

Sientra, Inc.  
Form S-1/A  
October 20, 2014

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As filed with the Securities and Exchange Commission on October 20, 2014

Registration No. 333-198837

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**AMENDMENT NO. 2  
TO**

**FORM S-1  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

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**Sientra, Inc.**

(Exact name of Registrant as specified in its charter)

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

**3842**  
(Primary Standard Industrial  
Classification Code Number)  
**420 South Fairview Avenue, Suite 200**  
**Santa Barbara, CA 93117**  
**(805) 562-3500**

**20-5551000**  
(I.R.S. Employer  
Identification Number)

(Address, including zip code, and telephone number, including  
area code, of Registrant's principal executive offices)

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**Hani Zeini**  
**Founder, President and Chief Executive Officer**  
**Sientra, Inc.**  
**420 South Fairview Avenue, Suite 200**  
**Santa Barbara, CA 93117**  
**(805) 562-3500**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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## Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
(Do not check if a smaller reporting company)

## CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered <sup>(1)</sup>	Proposed maximum offering price per share	Proposed maximum aggregate offering price <sup>(1)(2)</sup>	Amount of registration fee <sup>(3)</sup>
Common Stock, \$0.01 par value per share	5,750,000	\$16.00	\$92,000,000	\$10,690.40

(1) Includes the additional shares that the underwriters have the option to purchase.

(2) Estimated solely for the purpose of calculating the amount of the registration fee in accordance with Rule 457(a) under the Securities Act of 1933, as amended, based on an estimate of the proposed maximum aggregate offering price.

(3)

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Previously paid.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment that specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

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**The information in this prospectus is not complete and may be changed. We may not sell these securities until the Securities and Exchange Commission declares our registration statement effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

**Subject to completion, dated October 20, 2014**

**5,000,000 Shares**

## **SIENTRA, INC.**

### **Common Stock**

**\$ per share**

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Sientra, Inc. is offering 5,000,000 shares.

We anticipate that the initial public offering price will be between \$14.00 and \$16.00 per share.

This is our initial public offering and no public market currently exists for our shares.

Proposed trading symbol: "SIEN."

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**This investment involves risk. See "Risk Factors" beginning on page 14.**

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, and as such, have elected to comply with certain reduced public company reporting requirements for this prospectus and future filings.

	<b>Per Share</b>	<b>Total</b>
Public offering price	\$	\$
Underwriting discount <sup>(1)</sup>	\$	\$
Proceeds to Sientra, Inc., before expenses	\$	\$

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<sup>(1)</sup> See "Underwriting" for additional information regarding underwriting compensation.

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*We have granted to the underwriters an option to purchase up to 750,000 additional shares of common stock from us at the public offering price, less the underwriting discount, for 30 days after the date of this prospectus.*

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The underwriters expect to deliver the shares of common stock to investors on or about \_\_\_\_\_, 2014.

**Piper Jaffray**

**Stifel**

**Leerink Partners**

**William Blair**

The date of this prospectus is \_\_\_\_\_, 2014.

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You should rely only on the information contained in this prospectus or any related free writing prospectus we may authorize to be delivered to you. We have not, and the underwriters have not, authorized any other person to provide you with different information. We and the underwriters take no responsibility for, and can provide no assurances as to the reliability of, any information that others may give you. This prospectus is not an offer to sell, nor is it seeking an offer to buy, these securities in any state where the offer or sale is not permitted. The information in this prospectus is only accurate as of the date of this prospectus, regardless of the time or delivery of this prospectus and any sale of our common stock.

We further note that the representations, warranties and covenants made by us in any agreement that is filed as an exhibit to the registration statement of which this prospectus is a part were made solely for the benefit of the parties to such agreement, including, in some cases, for the purpose of allocating risk among the parties to such agreement, and should not be deemed to be a representation, warranty or covenant made to you or for your benefit. Moreover, such representations, warranties or covenants were accurate only as of the date they were made. Accordingly, such representations, warranties and covenants should not be relied on as accurately representing the current state of our affairs.

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**Trademarks**

Our trademark portfolio contains five registered U.S. trademarks, including Sientra®, Simplicity is Beauty®, Sientra Simplicity is Beauty®, Anatomical Controlled® and ACX®, and six Canadian trademark applications. This prospectus contains additional trademarks and trade names of others, which are the property of their respective owners. Solely for convenience, the trademarks and trade names in this prospectus are referred to without the ® and ™ symbols, but such references should not be construed as any indicator that we will not assert, to the fullest extent under applicable law, our rights thereto.

**Investors Outside of the United States**

Neither we nor any of the underwriters have taken any action that would permit this offering or the possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of shares of our common stock and the distribution of this prospectus outside of the United States.

**Market and Industry Data and Forecasts**

Certain market and industry data and forecasts included in this prospectus were obtained from independent market research, industry publications and surveys, governmental agencies and publicly available information. Industry surveys, publications and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. We believe the data from such third-party sources to be reliable. However, we have not independently verified any of such data and cannot guarantee its accuracy or completeness. Similarly, internal market research and industry forecasts, which we believe to be reliable based upon our management's knowledge of the market and the industry, have not been verified by any independent sources. While we are not aware of any misstatements regarding the market or industry data presented herein, our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading "Risk Factors," "Special Note Regarding Forward-Looking Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this prospectus.



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**PROSPECTUS SUMMARY**

*This prospectus summary provides an overview of certain information appearing elsewhere in this prospectus. This prospectus summary is not complete and does not contain all of the information that you should consider before making a decision to invest in our common stock. You are encouraged to carefully read this entire prospectus, including the information provided under the headings "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and the related notes, before investing in our common stock. Unless otherwise stated in this prospectus, references to "Sientra," "we," "us," "our" or "the Company" refer to Sientra, Inc.*

**Overview**

We are a medical aesthetics company committed to making a difference in patients' lives by enhancing their body image, growing their self-esteem and restoring their confidence. We were founded to provide greater choice to board-certified plastic surgeons and patients in need of medical aesthetics products. We have developed a broad portfolio of products with technologically differentiated characteristics, supported by independent laboratory testing and strong clinical trial outcomes. We sell our breast implants and breast tissue expanders, or Breast Products, exclusively to board-certified and board-admissible plastic surgeons and tailor our customer service offerings to their specific needs, which we believe helps secure their loyalty and confidence. These advantages have allowed us to increase our market share each year since we entered the market in 2012.

Our primary products are silicone gel breast implants for use in breast augmentation and breast reconstruction procedures, which we offer in over 120 variations of shapes, sizes and textures. Our breast implants are primarily used in elective procedures which are generally performed on a cash-pay basis. Many of our breast implants incorporate one or more differentiated technologies, including a proprietary high-strength, cohesive silicone gel and proprietary texturing branded TRUE Texture. Our breast implants offer a desired balance between strength, shape retention and softness due to the high-strength, cohesive silicone gel used in our manufacturing process. TRUE Texture provides texturing on the implant shell that is designed to reduce the incidence of malposition, rotation and capsular contracture, a complication in which the patient's body creates a scar-tissue capsule around the implant that can tighten and squeeze the implant potentially causing discomfort, pain and even dislocation of the implant. We also offer breast tissue expanders and a range of other aesthetic and specialty products. We do not have any patents or patent applications, but rely on trade secrets, proprietary know-how and regulatory barriers to protect our products and technologies.

Our breast implants were approved by the U.S. Food and Drug Administration, or FDA, in 2012, based on data we collected from our ongoing, long-term clinical trial of our breast implants in 1,788 women across 36 investigational sites in the United States. Our clinical trial is the largest prospective, long-term safety and effectiveness pivotal study of breast implant patients in the United States. The clinical data we collected over a five-year follow-up period demonstrated rupture rates, capsular contracture rates and reoperation rates that were comparable to or better than those of our competitors, based on our competitors' published six-year data. In addition to our pivotal study, our clinical data is supported by our Continued Access Study of 2,497 women in the United States. We have also commissioned a number of bench trials run by independent laboratories that we believe further demonstrate the advantages of our breast implants over those of our competitors.

We sell our Breast Products exclusively to board-certified and board-admissible plastic surgeons, as determined by the American Board of Plastic Surgery, who we refer to as Plastic Surgeons. These surgeons have completed the extensive multi-year plastic surgery residency training required by the American Board of Plastic Surgery. Plastic Surgeons are thought leaders in the medical aesthetics

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industry. According to the American Society of Plastic Surgeons, or ASPS, there are approximately 6,400 board-certified plastic surgeons in the United States. We seek to provide Plastic Surgeons with differentiated services, including enhanced customer service offerings, a ten-year limited warranty that is the best-in-the-industry based on providing patients with the largest cash reimbursement for certain out-of-pocket costs related to revision surgeries in a covered event; a lifetime no-charge implant replacement program for covered ruptures; and our industry-first CapCon Care Program, or C3 Program, through which we offer no-charge replacement implants to breast augmentation patients who experience capsular contracture within the first five years after implantation with our smooth or textured breast implants.

Breast augmentation surgery remains the leading aesthetic surgical procedure by dollars and number of procedures in the United States. Based on the number of procedures reported by either the American Society for Aesthetic Plastic Surgery, or ASAPS, or by ASPS, and our estimates of average selling price, implant mix and implants per procedure, we estimate that the U.S. market for breast implants and breast tissue expanders exceeded \$600 million in 2013. Based on data from ASAPS and ASPS, between 1997 and 2013, the number of breast augmentation and breast reconstruction procedures has grown at a compound annual growth rate of approximately 7.3% and 4.4%, respectively.

We commenced sales of our breast implants in the United States in the second quarter of 2012. Our net sales were \$35.2 million for the year ended December 31, 2013, as compared to \$10.4 million for the year ended December 31, 2012. Our net sales were \$21.9 million for the six months ended June 30, 2014, as compared to \$17.9 million for the six months ended June 30, 2013. Our net loss was \$19.1 million for the year ended December 31, 2013, as compared to \$23.4 million for the year ended December 31, 2012. Our net loss was \$1.2 million for the six months ended June 30, 2014, as compared to \$9.6 million for the six months ended June 30, 2013. Our accumulated deficit as of June 30, 2014 was \$129.4 million.

**Our Market**

The overall market for medical aesthetic procedures is significant, and awareness and acceptance of these procedures is growing in the United States. According to ASAPS, in 2013, consumers in the United States spent approximately \$12.4 billion on aesthetic procedures overall, including both surgical and non-invasive cosmetic treatments. Of this amount, more than \$7.2 billion was spent on aesthetic surgical procedures.

Breast augmentation surgery remains the leading aesthetic surgical procedure by dollars and number of procedures in the United States. According to ASAPS, over 313,000 primary breast augmentation procedures and 55,000 revision augmentation procedures were performed in the United States in 2013. These procedures provide cosmetic solutions generally to enhance breast size and shape, correct breast asymmetries or help restore fullness after breastfeeding. For breast reconstruction, ASPS estimates that approximately 96,000 procedures were performed in the United States in 2013. These procedures are a surgical solution generally used to restore a breast to near normal shape and appearance following a mastectomy and typically utilize a breast tissue expander prior to implantation of a breast implant. Based on the number of procedures reported by ASAPS and by ASPS, and our estimates of average selling price, implant mix and implants per procedure, we estimate that the U.S. market for breast implants and breast tissue expanders exceeded \$600 million in 2013. Based on data from ASAPS and ASPS, between 1997 and 2013, the number of breast augmentation and breast reconstruction procedures has grown at a compound annual growth rate of approximately 7.3% and 4.4%, respectively.

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**Our Opportunity**

We believe a significant opportunity exists in the U.S. marketplace due to the high barriers to entry in the U.S. breast implant market and the historical lack of product and service innovation for Plastic Surgeons.

For more than 20 years prior to the FDA approval of our breast implants in 2012, only two companies manufactured and distributed breast implants in the United States. We believe that this market concentration is largely a result of the considerable costs and risks associated with the lengthy regulatory approval process required by the FDA, which has created a significant barrier to entry in the U.S. breast implant market. All new breast implants require pre-market approval, or PMA, from the FDA before they may be marketed in the United States. The PMA application process is lengthy and uncertain, and the PMA application must be supported by valid scientific evidence, which typically requires long-term follow-up of a large number of enrolled patients, as well as extensive technical, pre-clinical, clinical and manufacturing data to demonstrate safety and effectiveness. At present, we are not aware of any ongoing clinical studies in the United States for silicone breast implants other than those post-approval studies being performed by us and our two U.S. competitors. We believe that in the near term, it is likely that the companies currently providing silicone breast implants in the United States will continue to be the only companies servicing the U.S. silicone breast implant market.

We believe the rigorous FDA approval process and the existence of only two competitors in the U.S. market have historically contributed to a lack of technological innovation in the U.S. breast implant industry resulting in limited product choices. Until recently, surgeons in the United States were only able to purchase basic round breast implants from our two U.S. competitors, while surgeons outside of the United States were able to purchase technologically-advanced round and anatomically-shaped breast implants.

**Our Competitive Strengths**

We believe that we are well positioned to take advantage of opportunities afforded by current market dynamics. By focusing on products with technologically differentiated characteristics, demonstrating strong clinical data, offering more product choice and providing services tailored specifically to the needs of Plastic Surgeons, we believe we can continue to enhance our position in the breast implant market. Our competitive strengths include:

***Differentiated silicone gel and texturing technologies.*** We incorporate differentiated technologies into our breast implants, including a proprietary high-strength, cohesive silicone gel and proprietary texturing branded TRUE Texture. Our breast implants offer a desired balance between strength, shape retention and softness due to the high-strength, cohesive silicone gel used in our manufacturing process. In addition, TRUE Texture technology provides texturing on the implant shell that is designed to reduce the incidence of malposition, rotation and capsular contracture. We do not have any patents or patent applications, but rely on trade secrets, proprietary know-how and regulatory barriers to protect our products and technologies.

***Strong clinical trial outcomes.*** Our clinical trial results demonstrate the safety and effectiveness of our breast implants. Our breast implants were approved by the FDA based on data we collected from our ongoing, long-term clinical trial of our breast implants in 1,788 women across 36 investigational sites in the United States. The clinical data we collected over a five-year follow-up period demonstrated rupture rates, capsular contracture rates and reoperation rates that were comparable to or better than those of our competitors, based on our competitors' published six-year data.

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***Innovative services that deliver an improved customer experience.*** Our customer service offerings are intended to accommodate and anticipate the needs of Plastic Surgeons so that they can focus on providing better services to their patients. We provide a ten-year limited warranty that is the best-in-the-industry based on providing patients with the largest cash reimbursement for certain out-of-pocket costs related to revision surgeries in a covered event; a lifetime no-charge implant replacement program for covered ruptures; and our industry-first C3 Program through which we offer no-charge replacement implants to breast augmentation patients who experience capsular contracture within the first five years after implantation with our smooth or textured breast implants. We also offer specialized educational initiatives and a streamlined ordering, shipping and billing process.

***Board-certified plastic surgeon focus.*** We sell our Breast Products exclusively to board-certified and board-admissible plastic surgeons who are thought leaders in the medical aesthetics industry. We address the specific needs of Plastic Surgeons through continued product innovation, expansion of our product portfolio and enhanced customer service offerings. We believe that securing the loyalty and confidence of Plastic Surgeons is essential to our success and that our association with Plastic Surgeons enhances our credibility and aligns with our focus on making a difference in patients' lives.

***Proven and experienced leadership team.*** We have a highly experienced management team at both the corporate and operational levels with significant experience in the medical aesthetics industry. Members of our senior management team collectively have more than 125 years of medical aesthetics industry experience.

**Our Strategy**

Our objective is to become a leading provider of differentiated medical aesthetic products and services tailored to meet the needs of Plastic Surgeons, allowing us to deliver on our commitment to enhance and make a difference in patients' lives. We are currently focused on growing the breast implant and breast tissue expander markets and our share of them in the United States, and intend to leverage our capabilities into new or complementary aesthetic products or technologies and new geographic markets or market segments. To achieve our objective, we are pursuing the following business strategies:

***Create awareness of our differentiated technologies, products and services with Plastic Surgeons and consumers.*** To date, we have focused most of our marketing efforts on Plastic Surgeons to promote and create awareness of the benefits of our products. We believe that investing in expanded marketing initiatives will have a positive impact on our business. We offer educational initiatives exclusively to Plastic Surgeons through our Sientra Education Forum. We also plan to expand our recent initiative to educate consumers considering breast augmentation or breast reconstruction about our technologies, products and services to drive adoption of our products.

***Enhance our sales capabilities and marketing programs to drive adoption of our products.*** We intend to increase our direct sales capabilities through the hiring of additional, experienced sales representatives and support staff. We believe that continued expansion of our sales team will allow us to broaden our market reach and educate a broader group of Plastic Surgeons on the benefits of our products.

***Invest in clinical studies and peer reviewed articles with key opinion leaders.*** We intend to continue to invest in clinical studies in order to provide published peer reviewed articles that support the clinical benefits of our products and technologies over those of our competitors. We believe our relationship with Plastic Surgeons and our continued focus on providing differentiated products and services will allow us to leverage our existing capabilities to increase our share of the breast implant market specifically and the medical aesthetics market generally.

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***Broaden our product portfolio and launch new products and services.*** We plan to continue to develop products that address the unmet needs of Plastic Surgeons and patients by leveraging our innovative technologies in combination with our regulatory and product development expertise. We have a number of new Breast Products under development with different characteristics and configurations. We believe these expanded product choices will allow Plastic Surgeons to potentially achieve better outcomes for their patients.

***Expand to new markets.*** We are pursuing regulatory approval for our breast implants in Canada and intend to expand into the Canadian market upon receipt of such approval. We regularly evaluate additional expansion opportunities and in the future may also expand our business to cover new markets and geographic territories.

***Selectively pursue acquisitions.*** We may selectively pursue domestic and international acquisitions of businesses or technologies that may allow us to leverage our relationships with Plastic Surgeons and our existing commercial infrastructure to provide us with new or complementary products or technologies, and allow us to compete in new geographic markets or market segments or to increase our market share.

**Recent Developments**

Our financial results for the three and nine months ended September 30, 2014 are not yet finalized. However, the following information reflects our preliminary expectations with respect to such results based on information currently available to management.

We expect to report that our net sales for the three months ended September 30, 2014 will be between approximately \$10.3 million and \$10.6 million, representing an increase of 29% to 33%, as compared to approximately \$8.0 million for the three months ended September 30, 2013. Additionally, we expect to report that our net sales for the nine months ended September 30, 2014 will be between approximately \$32.3 million and \$32.6 million, representing an increase of 24% to 26%, as compared to approximately \$25.9 million for the nine months ended September 30, 2013. These estimated increases in our net sales from the same periods in the prior year are primarily driven by sales of our Breast Products in the United States resulting from increased commercialization activities, including the expansion of our sales organization, increased marketing activities and greater familiarity with our products and customer service offerings by Plastic Surgeons. As of September 30, 2014, our sales organization included 42 employees, as compared to 36 employees as of September 30, 2013.

We expect to report that our cost of goods sold for the three months ended September 30, 2014 will be between approximately \$2.8 million and \$3.0 million, as compared to approximately \$2.0 million for the three months ended September 30, 2013. Additionally, we expect to report that our cost of goods sold for the nine months ended September 30, 2014 will be between approximately \$8.3 million and \$8.5 million, as compared to approximately \$6.4 million for the nine months ended September 30, 2013. These estimated increases in our cost of goods sold from the same periods in the prior year are primarily due to an increase in sales volume. Our gross margin for the three and nine months ended September 30, 2014 is expected to decrease, as compared to the same periods in the prior year, primarily due to manufacturing price increases, targeted pricing programs and an increase in overhead related to warehouse operations.

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We expect to report that our operating expenses for the three months ended September 30, 2014 will be between approximately \$8.5 million and \$8.8 million, as compared to approximately \$12.2 million for the three months ended September 30, 2013. Additionally, we expect to report that our operating expenses for the nine months ended September 30, 2014 will be between approximately \$27.7 million and \$28.0 million, as compared to approximately \$35.0 million for the nine months ended September 30, 2013. These estimated decreases in our operating expenses from the same periods in the prior year are primarily due to a decrease in expenses related to the Mentor litigation and the Grader Street arbitration, partially offset by an increase in employee related expense for the sales department, an increase in marketing costs and expenses related to the federal excise tax and accounting costs.

We expect to report that other (expense) income, net for the three months ended September 30, 2014 will be approximately (\$0.7) million, as compared to approximately (\$0.3) million for the three months ended September 30, 2013. Additionally, we expect to report that other (expense) income, net for the nine months ended September 30, 2014 will be approximately \$0.7 million, as compared to approximately (\$0.7) million for the nine months ended September 30, 2013. Other (expense) income, net for the three months ended September 30, 2014 is primarily associated with interest expense on our term loans. Other (expense) income, net for the nine months ended September 30, 2014 is primarily associated with income from recovery of costs associated with the Mentor litigation of approximately \$2.4 million, partially offset by interest expense on our terms loans of approximately \$1.5 million. Other (expense) income, net for the three and nine months ended September 30, 2013 was primarily associated with interest expense on our term loans.

These preliminary estimates are the responsibility of management, reflect management's estimates based solely upon information available to it as of the date of this prospectus and are not a comprehensive statement of our financial results for the three and nine months ended September 30, 2014 and 2013. In addition, our independent registered public accounting firm, KPMG LLP, has not audited, reviewed or performed any procedures with respect to these preliminary financial estimates or the accounting treatment thereof and does not express an opinion or any other form of assurance with respect thereto. We expect to complete our unaudited financial statements for the quarter ended September 30, 2014 subsequent to the completion of this offering. It is possible that we or our independent registered public accounting firm may identify items that require us to make adjustments to the financial information set forth above and those changes could be material.

The ranges for the preliminary estimated financial results described above constitute forward-looking statements. Actual results may vary materially from the information contained in these forward-looking statements based on a number of factors, including those discussed under the heading "Risk Factors" and "Special Note Regarding Forward-Looking Statements." Accordingly, you should not place undue reliance upon this preliminary information. The preliminary information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and the related notes included elsewhere in this prospectus.

**Risks Related to Our Business and Our Industry**

Our business is subject to numerous risks and uncertainties of which you should be aware before you decide to invest in our common stock. These risks may prevent us from achieving our business objectives, and may adversely affect our business, financial condition, results of operations and

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prospects. These risks are discussed in greater detail in the section entitled "Risk Factors" beginning on page 14 of this prospectus, including the following:

we have incurred significant net operating losses since inception and cannot assure you that we will achieve profitability;

our future profitability depends on the success of our Breast Products;

we rely on a foreign, sole source, third-party to manufacture and supply our silicone gel breast implants, tissue expanders and other products;

there are inherent risks in contracting with manufacturers located outside of the United States such as in Brazil;

various factors outside our direct control may adversely affect manufacturing and supply of our breast implants, tissue expanders and other products;

we have a limited operating history and may face difficulties encountered by companies early in their commercialization in competitive and rapidly evolving markets;

if we fail to compete effectively against our competitors, many of whom have greater resources than we have, our net sales and operating results may be negatively affected;

pricing pressure from customers and our competitors may impact our ability to sell our products at prices necessary to support our current business strategies;

the long-term (defined as 10 years or more) safety of our products has not fully been established and our breast implants are currently under study in our PMA and post-approval studies, which could reveal unanticipated complications;

we are subject to extensive federal and state regulation, and if we fail to comply with applicable regulations, we could suffer severe criminal or civil sanctions or be required to restructure our operations, any of which could adversely affect our business, financial condition and operating results;

if our intellectual property rights do not adequately protect our products or technologies, others could compete against us more directly, which would hurt our profitability;

any negative publicity concerning our products could harm our business and reputation and negatively impact our financial results; and

other factors set forth under "Risk Factors" in this prospectus.

**Corporate Information**

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We were incorporated in Delaware in August 2003 as Juliet Medical, Inc. and changed our name to Sientra, Inc. in April 2007. Our principal executive offices are located at 420 South Fairview Avenue, Suite 200, Santa Barbara, California 93117 and our telephone number is (805) 562-3500. Our website is [www.sientra.com](http://www.sientra.com). The information on our website or accessible through our website is not incorporated by reference into this prospectus, and you should not consider information contained on our website or accessible through our website to be a part of this prospectus or in deciding whether to purchase our common stock.

### **Implications of Being an Emerging Growth Company**

As a company with less than \$1.0 billion in revenue during our last fiscal year, we qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. An emerging growth company may take advantage of specified reduced reporting



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requirements and is relieved of certain other significant requirements that are otherwise generally applicable to public companies. As an emerging growth company:

we are permitted to present only two years of audited financial statements and only two years of related Management's Discussion and Analysis of Financial Condition and Results of Operations in this prospectus;

we are exempt from the requirement to obtain an attestation and report from our auditors on the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act of 2002;

we are permitted to provide less extensive disclosure about our executive compensation arrangements in our periodic reports, proxy statements and registration statements; and

we are not required to give our stockholders non-binding advisory votes on executive compensation or golden parachute arrangements.

We may take advantage of these provisions until the last day of the fiscal year following the fifth anniversary of the completion of this offering. However, if certain events occur prior to the end of such five-year period, including if we become a "large accelerated filer" as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended, our annual gross revenue equals or exceeds \$1.0 billion or we issue more than \$1.0 billion of non-convertible debt in any three-year period, we will cease to be an emerging growth company prior to the end of such five-year period.

We may choose to take advantage of some but not all of these reduced burdens. We have taken advantage of reduced reporting requirements in this prospectus. Accordingly, the information contained herein may be different from the information you receive from our competitors that are public companies, or other public companies in which you have made an investment.

In addition, the JOBS Act provides that an emerging growth company may take advantage of an extended transition period for complying with new or revised accounting standards. We have irrevocably elected not to avail ourselves of this exemption and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

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**The Offering**

Shares of common stock offered by us	5,000,000 shares.
Shares of common stock to be outstanding immediately after this offering	14,152,275 shares (or 14,902,275 shares if the underwriters exercise in full their option to purchase additional shares).
Option to purchase additional shares	We have granted the underwriters an option to purchase up to 750,000 additional shares of common stock from us. The underwriters can exercise this option at any time within 30 days from the date of this prospectus.
Use of proceeds	<p>We estimate that we will receive net proceeds from this offering of approximately \$66.8 million, or \$77.2 million if the underwriters exercise in full their option to purchase additional shares, based on an assumed initial public offering price of \$15.00 per share, the mid-point of the price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discount and commissions and estimated offering expenses payable by us.</p> <p>We intend to use the net proceeds from this offering to expand our sales force and marketing programs, to fund research and development activities and for working capital and other general corporate purposes. We may also use a portion of the net proceeds to acquire or invest in complementary products, technologies or businesses; however, we currently have no agreements or commitments to complete any such transaction. For additional information, see "Use of Proceeds."</p>
Risk factors	Investing in our common stock involves risks. See the section entitled "Risk Factors" beginning on page 14 of this prospectus and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in our common stock.

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Directed share program

At our request, the underwriters have reserved for sale at the initial public offering price up to 250,000 shares of common stock, or approximately 5% of the shares offered by this prospectus, for our employees, directors and other persons associated with us. Any directed shares purchased by our executive officers, directors, principal stockholders and employees will be subject to the 180-day lock-up restriction described in the "Underwriting" section of this prospectus. Any participants in the directed share program that have not entered into a 180-day contractual lock-up agreement with the underwriters will not be subject to any lock-up arrangements with any underwriter with respect to the directed shares sold to them. The number of shares of common stock available for sale to the general public in the offering will be reduced by the number of shares sold pursuant to the directed share program. Any directed shares not so purchased will be offered by the underwriters to the general public on the same terms as the other shares offered by this prospectus. The directed share program will be arranged through Stifel, Nicolaus & Company, Incorporated.

Proposed NASDAQ Global Select Market symbol

"SIEN."

The number of shares of our common stock to be outstanding immediately after this offering is based upon 9,152,275 shares of common stock outstanding as of June 30, 2014, and excludes:

47,710 shares of common stock issuable upon exercise of outstanding warrants as of June 30, 2014, at a weighted average exercise price of \$14.671 per share;

1,566,670 shares of common stock issuable upon exercise of outstanding options to purchase shares of common stock under our 2007 Equity Incentive Plan, or the 2007 Plan, at a weighted average exercise price of \$3.49 per share;

69,266 shares of common stock issuable upon exercise of outstanding options granted on July 22, 2014 to purchase shares of common stock under the 2007 Plan at an exercise price of \$13.26 per share;

1,027,500 shares of common stock reserved for future grant or issuance under our 2014 Equity Incentive Plan, or the 2014 Plan, which will become effective upon the execution and delivery of the underwriting agreement for this offering; and

255,500 shares of common stock reserved for future grant or issuance under our 2014 Employee Stock Purchase Plan, or the ESPP, which will become effective upon the execution and delivery of the underwriting agreement for this offering.

Except as otherwise indicated or the context otherwise requires, the information in this prospectus assumes:

no exercise of the underwriters' option to purchase additional shares;

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the filing and effectiveness of our amended and restated certificate of incorporation and the adoption of our amended and restated bylaws upon the closing of this offering;

no exercise of the outstanding warrants or options described above;

the automatic conversion of all outstanding shares of our preferred stock as of June 30, 2014 into an aggregate of 8,942,930 shares of our common stock in connection with the closing of this offering, as consented to by the requisite holders of our preferred stock; and

a 1 for 2.75 reverse stock split of our common stock effected on October 17, 2014.

Table of Contents**Summary Financial Data**

The following tables set forth our summary financial data for the periods and as of the dates indicated. We derived the summary statement of operations data presented below for the years ended December 31, 2012 and 2013 from our audited financial statements included elsewhere in this prospectus. We derived the summary statement of operations data presented below for the six months ended June 30, 2013 and 2014 and the summary balance sheet data as of June 30, 2014 from our unaudited financial statements included elsewhere in this prospectus. In the opinion of management, the unaudited financial statements reflect all adjustments, consisting of normal recurring adjustments, necessary for a fair statement of our results for those periods. Our historical results are not necessarily indicative of future operating results and our interim results are not necessarily indicative of results for a full year or any future period.

You should read the summary financial data presented below in conjunction with the information included under the headings "Selected Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and the related notes included elsewhere in this prospectus.

	Year Ended December 31,		Six Months Ended June 30,	
	2012	2013	2013	2014
	(Unaudited)			
	(In thousands, except per share and share amounts)			
<b>Statement of operations data:</b>				
Net sales	\$ 10,447	\$ 35,171	\$ 17,940	\$ 21,947
Cost of goods sold	2,352	8,592	4,384	5,455
Gross profit	8,095	26,579	13,556	16,492
<b>Operating expenses:</b>				
Sales and marketing	17,919	22,229	10,797	11,863
Research and development	3,670	4,479	2,166	2,305
General and administrative	9,938	18,078	9,768	4,908
Total operating expenses	31,527	44,786	22,731	19,076
Loss from operations	(23,432)	(18,207)	(9,175)	(2,584)
<b>Other (expense) income, net:</b>				
Interest expense		(872)	(380)	(842)
Other (expense) income, net	(1)	(46)	(20)	2,264
Total other (expense) income, net	(1)	(918)	(400)	1,422
Loss before income taxes	(23,433)	(19,125)	(9,575)	(1,162)
Income taxes				

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Net loss	\$	(23,433)	\$	(19,125)	\$	(9,575)	\$	(1,162)
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**Per share data:**

Basic and diluted net loss per share attributable to common stockholders <sup>(1)</sup>	\$	(85.01)	\$	(82.25)	\$	(36.98)	\$	(5.58)
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Weighted average outstanding common shares used for net loss per share attributable to common stockholders:

Basic and diluted <sup>(1)</sup>	275,642	232,512	258,928	208,294
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Pro forma net loss per share:

Basic and diluted (unaudited) <sup>(1)</sup>	\$	(2.08)	\$	(0.13)
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Weighted average outstanding common shares used in computing pro forma net loss per share attributable to common stockholders:

Basic and diluted (unaudited) <sup>(1)</sup>	9,175,442	9,151,224
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(1) See Notes 3(d) and 3(u) to our financial statements appearing elsewhere in this prospectus for an explanation of the method used to calculate the basic and diluted net loss per share and pro forma net loss per share and the number of shares used in the computation of the per share amounts.

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	As of June 30, 2014 (Unaudited) (In thousands)		
	Actual	Pro Forma <sup>(1)</sup>	Pro Forma As Adjusted <sup>(2)(3)</sup>
<b>Balance sheet data (at end of period):</b>			
Cash and cash equivalents	\$ 21,637	\$ 21,637	\$ 88,387
Working capital	33,773	33,773	100,523
Total assets	63,397	63,397	130,147
Long-term debt	25,177	25,177	25,177
Convertible preferred stock	150,456		
Total stockholders' (deficit) equity	(127,627)	22,829	89,579

(1) Pro forma amounts reflect the automatic conversion of all our outstanding shares of preferred stock as of June 30, 2014 into an aggregate of 8,942,930 shares of our common stock in connection with the closing of this offering, as consented to by the requisite holders of our preferred stock.

(2) Pro forma as adjusted amounts further adjusts the pro forma amounts to reflect the sale of 5,000,000 shares of our common stock in this offering at an assumed initial public offering price of \$15.00 per share, the mid-point of the price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discount and commissions and estimated offering expenses payable by us.

(3) A \$1.00 increase (decrease) in the assumed initial public offering price of \$15.00 per share, the mid-point of the price range set forth on the cover page of this prospectus, would increase (decrease) each of cash and cash equivalents, working capital, total assets and total stockholders' equity by approximately \$4.7 million, assuming the number of shares offered by us as stated on the cover of this prospectus remains unchanged and after deducting the estimated underwriting discount and commissions and estimated offering expenses payable by us. Similarly, a 1,000,000 share increase (decrease) in the number of shares offered by us, as set forth on the cover of this prospectus, would increase (decrease) each of cash and cash equivalents, working capital, total assets and total stockholders' equity by approximately \$14.0 million, at the assumed initial public offering price of \$15.00 per share, the mid-point of the price range set forth on the cover of this prospectus, and after deducting the estimated underwriting discount and commissions and estimated offering expenses payable by us. The pro forma information discussed above is illustrative only and will be adjusted based on the actual initial public offering price and other terms of our initial public offering determined at pricing.

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**RISK FACTORS**

*An investment in our common stock involves risks. You should consider carefully the risks described below, together with all of the other information included in this prospectus, including our financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations," before investing in our common stock. If any of the events contemplated in following risks actually occur, our business, financial condition, operating results and prospects could suffer. In that case, the trading price of our common stock may decline and you might lose all or part of your investment.*

**Risks Relating to Our Business and Our Industry**

*We have incurred significant net operating losses since inception and cannot assure you that we will achieve profitability.*

Since our inception, we have incurred significant net operating losses. As of June 30, 2014, we had an accumulated deficit of \$129.4 million. To date, we have financed our operations primarily through sales of preferred stock, borrowings under our term loans and, since 2012, sales of our products. We have devoted substantially all of our resources to the acquisition and clinical development of our products, the commercial launch of our products, the development of a sales and marketing team and the assembly of a management team to manage our business.

We commenced sales of our breast implants in the second quarter of 2012. For the year ended December 31, 2013, our gross profit was \$26.6 million. However, although we have achieved a positive gross profit, we still operate at a substantial net loss. The extent of our future net operating losses and the timing of profitability are uncertain, especially in light of the recent commercialization of our silicone gel breast implants, which makes forecasting our sales more difficult. We will need to generate significant sales to achieve profitability, and we might not be able to do so. Even if we do generate significant sales, we might not be able to achieve, sustain or increase profitability on a quarterly or annual basis in the future. If our sales grow more slowly than we have forecasted, or if our operating expenses exceed our forecasts, our financial performance and results of operations will be adversely affected.

*Our future profitability depends on the success of our Breast Products.*

Sales of our Breast Products accounted for 98% and 97% of our net sales for the year ended December 31, 2013 and for the six months ended June 30, 2014, respectively. We expect our net sales to continue to be based primarily on sales of our Breast Products. Any product liability lawsuits, introduction of competitive products by our competitors and other third parties, the loss of market acceptance of our Breast Products, adverse rulings by regulatory authorities, adverse publicity or other adverse events relating to us or our Breast Products may significantly impact our sales and profitability, which would adversely affect our business, financial condition and results of operations.

*We rely on a foreign, sole source, third-party to manufacture and supply our silicone gel breast implants, tissue expanders and other products.*

We rely on Silimed Industria de Implantes Ltda. (formerly, Silimed-Silicone e Instrumental Medico-Cirurgio e Hospitalar Ltda.), or Silimed, our sole source, third-party manufacturer located in Brazil, to manufacture and supply our silicone gel breast implants, tissue expanders and other products, and Silimed relies on Applied Silicone Corporation, or ASC, its sole source, third-party supplier of medical-grade silicone based in Santa Paula, California. If ASC becomes unable or willing to supply medical-grade silicone to Silimed or if Silimed becomes unable or unwilling to manufacture and supply our silicone gel breast implants, tissue expanders and other products, we will not be able to replace ASC



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or Silimed quickly, and we have not qualified another silicone supplier nor another manufacturer to source our implants in that event. Even if we were able to identify a replacement manufacturer or silicone supplier, either would have to be qualified with the FDA, which is an expensive and time-consuming process during which we may experience a supply interruption. As a result, our financial position and results of operations may be adversely affected. There can also be no guarantee that ASC or Silimed will be able to meet our demand to produce sufficient quantities of medical-grade silicone or our products in a timely manner. Furthermore, our current contract with Silimed expires in 2017, and there can be no assurance that Silimed will agree to continue to manufacture and supply our products after the expiration of our contract, which would have a material adverse effect on our business, financial condition and results of operations.

In addition, our reliance on Silimed involves a number of other risks, including, among other things, that:

our products may not be manufactured in accordance with agreed upon specifications or in compliance with regulatory requirements, or its manufacturing facilities may not be able to maintain compliance with regulatory requirements, which could negatively affect the safety or efficacy of our products or cause delays in shipments of our products;

we may not be able to timely respond to unanticipated changes in customer orders, and if orders do not match forecasts, we may have excess or inadequate inventory of materials and components;

we may be subject to price fluctuations when a supply contract is renegotiated or if our existing contract is not renewed;

our agreement with Silimed does not permit us to sell the products we obtain from Silimed in any country other than the United States and Canada;

we, Silimed or ASC may lose access to critical services and components, resulting in an interruption in the manufacture or shipment of our products;

Silimed may not be able to find an alternate supplier in a timely manner if the medical-grade silicone becomes unavailable from ASC or we may not be able to find an alternate supplier in a timely manner if the products become unavailable from Silimed;

we may be required to obtain regulatory approvals related to any change in our supply chain;

ASC may wish to discontinue manufacturing and supplying products to Silimed for risk management reasons;

Silimed may wish to discontinue manufacturing and supplying products to us for risk management reasons; and

Silimed or ASC may encounter financial or other hardships unrelated to our demand for products, which could inhibit its ability to fulfill our orders and meet our requirements.

If any of these risks materialize, it could significantly increase our costs, our ability to generate net sales would be impaired, market acceptance of our products could be adversely affected and customers may instead purchase or use our competitors' products, which could materially adversely affect our business, financial condition and results of operations.

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*There are inherent risks in contracting with manufacturers located outside of the United States such as in Brazil.*

Silimed is our sole source, third-party manufacturer and its manufacturing plant is located in Brazil. There are inherent risks in contracting with manufacturers located outside of the United States such as in Brazil, including the risks of economic change, recession, labor strikes or disruptions, political turmoil, new or changing tariffs or trade barriers, new or different restrictions on importing or exporting, civil unrest, infrastructure failure, cultural differences in doing business, lack of contract enforceability, lack of protection for intellectual property, war and terrorism. If any of these risks were to materialize, we and Silimed would both be materially adversely affected and our business, financial condition and results of operations would suffer.

*Various factors outside our direct control may adversely affect manufacturing and supply of our breast implants, tissue expanders and other products.*

Manufacturing and supply of our breast implants, tissue expanders and other products is technically challenging. Changes that our manufacturer may make outside the purview of our direct control can have an impact on our processes, on quality and the successful delivery of products to Plastic Surgeons. Mistakes and mishandling are not uncommon and can affect production and supply. Some of these risks include:

failure of our manufacturer to follow Good Manufacturing Practices, or cGMP, requirements or mishandling of our products while in production or in preparation for transit;

transportation and import and export risk, particularly given the global nature of our supply chain;

delays in analytical results or failure of analytical techniques that we depend on for quality control and release of products;

natural disasters, labor disputes, financial distress, lack of raw material supply, issues with facilities and equipment or other forms of disruption to business operations affecting our manufacturer or its suppliers; and

latent defects that may become apparent after products have been released and which may result in a recall of such products.

If any of these risks were to materialize, our ability to provide our products to customers on a timely basis would be adversely impacted.

*We have a limited operating history and may face difficulties encountered by companies early in their commercialization in competitive and rapidly evolving markets.*

We commenced operations in 2007 and began commercializing silicone gel breast implants in the second quarter of 2012. Accordingly, we have a limited operating history upon which to evaluate our business and forecast our future net sales and operating results. In assessing our business prospects, you should consider the various risks and difficulties frequently encountered by companies early in their commercialization in competitive markets, particularly companies that develop and sell medical devices. These risks include our ability to:

implement and execute our business strategy;

expand and improve the productivity of our sales force and marketing programs to grow sales of our existing and proposed products;

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increase awareness of our brand and build loyalty among Plastic Surgeons;

manage expanding operations;

respond effectively to competitive pressures and developments;

enhance our existing products and develop new products;

obtain regulatory clearance or approval to enhance our existing products and commercialize new products;

obtain and maintain adequate levels of coverage and reimbursement for our products;

perform clinical trials with respect to our existing products and any new products; and

attract, retain and motivate qualified personnel in various areas of our business.

Due to our limited operating history, we may not have the institutional knowledge or experience to be able to effectively address these and other risks that we may face. In addition, we may not be able to develop insights into trends that could emerge and negatively affect our business and may fail to respond effectively to those trends. As a result of these or other risks, we may not be able to execute key components of our business strategy, and our business, financial condition and operating results may suffer.

***If we fail to compete effectively against our competitors, many of whom have greater resources than we have, our net sales and operating results may be negatively affected.***

Our industry is intensely competitive and subject to rapid change from the introduction of new products, technologies and other activities of industry participants. Our competitors, Mentor Worldwide, LLC, or Mentor, a division of Johnson & Johnson, and Allergan, Inc., or Allergan, are well-capitalized pharmaceutical companies that have been the market leaders for many years and have the majority share of the breast implant market in the United States. These competitors also enjoy several competitive advantages over us, including:

greater financial and human resources for sales, marketing and product development;

established relationships with health care providers and third-party payors;

established reputations and name recognition among health care providers and other key opinion leaders in the plastic surgery industry;

in some cases, an established base of long-time customers;

products supported by long-term clinical data;

larger and more established distribution networks;

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greater ability to cross-sell products; and

more experience in conducting research and development, manufacturing, performing clinical trials and obtaining regulatory approval or clearance.

If we fail to compete effectively against our competitors, our net sales and operating results may be negatively affected.

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*Pricing pressure from customers and our competitors may impact our ability to sell our products at prices necessary to support our current business strategies.*

Our 2012 entry into the U.S. breast implant market represented a significant expansion of the breast implant choices and technologies available in the United States. As a result of our entry into the U.S. breast implant market, our competitors intensified competitive pricing pressure for traditional round-shaped breast implants. If we are not successful in convincing customers or third-party payors of the differentiation of the gel technology used in our implants and selection of shapes and products as compared to our competitors' products, third-party payors may not cover or adequately reimburse our products and customers may choose our competitors' products. Additionally, as more competitors introduce anatomically-shaped products that compete with ours, we may face additional pricing pressure that will impact our future results.

*The long-term safety of our products has not fully been established and our breast implants are currently under study in our PMA and post-approval studies, which could reveal unanticipated complications.*

We currently market our silicone gel breast implants in the United States. These products have received pre-market approval from the FDA. However, there could still be unanticipated complications or unforeseen health consequences of being implanted with our silicone gel breast implants over the long-term (defined as 10 years or more). Additionally, we compare our five-year data to our competitors' six-year data in some cases in this prospectus, and our longer term data may change due to an increase in such complications or consequences over time. Further, future studies or clinical experience may indicate that treatment with our products is not differentiated to treatment with competitive products. Such results could slow the adoption of our products and significantly reduce our sales, which could prevent us from achieving our forecasted sales targets or achieving or sustaining profitability. Moreover, if long-term results and experience indicate that our products cause unexpected or serious complications, we could be subject to mandatory product recalls, suspension or withdrawal of FDA clearance or approval and significant legal liability.

*Any negative publicity concerning our products could harm our business and reputation and negatively impact our financial results.*

The responses of potential patients, physicians, the news media, legislative and regulatory bodies and others to information about complications or alleged complications of our products could result in negative publicity and could materially reduce market acceptance of our products. These responses or any investigations and potential resulting negative publicity may have a material adverse effect on our business and reputation and negatively impact our financial condition, results of operations or the market price of our common stock. In addition, significant negative publicity could result in an increased number of product liability