


UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE


Individually and On Behalf of All Others
Similarly Situated,

Plaintiff,

v.


3D SYSTEMS CORPORATION,
JEFFREY A. GRAVES, and JEFFREY D.
CREECH,

Defendants.

Case No.

JURY TRIAL DEMANDED

CLASS ACTION COMPLAINT

Plaintiff , individually and on behalf of all others similarly situated, by Plaintiff's undersigned attorneys, for Plaintiff's complaint against Defendants, alleges the following based upon personal knowledge as to Plaintiff and Plaintiff's own acts, and information and belief as to all other matters, based upon, *inter alia*, the investigation conducted by and through Plaintiff's attorneys, which included, among other things, a review of the Defendants' public documents, conference calls and announcements made by Defendants, United States ("U.S.") Securities and Exchange Commission ("SEC") filings, wire and press releases published by and regarding 3D Systems Corporation ("3D Systems" or the "Company"), analysts' reports and advisories about the Company, and information readily obtainable on the Internet. Plaintiff believes that substantial additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION

1. This is a federal securities class action on behalf of a class consisting of all persons and entities other than Defendants that purchased or otherwise acquired 3D Systems securities between August 13, 2024 and May 12, 2025, both dates inclusive (the “Class Period”), seeking to recover damages caused by Defendants’ violations of the federal securities laws and to pursue remedies under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder, against the Company and certain of its top officials.

2. 3D Systems provides 3D printing and digital manufacturing solutions in North and South America, Europe, the Middle East, Africa, the Asia Pacific, and Oceania. The Company earns revenue from the sale of products and services through its two operating segments: Healthcare Solutions and Industrial Solutions. The Healthcare Solutions segment includes dental, medical devices, personalized health services, and regenerative medicine (the “Regenerative Medicine Program”).

3. The Regenerative Medicine Program focuses on “the use of additive manufacturing for human organ transplantation.” Since 2018, 3D Systems has partnered with the biotechnology company United Therapeutics Corporation (“United”) “with a long-term goal of developing the capability to 3D print lungs that will allow patients with end-stage lung disease to receive transplants that will enable them to enjoy long and active lives” (the “United Partnership”). The terms of the United Partnership include specific “milestone criteria”—*i.e.*, requirements that must be met for a stage in a development process to be considered completed. In late 2024, 3D Systems updated the United Partnership’s milestone criteria in response to changes in testing methodology.

4. The Company considers milestone criteria (and any updates thereto) when accounting for recognized revenue from the United Partnership. Specifically, the Company earns

milestone payments based upon the achievement of agreed-upon contract objectives (*i.e.* milestones). Because these payments are contingent on future events, they generally represent a form of variable consideration. Under Accounting Standards Codification 606-10-32-5, the revenue recognition standard—a uniform framework for recognizing revenue from contracts with customers—requires an entity to estimate the amount of variable consideration to which it will be entitled under a contract. Accordingly, as the United Partnership milestone criteria are updated, the Company must also update its estimates of the timing and probability that it will receive milestone payments when accounting for recognized revenue.

5. Over the past several years, reduced customer spending has resulted in weakened sales across the 3D printing industry. Nonetheless, 3D Systems has consistently maintained that, “despite a challenging operating environment,” it “remain[s] optimistic about the future” given its “sequential recovery and continued momentum in [its] robust customer pipeline.” Further, the Company has touted that “[w]ith [its] new products now gaining traction in the market, [its] focus is increasingly centered on driving gross margin expansion and operating expense improvements in the face of continuing uncertainty in the global markets.”

6. In March 2025, 3D Systems released its full-year 2025 guidance. Among other items, the Company projected “[r]evenue within the range of \$420 million to \$435 million, representing essentially flat to modest growth,” “[n]on-GAAP Gross Profit Margin within the range of 37% to 39%,” “[n]on-GAAP Operating Expense within the range of \$200 million to \$220 million,” and “[a]djusted EBITDA to be break even or better in Q4 2025.”

7. Throughout the Class Period, Defendants made materially false and misleading statements regarding the Company’s business, operations, and compliance policies. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (i) 3D Systems

had understated the impact of weakened customer spending on the Company's business, while overstating its resilience in challenging industry conditions; (ii) in addition, the updated milestone criteria in the United Partnership would negatively impact the Company's Regenerative Medicine Program revenue; and (iii) as a result, the Company's public statements were materially false and misleading at all relevant times.

8. On March 26, 2025, 3D Systems issued a press release announcing its financial results for the fourth quarter ("Q4") and full-year 2024 (the "Q4 2024 Press Release"). Among other items, 3D Systems reported Q4 non-GAAP earnings-per-share ("EPS") of -\$0.19, missing consensus estimates by \$0.08 per share, and sales revenue of \$111 million, representing a -3.4% year-over-year decline and missing consensus estimates by \$4.17 million. Further, for full-year 2024, the Company reported sales of \$440.1 million, a decrease of 10% compared to the prior year, driven by "lower hardware systems sales due to macroeconomic factors that are negatively impacting demand." Finally, 3D systems reported a "\$9 million revenue reduction in Q4 driven by a change in accounting estimates for [the Company's] Regenerative Medicine program." The Company disclosed that "[t]his change in estimate [was] related to the now anticipated use of pre-clinical human decedent testing[,] [. . .] which led to refinement of the milestone technical criteria."

9. On this news, 3D Systems' stock price fell \$0.57 per share, or 20.96%, to close at \$2.15 per share on March 27, 2025.

10. Then, after the market closed on May 12, 2025, 3D Systems issued a press release announcing its financial results for the first quarter ("Q1") of 2025. Among other items, 3D systems reported: revenue of \$94.5 million, down 8% year-over-year and missing consensus estimates of \$99.5 million; a net loss of \$37 million, or \$0.28 per share, more than doubling the \$16 million loss reported in Q1 2024; an adjusted loss of \$0.21 per share, deeper than consensus

estimates of a loss of \$0.14 per share; and adjusted EBITDA of a loss of \$23.9 million, deepening from a \$20.1 million loss in Q1 2024. The Company attributed its disappointing results, in part, to a decline in material sales, mostly due to inventory management issues in the dental portion of its Healthcare Solutions segment. 3D Systems also announced that it was withdrawing its full-year 2025 outlook, citing prolonged softness in customer capital spending and macroeconomic uncertainty.

11. On this news, 3D Systems' stock price fell \$0.68 per share, or 26.6%, to close at \$1.87 per share on May 13, 2025.

12. Market analysts were quick to comment on the Company's disappointing results. For example, on May 14, 2025, an analyst from *Seeking Alpha* stated that he was "skeptical that [3D Systems] can transition to profitability in the near term" and suggested that "[e]ven after a significant price drop, the stock isn't a bargain given shrinking revenues, lack of profitability, and low investor interest in the sector."

13. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have suffered significant losses and damages.

JURISDICTION AND VENUE

14. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

15. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act.

16. Venue is proper in this Judicial District pursuant to Section 27 of the Exchange Act (15 U.S.C. § 78aa) and 28 U.S.C. § 1391(b). Pursuant to 3D Systems' most recently filed Quarterly Report with the SEC, as of May 2, 2025, there were 136,412,866 shares of the Company's common stock outstanding. 3D Systems' securities trade on the New York Stock Exchange ("NYSE"). Accordingly, there are presumably hundreds, if not thousands, of investors in 3D Systems' securities located within the U.S., some of whom undoubtedly reside in this Judicial District. In addition, the Company is incorporated in this Judicial District.

17. In connection with the acts alleged in this complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephone communications, and the facilities of the national securities markets.

PARTIES

18. Plaintiff, as set forth in the attached Certification, acquired 3D Systems securities at artificially inflated prices during the Class Period and was damaged upon the revelation of the alleged corrective disclosures.

19. Defendant 3D Systems is a Delaware corporation with principal executive offices located at 333 Three D Systems Circle, Rock Hill, South Carolina 29730. The Company's common stock trades in an efficient market on the NYSE under the ticker symbol "DDD."

20. Defendant Jeffrey A. Graves ("Graves") has served as 3D Systems' President and Chief Executive Officer at all relevant times.

21. Defendant Jeffrey D. Creech ("Creech") has served as 3D Systems' Chief Financial Officer at all relevant times.

22. Defendants Graves and Creech are sometimes referred to herein as the “Individual Defendants.”

23. The Individual Defendants possessed the power and authority to control the contents of 3D Systems’ SEC filings, press releases, and other market communications. The Individual Defendants were provided with copies of 3D Systems’ SEC filings and press releases alleged herein to be misleading prior to or shortly after their issuance and had the ability and opportunity to prevent their issuance or to cause them to be corrected. Because of their positions with 3D Systems, and their access to material information available to them but not to the public, the Individual Defendants knew that the adverse facts specified herein had not been disclosed to and were being concealed from the public, and that the positive representations being made were then materially false and misleading. The Individual Defendants are liable for the false statements and omissions pleaded herein.

24. 3D Systems and the Individual Defendants are collectively referred to herein as “Defendants.”

SUBSTANTIVE ALLEGATIONS

Background

25. 3D Systems provides 3D printing and digital manufacturing solutions in North and South America, Europe, the Middle East, Africa, the Asia Pacific, and Oceania. The Company earns revenue from the sale of products and services through its two operating segments: Healthcare Solutions and Industrial Solutions. The Healthcare Solutions segment includes dental, medical devices, personalized health services, and the Regenerative Medicine Program.

Materially False and Misleading Statements Issued During the Class Period

26. The Class Period begins on August 13, 2024, when 3D Systems filed an Annual Report on Form 10-K, reporting the Company's financial and operational results for the year ended December 31, 2023 (the "2023 10-K"). In discussing the Company's business strategy, the 2023 10-K stated, in relevant part:

Accelerating Additive Manufacturing Adoption

We partner with customers to enable them to adopt and scale additive manufacturing in their production environments. We believe that our additive manufacturing capabilities can help customers solve a number of design and manufacturing challenges – such as improved lead times, enhanced design freedom, part consolidation and the ability for mass customization. We believe that we have both the scale and the breadth of technologies, encompassing hardware platforms, materials and software, that our customers require for the successful implementation of additive manufacturing into their design and manufacturing processes. Using a strong application focus in each of our two business segments, our Applications Innovation Group integrates our printer hardware, materials, software and professional and technical services in unique combinations to solve a customer's product need. Once complete, we can scale the process for the customer to a certain production level through our Advanced Manufacturing solutions, and, with increasing demand, we can enable a customer to continue scaling to high volumes within their own production facilities. This transfer of the workflow involves providing the printing systems, materials and software, along with the process definition and other technical expertise, that enables a seamless transfer of capability to the manufacturer. ***We expect the result of this approach to drive recurring revenue streams as customers adopt additive manufacturing solutions and consume materials to produce parts, utilize software to manage the print process and manufacturing operations, and make use of our service offerings for application development, maintenance and upgrades.***

During 2023 we made targeted investments and partnerships designed to broaden and enhance our product offering of 3D printing solutions and to expand addressable markets for our Industrial Solutions and Healthcare Solutions segments.

We believe that the above-described investments during 2023, will accelerate the adoption of additive manufacturing in our target industrial and healthcare end-

markets and open up profitable future growth opportunities for our company. Realizing the full benefit of these growth-oriented initiatives will require us to make additional investments in operations and development activities during 2024 and beyond.¹

27. Appended to the 2023 10-K as exhibits were signed certifications pursuant to the Sarbanes-Oxley Act of 2002 (“SOX”) by the Individual Defendants, attesting that “[t]he information contained in the [2023] 10-K fairly presents, in all material respects, the financial condition and results of operations of the [Company].”

28. On August 20, 2024, 3D Systems issued a press release announcing the Company’s Q1 2024 financial results. The press quoted Defendant Graves as stating, in relevant part:

Our first quarter revenue results reflect a continuation of pressures driven by unfavorable macroeconomic and geopolitical conditions, which were particularly impactful on hardware printer sales that are directly tied to customer [capital expenditure (“capex” OR “CapEx”)] investments. As a whole, first quarter revenues were slightly below our initial expectations reflecting a soft start to the year, driven by normal seasonality, and compounded by continued scrutiny across customer capital expenditures for additive manufacturing systems. Given the timing of some significant machine purchases last year, our Industrial segment was most impacted by this unfavorable capital spend environment, as weakness in most sectors offset another strong performance from Aerospace and Defense customers. ***That said, interest in additive applications remains very robust and we are beginning to see signs of encouragement in certain demand markets giving us confidence that our top-line performance will notably improve as the year progresses.*** Materials and services, particularly in our Healthcare business, performed very well in the first quarter, leveraging the strength of our existing installed base. We view our multi-year contract award with a leading provider of clear dental aligners as a tremendous foundation for our dental initiatives to grow in the years ahead. ***Additionally, with the strength of our Personalized Healthcare business delivering another strong quarter of over 9% growth, and our intense focus to continue investing in the personalized space, we see significant opportunities to build on this momentum. Looking ahead, we are expecting second quarter revenues within the range of \$113.0 - \$113.5 million with continued sequential improvement throughout the balance of 2024.***[]

¹ All emphases included herein are added unless otherwise indicated.

29. On August 29, 2024, 3D Systems issued a press release announcing the Company's Q2 2024 financial results. The press release quoted Defendant Graves as stating, in relevant part:

We are encouraged by the sequential revenue progress we delivered during the second quarter despite a challenging operating environment. Our top-line improved 10% quarter-over-quarter, reflecting strong performance by our Industrial and Healthcare markets for hardware, materials, and services. While our second-quarter revenue saw a year-over-year decline, this was primarily due to reduced printer sales to a specific dental customer and ongoing macroeconomic pressures on customer capital spending. *We remain optimistic about the future given our most recent sequential recovery and continued momentum in our robust customer pipeline. As a result, given our performance through the first half and current macroeconomic and geopolitical conditions, we are now targeting revenues for the full-year 2024 in the range of \$450 million - \$460 million, as we anticipate continued sequential revenue improvements in the third and fourth quarters.*[]

[. . .] During the quarter, we continued to deliver gross margin improvements annually and sequentially, in spite of the year-over-year volume decline. Looking forward, we believe our in-sourcing and restructuring actions, which have favorably impacted our cost-of-goods this year, will continue to drive gross margin expansion moving forward. Additionally, we are beginning to demonstrate steady improvement with respect to our operating expenses, which should accelerate in the second half of the year. While many of these costs remain elevated from the prior year, the primary driver is related to costs associated with our extended 2023 audit, which we expect will be more muted in the third quarter and then fully behind us by the fourth quarter. We expect to exit the year with normalized Non-GAAP operating expenses below \$60 million by the fourth quarter, which on an annualized basis would be within our previously provided full-year range. In combination with the sequential improvement in revenues expected throughout the second half, we believe the significant reduction of operating expense in the second half will propel the company to near break-even adjusted EBITDA for the fourth quarter. *While conditions remain challenging in the near-term, we have taken considerable actions to derisk our balance sheet since the end of 2023 and believe we are well-positioned with our critical R&D investments to capitalize on a very bright future ahead.*

30. That same day, 3D Systems hosted an earnings call with investors and analysts to discuss the Company's Q2 2024 results (the "Q2 2024 Earnings Call"). During the scripted portion of the Q2 2024 Earnings Call, Defendant Graves stated, in relevant part:

When we last spoke in February, we mentioned the weakness we were seeing in our end markets with respect to customer CapEx spending. We believe then and now that this was driven largely by a high level of uncertainty on the part of our

customers in forecasting consumer demand in the face of high inflation and rising interest rates, combined with a tense geopolitical environment in Europe, Asia and the Middle East. These uncertainties translate into softer sales of printer hardware across virtually all of our major end markets, with sales reaching near nadir for our company in the first quarter.

While indices that track consumer sentiment remain relatively weak in August with inflation rates now trending downward and interest rates poised to follow, ***our opportunity pipeline has consistently strengthened since it bottomed down in Q1.*** This translated to meaningful sales growth in the second quarter, with revenues up 10% on a sequential basis. ***Provided this environment and CapEx spending trends continue, we expect continued sales growth in Q3 and Q4. While we won't fully make up for the weakness of Q1, the trends are clearly moving in our favor.***

From an industry perspective, given the scale of our company across multiple end markets and the breadth of our polymer and metal technology offerings, I believe we have a unique perspective on the trends in the adoption of production scale additive manufacturing. These trends can best be seen through the backlog of new application development requests we're receiving from our customers. This backlog has never been higher, driven by both existing customers and new customers who see increasing benefits from the adoption of 3D printing on industrial scale.

I believe this rise in customer interest can be explained very simply. The versatility, quality and cost of producing components with additive technology, including both metal and engineered polymers, has become economically compelling. This is true for our entire industry and across all markets. What does vary is the way in which adoption occurs. Each market has a unique balance of needs. Markets that derive the greatest benefit from an ability to produce novel component designs, often only available with additive techniques are the first and fastest to adopt this new manufacturing technology. This is certainly the case for healthcare as we see in both our dental and orthopedic markets, as well as semiconductor equipment manufacturing, aerospace and defense and our industrial markets just to name a few.

So, with the continued march of the additive adoption, what's been missing in recent quarters is simply the confidence of our customers that they need to have in their end market demand to warrant new CapEx investments in their plants. It's really that simple. ***As we now enter a period of lower inflation and lower interest rates and as world becomes increasingly risky for extended supply chains, we would anticipate a rapid rise in printer demand and along with it the strong pull on consumables and services. This is why we've been consistent in our R&D initiatives and customer application support over this difficult period. With our***

global scale and an exceptional new product pipeline, we're well positioned to benefit from this acceleration when it occurs.

While overall printer demand was weak in the first half, consumables were resilient and services strengthened. Particularly in the healthcare space, materials and services grew significantly over the prior year. *This helped offset weakness in printer hardware sales to some extent. Specific to the dental market, with the completion of our new long-term supply agreement in the clear aligner market, we expect year-over-year comparisons will turn positive beginning in Q3.*

Given all these factors from a timing standpoint, we would expect full company revenues to grow at mid-single-digit rates on a consecutive quarter basis in Q3 and once again in Q4, bringing our revenue to roughly \$450 million to \$460 million for the full year 2024.

31. Further, during the Q&A portion of the Q2 2024 Earnings Call, when asked to discuss the Company's anticipated sequential growth, Defendant Graves responded, in relevant part:

We should see growth in both [the Healthcare Solutions and Industrial Solutions segments]. *The sustainability of growth in healthcare looks very high, and so I'm very pleased about that. Again, there was a drop off in printer sales in healthcare, where we're selling printers to like contract manufacturers that are making implants, things like that, that was soft, again driven by CapEx. But the rest of healthcare was, if you will, very healthy. So, we saw growth there, expect that to continue.* We expect to see some rebound on the industrial side, primarily from recovery of printers with CapEx spending become boosting up over the rest of the year.

32. Finally, when asked during the Q&A portion of the Q2 2024 Earnings Call where in the Company's portfolio 3D Systems was "seeing pipeline improvement," Defendant Graves responded, in relevant part:

So, military and defense, aerospace, those are strong, okay? The specialty markets like semiconductor equipment, we've been working at semiconductor equipment for years and it's finally paying off for us. We've got enormous amount of interest in metal parts for the semiconductor equipment industry. And if you think of the [CHIPS and Sciences Act] and all the manufacturing coming down the pipe on that, we're really excited about that, because we can save them a lot of money by consolidating assemblies into fewer numbers of parts, and you can have a much

higher performing part in some of the critical components in those systems. And some of them -- if you've ever been close to a manufacturer of semiconductor equipment, some of them are incredibly difficult applications to survive in. And so, you can do that with 3D printing a lot better than anything else. ***So, there's been a big demand in those kind[s] of areas, especially equipment things.*** So, we put all that in the industrial category.

On the medical side, orthopedics is really doing well. Our personalized self-service doing very well. We're bringing the cost down at good reliability for -- a very good reliability and obviously quality in a regulated situation for patients. And so, people basically going through bone repairs for either cancer treatments or damage to bones. It's becoming very economically viable to make those kind[s] of implants now with 3D printing. So, we've been in that market for a long time with modeling first years ago, the [] aids for surgery and now the implants, all of those are now growing nicely for us. So very pleased with that.

And then, dental, it was off to a slow start at the beginning of the year, but is increasingly interesting to people. We're doing a lot of trials with new materials things like that. So, we're broad based both industrial and healthcare.

33. On November 26, 2024, 3D Systems issued a press release announcing the Company's Q3 2024 financial results. The press release quoted Defendant Graves as stating, in relevant part:

As recently shared, our third quarter revenues continued to be impacted by sluggish capital investments by our customers for new production capacity, particularly in the Industrial markets, impacting the sale of new printing systems. On a positive note however, capacity utilization for our installed printer fleet broadly increased, translating into an increase in consumable revenues, which grew nearly 10% on both prior year and sequential comparisons. ***While 2024 has been a challenging year for new printer system sales, we are increasingly encouraged about the future, driven in large part by customer demand for our Application Innovation Group, a group of highly skilled process specialists who assist customers in developing new applications for 3D printing.*** Year-to-date this group, which spans both polymer and metal solutions, has experienced a rise of over 26% in revenues derived from new application development, particularly in highly regulated markets such a semiconductor equipment manufacturing, oil & gas, aerospace & defense markets, and our medical markets. ***Much of this performance, and the future growth potential it implies, has been fueled by an aggressive cycle of innovation at our company, enabled by our sustained focus on new product innovation across all of our major polymer and metal printing solutions. As a result of this sustained focus, which we believe differentiates us from many others in our industry, we are on pace to deliver nearly 40 new products to market since the third quarter of last year, and 25 in calendar 2024 alone. We believe no other***

company in our industry has matched this output that we expect will pay dividends in growth and profitability improvements as the economy rebounds in the future.

As we look to the end of the year, the consistent fueling of our R&D engines as we moved through a tougher macro environment period is now driving an acceleration of exciting new customer applications, supported by outstanding new products spanning from new printer hardware to advanced engineering materials, to enhancement of our software capabilities. We believe this positions us well as the geopolitical and economic headwinds of the last 18 months ultimately begin to recede. Given timing uncertainties and normal quarter-to-quarter inventory management at year-end, we believe it is prudent to be conservative in our outlook for the full year. As such, we are updating our revenue expectations for the full year 2024 to be between \$440 million and \$450 million. From an OPEX perspective, we expect to see continued improvement consistent with our prior comments, namely that OPEX will decrease again in Q4, to below \$60 million. These combined factors should yield a sequential improvement in Adjusted EBITDA and will place us on a trajectory towards profitability in the quarters ahead. We will continue our balanced view of short-term focus on cash performance and improving profitability, while meeting the longer-term needs of our customers from a technology and service perspective. *In keeping our customers' production goals clearly in our sites each day, we believe that substantial long-term value will be created for all of our stakeholders in the years ahead.*

34. On November 27, 2024, 3D Systems hosted an earnings call with investors and analysts to discuss the Company's Q3 2024 results (the "Q3 2024 Earnings Call"). During the scripted portion of the Q3 2024 Earnings Call, Defendant Graves stated, in relevant part:

At a high level, our third quarter revenue largely represents a continuation of the trends that we and the additive industry broadly have been contending with for several quarters now. Very simply, macroeconomic and geopolitical uncertainties have caused our customers to reduce CapEx spending for new capacity in their factories, which in turn has created a persistent headwind to hardware system sales. It's really that simple.

As a consequence, our revenues were essentially flat on a sequential basis. This was slightly weaker than we had anticipated as a few key installations of new systems, which were targeted for acceptance late in Q3, slipped into the fourth quarter. *However, while the sale of new printing systems is still sluggish, what is changing for the better is the utilization rate of our installed base, as indicated by rising sales of consumables to our customers.* Consumable materials grew approximately

10% from the prior year and demonstrated sustained sequential growth, a trajectory that has consistently improved since the beginning of the year, most recently growing 9% sequentially in the third quarter versus Q2.

In a similar vein, interest in new application development has been on a very robust trajectory. As many of you know, we have one of the largest and most capable application engineering groups in the world. These engineers work directly with our customers on new applications for both metal and polymer 3D printing.

Year-to-date, revenues from our industrial application group are up 26% from last year and continue to rise. We monitor this activity level as a directional indicator of growth potential for important new applications. The performance we experienced in Q3 is a strong indicator of continuing growth in customer interest in 3D printing for their production needs. We expect this interest to ultimately translate into more robust sales as the economic environment improves.

To provide a little more color on where this interest is coming from, leading the way are what we refer to as the high reliability markets, such as energy, oil & gas, semiconductor equipment manufacturing, and aerospace and defense, all of which have a very high standard for component quality, performance, reliability, and traceability. ***For these customers, which are often subject to strict regulatory requirements, the ability of both our polymer and metal printing solutions to meet their needs and to do so with compelling economics is a cornerstone of our value proposition.***

From a healthcare standpoint, the third quarter was strong, with solid growth on a sequential and year-over-year basis. We attribute this growth to a meaningful recovery in dental, up well over 30%, and another impressive performance in personalized health care, which was up almost 20%. ***Given the momentum we have in our health care business broadly and our strong pipeline of new products and applications ahead, we remain very excited about the future of this portion of our business.***

35. Further, during the Q&A portion of the Q3 2024 Earnings Call, when asked to discuss the Company's anticipated future profitability, Defendant Graves responded, in relevant part:

So I'm very encouraged by the number of new applications customers are talking about. If they put real capital behind that, we could see a nice lift in revenues in '25. It's a question of how quickly will they spend the money for it. Nicely, I have no doubt these applications are things they really want to put in their factories.

That's a good thing. It's a timing issue. So we're hopeful revenues will be rising in '25, which will be helpful. Factory utilization is going to improve. The inventory reduction plan we have a great for cash, so those are all positive factors.

And we have -- I'll be candid with you we have you know real opportunities for cost management, which I think it will really help in '25, so I can't give you a number, but I think you'll see significant movement in '25. If those things come to pass, you'll see significant movement in '25 toward profitability and hopefully, at some point during the year, you'd see a swing to positive EBITDA and growth from there. So, it's just too early to tell and we won't put out guidance until we get to our fourth quarter results, but I'm encouraged by the trends and we'll see if they continue.

36. Finally, when asked during the Q&A portion of the Q3 2024 Earnings Call to discuss milestones in the United Partnership, Defendant Graves responded, in relevant part:

I think we'll see some additional milestones in '25. I wish we could talk more about it, both the precision and the speed at which we can print extremely fine structure now is amazing. And we have multiple paths to the design of those printers for production applications for organs and human body, specifically lungs. So I am really pleased with progress on the technology and the implementation of that for lung manufacturing. So you can expect, we'll be talking about milestones in 2025 that we're hitting and I continue to believe we're on track to be in a position to get to human demonstration on a reasonable timeline.

Conspicuously, Defendant Graves failed to disclose the possibility of changes to the United Partnership's milestone criteria, or the negative impact of such changes on the Company's revenues.

37. The statements referenced in ¶¶ 26-36 were materially false and misleading because Defendants made false and/or misleading statements, as well as failed to disclose material adverse facts about the Company's business, operations, and compliance policies. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (i) 3D Systems had understated the impact of weakened customer spending on the Company's business, while overstating its resilience in challenging industry conditions; (ii) in addition, the updated milestone criteria in the United Partnership would negatively impact the Company's Regenerative Medicine

Program revenue; and (iii) as a result, the Company's public statements were materially false and misleading at all relevant times.

The Truth Begins to Emerge

38. On March 26, 2025, 3D Systems issued the Q4 2024 Press Release. Among other items, 3D Systems reported Q4 non-GAAP EPS of -\$0.19, missing consensus estimates by \$0.08 per share, and sales revenue of \$111 million, representing a -3.4% year-over-year decline and missing consensus estimates by \$4.17 million. Further, for full-year 2024, the Company reported sales of \$440.1 million, a decrease of 10% compared to the prior year, driven by "lower hardware systems sales due to macroeconomic factors that are negatively impacting demand." The Q4 2024 Press Release also quoted Defendant Graves as stating, in relevant part:

In addition, with the largest installed base in the additive manufacturing industry, we were pleased to see a return to healthy consumable sales across most markets, reflecting higher utilization rates for existing machines. ***These positive changes in our core business units were unfortunately masked by the impact of an accounting estimate change in our Regenerative Medicine program related to refinement of technical acceptance criteria associated with a potential change in testing methodology for printed human lungs, which are the focus of this program.*** This estimate change relates to the incorporation of *in vivo* human decedent testing protocols, which have recently been successfully demonstrated by our partner, United Therapeutics. While ***this accounting estimate change was not originally contemplated in our 2024 guidance***, I am pleased that our core businesses still delivered within the full-year revenue range communicated in our prior forecast, and that the market showed signs of strengthening in the fourth quarter.

39. On this news, 3D Systems' stock price fell \$0.57 per share, or 20.96%, to close at \$2.15 per share on March 27, 2025. 3D Systems' securities nonetheless continued to trade at artificially inflated prices throughout the remainder of the Class Period because of Defendants' continued misstatements and omissions regarding 3D Systems' overstatement of its resilience in challenging industry conditions.

40. For example, the Q4 2024 Press Release quoted Defendant Graves as stating, in relevant part:

With our new products now gaining traction in the market, our focus is increasingly centered on driving gross margin expansion and operating expense improvements in the face of continuing uncertainty in the global markets. Given this potential demand profile, we believe it is prudent to undertake further significant actions to reduce costs and improve operating efficiencies to support our long-term mission of delivering growth with sustainable profitability. Our latest cost initiative, which began in Q1 of 2025, is targeted at delivering over \$50 million of incremental annualized savings based on actions taken over the next six quarters. ***Importantly, while these efforts will not be fully completed until the middle of 2026, we anticipate significant improvements associated with them, in conjunction with those taken previously, leading us to expect break-even-or-better adjusted-EBITDA performance by the fourth quarter of 2025, despite essentially flat-to-modest revenue growth. From a balance sheet perspective, having previously retired over 50% of our Convertible Notes due November 2026, the remainder of which reaches maturity in Q4 of 2026, our cash balance at 2024 year-end of \$171 million, supplemented by proceeds from the sale of our Geomagic software platform for \$123 million in the coming weeks, positions us well to continue reducing our leverage while supporting the investments needed to deliver long-term growth and profitability.***

41. Further, in the Q4 2024 Press Release, 3D Systems revealed its full-year 2025 Outlook, stating:

Assuming no material change in current macroeconomic conditions and the expected divestiture of the Geomagic business in early Q2 of 2025, the Company is providing the following for its full year 2025 outlook:

- Revenue within the range of \$420 million to \$435 million, representing essentially flat to modest growth when excluding Geomagic revenue for the same periods in FY'24
- Non-GAAP Gross Profit Margin within the range of 37% to 39%
- Non-GAAP Operating Expense within the range of \$200 million to \$220 million
- Adjusted EBITDA to be break even or better in Q4 2025[.]

42. On March 27, 2025, 3D Systems hosted an earnings call with investors and analysts to discuss the Company's Q4 2024 results (the "Q4 2024 Earnings Call"). During the scripted portion of the Q4 2024 Earnings Call, Defendant Graves stated, in relevant part:

With a rise in capacity utilization and increased printer sales in Q4, we are hopeful that we've seen the worst, but only time will tell. ***On a more positive note, as the performance, reliability and economics of 3D printing continuously accelerates, customer interest in production applications continues to rise unabated. In fact, for 3D Systems, the level of customer exploration and engagement in our additive technology has never been higher as reflected in our Application Innovation Group activity, which was up 18% for the year.***

Over the course of our quarterly earnings releases through the coming year, we plan to expand on these markets for you, including their size potential and strategy on how we win. In just a few moments, I'll begin this series by diving more into our dental business for this call. ***Given the rapid pace of additive technology evolution for both health care and industrial applications, we have great confidence in our longer-term growth prospects.***

To delve deeper into the one of the most significant and immediate strategic growth opportunities in front of us today, which is the dental market. For our company, dental applications reside in four key pillars, which we categorize as straighten, protect, repair and replace. These four areas are all converting to a large extent to 3D printing technology, which lowers cost, improves performance and shortens lead times for the patient.

Our significant position in the aligner market today gives us a strong foundation to build upon. At one customer alone, we've deployed fleets of production printers totaling over 600 that operate simultaneously across three continents globally each day and have the ability to print over 1 million custom parts per day. Our expertise in this domain was evidenced in the landmark contract we announced last summer with a leader in the clear aligner space, valued at \$0.25 billion to support the production of clear aligners over five years.

With the emergence of technology into direct print aligners, we anticipate further expansion of this market in the coming years, and we plan to lead the way.

Taken together, the dental opportunity we have in front of us is estimated at over \$1 billion in the United States alone, and we are targeting as one of the largest company priorities going forward. So a key question you might ask is, why will we win in this market? From my standpoint, it's very simple. Our legacy and current leadership in the well-established aligner market is undeniable. ***The***

reputation for quality, reliability of our next-gen materials further strengthens our brand in the market each day. Across the entirety of our Healthcare segment, we have the experience and proven track record to bring customized patient solutions to the market, and we have a proven ability to navigate complex regulatory markets having been granted over 100 [U.S. Food & Drug Administration] cleared and [European Conformity] marked devices across our portfolio. Supported by our tenacious approach to innovation, I believe we're best positioned by far to capitalize on this \$1 billion market opportunity as dentistry quickly pivots to 3D printing technology for the future.

43. The statements referenced in ¶¶ 40-42 were materially false and misleading because Defendants made false and/or misleading statements, as well as failed to disclose material adverse facts about the Company's business, operations, and compliance policies. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (i) 3D Systems had understated the impact of weakened customer spending on the Company's business, while overstating its resilience in challenging industry conditions; and (ii) as a result, the Company's public statements were materially false and misleading at all relevant times.

The Truth Continues to Emerge

44. Then, on May 12, 2025, after the market closed, 3D Systems issued a press release announcing its financial results for the first quarter of 2025. The press release stated, in relevant part:

3D Systems [. . .] announced today its financial results for the first quarter ended March 31, 2025.

- Revenue of \$95 million as growth in new hardware systems and related services *was offset by a decline in materials sales driven primarily by inventory management in the dental aligner market.*

Unaudited (in millions, except per share data)	Three Months Ended	
	March 31, 2025	March 31, 2024
Revenue	\$ 94.5	\$ 102.9
Gross profit	\$ 32.7	\$ 40.9
Gross profit margin	34.6 %	39.8 %
Operating expense	\$ 69.5	\$ 80.8
Operating loss	\$ (36.8)	\$ (39.9)
Net loss attributable to 3D Systems Corporation	\$ (37.0)	\$ (16.0)
Diluted loss per share	\$ (0.28)	\$ (0.12)
Non-GAAP measures for year-over-year comparisons		
Non-GAAP gross profit margin	35.0 %	40.1 %
Non-GAAP operating expense	\$ 61.6	\$ 66.3
Adjusted EBITDA	\$ (23.9)	\$ (20.1)
Non-GAAP diluted loss per share	\$ (0.21)	\$ (0.17)

2025 Outlook

Due to the risk of protracted weakness in customer capital investment spending, the Company is withdrawing full year guidance for 2025 as it continues to focus on delivering profitability at its current scale. The Company believes with its strong new product portfolio, spanning all metal and polymer platforms, it is well-positioned for accelerated growth and profitability when customer spending on capex rebounds.

45. On this news, 3D Systems' stock price fell \$0.68 per share, or 26.6%, to close at \$1.87 per share on May 13, 2025.

46. Market analysts were quick to comment on the Company's disappointing results.

For example, on May 14, 2025, an analyst from *Seeking Alpha* stated, in relevant part:

3D Systems [. . .] reported terrible results in the first quarter, which appears to have been driven by weak materials sales to dental alignment customers. The company also appears bearish about the impact of tariffs on its business, although this won't show up in its financials until Q2. The poor results aren't necessarily surprising given Materialise's (MTLS) disappointing Q1 software revenue and Align Technology's (ALGN) recent soft growth. ***It does call into question the health of the business and 3D Systems' path to profitability, though.***

While 3D Systems' share price more than doubled after that, *it has now round tripped the move, and the company's problems appear larger than ever. A soft demand environment, mounting competition and customer concentration are all significant issues.* As a result, I continue to think that there are better ways to capitalize on additive manufacturing than hardware companies.

3D Systems also pulled full-year guidance, but given management's tone on the earnings call, I expect revenue to continue to drop from current levels. In particular, equipment sales will likely be weak in coming quarters due to a combination of rising interest rates, banks tightening lending standards and elevated uncertainty.

3D Systems' gross margin declined in Q1, driven by pricing pressure, revenue mix and lower volumes. This represents a continuation of trends that have been present for the better part of 5 years.

3D Systems' business continues to deteriorate, and this is before the uncertainty created by tariffs hits its equipment sales. While cost-cutting could move the company closer to breakeven, 3D Systems has been suggesting profitability is imminent for some time, while making little actual progress.

After the most recent price drop, 3D Systems could be considered reasonably priced. *I believe the stock could have further to fall, though, given the lack of investor interest in the additive manufacturing space.* With the Geomagic cash, 3D Systems' enterprise value now sits at around 300 million USD, against something like a 350-400 million USD revenue run-rate going forward. This hardly screams bargain for an unprofitable company with a shrinking revenue base.

47. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have suffered significant losses and damages.

SCIENTER ALLEGATIONS

48. During the Class Period, Defendants had both the motive and opportunity to commit fraud. They also had actual knowledge of the misleading nature of the statements they made, or acted in reckless disregard of the true information known to them at the time. In so doing, Defendants participated in a scheme to defraud and committed acts, practices, and participated in

a course of business that operated as a fraud or deceit on purchasers of the Company's securities during the Class Period.

PLAINTIFF'S CLASS ACTION ALLEGATIONS

49. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased or otherwise acquired 3D Systems securities during the Class Period (the "Class"); and were damaged upon the revelation of the alleged corrective disclosures. Excluded from the Class are Defendants herein, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

50. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, 3D Systems securities were actively traded on the NYSE. While the exact number of Class members is unknown to Plaintiff at this time and can be ascertained only through appropriate discovery, Plaintiff believes that there are hundreds or thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by 3D Systems or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

51. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

52. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation. Plaintiff has no interests antagonistic to or in conflict with those of the Class.

53. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

- whether the federal securities laws were violated by Defendants' acts as alleged herein;
- whether statements made by Defendants to the investing public during the Class Period misrepresented material facts about the business, operations and management of 3D Systems;
- whether the Individual Defendants caused 3D Systems to issue false and misleading financial statements during the Class Period;
- whether Defendants acted knowingly or recklessly in issuing false and misleading financial statements;
- whether the prices of 3D Systems securities during the Class Period were artificially inflated because of the Defendants' conduct complained of herein; and
- whether the members of the Class have sustained damages and, if so, what is the proper measure of damages.

54. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

55. Plaintiff will rely, in part, upon the presumption of reliance established by the fraud-on-the-market doctrine in that:

- Defendants made public misrepresentations or failed to disclose material facts during the Class Period;
- the omissions and misrepresentations were material;
- 3D Systems securities are traded in an efficient market;
- the Company's shares were liquid and traded with moderate to heavy volume during the Class Period;
- the Company traded on the NYSE and was covered by multiple analysts;
- the misrepresentations and omissions alleged would tend to induce a reasonable investor to misjudge the value of the Company's securities; and
- Plaintiff and members of the Class purchased, acquired and/or sold 3D Systems securities between the time the Defendants failed to disclose or misrepresented material facts and the time the true facts were disclosed, without knowledge of the omitted or misrepresented facts.

56. Based upon the foregoing, Plaintiff and the members of the Class are entitled to a presumption of reliance upon the integrity of the market.

57. Alternatively, Plaintiff and the members of the Class are entitled to the presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens of the State of Utah v. United States*, 406 U.S. 128, 92 S. Ct. 2430 (1972), as Defendants omitted material information in their Class Period statements in violation of a duty to disclose such information, as detailed above.

COUNT I

(Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Promulgated Thereunder Against All Defendants)

58. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

59. This Count is asserted against Defendants and is based upon Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the SEC.

60. During the Class Period, Defendants engaged in a plan, scheme, conspiracy and course of conduct, pursuant to which they knowingly or recklessly engaged in acts, transactions, practices and courses of business which operated as a fraud and deceit upon Plaintiff and the other members of the Class; made various untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and employed devices, schemes and artifices to defraud in connection with the purchase and sale of securities. Such scheme was intended to, and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; (ii) artificially inflate and maintain the market price of 3D Systems securities; and (iii) cause Plaintiff and other members of the Class to purchase or otherwise acquire 3D Systems securities and options at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each of them, took the actions set forth herein.

61. Pursuant to the above plan, scheme, conspiracy and course of conduct, each of the Defendants participated directly or indirectly in the preparation and/or issuance of the quarterly and annual reports, SEC filings, press releases and other statements and documents described above, including statements made to securities analysts and the media that were designed to influence the market for 3D Systems securities. Such reports, filings, releases and statements were materially false and misleading in that they failed to disclose material adverse information and misrepresented the truth about 3D Systems' finances and business prospects.

62. By virtue of their positions at 3D Systems, Defendants had actual knowledge of the materially false and misleading statements and material omissions alleged herein and intended thereby to deceive Plaintiff and the other members of the Class, or, in the alternative, Defendants

acted with reckless disregard for the truth in that they failed or refused to ascertain and disclose such facts as would reveal the materially false and misleading nature of the statements made, although such facts were readily available to Defendants. Said acts and omissions of Defendants were committed willfully or with reckless disregard for the truth. In addition, each Defendant knew or recklessly disregarded that material facts were being misrepresented or omitted as described above.

63. Information showing that Defendants acted knowingly or with reckless disregard for the truth is peculiarly within Defendants' knowledge and control. As the senior managers and/or directors of 3D Systems, the Individual Defendants had knowledge of the details of 3D Systems' internal affairs.

64. The Individual Defendants are liable both directly and indirectly for the wrongs complained of herein. Because of their positions of control and authority, the Individual Defendants were able to and did, directly or indirectly, control the content of the statements of 3D Systems. As officers and/or directors of a publicly-held company, the Individual Defendants had a duty to disseminate timely, accurate, and truthful information with respect to 3D Systems' businesses, operations, future financial condition and future prospects. As a result of the dissemination of the aforementioned false and misleading reports, releases and public statements, the market price of 3D Systems securities was artificially inflated throughout the Class Period. In ignorance of the adverse facts concerning 3D Systems' business and financial condition which were concealed by Defendants, Plaintiff and the other members of the Class purchased or otherwise acquired 3D Systems securities at artificially inflated prices and relied upon the price of the securities, the integrity of the market for the securities and/or upon statements disseminated by Defendants, and were damaged thereby.

65. During the Class Period, 3D Systems securities were traded on an active and efficient market. Plaintiff and the other members of the Class, relying on the materially false and misleading statements described herein, which the Defendants made, issued or caused to be disseminated, or relying upon the integrity of the market, purchased or otherwise acquired shares of 3D Systems securities at prices artificially inflated by Defendants' wrongful conduct. Had Plaintiff and the other members of the Class known the truth, they would not have purchased or otherwise acquired said securities, or would not have purchased or otherwise acquired them at the inflated prices that were paid. At the time of the purchases and/or acquisitions by Plaintiff and the Class, the true value of 3D Systems securities was substantially lower than the prices paid by Plaintiff and the other members of the Class. The market price of 3D Systems securities declined sharply upon public disclosure of the facts alleged herein to the injury of Plaintiff and Class members.

66. By reason of the conduct alleged herein, Defendants knowingly or recklessly, directly or indirectly, have violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

67. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases, acquisitions and sales of the Company's securities during the Class Period, upon the disclosure that the Company had been disseminating misrepresented financial statements to the investing public.

COUNT II

(Violations of Section 20(a) of the Exchange Act Against the Individual Defendants)

68. Plaintiff repeats and re-alleges each and every allegation contained in the foregoing paragraphs as if fully set forth herein.

69. During the Class Period, the Individual Defendants participated in the operation and management of 3D Systems, and conducted and participated, directly and indirectly, in the conduct of 3D Systems' business affairs. Because of their senior positions, they knew the adverse non-public information about 3D Systems' misstatement of income and expenses and false financial statements.

70. As officers and/or directors of a publicly owned company, the Individual Defendants had a duty to disseminate accurate and truthful information with respect to 3D Systems' financial condition and results of operations, and to correct promptly any public statements issued by 3D Systems which had become materially false or misleading.

71. Because of their positions of control and authority as senior officers, the Individual Defendants were able to, and did, control the contents of the various reports, press releases and public filings which 3D Systems disseminated in the marketplace during the Class Period concerning 3D Systems' results of operations. Throughout the Class Period, the Individual Defendants exercised their power and authority to cause 3D Systems to engage in the wrongful acts complained of herein. The Individual Defendants, therefore, were "controlling persons" of 3D Systems within the meaning of Section 20(a) of the Exchange Act. In this capacity, they participated in the unlawful conduct alleged which artificially inflated the market price of 3D Systems securities.

72. Each of the Individual Defendants, therefore, acted as a controlling person of 3D Systems. By reason of their senior management positions and/or being directors of 3D Systems, each of the Individual Defendants had the power to direct the actions of, and exercised the same

to cause, 3D Systems to engage in the unlawful acts and conduct complained of herein. Each of the Individual Defendants exercised control over the general operations of 3D Systems and possessed the power to control the specific activities which comprise the primary violations about which Plaintiff and the other members of the Class complain.

73. By reason of the above conduct, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act for the violations committed by 3D Systems.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands judgment against Defendants as follows:

- A. Determining that the instant action may be maintained as a class action under Rule 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as the Class representative;
- B. Requiring Defendants to pay damages sustained by Plaintiff and the Class by reason of the acts and transactions alleged herein;
- C. Awarding Plaintiff and the other members of the Class prejudgment and post-judgment interest, as well as their reasonable attorneys' fees, expert fees and other costs; and
- D. Awarding such other and further relief as this Court may deem just and proper.

DEMAND FOR TRIAL BY JURY

Plaintiff hereby demands a trial by jury.