

Stereotaxis, Inc.
Form 8-K
February 25, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): February 25, 2015

STEREOTAXIS, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

001-36159
(Commission)

94-3120386
(IRS Employer)

File Number)

Identification No.)

**4320 Forest Park Avenue, Suite 100, St. Louis,
Missouri**

63108

(Address of Principal Executive Offices)

(Zip Code)

(314) 678-6100

(Registrant's Telephone Number, Including Area Code)

(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 (*see* General Instruction A.2. below):

- .. 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))

Item 2.02 Results of Operations and Financial Condition

On February 25, 2015, Stereotaxis, Inc. (the Company) issued a press release (the Press Release) setting forth its financial results for the fourth quarter of fiscal year 2014 and the year ended December 31, 2014. A copy of the Press Release is being filed as Exhibit 99.1 hereto, and the statements contained therein are incorporated by reference herein.

Forward-Looking Statements and Additional Information

Statements are made herein or incorporated herein that are forward-looking statements as defined by the Securities and Exchange Commission (the SEC). All statements, other than statements of historical fact, included or incorporated herein that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future are forward-looking statements. These statements are not guarantees of future events or the Company's future performance and are subject to risks, uncertainties and other important factors that could cause events or the Company's actual performance or achievements to be materially different than those projected by the Company. For a full discussion of these risks, uncertainties and factors, the Company encourages you to read its documents on file with the SEC. Except as required by law, the Company does not intend to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

In accordance with General Instruction B.2. of Form 8-K, the information contained in Item 2.02 and Exhibit 99.1 attached hereto shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the Exchange Act), or otherwise subject to the liabilities of that section, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 8.01 Other Events

On February 25, 2015, the Company announced the following 2014 fourth quarter and full year financial results:

Fourth Quarter 2014

Total revenue of \$9.8 million compared to \$9.1 million in the prior year quarter, an 8% improvement. System revenue of \$3.2 million included \$2.2 million on two Niobe® ES systems, \$0.1 million on Vdrive® system sales and \$0.9 million in Odyssey® solution sales. Recurring revenue was \$6.6 million in the fourth quarter of 2014. This compares to \$2.7 million and \$6.3 million for system and recurring revenues, respectively, in the prior year fourth quarter.

The Company generated new capital orders of \$2.9 million on two *Niobe ES* system orders, including a second system order from Japan, three *Odyssey* solution orders and one *Vdrive* system order in the fourth quarter, compared to \$3.9 million in the prior year fourth quarter. Ending capital backlog was \$5.7 million.

Gross margin in the quarter was \$7.5 million, or 76.6% of revenue, versus \$6.2 million, or 68.7% of revenue, in the fourth quarter of 2013.

Operating expenses of \$7.2 million compared to \$8.7 million in the year ago period.

Operating income in the fourth quarter was \$0.3 million, compared to an operating loss of (\$2.4) million in the prior year fourth quarter.

Interest expense was consistent year over year at approximately \$0.8 million.

Net income of \$0.9 million, or \$0.04 per share, compared to a net loss of (\$4.0) million, or (\$0.23) per share, reported in the fourth quarter 2013. Excluding mark-to-market warrant revaluation, the Company would have reported a net loss of (\$0.5) million, or (\$0.03) per share, for the 2014 fourth quarter compared to (\$3.3) million, or (\$0.19) per share, for the 2013 fourth quarter.

Cash burn for the fourth quarters of 2014 and 2013 was \$1.4 million in each quarter.

Full Year 2014

Revenue of \$35.0 million, compared to \$38.0 million in the 12 months ended December 31, 2013. System revenue was \$7.8 million on three *Niobe ES* system sales, six *Vdrive* system sales and \$2.8 million in *Odyssey* solution sales in 2014. Recurring revenue was \$27.2 million in 2014. This compares to \$12.7 million and \$25.3 million for system and recurring revenues, respectively, during 2013.

New capital orders for the full year 2014 totaled \$6.3 million, compared to \$12.1 million in 2013.

Gross margin in the full year 2014 was \$26.8 million, or 77% of revenue, compared with \$27.0 million, or 71% of revenue, in 2013.

Operating expenses of \$32.2 million, a 10% reduction compared to \$35.9 million in 2013.

Operating loss of (\$5.4) million, a 39% improvement from the prior year.

Interest expense in full year 2014 was \$3.3 million, compared to \$12.6 million in the prior year, which was primarily related to a one-time, non-cash expense in the 2013 third quarter as a result of the extinguishment of the Company's convertible debt.

Net loss for the full year 2014 was (\$5.2) million, or (\$0.26) per share, which included \$3.5 million in income for mark-to-market warrant revaluation, compared to a net loss for the full year 2013 of (\$68.8) million, or (\$5.95) per share, which included \$53.9 million in one-time charges related to transactions with convertible note holders and other equity investors. Excluding these adjustments, the net loss for 2014 would have been (\$8.7) million, or (\$0.44) per share, and the net loss for 2013 would have been (\$14.9) million, or (\$1.29) per share.

Cash burn for 2014 was \$9.2 million, compared to \$6.3 million in the prior year, a 46% increase.

Financial Position

At December 31, 2014, Stereotaxis had cash and cash equivalents of \$7.3 million, compared to \$13.8 million a year ago. During 2014, the Company received gross proceeds of approximately \$3.1 million as a result of a controlled equity offering. At year end, total debt was \$18.4 million related to HealthCare Royalty Partners debt.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

99.1 Stereotaxis, Inc. Press Release dated February 25, 2015.

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.

STEREOTAXIS, INC.

Date: February 25, 2015

By: /s/ Karen Witte Duros

Name: Karen Witte Duros

Title: Sr. Vice President, General Counsel and Secretary

EXHIBIT INDEX

Exhibit No.	Description
99.1	Stereotaxis, Inc. Press Release dated February 25, 2015