

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

**FORM 6-K**

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

**For the month of March 2017**

**Commission File Number 001-35751**

**STRATASYS LTD.**

(Translation of registrant's name into English)

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

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

(Addresses 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): ☐

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 March 9, 2017, Stratasys Ltd. (“we” or “us”) announced our financial results for the fourth quarter and full fiscal year ended December 31, 2016. 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 March 9, 2017 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: March 9, 2017

By: /s/ Lilach Payorski

Name: Lilach Payorski

Title: Chief Financial Officer

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## EXHIBIT INDEX

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

Exhibit	Description
99.1	Press release dated March 9, 2017
99.2	Script for our conference call held on March 9, 2017
99.3	PowerPoint presentation with additional information

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## NEWS RELEASE

### STRATASYS RELEASES FOURTH QUARTER AND FULL YEAR 2016 FINANCIAL RESULTS

*Company reports \$175.3 million in revenue for Q4 with an increase in recurring revenues*

*GAAP net loss of \$14.8 million, or (\$0.30) per diluted share, and non-GAAP net income of \$7.8 million, or \$0.15 per diluted share, in Q4*

*Generated \$26 million of cash from operations during the fourth quarter*

*Company provides financial guidance for full year 2017*

**Minneapolis & Rehovot, Israel, March 9, 2017** — Stratasys Ltd. (Nasdaq:SSYS), the 3D printing and additive manufacturing solutions company, announced financial results for the fourth quarter and full year of 2016.

#### **Q4-2016 Financial Results Summary:**

Revenue for the fourth quarter of 2016 was \$175.3 million, compared to \$173.4 million for the same period last year with consumable revenue increasing by 11% for the same period.

- GAAP gross margin was 47.3% for the fourth quarter, compared to a GAAP gross margin of 30.6% for the same period last year.
  - Non-GAAP gross margin was 53.6% for the fourth quarter, compared to 48.1% for the same period last year.
  - GAAP operating loss for the fourth quarter was \$29.2 million, compared to a loss of \$187.8 million for the same period last year.
  - Non-GAAP operating income for the fourth quarter was \$11.6 million, compared to non-GAAP operating loss of \$8.9 million for the same period last year.
  - GAAP net loss for the fourth quarter was \$14.8 million, or (\$0.30) per diluted share, compared to a loss of \$232.3 million, or (\$4.46) per diluted share, for the same period last year.
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- Non-GAAP net income for the fourth quarter was \$7.8 million, or \$0.15 per diluted share, compared to Non-GAAP net loss of \$0.7 million, or (\$0.01) per diluted share, reported for the same period last year.
- The Company generated \$26.0 million in cash from operations during the fourth quarter and ended the period with \$280.3 million in cash and cash equivalents.
- Net R&D expenses for the fourth quarter amounted to \$24.3 million, representing 13.9% of net sales.

#### **Fiscal 2016 Financial Results Summary:**

- Revenue for fiscal 2016 was \$672.5 million compared to \$696.0 million for fiscal 2015.
- GAAP net loss for fiscal 2016 was \$77.2 million, or (\$1.48) per diluted share, compared to \$1.4 billion, or (\$26.64) per diluted share, for fiscal 2015.
- Non-GAAP net income for fiscal 2016 was \$14.8 million, or \$0.28 per diluted share, compared to non-GAAP net income of \$10.0 million, or \$0.19 per diluted share, reported for fiscal 2015.
- The Company generated \$62.0 million in cash from operations in fiscal 2016.

“We are pleased with our fourth quarter results, and the progress we are making to improve and deepen customer engagement. Our increased revenue, combined with the ongoing activities to better align our cost structure, contributed to a significant improvement in operating profit and cash generation during the quarter.” said Ilan Levin, Chief Executive Officer of Stratasys. “Additionally, we are encouraged by the growth in our recurring revenue during the period, demonstrating strong utilization of our installed base of systems.”

#### **Recent Business Highlights:**

- Maintaining leadership in the professional rapid prototype market, the company launched the new Stratasys F123, which combines optimized workflow capability and increased speed, with engineering grade performance, offering, for the first time in a professional grade rapid prototyping system, the ability to also print with low-cost PLA for concept modeling.
  - Announced innovative new materials:
    - Nylon 12CF is a new carbon-fiber-filled thermoplastic for FDM strong enough to replace metal in a range of applications, and meeting the functional performance testing demands in the automotive, aerospace, recreational goods, and industrial manufacturing sectors.
    - Agilus30 is a new line of high-durability flexible materials for PolyJet that can endure repeated flexing, providing designers and engineers with greater freedom to handle and test flexible parts and prototypes, delivering superior accuracy, fine details and enhanced product realism.
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- Strengthened leadership in product and ecosystem development through collaborations with key industry leaders:
  - Announced agreement with Siemens to develop a cohesive, best-of-breed manufacturing capability through the integration of Siemens' Digital Factory with Stratasys additive manufacturing solutions.
  - Announced collaboration with Dassault Systèmes' SIMULIA to enable final part designs that are optimized for weight and strength significantly reducing fuel consumption within the aerospace and automotive industries;
  - Released a GrabCAD Print Add-In for Dassault Systèmes' SOLIDWORKS that allows users to estimate and print parts directly from the SOLIDWORKS environment.
- Recognized leadership position in key target markets:
  - Announced Airbus has standardized Stratasys' FDM based additive manufacturing ULTEM<sup>TM</sup> 9085 3D printing solutions for the production of flight parts on its A350 XWB aircraft.
  - Named as the Official Supplier of 3D Printing Solutions to the McLaren-Honda Formula 1 team for prototyping, tooling, and customized production parts.
  - Entered into technical relationship with Team Penske to provide 3D printing solutions for NASCAR and IndyCar engineering and manufacturing applications.

"We made significant progress in 2016 as we leverage our extensive technology and application knowledge, together with our large customer base, into value-added solutions within key target markets," continued Levin. "Our focus is on developing enhanced products and a more robust ecosystem, supported by collaborations with industry leaders, including Siemens, Boeing, Airbus, Ford, McLaren Racing, and Team Penske. We are proud of these achievements and see them as validation of our leadership position."

#### **Financial Guidance:**

Stratasys today provided the following information regarding the company's guidance for projected revenue and net income for the fiscal year ending December 31, 2017:

- Revenue guidance of \$645 to \$680 million.
  - Non-GAAP net income of \$10 to \$20 million, or \$0.19 to \$0.37 per diluted share.
  - GAAP net loss of \$53 to \$39 million, or a (\$1.00) to (\$0.73) per diluted share.
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Stratasys provided the following additional guidelines regarding the company's projected performance and strategic plans for 2017:

- Non-GAAP operating margins of 3% to 5%.
- Capital expenditures are projected at \$40 to \$50 million.

Given the expected ongoing negative impact of not recording a tax benefit on U.S. tax losses on the Company non-GAAP net income, the Company believes that the rate of growth in its non-GAAP operating income will be the best measure of performance.

Non-GAAP earnings guidance excludes \$34 million of projected amortization of intangible assets; \$18 to \$20 million of share-based compensation expense; \$2 to \$3 million in merger and acquisition related expense; and \$8 to \$10 million in reorganization and other related costs; and includes \$3 to \$4 million in tax expenses related to non-GAAP adjustments.

"As we move into 2017, we continue to invest in achieving our long-term goals. As we extend our reach into use-case centric applications, we intend to continue to shift resources to build out our capabilities around high-value added applications. We believe our combined efforts can lead to improved quality of revenue, and enable long-term, strong and sustainable growth. We are excited about the potential market opportunity that lies ahead," Levin concluded.

#### **Stratasys Ltd. Q4 2016 Conference Call Details**

The Company plans to hold the conference call to discuss its fourth quarter and full year 2016 financial results on Thursday, March 9, 2017 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/9kxkoga5/>.

To participate by telephone, the domestic dial-in number is (855) 319-2216 and the international dial-in is (503) 343-6033. The access code is 73596435.

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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 for prototyping and production; a wide range of 3D printing materials; parts on-demand via Stratasys Direct Manufacturing; strategic consulting and professional services; and the Thingiverse and GrabCAD communities with over 2 million 3D printable files for free designs. With more than 2,500 employees and 1,200 granted or pending additive manufacturing patents, Stratasys has received more than 30 technology and leadership awards. Visit us online at: [www.stratasys.com](http://www.stratasys.com) or <http://blog.stratasys.com/>, and follow us on LinkedIn.

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

#### **Cautionary Statement Regarding Forward-Looking Statements**

The statements in this press release regarding Stratasys' strategy, and the statements regarding its projected future financial performance, including the financial guidance concerning its expected results for 2017, are forward-looking statements reflecting management's current expectations and beliefs. These forward-looking statements are based on current information that is, by its nature, subject to rapid and even abrupt change. Due to risks and uncertainties associated with Stratasys' business, actual results could differ materially from those projected or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to: any failure to efficiently and successfully integrate the operations of Stratasys, Inc. and various entities that it has acquired, including MakerBot, Solid Concepts, Harvest and GrabCAD, or to successfully establish and execute effective post-acquisition integration plans; changes in the overall global economic environment; the impact of competition and new technologies; changes in the general market, political and economic conditions in the countries in which we operate; any underestimates in projected capital expenditures and liquidity; changes in our strategy; changes in applicable government regulations and approvals; changes in customers' budgeting priorities; lower than expected demand for our products and services; reduction in our profitability due to shifting in our product mix into lower margin products or our shifting in our revenues mix significantly towards our AM services business; costs and potential liability relating to litigation and regulatory proceedings; and those factors referred to in Item 3.D "Key Information - Risk Factors", Item 4, "Information on the Company", and Item 5, "Operating and Financial Review and Prospects" in our 2015 Annual Report, together with the 2016 Annual Report that we will file soon, as well as in the 2016 Annual Report generally. Readers are urged to carefully review and consider the various disclosures made throughout the Form 20-F and in Stratasys' other reports filed with or furnished to the SEC, which are designed to advise interested parties of the risks and factors that may affect our business, financial condition, results of operations and prospects. Any guidance provided, and other forward-looking statements made, on this call are made as of the date hereof, and Stratasys undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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### **Use of non-GAAP financial measures**

The non-GAAP data included herein, which excludes certain items as described below, are non-GAAP financial measures. Our management believes that these non-GAAP financial measures are useful information for investors and shareholders of our company in gauging our results of operations (x) on an ongoing basis after excluding merger and acquisition related expense and reorganization-related charges, and (y) excluding non-cash items such as stock-based compensation expenses, acquired intangible assets amortization, impairment of goodwill and other long-lived assets, changes in fair value of obligations in connection with acquisitions and the corresponding tax effect of those items. We also exclude non-recurring changes of non-cash valuation allowance on deferred tax assets, as well as, non-recurring significant tax charges or benefits that relate to prior periods which we do not believe are reflective of ongoing business and operating results. These non-GAAP adjustments either do not reflect actual cash outlays that impact our liquidity and our financial condition or have a non-recurring impact on the statement of operations, as assessed by management. These non-GAAP financial measures are presented to permit investors to more fully understand how management assesses our performance for internal planning and forecasting purposes. The limitations of using these non-GAAP financial measures as performance measures are that they provide a view of our results of operations without including all items indicated above during a period, which may not provide a comparable view of our performance to other companies in our industry. Investors and other readers should consider non-GAAP measures only as supplements to, not as substitutes for or as superior measures to, the measures of financial performance prepared in accordance with GAAP. Reconciliation between results on a GAAP and non-GAAP basis is provided in a table below.

### **Stratasys Investor Relations**

Shane Glenn, 952-294-3416

Vice President - Investor Relations

shane.glenn@stratasys.com

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**Stratasys Ltd.****Consolidated Balance Sheets***(in thousands, except share data)*

	December 31, 2016	December 31, 2015
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 280,328	\$ 257,592
Accounts receivable, net	120,411	123,215
Inventories	117,521	123,658
Net investment in sales-type leases	11,717	11,704
Prepaid expenses	7,571	8,469
Other current assets	15,491	22,435
Total current assets	553,039	547,073
<b>Non-current assets</b>		
Goodwill	385,629	383,853
Other intangible assets, net	177,458	252,468
Property, plant and equipment, net	208,415	201,934
Net investment in sales-type leases - long term	12,126	17,785
Other non-current assets	29,382	11,243
Total non-current assets	813,010	867,283
<b>Total assets</b>	<b>\$ 1,366,049</b>	<b>\$ 1,414,356</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 40,933	\$ 39,021
Current portion of long term-debt	3,714	-
Accrued expenses and other current liabilities	28,282	31,314
Accrued compensation and related benefits	34,186	34,052
Income taxes payable	3,925	11,395
Obligations in connection with acquisitions	3,619	4,636
Deferred revenues	49,952	52,309
Total current liabilities	164,611	172,727
<b>Non-current liabilities</b>		
Obligations in connection with acquisitions - long term	-	4,354
Deferred tax liabilities	5,952	16,040
Deferred revenues - long-term	12,922	7,627
Long-term debt	22,286	-
Other non-current liabilities	22,251	22,428
Total non-current liabilities	63,411	50,449
<b>Total liabilities</b>	<b>228,022</b>	<b>223,176</b>
<b>Redeemable non-controlling interests</b>	<b>2,029</b>	<b>2,379</b>
<b>Equity</b>		
Ordinary shares, NIS 0.01 nominal value, authorized 180,000 thousands shares; 52,639 thousands shares and 52,082 thousands shares issued and outstanding at December 31, 2016 and 2015, respectively	142	141
Additional paid-in capital	2,633,129	2,605,957
Accumulated deficit	(1,483,925)	(1,406,706)
Accumulated other comprehensive loss	(13,479)	(10,774)
Equity attributable to Stratasys Ltd.	1,135,867	1,188,618
Non-controlling interest	131	183
Total equity	1,135,998	1,188,801

Total liabilities and equity	\$ 1,366,049	\$ 1,414,356
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**Stratasys Ltd.**
**Consolidated Statements of Operations**
*(in thousands, except per share data)*

	<b>Three Months Ended December 31,</b>		<b>Twelve Months Ended December 31,</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>		
<b>Net sales</b>				
Products	\$ 126,556	\$ 124,316	\$ 479,031	\$ 503,946
Services	48,747	49,046	193,427	192,049
	175,303	173,362	672,458	695,995
<b>Cost of sales</b>				
Products	61,970	86,753	234,653	466,221
Services	30,409	33,537	120,499	127,602
	92,379	120,290	355,152	593,823
<b>Gross profit</b>	82,924	53,072	317,306	102,172
<b>Operating expenses</b>				
Research and development, net	24,304	31,918	97,778	122,360
Selling, general and administrative	88,773	113,126	307,113	434,619
Goodwill impairment	-	96,550	-	942,408
Change in the fair value of obligations in connection with acquisitions	(988)	(713)	(872)	(23,671)
	112,089	240,881	404,019	1,475,716
<b>Operating loss</b>	(29,165)	(187,809)	(86,713)	(1,373,544)
<b>Financial income (expenses), net</b>	(862)	(947)	354	(10,287)
<b>Loss before income taxes</b>	(30,027)	(188,756)	(86,359)	(1,383,831)
Income tax expenses (benefit)	(15,729)	43,770	(9,446)	(10,320)
Share in losses of associated company	(526)	-	(708)	-
<b>Net loss</b>	(14,824)	(232,526)	(77,621)	(1,373,511)
Net loss attributable to non-controlling interest	(63)	(183)	(402)	(676)
Net loss attributable to Stratasys Ltd.	<u>\$ (14,761)</u>	<u>\$ (232,343)</u>	<u>\$ (77,219)</u>	<u>\$ (1,372,835)</u>
<b>Net loss per ordinary share attributable to Stratasys Ltd.</b>				
Basic	\$ (0.28)	\$ (4.46)	\$ (1.48)	\$ (26.64)
Diluted	(0.30)	(4.46)	(1.48)	(26.64)
<b>Weighted average ordinary shares outstanding</b>				
Basic	52,620	52,046	52,330	51,592
Diluted	52,784	52,046	52,582	51,592

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

		Three Months Ended December 31,					
		2016	Non-GAAP	2016	2015	Non-GAAP	2015
		GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP
		U.S. dollars and shares in thousands (except per share amounts)					
	Gross profit (1)	\$ 82,924	\$ 11,093	\$ 94,017	\$ 53,072	\$ 30,309	\$ 83,381
	Operating income (loss) (1,2)	(29,165)	40,733	11,568	(187,809)	178,927	(8,882)
	Net income (loss) attributable to						
	Stratasys Ltd. (1,2,3)	(14,761)	22,588	7,827	(232,343)	231,647	(696)
	Net income (loss) per diluted share attributable						
	to Stratasys Ltd. (4)	\$ (0.30)	\$ 0.45	\$ 0.15	\$ (4.46)	\$ 4.45	\$ (0.01)
(1)	Acquired intangible assets amortization expense		10,394			10,830	
	Impairment charges of other intangible assets		-			10,779	
	Non-cash stock-based compensation expense		648			1,012	
	Reorganization and other related costs		276			7,523	
	Merger and acquisition and other expense		(225)			165	
			11,093			30,309	
(2)	Acquired intangible assets amortization expense		3,822			4,464	
	Goodwill impairment		-			96,550	
	Non-cash stock-based compensation expense		4,238			4,838	
	Impairment charges of intangible assets and other long lived assets		21,774			31,299	
	Change in fair value of obligations in connection with acquisitions		(988)			(713)	
	Reorganization and other related costs		251			9,365	
	Merger and acquisition and other expense		543			2,815	
			29,640			148,618	
			40,733			178,927	
(3)	Corresponding tax effect and other tax adjustments		(18,355)			52,720	
	Intangible assets amortization expense of associated company		210			-	
		\$ 22,588				\$ 231,647	
(4)	Weighted average number of ordinary						
	shares outstanding- Diluted	52,784		53,255	52,046		52,046

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

		Twelve Months Ended December 31,					
		2016	Non-GAAP	2016	2015	Non-GAAP	2015
		GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP
		U.S. dollars and shares in thousands (except per share amounts)					
	Gross profit (1)	\$ 317,306	\$ 50,334	\$ 367,640	\$ 102,172	\$ 259,545	\$ 361,717
	Operating income (loss) (1,2)	(86,713)	115,729	29,016	(1,373,544)	1,357,577	(15,967)
	Net income (loss) attributable to Stratasys Ltd. (1,2,3)	(77,219)	91,989	14,770	(1,372,835)	1,382,789	9,954
	Net income (loss) per diluted share attributable to Stratasys Ltd. (4)	\$ (1.48)	\$ 1.76	\$ 0.28	\$ (26.64)	\$ 26.83	\$ 0.19
(1)	Acquired intangible assets amortization expense		41,712			50,353	
	Impairment charges of other intangible assets		1,779			191,534	
	Non-cash stock-based compensation expense		2,780			5,381	
	Reorganization and other related costs		3,846			10,949	
	Merger and acquisition and other expense		217			1,328	
			50,334			259,545	
(2)	Acquired intangible assets amortization expense		14,901			22,436	
	Goodwill impairment		-			942,408	
	Non-cash stock-based compensation expense		17,993			24,629	
	Impairment charges of intangible assets and other long-lived assets		21,774			86,937	
	Change in fair value of obligations in connection with acquisitions		(872)			(23,671)	
	Reorganization and other related costs		3,671			16,955	
	Merger and acquisition and other expense		7,928			28,338	
			65,395			1,098,032	
			115,729			1,357,577	
(3)	Credit facility termination related costs		-			2,705	
	Corresponding tax effect and other tax adjustments		(24,233)			22,507	
	Intangible assets amortization expense of associated company		493			-	
		\$ 91,989				\$ 1,382,789	
(4)	Weighted average number of ordinary shares outstanding- Diluted	52,582		53,201	51,592		52,824

Stratasys Ltd.

Reconciliation of GAAP to Non-GAAP Forward Looking Guidance

Fiscal Year 2017

(in millions, except per share data)

GAAP net loss	(\$53) to (\$39)
<b>Adjustments</b>	
Stock-based compensation expense	\$18 to \$20
Intangible assets amortization expense	\$34
Merger and acquisition related expense	\$2 to \$3
Reorganization and other related costs	\$8-\$10
Tax expense related to Non-GAAP adjustments	(\$3) to (\$4)
Non-GAAP net income	\$10 to \$20
GAAP loss per share	(\$1.00) to (\$0.73)
Non-GAAP diluted earnings per share	\$0.19 to \$0.37

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**SLIDE 1 & 2: TITLE SLIDES**

**SPEAKER: Operator**

Good day, ladies and gentlemen. Welcome to today's conference call to discuss Stratasys' fourth quarter and full year 2016 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&4: FLS & NON-GAAP DISCLOSURE**

**SPEAKER: Shane Glenn**

Good morning, everyone, and thank you for joining us to discuss our fourth quarter financial results. On the call with us today are Ilan Levin, CEO, and Lilach Payorski, CFO 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 made on this call regarding Stratasys' strategy, and the statements regarding its projected future financial performance, including the financial guidance concerning its expected results for 2017, are forward-looking statements reflecting management's current expectations and beliefs. These forward-looking statements are based on current information that is, by its nature, subject to rapid and even abrupt change. Due to risks and uncertainties associated with Stratasys' business, actual results could differ materially from those projected or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to: any failure to efficiently and successfully integrate the operations of Stratasys and various entities that it has acquired, including MakerBot, Solid Concepts, Harvest and GrabCAD, or to successfully establish and execute effective post-acquisition integration plans; changes in the overall global economic environment; the impact of competition and new technologies; changes in the general market, political and economic conditions in the countries in which we operate; any underestimates in projected capital expenditures and liquidity; changes in our strategy; changes in applicable government regulations and approvals; changes in customers' budgeting priorities; lower than expected demand for our products and services; reduction in our profitability due to shifting in our product mix into lower margin products or our shifting in our revenues mix significantly towards our AM services business; costs and potential liability relating to litigation and regulatory proceedings; and those factors referred to in Item 3.D "Key Information - Risk Factors", Item 4, "Information on the Company", and Item 5, "Operating and Financial Review and Prospects" in our 2015 Annual Report, together with the 2016 Annual Report that we will file soon, as well as in the 2016 Annual Report generally. Readers are urged to carefully review and consider the various disclosures made throughout the Form 20-F and in Stratasys' other reports filed with or furnished to the SEC, which are designed to advise interested parties of the risks and factors that may affect our business, financial condition, results of operations and prospects. Any guidance provided, and other forward-looking statements made, on this call are made as of the date hereof, and Stratasys undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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As in previous quarters, today's call will include GAAP and non-GAAP financial measures. The non-GAAP financial measures should be read in combination with our GAAP metrics to evaluate our performance. 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, Ilan Levin. Ilan?

**SLIDE 5: OPENING SUMMARY**

**SPEAKER: Ilan Levin**

Thank you Shane.

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

Our fourth quarter results reflect our ongoing efforts to focus and improve our customer engagement and product development.

Our level of revenues, combined with our ongoing efforts to better align our cost structure, contributed to a significant improvement in operating profit and cash generation during the period.

We are also making significant progress in transforming our business into a more customer-centric organization; that emphasizes leveraging our extensive technology and application knowledge into value-added solutions for users within key vertical markets.

This renewed focus is being supported by an increasing number of high profile collaborations we have recently announced with industry-leading manufacturing companies, such as Siemens, Airbus, McLaren Racing, and Team Penske.

Additionally, we recently launched significant new products, and implemented organization changes at MakerBot that will better position us to focus on the entry-level professional rapid prototyping segments of our industry.

I will return later in the call to provide you more details on these important initiatives, as well as other key developments, but first it's a pleasure for me to introduce our new CFO, Lilach Payorski, who will review the details of our financial results.

Lilach?

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## **SLIDE 6&7: FINANCIAL RESULTS SUMMARY**

### **SPEAKER: Lilach Payorski**

Thank you, Ilan, and good morning, everyone. As some of you may know, I've been with the company for over four years, and it is indeed a pleasure to join the call this morning as the new CFO of Stratasys.

We are pleased with our fourth quarter results, which includes growth in recurring revenues that demonstrates strong utilization of our installed base of systems.

This stable growth in recurring revenue, combined with our ongoing efforts to better align our cost structure, has resulted in improved operating profit and cash generation.

As a result, both our non-GAAP gross margin and non-GAAP operating margin improved significantly over the same period last year.

Total revenue in the fourth quarter was \$175.3 million compared to \$173.4 million for the same period last year.

GAAP operating loss for the fourth quarter was \$29.2 million, compared to a loss of \$187.8 million for the fourth quarter last year.

Non-GAAP operating income was \$11.6 million, compared to a loss of \$8.9 million for the same period last year.

### **SLIDE 8: REVENUE**

Product revenue in the fourth quarter increased by 2% to \$127 million, as compared to the same period last year.

Within product revenue, system revenue for the quarter declined by 4% over the same period last year, driven primarily by the level of overall market demand we have discussed previously.

However, we observed favorable trends around system utilization, as well as strong demand for our premium materials, which contributed to consumables revenue increasing by 11% as compared to the same period last year.

The growth in our premium materials supports our focus on specific value-added solutions with target industry markets.

Services revenue in the fourth quarter was relatively flat at \$49 million, as compared to the same period last year.

Within service revenue, customer support revenue, which includes revenue generated mainly by maintenance contracts on our systems, increased by 8% compared to the same period last year, driven primarily by growth in our installed base of systems.

Our service revenue was negatively impacted by a decline in revenue for conventional manufacturing services within our Stratasys Direct Manufacturing business; as we put greater strategic focus on additive manufacturing offerings.

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#### **SLIDE 9: GROSS MARGIN**

GAAP gross margin improved to 47.3% for the fourth quarter, compared to a GAAP gross margin of 30.6% for the same period last year.

Non-GAAP gross margin improved to 53.6% for the fourth quarter, compared to 48.1% for the same period last year.

Product gross margin improved significantly, driven by a shift in our sales mix towards high-end products, cost control efforts in operations, and improved production efficiencies.

Service gross margin also improved compared to same period last year, helped by our cost control efforts.

#### **SLIDE 10: OPERATING TRENDS**

GAAP operating expenses decreased by 53% to \$112 million for the fourth quarter, as compared to the same period last year.

Non-GAAP operating expenses decreased by 11% to \$82 million for the fourth quarter, as compared to the same period last year.

These favorable trends in operating expenses over the last year reflect the positive impact of our overall focus on improving efficiencies across the company.

These cost efficiencies are in line with our long-term growth strategy, which also includes increased investments in areas we view as critical for long-term growth and productivity.

#### **SLIDE 11: BALANCE SHEET & CASH FLOW FROM OPERATIONS SUMMARY**

I'm pleased to report that cash flow generated from operations increased significantly over the year.

The Company generated \$26.0 million of cash from operations during the fourth quarter, as compared to \$7.7 million for the fourth quarter last year, and generated \$62.0 million in cash for the full year 2016 as compared to cash usage of \$21.9 million during 2015.

We ended the year with \$280.3 million in cash and cash equivalents.

Inventory at the end of the fourth quarter decreased to \$117.5 million as compared to \$123.7 million at the end of 2015 as we maintain tight control on inventory levels.

Accounts receivable decreased to \$120.4 million, compared to \$123.2 million at the end of 2015 with DSO on 12-month trailing revenue steady at 65.

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## **SLIDE 12: SUMMARY**

In summary,

- 1.) In the fourth quarter we improved our operational performance, leading to improvements in both non-GAAP gross margin and operating income over last year.
- 2.) We observed strong growth of our recurring product and service contract revenue, which represents high system utilization and demand for our premium materials.
- 3.) Going forward, we will remain focused on investing in value-added solutions within key target markets, with aligning costs and resources towards achieving our long term goals.
- 4.) And finally, we are pleased with our cash position, which will enable us to capitalize on emerging opportunities going forward.

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 2017 financial guidance. Shane?

## **SLIDE 13: GUIDANCE**

**SPEAKER: Shane Glenn**

Thank you, Lilach.

Our guidance for 2017 is as follows:

1. Total revenue in the range of \$645 to \$680 million, with non-GAAP net income in the range of \$10 to \$20 million, or \$0.19 to \$0.37 per diluted share.
2. GAAP net loss of \$53 to \$39 million, or (\$1.00) to (\$0.73) per basic share.
3. Non-GAAP operating margin of 3% to 5%.
4. Capital expenditures projected at \$40 to \$50 million.

Non-GAAP earnings guidance excludes \$34 million of projected amortization of intangible assets; \$18 to \$20 million of share-based compensation expense; \$2 to \$3 million in merger and acquisition related expense; and \$8 to \$10 million in reorganization and other related costs; and includes \$3 to \$4 million in tax expenses related to non-GAAP adjustments.

We maintain a relatively high estimated non-GAAP tax rate for 2017 given the ongoing non-cash valuation allowance on deferred tax assets we expect to record throughout the year. These deferred tax assets have expiration dates many years into the future, and we do anticipate being able to ultimately recognize their value to offset prospective tax liabilities.

Given the expected ongoing negative impact of not recording a tax benefit on U.S. tax losses on our net income loss, the Company believes non-GAAP operating profit would be the best measure of performance in 2017.

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

Now, I'd like to turn the call back over to our CEO, Ilan Levin. Ilan?

## **SLIDE 14 & 15: DRIVING VALUE THROUGH LEADERSHIP**

**SPEAKER: Ilan Levin**

Thank you, Shane.

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In 2017, we are focused on better allocating our resources to achieve our long-term goals.

Our industry is continually maturing, and moving beyond general purpose design and engineering rapid prototyping into use-cases that target specific high value-added applications within key industry segments, ranging from advanced prototyping, through to production tooling and production part manufacturing applications.

Today, we are reallocating resources from a general purpose, “one size fits all” development strategy, and further emphasizing key customer engagements, with development projects closely associated with their needs.

By leveraging our extensive technology and application knowledge, with our drive to build deep, high-quality, and lasting customer relationships, we are able to provide increased value to the market.

As we make this transition, we will continue to make the necessary changes to our organizational structure that will help us to achieve these long-term goals.

#### **SLIDE 16: LEADERSHIP IN APPLICATION DRIVEN PRODUCT DEVELOPMENT**

As the market matures, Stratasys is focused on investing in products that provide value-added applications and solutions for our customers.

We aim to accomplish this by leveraging the core elements of our technology portfolio and extensive knowledge base within our organization.

We believe our core FDM and PolyJet technologies provide some of the market’s most stable and proven platforms, that have significant additional potential to unlock and develop.

For example, we recently announced our new Nylon 12CF material for our FDM platforms.

Nylon 12CF is a new carbon-fiber-filled thermoplastic that is strong enough to replace metal in many applications. We believe the new material will be valuable to users within the automotive, aerospace, recreational goods, and industrial manufacturing sectors for applications such as:

1. Design engineers that need to rapidly produce strong, light-weight and rigid components for functional prototyping, thus reducing time-to-market for new products.
2. Manufacturing engineers that produce assembly aids, such as jigs and fixtures, where material stiffness and strength add value and where replacement of metal is desired.
3. Manufacturing engineers making low-volume production parts with unique structural requirements, where high strength is required.

As we prioritize our investments, we are emphasizing product and application development based on clear customer or segment feedback and insights, specifically within our target markets of aerospace, automotive, healthcare, and education.

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We believe that the enhanced value resulting from these investments provides significant opportunities within these verticals for rapid prototyping, professional design, tooling, and advanced manufacturing applications.

For example, at the newly designated Stratasys-supported Center of Excellence at the Jacobs Institute, physicians have been utilizing our PolyJet 3D printing solutions to develop treatment plans for life-threatening vascular issues such as aneurysms, stroke and blood clots.

In addition to making exact models to match specific patients, our technology is being used to create anatomical models for medical training, as well as to develop trial runs for new treatment protocols – adding significant value by providing physicians a completely new process to address these applications.

We believe these initiatives and renewed focus will improve our quality of revenue going forward, and better position the company for long-term sustainable growth.

#### **SLIDE 17: LEVERAGING STRATEGIC COLLABORATIONS**

A critical part of our strategy is our ability to collaborate with our customers, particularly for production tooling and advanced manufacturing applications.

We have made several recent announcements regarding exciting initiatives with industry-leading manufacturing companies.

We have expanded our relationship with Siemens to pursue the integration between Siemens' Digital Factory and Stratasys' Additive Manufacturing solutions, to create a cohesive, best-of-breed technology foundation that enables large-scale manufacturers to enjoy the benefits of additive manufacturing within traditional production environments.

#### **SLIDE 18: RECOGNIZED LEADERSHIP IN TARGET MARKETS**

Within the automotive segment, we announced that Stratasys has been named the Official Supplier of 3D printing solutions to the McLaren-Honda Formula 1 team to provide our suite of 3D printing and additive manufacturing solutions for visual and functional prototyping, production and composite tooling, and customized production of parts.

We also entered into a technical collaboration with Team Penske to provide 3D printing solutions for NASCAR and IndyCar engineering and manufacturing applications.

As I hope you can see, we are committed to working with our customers to develop solutions that can provide value across a wide range of applications and industries.

#### **SLIDE 19: ADVANCED RAPID PROTOTYPING – STRATASYS F123 SERIES**

While the rapid prototyping segment of our industry is the most developed, we believe that by providing enhanced value for this market, we can develop further growth.

We believe providing ease-of-use while also providing engineering quality models, together with enhanced workflow software, are key value components for the professional engineer or designer.

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To further our leadership position in the rapid prototyping segment, we recently introduced the Stratasys F123 Series for professional rapid prototyping.

The new series of FDM systems are optimized for the complete prototyping workflow, from initial concept verification to design validation to functional performance testing.

The new solutions address the needs of the professional workgroup-prototyping market with a combination of office-usability, precision, repeatability and affordability – all without compromising on the requirements for engineering quality models.

The F123 series benefits from 43 existing patents, leveraging the best of our current and proven production portfolio, and 15 patents pending, featuring engineering that is applicable to the F123 series.

For the first time, we are enabling customers to print low-cost concept models in a high-end professional 3D printer, by offering PLA materials alongside our thermoplastic materials.

PLA enables a cost effective and fast draft mode, saving customers up to 10 times the cost per part, and doubling the print speed compared to other materials.

Material change over is significantly faster than our previous models, allowing users to take advantage of the four material options and ten color choices with reduced downtime.

The F123 Series features a streamlined workflow with GrabCAD Print, making 3D printing more realistic, connected, and accessible.

GrabCAD Print eliminates the pain points and time wasted on file conversions by reading native CAD files and connecting directly to the F123 Series, enabling increased productivity with print management and remote print monitoring.

Overall, we believe the new F123 Series is the most reliable, economical, and intelligent rapid prototyping solution on the professional market today.

#### **SLIDE 20: SERVING PROFESSIONAL RAPID PROTOTYPING ACROSS CATEGORIES**

In addition to continuing ongoing development of the professional rapid prototyping segment, we believe that there is strategic value in capturing entry-level users within the desktop segment where we can provide differentiated value.

We believe MakerBot maintains the leading desktop brand, with the most developed software ecosystem within the industry.

We recently implemented organizational changes at MakerBot that we believe will narrow our focus on development efforts for the entry-level professional.

We remain confident in the long-term opportunity in the desktop segment, and intend to continue to invest in products that serve the entry-level professional and education markets.

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## **SLIDE 21: SUMMARY & OUTLOOK**

In summary:

1. We are making significant progress in transforming our business into a more customer-centric organization providing value-added solutions for users within our key vertical markets.
2. We are focused on leveraging our extensive knowledge and capabilities to build deep, high-quality, and lasting relationships where we are able to provide value to our customers.
3. We are pleased with the initial reception to the F123 Series and believe that the rapid prototyping space remains an attractive opportunity, from entry-level to professional users.
4. We will continue to expand our collaborative relationships with key global manufacturing companies that can help advance our overall strategy.
5. Moving forward, we are focused on better allocating our resources to achieve our long-term goals, and we remain excited about the company's future and the long-term growth potential within our industry.

Operator, please open the call for questions.

## **SLIDE 22: Q&A**

SPEAKER: Ilan Levin

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

## **SLIDE 22: FINANCIAL RECONCILIATION TABLES**

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# STRATASYS

## Q4 2016

FINANCIAL RESULTS CONFERENCE CALL

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March 9<sup>th</sup>, 2017

## Q4 2016 Conference and webcast details

### Speakers

Ilan Levin  
CEO

Lilach Payorski  
CFO

Shane Glenn  
VP, Investor  
Relations

### Live Dial-in Information

Primary Dial-in:  
855-319-2216

International Dial-  
in:  
503-343-6033

Participant  
Passcode:  
73596435

### Live webcast and replay:

<http://edge.media-server.com/m/p/9kxkoga5/>

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## Forward Looking Statement

The statements in this presentation regarding Stratasys' strategy, and the statements regarding its projected future financial performance, including the financial guidance concerning its expected results for 2017, are forward-looking statements reflecting management's current expectations and beliefs. These forward-looking statements are based on current information that is, by its nature, subject to rapid and even abrupt change. Due to risks and uncertainties associated with Stratasys' business, actual results could differ materially from those projected or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to: any failure to efficiently and successfully integrate the operations of Stratasys, Inc. and various entities that it has acquired, including MakerBot, Solid Concepts, Harvest and GrabCAD, or to successfully establish and execute effective post-acquisition integration plans; changes in the overall global economic environment; the impact of competition and new technologies; changes in the general market, political and economic conditions in the countries in which we operate; any underestimates in projected capital expenditures and liquidity; changes in our strategy; changes in applicable government regulations and approvals; changes in customers' budgeting priorities; lower than expected demand for our products and services; reduction in our profitability due to shifting in our product mix into lower margin products or our shifting in our revenues mix significantly towards our AM services business; costs and potential liability relating to litigation and regulatory proceedings; and those factors referred to in Item 3.D "Key Information - Risk Factors", Item 4, "Information on the Company", and Item 5, "Operating and Financial Review and Prospects" in our 2015 Annual Report, together with the 2016 Annual Report that we will file soon, as well as in the 2016 Annual Report generally. Readers are urged to carefully review and consider the various disclosures made throughout the Form 20-F and in Stratasys' other reports filed with or furnished to the SEC, which are designed to advise interested parties of the risks and factors that may affect our business, financial condition, results of operations and prospects. Any guidance provided, and other forward-looking statements made, on this call are made as of the date hereof, and Stratasys undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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## Use of Non-GAAP financial information

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The following non-GAAP data, which excludes certain items as described below, are non-GAAP financial measures. Our management believes that these non-GAAP financial measures are useful information for investors and shareholders of our company in gauging our results of operations (x) on an ongoing basis after excluding merger and acquisition related expense and reorganization-related charges, and (y) excluding non-cash items such as stock-based compensation expenses, acquired intangible assets amortization, impairment of goodwill and other long-lived assets, changes in fair value of obligations in connection with acquisitions and the corresponding tax effect of those items. We also exclude non-recurring changes of non-cash valuation allowance on deferred tax assets, as well as, non-recurring significant tax charges or benefits that relate to prior periods which we do not believe are reflective of ongoing business and operating results. These non-GAAP adjustments either do not reflect actual cash outlays that impact our liquidity and our financial condition or have a non-recurring impact on the statement of operations, as assessed by management. These non-GAAP financial measures are presented to permit investors to more fully understand how management assesses our performance for internal planning and forecasting purposes. The limitations of using these non-GAAP financial measures as performance measures are that they provide a view of our results of operations without including all items indicated above during a period, which may not provide a comparable view of our performance to other companies in our industry. Investors and other readers should consider non-GAAP measures only as supplements to, not as substitutes for or as superior measures to, the measures of financial performance prepared in accordance with GAAP. Reconciliation between results on a GAAP and non-GAAP basis is provided on slide 23.

## Ilan Levin – CEO



### Opening Remarks

- Ongoing efforts to improve customer engagement for product development
- Aligning cost structure with significant improvement in operating profit and cash generation
- Transforming business into customer-centric organization targeting key vertical markets
- High profile collaborations with industry leaders and recent launch of advanced new products

Lilach Payorski – CFO

Shane Glenn – VP of Investor Relations

# Financial Update and Guidance

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## Financial Results Stratasys, Ltd.

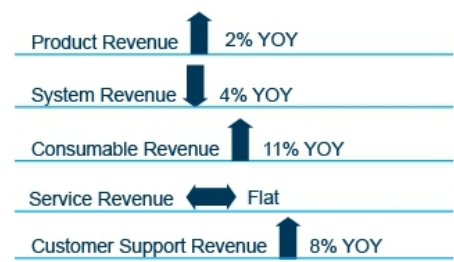
Revenue	↑ 1% YOY
GAAP Gross Profit	↑ 56% YOY
GAAP Operating Profit	↑ 84% YOY
Non-GAAP Gross Profit	↑ 13% YOY
Non-GAAP Operating Profit	↑ 230% YOY

	GAAP			Non-GAAP		
	Q4-15	Q4-16	Change YOY	Q4-15	Q4-16	Change YOY
Total Revenue	\$173.4	\$175.3	1.1%	\$173.4	\$175.3	1.1%
Gross Profit (Loss) % margin	53.1 30.6%	82.9 47.3%	29.9 56.2%	83.4 48.1%	94.0 53.6%	10.6 12.7%
Operating Profit (Loss) % margin	(187.8) -108.3%	(29.2) -16.6%	158.6 84.5%	-8.9 -5.1%	11.6 6.6%	20.4 230.3%
Pre-tax Profit (Loss) % margin	(188.8) -108.9%	(30.0) -17.1%	158.7 84.1%	-9.8 -5.7%	10.7 6.1%	20.5 208.9%
Tax Rate	23.2%	-52.4%	59.5 136%	91.1%	24.5%	-11.8 -129%
EBITDA	(164.3)	(7.5)	95.4%	(1.4)	19.3	1378.6%
Net Income % margin	(232.3) -134.0%	(14.8) -8.4%	217.6 93.6%	(0.7) -0.4%	7.8 4.5%	8.5 1214.3%
EPS (Diluted)	(\$4.46)	(\$0.30)	93.3%	(\$0.01)	\$0.15	1600.0%
Diluted Shares	52.0	52.8	1.5%	52.0	53.3	2.5%

(\$ in millions unless noted otherwise)

# Financial Results – Revenue

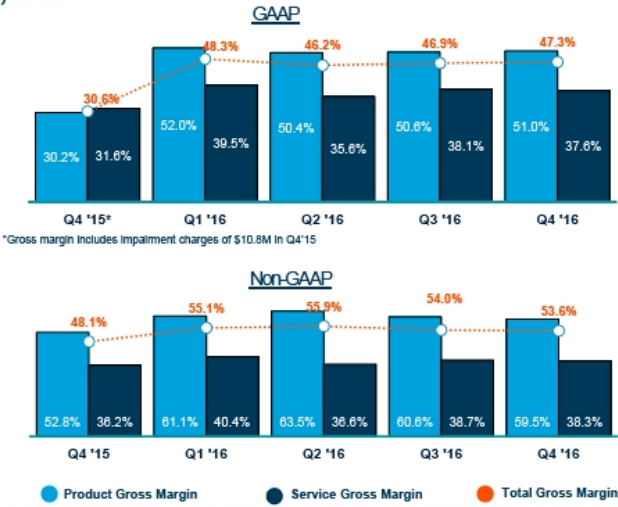
## Stratasys, Ltd.



(\$ in millions unless noted otherwise)

# Financial Results – Gross Margin Trends

## Stratasys, Ltd.



## Financial Results – Operating Margin Trends Stratasys, Ltd.

Operating Exp. (GAAP) ↓ 53% YOY

R&D Exp. (GAAP) ↓ 24% YOY

SG&A Exp. (GAAP) ↓ 58% YOY

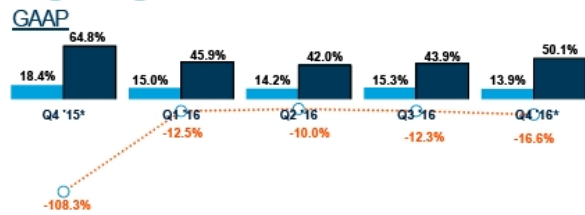
Operating Exp. (non-GAAP) ↓ 11% YOY

R&D Exp. (non-GAAP) ↓ 7% YOY

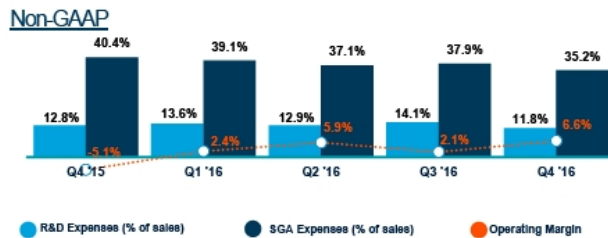
SG&A Exp. (non-GAAP) ↓ 12% YOY

(\$ in millions unless noted otherwise)

10 STRATASYS / THE 3D PRINTING SOLUTIONS COMPANY



\*Operating margin includes impairment charges of \$21.8M in Q4 '16 and \$138.6M in Q4 '15



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## Financial Results – Cash Flow from Operations & Balance Sheet Stratasys, Ltd.

(\$ in millions)	Q4-15	Q4-16	FY2015	FY2016
Cash from (used in) operating activities	\$7.7	\$26.0	(\$21.9)	62.0

Selected balance sheet items:

(\$ in millions)	Q4-15	Q4-16
Cash, Cash Equivalents & Bank Deposits	\$258.2	\$280.3
Accounts Receivable	123.2	120.4
Inventories	123.7	117.5
Net Working Capital	374.3	388.4

## Lilach Payorski – CFO



### Financial Summary

- Recognized improvements in non-GAAP operating and grow margins – driven by improved operational performance and customer engagement
- Pleased with strong growth in recurring product and service revenue – system utilization remains stable
- Focusing investment on value-added applications in key target markets
- Continuing to align resources with strategic goals and market conditions
- Pleased with cash generation and maintain strong balance sheet with sufficient capital to run the business

## Revenue & Earnings Guidance – Updated

Revenue (M)

**\$645 - \$680**

GAAP Diluted EPS

**\$(1.00) - \$(0.73)**

Non-GAAP Diluted EPS

**\$0.19 - \$0.37**

### Reconciliation of GAAP to Non-GAAP Guidance

(\$ in millions, except per share data)

Revenue	\$645 to \$680
GAAP Net Loss	(\$53) to (\$39)
(1) Stock-Based Compensation Exp.	18 to 20
(2) Intangible Assets Amortization Exp.	\$34
(3) Merger Related Expenses	\$2 to \$3
(4) Reorganization and other related costs	\$8 to \$10
(5) Corresponding tax expense and other tax adjustments	(\$3) to (\$4)
Non-GAAP Net Income	\$10 to \$20
GAAP Loss Per Share	(\$1.00) to (\$0.73)
Non-GAAP Diluted Earnings Per Share	\$0.19 to \$0.37

Ilan Levin – CEO

# STRATEGIC OVERVIEW

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## Driving Value Through Leadership

### Customers

- ✓ Largest installed base
- ✓ Strong adoption in key target Industries
- ✓ Strong Reseller Network



### Technology

- ✓ FDM and PolyJet
  - ✓ Leading 3D Printing Technologies
  - ✓ Proven, Stable, Simple, Widely Adopted
- ✓ Workflow Solutions From GrabCAD
- ✓ Solutions and Applications in Key Target Industries

### People

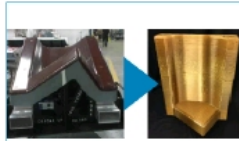
- ✓ Culture of Innovation
  - ✓ First full-color, multi-material 3D printer
  - ✓ Advanced material development: Nylon 12CF and Ultem 9085
  - ✓ Advanced Technology 3D Demonstrators for manufacturing
- ✓ Expert Services

## Application-Driven Product Development



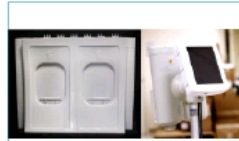
### Continue to Lead the High-End RP

Smart F123 Series – optimizing workflow capability, offering low-cost PLA material with engineering grade performance



### Deepen & Disrupt Manufacturing Tooling

Use-case centric development for specific tooling applications in aerospace and healthcare



### Penetrate Manufacturing

Certification for Ultem 9085 meeting aerospace production requirements

*NEW Stratasys FDM Nylon 12CF material for strong, light-weight and rigid components for functional prototyping and low-volume production parts*



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## Leveraging Strategic Collaborations

-  ✓ Integration Siemens' Digital Factory (Robotic Composite ) and our solutions for production environments
-  ✓ Integration with Dassault Systèmes SIMULIA software optimizing end-use-part designs for weight and strength in aerospace and automotive applications
-  ✓ Integration between GrabCAD Print and Dassault Systèmes SOLIDWORKS that allows users to estimate and print parts directly from the SOLIDWORKS environment

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## Recognized Leadership in Target Markets

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- ✓ Production of Infinite-Build 3D, low-volume, customized, lightweight flight parts, developed in collaboration with Boeing to meet Aerospace specifications



- ✓ Certification of ULTEM™ 9085 material for the production of flight parts



- ✓ Official Supplier to McLaren-Honda Formula 1 team for prototyping, tooling, and customized production parts



- ✓ Technical partnership with Team Penske to provide 3D printing solutions for NASCAR and IndyCar engineering and manufacturing applications

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## Advanced Rapid Prototyping – Stratasys F123 Series

Smarter & Reliable Prototyping – from concept to design variation to functional performance

Concept modeling using low-cost PLA materials alongside thermoplastic materials.



Easy to use, office friendly



Ability to do the complex with accuracy, detail and repeatability



Fast, big and 2X the throughput



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## Serving Professional Rapid Prototyping Across Categories

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✓ Value-based use cases and applications

✓ Leverage strong history of AM technology innovations with deep customer base

✓ Leading brand for entry level desktop printing

✓ Comprehensive software solutions and largest online community

## Ilan Levin – CEO



### Summary & Outlook

- Making significant progress in transforming into customer-centric organization
- Leveraging extensive knowledge and capabilities to enhance customer relationships
- Pleased with initial reception to F123 Series and believe Rapid Prototyping segment remains attractive opportunity
- Committed to expanding collaborations with key global manufacturing companies
- Will continue to focus on allocating resources with long-term goals and improving near-term profitability
- Excited about long-term growth opportunities

WE ARE  
STRATASYS  
THE 3D PRINTING SOLUTIONS COMPANY

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

	Twelve months ended December 31, 2016			Twelve months ended December 31, 2015		
	GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP
Gross Profit (Loss) (1)	\$317,306	\$50,334	\$367,640	\$102,172	\$259,545	\$361,717
Operating income (Loss) (1,2)	(86,713)	115,729	29,016	(1,373,544)	1,357,577	(15,967)
Net income (Loss) attributable to Stratasys Ltd. (1,2,3)	(77,219)	91,989	14,770	(1,372,835)	1,382,789	9,954
Net income (Loss) per diluted share attributable to Stratasys Ltd. (4)	\$(1.48)	\$1.76	\$0.28	(26.64)	26.83	0.19
(1) Acquired intangible assets amortization expense		41,712			50,353	
Impairment charges of other intangible assets		1,779			191,534	
Non-cash stock-based compensation expense		2,780			5,381	
Reorganization and other related costs		3,846			10,949	
Merger and acquisition and other expense		217			1,328	
		50,334			259,545	
(2) Acquired intangible assets amortization expense		14,901			22,436	
Goodwill impairment		-			942,408	
Non-cash stock-based compensation expense		17,993			24,629	
Impairment charges of intangible assets and other long lived assets		21,774			86,937	
Changes in fair value of obligations in connection with acquisitions		(872)			(23,671)	
Reorganization and other related costs		3,671			16,955	
Merger and acquisition and other expense		7,928			28,338	
		\$65,395			\$1,038,032	
		\$115,729			\$1,357,577	
(3) Credit facility termination related costs		-			2,705	
Corresponding tax effect and other tax adjustments		(24,233)			22,507	
Intangible assets amortization expense of associated company		493			-	
		\$91,989			\$1,382,789	
(4) Weighted average number of ordinary shares outstanding - Diluted	52,582		53,201	51,592		52,824
(\$ in thousands except per share data)						

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

	Three Months Ended December 31, 2016			Three Months Ended December 31, 2015		
	GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP
Gross Profit (Loss) (1)	\$82,024	\$11,093	\$94,017	\$53,072	\$30,309	\$361,717
Operating income (Loss) (1,2)	(29,185)	40,733	11,568	(187,809)	178,927	(15,967)
Net income (Loss) attributable to Stratasys Ltd. (1,2,3)	(14,781)	22,588	7,827	(232,343)	231,647	9,954
Net income (Loss) per diluted share attributable to Stratasys Ltd. (4)	\$(0.30)	\$0.45	\$0.15	(4.46)	4.45	0.19
(1) Acquired intangible assets amortization expense		10,394			10,830	
Impairment charges of other intangible assets		-			10,779	
Non-cash stock-based compensation expense		648			1,012	
Reorganization and other related costs		278			7,523	
Merger and acquisition and other expense		(225)			165	
		11,093			30,309	
(2) Acquired intangible assets amortization expense		3,822			4,464	
Goodwill impairment		-			96,550	
Non-cash stock-based compensation expense		4,238			4,838	
Impairment charges of intangible assets and other long lived assets		21,774			31,299	
Changes in fair value of obligations in connection with acquisitions		(988)			(713)	
Reorganization and other related costs		251			9,365	
Merger and acquisition and other expense		543			2,815	
		\$29,640			\$148,618	
		\$40,733			\$178,927	
(3) Corresponding tax effect and other tax adjustments		(18,355)			52,720	
Intangible assets amortization expense of associated company		210			-	
		\$22,588			\$231,647	
(4) Weighted average number of ordinary shares outstanding - Diluted	52,784		53,255	52,046		52,046

(\$ in thousands except per share data)