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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 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  
Date of Report (Date of earliest event reported): August 4, 2022

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**PROCEPT BIOROBOTICS CORPORATION**  
(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-40797**  
(Commission  
File Number)

**26-0199180**  
(IRS Employer  
Identification Number)

**900 Island Drive**  
**Redwood City, California 94065**  
(Address of principal executive offices, including Zip Code)

**Registrant's telephone number, including area code: (650) 232-7200**

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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:

- 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))

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

| Title of each class                                | Trading<br>Symbol(s) | Name of each exchange<br>on which registered |
|--|----------------------|--|
| <b>Common Stock, \$0.00001 par value per share</b> | <b>PRCT</b>          | <b>The Nasdaq Stock Market LLC</b>           |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

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## Item 2.02 Results of Operations and Financial Condition

On August 4, 2022, PROCEPT BioRobotics Corporation (the "Company") issued a press release announcing its financial results for the quarter ended June 30, 2022. The full text of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information in this Current Report on Form 8-K (including Exhibit 99.1) shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section, nor shall it be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

## Item 9.01 Financial Statements and Exhibits.

| <u>Exhibit No.</u> | <u>Description</u>   |
|--------------------|--|
| 99.1               | <a href="#">Press Release of PROCEPT BioRobotics Corporation, dated August 4, 2022</a> |
| 104                | Cover Page Interactive Data File, formatted in Inline XBRL.                            |

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**SIGNATURES**

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

**PROCEPT BIROBOTICS CORPORATION**

Date: August 4, 2022

By: /s/ Alaleh Nouri

Alaleh Nouri

Chief Legal Officer and Secretary



## PROCEPT BioRobotics Reports Second Quarter 2022 Financial Results and Increases 2022 Revenue Guidance

REDWOOD CITY, Calif., August 4, 2022 -- PROCEPT® BioRobotics Corporation (Nasdaq: PRCT) (the "Company"), a surgical robotics company focused on advancing patient care by developing transformative solutions in urology, today reported unaudited financial results for the quarter ended June 30, 2022.

### Recent Highlights

- Total Revenue of \$16.7 million for the second quarter of 2022, an increase of 97% compared to the prior year period
- U.S. system and rental revenue of \$8.5 million for the second quarter of 2022, an increase of 79% compared to the prior year period
- U.S. handpiece and consumables revenue of \$5.7 million for the second quarter of 2022, an increase of 246% compared to the prior year period
- Increased fiscal year 2022 total revenue guidance range to \$66.0 million to \$68.0 million, representing growth of 91% to 97% compared to 2021
- CMS published its 2023 proposed rule for the Hospital Outpatient Prospective Payment System. Included in the hospital payment schedule is the proposal for Aquablation to remain at a Level 6 APC code
- Received positive coverage policy decisions from Aetna, and numerous Blue Cross Blue Shield associated insurance providers
- Published positive 4-year WATER II Study Data. PROCEPT BioRobotics remains the only company to complete an FDA study in prostates larger than 80 milliliters

"The second quarter of 2022 was another strong quarter for the Company, delivering total revenue growth of 97%," said Reza Zadno, Chief Executive Officer. "We continue to execute our strategic growth plan of penetrating high-volume hospitals, increasing utilization by treating the full range of prostate sizes and shapes, and expanding private payor coverage. Given this positive momentum and the announcement of our long term clinical data highlighting durability, we believe Aquablation therapy will truly revolutionize the treatment of BPH."

### Second Quarter 2022 Financial Results

Revenue for the second quarter of 2022 was \$16.7 million, an increase of 97% compared to the prior year period. The increase was primarily driven by U.S. revenues, including both system sales to new hospital customers and increased handpiece revenue. U.S. system revenue was \$8.5 million, an increase of 79% compared to the prior year period. Growth was influenced largely by strong underlying demand from high-volume BPH hospitals. As of June 30, 2022, the install base of AquaBeam Robotic Systems in the U.S. was 114 systems. U.S. handpiece and consumable revenue for the quarter was \$5.7 million, an increase of 246% compared to the prior year period. International revenue was \$1.9 million for the quarter.

Gross margin for the second quarter 2022 was 51% compared to 42% in the prior year period. Gross margin improvement was driven by higher U.S. sales, increased average selling prices of the AquaBeam robotic system and higher production volume as the Company spread the fixed portion of manufacturing overhead costs across a larger number of units produced.

Operating expenses in the second quarter of 2022 were \$26.4 million, compared with \$16.8 million in the prior year period. The increase was primarily driven by increased selling, general and administrative expenses to expand the sales organization and increased expenses associated with being a public company.

Net loss was \$19.2 million for the second quarter of 2022, compared to a loss of \$14.6 million in the prior year period. Adjusted EBITDA was a loss of \$14.6 million for the second quarter of 2022, compared to a loss of \$11.6 million in the prior year period.

Cash and short-term investments as of June 30, 2022, totaled \$269.8 million, while long-term borrowings totaled \$50.0 million.

### Full Year 2022 Financial Guidance

- The Company projects revenue for the full year 2022 to range from \$66 million to \$68 million, which represents 91% to 97% growth over the company's prior year revenue. This compares to previous revenue guidance of \$58 million to \$62 million.
- The Company projects full year 2022 Gross Margin guidance to be in the range of 50% to 51%. This compares to previous Gross Margin guidance range of 47% to 49%.

- The Company projects full year 2022 total operating expense guidance of approximately \$110 million. This compares to previous total operating expense guidance of approximately \$106 million.
- The Company continues to project full year 2022 Adjusted EBITDA loss to be in the range of (\$63) million to (\$60) million.

Adjusted EBITDA is a financial measure that is not prepared in accordance with generally accepted accounting principles in the United States (GAAP). For more information about the Company's use of non-GAAP financial measures, please see the section below titled "Use of Non-GAAP Financial Measures (Unaudited)."

#### **Webcast and Conference Call Information**

PROCEPT BioRobotics will host a conference call to discuss the second quarter 2022 financial results after the market close on Thursday, August 4th, 2022, at 1:30 p.m. Pacific Time / 4:30 p.m. Eastern Time

Investors interested in listening to the conference call may do so by following one of the below links:

- Webcast link for interested listeners:
  - <https://edge.media-server.com/mmc/p/87bcav5x>
- Dial-in registration for sell-side research analysts:
  - <https://register.vevent.com/register/BI70e85eb9b03a42e8831726c78237aea4>

Live audio of the webcast will be available on the "Investors" section of the company's website at: <https://ir.procept-biorobotics.com>.

An archived recording will be available on the "Investors" section of the company's website at: <https://ir.procept-biorobotics.com>. The webcasts will be available for replay for at least 90 days after the event.

#### **About PROCEPT BioRobotics Corporation**

PROCEPT BioRobotics is a surgical robotics company focused on advancing patient care by developing transformative solutions in urology. PROCEPT BioRobotics develops, manufactures and sells the AquaBeam Robotic System, an advanced, image-guided, surgical robotic system for use in minimally invasive urologic surgery with an initial focus on treating benign prostatic hyperplasia, or BPH. BPH is the most common prostate disease and impacts approximately 40 million men in the United States. PROCEPT BioRobotics designed Aquablation therapy to deliver effective, safe and durable outcomes for males suffering from lower urinary tract symptoms, or LUTS, due to BPH that are independent of prostate size and shape or surgeon experience. The Company has developed a significant and growing body of clinical evidence, which includes nine clinical studies and over 100 peer-reviewed publications, supporting the benefits and clinical advantages of Aquablation therapy.

#### **Use of Non-GAAP Financial Measures (Unaudited)**

This press release references Adjusted EBITDA, a financial measure that is not prepared in accordance with generally accepted accounting principles in the United States (GAAP). The Company defines Adjusted EBITDA as earnings before interest expense, taxes, depreciation and amortization and stock-based compensation. Non-GAAP financial measures are not a substitute for or superior to measures of financial performance prepared in accordance with GAAP and should not be considered as an alternative to any other performance measures derived in accordance with GAAP.

The Company believes that presenting Adjusted EBITDA provides useful supplemental information to investors about the Company in understanding and evaluating its operating results, enhancing the overall understanding of its past performance and future prospects, and allowing for greater transparency with respect to key financial metrics used by its management in financial and operational decision making. However, there are a number of limitations related to the use of non-GAAP measures and their nearest GAAP equivalents. For example, other companies may calculate non-GAAP measures differently, or may use other measures to calculate their financial performance, and therefore any non-GAAP measures the Company uses may not be directly comparable to similarly titled measures of other companies.

#### **Forward Looking Statements**

This release contains forward-looking statements within the meaning of federal securities laws, including with respect to the Company's projected financial performance for full year 2022, statements regarding the potential utilities, values, benefits and advantages of Aquablation® therapy performed using PROCEPT BioRobotics' products, including AquaBeam® Robotic System, which involve risks and uncertainties that could cause the actual results to differ materially from the anticipated results and expectations expressed in these forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements. Forward-looking statements are only predictions based on our current expectations, estimates, and assumptions, valid only as of the date they are made, and subject to risks and uncertainties, some of which we are not currently aware. Forward-looking statements may include statements regarding financial guidance, market opportunity and penetration, the Company's possible or assumed future results of operations, including descriptions of the Company's revenues, gross margin, profitability, operating expenses, installed base growth, commercial momentum, reimbursement coverage, overall business strategy, or information regarding the impact of the COVID-19 pandemic and other global events on the Company and its operations. Forward-looking statements should not be read as a guarantee of future performance or results and may not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. These forward-looking statements are based on the Company's current expectations and inherently involve significant risks and uncertainties. Actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of these risks and uncertainties. These risks and uncertainties are described more fully in the section titled "Risk Factors" in the Company's filings with the Securities and Exchange Commission

(the "SEC"), including the Company's annual report on Form 10-K filed with the SEC on March 22, 2022. PROCEPT BioRobotics does not undertake any obligation to update forward-looking statements and expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein. These forward-looking statements should not be relied upon as representing PROCEPT BioRobotics' views as of any date subsequent to the date of this press release.

**Important Safety Information**

All surgical treatments have inherent and associated side effects. For a list of potential side effects visit <https://aquablation.com/safety-information/>

**Investor Contact:**

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**PROCEPT BioRobotics Corporation**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except per share data)  
(unaudited)

|  | Three Months Ended June 30, |             | Six Months Ended June 30, |             |
|--|-----------------------------|-------------|---------------------------|-------------|
|  | 2022                        | 2021        | 2022                      | 2021        |
| Revenue                                    | \$ 16,691                   | \$ 8,476    | \$ 30,888                 | \$ 15,668   |
| Cost of sales                              | 8,205                       | 4,893       | 14,710                    | 8,558       |
| Gross profit                               | 8,486                       | 3,583       | 16,178                    | 7,110       |
| Operating expenses:                        |                             |             |                           |             |
| Research and development                   | 6,706                       | 4,476       | 11,717                    | 8,998       |
| Selling, general and administrative        | 19,655                      | 12,299      | 38,040                    | 22,648      |
| Total operating expenses                   | 26,361                      | 16,775      | 49,757                    | 31,646      |
| Loss from operations                       | (17,875)                    | (13,192)    | (33,579)                  | (24,536)    |
| Interest expense                           | (1,441)                     | (1,436)     | (2,862)                   | (2,900)     |
| Interest and other income, net             | 132                         | 48          | 72                        | 34          |
| Net loss                                   | \$ (19,184)                 | \$ (14,580) | \$ (36,369)               | \$ (27,402) |
| Net loss per share, basic and diluted      | \$ (0.43)                   | \$ (2.60)   | \$ (0.82)                 | \$ (5.25)   |
| Weighted-average common shares used to     |                             |             |                           |             |
| Compute net loss per share attributable to |                             |             |                           |             |
| Common shareholders, basic and diluted     | 44,324                      | 5,597       | 44,091                    | 5,216       |

**PROCEPT BioRobotics Corporation**  
**RECONCILIATION OF GAAP NET LOSS TO ADJUSTED EBITDA**  
(in thousands)  
(unaudited)

|   | Three Months Ended June 30, |             | Six Months Ended June 30, |             |
|---|-----------------------------|-------------|---------------------------|-------------|
|   | 2022                        | 2021        | 2022                      | 2021        |
| Net loss                                    | \$ (19,184)                 | \$ (14,580) | \$ (36,369)               | \$ (27,402) |
| Depreciation and amortization expense       | 717                         | 850         | 1,475                     | 1,765       |
| Stock-based compensation expense            | 2,676                       | 725         | 4,228                     | 1,375       |
| Interest (income) and interest expense, net | 1,196                       | 1,388       | 2,581                     | 2,866       |
| Adjusted EBITDA                             | \$ (14,595)                 | \$ (11,617) | \$ (28,085)               | \$ (21,396) |

**PROCEPT BioRobotics Corporation**  
**RECONCILIATION OF GAAP NET LOSS TO ADJUSTED 2022 EBITDA Guidance**  
(in thousands)  
(unaudited)

|   | <b>Low</b>         | <b>High</b>        |
|---|--------------------|--------------------|
| Net loss                                    | \$ (83,100)        | \$ (80,100)        |
| Depreciation and amortization expense       | 3,300              | 3,300              |
| Stock-based compensation expense            | 11,400             | 11,400             |
| Interest (income) and interest expense, net | 5,400              | 5,400              |
| Adjusted EBITDA                             | <u>\$ (63,000)</u> | <u>\$ (60,000)</u> |

**PROCEPT BioRobotics Corporation**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands)  
(unaudited)

|   | June 30, 2022 | December 31, 2021 |
|---|---------------|-------------------|
| <b>Assets</b>                               |               |                   |
| Current assets:                             |               |                   |
| Cash and cash equivalents                   | \$ 269,806    | \$ 304,320        |
| Accounts receivable, net                    | 10,894        | 4,464             |
| Inventory                                   | 13,777        | 13,147            |
| Prepaid expenses and other current assets   | 3,860         | 4,242             |
| Total current assets                        | 298,337       | 326,173           |
| Restricted cash                             | 3,814         | 777               |
| Property and equipment, net                 | 4,397         | 5,045             |
| Operating lease right-of-use assets, net    | 2,463         | 3,279             |
| Intangible assets, net                      | 1,614         | 1,750             |
| Other assets                                | 302           | —                 |
| Total assets                                | \$ 310,927    | \$ 337,024        |
| <b>Liabilities and Stockholders' Equity</b> |               |                   |
| Current liabilities:                        |               |                   |
| Accounts payable                            | \$ 3,342      | \$ 2,029          |
| Accrued compensation                        | 6,906         | 6,475             |
| Deferred revenue                            | 1,863         | 1,025             |
| Operating lease – current portion           | 2,258         | 2,105             |
| Other current liabilities                   | 4,264         | 4,608             |
| Total current liabilities                   | 18,633        | 16,242            |
| Note payable – non-current portion          | 50,507        | 50,004            |
| Operating lease – non-current portion       | 829           | 1,991             |
| Loan facility derivative liability          | 1,570         | 1,496             |
| Other non-current liabilities               | 200           | 200               |
| Total liabilities                           | 71,739        | 69,933            |
| Stockholders' equity:                       |               |                   |
| Additional paid-in capital                  | 537,046       | 528,666           |
| Accumulated other comprehensive loss        | 32            | (54)              |
| Accumulated deficit                         | (297,890)     | (261,521)         |
| Total stockholders' equity                  | 239,188       | 267,091           |
| Total liabilities and stockholders' equity  | \$ 310,927    | \$ 337,024        |



**PROCEPT BioRobotics Corporation**  
**REVENUE BY TYPE AND GEOGRAPHY**  
(in thousands)  
(unaudited)

|                                  | Three Months Ended June 30, |          | Six Months Ended June 30, |           |
|----------------------------------|-----------------------------|----------|---------------------------|-----------|
|                                  | 2022                        | 2021     | 2022                      | 2021      |
| <b>U.S.</b>                      |                             |          |                           |           |
| System sales and rentals         | \$ 8,516                    | \$ 4,770 | \$ 16,270                 | \$ 9,330  |
| Handpieces and other consumables | 5,723                       | 1,653    | 10,167                    | 3,274     |
| Service                          | 567                         | 137      | 929                       | 209       |
| Total U.S. revenue               | 14,806                      | 6,560    | 27,366                    | 12,813    |
| <b>Outside of U.S.</b>           |                             |          |                           |           |
| System sales and rentals         | 869                         | 973      | 1,610                     | 1,244     |
| Handpieces and other consumables | 832                         | 890      | 1,578                     | 1,493     |
| Service                          | 184                         | 53       | 334                       | 118       |
| Total outside of U.S. revenue    | 1,885                       | 1,916    | 3,522                     | 2,855     |
| Total revenue                    | \$ 16,691                   | \$ 8,476 | \$ 30,888                 | \$ 15,668 |