

3D SYSTEMS CORP
Form 424B2
May 10, 2013
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Filed Pursuant to Rule 424(b)(2)
Registration No. 333-188408

PROSPECTUS SUPPLEMENT

(to Prospectus dated May 7, 2013)

7,500,000 Shares

3D Systems Corporation

Common Stock

This is an offering of 7,500,000 shares of common stock of 3D Systems Corporation. We are offering 6,184,349 shares of our common stock, and the selling stockholders identified in this prospectus supplement are offering 1,315,651 shares. We will not receive any proceeds from the sale of shares held by the selling stockholders.

Our common stock is listed on the New York Stock Exchange under the symbol `DDD`. On May 9, 2013, the last reported sale price for our common stock on the New York Stock Exchange was \$43.00 per share.

Investing in our common stock involves risks. See Risk Factors beginning on page S-11 of this prospectus supplement.

	Per Share	Total
Public Offering Price	\$ 40.00	\$ 300,000,000

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Underwriting Discount payable by 3D Systems	\$ 1.7097	\$ 10,573,381
Proceeds, Before Expenses, to 3D Systems	\$ 38.2903	\$ 236,800,579
Underwriting Discount payable by the Selling Stockholders	\$ 0.40	\$ 526,260
Proceeds, Before Expenses, to the Selling Stockholders	\$ 39.60	\$ 52,099,780

We and the selling stockholders have granted the underwriters the right to purchase, on a pro rata basis, up to an additional 927,651 and 197,349 shares of our common stock, respectively, to cover over-allotments.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. It is illegal for any person to tell you otherwise.

We anticipate that delivery of the shares of common stock will be made on or about May 15, 2013.

Sole Book-Running Manager

Needham & Company

Co-Lead Managers

Canaccord Genuity

The date of this prospectus supplement is May 9, 2013

Piper Jaffray

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You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any issuer free writing prospectus. Neither we, the selling stockholders nor the underwriters have authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. Neither we, the selling stockholders nor the underwriters are making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, the documents incorporated by reference in this prospectus supplement and the accompanying prospectus and in any issuer free writing prospectus, is accurate only as of the respective dates of those materials. Our business, financial condition, results of operations and prospects may have changed since those dates.

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the terms of the offering of common stock and also adds to and updates information contained in the accompanying prospectus as well as the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus, gives more general information about securities we or our selling stockholders may offer from time to time, some of which does not apply to the common stock we or our selling stockholders are offering. This prospectus supplement incorporates by reference important business and financial information about us that is not included in or delivered with this prospectus supplement. To the extent any inconsistency or conflict exists between the information included or incorporated by reference in this prospectus supplement and the information included or incorporated by reference in the accompanying prospectus, the information included or incorporated by reference in this prospectus supplement updates and supersedes the information in the accompanying prospectus.

Unless the context requires otherwise, the terms we, us, our and the Company refer to 3D Systems Corporation and its subsidiaries. Vidar and Cubify are registered trademarks of the Company. Other names and marks referenced in this prospectus supplement are the property of their respective owners.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements made in this prospectus supplement and the accompanying prospectus 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 may involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. Certain of these risks and uncertainties are discussed under the heading "Risk Factors" in this prospectus supplement and in our Annual Report on Form 10-K for the year ended December 31, 2012 (the "Form 10-K"). All forward-looking statements should be read with caution.

In addition to statements that explicitly describe such risks and uncertainties, you are urged to consider statements in future or conditional tenses or that include terms such as believes, belief, expects, intends, anticipates or plans to be uncertain and forward-looking. Forward-looking statements may include statements as to our beliefs and expectations as to future events and trends affecting our business. Forward-looking statements are based upon our current expectations concerning future events and trends and are necessarily subject to uncertainties, many of which are outside of our control. The factors incorporated by reference under the heading "Risk Factors" in this prospectus supplement and those described in the Form 10-K, as well as other factors, could cause actual results to differ materially from those reflected or predicted in forward-looking statements. Factors that could cause actual results or outcomes to differ from the results expressed or implied by forward-looking statements include, among other things:

the effect of global economic, political and social conditions on our ability to do business, our costs and our stock price;

costs incurred enforcing or acquiring intellectual property rights and defending against third party claims as a result of litigation or other proceedings;

our ability to protect our intellectual property rights, including our digital content, from third-party infringers or unauthorized copying, use or disclosure;

future strategic acquisitions and our ability to realize the anticipated benefits of past or future acquisitions and the affect of integration of acquisitions on our business and management;

our ability to generate net cash flow from operations and to raise additional capital;

quarterly fluctuations in our gross profit margins caused by the variety of products we sell, which could cause fluctuations in operating income or loss and net income or loss;

our ability to deliver products that meet changing technology and customer needs;

the business and market risks, as well as the additional regulatory compliance costs, associated with our move into the consumer markets;

the risks of doing business outside the U.S.;

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the effect of competition on our revenue and gross profit margins, as well as its effect on the prices at which our products are sold or our marketing or production costs;

our dependence on a limited number of suppliers for components and sub-assemblies used in our 3D printers and for raw materials used in our print materials and our ability to locate suitable alternative suppliers if necessary;

the effect of product liability claims, including potential expenses, the diversion of management's time and attention and the potential damage to our business reputation;

the impact of energy-related expenses on our product production and profit margins, as well as the impact on our customers purchasing decisions;

the impact of a cyber security attack on our information technology security systems and/or any related loss of business information;

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the impact of fluctuations in the price of our common stock, which has been historically volatile;

potential dilution of our common stock and related impact on the market price of our common stock from future stock offerings, the exercise of outstanding stock options, the issuance of restricted stock awards or the issuance of shares in connection with certain acquisitions or the conversion of our outstanding convertible notes;

the ability of our board of directors to issue preferred stock without further action of our stockholders;

the effect of Delaware law on potential changes in control and the ability of our stockholders to receive a premium on the prevailing market price of our common stock in the event of an attempted hostile takeover;

the impact of certain provisions of our outstanding convertible notes that could discourage an acquisition of us by a third party;

potential write-offs in the event of an impairment of certain of our intangible assets and the effect of such write-offs on our future earnings, stock price, ability to obtain financing and customer relationships; and

the effect of changes in, or interpretation of, tax rules and regulations on our effective tax rate and future profitability.

If one or more of these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary materially from those reflected in or suggested by forward-looking statements and the value of your investment in our common stock may decrease materially. Any forward-looking statement you read in this prospectus supplement and the accompanying prospectus reflects our views with respect to future events and is subject to these and other risks, uncertainties and assumptions relating to our operations, results of operations, growth strategy and liquidity.

Any forward-looking statements are based on our beliefs and assumptions, using information currently available to us. Except as required by law, we undertake no obligation to revise or publicly release the results of any revision to any forward-looking statements. You are advised, however, to consult any additional disclosures we make in our periodic reports filed with the Securities and Exchange Commission (the Commission). All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or incorporated by reference in this prospectus supplement.

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PROSPECTUS SUPPLEMENT SUMMARY

The following summary is qualified in its entirety by the more detailed information appearing elsewhere in this prospectus supplement, the accompanying prospectus, the financial statements and other documents incorporated by reference and any related free writing prospectus. You should carefully read the Risk Factors sections that are contained in this prospectus supplement, the accompanying prospectus and the Form 10-K to determine whether an investment in our common stock is appropriate for you.

Our Company

We are a holding company incorporated in Delaware that operates through subsidiaries in the United States, Europe and the Asia-Pacific region, and distribute our products in those areas as well as into other parts of the world. We are a leading global provider of 3D content-to-print solutions, including 3D printers, print materials, on-demand custom parts services and 3D authoring solutions for professionals and consumers. We also provide scanners for a variety of medical and mechanical X-ray film digital archiving. Our expertly integrated solutions replace and complement traditional methods and reduce the time and cost of designing new products. Our products are used to rapidly design, communicate, prototype and produce real, functional parts.

3D printers can print almost anything from personalized medical devices to functional airplane and car parts, from individualized accessories to customized jewelry and toys. Over the past decade complete industries transformed their design-to-manufacturing processes using 3D content-to-print solutions. Companies using 3D printing have the freedom to create and manufacture customized products because there is no additional cost for complexity and uniqueness. Instead of investing in expensive tooling for mass production, incurring long lead-times and costly freight charges to ship products around the world, customers can use 3D printing to mass customize and locally print what they need, when they need it and in a more cost effective way, while significantly reducing undesired environmental impacts of traditional manufacturing.

We pioneered 3D printing and digital manufacturing with the invention of stereolithography and the universally used .stl file format over 25 years ago and subsequently developed selective laser sintering, multi-jet modeling and film transfer imaging. Over the past decade many companies enhanced their competitive advantage by embracing 3D printing to convert their new product design and rapid prototyping activities and transitioned to new direct manufacturing of end use parts and custom products. Today, we continue to drive the adoption of large-scale custom manufacturing solutions, including by a variety of aerospace, defense, transportation and healthcare users worldwide.

We are committed to democratizing access and accelerating adoption of our products and services through affordability and simplicity for the benefit of professionals and consumers. We are extending the range of our affordable printing solutions from design department and production floor to classrooms, living rooms and maker spaces.

Our growing portfolio of 3D printers is based on several unique print engines that employ proprietary, additive layer printing processes designed to meet our customers' most demanding design, prototyping, testing, tooling, production and manufacturing requirements. Our principal print engines include stereolithography printers, selective laser sintering printers, multi-jet modeling printers, film transfer imaging printers, selective laser melting printers, ZPrinters and plastic jet printing printers. We believe that our 3D printing solutions and services enable our customers to develop and manufacture new products faster and more economically, with better quality and higher functionality, than with traditional methods.

Our printers utilize a wide range of proprietary print materials that we develop, blend and market to print real parts. Our print materials are designed to replicate the performance of specific engineered plastics, composites and metals. We augment and complement our own portfolio of print materials with materials that we purchase from third parties under private label and distribution arrangements.

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We provide our customers with 3D authoring tools for digital imaging and design, including 3D CAD modeling, feature capture, manipulation, replication and measurement. Our 3D authoring solutions integrate 3D content creation and manipulation via CAD modeling, reverse engineering and inspection software that enable our customers to process 3D scanned data directly within a parametric CAD environment. We also offer proprietary software printer drivers together with pre-sale and post-sale services, ranging from applications development and custom engineered production solutions to installation, warranty and maintenance services.

We also provide a comprehensive suite of on-demand printed parts services to satisfy our customers' entire design-to-manufacturing requirements, offering a broad range of precision plastic and metal parts capabilities produced from a wide range of 3D printing and traditional materials using a variety of additive and traditional manufacturing processes.

In addition to 3D printing solutions, we also provide X-ray digitizing scanners for medical and mechanical applications that are sold under our Vidar brand.

We continue to develop new products and services and have expanded our technology platform through internal developments, relationships with third parties and acquisitions. We maintain ongoing product development programs that are focused on providing our customers with an expanded portfolio of 3D content-to-print solutions, targeting their entire design-to-manufacturing requirements, from rapid prototyping services to on-site office, model-shop and production floor printers. We are focusing on developing a comprehensive menu of affordable to own and operate 3D printing solutions to address applications in the education, transportation, recreation, healthcare, MCAD, architecture and consumer marketplaces, which we believe represent significant growth opportunities for our business.

In rapid manufacturing applications, our printers are used to manufacture functional end-use parts that have the appearance and performance of high-quality injection-molded parts. Customers who adopt our rapid manufacturing solutions avoid the significant costs of complex set-ups and changeovers and eliminate the costs and lead times associated with conventional tooling methods or labor intensive craftsmanship. Rapid manufacturing enables our customers to produce optimized designs because they can design for function, unconstrained by normal design-for-manufacture considerations.

In rapid prototyping applications, our printers are used to quickly and efficiently generate product-concept models, functional prototypes to test form, fit and function, master patterns and expendable patterns for urethane and investment casting that are often used for evaluating product designs and short-run production.

In communication and design applications, our printers are used to produce presentation models, primarily for visualizing and communicating concepts, various design elements and other activities, including supply chain management and functional models.

In consumer solutions applications, we provide our customers with easy to use, plug and print 3D printers and intuitive, simple-to-use content creation apps, content download and sharing capabilities through our Cubify website, empowering our customers to design, create and make with coloring book simplicity.

In 3D authoring solutions, we provide CAD modeling, reverse engineering and inspection tools for applications throughout the product lifecycle, enabling seamless integration from ideation to production.

We provide expertly integrated solutions consisting of printers, print materials, software tools and a variety of related on-demand parts and other customer services. Our extensive solutions portfolio enables us to offer our customers cost effective ways to transform the manner in which they design, develop and manufacture their products.

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Recent Developments

Acquisition of Rapid Product Development Group, Inc. On May 1, 2013, we completed the acquisition of the business and assets of Rapid Product Development Group, Inc. (RPDG). RPDG is a provider of on-demand additive and traditional manufacturing services. We plan to integrate RPDG s operations into our Quickparts services.

Anticipated Charter Amendment to Increase Authorized Common Stock. Our certificate of incorporation currently authorizes the issuance of 120 million shares of common stock. At our 2013 annual meeting of stockholders, we are seeking stockholder approval to amend the certificate of incorporation to increase the number of shares of common stock that we are authorized to issue to 220 million shares. If approved by stockholders, these newly authorized shares of common stock would be issuable for any proper corporate purpose, including future acquisitions, capital-raising or financing transactions involving common stock, convertible securities or other equity securities, stock splits, stock dividends and current or future equity compensation plans.

Corporate Information

We are incorporated under the laws of the State of Delaware. Our executive office is located at 333 Three D Systems Circle, Rock Hill, South Carolina 29730. Our telephone number is (803) 326-3900. Our website is www.3DSystems.com. Information contained in our website is not incorporated by reference into and does not constitute part of this prospectus supplement or the accompanying prospectus.

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THE OFFERING

The following summary of the offering contains basic information about this offering and the common stock and is not intended to be complete. It does not contain all the information that is important to you. For a more complete understanding of the common stock, please refer to the section of the accompanying prospectus entitled "Description of Capital Stock - Common Stock."

Common stock offered by 3D Systems	6,184,349 shares (or 7,112,000 if the underwriters' over-allotment option is exercised in full)
Common stock offered by the selling stockholders	1,315,651 shares (or 1,513,000 if the underwriters' over-allotment option is exercised in full)
Common stock to be outstanding after this offering	99,667,322 shares (or 100,594,973 if the underwriters' over-allotment option is exercised in full)
Use of proceeds	<p>We intend to use the net proceeds to us from this offering:</p> <p style="padding-left: 40px;">to finance future acquisitions of other entities or their assets; and</p> <p style="padding-left: 40px;">for working capital and general corporate purposes.</p> <p>We will not receive any proceeds from the shares sold by the selling stockholders.</p> <p>See "Use of Proceeds."</p>
Risk factors	See "Risk Factors" on page S-11 of this prospectus supplement for a discussion of factors you should carefully consider before deciding to invest in shares of our common stock.
Transfer agent	Computershare Trust Company, N.A.
New York Stock Exchange Symbol	DDD
The number of shares of common stock outstanding after this offering is based on 93,482,973 shares outstanding as of May 6, 2013, and excludes:	<p>8,200,903 shares of common stock available for issuance or future grant under our equity compensation plans or previously reserved in connection with prior acquisitions; and</p>

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2,875,817 shares of common stock issuable upon conversion of our 5.50% Senior Convertible Notes due 2016.

The number of shares of common stock outstanding as of May 6, 2013 includes 2,170,650 shares of unvested restricted stock. Outstanding shares of unvested restricted stock are subject to our right to repurchase them at a nominal price if the holder leaves our employ prior to the vesting date other than as a result of death or disability.

Unless otherwise stated, the information in this prospectus supplement assumes that the underwriters have not exercised their option to purchase additional shares from us to cover over-allotments. In addition, unless otherwise stated, all common stock numbers presented reflect our three-for-two stock split, in the form of a 50% stock dividend, which occurred on February 22, 2013.

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The following summary consolidated financial data as of and for each of the three months ended March 31, 2013 and 2012 are derived from, and are qualified by reference to, our unaudited condensed consolidated financial statements incorporated by reference in this prospectus supplement. The following summary consolidated financial data as of December 31, 2012 and 2011 and for each of the three years ended December 31, 2012, 2011 and 2010 are derived from, and are qualified by reference to, our audited consolidated financial statements incorporated by reference in this prospectus supplement. The summary consolidated financial data as of December 31, 2010 are derived from, and are qualified by reference to, our audited consolidated financial statements not included or incorporated by reference in this prospectus supplement. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year or any future period. This historical information may not be indicative of our future performance. It is only a summary, and you should read it together with Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and related notes incorporated by reference in this prospectus supplement.

	Three Months Ended March 31,		Year Ended December 31,		
	2013	2012	2012	2011	2010
<i>(In thousands, except per share amounts)</i>					
Consolidated Statement of Operations and Comprehensive Income Data:					
Consolidated revenue:					
Printers and other products	\$ 39,723	\$ 24,719	\$ 126,798	\$ 66,665	\$ 54,686
Materials	28,729	24,678	103,182	70,641	58,431
Services	33,627	28,523	123,653	93,117	46,751
Total(1)	102,079	77,920	353,633	230,423	159,868
Gross profit	53,477	38,853	181,196	109,028	73,976
Income from operations	17,519	9,970	60,571	34,902	20,920
Net income(2)	5,883	6,188	38,941	35,420	19,566
Net income per share:					
Basic	\$ 0.06	\$ 0.08	\$ 0.48	\$ 0.47	\$ 0.28
Diluted	\$ 0.06	\$ 0.08	\$ 0.47	\$ 0.47	\$ 0.28
Consolidated Balance Sheet Data:					
Working capital	\$ 174,157	\$ 88,964	\$ 212,285	\$ 202,357	\$ 42,475
Total assets	697,654	507,182	677,442	462,974	208,800
Current portion of long-term debt and capitalized lease obligations	178	160	174	163	224
Long-term debt and capitalized lease obligations, less current portion	50,485	139,516	87,974	138,716	8,055
Total stockholders' equity	532,649	264,117	480,333	254,788	133,119
Other Data:					
Depreciation and amortization	\$ 5,992	\$ 5,391	\$ 21,229	\$ 11,093	\$ 7,520
Interest expense	1,354	3,186	12,468	2,090	587
Capital expenditures(3)	2,295	755	3,224	2,870	1,283

- (1) Our revenue from new products was \$38.3 million for the three months ended March 31, 2013, as compared with \$23.9 million and \$15.6 million for the three months ended March 31, 2012 and 2011, respectively.

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- (2) In 2012, 2011 and 2010, based upon our recent results of operations and expectation of continued profitability in future years, we concluded that it is more likely than not that a portion of our net U.S. deferred tax assets would be realized. In accordance with ASC 740, in 2012, 2011 and 2010 we released valuation allowances associated with U.S. deferred tax assets resulting in a non-cash income tax benefit of \$5,372, \$6,221 and \$1,162, respectively.
- (3) Excludes capital lease additions.

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RISK FACTORS

Investing in our common stock involves risks that could affect us and our business as well as our industry generally. Please see the risk factors discussed in the Form 10-K and incorporated by reference in this prospectus supplement and the accompanying prospectus. Much of the business information, as well as the financial and operational data contained in our risk factors is updated in our periodic reports and current reports on Forms 10-Q and 8-K, respectively, which are also incorporated by reference into this document and the accompanying prospectus. See *Incorporation of Certain Documents by Reference* in the accompanying prospectus.

Although we believe that we have discussed key factors under the caption *Risk Factors* in the Form 10-K, please be aware that other risks may prove to be important in the future. New risks may emerge at anytime, and we cannot predict such risks or estimate the extent to which they may affect our financial condition or performance. Before purchasing our common stock, you should carefully consider the risks discussed in the Form 10-K and the other information in this prospectus supplement and the accompanying prospectus, as well as the documents incorporated by reference herein and therein and in any related free writing prospectus. Each of the risks described could result in a decrease in the value of our securities and your investment therein.

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USE OF PROCEEDS

We estimate that our net proceeds from this offering, after deducting the underwriting discount and estimated offering expenses payable by us, will be approximately \$236.6 million (approximately \$272.1 million if the underwriters' over-allotment option is exercised in full).

We intend to use the net proceeds to us from this offering:

to finance future acquisitions of other entities or their assets; and

for working capital and general corporate purposes.

We continually evaluate potential acquisitions of products, technologies or businesses; however, we do not currently have any agreements with respect to any such material acquisitions. The timing and amount of our actual expenditures will be based on many factors, including cash flows from operations and the anticipated growth of our business. As a result, our management will have broad discretion to allocate the net proceeds from this offering.

In the event that any net proceeds are not immediately applied, we may temporarily hold them as cash, deposit them in banks, or invest them in cash equivalents or short-term securities that our investment policies permit us to invest in from time to time.

We will not receive any proceeds from the shares sold by the selling stockholders.

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PRICE RANGE OF COMMON STOCK AND DIVIDEND POLICY

Price Range of Common Stock

Our common stock trades on the New York Stock Exchange under the symbol DDD. Prior to May 26, 2011, our common stock traded on The NASDAQ Global Market. The following table sets forth on a per share basis the range of high and low sale prices for our common stock for the periods indicated a