



# CUTERA<sup>®</sup>

A New Energy in Aesthetics

APRIL 2024

# 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," the negative of these terms, or and other similar expressions intended to identify statements about the future. Forward-looking statements speak only as of the date they are made and 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 Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and other documents filed from time to time with the United States Securities and Exchange Commission by Cutera. 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. You should, therefore, not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this presentation.

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## **Use of Non-GAAP Financial Measures**

This presentation includes the non-GAAP financial measure of non-GAAP Operating Income, which differs from financial measures calculated in accordance with U.S. generally accepted accounting principles ("GAAP"). Non-GAAP Operating Income in this presentation represents earnings before interest, taxes, depreciation and amortization, stock-based compensation, executive and other non-recurring separation costs, enterprise resource planning system costs, non-recurring legal and litigation costs, Board of Director legal and advisory fees, and expenses related to the termination of a manufacturing agreement. Non-GAAP Operating Income is presented because we believe it is a useful indicator of operating performance. We use this financial measure 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 non-GAAP Operating Income is useful to us and investors as a measure of comparative operating performance from period to period. Non-GAAP Operating Income 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. Non-GAAP Operating Income 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 non-GAAP Operating Income, 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 non-GAAP Operating Income 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 non-GAAP Operating Income 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.

# CUTERA® A New Energy in Aesthetics

## Mission

Improve lives through medical aesthetic technologies that are driven by science and powered through partnerships

## Vision

To be the premier provider of medical aesthetic technologies



## PICO Values

Passion  
Innovation  
Communication  
Ownership

# Shaping aesthetics & dermatology with innovation



## Demographics powering solid market growth

\$5B+ global market for foundational platforms benefitting from Millennials and men increasingly seeking treatment

## Decades of innovation = technological leadership

Differentiated product platforms are advancing skin and body care globally

## Launching first acne innovation in decades

Commercializing a durable solution for the treatment of acne – a \$14B+ market<sup>1</sup> in need of new treatment options

## Organizational recalibration underway

New leadership with deep industry experience focused on operational excellence, right-sizing cost structure & proven strategies to unlock value

# Leadership with Track Records of Success

Deep aesthetics and med-tech expertise



Taylor Harris  
CEO



Michael Karavitis  
CTO



Stuart Drummond  
Interim CFO



Jeff Jones  
COO



Stephana Patton  
Chief Legal Officer



Steve Kreider  
SVP, Global Marketing



Brent Hauser  
President,  
International



TJ Huffman  
VP, NA Sales



## BOD members

Kevin Cameron  
Board Chairperson

Taylor Harris  
Director

Sheila Hopkins  
Director

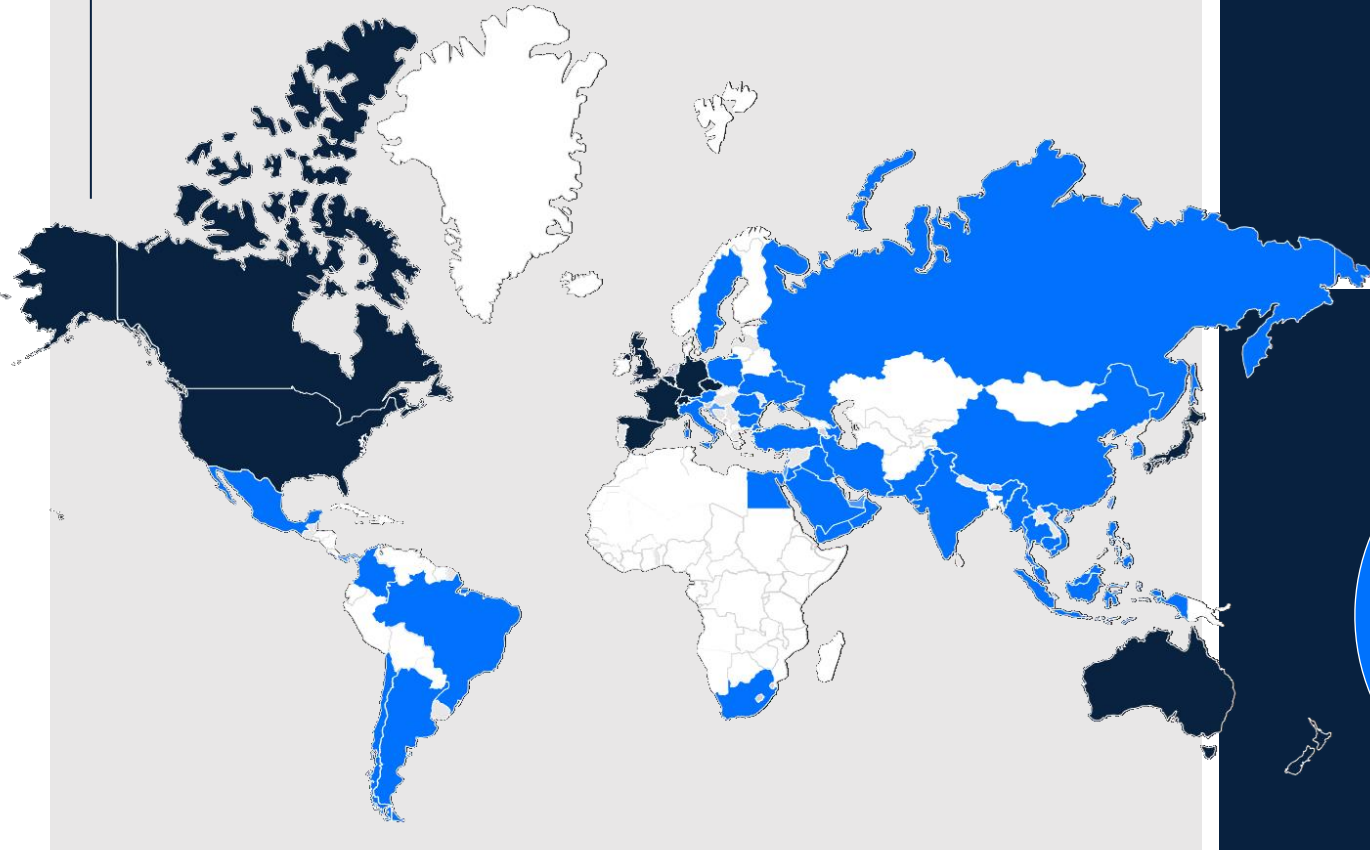
Nicholas Lewin  
Director

Keith Sullivan  
Director

# Expanding Global Footprint

Clinically-Focused and Robust Sales Infrastructure

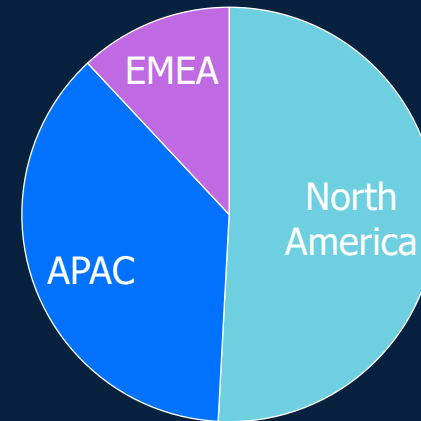
■ Direct Sales ■ Distributors



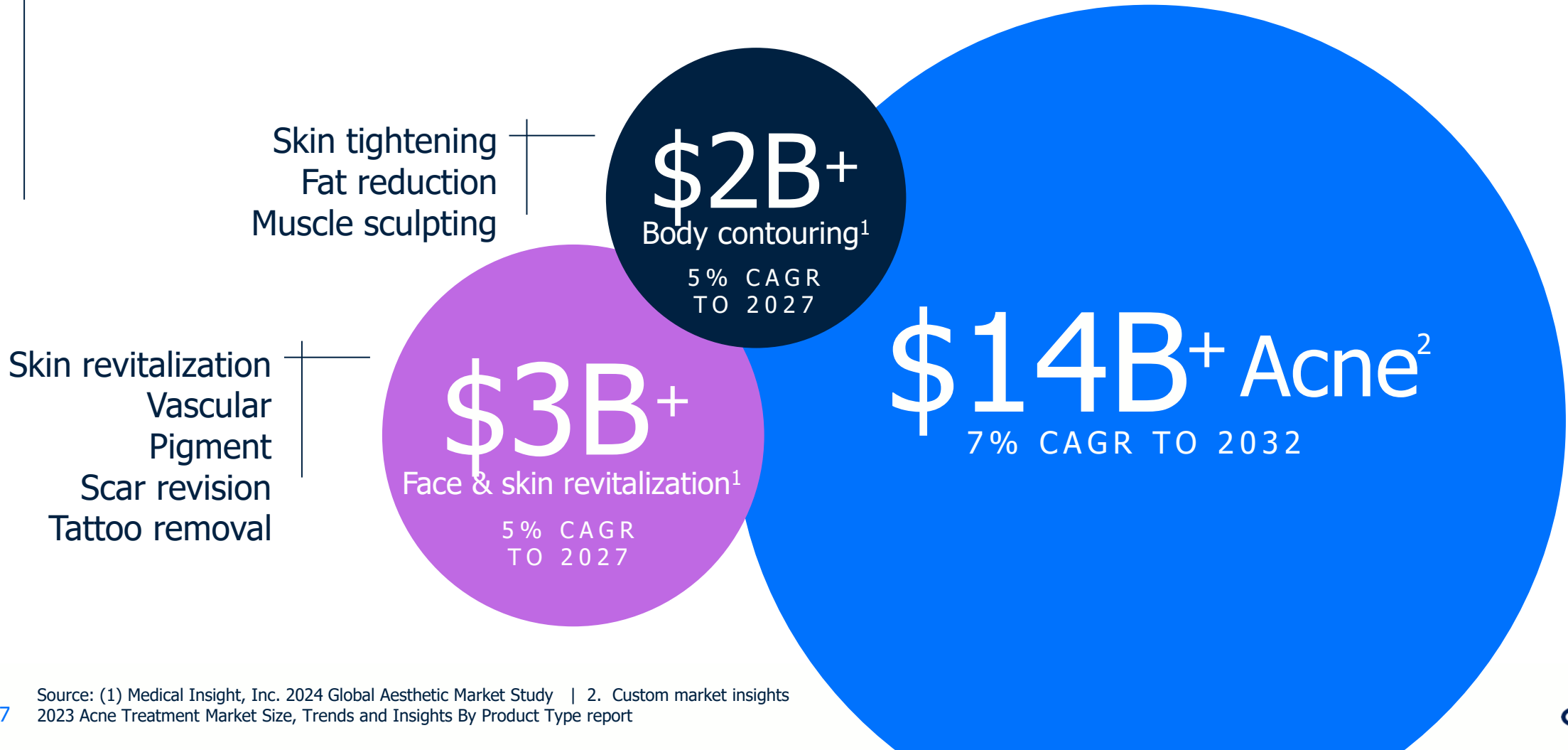
40+  
Countries

20K+  
Devices shipped

% Revenue<sup>1</sup>



# Comprehensive Portfolio of Energy-based Solutions for Aesthetic Providers & Dermatologists



Source: (1) Medical Insight, Inc. 2024 Global Aesthetic Market Study | 2. Custom market insights 2023 Acne Treatment Market Size, Trends and Insights By Product Type report

# Well-Established, Robust Franchises Support Continued Innovation & Entry into Acne Vertical


Face & skin revitalization 

SkinSuite excel<sup>®</sup> V & V+  
Secret<sup>™</sup>  
xeo<sup>®</sup>

Other enlighten<sup>®</sup>  
excel<sup>®</sup> HR

Body contouring 

TruBody truSculpt<sup>®</sup>  
truFlex<sup>™</sup>

Acne 

AviClear<sup>®</sup>



# Established Leader in Professional Face & Skin Revitalization Market

70%

of patients are bothered by lines, wrinkles, skin texture, and / or discoloration<sup>1</sup>

~90%

of pregnant women, 70% of adolescent females and 40% of adolescent males have stretch marks<sup>2</sup>

56%

of consumers are considering treatments to help smooth wrinkles or tighten skin<sup>1</sup>

40%

of active acne patients have scars<sup>3</sup>



Skin revitalization  
Skin resurfacing  
Pigmented lesions  
Vascular lesions  
Hair removal



# Introducing xeo<sup>+</sup>

## Key Features

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- Customizable, multi-application laser- and light—based modular, expandable platform
- Treats the industry's widest range of common non-surgical aesthetic concerns
- +20 years on the market
- Features Cutera's legacy in Nd:YAG technology, Laser Genesis™, and 3 IPL handpiece options
- High practice ROI

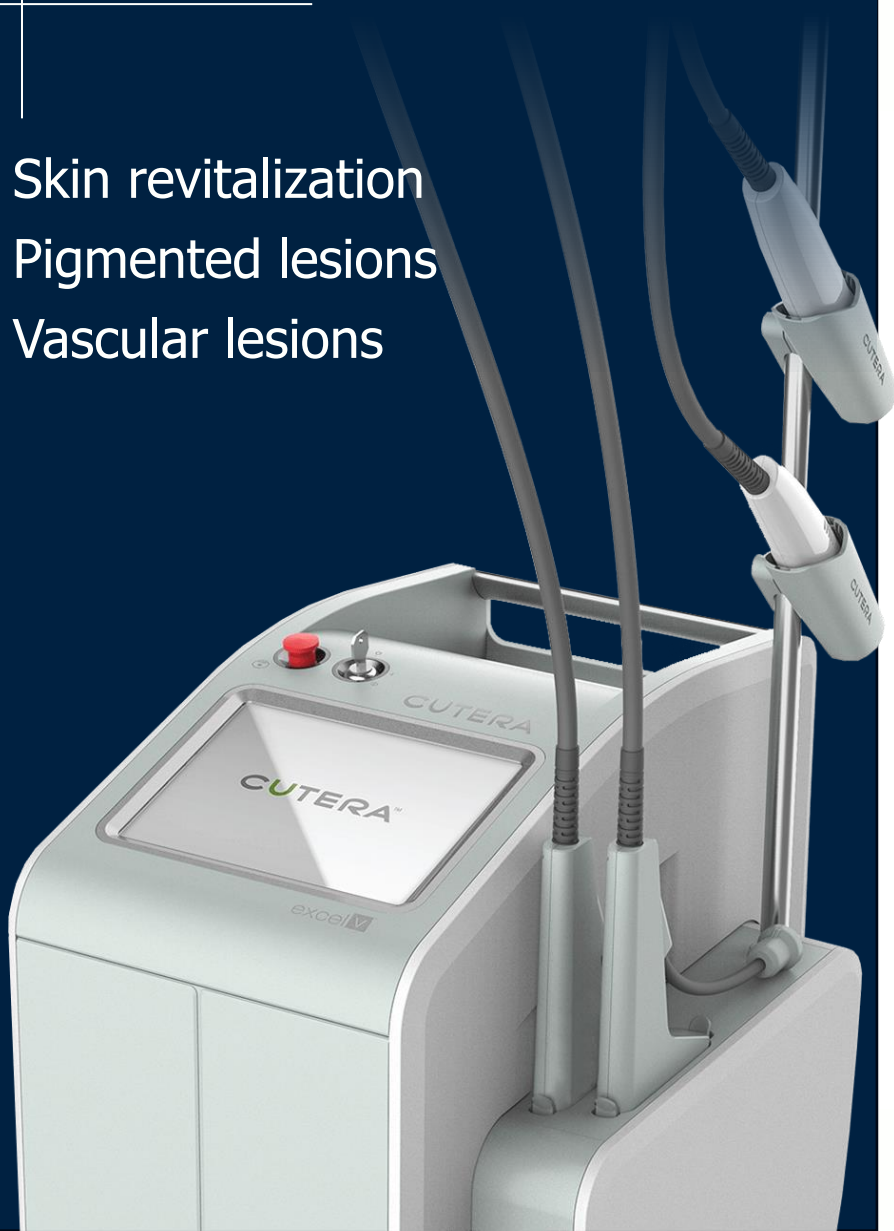
# excel<sup>®</sup> V and V+

## Key Features

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- Highly effective long-pulse Nd:YAG for vascular lesions
- Integrated sapphire contact cooling
- High-performance, clinically proven dual wavelengths
- Capable of treating spot sizes from 2 to 12 mm
- Addresses ~20 unique indications on every skin type

Skin revitalization  
Pigmented lesions  
Vascular lesions



# Secret™ Platform

## Key Features

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- Dynamic platform for resurfacing & remodeling
- 4 unique treatment options for skin resurfacing & deep dermal remodeling
- 3 handpieces for versatility, including CO2 fractional and RF microneedling
- Little to no downtime

Skin revitalization & remodeling  
Scars  
Wrinkles & fine lines  
Sun damage  
Stretch marks  
Signs of aging





# Leading Innovation for Professional Energy-Based Body Contouring

**65%**

growth in global body sculpting procedures from 2018 to 2022<sup>1</sup>

**~780K**

body sculpting procedures performed globally in 2022<sup>1</sup>

**87%**

of consumers in ASDS survey are bothered by excess fat<sup>2</sup>

**52%**

of consumers in ASDS survey are considering body sculpting procedures<sup>2</sup>

# truBody<sup>®</sup> Platform

## truSculpt

- Clinically proven to provide ~24% fat reduction<sup>1</sup>
- Tailors to patients' needs
- 3 handpieces for versatility
- Non-invasively treats abdominal and flank subcutaneous fat layer for long-lasting fat reduction
- Fast, 15-minute treatment with no downtime

## truFlex

- Proprietary Multi-Directional Stimulation strengthens, tones and defines abdomen, obliques, glutes and thighs
- Mimics 5 intense workouts
- Covers largest treatment area available with 3 treatment options
- Fast, 15-minute treatment with no downtime

Body sculpting  
Fat reduction  
Muscle toning



Our foundational product platforms have enhanced the lives of patients for decades.

Acne patients are next.

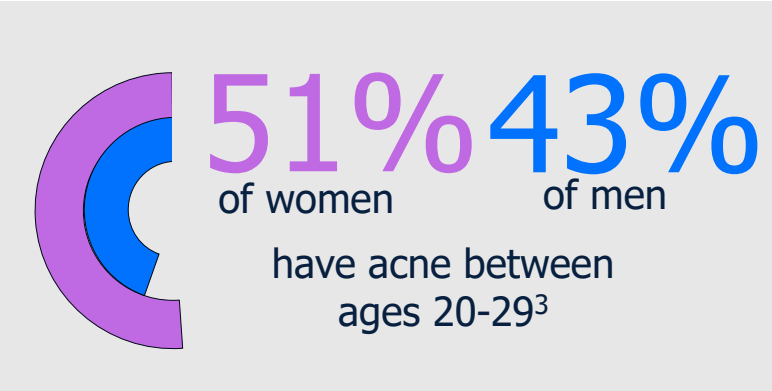
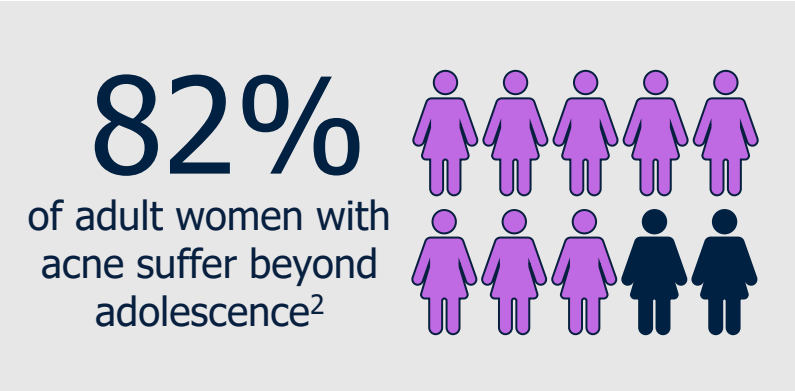
WE ARE JUST GETTING STARTED



# Acne is the most common U.S. skin condition<sup>1</sup>

**50M** Americans are affected each year<sup>1</sup>

It doesn't just affect teens







# The emotional toll can be devastating

Acne causes missed moments – casting shadows over defining milestones

**80%**

of moderate to severe acne sufferers admit acne holds them back from doing what they want<sup>1</sup>

and face a

**46%**

higher risk of depression than the overall population<sup>2</sup>

Those with moderate to severe acne said acne has made them feel<sup>1</sup>:

Feel that clear skin would change their lives

**90%**

Feel more confident

**59%**

Feel less self conscious

**55%**

“I backed out of a date because of my appearance due to acne.”<sup>1</sup>

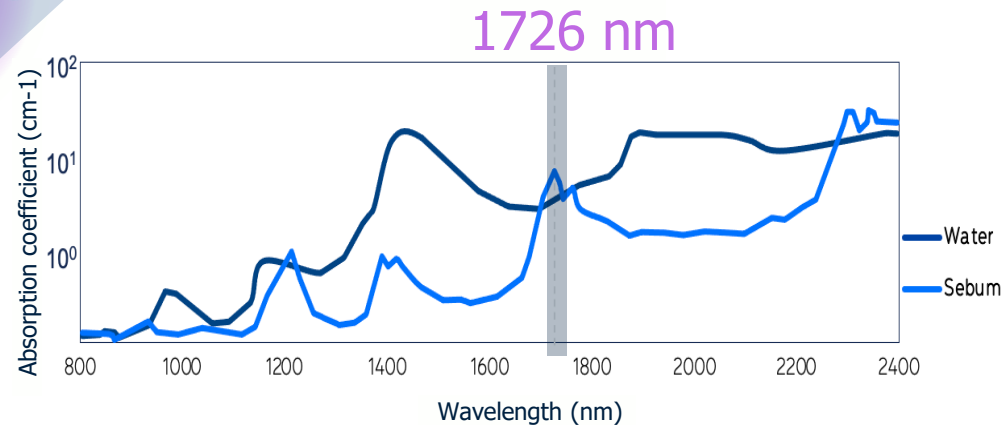
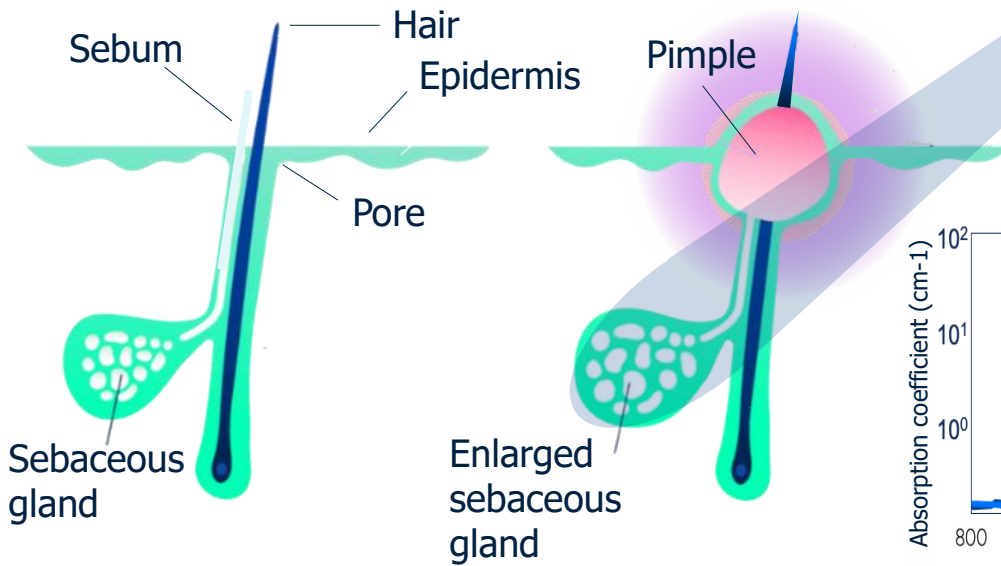
“I had a horrendous breakout the day before my cousin's wedding...I chose to stay home due to the insecurities I felt.”<sup>1</sup>

# Disruptive innovation, years in the making



AviClear

Selectively targets & suppresses sebaceous gland to eliminate acne at the source



Acne forms when sebum, the oily substance on skin, combines with dead skin cells and clogs pores

Unique wavelength is clinically proven to damage sebocytes, the major cell type in the sebaceous gland, but not surrounding tissue

Proprietary sapphire window cools treatment area before, during & after energy delivery for patient comfort

# AviClear® pivotal study<sup>1</sup> design

**104** subjects, ages 16+ with mild to severe acne (≥ 15 inflammatory facial lesions)

**99%** moderate or severe acne

**7** investigator sites

## Treatment Protocol:

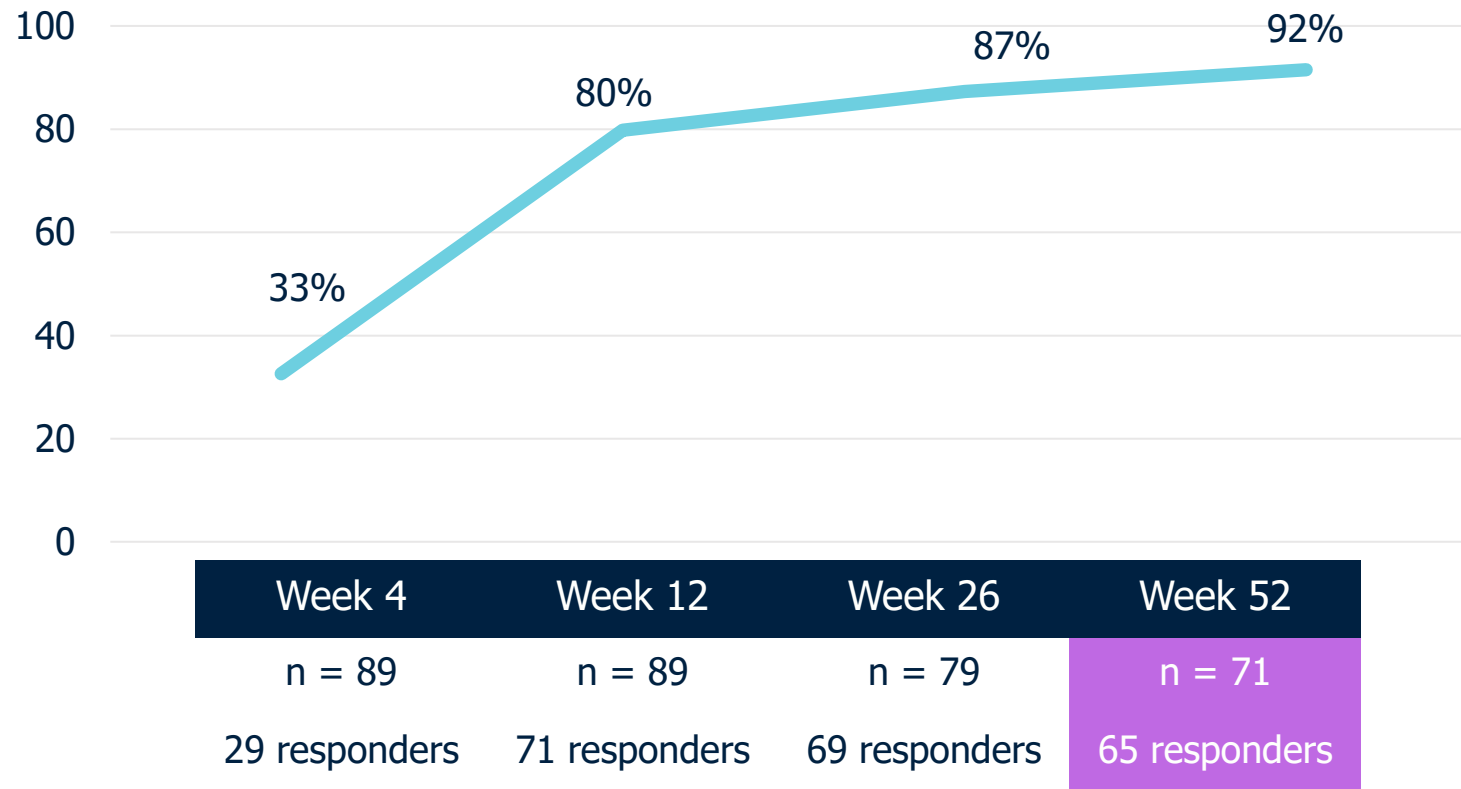
- 3 treatments ~1 month apart
- Performed as monotherapy
- No pain mitigation

## Endpoints:

- Primary: Responder rate: >50% reduction in inflammatory lesions
- Secondary: Inflammatory Lesion Count Reduction (ILC)
- Exploratory: Nodule count reduction

# Primary endpoint - responder rate<sup>1</sup>

## RESPONDER RATES – PER-PROTOCOL COHORT



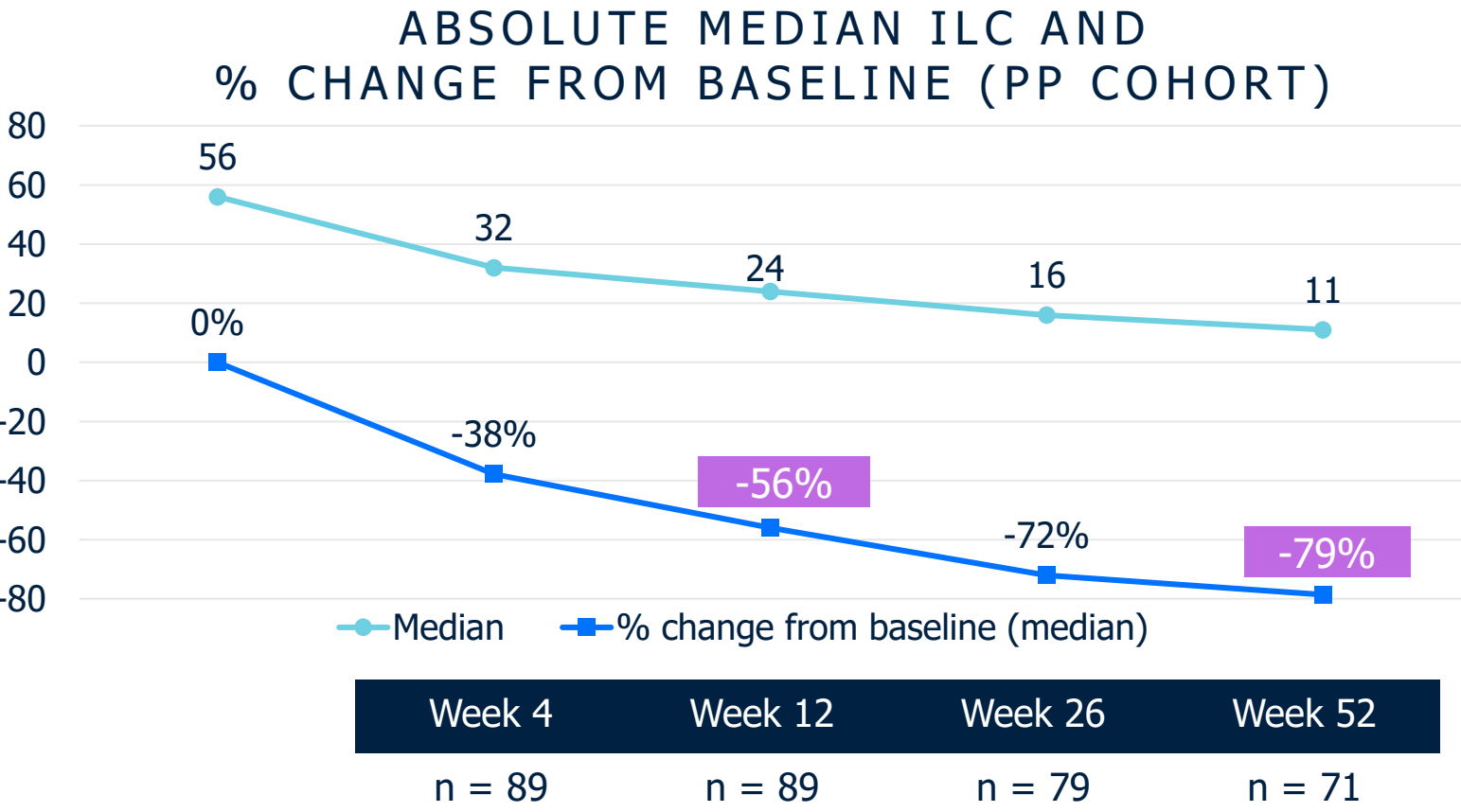
### Primary endpoint:

% patients achieving  $\geq 50\%$  reduction in inflammatory lesion counts (responders)

### Per Protocol Cohort:

Subjects who completed all 3 treatments and the 12-weeks post final treatment visit without any major protocol deviations

# Secondary Endpoint: Inflammatory lesion counts & % reduction<sup>1</sup>



**79%** reduction in inflammatory lesion counts (responders)

✓ Demonstrated efficacy targeting & suppressing the sebaceous gland

# All adverse events were mild, transient & self-resolving

No unexpected or serious side effects or adverse effects

## DEVICE-RELATED ADVERSE EVENTS >1%

<u>Mild</u> Events	Incidence (%)
Erythema	100%
Edema	98%
Acne flareups	42%
Dryness	18%
Itchiness	2%

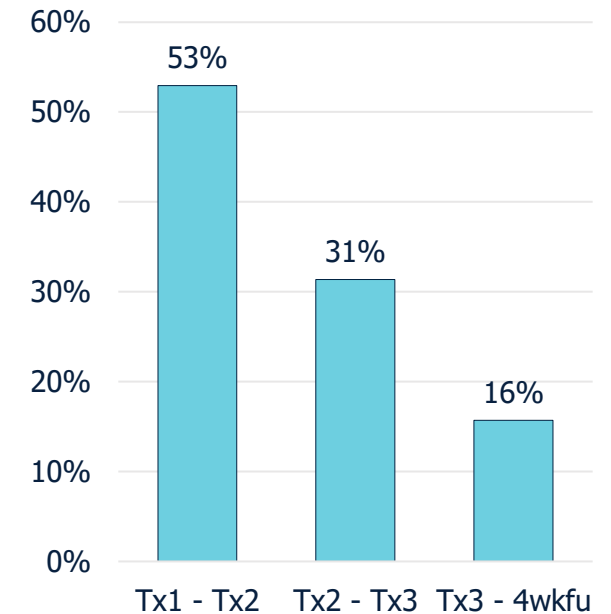
(n=104)

- Erythema & edema lasted from 1 hour to 2 days, with no prolonged patient downtime
- No treatment-related hyperpigmentation observed

# Managing patient journey & expectations (flares)



Acneiform eruptions<sup>1</sup> (n=51)



- Patient reported acne flare-up started 6 days after first treatment
- Ongoing at treatment 2
- Resolved 8 days post treatment
- Patient completed study through week 52

# Across skin types, results speak for themselves

Moderate



Mild



Clear



Skin type: V

Severe



Almost Clear



Clear



Skin type: IV



# Novel solution for population seeking alternatives

## AviClear® positioning

### Mild

⊙ Topicals: OTC & RX



### Moderate

⊙ Topical combination therapies  
⊙ Oral antibiotics



Limit systemic antibiotic use when possible to reduce development of resistance and other associated complications.\*

### Severe

⊙ Oral isotretinoin (refractory)



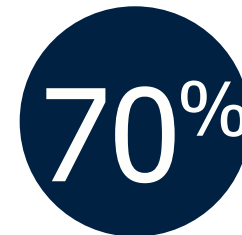
For persons of pregnancy potential, pregnancy prevention is mandatory\*

# The AviClear Patient

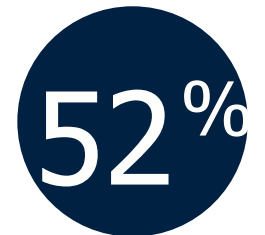
- ④ 20–40-year-old female
- ④ Moderate to severe acne
- ④ Looking for a long-term solution to her acne struggles



out of 10 have moderate  
to severe acne

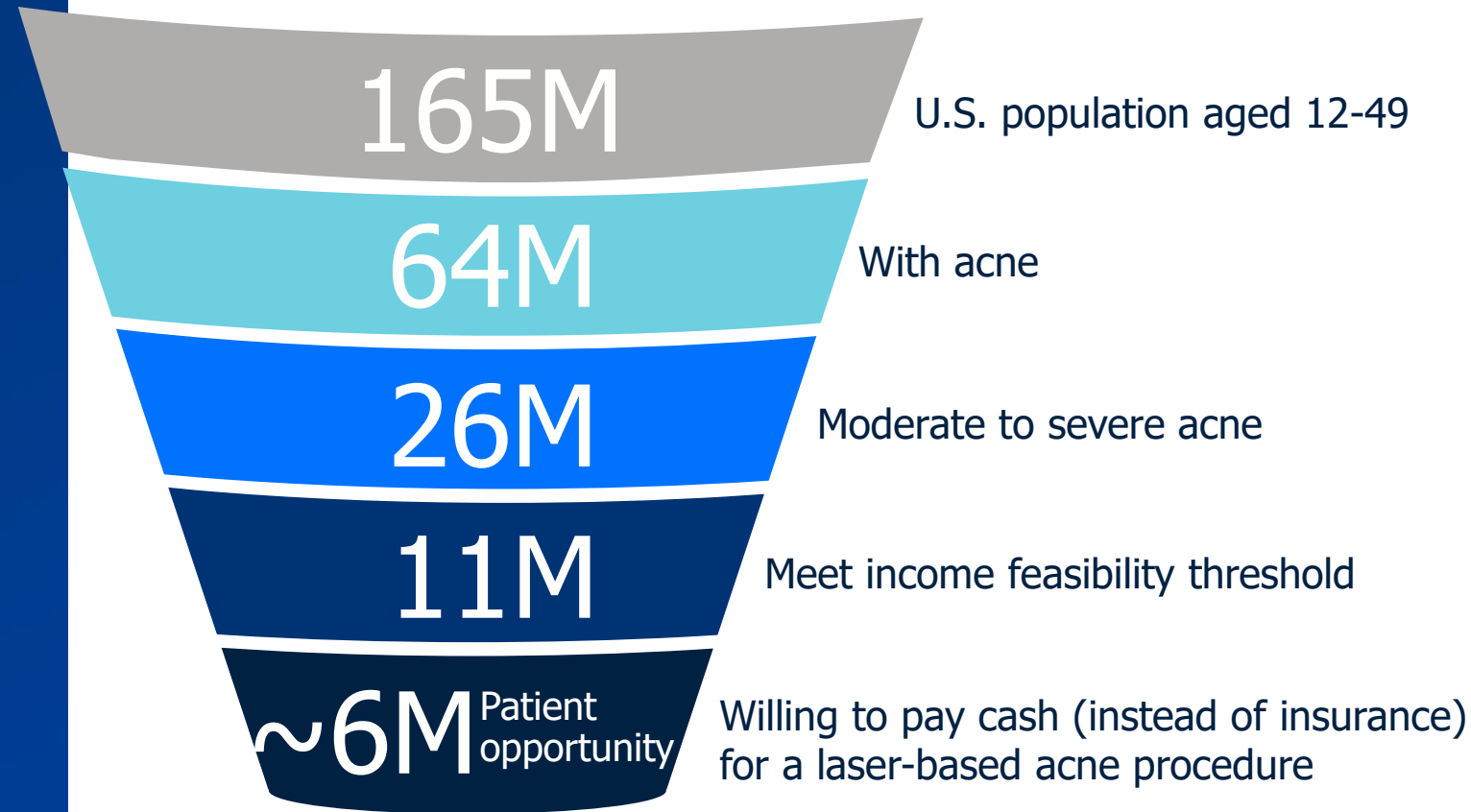


are female



are 20-40  
years old

AviClear®  
candidates  
comprise  
9% to 10% of  
U.S. acne market



# Progress in acne treatment.



Safe, effective and drug-free acne solution



Significantly reduces acne in three treatment sessions<sup>2</sup>



Safe for all skin types and acne severities<sup>2</sup>



Lasting results<sup>1</sup>



Treat any time of year

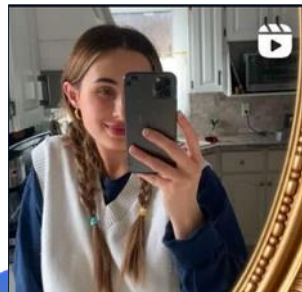


Mild and transient side effects<sup>2</sup>



# Awareness is growing

85%  WORTH IT  
based on 82 recent ratings @ realself.com



“ BEST DECISION EVER!\*

“ My skin is much more manageable.\*

“ Skin has improved & it's only been a couple of months!\*

“ AviClear is definitely worth it.\*

# Committed to empowering customer success

Replicating a practice support playbook with demonstrated results



# Future direction for AviClear®

Pursue acne opportunity while evaluating additional indications<sup>1</sup>

## Optimize AviClear for acne treatment

- Concomitant therapy
- SkinSuite approach to comprehensive patient management
- New handpieces
- Focused and empowered installed base

## Evaluate potential new indications targeting the sebaceous gland

- Sebaceous Hyperplasia
- Hidradenitis Suppurativa

# Strategic Priorities to Accelerate Our Medical Aesthetic Leadership

1

Return to operational excellence

2

Establish AviClear franchise

3

Achieve long-term profitability



# Financial Profile

	2023 Result	2024
Revenue	<p><b>\$212M</b> Includes \$35M Skincare<sup>1</sup></p>	<p><b>Guidance: \$160M to \$170M</b> Includes \$4M Skincare<sup>1</sup></p>
Non-GAAP gross margin	<p><b>34%</b> Ex inventory write-downs, non-GAAP GM would have been ~30% in Q3 and 37% in Q4'2023</p>	<p><b>&gt;40%</b> Improvement driven by operational initiatives</p>
Non-GAAP operating expense	<p><b>\$157M</b></p>	<p>Improvement due primarily to restructuring in Q4'23</p>
Cash burn	<p><b>\$174M</b></p>	<p><b>\$83M to \$89M</b></p> <ul style="list-style-type: none"> <li>• ~50% reduction in burn YoY</li> <li>• 70% of total 2024 burn expected in 1H due to continued working capital build</li> </ul>

# Shaping aesthetics & dermatology with innovation



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A New Energy in Aesthetics

APPENDIX