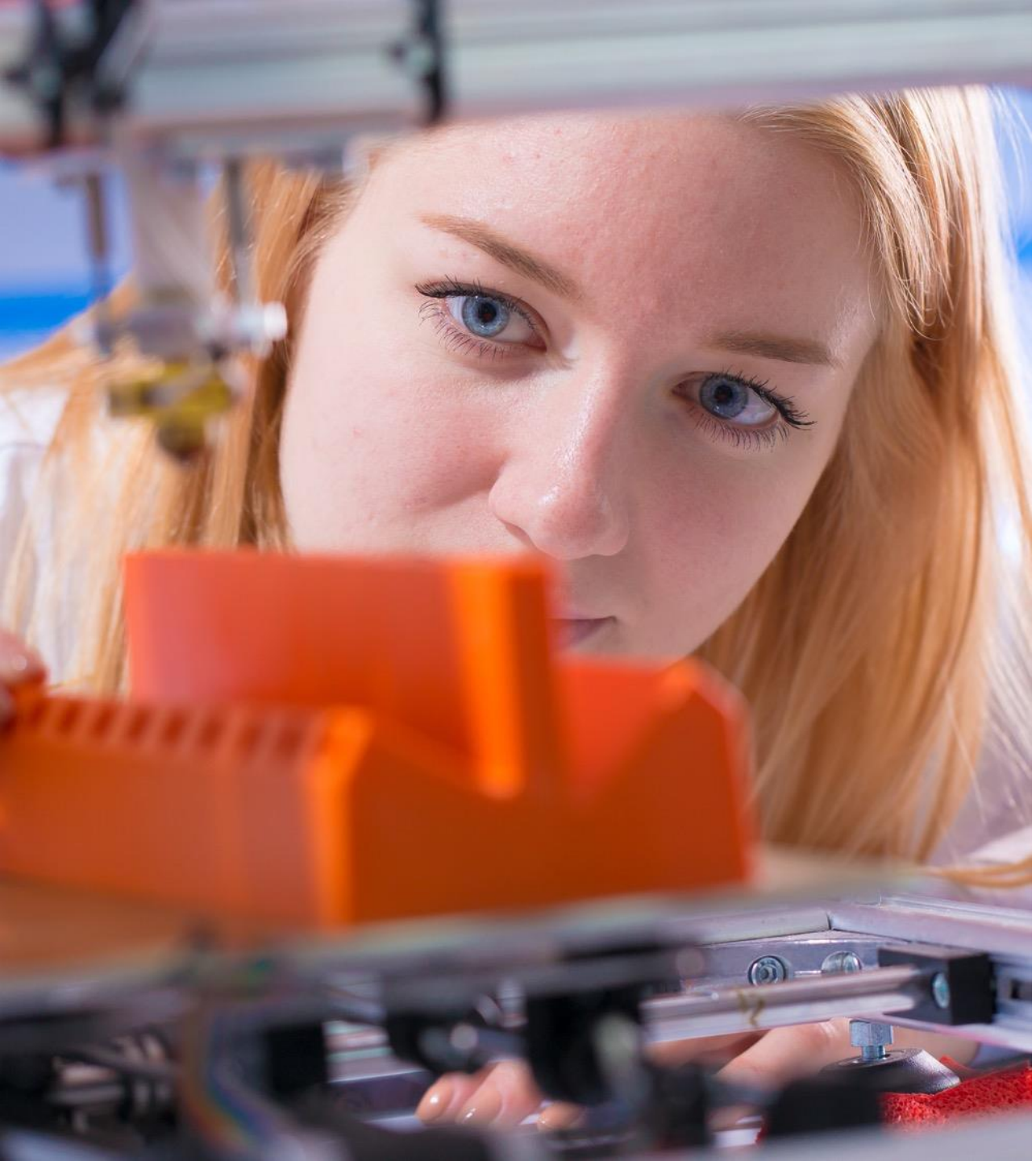


Transforming Polymer Manufacturing with 3D Printing

NASDAQ: SSYS

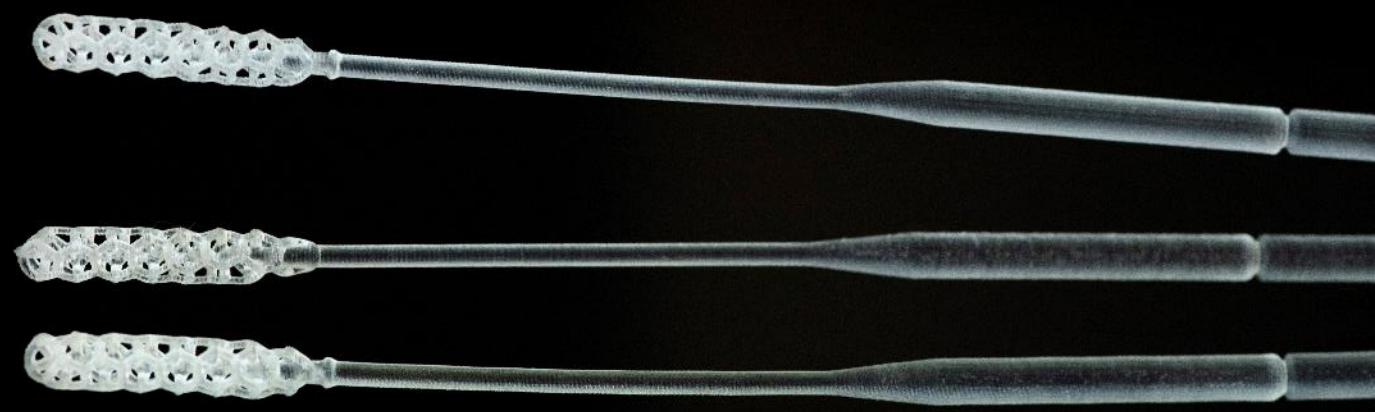
Needham Growth Conference
January 14, 2021

Forward-looking statements

The statements in this presentation regarding Stratasys' strategy, and the statements regarding its projected future financial performance, including the performance of Origin, 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 remaining 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 furnished to the SEC on November 12, 2020, 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.

We aim to lead in polymer 3D printing at every step in the product lifecycle

Design *Engineering* *Manufacturing & Production* *Healthcare*



Stratasys at a glance

Facts & figures

30+ years of leadership

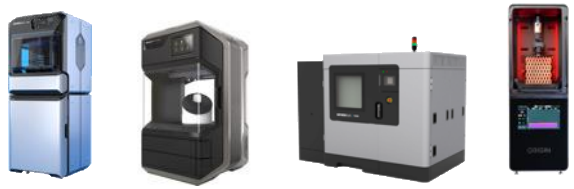
Largest marquis customer base

2,000+ global employees

1,400+ patents (granted+pending)

200+ resellers worldwide

Our unique advantages



Full solution portfolio

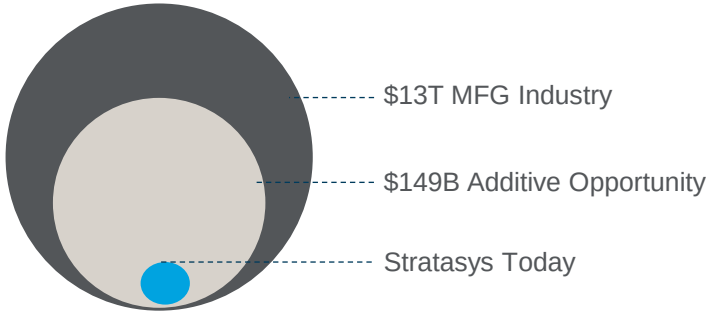
Innovative leadership

Strongest global GTM infrastructure

Market opportunity

Additive manufacturing

Transforming a $13T industry



Mega trends

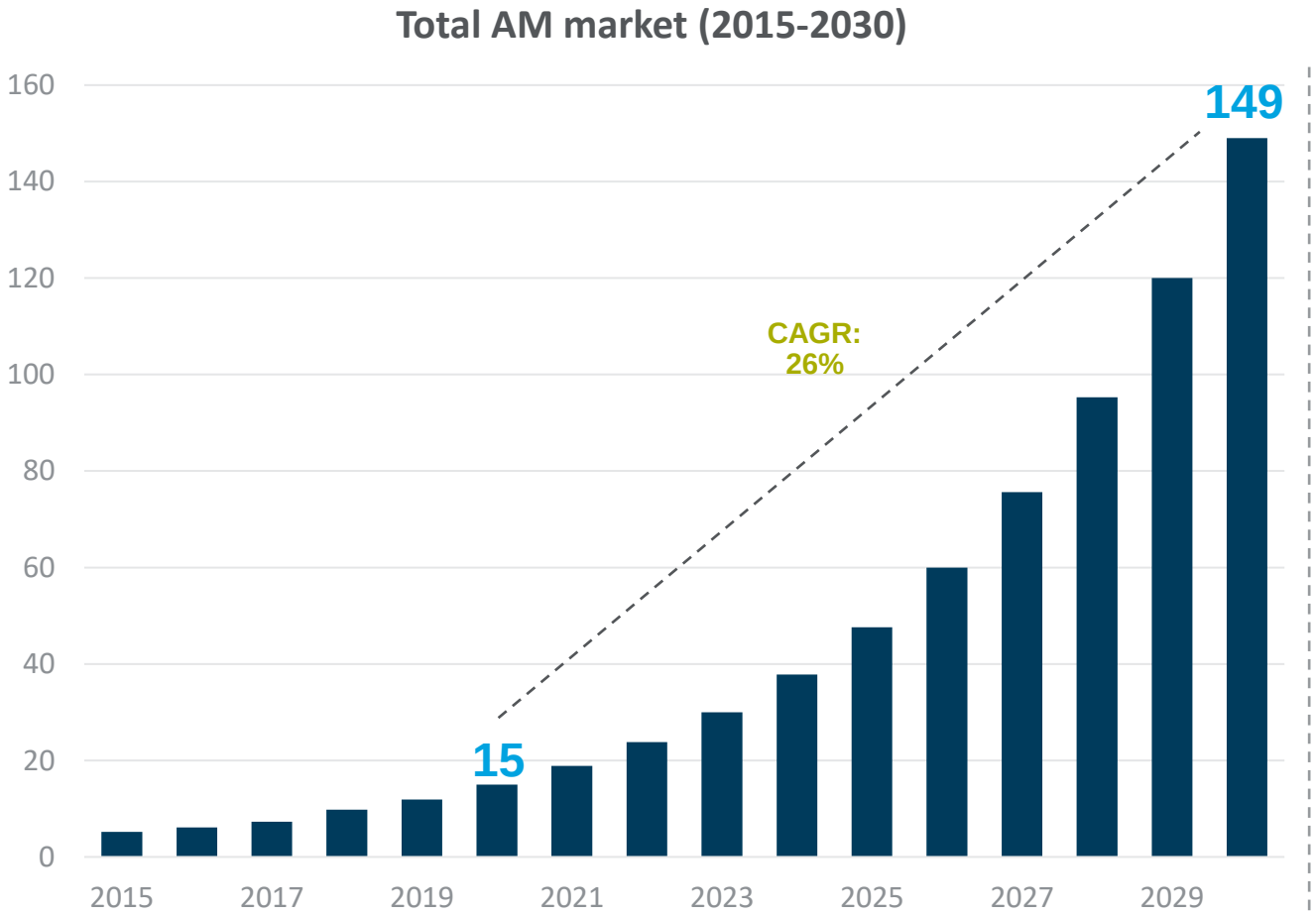
Onshoring, on-demand production, agile supply chains, Industry 4.0

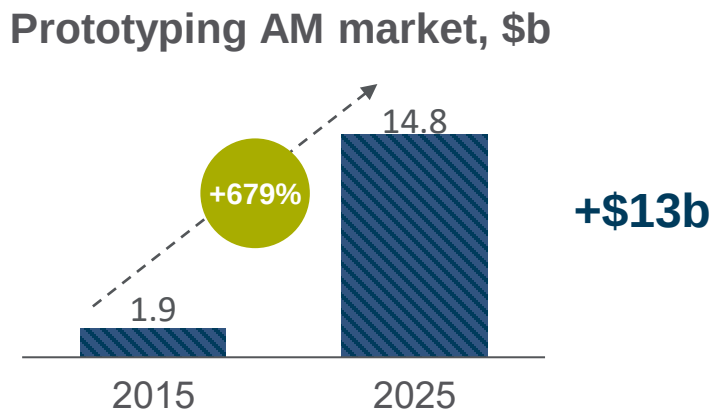
COVID-19

Accelerating manufacturing shifts

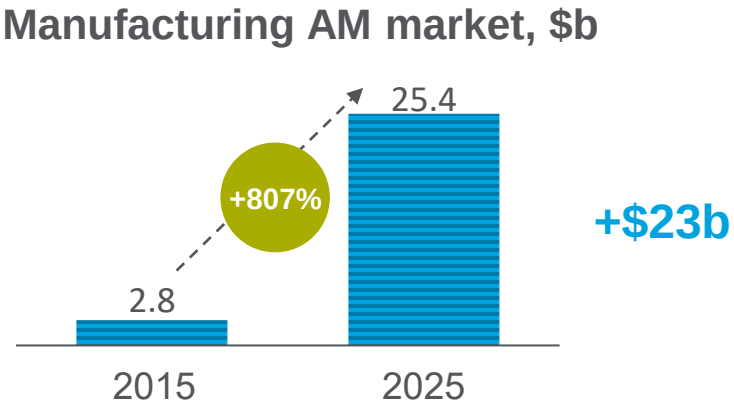
3D printing revenue expected to reach $149B by 2030

Driven by increased adoption and significant penetration in manufacturing





+$13b



+$23b

In $billions
Source: Stratasys market analysis drawn from Context AM3DP Printer Shipment and Forecast Report Q2 2020, Wohlers Report 2020, IDC, Projections Pre-COVID

Additive manufacturing is at an inflection point

3D printing helps manage the unexpected

“Businesses of all sizes need to begin treating unanticipated disruptions to development, production, supply chain, or service activities as the new normal.”

- IDC, Manufacturing Resiliency in the Age of COVID-19, March 2020

Hypercompetition

Companies are beginning to recognize the value of 3D printing and will invest further in additive manufacturing

Society of Manufacturing Engineers study:

25%

of US manufacturing professionals plan to change their supply chain post-pandemic

Planned Post-Pandemic Tech Investments	
3D Printing/Additive	25%
Robotics	25%
Video & Cloud Services	23%
Wireless Connectivity	21%
Digital Security	19%
Artificial Intelligence	13%
5G Infrastructure	12%
Industrial IoT	9%
Augmented/Virtual Reality	8%
Blockchain	2%

Source: SME Media, "2020 COVID-19 Future Outlook Study," conducted April 1-4, 2020

3D printing for manufacturing brings competitive advantage in a world demanding greater business agility

On-shoring/local production

—

Flexibility

—

Speed

—

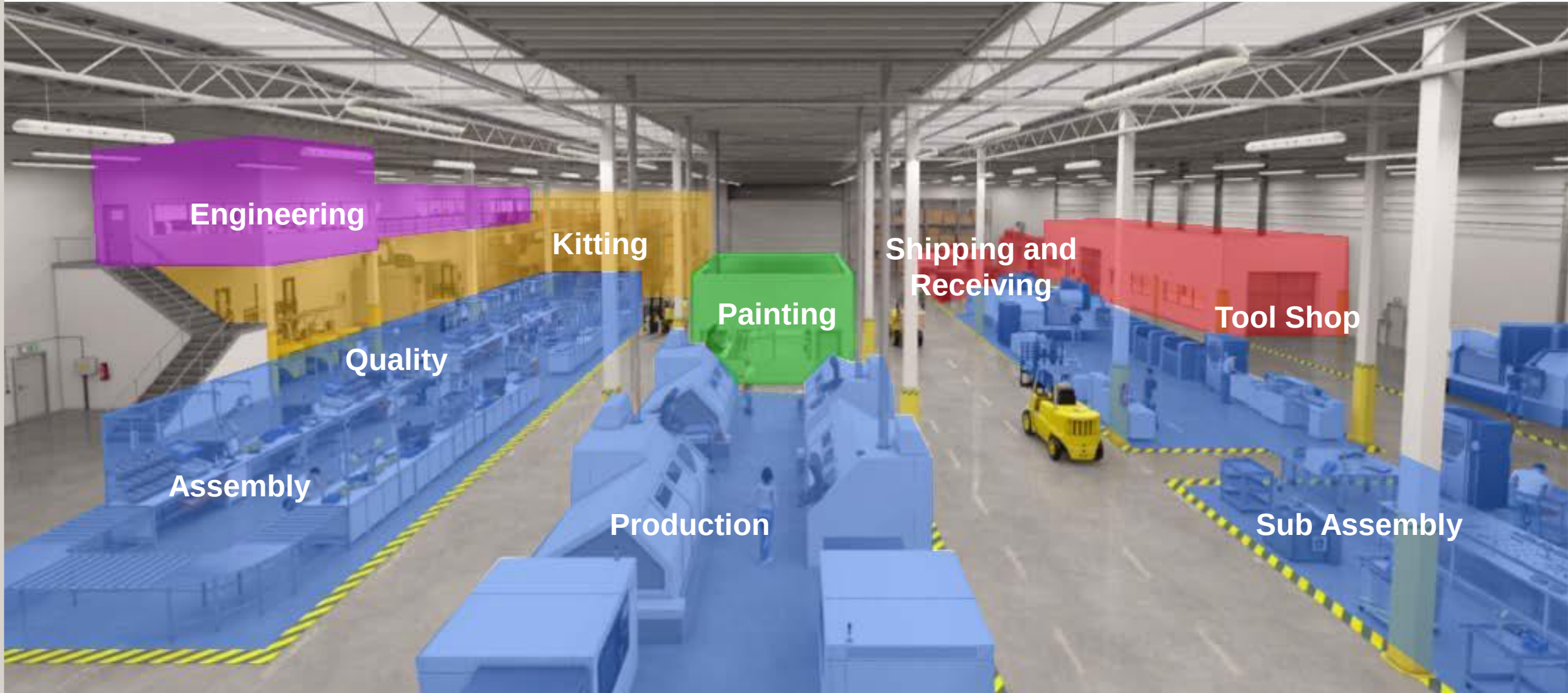
Efficiency

—

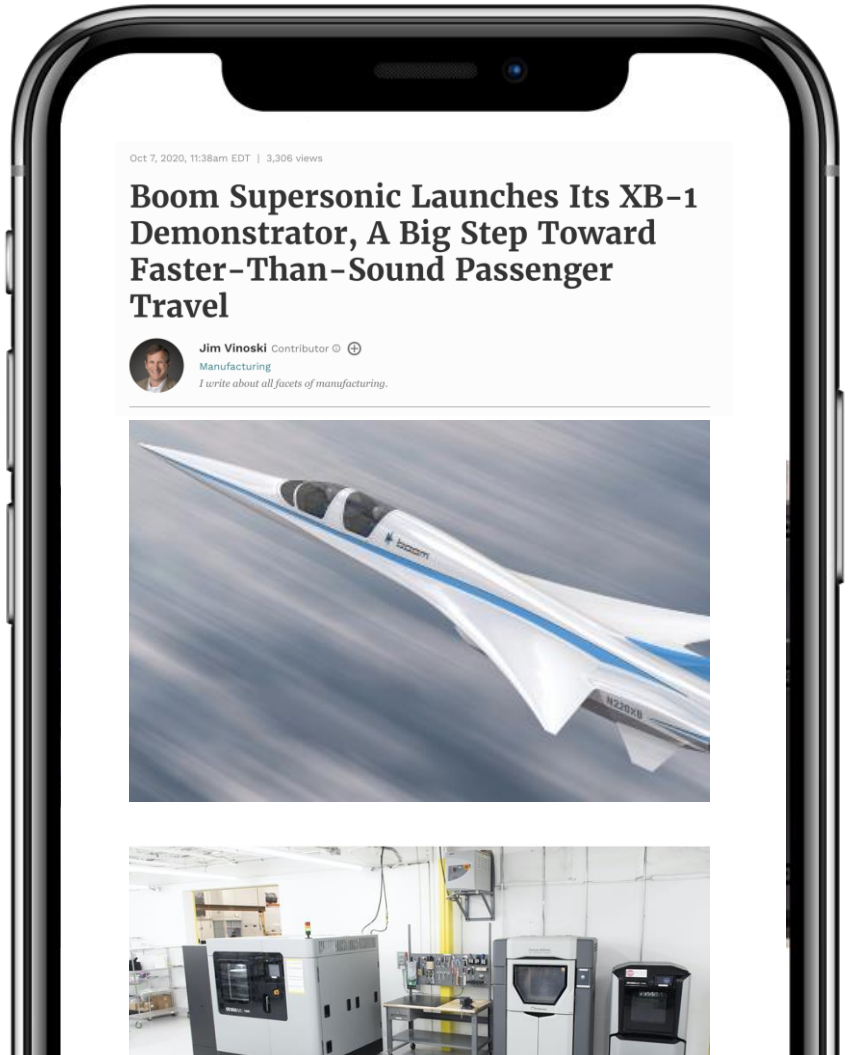
Time to market

3D printing touches all aspects of the factory floor

From tooling to production parts



Our industry leading customers are gaining competitive advantages



GENERAL MOTORS

GM's new 3D printing shop in Warren will speed up production, cut costs

Jamie L. LaReau Detroit Free Press

Published 12:00 p.m. ET Dec. 14, 2020 | Updated 5:21 p.m. ET Dec. 14, 2020

JOHNS HOPKINS MEDICINE | JOHNS HOPKINS ALL CHILDREN'S HOSPITAL

3-D Printer Provides a Balm for Now, a Promise for Later

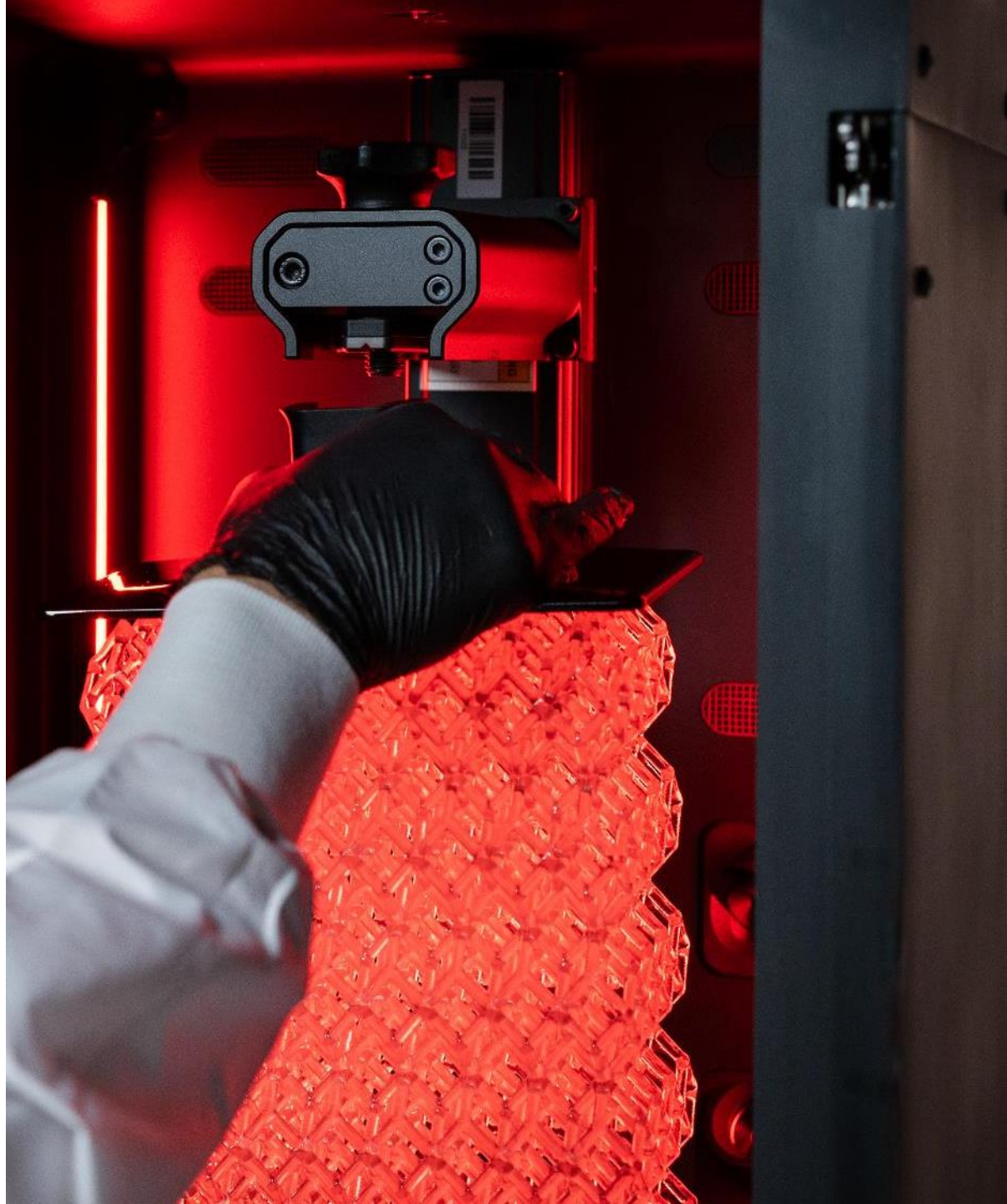
Posted on Jun 24, 2020 by Ellen McVay

Our growth strategy

Focus on leading in polymer 3D printing

Across the entire manufacturing value chain

Through innovative solutions ready for connected digital manufacturing



The “First Choice” for polymer 3D printing

1. Broadest offering of innovative technologies
2. Deep application engineering expertise
3. Unparalleled market access
4. Marquis customer base
5. Software/Digital manufacturing connectivity

1. We have the broadest offering with the most innovative, best-in-class technologies

Design & prototyping

PolyJet™, FDM®, SL

Manufacturing & production

FDM®, Origin P³, PBF

Software

GrabCAD Print

GrabCAD Shop

Digital Anatomy

Advanced FDM

Advanced PolyJet

GrabCAD SDK

Partnerships with KeyShot, nTopology, others

Services

stratasys DIRECT MANUFACTURING

Stratasys Academy

Global Support

Materials

60+ FDM filament materials

45+ PolyJet resin materials

500,000+ color variations

Partnerships with BASF, DSM, Henkel, others

2. Deep application engineering expertise

100+ application engineers worldwide – the most in the industry

—

Stratasys runs the **largest additive manufacturing service bureau** in the US – unmatched, hands-on experience transforming manufacturing

—

Deep **quality and process certification expertise** for tier-1 manufacturing OEMs: Over 300K Stratasys parts for Aerospace are already flying today

—

Multi-industry experience with multiple major 3D printing technologies

Aerospace

Automotive

Dental

Consumer

Education

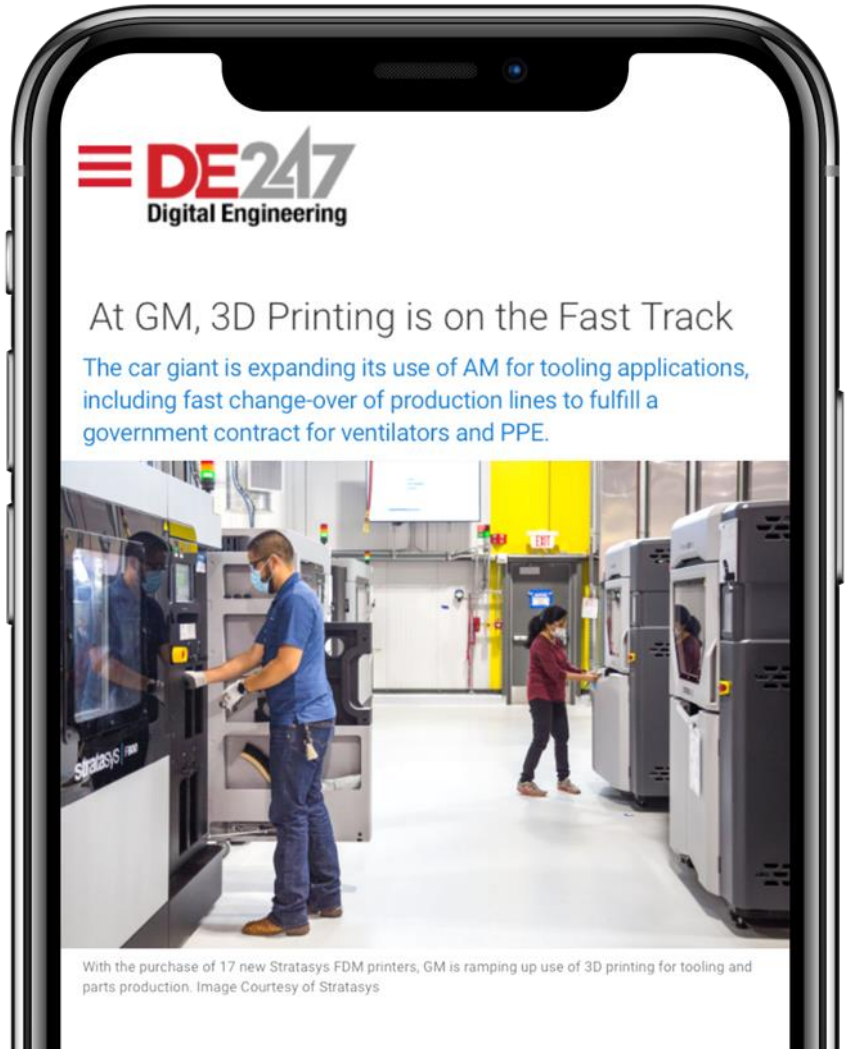
Medical

3. Unparalleled market access

Our network of 200+ channel partners is the strongest and most experienced in the industry — every region, every major market

4. Marquis customer base

The world's leading companies are our strategic partners



Google · Boeing · Ford · Airbus · FedEx · NASA · Hyundai · Siemens · Medtronic · Johnson & Johnson · Unilever · Lockheed Martin · Honda · Jaguar · Mayo Clinic · Nicklaus Children's Hospital · Black+Decker · GM · Schlumberger · Bayer · BAE Systems · General Atomics · Raytheon

5. Digital manufacturing connectivity for scale

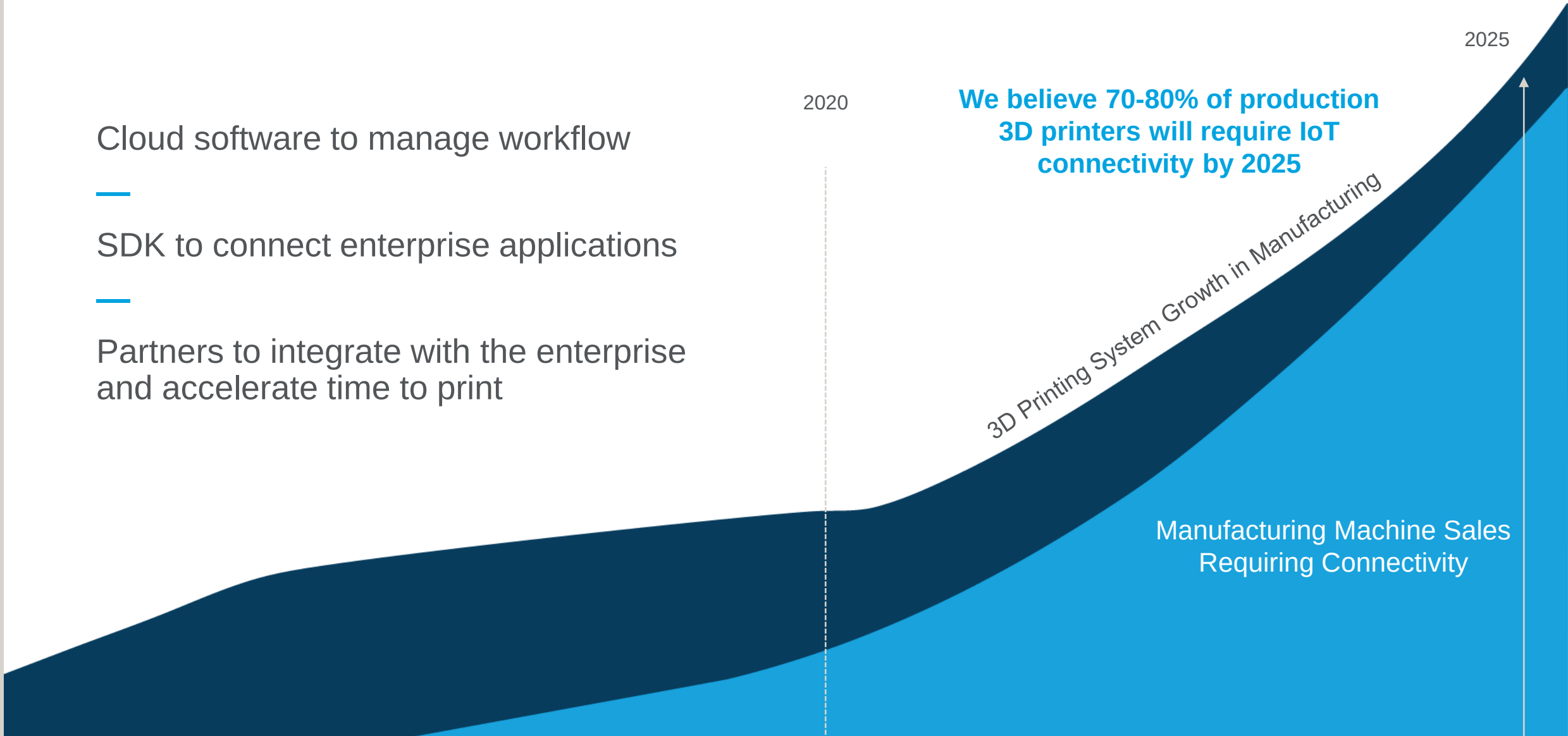
Cloud software to manage workflow

—

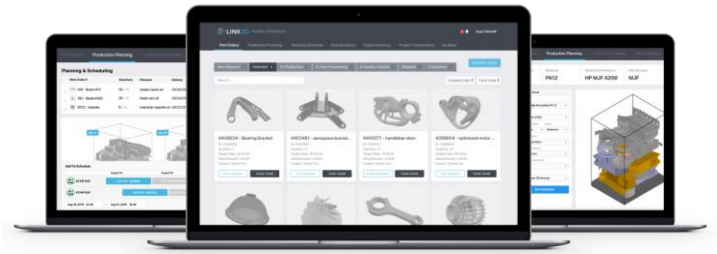
SDK to connect enterprise applications

—

Partners to integrate with the enterprise and accelerate time to print



We are creating a software ‘Partner Ecosystem’ to bring unmatched value to our customers

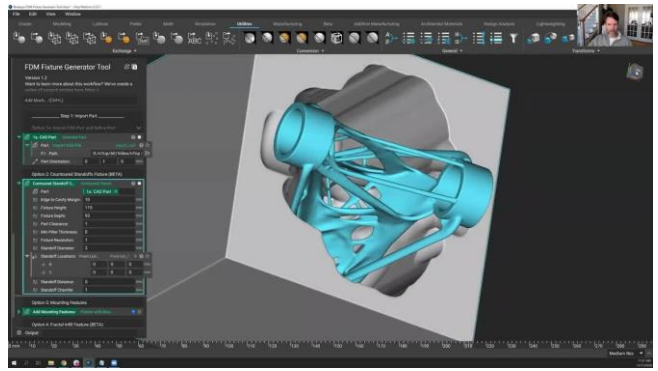


Identify 3D and Link3D

Two-way connectivity between Stratasys 3D printers for manufacturing and enterprise software applications

KeyShot, Solidworks, Siemens NX, PTC Creo

CAD integration for designers for faster full-color models



nTopology Partnership

Automated additive design workflows for Stratasys customers

stratasys | ORIGIN

Advancing our leadership in mass production for polymer 3D printing

Up to $200 million incremental annual revenue opportunity within 5 years

—

Best-in-class technology

Origin One and P³ platform

Software-first and cloud-connected

Best-in-class combination of:

- Fine surface detail and exceptional accuracy
- Mechanical properties across broad set of materials
- High throughput / large sized parts

Leading materials partners

Henkel

BASF We create chemistry

DSM

“We partnered and developed materials with Origin before Origin One was launched because we believed in their technology and vision for the future of photopolymers in additive manufacturing. Now, as part of Stratasys, we’re confident that together we can take on the broader manufacturing ecosystem.”

– François Minec, Managing Director at BASF 3D Printing Solutions GmbH

Origin opens large market opportunities

Dental

$1B+ Market

Tooling models and molds, aligners, dentures, splints, guards, temps, bridges

Medical

$1B+ Market

Elastometric and silicon components for medical devices

Tooling

$600M+ Market

Injection molds with high dimensional stability, heat deflection, durability

Aerospace, Automotive, CPG

Variety of components for other industries including housings, brackets, clamps, connectors and molds

PBF technology

Powder bed solution coming in 2021

Expand production TAM across multiple markets:

- **Commercial goods**: Frequent demand for short/medium-run production
- **Automotive**: Production parts at competitive costs
- **Consumer goods**: Pre-production parts, short-runs, specialty production
- **Service bureaus**: Excellent high-utilization environment for a wide variety of components

Stratasys has the leading solutions for every step in the customer's product lifecycle

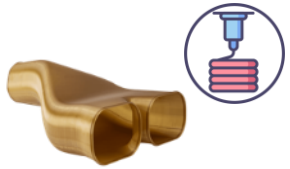
Design & engineering

Design
Jetting
Multi Color/Material Design Workflow

Engineering
FDM
Open & Accessible Broad Materials & Apps

Engineering
SL
Open Platform Molds & Large Builds

Manufacturing & production

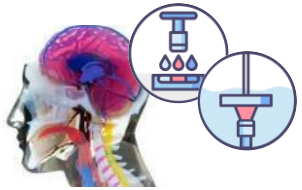


Manufacturing
FDM
High Performance Parts Large Builds

Production
DLP
High Volume Durable Materials

Production
PBF
High Volume Controlled Process

Healthcare



Healthcare
Medical Modeling
Dental Applications

Software

Workflow Connectivity

Resilient business model designed to scale

Absorb new technologies with minimal operational expense impact

Leverage scale on corporate functions and GTM to help achieve profitability

Invest in R&D, organic/inorganic, focused on innovative product introductions

$308.2 million
cash and equivalents

Zero debt

12 Qs
Non-GAAP EPS positive 2017-2019

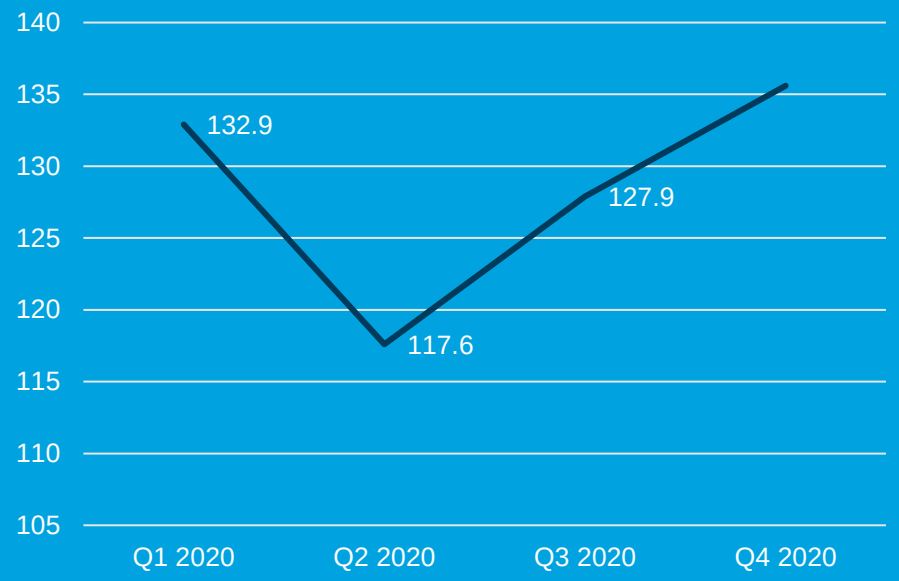
$500m+
R&D Investment

COVID-19: Impact and initial recovery

After COVID-related impact in H1, delivered 8.8% sequential QoQ growth in Q3 and expecting 5%-7% growth QoQ in Q4.

—

Expecting Q4 strong positive cash flow reflecting a healthy customer base and focus on inventory optimization.



5%-7% sequential growth expected in Q4 ‘20

$ in millions unless noted otherwise

Additive is now increasingly essential to winning in competitive manufacturing markets

“Our 3D printing strategy has always been to produce **high-quality parts** for our racing operations in the **shortest amount of time**, and the ever-evolving additive technology from Stratasys gives us confidence in our approach.”

- Tim Cindric, Team Penske President

“Speed. Gaining access to shortened product development cycles is the most significant benefit, though there are others.”

– CHRIS WERNER, SENIOR PROGRAM MANAGER, PHILIPS HEALTHCARE

“One of our products would be very expensive to manufacture through injection molding or traditional outlets. AM has allowed us to produce that part at a **much lower cost**.”

- Jacob Marino, Product Engineer, Barsplice Products

stratasys

Positioned to win in polymer 3D printing

Systems | Materials | Software | Service