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): October 10, 2024

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 2.02 Results of Operations and Financial Condition.

On October 10, 2024, VOXX International Corporation (the "Company") issued a press release announcing its earnings for the three and six months ended August 31, 2024. A copy of the release is furnished herewith as Exhibit 99.1.

Item 7.01 Regulation FD.

On October 11, 2024, the Company held a conference call to discuss its financial results for the three and six months ended August 31, 2024. 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 7.01, 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 October 10, 2024, relating to VOXX International Corporation's earning's release for the three and six months ended August 31, 2024 (filed herewith).
99.2	Transcript of conference call held on October 11, 2024 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:	October 16, 2024	By:	/s/ Loriann Shelton
			Loriann Shelton Senior Vice President Chief Financial Officer Chief Operating Officer

Exhibit 99.1

VOXX International Corporation Reports its Fiscal 2025 Second Quarter Financial Results

- *Sales through the first half of Fiscal 2025 declined ~18%, gross margin increased 120 basis points and operating expenses improved by over 15%*
- *Company sells its domestic accessory business and select, non-core assets for ~$28 million and completes Florida real estate sale transaction in Fiscal 2025 third quarter for $20 million*
- *Restructuring programs generating anticipated savings, and are expected to have a positive impact on Fiscal 2025 second half results*
- *Over $50 million in debt reduction since year-end, bringing total debt to under $20 million as of today, with total net debt under $15 million*
- *Company continues to execute on its restructuring plan and strengthen its balance sheet, while pursuing strategic alternatives to maximize shareholder value*

ORLANDO, FL.— October 10, 2024 — VOXX International Corporation (NASDAQ: VOXX), a leading manufacturer and distributor of automotive and consumer technologies for the global markets, as well as strategic joint ventures including biometrics, today announced its financial results for its Fiscal 2025 second quarter and six-months ended August 31, 2024.

“We made significant progress through the first half of the year in executing our plan to unlock value,” stated Pat Lavelle, President and Chief Executive Officer of VOXX International Corporation. “We exited Fiscal 2024 coming off losses and had over $73 million in total debt which historically, is very high for us as we have always looked to maintain low leverage and financial flexibility. Thus, we embarked on an internal restructuring plan to right size our business and improve operational efficiencies, while lowering expenses and our working capital needs. We concurrently looked to monetize non-core assets and this past quarter, successfully sold our domestic accessories business and two non-core premium audio brands netting approximately $28 million in the transactions. We also divested our Florida real estate in the Fiscal 2025 third quarter, as we near completion of our OEM manufacturing transition to Mexico, which generated gross proceeds of $20 million. I’m pleased to report that as of today, our total debt is less than $20 million and our net debt stands at under $15 million, which is essentially our normal working capital needs at this time.”

Lavelle continued, “We also embarked on a strategic alternatives process to explore all avenues that could generate better value for our shareholders given what we believe to be a significant disconnect in our asset value and stock price. This could mean a sale of our entire business, or additional business or asset divestitures as we still have significant value within our portfolio, as well as owned real estate. Irrespective of the outcome of the process, we are laser focused on getting VOXX back to profitability. Through restructuring programs, our OEM relocation, strong management of the supply chain, and all of our new programs and products, we believe we can do that this Fiscal year. We are aggressively taking actions and controlling what we can to offset anything the economy or business environment may throw at us. We’re well on our way to achieving our goals provided sales materialize in the second half of the year as planned.”

Fiscal 2025 and Fiscal 2024 Second Quarter Comparisons

Net sales in the Fiscal 2025 second quarter ended August 31, 2024, were $92.5 million as compared to $113.6 million in the Fiscal 2024 second quarter ended August 31, 2023, a decrease of $21.2 million or 18.6%. For the same comparable periods:

- Automotive Electronics segment net sales were $26.4 million as compared to $35.4 million, a decrease of $9.0 million or 25.5%. OEM product sales were $11.0 million as compared to $16.3 million, with the decline primarily due to lower sales of OEM rear-seat entertainment and to a lesser extent, remote start products. Aftermarket product sales were $15.4 million as compared to $19.2 million with declines across several categories as the market continues to deal with inflated vehicle pricing and high interest rates, resulting in lower consumer spending on vehicles.

- Consumer Electronics segment net sales were $66.1 million as compared to $78.0 million, a decrease of $12.0 million or 15.4%. Premium audio product sales were $49.9 million as compared to $53.2 million. The decline in premium audio product sales was due primarily to fewer close-out sales in the prior year, and lower consumer spending amid economic and geopolitical concerns, among other factors. This was partially offset by sales from new products that were launched. Other consumer electronics ("CE") product sales were $16.1 million as compared to $24.8 million, with the decline primarily related to lower European accessory product sales which declined by approximately $8.2 million. Domestic accessory sales declined by $1.4 million due primarily to lower consumer spending and current economic concerns.

On March 1, 2024, the Company's majority owned subsidiary, EyeLock LLC, contributed assets, including inventory and intangible assets, to a newly formed joint venture, BioCenturion LLC. As of and for the three and six months ended August 31, 2024, the Company accounted for its investment in BioCenturion LLC as an equity method investment with (loss) income from its equity method investee recorded within Other (Expense) Income on the Company's Unaudited Consolidated Statements of Operations and Comprehensive Income (Loss).

The gross margin in the Fiscal 2025 second quarter was 24.5% as compared to 25.2% in the Fiscal 2024 second quarter, a decline of 70 basis points. When comparing the Fiscal 2025 and Fiscal 2024 second quarters, the Company reported:

- Automotive Electronics segment gross margin of 23.6% as compared to 24.3%, down 70 basis points. The year-over-year decline was primarily driven by lower sales of higher margin products, such as aftermarket security, aftermarket rear-seat entertainment, and collision avoidance. This was partially offset by the positive impact from the Company's OEM manufacturing relocation to Mexico, as well as product mix.

- Consumer Electronics segment gross margin of 25.1% as compared to 25.5%, down 40 basis points. The year-over-year decline was primarily driven by the significant sales decline in the Company's European accessories business, as well as the decline in premium audio sales in Europe and Asia. This was partially offset by fewer low price, low margin close-out sales of older products compared to the prior year, as well as the positive impact from new premium audio product launches.

Total operating expenses in the Fiscal 2025 second quarter were $31.8 million as compared to $37.1 million in the comparable Fiscal 2024 period, a decline of $5.3 million or 14.3%. The year-over-year improvement was driven primarily by the positive impact from restructuring programs and other initiatives designed to lower costs and working capital needs. When comparing the Fiscal 2025 and Fiscal 2024 second quarters, the Company reported:

- Selling expenses of $7.8 million as compared to $10.0 million. The year-over-year improvement of $2.2 million or 21.7% was primarily driven by lower advertising and website expenses, as well as lower headcount related expenses, partially offset by an increase in payroll tax expenses as a result of Employee Reduction Credits received in the comparable prior year.

- General and administrative (“G&A”) expenses of $15.8 million as compared to $17.3 million. The year-over-year improvement of $1.5 million or 8.5% was primarily driven by lower headcount related expenses, the absence of EyeLock LLC salaries and Mr. Kahli’s executive salary, and a decline in depreciation and amortization expenses. Additionally, legal and professional fees declined as did occupancy costs. As an offset, the Company experienced higher taxes and licensing fees related to the implementation of its new ERP system, as well as higher payroll tax expenses.

- Engineering and technical support expenses of $6.1 million as compared to $7.9 million. The year-over-year improvement of $1.8 million or 22.4% was primarily due to a decline in research and development expense, as well as the positive impact from the formation of the BioCenturion LLC joint venture. Additionally, labor expense and related benefits declined as a direct result of the Company’s restructuring programs and its use of outside labor compared to the prior year period.

- The Company incurred approximately $2.1 million of restructuring expenses as compared to $2.0 million, with restructuring costs primarily comprised of severance expense related to Companywide headcount reductions, including those related to the domestic accessories business, which was sold during the Fiscal 2025 second quarter. Restructuring expenses also included costs related to the relocation of the Company’s OEM manufacturing operations to Mexico.

The Company reported an operating loss of $9.1 million in the Fiscal 2025 second quarter as compared to an operating loss of $8.5 million in the comparable year-ago period.

Total other income, net, in the Fiscal 2025 second quarter was $12.5 million as compared to total other expense, compared to tother other net expenses of $2.9 million comparable Fiscal 2024 period. In August 2024, the Company sold certain assets of two of its wholly owned subsidiaries, VOXX Accessories Corp. and Premium Audio Company, LLC., resulting in gains on the sale of these assets of $8.3 million and $2.2 million, respectively. Additionally:

- Interest and bank charges increased by $0.4 million principally due to higher borrowings on the Company’s Domestic Credit Facility.

- Equity in income of equity investee declined by $1.0 million for the comparable periods. This historically included the Company’s 50% ownership interests in ASA Electronics LLC and Subsidiaries (“ASA”) and now includes its 50% ownership interests in BioCenturion LLC., as of March 1, 2024.

- In the Fiscal 2024 second quarter, the Company recorded $1.6 million of charges representing interest expense, legal fee reimbursements, and a settlement related to patent arbitration in connection with the final arbitration award due to Seaguard, which was paid in the fourth quarter of Fiscal 2024.

- Lastly, other, net, improved by $4.8 million, principally as a result of net foreign currency gains and losses.

Net income attributable to VOXX International Corporation in the Fiscal 2025 second quarter was $2.4 million as compared to a net loss attributable to VOXX International Corporation of $11.1 million in the comparable Fiscal 2024 period. The Company reported basic and diluted income per common share attributable to VOXX International Corporation of $0.10 in the Fiscal 2025 second quarter as compared to a basic and diluted loss per common share attributable to VOXX International Corporation of $0.47, in the comparable Fiscal 2024 period.

The Company reported Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”) in the Fiscal 2025 second quarter of $8.5 million as compared to an EBITDA loss in the comparable Fiscal 2024 second quarter of $5.4 million. Adjusted EBITDA in the Fiscal 2025 second quarter was a loss of $2.7 million as compared to roughly break even in the comparable Fiscal 2024 period.

Fiscal 2025 and Fiscal 2024 Six-Month Comparisons

Net sales in the Fiscal 2025 six-month period ended August 31, 2024, were $184.1 million as compared to $225.6 million in the Fiscal 2024 six-month period ended August 31, 2023, a decrease of $41.4 million or 18.4%.

- Automotive Electronics segment net sales in the Fiscal 2025 six-month period were $54.1 million as compared to $73.8 million in the comparable year-ago period, a decrease of $19.8 million or 26.8%. For the same comparable periods, OEM product sales were $23.9 million as compared to $36.5 million and aftermarket product sales were $30.2 million as compared to $37.3 million. The principal drivers of the year-over-year decline were a $13.5 million decrease in OEM rear-seat entertainment sales, a $1.8 million decrease in aftermarket security product sales, and a $1.6 million decrease in sales of satellite radio products, among other factors. This was partially offset by higher sales of OEM remote start products and OEM safety products, as well as higher sales of aftermarket accessories products.

- Consumer Electronics segment net sales in the Fiscal 2025 six-month period were $130.0 million as compared to $151.4 million in the comparable year-ago period, a decrease of $21.4 million or 14.1%. For the same comparable periods, Premium Audio product sales were $98.3 million as compared to $100.8 million and other consumer electronics product sales were $31.7 million as compared to $50.6 million. The decline in premium audio product sales was primarily due to the state of the international markets as sales declined $1.9 million in Europe and Asia. Domestic premium audio product sales grew modestly and sales from new products helped offset international weakness, as expected. Other CE product sales declined $10.8 million in Europe, primarily due to lower sales of balcony solar power products as sales have normalized post-launch. Domestic accessory sales declined by $7.4 million for the comparable periods. There were other offsetting factors when comparing the six-month periods.

The gross margin in the Fiscal 2025 six-month period was 26.1% as compared to 24.9% in the Fiscal 2024 six-month period, an increase of 120 basis points. For the same comparable periods, the Company reported:

- Automotive Electronics segment gross margin of 23.4% as compared to 22.6%, an improvement of 80 basis points due primarily to product mix, restructuring initiatives and the positive impact from transitioning OEM manufacturing to Mexico.

- Consumer Electronics segment gross margin of 27.3% as compared to 25.5%. The year-over-year improvement of 180 basis points was primarily driven by fewer close out promotions in the Fiscal 2025 six-month period and improved margins from the launch of new premium audio products. This was partially offset by the decline in European accessory sales and lower premium audio product sales in Europe and Asia.

Total operating expenses in the Fiscal 2025 six-month period were $64.3 million as compared to $76.1 million in the comparable Fiscal 2024 period, an improvement of $11.8 million or 15.5%. For the same comparable periods:

- Selling expenses of $17.4 million declined by $3.7 million or 17.7%, primarily due to lower advertising and web expenses, trade show expenses, employee salaries and related benefits, and commissions, among other factors.

- General and administrative expenses of $32.2 million declined by $4.4 million or 12.1%, primarily due to lower salary and related benefit expense, the absence of EyeLock LLC and former President Beat Kahli's salaries, lower legal and professional fees, and lower depreciation and amortization, among other factors.

- Engineering and technical support expenses of $12.3 million declined by $3.9 million or 23.8%, primarily due to lower research and development expenses, as well as lower labor expenses and related benefits as a result of headcount reductions.

- Restructuring costs of $2.3 million increased by $0.3 million or 12.7%. Restructuring costs for the six-month periods were primarily comprised of severance expense related to Companywide headcount reductions, including those related to the domestic accessories business, which was sold during the Fiscal 2025 second quarter. Restructuring expenses also included costs related to the relocation of the Company's OEM manufacturing operations to Mexico.

The Company reported an operating loss in the Fiscal 2025 six-month period of $16.2 million as compared to an operating loss of $19.9 million in the comparable Fiscal 2024 period.

Total other income, net, in the Fiscal 2025 six-month period was $8.9 million as compared to total other expense, net, of $4.5 million in the comparable Fiscal 2024 period, a $13.4 million improvement.

- Interest and bank charges of $4.1 million increased approximately $1.0 million, primarily due to higher borrowings on the Company's Domestic Credit Facility.

- Equity in income of equity investee of $0.6 million declined by $2.3 million as it now includes the Company's 50% non-controlling ownership interest in BioCenturion LLC as of March 1, 2024.

- The Company recorded a gain on sale of business of $8.3 million related to the sale of its Domestic Accessories business and $2.2 million related to the asset sales of premium audio trademarks and inventory.

- In the Fiscal 2024 six-month period, the Company recorded an expense of $2.6 million related to the final arbitration award due to Seaguard, which was paid in the Fiscal 2024 fourth quarter.

- Other income, net of $2.0 million improved by $3.6 million as a result of net foreign currency gains and losses.

Net loss attributable to VOXX International Corporation in the Fiscal 2025 six-month period was $6.9 million as compared to a net loss attributable to VOXX International Corporation of $21.8 million in the comparable Fiscal 2024 period. The Company reported a basic and diluted loss per share attributable to VOXX International Corporation of $0.30 in the Fiscal 2025 six-month period as compared to a basic and diluted loss per common share attributable to VOXX International Corporation of $0.92, in the comparable Fiscal 2024 period.

The Company reported EBITDA in the Fiscal 2025 six-month period of $3.3 million as compared to an EBITDA loss in the comparable Fiscal 2024 period of $13.0 million. The Company reported an Adjusted EBITDA loss in the Fiscal 2025 six-month period of $5.8 million as compared to an Adjusted EBITDA loss in the comparable Fiscal 2024 period of $5.0 million.

Fiscal 2025 Second Quarter Dispositions and Subsequent Real Estate Transaction in the Fiscal 2025 Third Quarter

Sale of Domestic Accessories Business

On August 30, 2024, the Company's wholly owned subsidiary, VOXX Accessories Corp. ("VAC"), completed the sale of certain assets of its domestic accessories business ("the Disposal Group"), consisting of intangible assets and inventory, which was included in the Company's Consumer Electronics segment, to Talisman Brands Inc., d/b/a Established Inc. ("Established" or the "Buyer") for total consideration of $24.5 million, net of selling expenses. The consideration was recorded as a receivable due from Established on the Company's Consolidated Balance Sheet at August 31, 2024. The Company recognized a gain in the amount of $8.3 million on the sale of the Disposal Group for the three and six months ended August 31, 2024 within Other income (expense) on the Company's Unaudited

Consolidated Statements of Operations and Comprehensive Income (Loss). During September 2024, the Company received payments totaling $24.4 million toward the total balance due from Established. The remaining balance due of $0.1 million is expected to be received during the third quarter of Fiscal 2025. The proceeds of the sale have been used by the Company to repay its outstanding debt.

Additionally, at closing, the Company and Established entered into an operations services agreement, pursuant to which the Company agreed to continue to operate the accessories business for the Buyer's benefit, consisting of certain defined services, including purchasing, logistics, sales, MIS, human resources, customer service, credit and collections, and finance and accounting services. The operating services agreement will continue for a period of twelve months, and may be canceled at any time, or extended, at the Buyer's option.

Sale of Premium Audio Company Trade Names and Related Inventory
On August 15, 2024, the Company's wholly owned subsidiary, Premium Audio Company, LLC ("PAC"), completed the sale of certain trade names and related inventory to Jamo Holding Limited and Cinemaster Shanghai Ltd. for total consideration of $3.4 million. The Company recognized a gain of $2.2 million on the sale of these assets for the three and six months ended August 31, 2024 within Other income (expense) on the Company’s Unaudited Consolidated Statements of Operations and Comprehensive Income (Loss). The proceeds of the sale were used by the Company to repay outstanding debt.

Sale of the Company’s Orlando, FL OEM Manufacturing Facility

On September 24, 2024, the Company completed the sale of its manufacturing facility in Lake Nona, Florida to Aladdin Sane Realty, LLC (the "buyer") for a purchase price of $20.0 million. Net proceeds from the sale were used to repay the remaining outstanding balance of the Company's Florida Mortgage and the related interest rate swap was terminated on this date. The Company will lease approximately 18,000 square feet of office and warehouse space in the building from the buyer for a period of five years.

Strategic Process
On August 27, 2024, the Company announced that its board of directors had been conducting an exploration of strategic alternatives in connection with the Company’s ongoing effort to maximize shareholder value. As part of the process, the board will consider a range of options including, among other things, a potential sale of the Company, a sale of segments, operational improvements, or other strategic transactions. Per its fiduciary responsibilities and to support its evaluation process, the board has established a strategic transactions committee which has retained Solomon Partners as financial advisor and Bryan Cave Leighton Paisner LLP as legal advisor.

Balance Sheet Update
As of August 31, 2024, the Company had cash and cash equivalents of $3.7 million as compared to $11.0 million as of February 29, 2024. Total debt as of August 31, 2024 was $55.2 million as compared to $73.3 million as of February 29, 2024, an improvement of $18.1 million. The decline in total debt is primarily related to an $18 million reduction in outstanding debt on the Company’s Domestic Credit Facility and a $0.3 million reduction in debt associated with the Company’s Florida mortgage, partially offset by a $0.2 million increase in debt outstanding related to the shareholder loan payable to Sharp Corporation. Total long-term debt, net of debt issuance costs as of August 31, 2024 was $50.0 million as compared to $71.9 million as of February 29, 2024, an improvement of $21.9 million.

As of October 9, 2024, the Company’s total debt was $18.1 million and its net debt, less its cash position of $4.5 million, stood at $13.6 million.

Conference Call Information
The Company will be hosting its conference call and webcast on Friday, October 11, 2024 at 10:00 a.m. ET.

- To attend the webcast: https://edge.media-server.com/mmc/p/ef5x57m5
- To access by phone: https://register.vevent.com/register/BIa701ac0278704dfab04bf5c386aca9b4

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 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, gains on the sale of certain assets and businesses, foreign currency gains and losses, restructuring expenses, certain non-routine legal fees, and awards. Depreciation, amortization, stock-based compensation, and foreign currency gains and losses are non-cash items.

We present EBITDA and Adjusted EBITDA in this press release and in our 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 worldwide leader in the Automotive Electronics and Consumer Electronics industries. Over the past several decades, VOXX has built market-leading positions in in-vehicle entertainment and automotive security, as well as in 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 "Risk Factors" section of the Company's Annual Report on Form 10-K for the fiscal year ended February 29, 2024, and other filings made by the Company from time to time with the SEC, as such descriptions may be updated or amended in any future reports we file with the SEC. The factors described in such SEC filings include, without limitation: impacts related to the COVID-19 pandemic, global supply shortages and logistics costs and delays; global economic trends; cybersecurity risks; risks that may result from changes in the Company's business operations; operational execution by our businesses; changes in law, regulation or policy that may affect our businesses; our ability to increase margins through implementation of operational improvements, restructuring and other cost reduction methods; 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 War in the Ukraine and any worsening of the global business and economic environment as a result.*

<u>Investor Relations Contact:</u>
Glenn Wiener, GW Communications (for VOXX)
Email: gwiener@GWCco.com

Tables to Follow

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

	August 31, 2024	February 29, 2024
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 3,661	$ 10,986
Accounts receivable, net of allowances of $1,980 and $3,041 at August 31, 2024 and February 29, 2024, respectively	64,240	71,066
Inventory	113,253	128,471
Receivables from vendors	795	1,192
Due from Established	24,542	-
Due from GalvanEyes LLC, current	-	1,238
Prepaid expenses and other current assets	15,743	20,820
Income tax receivable	4,710	2,095
Total current assets	226,944	235,868
Investment securities	398	828
Equity investments	22,848	21,380
Property, plant and equipment, net	44,201	45,070
Operating lease, right of use assets	2,815	2,577
Goodwill	64,344	63,931
Intangible assets, net	56,632	68,766
Due from GalvanEyes LLC, less current portion	-	1,340
Deferred income tax assets	60	1,452
Other assets	2,922	2,794
Total assets	$ 421,164	$ 444,006
Liabilities, Redeemable Equity, Redeemable Non-Controlling Interest, and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 43,895	$ 35,076
Accrued expenses and other current liabilities	38,397	38,238
Income taxes payable	1,168	1,123
Accrued sales incentives	16,810	18,236
Contract liabilities, current	3,265	3,810
Current portion of long-term debt	4,469	500
Total current liabilities	108,004	96,983
Long-term debt, net of debt issuance costs	50,015	71,881
Finance lease liabilities, less current portion	484	644
Operating lease liabilities, less current portion	1,917	1,884
Deferred compensation	398	828
Deferred income tax liabilities	2,615	2,690
Other tax liabilities	721	809
Prepaid ownership interest in EyeLock LLC due to GalvanEyes LLC	-	9,817
Other long-term liabilities	2,850	2,170
Total liabilities	167,004	187,706
Commitments and contingencies		
Redeemable equity: Class A, $.01 par value; 597,021 and 577,581 shares at August 31, 2024 and February 29, 2024, respectively	4,173	4,110
Redeemable non-controlling interest	(4,041)	(3,203)
Stockholders' equity:		
Preferred stock:		
No shares issued or outstanding	-	-
Common stock:		
Class A, $.01 par value, 60,000,000 shares authorized, 23,998,379 and 23,985,603 shares issued and 19,647,196 and 19,698,562 shares outstanding at August 31, 2024 and February 29, 2024, respectively	240	240
Class B Convertible, $.01 par value, 10,000,000 shares authorized, 2,260,954 shares issued and outstanding at both August 31, 2024 and February 29, 2024	22	22
Paid-in capital	295,959	293,272
Retained earnings	51,415	58,272
Accumulated other comprehensive loss	(17,219)	(17,366)
Less: Treasury stock, at cost, 4,351,183 and 4,287,041 shares of Class A Common Stock at August 31, 2024 and February 29, 2024, respectively	(39,821)	(39,573)
Total VOXX International Corporation stockholders' equity	290,596	294,867
Non-controlling interest	(36,568)	(39,474)
Total stockholders' equity	254,028	255,393
Total liabilities, redeemable equity, redeemable non-controlling interest, and stockholders' equity	$ 421,164	$ 444,006

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 August 31,		Six months ended August 31,	
	2024	2023	2024	2023
Net sales	$ 92,488	$ 113,642	$ 184,149	$ 225,568
Cost of sales	69,796	85,017	136,048	169,363
Gross profit	22,692	28,625	48,101	56,205
Operating expenses:				
Selling	7,848	10,021	17,438	21,187
General and administrative	15,777	17,250	32,234	36,677
Engineering and technical support	6,100	7,857	12,344	16,194
Restructuring expenses	2,098	2,008	2,329	2,067
Total operating expenses	31,823	37,136	64,345	76,125
Operating loss	(9,131)	(8,511)	(16,244)	(19,920)
Other income (expense):				
Interest and bank charges	(1,973)	(1,573)	(4,111)	(3,119)
Equity in income of equity investees	200	1,241	551	2,857
Gain on sale of business	8,300	-	8,300	-
Gain on sale of assets	2,154	-	2,154	-
Final arbitration award	-	(1,612)	-	(2,598)
Other, net	3,842	(952)	1,971	(1,653)
Total other income (expense), net	12,523	(2,896)	8,865	(4,513)
Income (loss) before income taxes	3,392	(11,407)	(7,379)	(24,433)
Income tax expense (benefit)	1,600	1,170	1,006	(151)
Net income (loss)	1,792	(12,577)	(8,385)	(24,282)
Less: net loss attributable to non-controlling interest	(620)	(1,513)	(1,528)	(2,480)
Net income (loss) attributable to VOXX International Corporation and Subsidiaries	$ 2,412	$ (11,064)	$ (6,857)	$ (21,802)
Other comprehensive (loss) income:				
Foreign currency translation adjustments	(337)	820	258	1,058
Derivatives designated for hedging	(90)	34	(103)	(26)
Pension plan adjustments	(8)	(5)	(8)	(6)
Other comprehensive (loss) income, net of tax	(435)	849	147	1,026
Comprehensive income (loss) attributable to VOXX International Corporation and Subsidiaries	$ 1,977	$ (10,215)	$ (6,710)	$ (20,776)
Income (loss) per share - basic: Attributable to VOXX International Corporation and Subsidiaries	$ 0.10	$ (0.47)	$ (0.30)	$ (0.92)
Income (loss) per share - diluted: Attributable to VOXX International Corporation and Subsidiaries	$ 0.10	$ (0.47)	$ (0.30)	$ (0.92)
Weighted-average common shares outstanding (basic)	23,125,665	23,462,575	23,132,771	23,629,147
Weighted-average common shares outstanding (diluted)	23,159,333	23,462,575	23,132,771	23,629,147

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

	Three months ended August 31,		Six months ended August 31,	
	2024	2023	2024	2023
Net income (loss) attributable to VOXX International Corporation and Subsidiaries	$ 2,412	$ (11,064)	$ (6,857)	$ (21,802)
Adjustments:				
Interest expense and bank charges (1)	1,758	1,371	3,681	2,717
Depreciation and amortization (1)	2,727	3,094	5,455	6,195
Income tax expense (benefit)	1,600	1,170	1,006	(151)
EBITDA	8,497	(5,429)	3,285	(13,041)
Stock-based compensation	412	208	558	466
Gain on sale of tradename	-	-	-	(450)
Gain on sale of business	(8,300)	-	(8,300)	-
Gain on sale of assets	(2,154)	-	(2,154)	-
Foreign currency gains (losses) (1)	(3,204)	1,214	(1,355)	2,176
Restructuring expenses	2,098	2,008	2,329	2,067
Non-routine legal fees	(2)	378	(125)	1,231
Final arbitration award	-	1,612	-	2,598
Adjusted EBITDA	$ (2,653)	$ (9)	$ (5,762)	$ (4,953)

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

EXHIBIT 99.2

REFINITIV STREETEVENTS

EDITED TRANSCRIPT

Q2 2025 VOXX INTERNATIONAL CORP EARNINGS CALL

EVENT DATE/TIME: October 11, 2024 / 2:00PM UTC

An LSEG Business

CORPORATE PARTICIPANTS

- **Patrick Lavelle** *VOXX International Corp - Chief Executive Officer, Director*
- **Loriann Shelton** *VOXX International Corp - Chief Financial Officer, Chief Operating Officer, Senior Vice President*

CONFERENCE CALL PARTICIPANTS

- **Operator**
- **Glenn Wiener** *GW Communications - Investor Relations*
- **Bruce Olephant** *Oppenheimer - Analyst*

PRESENTATION

Operator

Welcome to the fiscal 2025 second-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 speaker today, Glenn Wiener of Investor Relations. Your line is open.

Glenn Wiener *GW Communications - Investor Relations*

Thank you very much, and good morning. Welcome to VOXX International's fiscal 2025 second-quarter results conference call. Yesterday, we filed our Form 10-Q and issued our press release, both documents of which can be found in the Investor Relations section of our website at www.voxxintl.com.

I'm joined today by Pat Lavelle, Chief Executive Officer; and Loriann Shelton, Chief Financial Officer and our Chief Operating Officer. They will be leading today's call with prepared remarks, after which we will open up the call for questions. There has been a lot of activity over the past quarter, and we certainly welcome questions on today's call. Alternatively, you can reach my office at any time should you like to follow up offline.

And as for our customary Safe Harbor statement and disclaimer, 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 29, 2024.

With that, it is now my pleasure to turn the call over to Pat Lavelle. Pat?

Patrick Lavelle *VOXX International Corp - Chief Executive Officer, Director*

Thank you, Glenn, and good morning, everyone. There have been several very important milestones since we reported our Q1 results in May. And before I go into the quarterly financials and business outlook, I thought it'd be best to spend some time talking about our strategy and how these events tied to it. Further, as I run through our business segments, I'll highlight many of the actions we've taken as well as programs underway and upcoming that collectively should get VOXX back into a stronger, more profitable company and one that is more highly valued.

When we entered fiscal 2024, we were sitting with over $73 million in total debt. This followed the adverse Seaguard ruling, which added $42 million in debt, which was already too high given contributing losses at that time. So we set out to accomplish two things. The first was to pay down our debt as fast as we could as this would lower our interest payments and increase our available borrowings. It would also give us the financial flexibility we had historically enjoyed given our past low debt leverage ratios.

And number two, do the hard but necessary things, necessary to both restructure and rightsize our business based on anticipated sales in the coming year. To do this, we had to realign around what our business would be given strategic divestitures that were in play. We've made significant progress on both fronts since year-end with more to come, which brings me to number three, the strategic alternative process. During the quarter, we entered into a strategic process to quickly improve our balance sheet and get VOXX back to profitability, exploring everything that may be out there, whether it be brand sales, other asset sales, group and our business sales, joint ventures and partnerships, and even the possibility of selling the company.

We continue to receive interest for our brands and businesses, so we have a pretty good sense for the value we can command from them. The process now is designed to expand the universe of interested parties and really look at the best path forward to leverage our strengths to monetize noncore assets and build out a more profitable and valuable business for our shareholders.

Thus, we will continue to speak with interested parties for parts of our business as well as those that may be interested in VOXX in its entirety such as Gentex. Frankly, we would have preferred to wait until sometime in fiscal 2025, when we believe we'll be in a better financial position, having paid down our debt, realign the business, and hopefully present a more profitable business, generating cash flow and earnings and commanding a higher valuation in the open markets.

To this end, during this quarter, we sold our domestic accessory business, which was underperforming. We sold off two noncore brands in our premium audio portfolio, and we sold our Florida real estate with the OEM manufacturing transition to Mexico now complete -- the Florida facility is not needed. This provided us with $48 million in gross proceeds, which we used to pay down debt.

In addition, we completed initial restructuring programs generating targeted improvements. We moved through heavy inventory loads across our business lines. Our inventory, which was sitting at over $128 million came down approximately $15 million since then, allowing us to pay down debt and to operate under more normal working capital environments.

We moved further along in our ERP implementation, which, long term, will greatly enhance efficiencies and lead to significant cost savings. And we altered a lot of the processes and our structure at VOXX, changing with the future state in mind. We're setting up our foundation to operate on a lower fixed cost basis moving forward so that we can support our growth in the future. And I believe when complete, we will be able to scale sales without adding much incremental cost. Loriann will talk about our restructuring and balance sheet in her remarks, so I'll move on.

But again, paying down our debt was critical and was our number one priority. And to that end, we paid down over $50 million in total debt since year end, and we did this without impacting operations. Collectively, we removed about $49 million in predominantly lower-margin sales based on fiscal '24 figures. And lastly, I'm especially pleased to report that our total debt as of October 9, stood at under $20 million and our net debt under $15 million, which is now essentially made up of just working capital debt. So I would say we achieved our first goal and on time.

So let's move on to the results and our outlook, starting with automotive. Through the first half of fiscal '25, our automotive business is down considerably, and we both expected and planned for it. A few comments on history and strategy. So some of our newer investors have more insight into why our results were down and why our outlook should be better as we move forward.

Prior to COVID, our automotive group was on the upswing. We had the number one market position in rear seat entertainment and remote starts and a stable and profitable business. With our Amazon deal to bring Fire TV into the car, our prospects got even better as this was an industry first, and we had hundreds of millions of dollars in new long-term rear seat awards. We were also getting new contracts out of our more recently acquired OEM operation, VSM, and we were working on some very exciting integrated projects with partners.

And then COVID hit, and the automotive market over the past four years has still not fully recovered. That's the reality of the past. We constantly were taking actions to offset higher prices, product and component shortages, shipment delays, retailer issues, interest rates, and more.

We had various component price increases from vendors, especially in chips, and renegotiated contracts. But at the end of the day, we had to change in order to stop the declines and turn this once consistently profitable business back into a cash-generating entity.

During the first half of fiscal '25, our automotive segments were at 26.8% dip in sales and an 80-basis-point increase in gross margin but lost $3.6 million on a pretax basis.

Now the second half should improve, but still, there are a lot of obstacles we must deal with daily and overcome to ensure we get back to profitability. We have been managing the global supply chain very well. That's one area the team continues to excel at, in my opinion, have done an excellent job this past year given everything that has been thrown at us. Past price increases from vendors should be more normalized as newer programs kick off, and we have several plans in the second half and into fiscal '26 and beyond.

With our OEM manufacturing transitioning to Mexico, and the significantly lower cost to produce and lower cost of labor, coupled with more consistent OEM production, which will improve absorption, gross margins should improve. We will continue to pressure existing customers to modify pricing so that it makes sense to continue our programs with them. This may impact topline revenue. However, we must ensure all programs remain profitable.

Coupled with the fact that we have several new programs coming online for heavy-duty trucks and vehicles which are smaller in nature than the car manufacturers, but these are long-term profitable contracts. And we have several for remote start and security products as well. For example, in Q4, Ford will be launching a new rear seat entertainment system for the Navigator and the Expedition. And we will continue to grow our security program with Ford as well as we have been awarded new vehicles for the Middle East market.

Nissan has kicked off their lighting program that we've talked about previously. The US Postal Service program, which I've discussed is scheduled for a full launch in fiscal 2026. It's a multiyear contract that is expected to ramp considerably next year and over the next several years thereafter.

We have had some new OEM products and integrated systems that are also expected to open up new channels. For example, we currently supply our phone-as-a-key product for the overroad UPS tractor trailers. And we are in tests with a number of fleets that, if awarded, could generate substantial new business in this area. Aftermarket is where we've been hit hard, and it's pretty much related to lower car sales and a weak consumer and retail environment caused by inflation and high interest.

We have managed the inventory very closely. And as a result, we're entering the stronger part of the year with a much better inventory position. As for our consumer, our consumer business -- within consumer, we sold domestic accessories during the quarter for $25 million, while still maintaining our European operation, VOXX Germany. Between Oehlbach and Schwaiger, we do over $30 million in sales, and the business has been historically profitable. The big growth driver for our international accessory business last year was the new solar power balcony product that was introduced.

But due to the overwhelming popularity of this program, a number of competitors have entered the market just as the German and Austrian economy, the largest market for our accessory group has gone into recession. We expect the market to normalize as the glut of competitors lessen or exit the market all together. Schwaiger is the leading accessory company supplying the do-it-yourself market in Germany and Austria. They have great market position, and they anticipate sales will rebound as we move into next fiscal 2026.

The bulk of this segment is premium audio. And here is where we have the greatest optimism for near-term value creation from an operations and a cash flow perspective. Similar to the automotive segment, COVID had a big impact on our business, but in different ways. We saw two very strong years of sales and profitability as consumers were purchasing more stay-at-home products as they were locked in their homes.

The following two years, we saw our industry sales drop just as quickly due to them leaving their homes and doing more experiential vacations and dining out as well as the fact that the normal buying patterns, the normal buying cycles, were interrupted.

Consumers who typically purchase a speaker, a home theater system every three to five years and purchased products all at once during COVID when they were at home, no longer were in the cycle for the following years. Thus, it created market imbalance. Couple this with the fact that we had supply chain and retailer issues, high interest rates and inflation and more, it became a challenging two years.

While our sales are down just $2.5 million year to date, newer products have been selling strong and higher-margin products up as well. We are seeing increases in our new sound bar business. We have made significant strides in new audio categories like our Bluetooth Music City series and with our new party speakers coming to market later this year.

We expect our top line revenue to be essentially in line with last year, but we do expect it to be a year of significantly improved profitability with growth around the corner. Through the first six months of the fiscal year, despite over $21 million decline in total consumer segment sales, we generated pretax income of $4.6 million compared to a loss of $7 million in fiscal 2024.

We're expecting a stronger second half for premium audio as well, both sales and profitability, and we maintain a smaller international accessory business with significant growth potential, but there are very high comparables based on the strong launches in the prior year and the competition I just spoke about. I'm not going to rehash all of the products for Klipsch, but know this, we invested in R&D. We combine part of Onkyo's R&D with Klipsch's bringing the best in design and electronics and acoustics together, and I'm really looking forward to some of the new products that consumers will see starting in the second half of this year and moving into calendar years '25 and '26, and will be across home audio, electronics, lifestyle audio, gaming, and more.

To put it all together and who we are today, VOXX is an automotive business that should be stable and have a lower cost structure and working capital needs. A consumer business made up predominantly of strong Premium Audio brands that can grow modestly but still generate significantly higher profits. And we are a holder of two equity investments, one in BioCenturion LLC, our biometrics business, and the other is in ASA Electronics LLC, our long-standing joint venture that historically has been profitable, has great upside, and significant value.

We've done a lot of heavy lifting, and we have more ahead to get where we need to be, but we believe we are on the right track, knowing we have taken care of debt with improved operations, and we maintain or have grown market share.

And at this point, I'd like to turn the call over to Laurie, and then we'll open it for questions. Loriann?

Loriann Shelton *VOXX International Corp - Chief Financial Officer, Chief Operating Officer, Senior Vice President*

Thank you, Pat, and good morning to all of those joining us today. Pat talked to the first half of the year, and I'll provide a brief recap of the quarter. Rather than reading through all of the financials, I'll spend the time talking more about the restructuring and what we've accomplished. Our ERP conversion, what it means for us and where we are now. And lastly, our balance sheet with brief discussions around each transaction future working capital needs, our capital structure. Then we'll open up the call for questions.

I'll start with our fiscal second-quarter financial comparisons for the periods ending August 31, 2024, and August 31, 2023. We reported Q2 sales of $92.5 million, which were down $21.2 million or 18.6%. Our automotive business declined by $9 million with $5.2 million of the decline related to OEM and the remainder to other automotive electronic products. The biggest OEM shortfall was in rear seat entertainment due to lower volumes.

The consumer segment sales were down $12 million with premium audio down $3.3 million and other CE product sales down $8.7 million. The decline in premium audio relates to the fact that last fiscal year included roughly $2.7 million in higher closed out promotion sales and general softness in the global audio market.

We did, however, get a nice sales pickup from the new product lines Pat discussed. Several lines were down while others were up, and we expect more of the same market continues to transition. We also believe that profitability will be enhanced due to the higher margin structure of the new line. The decline in other CE product can be paid to lower year-over-year sales volumes of solar power products in Germany, which were down $8.2 million as we had high load-ins in the prior year period.

Fiscal 2025 Q2 gross margins were 24.5% were down 70 basis points. Automotive segment margins declined 70 basis points, primarily due to product mix and sales declines in higher-margin categories as well as inventory obsolescence. Consumer margins were down 40 basis points, primarily due to the sales declines in Europe and Asia. Margins should be favorably impacted by product mix in the periods, especially when newer products coming to the market.

As for expenses, so the changes we've implemented to date, our operating expenses are lower by $5.3 million or 14.3% when comparing the second quarter. We brought down headcount through restructuring. We lowered executive compensation expenses. We removed EyeLock salaries through the BioCenturion joint venture, and we actively managed all the expenditures of cash, whether internal or external. Pat has said this before, we're placing more emphasis on the value creation of our spend as we look to rightsize and ultimately grow, irrespective of any potential transaction that may occur.

One of my responsibilities to strategy and insurance programs get implemented the right way while maintaining financial discipline throughout. If our business will more normalize, I believe the investors to see the benefits of our efforts in a more meaningful way.

With that said, if things hold and we meet our sales plan for the full year, the actions we've taken to position VOXX for profitability by the end of the year.

I'd like to now discuss restructuring and ERP integration we have been undertaking. With respect to the restructuring, all of the actions we identified to enact at the beginning of the year have been completed. We have implemented all and have achieved the targeted efficiency, not the full saving. That is because we are maintaining the overhead necessary to support the domestic accessories business that we sold in Q2, which, again, we are being reimbursed for.

When the operating agreement terminates, our overhead will be reduced further. I also believe that as our sales grow in the second half of this year and comparatively year over year as we move into fiscal '26 investors will see additional benefits from our restructuring as we should have a more concentrated fixed cost structure.

In the interim, we're going to remain vigilant in our capital allocation plans and look to either save or reinvest depending on what the situation calls for. The Oracle Fusion implementation is the biggest project underway throughout the organization. This has needed investment in our systems that will cause capital to start but generate a substantial ROI over time, both operationally and financially.

We are in the process of designing the right system after extensive upfront research and analysis. After the design work, we will move into testing, validation, and rework if needed. We want to ensure we have the most efficient technology tools based on our needs. There has been an immense focus on data, aggregation, analytics, and sharing of that data with everything geared to make faster, smarter business decisions.

The system is heavily geared to support our business operations, and thus, there is a strong focus on distribution and logistics modules. We'll be testing the system for quite some time, integrating data from all points of sale and then using it in our budgeting and forecasting process, fully automating all forecasting systems both financial and procurement. Our ERP integration is about automating processes and having the right tools to use to gather intelligence to further educate our decision-making. I, for one, after running finance and operations for a very long time, am taking on this project with excitement and care as I just know how much it can help us.

Lastly, our balance sheet. Let me quickly walk you through the numbers and our expected use of capital. First, we exited fiscal 2024 with $73.3 million in debt and our Q2 report yesterday, our total debt position as of August 31 stood at $55.2 million. Using cash from the transaction, post quarter end, we paid down the Florida mortgage debt in full, we paid down our revolving credit facility further, reducing our total debt to a little over $18 million as of yesterday, which includes our $3.9 million shareholder note. Taking into consideration our cash position, our net debt stood at $13.6 million.

As we are now in our third quarter, our busiest selling season, we will be drawing on our revolver to fund inventory needs. Thus, our debt will increase again, and then we start cashing up toward the end of the fourth quarter and into first quarter. Our balance sheet is in good shape, and we are making progress internally.

I'd like to thank you all today for listening in. And operator, we are now ready for questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Bruce Olephant, Oppenheimer.

Bruce Olephant *Oppenheimer - Analyst*

VOXX purchased Klipsch for $166 million in March 2011, can we make the assumption that 11 years later that Klipsch is worth more than that purchase price?

Patrick Lavelle *VOXX International Corp - Chief Executive Officer, Director*

Can we? I would say, yes, because adding to the Klipsch valuation is the Onkyo valuation that we acquired back in 2021. They are a much stronger company today technologically because of the combination of Onkyo's electronics experience and Klipsch's acoustic experience, and we think that is going to be a big driver for us as we move forward.

When we look at the passive loud speaker today, it is morphing into powered speakers or active speakers, where actually the electronics of pushing the sound through the speakers inside the speaker. And the addition of a very, very strong Onkyo Electronics team is allowing us to develop products that we think are going to be most important as we look into the future, Bluetooth, broadcast Bluetooth, and and a number of different products that we will be able to integrate better into our speakers because of our experience with the Onkyo team.

Bruce Olephant ***Oppenheimer - Analyst***

Is Klipsch up for sale?

Patrick Lavelle ***VOXX International Corp - Chief Executive Officer, Director***

We are in a process, and that process is to determine the value of the company. And there will be, in my estimation, offers for the entire company, which you've seen with the Gentex offer. And we believe that there will be offers for the entire company, additional offers for the entire company, and there will be offers for some of the parts.

Bruce Olephant ***Oppenheimer - Analyst***

Are we currently doing any business with Gentex?

Patrick Lavelle ***VOXX International Corp - Chief Executive Officer, Director***

Yeah. We do a little business with Gentex. We supply the automotive aftermarket with Gentex mirrors.

Bruce Olephant ***Oppenheimer - Analyst***

So we can -- so actually, for the future, we plan to probably do more business with Gentex?

Patrick Lavelle ***VOXX International Corp - Chief Executive Officer, Director***

That's our hope. Gentex is a very strong company. They've got great technology. And we think our distribution network, especially into the aftermarket, reaches much further than anything that they may have in distribution. So I see that as a positive.

Bruce Olephant ***Oppenheimer - Analyst***

And the other question I have here, what would be the common book value? Would it be around $11 a share now?

Patrick Lavelle ***VOXX International Corp - Chief Executive Officer, Director***

That -- I would say, yes, Lori, if you have any -- I mean we've got about 23 million shares out. And when we look at the value of what we believe between the different operations we have, the real estate that we own, it supports a -- is the valuation there higher?

Loriann Shelton ***VOXX International Corp - Chief Financial Officer, Chief Operating Officer, Senior Vice President***

I think that's a conservative number, Pat. $11.

Bruce Olephant ***Oppenheimer - Analyst***

What do you think it is right now? What do you think it is?

Loriann Shelton ***VOXX International Corp - Chief Financial Officer, Chief Operating Officer, Senior Vice President***

Well, what we think it is and what the market thinks it is may be two different things. But I think the company with its future prospects, stuff, I think you could warrant that type of number.

Bruce Olephant ***Oppenheimer - Analyst***

Okay. And also, can we make the assumption that being that history says that third quarter is our strongest quarter, can we make the assumption that VOXX will have a profitable third quarter and finish the year profitable?

Patrick Lavelle ***VOXX International Corp - Chief Executive Officer, Director***

We are looking at what the second half is projected to be based on all the information we get from customers at this time of the year. Promotions that we know will have started. The biggest thing that what we're looking at now is if the economy continues to slow, it may impact some of those projections.

But normally, our second half, especially the third quarter, is a profitable one. And we believe that if we can hit the numbers that we are projecting that we would be profitable for the year.

Bruce Olephant ***Oppenheimer - Analyst***

Great. And I'm glad to see the great progress that the company has made, and I look for continued success.

Operator

(Operator Instructions) I would now like to hand the call back to Pat for closing remarks.

Patrick Lavelle ***VOXX International Corp - Chief Executive Officer, Director***

Well, thank you. If there are no further questions, I want to thank you for your interest in VOXX. It has been a couple of challenging years, but I think we are starting to move forward with the plans that would bring this company back to profitability. So once again, thank you for joining and have a good rest of the day.

Operator

And this concludes today's conference call. Thank you for participating. You may now disconnect.

DISCLAIMER