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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): May 14, 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 May 14, 2024, VOXX International Corporation (the "Company") issued a press release announcing its earnings for the quarter and year ended February 29, 2024. A copy of the release is furnished herewith as Exhibit 99.1.

Item 8.01 Other Events.

On May 15, 2024, the Company held a conference call to discuss its financial results for the quarter and year ended February 29, 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 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 May 14, 2024, relating to VOXX International Corporation's earning's release for the quarter and year ended February 29, 2024 (filed herewith).
99.2	Transcript of conference call held on May 15, 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: May 17, 2024

By: /s/ Loriann Shelton
Loriann Shelton
Senior Vice President
Chief Operating Officer
Chief Financial Officer

Exhibit 99.1

VOXX International Corporation Reports its Fiscal 2024
Fourth Quarter and Year-end Financial Results

ORLANDO, FL.— May 14, 2024 — 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 2024 fourth quarter and year-ended February 29, 2024.

Commenting on the Company's results and market outlook, Pat Lavelle, Chief Executive Officer stated, "After two strong years of growth and profits on an Adjusted EBITDA basis, we have experienced losses and as such, are taking steps to realign, both to improve margins and lower expenses. Fiscal 2024 was a tough year and we expect market conditions to remain challenged given inflation and global concerns. With that said, we have a number of new products both in and coming to market and new automotive programs starting in the second half of the year, which will help combat market softness. We have implemented new plans to improve margins and lower expenses to ensure VOXX's profitability. Concurrently, we are focused on improving capital returns, cash flow and our balance sheet."

<u>Fiscal 2024 and Fiscal 2023 Fourth Quarter Comparisons</u>

Net sales in the Fiscal 2024 fourth quarter ended February 29, 2024, were $108.1 million as compared to $136.5 million in the Fiscal 2023 fourth quarter ended February 28, 2023, a decrease of $28.4 million or 20.8%.

- Automotive Electronics segment net sales in the Fiscal 2024 fourth quarter were $32.6 million as compared to $49.5 million in the comparable year-ago period, a decrease of $16.9 million or 34.1%. For the same comparable periods, OEM product sales were $11.7 million as compared to $21.9 million and aftermarket product sales were $20.9 million as compared to $27.6 million. The decline in OEM product sales was primarily related to lower sales of rear-seat entertainment products, partially offset by higher sales of remote start systems attributed to a new OEM program with Ford that launched in the Fiscal 2024 fourth quarter. The decline in aftermarket product sales was across categories given the current state of the domestic retail and automotive markets compared to the prior year.

- Consumer Electronics segment net sales in the Fiscal 2024 fourth quarter were $75.2 million as compared to $86.7 million in the comparable year-ago period, a decrease of $11.4 million or 13.2%. For the same comparable periods, premium audio product sales were $57.2 million as compared to $61.9 million and other consumer electronics ("CE") product sales were $18.0 million as compared to $24.8 million. Sales of premium audio products increased domestically but declined internationally, particularly in Europe and Asia. Other CE product sales declined across various categories primarily due to retail softness and global economic challenges, partially offset by higher sales of the Company's RCA hearing aid products and remote product line.

- Biometrics segment net sales in the Fiscal 2024 fourth quarter were $0.1 million as compared to $0.4 million in the comparable year-ago period.

The gross margin in the Fiscal 2024 fourth quarter was 19.9% as compared to 25.4% in the Fiscal 2023 fourth quarter, a decrease of 550 basis points, with the decline primarily related to higher inventory provisions in the Fiscal 2024 fourth quarter versus the comparable Fiscal 2023 period. When comparing the Fiscal 2024 and Fiscal 2023 fourth quarters, the Company reported:

- Automotive Electronics segment gross margin of 12.4% as compared to 25.4%. The year-over-year decline was primarily related to higher inventory provisions recorded in the Fiscal 2024 fourth quarter, as well as higher warehouse and assembly expenses, and product mix, which offset savings from the relocation of certain OEM manufacturing operations to Mexico and other cost savings initiatives.

- Consumer Electronics segment gross margin of 23.6% as compared to 25.3%. The year-over-year decline was primarily driven by product mix and increased competition in select categories which impacted pricing, predominantly in the receiver category, as well as higher warehouse expenses.

- Biometrics segment gross margin of 2.3% as compared to 39.9% in the comparable year-ago period.

Total operating expenses in the Fiscal 2024 fourth quarter were $47.9 million as compared to $47.6 million in the comparable Fiscal 2023 period, an increase of $0.3 million or 0.6%. The year-over-year increase was driven primarily by higher non-cash impairment charges related to intangible assets in Fiscal 2024 and goodwill in Fiscal 2023, which more than offset the positive impact from cost-savings initiatives. When comparing the Fiscal 2024 and Fiscal 2023 fourth quarters, the Company reported:

- Selling expenses of $10.9 million as compared to $11.4 million. The year-over-year improvement of $0.5 million was primarily driven by lower website, trade show and advertising expenses, as well as lower commissions and payroll benefits, partially offset by higher salaries.

- General and administrative ("G&A") expenses of $16.6 million as compared to $19.7 million. The year-over-year improvement of $3.1 million was driven by lower office salaries, office expenses, insurance costs, and professional fees, among other factors.

- Engineering and technical support expenses of $6.1 million as compared to $7.6 million. The year-over-year improvement of $1.5 million was primarily due to a decline in research and development expenses, lower labor expenses and a reduction in travel and entertainment expenses.

- Acquisition credit of $0.2 million associated with the acquisition of certain assets of Onkyo Home Entertainment Corporation were incurred in the Fiscal 2023 fourth quarter and there were no related costs incurred in the comparable Fiscal 2024 period.

- Goodwill impairment charge of $7.4 million associated with one of the Company's reporting units in the Company's Automotive Electronics segment was incurred in the Fiscal 2023 fourth quarter and there were no related charges incurred in the comparable Fiscal 2024 period.

- Intangible asset impairment charges of $14.2 million as compared to $1.3 million. In connection with its annual impairment test, in Fiscal 2024 the Company determined that four of its trademarks in the Consumer Electronics segment were impaired as a result of increased competition and reductions in projected profit margins and volumes from customers. Fiscal 2023 intangible asset impairment charges related to the Company's OEM business within the Automotive Electronics segment.

- The Company incurred approximately $0.3 million of restructuring charges in Fiscal 2023 related to the relocation of certain OEM production operations from Florida to Mexico and there were no charges recorded in the comparable Fiscal 2024 period.

The Company reported an operating loss of $26.4 million in the Fiscal 2024 fourth quarter as compared to an operating loss of $12.9 million in the Fiscal 2023 fourth quarter.

Total other income, net, in the Fiscal 2024 fourth quarter increased by $2.4 million over the comparable Fiscal 2023 fourth quarter. In the Fiscal 2024 fourth quarter, the Company recorded income related to the final Seaguard settlement of $4.1 million representing an adjustment of the final arbitration award as compared to an expense of $1.0 million in the comparable year-ago period. Interest and bank charges increased by $0.4 million and equity in income of equity investee declined by $0.6 million. Additionally, other, net was negatively impacted by $1.7 million, primarily as a result of losses in foreign currency.

Net loss attributable to VOXX International Corporation in the Fiscal 2024 fourth quarter was $21.0 million as compared to a net loss attributable to VOXX International Corporation of $18.1 million in the comparable Fiscal 2023 period. The Company reported a basic and diluted loss per common share attributable to VOXX International Corporation of $0.90 in the Fiscal 2024 fourth quarter as compared to a basic and diluted loss per common share attributable to VOXX International Corporation of $0.75, in the comparable Fiscal 2023 period.

The Company reported an Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") loss in the Fiscal 2024 fourth quarter of $18.1 million as compared to an EBITDA loss in the comparable Fiscal 2023 fourth quarter of $8.0 million. Adjusted EBITDA in the Fiscal 2024 fourth quarter was a loss of $6.4 million as compared to Adjusted EBITDA of $4.1 million in the comparable Fiscal 2023 period.

Fiscal 2024 and Fiscal 2023 Comparisons
Net sales in the Fiscal 2024 twelve-month period ended February 29, 2024, were $468.9 million as compared to $534.0 million in the Fiscal 2023 period ended February 28, 2023, a decrease of $65.1 million or 12.2%.

- Automotive Electronics segment net sales in Fiscal 2024 were $142.3 million as compared to $174.8 million in Fiscal 2023, a decrease of $32.5 million or 18.6%. For the same comparable periods, OEM product sales were $58.3 million as compared to $73.0 million and aftermarket product sales were $84.1 million as compared to $101.8 million. The decline in OEM sales was primarily related to lower sales of OEM rear-seat entertainment ("RSE") products, partially offset by an increase in sales of OEM remote start products and safety products. The Company's OEM RSE business was impacted primarily by volume reductions within existing customer programs as well as the United Auto Workers strike. The decline in aftermarket sales was primarily related to lower sales of remote start and telematic products, partially offset by an increase in sales of satellite radio and collision avoidance products.

- Consumer Electronics segment net sales in Fiscal 2024 were $326.6 million as compared to $357.8 million in Fiscal 2023, a decrease of $31.1 million or 8.7%. For the same comparable periods, Premium Audio product sales were $237.9 million as compared to $274.5 million and other CE product sales were $88.7 million as compared to $83.2 million. The decline in Premium Audio product sales was primarily related to softness in the global economy and challenging retail, supply chain and consumer environments which led to lower sales of premium audio and receiving products when comparing the Fiscal year periods. Other CE product sales increased year-over-year, primarily driven by higher European accessory sales related to the Company's balcony solar power products that launched during the second half of the prior year. Domestically, general accessory product sales also increased when comparing the Fiscal year periods, aided by the launch of the Company's RCA hearing aid products.

- Biometrics segment net sales in Fiscal 2024 were $0.5 million as compared to $1.0 million in Fiscal 2023, with the decline primarily driven by sales made to certain customers during the prior year that did not repeat in the current Fiscal year.

The gross margin in Fiscal 2024 was 24.3% as compared to 25.1% in Fiscal 2023, a decline of 80 basis points. For the same comparable periods, the Company reported:

- Automotive Electronics segment gross margin of 21.1% as compared to 24.3%. The 320-basis point decline in gross margin was primarily related to product mix, lower sales of higher margin products such as aftermarket security and aftermarket RSE products, and higher sales of satellite radio products, the latter of which carry lower gross margins. The Company also incurred an inventory write-down of $3.8 million in Fiscal 2024 related to inventory identified as either slow-moving or damaged in conjunction with the OEM manufacturing transition to Mexico, among other factors.

- Consumer Electronics segment gross margin of 25.6% as compared to 25.5%. The year-over-year improvement of 10 basis points was primarily driven by higher sales of new products, such as RCA Hearing Aids and balcony solar products in Europe, as well as higher margins on newer premium audio products introduced and fewer promotions compared to the prior Fiscal year. The net decline in sales of the Company's Onkyo and Pioneer products domestically negatively affected margins in Fiscal 2024, as did more aggressive market competition, among other factors.

- Biometrics segment gross margin of 20.5% as compared to 34.2% in the comparable year-ago period.

Total operating expenses in the Fiscal 2024 twelve-month period were $158.1 million as compared to $161.6 million in the comparable Fiscal 2023 period, an improvement of $3.5 million or 2.2%. In Fiscal 2024, the Company incurred intangible asset impairment charges of $14.2 million and restructuring charges of $2.1 million. In Fiscal 2023, the Company incurred intangible asset impairment charges of $1.3 million and restructuring expenses of $0.9 million, as well as a goodwill impairment charge of $7.4 million. Excluding these charges and expenses, total operating expenses in Fiscal 2024 were $141.7 million as compared to $152.0 million in Fiscal 2023, an improvement of $10.3million, or 6.8%. For the same comparable periods:

- Selling expenses of $43.1 million as compared to $47.0 million. The year-over-year improvement of $3.9 million or 8.3%, was primarily driven by lower employee salaries and related benefits and payroll taxes, lower advertising and website expenses, and lower commission expenses, among other factors.

- General and administrative expenses of $69.2 million as compared to $73.6 million. The year-over-year improvement of $4.4 million or 6.0%, was primarily due to lower salary and related payroll taxes, depreciation and amortization, professional fees and outside consulting services, as well as Employee Retention Credits which have offset payroll tax expenses, among other factors. This was partially offset by an increase in bad debt expense due to releases in the prior year that did not repeat, as well as higher travel expenses.

- Engineering and technical support expenses of $29.4 million as compared to $31.5 million. The year-over-year improvement of $2.1 million or 6.6%, was primarily due to lower research and development expenses, lower salary and payroll taxes and Employee Retention Credits which have offset payroll tax expenses, among other factors, partially offset by higher travel expense.

- Intangible asset impairment charges of $14.2 million were incurred in Fiscal 2024. In connection with its annual impairment test, the Company determined that four of its trademarks in the Consumer Electronics segment were impaired as a result of increased competition and reductions in projected profit margins and volumes from customers. This compares to intangible asset impairment charges of $1.3 million and a goodwill impairment charge of $7.4 million related to the Company's Automotive business in Fiscal 2023.

- Restructuring expenses of $2.1 million increased by $1.3 million as the Company initiated actions to lower its headcount and other expenses, as well as actions taken to relocate certain OEM production operations to Mexico.

The Company reported an operating loss in the Fiscal 2024 twelve-month period of $44.0 million as compared to an operating loss of $27.3 million in the comparable Fiscal 2023 period.

Total other expense, net, in Fiscal 2024 was $3.3 million as compared to total other expense, net, of $3.7 million in Fiscal 2023. In Fiscal 2024, the Company recorded a net credit to other (expense) income of $0.8 million, representing charges for interest due on the final arbitration award when paid, offset by the reversal of previous charges accrued as a result of the Seaguard settlement, which was paid during the Fiscal 2024 fourth quarter. Additionally, for the comparable Fiscal year periods, interest and bank charges increased by $2.3 million, equity in income of equity investee declined by $2.1 million and other, net was essentially flat for both periods.

Net loss attributable to VOXX International Corporation in Fiscal 2024 was $40.9 million as compared to a net loss attributable to VOXX International Corporation of $27.5 million in the comparable Fiscal 2023 period. The Company reported a basic and diluted loss per share attributable to VOXX International Corporation of $1.74 in Fiscal 2024 as compared to a basic and diluted loss per common share attributable to VOXX International Corporation of $1.13 in Fiscal 2023.

The Company reported an EBITDA loss in Fiscal 2024 of $24.7 million as compared to an EBITDA loss in Fiscal 2023 of $11.2 million. The Company reported an Adjusted EBITDA loss in Fiscal 2024 of $3.4 million as compared to Adjusted EBITDA of $9.7 million in Fiscal 2023.

Balance Sheet Update

As of February 29, 2024, the Company had cash and cash equivalents of $11.0 million as compared to $6.1 million as of February 28, 2023. Total debt as of February 29, 2024 was $73.3 million as compared to $39.2 million as of February 28, 2023. The increase in total debt is primarily related to a $34.8 million increase in outstanding debt on the Company's Domestic Credit Facility ("Facility") due to higher borrowings during the current period. The remaining availability under the Facility was $55.3 million as of February 29, 2024. The increase in total debt was partially offset by a $0.5 million decrease associated with the Company's Florida mortgage and a $0.3 million decline in the shareholder loan payable to Sharp Corporation. Total long-term debt, net of debt issuance costs as of February 29, 2024 was $71.9 million as compared to $37.5 million as of February 28, 2023.

Seaguard Settlement

On December 22, 2023, the Company and Seaguard entered into a Settlement Agreement and Mutual Release, with an effective date of January 10, 2024, in which the Company agreed to pay Seaguard $42.0 million in full and final settlement of all judgments and claims that have been awarded or asserted or could have been asserted by Seaguard against the Company and its subsidiaries. An initial payment of $10 million was made on December 27, 2023 and the final payment of $32.0 million was made on January 10, 2024. Upon receipt of the final payment, Seaguard filed a Satisfaction of Judgment with the court and a Dismissal of the Arbitration with the American Arbitration Association. The Company filed a Dismissal of the Appeal after the filing of the Satisfaction of Judgment. The Company used its availability under its Facility to pay the settlement in full and believes it has sufficient working capital and availability to fund its business and meet all obligations.

BioCenturion LLC Formation

On March 1, 2024, EyeLock LLC, a majority owned subsidiary of VOXX International Corporation, entered into a joint venture agreement with GalvanEyes Partners, LLC to form the entity BioCenturion LLC ("BioCenturion"). The joint venture will operate the collective biometrics business and Beat Kahli, Co-Vice Chairman of VOXX International Corporation's Board of Directors will serve as Chairman of the Board and Chief Executive Officer of BioCenturion. Each of the members has agreed to contribute selected assets and liabilities to the joint venture, with GalvanEyes controlling the day-to-day operations. Further, GalvanEyes will be responsible for all working capital needs and the funding of the joint venture for the first two years. In conjunction with the formation of the joint venture, the distribution agreement between EyeLock and GalvanEyes was terminated, and a promissory note was signed by GalvanEyes for the repayment of the remaining quarterly installments due at February 29, 2024. The balance, with an interest rate of 8%, will be paid in eight quarterly installments beginning May 31, 2024 through February 28, 2026.

Conference Call Information

The Company will be hosting its conference call and webcast on Wednesday, May 15, 2024 at 10:00 a.m. ET.

- To attend the webcast: https://edge.media-server.com/mmc/p/upj4o2cn

- To access by phone: https://register.vevent.com/register/BIdf763076ee234beeb2692a8842b45885

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, 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 losses and gains, gains on the sale of certain assets, acquisition costs, certain non-recurring legal and professional fees, settlements and awards, non-recurring severance expense, restructuring expenses, and impairment charges. Depreciation, amortization, stock-based compensation, foreign currency losses (gains), and impairment charges are non-cash items.

We present EBITDA and Adjusted EBITDA in our Form 10-K 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 that occurred during the periods presented 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 "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.

Investor Relations Contact:

Glenn Wiener, GW Communications (for VOXX)
Email: gwiener@GWCco.com

Tables to Follow

VOXX International Corporation and Subsidiaries
Consolidated Balance Sheets
February 29, 2024 and February 28, 2023
(In thousands, except share and per share data)

	February 29, 2024	February 28, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 10,986	$ 6,134
Accounts receivable, net	71,066	82,753
Inventory, net	128,471	175,129
Receivables from vendors	1,192	112
Due from GalvanEyes LLC, current	1,238	—
Prepaid expenses and other current assets	20,820	19,817
Income tax receivable	2,095	1,076
Total current assets	235,868	285,021
Investment securities	828	1,053
Equity investments	21,380	22,018
Property, plant and equipment, net	45,070	47,044
Operating lease, right of use assets	2,577	3,632
Goodwill	63,931	65,308
Intangible assets, net	68,766	90,437
Due from GalvanEyes LLC, less current portion	1,340	—
Deferred income tax assets	1,452	1,218
Other assets	2,794	3,720
Total assets	$ 444,006	$ 519,451
Liabilities, Redeemable Equity, Redeemable Non-Controlling Interest, and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 35,076	$ 35,099
Accrued expenses and other current liabilities	38,238	41,856
Income taxes payable	1,123	2,276
Accrued sales incentives	18,236	21,778
Contingent consideration, current	—	4,500
Final arbitration award payable	—	43,388
Contract liabilities, current	3,810	3,990
Current portion of long-term debt	500	500
Total current liabilities	96,983	153,387
Long-term debt, net of debt issuance costs	71,881	37,513
Finance lease liabilities, less current portion	644	63
Operating lease liabilities, less current portion	1,884	2,509
Deferred compensation	828	1,053
Deferred income tax liabilities	2,690	4,855
Other tax liabilities	809	966
Prepaid ownership interest in EyeLock LLC due to GalvanEyes LLC	9,817	7,317
Other long-term liabilities	2,170	2,947
Total liabilities	187,706	210,610
Commitments and contingencies		
Redeemable equity: Class A, $.01 par value; 577,581 shares at both February 29, 2024 and February 28, 2023 (Note 1(u))	4,110	4,018
Redeemable non-controlling interest	(3,203)	(893)
Stockholders' equity:		
Preferred stock:		
No shares issued or outstanding	—	—
Common stock:		
Class A, $.01 par value; 60,000,000 shares authorized, 23,985,603 and 23,960,603 shares issued and 19,698,562 and 20,589,946 shares outstanding at February 29, 2024 and February 28, 2023, respectively	241	240
Class B Convertible, $.01 par value, 10,000,000 shares authorized, 2,260,954 shares issued and outstanding	22	22
Paid-in capital	293,271	292,565
Retained earnings	58,272	99,122
Accumulated other comprehensive loss	(17,366)	(18,680)
Less: Treasury stock, at cost, 4,287,041 and 3,370,657 shares of Class A Common Stock at February 29, 2024 and February 28, 2023, respectively	(39,573)	(30,285)
Total VOXX International Corporation stockholders' equity	294,867	342,984
Non-controlling interest	(39,474)	(37,268)
Total stockholders' equity	255,393	305,716
Total liabilities, redeemable equity, redeemable non-controlling interest, and stockholders' equity	$ 444,006	$ 519,451

VOXX International Corporation and Subsidiaries
Consolidated Statements of Operations and Comprehensive Loss
Years Ended February 29, 2024, February 28, 2023, and February 28, 2022
(In thousands, except share and per share data)

	Year Ended February 29, 2024	Year Ended February 28, 2023	Year Ended February 28, 2022
Net sales	$ 468,911	$ 534,014	$ 635,920
Cost of sales	354,892	399,715	466,442
Gross profit	114,019	134,299	169,478
Operating expenses:			
Selling	43,090	46,967	50,507
General and administrative	69,228	73,638	75,955
Engineering and technical support	29,392	31,464	31,540
Acquisition costs	—	(36)	3,552
Goodwill impairment charge	—	7,373	-
Intangible asset impairment charges	14,214	1,300	-
Restructuring expenses	2,136	870	-
Total operating expenses	158,060	161,576	161,554
Operating (loss) income	(44,041)	(27,277)	7,924
Other (expense) income:			
Interest and bank charges	(6,935)	(4,643)	(2,532)
Equity in income of equity investee	4,916	6,969	7,890
Final arbitration award	763	(3,944)	(39,444)
Other, net	(2,080)	(2,055)	323
Total other expense, net	(3,336)	(3,673)	(33,763)
Loss before income taxes	(47,377)	(30,950)	(25,839)
Income tax (benefit) expense	(1,785)	(39)	1,626
Net loss	$ (45,592)	$ (30,911)	$ (27,465)
Less: net loss attributable to non-controlling interest	(4,742)	(3,460)	(5,132)
Net loss attributable to VOXX International Corporation	$ (40,850)	$ (27,451)	$ (22,333)
Other comprehensive income (loss):			
Foreign currency translation adjustments	1,375	(1,876)	(3,317)
Derivatives designated for hedging, net of tax	16	309	633
Pension plan adjustments, net of tax	(77)	390	158
Other comprehensive income (loss), net of tax	1,314	(1,177)	(2,526)
Comprehensive loss attributable to VOXX International Corporation	$ (39,536)	$ (28,628)	$ (24,859)
Net loss per common share attributable to VOXX International Corporation - basic	$ (1.74)	$ (1.13)	$ (0.92)
Net loss per common share attributable to VOXX International Corporation - diluted	$ (1.74)	$ (1.13)	$ (0.92)
Weighted-average common shares outstanding (basic)	23,428,473	24,325,938	24,287,179
Weighted-average common shares outstanding (diluted)	23,428,473	24,325,938	24,287,179

VOXX International Corporation and Subsidiaries
Consolidated Statements of Operations and Comprehensive (Loss) Income
Three Months Ended February 29, 2024, February 28, 2023 and February 28, 2022
(In thousands, except share and per share data)

	Three Months Ended February 29, 2024	Three Months Ended February 28, 2023	Three Months Ended February 28, 2022
Net sales	$ 108,083	$ 136,522	$ 163,880
Cost of sales	86,611	101,856	119,987
Gross profit	21,472	34,666	43,893
Operating expenses:			
Selling	10,936	11,404	13,338
General and administrative	16,607	19,735	19,346
Engineering and technical support	6,135	7,620	7,716
Acquisition costs	-	(172)	273
Goodwill impairment charge	-	7,373	-
Intangible asset impairment charges	14,214	1,300	-
Restructuring charges	(32)	338	-
Total operating expenses	47,860	47,598	40,673
Operating (loss) income	(26,388)	(12,932)	3,220
Other (expense) income:			
Interest and bank charges	(1,924)	(1,542)	(692)
Equity in income of equity investee	958	1,596	926
Final arbitration award	4,113	(986)	-
Other, net	(583)	1,114	(352)
Total other income (expense), net	2,564	182	(118)
(Loss) income from before income taxes	(23,824)	(12,750)	3,102
Income tax (benefit) expense	(1,731)	5,749	2,000
Net (loss) income	$ (22,093)	$ (18,499)	$ 1,102
Less: net loss attributable to non-controlling interest	(1,133)	(370)	(1,659)
Net (loss) income attributable to VOXX International Corporation	$ (20,960)	$ (18,129)	$ 2,761
Other comprehensive income (loss):			
Foreign currency translation adjustments	38	789	(520)
Derivatives designated for hedging, net of tax	71	45	167
Pension Plan adjustments, net of tax	(70)	337	99
Other comprehensive income (loss), net of tax	39	1,171	(254)
Comprehensive (loss) income attributable to VOXX International Corporation	$ (20,921)	$ (16,958)	$ 2,507
Net (loss) income per common share attributable to VOXX International Corporation - basic	$ (0.90)	$ (0.75)	$ 0.11
Net (loss) income per common share attributable to VOXX International Corporation - diluted	$ (0.90)	$ (0.75)	$ 0.11
Weighted-average common shares outstanding (basic)	23,180,929	24,073,542	24,311,912
Weighted-average common shares outstanding (diluted)	23,180,929	24,073,542	24,044,833

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

	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net loss attributable to VOXX International Corporation	$ (40,850)	$ (27,451)	$ (22,333)
Adjustments:			
Interest expense and bank charges (1)	6,118	3,847	1,825
Depreciation and amortization (1)	11,855	12,451	12,053
Income tax (benefit) expense (1)	(1,785)	(21)	1,626
EBITDA	(24,662)	(11,174)	(6,829)
Adjustments:			
Stock-based compensation	798	609	907
Foreign currency losses (1)	3,133	3,615	635
Acquisition costs	—	(36)	3,552
Non-routine legal fees	1,584	2,452	1,912
Final arbitration award	(763)	3,944	39,444
Severance expense (2)	863	864	-
Gain on sale of tradename	(700)	(97)	-
Professional fees related to distribution agreement with GalvanEyes LLC	-	-	325
Restructuring expenses	2,136	870	-
Goodwill impairment charge	—	7,373	-
Intangible asset impairment charges	14,214	1,300	-
Adjusted EBITDA	$ (3,397)	$ 9,720	$ 39,946

(1) For purposes of calculating Adjusted EBITDA for the Company, interest expense and bank charges, depreciation and amortization, income tax expense (benefit), and foreign currency losses added back to Net loss attributable to VOXX International Corporation have been adjusted in order to exclude the minority interest portion of these expenses attributable to EyeLock LLC and Onkyo, as applicable.

(2) Includes severance expenses for employee terminations resulting from non-recurring events, such as the departure of Section 16(b) officers and certain other executive officers of the Company.

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

	Three Months Ended February 29, 2024	Three Months Ended February 28, 2023	Three Months Ended February 28, 2022
Net (loss) income attributable to VOXX International Corporation	$ (20,960)	$ (18,129)	$ 2,761
Adjustments:			
Interest expense and bank charges (1)	1,713	1,347	468
Depreciation and amortization (1)	2,852	3,045	3,162
Income tax (benefit) expense	(1,731)	5,767	2,000
EBITDA	(18,126)	(7,970)	8,391
Adjustments:			
Stock-based compensation	155	202	213
Foreign currency losses (gains)	813	(252)	367
Acquisition costs	-	(172)	273
Non-routine legal fees	35	1,566	443
Final arbitration award	(4,113)	986	-
Severance expense (2)	863	864	-
Gain on sale of tradename	(250)	(97)	-
Restructuring expenses	(32)	338	-
Goodwill impairment charge	-	7,373	-
Intangible asset impairment charges	14,214	1,300	-
Adjusted EBITDA	$ (6,441)	$ 4,138	$ 9,687

(1) For purposes of calculating Adjusted EBITDA for the Company, interest expense and bank charges, depreciation and amortization, income tax expense (benefit), and foreign currency losses (gains) added back to Net (loss) income attributable to VOXX International Corporation have been adjusted in order to exclude the minority interest portion of these expenses attributable to EyeLock LLC and Onkyo, as applicable.

(2) Includes severance expenses for employee terminations resulting from non-recurring events, such as the departure of Section 16(b) officers and certain other executive officers of the Company.

Exhibit 99.2

REFINITIV STREETEVENTS

EDITED TRANSCRIPT

Q4 2024 VOXX International Corp Earnings Call

EVENT DATE/TIME: MAY 15, 2024 / 2:00PM GMT

CORPORATE PARTICIPANTS

Loriann Shelton VOXX International Corporation - Senior VP, COO & CFO
Patrick M. Lavelle VOXX International Corporation - CEO & Director

CONFERENCE CALL PARTICIPANTS

Glenn Wiener GW Communications LLC – Owner

PRESENTATION

Operator
Good day, ladies and gentlemen, and thank you for standing by. Welcome to the VOXX International Fiscal 2024 Fourth Quarter Results Conference Call. (Operator Instructions)

At this time, I would like to turn the conference over to Mr. Glenn Wiener. Sir, please begin.

Glenn Wiener GW Communications LLC – Owner
Thank you, Howard. Good morning, and welcome to VOXX International's Fiscal 2024 Fourth Quarter and Year-end Results Conference Call. Yesterday, we filed our Form 10-K and issued our press release. Both documents can be found in the Investor Relations section of our website at www.voxxintl.com, and we'll be posting our updated investor presentation within the week.

Speaking from management today will be Pat Lavelle, Chief Executive Officer; and Loriann Shelton, Chief Financial Officer and Chief Operating Officer. As you may recall, Loriann took the reins as CFO, in addition to her role as COO, effective March 1 at the start of the company's fiscal year, and I would personally like to welcome Loriann to today's call, welcome.

And before we get started, 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.

It's now my pleasure to turn the call over to Pat. Pat?

Patrick M. Lavelle VOXX International Corporation - CEO & Director
Good morning, everyone, and thank you for joining us today. Before I get into our results and any business commentary, I wanted to pick up on where Glenn left off and formally welcome Loriann to today's call as it's her first as Chief Financial Officer. I've worked with Loriann for over 30 years, and she is simply the best at what she does. She knows our business inside and out, and I believe that investors will enjoy working with her as we all do at VOXX.

Start -- whoever's typing, if you can stop. Simply put, fiscal 2024 was even tougher than fiscal 2023 and the challenges we faced are reflected in our results. Like nearly every company serving our markets, we continue to feel the impact of a very challenging global economy.

As we prepared for today's call, I looked back on my remarks from last year. I said OEM customers shutting down production and retailers cutting back on orders. Inflation and fears of recessions globally. Gradual improvement in the supply chain, but with higher cost of inventory. Chip scarcity, which was expected to improve. And, an expected tough first half with the potential to improve with some possible easing by the Fed.

Unfortunately, the issues we spoke of last May are almost the same we face today, and we're expecting more of the same as we enter fiscal 2025.

According to the latest index of consumer sentiment last week, there has been a significant drop in confidence. Consumer sentiment dropped to 67.4% from 77.2% in April, and this May's report was the lowest in 6 months. Even more alarming was the jump in year-ahead inflation expectations to 3.5% from 3.2% and long-run inflation expectations edging up to 3.1% from 3%. As you can see, inflation is still a major concern. Both customers and consumers are being cautious as are we, and that is why we continue to take steps to restructure our business and bring VOXX back to profitability.

Let me first quickly recap some of the annual financial comparisons, followed by more detailed update on our business segments. Loriann will then recap the quarter and talk more about our realignment plans, the steps we've taken and those upcoming, and then we'll open it up for questions.

On a consolidated basis, net sales of approximately $469 million were down 12.2% year-over-year. Gross margins were down 80 basis points, and operating expenses improved a little over 2%. We recorded $14.2 million of non-cash impairment charges on intangibles and restructuring expenses of $2.1 million. When accounting for these charges, as well as goodwill impairment charges and restructuring charges in fiscal '23, our year-over-year expenses declined closer to 7%. The result, however, was an operating loss of $44 million and a net loss attributable to VOXX of $40.9 million. And lastly, we reported an adjusted EBITDA loss of $3.4 million, which was down $6.3 million compared to fiscal '23.

This marks 2 years of losses after 2 years of growth and profitability on an adjusted EBITDA basis. While this upcoming year again will be challenging, we believe we are taking the right steps to return VOXX to profitability. We plan to cut, at minimum, an additional 5% to 10% of our total overhead without affecting our ability to effectively serve our customers. Not only will we be cutting costs, but we're also reviewing all products and programs, which I will cover in more detail during my segment remarks. Our programs are about rightsizing the company based on the projections that we see for this year.

So I'll start with the Automotive segment. Automotive segment sales of approximately $142 million were down almost $32.5 million or approximately 19%. On the OEM side, sales declined by $14.7 million with the miss entirely in the rear-seat entertainment category driven by several factors. The Nissan program ended this past year, as scheduled. Another program saw volumes drop significantly despite customer projections, and all experienced starts and stops throughout the year.

All of this took a big toll on not only sales, but gross margins and absorption rates as well. On the other hand, our security, lighting and safety business was up in fiscal 2024. Despite another warm winter season, we saw sales of OEM remote starts and security products grow, aided by new business with Ford that launched in the EMEA and a number of new programs in our lighting and safety business that we've been awarded since our acquisition.

We experienced the most severe OEM challenges during the second half as our business was almost cut in half during the Q3 due to the UAW strike, as well as production rates that simply have not kept up with projected customer take rates. We adjusted by reducing overhead, both headcount and expenses, in addition to moving certain OEM manufacturing to Mexico. But when your business is impacted this much, more drastic and prudent steps are needed, and that's what we're in the process of doing.

VOXX has been the market leader in rear-seat entertainment for several decades. This is a niche market, and we have taken advantages of our global relationships as well as our strong engineering capabilities to maintain our market dominance. We intend to continue in RSE, but not at a loss or where profits are minimal and volumes fluctuate so rapidly. Not all of this is customer-driven though. It's also heavily market and supply chain-driven. It's just the nature of the environment we're operating in. Thus, after months of negotiation and after what we feel is our best efforts to renegotiate based on revised lower volumes, we have decided to exit our rear-seat entertainment business with Stellantis.

This was not an easy decision. It was not taken lightly, but a lot has changed since we began with them in 2019. And we have reached the point where rising costs and lower volume has put us in a position where we can't agree on the right structure going forward. We can no longer support tying up precious working capital to secure inventory that produces no margin. Additionally, it's no secret Stellantis is having supply chain issues of its own, with plant closures and lawsuits ongoing as they, too, try to combat inflation, which makes a change right now even more prudent.

As for Ford, they, too, have faced similar industry-wide challenges, but we've been working through them and we fully intend to support Ford as we have in the past. The current RSE programs for the Expedition and Navigator expire soon. And shortly thereafter, we'll be launching on a new program for the 25 models. Our RSE program with Nissan has come to its scheduled end, however, we continue to work with Nissan on a new lighting program that just launched. We are also working on a lighting program with Ford, and we have various other programs across our OEM business. We also have the United States Postal Service business starting later this fiscal year. In summary, while our OEM business may be smaller than we had projected several years back, based on all the contract awards, we believe that the business we're maintaining going forward should be more consistent and profitable.

Our Automotive aftermarket business was down $17.7 million with the miss predominantly in the remote start category. Some aftermarket categories and product lines were up for the year, such as collision avoidance, car link, car connection and satellite radio. But the aftermarket overall was challenged in fiscal '24 due to a number of reasons: the retail environment and the consumer, the changes in the way car dealers were operating this past year and then there's car inflation, interest rates and the state of the domestic economy.

As we look ahead into fiscal '25, inventory provisions in the aftermarket are far less of a challenge than at this time last year, and that should help offset some of the projected economic softness. The first half will be tight on the OEM side, simply given the volume of programs now and what's transitioning, but we should see a sizable ramp in the second half of the year. Sales should come in roughly in line with fiscal '24, maybe with some upside, and gross margins should improve as well. Building in the second half, consistent with the start of new OEM programs. We fully expect our automotive segment to be profitable.

As far as the Consumer segment, we reported net sales of approximately $327 million, down roughly $31 million or 8.7%. Premium Audio sales declined by $36.6 million and other CE product sales grew by $5.5 million.

Within Premium Audio, while sales were off for the year, both domestically and internationally, in the Americas, they stabilized in the second half on the heels of several new product launches and new categories. And as I mentioned last quarter, I believe we are gaining market share. While industry-wide Premium Audio sales continue to be on decline, we have either maintained or increased share domestically, and we have a host of new products coming to market. Internationally, our business was down with the biggest impact in Asia.

As we enter fiscal 2025, we are planning for 2 things: one is growth from new products; and two is a very challenging retail environment, most likely consistent with what we've experienced as of late. I'll expand a little further as to what we're doing.

First, we have a new sound bar offering, led by our Flexus sound system powered by Onkyo. We have begun delivery of our Flexus 100 and 200 systems and the Flexus 300 is scheduled for Q2 at a retail of $1,000.

Our new Klipsch Music City broadcast Bluetooth speakers are doing very well with 3 new models recently launched the Klipsch Detroit, which is the flagship model, and the Klipsch Austin and Nashville.

Our first line of party speakers were launched in September of 2023, and we have several new models coming to market in the second half of this year. And as I mentioned previously, party speakers are one of the hottest categories in audio.

There are a lot of new products that were launched or that we'll be launching moving into the second and third quarters, and we're expecting these products and categories to generate strong growth and better gross margins.

Second, the economy. Credit card debts are at all-time highs. Discretionary spending is down. Inflation is a major concern. We have uncertain elections upcoming and mounting geopolitical tensions. I can go on and on. The fed not easing rates could have the biggest impact as it directly affects customers buying, consumers purchasing and the cost of doing business. And therefore, we are adjusting operations and overhead, working to enhance margins and improve working capital within the segment based on our current economic outlook.

As for other CE products, sales were up for the year, yet we faced the same challenges at retail. And why were they up? Similar to my Q3 remarks, wo categories drove the growth. The first, our RCA Hearing Aids launched initially in fiscal 2024 with new and vastly improved models in the market this year. The second, and more meaningful, the solar power balcony products launched in Germany earlier in the year. VOXX Germany sales were up close to 35% year-over-year.

In more normalized times, I would probably be guiding to growth for the Consumer segment in fiscal '25, but I would be remiss given the global economy, the audio market, the unknown with respect to inflation, and any action or inaction by the Fed. I expect continued puts and takes. The regular passive loudspeaker may drop a bit. But we will still see growth in new products of sound bars, party speakers and our new music series. The big thing is what we're doing to control inventory, improve margins and lower cost to increase profitability.

Moving on to Biometrics. The big news on a go-forward basis was our March 7th release announcing a 50-50 joint venture between EyeLock and GalvanEyes Partners, forming a new company, BioCenturion LLC. The premise behind this move is simple: combine resources to create a more streamlined, focused and nimble company to realize value while, at the same time, removing the working capital needs and losses incurred by VOXX. We are still sharing in the upside, but our focus moving forward and where our resources will be allocated will be on our Automotive and Consumer segments.

BioCenturion brings together each company's respective strengths in sales, marketing, business development and R&D and will be run by Allen Ibaugh, who has experience with both entities. GalvanEyes will serve as the managing member responsible for all expenses and working capital needs over the next 2 years, after which we'll evaluate the best path forward. If there's a capital event prior to the first $45 million would get preferential distribution rights of 77% to EyeLock and 23% to GalvanEyes and the remaining portion would be split evenly.

We still very much believe in EyeLock and its future. The technology works very well, and there are deals on the horizon, which we believe will change the landscape. With this move, we still share any upside without the financial or operational burden.

I'd like to make a few comments with respect to our plans this year before I turn the call over to Loriann.

With the losses of the past 2 years, our view of the economy near-term and with the Seaguard ruling and final payout, we must conserve cash and return VOXX to profitability. And by conserving cash, what I really mean is monetizing capital. Of course, we will be cutting in every area where we can from an operational perspective. We will also be looking to remove redundancies throughout the organization, enhance our supply chain and operational support capabilities further and evaluating all products and programs to ensure they have more longevity and stronger margins and margin protection.

When you look at VOXX, we have a lot of assets. We have assets in real estate, assets in our brands, assets in our respective groups and businesses. As part of our restructuring, we're tackling every area of our business to ensure that we return to profitability sooner rather than later. And we are exploring all alternatives to reduce working capital needs further so that we can focus on our more growth-oriented profitable business.

Although sales have declined year-over-year, it is not due to lost market share. In Automotive, we, in fact, have increased the number of OEM customers we have worked with over the past 2 years. In the aftermarket, we maintain 9 of the top 10 selling brands of remote start and security, and our market share is intact and stable. In our Consumer business, we maintain #1 market share in passive loudspeakers and reception products in North America and have made inroads into new accounts we have not done business with in the past.

Unfortunately, we have had to stop selling in markets in Europe due to the war in Ukraine, like Russia and Belarus, and sales to the Ukraine, the Baltics and especially Poland have been impacted.

We believe as the U.S. economy picks up, car sales grow, consumers return to more normal buying patterns and inflation eases, we will see a resurgence of our normal business on top of the new customers, categories and products we will bring to market in fiscal 2025.

And with that said, I'd like to turn the call over to Lori. Loriann?

Loriann Shelton VOXX International Corporation - Senior VP, COO & CFO
Thanks, Pat. I appreciate the kind words. And good morning, everyone. It is my pleasure to be joining you on today's call. I look forward to working with our investors in communicating the VOXX story. I've been with the company for most of my adult life, holding many positions, most importantly COO with the oversight of the shared services group. So my team touches virtually all aspects of our business.

While we have our fair share of challenges to deal with, namely the economy first and foremost, we also have opportunities to strengthen our business and make sure we can weather whatever is thrown at us. We've been resilient. We've gotten through everything, and this period will be no different.

As for today, I won't review the financials, as Pat covered the year and talked to our business segments and the environment we're operating in. What I thought I would like to do today is quickly do some financial housekeeping on our year-end results, talk a little bit about the quarter and then focus more on our balance sheet and what we are doing to strengthen it along with our performance.

To start: with respect to fiscal 2024, I wanted to provide a little more color around the intangible asset impairment charges.

Throughout the year, we rely on our projections, our customers' projections, market conditions, the economy, competition, price adjustments and things like fees to help us value the carrying value of our assets. At fiscal '24 year-end, our intangible assets stood at $68.8 million. The impairment charges taken in the fourth quarter and in our year-end financial statements relate to 4 indefinite lived intangible assets that totalled $14.2 million. As a result of ongoing conversations with our customers and following meetings at CES this past January, we lowered our long-term projections with certain CE trade names, resulting in these impairments this fiscal year. This compares to $1.3 million of intangible asset impairment charges in fiscal 2023, both of which are noncash charges and are reflected in our P&L under operating expenses. This, of course, resulted in operating losses for both fiscal 2024 fourth quarter and fiscal year.

We also incurred restructuring charges in fiscal 2024 of $2.1 million compared to approximately $900,000 in fiscal '23. This past year's restructuring costs primarily relates to severance expenses associated with headcount reductions in our fiscal 2024 second quarter, along with expenses related to our OEM production relocation from Florida to Mexico, which began in fiscal '23, and charges will continue through this fiscal year.

We continue to analyze all aspects of our infrastructure and eliminate duplication throughout the organization. Our purchasing and inventory teams cleaned up our inventory, removed obsolete end-of-life and excess inventories, all done with goals to generate more profitable sales on lower overhead. A lot of our planning was also centered on lowering future working capital needs.

I must caution everyone that while we did a lot to lower operating expenses in fiscal '24, which were down close to 7% when accounting for impairment and restructuring charges, more will be done in fiscal '25 in light of the current and near-term business environment. There will be a lot of changes and not everything will occur at once. We have people and customers to consider, and orders in process and in the pipeline that need to be fulfilled over time. The plans we've put in place will be executed with our customers' needs in mind above all.

VOXX has been around for a long time for many reasons, and one of them is integrity. We have always shown that we can adjust better than the competition, and that is important to our customers and to our market longevity.

Staying with fiscal 2024 and moving to gross margins. We took several inventory write-offs, which impacted both the fourth quarter and fiscal year for both consolidated gross margins and our Automotive segment.

In Automotive, where we reported gross margins of 21.1% compared to 24.3% for the year, we incurred an inventory write-down of approximately $3.8 million, about a 270 basis point impact to margin. This accounts for both slow moving or excess goods from our OEM manufacturing transition. I just wanted to point this out as it's a big impact but also puts us in a better position moving into fiscal 2025.

One other point, which Pat alluded to, to which should help you think about the Automotive margins going forward. We expect to have lower margins in the first half as we exit lower-margin OEM business.
We then have new models coming online at more historical margin levels.

On the Consumer side, our inventory is in a good position with new products in market and a number of new ones coming to market towards the end of our second quarter and into the third. Here, too, you may start to see some margin pickup in the second half of the year, all things being equal, of course.

Moving on to the quarter. As you can see our results in our press release, and I'd be more than happy to address any questions during the Q&A portion of our call or following, let me briefly recap results as I'd like to spend a few minutes on our go-forward plans.

Fourth quarter comparisons.

Net sales of just $108 million were down $28.4 million or 20.8%. The Automotive segment was down $16.9 million with the bigger miss in OEM. The Consumer segment was down $11.4 million with both Premium Audio and other CE roughly evenly. Gross margins were down 550 basis points, which includes the impact of the inventory ramp-down, thus the decline was not as great. Operating expenses were up $300,000, including the impairment and restructuring charges. But excluding all charges as well as acquisition costs, operating expenses improved by over 13%. The result: an operating loss of $26.4 million compared to an operating loss of $12.9 million and an adjusted EBITDA loss of $6.4 million compared to adjusted EBITDA of $4 million.

As for VOXX today and what we are working on, as part of our fiscal 2025 realignment plans, we are looking at everything with a focus on reducing costs in light of a relatively flat sales year or preparing for worse. We are really looking to get leaner, but not again at the expense of the customer. There's only so much you can remove from a functional perspective without losing skills and knowledge, so we are focused equally on process. How we can improve processes to do more with less is key to this is technology. We're looking to automate more functions across all departments to free up not only cost but resources; resources that could be used to enhance output or resources that can be leveraged to support other areas of the business.

We're looking at each department and location, how they function and where we can better share resources. We're looking at our operations, distribution and supply chain, looking to control costs on our end where we can while, at the same time, working with partners to find more cost-effective ways of getting the job done. We're also looking closely at each segment, group and/or business unit at sales, margins and expenses, at contracts, agreements and future business. We're looking at profitability by brand, by product line, by customer and SKU, everything that will enhance profitability while, at the same time, lower our working capital needs and improve our balance sheet.

With respect to our balance sheet, as of year-end, our cash and cash equivalents stood at $11 million, and our total debt stood at $73.3 million, which takes into account the final payouts related to the Seaguard settlement. That is behind us now. Total debt is principally made up of outstanding borrowings on our senior secured credit facility with committed availability of up to $165 million. Our excess borrowing availability as of February 29, 2024, was $55.3 million, and we have sufficient working capital and availability to fund our business and meet all obligations. We are focused on generating cash from operations and cash through efficiencies and monetization to generate the best ROI on our capital.

With that, I would like to thank you all. We're now ready to open up the call for questions.

Patrick M. Lavelle VOXX International Corporation - CEO & Director
Thank you, Lori. Operator, if there are any questions?

QUESTIONS AND ANSWERS

Operator
(Operator Instructions) I'm showing no questions in the queue at this time. I'd like to turn the conference back over to Mr. Pat Lavelle for any closing remarks.

Patrick M. Lavelle VOXX International Corporation - CEO & Director
Okay. Well, thank you. Thank you all for calling in today and your interest in VOXX. We wish you have a good day, and we'll speak to you again next quarter. Thank you.

Operator
Ladies and gentlemen, thank you for participating in today's conference. This concludes the program. You may now disconnect. Everyone, have a wonderful day.