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## 3D Systems Brass Sued Over Revenue Projections

By **Sydney Price**

Law360 (August 19, 2025, 9:45 PM EDT) -- Executives and directors of 3D Systems Corp. have been hit with a shareholder derivative suit accusing them of concealing issues that negatively impacted the 3D printer company's revenue prospects, including an update to a partnership agreement with a large customer to develop artificial lungs.

3D Systems operates healthcare solutions and industrial solutions segments, according to the **suit** filed by shareholder Wendy Milligan on Monday. Its healthcare solutions segment focuses on the development of dental and medical products and operates a partnership with United Therapeutics Corp. focused on creating printed lungs for end-stage lung disease patients, the suit says.

The complaint filed in South Carolina federal court alleges 3D Systems and United Therapeutics updated their milestone payments criteria — which allows 3D Systems to get paid based upon the achievement of certain set objectives — in 2024 to "reflect a shift in testing methodology," which investors discovered in May adversely impacted revenue. At the time, 3D Systems reported "disappointing" financial results for the second quarter in a row and withdrew financial guidance issued less than two months earlier, according to Milligan.

The suit's relevant period begins Aug. 13, 2024, the day 3D Systems filed its 2023 annual report with the U.S. Securities and Exchange Commission. About a week later, 3D Systems said in its first-quarter 2024 earnings announcement that it was targeting revenues for the full year between \$450 million and \$460 million, according to the suit.

The complaint alleges that for several months, 3D Systems did not disclose how its revised milestone criteria in its partnership with United Therapeutics, as well as general industrywide reductions in customer spending, would impact revenue.

The truth began to emerge, the suit alleges, on March 26 when the company reported sales in the previous year of \$440.1 million, a 10% decline from the prior year, which the company attributed to "lower hardware systems sales due to macroeconomic factors that are negatively impacting demand." The company also announced that accounting changes associated with its United Therapeutics partnership were negatively impacting its 2024 balance sheet, the suit states.

Following the announcement, shares of 3D Systems declined 57 cents, or about 21%, to close at \$2.15 per share on March 27, according to the suit.

The defendants continued to conceal the true impact of overall consumer spending reductions until May 12, the suit alleges. On that day, 3D Systems told investors that "due to the risk of protracted weakness in customer capital investment spending," it would withdraw its full-year guidance for 2025.

On this news, shares of 3D Systems declined 68 cents per share, or about 27%, to close at \$1.87 per share on May 12, according to the suit.

In addition to nominal defendant 3D Systems, the suit's individual defendants include its CEO Jeffrey Graves, Chief Financial Officer Jeffrey Creech — who recently announced plans to resign, effective Sept. 12 — and several company directors.

The suit accuses the individual defendants of violating the Exchange Act, breaching their fiduciary duties, being unjustly enriched and wasting corporate assets.

Representatives of the parties did not immediately respond to requests for comment Tuesday.

Milligan is represented by James M. Griffin and Badge Humphries of Griffin Humphries LLC, Gina M. Serra and Samir Aougab of Rigrodsky Law PA and Joshua H. Grabar of Grabar Law Offices.

Counsel information for 3D Systems and the individual defendants was not immediately available Tuesday.

The case is Milligan v. Graves et al., case number 0:25-cv-11177, in the U.S. District Court for the District of South Carolina.

--Editing by Michael Watanabe.

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