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): January 09, 2023

VOXX INTERNATIONAL CORPORATION
(Exact name of Registrant as Specified in Its Charter)

Delaware	**0-28839**	**13-1964841**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

2351 J. Lawson Boulevard Orlando, Florida	**32824**
(Address of Principal Executive Offices)	**(Zip Code)**

Registrant's Telephone Number, Including Area Code: (800) 645-7750

(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
Class A Common Stock $.01 par value	VOXX	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 2.01 Completion of Acquisition or Disposition of Assets.

On January 9, 2023, VOXX International Corporation (the "Company") issued a press release announcing its earnings for the three months ended November 30, 2022. A copy of the release is furnished herewith as Exhibit 99.1.

Item 8.01 Other Events.

On January 10, 2023, the Company held a conference call to discuss its financial results for the three months ended November 30, 2022. The Company has prepared a transcript of that conference call, a copy of which is annexed hereto as Exhibit 99.2.

The information furnished under Items 2.02 and 8.01, including Exhibits 99.1 and 99.2, shall not be deemed to be filed for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and will not be incorporated by reference into any registration statement filed under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press Release, dated January 9, 2022, relating to VOXX International Corporation's earning's release for the three months ended November 30, 2022 (filed herewith).
99.2	Transcript of conference call held on January 10, 2023 at 10:00 am (filed herewith).
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

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 thereunto duly authorized.

VOXX INTERNATIONAL CORPORATION
(Registrant)

Date:	January 13, 2023	By:	/s/ Charles M. Stoehr
			Charles M. Stoehr Senior Vice President Chief Financial Officer

FOR IMMEDIATE RELEASE

VOXX International Corporation Reports its Fiscal 2023 Third Quarter Financial Results

ORLANDO, FL. – January 9, 2023 — VOXX International Corporation (NASDAQ: VOXX), a leading manufacturer and distributor of automotive and consumer technologies for the global markets, today announced its financial results for its Fiscal 2023 third quarter ended November 30, 2022.

Commenting on the Company's results and business outlook, Pat Lavelle, President and Chief Executive Officer stated, "As expected, we were profitable in the third quarter, as the steps we have taken to improve gross margins and reduce expenses had a more positive impact on our business. However, sales and profitability were significantly curtailed by the current state of the global economies and ongoing supply chain issues. While reported Holiday sales were up, industry-wide CE sales declined year-over-year as consumer discretionary spending is down, retailers are carrying high inventory positions and in-store retail traffic slowed. This impacted sales of our Automotive Aftermarket and Premium Audio products the most, and we also had to manage through OEM customers shutting production lines due to chip shortages. We expect continued softness in the market and are preparing accordingly."

"Despite some of the near-term headwinds, we remain steadfast in our belief that VOXX is well positioned for growth in the years ahead. Our brands, products, distribution and customer relationships have never been stronger and we have been awarded significant OEM business that runs several years out. We are also increasing production of Onkyo and Pioneer related products to meet the demand from our North America customers and new distributors, while preparing to open up production to serve select global markets. The expected growth from both Automotive OEM and the contributions from Onkyo and Pioneer should help offset market weakness and as economies across the globe stabilize, other areas of our business are poised for growth as well. We are weathering the storm, controlling what we can and ensuring we have the resources and flexibility to drive value."

Fiscal 2023 and Fiscal 2022 Third Quarter Comparisons

Net sales in the Fiscal 2023 third quarter ended November 30, 2022, were $143.1 million as compared to net sales of $191.9 million in the Fiscal 2022 third quarter ended November 30, 2021, a decrease of $48.8 million or 25.4%.

- Automotive Electronics segment net sales in the Fiscal 2023 third quarter were $48.6 million as compared to $61.6 million in the comparable year-ago period, a decrease of $13.0 million or 21.2%. For the same comparable periods, OEM product sales were $19.1 million, up $0.6 million, with the increase driven primarily by higher sales of OEM remote start and security products, as well as OEM safety products. Aftermarket product sales were $29.4 million, a decline of $13.6 million, which was primarily driven by lower sales of aftermarket security products, higher customer inventory on hand, fewer vehicles due to supply chain shortages and a slowing U.S. economy.

- Consumer Electronics segment net sales in the Fiscal 2023 third quarter were $94.1 million as compared to $129.7 million in the comparable year-ago period, a decrease of $35.6 million or 27.5%. For the same comparable periods, Premium Audio product sales were $73.5 million, a decline of $31.4 million and other CE product sales were $20.6 million, a decline of $4.2 million. Lower segment sales were primarily attributable to lower domestic sales of premium home theater speakers and wireless speaker products, lower European sales of premium and non-premium speaker products and accessories, and declines in other CE categories due to a slowing of the global economy and other factors. As an offset, the Company experienced an increase in domestic sales of Onkyo and Pioneer related products of $9.4 million.

- Biometrics segment net sales in the Fiscal 2023 third quarter were $0.3 million as compared to $0.4 million in the comparable year-ago period, with the decline primarily related to lower sales of the Company's NIXT product as it was a newer product on the market in the prior fiscal year. The Company anticipates a ramp up in sales moving forward as a result of new projects awarded and a growing pipeline across multiple industry verticals.

On a sequential basis, when compared to the Fiscal 2023 second quarter ended August 31, 2022, Fiscal 2023 third quarter net sales increased $17.4 million or 13.8%.

The gross margin in the Fiscal 2023 third quarter was 26.0% as compared to 26.9% in the Fiscal 2022 third quarter, a decline of 90 basis points. For the same comparable periods, the Company reported:

- Automotive Electronics segment gross margin of 24.6% as compared to 23.8%. The year-over-year improvement of 80 basis points was primarily driven by steps taken to mitigate higher supply chain costs, ongoing supply chain constraints and higher tariffs, and the Company began to see a greater positive impact in the Fiscal 2023 third quarter. The improvement was also driven by the positive impact from lower satellite radio product sales, which historically are sold at lower margin, partially offset by lower margins on certain OEM rear-seat entertainment and lower sales of automotive safety products, the latter of which are traditionally are sold at higher margin.

- Consumer Electronics segment gross margin of 26.6% as compared to 28.3%. The year-over-year decline of 170 basis points was primarily driven by higher supply chain costs and surcharges, lower sales of premium home theater speaker products and, an increase in sales of lower margin products to discount channel customers in Europe. This was partially offset by mitigation steps the Company has taken through pricing adjustments and other sourcing strategies, as well as the positive impact to margins of higher sales of Onkyo and Pioneer products.

- Biometrics segment gross margin of 22.7% as compared to 32.1%. The year-over-year decline in gross margin was primarily related to the decrease in sales of higher margin NIXT products compared to the prior year, as well as due to certain high volume, low margin discounted sales made that were not present in the prior Fiscal year. While gross margin percentage declined, the dollar impact was minimal based on low sales volumes.

On a sequential basis, when compared to the Fiscal 2023 second quarter ended August 31, 2022, Fiscal 2023 third quarter gross margin improved by 270 basis points.

Total operating expenses in the Fiscal 2023 third quarter were $34.8 million as compared to $43.9 million in the comparable Fiscal 2022 period, a decline of $9.1 million or 20.7%. For the same comparable periods:

- Selling expenses of $11.4 million declined by $2.5 million or 17.7%, driven by lower commission expense, salaries and benefits expenses, headcount reductions and both salary and bonus reductions, as well as lower web platform expenses, offset by the higher cost of online platform fees, among other factors.

- General and administrative expenses of $16.2 million declined by $3.8 million or 19.1%, driven by lower salary expenses, legal and professional fees, and other cost cutting measures. Additionally, the Company incurred restructuring related expenses of $0.3 million related to the relocation of certain OEM production operations from Florida to Mexico, and which consisted primarily of severance expense and moving costs. Lastly, bad debt expense declined by $0.3 million as a result of greater reserve releases as compared to the prior Fiscal year.

- Engineering and technical support expenses of $7.2 million declined by $2.5 million or 26.1%, primarily due to lower research and development expenses related to headcount reductions in the Biometrics segment that took place at the end of Fiscal 2022, and lower development expenses across each of the Company's business segments. Additionally, direct labor expenses declined primarily as a result of salary and benefits, as well as bonus reductions related to cost cutting measures.

- Acquisition costs declined by $0.3 million as the Company incurred acquisitions costs in the Fiscal 2022 third quarter associated with the asset purchase agreement signed with Onkyo Home Entertainment Corporation and the joint venture created with Sharp Corporation to complete the transaction. There were no acquisition costs incurred in the Fiscal 2023 third quarter.

On a sequential basis, when compared to the Fiscal 2023 second quarter ended August 31, 2022, Fiscal 2023 third quarter operating expenses declined by $4.4 million or 11.3%.

The Company reported operating income in the Fiscal 2023 third quarter of $2.3 million as compared to operating income of $7.8 million in the Fiscal 2022 third quarter.

Total other income/expense, net, in the Fiscal 2023 third quarter was $0.0 as compared to a loss of $38.1 million in the Fiscal 2022 third quarter. The variance primarily relates to an Interim arbitration award expense of $39.4 million related to the Seaguard arbitration incurred in the prior year. Interest and bank charges increased by approximately $0.7 million, equity in income of equity investee declined by $0.2 million and other, net, increased by $0.6 million when comparing the Fiscal 2023 and Fiscal 2022 third quarter periods.

Net income attributable to VOXX International Corporation in the Fiscal 2023 third quarter was $7.4 million as compared to a net loss attributable to VOXX International Corporation of $28.1 million in the comparable Fiscal 2022 period. The Company reported basic and diluted income per share attributable to VOXX International Corporation of $0.30 in the Fiscal 2023 third quarter as compared to a basic and diluted net loss per common share attributable to VOXX International Corporation of $1.16, in the comparable Fiscal 2022 period.

The Company reported Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") in the Fiscal 2023 third quarter of $7.7 million as compared to an EBITDA loss in the Fiscal 2022 third quarter of $24.8 million. Adjusted EBITDA in the Fiscal 2023 third quarter was $9.0 million as compared to Adjusted EBITDA in the Fiscal 2022 third quarter of $15.8 million.

Fiscal 2023 and Fiscal 2022 Nine-Month Comparisons

Net sales in the Fiscal 2023 nine-month period ended November 30, 2022, were $397.5 million as compared to net sales of $472.0 million in the Fiscal 2022 nine-month period ended November 30, 2021, a decline of $74.5 million or 15.8%.

- Automotive Electronics segment net sales in the Fiscal 2023 nine-month period were $125.4 million as compared to $150.0 million in the comparable year-ago period, a decline of $24.7 million or 16.4%. For the same comparable periods, OEM product sales were $51.1 million as compared to $49.9 million, an increase of $1.2 million or 2.5%, and aftermarket product sales were $74.3 million as compared to $100.2 million, a decline of $25.9 million or 25.8%.

- Consumer Electronics segment net sales in the Fiscal 2023 nine-month period were $271.1 million as compared to $320.8 million in the comparable Fiscal 2022 nine-month period, a decline of $49.7 million or 15.5%. For the same comparable periods, Premium Audio product sales were $212.6 million as compared to $252.6 million, a decline of $40.0 million or 15.8%, and Other Consumer Electronics product sales were $58.4 million as compared to $68.2 million, a decline of $9.7 million or 14.3%.

- Biometrics segment net sales for the Fiscal 2023 nine-month period were $0.7 million as compared to $0.8 million in the comparable Fiscal 2022 nine-month period, a decline of 15.1%.

The gross margin in the Fiscal 2023 nine-month period was 25.1% as compared to 26.6% in the Fiscal 2022 nine-month period, a decline of 150 basis points. Within the segments for the same comparable periods:

- Automotive Electronics segment gross margin was 23.8% as compared to 24.7%, down 90 basis points.

- Consumer Electronics segment gross margin of 25.5% as compared to 27.4%, down 190 basis points.

- Biometrics segment gross margins of 31.3% as compared to gross margin of 28.4%.

Total operating expenses in the Fiscal 2023 nine-month period were $114.0 million as compared to $120.9 million in the comparable Fiscal 2022 nine-month period, a decline of $6.9 million or 5.7%. Within this and for the same comparable nine-month periods:

- Selling expenses of $35.6 million declined by $1.6 million, or 4.3%.

- General and administrative expenses of $54.4 million declined by $2.2 million, or 3.8%.

- Engineering and technical support expenses of $23.8 million were essentially flat.

- Acquisition costs of $0.1 million declined by $3.1 million, or 95.9%.

The Company reported an operating loss in the Fiscal 2023 nine-month period of $14.3 million as compared to operating income of $4.7 million in the comparable Fiscal 2022 nine-month period.

Total other income/expense, net, for the nine-month period ended November 30, 2022, was a loss of $3.9 million as compared to a loss of $33.6 million for the nine-month period ended November 30, 2021, an improvement of $29.8 million. Within this and for the same comparable nine-month periods:

- Interest and bank charges of $3.1 million increased by $1.3 million.

- Equity in income of equity investees of $5.4 million declined by $1.6 million.

- Interim arbitration award of $3.0 million improved by $36.5 million.

- Other, net decreased by $3.8 million, as the Company had net foreign currency losses of $3.9 million in the Fiscal 2023 nine-month period as compared to net foreign currency losses of $0.3 million in the comparable Fiscal 2022 nine-month period.

Net loss attributable to VOXX International Corporation in the Fiscal 2023 nine-month period was $9.3 million as compared to a net loss attributable to VOXX International Corporation of $25.1 million in the comparable Fiscal 2022 period. The Company reported a basic and diluted net loss per share attributable to VOXX International Corporation of $0.38 in the Fiscal 2023 nine-month period as compared to a basic and diluted net loss per common share attributable to VOXX International Corporation of $1.03 in the comparable Fiscal 2022 period.

EBITDA in the Fiscal 2023 nine-month period was a loss of $3.2 million as compared to an EBITDA loss in the Fiscal 2022 nine-month period of $15.2 million. Adjusted EBITDA in the Fiscal 2023 nine-month period was $5.6 million as compared to Adjusted EBITDA in the Fiscal 2022 nine-month period of $30.3 million.

<u>Seaguard Electronics LLC</u>

On March 3, 2022, the Arbitrator issued a Partial Final Award on Bifurcated Issue in the amount of $39.4 million plus $0.8 million for its attorneys' fees and costs. On March 11, 2022, the Arbitrator fixed the schedule of the patent portion of the bifurcated arbitration, with a trial date set for October 16, 2023. The Company has put its suppliers on notice of its indemnification rights with respect to the alleged infringing products. On March 14, 2022, Seaguard filed a Petition in the United States District Court, Central District of California, Western Division, to confirm the Partial Final Award. On April 25, 2022, the Company filed its opposition to Seaguard's Petition to Confirm and a Counter-Petition to Vacate the Partial Final Award. On May 31, 2022, the Court ordered the matter taken under submission for decision without oral hearing. The Court has since issued an Order informing the parties that it will rule on the pending Petitions by August 3, 2023.

During Fiscal 2022, the Company recorded an accrual for the interim arbitration award in the amount of $39.4 million. During the three and nine-months ended November 30, 2022, the Company accrued additional charges of $1.0 million and $3.0 million, respectively, representing interest expense related to the interim arbitration award accrued during Fiscal 2022, which would be payable if the interim award is confirmed and not vacated by the U.S. District Court or an appellate court. At November 30, 2022 and February 28, 2022, the Company has a total accrued balance of $42.4 million and $39.4 million, respectively, on the accompanying Consolidated Balance Sheet related to the interim arbitration award, to be paid if confirmed and not vacated by the U.S. District Court or an appellate court.

<u>Balance Sheet Update</u>

As of November 30, 2022, the Company had cash and cash equivalents of $8.5 million as compared to $27.8 million as of February 28, 2022. Total debt as of November 30, 2022 was $47.2 million as compared to $13.2 million as of February 28, 2022. The increase in total debt for the comparable periods is primarily related to $37.0 million outstanding on the Company's Domestic Credit Facility as of November 30, 2022, partially offset by the absence of debt related to the Company's Euro Asset-Based Lending Obligation for VOXX Germany. Debt associated with the Company's Florida mortgage declined by $0.4 million and debt associated with the Company's shareholder loan payable to Sharp Corporation declined by $0.7 million. Total long-term debt, net of debt issuance costs as of November 30, 2022 was $45.9 million as compared to $9.8 million as of February 28, 2022.

<u>Conference Call Information</u>

The Company will be hosting its conference call and webcast on Tuesday, January 10, 2023 at 10:00 a.m. ET.

- To attend the webcast: https://edge.media-server.com/mmc/p/tomomefo
- To access by phone: https://register.vevent.com/register/BIed4b330a76244d88aa2641c36e1862b5

Participants are requested to register a day in advance or at a minimum 15 minutes before the start of the call. Those wishing to ask questions following management's remarks should use the dial-in numbers provided.

- A replay of the webcast will be available approximately two hours after the call and archived under "Events and Presentations" in the Investor Relations section of the Company's website at https://investors.voxxintl.com/events-and-presentations

Non-GAAP Measures

EBITDA and Adjusted EBITDA are not financial measures recognized by GAAP. EBITDA represents net income (loss) attributable to VOXX International Corporation and Subsidiaries, computed in accordance with GAAP, before interest expense and bank charges, taxes, and depreciation and amortization. Adjusted EBITDA represents EBITDA adjusted for stock-based compensation expense, foreign currency (gains) losses, restructuring expenses, acquisition costs, certain non-routine legal and professional fees, and awards. Depreciation, amortization, stock-based compensation, and foreign currency (gains) losses are non-cash items.

We present EBITDA and Adjusted EBITDA in this Form 10-Q because we consider them to be useful and appropriate supplemental measures of our performance. Adjusted EBITDA helps us to evaluate our performance without the effects of certain GAAP calculations that may not have a direct cash impact on our current operating performance. In addition, the exclusion of certain costs or gains relating to certain events allows for a more meaningful comparison of our results from period-to-period. These non-GAAP measures, as we define them, are not necessarily comparable to similarly entitled measures of other companies and may not be an appropriate measure for performance relative to other companies. EBITDA and Adjusted EBITDA should not be assessed in isolation from, are not intended to represent, and should not be considered to be more meaningful measures than, or alternatives to, measures of operating performance as determined in accordance with GAAP.

About VOXX International Corporation

VOXX International Corporation (NASDAQ: VOXX) has grown into a leader in Automotive Electronics and Consumer Electronics, with emerging Biometrics technology to capitalize on the increased need for advanced security. Over the past several decades, with a portfolio of approximately 35 trusted brands, VOXX has built market-leading positions in in-vehicle entertainment, automotive security, reception products, a number of premium audio market segments, and more. VOXX is a global company, with an extensive distribution network that includes power retailers, mass merchandisers, 12-volt specialists and many of the world's leading automotive manufacturers. For additional information, please visit our website at www.voxxintl.com

Safe Harbor Statement

Except for historical information contained herein, statements made in this release constitute forward-looking statements and thus may involve certain risks and uncertainties. All forward-looking statements made in this release are based on currently available information and the Company assumes no responsibility to update any such forward-looking statements. The following factors, among others, may cause actual results to differ materially from the results suggested in the forward-looking statements. The factors include, but are not limited to the: risk factors described in the Company's annual report on Form 10-K for the fiscal year ended February 28, 2022, and other filings made by the Company from time to time with the SEC. The factors described in such SEC filings include, without limitation: the impact of the COVID-19 outbreak on the Company's results of operations, global supply shortages and logistics costs and delays; cybersecurity risks; risks that may result from changes in the Company's business operations; our ability to keep pace with technological advances; significant competition in the automotive electronics, consumer electronics and biometrics businesses; our relationships with key suppliers and customers; quality and consumer acceptance of newly introduced products; market volatility; non-availability of product; excess inventory; price and product competition; new product introductions; foreign currency fluctuations; and restrictive debt covenants. Many of the foregoing risks and uncertainties are, and will be, exacerbated by the COVID-19 pandemic, the War in the Ukraine and any worsening of the global business and economic environment as a result. The Company assumes no obligation and does not intend to update these forward-looking statements.

Investor Relations Contact:
Glenn Wiener, GW Communications (for VOXX)
Email: gwiener@GWCco.co

Tables to Follow

VOXX International Corporation and Subsidiaries
Consolidated Balance Sheets
(In thousands, except share and per share data)

	November 30, 2022 (unaudited)	February 28, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 8,477	$ 27,788
Accounts receivable, net	91,882	105,625
Inventory	192,996	174,922
Receivables from vendors	138	363
Prepaid expenses and other current assets	20,397	21,340
Income tax receivable	7,943	734
Total current assets	321,833	330,772
Investment securities	1,167	1,231
Equity investment	22,444	21,348
Property, plant and equipment, net	47,903	49,794
Operating lease, right of use asset	3,905	4,464
Goodwill	72,375	74,320
Intangible assets, net	92,993	101,450
Deferred income tax assets	38	40
Other assets	3,748	3,245
Total assets	$ 566,406	$ 586,664
Liabilities, Redeemable Equity, Redeemable Non-Controlling Interest, and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 48,734	$ 76,665
Accrued expenses and other current liabilities	44,486	54,659
Income taxes payable	2,080	2,714
Accrued sales incentives	25,466	23,755
Interim arbitration award payable	42,403	39,444
Contract liabilities, current	3,796	4,373
Current portion of long-term debt	500	2,406
Total current liabilities	167,465	204,016
Long-term debt, net of debt issuance costs	45,860	9,786
Finance lease liabilities, less current portion	94	78
Operating lease liabilities, less current portion	2,735	3,298
Deferred compensation	1,167	1,231
Contingent consideration, less current portion	5,209	5,750
Deferred income tax liabilities	5,228	5,300
Other tax liabilities	929	1,083
Prepaid ownership interest in EyeLock LLC due to GalvanEyes LLC	6,068	2,451
Other long-term liabilities	3,144	3,508
Total liabilities	237,899	236,501
Commitments and contingencies		
Redeemable equity	3,996	3,550
Redeemable non-controlling interest	(932)	511
Stockholders' equity:		
Preferred stock:		
No shares issued or outstanding	—	—
Common stock:		
Class A, $.01 par value, 60,000,000 shares authorized, 24,538,184 and 24,476,847 shares issued and 21,398,005 and 21,614,629 shares outstanding at November 30, 2022 and February 28, 2022, respectively	246	245
Class B Convertible, $.01 par value, 10,000,000 shares authorized, 2,260,954 shares issued and outstanding at both November 30, 2022 and February 28, 2022	22	22
Paid-in capital	296,456	300,453
Retained earnings	117,251	126,573
Accumulated other comprehensive loss	(19,851)	(17,503)
Less: Treasury stock, at cost, 3,140,179 and 2,862,218 shares of Class A Common Stock at November 30, 2022 and February 28, 2022, respectively	(27,913)	(25,138)
Less: Redeemable equity	(3,996)	(3,550)
Total VOXX International Corporation stockholders' equity	362,215	381,102
Non-controlling interest	(36,772)	(35,000)
Total stockholders' equity	325,443	346,102
Total liabilities, redeemable equity, redeemable non-controlling interest, and stockholders' equity	$ 566,406	$ 586,664

VOXX International Corporation and Subsidiaries
Unaudited Consolidated Statements of Operations and Comprehensive Income (Loss)
(In thousands, except share and per share data)

	Three months ended November 30,		Nine months ended November 30,	
	2022	2021	2022	2021
Net sales	$ 143,055	$ 191,871	$ 397,492	$ 472,040
Cost of sales	105,918	140,167	297,859	346,455
Gross profit	37,137	51,704	99,633	125,585
Operating expenses:				
Selling	11,413	13,864	35,563	37,169
General and administrative	16,223	20,049	54,435	56,609
Engineering and technical support	7,171	9,706	23,844	23,824
Acquisition costs	—	287	136	3,279
Total operating expenses	34,807	43,906	113,978	120,881
Operating income (loss)	2,330	7,798	(14,345)	4,704
Other (expense) income:				
Interest and bank charges	(1,460)	(730)	(3,101)	(1,840)
Equity in income of equity investee	2,022	2,206	5,373	6,964
Interim arbitration award	(986)	(39,444)	(2,958)	(39,444)
Other, net	460	(143)	(3,169)	675
Total other income (expense), net	36	(38,111)	(3,855)	(33,645)
Income (loss) before income taxes	2,366	(30,313)	(18,200)	(28,941)
Income tax benefit	(3,988)	(641)	(5,788)	(374)
Net income (loss)	6,354	(29,672)	(12,412)	(28,567)
Less: net loss attributable to non-controlling interest	(1,067)	(1,551)	(3,090)	(3,473)
Net income (loss) attributable to VOXX International Corporation and Subsidiaries	$ 7,421	$ (28,121)	$ (9,322)	$ (25,094)
Other comprehensive income (loss):				
Foreign currency translation adjustments	957	(1,835)	(2,665)	(2,797)
Derivatives designated for hedging	78	184	264	466
Pension plan adjustments	(19)	36	53	59
Other comprehensive income (loss), net of tax	1,016	(1,615)	(2,348)	(2,272)
Comprehensive income (loss) attributable to VOXX International Corporation and Subsidiaries	$ 8,437	$ (29,736)	$ (11,670)	$ (27,366)
Income (loss) per share - basic: Attributable to VOXX International Corporation and Subsidiaries	$ 0.30	$ (1.16)	$ (0.38)	$ (1.03)
Income (loss) per share - diluted: Attributable to VOXX International Corporation and Subsidiaries	$ 0.30	$ (1.16)	$ (0.38)	$ (1.03)
Weighted-average common shares outstanding (basic)	24,389,375	24,289,909	24,408,541	24,279,084
Weighted-average common shares outstanding (diluted)	24,621,359	24,289,909	24,408,541	24,279,084

Reconciliation of GAAP Net Income Attributable to VOXX International Corporation to EBITDA and Adjusted EBITDA

	Three months ended November 30,		Nine months ended November 30,	
	2022	2021	2022	2021
Net income (loss) attributable to VOXX International Corporation and Subsidiaries	$ 7,421	$ (28,121)	$ (9,322)	$ (25,094)
Adjustments:				
Interest expense and bank charges (1)	1,263	565	2,500	1,357
Depreciation and amortization (1)	3,053	3,378	9,406	8,891
Income tax benefit	(3,988)	(641)	(5,788)	(374)
EBITDA	7,749	(24,819)	(3,204)	(15,220)
Stock-based compensation	145	221	407	694
Foreign currency (gains) losses (1)	(223)	382	3,867	268
Restructuring expenses	303	—	532	—
Acquisition costs	—	287	136	3,279
Professional fees related to distribution agreement with GalvanEyes LLC	—	—	—	325
Non-routine legal fees	28	235	886	1,469
Interim arbitration award	986	39,444	2,958	39,444
Adjusted EBITDA	$ 8,988	$ 15,750	$ 5,582	$ 30,259

(1) For purposes of calculating Adjusted EBITDA for the Company, interest expense and bank charges, depreciation and amortization, as well as foreign currency losses and (gains) have been adjusted in order to exclude the non-controlling interest portion of these expenses attributable to EyeLock LLC and Onkyo Technology KK.

Exhibit 99.2

Corporate Speakers:

- Glenn Wiener; GW Communications LLC; Owner
- Patrick Lavelle; VOXX International Corporation; President, CEO & Director
- Charles Stoehr; VOXX International Corporation; Senior VP, CFO & Director

Participants:

- Unidentified Participant; D.A. Davidson; Analyst
- Bruce Olephant; Oppenheimer; Analyst

PRESENTATION

Operator^ Good day, and thank you for standing by. Welcome to the VOXX Fiscal 2023 Third Quarter Results Conference Call. (Operator Instructions) Please be advised that today's conference is being recorded. I would now like to hand the conference over to your host, Glenn Wiener, Investor Relations. Please go ahead.

Glenn Wiener^ Thank you, Michelle. Good morning, and welcome to VOXX International's Fiscal 2023 Third Quarter Conference Call. Yesterday, we filed our Form 10-Q and issued our press release, and this week, we'll be posting an updated investor presentation. Documents can be found in the Investor Relations section of our website at www.voxxintl.com and I'd be more than happy to send them along upon request as well.

Today, we will have prepared remarks from Pat Lavelle, President and Chief Executive Officer; and Michael Stoehr, Senior Vice President and Chief Financial Officer. After which, we'll open up the call for questions.

I'd like to remind everyone that except for historical information contained herein, statements made on today's call and webcast that would constitute forward-looking statements are based on currently available information. The company assumes no responsibility to update any such forward-looking statements, and I'd like to point you to the risk factors associated with our business, which are detailed in our Form 10-K for the period ended February 28, 2022. Thank you for your continued support, and it's my pleasure to now turn the call over to Pat. Pat?

Patrick Lavelle^ Thank you, Glenn, and good morning, everyone. As you know, we had the [CES] show last week, and I just returned. And I have to say it was great to see that the show was back at full strength with an estimated 120,000 people in attendance this year. As many of you know, CES by far, the biggest event of the year for the CE industry and last year, while we were live at the show, the attendance was a fraction of what it normally is. And getting back to close to pre-COVID numbers is good for the industry, and we hope a sign of things -- good things to come.

As for our Q3 results, our sales came in approximately 25% less than Q3 of last year and roughly around 25% less than what we projected. What happened? On the Automotive OEM side, our customers still have difficulty securing chips. And in one case, with Stellantis, we lost production and revenue for part of November and most of December as a result.

We plan based on customer projections, and when they can't keep production lines up and running due to supply chain issues, it impacts us. In the Automotive aftermarket and in the CE segment, declines were primarily driven by softness in the economy, higher interest rates, a slowdown in discretionary spending and how the retailers have been responding. We're anticipating the most recent moves by the Fed will continue to slow the economy as we look out over the next few quarters. So again, we should have more sales of Onkyo and Pioneer products which should help offset some pressure and lead to growth and bottom line improvements.

Our gross margins were down 90 basis points versus last year, but up 270 basis points sequentially compared to the second quarter. We've instituted a number of programs to improve gross margins, not just price increases, and we expect margins to continue to trend upwards.

Our operating expenses were down over 20% compared to last year's third quarter and over 11% sequentially. We have been vigilant in our capital allocation, and we've taken a lot of costs out of our business. Now similar to when COVID-hit some of the reductions will be temporary and we will be adding some expenses back as our business normalizes and we see more stability in the economy. But we're looking at every part of our operations to see where we can reduce or improve efficiencies and lower our cost base.

So sales were below expectations. Margins were down year-over-year but trending upwards and we significantly lowered our overhead, resulting in an operating profit of $2.3 million and an adjusted EBITDA of $9 million in the quarter.

As for the segments, I'll start with Automotive. Automotive sales were down $13 million with OEM sales up modestly and aftermarket sales driving the decline. While OEM grew year-over-year, growth was held in check by the supply chain issues faced by our customers, and I estimate we lost between $9 million and $10 million of projected sales with the biggest shortfall at Stellantis. Rear-Seat Entertainment programs with Ford and Nissan are progressing, but at lower volumes than projected, and we have new vehicle models coming online over the next few quarters with several customers.

Additionally, new programs with Subaru for Remote start kits helped drive the year-over-year improvement. We were also awarded a new interior lighting program from another major OEM, an award estimated to be approximately $30 million over 5 years. We expect to begin this program in Q4 of this fiscal year starting on a few vehicles with a plan to expand on to 6 or more over the lifetime of the award. As for the aftermarket, we expected some softness but not at the levels we experienced.

Several categories were down due to less foot traffic at retail, but it was really the aftermarket security category where we had the biggest shortfall. Softness at retail hurt sales and a good portion of our distribution base had inventory left over from last year. So the volume of ordering has also been slower as they know they can get supply when they need it.

Additionally, approximately 50% of our aftermarket remote start and security business is with new car dealers, and there simply aren't enough cars on the lots. We had a lot working against us in Q3 on the Automotive side, but despite it all, the segment posted a $3.1 million pretax profit versus $4.8 million in Q3 of last year.

Looking ahead, we expect this segment to grow, but there will be some issues as our customers work through capacity constraints. The sheer volume of programs continues to grow and even with conditions as is, this should generate OEM growth near term with much larger growth prospects ahead as the market improves.

We have also taken costs out of our operations and have worked to mitigate the higher cost of doing business. These actions, coupled with our new Mexico production facility, which is now operational, it also leads to improved gross margins, especially with more normalized volume.

As for the Consumer segment, sales declined by approximately 27% and approximately 90% was in Premium Audio. Again, the economy is soft and retailers are buying differently based on excess inventory levels. This had a big impact on sales as Premium home theater systems domestically were down over $30 million and other Consumer sales were down over $9 million in Europe. Offsetting this decline was an increase in sales of Onkyo and Pioneer products, which made up for most of the European softness.

Demand remains very high for Onkyo and Pioneer, and we expect growth to be more prevalent in the quarters ahead. I'll add that we also had some supply chain and production constraints during Q3, which curtails some projected sales, but we are working closely with our partner, Sharp and our other suppliers to ramp up production to serve not only North America but open up production globally, in India, China, Japan and the EMEA region.

I've said this before, I believe we can regrow this business to over $200 million in the next few years. Prices of products have gone up significantly due to inflation and the supply chain, in-store traffic is lighter than pre-COVID times. Retailers have been struggling with inventory levels for most of the year, and many are missing their numbers.

Retail purchasing has slowed and buying patterns are changing as they know that they can secure inventory when needed and discretionary spending is down. Although consumer holiday-related spending from November 1 to December 24, rose by 6.7% according to MasterCraft SpendingPulse, the electronics category declined by over 5% and the survey didn't even account for Automotive, which we know is in recessionary territory.

We expect conditions will improve and while the market may be volatile. We have a lot of new and exciting products coming to market under various consumer brands. The clips reference premier [suboffers] and cinema 1 sound bars will be introduced this year. (inaudible) powered monitors, the sevens and the 9s and a series of Klipsch and McLaren branded speakers and audio systems as part of our ongoing partnership and relationship with McLaren. New Onkyo, Pioneer and Pioneer Elite and Integra receivers will be introduced this year and a host of products under the Magnat, [Taco] and brands, among others.

We also introduced a number of new products at the show last week for remote controls, wireless speakers, hearing aids and connectivity and reception products. For wireless speakers under the AR brand, we will be shipping to Costco U.S. and Canada for the first time ever where we're enjoying their business, both in Canada and the United States simultaneously. We're hoping these programs will help offset the challenges we're all facing. Retail is tough right now. All you have to do is turn on the news to see what's happening.

The global economic environment has changed over the past year, and we're hopeful of a recovery in the second half of 2023. We're planning as if the status quo will remain and could get worse based on recessionary fears in the U.S. and market environments globally. With that said, we're closely managing inventory and taking a conservative approach with our retail partners. We're also working to enhance margins and lower our cost. And when conditions improve, we'll be in a very strong position to drive bottom line returns and continue to increase market share.

Lastly, our Biometrics segment, while sales were down modestly, we have a number of new programs with various customers under development. There is a lot of activity at EyeLock right now, and we believe we'll begin to see top line increases and improving bottom line performance. Within the financial services, and as I discussed on our last conference call, I locked on a new program in Acxiom Bank last quarter to deploy its banking-as-a-service solution and development should be completed by the end of our fiscal '24 first quarter.

We are receiving NRE payments to cover certain development costs and we'll bill monthly based on reaching product development milestones. Within health care, we officially begin what we believe will be the last round of testing with the big health care account we've been talking about. Testing will begin the week of January 23rd, and we expect results to be delivered by the end of February. We'll have a clearer sense of the program and its impact thereafter. We're also continuing our work with Integral to develop and roll out EyeLock's Mirus logical access solution for big [farm].

Within Automotive, there was a lot of inbound interest at CES last week, and we will be discussing solutions with 2 of our larger OEMs in the coming quarters. We have a proof of concept being developed for one of the large car rental agencies, and this program mirrors the one we have in process with the Miami Auto Mall.

With respect to that program, it's progressing and we've completed the access control installation for their parking garages and lots, and we'll be rolling out the system to their other 25 dealership location shortly. This past quarter, EyeLock installed its access control system at 4 nuclear power plants in the U.S. and conversations are underway to deploy solutions at other plants throughout the country.

Momentum is definitely building and we have a number of other projects in development across several sectors: Security, government, industrial and gaming, for example, which we believe will lead to more business for EyeLock in fiscal 2024 and with several large global enterprises with strong brand names and reach.

Our pipeline is growing. We have lowered expenses significantly. And with the launch of our health care and banking solutions, we should see strong growth and drive this segment to profitability.

In closing, my comments from last quarter remained a tough first half with challenges that will persist into the second half of the year but a profitable second half on the steps we have and continue to take to improve the business. We expect a tough fourth quarter but to be profitable, and we expect improved performance in fiscal '24 based on fiscal '23 comparables and due to OEM and Onkyo and PIONEER[p contributions. We have a lot of good things happening at box in all of our segments. We just need to weather the storm, and I am confident that we will.

With that, I'll turn the call over to Mike, and then we'll open it up for questions. Michael?

Charles Stoehr^ Thanks, Pat. Good morning, everyone. As Pat provided a thorough review of the Q3 performance drivers, I'll focus my remarks on the P&L and balance sheet. I'll keep my remarks to the third quarter, and we can address any year-to-date questions thereafter.

Net sales declined by $48.8 million with Automotive down $13 million, Consumer $35.6 million and Biometrics down approximately $100,000.

Within Automotive, OEM product sales grew by $600,000. And as Pat mentioned, supply chain issues our customers face and resulting production shutdowns in some cases, curtailed our growth. We had higher sales at both Code and Envision and a modest decline in sales at VSM. And as Pat mentioned, we're in the process of transitioning production to Mexico and will be fully operational shortly.

Aftermarket sales were down $13.6 million with security and satellite radio products accounting for $11.8 million and $1.2 million of decline, respectively. With the remainder spread across various categories and some offsets.

Within Consumer, Premium Audio product sales declined by $31.4 million. We had lower sales of premium home theater and wireless speakers which drove the year-over-year decline as retail traffic has been down and retailers are taking in less inventory due to economic concerns and higher borrowing costs.

Onkyo and Pioneer-related product sales were up $9.4 million for the comparable third quarter periods, which offset the decline in European Premium Audio product sales of $9.4 million. Premium Audio sales are now around pre-pandemic levels, but we do anticipate increases as Onkyo and Pioneer-related production ramps and distribution has expanded globally.

Additionally, other CE product sales were down $4.2 million, and it was really spread out across many categories due primarily to retail environment domestically with international sales essentially flat.

Biometric sales were down $100,000, but anticipated to grow in the future quarters given the volume (technical difficulty) products now underway and new projects under development.

Gross margins of 26% were down 90 basis points, with Automotive up 80 basis points, Consumer down 170 basis points and Biometrics down. Throughout the year, we have put in place various programs to address the supply chain issues, higher tariffs, the cost of materials and shipping, container and warehousing costs and have instituted several rounds of price increases to offset higher costs.

We began to see a greater positive impact in the third quarter and believe we have room for improvement especially on the Automotive side as certain aftermarket categories increased in volume and OEM production normalizes. We will also see improvement based on certain OEM production relocated to Mexico, where our facility is expected to be fully operational shortly.

To put this in better perspective, gross margins in Q3 were up 140 basis points over the first half of the fiscal year, with Automotive up 130 basis points and Consumer up 160 basis points, even with the challenges we faced.

We reported operating expenses of $34.8 million down a little over $9 million for the comparable periods with SG&A and engineering and tangible support down for the comparable periods. With selling expense -- within selling expenses, which declined by $2.5 million, we had lower commission expense of $1.5 million and approximately a $600,000 decline in salary and bonus expenses. Within G&A expenses, which declined by $3.8 million, salary expense declined by $2.4 million, legal and professional fees declined by $700,000, and we incurred approximately $300,000 of restructuring-related expenses related to our new OEM Mexico facility.

Bad debt expenses also declined by approximately $300,000 as we had more reserve releases compared to the prior year. Engineering and technical support expenses declined by $2.5 million, with $2.2 million related to headcount reductions in the Biometrics segment, which took place in the fourth quarter of last fiscal year and lower development expenses in other segments.

Lastly, direct labor expense declined by approximately $400,000. As you know, from our remarks last quarter, we instituted stringent cost containment and expense reduction programs. Given the market environment and many of these changes are reflected in our Q3 results, with more to materialize in Q4. As for other income, which increased by $38.1 million, this was principally due to the Seaguard arbitration award, which accounted for $38.5 million of the year-over-year variance.

Additionally, interest and bank charges increased by $700,000. Equity and income of equity investee, which is for our 50-50 joint venture with ASA declined by $200,000 and other net improved by $600,000 and this is primarily related to net foreign exchange currency gains in fiscal 2023 3rd quarter compared to net foreign currency losses in the comparable period principally due to the dollar strengthening versus the [yen].

We recorded an income tax benefit of $4 million compared to a benefit of $600,000 in fiscal 2022 3rd quarter. This resulted in net income attributable to VOXX of $7.4 million or $0.30 per share compared to a net loss attributable to VOXX of $28.1 million or a loss of $1.16 per share inclusive of the Seaguard accrual.

Lastly, EBITDA was $7.7 million and adjusted EBITDA was $9 million as compared to an EBITDA loss of $24.8 million and an adjusted EBITDA of $15.8 million in the comparable fiscal 2022 3rd quarter.

Moving on to the balance sheet. And comparing our balance sheet as of November 30, 2022 to February 28, 2022, we had cash and cash equivalents of $8.5 million compared to $27.8 million. Total debt was $47.2 million as compared to $13.2 million. The increase in total debt is primarily related to the $37 million outstanding on the domestic credit facility, which was used to fund inventory in quarter 3 and quarter 4, and we'll begin to see this decline as we bring inventory to more normalized levels.

The additional variances related to a $400,000 payment reduction in our Florida mortgage and a $700,000 decline in our shareholder loan payable to Sharp as a result of the strengthening U.S. dollar versus the yen. We continue to manage our working capital and expect our balance sheet to improve. We're preparing for a weak global economy and believe we have taken the right steps to stabilize and improve our business going forward.

Operator, I'm ready to open for questions.

QUESTIONS AND ANSWERS

Operator^ (Operator Instructions). Our first question comes from the line of Isabella [Son] with D.A. Davidson.

Unidentified Participant^ This is Isabella Son from D.A. Davidson. I have one question and one follow-up question. So from a cost and margin standpoint, how should investors think about the impact of declining container costs on your results for the remainder of this fiscal year? And can you give your initial thoughts on next year?

Patrick Lavelle^ Yes. As we see container costs continuing to drop, obviously that's going to attract the landed cost of our merchandise as we bring it in. And we expect to see lower costs due to the lower container costs. Some of them are getting close to pre-pandemic levels. But what we also will have to do is balance that reduction in cost. We're lowering some of the prices that we offer our product at -- so that we can remain competitive and make sure that we are maximizing top line revenue as well.

So it's going to be a balance. We do expect that it will allow us to increase margins although at the same time, offering the consumer more competitive prices.

Unidentified Participant^ Thank you for answering that. So my follow-up question for you is as a longtime industry participants with VOXX at CES since the beginning. What were your thoughts on the CRC as and what were the implications for VOXX.

Patrick Lavelle^ As I indicated when I opened this morning, the show was, in our estimation, well attended, it exceeded the expectations of CTA, I thought that the attendees were quite positive coming into the year. Everybody recognizes the situation we all face with a slowing economy and possibly the Fed slowing further, but I would say the mood was upbeat. We had a number of our OEM customers in, and there were -- some of the new things that we were showing at the show, we have generated a good amount of interest with them, and we'll be speaking with them over the next month or two.

We will be performing some demonstrations, some proof of concepts especially with one of our newer products that we introduced, and that is a pediatric heat stroke device. We're working with a major OEM on that on a proof of concept. So these are all the things that develop at the show and that hopefully will turn into some solid business on a go-forward basis. But I thought, overall, the attendance was up, the mood was good and the meetings that we had were very, very positive.

Operator^ Our next question comes from the line of Bruce Olephant with Oppenheimer.

Bruce Olephant^ I wanted to channel checks and go to Costco, and starting in November, when I was doing my channel checks at Costco, I noticed that the Klipsch products, I could even find. And then than when I proceeded to go weeks later, I saw the product there. Not an abundance.

And I asked some salespeople there about the product and they made a comment that, a, the product wasn't selling well. And then whatever was there, if I was just going to buy, I should buy it, because the product was going to be discontinued. So I was curious to know at that stage going into the holiday, it just seemed -- did we have the Klipsch product available? And really, what's the situation with Costco regarding the product?

Patrick Lavelle^ We maintain Costco as a valued customer. And the way the programs work with them, we present new products and different products because it's not like they keep the same product on the shelf for a year. They do offer promotions and things like that. We offered this year, we offered Onkyo receivers that we thought met the requirements that we had for the program.

Some of the other programs are selling out, and we expect that we'll replace those programs and those products with newer offerings as we move into next year. But Costco remains a good, strong account, but it's not our only account, so therefore, some of the product that is there is not -- some of the product that they have is not also some of the product that we offer through specialty Premium Audio manufacturers or retailers and things like that.

So it's -- we've got another big program coming through, as I mentioned, with the outdoor speakers that this is the first time that we're enjoying both Canadian and U.S. business, and we expect to have a very, very positive program starting probably in February where we start to deliver, but it's really a spring launch. So our relationship with Costco continues to be strong.

Operator^ Our next question comes from the line of Matthew Chen with Apollo.

Unidentified Participant^ I'm actually a private investor. I have a general and then a specific question concerning the joint venture with Sharp. The general question is, could you please comment on the relative significance perhaps in percentage terms of the business of the joint venture to the significance to the business of the Premium Audio company and then the overall significance of the business of the Premium Audio company to the overall company?

Patrick Lavelle^ When we look at our relationship with Sharp, Sharp was the primary manufacturer for Onkyo before we were to take them over. And part of the acquisition is that we worked very closely with Sharp, and we became partners in the acquisition of the Japanese Onkyo company, and our relationship remains where Sharp manufactures the product. We jointly own the company that develops the product and PAC, our Premium Audio Company, is beyond that markets and sells the products worldwide.

They are a key supplier to us. They own as we reported, approximately 24% of the Japanese operation. As far as premium audio in our consumer segment is the largest segment we have. And obviously, I've announced that some of the sales were down from last year. But we do maintain #1 market share in premium loud speakers. We have few years. This is just really a result of what's happening in the economy.

We expect to maintain #1 market share in our speaker business, but we are also increasing market share that we have in receivers under Onkyo and Pioneer. So an important segment within the entire VOXX operation.

Unidentified Participant^ Okay. And the specific question, I think, might be for Mike. Because in Note 2 of the 10-Q, you stated that [golden] growth model is used for expected payments made beyond the last year of projections. So I'm wondering what's the last year of projections? And then for the growth model, what's the discount rate and growth rates assumed in the growth model.

Patrick Lavelle^ Mike, do you have that. You have muted Mike.

Operator^ This is Michelle. It actually looks like when Mike went on he disconnected himself.

Patrick Lavelle^ All right. You know what, what we'll do is we'll get back to you with the answer to that question. I'll have Mike contact.

Unidentified Participant^ Okay. Sounds good. Yes. Thank you.

Patrick Lavelle^ Thank you.

Operator^ Thank you, and I'm showing no further questions at this time, and I'd like to turn the conference back over to Pat for any further remarks.

Patrick Lavelle^ Okay. As I said, based on the economy and what we see happening in the economy, we will adjust, we will remain nimble, hopefully, the Fed can achieve a soft landing and we can move forward. We do have a number of new automotive OEM awards that will start this year and later into the year. And again, the expansion of Onkyo and Pioneer worldwide will help offset a lot of the decline that we may see in the general overall economy. I want to thank you for joining us this morning, and I thank you for your support of VOXX. Have a great day.

Operator^ This concludes today's conference call. Thank you for participating. You may now disconnect. Everyone, have a great day.

Patrick Lavelle^ Thank you.
