

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 February 2018

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 February 28, 2018, Stratasys Ltd. (“**we**” or “**us**”) announced our financial results for the fourth quarter and full fiscal year ended December 31, 2017. A copy of the 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 February 28, 2018 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: February 28, 2018

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 February 28, 2018
99.2	Script for our conference call held on February 28, 2018
99.3	PowerPoint presentation with additional information



NEWS RELEASE

STRATASYS RELEASES FOURTH QUARTER AND FULL YEAR 2017 FINANCIAL RESULTS

Fourth Quarter Revenue Increased 2% to \$179.3 million compared to same period last year

Fourth Quarter GAAP net loss of \$10.0 million, or (\$0.19) per diluted share, and non-GAAP net income of \$8.4 million, or \$0.16 per diluted share

Company releases full year 2018 earnings guidance

Announces new internally-developed metal additive manufacturing platform

Minneapolis & Rehovot, Israel, February 28, 2018 —Stratasys Ltd. (NASDAQ: SSYS), a global leader in applied additive technology solutions, announced financial results for the fourth quarter and full year 2017.

Q4 2017 Financial Results Summary:

Revenue for the fourth quarter of 2017 was \$179.3 million, compared to \$175.3 million for the same period last year.

- GAAP gross margin was 48.7% for the quarter, compared to a GAAP gross margin of 47.3% for the same period last year.
 - Non-GAAP gross margin was 52.5% for the quarter, compared to 53.6% for the same period last year.
 - GAAP operating loss for the quarter was \$6.0 million, compared to a loss of \$29.2 million for the same period last year.
 - Non-GAAP operating income for the quarter was \$13.5 million, compared to \$11.6 million for the same period last year.
 - GAAP net loss for the quarter was \$10.0 million, or (\$0.19) per diluted share, compared to a loss of \$14.8 million, or (\$0.30) per diluted share, for the same period last year.
 - Non-GAAP net income for the quarter was \$8.4 million, or \$0.16 per diluted share, compared to Non-GAAP net income of \$7.8 million, or \$0.15 per diluted share, reported for the same period last year.
-

- Net R&D expenses for the quarter amounted to \$26.6 million, representing 14.8% of net revenues.
- The Company generated \$21.0 million in cash from operations during the fourth quarter and ended the period with \$328.8 million in cash and cash equivalents.

Fiscal 2017 Financial Results Summary:

- Revenue for fiscal 2017 was \$668.4 million compared to \$672.5 million for fiscal 2016.
- GAAP operating loss for fiscal 2017 was \$30.5 million, compared to a loss of \$86.7 million for fiscal 2016.
- Non-GAAP operating income was \$36.7 million, compared to \$29.0 million for fiscal 2016
- GAAP net loss for fiscal 2017 was \$40.0 million, or (\$0.75) per diluted share, compared to a loss of \$77.2 million, or (\$1.48) per diluted share, for fiscal 2016.
- Non-GAAP net income for fiscal 2017 was \$24.2 million, or \$0.45 per diluted share, compared to non-GAAP net income of \$14.8 million, or \$0.28 per diluted share, reported for fiscal 2016.
- The Company generated \$61.9 million in cash from operations in fiscal 2017.

“Our fourth quarter results reflect the momentum that we built throughout the year, which we attribute to the positive market reaction to several new product introductions, including our F123 Series launched in February, 2017 and the more recently commercialized H2000 and J700 Dental Solutions, as well as investments in specific go-to-market initiatives for our target verticals of aerospace, automotive, and healthcare,” said Ilan Levin, Chief Executive Officer of Stratasys. “Our improved profitability and healthy cash generation in the quarter demonstrates the success of our alignment of resources to support our strategic roadmap.”

New Metal Technology

For nearly 30 years Stratasys has been pioneering the development and adoption of 3D printing and additive manufacturing technologies, including the precise, repeatable, and reliable FDM and PolyJet 3D printing platforms.

Building on its track record of innovation and leadership, Stratasys is today revealing the development of a new additive manufacturing process, designed from inception to address short run metal manufacturing.

The innovative Stratasys platform was developed internally over the past several years, incorporating the Company's proprietary jetting technology. The platform was designed from inception to provide the values of additive manufacturing for short run production, while overcoming material limitations of currently available metal-based additive manufacturing systems. With this new technology, Stratasys believes it will offer customers a new ability to short-run manufacture metal parts made with commonly used powder metallurgy, starting with aluminum, at an economically competitive cost-per-part and throughput, with easy to implement post processing and high part quality.

For more information, please reference the separate press release issued today by the Company.

The Company will unveil further details about this new technology at the RAPID + TCT 3D Printing and Additive Manufacturing Conference, taking place from April 23-26 in Fort Worth, Texas.

Beginning in 2018, the Company is ramping up investment activity to accelerate long term development programs to expand its addressable markets, including the new metal additive manufacturing platform, as well as further advancements based on FDM and PolyJet technologies.

"Following a period of incubation over the last several years, we are excited to share details of our technology roadmap, which we believe will deliver the promise of additive manufacturing to short run metal part production," continued Levin. "As a pioneer and leader in the additive manufacturing industry, Stratasys is increasing its investments in the development of innovative technologies and application knowledge to drive adoption through deeper customer engagement."

Financial Guidance:

Stratasys today provided the following information regarding the company's guidance for projected revenue and net income for the fiscal year ending December 31, 2018:

- Revenue guidance of \$670 to \$700 million.
- Non-GAAP net income of \$16 to \$27 million, or \$0.30 to \$0.50 per diluted share.
- GAAP net loss of \$41 to \$25 million, or (\$0.75) to (\$0.46) per diluted share.

Stratasys provided the following additional guidelines regarding the company's projected performance and strategic plans for 2018:

- Non-GAAP operating margins of 4.5% to 6%.
 - Capital expenditures are projected at \$40 to \$50 million.
-

The Company's guidance reflects increased investments in R&D, tools, materials, and additional resources aimed at expanding addressable markets by accelerating development efforts for the new metal additive manufacturing platform, further advancements based on our FDM and PolyJet technologies, and specific go-to-market initiatives in order to deepen customer engagement.

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 excludes \$32 to \$34 million of projected amortization of intangible assets; \$17 to \$19 million of share-based compensation expense; and \$7 to \$9 million in reorganization and other related costs; and includes \$4 to \$5 million in tax expenses related to non-GAAP adjustments.

Stratasys Ltd. Q4 and Full Year 2017 Conference Call Details

The Company plans to hold the conference call to discuss its fourth quarter and full year financial results on Wednesday, February 28, 2018 at 8:30 a.m. (ET).

The investor conference call will be available via live webcast on the Stratasys website at www.stratasys.com under the "Investors" tab; or directly at the following web address: <https://edge.media-server.com/m6/p/cvm4w4jn>.

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 92508829.

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 2018, 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: the degree of market acceptance of our 3D printers, high-performance systems and consumables, and the software and technology included in those systems; potential declines in the demand for, or the prices of, our products and services, or volume of our sales, due to decreased demand either for them specifically or in the 3D printing market generally; potential further charges against earnings that we could be required to take due to impairment of additional goodwill or other intangible assets; potential shifts in our product mix to lower-margin products or in our revenues mix towards our AM services business; 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); the impact of competition and new technologies; risks related to our relationships with our suppliers, resellers and independent sales agents, and our operations at our manufacturing sites; risks related to the international scope of our operations and regulatory compliance (including reporting, environmental, anti-corruption and other regulatory compliance) related to that scope of operations; risks related to the security of our information systems (including risks related to potential cyber-attacks); changes in the overall global economic environment or in political and economic conditions in the countries in which we operate; changes in our strategy; costs and potential liability relating to litigation and regulatory proceedings; and those additional factors referred to in Item 3.D "Key Information - Risk Factors", Item 4, "Information on the Company", Item 5, "Operating and Financial Review and Prospects," and all other parts of our Annual Report on Form 20-F for the year ended December 31, 2017 (the "**2017 Annual Report**"), which report is being filed with the Securities and Exchange Commission (the "**SEC**") on the same day on which this press release is being issued. Readers are urged to carefully review and consider the various disclosures made throughout our 2017 Annual Report and our 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

Yonah Lloyd

Vice President - Investor Relations

Yonah.Lloyd@stratasys.com

Consolidated Balance Sheets

(in thousands, except share data)

	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Cash and cash equivalents	\$ 328,761	\$ 280,328
Accounts receivable, net	132,671	120,411
Inventories	115,717	117,521
Net investment in sales-type leases	7,208	11,717
Prepaid expenses	7,696	7,571
Other current assets	22,858	15,491
Total current assets	614,911	553,039
Non-current assets		
Net investment in sales-type leases - long term	4,439	12,126
Property, plant and equipment, net	199,951	208,415
Goodwill	387,108	385,629
Other intangible assets, net	142,122	177,458
Other non-current assets	31,219	29,382
Total non-current assets	764,839	813,010
Total assets	\$ 1,379,750	\$ 1,366,049
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	\$ 39,849	\$ 40,933
Current portion of long term-debt	5,143	3,714
Accrued expenses and other current liabilities	30,041	32,207
Accrued compensation and related benefits	35,356	34,186
Obligations in connection with acquisitions	-	3,619
Deferred revenues	52,908	49,952
Total current liabilities	163,297	164,611
Non-current liabilities		
Long-term debt	27,143	22,286
Deferred tax liabilities	7,069	5,952
Deferred revenues - long-term	15,200	12,922
Other non-current liabilities	32,899	22,251
Total non-current liabilities	82,311	63,411
Total liabilities	245,608	228,022
Redeemable non-controlling interests	1,635	2,029
Equity		
Ordinary shares, NIS 0.01 nominal value, authorized 180,000 thousands shares; 53,631 thousands shares and 52,639 thousands shares issued and outstanding at December 31, 2017 and December 31, 2016, respectively	145	142
Additional paid-in capital	2,663,274	2,633,129
Accumulated other comprehensive loss	(7,023)	(13,479)
Accumulated deficit	(1,523,906)	(1,483,925)
Equity attributable to Stratasys Ltd.	1,132,490	1,135,867
Non-controlling interest	17	131
Total equity	1,132,507	1,135,998
Total liabilities and equity	\$ 1,379,750	\$ 1,366,049

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2017 (unaudited)	2016 (unaudited)	2017	2016
Net sales				
Products	\$ 129,777	\$ 126,556	\$ 474,286	\$ 479,031
Services	49,566	48,747	194,076	193,427
	179,343	175,303	668,362	672,458
Cost of sales				
Products	59,977	61,970	219,020	234,653
Services	32,100	30,409	126,565	120,499
	92,077	92,379	345,585	355,152
Gross profit	87,266	82,924	322,777	317,306
Operating expenses				
Research and development, net	26,585	24,304	96,237	97,778
Selling, general and administrative	66,657	88,773	255,685	307,113
Change in the fair value of obligations in connection with acquisitions	-	(988)	1,378	(872)
	93,242	112,089	353,300	404,019
Operating loss	(5,976)	(29,165)	(30,523)	(86,713)
Financial income (expense), net	667	(862)	1,047	354
Loss before income taxes	(5,309)	(30,027)	(29,476)	(86,359)
Income tax expenses	4,068	(15,729)	9,273	(9,446)
Share in losses of associated companies	(704)	(526)	(1,710)	(708)
Net loss	(10,081)	(14,824)	(40,459)	(77,621)
Net loss attributable to non-controlling interest	(101)	(63)	(478)	(402)
Net loss attributable to Stratasys Ltd.	\$ (9,980)	\$ (14,761)	\$ (39,981)	\$ (77,219)
Net loss per ordinary share attributable to Stratasys Ltd.				
Basic	\$ (0.19)	\$ (0.28)	\$ (0.75)	\$ (1.48)
Diluted	(0.19)	(0.30)	(0.75)	(1.48)
Basic	53,356	52,620	52,959	52,330
Diluted	53,356	52,784	52,959	52,582

Reconciliation of GAAP to Non-GAAP Results of Operations

Three Months Ended December 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)	\$ 87,266	\$ 6,864	\$ 94,130	\$ 82,924	\$ 11,093	\$ 94,017
Operating income (loss) (1,2)	(5,976)	19,518	13,542	(29,165)	40,733	11,568
Net income (loss) attributable to Stratasys Ltd. (1,2,3)	(9,980)	18,429	8,449	(14,761)	22,588	7,827
Net income (loss) per diluted share attributable to Stratasys Ltd. (4)	\$ (0.19)	\$ 0.35	\$ 0.16	\$ (0.30)	\$ 0.45	\$ 0.15
(1) Acquired intangible assets amortization expense		5,687			10,394	
Non-cash stock-based compensation expense		497			648	
Impairment charges of other intangible assets		646			-	
Reorganization and other related costs		34			276	
Merger and acquisition related expense		-			(225)	
		6,864			11,093	
(2) Acquired intangible assets amortization expense		2,594			3,822	
Non-cash stock-based compensation expense		3,092			4,238	
Impairment charges of intangible assets and other long lived assets		3,742			21,774	
Change in fair value of obligations in connection with acquisitions		-			(988)	
Reorganization and other related costs		3,136			251	
Merger and acquisition related expense		90			543	
		12,654			29,640	
		19,518			40,733	
(3) Corresponding tax effect		(1,295)			(18,355)	
Amortization expense of associated company		206			210	
		\$ 18,429			\$ 22,588	
(4) Weighted average number of ordinary shares outstanding- Diluted	53,356		53,584	52,784		53,255

Reconciliation of GAAP to Non-GAAP Results of Operations

Twelve Months Ended December 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)	\$ 322,777	\$ 26,860	\$ 349,637	\$ 317,306	\$ 50,334	\$ 367,640
Operating income (loss) (1,2)	(30,523)	67,226	36,703	(86,713)	115,729	29,016
Net income (loss) attributable to Stratasys Ltd. (1,2,3)	(39,981)	64,158	24,177	(77,219)	91,989	14,770
Net income (loss) per diluted share attributable to Stratasys Ltd. (4)	\$ (0.75)	\$ 1.20	\$ 0.45	\$ (1.48)	\$ 1.76	\$ 0.28
(1) Acquired intangible assets amortization expense		22,768			41,712	
Non-cash stock-based compensation expense		2,581			2,780	
Impairment charges of other intangible assets		646			1,779	
Reorganization and other related costs		337			3,846	
Merger and acquisition related expense		528			217	
		26,860			50,334	
(2) Acquired intangible assets amortization expense		10,319			14,901	
Non-cash stock-based compensation expense		15,141			17,993	
Impairment charges of intangible assets and other long-lived assets		3,742			21,774	
Change in fair value of obligations in connection with acquisitions		1,378			(872)	
Reorganization and other related costs		5,803			3,671	
Merger and acquisition related expense		3,983			7,928	
		40,366			65,395	
		67,226			115,729	
(3) Corresponding tax effect		(3,866)			(24,233)	
Amortization expense of associated company		798			493	
		\$ 64,158			\$ 91,989	
(4) Weighted average number of ordinary shares outstanding- Diluted	52,959		53,536	52,582		53,201

Reconciliation of GAAP to Non-GAAP Forward Looking Guidance

Fiscal Year 2018

(in millions, except per share data)

GAAP net loss	(\$41) to (\$25)
<u>Adjustments</u>	
Stock-based compensation expense	\$17 to \$19
Intangible assets amortization expense	\$32 to \$34
Reorganization and other related costs	\$7 to \$9
Tax expense related to Non-GAAP adjustments	(\$4) to (\$5)
Non-GAAP net income	\$16 to \$27
GAAP loss per share	(\$0.75) to (\$0.46)
Non-GAAP diluted earnings per share	\$0.30 to \$0.50

SLIDE 1 & 2: TITLE SLIDES

SPEAKER: Operator

Good day, ladies and gentlemen. Welcome to today's conference call to discuss Stratasys' fourth 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 Yonah Lloyd, Vice President of Investor Relations for Stratasys. Mr. Lloyd, please go ahead.

SLIDE 3&4: FLS & NON-GAAP DISCLOSURE

SPEAKER: Yonah Lloyd

Good morning, everyone, and thank you for joining us to discuss our fourth quarter financial results. On the call with us today are Ilan Levin, CEO, and Lilach Payorski, CFO of Stratasys.

I remind you that access to today's call, including the prepared slide presentation, is available online at the web address provided in our press release.

In addition, a replay of today's call, including access to the slide presentation, will also be available, and can be accessed through the investor section of our website.

Please note that some of the information you will hear during our discussion today will consist of forward-looking statements including, without limitation, those regarding revenue, gross margin, operating expenses, taxes and future business outlook. Actual results or trends could differ materially from our forecast. For more information, please refer to the risk factors discussed in Stratasys' annual report on Form 20-F being filed with the SEC today, along with the associated press release concerning our earnings for the 4th quarter and full year 2017. Stratasys assumes no obligation to update any forward-looking statements or information which speak as of their respective dates.

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 Yonah.

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

We are pleased with our Q4 and full year results, which demonstrate traction in strengthening customer relationships and deepening penetration in our target vertical markets.

Throughout 2017, we experienced positive market reaction to new product introductions, including the F123 Series, our recently commercialized H2000 Large Part FDM 3D Production System and J700 Dental solution, and our certified specialty resin materials for advanced aerospace applications.

We are also observing positive results from our strategy of investing in specific go-to-market initiatives in our target verticals of aerospace, automotive, and healthcare, resulting in deepening customer relationships and further penetration into key accounts.

Operationally, we continued to drive operational focus and cash generation, driven by our focus on execution and alignment of resources to support our strategic roadmap.

I will return later in the call to provide you with some exciting 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.

Total revenue in the fourth quarter was \$179.3 million compared to \$175.3 million for the same period last year.

GAAP operating loss for the fourth quarter was \$6.0 million, compared to a loss of \$29.2 million for the same period last year.

Non-GAAP operating income for the fourth quarter was \$13.5 million, compared to \$11.6 million for the same period last year.

SLIDE 8: REVENUE

Product revenue in the fourth quarter increased by 2.5% to \$129.8 million, as compared to the same period last year.

Within product revenue, system revenue for the quarter increased by 1% compared to the same period last year, driven by continued demand for our F123 Series, targeting professional rapid prototyping applications, as well as initial sales of our new J700 Dental solution, and our H2000 Large Part FDM 3D Production System.

Consumables revenue increased by 4% compared to the same period last year.

Services revenue in the fourth quarter was \$49.6 million, an increase of 2% compared to the same period last year.

Within services 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 and improvement in our service contract attach rate.

SLIDE 9: GROSS MARGIN TRENDS

GAAP gross margin increased to 48.7% for the fourth quarter, compared to a GAAP gross margin of 47.3% for the same period last year.

Non-GAAP gross margin decreased to 52.5% for the fourth quarter, compared to 53.6% for the same period last year, driven by product mix.

Non-GAAP product gross margin decreased slightly to 58.8%, compared to 59.5% for the same period last year, also driven by product mix.

Non-GAAP services gross margin decreased to 35.9%, compared to 38.3% for same period last year.

Our services gross margin is driven by the mix between our customer service business, and our parts business whose gross margin can be impacted by the different technologies that make up the product mix in a given period.

SLIDE 10: OPERATING EXPENSES & MARGIN TRENDS

GAAP operating expenses decreased by 16.8% to \$93.2 million for the fourth quarter, as compared to the same period last year.

Non-GAAP operating expenses decreased by 2.3% to \$80.6 million for the fourth quarter as compared to the same period last year.

We remain pleased with the results of our efforts to execute on our long-term strategy and deepen customer engagement in our key verticals while at the same time achieving greater operating efficiencies.

SLIDE 11: BALANCE SHEET SUMMARY & CASH FLOW FROM OPERATIONS

The Company generated \$21.0 million cash from operations during the fourth quarter, as compared to \$26.0 million of cash generated in the fourth quarter last year.

We ended the fourth quarter with \$328.8 million in cash and cash equivalents, compared to \$302.8 million at the end of the third quarter of 2017.

Inventory at the end of the fourth quarter decreased to \$115.7 million as compared \$124.1 million at the end of the third quarter.

Accounts receivable increased to \$132.7 million, compared to \$120.5 million at the end of the third quarter with DSO on 12-month trailing revenue at 72.

SLIDE 12: FINANCIAL SUMMARY

To recap:

- 1.) We are pleased with our fourth quarter and full year performance, and continued to make progress on our strategy of targeting high value applications in our target verticals, while maintaining financial discipline and improving profitability.
- 2.) We have observed positive market reception for our new products in 2017, including the F123, J700 Dental Solution, and H2000, validating our industry specific and customer-centric approach to product development as the overall 3D printing market matures.
- 3.) We continued our trend of positive cash generation from operating activities, and believe we maintain a healthy balance sheet and are well prepared to take advantage of opportunities moving forward.

I would now like to turn the call back over to Ilan.

SLIDE 13 & 14: STRATEGIC OVERVIEW

Thank you, Lilach.

As an established global leader in the application of additive technology solutions, we remain focused on advancing our customers and their industries through complete 3D printing expertise and solutions.

Our expertise in additive manufacturing is evident in the deep knowledge base and talented team that we have cultivated at Stratasys, coupled with the largest installed base of industrial printers in the industry, enabling us to develop industry and application specific solutions as well as service offerings that include our recently launched Expert Services.

Technology development at Stratasys is rooted in a process of purposeful innovation, driven by our efforts to bring the promise of additive manufacturing to new addressable markets, as well as the development of solutions that address specific, high value applications meeting our customers' needs.

The positive market reception to such products as our F123 Series, targeting professional workgroup prototyping applications, and our recently announced J700 Dental Solution, are a testament to the impact that developing a product around a specific market need can have.

Our leadership in the additive manufacturing industry is reinforced by nearly 30 years of experience, a commitment to R&D spending resulting in over 1,200 additive technology patents and patents pending, and a deepening focus on customer relationships that has resulted in strategic partnerships with some of the largest and most ambitious companies in high requirement industries.

Our commitment to investing in R&D has resulted in two of the additive manufacturing industry's most versatile, stable, and highly proliferated technology platforms, Fused Deposition Modeling, or FDM, and PolyJet.

FDM technology, invented by Stratasys nearly 30 years ago, is the most prominent additive manufacturing technology on the market, with use cases that range from the simplest personal desktop 3D printing experience to high end systems and materials used for production applications that include aerospace and automotive.

Our FDM technology is still evolving in new and exciting ways, as seen in our H2000 large format production system, which was initially introduced as the Infinite Build 3D Demonstrator and has recently taken a further step in our path to broader commercialization, and our Robotic Composite 3D Demonstrator, which is still in development.

Our PolyJet technology is unique in its ability to provide true multi-material, multi-color control at the voxel-level. This accessible, easy-to-use technology provides the industry gold standard in resolution and visual and tactile realism, and continues to add significant value to customers addressing applications that include medical modeling, dental, consumer goods and packaging, and advanced prototyping.

Both of these technologies have proven to be highly differentiated in the additive manufacturing market, supported by robust patent portfolios and continued innovation driving new applications and advancements.

SLIDE 15: INVESTMENT FOCUS TO EXPAND ADDRESSABLE MARKETS

As a leading provider of applied additive manufacturing solutions, we are now increasing our investments to accelerate several internally incubated projects that we believe have significant potential to expand our addressable markets.

We view the potential for FDM-based conformal printing platforms and composite materials used in additive manufacturing platforms as a long term, significant opportunity, and believe that additive manufacturing systems that offer greater printer control, and later for a platform for composite and hybrid process manufacturing, will play a critical role in the aerospace and automotive industries.

In late 2016 we unveiled the Robotic Composite 3D Demonstrator, an early iteration of next generation, high-end FDM-based printing for manufacturing. We are developing this platform in collaboration with Siemens as part of our strategy to develop these initiatives with close feedback from leaders in the manufacturing industry.

At IMTS in 2016 we demonstrated the potential of using eight-axes of motion control to enable greater geometric freedom, and the elimination of support structures for faster builds and reduced post processing.

We look forward to providing you an update with additional details as we progress on this innovative, proprietary platform.

Another key part of our development efforts is leveraging software development as an enabler for high value applications.

We have already made significant strides in software development, including GrabCAD Print and our more recently announced GrabCAD Voxel Print application, as well as uniquely specialized software designed to deliver highly repeatable mechanical properties included on our Fortus 900mc Aircraft Interiors Certification Solution. We look forward to further releases addressing specific high value applications as we accelerate our software development efforts.

SLIDE 16: NEW METAL PLATFORM

Building on our track record of innovation and leadership, earlier today we revealed the development of a new additive manufacturing process, designed to become a viable manufacturing technology to displace conventional methods of short run metal manufacturing.

Traditional short run metal manufacturing applications that utilize techniques such as Investment-Casting, Sand-Casting and Powder Injection Molding, are limited by high costs for tooling and labor.

The innovative Stratasys platform was developed internally over the past several years, incorporating our proprietary jetting technology. It was designed from inception to provide the values of additive manufacturing for short run production, while overcoming the limitations of currently available metal-based additive manufacturing systems.

With this new technology, we believe we will offer customers a new ability to short-run manufacture metal parts made with commonly used powder metallurgy, starting with aluminum, at an economically competitive cost-per-part and throughput, with easy to implement post processing and high part quality.

During our development efforts, we have engaged with several leading customers in our target verticals, and we expect our new platform to meaningfully expand our addressable markets for the long term and allow us to provide a highly differentiated metal additive manufacturing solution to our customers.

At this time, we are not discussing our timeline or expectations around commercialization, and we do not expect revenue associated with this new platform to be recognized in 2018.

We invite you to join us April 23rd to 26th at the RAPID + TCT 3D Printing and Additive Manufacturing Conference in Fort Worth, Texas, at booth 1104, where we will unveil further details around this exciting new additive manufacturing platform.

Now, it is my pleasure to formally introduce our new Vice President, Investor Relations, Yonah Lloyd, who will provide you greater details on our 2018 financial guidance. Yonah?

SLIDE 17: REVENUE & EARNINGS GUIDANCE

SPEAKER: Yonah Lloyd

Thank you, Ilan, and good morning everyone.

Our guidance for 2018 is as follows:

1. Total revenue in the range of \$670 to \$700 million, with non-GAAP net income in the range of \$16 to \$27 million, or \$0.30 to \$0.50 per diluted share.
 2. GAAP net loss of \$41 to \$25 million, or (\$0.75) to (\$0.46) per diluted share.
 3. Non-GAAP operating margin of 4.5% to 6%.
 4. Capital expenditures projected at \$40 to \$50 million.
-

Our guidance reflects increased investments in R&D, tools, materials, and additional resources aimed at expanding our addressable markets by accelerating our development efforts for the new metal additive manufacturing platform, further advancements based on our FDM and PolyJet technologies, and specific go-to-market initiatives in order to deepen our customer engagement.

We believe that this ramp up of operating expenses as guided, will provide the basis for long term growth.

Non-GAAP earnings guidance excludes \$32 to \$34 million of projected amortization of intangible assets; \$17 to \$19 million of share-based compensation expense; and \$7 to \$9 million in reorganization and other related costs; and includes \$4 to \$5 million in tax expenses related to non-GAAP adjustments.

We maintain a relatively high estimated non-GAAP tax rate for 2018 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 significant 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 2018.

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.

Operator, please open the call for questions.

SLIDE 18: Q&A

SPEAKER: Ilan Levin

Thank you for joining today's call. We look forward to seeing you at the RAPID + TCT 3D Printing and Additive Manufacturing Conference, Booth#1104, in April, and to speaking with you again next quarter.

SLIDE 19: FINANCIAL RECONCILIATION TABLES



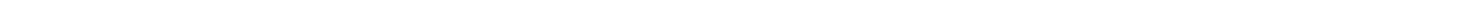
STRATASYS

Q4 2017

FINANCIAL RESULTS CONFERENCE CALL

February 28th, 2018

stratasys



Q4 2017 Conference and webcast details

Speakers

Ilan Levin
CEO

Lilach Payorski
CFO

Yonah Lloyd
VP, Investor
Relations

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3897278

Live webcast and replay:

<https://edge.media-server.com/m6/p/6oa934zt>

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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 2018, 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: the degree of market acceptance of our 3D printers, high-performance systems and consumables, and the software and technology included in those systems; potential declines in the demand for, or the prices of, our products and services, or volume of our sales, due to decreased demand either for them specifically or in the 3D printing market generally; potential further charges against earnings that we could be required to take due to impairment of additional goodwill or other intangible assets; potential shifts in our product mix to lower-margin products or in our revenues mix towards our AM services business; 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); the impact of competition and new technologies; risks related to our relationships with our suppliers, resellers and independent sales agents, and our operations at our manufacturing sites; risks related to the international scope of our operations and regulatory compliance (including reporting, environmental, anti-corruption and other regulatory compliance) related to that scope of operations; risks related to the security of our information systems (including risks related to potential cyber-attacks); changes in the overall global economic environment or in political and economic conditions in the countries in which we operate; changes in our strategy; costs and potential liability relating to litigation and regulatory proceedings; and those additional factors referred to in Item 3.D "Key Information - Risk Factors", Item 4, "Information on the Company", Item 5, "Operating and Financial Review and Prospects," and all other parts of our Annual Report on Form 20-F for the year ended December 31, 2017 (the "2017 Annual Report"), which report is being filed with the Securities and Exchange Commission (the "SEC") on the same day on which this press release is being issued. Readers are urged to carefully review and consider the various disclosures made throughout our 2017 Annual Report and our 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 presentation 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 non-GAAP data that appears below, 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 19.

Ilan Levin – CEO



Opening Remarks

- Pleased with Q4 and full year 2017 results – strengthening customer relationships and deepening penetration in target verticals
- Positive market reception to new product introductions throughout 2017
- Investments in go-to-market initiatives showing positive results
- Continued operational focus and positive cash generation driven by alignment of resources and execution of strategy

Lilach Payorski – CFO

Financial Update

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Financial Results Stratasys, Ltd.

		GAAP			Non-GAAP			
YoY %		Q4-16	Q4-17	Change YOY	Q4-16	Q4-17	Change YOY	
Revenue	<div><div></div><div>2%</div></div>	Total Revenue	\$175.3	\$179.3	2.3%	\$175.3	\$179.3	2.3%
		Gross Profit	82.9	87.3	4.3	94.0	94.1	0.1
		% margin	47.3%	48.7%	5.2%	53.6%	52.5%	0.1%
GAAP Gross Profit	<div><div></div><div>5%</div></div>	Operating Profit (Loss)	-29.2	-6.0	23.2	11.6	13.5	2.0
		% margin	-16.6%	-3.3%	-79.5%	6.6%	7.6%	17.1%
		Pre-tax Profit (Loss)	-30.0	-5.3	24.7	10.7	14.2	3.5
GAAP Operating Loss	<div><div></div><div>80%</div></div>	% margin	-17.1%	-3.0%	-82.3%	6.1%	7.9%	32.7%
		Tax Rate	52.4%	-77.3%	19.8	24.5%	37.7%	2.7
		EBITDA	-7.5	13.4	-279.7%	19.3	22.7	17.6%
Non-GAAP Gross Profit	<div><div></div><div>0%</div></div>	Net Income (loss) (attributed to SSYS Ltd.)	-14.8	-10.0	4.7	7.8	8.4	0.6
		% margin	-8.4%	-5.6%	-32.2%	4.5%	4.7%	7.9%
		EPS (Diluted)	\$ (0.30)	\$ (0.19)	-37.1%	\$ 0.15	\$ 0.16	7.1%
Non-GAAP Operating Profit	17%	Diluted Shares	52.8	53.4	1.1%	53.3	53.6	0.6%

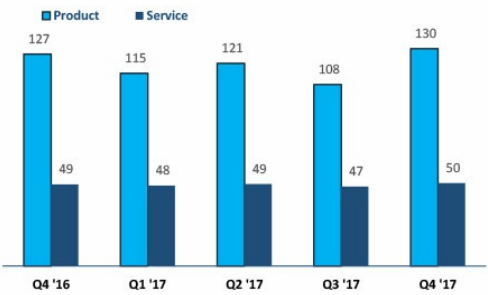
(\$ in millions unless noted otherwise)

Financial Results – Revenue

Stratasys, Ltd.

	YoY %
Product Revenue	↑ 3%
System Revenue	↑ 1%
Consumable Revenue	↑ 4%
Service Revenue	↑ 2%
Customer Support	↑ 7%

Total Revenue - Quarterly Trend



(\$ in millions unless noted otherwise)

Financial Results – Gross Margin Trends

Stratasys, Ltd.



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

	YoY %
<u>GAAP</u>	
Operating Exp.	↓ 17%
R&D Exp.	↑ 9%
SG&A Exp.	↓ 24%

<u>Non-GAAP</u>	
Operating Exp.	↓ 2%
R&D Exp.	↑ 8%
SG&A Exp.	↓ 6%



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

Selected Balance Sheet Items (\$ in millions)	Q4-16	Q4-17
Cash and Cash Equivalents	280.3	328.8 
Accounts Receivable	120.4	132.7 
Inventories	117.5	115.7 
Net Working Capital	338.4	451.6 

(\$ in millions)	Q4-16	Q4-17	YTD Q4-16	YTD Q4-17
Cash from operating activities	\$26.0	\$21.0	\$62.0	\$61.9

(\$ in millions unless noted otherwise)

Lilach Payorski – CFO



Financial Summary

- Maintaining financial discipline and observing continued improvements in profitability
- Pleased with results of customer-centric product development
- Continuing trend of positive cash generation and maintain a strong balance sheet
- Well positioned to leverage favorable cash level on emerging opportunities going forward

Ilan Levin – CEO

STRATEGIC OVERVIEW

STRATASYS OVERVIEW

For nearly 30 years, Stratasys has been a global leader in the application of additive manufacturing technology solutions

DEEP KNOWLEDGE BASE
at SDM and largest installed base of industrial 3D printing systems

COMMITMENT TO R&D
resulting in highly proliferated, versatile, & stable FDM & PolyJet 3D printing platforms

PURPOSEFUL INNOVATION
drives development of new technology to expand markets and meet customer needs

NEW PRODUCTS
such as F123 and J700 seeing positive reception while addressing customer requirements

Stratasys Technology Platforms

FDM builds durable, accurate concept models, functional prototypes, and tools, jigs, fixtures & end-use parts for aerospace and automotive

POLYJET multi-material & multi-color for medical modeling, dental, consumer goods and packaging, and advanced prototyping



Investment Focus to Expand Addressable Markets

Increasing investments in following areas:

- ✓ **Composite materials for advanced manufacturing applications**
 - Composite materials increasingly playing critical role in the aerospace and automotive industries – significant growth opportunity
- ✓ **Further advancements for FDM and PolyJet technologies**
 - Versatile, stable, and highly proliferated technology platforms
 - Continued innovation driving new applications and advancements
- ✓ **Software solutions targeting high value applications**
 - Recent introductions include GrabCAD Print and GrabCAD Voxel Print, and specialized software for Fortus 900mc Aircraft Interiors Certification Solution - designed to deliver highly repeatable mechanical properties

Robotic Composite 3D Demonstrator



GRABCAD
PRINT



New Metal Platform

Revealing internally developed metal additive manufacturing platform

- New metal additive manufacturing platform for short run manufacturing applications
 - Incorporating proprietary jetting technology
- Current conventional solutions limited due to high costs for tooling and labor
- Adoption of current additive manufacturing alternatives held back by material variety, post-processing, and associated costs

New Stratasys metal platform designed from inception to:

- ✓ Bring values of additive manufacturing technology for short run metal production
- ✓ Utilize commonly used powder metallurgy, starting with aluminum
- ✓ Be economically competitive on cost-per-part and throughput
- ✓ Provide easy to implement post processing and high part quality

Revenue & Earnings Guidance

Revenue (M)

\$670 - \$700

GAAP Diluted EPS

\$(0.75) - \$(0.46)

Non-GAAP Diluted EPS

\$0.30 - \$0.50

Reconciliation of GAAP to Non-GAAP Guidance

(\$ in millions, except per share data)

Revenue	\$670 to \$700
GAAP Net Loss	(\$41) to (\$25)
(1) Stock-Based Compensation Expense	\$17 to \$19
(2) Intangible Assets Amortization Expense	\$32 to \$34
(3) Reorganization and Other Related Costs	\$7 to \$9
(4) Tax Expense Related to Non-GAAP Adjustments	(\$4) to (\$5)
Non-GAAP Net Income	\$16 to \$27
GAAP Loss Per Share	(\$0.75) to (\$0.46)
Non-GAAP Diluted Earnings Per Share	\$0.30 to \$0.50

WE ARE

A GLOBAL LEADER IN APPLIED ADDITIVE TECHNOLOGY SOLUTIONS

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

	Three Months Ended December 31, 2017			Three Months Ended December 31, 2016		
	GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP
Gross Profit (1)	\$87,266	\$6,864	\$94,130	\$82,924	\$11,093	\$94,017
Operating income (Loss) (1,2)	(5,976)	19,518	13,542	(29,165)	40,733	11,568
Net income (Loss) attributable to Stratasys Ltd. (1,2,3)	(9,980)	18,429	8,449	(14,761)	22,588	7,827
Net income (Loss) per diluted share attributable to Stratasys Ltd. (4)	(\$0.19)	\$0.35	\$0.16	(\$0.30)	\$0.45	\$0.15
(1) Acquired intangible assets amortization expense		5,887			10,394	
Impairment charges of other intangible assets		646			0	
Non-cash stock-based compensation expense		497			648	
Reorganization and other related costs		34			270	
Merger and acquisition and other expense		0			(225)	
		6,864			11,093	
(2) Acquired intangible assets amortization expense		2,594			3,822	
Non-cash stock-based compensation expense		3,092			4,238	
Changes in fair value of obligations in connection with acquisitions		0			(988)	
Impairment charges of intangible assets and other long-lived assets		3,742			21,774	
Reorganization and other related costs		3,136			251	
Merger and acquisition and other expense		90			543	
		12,654			29,640	
		19,518			40,733	
(3) Corresponding tax effect		(1,295)			(18,355)	
Amortization expense of associated company		206			210	
		\$18,429			\$22,588	
(4) Weighted average number of ordinary shares outstanding - Diluted	53,356		53,584	52,784		53,255

(\$ in thousands except per share data)