

**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): **May 9, 2024**

**DYNATRONICS CORP.**

(Exact name of registrant as specified in its charter)

**Utah**  
(State or other jurisdiction  
of incorporation)

**000-12697**  
(Commission  
File Number)

**87-0398434**  
(IRS Employer  
Identification No.)

**1200 Trapp Rd.**  
**Eagan, Minnesota, United States 55121**  
(Address of principal executive offices) (ZIP Code)

Registrant's telephone number, including area code: **(801) 568-7000**

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:

<u>Title of each class</u>	<u>Trading Symbols</u>	<u>Name of each exchange on which registered</u>
Common stock, no par value	DYNT	NASDAQ Capital Market

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 2.02 Results of Operations and Financial Condition**

On May 9, 2024, Dynatronics Corporation ("Company") issued a press release reporting, among other things, financial results relating to the quarter ended March 31, 2024. Also, as previously announced by a press release issued on April 25, 2024, on May 9, 2024, the Company held a conference call in which executives of the Company reviewed the fiscal 2024 third quarter results. An audio replay of the call will be available one hour after the live call until Midnight on June 8, 2024, by dialing 1-800-408-3053 (U.S./Canada callers) and entering the replay passcode: 6524429# or by dialing the applicable number which can be found at this link: <https://www.confsoolutions.ca/ILT?oss=4P1R8004083053> (international callers) and entering the replay passcode 6524429#. The full text of the press release is furnished herewith as Exhibit 99.1. A transcript of the conference call is furnished herewith as Exhibit 99.2.

The information under this Item 2.02 and in Exhibits 99.1 and 99.2 is being "furnished" and is not being "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 and is not to be incorporated by reference into any filing of the registrant under the Securities Act of 1933, whether made before or after the date hereof, regardless of any general incorporation language in any such filing, except as shall be expressly set forth by specific reference in such a filing.

**Item 9.01 Financial Statements and Exhibits.**

*(d) Exhibits*

<b>Exhibit</b>	<b>Description</b>
99.1	<a href="#">Press Release dated May 9, 2024</a>
99.2	<a href="#">Transcript of May 9, 2024 conference call</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

---

**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.

Date: May 16, 2024

**DYNATRONICS CORPORATION**

By:           /s/ Brian D. Baker            
Name: Brian D. Baker  
Title: Chief Executive Officer



## Dynatronics Corporation Reports Third Quarter Fiscal Year 2024 Financial Results

EAGAN, MN / ACCESSWIRE / May 9, 2024 Dynatronics Corporation (NASDAQ:DYNT) ("Dynatronics" or the "Company"), a leading manufacturer of athletic training, physical therapy, and rehabilitation products, today reported financial results for its third quarter of fiscal year 2024 ended March 31, 2024.

### CEO Commentary

"We continue to make progress on achieving our sales goals and finding our path to positive EBITDA," said Brian Baker, Chief Executive Officer of Dynatronics. "We continue our focus on our fiscal year 2024 operating plan and making progress on our strategic priorities with encouraging results. We worked closely with our customers and key distributors to design three new additions to our rehabilitation furniture line. Our new Timber line provides a high-quality, economical solid treatment furniture option and our Titan Premier line introduces new highly functional hi-lo treatment tables. The new Forged line complements our Hausmann legacy ProTeam wood products sold to the athletic training centers. While it is too early to estimate the level of revenue contribution from these new product lines, we are optimistic that they will enhance our existing sales base."

### Key Financial Results

#### Q3 Fiscal Year '24 Financial Highlights

*Note: All financials referenced in this release are in conformity with U.S. Generally Accepted Accounting Principles and comparisons in this release are to the same period in the prior year unless otherwise noted.*

- Total net sales of \$7.7 million.
- Gross profit margin of 23.7%.
- Net loss attributable to common stockholders of \$0.9 million compared to net loss attributable to common stockholders of \$1.4 million in Q3 fiscal year '23.

#### Notable Balance Sheet Highlights

- Net cash of \$0.6 million unchanged from \$0.6 million as of June 30, 2023.
- As of March 31, 2024, \$2.4 million drawn, with an additional \$1.9 million available on working capital asset-based line of credit established on August 1, 2023.
- Proceeds from line of credit reduced accounts payable and accrued expenses by \$1.7 million and funded \$0.4 million of prepaid expenses.

### Guidance for Fiscal Year '24

In terms of guidance for the fiscal year 2024, we estimate net revenue to be \$32.5 million to \$34 million, due to slower demand in the rehabilitation space and changes to our private label customer relationships.

---

We are not providing gross margin guidance currently. Given our reductions in revenue expectations, we are seeking improved stabilization in the business before considering reinstating such guidance.

SG&A is anticipated to be in the range of 30% to 32% of net sales for the fiscal year.

The Company's financial guidance for fiscal year '24 is subject to the risks identified in its safe harbor notification below. The Company continues to expect volatility due to the challenges related to the broader economic environment, including competitive pressures, inflationary pressures, supply chain disruptions, extended handling times and delays or disruption in procedure volume. Dynatronics also expects some ongoing volatility from the Company's business optimization.

### **Conference Call Q3 Fiscal Year '24 Results**

The Company will hold a conference call, consisting of prepared remarks by management and a question-and-answer session with analysts, at 10:00 AM ET on Thursday, May 9, 2024, to review its fiscal year '24 third quarter results.

Interested persons may access the live conference call by dialing 1-800-898-3989 (U.S./Canada callers) and entering the passcode: 3800128# or by dialing the applicable number which can be found at this link: <https://www.confsolutions.ca/ILT?oss=7P1R8008983989> (international callers) and entering the passcode: 3800128#. It is recommended that participants call or login 10 minutes ahead of the scheduled start time to ensure proper connection. An audio replay will be available one hour after the live call until Midnight on June 8, 2024, by dialing 1-800-408-3053 (U.S./Canada callers) and entering the replay passcode: 6524429# or by dialing the applicable number which can be found at this link: <https://www.confsolutions.ca/ILT?oss=4P1R8004083053> (international callers) and entering the replay passcode 6524429

### **About Dynatronics Corporation**

Dynatronics is a leading medical device company committed to providing high-quality restorative products designed to accelerate achieving optimal health. The Company designs, manufactures and sells a broad range of products for clinical use in physical therapy, rehabilitation, orthopedics, pain management, and athletic training. Through its distribution channels, Dynatronics markets and sells to orthopedists, physical therapists, chiropractors, athletic trainers, sports medicine practitioners, clinics, and hospitals. The Company's products are marketed under a portfolio of high-quality, well-known industry brands including Bird & Cronin®, Solaris™, Hausmann®, and PROTEAM™, among others. More information is available at [www.dynatronics.com](http://www.dynatronics.com)

### **Forward-Looking Statements**

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Those statements include references to the Company's expectations and similar statements. Such forward-looking statements reflect the views of management at the time such statements are made. These statements include our statements regarding the Company's planned product launches, expected overall performance, expectations regarding net sales, distribution of net sales, and selling general and administrative costs in fiscal year 2024, and uncertainties related to the broader economic environment, including higher raw material, delivery and shipment costs, supply chain disruptions, extended handling times and delays or disruption in procedure volume and volatility resulting from continued execution of the Company's business optimization strategy. These forward-looking statements are subject to a number of risks, uncertainties, estimates, and assumptions that may cause actual results to differ materially from current expectations. The contents of this release should be considered in conjunction with the risk factors, warnings, and cautionary statements that are contained in the Company's annual, quarterly, and other reports filed with the Securities and Exchange Commission. Dynatronics does not undertake to update its forward-looking statements, whether as a result of new information, future events, or otherwise.

---

## Summary Financial Results

Following is a summary of operating results for the periods ended March 31, 2024, the balance sheet highlights at March 31, 2024 and cash flow for periods ended March 31, 2024.

### Summary Selected Financial Data Statements of Operations Highlights

*In thousands, except share and per share amounts*

	Quarter Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
Net sales	\$ 7,658	\$ 9,236	\$ 25,161	\$ 32,172
Cost of sales	\$ 5,841	\$ 7,028	\$ 19,218	\$ 23,258
Gross Profit	\$ 1,817	\$ 2,208	\$ 5,943	\$ 8,913
Selling, general and administrative expenses	\$ 2,389	\$ 3,429	\$ 7,656	\$ 11,409
Other (expense) income, net	\$ (96)	\$ (25)	\$ (297)	\$ (97)
Net income (loss)	\$ (668)	\$ (1,245)	\$ (2,010)	\$ (2,592)
Preferred stock dividend, in common stock, issued or to be issued	\$ (184)	\$ (175)	\$ (572)	\$ (518)
Net income (loss) attributable to common stockholders	\$ (852)	\$ (1,420)	\$ (2,582)	\$ (3,111)
Net loss attributable to common stockholders per common share - basic and diluted	\$ (0.17)	\$ (0.36)	\$ (0.57)	\$ (0.82)
Weighted-average common shares outstanding - basic and diluted	\$ 4,878,512	\$ 3,929,577	\$ 4,553,847	\$ 3,809,610

**Balance Sheet Highlights**  
*In thousands*

	<b>March 31, 2024</b>	<b>June 30, 2023</b>
Cash and cash equivalents and restricted cash	\$ 596	\$ 553
Trade accounts receivable, net	3,716	3,722
Inventories, net	6,184	7,403
Prepays & other	1,513	741
<b>Total current assets</b>	<b>12,009</b>	<b>12,419</b>
Non-current assets	15,756	17,644
<b>Total assets</b>	<b>\$ 27,765</b>	<b>\$ 30,063</b>
Accounts payable	\$ 3,571	\$ 4,530
Accrued payroll and benefits expense	439	878
Accrued expenses	759	891
Other current liabilities	1,461	1,642
Line of credit	2,352	-
<b>Total current liabilities</b>	<b>8,582</b>	<b>7,941</b>
Non-current liabilities	4,337	5,265
<b>Total liabilities</b>	<b>12,919</b>	<b>13,206</b>
Stockholders' equity	14,846	16,857
<b>Total liabilities and stockholders' equity</b>	<b>\$ 27,765</b>	<b>\$ 30,063</b>

**Cash Flow Highlights**  
*In thousands*

	<b>Nine Months Ended</b>	
	<b>March 31</b>	
	2024	2023
Net loss	\$ (2,010)	\$ (2,592)
Depreciation and amortization	984	1,008
Stock-based compensation	(1)	109
(Gain) loss on sale of property and equipment	41	-
Receivables	5	1,050
Inventory	1,219	2,368
Prepaid and other assets	(438)	67
Accounts payable, accrued expenses, and other liabilities	(1,655)	(1,605)
<b>Net cash provided by (used in) operating activities</b>	<b>(1,855)</b>	<b>405</b>
Net cash used in investing activities	(241)	(177)
Payments on non-current liabilities	2,139	(259)
<b>Net cash provided by (used in) financing activities</b>	<b>2,139</b>	<b>(259)</b>
Net change in cash and cash equivalents	43	(31)
Cash and cash equivalents at beginning of the period	553	701
Cash and cash equivalents at end of the period	<b>\$ 596</b>	<b>\$ 670</b>

**Contact:**

Dynatronics Corporation  
Investor Relations  
[ir@dynatronics.com](mailto:ir@dynatronics.com)

For additional information, please visit: [www.dynatronics.com](http://www.dynatronics.com)

Connect with Dynatronics on [LinkedIn](#)

**SOURCE:** Dynatronics Corporation

---

## **CORPORATE PARTICIPANTS**

**Brian Baker**  
*President and Chief Executive Officer*

**Gabe Ellwein**  
*Chief Financial Officer*

## **PRESENTATION**

### **Operator**

Good morning ladies and gentlemen and welcome to Dynatronics' Third Quarter Fiscal Year 2024 Earnings Call.

It is now my pleasure to turn the floor over to your host, Brian Baker, the Company's Chief Executive Officer. Brian, the floor is yours.

---

### **Brian Baker, Chief Executive Officer**

Thank you, Operator. Good morning, everyone, and welcome to the Dynatronics' Third Quarter Earnings call. This is Brian Baker, President and CEO. With me today is Gabe Ellwein, our Chief Financial Officer, who will now read our Safe Harbour statement.

---

### **Gabe Ellwein, Chief Financial Officer**

Thank you, Brian.

During the course of this call, we will make forward-looking statements regarding our current expectations, plans, projections, and financial performance relating to our business.

These forward-looking statements reflect our view as of today only and involve risks and uncertainties that could cause our actual results to differ materially from those discussed today.

Important factors that could cause actual results to differ materially from those projected or implied by our forward-looking statements are included in our most recent 10-K and other reports filed with the SEC. We caution you not to place undue reliance on forward-looking statements we make this morning. We undertake no obligation to update or revise forward-looking statements.

---

### **Brian Baker, Chief Executive Officer**

Thank you, Gabe.

This morning, we issued a press release announcing the financial results of our third quarter ended March 31st, 2024.

On today's call, I'll provide some initial commentary. Then I'll turn it over to Gabe for a financial report. Following Gabe's report, I'll provide an update on our 2024 fiscal year guidance and provide closing remarks. The Operator will then open the phone lines for questions.

For the quarter ended March 31, 2024, we continue to focus on our sales goals and improving profitability.

During the quarter, we made another series of cost reductions as a part of our ongoing effort to align costs to today's revenue volume. These steps allowed our gross margin rates to remain in line year-over-year and reducing operating expenses by \$3.7 million year-to-date. Our commercial and operations teams continue to strive to meet our monthly and quarterly sales goals, and I'm proud of their achievements in the third quarter.

Our three new Hausmann product introductions are progressing as scheduled. We work with our customers and key distributors to design these additions. Our new Timberline offers high quality solid wood furniture at an economical price. The Titan Premier Treatment Tables meet high-end functional requirements while supporting our customers' budget needs. We have strong inventory positions for both Titan Premier and Timber product lines to support our customer demand. We are pleased to see the high customer interest in these products and feedback from customers taking delivery has been positive.

Our new Forage line complements our legacy protein products sold into the athletic training centres. Forage is an athletic training furniture solution offering heavy duty aluminum construction with customers' branding and colours. We are now quoting our Forage line for upcoming buildouts in the athletic training space. While it's too early to estimate the level of revenue contribution from these new product lines, we are optimistic they will enhance our existing sales base. I encourage you to visit our Hausmann website to learn more about these exciting additions.

As a reminder, historically, the business experiences higher revenue in the first quarter, low second and third quarter revenue, with a bounce back in the fourth quarter. Recently, the business has experienced an increase in quote volume and although not all quotes convert to firm orders, we believe this is a positive leading indicator that the fourth quarter will align with historical trends.

These results reflect continued progress in our fiscal year 2024 operating plan and strategic priorities. Our team's daily commitment to the business has been key in achieving our goals, and I want to thank all of our employees for their ongoing dedication in the business.

I'll now turn it over to the Gabe to provide a financial report.

---

**Gabe Ellwein, Chief Financial Officer**

Thank you, Brian.

As a reminder, the full income statement and management discussion and analysis can be found in the 10-Q. I will summarize some of the key financials here.

Net sales were \$7.7 million for the third quarter of fiscal year '24. That compares to net sales of \$9.2 million in the third quarter of fiscal year '23.

The year-over-year decrease is primarily due to a change in relationship with private label customers and less demand in our orthopedic soft bracing category.

Gross profit for the quarter was \$1.8 million or 23.7 percent of net sales compared to \$2.2 million or 23.9 percent of net sales in the same period the prior year. The decrease in gross profit was driven primarily by the reduction in net sales discussed previously and decreases in product margin rates in our orthopedic soft bracing category, partially offset by an increase in the product margin rate in our rehabilitation category.

Selling, general and administrative expenses decreased \$1 million or 30 percent to \$2.4 million for the quarter-ended March 31, 2024 compared to \$3.4 million for the quarter-ended March 31, 2023.

The overall reduction in selling, general and administrative expenses was led by a reduction of \$0.7 million in salaries and benefits with the remainder of \$0.3 million spread across travel, repair and maintenance, and other professional services.

Net loss for Q3 fiscal year '24 was \$0.7 million. That compares to a net loss of \$1.2 million for the same period of fiscal year 2023.

Outstanding shares will increase approximately 400,000 per quarter depending on our share price.

As of March 31, 2024, the number of common shares outstanding was approximately 4.9 million. The net cash balance was approximately \$0.6 million on March 31, 2024. No change to the \$0.6 million reported on December 31, 2023.

As of March 31, 2024, our line of credit balance was approximately \$2.4 million. Additional line of credit availability was approximately \$1.9 million on a borrowing base of approximately \$4.3 million.

Cash used by operating activities was \$1.9 million for the first nine months of fiscal year '24. The Company used these proceeds from the line of credit to reduce accounts payable and accrued expenses by \$1.7 million and to fund prepaid expenses of \$0.4 million. The overall net change in cash position for the quarter compared to December 31, 2023 was a positive \$40,000.

This concludes our summary of the financial and operating results.

---

**Brian Baker, President and Chief Executive Officer**

Thank you, Gabe.

In terms of guidance for fiscal year 2024, we estimate net revenues to be \$32.5 million to \$34 million due to slower demand in the rehabilitation space and changes to our private label customer relationships.

We're not providing gross margin guidance currently. Given our reductions in revenue expectations, we are seeking improved stabilization in the business before considering reinstating such guidance. SG&A is anticipated to be in the range of 30 percent to 32 percent of net sales for the fiscal year.

In summary, our focus for the current fiscal year is to strengthen our customer relationships as we improve our operating profitability and financial flexibility. We appreciate and thank our investor base and employees for their ongoing support.

I'll now turn it over to the Operator for questions

---

**QUESTION AND ANSWER SESSION**

**Operator**

Thank you. We'll now take questions from the telephone lines. If you have a question, please press star, one on your device's keypad. You may cancel your question at any time by pressing star, two. Please press star, one at this time if you have a question. There will be a brief pause while participants register. Thank you for your patience.

There are no questions registered at this time. I'd like to turn the floor back to Brian for any closing comments.

---

**Brian Baker, President and Chief Executive Officer**

Thank you for your time this morning and for your ongoing interest in Dynatronics. If you have any further questions, please direct them to [ir@dynatronics.com](mailto:ir@dynatronics.com). Operator, you may end the call.

---

**Operator**

Thank you, Mr. Baker. The conference has now ended. Please disconnect your lines at this time, and we thank you for your participation.

