

**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 August 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**

**1 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): ☐

CONTENTS

On August 9, 2017, Stratasys Ltd. (“**we**” or “**us**”) announced our financial results for the quarter and six months ended June 30, 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 August 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.

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: August 9, 2017

By: /s/ Lilach Payorski

Name: Lilach Payorski

Title: Chief Financial Officer

EXHIBIT INDEX

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

Exhibit	Description
99.1	Press release dated August 9, 2017, announcing the financial results of Stratasys Ltd. for the quarter and six months ended June 30, 2017
99.2	Script for our conference call held on August 9, 2017
99.3	PowerPoint presentation with additional information



NEWS RELEASE

STRATASYS RELEASES SECOND QUARTER 2017 FINANCIAL RESULTS

Company reports \$170.0 million in revenue

GAAP net loss of \$6.0 million, or (\$0.11) per diluted share, and non-GAAP net income of \$9.2 million, or \$0.17 per diluted share.

Generated \$10.9 million of cash from operations during the quarter

Minneapolis & Rehovot, Israel, August 9, 2017 — Stratasys Ltd. (Nasdaq: SSYS), a global leader in applied additive technology solutions, announced financial results for the second quarter of 2017.

Q2-2017 Financial Results Summary:

Revenue for the second quarter of 2017 was \$170.0 million, compared to \$172.1 million for the same period last year.

- GAAP gross margin was 49.1% for the quarter, compared to a GAAP gross margin of 46.2% for the same period last year, and 47.1% in the prior quarter.
 - Non-GAAP gross margin was 53.0% for the quarter, compared to 55.9% for the same period last year, and 51.2% in the prior quarter.
 - GAAP operating loss for the quarter was \$5.0 million, compared to a loss of \$17.1 million for the same period last year.
 - Non-GAAP operating income for the quarter was \$11.1 million, compared to \$10.2 million for the same period last year.
 - GAAP net loss for the quarter was \$6.0 million, or (\$0.11) per diluted share, compared to a loss of \$18.5 million, or (\$0.36) per diluted share, for the same period last year.
 - Non-GAAP net income for the quarter was \$9.2 million, or \$0.17 per diluted share, compared to Non-GAAP net income of \$6.2 million, or \$0.12 per diluted share, reported for the same period last year.
 - The Company generated \$10.9 million in cash from operations during the second quarter and ended the period with \$305.3 million in cash and cash equivalents.
 - Net R&D expenses for the quarter amounted to \$23.3 million, representing 13.7% of net sales.
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“We continue to allocate resources towards deepening customer engagement within our key vertical markets, and we are pleased with our progress in developing higher quality revenue opportunities.” said Ilan Levin, Chief Executive Officer of Stratasys. “In addition to these vertical market initiatives, we are pleased with the market reception of our new F123 Series, launched in February of 2017, which has resulted in orders of over 1,000 units to date, and has generated significant interest for rapid prototyping applications among professional users.”

Recent Business Highlights:

- Announced new solution at the Paris Airshow for producing certifiable aircraft interior parts which leverages a qualification program underway with the FAA, National Institute of Aviation Research, and America Makes. The Fortus 900mc Aircraft Interiors Certification Solution consists of ULTEM 9085 thermoplastic, a new edition of the Fortus 900mc Production 3D Printer with specialized hardware and software designed to deliver highly repeatable mechanical properties appropriate for aircraft interior part applications, and the qualification processes and data to ease the certification process.
 - Showcased focus on the aerospace market with announcements of Fortus 900mc Aircraft Interiors Certification Solution adoption by leading parts supplier Western Tool & Mold to produce certifiable aircraft cabin components, as well as collaborations to leverage Stratasys 3D printing solutions to accelerate development and production of next-generation aircraft with Boom Supersonic and Eviation Aircraft.
 - Stratasys Direct Manufacturing chosen by Airbus to produce 3D printed polymer parts for use on A350 XWB aircraft, including non-structural parts such as brackets, and other parts used for system installation.
 - Strengthened MakerBot’s leadership in 3D printing for the education segment with the announcement of My MakerBot, a Chromebook-compatible in-browser platform for managing networked 3D printers and connecting to Thingiverse, integration between My MakerBot and Autodesk Tinkercad, and the new MakerBot Educators Guidebook, the definitive how-to resource on 3D printing in the classroom.
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“We have made significant progress in developing solutions that target high-value applications within our targeted markets, and we continue to focus on aligning our resources around this long term strategy,” continued Levin. “We believe this strategy will allow us to help grow the adoption of our products and services over time.”

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 guidance 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.

Stratasys Ltd. Q2 2017 Conference Call Details

The Company plans to hold the conference call to discuss its second quarter financial results on Wednesday, August 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 under the "Investors" tab; or directly at the following web address: <http://edge.media-server.com/m/p/6iz9y7m8>.

To participate by telephone, the domestic dial-in number is (866) 394-5776 and the international dial-in is (409) 350-3596. The access code is 48312906.

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.

Stratasys (NASDAQ: SSYS) is a global leader in applied additive technology solutions for industries including Aerospace, Automotive, Healthcare, Consumer Products and Education. For nearly 30 years, a deep and ongoing focus on customers' business requirements has fueled purposeful innovations—1,200 granted and pending additive technology patents to date—that create new value across product lifecycle processes, from design prototypes to manufacturing tools and final production parts. The Stratasys 3D printing ecosystem of solutions and expertise—advanced materials; software with voxel level control; precise, repeatable and reliable FDM and PolyJet 3D printers; application-based expert services; on-demand parts and industry-defining partnerships—works to ensure seamless integration into each customer's evolving workflow. Fulfilling the real-world potential of additive, Stratasys delivers breakthrough industry-specific applications that accelerate business processes, optimize value chains and drive business performance improvements for thousands of future-ready leaders around the world.

Corporate Headquarters: Minneapolis, Minnesota and Rehovot, Israel.

Online at: www.stratasys.com, <http://blog.stratasys.com> and LinkedIn.

Stratasys and Fortus are registered trademarks and the Stratasys signet is a trademark of Stratasys Ltd. and/or its subsidiaries or affiliates. All other trademarks are the property of their respective owners.

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: potential declines in the prices of our products and services, or volume of our sales, due to decreased demand in the 3D printing market; any failure to adequately adapt our infrastructure and properly integrate the internal and external sources of our growth to generate intended benefits (including from the companies that we recently acquired); 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; 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 and six months ended, June 30, 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

Consolidated Balance Sheets

(in thousands, except share data)

	June 30, 2017 (unaudited)	December 31, 2016
ASSETS		
Current assets		
Cash and cash equivalents	\$ 305,345	\$ 280,328
Accounts receivable, net	120,342	120,411
Inventories	116,486	117,521
Net investment in sales-type leases	9,921	11,717
Prepaid expenses	6,701	7,571
Other current assets	17,557	15,491
Total current assets	576,352	553,039
Non-current assets		
Net investment in sales-type leases - long term	7,406	12,126
Property, plant and equipment, net	207,689	208,415
Goodwill	386,513	385,629
Other intangible assets, net	160,926	177,458
Other non-current assets	32,335	29,382
Total non-current assets	794,869	813,010
Total assets	\$ 1,371,221	\$ 1,366,049
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	\$ 46,087	\$ 40,933
Current portion of long term-debt	3,714	3,714
Accrued expenses and other current liabilities	28,910	32,207
Accrued compensation and related benefits	39,744	34,186
Obligations in connection with acquisitions	4,932	3,619
Deferred revenues	50,464	49,952
Total current liabilities	173,851	164,611
Non-current liabilities		
Long-term debt	20,429	22,286
Deferred tax liabilities	4,197	5,952
Deferred revenues - long-term	14,087	12,922
Other non-current liabilities	25,984	22,251
Total non-current liabilities	64,697	63,411
Total liabilities	238,548	228,022
Redeemable non-controlling interests	1,811	2,029
Equity		
Ordinary shares, NIS 0.01 nominal value, authorized 180,000 thousands shares; 52,854 thousands shares and 52,639 thousands shares issued and outstanding at June 30, 2017 and December 31, 2016, respectively	142	142
Additional paid-in capital	2,644,579	2,633,129
Accumulated other comprehensive loss	(10,143)	(13,479)
Accumulated deficit	(1,503,769)	(1,483,925)
Equity attributable to Stratasys Ltd.	1,130,809	1,135,867
Non-controlling interest	53	131
Total equity	1,130,862	1,135,998
Total liabilities and equity	\$ 1,371,221	\$ 1,366,049

Consolidated Statements of Operations

(in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Net sales				
Products	\$ 121,021	\$ 123,758	\$ 236,108	\$ 242,392
Services	48,969	48,315	97,044	97,587
	169,990	172,073	333,152	339,979
Cost of sales				
Products	54,723	61,413	109,203	118,351
Services	31,875	31,128	63,677	60,927
	86,598	92,541	172,880	179,278
Gross profit	83,392	79,532	160,272	160,701
Operating expenses				
Research and development, net	23,251	24,366	47,885	49,481
Selling, general and administrative	64,569	72,884	128,748	149,271
Change in the fair value of obligations in connection with acquisitions	617	(587)	1,313	140
	88,437	96,663	177,946	198,892
Operating loss	(5,045)	(17,131)	(17,674)	(38,191)
Financial income, net	429	932	685	1,112
Loss before income taxes	(4,616)	(16,199)	(16,989)	(37,079)
Income tax expenses	1,308	2,454	2,634	4,745
Share in losses of associated company	(229)	-	(517)	-
Net loss	(6,153)	(18,653)	(20,140)	(41,824)
Net loss attributable to non-controlling interest	(166)	(163)	(296)	(193)
Net loss attributable to Stratasys Ltd.	<u>\$ (5,987)</u>	<u>\$ (18,490)</u>	<u>\$ (19,844)</u>	<u>\$ (41,631)</u>
Net loss per ordinary share attributable to Stratasys Ltd.				
Basic	\$ (0.11)	\$ (0.35)	\$ (0.38)	\$ (0.80)
Diluted	(0.11)	(0.36)	(0.38)	(0.80)
Basic	52,778	52,169	52,733	52,133
Diluted	52,778	52,496	52,733	52,133

Reconciliation of GAAP to Non-GAAP Results of Operations

	Three Months Ended June 30,					
	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)	\$ 83,392	\$ 6,784	\$ 90,176	\$ 79,532	\$ 16,715	\$ 96,247
Operating income (loss) (1,2)	(5,045)	16,117	11,072	(17,131)	27,332	10,201
Net income (loss) attributable to Stratasys Ltd. (1,2,3)	(5,987)	15,165	9,178	(18,490)	24,728	6,238
Net income (loss) per diluted share attributable to Stratasys Ltd. (4)	\$ (0.11)	\$ 0.28	\$ 0.17	\$ (0.36)	\$ 0.48	\$ 0.12
(1) Acquired intangible assets amortization expense		5,688			10,510	
Impairment charges of other intangible assets		-			1,779	
Non-cash stock-based compensation expense		799			729	
Reorganization and other related costs		137			3,543	
Merger and acquisition and other expense		160			154	
		6,784			16,715	
(2) Acquired intangible assets amortization expense		2,588			3,621	
Non-cash stock-based compensation expense		4,532			4,750	
Change in fair value of obligations in connection with acquisitions		617			(587)	
Reorganization and other related costs		598			956	
Merger and acquisition and other expense		998			1,877	
		9,333			10,617	
		16,117			27,332	
(3) Corresponding tax effect		(1,150)			(2,604)	
Amortization expense of associated company		198			-	
		\$ 15,165			\$ 24,728	
(4) Weighted average number of ordinary shares outstanding- Diluted	52,778		53,473	52,496		53,238

Reconciliation of GAAP to Non-GAAP Results of Operations

	Six Months Ended June 30,					
	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)	\$ 160,272	\$ 13,398	\$ 173,670	\$ 160,701	\$ 27,993	\$ 188,694
Operating income (loss) (1,2)	(17,674)	32,775	15,101	(38,191)	52,345	14,154
Net income (loss) attributable to Stratasys Ltd. (1,2,3)	(19,844)	31,430	11,586	(41,631)	48,465	6,834
Net income (loss) per diluted share attributable to Stratasys Ltd. (4)	\$ (0.38)	\$ 0.60	\$ 0.22	\$ (0.80)	\$ 0.93	\$ 0.13
(1) Acquired intangible assets amortization expense		11,393			20,924	
Impairment charges of other intangible assets		-			1,779	
Non-cash stock-based compensation expense		1,442			1,452	
Reorganization and other related costs		231			3,321	
Merger and acquisition and other expense		332			517	
		<u>13,398</u>			<u>27,993</u>	
(2) Acquired intangible assets amortization expense		5,132			7,382	
Non-cash stock-based compensation expense		7,793			9,650	
Change in fair value of obligations in connection with acquisitions		1,313			140	
Reorganization and other related costs		2,284			1,461	
Merger and acquisition and other expense		2,855			5,719	
		<u>19,377</u>			<u>24,352</u>	
		<u>32,775</u>			<u>52,345</u>	
(3) Corresponding tax effect		(1,735)			(3,880)	
Amortization expense of associated company		390			-	
		<u>\$ 31,430</u>			<u>\$ 48,465</u>	
(4) Weighted average number of ordinary shares outstanding- Diluted	52,733		53,406	52,133		53,201

Reconciliation of GAAP to Non-GAAP Forward Looking Guidance

Fiscal Year 2017

(in millions, except per share data)

GAAP net loss	(\$53) to (\$39)
<u>Adjustments</u>	
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

SLIDE 1 & 2: TITLE SLIDES

SPEAKER: Operator

Good day, ladies and gentlemen. Welcome to today's conference call to discuss Stratasys' second 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 second 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: potential declines in the prices of our products and services, or volume of our sales, due to decreased demand in the 3D printing market; any failure to adequately adapt our infrastructure and properly integrate the internal and external sources of our growth to generate intended benefits (including from the companies that we recently acquired); 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; 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 and six months ended, June 30, 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.

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 are pleased with our progress as we focus our efforts on customer engagement generating higher quality revenue opportunities during the quarter.

We made several announcements during the quarter that showcase our progress, specifically in the aerospace market, and demonstrate our ability to leverage our capabilities to address manufacturing applications.

Additionally, we are pleased with the positive market reception to our new F123 Series, launched in February of 2017, which has resulted in orders of over 1,000 systems to date, and is generating significant interest for rapid prototyping applications among professional users.

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.

In line with our strategy, we continue to progress as we pursue higher quality revenue opportunities in advanced manufacturing applications for key verticals.

In the process of better allocating our resources within our plan to develop high value applications for our customer and to support our long term strategy, we have continued to achieve expense reductions.

Total revenue in the second quarter was \$170.0 million compared to \$172.1 million for the same period last year.

GAAP operating loss for the second quarter was \$5.0 million, compared to a loss of \$17.1 million for last year.

Non-GAAP operating income for the second quarter was \$11.1 million, compared to \$10.2 million for the same period last year.

SLIDE 8: REVENUE

Product revenue in the second quarter decreased by 2% to \$121.0 million, as compared to the same period last year.

Within product revenue, system revenue for the quarter declined by 6% over last year, driven by a shift in product mix following the positive market reception our lower cost, high value F123 offering to the rapid prototyping professional market.

We are also seeing initial traction in our application and vertical focus, primarily within Aero and Auto in the Americas and EMEA regions.

In addition, we are observing positive trends for larger production system and multi-system orders from select customers, both of which reflect our focus on developing tooling and production part applications.

In areas where the adoption of these use case specific applications within our targeted industries is slower, such as in Asia Pacific, we are observing relatively softer hardware sales.

Consumable revenue increased 2% compared to the same period last year.

Services revenue in the second quarter increased by 1% to \$49.0 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 6% compared to the same period last year, driven primarily by growth in our installed base of systems.

SLIDE 9: GROSS MARGIN

GAAP gross margin increased to 49.1% for the second quarter, compared to a GAAP gross margin of 46.2% for the same period last year, and 47.1% in the first quarter.

Non-GAAP gross margin decreased to 53.0% for the second quarter, compared to 55.9% for last year, driven by a shift in product mix, but increased sequentially from 51.2% in the first quarter.

Product gross margin decreased to 59.9%, compared to 63.5% for the same period last year, driven by the shift in product mix described earlier, while it increased compared to 57.9% in the first quarter.

Service gross margin decreased to 36.2%, compared to 36.6% for same period last year, and increased compared to 35.0% in the first quarter.

SLIDE 10: OPERATING TRENDS

GAAP operating expenses decreased by 9% to \$88.4 million for the second quarter, as compared to the same period last year.

Non-GAAP operating expenses decreased by 8% to \$79.1 million for the second quarter versus last year, as we remain focused on aligning resources with our long-term growth strategy and deepening customer engagement in our key verticals.

SLIDE 11: BALANCE SHEET & CASH FLOW FROM OPERATIONS SUMMARY

The Company generated \$10.9 million of cash from operations during the second quarter, as compared to \$6.9 million for the second quarter last year.

We ended the second quarter with \$305.3 million in cash and cash equivalents, compared to \$297.2 million at the end of the first quarter.

Inventory at the end of the second quarter was flat at \$116.5 million as compared to the inventory level at the end of the first quarter, reflecting our tight control on those levels.

Accounts receivable increased to \$120.3 million, compared to \$115.1 million at the end of the first quarter with DSO on 12-month trailing revenue at 66.

SLIDE 12: SUMMARY

To recap:

- 1.) We are pleased with the results of our efforts to generate deeper customer engagement and higher quality revenue opportunities primarily within our targeted industry verticals of aerospace, automotive, and healthcare.
- 2.) In addition, our ongoing alignment of resources and focus on high value applications has resulted in reduced operating expenses.
- 3.) And finally, we are well positioned to leverage our favorable cash position, including cash generation and a strong balance sheet, to capture new 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 previously reported 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.

As of the end of the second quarter, we believe that we are tracking towards the higher end of guidance for operating margins and earnings per share.

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, as well as signification quarter to quarter variability in our non-GAAP tax rate, 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.

In the second quarter we continued our efforts to deepen customer engagement by pursuing new collaborations, and enhancing and expanding our existing relationships with industry leaders in our key vertical markets.

We believe that our continued partnering with industry-leading companies will accelerate the development of high-value added applications, and allow us to bring increased value to the market.

We are pleased with the market reaction to our production-focused products and services, demonstrated in part by the multiple announcements we recently made at, and following the Paris Airshow.

Additionally, we are excited with the early market adoption of our professional rapid prototyping solutions, specifically the recently introduced F123 Series, and our GrabCAD Print software platform.

SLIDE 15: AEROSPACE APPLICATIONS & COLLABORATIONS

At the Paris Air Show, we made a number of significant announcements, including our new Fortus 900mc Aircraft Interiors Certification Solution for producing certifiable aircraft interior parts which leverages a qualification program underway with the FAA, National Institute of Aviation Research, and America Makes.

The new solution consists of ULTEM 9085 resin that meets aerospace flame, smoke and toxicity regulations, a new edition of the Fortus 900mc Production 3D Printer with specialized hardware and software designed to deliver highly repeatable mechanical properties appropriate for aircraft interior part applications, and the qualification processes and data to ease the certification process.

With the new offering, we believe we are removing major obstacles around FAA certification and making it easier to manufacture airworthy parts, with improved repeatability and performance.

As previously announced, an early adopter of this new application-specific product is Western Tool & Mold, a leading Hong Kong-based parts supplier, for the production certifiable aircraft interior components.

Additionally, we recently announced that Stratasys Direct Manufacturing has been chosen by Airbus to produce 3D printed polymer parts for use on the A350 XWB aircraft.

SDM will now print non-structural parts such as brackets and installation fixtures with our Stratasys FDM production 3D Printers using our ULTEM 9085 material, providing tighter turnaround times and lower inventory costs.

Also at the Paris Airshow, we were pleased to showcase our focus on the aerospace market with the announcements that innovative companies Boom Supersonic and Eviation Aircraft are utilizing Stratasys 3D printing solutions to reduce engineering costs and accelerate design cycles for next-generation aircraft.

We believe that these developments can help accelerate adoption of our technologies in the aerospace market.

SLIDE 16: F123 SERIES and GRABCAD

Since the launch of the F123 Series in February 2017, we have received orders for over 1,000 systems, one of our most successful product launches in our company's history.

We believe that the positive reaction from the market demonstrates that the prototyping segment remains an attractive and underpenetrated growth opportunity.

The majority of F123 orders have come from new customers, and we have seen significant interest in multiple system orders.

We believe that the early success and adoption of the F123 Series is being driven by the product directly addressing the professional workgroup-prototyping market, with a combination of ease-of-use, precision, repeatability and affordability – all without compromising on the requirements for engineering-grade models.

The F123 Series provides a streamlined workflow, made possible in part by GrabCAD Print, which makes 3D printing more realistic, connected, and accessible.

With the ability to read and understand CAD files natively, GrabCAD Print offers an efficient workflow that streamlines print management in shared office and model shop environments – greatly enhancing the functionality of the F123 Series.

Since its launch in November of 2016, the software has been installed on over 13,000 desktops and is being used by over 1,400 customers worldwide.

Users have printed over 61,000 trays of parts, an impressive number when you consider that GrabCAD Print users still represent a very small portion of our total installed base of systems.

The GrabCAD Community currently has nearly 4 million members, up 36% in the last year, and the largest collection of mechanical CAD models anywhere on the Internet, with over 2 million CAD files and tutorials.

We are pleased with the early traction from GrabCAD Print, as well as the growing number of community members, which we believe will help increase accessibility and drive adoption and usage of our products and services.

SLIDE 17: MAKERBOT EDU

We recently strengthened our leadership in the 3D printing for education market with several announcements from MakerBot.

The first is the new cloud-based platform My MakerBot, which is Chromebook-compatible and connects to networked 3D printers, Thingiverse accounts, and support cases and orders.

Chromebooks are used extensively in the education segment, and we believe that the ability to upload and prepare files, print, and monitor progress from any device will broaden student access to 3D printers in Chromebook classrooms and makes it easier for educators to manage their use.

We also announced that My MakerBot will include integration with Autodesk Tinkercad, the popular K-12 design software tool. Students will be able to 3D design in Tinkercad then export designs to My MakerBot and 3D print them without ever leaving their web browsers.

Finally, we announced the new MakerBot Educators Guidebook to assist educators in learning the basics of 3D printing, best practices, and for finding high quality STEM lesson plans.

We believe these new offerings further solidify MakerBot's leadership position in education, and will substantially improve student access to 3D printing, make it easier for teachers to implement in their classrooms, and make it simpler than ever to go from a lesson plan to a 3D print.

SLIDE 18: SUMMARY & OUTLOOK

In summary:

1. We believe our recent announcements of aerospace-specific products and high-value collaborations with leading companies demonstrate the value of our customer-centric approach.
2. We are pleased with the positive customer reaction to the F123 Series, and the excitement the new offering is generating in the general rapid prototyping market.
3. Looking forward, 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



STRATASYS

Q2 2017

FINANCIAL RESULTS CONFERENCE CALL

August 9th, 2017

Q2 2017 Conference and webcast details

Speakers

Ilan Levin
CEO

Lilach Payorski
CFO

Shane Glenn
VP, Investor
Relations

Live Dial-in Information

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International Dial-
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409-350-3596

Participant
Passcode:
48312906

Live webcast and replay:

<http://edge.media-server.com/m/p/6iz9y7m8>

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: potential declines in the prices of our products and services, or volume of our sales, due to decreased demand in the 3D printing market; any failure to adequately adapt our infrastructure and properly integrate the internal and external sources of our growth to generate intended benefits (including from the companies that we recently acquired); 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; 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 and six months ended, June 30, 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.

Use of Non-GAAP financial information

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. Reconciliation between results on a GAAP and non-GAAP basis is provided on slide 20.

Ilan Levin – CEO



Opening Remarks

- Pleased with progress as we focus on customer engagement in key vertical markets – observing higher quality revenue opportunities
- Showcasing ability to leverage 3D printing expertise for manufacturing applications with significant recent Aerospace announcements
- Pleased with market reception to F123 Series – strong sales and generating significant interest in rapid prototyping segment

Lilach Payorski – CFO

Shane Glenn – VP of Investor Relations

Financial Update and Guidance

Financial Results Stratasys, Ltd.

	YoY %
Revenue	↓ 1%
GAAP Gross Profit	↑ 5%
GAAP Operating loss	↓ 71%
Non-GAAP Gross Profit	↓ 6%
Non-GAAP Operating Profit	↑ 9%

	GAAP			Non-GAAP		
	Q2-16	Q2-17	Change YOY	Q2-16	Q2-17	Change YOY
Total Revenue	\$172.1	\$170.0	-1.2%	\$172.1	\$170.0	-1.2%
Gross Profit	79.5	83.4	3.9	96.2	90.2	-6.1
% margin	46.2%	49.1%	4.9%	55.9%	53.0%	-6.3%
Operating Profit (Loss)	-17.1	-5.0	12.1	10.2	11.1	0.9
% margin	-10.0%	-3.0%	-70.6%	5.9%	6.5%	8.5%
Pre-tax Profit (Loss)	-16.2	-4.6	11.6	11.1	11.5	0.4
% margin	-9.4%	-2.7%	-71.5%	6.5%	6.8%	3.3%
Tax Rate	-15.1%	-28.3%	-1.1	45.4%	21.4%	-2.6
EBITDA	6.9	12.0	72.9%	19.5	20.0	2.4%
Net Income (loss) (attributed to \$SYS Ltd.)	-18.5	-6.0	12.5	6.2	9.2	2.9
% margin	-10.7%	-3.6%	-67.6%	3.6%	5.4%	47.1%
EPS (Diluted)	\$ (0.36)	\$ (0.11)	68.7%	\$ 0.12	\$ 0.17	46.5%
Diluted Shares	52.5	52.8	0.5%	53.2	53.5	0.4%

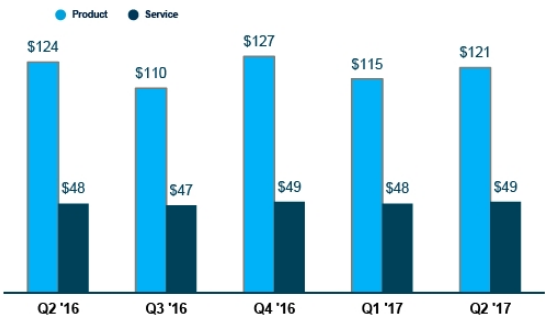
(\$ in millions unless noted otherwise)

Financial Results – Revenue

Stratasys, Ltd.

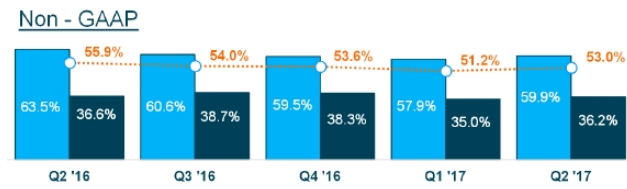
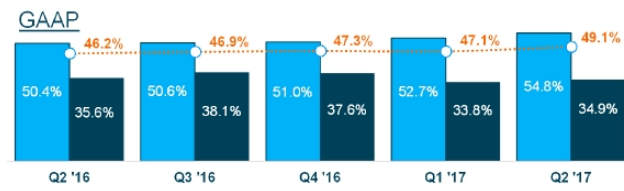
	YoY %
Product Revenue	↓ 2%
System Revenue	↓ 6%
Consumable Revenue	↑ 2%
Service Revenue	↑ 1%
Customer support	↑ 6%

Total Revenue - Quaterly Trend



(\$ in millions unless noted otherwise)

Financial Results – Gross Margin Trends Stratasys, Ltd.



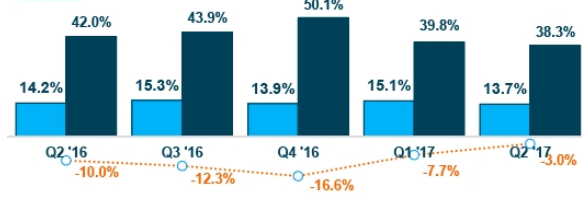
● Product Gross Margin ● Service Gross Margin ● Total Gross Margin

Financial Results – Operating Expenses & Margin Trends Stratasys, LTD.

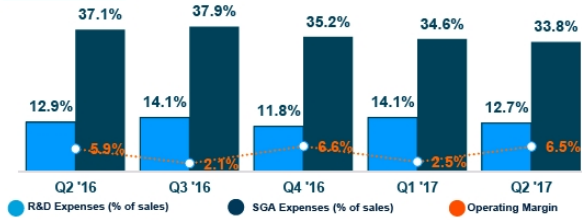
	YoY %
<u>GAAP</u>	
Operating Exp.	↓ 9%
R&D Exp.	↓ 5%
SG&A Exp.	↓ 10%

	YoY %
<u>Non-GAAP</u>	
Operating Exp.	↓ 8%
R&D Exp.	↓ 3%
SG&A Exp.	↓ 10%


GAAP



Non - GAAP



Financial Results - Balance Sheet Summary & CF from operations Stratasys, Ltd.

Selected balance sheet items (\$ in millions)	Q1-17	Q2-17
Cash and Cash Equivalents	\$297.2	305.3 
Accounts Receivable	115.1	120.3
Inventories	116.0	116.5
Net Working Capital	390.1	402.5

(\$ in millions)	Q2-16	Q2-17	YTD Q2-16	YTD Q2-17
Cash from operating activities	\$6.9	\$10.9	\$38.5	\$36.2

Lilach Payorski – CFO



Financial Summary

- Pleased with results of efforts to generate deeper engagement with customers in targeted industry verticals – observing higher quality revenue opportunities
- Alignment of resources has resulted in reduced operating expenses
- 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

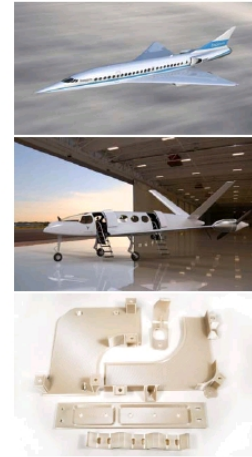
Ilan Levin – CEO

STRATEGIC OVERVIEW

AEROSPACE APPLICATIONS & COLLABORATIONS

Important milestones towards adopting additive manufacturing in complex requirement applications:

- Fortus 900mc Aircraft Interiors Certification Solution
 - New edition of the Fortus 900mc Production 3D Printer Aimed at Facilitating the 3D Printing of FAA- and EASA-Certified Aircraft Interior Parts
 - Specialized hardware and software designed to deliver highly repeatable mechanical properties appropriate for aircraft interior part applications, as well as the qualification processes and data to ease the certification process.
 - Adopted by Hong Kong-based Western Tool & Mold to produce certifiable aircraft interior components
- Airbus awards contract to Stratasys Direct Manufacturing to produce FDM-printed end-use parts for A350 XWB aircraft
- Boom Supersonic and Eviation Aircraft leveraging Stratasys 3D Printing Solutions to accelerate development of next-generation aircraft



F123 SERIES LAUNCH UPDATE

Positive Market Reaction and Strong Sales

- Over 1,000 systems ordered since February 2017 launch
- The majority of orders to new customers
- F123 developed to meet customer requirements for:
 - Reliability
 - Ease-of-Use
 - Accessibility
 - Fast Time-to-Part
- Generating excitement in general rapid prototyping segment

Continued traction for GrabCAD Print adoption and usage

- GrabCAD Print has been installed on over 13,000 desktops, used by over 1,400 customers worldwide
- Over 61,000 trays of parts have been printed
- GrabCAD Community numbers nearly 4 million professional designers, engineers, with over 2 million CAD files and tutorials



MAKERBOT EDUCATION ANNOUNCEMENTS

Strengthened MakerBot's leadership in 3D printing for the education market with multiple announcements:

- **My MakerBot** - Chromebook-compatible, in-browser platform that connects networked 3D printers, Thingiverse account, orders and support cases all in one place
- **MakerBot + Autodesk Tinkercad** - connecting two powerful STEM learning tools to empowering educators
- **MakerBot Educators Guidebook** - The definitive how-to on 3D printing in the classroom



Ilan Levin – CEO



Summary & Outlook

- Recent aerospace-specific product and collaboration announcements demonstrate value of customer-centric approach
- Pleased with market reaction and strong sales of F123 Series
- Excited about Company's future and long-term growth potential

WE ARE
STRATASYS

THE 3D PRINTING SOLUTIONS COMPANY

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

	Three Months Ended June 30, 2017			Three Months Ended June 30, 2016		
	GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP
Gross Profit (1)	\$83,392	\$6,784	\$90,176	\$79,532	\$16,715	\$96,247
Operating income (Loss) (1,2)	(5,045)	16,117	11,072	(17,131)	27,332	10,201
Net income (Loss) attributable to Stratasys Ltd. (1,2,3)	(5,987)	15,165	9,178	(18,490)	24,728	6,238
Net income (Loss) per diluted share attributable to Stratasys Ltd. (4)	(\$0.11)	\$0.28	\$0.17	(\$0.36)	\$0.48	\$0.12
(1) Acquired intangible assets amortization expense		5,688			10,510	
Impairment charges of other intangible assets		-			1,779	
Non-cash stock-based compensation expense		799			729	
Reorganization and other related costs		137			3,543	
Merger and acquisition and other expense		160			154	
		6,784			16,715	
(2) Acquired intangible assets amortization expense		2,588			3,621	
Non-cash stock-based compensation expense		4,532			4,750	
Changes in fair value of obligations in connection with acquisitions		617			(587)	
Reorganization and other related costs		588			956	
Merger and acquisition and other expense		998			1,077	
		9,333			10,617	
		16,117			27,332	
(3) Corresponding tax effect		(1,150)			(2,604)	
Amortization expense of associated company		198			-	
		\$15,165			\$24,728	
(4) Weighted average number of ordinary shares outstanding - Diluted	52,778		53,473	52,496		53,238

(\$ in thousands except per share data)