

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): June 10, 2019



**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**  
(Address of Principal Executive Offices)

**19044**  
(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))

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 June 10, 2019, Strata Skin Sciences (the “Company”) posted an investor presentation to its website at <http://investors.strataskin.com/investors/home>. 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 June 10, 2019.

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Exhibit Index

<u>Exhibit No.</u>	<u>Exhibit Description</u>
99.1	<a href="#">June 10, 2019 STRATA Skin Sciences, Inc. Investor Presentation</a>

**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: June 10, 2019

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

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## **Driving Value to Dermatology Partners**

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Matching Patients with Clinics

**Investor Presentation**

*June 2019*

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## 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.

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# STRATA Investment Highlights



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## 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 domestic patients – \$6 Billion annual revenue
- Treatment modality use growing > 25%/year
- 25% target clinic penetration

## Unique and Proven Business Model

- Best in class XTRAC<sup>®</sup> and VTRAC<sup>®</sup> Excimer Laser technologies
- Recurring revenue driven by DTC
- Providing “business in a box” for dermatology practices
- Growing Install base – low hanging fruit

DTC – Direct To Consumer awareness and advertising

## The Market Opportunity

### Over 35 million domestic and 100 million Global potential patients

- \$6 Billion domestic opportunity

### Established reimbursement rate

- \$150-\$250 reimbursement based on body surface area affected - 3 Excimer specific CPT Codes (96920, 96921, 96922)
- Average of 23 treatments per patient -Patient Lifetime Value ~ \$4,000

### Proven Double Digit Growth

- Over 25% annual procedure growth
- XTRAC is available in ~900 (out of 5000 clinical dermatology) clinics

Plaque  
Psoriasis



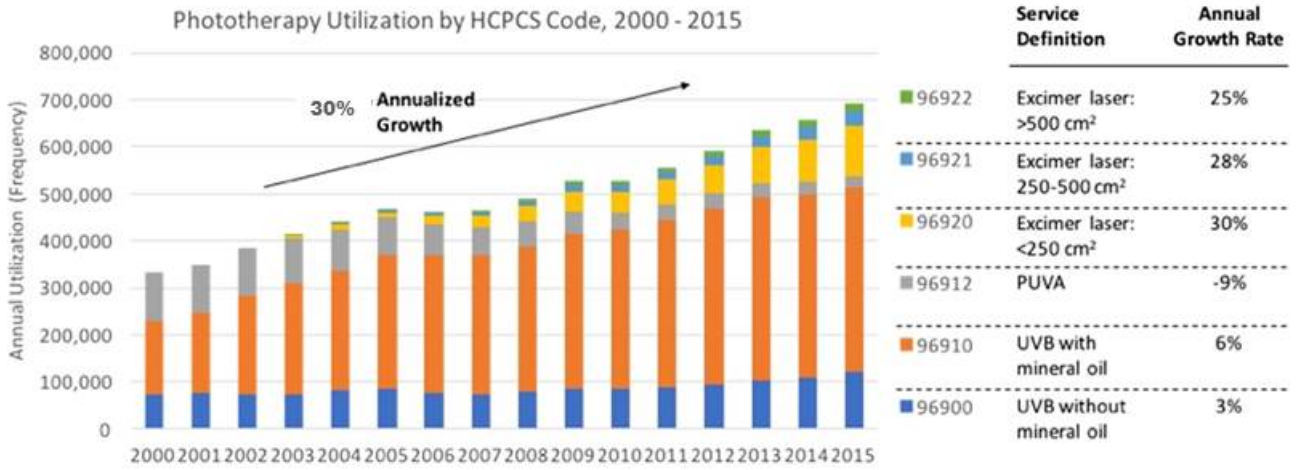
Vitiligo



Erythrodermic  
Psoriasis

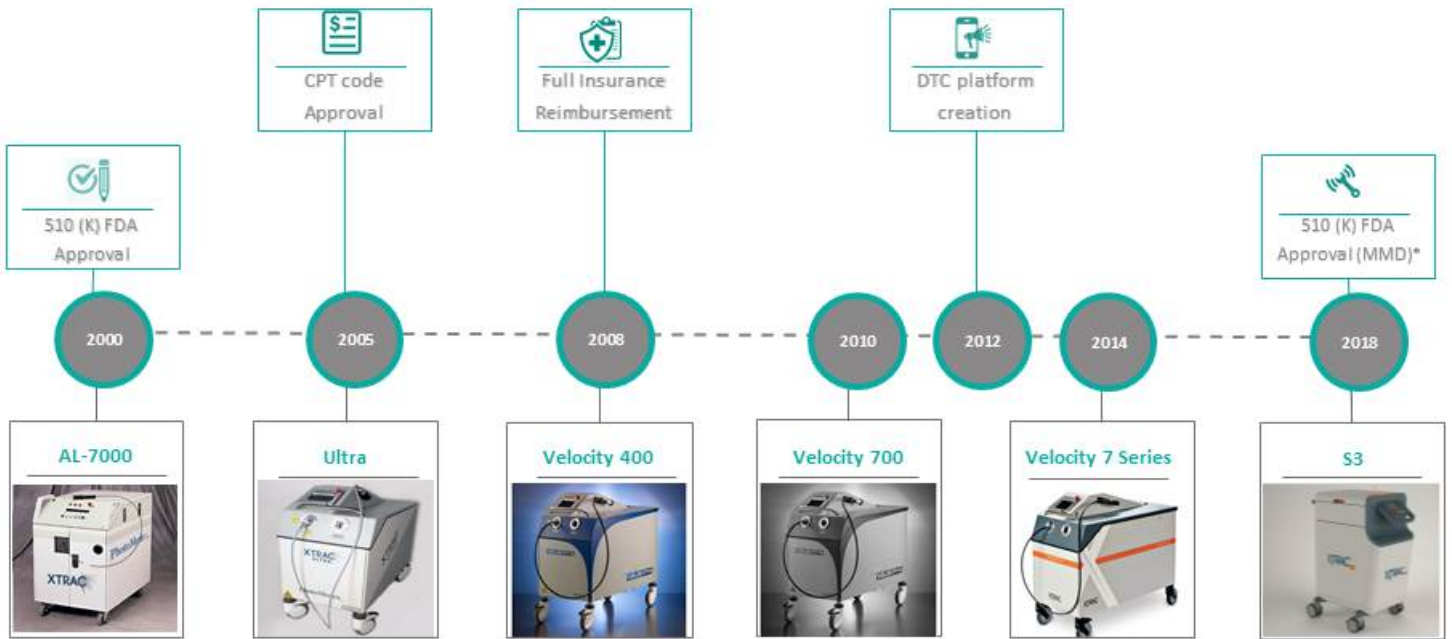


# Excimer laser use grew at ~30% annual rate in the US over last 15 years





# 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 2,000 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 2018 with advanced features  
Only platform with Vitiligo and OTD protocol

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## 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.

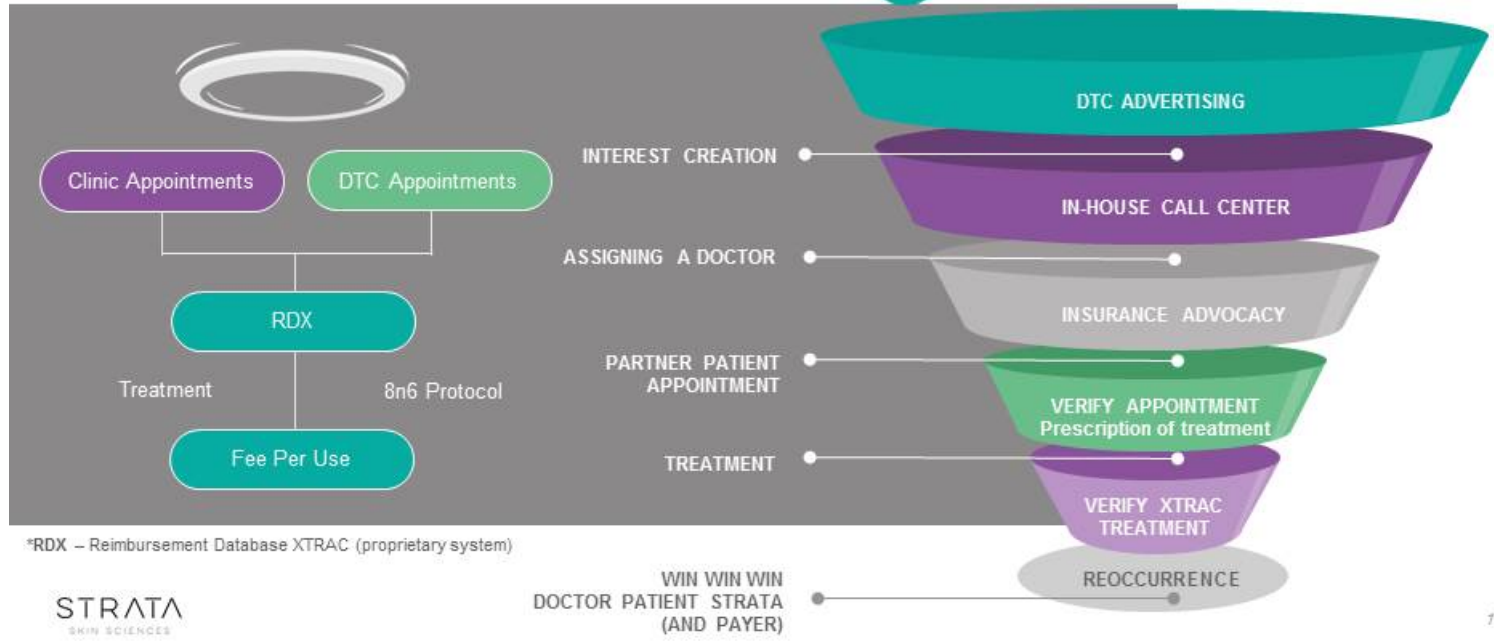
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## How XTRAC Works - Vitiligo



- 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

# XTRAC Revenue Funnel



\*RDX – Reimbursement Database XTRAC (proprietary system)



# 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.



**XTRAC**  
PSORIASIS TRATAMIENTO

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.



**Vitiligo**

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](#)

**Tratamiento con Láser XTRAC | Trate Psoriasis Efectivamente**  
consultations.xtracclear.com

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

**Instagram**

**XTRAC Psoriasis, Vitiligo...**  
Sponsored



**XTRAC**  
PSORIASIS TREATMENT

[Learn More](#)

Like Comment Share

**Learn More**

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

## Lead Generation is a Business Driver

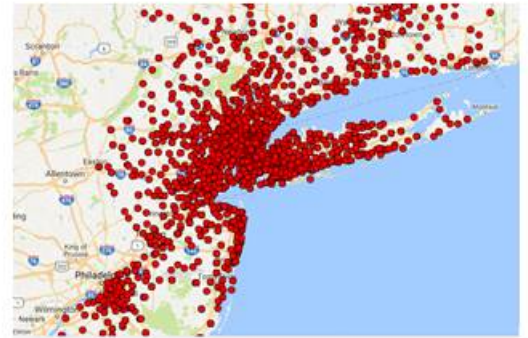


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Patient leads in one quarter  
Leads turn into appointments

Appointments lead to

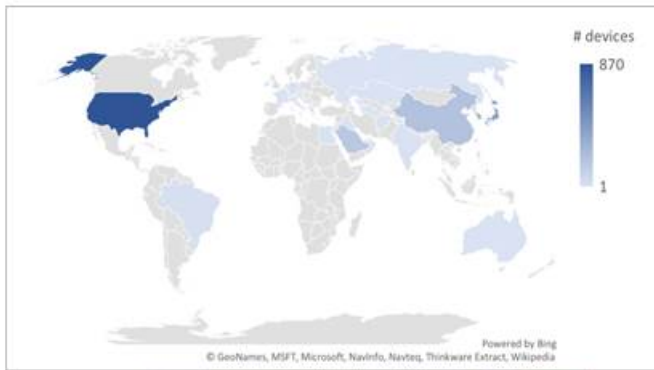
- XTRAC partner revenue
- Other revenue for the partner clinic
- Revenue for STRATA



NYC, NJ, Long Island



## International Market: Installed Base



## Strategic Growth Target

OUS sales are through distribution with no current recurring revenue model applied

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

Insurance covered in most markets

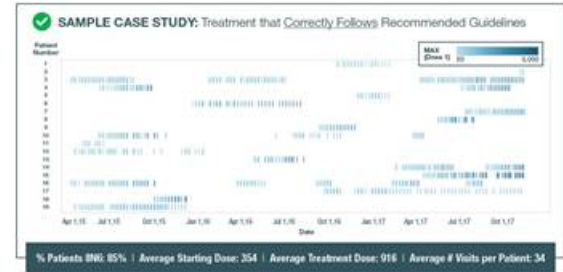
Usage/device higher than domestic market – untapped potential in U.S.

1,300 OUS devices sold and in service



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# Maximizing Dermatologist Partner Clinical Revenue



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

# XTRAC creates significant recurring revenue for the 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
<b>Physician Gross Revenue (Annual)</b>	<b>\$178,485</b>	<b>\$267,728</b>

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



Territories color coded

### Overview

754 Partner XTRAC clinics

150+ sold XTRAC

4 Regions

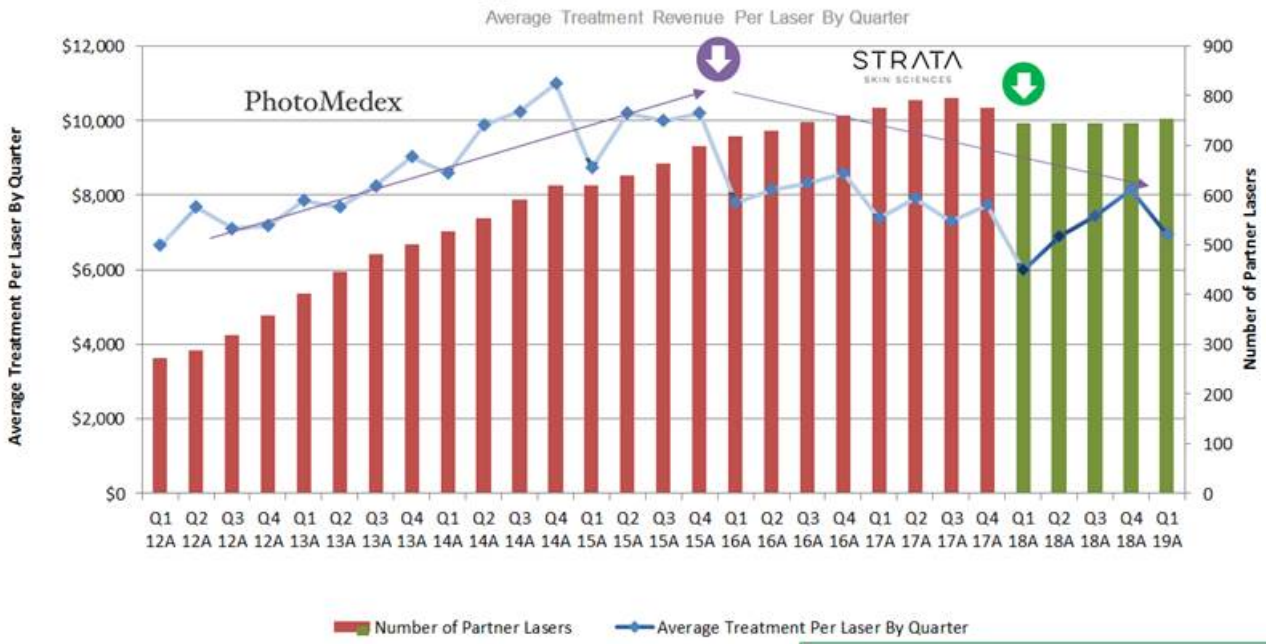
24 Sales Territories

15 Field Service Techs

In-house call center to qualify leads

Only one competitor in U.S.

# Proven Turnaround Strategy – Install Base and Utilization Growth

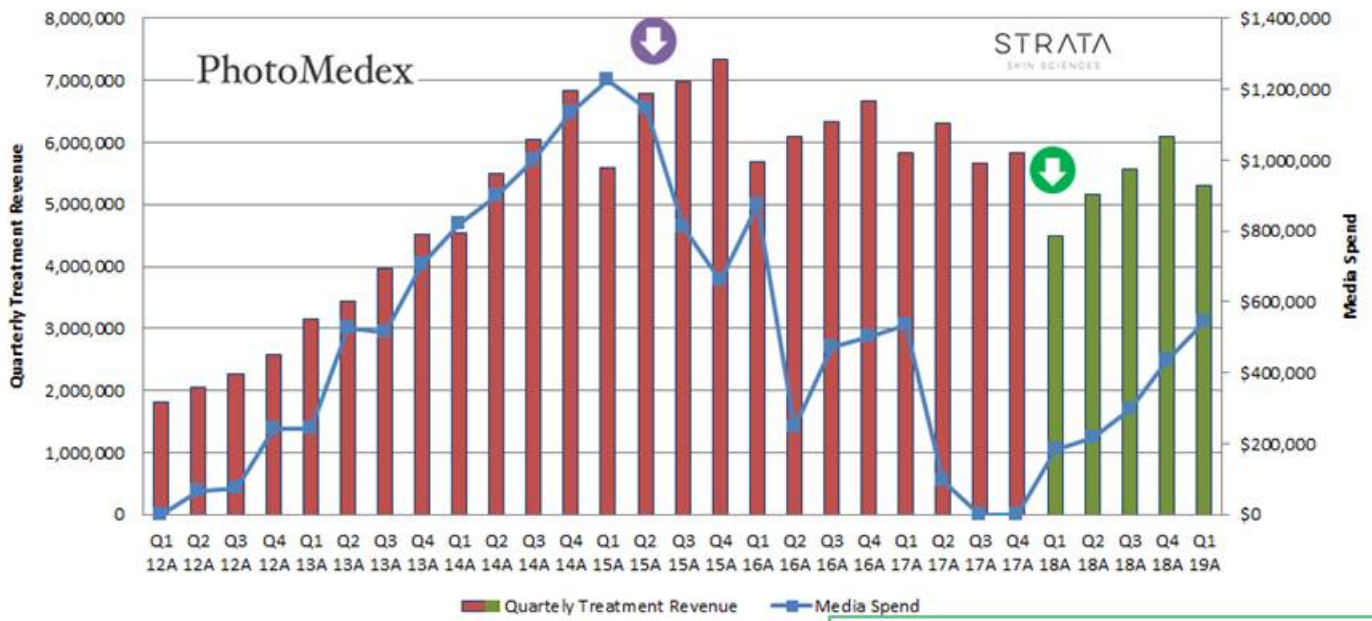


Q1 '19 average revenue - 16% growth over Q1 '18



\* 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

Q1 '19 qtr. revenue - 17% growth over Q1 '18

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## Install Base Growth Drivers

### Expansion into roll-up groups

- 1,570 clinics owned by 58 roll-up groups
- 151 (9.5%) 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)
- 5 Comebacks in Q1 2019

## Recent Financial Highlights

<b>Q1 2019</b>	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
	Dermatology Recurring Procedures Revenue Margin	66%	+9% versus Q1 2018
	Cash and Cash Equivalents	\$16.4 million	
<b>Q4 2018</b>	Total Revenue	\$8.1 million	-4% versus Q4 2017
	Recurring XTRAC Revenue	\$6.0 million	+10% versus Q4 2017
	Gross Margin	67%	+17% versus Q4 2017
	Dermatology Recurring Procedures Revenue Margin	73%	+24% versus Q4 2017
	Cash and Cash Equivalents	\$16.5 million	
<b>Q3 2018</b>	Total Revenue	\$7.9 million	+8% versus Q3 2017
	Recurring XTRAC Revenue	\$5.6 million	+1% versus Q3 2017
	Gross Margin	61%	+6% versus Q3 2017
	Dermatology Recurring Procedures Revenue Margin	68%	+6% versus Q3 2017
	Cash and Cash Equivalents	\$15.9 million	

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## Financial Profile Shares and Share Equivalents – Market cap\*- \$77M

(As of June 4, 2019)

Common stock outstanding	31.1M
Series C preferred shares*	2.5M

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

\*\* Does not include 2.1M warrants with a weighted average exercise price of \$5.41 as of March 31, 2019 of which 1.4M expire by July 2019

\*\* Does not include 4.3M options with a weighted average exercise price of \$2.02

# STRATA Investment Highlights



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DTC – Direct To Consumer awareness and advertising

23



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## Driving Value to Dermatology Partners

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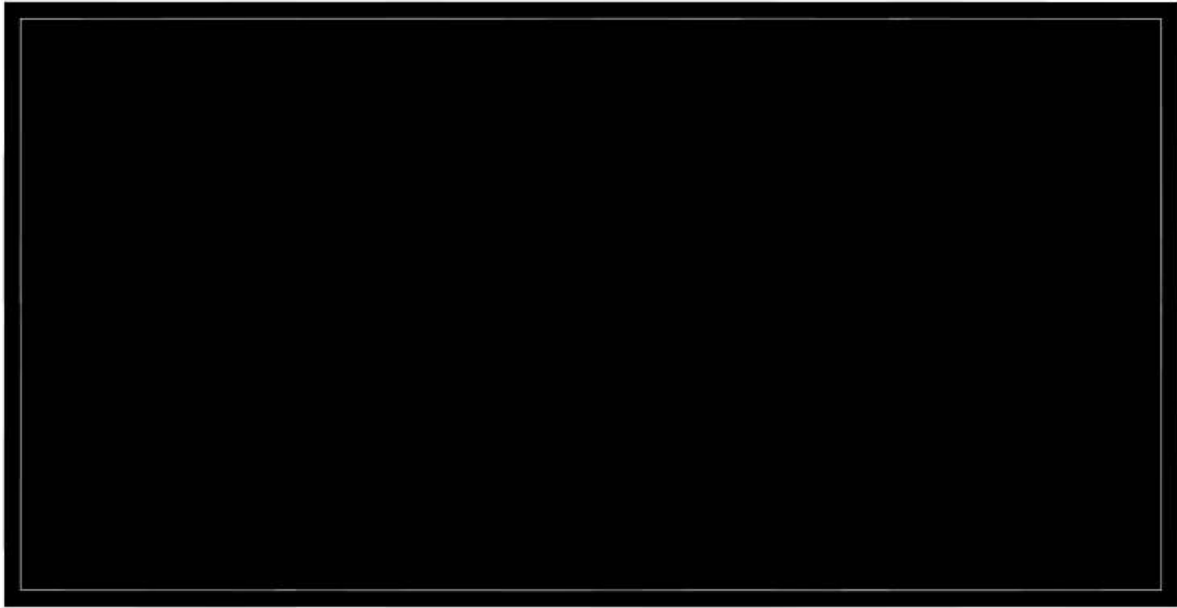
Matching Patients with Clinics

**Investor Presentation**

*June 2019*

# Appendix

XTRAC helps patients Live Clear, Live Free...



## Sample studies from 150+ clinical studies

### Multicenter Psoriasis Study<sup>1</sup>

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 Study<sup>2</sup>

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 Study<sup>3</sup>

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 Study<sup>4</sup>

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).**

<sup>1</sup>Multicenter 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

<sup>2</sup>Vitiligo 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>

<sup>3</sup>Scalp 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

<sup>4</sup>Pediatric Study - Pahajani N, Katz BJ, Lonzana 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 Mio 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

## Financial Metrics

(in thousands except for Average Recurring Revenue per Consigned Systems and Systems Placed under Recurring Revenue Model)								
	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
Dermatology recurring procedures revenue	\$ 5,971	\$ 5,525	\$ 5,487	\$ 4,476	\$ 5,146	\$ 5,553	\$ 6,080	\$ 5,250
Dermatology procedures equipment revenue	\$ 2,500	\$ 1,751	\$ 3,008	\$ 1,971	\$ 2,366	\$ 2,336	\$ 2,132	\$ 2,171
Systems placed under dermatology procedure recurring revenue model	795	776	753	746	746	746	746	754
Average recurring revenue per consigned system per quarter	\$ 7,511	\$ 7,120	\$ 7,287	\$ 6,000	\$ 6,898	\$ 7,444	\$ 8,150	\$ 6,963
Dermatology recurring procedures segment margin percent	69.1%	62.3%	55.9%	56.5%	63.4%	68.2%	73.2%	65.9%
Total Company gross margin percent, including Nordlys inventory and fixed asset write off	62.5%	55.0%	49.2%	48.9%	53.4%	61.3%	67.2%	61.9%
The Dermatology procedures equipment revenue includes \$391, \$118, \$698, \$218, \$59, \$57, \$75, \$44 for the quarters represented above, respectively, in the cancelled Nordlys product line.								

Note: all quarterly numbers are unaudited

