
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 2022

Commission File Number 001-35751

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

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

1 Holtzman Street, Science Park
P.O. Box 2496
Rehovot, Israel 76124

(Addresses of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

CONTENTS

Quarterly Results of Operations

On November 10, 2022, Stratasys Ltd. (“**we**” or “**us**”) announced our financial results for the third quarter ended September 30, 2022. 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 10, 2022 to discuss our results, we are furnishing a copy of the slide 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 10, 2022

By: /s/ Eitan Zamir
Name: Eitan Zamir
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 10, 2022 announcing the financial results of Stratasys Ltd. for the third quarter ended September 30, 2022
99.2	Slide presentation providing supplemental information to be referenced on the conference call of Stratasys Ltd. discussing its quarterly financial results, being held on November 10, 2022



Stratasys Releases Third Quarter 2022 Financial Results

- *Consolidated Revenues grew 2.0%, and increased 7.8% as adjusted for divestitures and on a constant currency basis*
- *Third quarter GAAP net income of \$18.7 million, or \$0.28 per diluted share, and non-GAAP net income of \$3.3 million, or \$0.05 per diluted share*
- *\$348.7 million of cash and cash equivalents and no debt at quarter end*
- *Updates 2022 full-year outlook reflecting approximately 10% revenue growth over 2021 adjusted for divestitures*

MINNEAPOLIS, MN & REHOVOT, Israel - (BUSINESS WIRE) - November 10, 2022 - Stratasys Ltd. (Nasdaq: SSYS), a leader in polymer 3D printing solutions, today announced financial results for the third quarter of 2022.

Third Quarter 2022 Financial Results Compared to Third Quarter 2021:

- Consolidated revenue of \$162.2 million, up 2.0% compared to \$159.0 million; adjusted revenue excluding divestitures and on a constant currency basis increased 7.8%.
- GAAP gross margin of 43.6% versus 42.9%.
- Non-GAAP gross margin of 48.5%, compared to 48.2%.
- GAAP operating loss of \$15.6 million, compared to a GAAP operating loss of \$21.9 million.
- Non-GAAP operating income of \$4.5 million, versus non-GAAP operating income of \$1.8 million.
- GAAP net income of \$18.7 million, or \$0.28 per diluted share, compared to net loss of \$18.1 million, or (\$0.28) per diluted share.
- Non-GAAP net income of \$3.3 million, or \$0.05 per diluted share, versus non-GAAP net income of \$0.5 million, or \$0.01 per diluted share.
- Adjusted EBITDA of \$9.9 million, compared to \$7.8 million.
- \$18.4 million of cash used by, compared to \$3.0 million of cash generated from, operating activities, reflecting cash use for a continued augmentation of inventories.

Dr. Yoav Zeif, Stratasys' Chief Executive Officer, said "We delivered our highest third quarter revenue in seven years. This was driven by 18.9% growth in our systems, excluding divestitures and on a constant currency basis. We have now achieved five consecutive quarters of positive earnings, demonstrating our unique ability to generate profitable growth even while navigating a challenging global economic backdrop that includes prolonged customer sales cycles and delayed consumables purchases."

"As the leading provider of comprehensive polymer additive manufacturing products, software, and services solutions, we continue to enhance our core competencies and evolve our offerings to outpace our customers' expanding needs. We are excited about the significant expansion of our materials portfolio across multiple technologies, which we believe will drive higher-margin consumables sales in the coming years. In addition, as part of our growth strategy we will keep selectively adding and incubating complementary new technology-driven businesses that we expect will spur incremental growth in the future. Stratasys is ideally positioned to provide the necessary solutions to catalyze our customers' ongoing transformation from prototyping to additive manufacturing at scale while creating long-term value for all of our shareholders," Dr. Zeif concluded.

Financial Outlook:

Based on current market conditions, and assuming that the collective impact of global supply chain costs, rising interest rates, currency risk and inflation does not further worsen economic activity, the Company is updating its outlook for 2022 to include the impact of \$17 million from its MakerBot divestiture as follows:

- Full year 2022 revenue of \$648 million to \$652 million, which includes the impact of approximately \$13 million to reflect the anticipated impact of customer-related delays in the purchasing of systems and materials due to anticipated, ongoing economic uncertainty as well as ongoing pressure on foreign exchange rates. The updated outlook represents approximately 10% full year growth over 2021 after adjusting for the MakerBot divestiture.
- Full-year 2022 gross margins flat to slightly higher compared to full-year 2021, based on current logistics and materials costs.
- Full year-operating expenses \$5 million to \$10 million higher than 2021, primarily due to the divestiture of MakerBot and by improved efficiencies.
- Full year non-GAAP operating margins slightly above 2%.
- GAAP net loss of \$48 million to \$39 million, or (\$0.72) to (\$0.59) per diluted share.
- Non-GAAP net income of \$6 million to \$8 million, or \$0.09 to \$0.12 per diluted share.
- Adjusted EBITDA of \$34 million to \$37 million.
- Capital expenditures of \$15 million to \$20 million.

Non-GAAP earnings outlook excludes \$37 million to \$38 million of anticipated amortization of intangible assets, \$33 million to \$35 million of non-cash share-based compensation expense, \$39 million gain from deconsolidation of MakerBot, and reorganization and other expenses of \$14 million to \$16 million. Non-GAAP outlook includes tax adjustments of \$3 million to \$5 million on the above non-GAAP items.

Appropriate reconciliations between GAAP and non-GAAP financial measures are provided in a table at the end of this press release and slide presentation, with itemized detail concerning the non-GAAP financial measures.

Stratasys Ltd. Third Quarter 2022 Webcast and Conference Call Details:

The Company plans to webcast its conference call to discuss its third quarter 2022 financial results on Thursday, November 10, 2022, 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://event.choruscall.com/mediaframe/webcast.html?webcastid=Aau6uFJK>

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 six months at investors.stratasys.com, or by accessing the above-provided web address.



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 Stratasys' projected future financial performance, including the financial guidance concerning its expected results for 2022 and beyond, 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 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 and integrating into our existing business acquisitions or investments in new businesses, technologies, products or services; the degree of our success at locating and acquiring additional value-enhancing, inorganic technology that furthers our business plan to lead in the realm of polymers; the adverse impact that recent global interruptions, delays and increased costs related to freight carriers and other suppliers (including due to the Russian invasion of Ukraine) are having on our supply chain and distribution network, and, consequently, our ability to successfully sell both our existing and newly-launched 3D printing products; the strength and duration of, and degree of recovery from and resilience to, current adverse macro-economic conditions that are, in part, by-products of the COVID-19 pandemic, including inflation and rising interest rates, which are having, and may continue to have, significant consequences for our operations, financial position, cash flows, and those of our customers and suppliers; 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; 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, 2021, which we filed with the U.S. Securities and Exchange Commission, or SEC, on February 24, 2022 (the "**2021 Annual Report**"). Readers are urged to carefully review and consider the various disclosures made throughout our 2021 Annual Report and the Reports of Foreign Private Issuer on Form 6-K that attach Stratasys' unaudited, condensed consolidated financial statements and its review of its results of operations and financial condition, for the quarterly periods throughout 2022, which are furnished to the SEC throughout 2022, 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 provided or made (as applicable) 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 exclude 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 (i) on an ongoing basis after excluding mergers, acquisitions and divestments related expense or gains and reorganization-related charges or gains, legal provisions and currency-related fluctuations, 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 long-lived assets and goodwill, revaluation of our investments and the corresponding tax effect of those items. These factors eliminated in 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.

Yonah Lloyd
CCO, VP Investor Relations
Yonah.Lloyd@stratasys.com

Source: Stratasys Ltd.

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

	September 30, 2022	December 31, 2021
ASSETS		
Current assets		
Cash and cash equivalents	\$ 150,672	\$ 243,179
Short-term deposits	198,056	259,000
Accounts receivable, net of allowance for credit losses of \$0.7 million and \$0.5 million as of September 30, 2022 and December 31, 2021	140,258	129,382
Inventories	170,434	129,147
Prepaid expenses	8,146	6,871
Other current assets	26,838	33,123
Total current assets	694,404	800,702
Non-current assets		
Property, plant and equipment, net	194,214	203,295
Goodwill	64,844	65,144
Other intangible assets, net	129,682	152,244
Operating lease right-of-use assets	19,010	14,651
Long-term investments	143,928	28,667
Other non-current assets	21,309	12,519
Total non-current assets	572,987	476,520
Total assets	\$ 1,267,391	\$ 1,277,222
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	\$ 67,957	\$ 51,976
Accrued expenses and other current liabilities	55,152	55,358
Accrued compensation and related benefits	34,862	44,684
Deferred revenues - short term	48,735	51,174
Operating lease liabilities - short term	6,977	7,276
Total current liabilities	213,683	210,468
Non-current liabilities		
Deferred revenues - long term	23,581	21,133
Deferred income taxes - long term	4,084	7,341
Operating lease liabilities - long term	11,738	7,693
Contingent consideration - long term	38,551	53,478
Other non-current liabilities	27,028	21,095
Total non-current liabilities	104,982	110,740
Total liabilities	318,665	321,208
Equity		
Ordinary shares, NIS 0.01 nominal value, authorized 180,000 thousands shares; 66,784 thousands shares and 65,677 thousands shares issued and outstanding at September 30, 2022 and December 31, 2021, respectively	186	182
Additional paid-in capital	3,037,225	3,012,481
Accumulated other comprehensive loss	(14,223)	(8,771)
Accumulated deficit	(2,074,462)	(2,047,878)
	948,726	956,014
Total liabilities and equity	\$ 1,267,391	\$ 1,277,222

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022 (unaudited)	2021 (unaudited)	2022 (unaudited)	2021 (unaudited)
Net sales				
Products	\$ 112,133	\$ 108,888	\$ 340,927	\$ 299,517
Services	50,059	50,121	151,297	140,686
	<u>162,192</u>	<u>159,009</u>	<u>492,224</u>	<u>440,203</u>
Cost of sales				
Products	55,916	54,820	176,421	151,471
Services	35,527	36,001	107,984	101,697
	<u>91,443</u>	<u>90,821</u>	<u>284,405</u>	<u>253,168</u>
Gross profit	70,749	68,188	207,819	187,035
Operating expenses				
Research and development, net	23,145	22,645	71,489	65,683
Selling, general and administrative	63,230	67,462	195,085	184,353
	<u>86,375</u>	<u>90,107</u>	<u>266,574</u>	<u>250,036</u>
Operating loss	(15,626)	(21,919)	(58,755)	(63,001)
Gain from deconsolidation of subsidiary	39,136	-	39,136	-
Financial income (expense), net	452	(634)	(2,080)	(1,383)
Income (loss) before income taxes	23,962	(22,553)	(21,699)	(64,384)
Income tax expense (benefit)	3,298	699	2,796	6,009
Share in profit (losses) of associated companies	(1,915)	3,778	(2,089)	1,229
Net income (loss)	<u>\$ 18,749</u>	<u>\$ (18,076)</u>	<u>\$ (26,584)</u>	<u>\$ (57,146)</u>
Net income (loss) per share				
Basic	\$ 0.28	\$ (0.28)	\$ (0.40)	\$ (0.91)
Diluted	\$ 0.28	\$ (0.28)	\$ (0.40)	\$ (0.91)
Weighted average ordinary shares outstanding				
Basic	66,772	65,018	66,356	62,888
Diluted	67,038	65,018	66,356	62,888

		Three Months Ended June 30,					
		2022	Non-GAAP	2022	2021	Non-GAAP	2021
		GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP
U.S. dollars and shares in thousands (except per share amounts)							
	Gross profit (1)	\$ 70,749	\$ 7,990	\$ 78,739	\$ 68,188	\$ 8,507	\$ 76,695
	Operating income (loss) (1,2)	(15,626)	20,149	4,523	(21,919)	23,739	1,820
	Net income (loss) (1,2,3)	18,749	(15,423)	3,326	(18,076)	18,592	516
	Net income (loss) per diluted share (4)	\$ 0.28	\$ (0.23)	\$ 0.05	\$ (0.28)	\$ 0.28	\$ 0.01
(1)	Acquired intangible assets amortization expense		6,941			5,495	
	Non-cash stock-based compensation expense		1,061			804	
	Restructuring and other related costs		(12)			67	
	Impairment charges		-			2,141	
			7,990			8,507	
(2)	Acquired intangible assets amortization expense		2,138			2,205	
	Non-cash stock-based compensation expense		6,330			7,154	
	Impairment of long-lived assets		-			1,242	
	Restructuring and other related costs		1,309			210	
	Revaluation of investments		901			2,025	
	Contingent consideration		394			197	
	Other expenses		1,087			2,199	
			12,158			15,232	
			20,149			23,739	
(3)	Gain from deconsolidation of subsidiary		(39,136)			-	
	Corresponding tax effect and other expenses		3,564			(5,147)	
			\$ (15,423)			\$ 18,592	
(4)	Weighted average number of ordinary shares outstanding - Diluted	67,038		67,038	65,018		65,950

		Six Months Ended June 30,											
		2022	Non-GAAP	2022	2021	Non-GAAP	2021						
		GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP						
U.S. dollars and shares in thousands (except per share amounts)													
	Gross profit (1)	\$	207,819	\$	27,593	\$	235,412	\$	187,035	\$	22,192	\$	209,227
	Operating income (loss) (1,2)		(58,755)		67,235		8,480		(63,001)		59,657		(3,344)
	Net income (loss) (1,2,3)		(26,584)		32,295		5,711		(57,146)		52,284		(4,862)
	Net income (loss) per diluted share (4)	\$	(0.40)	\$	0.49	\$	0.09	\$	(0.91)	\$	0.83	\$	(0.08)
(1)	Acquired intangible assets amortization expense				20,861						16,368		
	Non-cash stock-based compensation expense				3,041						2,226		
	Restructuring and other related costs				(174)						1,457		
	Impairment charges				3,865						2,141		
					<u>27,593</u>						<u>22,192</u>		
(2)	Acquired intangible assets amortization expense				6,581						6,598		
	Non-cash stock-based compensation expense				21,714						20,914		
	Impairment of long-lived assets				-						2,664		
	Restructuring and other related costs				1,864						2,370		
	Revaluation of investments				3,217						556		
	Contingent consideration				1,197						590		
	Other expenses				5,069						3,773		
					<u>39,642</u>						<u>37,465</u>		
					<u>67,235</u>						<u>59,657</u>		
(3)	Gain from deconsolidation of subsidiary				(39,136)						-		
	Corresponding tax effect and other expenses				4,196						(7,373)		
					<u>\$ 32,295</u>						<u>\$ 52,284</u>		
(4)	Weighted average number of ordinary shares outstanding - Diluted		66,356				67,007		62,888				62,888

Stratasys Ltd.
Reconciliation of GAAP to Non-GAAP Forward Looking Guidance
Fiscal Year 2022
(in millions, except per share data)

GAAP net loss	(\$48) to (\$39)
Adjustments	
Stock-based compensation expense	\$33 to \$35
Intangible assets amortization expense	\$37 to \$38
Reorganization and other	\$14 to \$16
Tax expense (benefit) related to Non-GAAP adjustments	\$3 to \$5
Non-GAAP net income	\$6 to \$8
GAAP loss per share	(\$0.72) to (\$0.59)
Non-GAAP diluted earnings per share	\$0.09 to \$0.12



Q3 2022 Results

Speakers

Dr. Yoav Zeif, CEO
Eitan Zamir, CFO
Yonah Lloyd, CCO & VP IR

Nov. 10, 2022



Conference Call and Webcast Details

US Toll-Free Dial-In
1-877-407-0629

International Dial-In
1-412-902-1012

Live Webcast and Replay

<https://event.choruscall.com/mediaframe/webcast.html?webcastid=Aau6uFJK>



Forward-Looking Statements

Cautionary Statement Regarding Forward-Looking Statements

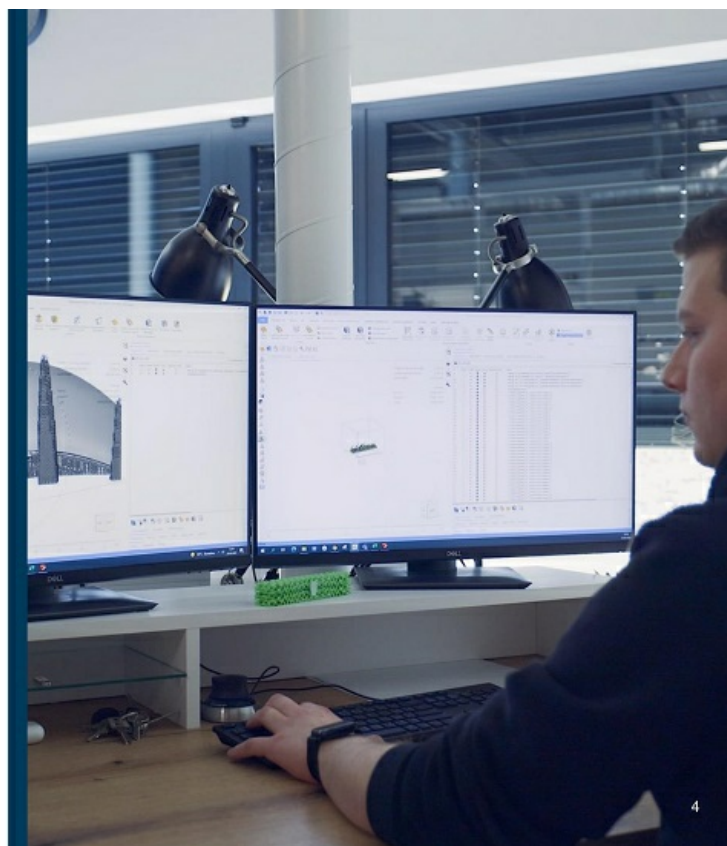
The statements in this slide presentation regarding Stratasys' strategy, and the statements regarding its projected future financial performance, including the financial guidance concerning its expected results for 2022, are forward-looking statements reflecting management's current expectations and 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 extent of growth of the 3D printing market generally; the duration and severity of the macro-economic trends triggered by the global COVID-19 pandemic, such as supply-chain delays, inflationary pressures and rising interest rates; 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 stemming from Russia's invasion of Ukraine); 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, 2021, filed with the SEC on February 24, 2022 (the "2021 Annual Report"). Readers are urged to carefully review and consider the various disclosures made throughout our 2021 Annual Report and the Reports of Foreign Private Issuer on Form 6-K that attach Stratasys' unaudited, condensed consolidated financial statements and its review of its results of operations and financial condition, for the quarterly periods throughout 2022, which Stratasys has furnished to the SEC over the course of 2022, 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 slide 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

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 (i) on an ongoing basis after excluding mergers, acquisitions and divestments related expense or gains and reorganization-related charges or gains, legal provisions, 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 long-lived assets and goodwill, revaluation of our investments 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 later in this slide presentation.



Welcome



Dr. Yoav Zeif


CEO

- Delivered highest third quarter revenue in seven years and fifth consecutive quarter of positive earnings
- We expect to generate sustained operating profitability
- Challenges facing target industries justify accelerating the shift to additive:
 - Adapt to logistical bottlenecks
 - Reduce transportation costs
 - Meet sustainability requirements
 - Accelerate product innovation times

Managing Through the Current Macro Environment



- Uncertain economy is affecting purchase behavior - Sales cycles are longer with some order deferrals
- Broad set of offerings for entire product value chain is helping mitigate these impacts
- Steady organic contributions and incremental revenues from new technologies delivering consistent growth with improving margins
- Focused on relentless cost management, with 130 basis point improvement in OpEx as percentage of revenue



Our Business is in Growth Mode

- OEM revenue up 10% y/y, on constant currency basis
- Total revenue up 7.8%* y/y
- 18.9%* y/y OEM systems revenue growth, highest Q3 in 6 years
- New technologies SAF, P3 and Neo more than double our addressable market
- New use cases and opportunities to replace traditional manufacturing across verticals
- Repeat FDM sale to global auto OEM for more industrial, manufacturing-grade F900 systems
- Strong balance sheet with no debt

* Adjusted for FX and divestitures

Building Leading Polymer Materials Portfolio for Manufacturing



Stratasys agrees to acquire Covestro's AM materials business

- Global R&D, development and sales teams
- Portfolio of 60 materials
- Hundreds of patents and patents pending



13 Validated FDM materials and OpenAM now available

- Filaments from VICTREX, Kimya, Covestro
- New color options for ULTEM 9085 resin, PC, PCS-ABS – more end-use applications
- OpenAM software provides access to open market filaments or proprietary formulas

Building Leading Polymer Materials Portfolio for Manufacturing



New Validated industrial materials for Origin One 3D printer

- P3 Stretch 475 from Henkel Loctite – soft elastomer for applications such as automotive door seals
- P3 Deflect 120 from Evonik – High strength at high temperatures, ideal for molds



FDA 510(k) clearance for revolutionary resin for J5 DentaJet printer for dentures

- Will be a disruptive growth driver for Stratasys in dentures
- \$5 billion addressable market

Investments in Artificial Intelligence – Available in 2023

axial^{3D}

\$10 million strategic investment

- Axial3D's AI-powered algorithms shave hours off time to prepare scans for 3D printing models
- Stratasys and Axial3D preparing joint offering to make models more accessible to hospitals and medical device makers worldwide



riven

- Cloud-based closed-loop quality assurance for additive manufacturing – ensuring parts match CAD files
- Latest version uses AI to predict and pre-adjust model changes in advance



CFO Remarks



Eitan Zamir

CFO

- Solid results in a challenging environment
- OEM business growth of ~10% vs. Q3 2021 (constant FX)
- Efficiency helping improve OpEx as percentage of revenue



Resilient Financial Results

	GAAP			Non-GAAP		
	Q3-21	Q3-22	Change Y/Y	Q3-21	Q3-22	Change Y/Y
Total Revenue	159.0	162.2	2.0%	159.0	162.2	2.0%
Gross Profit	68.2	70.7	2.5	76.7	78.7	2.0
▪ % Margin	42.9%	43.6%	0.7%	48.2%	48.5%	0.3%
Operating Income (Loss)	(21.9)	(15.6)	6.3	1.8	4.5	2.7
▪ % Margin	-13.8%	-9.6%	4.2%	1.1%	2.8%	1.7%
Gain from deconsolidation of subsidiary	-	39.1	39.1	-	-	-
Net Income (Loss)	(18.1)	18.7	36.8	0.5	3.3	2.8
▪ % Margin	-11.4%	11.6%	23.0%	0.3%	2.1%	1.8%
Diluted EPS	(0.28)	0.28	0.56	0.01	0.05	0.04
Diluted Shares	65.0	67.0	3.1%	66.0	67.0	1.6%

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

Revenue Growth Continues

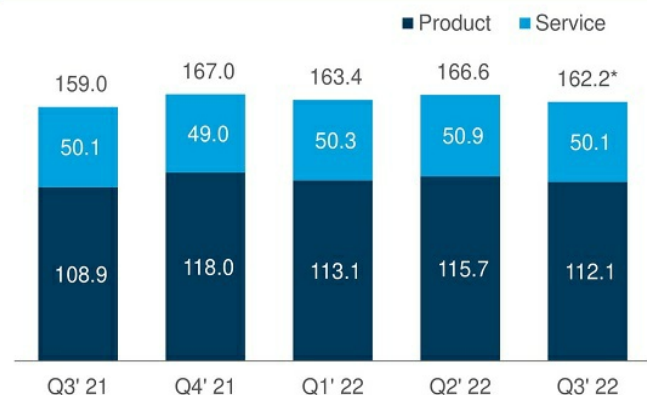


Revenue of \$162.2 million up 2% YoY (7.8% adjusted for FX, divestitures)



Product revenue \$112.1 million, up 3.0% vs. Q3 2021 (10.5% with FX/divestitures), and services revenue \$50.1 million down 0.1% (up 2.1% with FX/divestitures)

Quarterly Trend



* Reflects only 2 months of MakerBot revenue.

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

Revenue Growth – Q3'22

Revenue	Y/Y	Vs. Q3 2019
Product	3.0%	5.4%
▪ System	7.7%	14.9%
▪ Consumables	-1.4%	-2.7%
Service	-0.1%	-2.1%
▪ Customer Support	4.7%	10.3%

Increasing Gross Margins

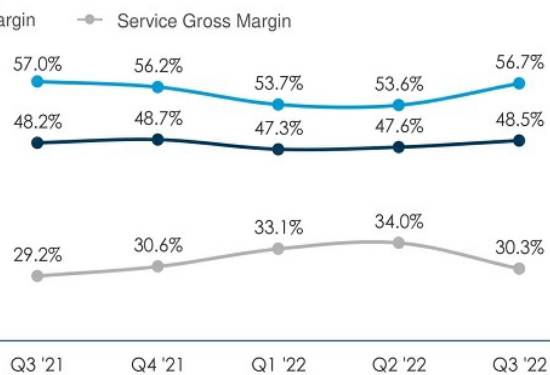


GAAP and Non-GAAP margin improvements driven by operational efficiencies and MakerBot divestment, despite FX deterioration

GAAP



Non-GAAP



All percentages rounded

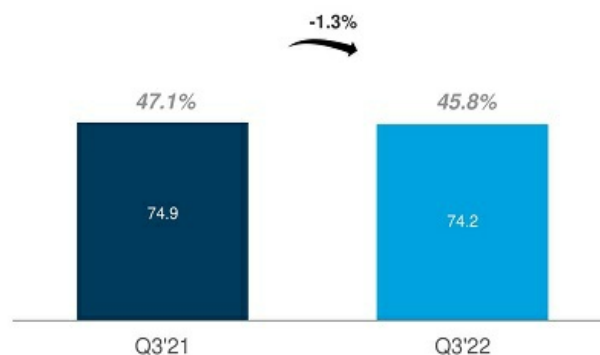
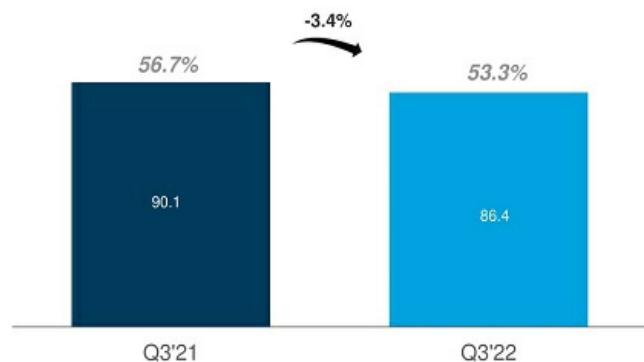
Operating Expenses Reduction Reflecting Scalability



Operating Expenses improvement trend ongoing

GAAP operating expenses (absolute and as a percentage of revenues)

Non-GAAP operating expenses (absolute and as a percentage of revenues)



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

Profitable Results

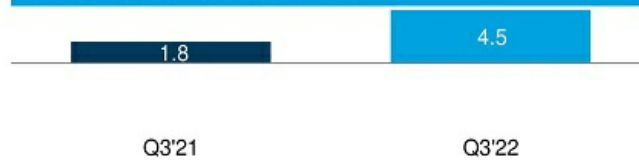


Improving operating income and net income reflect business scalability and operational efficiencies, resulting in gross margin growth and lower operating expenses

GAAP operating loss



Non-GAAP operating income



GAAP net loss



Non-GAAP net income



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

Fortified Balance Sheet and Responsible Cash Use



Strong balance sheet at \$349M cash and equivalents after recent strategic investments



Cash use tied to deliberately increased inventory purchases

Balance sheet items

	Q3-21	Q2-22	Q3-22
Cash and Cash Equivalents and Short-term deposits	519.9	441.5	348.7
Accounts Receivable	121.8	132.3	140.3
Inventories	119.9	153.7	170.4
Net Working Capital	624.8	582.7	480.7

Cash flow from operating activities



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

Full Year 2022 Outlook Updated to Exclude MakerBot Divestiture

Revenue Growth Appx. 10% Y/Y*

- \$648M-\$652M
 - Removal of MakerBot (\$17M)
 - Delayed purchase activity
 - Continuing FX challenges

Gross Margins Improving

- Flat to slightly higher than 2021
- Targeting over 50% long-term when logistics and inflation issues pass and we execute growth plan

OpEx Reduced

- \$5M-\$10M
- Improvement due primarily from divestitures and improved OpEx efficiencies

Operating Margins Improvement

- Non-GAAP slightly above 2%
- Targeting double-digit margins long-term

Earnings Improvement

- GAAP net loss of \$48M-\$39M, or (\$0.72)-(\$0.59) per diluted share
- Non-GAAP net income \$6M-\$8M or \$0.09-\$0.12 per diluted share
- Adjusted EBITDA of \$34M-\$37M

CapEx Reduced

- \$15M-\$20M

*Adjusted for FX and divestitures



CEO Summary



Dr. Yoav Zeif

CEO

- Today's business challenges reinforce additive manufacturing's benefits
- We continue to invest in hardware, materials and software to expand applications and drive additive manufacturing to scale
- Thank you to our global teams for rising to the challenge and helping drive continued profitability
- Relentless focus on execution and investment for growth, profitability and shareholder value



Thank You



Appendix

	Three months ended September 30, 2022			Three months ended September 30, 2021		
	GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP
Gross Profit (1)	\$70,749	\$7,990	\$78,739	\$68,188	\$8,507	\$76,695
Operating income (Loss) (1,2)	(15,626)	20,149	4,523	(21,919)	23,739	1,820
Net income (Loss) (1,2,3)	18,749	(15,423)	3,326	(18,076)	18,592	516
Net income (Loss) per diluted share (4)	\$0.28	(\$0.23)	\$0.05	(\$0.28)	\$0.29	\$0.01
1) Acquired intangible assets amortization expense		6,941			5,495	
Non-cash stock-based compensation expense		1,061			804	
Restructuring and other related costs		(12)			67	
Impairment charges		-			2,141	
		7,990			8,507	
2) Acquired intangible assets amortization expense		2,138			2,205	
Non-cash stock-based compensation expense		6,330			7,154	
Impairment of long-lived assets		-			1,242	
Restructuring and other related costs		1,309			210	
Revaluation of investments		901			2,025	
Contingent consideration		394			197	
Other expenses		1,087			2,199	
		12,159			15,232	
		20,149			23,739	
3) Gain from deconsolidation of subsidiary		(39,136)			-	
Corresponding tax effect and other expenses		3,564			(5,147)	
		(\$15,423)			\$18,582	
4) Weighted average number or ordinary shares outstanding – Diluted	67,038		67,038	65,018		65,950

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