Forward Looking Statements

This presentation contains certain statements that are not statements of historical or current facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements concerning plans, objectives, goals, strategies, expectations, intentions, projections, developments, future events, performance or products, underlying assumptions, and other statements which are other than statements of historical facts. In some cases, you can identify forward-looking statements by terms such as "believes," "beliefs," "may," "will," "should," "expects," "intends," "plans," "anticipates," "estimates," "predicts," "projects," "potential," "continue," and other similar terminology or the negative of these terms. From time to time, we may publish or otherwise make available forward-looking statements of this nature. All such forward-looking statements, whether written or oral, and whether made by us or on our behalf, are expressly qualified by the cautionary statements described on this message including those set forth below.

Forward-looking statements are based upon management’s beliefs, assumptions and current expectations concerning future events and trends, using information currently available, and are necessarily subject to uncertainties, many of which are outside our control. In addition, we undertake no obligation to update or revise any forward-looking statements made by us or on our behalf, whether as a result of future developments, subsequent events or circumstances, or otherwise, or to reflect the occurrence or likelihood of unanticipated events, and we disclaim any such obligation.

Forward-looking statements are only predictions that relate to future events or our future performance and are subject to known and unknown risks, uncertainties, assumptions, and other factors, many of which are beyond our control, that may cause actual results, outcomes, levels of activity, performance, developments, or achievements to be materially different from any future results, outcomes, levels of activity, performance, developments, or achievements expressed, anticipated, or implied by these forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, forward-looking statements are not, and should not be relied upon as a guarantee of future performance or results, nor will they necessarily prove to be accurate indications of the times at or by which any such performance or results will be achieved. 3D System’s actual results could differ materially from those stated or implied in forward-looking statements. Past performance is not necessarily indicative of future results. We do not undertake any obligation to and do not intend to update any forward-looking statements whether as a result of future developments, subsequent events or circumstances or otherwise.

Further, we encourage you to review “Risk Factors” in Part 1 of our Annual Report on Form 10-K and Part II of our quarterly reports on Form 10-Q filed with the SEC as well as other information about us in our filings with the SEC. These are available at www.SEC.gov.
A Spark of Inspiration

Inspiration 1983
With our technology, expertise and know-how, we are…

MAKING 3D PRODUCTION REAL
Leadership Team

Menno Ellis
SVP, General Manager
Plastics

Erica Hausheer
Chief Information Officer

Chuck Hull
EVP, Chief Technology Officer

Andy Johnson
EVP, Chief Legal Officer & Secretary

Herbert Koeck
SVP, General Manager, Go to Market

Radhika Krishnan
SVP, General Manager
Software Workflow Business

Kevin McAlea
EVP, General Manager, Metals & Healthcare

John McMullen
EVP, Chief Financial Officer

Sadie Stern
SVP, Human Resources

Doug Vaughan
SVP, Marketing and Demand Generation

Vyomesh Joshi (VJ)
Chief Executive Officer

Phil Schultz
EVP, Operations
3D Systems—Global Footprint

- Hardware, materials, software, on demand services - solutions for digital manufacturing workflows
- Over 1,000 patents

~2,600 Employees Worldwide

Founded 1986

Headquarters
Rock Hill, SC
USA

68 Country Reach

13 Major Facilities
Making 3D Production Real

Ecosystem Enables Workflow

Key Imperatives for Transformation

- Productivity
- Durability
- Repeatability
- TCO
3D Systems Transformation Journey

2016
Listen, Learn and Build

• Improve reliability, quality and win back customer confidence
• Prune product portfolio
• Understand the market trends and requirements for shift from prototyping to production
• Augment talent

April 2016

2017–2018
Create Foundation for Growth

Key Success Factors

Customer-Driven Innovation
Operational Excellence
Partnerships
Our People

• Customer-driven innovation
• World-class cost structure
• Operational excellence
• Partnerships
• Talent and leadership

2019
Scale and Lead

Innovative production workflows and solutions
Materials portfolio expansion
Uptime-based technology services
Scaling customer innovation center (CIC) implementation & certified manufacturing partners
Expanding solutions and market

Eggshell Molding
Conformal Cooling
Investment Casting
Dental Indications (Crowns, Dentures)
Jewelry (Rings, Bangles)
Medical Devices (Implants)
Aligners

Dental Indications
Jewelry
Medical Devices
Aligners

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Customer Engagement Model

Product Lifecycle

Design

Prototype

Pilot Runs

Production Runs

Customer Use Cases

Materials

Hardware and Software Technology

Pre-Sales Application Engineering

Propose Solution

Uptime Based On Predictive Support
Vertical Approach and Domain Expertise
Core Assets form Operational Platform
Healthcare
Unmatched Expertise and Capabilities

Surgical Simulation  Surgical Planning  Design & Manufacturing  Bioprinting
**Fully Integrated Solution**

- **Printers**
- **Workflow**
- **Materials**
- **Training**
- **Service**

**Broadest Digital Dentistry Portfolio in the Industry**

- **ProX® DMP 200 Dental**
- **ProX® 800**
- **ProJet® MJP 2500 Plus**
- **FabPro™ 1000**
- **NextDent™ 5100**

**Clinical Validation and Regulatory Approval**

- 30 materials for 12 indications
Aerospace

Cert./Qualification

Fuel Economy

Airworthy Parts

Supply Chain
Automotive

Weight Efficiency

Improved Product Design

Supply Chain

Formula 1 Vents

CAD to Car in 8 weeks

Rapid Availability of Parts
Durable and Consumer Goods
Innovation in Product Design and Production

Prototyping Design/Production
Reduce Assembly Times
Mass-Customization

Reduce Inventory and Increase Supply Chain Velocity
Broader Additive Manufacturing Solution Portfolio

- 3D Sprint™
- 3DXpert™
- Cimatron®
- GibbsCAM®
- 3D Connect™ Service
- Geomagic® Control X™
- Geomagic® Design X™
- Geomagic® Freeform®
Powerful Plastics Portfolio

- **ProJet® MJP 2500 Series**: High quality, speed and ease-of-use
- **New PROJET® CJP 260Plus**: Most affordable color 3D solution
- **ProX 800**: High 3D printing throughput, highest accuracy and detail
- **ProX SLS 6100**: Production ready for tough, functional nylon parts

**Figure 4™**
Industrial 3D Printing

**FabPro™ 1000**: Entry-level industrial 3D Printing
It Starts With Materials
Plastics, Nylons, Metals, Waxes, Composites, Ceramics, Etc.

• 500+ years of combined experience
• 100+ plastics materials
  - Wide range of plastics
  - Wide range of applications and markets
• Customer-driven innovation
  - Partner with 3rd party formulation companies and researchers
  - Partner with chemical developers and producers, to enable new formulations

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Figure 4™
Scalable Production Platform

1️⃣ Scalable, production platform
   Inline, integrated and fully automated post processing

1️⃣ Up to 15x faster throughput (print speeds up to 100 mm/hr.)

1️⃣ Six sigma repeatability — an industry first! ($C_{pk} > 2$)

1️⃣ Up to 20% lower part cost (at a volume of 500 parts) than traditional methods

Design Verification   Functional Prototyping   Bridge Manufacturing   1MM+ Production Runs

Materials
1 kg Cartridges
10 kg 200 kg (55 gallon)

Hand Pour Small Pump
Material Delivery

Industrial Pump
Print Engines
Imaging

Standard Tray
Large Format
Print Trays

Standard Plate
Non-perforated
Print Plates

6-Axis Robot
Automation

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### Figure 4™ Products

#### Standalone Solutions

<table>
<thead>
<tr>
<th>Product</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>NextDent™ 5100</td>
<td>Dental labs small &amp; large 10+ dental use cases Up to 10x lower part cost Up to 5x faster</td>
</tr>
</tbody>
</table>

#### Factory Solutions

<table>
<thead>
<tr>
<th>Product</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Figure 4 Modular</td>
<td>Service providers medium OEMs Affordable Flexible configuration Low volume production Scales with demand</td>
</tr>
<tr>
<td>Figure 4 Production</td>
<td>OEMs with high volume production applications Customizable 1MM+ parts/year Inline post processing</td>
</tr>
</tbody>
</table>

---

**Figure 4 Standalone**
Small design shops, OEMs smaller service providers Affordable Functional prototypes Ideal in emerging geographies

**INDEPENDENT PRINTERS | AFFORDABLE EASE OF USE | ADAPTABLE**

**INTEGRATED MODULES | CONNECTED FULL AUTOMATION | PROCESS CONTROL**
Industrial Entry-Level Solution — FabPro™ 1000
New Levels of Affordability, Ease-of-Use and Reliability

• Entry level industrial DLP solution
• Best-in-class speeds, quality & ease-of-use
• Rapid concept iteration, jigs/fixtures
• Jewelry, dentistry & urethane cast apps
• Ideal for new-to-3D printing users
• Distributed design workgroups in OEM’s
ProJet® MJP 2500 Series
Growth Opportunities with a Proven, High Performance, Versatile Platform
Production-Ready — ProX® SLS 6100

Functional Nylon Parts — Taking You From RP to Production

• Highly price competitive
• 20% lower TCO than rivals
• High-quality parts
• Superior mechanical properties
• Service bureaus, Aero/Auto, Durable Goods and Healthcare
Precision Metal Printing Solutions

Flexible Solutions

INDEPENDENT PRINTERS | R&D AND PART PRODUCTION

DMP Flex 100 & DMP 200
EDUCATION | INDUSTRIAL | DENTAL
Finest Detail
Best Surfaces
Affordable DMP
Research, R&D, Small Parts, Dental

DMP Flex 350
HEALTHCARE | AEROSPACE
INDUSTRIAL/CONTRACTORS
Robust printer
Repeatable Quality
Low TCO
Upgradable to DMP Factory 350

Factory Solutions

SCALABLE | HIGH LEVEL OF AUTOMATION
FULLY INTEGRATED MODULES

DMP Factory 350 & DMP Factory 500 Solutions
OEMS | LARGE PART CONTRACTORS
Medium volume production
Largest part diameter in the industry
Repeatable quality, high productivity, low TCO
DMP Factory 500 Solution with +GF+ Partnership

1st Seamless big parts up to 500mm diameter
Workflow oriented modularity — for configurable factory set-up

1st With 500x500x500 mm largest diameter in the industry

1st Vacuum chamber with lowest oxygen atmosphere during builds (20 ppm)
Full traceability of metal powder batches — removable print module with integrated overflow hopper

Very low consumable material cost

OEMs and large part contractors are looking for:

- Uniform Repeatability, Part Quality
- Affordable Part Cost/TCO
- Scalability, Including Managing Peaks
- Service and Support, Including Application Guidance
- Industry 4.0 — Data-flow/Logging/Monitoring

Software

Hardware Modules

Materials

Transport Module with Removable Print Module (RPM)
Printer Module
Powder Management Modual (PMM) with Depowdering Module
Parking Module

Broad choice in LaserForm materials with extensively developed parameters

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Precise, High-Performance Metals

• Strategic relationships powder suppliers — provide powders made to specification
  - Robust parameter sets for these powders and test via ASTM, SAE, etc. requirements for the relevant alloys
  - When customers use our powders and parameter sets, we guarantee output quality

• Supply open configuration files for customers who want to develop their own materials

• Participate in R&D of new or novel alloys, both with suppliers and customers
Production Workflow Software Portfolio

3D Digitization Platform

Manufacturing Software Platform

Productivity • Ease of Use • ROI
3D Sprint

• 3D print better parts without needing high-priced software
  - Increase efficiency with optimized management of data
  - Be more productive and reduce printer down time
  - Single, easy user interface streamlines time-to-print
3DXpert™
The Only All-In-One Software Solution for Metal Additive Manufacturing

3D CAD Software
Design

Native CAD Data

All-In-One DfAM
Send to Printer

Any Printer
Print

• Metal printers + 3DXpert + LaserForm® powders
• The only vendor to offer a real complete workflow for design for AM
• Dedicated solution for medical, aerospace & automotive industries
Geomagic® Design X 2019
The Fastest Path from Scan to CAD

• The only reverse engineering solution to combine feature-based CAD with 3D scanning!
• Design in days, not weeks
• Improved speed, quality and user experience in 2019
Global Customer Services
Guiding Customers along the Additive Manufacturing Journey

Help Customers Evolve
Additive Manufacturing Primer and Advanced Consultation

- Optimize Total Cost of Operation
- Specific 3D printing application consulting
- 3D Connect Services
- Optimize parts design
- Promise Uptime and Deliver Preventative Measures
- Assess and streamline manufacturing workflows
- Production Assurance
- Facility review and certification support
Application Engineering Consulting

Understand customer needs  Tool Selection   Benchmarking  Design Workflow  Implement Workflow  Scale Workflow
Support Services
Customer Innovation Centers

Services

Training
- Expert in-house customer training

Benchmarking
- 4-step standardized and trackable process for high quality benchmarking

Application Support
- Technical application support and development

Part Manufacturing
- Batch manufacturing for customers and prospects
  ISO 9001/13485 certified facilities
Customer Innovation Centers

Our Mission
Accelerate the development of advanced applications by providing the expertise, know-how and state-of-the-art technology necessary to develop, validate and commercialize products.
On Demand Manufacturing

Rapid Prototyping

Time + Money
Explore look and feel before committing to costly production

12 Facilities in 8 countries
500 Employees worldwide

24 Parts produced in as fast as 24 hours
2,000,000 Parts manufactured every year

Low-volume Production

Functional Prototyping

Beyond Look and Feel
Assess real-world usability, ergonomics, manufacturability, and materials before production

ADDITIVE ↔ TRADITIONAL
14 Different processes available for functional prototyping

3 On average, every functional prototype is created with three different processes
100 Application Engineers
10+ years of experience

25,000+ Functional prototypes manufactured to date

Appearance Models
On Demand Subtractive Manufacturing

• Emerging market of Hybrid Manufacturing
• Uniquely position to offer both solutions
• Compliments additive solution.
  - Post print machining
  - Printed jigs and fixtures
  - CAM for hybrid machines
• Traditional Manufacturing
  - Large part of global manufacturing market
Cloud-Based Services

Fleet Monitoring
- Enables customers to see the status of their printer in real time
- Enables email and text alerts with their build or printer
- Creates analytics on up time, usage, consumable use, health of the lasers/print heads etc.

Remote Diagnostic Tools
- Creates the ability for service to see what the problem is prior to going on site
- Automatically creates a service ticket
- Enable the ability to have the right spare parts ordered and on site prior to the tech arriving
Total Market Opportunity

- CEOs are under increased pressure to drive growth
- Accelerated product development cycles
- Keep costs down
- Reduce turnaround times
- Re-think how goods are manufactured
- Manufacturing footprint changes

Estimated to grow to $12.1B by 2020

Market Volume (Billions of USD)

FY11: 1.5
FY12: 2.1
FY13: 2.9
FY14: 3.8
FY15: 4.2
FY16F: 
FY17F: 
FY18F: 
FY19F: 
FY20F: 

*Ernst & Young’s Global 3D Printing Report 2016, 3DP Maturity Model*
With our technology, expertise and know-how, we are making 3D production real.
Recent Financials
2018 Revenue Drivers

During 2018, we continued to deliver on growth drivers, and total revenue increased 6% in 2018 compared to 2017.

- Printer revenue increased 25% on a 76% increase in printer unit sales
- Software revenue growth of 5%
- Healthcare solutions growth of 19%
- On demand services growth of 2%
- Materials revenue growth of 1%
## GAAP Operating Results

<table>
<thead>
<tr>
<th></th>
<th>Fourth Quarter</th>
<th>Full Year</th>
<th>Y/Y Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
<td></td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 180.7</td>
<td>$ 177.3</td>
<td>2%</td>
</tr>
<tr>
<td></td>
<td>$ 687.7</td>
<td>$ 646.1</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>82.6</td>
<td>85.5</td>
<td>(3)%</td>
</tr>
<tr>
<td></td>
<td>324.4</td>
<td>304.8</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Gross Profit Margin</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>45.7%</td>
<td>48.2%</td>
<td>(250) bps</td>
</tr>
<tr>
<td></td>
<td>47.2%</td>
<td>47.2%</td>
<td>0 bps</td>
</tr>
<tr>
<td><strong>SG&amp;A</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>66.1</td>
<td>68.2</td>
<td>3%</td>
</tr>
<tr>
<td></td>
<td>272.3</td>
<td>264.2</td>
<td>(3)%</td>
</tr>
<tr>
<td><strong>R&amp;D</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>23.5</td>
<td>23.0</td>
<td>(2)%</td>
</tr>
<tr>
<td></td>
<td>95.3</td>
<td>94.6</td>
<td>(1)%</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>89.6</td>
<td>91.2</td>
<td>2%</td>
</tr>
<tr>
<td></td>
<td>367.6</td>
<td>358.8</td>
<td>(2)%</td>
</tr>
<tr>
<td><strong>Operating Loss</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(7.0)</td>
<td>(5.7)</td>
<td>(23)%</td>
</tr>
<tr>
<td></td>
<td>(43.2)</td>
<td>(54.0)</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Net Loss per 3D Systems</strong></td>
<td>$ (4.1)</td>
<td>$ (10.1)</td>
<td>59%</td>
</tr>
<tr>
<td></td>
<td>$ (45.5)</td>
<td>$ (66.2)</td>
<td>31%</td>
</tr>
<tr>
<td><strong>Loss Per Share</strong></td>
<td>$ (0.04)</td>
<td>$ (0.08)</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td>$ (0.41)</td>
<td>$ (0.59)</td>
<td>31%</td>
</tr>
</tbody>
</table>
Non-GAAP Financial Measures

<table>
<thead>
<tr>
<th></th>
<th>Fourth Quarter</th>
<th></th>
<th>Full Year</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
<td>Y/Y Change</td>
<td>2018</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Better/(Worse)</td>
<td></td>
</tr>
<tr>
<td>Non-GAAP R&amp;D Expense</td>
<td>$23.5</td>
<td>$23.0</td>
<td>(2)%</td>
<td>$94.8</td>
</tr>
<tr>
<td>Non-GAAP SG&amp;A Expense</td>
<td>52.2</td>
<td>54.6</td>
<td>4%</td>
<td>213.1</td>
</tr>
<tr>
<td>Non-GAAP Operating Expenses</td>
<td>$75.7</td>
<td>$77.6</td>
<td>2%</td>
<td>$307.9</td>
</tr>
<tr>
<td>Non-GAAP Net income (loss) attributable to 3D Systems Corporation</td>
<td>$11.4</td>
<td>$5.3</td>
<td>115%</td>
<td>$16.5</td>
</tr>
<tr>
<td>Non-GAAP Net income (loss) per share available to 3D Systems Corporation common stockholders - basic and diluted</td>
<td>$0.10</td>
<td>$0.05</td>
<td>100%</td>
<td>$0.15</td>
</tr>
</tbody>
</table>

* Tables may not foot due to rounding; amounts calculated based on dollars in thousands.

We use non-GAAP measures to supplement our financial statements presented on a GAAP basis because management believes non-GAAP financial measures are useful to investors in evaluating our operating performance and to facilitate a better understanding of the impact that strategic acquisitions, non-recurring charges and certain non-cash expenses had on our financial results. See appendix for reconciliation of non-GAAP items.
For the full year 2018, GAAP GPM was 47.2% and non-GAAP GPM was 47.4%.

Supply chain efficiencies and cost improvements were offset by the impact of sales mix, costs to launch and ramp new products, and lower on demand manufacturing gross profit margins.

GAAP and non-GAAP data points may overlap on the chart when within approx 50 basis points.
Operating Expenses

- Although we expect some fluctuations quarter to quarter, we are beginning to see the results of actions we are taking to reduce cost structure
- Shifting from R&D to marketing and sales support of the new products rolled out in 2018, and expect R&D in 2019 to be focused on materials and software

See appendix for a reconciliation of non-GAAP operating expenses.
Balance Sheet and Cash

• Generated $7.7 million of cash from operations during Q4 2018, and generated $4.8 million of cash from operations during the full year 2018

• Ended 2018 with $110.0 million of cash on hand, including $25 million of proceeds from our revolving credit facility

• Our existing $150 million revolver was nearing the end of its original term, so we initiated a new revolver for $100 million dollars and a $100 million five-year term loan, which closed Feb 27, 2019, repayable at any time without penalty. We believe this provides the right level of liquidity support while we shift from our investment phase to cash generation in 2019

• While cash use and generation will continue to fluctuate from quarterly, expect organic free cash flow in 2019, as we begin to reduce inventory and capital expenditures and drive improved profitability
Summary and Outlook

• Made significant progress in our turnaround and transformation work, and have a strong operational foundation in place with improved processes across the company, and with the new products launched in 2018, an unmatched portfolio

• We expect 2019 revenue growth to continue to be driven by growth in printers, materials, healthcare and software

• We believe we have significant opportunities across our key verticals and are increasing our market share in several categories while also expanding our market opportunities with new solutions and additional capabilities

• With our improved operations, execution and unmatched portfolio, we believe we are well positioned to drive continued and increasingly profitable growth in 2019 and beyond
Financial Appendix & Non-GAAP Reconciliations
## Non-GAAP Reconciliation

### Fourth Quarter and Full Year Non-GAAP Earnings (Loss) per Share

<table>
<thead>
<tr>
<th>(in millions, except per share amounts)</th>
<th>Quarter Ended December 31,</th>
<th>Full Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP Net loss attributable to 3D Systems Corporation</td>
<td>$ (4.1)</td>
<td>$ (10.1)</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization, stock-based compensation &amp; other ¹</td>
<td>13.9</td>
<td>15.1</td>
</tr>
<tr>
<td>Legal and acquisition-related ²</td>
<td>0.1</td>
<td>(1.4)</td>
</tr>
<tr>
<td>Cost optimization plan ³</td>
<td>1.5</td>
<td>—</td>
</tr>
<tr>
<td>Impairment of cost-method investments ⁴</td>
<td>—</td>
<td>1.7</td>
</tr>
<tr>
<td>Non-GAAP net income attributable to 3D Systems Corporation</td>
<td>$ 11.4</td>
<td>$ 5.3</td>
</tr>
<tr>
<td>Non-GAAP net income per share available to 3D Systems common stock holders - basic and diluted ⁵</td>
<td>$ 0.10</td>
<td>$ 0.05</td>
</tr>
</tbody>
</table>

1 For the quarter ended December 31, 2018, the adjustment included $(0.2) in COGS and $14.1 in SG&A. For the quarter ended December 31, 2017, the adjustment included $0.1 in COGS and $15.0 in SG&A. For the twelve months ended December 31, 2018, the adjustment included $0.1 in COGS and $58.6 in SG&A. For the twelve months ended December 31, 2017, the adjustment included $0.4 in COGS and $62.5 in SG&A.

2 For the quarter ended December 31, 2018, the adjustment included $0.6 in COGS $(1.0) in SG&A and $0.5 in interest and other income (expense), net. For the quarter ended December 31, 2017, the adjustment included $(1.4) in SG&A. For the twelve months ended December 31, 2018, the adjustment included $0.6 in COGS, $(1.7) in SG&A and $(0.9) in interest and other income (expense), net. For the twelve months ended December 31, 2017, the adjustment included $(0.3) in SG&A and $0.2 in interest and other income (expense), net.

3 For the quarter ended December 31, 2018, the adjustment included $0.7 in COGS, $0.8 in SG&A and $0.0 in R&D. For the twelve months ended December 31, 2018, the adjustment included $1.1 in COGS, $2.4 in SG&A, and approximately $0.5 in R&D.

4 The Company has minority investments of less than 20% ownership in enterprises that benefit from, or are powered by its technology portfolio. The value of each of these investments is assessed periodically, and impairment recorded when required. For the quarter and twelve months ended December 31, 2018, the adjustment included zero and $1.4 in interest and other income (expense), net. For the quarter and twelve months ended December 31, 2017, the adjustment included $1.7 in interest and other income (expense), net. The Company excluded this amount as it is not related to on-going operations, and intends to exclude these impairment amounts from non-GAAP net income going forward.

5 Denominator based on weighted average shares used in the GAAP EPS calculation.* Tables may not foot due to rounding; amounts calculated based on dollars in thousands.
# Non-GAAP Reconciliation

## 2018 Non-GAAP Gross Profit & Margin

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>Quarter Ended</th>
<th>Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31</td>
<td>June 30</td>
</tr>
<tr>
<td>GAAP Gross Profit</td>
<td>$77.9</td>
<td>$86.2</td>
</tr>
<tr>
<td>GAAP Gross Profit Margin</td>
<td>46.9%</td>
<td>48.8%</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization, stock-based compensation &amp; other</td>
<td>$0.1</td>
<td>$0.1</td>
</tr>
<tr>
<td>Legal and acquisition-related</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Cost optimization plan</td>
<td>$0.2</td>
<td>$0.2</td>
</tr>
<tr>
<td>Non-GAAP Gross Profit</td>
<td>$78.1</td>
<td>$86.4</td>
</tr>
<tr>
<td>Non-GAAP Gross Profit Margin</td>
<td>47.1%</td>
<td>48.9%</td>
</tr>
</tbody>
</table>

* Tables may not foot due to rounding; amounts calculated based on dollars in thousands.
## Non-GAAP Reconciliation

### 2018 Non-GAAP Operating Expenses

<table>
<thead>
<tr>
<th></th>
<th>Quarter Ended</th>
<th>Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31</td>
<td>June 30</td>
</tr>
<tr>
<td><strong>GAAP R&amp;D Expenses</strong></td>
<td>$25.9</td>
<td>$22.7</td>
</tr>
<tr>
<td><strong>GAAP SG&amp;A Expenses</strong></td>
<td>69.5</td>
<td>71.2</td>
</tr>
<tr>
<td><strong>GAAP Operating Expenses</strong></td>
<td>$95.3</td>
<td>$93.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Adjustments to R&amp;D Expenses:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost optimization plan</td>
<td>—</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Non-GAAP R&amp;D Expenses</strong></td>
<td>$25.9</td>
<td>$22.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Adjustments to SG&amp;A Expenses:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization, stock-based compensation &amp; other</td>
<td>15.1</td>
<td>14.3</td>
</tr>
<tr>
<td>Legal and acquisition-related</td>
<td>0.4</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Cost optimization plan</td>
<td>0.4</td>
<td>0.7</td>
</tr>
<tr>
<td><strong>Total Adjustments to SG&amp;A Expenses</strong></td>
<td>15.9</td>
<td>14.6</td>
</tr>
<tr>
<td><strong>Non-GAAP SG&amp;A Expenses</strong></td>
<td>$53.6</td>
<td>$56.6</td>
</tr>
<tr>
<td><strong>Non-GAAP Operating Expenses</strong></td>
<td>$79.4</td>
<td>$79.1</td>
</tr>
</tbody>
</table>

---

1 For the quarter ended March 31, 2018, the adjustment included approximately $32 thousand and therefore rounded down.

* Tables may not foot due to rounding; amounts calculated based on dollars in thousands.
# Non-GAAP Reconciliation

## 2017 Non-GAAP Gross Profit & Margin

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>2017</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31</td>
<td>June 30</td>
<td>September 30</td>
<td>December 31</td>
<td>December 31</td>
<td></td>
</tr>
<tr>
<td>GAAP Gross Profit</td>
<td>$80.2</td>
<td>$80.7</td>
<td>$58.5</td>
<td>$85.5</td>
<td>$304.8</td>
<td></td>
</tr>
<tr>
<td>GAAP Gross Profit Margin</td>
<td>51.3%</td>
<td>50.6%</td>
<td>38.3%</td>
<td>48.2%</td>
<td>47.2%</td>
<td></td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization, stock-based compensation &amp; other</td>
<td>$0.1</td>
<td>$0.1</td>
<td>$0.1</td>
<td>$0.1</td>
<td>$0.4</td>
<td></td>
</tr>
<tr>
<td>Legal and acquisition-related</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-GAAP Gross Profit</td>
<td>$80.3</td>
<td>$80.8</td>
<td>$58.6</td>
<td>$85.6</td>
<td>$305.3</td>
<td></td>
</tr>
<tr>
<td>Non-GAAP Gross Profit Margin</td>
<td>51.3%</td>
<td>50.7%</td>
<td>38.3%</td>
<td>48.3%</td>
<td>47.2%</td>
<td></td>
</tr>
</tbody>
</table>

1 For the quarter ended June 30, 2017, the adjustment included approximately $21 thousand and therefore rounded down.

* Tables may not foot due to rounding; amounts calculated based on dollars in thousands.
## 2017 Non-GAAP Operating Expenses

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>2017</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31</td>
<td>June 30</td>
<td>September 30</td>
<td>December 31</td>
</tr>
<tr>
<td><strong>GAAP R&amp;D Expenses</strong></td>
<td>$22.9</td>
<td>$24.4</td>
<td>$24.4</td>
<td>$23.0</td>
</tr>
<tr>
<td><strong>GAAP SG&amp;A Expenses</strong></td>
<td>$66.4</td>
<td>$63.1</td>
<td>$66.5</td>
<td>$68.2</td>
</tr>
<tr>
<td><strong>GAAP Operating Expenses</strong></td>
<td>$89.3</td>
<td>$87.5</td>
<td>$90.9</td>
<td>$91.2</td>
</tr>
<tr>
<td><strong>Non-GAAP R&amp;D Expenses</strong></td>
<td>$22.9</td>
<td>$24.4</td>
<td>$24.4</td>
<td>$23.0</td>
</tr>
<tr>
<td>Adjustments to SG&amp;A Expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization, stock-based compensation &amp; other</td>
<td>15.9</td>
<td>16.2</td>
<td>15.8</td>
<td>15.0</td>
</tr>
<tr>
<td>Legal and acquisition-related</td>
<td>1.1</td>
<td>0.5</td>
<td>(0.8)</td>
<td>(1.4)</td>
</tr>
<tr>
<td>Total Adjustments to SG&amp;A Expenses</td>
<td>17.0</td>
<td>16.7</td>
<td>15.0</td>
<td>13.6</td>
</tr>
<tr>
<td><strong>Non-GAAP SG&amp;A Expenses</strong></td>
<td>$49.4</td>
<td>$46.4</td>
<td>$51.5</td>
<td>$54.6</td>
</tr>
<tr>
<td><strong>Non-GAAP Operating Expenses</strong></td>
<td>$72.3</td>
<td>$70.8</td>
<td>$75.9</td>
<td>$77.6</td>
</tr>
</tbody>
</table>

* Tables may not foot due to rounding; amounts calculated based on dollars in thousands.