

**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 May 2017**

**Commission File Number 001-35751**

**STRATASYS LTD.**

(Translation of registrant's name into English)

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

(Addresses of principal executive offices)

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

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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On May 16, 2017, Stratasys Ltd. (“we” or “us”) announced our financial results for the quarter ended March 31, 2017. 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 May 16, 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: May 16, 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 May 16, 2017
99.2	Script for our conference call held on May 16, 2017
99.3	PowerPoint presentation with additional information



NEWS RELEASE

**STRATASYS RELEASES FIRST QUARTER 2017 FINANCIAL RESULTS**

*Company reports \$163.2 million in revenue with an increase in recurring revenues*

*GAAP net loss of \$13.9 million, or (\$0.26) per diluted share, and non-GAAP net income of \$2.4 million, or \$0.05 per diluted share.*

*Generated \$25.4 million of cash from operations during the quarter*

**Minneapolis & Rehovot, Israel, May 16, 2017** —Stratasys Ltd. (Nasdaq: SSYS), the 3D printing and additive manufacturing solutions company, announced financial results for the first quarter of 2017.

**Q1-2017 Financial Results Summary:**

Revenue for the first quarter of 2017 was \$163.2 million, compared to \$167.9 million for the same period last year, with consumable revenue increasing by 7% for the same period.

- GAAP gross margin was 47.1% for the quarter, compared to a GAAP gross margin of 48.3% for the same period last year.
  - Non-GAAP gross margin was 51.2% for the quarter, compared to 55.1% for the same period last year.
  - GAAP operating loss for the quarter was \$12.6 million, compared to a loss of \$21.1 million for the same period last year.
  - Non-GAAP operating income for the quarter was \$4.0 million, unchanged compared to non-GAAP operating income for the same period last year.
  - GAAP net loss for the quarter was \$13.9 million, or (\$0.26) per diluted share, compared to a loss of \$23.1 million, or (\$0.44) per diluted share, for the same period last year.
  - Non-GAAP net income for the quarter was \$2.4 million, or \$0.05 per diluted share, compared to Non-GAAP net income of \$0.6 million, or \$0.01 per diluted share, reported for the same period last year.
  - The Company generated \$25.4 million in cash from operations during the first quarter and ended the period with \$297.2 million in cash and cash equivalents.
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- Net R&D expenses for the quarter amounted to \$24.6 million, representing 15.1% of net sales.

“We remain encouraged by our performance within our key vertical markets during the first quarter, driven by our initiatives to drive customer engagement,” said Ilan Levin, Chief Executive Officer of Stratasys. “In addition, we believe that strong utilization of our installed base of systems was demonstrated by steady growth in consumables and customer support revenue during the period, while improved focus resulted in reductions in our operating expenses.”

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

- Demonstrated continued traction in our strategic focus on customer use cases and deepening collaboration with many industry leaders:
    - Siemens Mobility announced the manufacture of customized production parts that include housing covers for the couplers on the front of trams, utilizing Stratasys FDM technology for German transport services provider Stadtwerke Ulm/Neu Ulm (SWU) Verkehr GmbH, which resulted in a significant reduction in lead times and tooling costs.
    - McLaren Racing expanded its production of final race-ready parts and manufacturing tools for the new McLaren MCL32 Formula 1 race car, utilizing Stratasys FDM and PolyJet 3D Printing Solutions.
    - Announced a strategic agreement with SIA Engineering Company (SIAEC), a major provider of aircraft maintenance, repair, and overhaul services in the Asia-Pacific region, to help accelerate the adoption of 3D printed production parts for commercial aviation by establishing a Singapore-based Additive Manufacturing Service Centre that offers design, engineering, certification support, and part production to SIAEC’s well-established network of partners and customers.
    - Showcased the use of Stratasys PolyJet 3D printing technology, by Queen Elizabeth Hospital in the United Kingdom, for the construction of advanced maxillofacial cutting guides and anatomical models.
  - Enhanced customer-centric solution offerings with launch of the Stratasys Expert Services Group in North America, to help manufacturers build their additive manufacturing strategy and workflow to recognize the benefits of 3D printing for improved production processes.
  - Announced the Stratasys Continuous Build 3D Demonstrator, a new additive manufacturing platform demonstrating low volume production and mass customization, featuring a modular multi-cell design and cloud-based architecture. The new technology demonstrator targets applications that include education Rapid Prototyping labs as well as volume manufacturing environments that can benefit from part production without tooling and from zero-inventory supply chains.
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- Announced a strategic investment in LPW Technologies, a developer of metal powders and metal powder management systems; and entered into a strategic partnership with Desktop Metal, a manufacturer of metal 3D printing systems, that will enable leveraging Stratasys' distribution channels for the sale of their innovative solutions.

"We are pleased with the progress we are making in developing applications that are driven by the specific needs of our customers," continued Levin. "We believe that this deeper customer engagement will help us to provide significant value and grow the adoption our products and services. Our recent announcements with Siemens Mobility and SIA Engineering, as well as the early success of our collaboration with McLaren Racing, illustrate the potential value that can be created by our extensive knowledge and capabilities."

#### **Financial Guidance:**

Stratasys today reiterated previously-provided guidance for 2017. The Company's guidance for projected revenue and net income (loss) for the fiscal year ending December 31, 2017 is as follows:

- Revenue guidance of \$645 to \$680 million.
- GAAP net loss guidance of \$53 to \$39 million, or (\$1.00) to (\$0.73) per diluted share.
- Non-GAAP net income guidance of \$10 to \$20 million, or \$0.19 to \$0.37 per diluted share.

Stratasys provided the following additional guidelines regarding the Company's projected performance and strategic plans for 2017:

- Non-GAAP operating margin guidance of 3% to 5%.
- Capital expenditures guidance of \$40 to \$50 million.

Given the expected ongoing negative impact of not recording a tax benefit on U.S. tax losses on the Company's 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 for 2017 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.

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## Stratasys Ltd. Q1 2017 Conference Call Details

The Company plans to hold a conference call to discuss its first quarter financial results on Tuesday, May 16, 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/j59trooi>.

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 10010178.

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 nearly 30 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 approximately 2,400 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.

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## **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 Ltd. 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, or in 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 2016 Annual Report on Form 20-F, filed with the SEC on March 9, 2017, as well as in the 2016 Annual Report generally. Readers are urged to carefully review and consider the various disclosures made throughout (i) the Report on Form 6-K that attaches Stratasys' unaudited, condensed consolidated financial statements as of, and for the quarter ended, March 31, 2017, and its review of its results of operations and financial condition for those periods, which has been furnished to the SEC on or about the date hereof, (ii) Stratasys' 2016 Annual Report, and (iii) 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, in this press release 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.

## **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, when applicable, 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)*

	March 31, 2017 (unaudited)	December 31, 2016
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 297,246	\$ 280,328
Accounts receivable, net	115,099	120,411
Inventories	116,018	117,521
Net investment in sales-type leases	10,844	11,717
Prepaid expenses	6,371	7,571
Other current assets	19,411	15,491
Total current assets	564,989	553,039
<b>Non-current assets</b>		
Net investment in sales-type leases - long term	9,655	12,126
Property, plant and equipment, net	206,722	208,415
Goodwill	385,808	385,629
Other intangible assets, net	169,302	177,458
Other non-current assets	31,626	29,382
Total non-current assets	803,113	813,010
<b>Total assets</b>	<b>\$ 1,368,102</b>	<b>\$ 1,366,049</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 44,805	\$ 40,933
Current portion of long term-debt	3,714	3,714
Accrued expenses and other current liabilities	28,582	32,207
Accrued compensation and related benefits	42,797	34,186
Obligations in connection with acquisitions	4,315	3,619
Deferred revenues	50,673	49,952
Total current liabilities	174,886	164,611
<b>Non-current liabilities</b>		
Long-term debt	21,357	22,286
Deferred tax liabilities	4,916	5,952
Deferred revenues - long-term	12,942	12,922
Other non-current liabilities	24,293	22,251
Total non-current liabilities	63,508	63,411
<b>Total liabilities</b>	<b>238,394</b>	<b>228,022</b>
<b>Redeemable non-controlling interests</b>	<b>1,939</b>	<b>2,029</b>
<b>Equity</b>		
Ordinary shares, NIS 0.01 nominal value, authorized 180,000 thousands shares; 52,728 thousands shares and 52,639 thousands shares issued and outstanding at March 31, 2017 and December 31, 2016, respectively	142	142
Additional paid-in capital	2,637,561	2,633,129
Accumulated other comprehensive loss	(12,243)	(13,479)
Accumulated deficit	(1,497,782)	(1,483,925)
Equity attributable to Stratasys Ltd.	1,127,678	1,135,867
Non-controlling interest	91	131
Total equity	1,127,769	1,135,998
<b>Total liabilities and equity</b>	<b>\$ 1,368,102</b>	<b>\$ 1,366,049</b>

**Stratasys Ltd.**
**Consolidated Statements of Operations**
*(in thousands, except per share data)*

	Three Months Ended March 31,	
	2017	2016
	(unaudited)	(unaudited)
<b>Net sales</b>		
Products	\$ 115,087	\$ 118,634
Services	48,075	49,272
	163,162	167,906
<b>Cost of sales</b>		
Products	54,480	56,938
Services	31,802	29,799
	86,282	86,737
<b>Gross profit</b>	76,880	81,169
<b>Operating expenses</b>		
Research and development, net	24,634	25,115
Selling, general and administrative	64,179	76,387
Change in the fair value of obligations in connection with acquisitions	696	727
	89,509	102,229
<b>Operating loss</b>	(12,629)	(21,060)
<b>Financial income, net</b>	256	180
<b>Loss before income taxes</b>	(12,373)	(20,880)
Income tax expenses	1,326	2,291
Share in losses of associated company	(288)	-
<b>Net loss</b>	(13,987)	(23,171)
Net loss attributable to non-controlling interest	(130)	(30)
Net loss attributable to Stratasys Ltd.	\$ (13,857)	\$ (23,141)
<b>Net loss per ordinary share attributable to Stratasys Ltd.</b>		
Basic	\$ (0.26)	\$ (0.44)
Diluted	(0.26)	(0.44)
<b>Weighted average ordinary shares outstanding</b>		
Basic	52,690	52,098
Diluted	52,690	52,098

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

		Three Months Ended March 31,					
		2017	Non-GAAP	2017	2016	Non-GAAP	2016
		GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP
		U.S. dollars and shares in thousands (except per share amounts)					
	Gross profit (1)	\$ 76,880	\$ 6,614	\$ 83,494	\$ 81,169	\$ 11,278	\$ 92,447
	Operating income (loss) (1,2)	(12,629)	16,658	4,029	(21,060)	25,013	3,953
	Net income (loss) attributable to Stratasys Ltd. (1,2,3)	(13,857)	16,265	2,408	(23,141)	23,737	596
	Net income (loss) per diluted share attributable to Stratasys Ltd. (4)	\$ (0.26)	\$ 0.31	\$ 0.05	\$ (0.44)	\$ 0.45	\$ 0.01
(1)	Acquired intangible assets amortization expense		5,705			10,414	
	Non-cash stock-based compensation expense		643			723	
	Reorganization and other related costs		94			-	
	Merger and acquisition and other expense		172			141	
			6,614			11,278	
(2)	Acquired intangible assets amortization expense		2,544			3,760	
	Non-cash stock-based compensation expense		3,261			4,900	
	Change in fair value of obligations in connection with acquisitions		696			727	
	Reorganization and other related costs		1,686			-	
	Merger and acquisition and other expense		1,857			4,348	
			10,044			13,735	
			16,658			25,013	
(3)	Corresponding tax effect		(585)			(1,276)	
	Amortization expense of associated company		192			-	
			\$ 16,265			\$ 23,737	
(4)	Weighted average number of ordinary shares outstanding- Diluted	52,690		53,341	52,098		53,143

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' first quarter 2017 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 first 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 2016 Annual Report on Form 20-F, which we filed with the SEC on March 9, 2017, as well as in the 2016 Annual Report generally. Readers are urged to carefully review and consider the various disclosures made throughout (i) the Report on Form 6-K that attaches Stratasys' unaudited, condensed consolidated financial statements as of, and for the quarter ended, March 31, 2017, and its review of its results of operations and financial condition for that period, which has been furnished to the SEC on or about the date hereof, (ii) Stratasys' 2016 Annual Report, and (iii) 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 in 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.

We remain encouraged by our efforts to achieve deeper engagement with customers in our key vertical markets during the first quarter.

This customer-centric approach has resulted in encouraging progress in developing rapid prototyping, tooling, and production part applications that are being driven by the specific requirements of industry-leading aerospace and automotive manufacturing companies.

We continue to believe that by gaining greater insights into the specific needs and requirements of our customers, we are unlocking significant value and growing the adoption of our products and services going forward.

I will return later in the call to provide you more details on these important initiatives, as well as other key developments, but first I will turn the call over to our CFO, Lilach Payorski, who will review the details of our financial results.

Lilach?

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

**SPEAKER: Lilach Payorski**

Thank you, Ilan, and good morning, everyone.

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

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Additionally, the trend of reduction in operating expenses has continued into the quarter, and with this reduction we have aligned our resources as we shift towards addressing specific high-value added applications in our key vertical markets.

Total revenue in the first quarter was \$163.2 million compared to \$167.9 million for the same period last year.

GAAP operating loss for the first quarter was \$12.6 million, compared to a loss of \$21.1 million for last year.

Non-GAAP operating income for the first quarter was flat, year over year, at \$4.0 million.

#### **SLIDE 8: REVENUE**

Product revenue in the first quarter decreased by 3% to \$115.1 million, as compared to the same period last year.

Within product revenue, system revenue for the quarter declined by 11% compared to the same period last year, primarily driven by a shift in our product mix towards lower end systems, which is mainly the result of the successful introduction of our low cost, high value F123 offering to the rapid prototyping professional market.

We continued to see favorable trends around system utilization and demand for our premium materials, which contributed to consumables revenue increasing by 7% as compared to the same period last year.

The growth we see in our premium materials supports our focus on specific value-added solutions and gives us confidence to increase our efforts in target industry markets.

Services revenue in the first quarter decreased by 2% to \$48.1 million, as compared to last year.

Within service revenue, customer support revenue, which includes revenue generated mainly by maintenance contracts on our systems, increased by 7% compared to the same period last year, driven primarily by growth in our installed base of systems.

As we put greater strategic focus on additive manufacturing offerings, we expect to transition away from the lower revenues attributed to conventional manufacturing services within our Stratasys Direct Manufacturing business.

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

GAAP gross margin decreased slightly to 47.1% for the first quarter, compared to a GAAP gross margin of 48.3% for the same period last year.

Non-GAAP gross margin decreased to 51.2% for the first quarter, compared to 55.1% for last year, driven by a shift in sales mix.

Product gross margin decreased to 57.9%, compared to 61.1% for the same period last year, driven by the shift in sales mix described earlier, relating to the introduction of our low-cost, high-value offering to the rapid prototyping professional market.

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Service gross margin decreased to 35.0%, compared to 40.4% for same period last year, driven primarily by lower service revenues ratio to fixed expenses.

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

GAAP operating expenses decreased by 12% to \$89.5 million for the first quarter, as compared to the same period last year.

Non-GAAP operating expenses decreased by 10% to \$79.5 million for the first quarter versus last year.

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

We have aligned our resources as we continue to focus on addressing specific high-value added applications in our key vertical markets.

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

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

The Company generated \$25.4 million of cash from operations during the first quarter, as compared to \$31.6 million for the first quarter last year.

We were pleased to end the first quarter with \$297.2 million in cash and cash equivalents, compared to \$280.3 million at the end of 2016.

Inventory at the end of the first quarter decreased to \$116.0 million as compared to \$117.5 million at the end of 2016, as we maintain tight control on inventory levels.

Accounts receivable decreased to \$115.1 million, compared to \$120.4 million at the end of 2016, with DSO on 12-month trailing revenue at 63.

#### **SLIDE 12: SUMMARY**

In summary:

- 1.) We are pleased with the growth in recurring consumables and service contract revenue, driven by strong system utilization and growing demand for our premium materials.
  - 2.) We continue to focus on operational performance, which is reflected by significant reduction in operating expenses.
  - 3.) Our strategy to invest in value-added solutions within our key target markets continues, while aligning costs and resources with our long term goals.
  - 4.) And finally, our favorable cash position, including cash generation and a strong balance sheet, provide us with the capital needed to take advantage of 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 remains 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 our 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 concerning the non-GAAP financial measures.

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

**SLIDE 14: STRATEGY UPDATE**

**SPEAKER: Ilan Levin**

Thank you, Shane.

We are pleased with the continued progress we are making in building more meaningful relationships with our customers, which is demonstrated by the many exciting customer use cases and applications we have shared so far this year.

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We believe our emphasis on improving customer engagement with key customers in our targeted industry verticals of aerospace, automotive, and healthcare, combined with our extensive knowledge and capabilities, is allowing us to bring increased value to the market.

#### **SLIDE 15: GAINING TRACTION IN ADVANCED MANUFACTURING**

Our recently announced strategic collaboration with SIA Engineering Company, a major provider of aircraft maintenance, repair, and overhaul services in the Asia-Pacific region evidences our strategic focus on building deeper, long term customer relationships in key vertical markets.

The strategic collaboration will combine Stratasys' deep expertise in additive manufacturing, as applied to aerospace applications, with SIA Engineering Company's comprehensive service offerings, to provide on-demand parts solutions to their airline customers.

As part of the collaboration, we will jointly establish a Singapore-based Additive Manufacturing Service Centre that offers design, engineering, certification support, and part production services.

The new service center will serve as a one-stop shop to provide aftermarket cabin interior parts, as well as services that support part redesign, engineering and material testing, airworthiness certification support, and final part production.

Additionally, we recently collaborated with Strata, an aerospace composite structure manufacturer, as well as with Siemens, in producing aircraft interior parts for Etihad Airways.

As we have shown with our existing relationships with leading aerospace manufacturers, such as Airbus and Boeing, we are committed to advancing the use of additive manufacturing for high requirement aerospace applications, and believe these new developments represent further traction for our proprietary technology within the aerospace industry.

Last quarter, we announced that Stratasys was appointed as the Official Supplier of 3D printing solutions to the McLaren-Honda Formula 1 team.

We are pleased to share that McLaren Racing has quickly expanded its use of Stratasys FDM and PolyJet 3D Printing Solutions to produce final 3D printed race-ready parts for the new MCL32 Formula 1 race car, as well as to produce manufacturing tools to advance production.

Improved performance has been driven by the use of the parts, which include:

1. A hydraulic line bracket printed on a Fortus 450mc Production 3D Printer with our new carbon-fiber reinforced nylon material, Nylon 12CF;
2. A flexible radio harness location boot, printed on a J750 3D Printer in rubber-like material;
3. A carbon fiber composite brake cooling duct created using ST-130 wash-out soluble material specifically developed for sacrificial tooling applications; and
4. A large rear wing flap extension manufactured in carbon fiber-reinforced composites using a 3D printed lay-up tool produced on the Fortus 900mc Production 3D Printer.

Additionally, McLaren Honda has dedicated a Stratasys FDM 3D Printer to track-side use, bringing the technology closer to the action, enabling the team to produce parts and tooling on demand.

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We believe that our relationship with McLaren Formula 1 racing enables us to understand and deliver added value based applications for this quick turn-around, demanding automotive environment.

Another exciting application that we recently announced was Siemens Mobility's use of our Fortus 900mc Production 3D Printer and ULTEM material to produce parts that include housing covers for the couplers on the front of trams.

Adopting Stratasys FDM technology for this application led to dramatically shorter delivery times and higher part quality.

These parts are also now being produced on-demand, allowing customers who require replacement parts, or who need to make changes to existing designs, to order custom parts online, which are then 3D printed and delivered.

Most recently, we announced that Stratasys Direct Manufacturing is now collaborating with Peacocks Medical Group, a leading medical equipment supplier and creator of Podfo orthotics, to optimize 3D printing for large-scale production of custom orthotics.

In a healthcare application such as orthotics, customization based on an individual's anatomy and medical requirements exemplifies how 3D printing can produce highly customized solutions to improve a patient's quality of life.

#### **SLIDE 16: STRATASYS CONTINUOUS BUILD 3D DEMONSTRATOR**

Highlighting our ongoing commitment to drive innovation, we recently unveiled our latest technology demonstrator, the Stratasys Continuous Build 3D Demonstrator, a new additive manufacturing platform comprised of a modular unit with multiple 3D print cells working simultaneously, and driven by a central, cloud-based architecture.

The new platform will leverage our core FDM technology, GrabCAD control and monitoring, and multi-cell scalable architecture to produce parts in a continuous stream with minor operator intervention, automatically ejecting completed parts and commencing new ones.

Additional cells can be added at any time to the scalable platform, making it fast and easy to increase production capacity in accordance with needs.

Automatic queue management, load balancing and architecture redundancy further accelerate throughput, as jobs are automatically routed to available print cells.

Target applications will include service bureaus, education rapid prototyping labs, and volume manufacturing environments that can benefit from part production without tooling and from zero-inventory supply chains.

Stratasys Technology 3D Demonstrators, including our Infinite Build 3D Demonstrator and Robotic Composite 3D Demonstrator announced last year, represent a development path for Stratasys which will yield new manufacturing-focused technology and products, but which are not commercially available at this time.

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## **SLIDE 17: METAL ADDITIVE MANUFACTURING INITIATIVES**

I would like to recap several announcements that we have made regarding our activity with respect to metal applications.

We are actively strengthening our knowledge and expertise in metal additive manufacturing, building off the strong base of knowledge within Stratasys Direct Manufacturing, which currently has one the largest 3<sup>rd</sup> party installations of DMLS systems.

Through our SDM service, we are currently a provider of metal parts services to customers in our key vertical markets.

Leveraging our leading additive manufacturing assets, we have been actively augmenting our internal product and service offerings with investments and partnerships with other leading players in the metal additive manufacturing space.

Recently, we made public a strategic investment in LPW Technology, a market leader in developing, manufacturing, and supplying metal powder end-to-end solutions for additive manufacturing.

LPW already supplies leading OEM and Tier-1 suppliers with metal powders for additive manufacturing processes, as well as an intelligent powder management system that enables the traceability and management of metal powder batches throughout their lifecycle to meet specific quality requirements for the aerospace, defense, automotive and medical-implant industries.

Most recently, we announced a strategic partnership with Desktop Metal, an exciting new manufacturer of metal 3D printing systems.

Stratasys was one of the first investors in Desktop Metal, and Scott Crump, our founder and Chief Innovation Officer has been on its Board of Directors since 2015.

This announcement builds upon this history of collaboration with new efforts to provide Desktop Metal access to selected Stratasys resellers who will be granted authorization to carry Desktop Metal's products in the future.

We view Desktop Metal's solutions as a complementary technology to Stratasys' leading PolyJet and FDM plastic solutions.

## **SLIDE 18: SUMMARY & OUTLOOK**

In summary:

1. We are encouraged by our efforts to achieve deeper customer engagement within our targeted industry verticals of aerospace, automotive, and healthcare.
  2. We are focused on expanding our relationships with key global manufacturing companies and unlocking value around customer-specific applications, which we believe will grow adoption of our products and services.
  3. Looking forward, we remain 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 19: Q&A**

SPEAKER: Ilan Levin

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

**SLIDE 20: FINANCIAL RECONCILIATION TABLES**

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# STRATASYS

## Q1 2017

FINANCIAL RESULTS CONFERENCE CALL

May 16<sup>th</sup>, 2017

## Q1 2017 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:**  
10010178

### Live webcast and replay:

<http://edge.media-server.com/m/p/j59trool>



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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 2016 Annual Report on Form 20-F, filed with the SEC on March 9, 2017, as well as in the 2016 Annual Report generally. Readers are urged to carefully review and consider the various disclosures made throughout (i) the Report on Form 6-K that attaches Stratasys' unaudited, condensed consolidated financial statements as of, and for the quarter ended, March 31, 2017, and its review of its results of operations and financial condition for those periods, which has been furnished to the SEC on or about the date hereof, (ii) Stratasys' 2016 Annual Report, and (iii) 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, when applicable, 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.<sup>1</sup> Reconciliation between results on a GAAP and non-GAAP basis is provided on slide 20.

## Ilan Levin – CEO



### Opening Remarks

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- Generating positive effect from focus on key vertical markets
- Customer-centric approach is resulting in high-value application development with industry-leading manufacturing companies
- Gaining greater insights into customer needs and requirements is unlocking value and growing adoption

Lilach Payorski – CFO

Shane Glenn – VP of Investor Relations

# Financial Update and Guidance

## Financial Results Stratasys, Ltd.

Revenue	↓ 3% YOY
GAAP Gross Profit	↓ 5% YOY
GAAP Operating Profit	↑ 40% YOY
Non-GAAP Gross Profit	↓ 10% YOY
Non-GAAP Operating Profit	↑ 2% YOY

	GAAP			Non-GAAP		
	Q1-16	Q1-17	Change YOY	Q1-16	Q1-17	Change YOY
Total Revenue	\$167.9	\$163.2	-2.8%	\$167.9	\$163.2	-2.8%
Gross Profit % margin	81.2 48.3%	76.9 47.1%	-4.3 -5.3%	92.4 55.1%	83.5 51.2%	-9.0 -9.7%
Operating Profit (Loss) % margin	(21.1) -12.5%	(12.6) -7.7%	8.4 40.0%	4.0 2.4%	4.0 2.5%	0.1 1.9%
Pre-tax Profit (Loss) % margin	(20.9) -12.4%	(12.4) -7.6%	8.5 40.7%	4.1 2.5%	4.3 2.6%	0.2 3.7%
Tax Rate	-11.0%	-10.7%		86.3%	44.6%	
EBITDA	2.3	4.2	78.0%	12.6	12.8	0.9%
Net income (loss) (attributed to SSYS Ltd.) % margin	(23.1) -13.8%	(13.9) -8.5%	9.3 40.1%	0.6 0.4%	2.4 1.5%	1.8 303.9%
EPS (Diluted)	(\$0.44)	(\$0.26)	40.8%	\$0.01	\$0.05	302.4%
Diluted Shares	52.1	52.7	1.1%	53.1	53.3	0.4%

(\$ in millions, except per share data, unless noted otherwise)

## Financial Results – Revenue Stratasys, Ltd.

Product Revenue	↓	3% YOY
System Revenue	↓	11% YOY
Consumable Revenue	↑	7% YOY
Service Revenue	↓	2% YOY
Customer support	↑	7% YOY

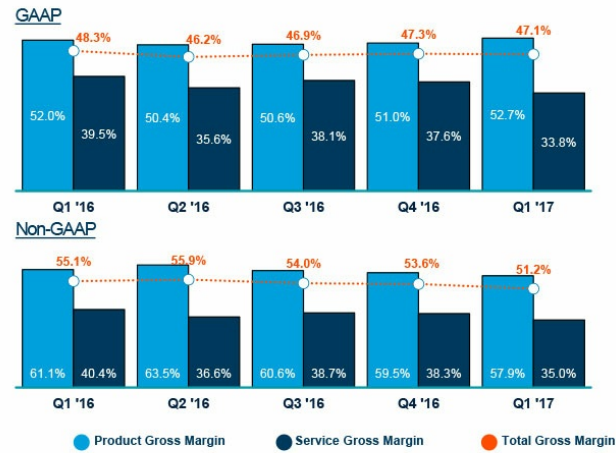
Total Revenue – Quarterly Trend



(\$ in millions unless noted otherwise)

# Financial Results – Gross Margin Trends

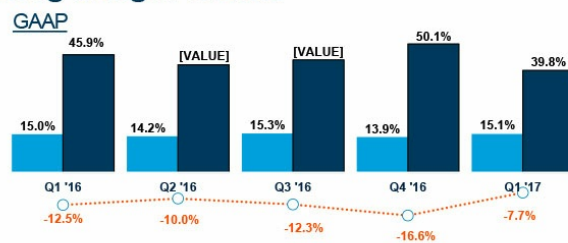
## Stratasys, Ltd.



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

Operating Exp. (GAAP)	↓	12% YOY
R&D Exp. (GAAP)	↓	2% YOY
SG&A Exp. (GAAP)	↓	16% YOY

Operating Exp. (non-GAAP)	↓	10% YOY
R&D Exp. (non-GAAP)	↑	1% YOY
SG&A Exp. (non-GAAP)	↓	14% YOY





## Financial Results - Balance Sheet Highlights & Cash From Operations Stratasys, Ltd.

(\$ in millions)	Q1-16	Q1-17
Cash from operating activities	\$31.6	\$25.4

Selected balance sheet items (\$ in millions)	Dec-16	Mar-17
Cash and Cash Equivalents	\$280.3	\$297.2
Accounts Receivable, net	120.4	115.1
Inventories	117.5	116.0
Net Working Capital	388.4	390.1

## Lilach Payorski – CFO



### Financial Summary

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- Pleased with growth in recurring consumables and service contract revenue
- Continued focus on operational performance, reflected by reduction in operating expenses
- Focusing on investment in value-added solutions within key target markets, while aligning costs and resources
- Favorable cash position provides capital to pursue opportunities going forward

## Revenue & Earnings Guidance

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

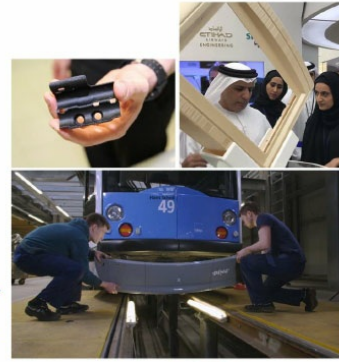
Ilan Levin – CEO

# STRATEGIC OVERVIEW

## CONTINUED TRACTION IN ADVANCED MANUFACTURING

Important milestones towards adopting additive manufacturing in complex requirement applications:

- Strategic collaboration with SIA Engineering Company (SIAEC), a major provider of aircraft maintenance, repair, and overhaul (MRO) services in Asia-Pacific
- Working with composite aero-structure manufacturer Strata and Siemens to develop aircraft interior parts for Etihad Airways
- McLaren Honda deploying Stratasys 3D printing solutions across a number of key applications throughout development of its new MCL32 Formula 1 race car
- Siemens Mobility providing rail industry with 3D printed parts including coupler housing covers for the front on trams
- Stratasys Direct Manufacturing collaborating with Peacocks Medical Group, a leading medical equipment supplier to optimize 3D printing for large-scale production of custom orthotics



stratasys

## Continuous Build 3D Demonstrator

### Smart multi-cell system

- New additive manufacturing approach designed for low volume production and mass customization
- Enables continuous, automated 3D printing with only minor human intervention
- Cloud-based architecture with automatic queue management
- Scalable by adding additional cells to increase capacity
- Technology demonstrators not commercially available at this time



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## Metal Initiatives

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- Leveraging strong base of knowledge within Stratasys Direct Manufacturing
  - ✓ One of largest 3<sup>rd</sup> party installations of DMLS systems
  - ✓ Provider of metal parts services to key customers
- Strategic investment in LPW Technology
  - ✓ Market leader in metal powder development and intelligent powder management systems to ensure traceability and compliance with quality requirements
- Strategic collaboration with Desktop Metal Inc.
  - ✓ Stratasys channel partners to gain access to Desktop Metal's innovative solutions



## Ilan Levin – CEO



### Summary & Outlook

- Encouraged by efforts to achieve deeper engagement with customers in targeted industry verticals of aerospace, automotive, and healthcare
- Focused on expanding collaborations with key global manufacturing companies to unlock value and grow adoption of our products and services
- Continue to focus on allocating resources to support long-term goals
- Seeking to invest in long-term growth opportunities



WE ARE  
STRATASYS

THE 3D PRINTING SOLUTIONS COMPANY

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

	Three Months Ended March 31, 2017			Three Months Ended March 31, 2016		
	GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP
Gross Profit (1)	\$76,880	\$6,614	\$83,494	\$81,169	\$11,278	\$92,447
Operating income (Loss) (1,2)	(12,629)	16,658	4,029	(21,060)	25,013	3,953
Net income (Loss) attributable to Stratasys Ltd. (1,2,3)	(13,857)	16,265	2,408	(23,141)	23,737	596
Net income (Loss) per diluted share attributable to Stratasys Ltd. (4)	(0.26)	0.31	0.05	(0.44)	0.45	0.01
(1) Acquired intangible assets amortization expense		5,705			10,414	
Non-cash stock-based compensation expense		643			723	
Reorganization and other related costs		94			-	
Merger and acquisition and other expense		172			141	
		6,614			11,278	
(2) Acquired intangible assets amortization expense		2,544			3,760	
Non-cash stock-based compensation expense		3,261			4,900	
Changes in fair value of obligations in connection with acquisitions		696			727	
Reorganization and other related costs		1,686			-	
Merger and acquisition and other expense		1,857			4,348	
		10,044			13,735	
		16,658			25,013	
(3) Corresponding tax effect		(585)			(1,276)	
Amortization expense of associated company		192			-	
		\$16,265			\$23,737	
(4) Weighted average number of ordinary shares outstanding – Diluted	52,690		53,341	52,098		53,143

(\$ in thousands except per share data)