, general and administrative</b>				
Acquired intangible assets amortization	(5,684)	(5,507)	(12,140)	(10,871)
Non-cash stock-based compensation expense	(6,261)	(5,159)	(12,320)	(10,045)
Merger and acquisition related expense	(5,937)	(6,951)	(12,842)	(10,224)
Reorganization and other related costs	(6,138)	—	(6,139)	—
Impairment charges	—	—	(13,423)	—
	(24,020)	(17,617)	(56,864)	(31,140)
<b>Goodwill impairment</b>				
	—	—	(150,400)	—
<b>Change in the fair value of obligations in connection with acquisitions</b>				
Change in the fair value of obligations in connection with acquisitions	6,680	(628)	19,936	6,867
<b>Income taxes</b>				
Tax expense related to non-GAAP adjustments	6,279	6,475	8,093	11,884
<b>Net income</b>	<u>\$ 30,893</u>	<u>\$ 28,167</u>	<u>\$ 249,205</u>	<u>\$ 44,679</u>

## Stratasys Ltd.

### Reconciliation of GAAP to Non-GAAP Forward Looking Guidance

#### Three Months Ended September 30, 2015

(in millions, except per share data)

<b>GAAP net loss</b>	\$ (27) to \$ (22.5)
<b>Adjustments</b>	
Stock-based compensation expense	\$9.5 to \$10
Intangible assets amortization expense	\$18
Merger related expense	\$7 to \$8
Tax expense related to Non-GAAP adjustments	\$(6) to \$(6.5)
<b>Non-GAAP net income</b>	\$1.5 to \$7
<b>GAAP loss per share</b>	\$(0.52) to \$(0.43)
<b>Non-GAAP diluted earnings per share</b>	\$0.03 to \$0.13

## SSYS Q2 2015 Earnings Script

**SLIDE 1 & 2: TITLE SLIDES****SPEAKER: OPERATOR**

Good day, ladies and gentlemen. Welcome to today's conference call to discuss Stratasys' second quarter 2015 financial results.

My name is [INSERT], and I'm your operator for today's call. [INSERT RELEVANT OPERATOR INSTRUCTIONS].

And now, I'd like to hand the call over to Shane Glenn, Vice President of Investor Relations for Stratasys. Mr. Glenn, please go ahead.

**SLIDE 3: FLS****SPEAKER: Shane Glenn**

Good morning, everyone, and thank you for joining us to discuss our second quarter 2015 financial results. On the call with us today are David Reis, CEO, and Erez Simha, CFO and COO of Stratasys.

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 statements in this press 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 characterized by the use of forward-looking terminology such as "will," "expects," "anticipates," "continues," "believes," "should," "intended," "projected," "guidance," "preliminary," "future," "planned," "committed," and other similar words. These forward-looking statements include, but are not limited to, statements relating to the company's objectives, plans and strategies, statements of preliminary or projected results of operations or of financial condition and all statements that address activities, events or developments that the company intends, expects, projects, believes or anticipates will or may occur in the future. Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties. The company has based these forward-looking statements on assumptions and assessments made by its management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe to be appropriate. Important factors that could cause actual results, developments and business decisions to differ materially from those anticipated in these forward-looking statements include, among other things: the company's ability to efficiently and successfully integrate the operations of Stratasys, Inc. and Objet Ltd. after their merger as well as MakerBot, Solid Concepts, and Harvest Technologies 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;

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changes in customers' budgeting priorities; litigation and regulatory proceedings; the company's ability to satisfy the financial covenants under its revolving credit facility; 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 filed with the U.S. Securities and Exchange Commission (the "SEC"), and in other reports that the company has filed with or furnished to the SEC on the date hereof. 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 guidance and other 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.

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: OPENING SUMMARY****SPEAKER: David Reis**

Thank you, Shane, and good morning, everyone. Thank you for joining today's call to discuss our second quarter results.

The second quarter represented a continuation of the challenging market environment we began to observe in the first quarter.

We believe that during 2013 and 2014, our company and industry experienced an extraordinary period of growth, driven by the positive synergies that resulted from the merger between Stratasys and Objet in 2012, as well as by the heightened level of mainstream media attention that the industry enjoyed during that period.

We believe that our industry is now transitioning through a period of slower growth, as users digest their recent investments in 3D printing and expand capacity utilization.

Despite these headwinds, we are encouraged by areas of sequential improvement in our business and remain convinced of the long-term potential of our industry.

Supporting our view, we recently completed two events, including one with our channel partners in Europe, and one with our Stratasys Direct Manufacturing customers in North America, where excitement around our industry's future and the potential of our revolutionary products remains high.

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Additionally, sales leads within the channel remain strong, and sales of our high-end production systems have shown signs of improvement after a slow first quarter.

We are beginning to see tangible results that reaffirm our strategy of developing targeted solutions within key market verticals; and recently announced a major collaboration for our Solidscape product line in China, which presents significant potential for future expansion.

Short term, we will continue to make adjustments to align expenses with current market conditions.

However, we remain committed to our longer-term growth initiatives that include enhancing vertical solution capabilities; expanding customer support services; accelerating

product development; and enhancing our sales and marketing infrastructure.

Later in the call, I will return to provide more details on these developments and our strategy moving forward, but first, I will turn the call over to our CFO and COO, Erez Simha, who will review the details of our financial results. Erez?

## **SLIDE 5: FINANCIAL RESULTS SUMMARY**

### **SPEAKER: Erez Simha**

Thank you, David, and good morning, everyone.

The growth experienced during the second quarter, compared to Stratasys' historical growth rates, is a reflection of the overall market weakness and a slowdown in sales across most regions and business units when compared to last year.

After analyzing the results from the first half of this year, we believe we are moving through a period of market stabilization that is marked by slower growth as users expand capacity and utilization.

Total revenue in the second quarter increased by 2% to \$182.3 million when compared to \$178.5 million for the same period last year, and was up approximately 6% sequentially.

On an organic basis, which excludes the impact of acquisitions, revenue growth was down 10% when compared to the same period last year, or down approximately 5% on a constant currency basis.

Our core business revenue, excluding MakerBot and Stratasys Direct Manufacturing, was up 1.3% in the second quarter over last year, and up approximately 8% when compared to the first quarter of this year, as we have begun to observe some recovery in our high-end production systems sales.

The lower growth experienced in the second quarter was primarily due to a slowdown in hardware sales, as well as negative growth in the Asian-Pacific region and for MakerBot.

MakerBot product and service revenue declined by 57% in the second quarter over last year, driven by the overall market weakness, as well as by ongoing challenges associated with the restructuring of this business.

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Non-GAAP net income for the second quarter was \$8 million, or \$0.15 per diluted share, compared to non-GAAP net income of \$28 million, or \$0.55 per diluted share, reported for the same period last year.

## **SLIDE 6: REVENUE**

Product revenue in the second quarter decreased by 13% to \$134.5 million, as compared to the same period last year.

Within **product** revenue, system revenue decreased by 21% in the second quarter over the same period last year, with the decline driven primarily by weaker MakerBot system sales, as well as the overall market weakness we discussed previously.

**Consumables** revenue grew by 6% over the same period last year, or 13% on a constant currency basis — in line with our revised expectations for the year.

**Services** revenue in the second quarter increased by 96% to \$47.8 million, as compared to the same period last year.

The increase in services revenue was driven primarily by the revenue contribution of Solid Concepts and Harvest Technologies, which were acquired during the third quarter of 2014, and thus not included in the previous year's results.

Within service revenue, customer support revenue, which includes the revenue generated mainly by maintenance contracts on our systems, increased by 17% compared to the same period last year.

## **SLIDE 7: UNIT SALES**

The Company sold 6,731 3D printing and additive manufacturing systems during the second quarter, and on a pro-forma combined basis, has sold a total of approximately 136,000 systems worldwide as of June 30, 2015.

Unit sales in the second quarter, relative to prior periods, were impacted by lower MakerBot unit sales, as well as the overall impact of the market factors we have outlined previously.

We are observing signs of recovery in our high-end production systems, led by a sequential sales improvement in our Fortus line. This includes positive market reception for the new Fortus 450mc, which performed ahead of plan in the second quarter.

Additionally, we have seen sequential improvement for our recently introduced Connex line of color multi-material 3D printers.

Most notably, sales of our Solidscape line of 3D printers grew significantly during the quarter, driven by the initial orders for our recently announced collaboration in China, which David will discuss in more detail later in the call.

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## **SLIDE 8: GROSS PROFIT**

Non-GAAP gross margins declined to 54.7% for the second quarter, compared to 59.8% in the same period last year. Non-GAAP gross margins expanded sequentially, when compared to first quarter gross margin of 54.1%.

The decrease in gross margin over last year resulted primarily from the impact of the inclusion of Solid Concepts and Harvest Technologies.

Gross margin for product revenue was flat in the second quarter compared to last year, and improved sequentially over the first quarter of this year, driven by a sales mix that favored our higher-end systems.

## **SLIDE 9: OPERATING/NET PROFIT**

Operating expenses increased by 23% to \$96.1 million, as compared to the same period last year.

Net R&D expenses increased by 28% to \$22.5 million in the second quarter over last year, driven by the inclusion of GradCad expenses, increased headcount, and an overall acceleration in system and material development.

Compared to the first quarter of 2015, net R&D expenses declined 8%.

SG&A expenses increased by 22% to \$73.6 million for the second quarter over last year, primarily due to the inclusion of Solid Concepts and Harvest Technologies operating expenses. Sequentially, SG&A expenses increased 5% compared to the first quarter of 2015

We received a tax benefit of \$4.8 million in the second quarter compared to an effective tax rate of 3.8% for the same period last year.

Our tax expenses were impacted by losses incurred in high tax jurisdictions that were offset by taxable income in low tax jurisdictions.

## **SLIDE 10: GEOGRAPHIC MIX**

The following slide provides you a breakdown of our geographic sales for the quarter, which reflects an emerging recovery trend in North America.

The outlook for the remainder of the third quarter of 2015 is for continued improvement in North America and Europe, with an expectation of continued market headwinds in the Asia-Pacific-Japan region, driven by tough macro-economic conditions.

## **SLIDE 11: BALANCE SHEET/CASH FLOW**

Non-GAAP EBITDA for the second quarter amounted to \$12.1 million.

The Company used \$15.6 million in cash from operations during the second quarter, and currently holds approximately \$502.6 million in cash, cash equivalents, and short term bank deposits. Our cash balance includes cash from a \$175 million drawdown on the Company's revolving credit facility.

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We incurred significant one-time cash and non-cash charges during the second quarter related to post-merger-integration activities and company reorganization.

Capital expenditures amounted to approximately \$30.4 million in facility and equipment investment, primarily driven by new office facilities in Israel.

Inventory increased to \$137.4 million as compared to \$131 million at the end of the first quarter of 2015 representing a 5% increase over the first quarter.

Accounts receivable decreased to \$137 million, representing a 4% decrease as compared to \$142.4 million at the end of the first quarter; while DSO on 12-month trailing revenue was 65, compared to 67 at the end of the first quarter.

## **SLIDE 12: SUMMARY**

In summary,

- 1.) We observed some signs of sequential improvements versus the first quarter of 2015, although our second quarter results were lower than expected across most geographies and industries compared to growth levels experienced historically.
- 2.) We are observing signs of recovery in certain regions, and are cautiously optimistic about sustained improvement in North America and Europe. However, we expect the Asia-Pacific region, as well as sales at MakerBot, to remain a headwind for the duration of the third quarter.
- 3.) We will continue to make adjustments to our operating expenses to align with changes in the current market environment; longer term, however, we remain committed to our growth initiatives and investment plan.
- 4.) We remain well positioned to respond to an acceleration in demand, or improvements in overall market conditions.
- 5.) We believe that we have a strong balance sheet and are making the appropriate investments in strategic initiatives and building infrastructure to help accelerate our growth moving forward, and that we are on the leading edge of our exciting industry.

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 2015 financial guidance. Shane.

## **SLIDE 13 & 14: GUIDANCE**

**SPEAKER: Shane Glenn**

Thank you, Erez.

Due to the Company's limited visibility regarding the timing of improvements in growth, the Company has withdrawn its previously delivered financial guidance, and instead has provided financial guidance for the third quarter of 2015 as follows:

1. Total revenue in the range of \$175 to \$190 million, with non-GAAP net income in the range of \$1.5 to \$7.0 million, or \$0.03 to \$0.13 per diluted share.
  2. GAAP net loss of \$27.0 million to \$22.5 million, or (\$0.52) to (\$0.43) per share.
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3. Non-GAAP earnings guidance excludes \$18 million of projected amortization of intangible assets; \$9.5 million to \$10.0 million of share-based compensation expense; \$7 million to \$8 million in non-recurring expenses related to acquisitions; and includes \$6.0 million to \$6.5 million in tax expenses related to non-GAAP adjustments.

Finally, at this time we are not modifying the following long term goals for the Company's operating model, which include:

- 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 our press release, providing an itemized detail of the non-

GAAP financial measures.

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

## **SLIDE 15: STRATEGIC OVERVIEW**

**SPEAKER: David Reis**

Thank you, Shane.

As I mentioned in my opening remarks, we believe that the extraordinary growth that Stratasys and our industry enjoyed during 2013 and 2014 was driven in part by the synergies that resulted from the Stratasys and Objet merger in 2012, as well as from the heightened level of media attention observed during that period.

During this period, our customers' capacity went through a dramatic expansion.

Now, the industry's near-term growth is likely being impacted as end-markets digest capacity and increase their utilization.

Despite these near-term challenges, we see no indication of a fundamental change in the attractive market opportunity within our industry, and we are encouraged by the sequential improvements we are observing in areas of our business.

We continue to believe that our industry is poised to transform manufacturing, engineering and design processes across a wide range of sectors; and will be driven by vertical solution development and further penetration into advanced manufacturing applications.

With our strong pipeline of potential future opportunities, and our position of leadership within the industry, we believe we are well positioned to capitalize on these opportunities as they develop.

As mentioned earlier, we are committed to the strategic investment plan that we unveiled early this year, which is designed to support the future growth of our business and sustain our leadership position.

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The multi-year investment plan focuses on enhancing vertical industry solutions; expanding customer support services; building an enhanced sales and marketing infrastructure, and accelerating product development - all designed to support potential annual revenues of \$3 billion in 2020.

## **SLIDE 16: CHANNEL EVENTS**

To reiterate, we see no change in the long-term opportunity for our industry, and are observing enthusiasm and interest from both our channel partners and customers.

We recently hosted 239 of our Stratasys Direct Manufacturing customers in Nashville, Tennessee at the first SDM summit to introduce the combined SDM organization as a total solution provider that focuses on applications from prototype to production.

At the event, the additive manufacturing experts from our SDM group conducted seminars, workshops, and one-on-one meetings with key accounts.

Additionally, our recent EMEA channel partner event was attended by CEO's and sales executives from 41 Stratasys European resellers.

The event was the first channel partner meeting at our new Stratasys EMEA headquarters in Germany, and featured workshops sharing best practices for vertical markets, marketing, and growing the materials and service business.

Both of these events were well attended, and the feedback from customers and channel partners was positive, reinforcing our optimistic long-term outlook.

## **SLIDE 17: GO-TO-MARKET**

We made multiple enhancements to our overall channel and go-to-market strategy during the quarter.

- 1) Strengthening our presence in Germany, Switzerland, and Austria through the acquisition of a key German channel partner, RTC Rapid Technologies;
- 2) Making enhancements to our North American channel for Stratasys product lines with the addition of W.D. Distributing and WYNIT;
- 3) For MakerBot, we announced the expansion of our Sam's Club retail presence to over 600 stores, following a successful pilot program;
- 4) We reorganized the MakerBot channel in Europe and Asia to better leverage the existing Stratasys go-to-market infrastructure within those regions;
- 5) And finally, recently Fisher Unitech, a top Stratasys reseller, announced it is now carrying our MakerBot brand of products.

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## **SLIDE 18: SOLIDSCAPE**

In addition to these go-to-market developments, we are beginning to see tangible results with new customers and applications.

The Chinese government has a multi-decade plan for growing and employing a highly skilled workforce, and has committed publicly to promoting 3D printing as a driving force in China's future manufacturing development.

This initiative represents a significant opportunity for Stratasys, and we are pleased to have recently announced a collaboration for our Solidscape product line with the Kangshua Group in China to provide Solidscape 3D printers for applications relating primarily to custom jewelry manufacturing.

This agreement provides Stratasys with the opportunity to play a major role in creating the largest network of service bureaus and innovation centers in China that will target applications for custom jewelry manufacturing using our Solidscape line of products.

Our Solidscape line of high-precision 3D printers produce wax patterns is ideal for lost wax investment casting and mold making applications.

These patterns meet high standards in surface finish, accuracy and material castability, while eliminating the need for significant post-processing.

The multi-year collaboration includes providing up to 1,000 Solidscape high precision 3D printers to equip multiple new service bureaus and innovation centers within China; as well as the opening of a manufacturing facility, by Kangshua, for the assembly of Solidscape 3D printers for the domestic Chinese market.

Also included in the agreement is a plan to supply China's 3D printing education initiative with significant quantities of Solidscape 3D printers.

We believe this marks the most comprehensive 3D printing collaboration to date in China, and will help drive significant growth for manufacturing applications utilizing our Solidscape product line.

#### **SLIDE 19: VERTICAL ADOPTION TRENDS - DENTAL**

Another area of recent success is within the dental market, where we are observing growing adoption that we believe validates our strategy to focus on this exciting vertical.

Our customer, a leading manufacturer of clear orthodontic aligners, recently announced a 30% expansion of its fleet of Objet Eden500V 3D Printers; and prints 100% of its custom-made orthodontic aligners utilizing Stratasys PolyJet 3D printers and VeroDent material.

Our PolyJet technology provides our customer with the ability to efficiently manufacture custom aligners on a mass scale with optimized workflows, faster production, and shortened lead times.

We believe that our customer's adoption of 3D printing technology is indicative of potential significant expansion within the dental vertical, including the further adoption of our Stratasys PolyJet based solutions for the production of custom-made orthodontic products.

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Our Vertical Business Unit strategy is designed to capture these opportunities, and we made significant operational enhancements, including key personnel additions during the second quarter that we believe will further enhance our ability to address dental applications and provide solutions to this vertical moving forward.

#### **SLIDE 20: SUMMARY**

In summary:

- 1.) While we are disappointed with our second quarter results, at this time, we see no indication of a change in the fundamental growth drivers for additive manufacturing, and we believe the long-term opportunity remains very promising.
- 2.) We are encouraged by areas of sequential improvement in our business, and remain optimistic about our longer-term growth prospects.
- 3.) We believe our industry is transitioning through a period of slower growth, as users digest their investments in 3D printing and expand the utilization of recently acquired capacity.
- 4.) While we remain confident in our long-term market prospects, in light of the current growth environment, we are making adjustments to better align expenses with current market conditions.
- 5.) Finally, we are confident that our investment plan and our growth strategy will enable us to put greater focus on long-term vertical and manufacturing-related applications, such as dental and our recently announced Solidscape collaboration; which further 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 21: Q&A**

**SPEAKER: David Reis**

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

Goodbye.

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## Q2 2015 Financial Results Conference Call



GRABCAD

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## Q2 2015 Conference and webcast details

### Speakers

David Reis  
CEO

Erez Simha  
COO & CFO

Shane Glenn  
VP, Investor Relations

### Live Dial-in Information

Primary Dial-in:  
800-901-5241

International Dial-in:  
617-786-2963

Participant Passcode:  
55067799

Live webcast and replay:  
<http://edge.media-server.com/m/p/izi2aqma>

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## Forward looking statement

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## Summary & Outlook

Second quarter represented a continuation of challenging market environment we observed in first quarter

Industry & company experienced extraordinary growth after Stratasys and Objet merger, augmented by heightened media attention

Transitioning through temporary period of slower growth as customers digest investments in 3D printing and expand capacity utilization

Encouraged by areas of sequential improvement, as customer and channel enthusiasm remains elevated

Observing positive trends in key verticals and applications such as dental and manufacturing

Making short-term adjustments to align expenses to market conditions – while remaining committed to long-term investment plan

## Financial Results

Stratasys Ltd.  
Non-GAAP

### Quarter Highlights

Revenue Growth  $\rightleftarrows$  2% YOY

Organic Revenue Growth  $\downarrow$  10% YOY

Core Revenue Growth  $\rightleftarrows$  1% YOY

Non-GAAP Gross Profit Growth  $\downarrow$  7% YOY

Non-GAAP Net Income  $\downarrow$  72% YOY

(\$ in millions unless noted otherwise)

	Q2-14	Q2-15	Change YOY
Unit Sales	14,909	6,731	-54.9%
Total Revenue	\$178.5	\$182.3	+2.2%
Revenue/ Employee	0.084	0.062	-26.6%
Gross Profit % margin	106.7 59.8%	99.7 54.7%	-6.5%
Operating Expenses % of sales	78.0 43.7%	96.1 52.7%	+23.2%
Operating Profit % margin	28.8 16.1%	3.7 2.0%	-87.2%
Pre-tax Profit (Loss) % margin	29.1 16.3%	3.0 1.6%	-89.8%
Tax Rate	3.8%	-161.6%	
EBITDA	34.6	12.1	-65.0%
Net Income % margin	28.0 15.7%	8.0 4.4%	-71.6%
EPS (Diluted)	\$0.55	\$0.15	-72.7%
Diluted Shares	51.2	52.7	+2.9%

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## Financial Results

Revenue  
Stratasys Ltd.  
Non-GAAP

### Quarter Highlights

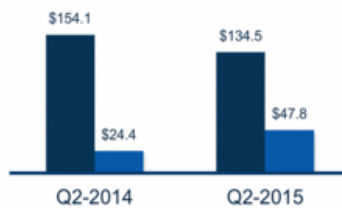
System Revenue  $\downarrow$  21% YOY

Consumable Revenue  $\uparrow$  6% YOY

Customer Support Revenue  $\uparrow$  17% YOY

(\$ in millions unless noted otherwise)

Total Revenue - Quarter



Total Revenue - Quarterly Trend



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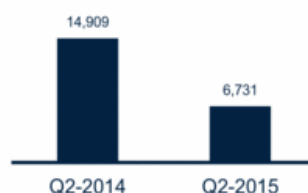
## Financial Results

Stratasys Ltd.  
System Unit Sales

### Quarter Highlights

- Decrease in unit sales relative to prior periods driven by lower than expected MakerBot unit volumes
- Observing sequential improvement in high-end Fortus and Connex lines
- Strong sales of Solidscape line
- The Company sold 6,731 3D printing and additive manufacturing systems during the second quarter; and on a pro-forma combined basis, has sold 135,928 systems worldwide as of June 30, 2015

### Total Units Sold - Quarter



### Total Units Sold – Quarterly Trend



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## Financial Results

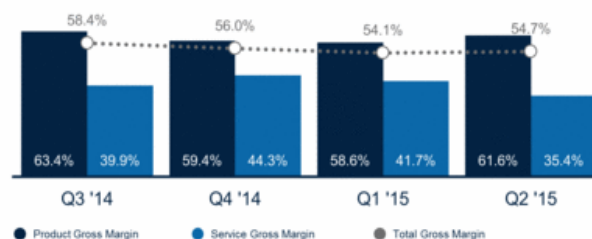
Gross Profit  
Stratasys Ltd.  
Non-GAAP

### Quarter Highlights

- Decline in gross margin driven primarily by the inclusion of Solid Concepts and Harvest Technologies acquisitions
- Product gross margin improved sequentially, driven by a mix that favored higher-end system sales

	Q2-14	Q2-15	% Change YOY
Product Revenue	\$154.1	\$134.5	-12.7%
% of sales	86.3%	73.8%	
Service Revenue	24.4	47.8	+96.2%
% of sales	13.7%	26.2%	
Product Gross Profit	95.4	82.8	-13.2%
% margin	61.9%	61.6%	
Service Gross Profit	11.3	16.9	+50.1%
% margin	46.3%	35.4%	
Total Gross Profit	106.7	99.7	-6.5%
% margin	59.8%	54.7%	

### Gross Margin – Quarterly Trend



(\$ in millions unless noted otherwise)

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## Financial Results

Operating Profit  
Stratasys Ltd.  
Non-GAAP

### Quarter Highlights

- R&D expansion driven by increased headcount, and an acceleration of system and material development
- SG&A expansion driven by the impact of acquisitions

(\$ in millions unless noted otherwise)

	Q2-14	Q2-15	% Change YOY
R&D Expense % of sales	17.6 9.9%	22.5 12.3%	+27.5%
SG&A Expense % of sales	60.3 33.8%	73.6 40.3%	+22.0%
Total Operating Exp. % of sales	78.0 43.7%	96.1 52.7%	+23.2%
Total Operating Profit (Loss) % margin	28.8 16.1%	3.7 2.0%	-87.2%

### Operating Profit Analysis – Quarterly Trend



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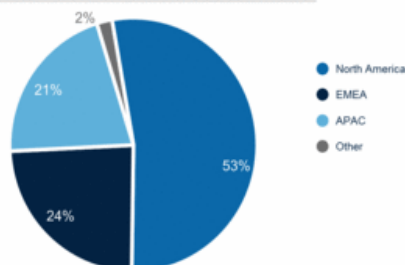
## Financial Results

Revenue Geographic Mix  
Stratasys Ltd.  
Non-GAAP

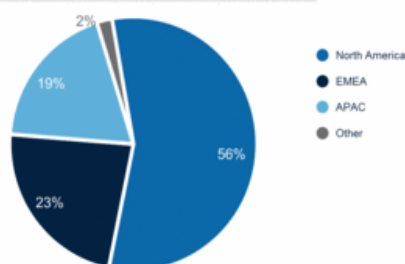
### Quarter Highlights

- Results reflect an emerging recovery in North America
- Expect to see continued improvement in North America and EMEA in third quarter 2015
- APAC expected to remain weak in third quarter 2015 given macroeconomic headwinds within the region

### Geographic Sales Q2-2014



### Geographic Sales Q2-2015



(Excludes impact of SolidConcepts and Harvest Technologies)

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# Financial Results

Balance Sheet Summary  
Stratasys Ltd.

## Quarter Highlights

- \$503 million in cash and cash equivalents & bank deposits, which includes a total of \$175 million in cash from a drawdown on the Company's revolving credit facility
- Utilized \$15.6 million in cash for operating activities in Q2 2015

(\$ in millions unless noted otherwise)

Selected balance sheet items (\$ in millions)	Q1-15	Q2-15
Cash, Cash Equivalents & Bank Deposits	\$424.9	\$502.6
Accounts Receivable	142.4	137.0
Inventories	131.0	137.4
Net Working Capital	522.3	486.2

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## Quarter Highlights

Results lower than expected across most geographies and industries compared to growth levels experienced historically

Observing signs of recovery in North America and Europe, with Asia-Pacific and MakerBot expected to remain a headwind in the third quarter

Making short-term adjustments to expenses but remain committed to long-term investments

Well positioned to respond to improvement in market conditions

Strong balance sheet and well positioned for future growth – building the infrastructure to capture future opportunities

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# Financial Guidance

Stratasys Ltd.  
Revenue & Earnings Guidance  
Non-GAAP

## Q3-2015 Financial Guidance

Revenue (M)

**\$175-190M**

Non-GAAP Diluted EPS

**\$0.03-\$0.13**

### Reconciliation of GAAP to Non-GAAP Guidance

(\$ in millions, except per share data)

Revenue	\$175 to \$190
Non-GAAP Net Income	\$1.5 to \$7
(1) Stock-Based Compensation Exp.	\$9.5 to \$10
(2) Intangible Assets Amortization Exp.	\$18
(3) Merger Related Expenses	\$7 to \$8
(4) Tax expense related to non-GAAP adjustments	(\$6) to (\$6.5)
GAAP Net Loss	(\$27) to (\$22.5)
GAAP Loss Per Share	(\$0.52) to (\$0.43)
Non-GAAP Diluted Earnings Per Share	\$0.03 to \$0.13

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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 Investment Plan: Long-Term Opportunity Unchanged

01

Industry Focus

02

Services

03

Sales and Marketing Infrastructure

04

Product Development

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## Market Enthusiasm Remains High

### Connecting with Channel and Customers

- ✓ Stratasys Direct Manufacturing Connect + Discover Summit 2015
- ✓ Stratasys EMEA Partner Meeting



### Stratasys Direct Manufacturing (SDM) - Nashville Customer Event

- ✓ Hosted 239 of our Stratasys Direct Manufacturing customers at inaugural SDM Connect + Discover Summit
- ✓ Successful seminars, workshops, and one-on-one meetings with key accounts
- ✓ High levels of enthusiasm regarding our SDM organization and the future of our industry

### Stratasys EMEA - Channel Summit

- ✓ Inaugural channel partner meeting at new Stratasys EMEA headquarters
- ✓ CEO's and sales executives from 41 top Stratasys European resellers
- ✓ Conducted well-received workshops around best practices for vertical markets, marketing, and growing the materials and service business

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## Channel Enhancements

### Enhancing Channel and Go-to-Market

- ✓ Strengthening regional coverage
- ✓ Enhancing manufacturing and design reach
- ✓ Significant MakerBot retail expansion and regional reorganization

### Channel Additions

- ✓ Strengthening our presence in Germany, Switzerland, and Austria through the acquisition of a key German channel partner, RTC Rapid Technologies
- ✓ Stratasys North American channel enhanced with the addition of manufacturing-focused W.D. Distributing and WYNIT, a value-added distributor with expertise in the technical graphics market
- ✓ Announced expansion of Sam's Club retail channel to +600 locations, and reorganized MakerBot European channel to leverage Stratasys regional infrastructure
- ✓ Fisher Unitech, a top Stratasys reseller, now carrying MakerBot products

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## Solidscape & Kangshua Group

### Expanding Manufacturing Applications: Jewelry

- ✓ Important deal for Solidscape 3D printer line
- ✓ Solidscape 3D printers produce wax patterns ideal for lost wax investment casting and mold making applications
- ✓ Used in the manufacturing of small parts and assemblies in variety of industries

### Significant Manufacturing Opportunity in China

- ✓ Chinese government is committed to promoting 3D printing for manufacturing, with multi-decade plans for growing and employing a highly skilled workforce
- ✓ *"3D printing technology is very important - we need to have this new industrialization as soon as possible."* - President Xi Jinping of China

### Collaboration between Stratasys and Kangshua Group

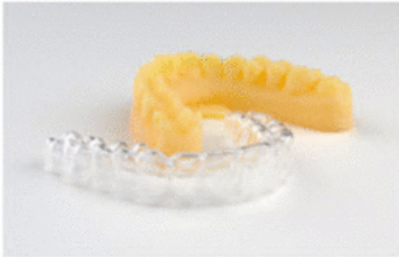
- ✓ Kangshua Group creating the largest network of service bureaus and innovation centers in China, targeting manufacturing applications
- ✓ Exclusive agreement to provide up to 1,000 Solidscape high-precision 3D printers for applications relating to China's jewelry market over next two years
- ✓ Creation of local Chinese manufacturing facility by Kangshua for assembly of Solidscape 3D printers for the domestic Chinese market
- ✓ Agreement to supply China's 3D printing education initiative with significant quantities of Solidscape 3D printers

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## Vertical Adoption: Dental

### Stratasys Dental Applications

- ✓ Encouraging trends emerging in adoption of 3D printing technology in key verticals



#### Custom Orthodontic Aligners – Significant Dental Opportunity

- ✓ A leading manufacturer of clear orthodontic aligners recently expanded its install base of Stratasys Objet Eden500V 3D Printers by 30%
- ✓ Customer produces 100% of custom-made orthodontic aligners on Stratasys PolyJet 3D printers and VeroDent material
- ✓ Benefits include optimized workflows, faster production, and shortened lead times

#### Validation of Vertical Focused Strategy

- ✓ Validates focus on Vertical Business Units and development vertical applications
- ✓ Ongoing enhancements being made to Vertical Business Units to improve ability to capture opportunities

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## Summary & Outlook

Fundamental growth drivers of 3D printing and additive manufacturing industry remain unchanged

Encouraged by areas of sequential improvement in our business, and remain optimistic about our longer-term growth prospects

Transitioning through period of slower growth as customers digest inventory and expand utilization

Committed to long-term investment plan and strategy that further positions company for growth, while making short-term expense adjustments

Confident in our long-term strategy to address future manufacturing and vertical-specific opportunities

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# 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)	Q2-14			Q2-15		
	GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP
Net sales						
Products	\$154,090	\$ -	\$154,090	\$134,490	\$ -	\$134,490
Services	24,375	-	24,375	47,832	-	47,832
Cost of sales						
Products	73,394	(14,739)	58,655	67,666	(15,975)	51,691
Services	13,437	(340)	13,097	31,748	(841)	30,907
Gross profit	91,634	15,079	106,713	82,908	16,816	99,724
Operating expenses						
Research and development, net	18,957	(1,318)	17,639	25,506	(3,016)	22,490
Selling, general and administrative	77,929	(17,617)	60,312	97,581	(24,020)	73,561
Change in fair value of earn-out obligations in connection with acquisitions	628	(628)	-	(6,680)	6,680	-
Operating income (loss)	(5,880)	34,642	28,762	(33,499)	37,172	3,673
Financial income (expenses), net	337	-	337	(711)	-	(711)
Income (loss) before income taxes	(5,543)	34,642	29,099	(34,210)	37,172	2,962
Income taxes (benefit)	(5,370)	6,475	1,105	(11,066)	6,279	(4,787)
Net income (loss)	(173)	28,167	27,994	(23,144)	30,893	7,749
Net (loss) attributable to non-controlling interest	-	-	-	(213)	-	(213)
Net income (loss) attributable to Stratasys Ltd.	\$(173)	\$28,167	\$27,994	\$(22,931)	\$30,893	\$7,962
Net income (loss) per ordinary share attributable to Stratasys Ltd. (Diluted)	\$(0.00)		\$0.55	\$(0.55)		\$0.15
Diluted Shares	49,373		51,196	51,870		52,705

# Reconciliation of Non-GAAP Adjustments

Stratasys Ltd.

(\$ in thousands)

	Q2-14	Q2-15
Net sales, products		
Deferred revenue step-up	\$-	\$-
Cost of sales, products		
Acquired intangible assets amortization	(14,029)	(12,301)
Non-cash stock-based compensation expense	(710)	(1,237)
Reorganization and other related costs	-	(2,437)
Cost of sales, services		
Non-cash stock-based compensation expense	(324)	(560)
Reorganization and other related costs	-	(75)
Merger and acquisition related expense	(16)	(206)
Research and development, net		
Non-cash stock-based compensation expense	(885)	(1,506)
Reorganization and other related costs	-	(617)
Merger and acquisition related expense	(433)	(893)
Selling, general and administrative		
Acquired intangible assets amortization	(5,507)	(5,684)
Non-cash stock-based compensation expense	(5,159)	(6,261)
Merger and acquisition related expense	(6,951)	(5,937)
Reorganization and other related costs	-	(6,138)
Change in fair value of earn-out obligations in connection with acquisitions		
Change in fair value of earn-out obligations in connection with acquisitions	(628)	6,680
Income taxes (benefit)		
Tax expense related to non-GAAP adjustments	6,475	6,279
Net income (loss) attributable to Stratasys Ltd.	\$28,167	\$30,893