



CUTERA®
FACE + BODY AESTHETIC SOLUTIONS

Investor Presentation



APRIL 2020

Safe Harbor Statement

Forward-Looking Statements

This presentation includes "forward-looking statements" within the meaning of U.S. federal securities laws. You can identify forward-looking statements by the use of words such as "may," "might," "will," "should," "expect," "plan," "anticipate," "could," "believe," "estimate," "project," "target," "predict," "intend," "future," "goals," "potential," "objective," "would" and other similar expressions. Forward-looking statements involve risks and uncertainties, many of which are beyond our control. Important factors could cause actual results to differ materially from those in the forward-looking statements, including, among others, the risks, uncertainties and factors set forth under "Risk Factors" in our most recent Annual Report on Form 10-K or subsequent Quarterly Report on Form 10-Q filed with the SEC. Forward-looking statements speak only as of the date they are made. We assume no obligation to update forward-looking statements to reflect actual results, subsequent events, or circumstances or other changes affecting such statements except to the extent required by applicable securities laws.

This presentation also contains estimates and other statistical data made by independent parties and by us relating to market size and growth and other data about our industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Neither we nor any other person makes any representation as to the accuracy or completeness of such data or undertakes any obligation to update such data after the date of this presentation. In addition, projections, assumptions and estimates of our future performance and for the market in which we operate are subject to a high degree of risk and uncertainty. By attending or receiving this presentation you acknowledge that you will be solely responsible for your own assessment of the market and our market position and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of our business.

Use of Non-GAAP Financial Measures

This presentation includes the non-GAAP financial measure of Adjusted EBITDA, which differs from financial measures calculated in accordance with U.S. generally accepted accounting principles ("GAAP"). Adjusted EBITDA in this presentation represents Net Loss from continuing operations, plus interest expense, net plus other expense, depreciation and amortization, and stock-based compensation expense related costs. Adjusted EBITDA is presented because we believe it is a useful indicator of operating performance. We use the metric as a measure of our Company's operating performance and for planning purposes, including financial projections. We believe this measure is useful to investors as supplemental information because it is frequently used by analysts, investors and other interested parties to evaluate companies in our industry. We believe Adjusted EBITDA is useful to us and investors as a measure of comparative operating performance from period to period. Adjusted EBITDA is a non-GAAP financial measure and should not be considered as an alternative to, or superior to, net income or loss as a measure of financial performance or cash flows from operations as a measure of liquidity, or any other performance measure derived in accordance with GAAP, and it should not be construed to imply that our Company's future results will be unaffected by unusual or non-recurring items. In addition, the measure is not intended to be a measure of free cash flow for our management's discretionary use, as it does not reflect certain cash requirements such as debt service requirements, capital expenditures and other cash costs that may recur in the future. Adjusted EBITDA contains certain other limitations, including the failure to reflect our cash expenditures, cash requirements for working capital needs and other potential cash requirements. In evaluating Adjusted EBITDA, you should be aware that in the future we may incur expenses that are the same or similar to some of the adjustments in this presentation. Our presentation of Adjusted EBITDA should not be construed to imply that its future results will be unaffected by any such adjustments. We compensate for these limitations by primarily relying on our GAAP results in addition to using Adjusted EBITDA on a supplemental basis. Our definition of this measure is not necessarily comparable to other similarly titled captions of other companies due to different methods of calculation. The schedules below contain a reconciliation of Net Loss from continuing operations to non-GAAP Adjusted EBITDA.

Company Highlights



Founded in 1998 by Laser Engineers in the Silicon Valley



Broad product portfolio addressing fastest growing segments of energy-based aesthetics¹



22 Years of dedicated and unwavering service to the energy-based aesthetics market



Vertically-integrated product design, development, assembly and distribution



Robust R&D pipeline of differentiated, evidence-based technologies, including Acne solution



Clinically-focused hybrid sales organization with presence in over 50 countries

Above Market Growth Contributions from All Areas

Strong Momentum Across Product Categories & Geographies

United States Sales

11%

International Sales

19%

Consumables & Skincare

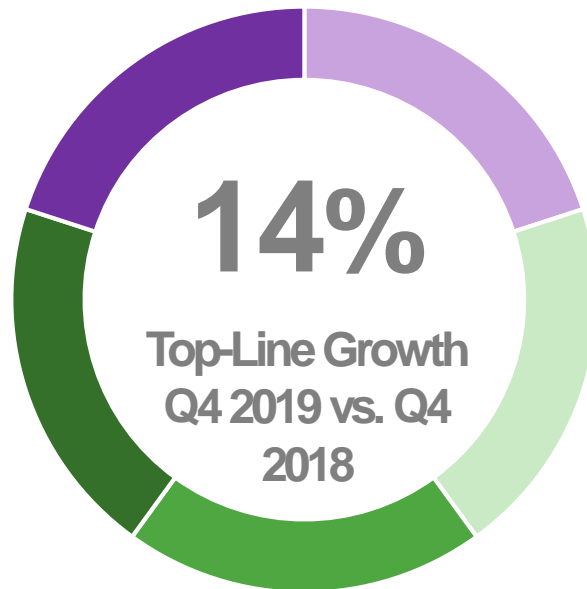
56%

Service

12%

Systems & Equipment

11%



14%
Top-Line Growth
Q4 2019 vs. Q4
2018

Our Purpose

Shape the future of global aesthetics through an

UNCOMPROMISING PURSUIT OF INNOVATION

with our team of talented and highly empowered
employees, committed to challenging the status quo.

Pursuing Leadership in Large and Fast-Growing Global Markets

\$14B

Global Aesthetic Medicine Market

10%

Historic Market Growth Projection*

2x

Increase in consumers considering a cash-pay cosmetic procedure (2019 vs. 2013)

#1

Body Contouring ranking among cosmetic procedures in 2019, by popularity & customer satisfaction

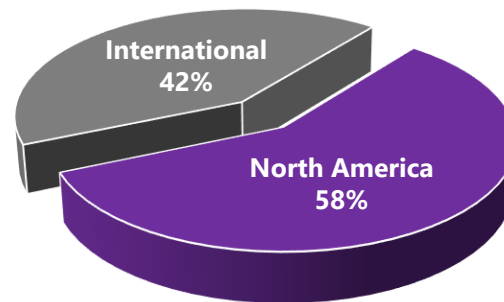
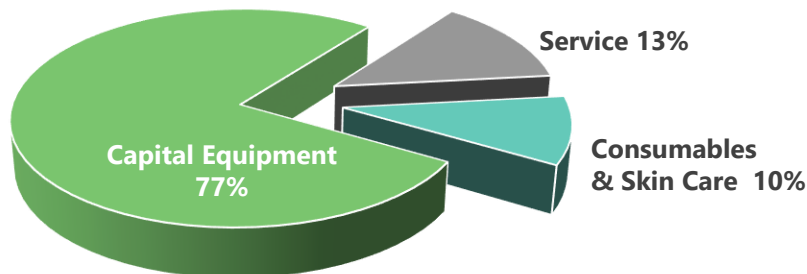
14%

Forward 5-year CAGR of International Body Contouring and Skin Revitalization market

Serving the Broader Market Needs

Balanced Business Model Well-positioned for Long-term Success

- Diversified revenue base across product categories and geographies



- Stable Base of Core-customers Includes Dermatologists and Plastic Surgeons
 - Expanding Core-customer base through targeted programs
- Large & Growing Installed Base of Systems provides “best-in-class” outcomes
 - 50%+ of systems sold in the 2nd half of 2019 provide access to recurring revenue



Highly Commended Technology Platforms

A Phased Approach to Achieving our Aspirations

Building Shareholder Confidence through Execution of our Plan

Aspirational Goals

- ✓ Alignment with core customer base
- ✓ Drive recurring revenue streams
- ✓ Grow international share
- ✓ Achieve long-term profitability

Phase I

Set the Foundation

- Sustainable Double-Digit Revenue Growth
- Gross Margin Expansion
- Establish Plans to Delivering Leverage

Phase II

Optimize the Business

- Accelerate Growth Initiatives:
 - Commercial Structure
 - R&D First-mover Projects
- Deliver 2nd Round of GM Expansion
- Scale Commercial Structures – S&M Leverage
- Execute G&A Process Improvement Plans

Phase III

Market Leadership

- Establish and Maintain Category Leadership
 - Acne
 - Body Sculpting
- Develop Integrated Practice Support Teams
- Deliver Adv. Training & Medical Education
- Balanced Revenues: Systems & Recurring

Offering Provides Comprehensive Approach to Energy-Based Aesthetics



Broad portfolio and reputation provide a competitive advantage



Body contouring portfolio leveraging differentiated RF technology and enables higher efficacy and faster treatment time



truSculpt Flex utilizes direct stimulation of the muscle for superior range of settings & increased user control

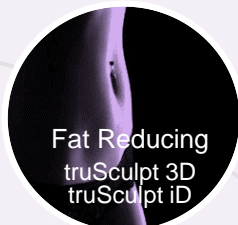


Full line of support for skin and face with differentiated technology in vascular and micro-needling specifically designed for optimized efficacy and practice economics

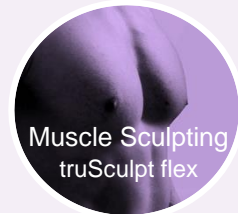


Portfolio provides reimbursement risk mitigation and strong ROI for Dermatologists, Plastic Surgeons & non-core medical specialties

BODY SCULPTING



Fat Reducing
truSculpt 3D
truSculpt iD



Muscle Sculpting
truSculpt flex

FACE + SKIN REVITALIZATION



Skin
Rejuvenation
enlighten™
excel V+™
Secret™ RF



Vascular
excel V+™
xeo®



Hair
Removal
excel HR™
xeo®



Tattoo
Removal
enlighten™

Proven Track Record of Delivering Innovation

BODY SCULPTING



truSculpt



ProWave LX™
truSculpt 16 cm²



truSculpt® 3D



truSculpt® iD



truSculpt® flex

2000



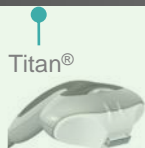
CoolGlide
Excel



CoolGlide
Vantage



xeo®



Titan®



Pearl®
Fractional

GenesisPlus

excel V™



excel HR™



enlighten™ III



Secret™ RF



excel V+™

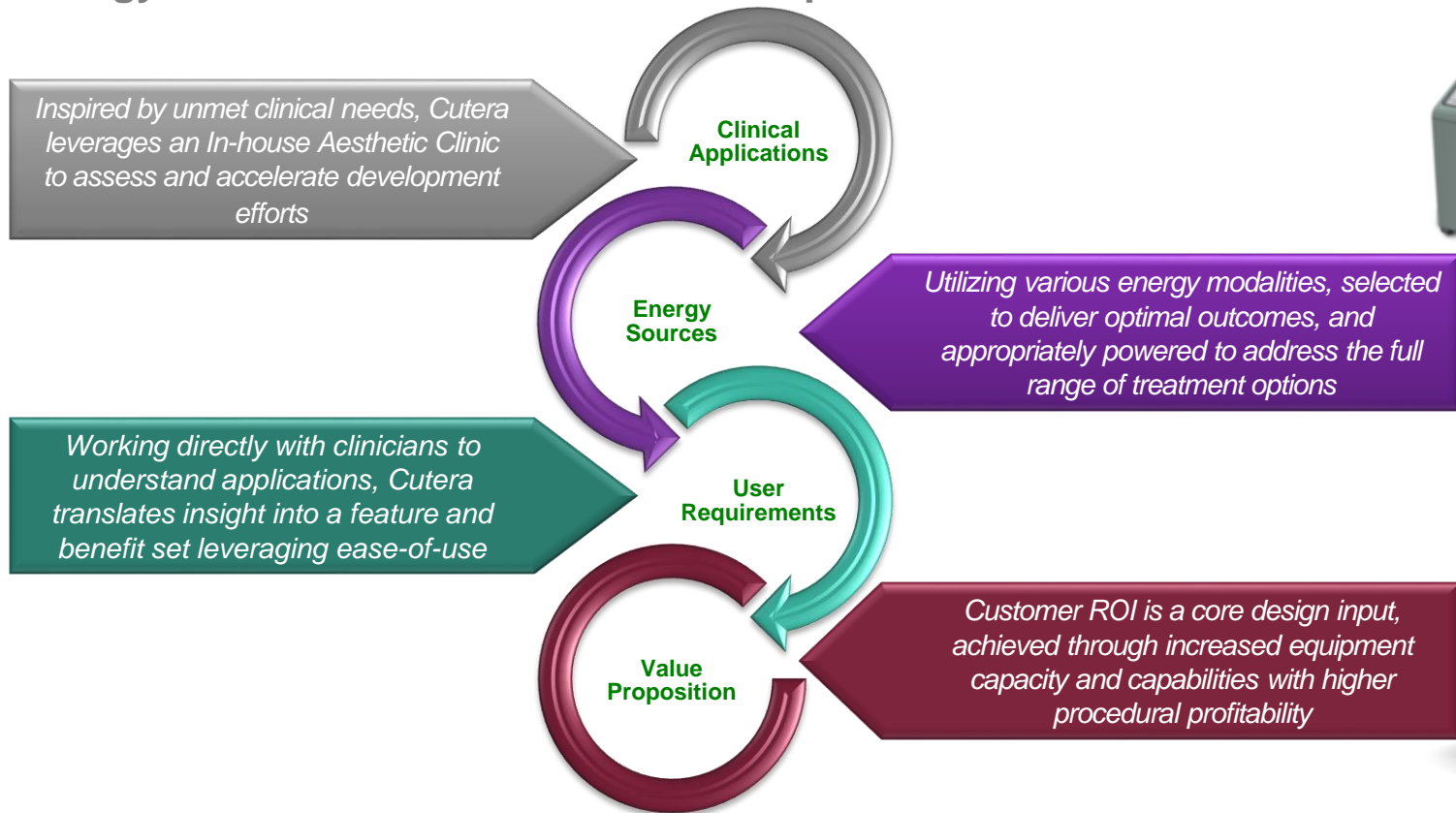
2019

FACIAL + SKIN REVITALIZATION

Regular Cadence of New Product Introductions

Creating a Broad & Differentiated Portfolio:

Energy-based Aesthetic Product Development Process Considerations



Cutera's Suite of Body Sculpting Products

Differentiated Technology delivering best-in-class outcomes

truSculpt® flex

Muscle Sculpting

+30%

Average increase in muscle mass¹

Easy to Use
Largest & Most Flexible Coverage
Broadest Range of "Exercises"
Profitable Procedure

High

Patient satisfaction:
"Can feel the workout"
and "see the results"

45min

Treatment time

8

Distinct simultaneous
treatment areas

Rapid

ROI: fast-growing market, lower
cost of consumables, safe to
delegate, treat almost any patient



truSculpt® iD

Fat Reduction

24%

Average circumferential
fat reduction²

Easy to Use
Efficient & Effective Treatment
Broad Patient Application
Profitable Procedure

High

Patient satisfaction:
comfortable and no downtime

15min

Treatment Time

300cm²

Coverage area

Rapid

ROI: fast-growing market, lower
cost of consumables, safe to
delegate, treat almost any patient







Opportunity to use *truSculpt iD* and *truSculpt flex* as paired treatments

1. Stephen J. Ronan M.D., A Novel Bio-Electric Current Stimulation Device for Improvement of Muscle Tone – July 2019
2. Stephen J. Ronan M.D., Evaluation of Safety and Efficacy of 15 Minute Fat Reduction Treatment with Novel 2MHz Monopolar Radiofrequency Device

Providing Customers with Differentiated Fat Reduction Technology

CUTERA®
truSculpt® iD

	Radio Frequency	Laser	Cryolipolysis	Ultrasound
Treatment time				
Consumable Cost	\$\$	\$\$\$\$	\$\$\$\$	\$\$ (x3)
Comfort	Moderate	Low	Low	High
Efficacy	~24% avg. reduction	=	<=	<
Can Treat:				
• > 30 BMI	✓	X	X	X
• Non-pinchable fat	✓	X	X	X
• Skin with laxity	✓	✓	X	X
• Tattooed patients	✓	X	✓	✓
Results in 1 Tx	YES	YES	YES	NO



Providing Highly Differentiated Muscle Sculpting Technology

CUTERA®
truSculpt® flex

	Direct Stimulation	Magnetic Induction (Competitor 1)	Magnetic Induction (Competitor 2)	Magnetic Induction (Competitor 3)
Energy Transmission	High	Low	Moderate	Moderate
Dynamic Range	Broadest Efficacious Range	Narrow Range	Narrow Range	Narrow Range
Workout Intensity	High	Moderate	Moderate	Moderate
Design Control & Manufacturing	In-house	In-house	3 rd party	3 rd party
Efficacy	30% muscle bulking	Less	Recent Market Entry	Recent Market Entry
Treatment Design <ul style="list-style-type: none"> • Tx Area • Tx Specificity • Range of Work-outs • Training Modes 	300cm ²	<	<	<
	High	Moderate	Moderate	Moderate
	Many	Less	Less	Less
	3 training modes	2 modes	2 modes	2 modes
Treatment Protocol	4 – 6x w/ Quarterly Maint.	4 – 6x, Qtrly Maint.	4 – 6x, Qtrly Maint	4 – 6x, Qtrly Maint



Recent Introductions to Skin & Face Rejuvenation Offering Differentiated Technology delivering best-in-class outcomes

excel[®]V+
Vascular Laser

Capacity

Large Spot Size → Shorter Treatment Time
Efficient Operations → Increased Up-time

Capabilities / Equipment Utility

Broad Application
Cooling Efficacy → Patient Comfort
Quiet Operation

Ease-of-Use

Self-Calibrating
Self-Navigation / Scanning Built-In

Return on Invested Capital

Short Treatment Times
Low Operational Costs
Greater Practice Efficiency



Secret[™] RF
RF Enhanced Micro-Needling

Capacity

Broad Coverage with Tissue Selectivity
Efficient → Short Treatment Times

Capabilities / Equipment Utility

Broad Application
Great Patient Outcomes – a ‘Fan Favorite’
Depth Control

Ease-of-Use

Smooth Insertion
Operated by Technician / Nurse

Return on Invested Capital

Procedure Profitability
Delegate-able to Technician; using lower-cost labor
Low Operational costs



Designed and Deployed with Core-customers & their Patients in mind

Raising the bar for Vascular Aesthetic Laser Performance

excel V+ core customer “workhorse” differentiated on efficacy & procedural efficiency

CUTERA®

excel® V+

		Competitor A	Competitor B
Wave Lengths	532 / 1064 nm	595 / 1064 nm	585 nm
Spot Size	Up to 16mm	Up to 15mm	Up to 10mm
Cooling	Integrated Sapphire Contact Cooling	Cyrogen or optional Contact Cooling	Air Cooling
Calibration	Auto-Calibrating	Manual Required Daily	Manual Required Daily
Warm-up Time	2 mins	5 Mins	10-15 mins
Navigation	Yes	Yes	No



“If My Clinic was on fire and I had to save one system, I would choose excel V+; Cutera nailed it with the excel V+ on both fronts: 16 mm spot for Vascular Handpiece and the Dermastat.” - Dr. Vic Ross (Scripps)

Radio Frequency Micro-needling a breakout success

Launched in early 2018, Secret RF is a core customer favorite, providing precise, customized dermal remodeling for immediate patient results with minimal post procedure downtime

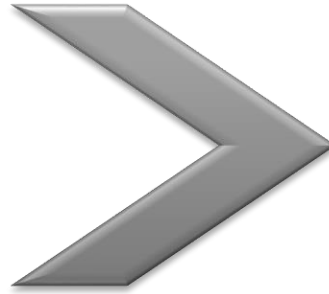
CUTERA®

	Secret™ RF	Competitor A	Competitor B	Competitor C
RF Power	up to 25 w (25 tip) up to 75 w (64 tip)	up to 75 w	up to 50 w	5 w per pair
Tip Options	Non insulated 25 Semi insulated 25 Semi insulated 64	Non insulated 24 Semi insulated 24 Semi insulated 60	49 needles	10 (5 pairs) 14 (7 pairs) sub Q
Depth of Energy (mm)	0.5 to 3.5 mm (0.1 increments)	Fixed 0.6 mm or 3.0 mm	0.5 to 3.5 mm	Fixed 1-2 mm or sub Q 506 mm
Insertion Mechanism	Smooth motor	None	Solenoid	Solenoid
Treatment Time	20 min	30 min	45 min	60-90 min



Building a Sustainable Competitive Advantage through Advanced R&D

PREVIOUS R&D FOCUS



REVISED R&D STRATEGY



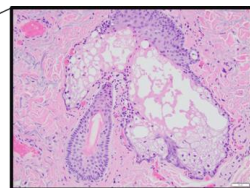
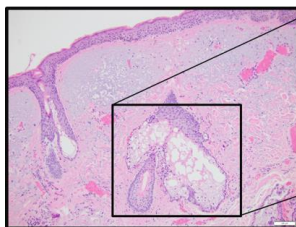
R&D Strategy Focused on Long-Term Clinical Differentiation:

- Delight core customers with introduction of practice expansion capabilities
- Bring first-to-market with solutions that address unmet needs of our core-customers
- Current R&D pipeline addressing solution for Acne
- Adv. Engineering focusing on other Aesthetic “Holy Grail” opportunities:
 - Ex. Stretch Marks, Cellulite, BLEF, etc...

Acne Aesthetic Treatment Laser

Product Development Project

Objective: Eradicate P. Acnes through removal of host environment
New Laser device will target and obliterate Sebaceous Gland, eliminating sebum production and removing the source of P. Acne development



Selective necrosis of Sebaceous Glands leaving surrounding tissue viable




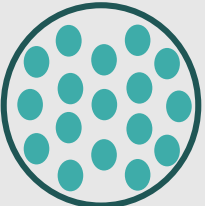
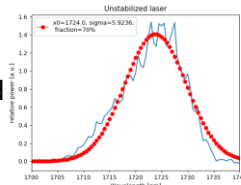
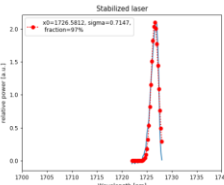
Key Program Achievements:

α Prototype Platform Build

- ✓ Demonstrated histologic results (human tissue)
- ✓ Successful completion of safety trial;

β Prototype Platform Build

- ✓ Stabilized laser, narrowed wavelength band
- ✓ Refined treatment protocol reducing time & cycles
- ✓ Efficacy trial underway

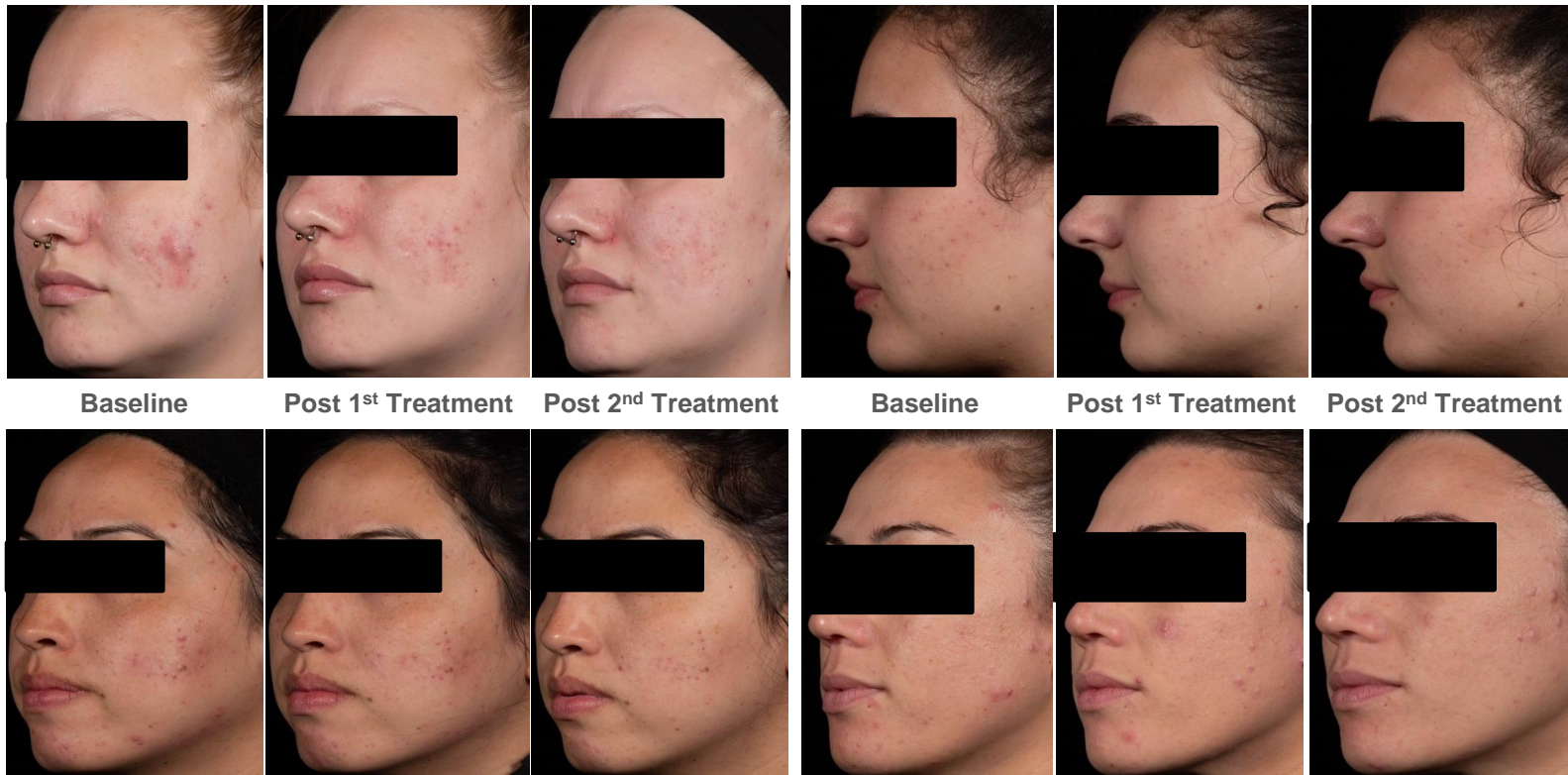
	Development Phase	
	<u>α</u> Prototype	<u>β</u> Prototype
End-Point	Safety	Efficacy
Coverage	 15%	 60%
Wavelength Band		
Pt. Discomfort	4/10	4/10
Endpoint Success	✓	OPEN

Narrowing band increases cellular selectivity & treatment efficacy

Near-term indication enables US market entrance, long-term follow-up provides expanded indication

Initial Study Endpoint Achieved with Promising Results

Level of clearance achieved with only 15% spot-size coverage per treatment

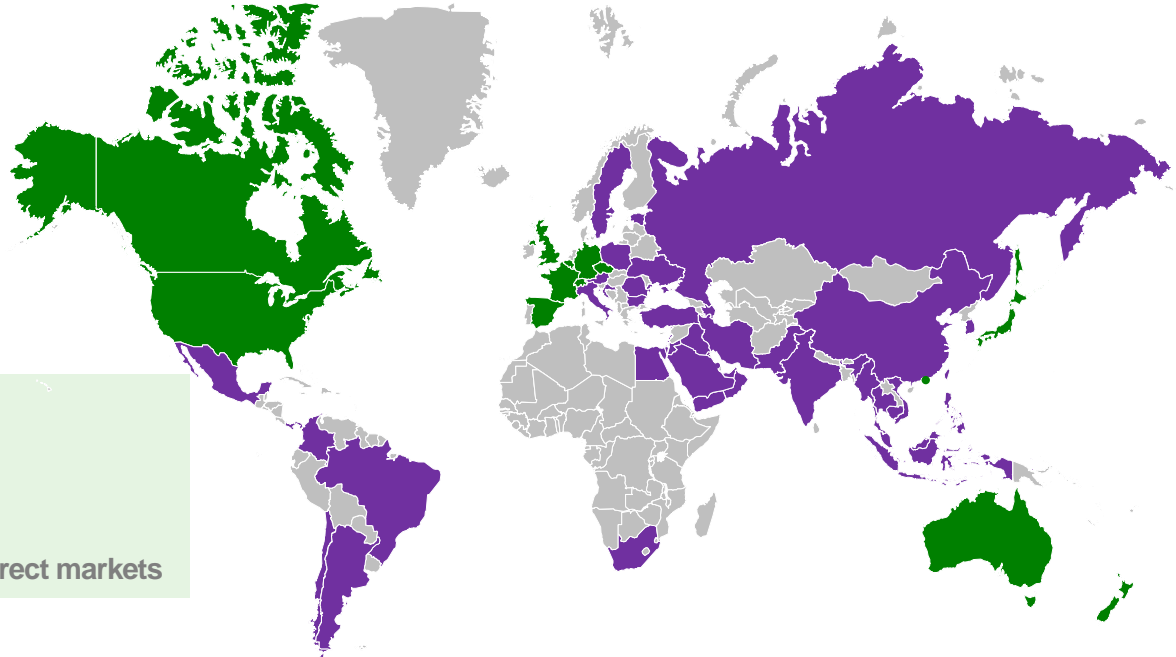


Optimizing the Business for Sustainable Growth

>12,000 Installed Systems Globally

- **Hybrid Selling Organization**
 - Direct reps
 - Distributors
- **Direct selling in 13 countries**
 - Mature and fast growing markets
- **Distributors in 39 countries**
 - Enabling profitable growth

- ✓ Stable base for future revenue growth
- ✓ Geographic balance
- ✓ Rapid deployment of new products
- ✓ Continuing to evaluate investment in new direct markets



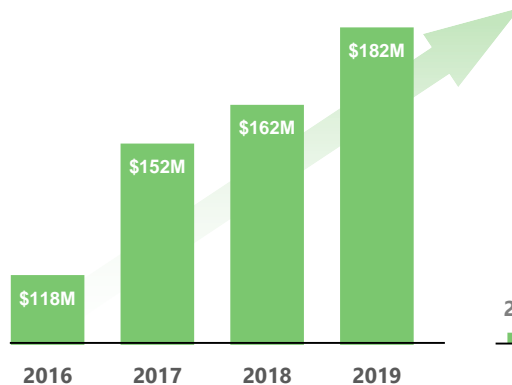
- Direct Sales
- Distributors

Optimizing Operating Leverage

- **Sustainable Double-digit Revenue Growth**
 - Expand internationally
 - Drive recurring revenue through established installed base
 - Pursue new, high-value market opportunities
- **Reduction of Operating Expenses**
 - Commercial discipline on ASP
 - Organic lift associated with mix shift to Consumables
 - Lower COGS associated with RF energy systems
- **Delivering Operating Leverage**
 - Deploying a lower cost sales structure (PDM's)
 - Improving process/systems to leverage G&A

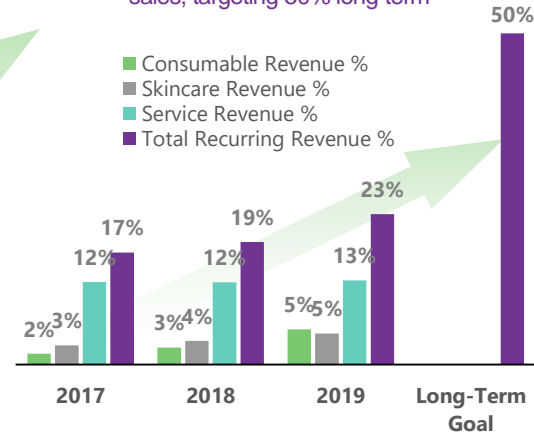
Growth Above Market Rate

FY19 Global Growth 12%
FY19 Int'l Growth of 24%



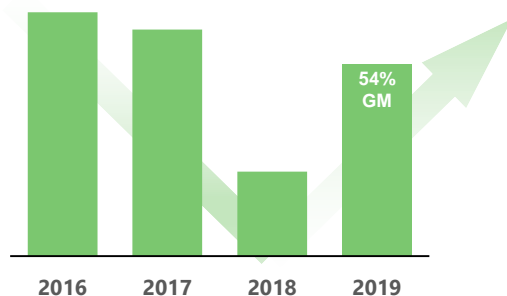
Transitioning Revenue Drivers

Recurring revenue has expanded to 23% of sales, targeting 50% long-term



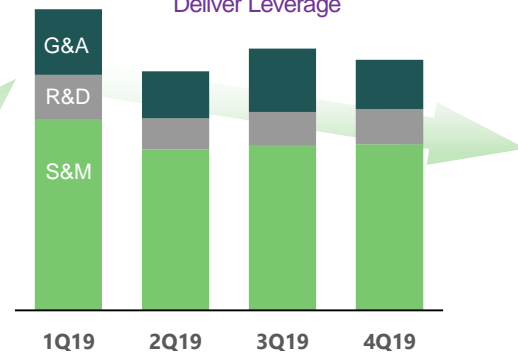
Gross Margin Expansion

Pathway to Deliver Mid-60's GM
Results over time



Operating Expenses

Recent Programs Launched to Deliver Leverage





Financial Highlights



2019 Financial Highlights

4Q19 Growth
Accelerated to

+14%
vs 4Q18

2019 Recurring
Revenue Growth:

~37%

Gross Margin
Improvement

~200 bps
vs FY'18

2019 Adjusted
EBITDA

\$4.3M
104% growth vs
FY'18

2019 Full-Year Revenue : **\$181.7M – 12% Growth over PY**

Non-GAAP Income Statement Summary

(\$ in Millions)

As of December 31, 2019

	FY 2018	FY 2019
Revenue	\$162.7	\$181.7
<i>Growth %</i>	<i>7%</i>	<i>12%</i>
Gross Profit	\$86.4	\$100.3
<i>Margin %</i>	<i>53%</i>	<i>55%</i>
Operating Expenses	\$84.4	\$96.0
Operating Income (Loss)	\$2.0	\$4.3
Adjusted EBITDA	\$2.0	\$4.3
Net Income (Loss)	\$1.5	\$3.9
Net Income (Loss) per Share - Basic	\$0.11	\$0.28
Net Income (Loss) per Share - Diluted	\$0.11	\$0.27

Balance Sheet

(\$ in Millions)

As of December 31, 2019

Assets	
Cash	\$33.9
Accounts receivable	21.6
Inventory (net)	33.9
Other current assets	5.6
PP&E (net)	10.5
Other long-term assets & Intangibles	8.2
Total Assets	\$113.7

Liabilities	
Accounts payable	\$12.7
Debt	0.6
Accrued expenses	30.3
All other liabilities	24.2
Paid-in capital	82.3
Accumulated deficit (net)	(36.4)
Total Liabilities / Equity	\$113.7

Company Summary

Despite near-term challenges, business is well-positioned to Deliver Shareholder Value

Large and Growing Markets w/ Strong Fundamentals

- Large and stable patient population
- \$14B market projected to grow 10%
- Core customers (aesthetic derm & plastic surgeons) more resilient to macro shocks

Established Company with Renewed Focus

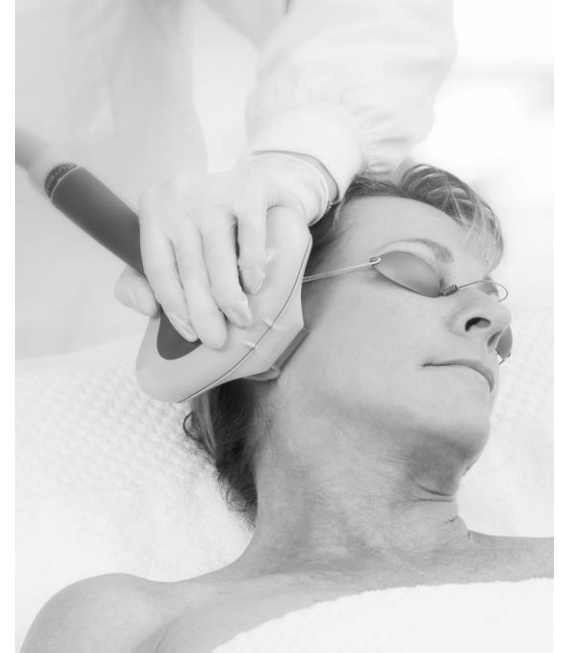
- 8 Distinct Product Platforms addressing Energy-based Aesthetic Verticals
- Track record of innovation aligned to our Core-customer needs
- Pipeline of novel technologies addressing new market opportunities

Significant and Growing Installed Base

- >12K Systems installed globally
- Rapidly expanding portion of Active Installed Base provides procedural revenue
- Products and Brand well recognized as high-end / clinically proven technology

Improving Gross Margin and Delivering Operating Leverage

- Demonstrated commercial discipline on holding price for capital equipment
- Organic lift from increased volume of consumables
- Key initiatives inflight to unlock future leverage & expand margins





CUTERA®
FACE + BODY AESTHETIC SOLUTIONS

Thank you

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Appendix: Supplemental Financials

Non-GAAP Income Statement Reconciliation

(\$ in Millions)

As of December 31, 2019

	FY 2018 GAAP	Adjustments ¹	FY 2018 Non-GAAP	FY 2019 GAAP	Adjustments ¹	FY 2019 Non-GAAP
Revenue	\$162.7	-	\$162.7	\$181.7	-	\$181.7
Cost of revenue	\$82.3	(\$6.0)	\$76.3	\$83.5	(\$2.1)	\$81.5
Gross Profit	\$80.4	\$6.0	\$86.4	\$98.2	\$2.1	\$100.3
Margin %	49%		53%	54%		55%
Operating Expenses	\$93.8	(\$9.4)	\$84.4	\$110.2	(\$14.2)	\$96.0
Operating Income (Loss)	(\$13.4)	\$15.4	\$2.0	(\$12.1)	\$16.3	\$4.3
Net Income (Loss)	(\$30.8)	\$32.3	\$1.5	(\$12.3)	\$16.2	\$3.9
Net Income (Loss) per Share – Basic	(\$2.23)		\$0.11	(\$0.88)		\$0.28
Net Income (Loss) per Share – Diluted	(\$2.23)		\$0.11	(\$0.88)		\$0.27

1) Adjustments included Depreciation and Amortization, Stock-Based Compensation, CRM and ERP Implementation and Taxes and Other Adjustments

Adjusted EBITDA Reconciliation

(\$ in Millions)

As of December 31, 2019

	FY 2018	FY 2019
Net Income (Loss) (GAAP)	(\$30.8)	(\$12.3)
<i>Stock-based compensation</i>	\$7.2	\$9.8
<i>Depreciation and Amortization</i>	\$3.0	\$4.5
<i>CRM and ERP Implementation Costs</i>	\$0.2	\$1.4
<i>Other adjustments</i>	\$5.0	\$0.6
<i>Interest and other expense, net</i>	\$0.1	\$0.2
<i>Provision (benefit) for income taxes</i>	\$17.3	\$0.1
Adjusted EBITDA	\$2.0	\$4.3