
**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 2020

Commission File Number 001-35751

STRATASYS LTD.
(Translation of registrant's name into English)

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

**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 November 12, 2020, Stratasys Ltd. (“we” or “us”) announced our financial results for the third quarter and nine months ended September 30, 2020. A copy of the press release announcing our results is furnished as Exhibit 99.1 to this Report of Foreign Private Issuer on Form 6-K (this “**Form 6-K**”) and is incorporated herein by reference.

In conjunction with the conference call being held on November 12, 2020 to discuss our results, we are furnishing a copy of the PowerPoint presentation that provides supplemental information regarding our business and our financial results, and which will be referenced on that conference call. We have attached that presentation to this Form 6-K as Exhibit 99.2, which exhibit is incorporated herein by reference.

The information in this Form 6-K, including Exhibits 99.1 and 99.2, 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: November 12, 2020

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 November 12, 2020, announcing the financial results of Stratasys Ltd. for the quarter and nine months ended September 30, 2020 |
| 99.2 | PowerPoint presentation providing supplemental information to be referenced on the conference call of Stratasys Ltd. discussing its quarterly and nine-month financial results, being held on November 12, 2020 |



NEWS RELEASE

STRATASYS REPORTS THIRD QUARTER 2020 FINANCIAL RESULTS

- Revenue of \$127.9 million
- GAAP net loss of \$405.1 million, or (\$7.35) per diluted share, and non-GAAP net loss of \$3.0 million, or (\$0.05) per diluted share; Included in the GAAP net loss was a \$386.2 million (\$7.01 per share) non-cash goodwill impairment charge.
- Generated \$2.6 million in cash from operations - \$308.2 million net cash position with no debt

Minneapolis & Rehovot, Israel, November 12, 2020 — [Stratasys Ltd.](#) (NASDAQ: SSYS) announced financial results for the third quarter of 2020.

Q3 2020 Financial Results Summary:

- Revenue for the third quarter of 2020 was \$127.9 million, compared to \$157.5 million for the same period last year. The 18.8% reduction was primarily driven by the adverse impact of COVID-19 on the company's customers throughout the industries into which the company sells its products and services.
 - GAAP gross margin was 38.9% for the quarter, compared to 49.2% for the same period last year. Non-GAAP gross margin was 46.8% for the quarter, compared to 52.4% for the same period last year. GAAP and non-GAAP gross margin improved sequentially from Q2 by 170bp and 140bp, respectively. The company believes that gross margins will continue to recover as and when our customers return to their pre-COVID utilization levels.
 - GAAP operating loss for the quarter was \$404.3 million, compared to GAAP operating loss of \$6.0 million for the same period last year, mainly due to the non-cash goodwill impairment charge of \$386.2 million. Non-GAAP operating loss for the quarter was \$1.0 million, compared to non-GAAP operating income of \$8.1 million for the same period last year.
 - GAAP net loss for the quarter was \$405.1 million, or (\$7.35) per diluted share, compared to GAAP net loss of \$6.9 million, or (\$0.13) per diluted share, for the same period last year, mainly due to the non-cash goodwill impairment charge of \$386.2 million. Non-GAAP net loss for the quarter was \$3.0 million, or (\$0.05) per diluted share, compared to non-GAAP net income of \$6.3 million, or \$0.12 per diluted share, for the same period last year.
-

- Non-GAAP EBITDA was \$5.2 million for the quarter, compared to \$14.5 million for the same period last year. Non-GAAP EBITDA improved sequentially from Q2 by \$6.8 million.
- The Company recorded a non-cash goodwill impairment charge of \$386.2 million, or \$7.01 per share, related to the Company's FDM and PolyJet technologies, primarily as a result of the COVID-19 impact on the Company's business.
- The Company generated \$2.6 million of cash from operations and ended the period with \$308.2 million in cash, cash equivalents and short-term deposits. The Company has no debt.

"We were pleased to see sequential improvements in both our top and bottom lines for this quarter, reflecting the beginning of a potential recovery from the pandemic," said Yoav Zeif, CEO of Stratasys. "We are laser-focused on leading the polymer 3D printing market by delivering the most innovative, next-gen technologies to address the fastest-growing and most transformative manufacturing applications, while leveraging the strongest go-to-market infrastructure in our industry. We believe that our innovations of today will drive competitive production advantages for the factories of tomorrow, resulting in growth and value creation for our customers and shareholders."

Stratasys Ltd. Q3 2020 Conference Call Details

The Company plans to hold the conference call to discuss its third quarter 2020 financial results on Thursday, November 12, 2020 at 8:30 a.m. (ET).

The investor conference call will be available via live webcast on the Stratasys Website at investors.stratasys.com, or directly at the following web address:

<https://78449.themediaframe.com/dataconf/productusers/ssys/mediaframe/41658/index1.html>

To participate by telephone, the U.S. toll-free number is 877-407-0619 and the international dial-in is +1-412-902-1012. Investors are advised to dial into the call at least ten minutes prior to the call to register. The webcast will be available for 6 months at investors.stratasys.com, or by accessing the above-provided web address.

Stratasys (Nasdaq: SSYS) is a global leader in additive manufacturing or 3D printing technology and is the manufacturer of FDM[®], PolyJet[™], and stereolithography 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 more than 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.

To learn more about Stratasys, visit www.stratasys.com, the Stratasys blog, Twitter, LinkedIn, or Facebook. Stratasys reserves the right to utilize any of the foregoing social media platforms, including the company's websites, to share material, non-public information pursuant to the SEC's Regulation FD. To the extent necessary and mandated by applicable law, Stratasys will also include such information in its public disclosure filings.

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, 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 our success at introducing new or improved products and solutions that gain market share; the degree of growth of the 3D printing market generally; the duration of the global COVID-19 pandemic, which, if extending for a further significant period of time, may continue to impact, in a material adverse manner, our operations, financial position and cash flows, and those of our customers and suppliers; the impact of potential shifts in the prices or margins of the products that we sell or services that we provide, including due to a shift towards lower-margin products or services; 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; the extent of our success at successfully consummating acquisitions or investments in new businesses, technologies, products or services; potential changes in our management and board of directors; global market, political and economic conditions, and in the countries in which we operate in particular (including risks related to the impact of coronavirus on our operations, supply chain, liquidity, cash flow and customer orders); costs and potential liability relating to litigation and regulatory proceedings; risks related to infringement of our intellectual property rights by others or infringement of others' intellectual property rights by us; the extent of our success at maintaining our liquidity and financing our operations and capital needs; the impact of tax regulations on our results of operations and financial condition; 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, 2019 (the "**2019 Annual Report**"), which we filed with the Securities and Exchange Commission (the "**SEC**") on February 26, 2020. Readers are urged to carefully review and consider the various disclosures made throughout our 2019 Annual Report and the Report of Foreign Private Issuer on Form 6-K that attaches Stratasys' unaudited, condensed consolidated financial statements and its review of its results of operations and financial condition, for the quarterly period ended September 30, 2020, which we are furnishing 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 on an ongoing basis after (i) excluding mergers, acquisitions and divestments related expense or gains and restructuring-related charges or gains, and (ii) 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 goodwill and 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

Stratasys Ltd.

Consolidated Balance Sheets

(Unaudited)

(in thousands, except share data)

| | September 30, 2020 | December 31, 2019 |
|--|--------------------------|----------------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 252,906 | \$ 293,484 |
| Short-term deposits | \$ 55,300 | \$ 28,300 |
| Accounts receivable, net | 103,693 | 132,558 |
| Inventories | 152,685 | 168,504 |
| Prepaid expenses | 7,568 | 6,567 |
| Other current assets | 19,209 | 29,659 |
| Total current assets | <u>591,361</u> | <u>659,072</u> |
| Non-current assets | | |
| Property, plant and equipment, net | 198,521 | 189,706 |
| Goodwill | - | 385,658 |
| Other intangible assets, net | 65,083 | 87,328 |
| Operating lease right-of-use assets | 18,905 | 20,936 |
| Other non-current assets | 35,238 | 38,819 |
| Total non-current assets | <u>317,747</u> | <u>722,447</u> |
| Total assets | <u><u>\$ 909,108</u></u> | <u><u>\$ 1,381,519</u></u> |
| LIABILITIES AND EQUITY | | |
| Current liabilities | | |
| Accounts payable | \$ 23,478 | \$ 35,818 |
| Accrued expenses and other current liabilities | 26,462 | 28,528 |
| Accrued compensation and related benefits | 28,536 | 34,013 |
| Deferred revenues | 47,288 | 52,268 |
| Operating lease liabilities - short term | 8,675 | 9,292 |
| Total current liabilities | <u>134,439</u> | <u>159,919</u> |
| Non-current liabilities | | |
| Deferred revenues - long-term | 13,436 | 16,039 |
| Operating lease liabilities - long term | 10,600 | 12,445 |
| Other non-current liabilities | 33,291 | 35,343 |
| Total non-current liabilities | <u>57,327</u> | <u>63,827</u> |
| Total liabilities | <u>191,766</u> | <u>223,746</u> |
| Redeemable non-controlling interests | 568 | 622 |
| Equity | | |
| Ordinary shares, NIS 0.01 nominal value, authorized 180,000 thousands shares; 55,112 thousands shares and 54,441 thousands shares issued and outstanding at September 30, 2020 and December 31, 2019, respectively | 150 | 148 |
| Additional paid-in capital | 2,722,839 | 2,706,894 |
| Accumulated other comprehensive loss | (9,289) | (7,716) |
| Accumulated deficit | (1,996,926) | (1,542,175) |
| Total equity | <u>716,774</u> | <u>1,157,151</u> |
| Total liabilities and equity | <u><u>\$ 909,108</u></u> | <u><u>\$ 1,381,519</u></u> |

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

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|---------------------|------------------------------------|---------------------|
| | 2020 (unaudited) | 2019 (unaudited) | 2020 (unaudited) | 2019 (unaudited) |
| Net sales | | | | |
| Products | \$ 83,548 | \$ 106,346 | \$ 240,597 | \$ 321,778 |
| Services | 44,344 | 51,114 | 137,825 | 154,145 |
| | 127,892 | 157,460 | 378,422 | 475,923 |
| Cost of sales | | | | |
| Products | 47,339 | 44,341 | 126,556 | 135,605 |
| Services | 30,784 | 35,710 | 98,491 | 105,285 |
| | 78,123 | 80,051 | 225,047 | 240,890 |
| Gross profit | 49,769 | 77,409 | 153,375 | 235,033 |
| Operating expenses | | | | |
| Research and development, net | 19,562 | 23,620 | 65,059 | 70,234 |
| Selling, general and administrative | 48,343 | 59,741 | 155,630 | 173,217 |
| Goodwill impairment | 386,154 | - | 386,154 | - |
| | 454,059 | 83,361 | 606,843 | 243,451 |
| Operating loss | (404,290) | (5,952) | (453,468) | (8,418) |
| Financial income (expense), net | (167) | 289 | (847) | 2,796 |
| Loss before income taxes | (404,457) | (5,663) | (454,315) | (5,622) |
| Income tax expenses (benefit) | (343) | 586 | (2,250) | 3,084 |
| Share in profits (losses) of associated companies | (952) | (733) | (2,740) | 495 |
| Net Loss | (405,066) | (6,982) | (454,805) | (8,211) |
| Net loss attributable to non-controlling interests | (4) | (41) | (54) | (152) |
| Net loss attributable to Stratasys Ltd. | <u>\$ (405,062)</u> | <u>\$ (6,941)</u> | <u>\$ (454,751)</u> | <u>\$ (8,059)</u> |
| Net loss per ordinary share attributable to Stratasys Ltd. | | | | |
| Basic | \$ (7.35) | \$ (0.13) | \$ (8.29) | \$ (0.15) |
| Diluted | \$ (7.35) | \$ (0.13) | \$ (8.29) | \$ (0.15) |
| Basic | 55,086 | 54,394 | 54,851 | 54,201 |
| Diluted | 55,086 | 54,394 | 54,851 | 54,201 |

| Three Months Ended September 30, | | | | | | |
|---|---|-------------------------|------------------|--------------|-------------------------|------------------|
| | 2020 GAAP | Non-GAAP Adjustments | 2020 Non-GAAP | 2019 GAAP | Non-GAAP Adjustments | 2019 Non-GAAP |
| | U.S. dollars and shares in thousands (except per share amounts) | | | | | |
| Gross profit (1) | \$ 49,769 | \$ 10,036 | \$ 59,805 | \$ 77,409 | \$ 5,087 | \$ 82,496 |
| Operating income (loss) (1,2) | (404,290) | 403,268 | (1,022) | (5,952) | 14,055 | 8,103 |
| Net income (loss) attributable to Stratasys Ltd. (1,2,3) | (405,062) | 402,050 | (3,012) | (6,941) | 13,275 | 6,334 |
| Net income (loss) per diluted share attributable to Stratasys Ltd. (4) | \$ (7.35) | \$ 7.30 | \$ (0.05) | \$ (0.13) | \$ 0.25 | \$ 0.12 |
| (1) Acquired intangible assets amortization expense | | 4,065 | | | 3,916 | |
| Non-cash stock-based compensation expense | | 524 | | | 475 | |
| Restructuring and other related costs | | 191 | | | 696 | |
| Impairment charges of intangible assets | | 5,256 | | | - | |
| | | 10,036 | | | 5,087 | |
| (2) Acquired intangible assets amortization expense | | 2,162 | | | 2,016 | |
| Non-cash stock-based compensation expense | | 4,352 | | | 4,960 | |
| Goodwill impairment | | 386,154 | | | - | |
| Restructuring and other related costs | | 34 | | | 1,992 | |
| Other expenses | | 530 | | | - | |
| | | 393,232 | | | 8,968 | |
| | | 403,268 | | | 14,055 | |
| (3) Corresponding tax effect | | (1,296) | | | (780) | |
| Equity method related amortization, divestments and impairments | | 78 | | | - | |
| | | \$ 402,050 | | | \$ 13,275 | |
| (4) Weighted average number of ordinary shares outstanding- Diluted | 55,086 | | 55,086 | 54,394 | | 54,940 |

| Nine Months Ended September 30, | | | | | | | |
|--|---|-------------------------|------------------|--------------|-------------------------|------------------|--|
| | 2020 GAAP | Non-GAAP Adjustments | 2020 Non-GAAP | 2019 GAAP | Non-GAAP Adjustments | 2019 Non-GAAP | |
| | U.S. dollars and shares in thousands (except per share amounts) | | | | | | |
| Gross profit (1) | \$ 153,375 | \$ 24,062 | \$ 177,437 | \$ 235,033 | \$ 13,780 | \$ 248,813 | |
| Operating income (loss) (1,2) | (453,468) | 435,987 | (17,481) | (8,418) | 32,376 | 23,958 | |
| Net income (loss) attributable to Stratasys Ltd. (1,2,3) | (454,751) | 433,821 | (20,930) | (8,059) | 28,574 | 20,515 | |
| Net income (loss) per diluted share attributable to Stratasys Ltd. (4) | \$ (8.29) | \$ 7.91 | \$ (0.38) | \$ (0.15) | \$ 0.53 | \$ 0.38 | |
| (1) Acquired intangible assets amortization expense | | 12,196 | | | 11,714 | | |
| Non-cash stock-based compensation expense | | 1,424 | | | 1,370 | | |
| Restructuring and other related costs | | 5,187 | | | 696 | | |
| Impairment charges of intangible assets | | 5,256 | | | - | | |
| | | 24,062 | | | 13,780 | | |
| (2) Acquired intangible assets amortization expense | | 6,430 | | | 5,688 | | |
| Non-cash stock-based compensation expense | | 14,470 | | | 14,387 | | |
| Goodwill impairment | | 386,154 | | | - | | |
| Restructuring and other related costs | | 3,863 | | | (1,479) | | |
| Other expenses | | 1,007 | | | - | | |
| | | 411,925 | | | 18,596 | | |
| | | 435,987 | | | 32,376 | | |
| (3) Corresponding tax effect | | (2,396) | | | (2,198) | | |
| Equity method related amortization, divestments and impairments | | 230 | | | (1,604) | | |
| | | \$ 433,821 | | | \$ 28,574 | | |
| (4) Weighted average number of ordinary shares outstanding-Diluted | 54,851 | | 54,851 | 54,201 | | 54,705 | |

Stratasys

Stratasys Q3 2020

Financial Results Conference Call

November 12, 2020



Q3 2020

Conference call & webcast details

Speakers

- Yoav Zeif – CEO
- Lilach Payorski – CFO
- Yonah Lloyd – VP Investor Relations

Live webcast and replay:

<https://78449.themediaframe.com/dataconf/productusers/sys/mediaframe/41658/index1.html>

Live dial-in information

US Toll-Free dial-in:
1-877-407-0619

International dial-in:
+1-412-902-1012

Forward-looking statements

The statements in this presentation regarding Stratasys' strategy, and the statements regarding its projected future financial performance, including the financial guidance (or withdrawal of guidance) concerning its expected results for 2020, 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 our success at introducing new or improved products and solutions that gain market share; the degree of growth of the 3D printing market generally; the duration of the global COVID-19 pandemic, which, if extensive, may continue to impact, in a material adverse manner, our operations, financial position and cash flows, and those of our customers and suppliers; the impact of potential shifts in the prices or margins of the products that we sell or services that we provide, including due to a shift towards lower-margin products or services; 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; the extent of our success at successfully consummating acquisitions or investments in new businesses, technologies, products or services; potential changes in our management and board of directors; global market, political and economic conditions, and in the countries in which we operate in particular (including risks related to the impact of coronavirus on our supply chain and business); costs and potential liability relating to litigation and regulatory proceedings; risks related to infringement of our intellectual property rights by others or infringement of others' intellectual property rights by us; the extent of our success at maintaining our liquidity and financing our operations and capital needs; the impact of tax regulations on our results of operations and financial condition; 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, 2019 (the "2019 Annual Report"), which we filed with the Securities and Exchange Commission (the "SEC") on February 26, 2020. Readers are urged to carefully review and consider the various disclosures made throughout our 2019 Annual Report and the Report of Foreign Private Issuer on Form 6-K that attaches Stratasys' unaudited, condensed consolidated financial statements and its review of its results of operations and financial condition, for the quarterly period ended September 30, 2020, which we are furnishing 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, constitutes 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 on an ongoing basis after (i) excluding mergers, acquisitions and divestments related expense or gains and reorganization-related charges or gains, and (ii) 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 goodwill and 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 18.



Opening Remarks:

**Sequential improvement in
top and bottom line.**

**Our polymer leadership
strategy is on track.**

Make it Better.
Make it with Stratasys.



Yoav Zeif
CEO

Laser-focused on executing polymer 3D printing leadership strategy



deliver
innovation

empower
management

streamline
organization

leverage
go-to-market

Refreshed team with deep, global experience in public companies



Yoav Zeif
CEO
New



McKinsey
& Company



Yossi Azarzar
COO
New



Nava Kazaz
CPO
New



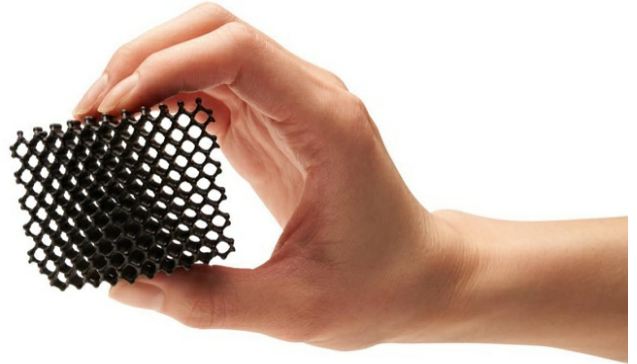
Guy Menchik
CTO
Promoted internally



Technology roadmap: PBF, VAT, FDM and PolyJet innovations

Delivering end-to-end digital
manufacturing for Industry 4.0

- PBF coming
- FDM upgrades
- PolyJet upgrades
- VAT expansion
- Digital / Fast / Robust / Connected

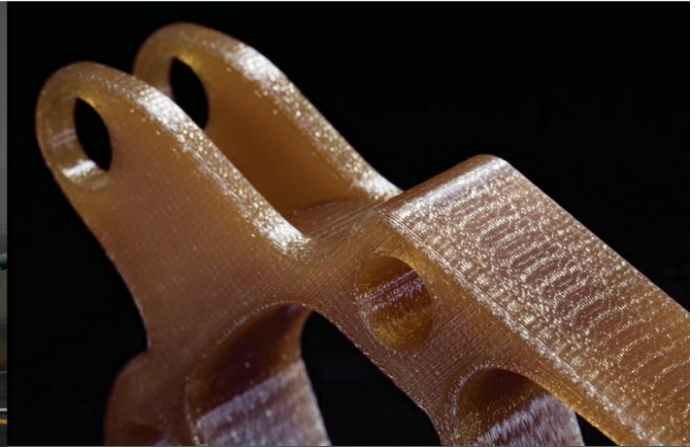


Full suite of connected industrial polymer solutions

Polymer MFG leadership strategy in action:



Medal-Winning Performance at U.S. Air
Force Additive Manufacturing Olympics



Boeing Qualifies New Stratasys
Material for 3D Printed Flight Parts

Financial Update

8.8% sequential revenue growth
Strong balance sheet / No debt

Make it Better.
Make it with Stratasys.



Lilach
Payorski
CFO

Financial Results

| | GAAP | | | Non-GAAP | | |
|---|--------|----------|------------|----------|--------|------------|
| | Q3-19 | Q3-20 | Change Y/Y | Q3-19 | Q3-20 | Change Y/Y |
| Total Revenue | 157.5 | 127.9 | -18.8% | 157.5 | 127.9 | -18.8% |
| Gross Profit | 77.4 | 49.8 | (27.6) | 82.5 | 59.8 | (22.7) |
| % Margin | 49.2% | 38.9% | -10.3% | 52.4% | 46.8% | -5.6% |
| Operating Income (Loss) | (6.0) | *(404.3) | (398.3) | 8.1 | (1.0) | (9.1) |
| % Margin | -3.8% | -316.1% | -312.3% | 5.1% | -0.8% | -5.9% |
| Net Income (Loss) attributed to SSYS Ltd. | (6.9) | (405.1) | (398.2) | 6.3 | (3.0) | (9.3) |
| % Margin | -4.4% | -316.7% | -312.3% | 4.0% | -2.4% | -6.4% |
| Diluted EPS | (0.13) | (7.35) | (7.22) | 0.12 | (0.05) | (0.17) |
| Diluted Shares | 54.4 | 55.1 | 1.3% | 54.9 | 55.1 | 0.3% |

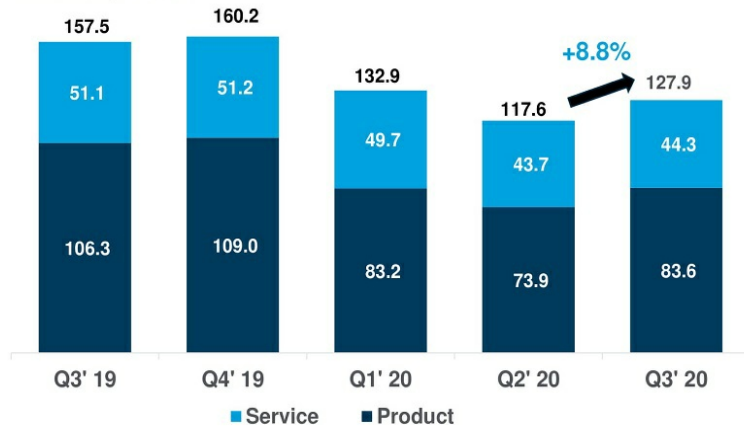
*Mainly due to goodwill impairment of \$386.2

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

Revenue

8.8% sequential growth

Quarterly trend



| Revenue Growth – Q3 '20 | |
|-------------------------|--------|
| Revenue | Y/Y |
| Product | -21.4% |
| System | -20.8% |
| Consumables | -22.0% |
| Service | -13.2% |
| Customer Support | -1.6% |

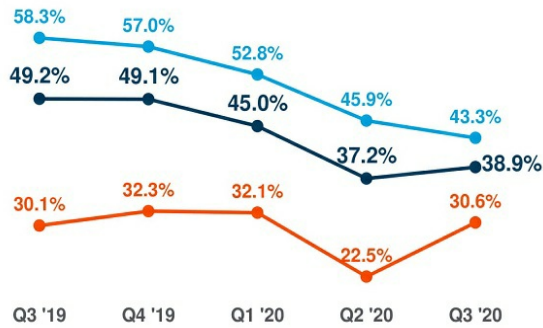
Currently expecting quarterly sequential revenue growth of 5% - 7%

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

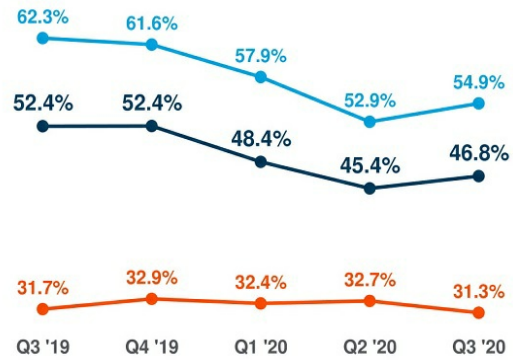
Gross Margins

Sequential improvement – higher consumables in the mix

GAAP



Non-GAAP



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

All percentages rounded

Operating Expenses

18.3% YoY non-GAAP OpEx reduction



*Mainly due to goodwill impairment of \$386.2

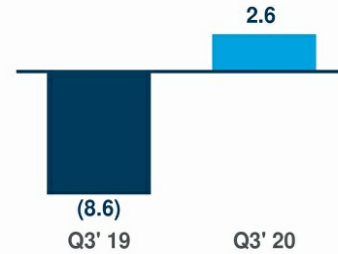
\$ in millions unless noted otherwise

All numbers and percentages rounded

Balance sheet summary and cash flow from operations

\$2.6m cash from operations, healthy balance sheet, no debt

| | Q3-19 | Q2-20 | Q3-20 |
|---|-------|-------|--------------|
| Cash and Cash Equivalents and Short term deposits | 347.1 | 313.0 | 308.2 |
| Accounts Receivable | 133.7 | 102.2 | 103.7 |
| Inventories | 164.7 | 164.6 | 152.7 |
| Net Working Capital | 509.0 | 465.7 | 456.9 |

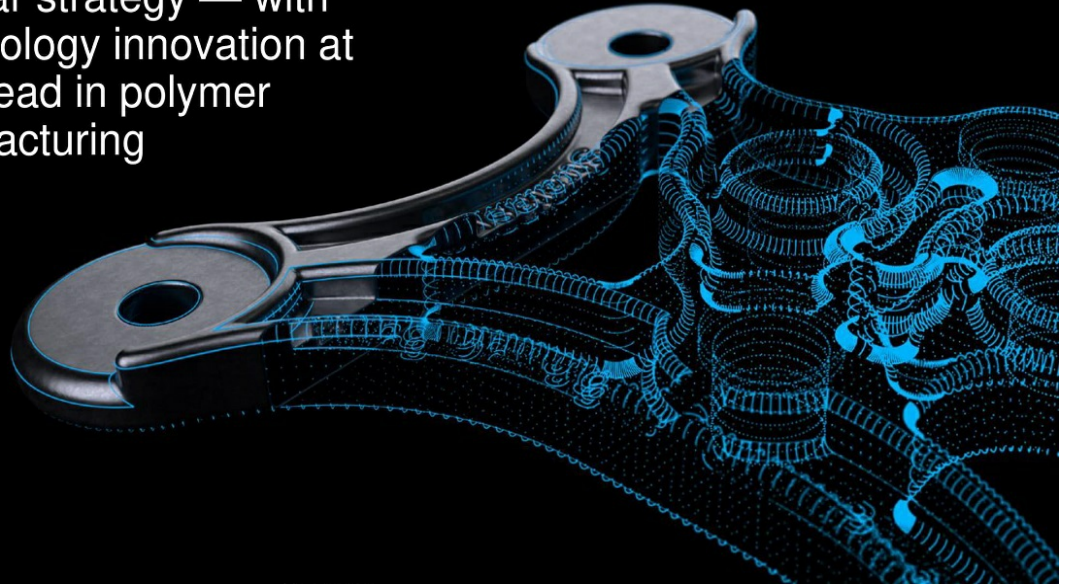


Cash Flow From Operating Activities

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

CEO summary

We have a clear strategy — with next-gen technology innovation at its heart — to lead in polymer additive manufacturing



Thank You:
Q&A



GAAP to Non-GAAP Reconciliation

Results of operations Stratasy's Ltd

| | Three Months Ended September 30, 2020 | | | Three Months Ended September 30, 2019 | | |
|---|---------------------------------------|-------------|----------|---------------------------------------|-------------|----------|
| | GAAP | Adjustments | Non-GAAP | GAAP | Adjustments | Non-GAAP |
| Gross Profit (1) | \$49,769 | \$10,036 | \$59,805 | \$77,409 | \$5,087 | \$82,496 |
| Operating income (Loss) (1,2) | (404,290) | 403,268 | (1,022) | (5,952) | 14,055 | 8,103 |
| Net income (Loss) attributable to Stratasy's Ltd. (1,2,3) | (405,062) | 402,050 | (3,012) | (6,941) | 13,275 | 6,334 |
| Net income (Loss) per diluted share attributable to Stratasy's Ltd. (4) | (\$7.35) | \$7.30 | (\$0.05) | (\$0.13) | \$0.25 | \$0.12 |
| (1) Acquired intangible assets amortization expense | | 4,065 | | | 3,916 | |
| Non-cash stock-based compensation expense | | 524 | | | 475 | |
| Restructuring and other related costs | | 191 | | | 696 | |
| Impairment charges of intangible assets | | 5,256 | | | - | |
| | | 10,036 | | | 5,087 | |
| (2) Acquired intangible assets amortization expense | | 2,162 | | | 2,016 | |
| Non-cash stock-based compensation expense | | 4,352 | | | 4,960 | |
| Goodwill impairment | | 386,154 | | | - | |
| Restructuring and other related costs | | 34 | | | 1,992 | |
| Other expenses | | 530 | | | - | |
| | | 393,232 | | | 8,968 | |
| | | 403,268 | | | 14,055 | |
| (3) Corresponding tax effect | | (1,296) | | | (780) | |
| Equity method related amortization, divestments and impairments | | 78 | | | - | |
| | | \$402,050 | | | \$13,275 | |
| (4) Weighted average number of ordinary shares outstanding – Diluted | 55,086 | | 55,086 | 54,394 | | 54,940 |

\$ in thousands unless noted otherwise