
**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 March 2021

Commission File Number 001-35751

STRATASYS LTD.

(Translation of registrant's name into English)

**c/o Stratays, 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

Quarterly and Annual Results of Operations

On March 1, 2021, Stratasys Ltd. (“we” or “us”) announced our financial results for the fourth quarter and the full year ended December 31, 2020. 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 March 1, 2021 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.

Dated: March 1, 2021

STRATASYS LTD.

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 March 1, 2021 announcing the financial results of Stratasys Ltd. for the fourth quarter and full year ended December 31, 2020
99.2	PowerPoint presentation providing supplemental information to be referenced on the conference call of Stratasys Ltd. discussing its quarterly and annual financial results, being held on March 1, 2021



Stratasys Releases Fourth Quarter and Full Year 2020 Financial Results

- *Fourth quarter revenue of \$142.4 million and \$520.8 million for full year 2020*
- *Fourth quarter GAAP net income of \$11.0 million, or \$0.20 per diluted share, and non-GAAP net income of \$7.0 million, or \$0.13 per diluted share*
- *Produced 11% quarterly sequential revenue growth, improved gross margin and operating income*
- *Generated \$23.7 million of cash from operations in the fourth quarter resulting in \$299.1 million net cash with no debt*
- *Manufacturing revenue contribution in excess of 25% in 2020, expected to accelerate with growth initiatives*

MINNEAPOLIS & REHOVOT, Israel--(BUSINESS WIRE) - March 1, 2021 Stratasys Ltd. (NASDAQ: SSYS) announced financial results for the fourth quarter and full year 2020.

Fourth Quarter 2020 Financial Results Summary Compared to Fourth Quarter 2019:

- Revenue was \$142.4 million, compared to \$160.2 million.
- GAAP gross margin was 46.4%, compared to 49.1%.
- Non-GAAP gross margin was 49.5%, compared to 52.4%.
- GAAP operating loss was \$2.5 million, compared to an operating loss of \$3.3 million.
- Non-GAAP operating income was \$8.3 million, compared to \$10.2 million.
- GAAP net income was \$11.0 million, or \$0.20 per diluted share, compared to a net loss of \$2.8 million, or \$(0.05) per diluted share.
- Non-GAAP net income was \$7.0 million, or \$0.13 per diluted share, compared to \$10.0 million, or \$0.18 per diluted share.
- Adjusted EBITDA was \$14.6 million, compared to \$16.6 million.
- Generated \$23.7 million of cash from operations.

Dr. Yoav Zeif, Chief Executive Officer of Stratasys, commenting on the results, stated, "Our results reflect the resilience and diversification of our business model. We delivered sequential revenue growth in the back half of the year and this quarter produced the highest operating cash flow in almost three years. We believe both our industry and company are starting to enter a meaningful, sustained trajectory of unprecedented growth and are excited to capitalize on the opportunities ahead."

Dr. Zeif continued, "In 2020, we implemented a new strategy to be the first choice for polymer 3D printing, with a specific focus on expanding into fast-growing manufacturing applications. We rightsized the company and enhanced our operating model to be application-centric, allowing our team to better leverage synergies. Stratasys is well-positioned to grow, armed with a strong balance sheet with no debt. This year we will add three new technology platforms and will continue to prudently execute on our capital allocation strategy to meaningfully accelerate revenue, earnings and cash flow as our investments begin to contribute in the years ahead and, in turn, drive value for our shareholders."



2020 Financial Results Summary Compared to 2019:

- Revenue for 2020 was \$520.8 million compared to \$636.1 million.
- GAAP gross margin in 2020 was 42.1%, compared to 49.3%.
- Non-GAAP gross margin in 2020 was 47.6%, compared to 52.3%.
- GAAP operating loss for 2020 was \$456.0 million, primarily due to \$386.2 million goodwill impairment in the third quarter, compared to \$11.7 million operating loss.
- Non-GAAP operating loss for 2020 was \$9.1 million, compared to \$34.1 million operating income.
- Adjusted EBITDA in 2020 was \$16.0 million, compared to \$60.0 million.
- GAAP net loss for 2020 was \$443.7 million, or (\$8.08) per diluted share, primarily due to a \$386.2 million goodwill impairment in the third quarter, compared to a loss of \$10.8 million, or (\$0.20) per diluted share.
- Non-GAAP net loss for 2020 was \$13.9 million, or \$(0.25) per diluted share, compared to non-GAAP net income of \$30.5 million, or \$0.56 per diluted share.
- Generated \$27.8 million in cash from operations in 2020 compared to \$11.2 million used.

Financial Outlook:

Given the dynamic and evolving impact of the pandemic on the Company's operations, and uncertainty around the timing and extent of an anticipated recovery, the Company is providing the following information based on its pipeline, current market and industry conditions, and previously communicated information:

- First quarter 2021 revenue is anticipated to track relatively similar to the first quarter of 2020.
- Second quarter 2021 revenue should approximate mid-teens percentage growth year-over-year, assuming current consumption trends and the impact of the pandemic persist.
- Full year operating expense is expected to increase over 2020 by approximately \$25 million primarily due to the return from a four-day to a five-day work week as of January 1st, 2021, as well as the impact of recent acquisitions. Longer term, the Company expects to realize significant leverage benefits from its investments as revenue growth accelerates in 2022 and beyond.
- Capital expenditures are anticipated to range from \$24 million to \$30 million.

Stratasys Ltd. Fourth Quarter 2020 Webcast and Conference Call Details

The Company plans to webcast its conference call to discuss its fourth quarter and full year 2020 financial results on Monday, March 1, 2021 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://78449.themediaframe.com/dataconf/productusers/ssys/mediaframe/43687/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.

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Stratasys is leading the global shift to additive manufacturing with innovative 3D printing solutions for industries such as aerospace, automotive, consumer products and healthcare. Through smart and connected 3D printers, polymer materials, a software ecosystem, and parts on demand, Stratasys solutions deliver competitive advantages at every stage in the product value chain. The world's leading organizations turn to Stratasys to transform product design, bring agility to manufacturing and supply chains, and improve patient care.

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, including the financial guidance concerning its expected results for 2021, 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 and degree of severity of, and strength of recovery from, the global COVID-19 pandemic; 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; the extent of our success at successfully integrating into our existing business, or making additional, 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); potential further charges against earnings that we could be required to take due to impairment of additional goodwill or other intangible assets that we have recently acquired or may acquire in the future; 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, 2020 (the "2020 Annual Report"), which we expect to file with the Securities and Exchange Commission (the "SEC") on March 1, 2021. Readers are urged to carefully review and consider the various disclosures made throughout our 2020 Annual Report and the Reports of Foreign Private Issuer on Form 6-K that will attach Stratasys' unaudited, condensed consolidated financial statements and its review of its results of operations and financial condition, for the quarterly periods throughout 2021, which will be furnished to the SEC over the course of 2021, 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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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.

Contact:

Yonah Lloyd
CCO / VP, Investor Relations
Yonah.Lloyd@strataysys.com

Strataysys Ltd.
Consolidated Balance Sheets
(Unaudited)
(in thousands, except share data)

	<u>December 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 272,092	\$ 293,484
Short-term deposits	27,000	28,300
Accounts receivable, net	106,068	132,558
Inventories	131,672	168,504
Prepaid expenses	6,717	6,567
Other current assets	<u>16,943</u>	<u>29,659</u>
Total current assets	<u>560,492</u>	<u>659,072</u>
Non-current assets		
Property, plant and equipment, net	201,232	189,706
Goodwill	35,694	385,658
Other intangible assets, net	131,569	87,328
Operating lease right-of-use assets	21,298	20,936
Other non-current assets	<u>39,717</u>	<u>38,819</u>
Total non-current assets	<u>429,510</u>	<u>722,447</u>
Total assets	<u>\$ 990,002</u>	<u>\$ 1,381,519</u>
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	\$ 16,987	\$ 35,818
Accrued expenses and other current liabilities	31,061	28,528
Accrued compensation and related benefits	25,659	34,013
Deferred revenues - short-term	49,165	52,268
Operating lease liabilities - short-term	<u>9,282</u>	<u>9,292</u>
Total current liabilities	<u>132,154</u>	<u>159,919</u>
Non-current liabilities		
Deferred revenues - long-term	14,227	16,039
Operating lease liabilities - long term	12,567	12,445
Other non-current liabilities	<u>71,459</u>	<u>35,343</u>
Total non-current liabilities	<u>98,253</u>	<u>63,827</u>
Total liabilities	<u>230,407</u>	<u>223,746</u>
Redeemable non-controlling interests	227	622
Equity		
Ordinary shares, NIS 0.01 nominal value, authorized 180,000 thousands shares; 56,617 thousands shares and 54,441 thousands shares issued and outstanding at December 31, 2020 and 2019, respectively	155	148
Additional paid-in capital	2,753,955	2,706,894
Accumulated other comprehensive loss	(8,846)	(7,716)
Accumulated deficit	<u>(1,985,896)</u>	<u>(1,542,175)</u>
Total equity	<u>759,368</u>	<u>1,157,151</u>

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020 (unaudited)	2019 (unaudited)	2020 (unaudited)	2019 (unaudited)
Net sales				
Products	\$ 99,185	\$ 108,968	\$ 339,782	\$ 430,746
Services	43,210	51,189	181,035	205,334
	<u>142,395</u>	<u>160,157</u>	<u>520,817</u>	<u>636,080</u>
Cost of sales				
Products	44,679	46,825	171,235	182,430
Services	31,697	34,673	130,188	139,958
	<u>76,376</u>	<u>81,498</u>	<u>301,423</u>	<u>322,388</u>
Gross profit	66,019	78,659	219,394	313,692
Operating expenses				
Research and development, net	18,953	24,019	84,012	94,253
Selling, general and administrative	49,595	57,921	205,224	231,138
Goodwill impairment	-	-	386,154	-
	<u>68,548</u>	<u>81,940</u>	<u>675,390</u>	<u>325,391</u>
Operating loss	(2,529)	(3,281)	(455,996)	(11,699)
Financial income (expense), net	273	1,760	(575)	4,555
Loss before income taxes	(2,256)	(1,521)	(456,571)	(7,144)
Income tax expenses (benefit)	(14,144)	439	(16,394)	3,523
Share in profits (losses) of associated companies	(1,200)	(907)	(3,939)	(412)
Net income (loss)	10,688	(2,867)	(444,116)	(11,079)
Net loss attributable to non-controlling interests	(341)	(78)	(395)	(230)
Net income (loss) attributable to Stratasys Ltd.	<u>\$ 11,029</u>	<u>\$ (2,789)</u>	<u>\$ (443,721)</u>	<u>\$ (10,849)</u>
Net income (loss) per ordinary share attributable to Stratasys Ltd.				
Basic	\$ 0.20	\$ (0.05)	\$ (8.08)	\$ (0.20)
Diluted	\$ 0.20	\$ (0.05)	\$ (8.08)	\$ (0.20)
Basic	55,118	54,435	54,918	54,260
Diluted	55,318	54,435	54,918	54,260

	Three Months Ended December 31,					
	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)	\$ 66,019	\$ 4,520	\$ 70,539	\$ 78,659	\$ 5,294	\$ 83,953
Operating income (loss) (1,2)	(2,529)	10,861	8,332	(3,281)	13,436	10,155
Net income (loss) attributable to Stratasys Ltd. (1,2,3)	11,029	(4,001)	7,028	(2,789)	12,741	9,952
Net income (loss) per diluted share attributable to Stratasys Ltd. (4)	\$ 0.20	\$ (0.07)	\$ 0.13	\$ (0.05)	\$ 0.23	\$ 0.18
(1) Acquired intangible assets amortization expense		3,411			4,770	
Non-cash stock-based compensation expense		347			478	
Restructuring and other related costs		762			46	
		<u>4,520</u>			<u>5,294</u>	
(2) Acquired intangible assets amortization expense		2,290			2,985	
Non-cash stock-based compensation expense		3,962			4,325	
Restructuring and other related costs		449			556	

Other expenses (income)	(360)	276		
	<u>6,341</u>	<u>8,142</u>		
	<u>10,861</u>	<u>13,436</u>		
(3) Corresponding tax effect	(1,002)	(721)		
Release of valuation allowance	(14,007)	-		
Equity method related amortization, divestments and impairments	483	26		
Adjustments attributable to non-controlling interest	(336)	-		
	<u>\$ (4,001)</u>	<u>\$ 12,741</u>		
(4) Weighted average number of ordinary shares outstanding-Diluted	55,318	55,318	54,435	54,738

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	Twelve Months Ended December 31,					
	2020	Non-GAAP	2020	2019	Non-GAAP	2019
	GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP
	U.S. dollars and shares in thousands (except per share amounts)					
Gross profit (1)	\$ 219,394	\$ 28,582	\$ 247,976	\$ 313,692	\$ 19,074	\$ 332,766
Operating income (loss) (1,2)	(455,996)	446,848	(9,148)	(11,699)	45,812	34,113
Net income (loss) attributable to Stratasys Ltd. (1,2,3)	(443,721)	429,820	(13,901)	(10,849)	41,315	30,466
Net income (loss) per diluted share attributable to Stratasys Ltd. (4)	\$ (8.08)	\$ 7.83	\$ (0.25)	\$ (0.20)	\$ 0.76	\$ 0.56
(1) Acquired intangible assets amortization expense		15,607			16,484	
Non-cash stock-based compensation expense		1,771			1,848	
Restructuring and other related costs		5,948			742	
Impairment charges of intangible assets		<u>5,256</u>			<u>-</u>	
		<u>28,582</u>			<u>19,074</u>	
(2) Acquired intangible assets amortization expense		8,720			8,673	
Non-cash stock-based compensation expense		18,433			18,716	
Goodwill impairment		386,154			-	
Gain from divestiture, net of transaction costs		-			(3,578)	
Restructuring and other related costs		4,312			2,655	
Other expenses		<u>647</u>			<u>272</u>	
		<u>418,266</u>			<u>26,738</u>	
		<u>446,848</u>			<u>45,812</u>	
(3) Corresponding tax effect		(3,398)			(2,919)	
Release of valuation allowance		(14,007)			-	
Equity method related amortization, divestments and impairments		713			(1,578)	
Adjustments attributable to non-controlling interest		(336)			-	
		<u>\$ 429,820</u>			<u>\$ 41,315</u>	
(4) Weighted average number of ordinary shares outstanding-Diluted	54,918		54,918	54,260		54,713

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Conference call & webcast details Live dial-in information

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

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

Live webcast and replay:
<https://778449.themediaframe.com/dataconf/productusers/ssys/mediaframe/43687/index.html>

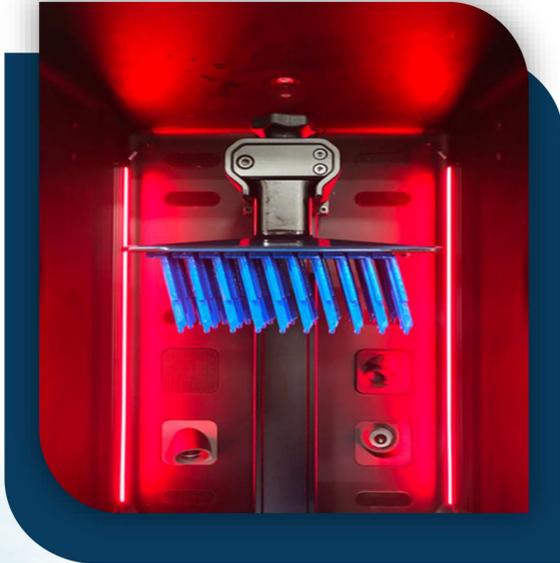


Forward-looking statements



Cautionary Statement Regarding Forward-Looking Statements

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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.

Agenda

1 | Annual review

2 | Financial highlights



CEO Opening Remarks



- Unprecedented industry growth trajectory – driven by secular change
- Strong sequential improvement in revenue and cash flow
- Early phases of recovery from COVID-19
- Foundation for growth established



Yoav Zeif
CEO

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Focused Strategy to Lead the Polymer 3D Printing Market



Delivering **innovative, next-generation** technologies to address the **fastest growing manufacturing applications**



Broadest technology offering in sector

Five best-in-class technologies for every step in the product lifecycle – from concept through manufacturing

Unmatched go-to-market infrastructure

Network of over 200 channel partners – largest and most experienced in the industry

Deep application engineering expertise

Deep application engineer expertise to educate customers and drive innovation

Resilient business model designed to scale

Corporate and GTM infrastructure can absorb and scale new business with operating leverage

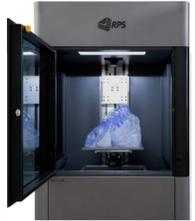
Growing software partner ecosystem

Industry 4.0-ready systems with API integration to leading manufacturing software applications

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Broadest advanced technology offering in the industry



FDM (14 Models)	Polyjet (13 Models)	P3	PBF	SL (3 Models)
F900	J55	OriginOne		Neo450s
				
Engineering / Manufacturing	Design / Engineering / Medical Modeling / Dental	Tooling / Manufacturing / Dental	Manufacturing	Engineering / Tooling / Dental
<ul style="list-style-type: none"> • Proven reproducibility and dependability • Powerful industrial-grade materials 	<ul style="list-style-type: none"> • Detailed, multi color, multi-material realism for functional and visual models 	<ul style="list-style-type: none"> • World-class accuracy and resolution for mass production • Unmatched material breadth 	<ul style="list-style-type: none"> • Consistent and cost-effective volume production 	<ul style="list-style-type: none"> • Fast, cost-effective parts of all sizes • Broad range of open materials

Recent initiatives increase addressable market

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2020 Highlights: Strong execution



Strategic focus

- Implementation of new strategy around polymers
- Business aligned to deliver comprehensive solutions for manufacturing applications
- Reconstitution of the executive team and Board

Acquisition of Origin

- Best-in-class photopolymer solution for manufacturing-oriented applications
- Key growth driver as we pivot to manufacturing solutions
- Expected to generate up to \$200mm revenue by 2025

Operational improvement

- Enhanced operating model to be application-centric
- ~\$30mm annual run-rate cost savings, enabling reinvestment in higher profit areas of business

Financial performance

- 11.3% sequential Q/Q revenue growth
- \$23.7mm operating cash flow – highest since Q1 '18
- Net cash position of approximately \$300mm

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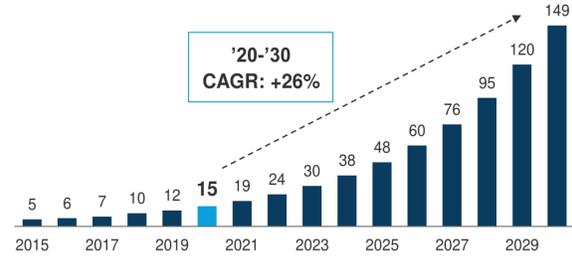
Increasing our presence in manufacturing – a multi trillion dollar addressable market



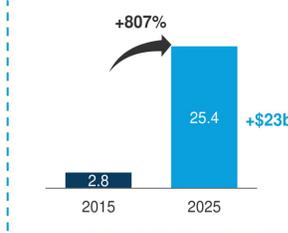
- Over 25% of 2020 revenue related directly to manufacturing applications
- Launch of P3, PBF planned this year / future updated FDM systems and Healthcare and Dental applications
- Manufacturing revenue to grow low double digits this year and 20% annually medium/long term



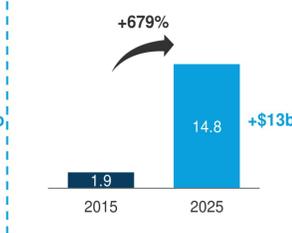
Total AM market (2015-2030)



Manufacturing AM market, \$b



Prototyping AM market, \$b



In \$billions.
Source: Stratasys market analysis drawn from Context AM3DP Printer Shipment and Forecast, Report Q2 2020, Wohlers Report 2020, IDC.

Technology and innovation support growth



Origin acquisition



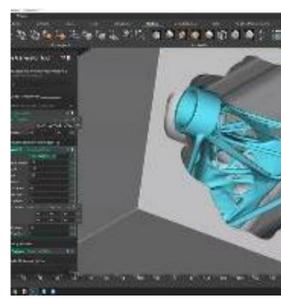
- Programmable PhotoPolymerization technology
- +3bn TAM across Dental, Medical, Tooling and Auto/Aero

Xaar Joint Venture



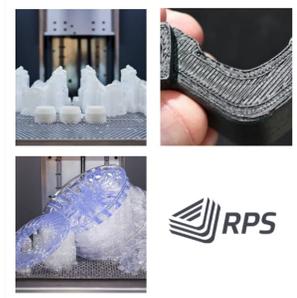
- Expands manufacturing TAM across Commercial and Consumer Goods, Auto and Service Bureaus

Software ecosystem



- nTopology
- KeyShot
- GrabCAD

RPS / Carbon Fiber



- Stereolithography technology expanding Dental, Medical and Design application capabilities
- Carbon fiber material added to F123 Series

Customers continue to express confidence in Stratasys



Automotive



J850 printers



- Technology leverages advanced materials for prototyping auto interiors and exteriors

Consumer electronics

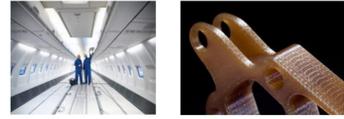


Jacquard Wearable Platform



- Delivering results to Google ATAP's Jacquard Wearable Platform

Aerospace



Antero 800NA



- High-temperature FDM material to be used on airplane construction
- First material from Stratasys qualified by Boeing for chemical resistant or fatigue requirements

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- Solid H2 sequential recovery
- Improved revenue, gross margins and cash generation
- Good signs of economic recovery



Lilach Payorski
CFO

Financial highlights

Financial results



Q4 2020

	GAAP			Non-GAAP		
	Q4-19	Q4-20	Change Y/Y	Q4-19	Q4-20	Change Y/Y
Total Revenue	160.2	142.4	-11.1%	160.2	142.4	-11.1%
Gross Profit	78.7	66.0	-12.7	84.0	70.5	-13.5
% Margin	49.1%	46.4%	-2.7%	52.4%	49.5%	-2.9%
Operating Income (Loss)	-3.3	-2.5	0.8	10.2	8.3	-1.9
% Margin	-2.0%	-1.8%	0.2%	6.3%	5.9%	-0.5%
Net Income (Loss) attributed to SSYS Ltd.	-2.8	11.0	13.8	10.0	7.0	-3.0
% Margin	-1.7%	7.7%	9.4%	6.2%	4.9%	-1.3%
Diluted EPS	-0.05	0.20	0.25	0.18	0.13	-0.05
Diluted Shares	54.4	55.3	1.6%	54.7	55.3	1.1%

FY 2020

	GAAP			Non-GAAP		
	FY-2019	FY-2020	Change Y/Y	FY-2019	FY-2020	Change Y/Y
Total Revenue	636.1	520.8	-18.1%	636.1	520.8	-18.1%
Gross Profit	313.7	219.4	-94.3	332.8	248.0	-84.8
% Margin	49.3%	42.1%	-7.2%	52.3%	47.6%	-4.7%
Operating Income (Loss)	-11.7	-456.0 ¹	-444.3	34.1	-9.1	-43.3
% Margin	-1.8%	-87.6%	-85.7%	5.4%	-1.8%	-7.1%
Net Income (Loss) attributed to SSYS Ltd.	-10.8	-443.7 ¹	-432.9	30.5	-13.9	-44.4
% Margin	-1.7%	-85.2%	-83.5%	4.8%	-2.7%	-7.5%
Diluted EPS	-0.20	-8.08 ¹	-7.88	0.56	-0.25	-0.81
Diluted Shares	54.3	54.9	1.2%	54.7	54.9	0.4%

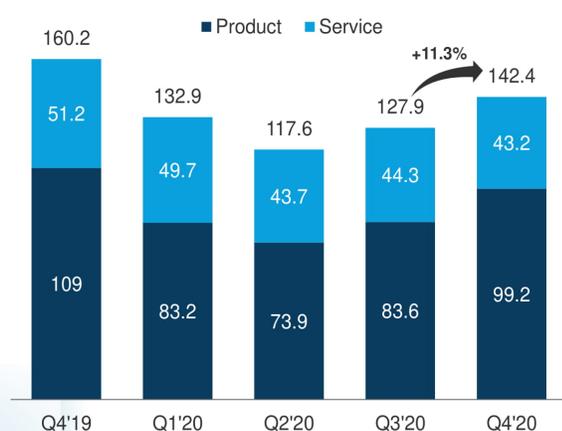
Note: \$ in millions unless noted otherwise. All numbers and percentages rounded.
¹ Mainly due to goodwill impairment of \$386.2.

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Revenue grew 11.3% sequentially



Quarterly trend



Revenue Growth – Q4'20

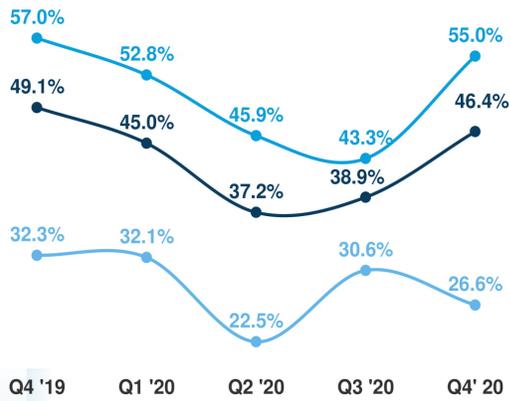
Revenue	Y/Y	Y/Y(exc. FX)
Product	-9.0%	-10.7%
System	-8.3%	-9.8%
Consumables	-9.6%	-11.6%
Service	-15.6%	-16.6%
Customer Support	-3.7%	-5.6%

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

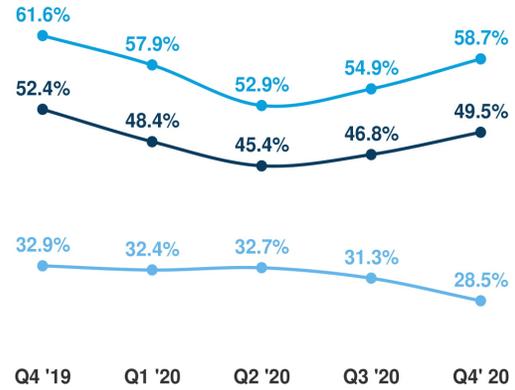
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Gross margin improvement trend

GAAP



Non-GAAP

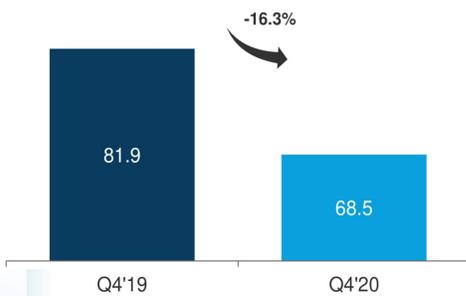


● Total Gross Margin
 ● Product Gross Margin
 ● Service Gross Margin

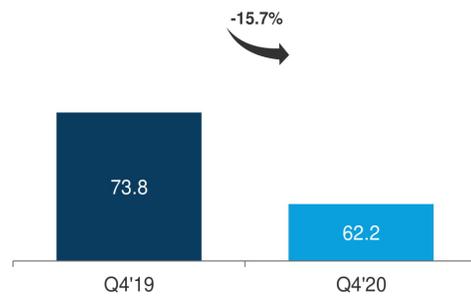
All percentages rounded.

Operating expenses improvement trend

GAAP Operating expenses



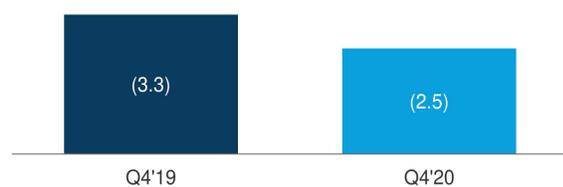
Non-GAAP Operating expenses



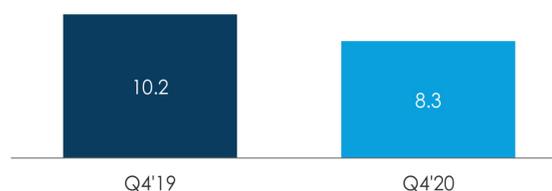
Operating income and net earnings



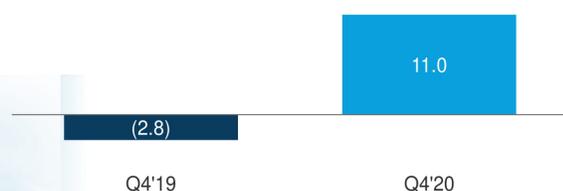
GAAP Operating income / (loss)



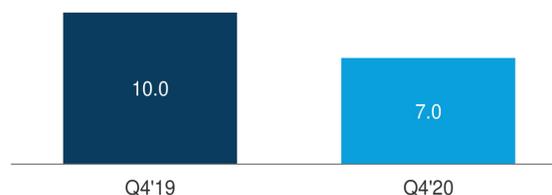
Non-GAAP Operating income / (loss)



GAAP Net income / (loss)



Non-GAAP Net income / (loss)



\$ in millions unless noted otherwise.
All percentages rounded.

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Strong balance sheet / \$23.7m OCF – highest since Q1 2018



Balance sheet items

Balance sheet items	Q4-19	Q3-20	Q4-20
Cash and Cash Equivalents and Short term deposits	321.8	308.2	299.1
Accounts Receivable	132.6	103.7	106.1
Inventories	168.5	152.7	131.7
Net Working Capital	499.2	456.9	428.3

Cash Flow From Operating Activities



\$ in millions unless noted otherwise.
All percentages rounded.

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2021 Outlook

Building foundation for strong growth

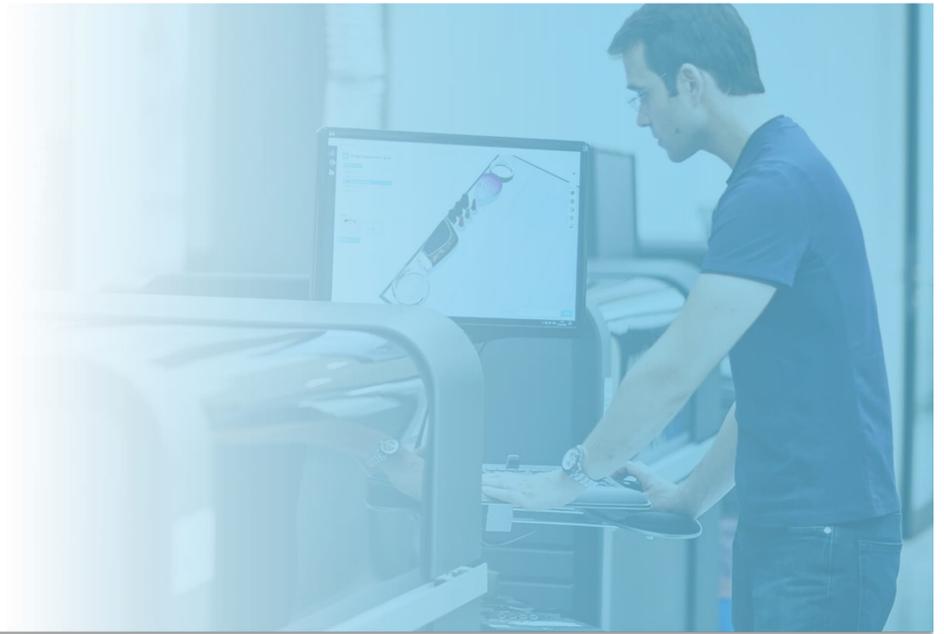
- Revenue for the current quarter tracking relatively similar to Q1 2020, despite current continued softness from key sectors like automotive and commercial aerospace, driven by the pandemic
- Expect 2Q revenue growth in mid teens compared to 2Q 2020 if current consumption trends continue
- \$25M - \$30M higher Operating expenses in '21 to reflect return to full-time work and associated costs plus acquisitions - still below '19 costs
- Significant operating leverage from recent investments and strategic initiatives – majority of growth expected to come from manufacturing applications in 2022 and beyond

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CEO Summary

- Additive manufacturing poised for exceptional growth
- 2020 internal reorganization + organic/inorganic activities position Stratasys to broaden leadership
- Strong momentum – well positioned for growth





Thank You: Q&A



Appendix

GAAP to Non-GAAP Reconciliation



Results of operations Stratasys Ltd

	Three months ended December 31, 2020			Three months ended December 31, 2019		
	GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP
Gross Profit (1)	\$66,019	\$4,520	\$70,539	\$78,659	\$5,294	\$83,953
Operating income (Loss) (1,2)	(2,529)	10,861	8,332	(3,281)	13,436	10,155
Net income (Loss) attributable to Stratasys Ltd (1,2,3)	11,028	(4,001)	7,027	(2,788)	12,741	9,953
Net income (Loss) per diluted share attributable to Stratasys Ltd (4)	\$0.20	(\$0.07)	\$0.13	(\$0.05)	\$0.23	\$0.18
1) Acquired intangible assets amortization expense		3,411			4,770	
Non-cash stock-based compensation expense		347			478	
Restructuring and other related costs		762			46	
		4,520			5,294	
2) Acquired intangible assets amortization expense		2,290			2,985	
Non-cash stock-based compensation expense		3,963			4,325	
Restructuring and other related costs		448			556	
Other expenses (income)		(360)			276	
		6,341			8,142	
		10,861			13,436	
3) Corresponding tax effect		(1,002)			(721)	
Release of valuation allowance		(14,007)			-	
Equity method related amortization, divestments and impairments		483			26	
Adjustment attributable to non-controlling interest		(336)			-	
		(\$4,001)			12,741	
4) Weighted average number of ordinary shares outstanding – Diluted	55,318		55,318	54,435		54,738

