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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): February 10, 2015

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**ELECTROMED, INC.**

(Exact Name of Registrant as Specified in Its Charter)

**Minnesota**  
(State or Other Jurisdiction of  
Incorporation)

**001-34839**  
(Commission File Number)

**41-1732920**  
(I.R.S. Employer Identification  
Number)

**500 Sixth Avenue NW  
New Prague, MN 56071**  
(Address of Principal Executive Offices)(Zip Code)

**(952) 758-9299**  
(Registrant's Telephone Number, Including Area Code)

**Not Applicable**  
(Former Name or Former Address, if Changed Since Last Report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## **Item 2.02 Results of Operations and Financial Condition**

On February 10, 2015, Electromed, Inc. (the “Company”) issued a press release announcing its financial results for the three and six months ended December 31, 2014. The full text of the press release is set forth in Exhibit 99.1 attached hereto and is incorporated by reference in this Current Report on Form 8-K as if fully set forth herein.

The information contained in this Current Report on Form 8-K, including the Exhibit 99.1 attached hereto and incorporated herein, shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section, and shall not be incorporated by reference into any registration statement pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

## **Item 8.01 Other Events**

On or about February 10, 2015, the Company mailed a letter from its chief executive officer to the Company’s shareholders, dated February 10, 2015, updating the Company’s shareholders on recent Company developments. The full text of the shareholder letter is set forth in Exhibit 99.2 attached hereto and is incorporated by reference in this Current Report on Form 8-K as if fully set forth herein.

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

- (a) Financial statements: None.
  - (b) Pro forma financial information: None.
  - (c) Shell company transactions: None.
  - (d) Exhibits:
    - 99.1 Press Release dated February 10, 2015.
    - 99.2 Shareholder Letter dated February 10, 2015.
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## SIGNATURES

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

Date: February 10, 2015

Electromed, Inc.

By: /s/ Jeremy T. Brock

Name: Jeremy T. Brock

Title: Chief Financial Officer

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

ELECTROMED, INC.  
EXHIBIT INDEX TO FORM 8-K

Date of Report:  
February 10, 2015

Commission File No.:  
001-34839

<b>Exhibit Number</b>	<b>Description</b>
99.1	Press Release dated February 10, 2015.
99.2	Shareholder Letter dated February 10, 2015.

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**ELECTROMED, INC.****FOR IMMEDIATE RELEASE****Contact**

Kathleen Skarvan  
Chief Executive Officer  
Electromed, Inc.  
952-758-9299  
kskarvan@electromed.com

**Electromed, Inc. Reports Higher Second Quarter Revenues and Profits**

**New Prague, Minnesota – February 10, 2015** - Electromed, Inc. (NYSE MKT: ELMD) today announced financial results for the three-and six-month periods ended December 31, 2014. Net revenues for the second quarter of fiscal 2015 rose approximately 40% to \$4.9 million, compared to \$3.5 million in the same quarter of fiscal 2014. The Company reported net income of \$423,000, or \$0.05 cents per basic and diluted share, for the second quarter of fiscal 2015, compared to a net loss of \$239,000, or (\$0.03) per basic and diluted share, for the same period of fiscal 2014.

Growth in total net revenues was attributable to strong results in the home care market where revenue increased by approximately 53%, or \$1.5 million, compared to the same period of fiscal 2014. Home care sales increased due to a greater number of approvals from third party payers, such as insurance companies, Medicare and Medicaid, for the Company's SmartVest™ products. International sales decreased by 73%, or \$107,000, due primarily to the timing of orders placed by international distributors in the first quarter of fiscal 2015 rather than the second quarter of fiscal 2015. Institutional and government sales decreased 12%, or \$54,000, compared to the second quarter of fiscal 2014.

Gross margins in the second quarter of fiscal 2015 were 69.7%, down from 72.1% in the second quarter of fiscal 2014. The decline was primarily due to an impairment charge of \$107,000, taken on tools that became obsolete during the second quarter of fiscal 2015 as we implemented certain lower cost manufacturing processes that reduce the cost of producing the SmartVest SQL™. Over time, the Company expects to bring manufacturing costs for the SQL product roughly in line with previous products. Operating expenses, which include selling, general and administrative (SG&A) and research and development (R&D), declined to 61% of revenue compared with 81% of revenue in the second quarter of fiscal 2014. The decline resulted from the higher level of net revenues in the second quarter of fiscal 2015. Operating expenses rose slightly as a result of higher sales commission and bonus expenses due to higher revenue and profitability.

The Company generated \$328,000 of cash flow from operations in the second quarter and finished the quarter with over \$2.4 million of cash on hand.

For the first six months ended December 31, 2014, revenue increased 40%, to \$9.7 million, compared to the same period of fiscal 2014. Gross margins were 69.4%, down from 70.5% in the second quarter of fiscal 2014, while net income increased to \$800,000 or \$0.10 per basic and diluted share compared to a net loss of \$575,000 in the same period of the prior year.

Kathleen Skarvan, Electromed's chief executive officer, commented, "I am pleased with the progress the Company continues to make as we reported our third consecutive profitable quarter. Revenue growth, gross margin and expense management were all solid in the second quarter. The market's acceptance of the SmartVest SQL, which we introduced in early calendar 2014, continues to be good. We have made notable progress on bringing manufacturing costs down for SQL and there is additional progress we believe we can make as fiscal 2015 continues."

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**Electromed, Inc.**

**Results for the Three-and Six-Months Ended December 31, 2014**

**Page 2**

Our reimbursement team deserves a good deal of credit as they have focused on obtaining reimbursement from insurers for referrals we received in past quarters. This has been an important source of revenue for the Company in the last several quarters and we have cleared a significant number of referrals that were awaiting approval for reimbursement. In order to maintain our revenue momentum, we will need to generate higher sustained levels of new referrals in coming quarters. To that end, our sales team and its leadership have been focused on both improving penetration at existing accounts as well as adding new accounts.”

**About Electromed, Inc.**

Electromed, Inc. manufactures, markets, and sells products that provide airway clearance therapy, including the SmartVest® Airway Clearance System and related products, to patients with compromised pulmonary function. Further information about the Company can be found at [www.electromed.com](http://www.electromed.com).

**Cautionary Statements**

*Certain statements found in this release may constitute forward-looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements reflect the speaker’s current views with respect to future events and financial performance and include any statement that does not directly relate to a current or historical fact. Forward-looking statements can generally be identified by the words “believe,” “expect,” “anticipate” or “intend” or similar words. Forward-looking statements made in this release include the Company’s beliefs regarding continued progress in its reimbursement, revenue growth and cost control strategies. Forward-looking statements cannot be guaranteed and actual results may vary materially due to the uncertainties and risks, known and unknown, associated with such statements. Examples of risks and uncertainties for Electromed include, but are not limited to, the impact of emerging and existing competitors, the effect of new legislation on our industry and business, the effectiveness of our sales and marketing and cost control initiatives, changes to reimbursement programs, as well as other factors described from time to time in our reports to the Securities and Exchange Commission (including our Annual Report on Form 10-K). Investors should not consider any list of such factors to be an exhaustive statement of all of the risks, uncertainties or potentially inaccurate assumptions investors should take into account when making investment decisions. Shareholders and other readers should not place undue reliance on “forward-looking statements,” as such statements speak only as of the date of this release.*

Financial Tables Follow:

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Electromed, Inc.

Results for the Three-and Six-Months Ended December 31, 2014

Page 3

Electromed, Inc. and Subsidiary  
Condensed Consolidated Balance Sheets

	December 31, 2014 (Unaudited)	June 30, 2014
<b>Assets</b>		
Current Assets		
Cash	\$ 2,452,361	\$ 1,502,702
Accounts receivable (net of allowances for doubtful accounts of \$45,000)	6,628,860	6,487,267
Inventories	2,234,492	2,235,496
Prepaid expenses and other current assets	372,177	397,853
<b>Total current assets</b>	<b>11,687,890</b>	<b>10,623,318</b>
Property and equipment, net	3,772,457	3,935,802
Finite-life intangible assets, net	868,797	930,451
Other assets	352,097	302,595
<b>Total assets</b>	<b>\$ 16,681,241</b>	<b>\$ 15,792,166</b>
<b>Liabilities and Equity</b>		
Current Liabilities		
Current maturities of long-term debt	\$ 47,125	\$ 46,375
Accounts payable	480,989	380,582
Accrued compensation	515,039	391,040
Warranty reserve	700,000	700,000
Other accrued liabilities	151,189	302,482
<b>Total current liabilities</b>	<b>1,894,342</b>	<b>1,820,479</b>
Long-term debt, less current maturities	1,227,653	1,251,192
<b>Total liabilities</b>	<b>3,121,995</b>	<b>3,071,671</b>
Commitments and Contingencies		
Equity		
Common stock, \$0.01 par value; authorized: 13,000,000; shares issued and outstanding: 8,133,857 and 8,114,252 at December 31, and June 30, 2014, respectively	81,339	81,143
Additional paid-in capital	13,255,481	13,217,166
Retained earnings (accumulated deficit)	222,426	(577,814)
<b>Total equity</b>	<b>13,559,246</b>	<b>12,720,495</b>
<b>Total liabilities and equity</b>	<b>\$ 16,681,241</b>	<b>\$ 15,792,166</b>

Electromed, Inc.

Results for the Three- and Six-Months Ended December 31, 2014

Page 4

Electromed, Inc. and Subsidiary  
Condensed Consolidated Statements of Operations (Unaudited)

	For the Three Months Ended December 31,		For the Six Months Ended December 31,	
	2014	2013	2014	2013
Net revenues	\$ 4,881,723	\$ 3,501,075	\$ 9,652,262	\$ 6,919,253
Cost of revenues	1,478,290	978,029	2,954,087	2,040,375
<b>Gross profit</b>	<b>3,403,433</b>	<b>2,523,046</b>	<b>6,698,175</b>	<b>4,878,878</b>
Operating expenses				
Selling, general and administrative	2,872,402	2,739,104	5,693,897	5,463,032
Research and development	83,643	92,735	158,909	301,843
<b>Total operating expenses</b>	<b>2,956,045</b>	<b>2,831,839</b>	<b>5,852,806</b>	<b>5,764,875</b>
<b>Operating income (loss)</b>	<b>447,388</b>	<b>(308,793)</b>	<b>845,369</b>	<b>(885,997)</b>
Interest expense, net of interest income of \$461, \$3,940 \$1,673 and \$11,338 respectively	24,677	19,469	45,129	34,670
<b>Net income (loss) before income taxes</b>	<b>422,711</b>	<b>(328,262)</b>	<b>800,240</b>	<b>(920,667)</b>
Income tax benefit	-	89,000	-	346,000
<b>Net Income (loss)</b>	<b>\$ 422,711</b>	<b>\$ (239,262)</b>	<b>\$ 800,240</b>	<b>\$ (574,667)</b>
Income (loss) per share:				
Basic	\$ .05	\$ (0.03)	\$ .10	\$ (0.07)
Diluted	\$ .05	\$ (0.03)	\$ .10	\$ (0.07)
Weighted-average common shares outstanding:				
Basic	8,114,252	8,114,252	8,114,252	8,114,252
Diluted	8,130,245	8,114,252	8,119,575	8,114,252



Electromed, Inc.

Results for the Three-and Six-Months Ended December 31, 2014

Page 5

Electromed, Inc. and Subsidiary  
Condensed Consolidated Statements of Cash Flows (Unaudited)

	For the Six Months Ended December 31,	
	2014	2013
Cash Flows From Operating Activities		
Net income (loss)	\$ 800,240	\$ (574,667)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	308,525	259,074
Amortization of finite-life intangible assets	61,654	63,235
Amortization of debt issuance costs	9,883	8,136
Share-based compensation expense	38,511	65,414
Loss on disposal of property and equipment	139,732	28,178
Changes in operating assets and liabilities:		
Accounts receivable	(141,593)	1,973,108
Inventories	1,004	(887,140)
Prepaid expenses and other assets	(18,912)	(210,972)
Accounts payable and accrued liabilities	73,961	407,275
<b>Net cash provided by operating activities</b>	<u>1,273,005</u>	<u>1,131,641</u>
Cash Flows From Investing Activities		
Expenditures for property and equipment	(285,760)	(291,044)
Expenditures for finite-life intangible assets	-	(2,225)
<b>Net cash used in investing activities</b>	<u>(285,760)</u>	<u>(293,269)</u>
Cash Flows From Financing Activities		
Principal payments on long-term debt including capital lease obligations	(22,789)	(70,064)
Payments of deferred financing fees	(14,797)	(35,296)
<b>Net cash used in financing activities</b>	<u>(37,586)</u>	<u>(105,360)</u>
<b>Net increase in cash and cash equivalents</b>	<u>949,659</u>	<u>733,012</u>
Cash and cash equivalents		
Beginning of period	1,502,702	503,564
End of period	<u>\$ 2,452,361</u>	<u>\$ 1,236,576</u>

Electromed, Inc.

FY 2015 Q2 Letter to Shareholders

Making life's important moments possible – one breath at a time.

To our shareholders

I am pleased once again to provide an update on Electromed's progress through the first half of fiscal year 2015. We have made significant strides in putting the Company on a solid foundation to grow revenue and produce sustained profitability. In the second quarter of fiscal 2015, the Company reported revenue of \$4.88 million, a 39% increase over the second quarter of fiscal 2014, and net income of \$423,000, or \$0.05 per basic and diluted share. This is the third consecutive quarter of revenue growth and profitability for Electromed, a significant achievement for the entire Company.

Gross margin was 69.7% in the second quarter, down slightly from the second quarter of fiscal 2014 due to an impairment charge taken on tooling that became obsolete during the quarter as a result of our SQL manufacturing cost reduction initiative. We are making steady progress to bring manufacturing costs for the SQL product roughly in line with our previous product. Operating expenses were well managed, increasing 5.9% compared to the year-earlier second quarter, despite the much higher rate of revenue growth. This enabled us to report a solid profit in the quarter. In the second quarter of fiscal 2015, we again produced positive cash flow from operations and added to our cash on hand.

There were several factors that contributed to our strong revenue growth in the second quarter: additional payer contracts, a higher approval percentage on referrals, a higher average selling price and higher referrals. In particular, additional payer contracts in certain situations provide an opportunity for our reimbursement team to obtain approvals on older referrals providing a boost to revenues.

As we move forward, it will be essential that our sales team increases the number of new referrals as the revenue stream from older referrals will begin to decline. To assist the sales organization, we have implemented several initiatives including a more structured approach to territory management, additional training and added an inside sales position to assist in new lead generation.

While the home care market provided all revenue growth in the second quarter, we continue to see opportunities in the institutional market. This market consists of the hospitals and clinics at which our patients receive their diagnosis and are often introduced to a high frequency chest wall oscillation (HFCWO) product such as our SmartVest. Increased penetration in this segment should enhance the likelihood that a patient will receive therapy using one of our products which increases the probability they will use that same product once they are discharged and return home.

SQL continues to receive positive feedback from physicians, clinicians and patients, and we believe it is the most attractive HFCWO product in the market. We've continued our history of innovation by offering a smaller, quieter and lighter product and combined this with our previous generation's open system design with active inflate-active deflate. We believe this product offering is the most comfortable and easiest to use leading to improved therapy adherence and improved quality of life.

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A great product is no guarantee of success in the market as physicians and clinicians may be comfortable with a competitive product and prescribe it as a matter of familiarity. It can take time to gain traction in a clinic in which a competitive product is entrenched and thus, progress can be difficult to predict. That said, we believe we have compelling product and service offerings for patients and health care professionals and we will market to those advantages.

We believe the overall market for HFCWO devices is set to grow at a consistent rate as the population ages and more patients are diagnosed with compromised airway clearance as a result of bronchiectasis, chronic obstructive pulmonary disease (COPD) and neuromuscular conditions, all of which can benefit from HFCWO therapy. At the same time, the market will continue to be highly competitive and reimbursement will remain a challenge as health care cost containment is a high priority.

We have clearly made major progress over the last several quarters in executing our strategies to bring the Company back to solid profitability and revenue growth. In the second half of fiscal 2015, our focus continues to be on improving sales execution, adding new clinics and hospitals to our list of prescribing facilities, reducing SQL manufacturing costs and continuing to be a leader in customer service and satisfaction. We are well aware that significant challenges remain and we will have to continue to execute at a high level to maintain our momentum. I believe our team is up to the task.

I am grateful to the patients who have entrusted us with each breath, the physicians and clinicians who have taken the time to learn the benefits of our device and the Electromed employees who come to work every day with the goal of making patients' lives more fulfilling and enjoyable. I am also grateful for the ongoing support of you, our shareholders, and I look forward to connecting with you again next quarter.

Thank you, shareholders, for your continued support.

Sincerely,

A handwritten signature in black ink that reads "Kathleen S. Skarvan". The signature is written in a cursive, flowing style.

Kathleen Skarvan

Chief Executive Officer

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## Cautionary Statements

Certain statements found in this letter may constitute forward-looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements reflect the speaker's current views with respect to future events and financial performance and include any statement that does not directly relate to a current or historical fact. Forward-looking statements can generally be identified by the words "believe," "expect," "anticipate" or "intend" or similar words. Forward-looking statements made in this letter include the Company's beliefs and expectations regarding the benefits of the Company's SQL product, the market acceptance and general appeal of the Company's products, referral and approval trends, sales growth and profitability goals, financial and operational performance, cost reductions, efficiencies in manufacturing and sourcing, the regulatory environment surrounding the Company's medical devices, and the Company's strategic goals and focus for future periods. Forward-looking statements cannot be guaranteed and actual results may vary materially due to the uncertainties and risks, known and unknown, associated with such statements. Examples of risks and uncertainties for Electromed include, but are not limited to, the impact of emerging and existing competitors, the effectiveness of our sales and marketing initiatives, changes to reimbursement programs, our ability to effectively control costs, and our ability to obtain credit as needed, as well as other factors described from time to time in our reports to the Securities and Exchange Commission (including our Annual Report on Form 10-K). Investors should not consider any list of such factors to be an exhaustive statement of all of the risks, uncertainties or potentially inaccurate assumptions investors should take into account when making investment decisions. Shareholders and other readers should not place undue reliance on "forward-looking statements," as such statements speak only as of the date of this letter.

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