

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

FORM 6-K

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

For the month of May 2019

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 May 2, 2019, Stratasys Ltd. (“we” or “us”) announced our financial results for the quarter ended March 31, 2019. 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 to be held on May 2, 2019 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: May 2, 2019

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 May 2, 2019, announcing the financial results of Stratasys Ltd. for the quarter ended March 31, 2019
99.2	Script for our conference call held on May 2, 2019
99.3	PowerPoint presentation with additional information for the foregoing conference call



NEWS RELEASE

STRATASYS RELEASES FIRST QUARTER 2019 FINANCIAL RESULTS

First Quarter Revenue of \$155.3 million

First Quarter GAAP net loss of \$2.3 million, or (\$0.04) per diluted share, and non-GAAP net income of \$5.7 million, or \$0.10 per diluted share

Minneapolis & Rehovot, Israel, May 2, 2019 — Stratasys Ltd. (NASDAQ: SSYS) announced financial results for the first quarter of 2019.

Q1 2019 Financial Results Summary:

Revenue for the first quarter of 2019 was \$155.3 million, compared to \$153.8 million for the same period last year.

- GAAP gross margin was 49.2% for the quarter, unchanged from the same period last year.
 - Non-GAAP gross margin was 52.0% for the quarter, compared to 52.8% for the same period last year.
 - GAAP operating loss for the quarter was \$3.3 million, compared to operating loss of \$6.5 million for the same period last year.
 - Non-GAAP operating income for the quarter was \$6.8 million, compared to non-GAAP operating income of \$4.9 million for the same period last year.
 - GAAP net loss for the quarter was \$2.3 million, or (\$0.04) per diluted share, compared to a net loss of \$13.0 million, or (\$0.24) per diluted share, for the same period last year.
 - Non-GAAP net income for the quarter was \$5.7 million, or \$0.10 per diluted share, compared to non-GAAP net income of \$2.7 million, or \$0.05 per diluted share, reported for the same period last year.
 - The Company generated \$4.6 million of cash from operations during the first quarter and ended the period with \$367.8 million of cash and cash equivalents.
-

“We are pleased with our first quarter top-line results, and are particularly encouraged by the continuation of the strong performance we have seen in North America over the last several quarters, demonstrating steady adoption of our systems and materials in our largest market,” said Elchanan (Elan) Jaglom, Interim Chief Executive Officer of Stratasys. “We are also pleased with our non-GAAP profitability in the first quarter, demonstrating our continued commitment to controlling expenses and delivering shareholder value. Our recent new product introductions are generating significant interest from our customers and expanding our addressable markets, and we look forward to additional announcements as we move through 2019 and into 2020.”

Recent Product Announcements

At the recent Additive Manufacturing User Group conference, the Company made the following announcements of new products and features that it believes will expand its addressable markets and strengthen its leadership in rapid prototyping, manufacturing, and high-realism multi-color, multi-material 3D printing.

- F120 3D Printer – an industrial-grade system targeting customers new to additive manufacturing. Offering the benefits of the Stratasys F123 platform at an affordable price with reliable, accurate, and repeatable 3D printing, it is specifically designed for designers, engineers and educators.
- V650 Flex Stereolithography 3D Printer – Stratasys’ first commercially-available entry into the stereolithography marketplace, combining the power of a large-scale system with an open, configurable environment and fine-tuning across a broad range of available resins.
- Stratasys J750 and J735 Printers are now the first and only 3D printing systems with technology officially recognized as “Pantone-Validated” – allowing for synchronized color communication between designers, modelers and manufacturers.

Financial Guidance:

Stratasys today reiterated the following information regarding the Company’s guidance for projected revenue and net income for the fiscal year ending December 31, 2019:

- Revenue guidance of \$670 to \$700 million.
 - GAAP net loss of \$22 to \$12 million, or (\$0.40) to (\$0.22) per diluted share.
 - Non-GAAP net income of \$30 to \$38 million, or \$0.55 to \$0.70 per diluted share.
-

Stratasys also reiterated the following guidance regarding the Company's projected performance and strategic plans for 2019:

- Non-GAAP operating margins of 5.5% to 6.5%.
- Capital expenditures are projected at \$45 to \$60 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 is the best measure of its performance.

Non-GAAP earnings guidance excludes \$32 million of projected amortization of intangible assets; \$20 to \$22 million of share-based compensation expense; reorganization related and other expense of \$1 to \$2 million; and includes tax adjustments of (\$3) to (\$4) million on the above non-GAAP items.

Stratasys Ltd. Q1 2019 Conference Call Details

The Company plans to hold the conference call to discuss its first quarter financial results on Thursday, May 2, 2019 at 8:30 a.m. (ET).

The investor conference call will be available via live webcast on the Stratasys Web site at investors.stratasys.com; or directly at the following web address: <https://edge.media-server.com/m6/p/cwyibwsv>.

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 2949608.

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 "Investor Relations" page of the Stratasys Website or by accessing the provided web address.

Stratasys is a global leader in additive manufacturing *or 3D printing* technology, and is the manufacturer of FDM[®] and PolyJet[™] 3D Printers. The Company's technologies are used to create prototypes, manufacturing tools, and production parts for industries, including aerospace, automotive, healthcare, consumer products and education. For 30 years, Stratasys products have helped manufacturers reduce product-development time, cost, and time-to-market, as well as reduce or eliminate tooling costs and improve product quality. The Stratasys 3D printing ecosystem of solutions and expertise includes: 3D printers, materials, software, expert services, and on-demand parts production. Online at: www.stratasys.com, <http://blog.stratasys.com> and LinkedIn.

Stratasys is a registered trademark 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 2019, 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 shifts in our product mix to lower-margin products or in our revenues mix towards our AM services business; the impact of competition and new technologies; potential further charges against earnings that we could be required to take due to impairment of additional goodwill or other intangible assets; potential failure to successfully consummate acquisitions or investments in new businesses, technologies, products or services; 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, 2018 (the "**2018 Annual Report**"), filed with the Securities and Exchange Commission (the "**SEC**") on March 7th, 2019. Readers are urged to carefully review and consider the various disclosures made throughout our 2018 Annual Report and the Report of Foreign Private Issuer on Form 6-K that attaches Stratasys' unaudited, condensed consolidated financial statements as of, and for the quarter ended, March 31, 2019, 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, 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 mergers, acquisitions and divestments related expense or gains and reorganization-related charges or gains, and (y) excluding non-cash items such as stock-based compensation expenses, acquired intangible assets amortization, including intangible assets amortization related to equity method investments, impairment of long-lived assets, and the corresponding tax effect of those items. 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

(Unaudited)

(in thousands, except share data)

	March 31, 2019	December 31, 2018
ASSETS		
Current assets		
Cash and cash equivalents	\$ 367,843	\$ 393,167
Accounts receivable, net	128,420	138,146
Inventories	131,731	123,524
Net investment in sales-type leases	2,193	2,658
Prepaid expenses	7,750	6,398
Other current assets	21,023	20,278
Total current assets	658,960	684,171
Non-current assets		
Net investment in sales-type leases - long term	965	1,552
Property, plant and equipment, net	188,255	188,150
Goodwill	385,612	385,849
Other intangible assets, net	101,486	107,274
Operating lease right-of-use assets	27,408	-
Other non-current assets	22,456	21,258
Total non-current assets	726,182	704,083
Total assets	\$ 1,385,142	\$ 1,388,254
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	\$ 43,033	\$ 45,855
Current portion of long term-debt	-	5,143
Accrued expenses and other current liabilities	29,831	39,115
Accrued compensation and related benefits	35,516	31,703
Deferred revenues	53,997	53,965
Operating lease liabilities - short term	9,439	-
Total current liabilities	171,816	175,781
Non-current liabilities		
Long-term debt	-	22,000
Deferred tax liabilities	1,391	1,662
Deferred revenues - long-term	17,307	18,422
Operating lease liabilities - long term	18,481	-
Other non-current liabilities	28,474	27,422
Total non-current liabilities	65,653	69,506
Total liabilities	237,469	245,287
Redeemable non-controlling interests	809	852
Equity		
Ordinary shares, NIS 0.01 nominal value, authorized 180,000 thousands shares; 54,048 thousands shares and 53,881 thousands shares issued and outstanding at March 31, 2019 and December 31, 2018, respectively	146	146
Additional paid-in capital	2,687,499	2,681,048
Accumulated other comprehensive loss	(7,185)	(7,753)
Accumulated deficit	(1,533,596)	(1,531,326)
Total equity	1,146,864	1,142,115
Total liabilities and equity	\$ 1,385,142	\$ 1,388,254

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

	Three Months Ended March 31,	
	2019	2018
	(unaudited)	(unaudited)
Net sales		
Products	\$ 105,091	\$ 103,917
Services	50,209	49,916
	155,300	153,833
Cost of sales		
Products	44,169	45,218
Services	34,674	32,965
	78,843	78,183
Gross profit	76,457	75,650
Operating expenses		
Research and development, net	22,574	25,110
Selling, general and administrative	57,154	57,005
	79,728	82,115
Operating loss	(3,271)	(6,465)
Financial income, net	753	8
Loss before income taxes	(2,518)	(6,457)
Income tax expenses	1,218	601
Share in profits (losses) of associated companies	1,423	(6,073)
Net loss	(2,313)	(13,131)
Net loss attributable to non-controlling interests	(43)	(90)
Net loss attributable to Stratasys Ltd.	<u>\$ (2,270)</u>	<u>\$ (13,041)</u>
Net loss per ordinary share attributable to Stratasys Ltd.		
Basic	\$ (0.04)	\$ (0.24)
Diluted	(0.04)	(0.24)
Basic	53,966	53,657
Diluted	53,966	53,657

Reconciliation of GAAP to Non-GAAP Results of Operations

	Three Months Ended March 31,					
	2019 GAAP	Non-GAAP Adjustments	2019 Non-GAAP	2018 GAAP	Non-GAAP Adjustments	2018 Non-GAAP
	U.S. dollars and shares in thousands (except per share amounts)					
Gross profit (1)	\$ 76,457	\$ 4,252	\$ 80,709	\$ 75,650	\$ 5,599	\$ 81,249
Operating income (loss) (1,2)	(3,271)	10,075	6,804	(6,465)	11,387	4,922
Net income (loss) attributable to Stratasys Ltd. (1,2,3)	(2,270)	7,927	5,657	(13,041)	15,763	2,722
Net income (loss) per diluted share attributable to Stratasys Ltd. (4)	\$ (0.04)	\$ 0.14	\$ 0.10	\$ (0.24)	\$ 0.29	\$ 0.05
(1) Acquired intangible assets amortization expense		3,898			5,204	
Non-cash stock-based compensation expense		354			387	
Merger and acquisition related expense		-			8	
		4,252			5,599	
(2) Acquired intangible assets amortization expense		1,889			2,558	
Non-cash stock-based compensation expense		3,875			3,028	
Reorganization and other related costs		59			1,671	
Gain from sale of plant and property		-			(1,563)	
Merger and acquisition related expense		-			94	
		5,823			5,788	
		10,075			11,387	
(3) Corresponding tax effect		(544)			(792)	
Gain from equity method divestment, related write-offs and amortization		(1,604)			5,168	
		\$ 7,927			\$ 15,763	
(4) Weighted average number of ordinary shares outstanding- Diluted	53,966		54,477	52,690		53,341

Reconciliation of GAAP to Non-GAAP Forward Looking Guidance

Fiscal Year 2019

(in millions, except per share data)

GAAP net loss	(\$22) to (\$12)
Adjustments	
Stock-based compensation expense	\$20 to \$22
Intangible assets amortization expense	\$32
Reorganization related expense	\$1 to \$2
Tax expense (Income) related to Non-GAAP adjustment	(\$4) to (\$3)
Non-GAAP net income	\$30 to \$38
GAAP loss per share	(\$0.40) to (\$0.22)
Non-GAAP diluted earnings per share	\$0.55 to \$0.70

SLIDE 1 & 2: TITLE SLIDES

SPEAKER: Operator

Good day, ladies and gentlemen. Welcome to today's conference call to discuss Stratasys' first quarter 2019 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 2019 first quarter financial results. On the call with us today are Elan Jaglom, Interim CEO, David Reis, Vice-Chairman and member of our Board's Oversight Committee, and Lilach Payorski, CFO. David is joining us remotely by phone.

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 relations 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 our expectations as to our future revenue, gross margin, operating expenses, taxes and other future financial performance, and our expectations for our business outlook. All statements that speak to future performance, events, expectations or results are forward-looking statements. Actual results or trends could differ materially from our forecast. For risks that could cause actual results to be materially different from those set forth in forward-looking statements, please refer to the risk factors discussed in Stratasys' annual report on Form 20-F for the 2018 year, as well as our report on Form 6-K and the related press release concerning our earnings for the first quarter of 2019, the latter two of which we are filing with, or furnishing to the SEC today. 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 Interim CEO, Elan Jaglom. Elan?

SLIDE 5: OPENING SUMMARY

SPEAKER: Elan Jaglom

Thank you Yonah.

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

We are pleased with our first quarter top line results, and particularly encouraged by the continuation of the strong performance we have been seeing in North America over the last several quarters, demonstrating steady and continuing adoption of our systems and materials in our largest market. Overall, revenue was unfavorably impacted relative to the corresponding prior period by unfavorable changes to foreign exchange rates.

We are also pleased with our non-GAAP profitability in the first quarter, as we continue to show our commitment to control expenses and deliver shareholder value.

We are excited about our recent new product introductions, such as the F120 and V650 printers, which we believe will expand our addressable markets, and we look forward to sharing more about our portfolio roadmap later in the year.

I will return later in the call to provide an update on our search for a new Chief Executive Officer, and David will provide more details regarding the quarter and recent product announcements, 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, Elan, and good morning, everyone.

Total revenue in the first quarter was \$155.3 million compared to \$153.8 million for the same period last year.

After adjusting for the sale of our divested entities during 2018, on a like-for-like basis total revenue was up 3% for the first quarter, and 5% after also adjusting for foreign-currency exchange rate changes.

GAAP operating loss for the first quarter was \$3.3 million, compared to a loss of \$6.5 million for the same period last year.

Non-GAAP operating income for the first quarter was \$6.8 million, compared to non-GAAP operating income of \$4.9 million for the same period last year.

GAAP net loss for the quarter was \$2.3 million, or (\$0.04) per diluted share, compared to a net loss of \$13.0 million, or (\$0.24) per diluted share, for the same period last year.

Non-GAAP net income for the quarter was \$5.7 million, or \$0.10 per diluted share, compared to non-GAAP net income of \$2.7 million, or \$0.05 per diluted share, reported for the same period last year.

SLIDE 8: REVENUE

Product revenue in the first quarter was \$105.1 million, an increase of 1% compared to the same period last year. Excluding the divested entities, product revenue increased by 4%.

Within product revenue, system revenue for the quarter was up 1%, and increased by 4% after adjusting for the divested entities, compared to the same period last year.

Consumables revenue for the quarter increased by 1% compared to the same period last year and increased by 3% after excluding the divested entities.

Services revenue in the first quarter was \$50.2 million, an increase of 1% compared to the same period last year. The exclusion of the divested entities had no meaningful impact on the overall services revenue growth rate.

Within services revenue, customer support revenue, increased by 1% compared to the same period last year, and 2% excluding divested entities.

SLIDE 9: GROSS MARGIN TRENDS

GAAP gross margin was 49.2% for the quarter, unchanged from the same period last year.

Non-GAAP gross margin was 52.0% for the first quarter, compared to 52.8% for the same period last year, driven by the mix of revenue sources.

SLIDE 10: OPERATING EXPENSES & OPERATING INCOME

GAAP operating expenses decreased by 3% to \$79.7 million for the first quarter, as compared to the same period last year, primarily due to the exclusion of our divested entities.

Non-GAAP operating expenses decreased by 3% to \$73.9 million for the first quarter as compared to the same period last year, driven by a continued focus on administrative cost controls, R&D project timing and the impact of divestments.

SLIDE 11: BALANCE SHEET SUMMARY & CASH FLOW FROM OPERATIONS

The Company generated \$4.6 million of cash from operations during the first quarter, as compared to \$27.1 million of cash generated in the first quarter last year. The reduced cash generation compared to last year is primarily due to timing of tax payments, and proactive steps to increase inventory levels in order to improve fulfillment time and support product demand.

We ended the first quarter with \$367.8 million in cash and cash equivalents, compared to \$393.2 million at the end of the fourth quarter of 2018. The decrease in our cash balance relative to the prior quarter is primarily due to a mortgage repayment.

SLIDE 12: FINANCIAL SUMMARY

To recap:

1. We are pleased with our first quarter results and encouraged by the continuation of the strong performance we have been seeing in North America over the last several quarters in both systems and materials.
2. Our results reflect a continuation of strong non-GAAP earnings, demonstrating the success of our ongoing effort to maintain operational discipline and expense management.
3. We continue to enjoy a healthy balance sheet and are well positioned to take advantage of opportunities moving forward.

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

SLIDE 13: UPDATE ON CEO SEARCH / CEO ANNOUNCEMENT

Thank you, Lilach.

Our search for a new CEO is moving ahead and we continue our dialogue with candidates.

While we had hoped to finalize the process by now, we are happy to have a strong, experienced oversight committee reporting to me that has done an excellent job advising our team during the interim period.

We believe that the diligence and careful consideration we are taking during the search process will be well-rewarded once we make a decision and we look forward to completing the process and announcing our new CEO.

I would now like to ask David to provide more detailed information regarding the results of the quarter, David?

SLIDE 14 - 15: Q1 2019 UPDATE

Thank you, Elan.

Our first quarter results reflect a continuation of the trends we observed in the fourth quarter of last year, with strong hardware and consumables growth in the US, our largest market.

In the US we had a very good quarter for our high-end Fortus FDM production systems, driven in part through continued adoption by aerospace OEMs. As we have mentioned before, our high-end platforms generate more utilization per unit, which we believe will lead to accelerated future annuity streams from materials and services.

The US also saw a strong quarter for our F123 platform, with continued interest in our new Elastomer TPU material-enabled edition.

Overall, we continue to see increased adoption in our target verticals of aerospace, automotive, and healthcare and dental.

We are pleased with the early traction we are seeing from our new products launched last year, including the F380 Carbon Fiber Edition, and the previously mentioned Elastomer TPU-enabled version of our F123 Printer. We also began shipping the new MakerBot Method at the end of the first quarter, after showing strong pre-order demand.

SLIDE 16: NEW PRODUCT INTRODUCTIONS

Recently, at the Additive Manufacturing User Group conference, we made several announcements:

1. We introduced the new F120 3D Printer – an industrial-grade system targeting customers new to additive manufacturing. The F120 offers the benefits of our F123 platform at an affordable price, and provides reliable, accurate, and quality 3D printing specifically designed for designers, engineers and educators. The market response has been very positive, and we look forward to shipping the F120 later this year.
2. We also showcased our new V650 Flex Stereolithography 3D Printer– our first commercially-available entry into this marketplace that combines the power of a large-scale system with an open, configurable environment that is fine-tunable across a broad range of available resins. The V650 gives customers greater accuracy, choice, and lower costs for 3D printed prototyping and part development. Select DSM resins tailored for specific applications will be commercially available directly from Stratasys. Interest has been strong, and we expect to place units at customer sites throughout the year and beyond.
3. Finally, we announced our collaboration with Pantone– the authority on professional color standards and digital solutions across the design industry. The Stratasys J750 and J735 Printers are now the first and only 3D printing systems with technology officially recognized as “Pantone-Validated” – allowing for synchronized color communication between designers, modelers and manufacturers. We expect to continue to see demand for our high-end PolyJet solutions from industries that require high levels of realism, including the consumer-packaged goods (CPG) and medical segments.

These represent just the beginning of a series of product launches and announcements that we plan to make over the next 18 months and beyond, that we believe, collectively will meaningfully expand our portfolio and contribute to accelerated growth beginning in 2020.

In addition to upcoming new innovations for our FDM and PolyJet portfolios, we expect to increase our manufacturing-focused materials offerings, add additional technologies that expand our addressable markets, and pursue collaborations that enhance our abilities to enter into high requirement industries and applications.

SLIDE 17: AEROSPACE

I would like to briefly mention a significant milestone that we achieved in our key vertical segment of aerospace.

Recently, the National Institute of Aviation Research, or NIAR, published a National Center for Advanced Materials Performance (NCAMP) material specification, process specification and extensive test and analysis reports, which document the performance, or the design allowables, achievable with a Fortus 900mc and ULTEM 9085 in our Aircraft Interior Solution configuration.

While aerospace companies often develop their own processes and standards, this specification document makes it easier for others in industry and supply chain to leverage our technology with a fraction of the testing, qualification and investment needed previously, and without the risk of an unknown outcome. The only way to meet this standard is to run ULTEM from Stratasys on a qualified Fortus production system.

We are extremely excited about reaching this milestone and look forward to the continued adoption of our technology for advanced manufacturing applications in aerospace.

I would now like to turn the call over to our VP of Investor Relations, Yonah Lloyd, who will provide greater details on our 2019 financial guidance. Yonah?

SLIDE 18: REVENUE & EARNINGS GUIDANCE

SPEAKER: Yonah Lloyd

Thank you, David.

We are providing full year guidance for 2019 as follows:

1. Revenue guidance of \$670 to \$700 million.
2. GAAP net loss of \$22 to \$12 million, or (\$0.40) to (\$0.22) per diluted share.
3. Non-GAAP net income of \$30 to \$38 million, or \$0.55 to \$0.70 per diluted share.
4. Non-GAAP operating margin of 5.5% to 6.5%.
5. Capital expenditures projected at \$45 to \$60 million.

Our guidance reflects growth combined with a continued showing of operational efficiency, as our profitability will increase relative to the top-line.

Non-GAAP earnings guidance excludes \$32 million of projected amortization of intangible assets; \$20 to \$22 million of share-based compensation expense; reorganization related and other expenses of \$1 to \$2 million; and includes tax adjustments of (\$3) to (\$4) million on the above non-GAAP items.

The estimated non-GAAP tax rate for 2019 is impacted by the ongoing non-cash valuation allowance on deferred tax assets that we expect to record throughout the year on U.S. losses.

Given the expected ongoing negative impact of not recording a tax benefit on U.S. tax losses on our net income, as well as significant quarter to quarter variability in our non-GAAP tax rate, the Company believes non-GAAP operating income is the best measure of our performance.

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 19: Q&A

SPEAKER: Elan Jaglom

Thank you for joining today's call. We look forward to meeting those of you that will attend the Rapid TCT conference later this month in Detroit, and to speaking with all of you again next quarter.

SLIDE 20: FINANCIAL RECONCILIATION TABLES



Stratasys Q1 2019

Financial Results Conference Call

May 2, 2019



Q1 2019

Conference call & webcast details

Speakers

- Elan Jaglom – Interim CEO
- David Reis – Vice-Chairman
- Lilach Payorski – CFO
- Yonah Lloyd – VP, Investor Relations

Live webcast and replay:

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

Live dial-in information

Primary dial-in:
+1-866-394-5776

International dial-in:
+1-409-350-3596

Participant passcode:
2949608

Forward looking statements

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 2019, 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 extent of our success at introducing new or improved products and solutions that gain market share; the extent of growth of the 3D printing market generally; potential shifts in prices or margins of the products that we sell or services we provide; potential changes in our overall strategy, including as related to any reorganization activities and our capital expenditures; the impact of shifts in prices or margins of the products that we sell or services that we provide; the impact of competition and new technologies; potential impairment of goodwill or other intangible assets in respect of companies that we acquire; potential failure to successfully consummate acquisitions or investments in new businesses, technologies, products or services; changes in the overall global economic environment or in political and economic conditions in the countries in which we operate; risks related to the international scope of our operations and regulatory compliance; risks related to infringement of our intellectual property rights by others (including for replication and sale of our consumables for use in our systems) or infringement of others' intellectual property rights by us; costs and potential liability relating to litigation and regulatory proceedings; risks related to our maintenance of our liquidity and financing our operations and capital needs; 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, 2018 (the "2018 Annual Report"), filed with the Securities and Exchange Commission (the "SEC") on March 7th, 2019. Readers are urged to carefully review and consider the various disclosures made throughout our 2018 Annual Report and the Report of Foreign Private Issuer on Form 6-K that attaches Stratasys' unaudited, condensed consolidated financial statements as of, and for the quarter ended, March 31, 2019, 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, 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 mergers, acquisitions and divestments related expense or gains and reorganization-related charges or gains, and (y) excluding non-cash items such as stock-based compensation expenses, acquired intangible assets amortization, including intangible assets amortization related to equity method investments, impairment of long-lived assets, and the corresponding tax effect of those items. 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.



Elan Jaglom

Interim CEO



Opening Remarks

- Pleased with first quarter top line results and continuation of strong North American performance
- Pleased with non-GAAP profitability
- Excited about recent new product introductions and upcoming portfolio announcements

Make it Better.
Make it with Stratasys.

Financial Update

Lilach Payorski – CFO



Financial Results

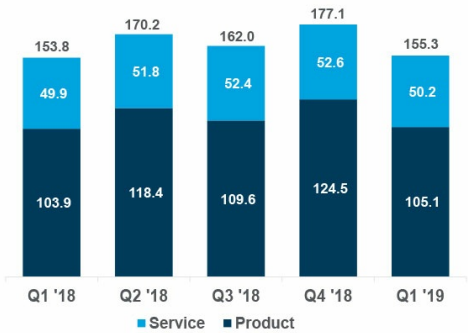
	GAAP			Non-GAAP		
	Q1-18	Q1-19	Change Y/Y	Q1-18	Q1-19	Change Y/Y
Total Revenue	153.8	155.3	1.0%	153.8	155.3	1.0%
Gross Profit	75.7	76.5	0.8	81.2	80.7	(0.5)
% Margin	49.2%	49.2%	1.1%	52.8%	52.0%	-0.7%
Operating Income (Loss)	(6.5)	(3.3)	3.2	4.9	6.8	1.9
% Margin	-4.2%	-2.1%	49.4%	3.2%	4.4%	38.2%
Pre-Tax Income (Loss)	(6.5)	(2.5)	3.9	4.9	7.6	2.6
% Margin	-4.2%	-1.6%	61.0%	3.2%	4.9%	53.3%
Tax Expense	0.6	1.2	102.7%	1.4	1.8	26.5%
EBITDA	3.0	11.1	271%	11.8	13.8	16.6%
Net Income (Loss) attributed to SSYS Ltd.	(13.0)	(2.3)	10.8	2.7	5.7	2.9
% Margin	-8.5%	-1.5%	-82.6%	1.8%	3.6%	107.9%
Diluted EPS	(0.24)	(0.04)	-82.7%	0.05	0.10	105.0%
Diluted Shares	53.7	54.0	0.6%	53.7	54.5	1.4%

\$ in millions, except shares data
All numbers and percentages rounded

Financial Results

Revenue

Quarterly Trend



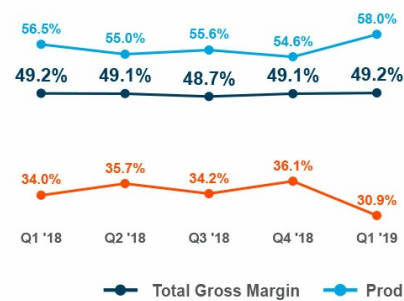
Revenue Growth – Q1 '19		
Revenue	Y/Y	Y/Y (exc. divested entities)
Product	1%	4%
System	1%	4%
Consumables	1%	3%
Service	1%	1%
Customer Support	1%	2%

\$ in millions unless noted otherwise
All numbers and percentages rounded

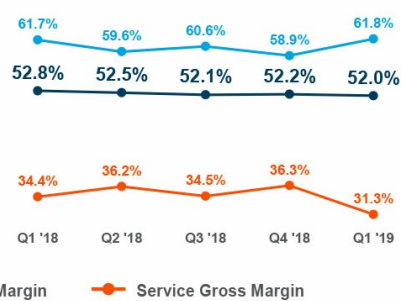
Financial Results

Gross margin trends

GAAP



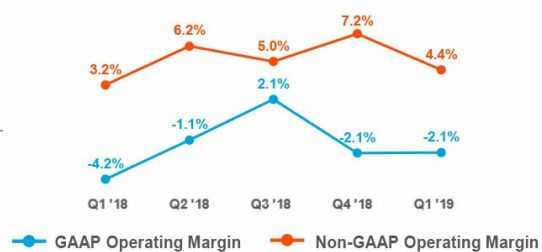
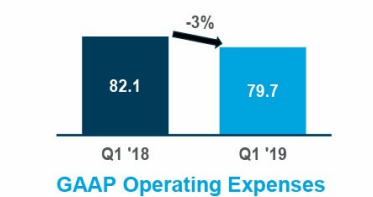
Non-GAAP



All percentages rounded

Financial Results

Operating expenses and operating margin trends

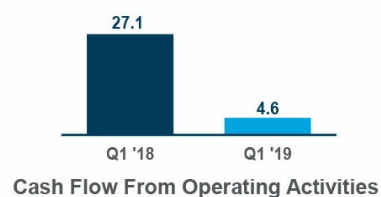


\$ in millions unless noted otherwise
All numbers and percentages rounded

Financial Results

Balance sheet summary and cash flow from operations

	Q1-18	Q4-18	Q1-19
Cash and Cash Equivalents	346.5	393.2	367.8
Accounts Receivable	119.8	138.1	128.4
Inventories	120.1	123.5	131.7
Net Working Capital	450.2	508.4	487.1



\$ in millions unless noted otherwise
All numbers rounded

Lilach Payorski

CFO

Financial Summary

- Pleased with our first quarter results
- Encouraged by the continuation of the strong performance in North America over the last several quarters - both systems and materials
- Results reflect continuation of strong non-GAAP earnings and success in maintaining operational discipline and expense management
- Continue to enjoy a healthy balance sheet and are well positioned to take advantage of opportunities moving forward

Make it Better.
Make it with Stratasys.



CEO Search Update

Elan Jaglom, Interim CEO

Q1 2019 Updates



David Reis, Vice Chairman



Q1 Update – Strong Growth in North America

- Growth in high-end **Fortus FDM production systems**
- Strong quarter for **F123 platform** and continued interest in new Elastomer TPU materials-enabled edition
- Continue to see increased adoption in aerospace, automotive, and healthcare & dental segments
- Pleased with early traction for new products including **F380 Carbon Fiber Edition** and **MakerBot Method**



Recent New Product Introductions

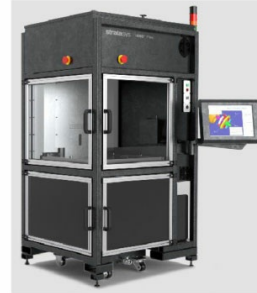
F120 3D Printer

- Industrial-grade system targeting customers new to additive manufacturing that offers the benefits of our F123 platform at an affordable price for designers, engineers, and educators



V650 Flex Stereolithography 3D Printer

- Large-scale system with open, configurable environment to provide accuracy, choice, and lower costs for 3D printed prototyping and part development
- Select DSM Somos resins available directly from Stratasys



Pantone Validation for J750 and J735 3D Printers

- Full color and multi-material J750 / J735 are first and only 3D printers officially “Pantone-Validated” – allowing for color matching between designers, modelers, and manufacturers



Aerospace Update

Stratasys FDM technology achieves National Center for Advanced Materials Performance (NCAMP) qualification from the National Institute of Aviation Research (NIAR)

- NCAMP process recognized by FAA and EASA
- NIAR has published official design allowables documenting the performance achievable with the Fortus 900mc and ULTEM 9085
- Now significantly easier for the industry and its supply chain to adopt Stratasys FDM technology for production applications
- Only way to meet the design allowables standard is to use a Fortus 900mc and ULTEM 9085 material in the Aircraft Interior Solution configuration



Revenue and Earnings Guidance

Revenue (M)
\$670 - \$700

GAAP Diluted EPS
\$(0.40) - \$(0.22)

Non-GAAP Diluted EPS
\$0.55 - \$0.70

Reconciliation of GAAP to Non-GAAP Guidance (\$ in millions, except per share data)	
Revenue	\$670 to \$700
GAAP Net Loss	(\$22) to (\$12)
(1) Stock-Based Compensation Expense	\$20 to \$22
(2) Intangible Assets Amortization Expense	\$32
(3) Reorganization Related Expense	\$1 to \$2
(4) Tax Expense (Income) Related to Non-GAAP Adjustments	(\$3) to (\$4)
Non-GAAP Net Income	\$30 to \$38
GAAP Diluted Loss Per Share	(\$0.40) to (\$0.22)
Non-GAAP Diluted Earnings Per Share	\$0.55 to \$0.70

\$ in millions unless noted otherwise

Thank You

Make it Better.
Make it with Stratasys.

stratasys

GAAP to Non-GAAP Reconciliation

Results of operations Stratasys Ltd

	Three Months Ended March 31, 2019			Three Months Ended March 31, 2018		
	GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP
Gross Profit (1)	\$78,457	\$4,252	\$80,709	\$75,650	\$5,599	\$81,249
Operating income (Loss) (1,2)	(3,271)	10,075	6,804	(6,485)	11,387	4,922
Net income (Loss) attributable to Stratasys Ltd. (1,2,3)	(2,270)	7,927	5,657	(13,041)	15,763	2,722
Net income (Loss) per diluted share attributable to Stratasys Ltd. (4)	(\$0.04)	\$0.14	\$0.10	(\$0.24)	\$0.29	\$0.05
(1) Acquired intangible assets amortization expense		3,898			5,204	
Non-cash stock-based compensation expense		354			387	
Reorganization and other related costs		0			8	
		4,252			5,599	
(2) Acquired intangible assets amortization expense		1,889			2,568	
Non-cash stock-based compensation expense		3,875			3,028	
Gain from sale of plant and property		0			(1,563)	
Reorganization and other related costs		59			1,671	
Merger and acquisition related expense		0			94	
		5,823			5,788	
		10,075			11,387	
Corresponding tax effect		(544)			(792)	
Gain from equity method divestment, related write-offs and amortization		(1,004)			5,108	
		\$7,927			\$15,763	
(4) Weighted average number of ordinary shares outstanding – Diluted	53,008		54,477	53,667		53,721

\$ in millions unless noted otherwise