

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

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**FORM 8-K**

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**CURRENT REPORT**  
**Pursuant to Section 13 or 15(d) of**  
**the Securities Exchange Act of 1934**

May 2, 2016  
Date of Report (date of earliest event reported)

**CUTERA**<sup>®</sup>

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**Cutera, Inc.**

(Exact name of Registrant as specified in its charter)

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Delaware  
(State or other jurisdiction of  
incorporation or organization)

000-50644  
(Commission File Number)

77-0492262  
(I.R.S. Employer  
Identification Number)

3240 Bayshore Blvd.  
Brisbane, California 94005  
(Address of principal executive offices)

(415) 657-5500  
(Registrant's telephone number, including area code)

N/A  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02. Results of Operations and Financial Condition.**

On May 2, 2016, we are issuing a press release and holding a conference call regarding our financial results for the first quarter ended March 31, 2016. A copy of the press release is furnished as Exhibit 99.1 to this Form 8-K.

This information shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

**Item 9.01. Financial Statements and Exhibits.**

**(d) Exhibits.**

| <u>Exhibit No.</u> | <u>Description</u>  |
|--------------------|---|
| 99.1               | Press Release of Cutera, Inc. dated as of March 31, 2016. |

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CUTERA, INC.

Date: May 2, 2016

/s/ KEVIN P. CONNORS

Kevin P. Connors  
President and Chief Executive Officer



FOR IMMEDIATE RELEASE

CONTACTS:

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### **Cutera Reports First Quarter 2016 Results**

- ***Revenue Increased 18% to \$22.4 million***
- ***Seventh Consecutive Quarter of Double-Digit Revenue Growth***

BRISBANE, California, May 2, 2016 — Cutera, Inc. (NASDAQ: CUTR) (“Cutera” or the “Company”), a leading provider of laser and energy-based aesthetic systems for practitioners worldwide, today reported financial results for the first quarter ended March 31, 2016.

Key operating highlights and financial performance for the first quarter of 2016, when compared to the first quarter of 2015, were as follows:

- **Revenue** increased 18% to \$22.4 million, with strength in product revenue growth in North America. All key products showed growth, with improved average selling price across the product portfolio;
  - **Gross Margin** increased by 310 basis points to 56%. This improvement resulted primarily from the leverage of our manufacturing costs, higher selling prices, and reduced costs of our recently introduced products;
  - **GAAP Net Loss** was \$2.1 million, representing a \$1.6 million improvement from the \$3.6 million loss from the first quarter of 2015;
  - **Non-GAAP\* Net Loss** was \$479,000, after adjusting for \$1.6 million of non-cash expenses related to stock-based compensation, depreciation and amortization of intangibles;
  - **Repurchased** 28,013 shares of our common stock for \$305,000 from our additional \$10 million board-approved stock repurchase program.
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Kevin Connors, President and Chief Executive Officer of Cutera, stated, “We experienced our seventh consecutive quarter of double-digit revenue growth, including improvements in gross margin and operating expenses. Our financial performance in the first quarter has the Company on track with our previously stated goals, which include profitability in the current year.”

Product revenue grew by \$3.3 million, or 59%, in North America. From a product perspective, the Company experienced strong revenue contributions from all major product lines, including newly released *enlighten*<sup>TM</sup> and *excel HR*<sup>TM</sup>, with higher ASPs. Our industry gold standard vascular platform, *excel V*<sup>TM</sup>, in particular, showed significant growth in both revenue volume and strengthened selling price.

“During the first quarter we attended the American Academy of Dermatology meeting and introduced another technological advancement to the *enlighten* platform. This innovative solution will incorporate a third visible red wavelength, 670nm, resulting in greater clinical capabilities for our customers. We believe our continued commitment to advancing our technology will provide physicians expanded treatment options. The *enlighten* 670nm technology has received CE Mark approval for the removal of benign pigmented lesions and multi-colored tattoos, and is currently pending 510(k) clearance for benign pigmented lesions by the FDA.

“We are on track with our plan in 2016 and are encouraged with market trends. The Company is well positioned for expanding revenue throughout 2016 as well as improved financial performance,” concluded Mr. Connors.

### **Non-GAAP Income Statement Measures (Unaudited)**

\*To supplement our condensed consolidated financial statements presented in accordance with Generally Accepted Accounting Principles, or GAAP, Cutera has provided certain Non-GAAP measures for the statement of operations and net loss per diluted share, which exclude non-cash expenses for stock-based compensation, depreciation and amortization of intangibles. The presentation of this financial information is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. Management believes that the adjusted financial results are more reflective of the measures on how management evaluates the results of operations, as well as is comparable to similar measures used by other companies.

### **Conference Call**

The conference call to discuss these results is scheduled to begin at 2:00 p.m. PST (5:00 p.m. EST) on May 2, 2016. Participating in the call will be Kevin Connors, President and Chief Executive Officer, and Ron Santilli, Executive Vice President and Chief Financial Officer. The call will be broadcast live over the internet hosted at the Investor Relations section of Cutera's website — <http://ir.cutera.com/phoenix.zhtml?c=130892&p=irol-eventDetails&EventId=5224249> — and will be archived online within one hour of its completion through 8:59 p.m. PST (11:59 p.m. EST) on May 16, 2016. In addition, you may call 1-877-705-6003 to listen to the live broadcast.

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## About Cutera, Inc.

Brisbane, California-based Cutera is a leading provider of laser and other energy-based aesthetic systems for practitioners worldwide. Since 1998, Cutera has been developing innovative, easy-to-use products that enable physicians and other qualified practitioners to offer safe and effective aesthetic treatments to their patients. For more information, call 1-888-4CUTERA or visit [www.cutera.com](http://www.cutera.com).

*This press release contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Specifically, statements concerning Cutera's plans to introduce and commercialize new products, ability to increase revenue, reduce expenses, improve financial results, grow the Company's market share, realize benefits from additional investment, improve gross margins and profitability, penetrate the market, generate cash from operations, plans for stock repurchases and statements regarding long-term prospects and opportunities in the laser and other energy-based equipment aesthetic market, are forward-looking statements within the meaning of the Safe Harbor. Forward-looking statements are based on management's current, preliminary expectations and are subject to risks and uncertainties, which may cause Cutera's actual results to differ materially from the statements contained herein. Potential risks and uncertainties that could affect Cutera's business and cause its financial results to differ materially from those contained in the forward-looking statements include those related to the Company's efforts to improve sales productivity, hire and retain qualified sales representatives, improve revenue growth, gross margins and profitability through leveraging operating expenses; the Company's ability to successfully develop and launch new products and applications and market them to both its installed base and new customers; unforeseen events and circumstances relating to the Company's operations; government regulatory actions; and those other factors described in the section entitled, "Risk Factors" in its most recent Form 10-Q as filed with the Securities and Exchange Commission on May 2<sup>nd</sup>, 2016. Undue reliance should not be placed on forward-looking statements, which speak only as of the date they are made. Cutera undertakes no obligation to update publicly any forward-looking statements to reflect new information, events or circumstances after the date they were made, or to reflect the occurrence of unanticipated events. Cutera's financial performance for the first quarter ended March 31, 2016, as discussed in this release, is preliminary and unaudited, and subject to adjustment.*

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**CUTERA, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands)  
(unaudited)

|   | March 31,<br>2016 | December 31,<br>2015 | March 31,<br>2015 |
|---|-------------------|----------------------|-------------------|
| <b>Assets</b>                                     |                   |                      |                   |
| Current assets:                                   |                   |                      |                   |
| Cash and cash equivalents                         | \$ 6,265          | \$ 10,868            | \$ 13,462         |
| Marketable investments                            | 38,184            | 37,539               | 62,595            |
| Cash, cash equivalents and marketable investments | <u>44,449</u>     | <u>48,407</u>        | <u>76,057</u>     |
| Accounts receivable, net                          | 11,168            | 11,669               | 10,400            |
| Inventories                                       | 13,475            | 12,078               | 11,855            |
| Deferred tax asset                                | -                 | -                    | 26                |
| Other current assets and prepaid expenses         | 1,953             | 1,675                | 1,699             |
| Total current assets                              | <u>71,045</u>     | <u>73,829</u>        | <u>100,037</u>    |
| Property and equipment, net                       | 1,428             | 1,473                | 1,545             |
| Deferred tax asset, net of current portion        | 376               | 350                  | 291               |
| Intangibles, net                                  | 87                | 143                  | 450               |
| Goodwill  | 1,339             | 1,339                | 1,339             |
| Other long-term assets                            | 419               | 384                  | 362               |
| Total assets                                      | <u>\$ 74,694</u>  | <u>\$ 77,518</u>     | <u>\$ 104,024</u> |
| <b>Liabilities and Stockholders' Equity</b>       |                   |                      |                   |
| Current liabilities:                              |                   |                      |                   |
| Accounts payable                                  | \$ 2,570          | \$ 1,959             | \$ 2,855          |
| Accrued liabilities                               | 11,079            | 13,834               | 8,946             |
| Deferred revenue                                  | 8,836             | 8,638                | 8,971             |
| Total current liabilities                         | <u>22,485</u>     | <u>24,431</u>        | <u>20,772</u>     |
| Deferred revenue, net of current portion          | 1,986             | 2,287                | 3,714             |
| Income tax liability                              | 127               | 182                  | 167               |
| Other long-term liabilities                       | 507               | 584                  | 798               |
| Total liabilities                                 | <u>25,105</u>     | <u>27,484</u>        | <u>25,451</u>     |
| Stockholders' equity                              | 49,589            | 50,034               | 78,573            |
| Total liabilities and stockholders' equity        | <u>\$ 74,694</u>  | <u>\$ 77,518</u>     | <u>\$ 104,024</u> |

**CUTERA, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except per share data)  
(unaudited)

|   | <b>Three Months Ended</b> |                           |
|---|---------------------------|---------------------------|
|   | <b>March 31,<br/>2016</b> | <b>March 31,<br/>2015</b> |
| Net revenue   | \$ 22,423                 | \$ 19,071                 |
| Cost of revenue   | 9,949                     | 9,052                     |
| Gross profit  | 12,474                    | 10,019                    |
| Gross margin %  | 56%                       | 53%                       |
| Operating expenses:   |                           |                           |
| Sales and marketing   | 8,716                     | 8,187                     |
| Research and development  | 2,709                     | 2,445                     |
| General and administrative  | 3,220                     | 2,989                     |
| Total operating expenses  | 14,645                    | 13,621                    |
| Loss from operations  | (2,171)                   | (3,602)                   |
| Interest and other income, net                                    | 144                       | 8                         |
| Loss before income taxes  | (2,027)                   | (3,594)                   |
| Provision for income taxes  | 24                        | 50                        |
| Net loss  | \$ (2,051)                | \$ (3,644)                |
| Net loss per share:   |                           |                           |
| Basic and diluted   | \$ (0.16)                 | \$ (0.25)                 |
| Weighted-average number of shares used in per share calculations: |                           |                           |
| Basic and diluted   | 13,010                    | 14,611                    |

**CUTERA, INC.**  
**RECONCILIATION OF GAAP CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**TO NON-GAAP CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except per share data)  
(unaudited)

|   | Three Months Ended March 31, 2016 |             |           |
|---|-----------------------------------|-------------|-----------|
|   | GAAP                              | Adjustments | Non-GAAP* |
| Net revenue   | \$ 22,423                         | \$ —        | \$ 22,423 |
| Cost of revenue   | 9,949                             | (249) (a)   | 9,700     |
| Gross profit  | 12,474                            | 249         | 12,723    |
| Gross margin %  | 56%                               |             | 57%       |
| Operating expenses:   |                                   |             |           |
| Sales and marketing   | 8,716                             | (498) (b)   | 8,218     |
| Research and development  | 2,709                             | (190) (c)   | 2,519     |
| General and administrative  | 3,220                             | (635) (d)   | 2,585     |
| Total operating expenses  | 14,645                            | (1,323)     | 13,322    |
| Income (loss) from operations                                     | (2,171)                           | 1,572       | (599)     |
| Interest and other income, net                                    | 144                               | —           | 144       |
| Income (loss) before income taxes                                 | (2,027)                           | 1,572       | (455)     |
| Provision for income taxes  | 24                                | —           | 24        |
| Net income (loss)   | \$ (2,051)                        | \$ 1,572    | \$ (479)  |
| Net income (loss) per share:                                      |                                   |             |           |
| Basic and diluted   | \$ (0.16)                         | \$ 0.12     | \$ (0.04) |
| Weighted-average number of shares used in per share calculations: |                                   |             |           |
| Basic and diluted   | 13,010                            | 13,010      | 13,010    |

\* Fiscal first quarter 2016 Non-GAAP results exclude the effect of the below mentioned adjustments.

a) Adjustment of \$249,000 included a non-cash charge of \$108,000 related to depreciation and amortization expense and \$141,000 of stock based compensation expense.

b) Adjustment of \$498,000 included a non-cash charge of \$122,000 related to depreciation expense and \$376,000 of stock based compensation expense.

c) Adjustment of \$190,000 included a non-cash charge of \$10,000 related to depreciation expense and \$180,000 of stock based compensation expense.

d) Adjustment of \$635,000 included a non-cash charge of \$635,000 of stock based compensation expense.

**CUTERA, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)  
(unaudited)

|   | <b>Three Months Ended</b> |                           |
|---|---------------------------|---------------------------|
|   | <b>March 31,<br/>2016</b> | <b>March 31,<br/>2015</b> |
| <b>Cash flows from operating activities:</b>                                |                           |                           |
| Net loss  | \$ (2,051)                | \$ (3,644)                |
| Adjustments to reconcile net loss to net cash used in operating activities: |                           |                           |
| Stock-based compensation  | 1,332                     | 961                       |
| Depreciation and amortization   | 240                       | 327                       |
| Other   | 12                        | 106                       |
| Changes in assets and liabilities:  |                           |                           |
| Accounts receivable   | 472                       | 737                       |
| Inventories   | (1,397)                   | (867)                     |
| Accounts payable  | 611                       | (228)                     |
| Accrued liabilities   | (2,758)                   | (2,781)                   |
| Deferred revenue  | (103)                     | (559)                     |
| Other   | (402)                     | (66)                      |
| Net cash used in operating activities                                       | <u>(4,044)</u>            | <u>(6,014)</u>            |
| <b>Cash flows from investing activities:</b>                                |                           |                           |
| Acquisition of property, equipment and software                             | (97)                      | (407)                     |
| Net change in marketable investments  | (624)                     | 8,689                     |
| Net cash provided by (used in) investing activities                         | <u>(721)</u>              | <u>8,282</u>              |
| <b>Cash flows from financing activities:</b>                                |                           |                           |
| Repurchases of common stock   | (279)                     | (4,550)                   |
| Proceeds from exercise of stock options and employee stock purchase plan    | 511                       | 6,002                     |
| Payments on capital lease obligations                                       | (70)                      | (61)                      |
| Net cash provided by financing activities                                   | <u>162</u>                | <u>1,391</u>              |
| Net increase (decrease) in cash and cash equivalents                        | (4,603)                   | 3,659                     |
| Cash and cash equivalents at beginning of period                            | 10,868                    | 9,803                     |
| Cash and cash equivalents at end of period                                  | <u>\$ 6,265</u>           | <u>\$ 13,462</u>          |

**CUTERA, INC.**  
**CONSOLIDATED FINANCIAL HIGHLIGHTS**  
(in thousands, except percentage data)  
(unaudited)

|   | Three Months Ended |                  | % Change<br>Q1 '16 Vs<br>Q1 '15 |
|---|--------------------|------------------|---------------------------------|
|   | Q1<br>2016         | Q1<br>2015       |                                 |
| <b>Revenue By Geography:</b>                          |                    |                  |                                 |
| United States   | \$ 11,054          | \$ 7,792         | +42%                            |
| International   | 11,369             | 11,279           | +1%                             |
|   | <u>\$ 22,423</u>   | <u>\$ 19,071</u> | <u>+18%</u>                     |
| <i>International as a percentage of total revenue</i> | 51%                | 59%              |                                 |

**Revenue By Product Category:**

|                    |                  |                  |             |
|--------------------|------------------|------------------|-------------|
| <b>Products</b>    |                  |                  |             |
| -North America     | \$ 9,024         | \$ 5,677         | +59%        |
| -Rest of the World | 7,489            | 7,561            | -1%         |
| Total Products     | 16,513           | 13,238           | +25%        |
| Service            | 4,467            | 4,368            | +2%         |
| Hand Piece Refills | 564              | 764              | -26%        |
| Skincare           | 879              | 701              | +25%        |
|                    | <u>\$ 22,423</u> | <u>\$ 19,071</u> | <u>+18%</u> |

|  | Three Months Ended |               |
|--|--------------------|---------------|
|  | Q1<br>2016         | Q1<br>2015    |
| <b>Pre-tax Stock-Based Compensation Expense:</b> |                    |               |
| Cost of revenue                                  | \$ 141             | \$ 103        |
| Sales and marketing                              | 376                | 185           |
| Research and development                         | 180                | 182           |
| General and administrative                       | 635                | 491           |
|  | <u>\$ 1,332</u>    | <u>\$ 961</u> |