

**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 November 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): ☐

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## CONTENTS

On November 13, 2019, Stratasys Ltd. (“we” or “us”) announced our financial results for the third quarter of 2019, ended September 30, 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 (this “**Form 6-K**”) and is incorporated herein by reference.

In conjunction with the conference call being held on November 13, 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.

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

### STRATASYS LTD.

Dated: November 13, 2019

By: /s/ Lilach Payorski  
Name: Lilach Payorski  
Title: Chief Financial Officer

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## EXHIBIT INDEX

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

Exhibit	Description
<a href="#"><u>99.1</u></a>	<a href="#"><u>Press release dated November 13, 2019, announcing the financial results of Stratasys Ltd. for the quarter ended September 30, 2019</u></a>
<a href="#"><u>99.2</u></a>	<a href="#"><u>Script for conference call of Stratasys Ltd. discussing quarterly financial results, held on November 13, 2019</u></a>
<a href="#"><u>99.3</u></a>	<a href="#"><u>PowerPoint presentation with additional information for the foregoing conference call</u></a>

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NEWS RELEASE

**STRATASYS RELEASES THIRD QUARTER 2019 FINANCIAL RESULTS**

*Third Quarter Revenue of \$157.5 million*

*Third Quarter GAAP net loss of \$6.9 million, or (\$0.13) per diluted share, and non-GAAP net income of \$6.3 million, or \$0.12 per diluted share*

**Minneapolis & Rehovot, Israel, November 13, 2019** — Stratasys Ltd. (NASDAQ: SSYS) announced financial results for the third quarter of 2019.

**Q3 2019 Financial Results Summary:**

Revenue for the third quarter of 2019 was \$157.5 million, compared to \$162.0 million for the same period last year.

- GAAP gross margin was 49.2% for the quarter, compared to 48.7% for the same period last year.
  - Non-GAAP gross margin was 52.4% for the quarter, compared to 52.1% for the same period last year.
  - GAAP operating loss for the quarter was \$6.0 million, compared to an operating income of \$3.4 million for the same period last year.
  - Non-GAAP operating income for the quarter was \$8.1 million, compared to non-GAAP operating income of \$8.2 million for the same period last year.
  - GAAP net loss for the quarter was \$6.9 million, or (\$0.13) per diluted share, compared to a net loss of \$0.7 million, or (\$0.01) per diluted share, for the same period last year.
  - Non-GAAP net income for the quarter was \$6.3 million, or \$0.12 per diluted share, compared to net income of \$5.7 million, or \$0.11 per diluted share, for the same period last year.
  - The Company used \$8.6 million of cash from operations during the third quarter and ended the period with \$347.1 million of cash and cash equivalents.
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“Our results in the third quarter reflect a continuation of our track record of delivering earnings and profitability, despite challenging global economic conditions that have impacted customer investments in our target verticals in Europe and Asia. In the third quarter we continued to observe strong performance in our core professional and production-focused business in the Americas, our largest market, with specific strength in high-end FDM and PolyJet systems, our F123 Series, and our target verticals of automotive and aerospace,” said Elchanan (Elan) Jaglom, Interim Chief Executive Officer of Stratasys. “We continue to believe that when macro conditions improve we will see a return to growth in Europe and Asia, and believe we are well positioned with an impressive portfolio of new products as we finish 2019.”

#### **Financial Guidance:**

Stratasys today updated the following information regarding the Company’s guidance for the fiscal year ending December 31, 2019:

- Revenue guidance of \$640 million to \$655 million, compared to previous guidance of \$670 million to \$700 million.
- GAAP net loss of \$17 million to \$3 million, or (\$0.31) to (\$0.05) per diluted share.
- Non-GAAP net income of \$30 million to \$38 million, or \$0.55 to \$0.70 per diluted share.
- Non-GAAP operating margins of 5.5% to 6.5%.
- Capital expenditures are projected at \$30 million to \$45 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 \$23 million to \$24 million of projected amortization of intangible assets; \$22 million to \$24 million of share-based compensation expense; reorganization and other expenses of (\$1 million) to \$1 million. Non-GAAP guidance includes negative tax adjustments of \$2 million to \$3 million on the above non-GAAP items.

#### **Stratasys Ltd. Q3 2019 Conference Call Details**

The Company plans to hold the conference call to discuss its third quarter financial results on Wednesday, November 13, 2019 at 8:30 a.m. (ET).

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The investor conference call will be available via live webcast on the Stratasys Web site at [investors.stratasys.com](https://investors.stratasys.com); or directly at the following web address: <https://edge.media-server.com/mmc/p/gt9wb79u>.

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 9983069.

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 at [investors.stratasys.com](https://investors.stratasys.com), 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://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 overall strategy, including as related to any reorganization activities and our capital expenditures; 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 7<sup>th</sup>, 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 and nine months ended, September 30, 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.

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

The non-GAAP data included herein, which excludes certain items as described below, are non-GAAP financial measures. Our management believes that these non-GAAP financial measures are useful information for investors and shareholders of our Company in gauging our results of operations (x) on an ongoing basis after excluding 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

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**Stratasys Ltd**  
**Consolidated Balance Sheets**  
(Unaudited)

(in thousands, except share data)

	September 30, 2019	December 31, 2018
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 347,082	\$ 393,167
Accounts receivable, net	133,743	138,146
Inventories	164,742	123,524
Prepaid expenses	7,646	6,398
Other current assets	29,765	22,936
Total current assets	682,978	684,171
<b>Non-current assets</b>		
Property, plant and equipment, net	187,712	188,150
Goodwill	385,332	385,849
Other intangible assets, net	90,297	107,274
Operating lease right-of-use assets	21,757	-
Other non-current assets	22,977	22,810
Total non-current assets	708,075	704,083
<b>Total assets</b>	<b>\$ 1,391,053</b>	<b>\$ 1,388,254</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 43,139	\$ 45,855
Current portion of long term-debt	-	5,143
Accrued expenses and other current liabilities	33,176	39,115
Accrued compensation and related benefits	35,413	31,703
Deferred revenues	53,214	53,965
Operating lease liabilities - short term	9,016	-
Total current liabilities	173,958	175,781
<b>Non-current liabilities</b>		
Long-term debt	-	22,000
Deferred revenues - long-term	15,742	18,422
Operating lease liabilities - long term	13,303	-
Other non-current liabilities	32,580	29,084
Total non-current liabilities	61,625	69,506
<b>Total liabilities</b>	<b>235,583</b>	<b>245,287</b>
<b>Redeemable non-controlling interests</b>	<b>700</b>	<b>852</b>
<b>Equity</b>		
Ordinary shares, NIS 0.01 nominal value, authorized 180,000 thousands shares; 54,428 thousands shares and 53,881 thousands shares issued and outstanding at September 30, 2019 and December 31, 2018, respectively	148	146
Additional paid-in capital	2,701,974	2,681,048
Accumulated other comprehensive loss	(7,967)	(7,753)
Accumulated deficit	(1,539,385)	(1,531,326)
Total equity	1,154,770	1,142,115
<b>Total liabilities and equity</b>	<b>\$ 1,391,053</b>	<b>\$ 1,388,254</b>

**Stratasys Ltd.**  
**Consolidated Statements of Operations**

(in thousands, except per share data)

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Net sales</b>				
Products	\$ 106,346	\$ 109,647	\$ 321,778	\$ 331,967
Services	51,114	52,402	154,145	154,151
	157,460	162,049	475,923	486,118
<b>Cost of sales</b>				
Products	44,341	48,640	135,605	147,120
Services	35,710	34,481	105,285	100,773
	80,051	83,121	240,890	247,893
<b>Gross profit</b>	77,409	78,928	235,033	238,225
<b>Operating expenses</b>				
Research and development, net	23,620	25,786	70,234	74,585
Selling, general and administrative	59,741	49,792	173,217	168,684
	83,361	75,578	243,451	243,269
<b>Operating profit (loss)</b>	(5,952)	3,350	(8,418)	(5,044)
<b>Financial income (expense), net</b>	289	(39)	2,796	(114)
<b>Income (loss) before income taxes</b>	(5,663)	3,311	(5,622)	(5,158)
Income tax expenses	586	304	3,084	1,110
Share in profits (losses) of associated companies	(733)	(3,752)	495	(11,185)
<b>Net income (loss)</b>	(6,982)	(745)	(8,211)	(17,453)
Net loss attributable to non-controlling interests	(41)	(66)	(152)	(182)
<b>Net income (loss) attributable to Stratasys Ltd.</b>	<u>\$ (6,941)</u>	<u>\$ (679)</u>	<u>\$ (8,059)</u>	<u>\$ (17,271)</u>
<b>Net income (loss) per ordinary share attributable to Stratasys Ltd.</b>				
Basic	\$ (0.13)	\$ (0.01)	\$ (0.15)	\$ (0.34)
Diluted	\$ (0.13)	\$ (0.01)	\$ (0.15)	\$ (0.34)
Basic	54,394	53,769	54,201	53,716
Diluted	54,394	53,769	54,201	53,716

		Three Months Ended September 30,					
		2019	Non-GAAP	2019	2018	Non-GAAP	2018
		GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP
		U.S. dollars and shares in thousands (except per share amounts)					
	Gross profit (1)	\$ 77,409	\$ 5,087	\$ 82,496	\$ 78,928	\$ 5,545	\$ 84,473
	Operating income (loss) (1,2)	\$ (5,952)	\$ 14,055	\$ 8,103	\$ 3,350	\$ 4,815	\$ 8,165
	Net income (loss) attributable to Stratasys Ltd. (1,2,3)	\$ (6,941)	\$ 13,275	\$ 6,334	\$ (679)	\$ 6,383	\$ 5,704
	Net income (loss) per diluted share attributable to Stratasys Ltd. (4)	\$ (0.13)	\$ 0.25	\$ 0.12	\$ (0.01)	\$ 0.12	\$ 0.11
(1)	Acquired intangible assets amortization expense		3,916			5,221	
	Non-cash stock-based compensation expense		475			351	
	Reorganization and other related costs		696			(27)	
			5,087			5,545	
(2)	Acquired intangible assets amortization expense		2,016			2,532	
	Non-cash stock-based compensation expense		4,960			3,662	
	Reorganization and other related costs		1,992			-	
	Merger and acquisition and other expense		-			(6,924)	
			8,968			(730)	
			14,055			4,815	
(3)	Corresponding tax effect		(780)			(750)	
	Gain from equity method divestment and related amortization and impairments		-			2,318	
			13,275			\$ 6,383	
(4)	Weighted average number of ordinary shares outstanding- Diluted	54,394		54,940	53,769		53,992

Nine Months Ended September 30,						
	2019	Non-GAAP	2019	2018	Non-GAAP	2018
	GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP
U.S. dollars and shares in thousands (except per share amounts)						
Gross profit (1)	\$ 235,033	\$ 13,780	\$ 248,813	\$ 238,225	\$ 16,852	\$ 255,077
Operating income (loss) (1,2)	\$ (8,418)	\$ 32,376	\$ 23,958	\$ (5,044)	\$ 28,750	\$ 23,706
Net income (loss) attributable to Stratasys Ltd. (1,2,3)	\$ (8,059)	\$ 28,574	\$ 20,515	\$ (17,271)	\$ 33,789	\$ 16,518
Net income (loss) per diluted share attributable to Stratasys Ltd. (4)	\$ (0.15)	\$ 0.53	\$ 0.38	\$ (0.34)	\$ 0.65	\$ 0.31
(1) Acquired intangible assets amortization expense		11,714			15,645	
Non-cash stock-based compensation expense		1,370			1,180	
Reorganization and other related costs		696			27	
		<u>13,780</u>			<u>16,852</u>	
(2) Acquired intangible assets amortization expense		5,688			7,629	
Non-cash stock-based compensation expense		14,387			10,526	
Reorganization and other related costs		(1,479)			2,230	
Merger and acquisition and other expense		-			(6,926)	
Gain from sale of plant and property		-			(1,563)	
		<u>18,596</u>			<u>11,898</u>	
		<u>32,376</u>			<u>28,750</u>	
(3) Corresponding tax effect		(2,198)			(2,661)	
Gain from equity method divestment, related write-offs and amortization		(1,604)			7,700	
		<u>\$ 28,574</u>			<u>\$ 33,789</u>	
(4) Weighted average number of ordinary shares outstanding- Diluted	54,201		54,705	53,716		53,820

Reconciliation of GAAP to Non-GAAP Forward Looking Guidance

Fiscal Year 2019

(in millions, except per share data)

GAAP net loss	(\$17) to (\$3)
<b>Adjustments</b>	
Stock-based compensation expense	\$22 to \$24
Intangible assets amortization expense	\$23 to \$24
Reorganization and other related costs	(\$1) to \$1
Tax expense related to Non-GAAP adjustments	(\$2) to (\$3)
Non-GAAP net income	\$30 to \$38
GAAP loss per share	(\$0.31) to (\$0.05)
Non-GAAP diluted earnings per share	\$0.55 to \$0.70

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**SLIDE 1 & 2: TITLE SLIDES**

**SPEAKER: Operator**

Good day, ladies and gentlemen. Welcome to today's conference call to discuss Stratasys' third 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 third quarter financial results. On the call with us today are Elan Jaglom, Interim CEO, and Lilach Payorski, CFO.

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 third quarter of 2019, the latter two of which we are furnishing to the SEC today. Stratasys assumes no obligation to update any forward-looking statements or information which speak as of their respective dates.

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As in previous quarters, today's call will include GAAP and non-GAAP financial measures. The non-GAAP financial measures should be read in combination with our GAAP metrics to evaluate our performance. Certain non-GAAP to GAAP reconciliations are provided in the table contained in our slide presentation and in today's press release.

Now I would like to turn the call over to our Interim CEO, Elan Jaglom. Elan?

**SLIDE 5: OPENING SUMMARY**

**SPEAKER: Elan Jaglom**

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

Our results in the third quarter reflect a continuation of our track record of delivering earnings and profitability despite challenging global economic conditions that have impacted capital investments and general spending in the automotive and industrial machinery segments in Europe and Asia.

In the third quarter we continued to observe strong performance in the core professional and production areas of our Americas business, our largest market, with specific strength in high-end FDM and PolyJet systems, our F123 Series, and our target verticals of automotive and aerospace.

Despite the pause in customer investments we are experiencing in Europe and Asia, we continue to see high levels of customer engagement and are encouraged by the interest in deploying our solutions there.

As we have seen in the Americas region, major OEMs in our target verticals of Aerospace and Automotive are adopting our solutions at an increasing rate, and we expect customers in Europe and Asia to do the same once economic conditions improve.

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We are encouraged by the initial interest in the multiple new product announcements we recently made, including two new advanced PolyJet systems, new manufacturing-focused FDM materials, and an addition to the MakerBot Method line of performance 3D printers.

Additionally, we recently announced plans to increase our ownership stake in Xaar 3D, our JV with Xaar plc, to develop additive manufacturing solutions based on High Speed Sintering technology that will target low-to-medium volume end-use part production for industrial manufacturing, with an option to fully acquire Xaar 3D.

We expect to make additional significant product announcements in 2020, and continue to believe that our new, expanding portfolio will broaden our addressable markets.

I will return later in the call to provide an update on our search for a new CEO, but first I will turn the call over to our CFO, Lilach Payorski, who will review the details of our financial results.

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

**SPEAKER: Lilach Payorski**

Thank you, Elan, and good morning, everyone.

Total revenue in the third quarter was \$157.5 million compared to \$162.0 million for the same period last year. On a constant currency basis, total revenue declined 2%.

As Elan mentioned, we saw continued positive performance in the Americas, where we had specific strength in our high-end Fortus platform, including a large, multi-unit deployment to a leading automotive OEM, and we also saw strong sales of our workgroup-focused F123 Series and J750 full color, multi-material 3D printers.

GAAP operating loss for the third quarter was \$6.0 million, compared to income of \$3.4 million for the same period last year.

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Non-GAAP operating income for the quarter was \$8.1 million, compared to non-GAAP operating income of \$8.2 million for the same period last year.

GAAP net loss for the quarter was \$6.9 million, or (\$0.13) per diluted share, compared to a net loss of \$0.7 million, or (\$0.01) per diluted share, for the same period last year.

Non-GAAP net income for the quarter was \$6.3 million, or \$0.12 per diluted share, compared to non-GAAP net income of \$5.7 million, or \$0.11 per diluted share, for the same period last year.

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

Product revenue in the third quarter was \$106.3 million, a decrease of 3% compared to the same period last year, or 2% on a constant currency basis.

The decline in product revenue was driven primarily by economic weakness in EMEA and APJ that impacted mainly systems sales in those regions.

Within product revenue, consumables revenue for the quarter increased by 3% compared to the same period last year, and increased 5% on a constant currency basis, while system revenue for the quarter decreased 9%, compared to the same period last year, with no change on a constant currency basis.

Services revenue in the third quarter was \$51.1 million, a decrease of 2% compared to the same period last year, with no change on a constant currency basis.

Within services revenue, customer support revenue increased by 3% compared to the same period last year, and 4% on a constant currency basis.

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

GAAP gross margin was 49.2% for the quarter, compared to 48.7% for the same period last year.

Non-GAAP gross margin was 52.4% for the quarter, compared to 52.1% for the same period last year.

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#### **SLIDE 10: OPERATING EXPENSES & OPERATING INCOME**

GAAP operating expenses increased by 10% to \$83.4 million for the third quarter, as compared to the same period last year.

Non-GAAP operating expenses decreased by 3% to \$74.4 million for the third quarter as compared to the same period last year, driven by the timing of R&D investments related to new product introductions. We remain committed to our long-term strategy and we continue to invest in developing new products that we believe will expand our addressable markets.

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

The Company used \$8.6 million of cash from operations during the third quarter, as compared to \$5.0 million of cash generated in the third quarter last year, primarily due to proactive steps to increase inventory levels in order to improve fulfillment time and support product demand as well as to prepare for new product launches in 2020.

We ended the third quarter with \$347.1 million in cash and cash equivalents, compared to \$366.3 million at the end of the second quarter of 2019.

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

To recap:

1. We are pleased with our profitability and earnings in the third quarter, which reflect the positive impact of our continued commitment to expense management and operational efficiencies, despite the lower than expected revenues in some of our regions.
2. We had positive year-over-year growth in our core Americas systems, consumables, and services revenues, which were offset primarily by the impact of economic conditions in Europe and Asia.
3. Our balance sheet remains healthy and we are well positioned for future opportunities.

I will now turn the call back over to Elan.

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### **SLIDE 13: UPDATE ON CEO SEARCH**

Thank you, Lilach.

Our search for a new CEO is progressing, and I look forward to completing the process. We remain focused on being deliberate with our decision-making process and moving forward with a highly qualified leader that has the necessary public company experience and exceptional track record of delivering shareholder value.

In the interim, we are happy to have a strong, experienced oversight committee that continues to work closely with me and with our management team.

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 14: REVENUE & EARNINGS GUIDANCE**

**SPEAKER: Yonah Lloyd**

Thank you, Elan.

We are updating full year guidance for 2019 as follows:

1. Revenue guidance of \$640 to \$655 million, compared to previous guidance of \$670 to \$700 million.
  2. Despite lowering our revenue guidance, we are maintaining our guidance for GAAP net loss of \$17 to \$3 million, or (\$0.31) to (\$0.05) per diluted share, with current expectations to be at the low end of the range.
  3. We are also maintaining our Non-GAAP net income of \$30 to \$38 million, or \$0.55 to \$0.70 per diluted share, with current expectations to be at the low end of the range.
  4. Non-GAAP operating margin of 5.5% to 6.5%.
  5. Capital expenditures projected at \$30 to \$45 million.
-

Non-GAAP earnings guidance excludes \$23 to \$24 million of projected amortization of intangible assets; \$22 to \$24 million of share-based compensation expense; reorganization and other expenses of \$1 to negative 1 million; and includes negative tax adjustments of \$2 to \$3 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 15: Q&A**

**SPEAKER: Elan Jaglom**

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

**SLIDE 16: FINANCIAL RECONCILIATION TABLES**

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# Stratasys Q3 2019

Financial Results Conference Call

November 13, 2019



# Q3 2019

## Conference call & webcast details

### Speakers

- Elan Jaglom – Interim CEO
- Lilach Payorski – CFO
- Yonah Lloyd – VP, Investor Relations

Live webcast and replay:

<https://edge.media-server.com/mmc/p/gt9wb79u>

### Live dial-in information

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

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

Participant passcode:  
9983069

## 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 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 overall strategy, including as related to any reorganization activities and our capital expenditures; 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 7<sup>th</sup>, 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 and nine months ended, September 30, 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 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 19.





# Elan Jaglom

## Interim CEO



### Opening Remarks

- Q3 results reflect continuation of delivering earnings and profitability, despite the impact of economic weakness in Europe and Asia
- Increasing adoption in target verticals in Americas, and expect to see same trends in other regions when macro conditions improve
- Believe new, expanding product portfolio will broaden addressable markets – expect to make additional product announcements in 2020

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# Financial Update

Lilach Payorski – CFO



## Financial Results

	GAAP			Non-GAAP		
	Q3-18	Q3-19	Change Y/Y	Q3-18	Q3-19	Change Y/Y
Total Revenue	162.0	157.5	-2.8%	162.0	157.5	-2.8%
Gross Profit	78.9	77.4	(1.5)	84.5	82.5	(2.0)
% Margin	48.7%	49.2%	0.5%	52.1%	52.4%	0.3%
Operating Income (Loss)	3.4	(6.0)	(9.3)	8.2	8.1	(0.1)
% Margin	2.1%	-3.8%	-5.8%	5.0%	5.1%	0.1%
Pre-Tax Income (Loss)	3.3	(5.7)	(9.0)	8.1	8.4	0.3
% Margin	2.0%	-3.6%	-5.6%	5.0%	5.3%	0.3%
Tax Expenses	0.3	0.6	0.3	1.1	1.4	0.3
EBITDA	14.7	5.8	-61%	14.1	13.9	-1%
Net Income (Loss) attributed to SSYS Ltd.	(0.7)	(6.9)	(6.3)	5.7	6.3	0.6
% Margin	-0.4%	-4.4%	-4.0%	3.5%	4.0%	0.5%
Diluted EPS	(0.01)	(0.13)	(0.12)	0.11	0.12	0.01
Diluted Shares	53.8	54.4	1.2%	54.0	54.9	1.8%

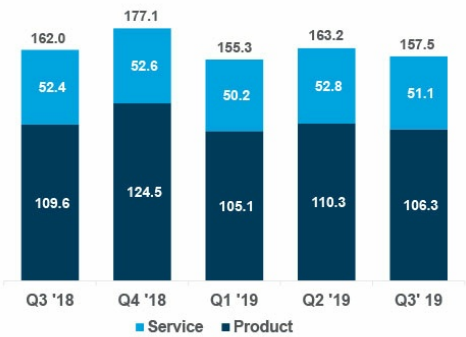
\$ in millions, except shares data

All numbers and percentages rounded

# Financial Results

## Revenue

Quarterly Trend



Revenue Growth – Q3 '19		
Revenue	Y/Y	Y/Y (exc. FX)
Product	-3%	-2%
System	-9%	-9%
Consumables	+3%	+5%
Service	-2%	-2%
Customer Support	+3%	+4%

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

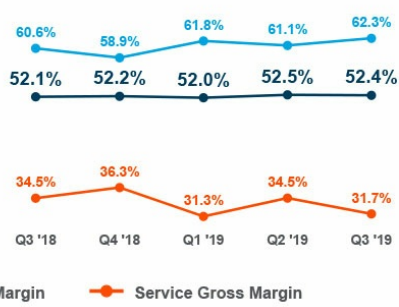
# Financial Results

## Gross margin trends

### GAAP



### Non-GAAP



All percentages rounded

## Financial Results

### Operating expenses and operating margin trends

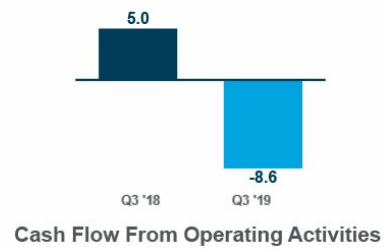


\$ in millions unless noted otherwise  
All numbers and percentages rounded

## Financial Results

### Balance sheet summary and cash flow from operations

	Q3-18	Q2-19	Q3-19
Cash and Cash Equivalents	348.9	366.3	347.1
Accounts Receivable	129.5	131.5	133.7
Inventories	118.1	147.8	164.7
Net Working Capital	483.9	505.9	509.0



*\$ in millions unless noted otherwise*  
*All numbers rounded*

# Lilach Payorski

## CFO

### Financial Summary

- Pleased with profitability and earnings in the third quarter that reflect positive impact of expense management and operational efficiencies – despite lower revenues in some regions
- Positive year-over-year growth in the core professional and production focused-business of the Americas
- Continue to enjoy a healthy balance sheet and well-positioned to take advantage of opportunities moving forward

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# CEO Search Update

Elan Jaglom, Interim CEO

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# Revenue and Earnings Guidance

Revenue (M)  
\$640 - \$655

GAAP Diluted EPS  
(\$0.31) – (\$0.05)

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

Reconciliation of GAAP to Non-GAAP Guidance (\$ in millions, except per share data)	
Revenue	\$640 to \$655
GAAP Net Loss	(\$17) to (\$3)
(1) Stock-Based Compensation Expense	\$22 to \$24
(2) Intangible Assets Amortization Expense	\$23 to \$24
(3) Reorganization Related Expense (Income)	(\$1) to \$1
(4) Income tax adjustments related to Non-GAAP items	(\$2) to (\$3)
Non-GAAP Net Income	\$30 to \$38
GAAP Diluted Loss Per Share	(\$0.31) to (\$0.05)
Non-GAAP Diluted Earnings Per Share	\$0.55 to \$0.70

\$ in millions unless noted otherwise

# Thank You

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# GAAP to Non-GAAP Reconciliation

## Results of operations Stratasy's Ltd

	GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP
Gross Profit (1)	\$77,400	\$5,087	\$82,486	\$78,028	\$5,545	\$83,573
Operating Income (Loss) (1,2)	(5,952)	14,055	8,103	3,350	4,815	8,165
Net income (Loss) attributable to Stratasy's Ltd. (1,2,3)	(6,941)	13,275	6,334	(679)	6,383	5,704
Net income (Loss) per diluted share attributable to Stratasy's Ltd. (4)	(\$0.13)	\$0.25	\$0.12	(\$0.01)	\$0.12	\$0.11
(1) Acquired intangible assets amortization expense		3,910			5,221	
Non-cash stock-based compensation expense		475			351	
Reorganization and other related costs		696			-27	
		5,087			5,545	
(2) Acquired intangible assets amortization expense		2,010			2,532	
Non-cash stock-based compensation expense		4,960			3,662	
Reorganization and other related costs		1,992			0	
Merger and acquisition related expense		0			(6,924)	
		8,968			-730	
		14,055			4,815	
		-780			-750	
Corresponding tax effect		0			2,318	
Gain from equity method divestment and related amortization and impairments		\$13,275			\$6,383	
(4) Weighted average number of ordinary shares outstanding – Diluted	54,304		54,940	53,709		53,992

\$ in millions unless noted otherwise