

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

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 7, 2019

STRATA
SKIN SCIENCES

STRATA SKIN SCIENCES, INC.
(Exact Name of Registrant Specified in Charter)

Delaware
(State or Other
Jurisdiction of
Incorporation)

000-51481
(Commission File
Number)

13-3986004
(I.R.S. Employer
Identification No.)

5 Walnut Grove Drive, Suite 140, Horsham, Pennsylvania 19044
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: 215-619-3200

(Former Name or Former Address, if Changed Since Last Report)

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 Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value per share	SSKN	The NASDAQ Stock Market LLC

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.

Item 7.01 Regulation FD Disclosure

On August 7, 2019, Strata Skin Sciences (the “Company”) posted an investor presentation to its website at <https://strataskininc.com/web.com/>. A copy of the investor presentation is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Current Report on Form 8-K, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed “filed” for the 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 subject to the requirements of amended Item 10 of Regulation S-K, nor shall it be deemed incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, regardless of any general incorporation language in such filing. The furnishing of this information hereby shall not be deemed an admission as to the materiality of any such information.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

99.1 [Strata Skin Sciences Investor Presentation dated August 7, 2019.](#)

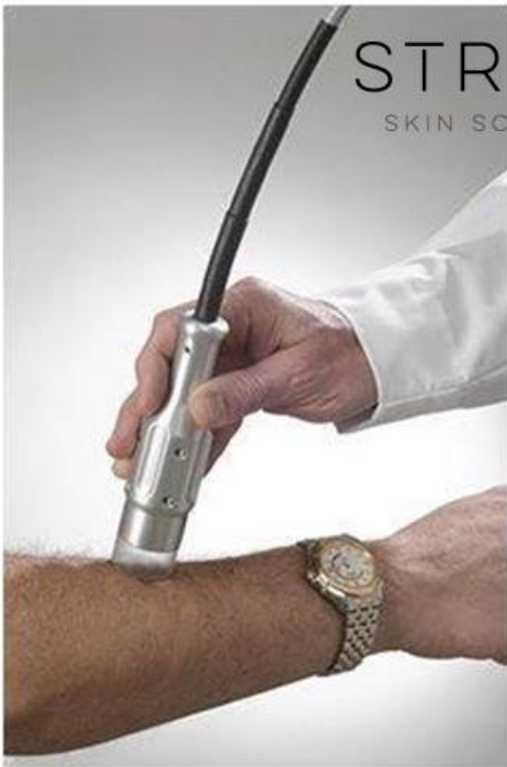
SIGNATURE

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.

STRATA SKIN SCIENCES, INC.

Date: August 7, 2019

By: /s/ Matthew C. Hill
Matthew C. Hill
Chief Financial Officer



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Driving Value to Dermatology Partners

Matching Patients with Clinics

Investor Presentation

August 2019

Safe Harbor Statement

This presentation includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks, uncertainties and other factors. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including any statements of the plans, strategies and objectives of management for future operations; any statements regarding revenue growth, product development, product extensions, product integration or product marketing; any statements regarding continued compliance with government regulations, changing legislation, insurance or regulatory environments; any statements of expectation or belief and any statements of assumptions underlying any of the foregoing; any are risks and uncertainties related to successfully integrating the products and employees of the Company, as well as the ability to ensure continued regulatory compliance, performance and/or market growth. In addition there are risks to statements relating to historical contingent and potential liabilities related to sales and use taxes as well as potential derivative liabilities, the timing and outcome of the completion of our financial statements for the year ended December 31, 2018, the timing of the filing of form 10-K and the completion of the review of the quarter ended March 31, 2019, and regaining compliance with NASDAQ compliance requirements. These risks, uncertainties and other factors, and the general risks associated with the businesses of the Company described in the reports and other documents filed with the SEC, could cause actual results to differ materially from those referred to, implied or expressed in the forward-looking statements. The Company cautions readers not to rely on these forward-looking statements. All forward-looking statements are based on information currently available to the Company and are qualified in their entirety by this cautionary statement. The Company anticipates that subsequent events and developments will cause its views to change. The information contained in this presentation speaks as of the date hereof and the Company has or undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.



STRATA Investment Highlights



A Win-Win-Win Company

- For patients – safest, most effective, no side effects
- For clinics – stable increased revenue base
- For Payers – the least expensive treatment available

Excimer Laser Technology for Dermatology Indications

Psoriasis, Vitiligo, Atopic Dermatitis and Leukoderma

Large Market Opportunity

- 35 Million lives – \$6 Billion annual revenue
- Treatment modality use growing > 25% per year
- Reimbursement - 3 unique CPT codes
- 25% target clinic penetration

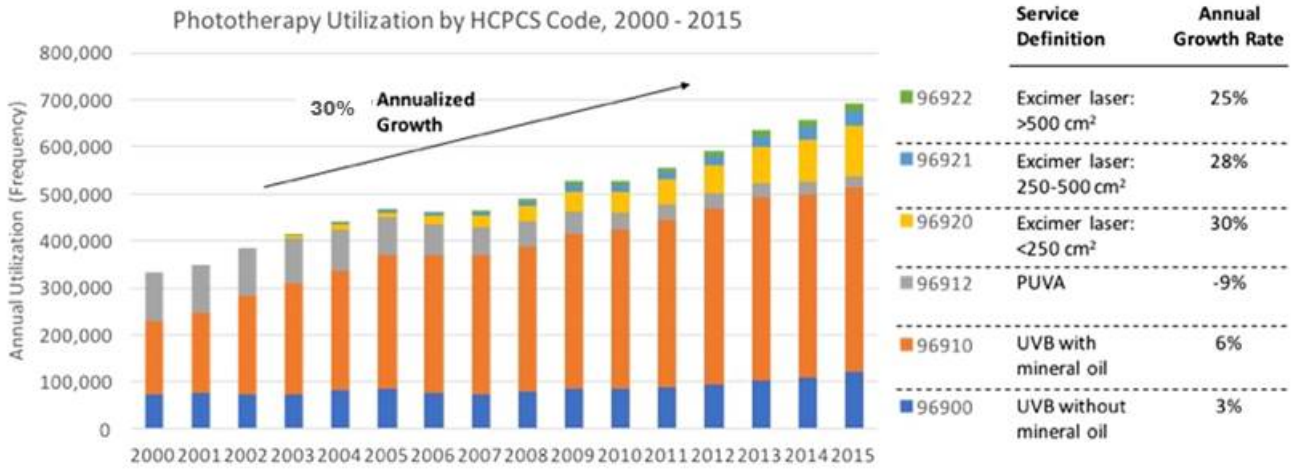
Unique and Proven Business Model

- Best in class XTRAC[®] and VTRAC[®] Excimer Laser technologies
- Domestic recurring revenue driven by DTC
- OUS recurring revenue OUS - Announced July 2019
- Providing “business in a box” for dermatology practices
- Growing Install base – low hanging fruit

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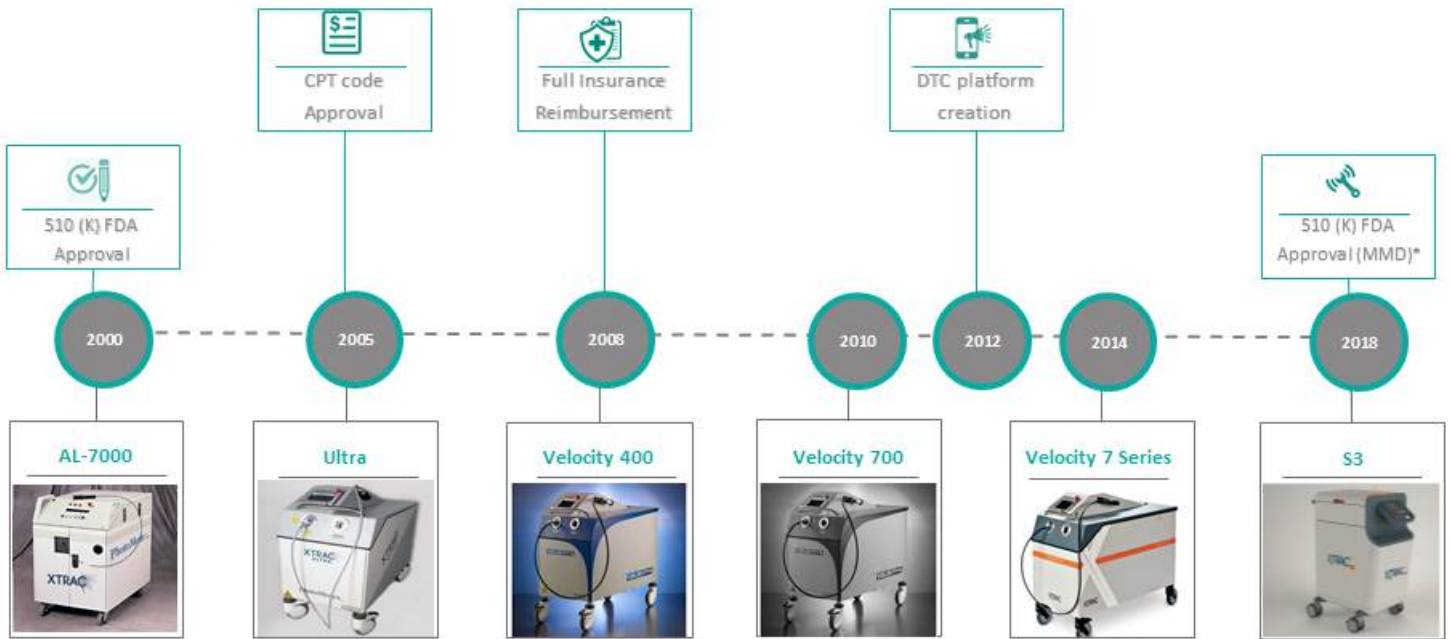
DTC – Direct To Consumer awareness and advertising

Excimer laser use grew at ~30% annual rate in the US over last 15 years



Historical phototherapy utilization. Trend in phototherapy utilization among Medicare beneficiaries by billing code across all providers, 2000 to 2015. HCPCS, Healthcare Common Procedure Coding System; PUVa, psoralen plus ultraviolet A; UVB, ultraviolet B.

Continuous technology investment and business growth



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**MMD tip is a diagnostic accessory for XTRAC used in optimal therapeutic dose (OTD) protocol that helps patients achieve Optimal Clinical Outcomes leading to increased Patient Retention*

XTRAC® is to excimer what Xerox is to photocopy

1

Over 150 peer-reviewed published clinical-studies
Multiple academic institutes in U.S. use XTRAC

2

Over 2,200 device installed base worldwide
Over 1,000 dermatology practices in the U.S. have XTRAC, providing device access to over 3,000 dermatology providers

3

Over 5 Million treatments performed
More than 500,000 patients treated

4

Best in class excimer technology
Latest product launched in Q4 2018 with advanced features
Only excimer laser with Vitiligo and OTD protocol

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XTRAC is a registered trademark of STRATA Skin Sciences, Inc.

8

Partner academic institutes



How XTRAC Works - Psoriasis

Clinical Protocol – 6.2 treatments to PASI75



Beam of UVB light applied to the affected area

UVB light induces apoptosis of the keratinocytes and T cells in the dermis

Promotes immunosuppression

Induces alterations in cytokine profile

150+ peer reviewed published clinical studies

PASI - A 75% reduction in the Psoriasis Area and Severity Index (PASI) score (PASI75) is the current benchmark of primary endpoints for most clinical trials of psoriasis.

How XTRAC Works - Vitiligo



- Long-term skin condition characterized by patches of skin losing its pigment
- Disease is believed to be due to genetic susceptibility where the autoimmune disease is then triggered
- Potentially the immune system is attacking and destroying melanocytes of the skin
- Life-altering disease that leads to low self esteem
- UVB light reduces the immune system's attack on the melanocytes and enhances the migration and proliferation of melanocytes resulting in re-pigmentation

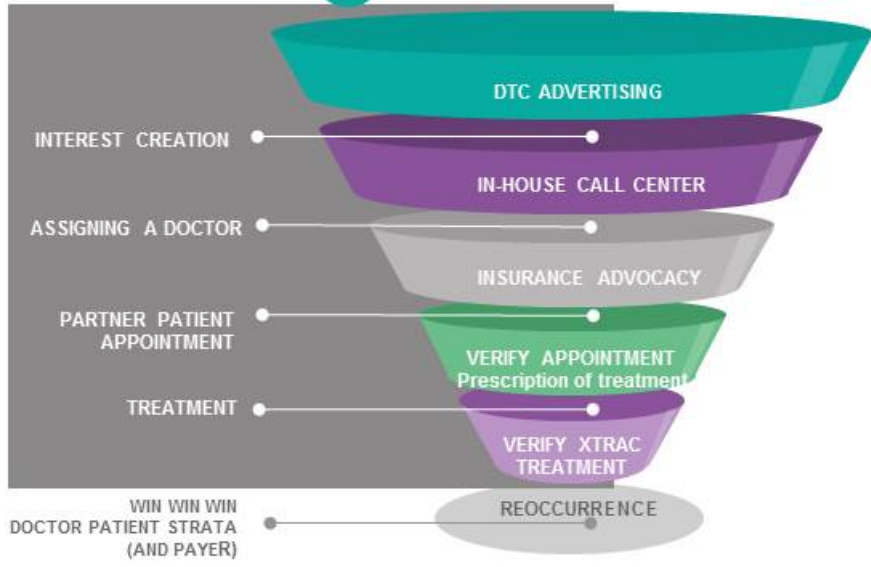
Domestic XTRAC Revenue Funnel



Patient leads turn into appointments

Appointments drive

- XTRAC partner revenue
- Other revenue for the partner clinic
- Revenue for STRATA



$$\text{Revenue} = \# \text{ of lasers} \times \# \text{ of treatments/pt} \times \# \text{ patients} \times \text{cost/tx}$$

DTC advertisement is generating word of mouth for XTRAC through 'Shares' and 'Comments'

XTRAC Psoriasis, Vitiligo, and Atopic Dermatitis Treatment
Sponsored

XTRAC es un tratamiento eficaz de psoriasis. Sin dolor y seguro. Alivio prolongado. Cubierto por todos los seguros principales, Medicare y Medicaid.



CONSULTATIONS.XTRACCLEAR.COM
XTRAC para Psoriasis
Aprobado por la FDA

LEARN MORE

133 42 Comments 85 Shares

Like Comment Share

XTRAC Psoriasis, Vitiligo, and Atopic Dermatitis Treatment
Sponsored

The XTRAC vitiligo laser treatment is FDA cleared. It can minimize and in many cases eliminate vitiligo depigmented patches. Used by 1000s of physicians in convenient locations. Generally covered by insurance.



CONSULTATIONS.XTRACCLEAR.COM
XTRAC Vitiligo Treatment
Virtually no side effects.

LEARN MORE

Dora Casares, Jason Francisco and 64 others 10 Comments 38 Shares

Like Comment Share

Psoriasis Laser Treatment | XTRAC Covered by Insurance
consultations.xtracclear.com

Treats psoriasis on scalp, hands, face, feet, etc. Dermatologist Recommended. Up to 1 Year of Clearance. Safe & Healthy. See Before & After Photos. Long-lasting Relief.
Pain Free - Medicaid & Medicare Okay - Virtually No Side Effects - FDA-Cleared

Find a Doctor
Used by thousands of physicians in convenient locations.

Contact Us
Over 4 million treatments performed in the US.

XTRAC Laser Treatment | Treat Psoriasis Effectively | Find a Doctor Near You
consultations.xtracclear.com

Results in As Little As 4 Weeks. Covered by Insurance. Treats Any Body Area. Up to 1 Year of Clearance. Available by Prescription. See Before & After Photos.

Find a Doctor
Contact Us

Stop Suffering from Vitiligo | XTRAC Vitiligo Treatment | Find a Doctor Near You
consultations.xtracclear.com

Vitiligo Laser Treatment. Treats Any Body Area. Excellent Results in 3-4 months. Generally Covered by Major Insurance. Quick Treatment. Check Before & After Photos.

Contact Us
Find a Doctor

Teapia con Láser XTRAC | Trate Psoriasis Efectivamente
consultations.xtracclear.com

Resultados en 4 Semanas. Cubierto por un Seguro. Cualquier Área del Cuerpo.

Instagram

XTRAC Psoriasis, Vitiligo...
Sponsored



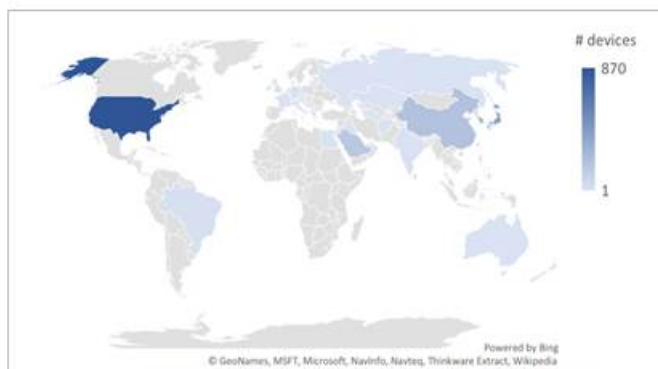
Learn More

FDI-approved Psoriasis Laser Treatment. In clinical trials, most people saw at least 75% ... more

XTRAC helps patients Live Clear, Live Free...



International Market: Installed Base



Strategic Growth Target

Major Markets – China, Japan, Saudi Arabia, South Korea

Insurance covered in most markets

Usage/device higher than domestic market – untapped potential in U.S.

1,300 OUS devices sold and in service

Placement Recurring revenue model agreement executed for South Korea July 2019

XTRAC adds (delegated) recurring revenue driver for its partners

CPT CODE	Description	2018 National Average Medicare Payment Rate
96920	Laser treatment for inflammatory skin diseases, (psoriasis); total area less than 250 sq cm	\$168.12
96921	Laser treatment for inflammatory skin diseases, (psoriasis); total area between 250 – 500 sq cm	\$184.32
96922	Laser treatment for inflammatory skin diseases, (psoriasis); total area greater than 500 sq cm	\$250.92

Number of Treatments / Weeks	20	30
# of Weeks / Year	48	48
Total # of Treatments / Year	960	1,440
Average Revenue Per Treatment	\$186	\$186
Physician Gross Revenue (Annual)	\$178,485	\$267,728

Treatment	Patient Type	Reimbursement Details	Annual Revenue per Patient	Can be delegated**
XTRAC	Mild / moderate / severe	CPT Code 96920-96922 (\$168-\$251) average \$186; 16 tx/course (2/yr) and Office Visit - \$70 (2/Yr)	\$6,092	✓
Phototherapy*	Moderate / severe	Office visit - \$70 (2/yr)	\$140	X
Biologics	Moderate / severe	Office visit - \$70 (6/yr)	\$420	X
Systemics	Moderate / severe	Office visit - \$70 (3/yr)	\$210	X
Topicals	Mild / moderate	Office visit - \$70 (3/yr)	\$210	X

*Phototherapy Center Revenue – CPT Code 96910 \$40 per tx; 30 tx/course (2/yr) - \$2,400
 **Subjected to state legislation

Domestic Market: Installed Base – sales and service engine



Territories color coded

Overview

764 Partner XTRAC clinics

150+ sold XTRAC

4 Regions

24 Sales Territories

15 Field Service Techs

In-house call center to qualify leads

Only one competitor in U.S.

Financial Metrics – recurring revenue and margin growth

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Dermatology recurring revenue	\$ 4,476	\$ 5,146	\$ 5,553	\$ 6,080	\$ 5,250	\$ 5,977
Dermatology equipment revenue	\$ 1,971	\$ 2,366	\$ 2,336	\$ 2,132	\$ 2,171	\$ 2,215
Total revenue	\$ 6,447	\$ 7,512	\$ 7,889	\$ 8,212	\$ 7,421	\$ 8,192
Domestic partner installed base	746	746	746	746	754	764
Average recurring revenue/device	\$ 6,000	\$ 6,898	\$ 7,444	\$ 8,150	\$ 6,963	\$ 7,823
Dermatology recurring revenue margin	56.5%	63.4%	68.2%	73.2%	65.9%	72.0%
Total Company margin	48.9%	53.4%	61.3%	67.2%	61.9%	64.1%
(in thousands except for average recurring revenue/device and installed base)						

Install Base Growth Drivers

Expansion into roll-up groups

- 1,608 clinics owned by 58 roll-up groups
- 164 (10.2%) of which are XTRAC partners
- Strata signs strategic expansion agreements with major groups



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Comebacks

- 300-400 Clinics own Excimer lasers
- Conversion to an XTRAC partner clinic = immediate revenue
- 15 Comebacks in 2018 (compared to 4 in 2017)
- 10 Comebacks in first half 2019

Recent Financial Highlights

Q2 2019

Total Revenue	\$8.2 million	+9% versus Q2 2018
Recurring XTRAC Revenue	\$6.0 million	+16% versus Q2 2018
Gross Margin	64%	+11% versus Q2 2018
Recurring XTRAC Margin	72%	+9% versus Q2 2018
Cash and Cash Equivalents	\$15.9 million	

Q1 2019

Total Revenue	\$7.4 million	+15% versus Q1 2018
Recurring XTRAC Revenue	\$5.3 million	+17% versus Q1 2018
Gross Margin	62%	+13% versus Q1 2018
Recurring XTRAC Margin	66%	+9% versus Q1 2018
Cash and Cash Equivalents	\$16.4 million	

Financial Profile Shares and Share Equivalents – Market cap*- \$91M

(As of July 29, 2019)

Common stock outstanding	32.9M
Series C preferred shares*	0.7M

Total**	33.6M
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* On an as converted basis of the convertible preferred stock

** Does not include 750K warrants with a weighted average exercise price of \$4.12 as of July 30, 2019 of which 600K expire by June 2020

** Does not include 4.0M options with a weighted average exercise price of \$1.78

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DTC – Direct To Consumer awareness and advertising



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Driving Value to Dermatology Partners

Matching Patients with Clinics

Investor Presentation

August 2019

Appendix

Sample studies from 150+ clinical studies

Multicenter Psoriasis Study¹

124 patients were enrolled and 80 completed the protocol. 72% achieved at least **75% clearing in an average of 6.2 treatments**. 84% of patients reached improvement of 75% or better after 10 or fewer treatments. 50% of patients reached improvement of 90% or better after 10 or fewer treatments. Common side effects included erythema, blisters, hyperpigmentation, and erosions, but were well tolerated.

Vitiligo Study²

Out of 221 vitiligo patches treated, 50.6% showed 75% pigmentation or more, 25.5% achieved 100% pigmentation of their patches, and 64.3% showed 50% pigmentation or more. Lesions on the face responded better than lesions elsewhere. **Conclusion:** The 308-nm xenon chloride excimer laser is an effective and safe modality for the treatment of vitiligo, with good results achieved in a relatively short duration of time.

Scalp Study³

All patients improved. 17/35 (49%) of patients cleared >95% (mean: 21 treatments; range: 6-52) and 16/35 (45%) cleared 50-95%. **Conclusion** - The excimer laser is a successful approach to treatment of psoriasis of the scalp being a simple treatment that can be performed in a short period of time and which has a high rate of effectiveness.

Pediatric Study⁴

4 children with a mean age of 11.0 years and 12 adults with a mean age of 48.8 years completed the protocol. Both the children and the adult groups yielded a significant decrease in psoriatic severity scores of their respective target lesions. **The children's group had a greater reduction (91.3% reduction) as compared to the adult treatment group (61.6% reduction).**

¹Multicenter Psoriasis Study - Feldman SR, Mellen BG, Hausman TS, Fitzpatrick RE, Geronemus RG, Friedman PM, Vasily DB, Marison WL. Efficacy of the 308-nm excimer laser for treatment of psoriasis: Results of a multicenter study. *J Am Acad of Dermatology*; vol. 46, no. 6, June 2002, pp. 900-906

²Vitiligo Study - Suhail Hadi, Patricia Tinio, Khalid Al-Ghaithi, Haitham Al-Qari, Mohammad Al-Helalat, Mark Lebwohl, and James Spencer. *Photomedicine and Laser Surgery. Treatment of Vitiligo Using the 308-nm Excimer Laser.* Jun 2006, ahead of print <http://doi.org/10.1089/pha.2006.24.354>

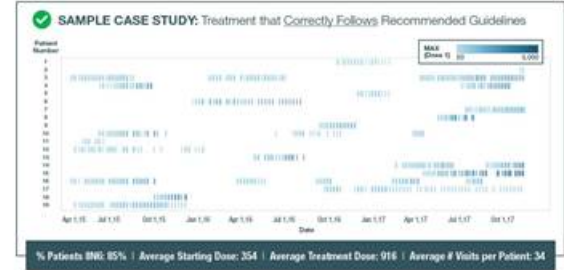
³Scalp Study - Marison WL, Atkinson DF and Werthman L. Effective treatment of scalp psoriasis using the excimer (308nm) laser. *Photodermatol Photoimmunol Photomed* 2006; 22: 181-183

⁴Pediatric Study - Pahajani N, Katz BJ, Lonzano AM, Murphy F and Gottlieb A. Comparison of the Efficacy and Safety of the 308nm Excimer laser for the Treatment of Localized Psoriasis in Adults and in Children: A Pilot Study. *Pediatric Dermatology* Vol. 22 No. 2, March/April 2005, pp. 161-165

Induration Protocol Study - Taneja A, Trehan M, Taylor C. 308-nm Excimer Laser for the Treatment of Psoriasis - Induration-Based Dosimetry. *Arch Dermatol.* Vol. 139, June 2003, pp. 759-764

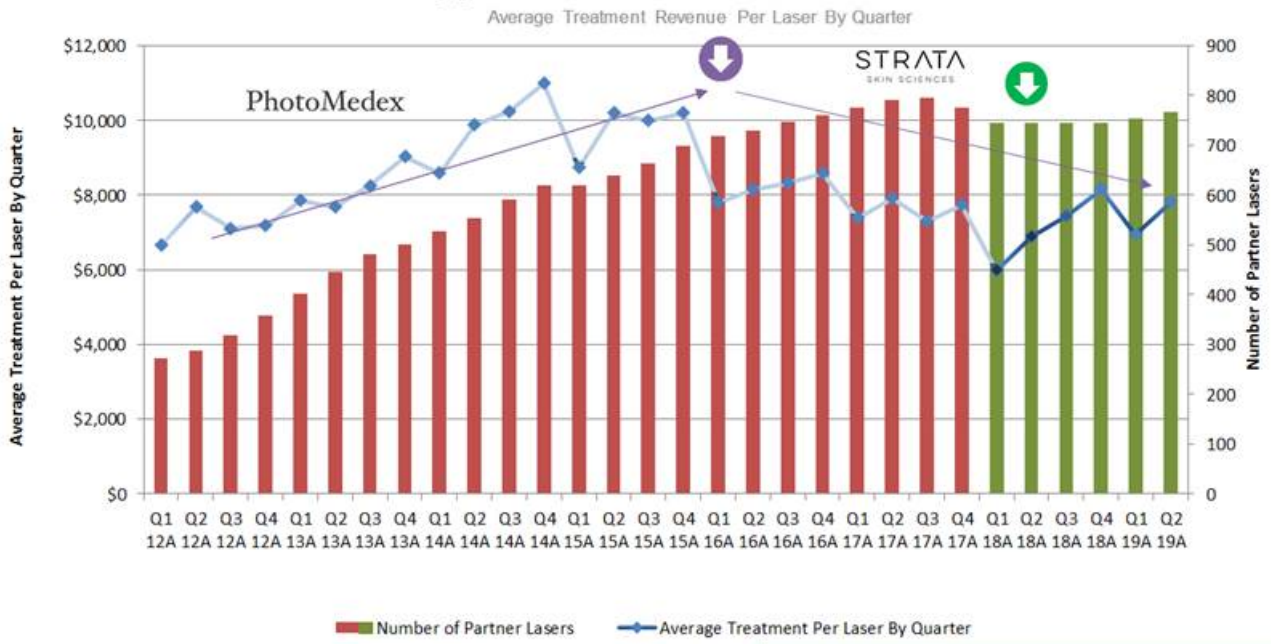
High Dose Protocol Study - Michael Abrouk,1 Ethan Levin,2 Merrick Brodsky,1 Jessica R Gandy,1 Mia Nakamura,2 Tian Hao Zhu,3 Benjamin Farahnik,4 John Koo,2 and Tina Bhutani2 Excimer laser for the treatment of psoriasis: safety, efficacy, and patient acceptability. Published online 2016 Dec 12. doi:10.2147/PTT.S105047

Maximizing Dermatologist Partner Clinical Revenue



$$\text{Revenue} = \# \text{ of lasers} \times \# \text{ of treatments/pt} \times \# \text{ patients} \times \text{cost/tx} \times \text{recurrence factor}$$

Proven Turnaround Strategy – Install Base and Utilization Growth

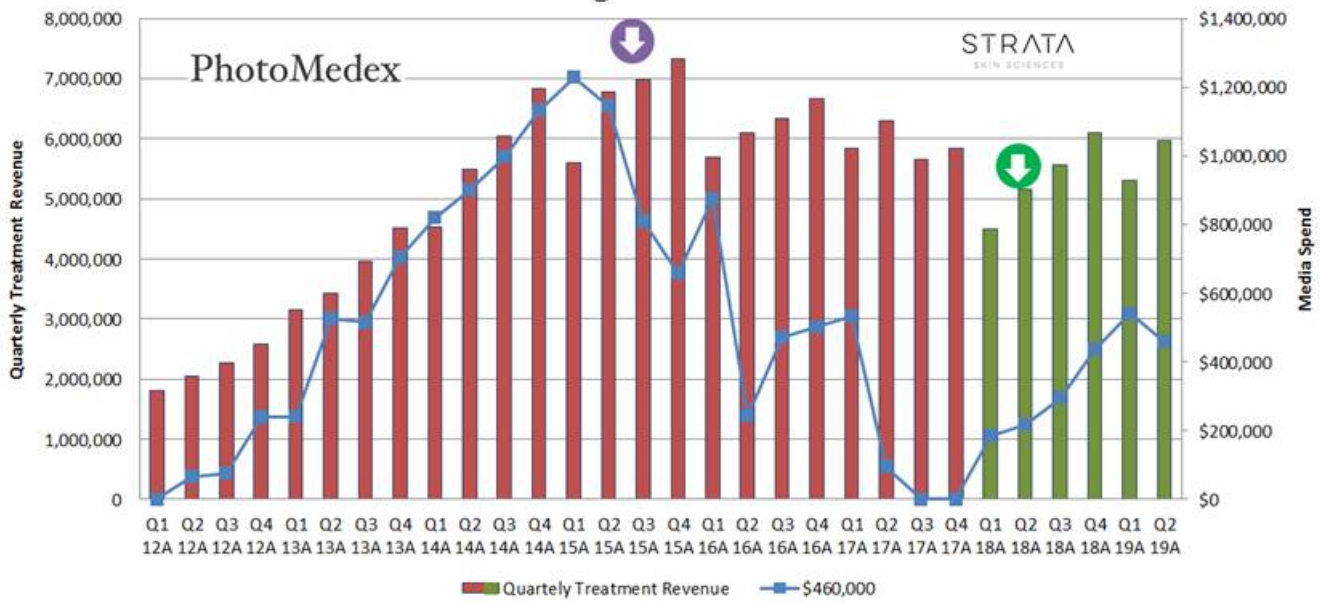


Q2 '19 average revenue – 13% growth over Q2 '18



STRATA bought XTRAC business from PhotoMedex in 2015
 Note the numbers prior to Jan 1, 2018 do not reflect adjustments for the adoption of ASC 606

DTC – The Driver for Recurring Revenue Growth



STRATA bought XTRAC business from PhotoMedex in 2015
 Note the numbers prior to Jan 1, 2018 do not reflect adjustments for the adoption of ASC 606

Q2 '19 qtr. revenue - 15% growth over Q2 '18

