
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

FORM 6-K

**Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
under the Securities Exchange Act of 1934**

For the month of November 2015

Commission File Number 001-35751

STRATASYS LTD.

(Translation of registrant's name into English)

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

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

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

CONTENTS

On November 4, 2015, Strataysys Ltd. ("we" or "us") announced our financial results for the third quarter and first nine months of 2015. A copy of our press release announcing our results is furnished as Exhibit 99.1 to this Report of Foreign Private Issuer on Form 6-K ("**Form 6-K**") and is incorporated herein by reference.

In conjunction with the conference call held on November 4, 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.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

STRATASYS LTD.

Dated: November 4, 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 November 4, 2015.
99.2	Script for our conference call held on November 4, 2015.



NEWS RELEASE

STRATASYS REPORTS THIRD QUARTER 2015 FINANCIAL RESULTS

Company reports \$167.6 million in revenue for the third quarter

Third quarter non-GAAP net income of \$0.7 million, or \$0.01 per diluted share; and GAAP net loss of \$938.0 million, or (\$18.06) per basic share

Company provides financial guidance for fourth quarter of 2015

Minneapolis & Rehovot, Israel, November 4, 2015 — Stratasys Ltd. (Nasdaq:SSYS), the 3D printing and additive manufacturing solutions company, today announced financial results for the third quarter of 2015.

Q3-2015 Financial Results Summary:

- Revenue for the third quarter of 2015 was \$167.6 million, compared to \$203.6 million for the same period last year.
- GAAP net loss for the third quarter was \$938.0 million, or (\$18.06) per basic share, compared to GAAP net loss of \$31.3 million, or (\$0.62) per basic share, for the same period last year.
- Non-GAAP net income for the third quarter was \$0.7 million, or \$0.01 per diluted share, compared to non-GAAP net income of \$30.1 million, or \$0.58 per diluted share, reported for the same period last year.
- The Company invested a net amount of \$25.1 million in R&D projects (non-GAAP basis) during the third quarter, representing 15% of revenues.
- The Company used \$17.9 million in cash for operations during the third quarter, and currently holds approximately \$262.4 million in cash and cash equivalents, and short term bank deposits.
- Non-GAAP EBITDA for the third quarter amounted to a loss of \$1.5 million.
- The Company sold 5,467 3D printing and additive manufacturing systems during the third quarter, and has sold a total of 141,395 systems worldwide as of September 30, 2015, on a pro forma combined basis.

The Company updated the goodwill impairment analysis of all of its reporting units. On the basis of its preliminary analysis, the Company recognized a non-cash goodwill and other intangible assets impairment expense of \$910 million in the third quarter, primarily as a result of changes to the Company's near-term cash flows projections which reflect, among other things, the increased uncertainty in the 3D printing environment. The impairment expense is subject to

further adjustments pursuant to conclusion of the preliminary impairment test, which is expected to be completed within the next week and disclosed in the Company's third quarter financial statements to be filed on Form 6-K. Finalization of the impairment analysis is expected to occur later in the fourth quarter.

"Our third quarter results are a reflection of the difficult global macro-economic environment we have observed throughout the year that is negatively impacting most of our product lines," said David Reis, chief executive officer of Stratasys. "We believe the current environment is primarily a result of weak investment in capital equipment, which has combined with the negative impact of excess capacity that we believe was created during a period of extraordinary growth for Stratasys, and the overall industry, during 2013 and 2014. Additionally, although we believe that overall penetration in the prototyping market remains low, the segment has matured to an extent that our customers now have a wide selection of technology offerings to evaluate, resulting in lengthened sales cycles. Despite these near-term challenges, we continue to observe significant market potential, and remain confident in our long-term growth prospects."

Business Highlights:

- Launched a new branding initiative which reinforces Stratasys' status as the leader within the additive manufacturing and 3D printing market.
- Released an in-depth industry survey, conducted through Stratasys Direct Manufacturing, which supports the Company's longer-term growth opportunities.
- Further developed Go-to-Market strategies that focus on providing specialized expertise and tailored 3D printing solutions, including expansion of the Vertical Solutions and Strategic Accounts Management programs.
- Progressed in the ongoing reorganization of MakerBot, which include organizational enhancements and initiatives designed to improve operational efficiencies.
- Announced plans to showcase the Stratasys additive manufacturing ecosystem at the Formnext 2015 exhibition in Frankfurt, Germany this November.

"We are focused on long-term objectives and remain confident we will overcome near-term challenges," continued Reis. "We will respond to the current market environment by implementing adjustments to our costs and operating structure, while remaining committed to a plan that we believe will help unlock the significant potential within our industry for our innovative solutions. In addition to transforming our brand and go-to-market strategies, we are working on significant advancements for existing platforms, as well as the development of new capabilities and business models. We are positioning our Company for the future, and remain confident of the significant opportunity ahead."

2015 Guidance:

The Company provided financial guidance for the fourth quarter of 2015 as follows:

- Total revenue in the range of \$160 to \$175 million, with non-GAAP net loss in the range of \$9 to \$3 million, or (\$0.17) to (\$0.06) per diluted share.
- GAAP net loss of \$35.3 to \$28.3 million, or (\$0.68) to (\$0.54) per basic share.
- Non-GAAP earnings guidance excludes \$17 million of projected amortization of intangible assets; \$7 to \$7.5 million of share-based compensation expense; \$2.5 million in non-recurring expenses related to acquisitions; \$4 to \$5 million in reorganization and other related costs; and includes \$5.2 to \$5.7 million in tax expenses related to non-GAAP adjustments.

The Company is reviewing its long term operating model, and will provide an update when visibility has improved.

Stratasys Ltd. Q3-2015 Conference Call Details

The Company plans to hold a conference call to discuss its third quarter results on November 4, 2015 at 7:00 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.media-server.com/m/p/svoedx39>.

To participate by telephone, the domestic dial-in number is 866-270-6057 and the international dial-in is 617-213-8891. The access code is 66906702.

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.

For more than 25 years, **Stratasys Ltd. (NASDAQ:SSYS)** has been a defining force and dominant player in 3D printing and additive manufacturing — shaping the way things are made. Headquartered in Minneapolis, Minnesota and Rehovot, Israel, the Company empowers customers across a broad range of vertical markets by enabling new paradigms for design and manufacturing. The Company’s solutions provide customers with unmatched design freedom and manufacturing flexibility — reducing time-to-market and lowering development costs, while improving designs and communications. Stratasys subsidiaries include MakerBot and Solidscape and the Stratasys ecosystem includes 3D printers producing prototypes and parts; a wide range of 3D printing materials; parts on-demand via Stratasys Direct Manufacturing; strategic consulting and professional services; and Thingiverse/GrabCAD communities with 5+ million free design components, printable files. With approximately 3,000 employees and 800 granted or pending additive manufacturing patents, Stratasys has received more than 30

technology and leadership awards. Visit us online at: www.stratasys.com or <http://blog.stratasys.com>

Stratasys is a registered trademark of Stratasys Ltd. and/or its subsidiaries or affiliates.

Stratasys Investor Relations Contacts

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Cautionary Statement Regarding Forward-Looking Statements

Certain statements in this press release are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, 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 its acquired subsidiaries; 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; further charges to non-cash goodwill and other intangible assets impairment expenses 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 from time to time. Readers are urged to carefully review and consider the various disclosures made in the Company’s SEC reports, which are designed to advise investors as to the risks and other 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 provided within this press release includes financial results and projections that have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). In addition, certain non-GAAP financial measures have been provided, which exclude 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 have been 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, impairment charges, reorganization and other related costs, one time write off of deferred tax assets, 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.

(Financial tables follow)

Stratasys Ltd.

Consolidated Balance Sheets

(in thousands)

	September 30, 2015	December 31, 2014
ASSETS		
Current assets		
Cash and cash equivalents	\$ 232,219	\$ 442,141
Short-term bank deposits	30,208	595

Accounts receivable, net	130,699	150,806
Inventories	140,783	123,385
Net investment in sales-type leases	10,702	8,170
Prepaid expenses	6,895	7,931
Deferred income taxes	30,366	25,697
Other current assets	19,108	37,903
Total current assets	600,980	796,628
Non-current assets		
Goodwill	308,549	1,323,502
Other intangible assets, net	459,112	597,903
Property, plant and equipment, net	209,432	157,036
Net investment in sales-type leases - long term	17,769	14,822
Other non-current assets	32,129	9,216
Total non-current assets	1,026,991	2,102,479
Total assets	\$ 1,627,971	\$ 2,899,107
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	\$ 38,497	\$ 37,359
Short term debt	—	50,000
Accrued expenses and other current liabilities	42,189	47,760
Accrued compensation and related benefits	36,130	42,332
Obligations in connection with acquisitions	5,949	28,092
Deferred revenues	49,273	45,023
Total current liabilities	172,038	250,566
Non-current liabilities		
Obligations in connection with acquisitions - long term	4,784	26,461
Deferred tax liabilities	38,466	55,835
Deferred revenues - long-term	6,908	5,946
Other non-current liabilities	22,350	25,091
Total non-current liabilities	72,508	113,333
Total liabilities	244,546	363,899
Redeemable non-controlling interests	2,472	3,969
Equity		
Ordinary shares, NIS 0.01 nominal value, authorized 180,000 shares; 52,301 and 50,923 shares issued and outstanding at September 30, 2015 and December 31, 2014, respectively	141	139
Additional paid-in capital	2,600,286	2,568,149
Accumulated deficit	(1,211,048)	(33,871)
Accumulated other comprehensive loss	(8,699)	(3,647)
Equity attributable to Stratasy Ltd.	1,380,680	2,530,770
Non-controlling interest	273	469
Total equity	1,380,953	2,531,239
Total liabilities and equity	\$ 1,627,971	\$ 2,899,107

Stratasy Ltd.

Consolidated Statements of Operations

(in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015 (unaudited)	2014 (unaudited)	2015 (unaudited)	2014 (unaudited)
Net sales				
Products	\$ 118,473	\$ 160,200	\$ 379,630	\$ 443,542
Services	49,107	43,410	143,003	89,474
	167,580	203,610	522,633	533,016
Cost of sales				
Products	80,796	85,437	246,833	219,853
Services	34,045	30,326	94,065	55,954
	114,841	115,763	340,898	275,807
Gross profit	52,739	87,847	181,735	257,209

Operating expenses				
Research and development, net	35,398	23,353	88,142	59,081
Selling, general and administrative	106,512	110,803	306,701	256,349
Goodwill impairment	868,101	—	1,018,501	—
Change in the fair value of obligations in connection with acquisitions	(3,022)	5,578	(22,958)	(1,289)
	<u>1,006,989</u>	<u>139,734</u>	<u>1,390,386</u>	<u>314,141</u>
Operating loss	(954,250)	(51,887)	(1,208,651)	(56,932)
Financial expense	(3,505)	(1,384)	(9,340)	(2,383)
Loss before income taxes	(957,755)	(53,271)	(1,217,991)	(59,315)
Income tax benefit	(19,633)	(21,919)	(40,321)	(31,877)
Net loss	(938,122)	(31,352)	(1,177,670)	(27,438)
Net loss attributable to non-controlling interest	(164)	(24)	(493)	(24)
Net loss attributable to Stratasy Ltd.	<u>\$ (937,958)</u>	<u>\$ (31,328)</u>	<u>\$ (1,177,177)</u>	<u>\$ (27,414)</u>
Net loss per ordinary share attributable to Stratasy Ltd.				
Basic	\$ (18.06)	\$ (0.62)	\$ (22.92)	\$ (0.55)
Diluted	(18.06)	(0.62)	(22.92)	(0.55)
Weighted average ordinary shares outstanding				
Basic	51,941	50,490	51,437	49,717
Diluted	51,941	50,490	51,437	49,717

Stratasy Ltd.

Reconciliation of GAAP to Non-GAAP Results of Operations

(in thousands, except per share data)

	Three Months Ended September 30, 2015			Three Months Ended September 30, 2014		
	GAAP (unaudited)	Adjustments*	Non-GAAP (unaudited)	GAAP (unaudited)	Adjustments*	Non-GAAP (unaudited)
Net sales						
Products	\$ 118,473	\$ —	\$ 118,473	\$ 160,200	\$ —	\$ 160,200
Services	49,107	—	49,107	43,410	—	43,410
	<u>167,580</u>	<u>—</u>	<u>167,580</u>	<u>203,610</u>	<u>—</u>	<u>203,610</u>
Cost of sales						
Products	80,796	(31,892)	48,904	85,437	(26,760)	58,677
Services	34,045	(572)	33,473	30,326	(4,236)	26,090
	<u>114,841</u>	<u>(32,464)</u>	<u>82,377</u>	<u>115,763</u>	<u>(30,996)</u>	<u>84,767</u>
Gross profit	52,739	32,464	85,203	87,847	30,996	118,843
Operating expenses						
Research and development, net	35,398	(10,324)	25,074	23,353	(4,178)	19,175
Selling, general and administrative	106,512	(36,400)	70,112	110,803	(42,936)	67,867
Goodwill impairment	868,101	(868,101)	—	—	—	—
Change in the fair value of obligations in connection with acquisitions	(3,022)	3,022	—	5,578	(5,578)	—
	<u>1,006,989</u>	<u>(911,803)</u>	<u>95,186</u>	<u>139,734</u>	<u>(52,692)</u>	<u>87,042</u>
Operating income (loss)	(954,250)	944,267	(9,983)	(51,887)	83,688	31,801
Financial income (expense)	(3,505)	2,705	(800)	(1,384)	—	(1,384)
Income (loss) before income taxes	(957,755)	946,972	(10,783)	(53,271)	83,688	30,417
Income taxes (benefit)	(19,633)	8,350	(11,283)	(21,919)	22,269	350
Net income (loss)	(938,122)	938,622	500	(31,352)	61,419	30,067
Net loss attributable to non-controlling interest	(164)	—	(164)	(24)	—	(24)
Net income (loss) attributable to Stratasy Ltd.	<u>\$ (937,958)</u>	<u>\$ 938,622</u>	<u>\$ 664</u>	<u>\$ (31,328)</u>	<u>\$ 61,419</u>	<u>\$ 30,091</u>
Net income (loss) per ordinary share attributable to Stratasy Ltd.						
Basic	\$ (18.06)		\$ 0.01	\$ (0.62)		\$ 0.60
Diluted	(18.06)		0.01	(0.62)		0.58

**Weighted average ordinary shares
outstanding**

Basic	51,941	51,941	50,490	50,490
Diluted	51,941	53,108	50,490	52,261

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

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

Stratasys Ltd.
Reconciliation of GAAP to Non-GAAP Results of Operations

(in thousands, except per share data)

	Nine Months Ended September 30, 2015			Nine Months Ended September 30, 2014		
	GAAP	Adjustments*	Non-GAAP	GAAP	Adjustments*	Non-GAAP
Net sales						
Products	\$ 379,630	\$ —	\$ 379,630	\$ 443,542	\$ 235	\$ 443,777
Services	143,003	—	143,003	89,474	—	89,474
	<u>522,633</u>	<u>—</u>	<u>522,633</u>	<u>533,016</u>	<u>235</u>	<u>533,251</u>
Cost of sales						
Products	246,833	(93,778)	153,055	219,853	(55,228)	164,625
Services	94,065	(2,823)	91,242	55,954	(5,010)	50,944
	<u>340,898</u>	<u>(96,601)</u>	<u>244,297</u>	<u>275,807</u>	<u>(60,238)</u>	<u>215,569</u>
Gross profit	181,735	96,601	278,336	257,209	60,473	317,682
Operating expenses						
Research and development, net	88,142	(16,157)	71,985	59,081	(6,991)	52,090
Selling, general and administrative	306,701	(93,265)	213,436	256,349	(74,076)	182,273
Goodwill impairment	1,018,501	(1,018,501)	—	—	—	—
Change in the fair value of obligations in connection with acquisitions	(22,958)	22,958	—	(1,289)	1,289	—
	<u>1,390,386</u>	<u>(1,104,965)</u>	<u>285,421</u>	<u>314,141</u>	<u>(79,778)</u>	<u>234,363</u>
Operating income (loss)	(1,208,651)	1,201,566	(7,085)	(56,932)	140,251	83,319
Financial income (expense)	(9,340)	2,705	(6,635)	(2,383)	—	(2,383)
Income (loss) before income taxes	(1,217,991)	1,204,271	(13,720)	(59,315)	140,251	80,936
Income taxes (benefit)	(40,321)	16,444	(23,877)	(31,877)	34,153	2,276
Net income (loss)	(1,177,670)	1,187,827	10,157	(27,438)	106,098	78,660
Net loss attributable to non-controlling interest	(493)	—	(493)	(24)	—	(24)
Net income (loss) attributable to Stratasys Ltd.	<u>\$ (1,177,177)</u>	<u>\$ 1,187,827</u>	<u>\$ 10,650</u>	<u>\$ (27,414)</u>	<u>\$ 106,098</u>	<u>\$ 78,684</u>
Net income (loss) per ordinary share attributable to Stratasys Ltd.						
Basic	\$ (22.92)		\$ 0.21	\$ (0.55)		\$ 1.58
Diluted	(22.92)		0.20	(0.55)		1.53
Weighted average ordinary shares outstanding						
Basic	51,437		51,437	49,717		49,717
Diluted	51,437		52,715	49,717		51,573

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

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

Stratasys Ltd.
Reconciliation of Non-GAAP Adjustments

(in thousands)

	Three Months Ended September		Nine Months Ended September	
	30,		30,	
	2015	2014	2015	2014
Net sales, products				
Deferred revenue step-up	\$ —	\$ —	\$ —	\$ 235
Cost of sales, products				
Acquired intangible assets amortization	(12,317)	(14,328)	(39,523)	(41,582)
Impairment charges	(18,338)	(11,635)	(48,120)	(11,635)
Non-cash stock-based compensation expense	(372)	(797)	(2,833)	(2,011)
Reorganization and other related costs	(865)	—	(3,302)	—
	(31,892)	(26,760)	(93,778)	(55,228)
Cost of sales, services				
Acquired intangible assets amortization	—	(536)	—	(537)
Non-cash stock-based compensation expense	(367)	(485)	(1,536)	(1,217)
Reorganization and other related costs	(49)	—	(124)	—
Merger and acquisition related expense	(156)	(3,215)	(1,163)	(3,256)
	(572)	(4,236)	(2,823)	(5,010)
Research and development, net				
Non-cash stock-based compensation expense	(985)	(1,098)	(4,359)	(2,921)
Impairment charges	(7,546)	(3,000)	(7,546)	(3,000)
Reorganization and other related costs	(728)	—	(1,345)	—
Merger and acquisition related expense	(1,065)	(80)	(2,907)	(1,070)
	(10,324)	(4,178)	(16,157)	(6,991)
Selling, general and administrative				
Acquired intangible assets amortization	(5,832)	(6,474)	(17,972)	(17,344)
Non-cash stock-based compensation expense	(3,112)	(5,217)	(15,432)	(15,262)
Merger and acquisition related expense	(9,773)	(31,245)	(22,616)	(41,470)
Reorganization and other related costs	(106)	—	(6,245)	—
Impairment charges	(17,577)	—	(31,000)	—
	(36,400)	(42,936)	(93,265)	(74,076)
Goodwill impairment	(868,101)	—	(1,018,501)	—
Change in the fair value of obligations in connection with acquisitions				
Change in the fair value of obligations in connection with acquisitions	3,022	(5,578)	22,958	1,289
Financial expense				
Credit facility extinguishment related costs	(2,705)	—	(2,705)	—
Income taxes				
Tax expense related to non-GAAP adjustments	8,350	22,269	16,444	34,153
Net income	<u>\$ 938,622</u>	<u>\$ 61,419</u>	<u>\$ 1,187,827</u>	<u>\$ 106,098</u>

Stratasys Ltd.

Reconciliation of GAAP to Non-GAAP Forward Looking Guidance

Three Months Ended December 31, 2015

(in millions, except per share data)

GAAP net loss	(\$35.3) to (\$28.3)
Adjustments	
Stock-based compensation expense	\$7 to \$7.5
Intangible assets amortization expense	\$17
Merger and acquisition related expense	\$2.5
Reorganization and other related costs	\$4 to \$5
Tax expense related to Non-GAAP adjustments	(\$5.2) to (\$5.7)
Non-GAAP net loss	(\$9) to (\$3)
GAAP loss per share	(\$0.68) to (\$0.54)
Non-GAAP loss per share	(\$0.17) to (\$0.06)

SSYS Q3 2015 Earnings Script

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

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

My name is [INSERT], and I'm your operator for today's call. [INSERT RELEVANT 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 & NON-GAAP DISCLOSURE**SPEAKER: Shane Glenn**

Good morning, everyone, and thank you for joining us to discuss our third 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.

We will begin by reminding everyone that certain statements on this conference call 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; unexpected capital expenditures and changes in liquidity; unexpected changes in the company's strategy; unexpected changes in government regulations and approvals; unexpected changes in

customers' budgeting priorities; unexpected litigation and regulatory proceedings; further charges to non-cash goodwill and other intangible assets impairment expenses; 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 or prior to 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 conference call 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, today's call will include non-GAAP financial measures. 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 today's press release.

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

SLIDE 4: OPENING SUMMARY**SPEAKER: David Reis**

Good morning everyone, and thank you for joining today's call.

Our third quarter results are a reflection of the difficult global macro-economic environment that has impacted our performance across all regions, and for most of our product lines, throughout the year.

We believe the current environment is primarily a result of a slowdown in capital equipment investment from customers within our target markets.

In addition, while we believe that overall market penetration in the prototyping market remains low, the segment has matured to an extent that it provides our customers with a wider selection of technologies and services than ever before, resulting in longer sales cycles and increased experimentation by end users.

We also believe the situation has been worsened by the negative impact of excess capacity that followed the two-year period of extraordinary industry expansion that ended in 2014.

Reflecting the low visibility of the current market environment, expected orders did not materialize as expected at the end of the quarter.

The near-term outlook remains difficult as we begin the fourth quarter; and we will respond to these challenges by implementing the adjustments to our cost and operating structure. We expect these adjustments to positively impact 2016.

However, despite these near term challenges, we remain committed to a plan that we believe will help unlock the significant potential within our markets.

This includes our recently announced initiatives to transform our brand positioning and go-to-market strategies, as well as the ongoing development of new capabilities and

business models that we believe could transform our markets.

I will return later to the call to provide more details on recent 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.

As David mentioned, our performance during the third quarter is a reflection of the overall market weakness that has impacted our company across most regions and business units throughout the year.

Total revenue in the third quarter decreased by 18% to \$167.6 million when compared to \$203.6 million for the same period last year.

On an organic basis, which excludes the impact of acquisitions, revenue declined by 20% in the third quarter when compared to the same period last year; or approximately 16% when calculated on a constant currency basis.

Our core business revenue, which excludes MakerBot and Stratasys Direct Manufacturing, declined by 14% in the third quarter over last year; or approximately 10% on a constant currency basis.

MakerBot product and service revenue declined by 55% in the third quarter relative to last year, driven by the overall market weakness, as well as by the ongoing challenges associated with the restructuring of that business.

Non-GAAP net income for the third quarter was \$0.7 million, or \$0.01 per diluted share, compared to non-GAAP net income of \$30.1 million, or \$0.58 per diluted share, reported for the same period last year.

The Company updated the goodwill impairment analysis of all of its reporting units. On the basis of its preliminary analysis, the Company recognized a non-cash goodwill and other intangible assets impairment expense of \$910 million in the third quarter, primarily as a result of changes of the Company's near-term cash flows projections which reflect, among other things, the increased uncertainty in the 3D printing environment. The impairment expense is subject to further adjustments pursuant to conclusion of the preliminary impairment test, which is expected to be completed within the next week and disclosed in the Company's third quarter financial statements to be filed on Form 6-K. Finalization of the impairment analysis is expected to occur later in the fourth quarter.

Although we remain confident in our long-term growth prospects, our visibility into our near-term performance remains limited as we begin the fourth quarter.

SLIDE 6: REVENUE

Product revenue in the third quarter decreased by 26% to \$118.5 million, as compared to the same period last year.

Within product revenue, system revenue decreased by 37% over the same period last year, with the decline driven primarily by the overall market weakness we discussed previously.

Consumables revenue was flat when compared to the same period last year.

Excluding MakerBot, core consumables revenue grew 3% over last year; or 8% on a constant currency basis.

We believe the slowdown in consumables sales is driven primarily by the recent weakness in hardware sales.

Services revenue in the third quarter increased by 13% to \$49.1 million, as compared to the same period last year.

Within service revenue, customer support revenue, which includes the revenue generated mainly by maintenance contracts on our systems, increased by 16% compared to the same period last year.

SLIDE 7: UNIT SALES

The Company sold 5,467 3D printing and additive manufacturing systems during the third quarter, and has sold a total of 141,395 systems worldwide as of September 30, 2015, on a pro forma combined basis.

Unit sales in the third 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.

Although systems sales were disappointing, we observed a sequential quarterly improvement in ASPs, as our product mix favors higher-cost systems.

SLIDE 8: GROSS PROFIT

Gross margins declined to 51% for the third quarter, compared to 58% for the same period last year.

The decrease in gross margin over last year was driven primarily by product mix, as sales of our higher margin Connex systems were notably weaker during the period. In addition, gross margin was impacted by an increase in reserves related to slower moving inventory.

Product gross margin decreased to 59% in the quarter, compared to 63% for the same period last year, reflecting the impact of lower demand.

Service gross margin decreased to 32% in the quarter, as compared to 40% for the same period last year, driven primarily by the inclusion of the Solid Concepts and Harvest Technology acquisitions, as well as an increase in reserves related to slower moving service inventory.

SLIDE 9: OPERATING/NET PROFIT

Operating expenses increased by 9% to \$95.2 million for the third quarter, as compared to the same period last year.

Compared to the second quarter of this year, operating expenses declined by 1%, reflecting the impact of lower reseller commissions, and planned cost reductions which were partially offset by higher investment in certain R&D projects, and the ramp-up of our company-wide ERP implementation.

Net R&D expenses increased by 31% in the quarter over last year, to \$25.1 million driven by the inclusion of acquired GradCAD expenses, and an increase in internal funding for certain product development projects.

SG&A expenses increased by 3% in the quarter over last year, to \$70.1 million but declined by 5% when compared to the second quarter of this year, reflecting the impact of lower reseller commissions and planned cost reductions.

Net income included a tax benefit of \$11.3 million, which resulted mainly from the impact of losses incurred in high tax jurisdictions.

SLIDE 10: GEOGRAPHIC MIX

The following slide provides you a breakdown of our geographic sales for the quarter, which reflects the broad-based weakness we have outlined previously.

For our core products and services, which exclude MakerBot and SDM, all regions underperformed in the third quarter relative to expectations.

Our expectations for the remainder of the year are a continuation of these trends, as the challenging market conditions we have observed in 2015 persist.

SLIDE 11: BALANCE SHEET/CASH FLOW

Non-GAAP EBITDA for the third quarter amounted to a loss of \$1.5 million.

The Company used \$17.9 million in cash from operations during the third quarter, and currently holds approximately \$262.4 million in cash, cash equivalents, and short term bank deposits.

The decrease in cash, cash equivalents, and short term bank deposits as compared to \$502.6 million at the end of the second quarter, is driven primarily by our recent repayment of our revolving credit facility, and \$30.7 million in capital expenditures used for the purchase of fixed assets, which includes payments for our new facility in Israel.

Inventory increased to \$140.8 million as compared to \$137.4 million at the end of the second quarter of 2015, as lower than expected hardware sales drove an increase in finished goods inventory.

Accounts receivable decreased to \$130.7 million, compared to \$137.0 million at the end of the first quarter; while DSO on 12-month trailing revenue remained flat, at 64.

SLIDE 12: SUMMARY

In summary,

- 1.) Our third quarter results did not meet our expectations, and we are disappointed with our performance.
- 2.) We believe our performance was impacted by weaker macro-economic conditions that drove an overall slowdown in capital equipment spending.
- 3.) Our near-term visibility remains low as we begin the fourth quarter, as sales cycles have lengthened and pipeline conversion rates have declined when compared to historical levels.
- 4.) We will make the adjustments to our operating expenses to align with the current market environment and to emphasize operational efficiency.
- 5.) We believe we maintain a conservative balance sheet with sufficient capital to meet future requirements while weathering the current downturn.
- 6.) And finally, we remain confident in the long-term growth prospects that we have identified in key verticals and applications; and will remain committed to our growth initiatives and long-term investment plan.

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.

The Company has provided financial guidance for the fourth quarter of 2015 as follows:

1. Total revenue in the range of \$160 to \$175 million, with non-GAAP net loss in the range of \$9 to \$3 million, or (\$0.17) to (\$0.06) per diluted share.
2. GAAP net loss of \$35.3 to \$28.3 million, or (\$0.68) to (\$0.54) per basic share.
3. Non-GAAP earnings guidance excludes \$17 million of projected amortization of intangible assets; \$7 to \$7.5 million of share-based compensation expense; \$2.5 million in non-recurring expenses related to acquisitions; \$4 to \$5 million in reorganization and other related costs; and includes \$5.2 to \$5.7 million in tax expenses related to non-GAAP adjustments.

Finally, at this time we are reviewing our long term operating model, and will provide an update when we begin to observe improved visibility.

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.

Our recent performance has not met expectations. We are facing a challenging market environment that requires us to adapt and refocus our strategy as our industry transitions and matures.

Despite near-term challenges, we continue to observe significant potential within our markets, and remain confident in the long-term growth opportunity.

I would like to take a moment to highlight some initiatives that we believe will reinforce our leadership position in the 3D printing and additive manufacturing industry, and ensure that Stratasys is prepared for the future growth opportunities we see ahead.

SLIDE 16: REBRANDING

To strengthen our position, we recently launched a new branding initiative that re-introduces Stratasys to the market.

The goal of our branding initiative is three-fold:

- 1.) To take ownership of what our customers, partners, and employees already know: that Stratasys is the industry leader by many metrics, including installed base, intellectual property, R&D investment, new product development, and innovation.
- 2.) Secondly, to clearly communicate to the market that Stratasys will provide a total ecosystem of solutions, including hardware, materials, services, and software — with the customer at the center.
- 3.) And finally, that Stratasys is THE 3D printing Solutions Company, and that we will work hard to adapt and evolve our organization to take advantage of future growth opportunities within a market that requires a solution-driven approach.

We are very proud of the work we do at Stratasys.

We truly shape lives by revolutionizing the way things are made, and we believe our new branding strategy reflects this position.

SLIDE 17: MARKET SURVEY

We have identified several market trends that we believe support our long-term optimism and future growth prospects within the prototyping and advanced manufacturing markets.

First, we believe that a significant opportunity remains for rapid prototyping applications.

Earlier this year we conducted an extensive market analysis that included the data from 845 respondents to an industry survey that targeted product developers.

Based on our research and that survey, we believe prototyping applications remain a significant opportunity.

We estimate the global prototyping market to be a \$10 to \$15 billion dollar opportunity, with only 23% of that opportunity currently addressed by additive manufacturing.

Second, we recently released the results of an in-depth industry survey completed by our Stratasys Direct Manufacturing organization.

The report is based on an independent analysis of 700 designers, engineers and executives — 40% of whom are employed by companies with over \$50 million in revenue.

The goal was to uncover common themes among companies who are looking to adopt and integrate 3D printing into their manufacturing processes.

Some of the survey findings include a belief that end-use parts will be increasingly designed for additive manufacturing over the next three years.

Additionally, the respondents anticipate the applications with highest levels of growth for additive manufacturing are: tooling and patterns, trial and bridge production parts, and end-use parts.

Also encouraging was the belief by a majority of respondents that regardless of their company's in-house additive manufacturing resources, they recognize a value in partnering with a service provider to augment internal capabilities.

We believe we are well positioned to capitalize on these emerging trends given our comprehensive portfolio of current and future products.

SLIDE 18: ECOSYSTEM

Our product and service offerings are evolving rapidly, as we seek to better position the Company to provide a complete portfolio of solutions within the design and manufacturing value chain.

Building this comprehensive ecosystem takes time, and over the past several quarters, we have completed several transactions that support this effort, including our acquisition of GrabCAD and The Econolyst.

In addition, we have entered strategic partnerships such as those we recently announced with PTC and Adobe.

Our ecosystem, combined with our new branding strategy, will be on full display at the Formnext 2015 exhibition later this month.

For the first time, we will showcase a combined range of solutions, including industrial PolyJet and FDM 3D Printers and Production Systems, along with MakerBot desktop 3D printers and Solidscape professional systems.

The growing Stratasys ecosystem features design-to-print workflows, 3D printing curriculum, and consultancy offerings through Stratasys Professional Services and Strategic Consulting.

SLIDE 19: GO-TO-MARKET

Over the course of 2015, we have made significant changes in our go-to-market strategy.

In April, we welcomed Joshua Claman to the newly created role of Chief Business Officer, where he oversees the Company's Marketing, Sales, Service and Channel organizations,

Josh is focused on driving commercial and go-to-market synergies across the company's different business units.

More recently, we further strengthened our leadership team with the appointment of John Gould, formerly of Dell, as president of North American operations.

He will play a critical role in defining our North American expansion strategy by improving both the customer and channel partner experience.

This includes our more recent initiative to build out a dedicated inside sales team to work with our partners to pursue cross-selling and up-selling opportunities, as well as to execute specific sales campaigns designed to acquire new accounts.

We will continue to collaborate with our current channel partners, with the expectation that they will play a valuable role in helping nurture and grow new customers.

This will include a more effective structure of covering the market, which involves enhancing our ability to support key channel partners through training, certification, sales enablement and joint sales efforts.

Additionally, we continue to pursue our Strategic Accounts Management and Vertical Business Unit initiatives, which are developing new growth opportunities across large organizations; and are targeting markets where our disruptive solutions can unlock value within the manufacturing process.

Many of these changes to our go-to-market approach are underway, and we intend on moving forward with expansion over the next few quarters.

Most importantly, we are already observing results from some of these initiatives.

For example, within our Strategic Account Management initiative in North America, sales grew by 137% in the third quarter compared to the same period last year.

Although the growth is compared to a small base, we believe the performance is impressive considering the challenging macroeconomic environment we observed during the quarter.

SLIDE 20: ADJUSTMENTS TO COST STRUCTURE

We recently initiated additional organizational enhancements and operational improvements at MakerBot.

This included:

- 1.) The reorganization and reduction of staff to become more operationally efficient;
- 2.) Enhancements to the leadership team, including the hiring of key executives;
- 3.) Consolidation of facilities and reductions in overhead cost, including the centralization of staff; and
- 4.) The out-sourcing of production for legacy 4th generation products to a contract manufacturer, which we believe will significantly reduce costs, and allow for greater focus on the development of next-generation products.

We are confident the structural changes will help improve the performance of our MakerBot reporting unit beginning in 2016.

In addition to the restructuring at MakerBot, we are currently evaluating additional adjustments to our costs and operating structure to better align with the current market environment.

SLIDE 21: SUMMARY

In summary:

- 1.) Despite our near-term challenges, we continue to observe significant market potential, and remain confident in our long-term growth prospects.
- 2.) We have re-launched our brand to reflect our leadership position as THE 3D printing solutions company, and look forward to presenting our comprehensive ecosystem to the market.
- 3.) We are augmenting our go-to-market infrastructure with key hires and a vertical-market-focused approach, to better serve our customers' additive manufacturing needs.
- 4.) In light of the current market environment, we are making adjustments to better align expenses with current market conditions, including ongoing restructuring at MakerBot, and an overall emphasis on productivity and efficiency across the entire organization.
- 5.) And finally, although we expect market conditions will remain challenging over the near term, we remain committed to our long-term investment plan and growth strategy that focuses on vertical markets and manufacturing-related applications.

Operator, please open the call for questions.

SLIDE 22: Q&A

SPEAKER: David Reis

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

Goodbye.

SLIDE 22 & 23: RECONCILIATION TABLES



STRATASYS

Q3 2015

FINANCIAL RESULTS CONFERENCE CALL

November 4th, 2015

1 STRATASYS / THE 3D PRINTING SOLUTIONS COMPANY

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Q3 2015 Conference and webcast details

Speakers

David Reis
CEO

Erez Simha
COO & CFO

Shane Glenn
VP, Investor
Relations

Live Dial-in Information

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617-213-8891

Participant
Passcode:
66906702

Live webcast and replay:

<http://edge.media-server.com/m/p/svoedx39>

Forward Looking Statement

Certain statements in this press release 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 its acquired subsidiaries; the overall global economic environment; the impact of competition and new technologies; general market, political and economic conditions in the countries in which the Company operates; projected capital expenditures and liquidity; changes in the Company's strategy; government regulations and approvals; changes in customers' budgeting priorities; litigation and regulatory proceedings; and those factors referred to under "Risk Factors", "Information on the Company", "Operating and Financial Review and Prospects", and generally in the Company's annual report on Form 20-F for the year ended December 31, 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 from time to time. Readers are urged to carefully review and consider the various disclosures made in the Company's SEC reports, which are designed to advise investors as to the risks and other 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.

David Reis – CEO



Summary

- Third quarter impacted by difficult macro-economic environment – visibility remains low
- Current conditions driven by weak capital equipment investment & excess end user capacity
- Rapid prototyping industry has matured - customers have wider selection of offerings to evaluate, lengthening sales cycle
- Implementing adjustments to cost and operating structure – positive impact expected in 2016
- Long-term opportunity unchanged & committed to strategic investments and long-term growth plan

Erez Simha – CFO and COO
Shane Glenn – VP of Investor Relations

Financial Update and Guidance

STRATASYS / THE 3D PRINTING SOLUTIONS COMPANY

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Financial Results - Non-GAAP Stratasys, Ltd.

Revenue Growth	↓	18% YOY
Organic Revenue Growth	↓	20% YOY
Core Revenue Growth	↓	14% YOY
Non-GAAP Gross Profit Growth	↓	28% YOY
Non-GAAP Net Income	↓	98% YOY

Recognized a non-cash goodwill and other intangible assets impairment expense of \$910 million in the third quarter

	Q3-14	Q3-15	Change YOY
Unit Sales	10,965	5,467	-50.1%
Total Revenue	\$203.6	\$167.6	-17.7%
Revenue/ Employee	0.072	0.057	-19.7%
Gross Profit % margin	118.8 58.4%	85.2 50.8%	-28.3%
Operating Expenses % of sales	87.0 42.7%	95.2 56.8%	+9.4%
Operating Profit % margin	31.8 15.6%	-10.0 -6.0%	-131.4%
Pre-tax Profit (Loss) % margin	30.4 14.9%	-10.8 -6.4%	-135.4%
Tax Rate	1.1%	104.6%	
EBITDA	40.0	-1.5	-103.6%
Net Income % margin	30.1 14.8%	0.7 0.4%	-97.8%
EPS (Diluted)	\$0.58	\$0.01	-98.3%
Diluted Shares	52.3	53.1	+1.6%

(\$ in millions unless noted otherwise)

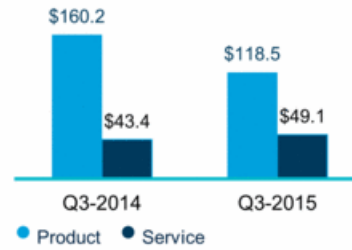
6 STRATASYS / THE 3D PRINTING SOLUTIONS COMPANY

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Financial Results – Non-GAAP Stratasys, Ltd.

System Revenue	↓	37% YOY
Consumable Revenue	↔	0% YOY
Customer Support Revenue	↑	16% YOY

Total Revenue - Quarter



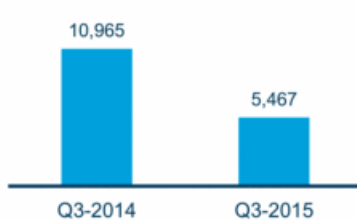
Total Revenue – Quarterly Trend



Financial Results – System Unit Sales Stratasys, Ltd.

- Decrease in unit sales relative to prior periods driven by lower than expected MakerBot unit volumes
- The Company sold 5,467 3D printing and additive manufacturing systems during the second quarter; and on a pro-forma combined basis, has sold 141,395 systems worldwide as of September 30, 2015

Total Units Sold - Quarter



Total Units Sold – Quarterly Trend

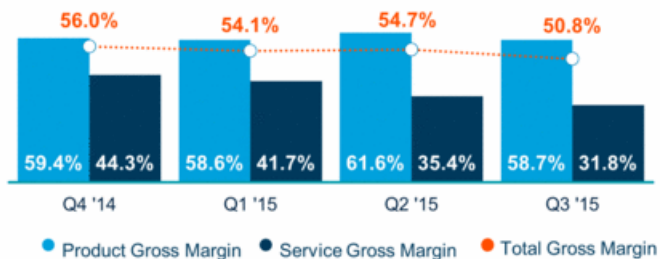


Financial Results – Non-GAAP Stratasys, Ltd.

	Q3-14	Q3-15	% Change YOY
Product Revenue	\$160.2	\$118.5	-26.0%
% of sales	78.7%	70.7%	
Service Revenue	43.4	49.1	+13.1%
% of sales	21.3%	29.3%	
Product Gross Profit	101.5	69.6	-31.5%
% margin	63.4%	58.7%	
Service Gross Profit	17.3	15.6	-9.7%
% margin	39.9%	31.8%	
Total Gross Profit	118.8	85.2	-28.3%
% margin	58.4%	50.8%	

(\$ in millions unless noted otherwise)

Gross Margin – Quarterly Trend



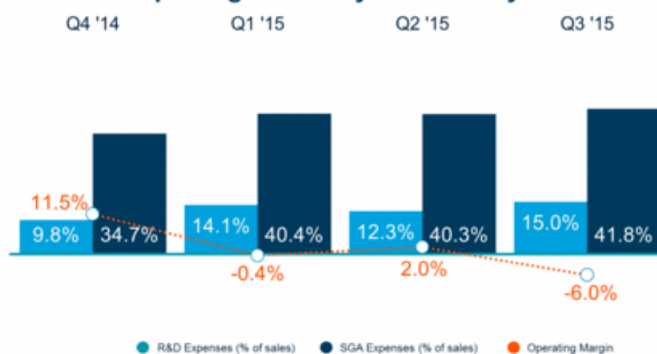
Financial Results – Operating Profit Non-GAAP Stratasys, LTD.

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

	Q3-14	Q3-15	% Change YOY
R&D Expense	19.2	25.1	+30.8%
% of sales	9.4%	15.0%	
SG&A Expense	67.9	70.1	+3.3%
% of sales	33.3%	41.8%	
Total Operating Exp.	87.0	95.2	+9.4%
% of sales	42.7%	56.8%	
Total Operating Profit (Loss)	31.8	-10.0	-131.4%
% margin	15.6%	-6.0%	

(\$ in millions unless noted otherwise)

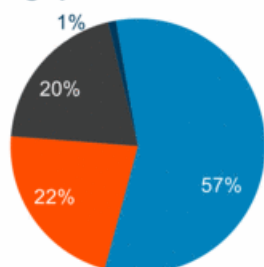
Operating Profit Analysis – Quarterly Trend



Financial Results – Revenue Geographic Mix Non-GAAP Stratasys, Ltd.

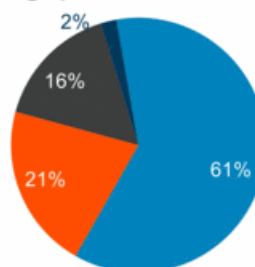
- Results reflect broad-based weakness
- Expect challenging market condition to persist for the remainder of 2015

Geographic Sales Q3-2014



● North America
● EMEA
● APAC
● Other

Geographic Sales Q3-2015



● North America
● EMEA
● APAC
● Other

Financial Results – Balance Sheet Summary Stratasys, Ltd.

- \$262.4 million in cash and cash equivalents & bank deposits
- Sequential decrease in cash, cash equivalents, & short term bank deposits driven by repayment of revolving credit facility, as well as capital expenditures

Selected balance sheet items (\$ in millions)	Q2-15	Q3-15
Cash, Cash Equivalents & Bank Deposits	\$502.6	\$262.4
Accounts Receivable	137.0	130.7
Inventories	137.4	140.8
Net Working Capital	486.2	428.9

(\$ in millions unless noted otherwise)



Financial Summary

- Third quarter results did not meet expectations
- Performance impacted by slowdown in capital equipment investments in key markets
- Near-term visibility is low – sales cycles have lengthened
- Implementing adjustments to better align with current market environment and emphasize operational efficiency
- Conservative balance sheet with sufficient capital
- Confident in long-term growth prospects in key vertical and applications – committed to growth initiatives

Revenue & Earnings Guidance Non-GAAP

Revenue (M)

\$160-\$175M

Non-GAAP Diluted EPS

(\$0.17-\$0.06)

Reconciliation of GAAP to Non-GAAP Guidance

(\$ in millions, except per share data)

Revenue	\$160 to \$175
Non-GAAP Net Income	(\$9) to (\$3)
(1) Stock-Based Compensation Exp.	\$7 to \$7.5
(2) Intangible Assets Amortization Exp.	\$17
(3) Merger Related Expenses	\$2.5
(4) Reorganization and other related costs	\$4 to \$5
(5) Tax expense related to non-GAAP adjustments	(\$5.2) to (\$5.7)
GAAP Net Loss	(\$35.3) to (\$28.3)
GAAP Loss Per Share	(\$0.68) to (\$0.54)
Non-GAAP Diluted Earnings Per Share	(\$0.17) to (\$0.06)

David Reis – CEO

STRATEGIC OVERVIEW

New Branding Initiative – Claiming Leadership Position

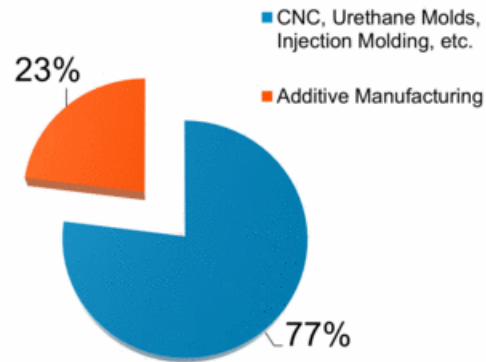
STRATASYS IS THE **TRUSTED LEADER** IN INNOVATIVE 3D PRINTING AND MANUFACTURING SOLUTIONS THAT **EMPOWER INDIVIDUALS** AND ORGANIZATIONS TO TRANSFORM THE WAY THEY IMAGINE, DESIGN AND MAKE THINGS.

WE SHAPE LIVES BY **REVOLUTIONIZING** THE WAY THINGS ARE MADE

Future Growth Potential - Rapid Prototyping & Advanced Manufacturing

Long-term growth opportunities in key applications

- Global Prototyping market is ~\$10-\$15B*
 - Additive Manufacturing technology only has ~23% penetration
- Advanced applications seen as having highest levels of growth include**:
 - Tooling and patterns
 - Trial and bridge production parts
 - End-use parts
- Stratasys building diverse product and service portfolio, SDM capabilities, and manufacturing expertise to capture opportunities

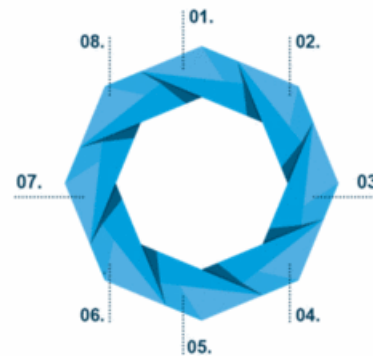


Additive Manufacturing in Rapid Prototyping*

*Based on internal analysis of data from customer interviews, surveys, and industry sources
 **Based on analysis of independent survey of 700 designers, engineers and executives

Stratasys Ecosystem

- Product and service offerings evolving rapidly
- Company positioned to provide a complete portfolio of solutions within design and manufacturing value chain
- Ecosystem on display at Formnext 2015 in November



<p>01</p> <hr/> <p>3D printers and production 3D printers</p>	<p>02</p> <hr/> <p>Stratasys Direct Manufacturing</p>	<p>03</p> <hr/> <p>Industry expertise and specialized applications</p>	<p>04</p> <hr/> <p>Stratasys Strategic Consulting</p>
<p>05</p> <hr/> <p>Service and support</p>	<p>06</p> <hr/> <p>Extensive range of materials</p>	<p>07</p> <hr/> <p>Design and engineering communities</p>	<p>08</p> <hr/> <p>Strategic partnerships</p>

Go-to-Market Transformation

Key executives in place

- New Chief Business Officer
- New North American President

Initiatives Underway – More to come

- Development of inside sales team to support channel partners
- Improved training, support, and sales enablement of existing channel
- Continue to pursue our Strategic Accounts Management and Vertical Business Unit initiatives

Early Results Encouraging

- North American Strategic Accounts revenue increased in Q3 2015 by **137%** Y/Y

Operational Adjustments

Making Progress in MakerBot Reorganization

- Operational improvements to improve efficiency
- Enhancement to leadership team
- Consolidated facilities
- Shifting legacy 4TH generation product production to contract manufacturer
- On track for improved performance in 2016

Evaluating Adjustments to Overall Cost Structure

- Adapting to market environment
- Company-wide focus on efficiency and profitability

David Reis – CEO



Summary & Outlook

- Continue to observe significant market potential and confident in long-term growth prospects
- Re-launched brand and developing comprehensive ecosystem
- Strengthening go-to-market with key hires and ongoing development of vertical-market-focused strategy
- Adjusting costs and operating structure to better align with market conditions
- Remain committed to long-term investments & growth strategy

Reconciliation of GAAP to Non-GAAP - Results of Operations Stratasys Ltd.

	Q3-14			Q3-15		
	GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP
Net sales						
Products	\$160,200	\$ -	\$160,200	\$118,473	\$ -	\$118,473
Services	43,410	-	43,410	49,107	-	49,107
Cost of sales						
Products	85,437	(26,760)	58,677	80,796	(31,892)	48,904
Services	30,326	(4,236)	26,090	34,045	(572)	33,473
Gross profit	87,847	30,996	118,843	52,739	32,464	85,203
Operating expenses						
Research and development, net	23,353	(4,178)	19,175	35,398	(10,324)	25,074
Selling, general and administrative	110,803	(42,936)	67,867	106,512	(36,400)	70,112
Goodwill impairment	-	-	-	868,101	(868,101)	-
Change in fair value of earn-out obligations in connection with acquisitions	5,578	(5,578)	-	(3,022)	3,022	-
Operating income (loss)	(51,887)	83,688	31,801	(954,250)	944,267	(9,983)
Financial income (expenses), net	(1,384)	-	(1,384)	(3,505)	2,705	(800)
Income (loss) before income taxes	(53,271)	83,688	30,417	(957,755)	946,972	(10,783)
Income taxes (benefit)	(21,919)	22,269	350	(19,633)	8,350	(11,283)
Net income (loss)	(31,352)	61,419	30,067	(938,122)	938,622	500
Net (loss) attributable to non-controlling interest	(24)	-	(24)	(164)	-	(164)
Net income (loss) attributable to Stratasys Ltd.	\$(31,328)	\$61,419	\$30,091	\$(937,958)	\$938,622	\$664
Net income (loss) per ordinary share attributable to Stratasys Ltd. (Diluted)	\$(0.62)		\$0.58	\$(18.06)		\$0.01
Diluted Shares	50,490		52,261	51,941		53,108

(\$ in thousands except per share data)

Reconciliation of Non-GAAP Adjustments Stratasys Ltd.

	Q3-14	Q3-15
Net sales, products		
Deferred revenue step-up	\$-	\$-
Cost of sales, products		
Acquired intangible assets amortization	(14,328)	(12,317)
Impairment charges	(11,635)	(18,338)
Non-cash stock-based compensation expense	(797)	(372)
Reorganization and other related costs	-	(865)
Cost of sales, services		
Acquired intangible assets amortization	(536)	-
Non-cash stock-based compensation expense	(485)	(367)
Reorganization and other related costs	-	(49)
Merger and acquisition related expense	(3,215)	(156)
Research and development, net		
Impairment charges	(3,000)	(7,546)
Non-cash stock-based compensation expense	(1,098)	(985)
Reorganization and other related costs	-	(728)
Merger and acquisition related expense	(80)	(1,065)
Selling, general and administrative		
Acquired intangible assets amortization	(6,474)	(5,832)
Impairment charges	-	(17,577)
Non-cash stock-based compensation expense	(5,217)	(3,112)
Reorganization and other related costs	-	(106)
Merger and acquisition related expense	(31,245)	(9,773)
Goodwill impairment		
Goodwill impairment	-	(868,101)
Change in fair value of earn-out obligations in connection with acquisitions		
Change in fair value of earn-out obligations in connection with acquisitions	(5,578)	3,022
Financial expenses		
Credit facility extinguishment costs	-	(2,705)
Income taxes (benefit)		
Tax expense related to non-GAAP adjustments	22,269	8,350
Net income (loss) attributable to Stratasys Ltd.	\$61,419	\$938,622
(\$ in thousands)		