



# Stratasys & MakerBot Merger

Investor  
Conference Call

June 20, 2013



## Conference Call Details

**Shane Glenn**  
**VP, Investor Relations**  
**Stratasys**



# Conference Call and Webcast Details

## Speakers

**David  
Reis**

**CEO, Stratasys**

**Bre  
Pettis**

**CEO, MakerBot**

**Erez  
Simha**

**CFO & COO (IL),  
Stratasys**

## Live Dial-in Information

**PRIMARY DIAL-IN:**  
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## Replay Dial-in Information

**PRIMARY DIAL-IN:**  
888 286.8010

**INTERNATIONAL  
DIAL-IN:**  
617 801.6888

**AVAILABLE FROM:**  
6/20/2013 09:00 AM ET

**AVAILABLE TO:**  
06/27/2013 11:59 PM ET

**PARTICIPANT  
PASSCODE:**  
88612957

**ONLINE LIVE WEBCAST AND REPLAY:**  
<http://www.media-server.com/m/p/86agy nec>

# Forward Looking Statement

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Statements made during this call about Stratasys's beliefs, intentions and expectations, including statements regarding the expected timing and ultimate closing of the merger of Stratasys and MakerBot, as well as the benefits thereof, are forward-looking statements. The statements involve risks and uncertainties, both known and unknown, that may cause actual results to differ materially from those projected in this presentation. Actual results may differ materially due to a number of factors, including risks and uncertainties relating to Stratasys's ability to penetrate the 3D printing market; Stratasys's ability to achieve the growth rates experienced in preceding quarters; Stratasys's ability to introduce, produce and market consumable materials, and the market acceptance of these materials; the impact of competitive products and pricing; Stratasys's timely development of new products and materials and market acceptance of those products and materials; the success of Stratasys's recent R&D initiative to expand the DDM capabilities of its core FDM technology; the success of Stratasys's RedEyeOnDemand and other paid parts services; and Stratasys's ability to complete its transaction with MakerBot on the proposed terms and schedule and achieve the anticipated benefits of the transaction. These and other applicable factors are discussed in this presentation and in Stratasys's filings with the Securities and Exchange Commission, including its report on Form 10-K for the year ended 12/31/2012 and subsequent filings. Any forward-looking statements included in this presentation are as of the date they are given, and Stratasys does not intend to update them if its views later change, except as may be required by law. These forward-looking statements should not be relied upon as representing Stratasys's views as of any date subsequent to the date they are given.



## Opening Remarks

**Scott Crump**  
**Chairman &**  
**Chief Innovation Officer, Stratasys**



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## Merging Two Global 3D Printing Industry Leaders Stratasys and MakerBot



**Driving Faster Adoption of Desktop 3D Printing for Multiple Applications and Industries**



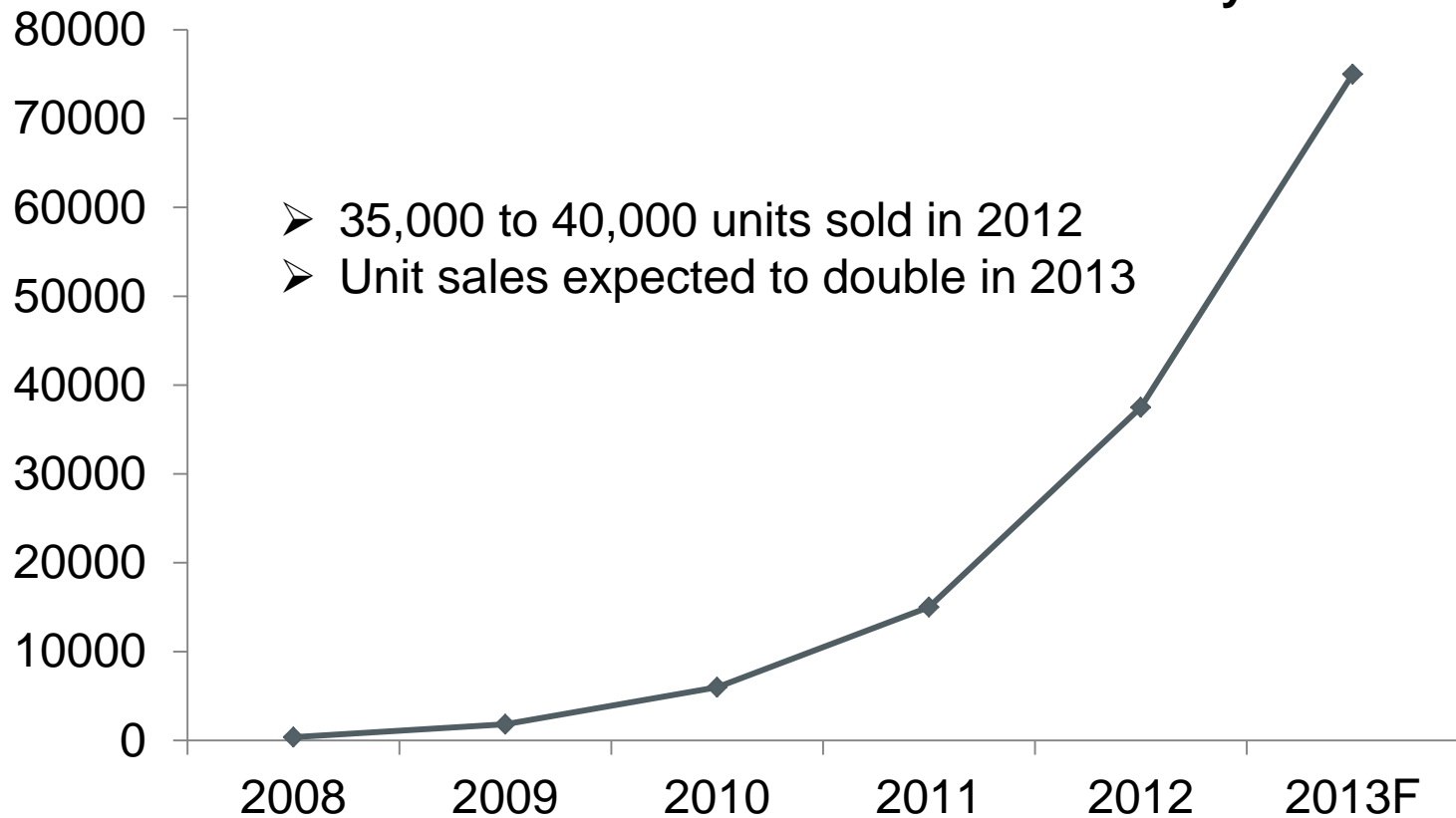
# Merger Rationale

**David Reis**  
CEO, Stratasy



# Desktop 3D Printer Market Opportunity

## Units Sales Per Year – Total Industry



Source: Stratasys Ltd. analysis



# MakerBot Overview

**Bre Pettis**  
CEO, MakerBot



# MakerBot - At a Glance

## MakerBot Highlights

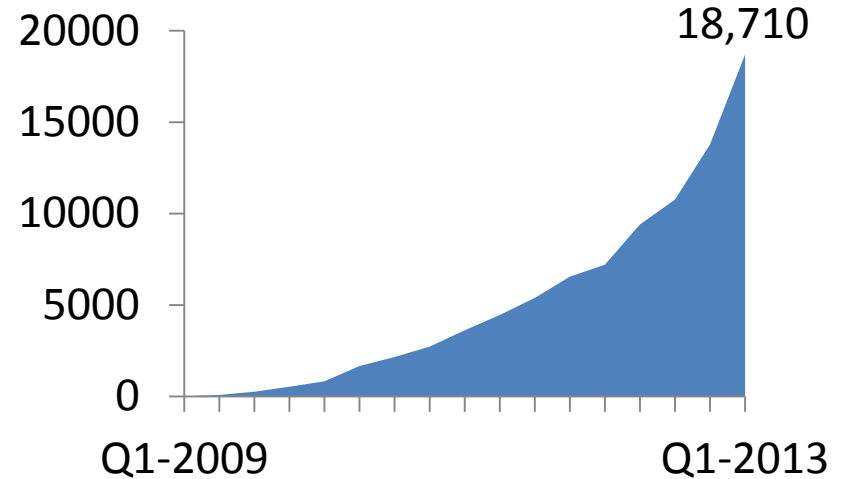
- ❑ **Founded:** 2009
- ❑ **Headquarters:** Brooklyn, NY
- ❑ **Employees:** 266 (as of end May 2013)
- ❑ **Desktop 3D Printers:**

	Replicator 2	Replicator 2X
<i>Price</i>	\$2,199	\$2,799
<i>Build volume (mm)</i>	285x153x155	246x152x153
<i>Key Features</i>	PLA, Single extruder	ABS, 2 extruders, closed envelop, heated tray

- ❑ **Materials:** Extrusion of thermoplastic; formulated by the company; manufactured by 3<sup>rd</sup> party
- ❑ **Manufacturing:** Brooklyn, New York
- ❑ **Key Partnerships:** Autodesk (May '13)
- ❑ **Revenue FY 2012:** \$15.7M
- ❑ **Revenue Q1-2013:** \$11.5M

Source: Company information

## MakerBot Cumulative System Sales



Source: Company information

# MakerBot – Product Evolution



2009

\$1200



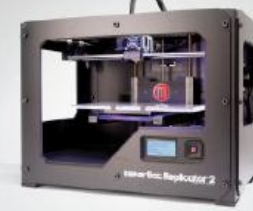
2010

\$1750



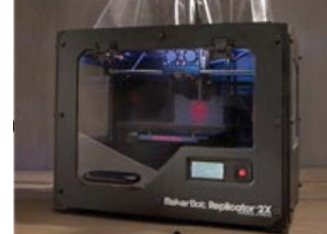
2011

\$2200



2012

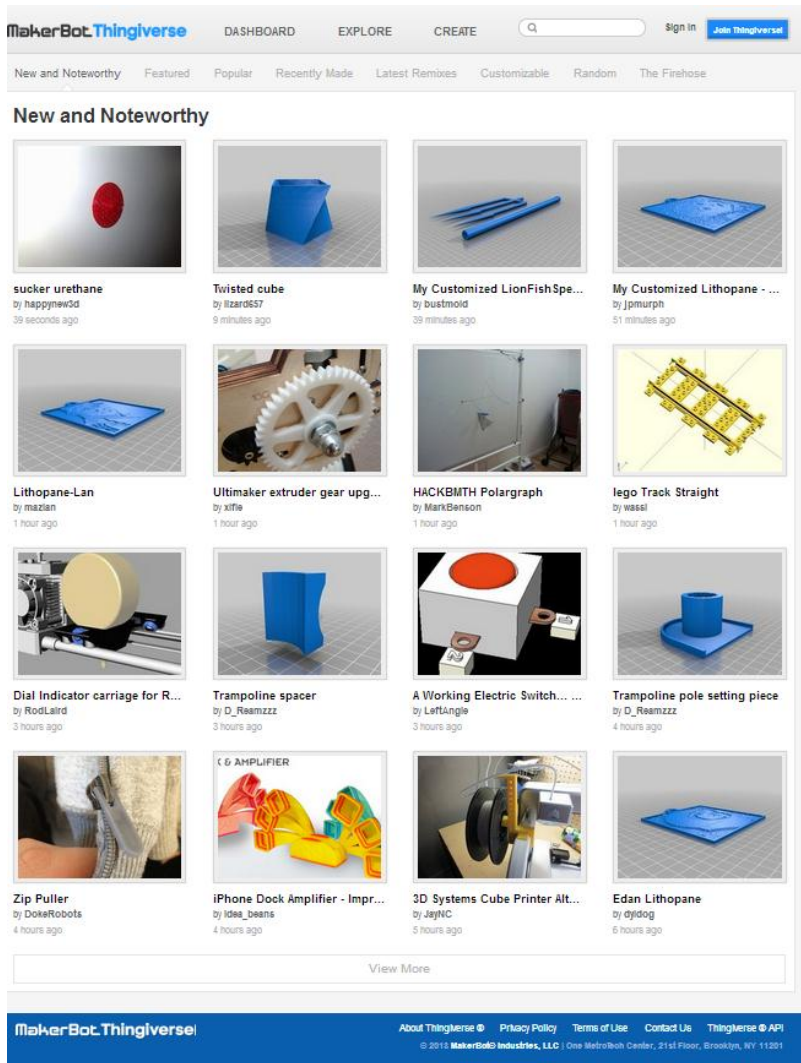
\$2800



2013

Product improvement and shift towards prosumer / professional users

# MakerBot – Thingiverse Online Platform



The screenshot shows the MakerBot Thingiverse website interface. At the top, there are navigation tabs for 'Dashboard', 'Explore', and 'Create', along with a search bar and 'Sign In' and 'Join Thingiverse' buttons. Below the navigation, there are category filters: 'New and Noteworthy', 'Featured', 'Popular', 'Recently Made', 'Latest Remixes', 'Customizable', 'Random', and 'The Finisher'. The main content area displays a grid of 3D models, each with a thumbnail image, a title, the creator's name, and the time since it was posted. The models include a red sphere, a blue cube, custom LionFish pens, a custom Lithopane, a Lithopane-Lan, an Ultimaker extruder gear upgrade, a HACKBMTM Polargraph, a Lego Track Straight, a Dial Indicator carriage for a 3D printer, a Trampoline spacer, a Working Electric Switch, a Trampoline pole setting piece, a Zip Puller, an iPhone Dock Amplifier, a 3D Systems Cube Printer Alt., and an Edan Lithopane. A 'View More' link is visible at the bottom of the grid.

- Platform for users to share and customize digital designs which can be printed on 3D printers to create physical objects.
- Files categorized: Art, Fashion, Gadget, Hobby, Household, learning, Models, Tools, Toys-and-Games, 3D Printing.
- The largest repository of 3D content:
  - 90,000 files available to download
  - 500,000 unique visitors per month
  - 1 million downloads per month
- Starting to leverage Thingiverse platform with strategic partners (e.g. Nokia, Nike, Lego, Apple, Adidas)
- Exploring monetization options

## Browse Categories

## Download This Thing!



3D Printing



Art



Fashion

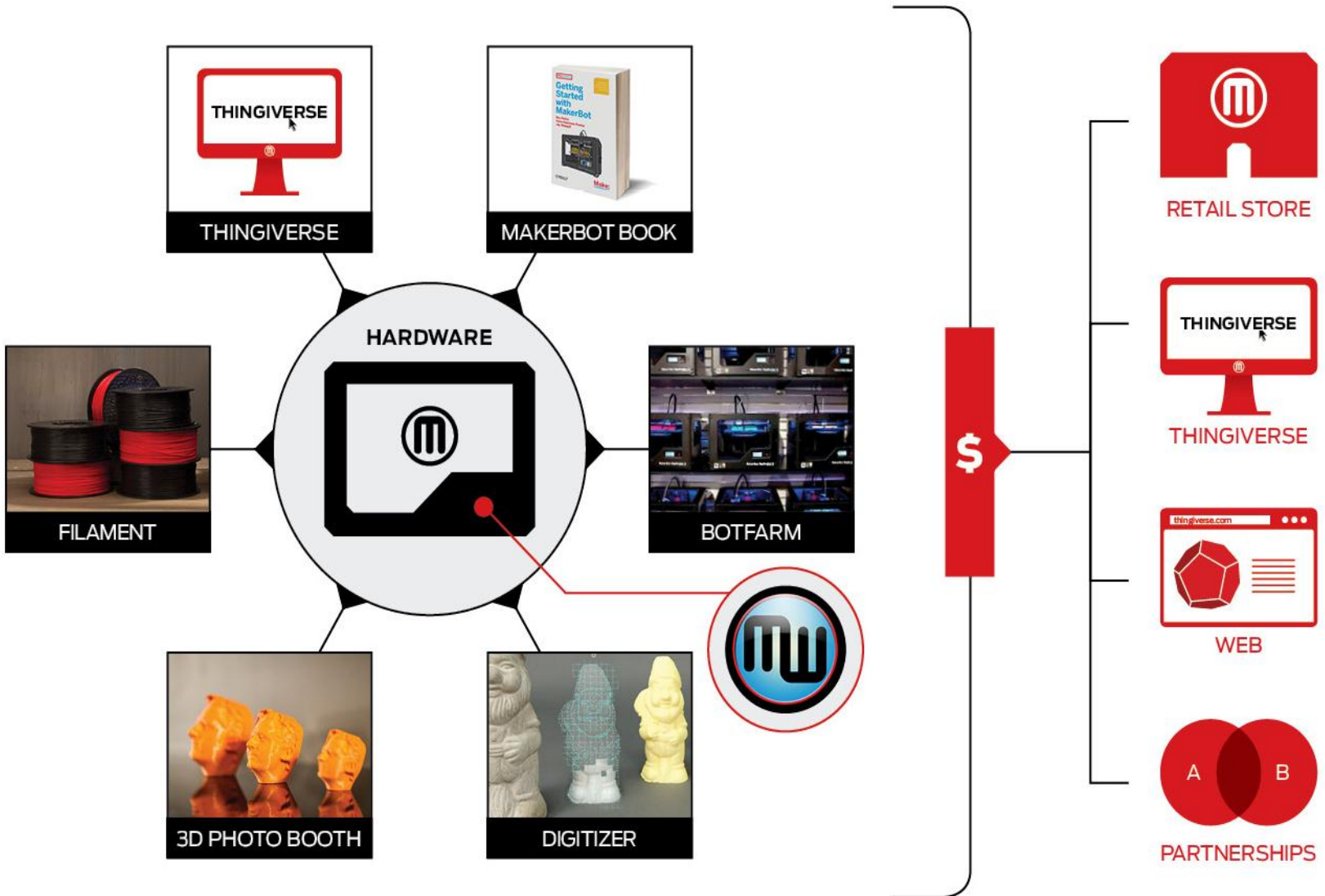


Gadgets



Hobby

# MakerBot 3D Printing Ecosystem





# Merger Rationale

**David Reis**  
CEO, Stratasy



# Merger Rationale – Creating Value



Potential synergy areas to be jointly explored and defined with MakerBot

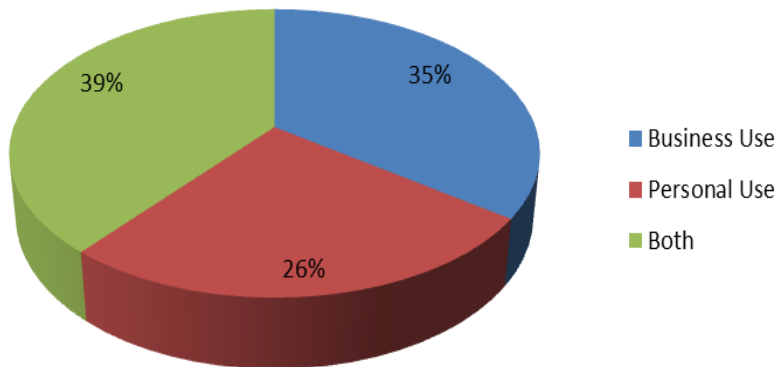
- Cross product promotion opportunities
- Leverage Stratasys global infrastructure
- Leverage Stratasys expertise and intellectual property in FDM to improve Desktop 3D Printer portfolio

# Merger Rationale – Market Opportunity

Affordable Desktop 3D Printers Are Becoming Mainstream

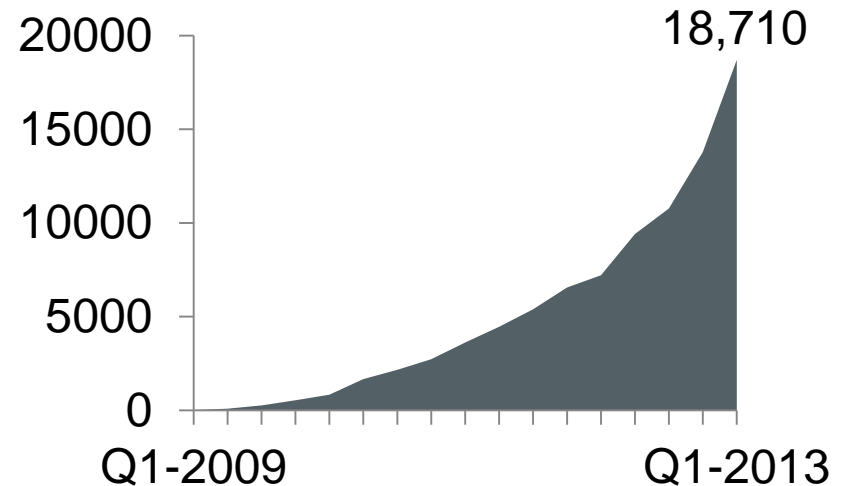
## Rapid Adoption by Business

What do you use your MakerBot printer for?



Source: Internal MakerBot customer survey. Total sample size 680

## MakerBot Cumulative System Sales



Source: Company information



# Merger Rationale





# Transaction Highlights

**Erez Simha**  
**CFO & COO (IL), Stratasys**



## Transaction Highlights

Stratasys and MakerBot to combine in a stock-for-stock merger.

Transaction value at time of announcement is \$403 million with an earn out of \$201 million.

Combination should be slightly dilutive to Non-GAAP earnings per share in 2013, and accretive to Stratasys Non-GAAP earnings per share by the end of 2014.

MakerBot to operate as separate subsidiary under leadership of existing management - transaction expected to close Q3 2013, following customary regulatory review and approvals

Combined company will be positioned to achieve higher rates of revenue, operating income and net income growth

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