

VOXX International Corp
Form 10-Q
October 09, 2014

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

FORM 10-Q
(Mark One)
 QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended August 31, 2014

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Commission file number: 0-28839

VOXX International Corporation
(Exact name of registrant as specified in its charter)
Delaware
(State or other jurisdiction of
incorporation or organization)

13-1964841
(IRS Employer Identification No.)

180 Marcus Blvd., Hauppauge, New York
(Address of principal executive offices)

11788
(Zip Code)

(631) 231-7750
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company, as defined in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T

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(§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Number of shares of each class of the issuer's common stock outstanding as of the latest practicable date.

Class	As of October 8, 2014	
Class A Common Stock	22,172,968	Shares
Class B Common Stock	2,260,954	Shares

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VOXX International Corporation and Subsidiaries

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

VOXX International Corporation and Subsidiaries
Consolidated Balance Sheets
(In thousands)

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	August 31, 2014 (unaudited)	February 28, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$9,401	\$10,603
Accounts receivable, net	110,740	147,054
Inventory, net	153,797	144,339
Receivables from vendors	3,573	2,443
Investment securities, current	966	—
Prepaid expenses and other current assets	20,697	15,897
Income tax receivable	5,993	2,463
Deferred income taxes	2,738	3,058
Total current assets	307,905	325,857
Investment securities	12,547	14,102
Equity investments	21,392	20,628
Property, plant and equipment, net	82,317	83,222
Goodwill	115,052	117,938
Intangible assets, net	169,533	174,312
Deferred income taxes	776	760
Other assets	9,104	10,331
Total assets	\$718,626	\$747,150
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$64,656	\$55,373
Accrued expenses and other current liabilities	48,602	59,247
Income taxes payable	2,974	3,634
Accrued sales incentives	16,172	17,401
Deferred income taxes	10	9
Current portion of long-term debt	8,501	5,960
Total current liabilities	140,915	141,624
Long-term debt	87,786	103,222
Capital lease obligation	5,794	6,114
Deferred compensation	5,774	5,807
Other tax liabilities	10,854	11,060
Deferred tax liabilities	33,402	34,963
Other long-term liabilities	12,988	14,776
Total liabilities	297,513	317,566
Commitments and contingencies		
Stockholders' equity:		
Preferred stock:		
No shares issued or outstanding (see Note 18)	—	—
Common stock:		
Class A, \$.01 par value; 60,000,000 shares authorized, 23,988,240 shares issued and 22,172,968 shares outstanding at August 31, 2014 and February 28, 2014	255	255
Class B Convertible, \$.01 par value, 10,000,000 authorized, 2,260,954 shares issued and outstanding	22	22
Paid-in capital	291,110	290,960
Retained earnings	156,378	158,571
Accumulated other comprehensive loss	(8,301) (1,873

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Treasury stock, at cost, 1,815,272 shares of Class A Common Stock at August 31, 2014 and February 28, 2014	(18,351) (18,351)
Total stockholders' equity	421,113	429,584	
Total liabilities and stockholders' equity	\$718,626	\$747,150	
See accompanying notes to consolidated financial statements.			

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

	Three Months Ended		Six Months Ended	
	August 31,		August 31,	
	2014	2013	2014	2013
Net sales	\$177,343	\$183,818	\$364,242	\$376,790
Cost of sales	124,939	129,716	258,785	268,175
Gross profit	52,404	54,102	105,457	108,615
Operating expenses:				
Selling	13,010	12,602		