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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

May 7, 2019

Date of Report (Date of earliest event reported)

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**Penumbra, Inc.**

(Exact name of registrant as specified in its charter)

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**Delaware**

(State or other jurisdiction of incorporation or  
organization)

**001-37557**

(Commission File No.)

**05-0605598**

(I.R.S. employer identification number)

**One Penumbra Place  
Alameda, CA 94502**

(Address of principal executive offices, including zip code)

**(510) 748-3200**

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations 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))

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 May 7, 2019, Penumbra, Inc. issued a press release announcing financial results for the first fiscal quarter ended March 31, 2019. A copy 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 furnished on this Current Report on Form 8-K, including the attached exhibit, 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 incorporated by reference into any other filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

**Item 9.01. Financial Statements and Exhibits.**

<u>Exhibit Number</u>	<u>Description</u>
<a href="#">99.1</a>	Press release of Penumbra, Inc. dated May 7, 2019.

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**EXHIBIT INDEX**

Exhibit Number

Description

[99.1](#)

Press release of Penumbra, Inc. dated May 7, 2019.

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**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 hereunto duly authorized.

**Penumbra, Inc.**

Date: May 7, 2019

By: /s/ Sri Kosaraju

Sri Kosaraju

Chief Financial Officer and Head of Strategy



Press Release

## Penumbra, Inc. Reports First Quarter 2019 Financial Results

ALAMEDA, Calif., May 7, 2019 (PR Newswire) - Penumbra, Inc. (NYSE: PEN), a global healthcare company focused on innovative therapies, today reported financial results for the first quarter ended March 31, 2019.

- **Revenue of \$128.4 million in the first quarter of 2019, an increase of 25.1%, or 27.2% in constant currency<sup>1</sup>, over the first quarter of 2018.**

### First Quarter 2019 Financial Results

Total revenue grew to \$128.4 million for the first quarter of 2019 compared to \$102.7 million for the first quarter of 2018, an increase of 25.1%, or 27.2% on a constant currency basis. The United States represented 64% of total revenue and international represented 36% of total revenue for the first quarter of 2019. Revenue from sales of neuro products grew to \$81.5 million for the first quarter of 2019, an increase of 14.1%, or 16.5% on a constant currency basis. Revenue from sales of vascular products grew to \$47.0 million for the first quarter of 2019, an increase of 50.2%, or 51.8% on a constant currency basis.

Gross profit was \$83.9 million, or 65.3% of total revenue, for the first quarter of 2019, compared to \$66.6 million, or 64.8% of total revenue, for the first quarter of 2018.

Total operating expenses for the first quarter of 2019 were \$72.8 million, or 56.6% of total revenue. This compares to total operating expenses of \$62.5 million, or 60.9% of total revenue, for the first quarter of 2018. R&D expenses were \$11.7 million for the first quarter of 2019, compared to \$8.0 million for the first quarter of 2018. SG&A expenses were \$61.1 million for the first quarter of 2019, compared to \$54.5 million for the first quarter of 2018.

Operating income for the first quarter of 2019 was \$11.2 million, compared to operating income of \$4.0 million for the first quarter of 2018.

### Webcast and Conference Call Information

Penumbra, Inc. will host a conference call to discuss the first quarter 2019 financial results after market close on Tuesday, May 7, 2019 at 4:30 PM Eastern Time. The conference call can be accessed live over the phone by dialing (866) 393-4306 for domestic callers or (734) 385-2616 for international callers (conference id: 6096838), or the webcast can be accessed on the "Events" section under the "Investors" tab of the Company's website at: [www.penumbrainc.com](http://www.penumbrainc.com). The webcast will be available on the Company's website for at least two weeks following the completion of the call.

### About Penumbra

Penumbra, Inc., headquartered in Alameda, California, is a global healthcare company focused on innovative therapies. Penumbra designs, develops, manufactures and markets innovative products and has a broad portfolio that addresses challenging medical conditions and significant clinical needs across two major markets, neuro and vascular. Penumbra sells its products to hospitals primarily through its direct sales organization in the United States, most of Europe, Canada and Australia, and through distributors in select international markets. The Penumbra logo is a trademark of Penumbra, Inc. For more information, visit [www.penumbrainc.com](http://www.penumbrainc.com).

<sup>1</sup> See "Non-GAAP Financial Measures" for important information about our use of constant currency and other non-GAAP measures.

## **Non-GAAP Financial Measures**

In addition to financial measures prepared in accordance with U.S. generally accepted accounting principles (“GAAP”), the Company uses the following non-GAAP financial measures in this press release: a) non-GAAP net income and non-GAAP diluted earnings per share (“EPS”) and b) constant currency.

*Non-GAAP net income and non-GAAP diluted EPS.* The Company defines non-GAAP net income as net income attributable to Penumbra, Inc. excluding a) the income tax effects from the Tax Cuts and Jobs Act of 2017 (the “Tax Reform Act”) and b) the effects of the excess tax benefits associated with share-based compensation arrangements. The Company defines non-GAAP diluted EPS as GAAP diluted EPS, excluding the effects of the same items above.

*Constant Currency.* The Company’s constant currency revenue disclosures estimate the impact of changes in foreign currency rates on the translation of the Company’s current period revenue as compared to the applicable comparable period in the prior year. This impact is derived by taking the current local currency revenue and translating it into U.S. dollars based upon the foreign currency exchange rates used to translate the local currency revenue for the applicable comparable period in the prior year, rather than the actual exchange rates in effect during the current period. It does not include any other effect of changes in foreign currency rates on the Company’s results or business.

Full reconciliation of these non-GAAP measures to the most comparable GAAP measures is set forth in the tables below.

Our management believes the non-GAAP financial measures disclosed in this press release are useful to investors in assessing the operating performance of our business and provide meaningful comparisons to prior periods and thus a more complete understanding of our business than could be obtained absent this disclosure. Specifically, we consider the change in constant currency revenue as a useful metric as it provides an alternative framework for assessing how our underlying business performed excluding the effect of foreign currency rate fluctuations. We consider non-GAAP net income and non-GAAP diluted EPS useful metrics as they provide an alternative framework for assessing how our underlying business performed excluding the one-time effects of the transition tax from the Tax Reform Act and the excess tax benefits associated with share-based compensation arrangements, net of any related valuation allowance.

The non-GAAP financial measures included in this press release may be different from, and therefore may not be comparable to, similarly titled measures used by other companies. These non-GAAP measures should not be considered in isolation or as alternatives to GAAP measures. We urge investors to review the reconciliation of these non-GAAP financial measures to the comparable GAAP financial measures included in this press release, and not to rely on any single financial measure to evaluate our business.

## **Forward-Looking Statements**

Except for historical information, certain statements in this press release are forward-looking in nature and are subject to risks, uncertainties and assumptions about us. Our business and operations are subject to a variety of risks and uncertainties and, consequently, actual results may differ materially from those projected by any forward-looking statements. Factors that could cause actual results to differ from those projected include, but are not limited to: failure to sustain or grow profitability or generate positive cash flows; failure to effectively introduce and market new products; delays in product introductions; significant competition; inability to further penetrate our current customer base, expand our user base and increase the frequency of use of our products by our customers; inability to achieve or maintain satisfactory pricing and margins; manufacturing difficulties; permanent write-downs or write-offs of our inventory; product defects or failures; unfavorable outcomes in clinical trials; inability to maintain our culture as we grow; fluctuations in foreign currency exchange rates; potential adverse regulatory actions; and potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may make. These risks and uncertainties, as well as others, are discussed in greater detail in our filings with the Securities and Exchange Commission (SEC), including our Annual Report on Form 10-K for the year ended December 31, 2018 filed with the SEC on February 26, 2019. There may be additional risks of which we are not presently aware or that we currently believe are immaterial which could have an adverse impact on our business. Any forward-looking statements are based on our current expectations, estimates and assumptions regarding future events and are applicable only as of the dates of such statements. We make no commitment to revise or update any forward-looking statements in order to reflect events or circumstances that may change.

**Penumbra, Inc.**  
**Condensed Consolidated Balance Sheets**  
**(unaudited)**  
**(in thousands)**

	March 31, 2019	December 31, 2018
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 95,606	\$ 67,850
Marketable investments	99,241	133,039
Accounts receivable, net	94,679	81,896
Inventories	121,691	115,741
Prepaid expenses and other current assets	11,869	12,200
Total current assets	423,086	410,726
Property and equipment, net	35,380	35,407
Operating lease right-of-use assets	42,376	—
Intangible assets, net	26,813	27,245
Goodwill	7,659	7,813
Deferred taxes	31,862	32,940
Other non-current assets	1,613	875
Total assets	\$ 568,789	\$ 515,006
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 7,692	\$ 8,176
Accrued liabilities	58,032	57,886
Current operating lease liabilities	3,688	—
Total current liabilities	69,412	66,062
Deferred rent	—	7,586
Non-current operating lease liabilities	46,070	—
Other non-current liabilities	16,644	18,943
Total liabilities	132,126	92,591
Stockholders' equity:		
Common stock	34	34
Additional paid-in capital	419,514	415,084
Accumulated other comprehensive loss	(2,578)	(1,942)
Retained earnings	19,762	9,064
Total Penumbra, Inc. stockholders' equity	436,732	422,240
Non-controlling interest	(69)	175
Total stockholders' equity	436,663	422,415
Total liabilities and stockholders' equity	\$ 568,789	\$ 515,006

**Penumbra, Inc.**  
**Condensed Consolidated Statements of Operations**  
**(unaudited)**  
**(in thousands, except share and per share amounts)**

	Three Months Ended March 31,	
	2019	2018
Revenue	\$ 128,439	\$ 102,701
Cost of revenue	44,529	36,144
Gross profit	83,910	66,557
Operating expenses:		
Research and development	11,667	8,013
Sales, general and administrative	61,091	54,499
Total operating expenses	72,758	62,512
Income from operations	11,152	4,045
Interest income, net	733	749
Other income (expense), net	24	(290)
Income before income taxes and equity in losses of unconsolidated investee	11,909	4,504
Provision for (benefit from) income taxes	1,455	(1,938)
Income before equity in losses of unconsolidated investee	10,454	6,442
Equity in losses of unconsolidated investee	—	(951)
Consolidated net income	\$ 10,454	\$ 5,491
Net loss attributable to non-controlling interest	(244)	—
Net income attributable to Penumbra, Inc.	\$ 10,698	\$ 5,491
Net income attributable to Penumbra, Inc. per share:		
Basic	\$ 0.31	\$ 0.16
Diluted	\$ 0.30	\$ 0.15
Weighted average shares outstanding:		
Basic	34,507,279	33,846,142
Diluted	36,213,164	35,917,051

**Penumbra, Inc.**  
**Reconciliation of GAAP Net Income and Diluted EPS to Non-GAAP Net Income and Non-GAAP Diluted EPS**<sup>1</sup>  
**(unaudited)**  
**(in thousands, except per share amounts)**

	Three Months Ended March 31, 2019		Three Months Ended March 31, 2018	
	Net income	Diluted EPS	Net income	Diluted EPS
GAAP net income	\$ 10,698	\$ 0.30	\$ 5,491	\$ 0.15
GAAP net income includes the effect of the following items:				
Effect of the transition tax under the Tax Reform Act <sup>2</sup>	—	—	88	—
Excess tax benefits related to stock compensation awards	(2,244)	(0.07)	(3,364)	(0.09)
Non-GAAP net income	\$ 8,454	\$ 0.23	\$ 2,215	\$ 0.06

<sup>1</sup> See “Non-GAAP Financial Measures” for important information about our use of non-GAAP measures and further information about our non-GAAP net income and non-GAAP diluted EPS measures.

<sup>2</sup> On December 22, 2017, the Tax Reform Act was enacted into law. This new tax law, among other changes, reduces the Company’s U.S. federal statutory corporate income tax rate from 34% to 21% effective January 1, 2018. During the three months ended March 31, 2018, the Company recorded a provisional tax charge for the one-time transition tax on the undistributed earnings of its foreign subsidiaries.

**Penumbra, Inc.**  
**Reconciliation of Revenue Growth by Geographic Regions to Constant Currency Revenue Growth**<sup>3</sup>  
**(unaudited)**  
**(in thousands)**

	Three Months Ended March 31,		Reported Change		FX Impact	Constant Currency Change	
	2019	2018	\$	%	\$	\$	%
	United States	\$ 82,511	\$ 65,801	\$ 16,710	25.4 %	\$ —	\$ 16,710
International	45,928	36,900	9,028	24.5 %	2,214	11,242	30.5 %
Total	\$ 128,439	\$ 102,701	\$ 25,738	25.1 %	\$ 2,214	\$ 27,952	27.2 %

**Penumbra, Inc.**  
**Reconciliation of Revenue Growth by Product Categories to Constant Currency Revenue Growth**<sup>3</sup>  
**(unaudited)**  
**(in thousands)**

	Three Months Ended March 31,		Reported Change		FX Impact	Constant Currency Change	
	2019	2018	\$	%	\$	\$	%
	Neuro	\$ 81,471	\$ 71,433	\$ 10,038	14.1 %	\$ 1,714	\$ 11,752
Vascular	46,968	31,268	15,700	50.2 %	500	16,200	51.8 %
Total	\$ 128,439	\$ 102,701	\$ 25,738	25.1 %	\$ 2,214	\$ 27,952	27.2 %

<sup>3</sup> See “Non-GAAP Financial Measures” for important information about our use of constant currency and other non-GAAP measures.

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Source: Penumbra, Inc.