

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K/A

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

August 6, 2020

Date of Report (date of earliest event reported)



Cutera, Inc.

(Exact name of Registrant as specified in its charter)

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)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock (\$0.001 par value)	CUTR	The NASDAQ Stock Market, LLC

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

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))

Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Explanatory Note

This Current Report on Form 8-K/A amends the Current Report on Form 8-K filed by Cutera, Inc. with the Securities and Exchange Commission on August 6, 2020 (the "Original Report") and is being filed in order to provide a revised version of Exhibit 99.1 to correct the GAAP reconciliation tables. The Original Report otherwise remains unchanged.

Item 2.02. Results of Operations and Financial Condition.

On August 6, 2020, Cutera, Inc. issued a press release regarding its financial results for the second quarter ended June 30, 2020. A copy of the revised press release with the corrected tables is attached as Exhibit 99.1 to this Form 8-K.

This information is intended to be furnished under Item 2.02 of Form 8-K and 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 August 6, 2020.

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.

Date: August 21, 2020

CUTERA, INC.

/s/ ROHAN SETH

Rohan Seth

Chief Financial Officer



Cutera, Inc. Announces Second Quarter 2020 Financial Results

BRISBANE, California, August 6, 2020 — Cutera, Inc. (NASDAQ: [CUTR](#)) (“Cutera” or the “Company”), a leading provider of laser and other energy-based aesthetic systems for practitioners worldwide, today reported financial results for the second quarter ended June 30, 2020.

Second Quarter 2020 Financial and Operational Highlights

- Revenue was \$26.4 million, a 45% decrease from the prior-year period, as COVID-19 disruptions led to a year-over-year decline in procedures during the quarter
 - Capital Equipment revenue of \$15.5 million, a decline of 59% over prior-year period
 - Recurring revenue grew 6% over prior-year period driven primarily by Skin Care revenue growth of 169% year-over-year offsetting declines in Service and Consumables revenue
- Gross Margin was 44%, compared to 54% in the prior-year period, driven by lower production levels and substantially lower overhead absorption during the quarter, partially offset by strong pricing discipline and a reduction in manufacturing headcount
- Net loss was \$11.4 million, or \$0.67 per fully diluted share, as compared to a net income of \$0.6 million, or \$0.04 per fully diluted share, in the prior-year period
- Closed a public stock offering on April 21, 2020, resulting in approximately \$26.5 million in net proceeds
- Subsequent to the quarter, the Company secured a \$30 million credit facility with Silicon Valley Bank, replacing the Company’s existing \$25 million facility with Wells Fargo

“While our second quarter results were impacted by a decline in patient volumes associated with COVID-related shutdowns; I am encouraged by the recovery trends as patient volumes continue to rebound toward pre-COVID levels,” commented Dave Mowry, Chief Executive Officer of Cutera, Inc. “I am pleased with our increased customer outreach efforts which we implemented during the quarter, leading to improved customer engagement and enabled us to be highly responsive, helping accounts increase their patient traffic. I am amazed by the resilience and adaptability of our customers, and proud of the Cutera team’s work to steer the company and our clients through unprecedented adversity. We are continuing to manage the impacts of the pandemic effectively, and, with a recently strengthened balance sheet, we are well-positioned to drive a continued recovery in our business through the second half of the year despite the uncertain environment.”

2020 Financial Outlook

As previously announced on April 3, 2020, Cutera has withdrawn its previously announced full-year 2020 guidance due to uncertainty over the magnitude and duration of the impacts from the COVID-19 pandemic on its financial results. The Company will not be providing updated guidance at this time.

Conference Call

The Company's management will host a conference call to discuss these results and related matters today at 1:30 p.m. PT (4:30 p.m. ET) that same day. Participating on the call will be Dave Mowry, Chief Executive Officer, Jason Richey, President, and Fuad Ahmad, Interim Chief Financial Officer.

To participate in the conference call, dial 1-877-705-6003 (domestic) or + 1-201-493-6725 (international) and refer to the Conference Code: 13706585.

The call will also be webcast and can be accessed from the Investor Relations section of Cutera's website at <http://www.cutera.com/>. The webcast replay of the call will be available at the same site approximately one hour after the end of the call.

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 developed 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.

*Use of Non-GAAP Financial Measures

In this press release, in order to supplement the Company's condensed consolidated financial statements presented in accordance with Generally Accepted Accounting Principles, or GAAP, management has disclosed certain non-GAAP financial measures for the statement of operations and net income (loss) per diluted share. Non-GAAP adjustments include stock-based compensation, depreciation, amortization, executive and other non-recurring separation costs, customer relationship management ("CRM") and enterprise resource planning ("ERP") system costs, non-recurring legal and litigation costs, as well as the net tax impact of excluding these items. From time to time in the future, there may be other items that we may exclude if the Company believes that doing so is consistent with the goal of providing useful information to investors and management. The Company has provided a reconciliation of each non-GAAP financial measure used in this earnings release to the most directly comparable GAAP financial measure. The Company has not provided a reconciliation of non-GAAP guidance measures to the corresponding GAAP measures on a forward-looking basis due to the potential significant variability, limited visibility, unpredictability, or unique non-recurring nature of the items. Forward-looking non-GAAP measures include adjusted EBITDA. The Company defines adjusted EBITDA as earnings before interest, taxes, depreciation and amortization, stock-based compensation, executive and other non-recurring separation costs, customer relationship management ("CRM") and enterprise resource planning ("ERP") system costs, and non-recurring legal and litigation costs.

Company management uses these measurements as aids in monitoring the Company's ongoing financial performance from quarter to quarter, and year to year, on a regular basis and for benchmarking against other similar companies. Non-GAAP financial measures used by the Company may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies. These non-GAAP financial measures should be considered along with, but not as alternatives to, the operating performance measure as prescribed by GAAP. Non-GAAP financial measures for the statement of operations and net income per diluted share exclude the following:

Non-cash expenses for stock-based compensation. The Company has excluded the effect of stock-based compensation expenses in calculating its non-GAAP operating expenses and net income measures. Although stock-based compensation is a key incentive offered to its employees, the Company continues to evaluate its business performance excluding stock-based compensation expenses. The Company records stock-based compensation expense related to grants of options, employee stock purchase plan, and performance and restricted stock. Depending upon the size, timing and the terms of the grants, this expense may vary significantly but will recur in future periods. The Company believes that excluding stock-based compensation better allows for comparisons to its peer companies;

Depreciation and amortization. The Company has excluded depreciation and amortization expense in calculating its non-GAAP operating expenses and net income measures. Depreciation and amortization are non-cash charges to current operations;

Executive and other non-recurring separation costs. We have excluded costs associated with the resignation of our former Executive Officers in calculating our non-GAAP operating expenses and net income measures. We exclude these and other non-recurring employee separation costs because we believe that these items do not reflect future operating expenses;

Customer Relationship Management. We have excluded CRM system costs related to direct and incremental costs incurred in connection with our multi-phase implementation of a new CRM solution and the related technology infrastructure costs. We exclude these costs because we believe that these items do not reflect future operating expenses and will be inconsistent in amounts and frequency making it difficult to contribute to a meaningful evaluation of our operating performance; and

Enterprise Resource Planning. We have excluded ERP system costs related to direct and incremental costs incurred in connection with our multi-phase implementation of a new ERP solution and the related technology infrastructure costs. We exclude these costs because we believe that these items do not reflect future operating expenses and will be inconsistent in amounts and frequency making it difficult to contribute to a meaningful evaluation of our operating performance.

Non-recurring legal and litigation costs. We have excluded costs incurred related to third party litigation and disputes, that are of a non-recurring nature.

The Company believes that excluding all of the items above allows users of its financial statements to better review and assess both current and historical results of operations.

Safe Harbor Statement

Certain statements in this press release, other than purely historical information, are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These statements include, but are not limited to, Cutera’s plans, objectives, strategies, financial performance and outlook, CFO and other senior leadership searches, product launches and performance, trends, prospects or future events and involve known and unknown risks that are difficult to predict. As a result, the Company’s actual financial results, performance, achievements or prospects may differ materially from those expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by the use of words such as “may,” “could,” “seek,” “guidance,” “predict,” “potential,” “likely,” “believe,” “will,” “should,” “expect,” “anticipate,” “estimate,” “plan,” “intend,” “forecast,” “foresee” or variations of these terms and similar expressions, or the negative of these terms or similar expressions. 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. These statements are not guarantees of future performance, and stockholders should not place undue reliance on forward-looking statements. There are a number of risks, uncertainties and other important factors, many of which are beyond the Company’s control, that could cause its actual results to differ materially from the forward-looking statements contained in this press release, including those described in the “Risk Factors” section of Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, the Registration Statement on Form S-8 and other documents filed from time to time with the United States Securities and Exchange Commission by Cutera.

All information in this press release is as of the date of its release. Accordingly, undue reliance should not be placed on forward-looking statements. 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. If the Company updates one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements. Cutera’s financial performance for the second quarter ended June 30, 2020, as discussed in this release, is preliminary and unaudited, and subject to adjustment.

Cutera, Inc.

Anne Werdan
Director, Investor Relations
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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)

	<i>Three Months Ended June 30, 2020</i>							<i>Three Months Ended June 30, 2019</i>							
	GAAP	Depreciation and Amortization	Stock-Based Compensation	CRM and ERP Implementation/ write-off	Severance (RIF)	Legal - Former CFO Settlement/ Lutronic	Taxes and Other Adjustments	Non-GAAP	GAAP	Depreciation and Amortization	Stock-Based Compensation	CRM and ERP Implementation	Taxes and Other Adjustments	Non-GAAP	
Net revenue	\$ 26,369	-	-	-	-	-	-	\$26,369	\$47,774	-	-	-	-	\$ 47,774	
Cost of revenue	14,745	(136)	(743)	-	(132)	-	-	13,734	21,943	(123)	(404)	-	-	21,416	
Gross profit	11,624	136	743	-	132	-	-	12,635	25,831	123	404	-	-	26,358	
Gross margin %	44%							47.9%	54%					55%	
Operating expenses:															
Sales and marketing	11,035	(827)	(1,251)	-	(249)	-	-	8,708	16,992	(912)	(997)	(27)	-	15,056	
Research and development	2,991	(38)	(769)	-	(63)	-	-	2,121	3,273	(26)	(370)	-	-	2,877	
General and administrative	8,529	(29)	(1,332)	(729)	(74)	(1,018)	-	5,347	5,267	(65)	(748)	(460)	-	3,994	
Total operating expenses	22,555	(894)	(3,352)	(729)	(386)	(1,018)	-	16,176	25,532	(1,003)	(2,115)	(487)	-	21,927	
Income (loss) from operations	(10,931)	1,030	4,095	729	518	1,018	-	(3,541)	299	1,126	2,519	487	-	4,431	
Interest and other income (expense), net	3	-	-	-	-	-	-	3	46	-	-	-	-	46	
Loss before income taxes	(10,928)	1,030	4,095	729	518	1,018	-	(3,538)	345	1,126	2,519	487	-	4,477	
Provision (benefit) for income taxes	466	-	-	-	-	-	2	468	(243)	-	-	-	(397)	(640)	
Net income (loss)	<u>\$ (11,394)</u>	<u>1,030</u>	<u>4,095</u>	<u>729</u>	<u>518</u>	<u>1,018</u>	<u>(2)</u>	<u>\$ (4,006)</u>	<u>\$ 588</u>	<u>1,126</u>	<u>2,519</u>	<u>487</u>	<u>397</u>	<u>\$ 5,117</u>	
Net income (loss) per share:															
Basic	<u>\$ (0.67)</u>							<u>\$ (0.23)</u>	<u>\$ 0.04</u>					<u>\$ 0.36</u>	
Diluted	<u>\$ (0.67)</u>							<u>\$ (0.23)</u>	<u>\$ 0.04</u>					<u>\$ 0.36</u>	
Weighted-average number of shares used in per share calculations:															
Basic	<u>17,055</u>							<u>17,055</u>	<u>14,086</u>					<u>14,086</u>	
Diluted	<u>17,055</u>							<u>17,055</u>	<u>14,356</u>					<u>14,311</u>	
Operating expenses as a % of net revenue															
Sales and marketing	GAAP	41.8%						Non-GAAP	33.0%	GAAP	35.6%			Non-GAAP	31.5%
Research and development	11.3%							8.0%	6.9%					6.0%	
General and administrative	32.3%							20.3%	11.0%					8.4%	
	<u>85.5%</u>							<u>61.3%</u>	<u>53.4%</u>					<u>45.9%</u>	

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)

	Six Months Ended June 30, 2020							Six Months Ended June 30, 2019						
	GAAP	Depreciation and Amortization	Stock-Based Compensation	CRM and ERP Implementation/ write-off	Severance (RIF)	Legal - Former CFO Settlement/ Lutronic	Taxes and Other Adjustments	Non-GAAP	GAAP	Depreciation and Amortization	Stock-Based Compensation	CRM and ERP Implementation	Taxes and Other Adjustments	Non-GAAP
Net revenue	\$ 58,608	-	-	-	-	-	-	\$ 58,608	\$83,800	-	-	-	-	\$83,800
Cost of revenue	32,648	(277)	(1,033)	-	(132)	-	-	31,206	40,660	(251)	(673)	-	-	39,736
Gross profit	25,960	277	1,033	-	132	-	-	27,402	43,140	251	673	-	-	44,064
Gross margin %	44%							46.8%	51%					53%
Operating expenses:														
Sales and marketing	25,823	(1,698)	(1,969)	-	(249)	-	-	21,907	33,096	(1,783)	(1,715)	(112)	-	29,486
Research and development	6,862	(76)	(1,090)	-	(63)	-	-	5,633	6,979	(46)	(633)	-	-	6,300
General and administrative	16,336	(56)	(1,982)	(1,139)	(74)	(1,018)	(324)	11,743	10,792	(147)	(805)	(699)	(614) ^(a)	8,526
Total operating expenses	49,021	(1,830)	(5,042)	(1,139)	(386)	(1,018)	(324)	39,282	50,867	(1,976)	(3,153)	(811)	(614)	44,313
Loss from operations	(23,061)	2,107	6,075	1,139	518	1,018	324	(11,880)	(7,727)	2,227	3,826	811	614	(249)
Interest and other income (expense), net	(204)	-	-	-	-	-	-	(204)	(33)	-	-	-	-	(33)
Loss before income taxes	(23,265)	2,107	6,075	1,139	518	1,018	324	(12,084)	(7,760)	2,227	3,826	811	614	(282)
Provision (benefit) for income taxes	543	-	-	-	-	-	7	550	(128)	-	-	-	282	154
Net income (loss)	<u>\$ (23,808)</u>	<u>2,107</u>	<u>6,075</u>	<u>1,139</u>	<u>518</u>	<u>1,018</u>	<u>317</u>	<u>\$ (12,634)</u>	<u>\$ (7,632)</u>	<u>2,227</u>	<u>3,826</u>	<u>811</u>	<u>332</u>	<u>\$ (436)</u>
Net income (loss) per share:														
Basic	<u>\$ (1.51)</u>							<u>\$ (0.80)</u>	<u>\$ (0.54)</u>					<u>\$ (0.03)</u>
Diluted	<u>\$ (1.51)</u>							<u>\$ (0.80)</u>	<u>\$ (0.54)</u>					<u>\$ (0.03)</u>
Weighted-average number of shares used in per share calculations:														
Basic	<u>15,744</u>							<u>15,744</u>	<u>14,051</u>					<u>14,051</u>
Diluted	<u>15,744</u>							<u>15,744</u>	<u>14,051</u>					<u>14,298</u>

a) Other adjustment of \$614 related to Executive separation costs.

Operating expenses as a % of net revenue	GAAP	Non-GAAP	GAAP	Non-GAAP
Sales and marketing	44.1%	37.4%	39.5%	35.2%
Research and development	11.7%	9.6%	8.3%	7.5%
General and administrative	27.9%	20.0%	12.9%	10.2%
	<u>83.6%</u>	<u>67.0%</u>	<u>60.7%</u>	<u>52.9%</u>