



Cutera

Company Overview

December 2022



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 Report on Form 10-K filed with the Securities Exchange Commission (the "SEC") on March 1, 2022 and in our Quarterly Report on Form 10-Q filed with the SEC on November 9, 2022, as well as discussions of potential risks, uncertainties, and other important factors in our subsequent filings with the Securities and Exchange Commission. 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.

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. Management bases all estimates as to events that may occur in the future upon their best judgment as of the date of this presentation. Whether or not such estimates may be achieved will depend upon us achieving our overall business objectives and the availability of funds. Actual results will vary from the estimates, and such variations may be material. 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 earnings before interest, taxes, depreciation and amortization, stock-based compensation, executive and other non-recurring separation costs, customer relationship management and enterprise resource planning system costs, and non-recurring legal and litigation costs, and the loss on extinguishment of convertible notes. 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.



Company Overview

Our Vision and Mission



Vision

Creating the future of medical aesthetics

Mission

*To create innovative solutions that harness the power of **science** and **nature** to advance health, beauty, and wellness*

Who We Are

Leader Built upon our Innovation DNA...



- Headquarters: Brisbane, CA
- Founded: 1998 by Silicon Valley laser engineers
- Employees: 600+ people with presence in over 40 countries
- 24 years of serving energy-based aesthetic markets
- Comprehensive portfolio, expanding into clinically-focused dermatology pathologies
- Robust R&D pipeline with several new, novel, and differentiated technologies in play

...Well-Positioned for Growth...

Vertically-Integrated

- Concept Creation
 - Design & Development
 - Sales & Marketing
 - Manufacturing
 - Shipping & Distribution
 - Post-Sales Support



Face & Skin
Rejuvenation¹



Body
Contouring¹



Acne⁶

TAM

\$1B+

\$2B+

\$9B+

CAGR

9%

17%

7%

...With Strong Underlying Financials

1

	Past ²	Current ³	Goals
% Recurring Revenue	23%	34%	> 60%
Revenue Growth	12%	12%	> 20%
Gross Margin ⁴	55%	56%	> 65%

2

Core Product Growth of 14%
CAGR since 2019⁵



3

Strong Balance Sheet with
~\$340M cash & equivalents³



Compelling Upward Trajectory: shifting our financial profile through business transformation and growth

¹ Represents global and 2022 data. Based on publicly available information and Medical Insights

² FY2019

³ Represents Q3 2022 cash and cash equivalents pro forma for approx. \$90M net proceeds from December 2022 convertible debt issuance

⁴ Non-GAAP

⁵ Excluding service revenue; represents FY2019-2021

⁶ Represents global and 2021 data. Based on publicly available information

Potential to be Well-Positioned in a Large and Fast-Growing Market...

Healthy Core Business

\$13.9B

Global Aesthetic Products Market¹

~100M

Global Procedure Volumes Annually¹

~11%

5 Yr. Global Market CAGR¹

7

Consecutive Quarters of Double-Digit Revenue Growth and Topline Beats v. Consensus



Shifting Consumer Demand and Behaviors¹

- ❖ Aging demographics and rising disposable income of younger generations and growing middle class
- ❖ Younger target audience with growing interest from Gen Z and as more millennials are seeking preventive care or earlier rejuvenation intervention
- ❖ Normalization of aesthetic procedures encouraged by social media, influencers, and celebrities
- ❖ Growing appetite and desire for noninvasive treatment options
- ❖ Proliferation of aesthetic service outlets through consolidation and expansion of dermatology practices and med-spas
- ❖ Reimbursement landscape and risk-driving clinicians to consider elective, cash-pay procedures
- ❖ Increased holistic focus on beauty and wellness driven by and sustained through pandemic trends

¹ Based on publicly available information, Medical Insights, internal data

...Led by an Experienced Management Team with Deep Medtech as well as Dermatology Knowledge and Expertise

Picture
Coming
Soon

Sheila Hopkins
Interim CEO



Michael Karavitis
CTO



Picture
Coming
Soon

Stuart Drummond
Interim CFO



Steve Kreider
SVP, Global Marketing



Vik Varma
General Counsel



Roycie Eppler
CHRO



Guy Thier
Chief Information Officer



Mindy Huynh
VP, Strategy & Corp. Development





Acne

Large and Growing Acne Market Ripe for Disruption

US Market Potential

Typical Patient Journey

~50M Acne Sufferers

~6.5M Seek Physician Treatment

Mild
~500K

Moderate
~5.7M

Severe
~300K

~\$3B+ US
Market
Potential

Key Takeaways

- No need to build market – patients already there
- Majority of those seeking treatment in waiting rooms already



Low Hanging Fruit: Accutane/isotretinoin users

Expansive TAM Opportunity: Oral, topicals, PDT users

Vision & Goals

~12,500 Dermatologists

~5,279 US Dermatology Offices

- Become standard of care through physician referral, patient demand, podium presence at industry conferences (American Academy of Dermatology, American Society for Laser Medicine and Surgery)
- Penetrate 40%+ of offices
- International expansion beyond North America
- Installed base of 4000+ in ~4-5 years

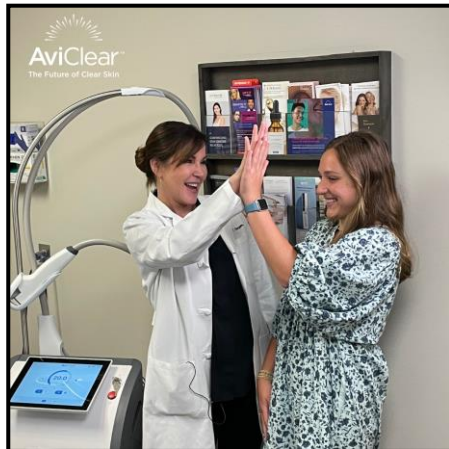
Introducing a Revolutionary First-Mover Solution

Moving Acne from Treatment Journey to Procedure

AviClear™



- First energy-based device to be FDA-cleared for the treatment of mild, moderate, and severe acne
- 1726 nm wavelength



Compelling Value Proposition

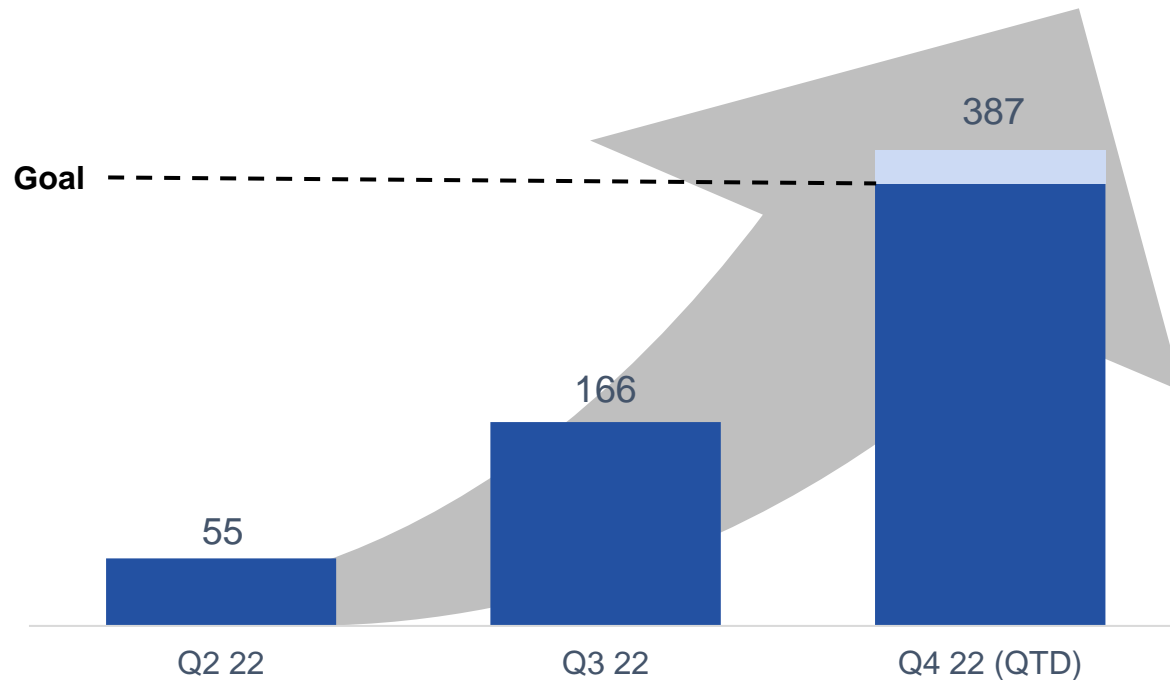
	AviClear™ ^{1,2}	Isotretinoin ³	Photodynamic Therapy ⁴⁻¹⁰
FDA-cleared / approved for acne treatment	✓	✓	✗ ¹¹
Mild Acne	✓	✗	✗
Moderate Acne	✓	✗	✗
Severe Acne	✓	✓	✗
Treatment Duration	Three 30-minute sessions over course of 8 weeks	Daily doses taken over 4-6 months with monthly lab tests and doctor visits	3-4 office visits of 1 – 1.5 hours ¹² , over the course of 2-3 months
Safety/Free of Boxed Warnings	✓	✗	✓
Side Effects / Downtime	Mild / Transient (30 – 45 mins)	Serious / No Downtime	Mild / Extended Downtime (1 wks)
Speed to Receive Treatment	Immediately	For females, at least one month; must have had two negative lab-certified pregnancy tests	Immediately
Effectiveness & Lack of Pain	✓	✓	✗
Estimated Cost (Reimbursed / Out-of-Pocket / Co-pays)	\$3000	All-inclusive patient journey: \$4280	\$2000-\$4000
Convenience / Time Away from Work/School	½ day missed 3 office visits – can return to school or work immediately)	1 to 1 ½ days missed 18 trips between lab, office, and pharmacy	1 day missed + 3 weeks Treatment and post procedure recovery downtime

1 Cutera data on file. 2 FDA clearance study. 3 Isotretinoin FDA Prescribing Information. 4 Ngan V. Photodynamic therapy. 5 Warren CB, et al. Pain Associated with Aminolevulinic Acid-Photodynamic Therapy of Skin Disease. J Am Acad Dermatol. 2009;61(6):1033-1043. 6 Liu L, et al. Combination of 5-Aminolevulinic acid photodynamic therapy and isotretinoin to treat moderate-to-severe acne. Photodiagnosis Photodyn Ther. 2021;34:102215. 7 Durango Dermatology. Levulan Photodynamic Therapy. 8 Ark-La-Tex Dermatology. Blu-light for acne. 9 Jaliman D. Do I need phototherapy for acne? 10 Cole GW. Photodynamic therapy (PDT or Blue Light Therapy). 11 Approved for actinic keratoses but off label use for mild to moderate acne 12 Includes prep and wait time
Source: Cutera press release and publicly available information

Building Momentum in AviClear

Growing Customer Demand Fueling Placement Rates Exceeding our Goals

Cumulative Active Placements



- AviClear demand acceleration aligned to full North American commercial launch
- AviClear demand coming from both medical and aesthetic dermatologists
- Active placements (full account onboarded) exceeded Q4 22 goal of 360 units with 387 units as of November 30, 2022

Patient-First Solution: Robust Clinical Findings Providing Promising Positive Results With Extensive Durability

- **No pain mitigation** therapy needed
- Robust data (3-, 6-, 12-month) showing safety, efficacy, and continual improvement of acne clearance and skin quality over time
- Current clinical studies show that **90% of patients had a visible improvement in their acne at 6 months** after three 30-minute sessions²
- Recent 12-month clinical outcomes demonstrate up to **92% clearance**²
- Cleared in US and Canada; currently seeking approval in other geographies



Results

¹ Internal data on file
² Data on file. FDA clearance study. Cutera, Inc.
Source: Cutera press releases



Core Business

Leveraging Innovation to Transform Our Financial Profile

Past (2019)

- Uncapitalized opportunity in recurring revenue
- Early-stage product pipeline focused on incremental improvements

FY 2019 Recurring Revenue 23%

FY 2019 Revenue Growth 12%

FY 2019 Gross Margin² 55%

Present (2022)

- First mover advantage – acne
- Optimizing current portfolio and channel in international market
- Deeper product pipeline including future first mover indications

YTD 2022 Recurring Revenue¹ 34%

YTD 2022 Revenue Growth¹ 12%

YTD 2022 Gross Margin^{1,2} 56%

Future (2026)

- Leadership in acne and new categories
- Market share gains in body contouring
- Accelerating new development programs
- Greater participation in economics on high volume procedures
- Improved top line growth and gross margin
- Greater recurring revenue mix

Long-Term Recurring Revenue Target > 60%

Long-Term Revenue Growth Target > 20%

Long-Term Gross Margin Target² > 65%

Note: Recurring revenue represent % of total revenue

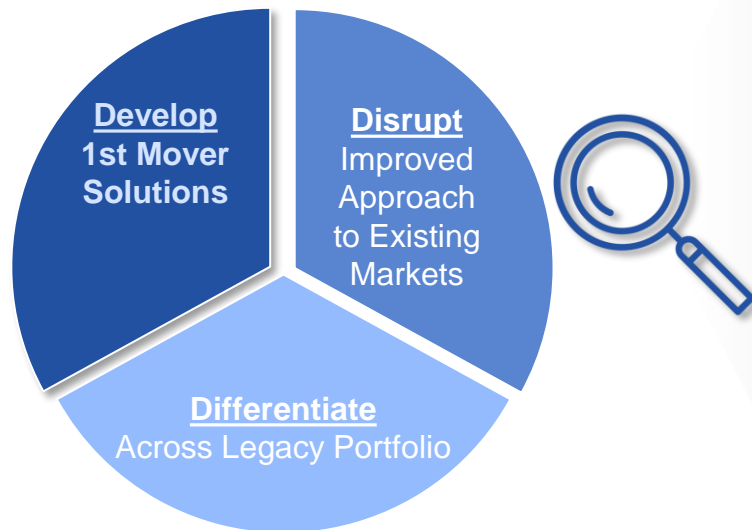
¹ As of YTD Q3 2022

² Non-GAAP

Source: Company 2018, 2019 annual filings and latest 10Q

Core Business Expansion Remains Strong and Attractive

R&D Investment Strategy



Develop

Utilize Engineering Capabilities to Solve Unmet Needs

Aesthetics	Therapeutic
Cellulite	Sebaceous Hyperplasia
Striae (Stretch marks)	Rosacea
Eye Bags	Eczema

Disrupt

Reimagine Solutions to Address the Evolving Needs of Customers

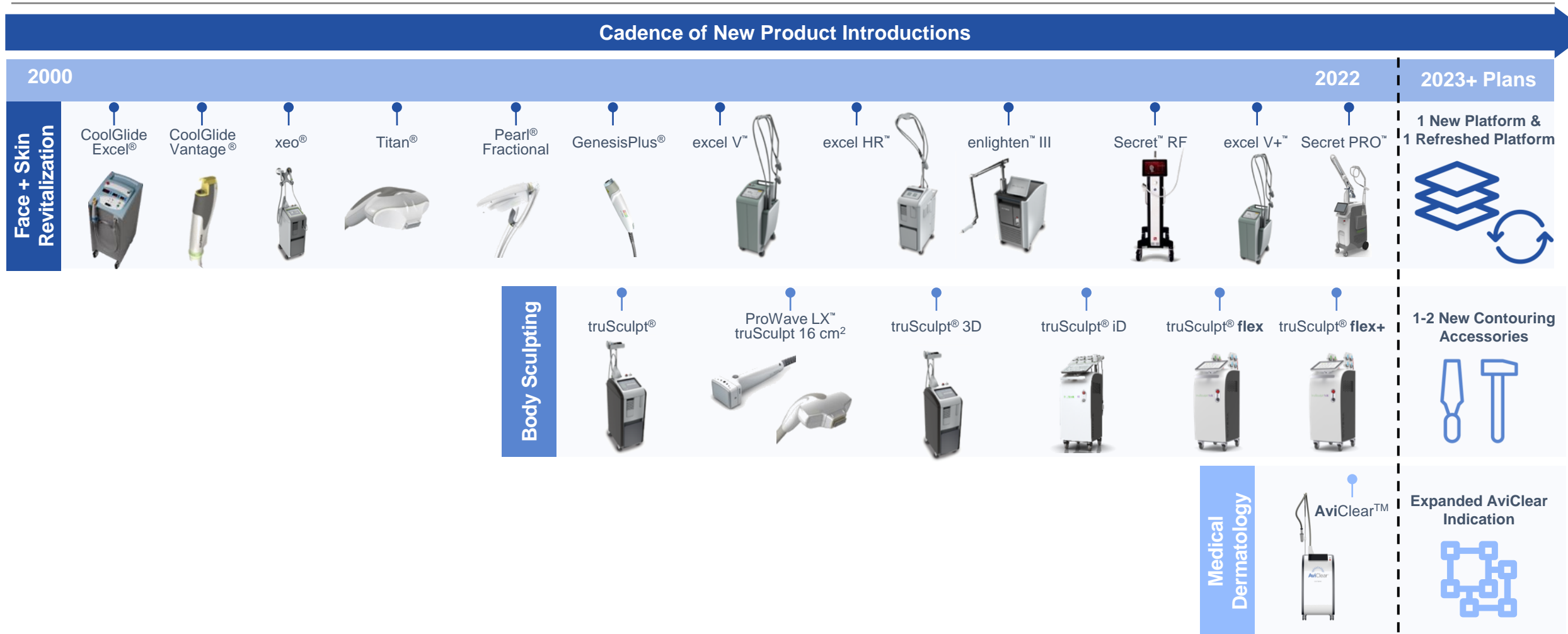
Aesthetics	Therapeutic
Muscle Sculpting (truBody Flex)	Acne Clearance (AviClear™)
Skin Laxity (Tightening)	Acne Scar Revision
Skin Rejuvenation/Revitalization	Picosecond Laser (Pigmentation)

Differentiate

Update & Upgrade Portfolio for Better Outcomes

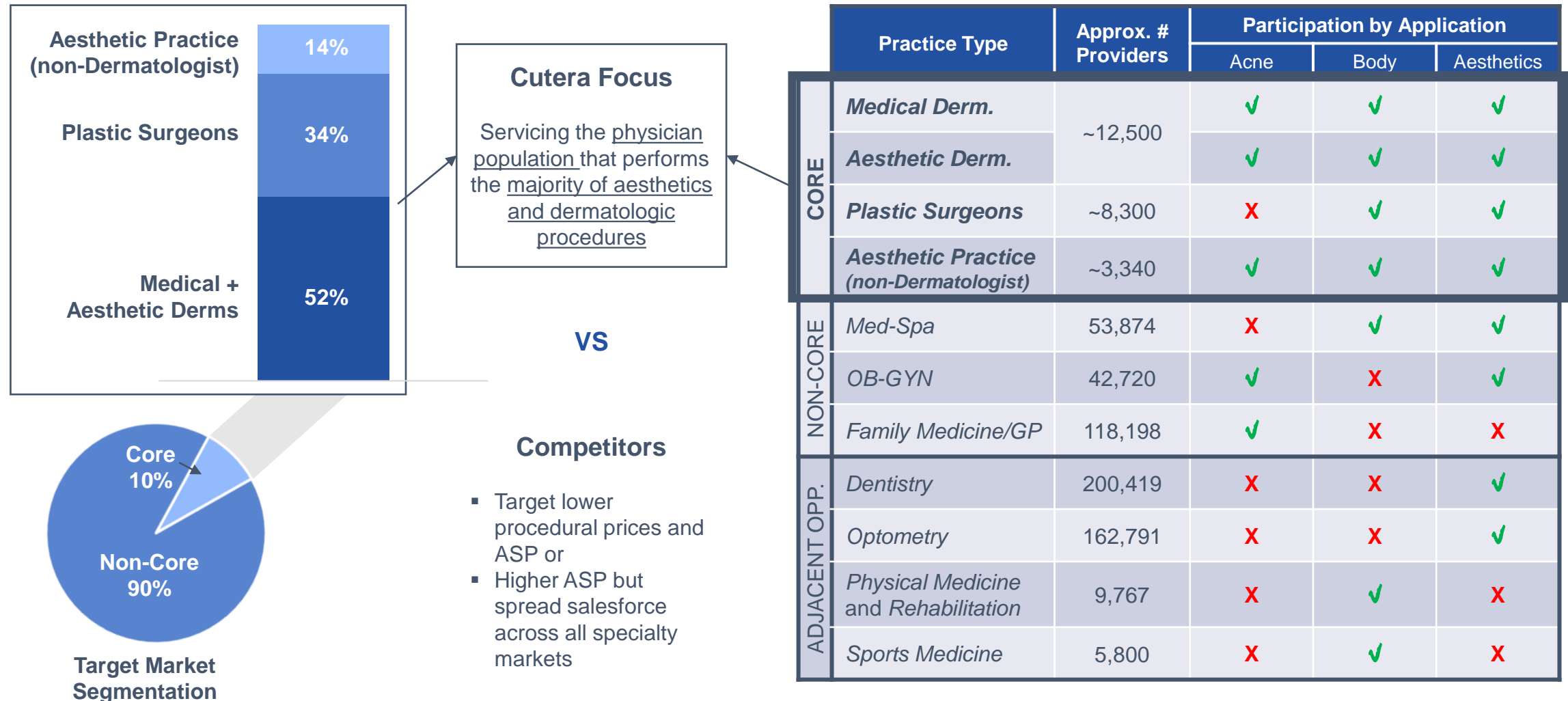
Aesthetics	Therapeutic
High BMI Body Contouring (truBody)	Vascular Laser (excel V+)
Facial Contouring HP (truBody)	Multi-Use (Xeo)

20+ Year Track Record of Delivering Innovation comes from Maintaining a Pipeline of New Products



Focused on Comprehensive Solutions for Core Customers

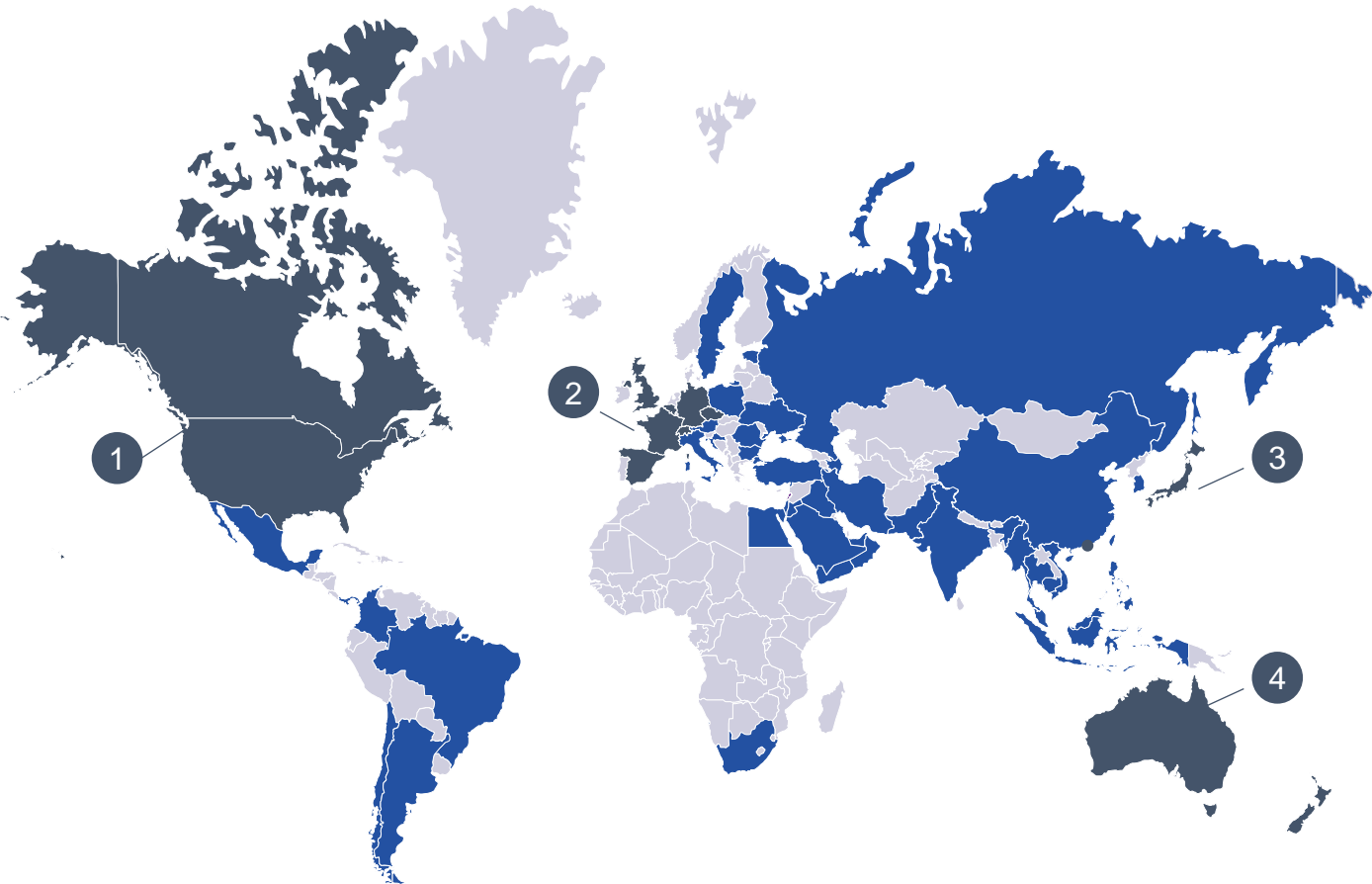
Recognize Large Whitespace Opportunity in Non-Core / Adjacent HCP Specialties



Source: Association of American Medical Colleges (<https://www.aamc.org/about-us/mission-areas/health-care/workforce-studies/interactive-data/number-people-active-physician-specialty-2019>), publicly available information, research reports, and internal estimates

Expanding Footprint and Global Presence

Driven by Clinically-Focused and Robust Sales Infrastructure



		Direct Sales	Distributors		
				% of Rev ¹	Beauty Market Size ²
				Pop. ²	
1	North America	51%	374M	~\$87B	
2	EU	8%	447M	~\$119B	
3	Japan	26%	126M	~\$39B	
4	ANZ + Intercontinental	15%	31M	~\$7B	

40+ countries
12,000+ units placed
~10,000 providers served

1 As of YTD Q3 2022; source: company filings
2 Statista estimates and publicly available information



Financial Performance

Non-GAAP Financial Summary

(\$ in millions)	FY 2020	FY 2021	FY2022 Guidance
Revenue (AviClear not included in Rev.)	\$147.7	\$231.3	\$255 -- \$260
As Reported Growth %	(19%)	57%	10% -- 12%
Constant Currency Growth %			18% -- 20%
Gross Profit	\$78.1	\$134.2	N/A
Margin %	53%	58%	N/A
Operating Expenses	\$82.9	\$113.5	N/A
Adjusted EBITDA	(\$4.8)	\$20.7	\$0 – (\$5)
Net Income (Loss) per Share - Basic	(\$0.35)	\$0.77	N/A



Appendix

Surrounding Physicians with Tools for Success Through Our Partnership-Driven Avi360™ Offering



Patient Financing



**Integration Training
and Coaching**



**Tools to Drive Patient
Awareness & Demand**



**Customized Practice
Strategy**



Cutera App



24/7 Service Support



**Cutera University
Clinical Forum**



**On-demand
Educational Support**

YTD 2022 Reconciliation of GAAP to Non-GAAP Financials

(\$ in Thousands)

	Nine Months Ended September 30, 2022							
	GAAP	Depreciation and Amortization	Stock-Based Compensation	ERP Implementation	Legal - Lutronic	Severance	Other Adjustments	Non-GAAP
Net revenue	\$ 185,046	-	-	-	-	-	-	\$ 185,046
Cost of revenue	83,966	(596)	(1,430)	-	-	(26)	290	82,204
Gross profit	101,080	596	1,430	-	-	26	(290)	102,842
Gross margin %	54.6%							55.6%
Operating expenses:								
Sales and marketing	78,433	(2,328)	(3,855)	-	-	(262)	-	71,988
Research and development	19,747	(180)	(2,513)	-	-	(88)	-	16,966
General and administrative	35,554	(238)	(5,223)	(7,712)	(1,062)	(39)	-	21,280
Total operating expenses	133,734	(2,746)	(11,591)	(7,712)	(1,062)	(389)	-	110,234
Adjusted EBITDA	\$ (32,654)	\$ 3,342	\$ 13,021	\$ 7,712	\$ 1,062	\$ 415	\$ (290)	\$ (7,392)

Note: Adjusted EBITDA = Non-GAAP Income (Loss) from operations. GAAP numbers are disclosed in the latest 10Q
Source: Reported in prior earnings release

FY21 Reconciliation of GAAP to Non-GAAP Financials

(\$ in Thousands)

	<i>Twelve Months Ended December 31, 2021</i>							
	GAAP	Depreciation and Amortization	Stock-Based Compensation	CRM and ERP Implementation	Severance	Legal - Lutronic	Other Adjustments	Non-GAAP
Net revenue	\$ 231,270	-	-	-	-	-	-	\$ 231,270
Cost of revenue	98,165	(526)	(1,408)	-	-	-	791	97,022
Gross margin	133,105	526	1,408	-	-	-	(791)	134,248
Gross margin %	57.6%							58.0%
Operating expenses:								
Sales and marketing	76,762	(2,420)	(3,160)	(182)	(638)	-	-	70,362
Research and development	21,568	(182)	(2,784)	-	-	-	-	18,602
General and administrative	32,945	(60)	(5,820)	(1,316)	-	(1,201)	-	24,548
Total operating expenses	131,275	(2,662)	(11,764)	(1,498)	(638)	(1,201)	-	113,512
Adjusted EBITDA	\$ 1,830	\$ 3,188	\$ 13,172	\$ 1,498	\$ 638	\$ 1,201	\$ (791)	\$ 20,736

Note: Adjusted EBITDA = Non-GAAP Income (Loss) from operations. GAAP numbers are disclosed in the company's FY2021 10K
Source: Reported in prior earnings release

FY20 Reconciliation of GAAP to Non-GAAP Financials

(\$ in Thousands)

	Twelve Months Ended December 31, 2020							
	GAAP	Depreciation and Amortization	Stock-Based Compensation	CRM and ERP Implementation	Severance	Legal -Former CFO Settlement/Lutronic	Other Adjustments	Non-GAAP
Net revenue	\$ 147,683	-	-	-	-	-	-	\$ 147,683
Cost of revenue	71,911	(591)	(1,665)	-	(318)	-	275	69,612
Gross margin	75,772	591	1,665	-	318	-	(275)	78,071
Gross margin %	51.3%							52.9%
Operating expenses:								
Sales and marketing	52,766	(3,136)	(3,384)	-	(274)	-	-	45,972
Research and development	14,322	(149)	(1,670)	-	(130)	-	-	12,373
General and administrative	31,512	(111)	(3,390)	(1,139)	(101)	(1,925)	(324)	24,522
Total operating expenses	98,600	(3,396)	(8,444)	(1,139)	(505)	(1,925)	(324)	82,867
Adjusted EBITDA	\$ (22,828)	\$ 3,987	\$ 10,109	\$ 1,139	\$ 823	\$ 1,925	\$ 49	\$ (4,796)

Note: Adjusted EBITDA = Non-GAAP Income (Loss) from operations. GAAP numbers are disclosed in the company's FY2020 10K
Source: Reported in prior earnings release

FY19 Reconciliation of GAAP to Non-GAAP Financials

(\$ in Thousands)

	Twelve Months Ended December 31, 2019					
	GAAP	Depreciation and Amortization	Stock-Based Compensation	CRM and ERP Implementation	Other Adjustments	Non-GAAP
Net revenue	\$ 181,712	-	-	-	-	\$ 181,712
Cost of revenue	83,549	(522)	(1,572)	-	-	81,455
Gross margin	98,163	522	1,572	-	-	100,257
Gross margin %	54.0%					55.2%
Operating expenses:						
Sales and marketing	71,109	(3,627)	(4,510)	(325)	-	62,647
Research and development	15,085	(109)	(1,536)	-	-	13,440
General and administrative	24,033	(205)	(2,214)	(1,089)	(614)	19,911
Total operating expenses	110,227	(3,941)	(8,260)	(1,414)	(614)	95,998
Adjusted EBITDA	\$ (12,064)	\$ 4,463	\$ 9,832	\$ 1,414	\$ 614	\$ 4,259

Note: Adjusted EBITDA = Non-GAAP Income (Loss) from operations. GAAP numbers are disclosed in the company's FY2019 10K

Source: Reported in prior earnings release



Thank you

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