

**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 11, 2023

Koss Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State or other Jurisdiction of Incorporation)

0-3295
(Commission File Number)

39-1168275
(IRS Employer Identification No.)

4129 North Port Washington Avenue, Milwaukee, Wisconsin 53212
(Address of principal executive offices) (Zip code)

(414) 964-5000
(Registrant's telephone number, including area code)

Not Applicable
(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 |
|---|-------------------|---|
| Common Stock, \$0.005 par value per share | KOSS | Nasdaq Capital Market |

Indicate by check mark whether the registrant is an emerging growth company as defined in 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 11, 2023, Koss Corporation issued a press release (the “Press Release”) announcing its financial results for the quarter ended March 31, 2023. A copy of the Press Release is being furnished as Exhibit 99.1 to this Form 8-K and is incorporated herein by reference.

The information in this Item 2.02 Results of Operations and Financial Condition, including Exhibit 99.1 attached hereto, is being furnished pursuant to Item 2.02 of Form 8-K. In accordance with General Instruction B.2 of Form 8-K, the information in this Item 2.02 and Exhibit 99.1 shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Number **Description**

Exhibit 99.1 [Press release of Koss Corporation dated May 11, 2023](#)

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 hereunto duly authorized.

May 11, 2023

KOSS CORPORATION

By: /s/ Michael J. Koss
Michael J. Koss
Chairman and Chief Executive Officer

FOR IMMEDIATE RELEASE
May 11, 2023

CONTACT: Michael J. Koss
Chairman & CEO
(414) 964-5000
mjkoss@koss.com

Koss Corporation Releases Third Quarter Results

Milwaukee, Wisconsin: Koss Corporation (NASDAQ: KOSS) (the “Company”), the U.S. based high-fidelity headphone company, has reported its results for the third quarter ended March 31, 2023.

Sales for the third quarter ended March 31, 2023 were \$3,369,160, which is a 27.3% decline compared to \$4,634,552 for the same period in the prior year. The net loss for the three months was \$232,853 compared to net income of \$403,204 for the third quarter of the prior year. Basic and diluted loss per common share for the quarter was \$0.03 compared to basic and diluted income per common share of \$0.04 for the same three-month period one year ago.

Sales for the nine months ended March 31, 2023 decreased 25.5% to \$9,995,620 from \$13,415,506 in the same period last year. The nine-month net income was \$8,565,011 compared to net income of \$882,814 for the same period last year. Basic income per common share was \$0.93 for the nine months ended March 31, 2023 and diluted income per common share was \$0.87. This compares to basic income per common share of \$0.10 and diluted income per common share of \$0.09 for the same nine-month period in the prior year.

"Sales to certain of our domestic distributors, as well as some of our online retailers, continue to show declines, driving down net sales for the first nine months," Michael J. Koss, Chairman and CEO, said today. "The slowdown in consumer spending due to growing pessimism about the outlook of the economy appears to be the catalyst for a shift away from luxury, non-essential purchases. In light of the continuing discord between Russia and Ukraine, sales to our European distributors in those regions continue to be impacted. In addition, we have seen an approximately 35% decrease in sales to our Asian markets."

"Gross margins for the first nine months of the current fiscal year were down versus the same period in the prior year," Koss continued. "As the Company continues to sell through inventory purchased at higher freight rates, margins are negatively impacted. Also, given the lower sales volumes, the fixed manufacturing expenses drove a reduction in overall gross margins. Freight rates have stabilized and are expected to continue as general container demand remains steady. The Company is, however, staying abreast of the recent news regarding contract talks between United Parcel Service (UPS) and the International Brotherhood of Teamsters Union to negotiate pay and overtime rules as this would impact our current small package shipments."

About Koss Corporation

Koss Corporation markets a complete line of high-fidelity headphones, wireless Bluetooth® speakers, computer headsets, telecommunications headsets, active noise canceling headphones, wireless headphones, and compact disc recordings of American Symphony Orchestras on the Koss Classics® label.

Forward-Looking Statements

This press release contains forward-looking statements. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as “aims,” “anticipates,” “believes,” “estimates,” “expects,” “intends,” “plans,” “thinks,” “may,” “will,” “shall,” “should,” “could,” “would,” “forecasts,” “predicts,” “potential,” “continue,” or the negative of such terms and other comparable terminology. These statements are based on currently available operating, financial and competitive information and are subject to various risks and uncertainties. Actual events or results may differ materially. In evaluating forward-looking statements, you should specifically consider various factors that may cause actual results to vary from those contained in the forward-looking statements, such as general economic conditions, inflationary cost environment, supply chain disruption, the impacts of the COVID-19 pandemic, geopolitical instability and war, consumer demand for the Company's and its customers' products, competitive and technological developments, foreign currency fluctuations, and costs of operations. Shareholders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements made herein are only made as of the date of this press release and the Company undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances or new information. In addition, such uncertainties and other operational matters are discussed further in the Company's quarterly and annual filings with the Securities and Exchange Commission.

KOSS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

| | Three Months Ended | | Nine Months Ended | |
|--|---------------------|-------------------|---------------------|-------------------|
| | March 31 | | March 31 | |
| | 2023 | 2022 | 2023 | 2022 |
| Net sales | \$ 3,369,160 | \$ 4,634,552 | \$ 9,995,620 | \$ 13,415,506 |
| Cost of goods sold | 2,076,482 | 2,671,336 | 6,390,557 | 8,320,759 |
| Gross profit | <u>1,292,678</u> | <u>1,963,216</u> | <u>3,605,063</u> | <u>5,094,747</u> |
| Selling, general and administrative expenses | <u>1,746,034</u> | <u>1,566,430</u> | <u>27,890,606</u> | <u>4,576,521</u> |
| (Loss) income from operations | (453,356) | 396,786 | (24,285,543) | 518,226 |
| Other income | — | 6,415 | 33,000,000 | 362,389 |
| Interest income | <u>189,593</u> | <u>3,578</u> | <u>314,482</u> | <u>7,837</u> |
| (Loss) income before income tax provision | (263,763) | 406,779 | 9,028,939 | 888,452 |
| Income tax (benefit) provision | <u>(30,910)</u> | <u>3,575</u> | <u>463,928</u> | <u>5,638</u> |
| Net (loss) income | <u>\$ (232,853)</u> | <u>\$ 403,204</u> | <u>\$ 8,565,011</u> | <u>\$ 882,814</u> |
| (Loss) income per common share: | | | | |
| Basic | <u>\$ (0.03)</u> | <u>\$ 0.04</u> | <u>\$ 0.93</u> | <u>\$ 0.10</u> |
| Diluted | <u>\$ (0.03)</u> | <u>\$ 0.04</u> | <u>\$ 0.87</u> | <u>\$ 0.09</u> |
| Weighted-average number of shares: | | | | |
| Basic | <u>9,206,135</u> | <u>9,147,795</u> | <u>9,183,042</u> | <u>9,044,532</u> |
| Diluted | <u>9,206,135</u> | <u>9,888,083</u> | <u>9,791,627</u> | <u>10,024,473</u> |