



Q1 2024 Results

Speakers

Dr. Yoav Zeif, CEO

Eitan Zamir, CFO

Yonah Lloyd, CCO & VP IR

May 29, 2024



Conference Call and Webcast Details

US Toll-Free Dial-In

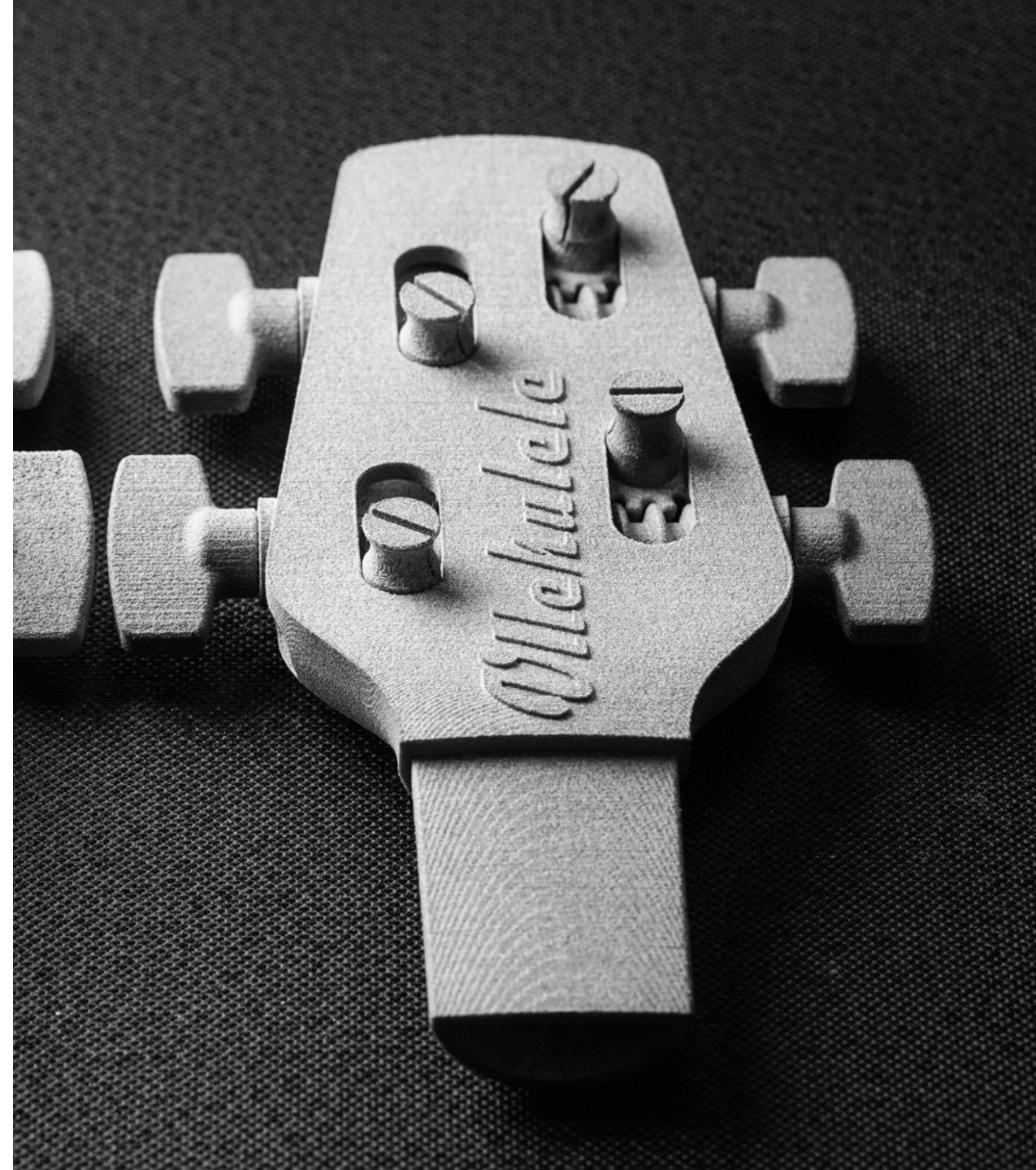
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International Dial-In

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Live Webcast and Replay

[https://event.choruscall.com/mediaframe/
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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 2024, 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; global macro-economic trends that have been adversely affecting, and may continue to adversely affect, our results, including inflationary pressures and higher interest rates that reduce capital expenditures; 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 outcome of our board's comprehensive process to explore strategic alternatives for our company; 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; 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 adverse impact that recent global interruptions involving freight carriers and other third parties may have on our supply chain and distribution network; potential changes in our management and board of directors; global market, political and economic conditions, in the countries in which we operate in particular (including risks stemming from Russia's invasion of Ukraine); the degree of impact of Israel's war against the terrorist organization Hamas, given our Israeli headquarters, factories and significant operations; 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; potential cyber attacks against, or other breaches to, our information technologies systems; 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, 2023, filed with the SEC on March 11, 2024 (the "2023 Annual Report"). Readers are urged to carefully review and consider the various disclosures made throughout our 2023 Annual Report and the Report 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 quarter ended March 31, 2024, which Stratasys will furnish to the SEC on or about May 30, 2024, 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, divestments and strategic process-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. The items eliminated via 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.





Dr. Yoav Zeif
CEO

- Revenue flat relative to Q1 2023 after backing out divestitures
- Improved Gross Margins of 48.6% vs. 47.3% in Q1 2023
- Highest-ever Consumables recurring revenue reflects strong usage, demonstrates impact of revenue stream
- Generated \$7M+ in operating cash flow + FCF positive
- Financial discipline strong differentiator in our sector
- Healthy balance sheet provides stability and optionality to support our growth
- As capital spending normalizes, our differentiated, industry-leading solutions position us to meaningfully accelerate growth and drive shareholder returns



Industrial Manufacturing Systems Update – F3300 and H350



F3300 establishes a new FDM standard for industrial MFG with up to 2X throughput of standard FDM

Strong customer pipeline

Toyota - first customer

BAE Systems – Europe's largest defense contractor to drive production improvements

Sikorsky - world leader in vertical flight seeks faster, cost-effective production of end-use parts

Nissan – F3300 replacing 3DP competitor for multiple use cases



BAE SYSTEMS



H350 launched v.1.5

New SAF HighDef printing capabilities provides additional applications and use cases for a growing set of manufacturing sectors, without compromising speed or quality

Recent Events – New COO / Second Sustainability Report



Promotion of our new COO,
Amir Kleiner – 12+ years at
Stratasys

Will lead Global Operations,
MIS, and Quality team, while
continuing to manage the
Customer Success team

Strengthening the
connection between the
Customer Success
organization and the
Operations and Supply
Chain divisions.



Published 2nd ESG and
Sustainability report

Sustainability is at the
heart of what 3D Printing
can mean for the world,
and of who we are at
Stratasys

Proud to lead our industry
on this front, and invite
you to [review the report](#)

Leading the shift to
Mindful Manufacturing™



Eitan Zamir
CFO

- Encouraged by multiple improvements relative to Q1 2023
- Despite relatively flat revenues, gross margins improved, thanks in part to another record-level in sales of our consumables
- Generated over \$7 million in operating cash and over \$4 million in free cash flow



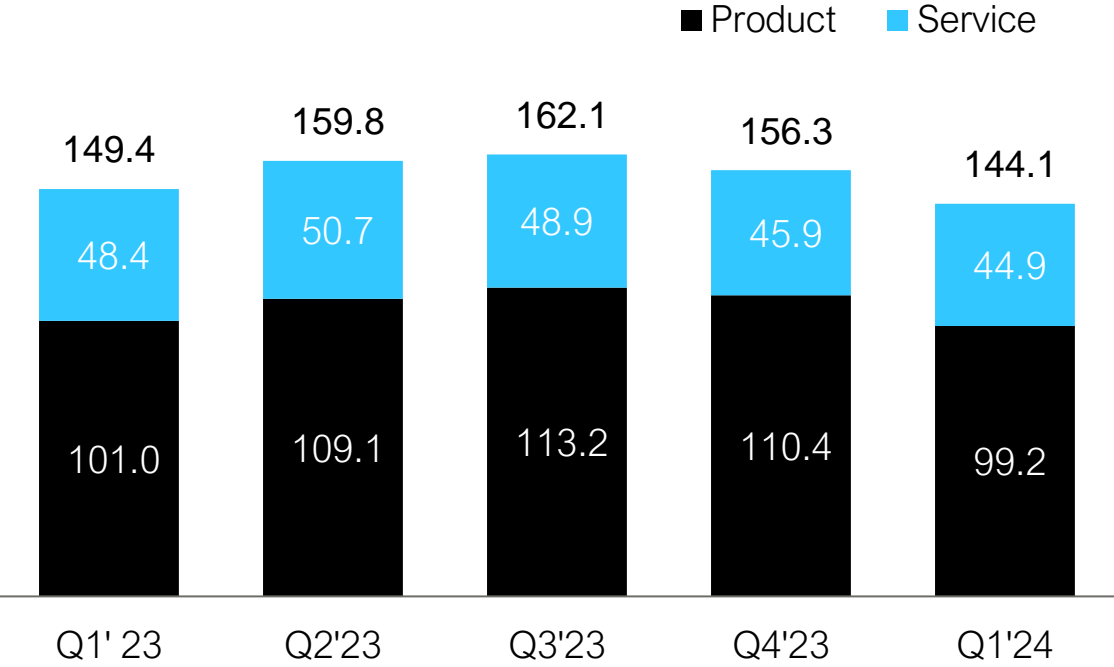
Financial Results

	GAAP			Non-GAAP		
	Q1-23	Q1-24	Change Y/Y	Q1-23	Q1-24	Change Y/Y
Total Revenue	149.4	144.1	-3.5%	149.4	144.1	-3.5%
Gross Profit	65.4	63.9	(1.5)	70.7	70.0	(0.7)
■ % Margin	43.8%	44.4%	0.6%	47.3%	48.6%	1.3%
Operating Income (Loss)	(16.8)	(24.5)	(7.7)	1.5	(1.2)	(2.7)
■ % Margin	-11.2%	-17.0%	-5.8%	1.0%	-0.8%	-1.8%
Net Income (Loss)	(22.2)	(26.0)	(3.8)	1.1	(1.7)	(2.8)
■ % Margin	-14.9%	-18.0%	-3.1%	0.7%	-1.2%	-1.9%
Diluted EPS	(0.33)	(0.37)	(0.04)	0.02	(0.02)	(0.04)
Diluted Shares	67.6	70.0	3.6%	68.1	70.0	2.8%

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

Revenues – Record Consumables Sales

Quarterly Trend



Revenues – Q1'24

Revenue	Y/Y	Y/Y Adjusted*
Product - \$99.2M	-1.8%	-0.9%
▪ Systems - \$32.9M	-18.7%	-17.8%
▪ Consumables - \$66.3M	9.6%	10.3%
Services - \$44.9M	-7.3%	1.8%
▪ Customer Support - \$31.2M	3.3%	3.3%

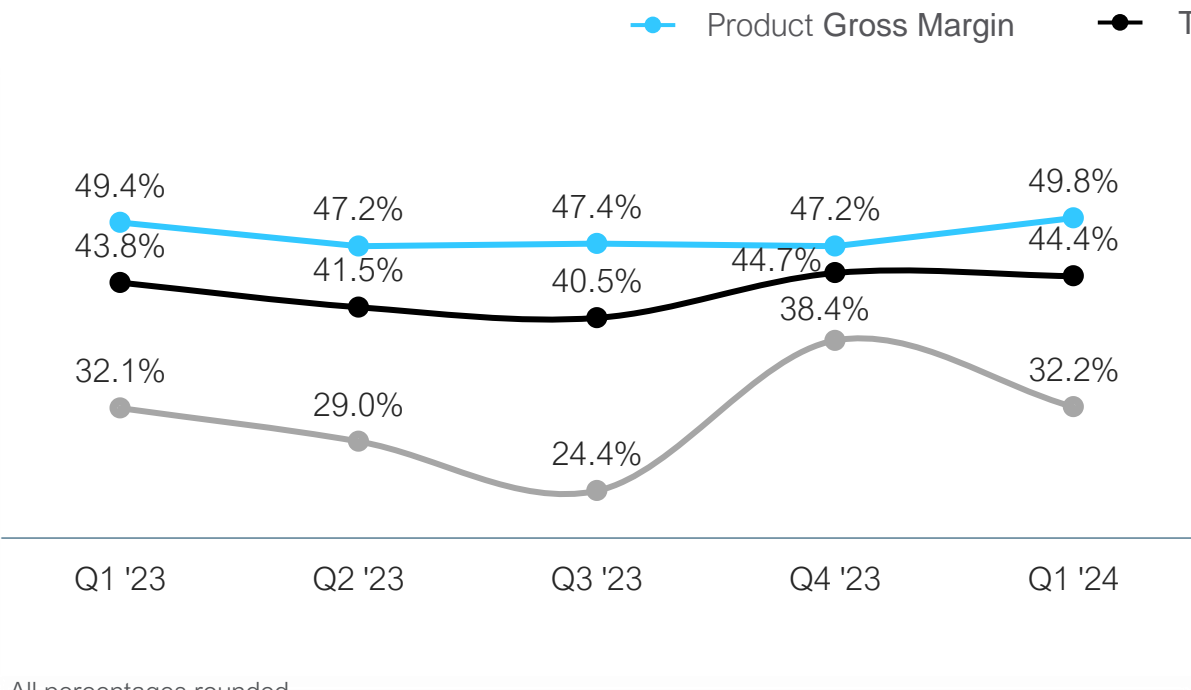
Note: \$ in millions unless noted otherwise. All numbers and percentages rounded

* Adjusted for divestments

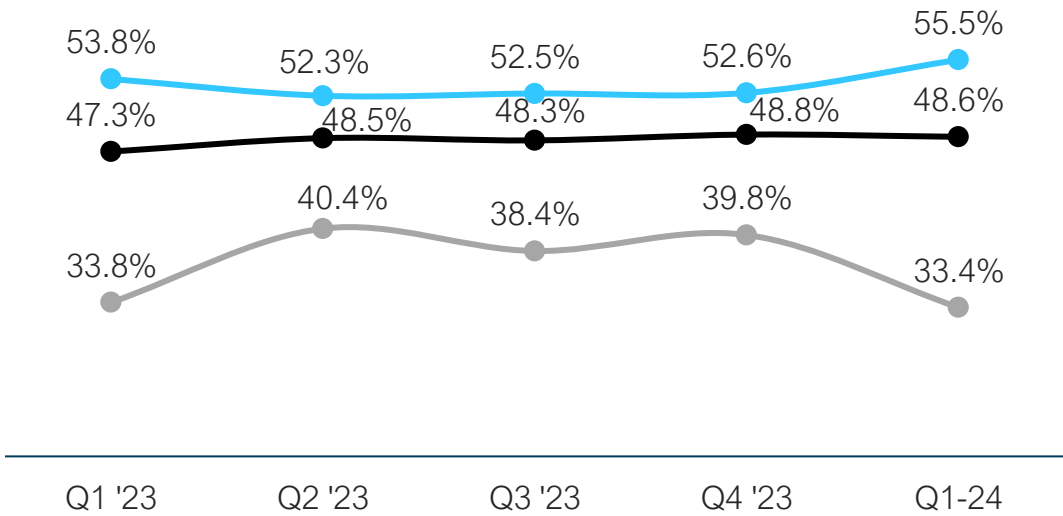
Gross Margins

Gross margins expected to further improve with revenue growth

GAAP



Non-GAAP

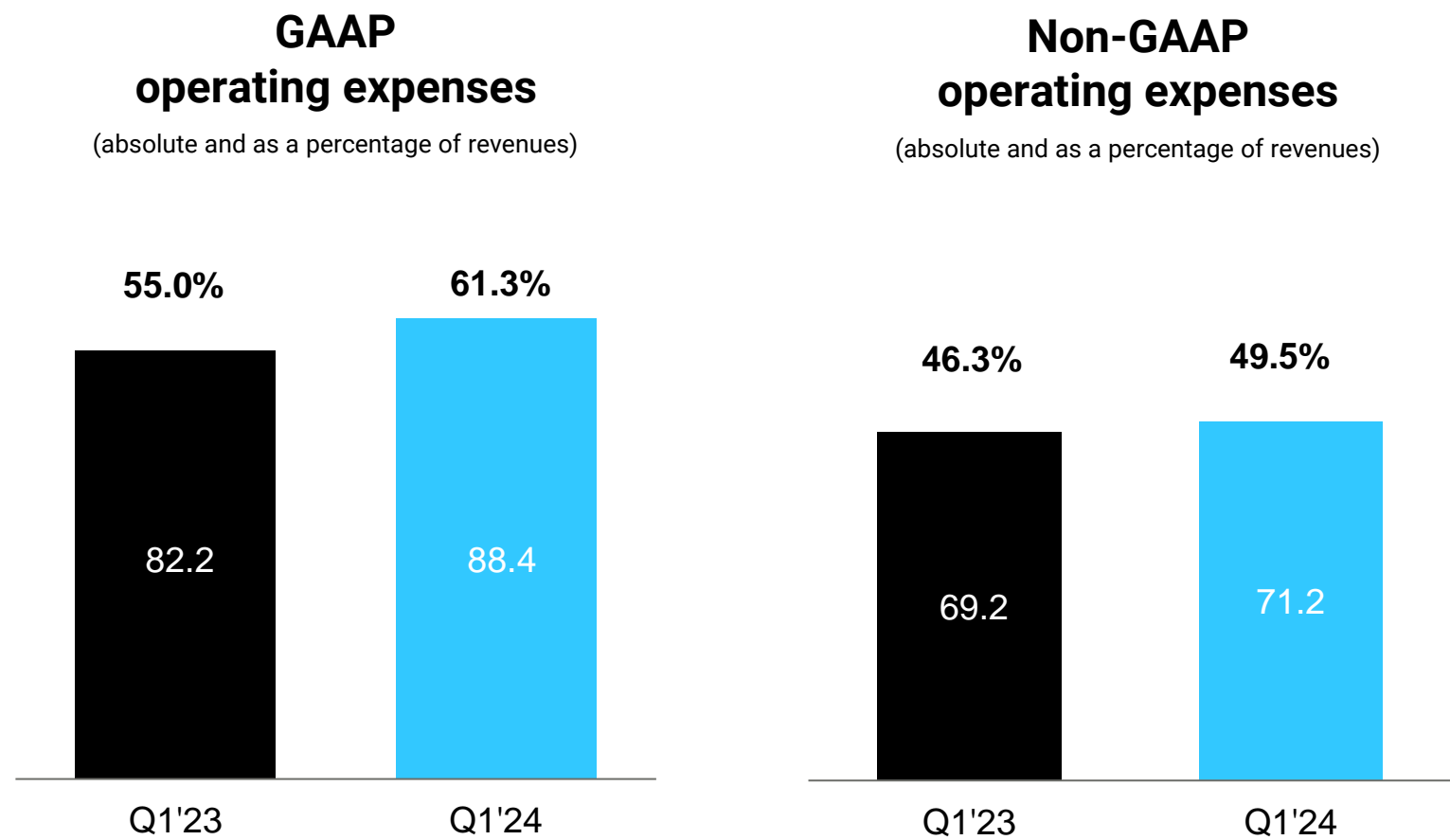


All percentages rounded



Make additive work for you™

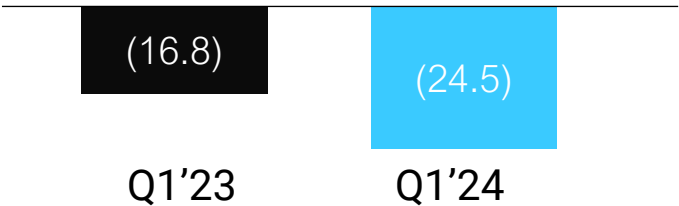
Operating Expenses



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

Earnings

GAAP operating loss

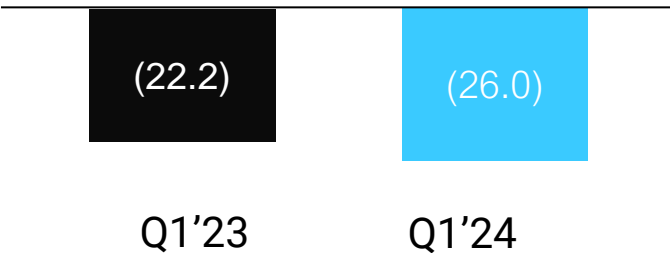


Non-GAAP operating income (loss)

(1.0% in Q1'23 vs (0.8)% in Q1'24 out of total revenue)

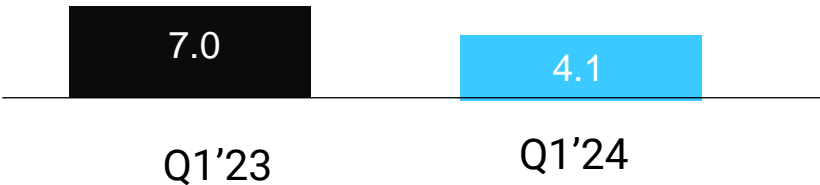


GAAP net loss

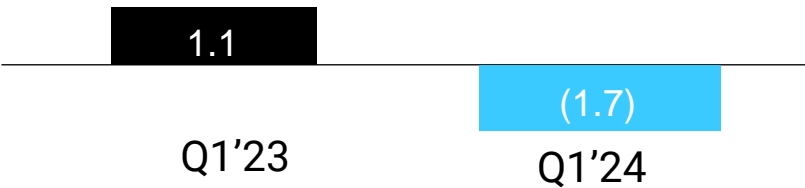


Non-GAAP EBITDA

(4.7% in Q1'23 vs 2.9% in Q1'24 out of total revenue)



Non-GAAP net income (loss)



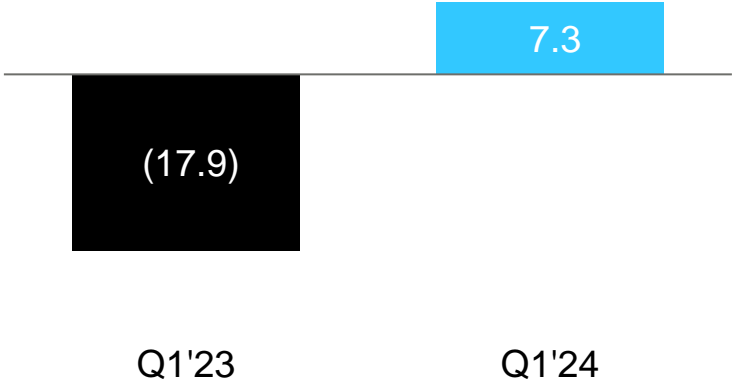
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Balance Sheet and Positive Operating Cash Flow

Balance sheet items

	Q1-23	Q4-23	Q1-24
Cash and Cash Equivalents and Short-term deposits	287.6	162.6	161.1
Accounts Receivable	144.5	172.0	155.3
Inventories	202.0	193.0	195.1
Net Working Capital	462.9	383.3	373.9

Cash flow from operating activities



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

2024 Outlook Reiterated

\$630M-\$645M

Revenue

Compare to ~\$616M 2023 revenue excluding
divestitures and annualizing Covestro

49.0%-49.5%

Gross Margins

\$292M-\$297M

**Non-GAAP Operating
Expenses**

2.5%-3.5%

**Non-GAAP Operating
Margins**

\$0.12-\$0.19

EPS-diluted-adjusted
(\$1.24)-(\$1.01)
GAAP EPS diluted

\$40M-\$45M

EBITDA-adjusted

\$20M-\$25M

CAPEX



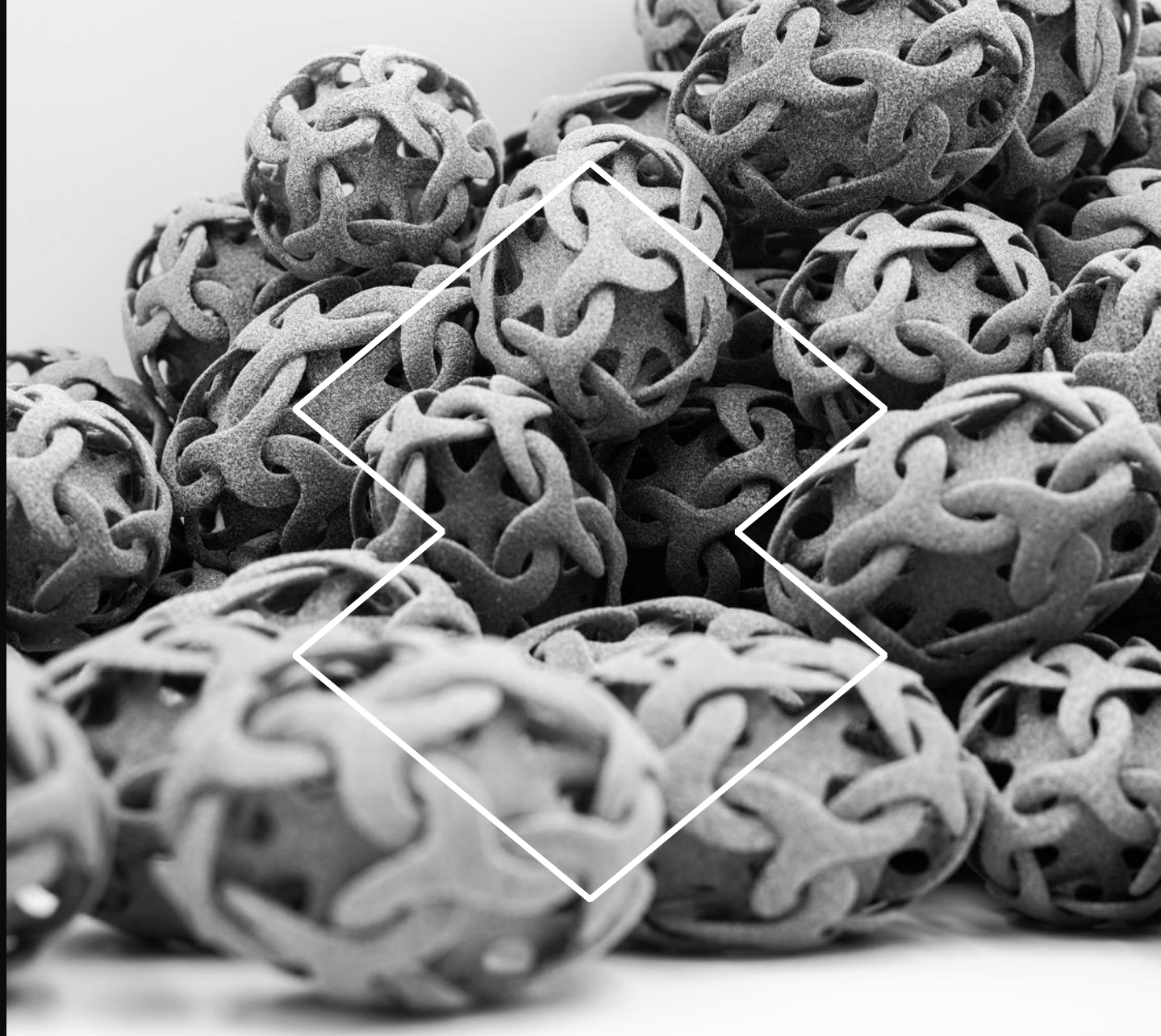
Dr. Yoav Zeif
CEO

Summary

- Solid quarter in a challenging environment
- Past systems sales strength flows through to record consumables
- Heavy utilization will drive replacement by higher performance, more advanced systems
- Investments in innovation will meet customer needs and drive growth when the spending cycle turns
- Laser focused commitment to deliver differentiated products and solutions across a wide array of use cases
- Relentless focus on execution setting the stage to drive relative outperformance and enhance shareholder value



THANK YOU.



Appendix

	Three months ended March 31, 2024			Three months ended March 31, 2023		
	GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP
Gross Profit (1)	\$ 63,897	\$ 6,139	\$ 70,036	\$ 65,395	\$ 5,299	\$ 70,694
Operating income (Loss) (1,2)	(24,453)	23,254	(1,199)	(16,797)	18,315	1,518
Net income (Loss) (1,2,3)	(25,983)	24,299	(1,684)	(22,224)	23,306	1,082
Net income (Loss) per diluted share (4)	\$ (0.37)	\$ 0.35	\$ (0.02)	\$ (0.33)	\$ 0.35	\$ 0.02
1) Acquired intangible assets amortization expense		5,084			4,001	
Non-cash stock-based compensation expense		952			932	
Restructuring and other related costs		103			366	
		6,139			5,299	
2) Acquired intangible assets amortization expense		2,459			2,194	
Non-cash stock-based compensation expense		7,697			7,308	
Restructuring and other related costs		920			1,798	
Revaluation of investment		1,900			580	
Contingent consideration		511			265	
Legal, consulting and other expenses		3,628			871	
		17,115			13,016	
		23,254			18,315	
3) Corresponding tax effect		234			3,038	
Equity method related amortization		964			1,490	
Finance (income) expenses		(153)			463	
		\$ 24,299			\$ 23,306	
4) Weighted average number or ordinary shares outstanding – Diluted	69,993		69,993	67,583		68,080

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