

KOSS CORP

FORM 8-K (Current report filing)

Filed 08/25/17 for the Period Ending 08/24/17

Address	4129 N PORT WASHINGTON AVE MILWAUKEE, WI 53212
Telephone	4149645000
CIK	0000056701
Symbol	KOSS
SIC Code	3651 - Household Audio and Video Equipment
Industry	Household Electronics
Sector	Technology
Fiscal Year	06/30

**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): August 24, 2017

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))

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 August 24, 2017, Koss Corporation issued a press release announcing its financial results for the quarter and fiscal year ended June 30, 2017. 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 report is being furnished pursuant to Item 2.02 Results of Operations and Financial Condition. In accordance with General Instruction B.2 of Form 8-K, the information in this report 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 August 24, 2017.

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.

August 24, 2017

KOSS CORPORATION

By: /s/ Michael J. Koss

Michael J. Koss

Chairman and Chief Executive Officer



NEWS RELEASE

4129 NORTH PORT WASHINGTON AVENUE, MILWAUKEE, WI 53212 / 414 964-5000 / WWW.KOSS.COM

FOR IMMEDIATE RELEASE

August 24, 2017

CONTACT: Michael J. Koss
Chairman & CEO
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Koss Corp Releases Fourth Quarter Results

Milwaukee, Wisconsin: Koss Corporation (NASDAQ SYMBOL: KOSS), the U.S. based high-fidelity headphone company, has reported its fourth quarter results for the quarter and year ended June 30, 2017 .

Sales for the fourth quarter were \$6,243,863 , which is a 13.74% decrease from sales of \$7,238,684 for the same three month period one year ago. The three month net loss was \$70,376 , compared to net income of \$233,487 for the fourth quarter last year. Diluted and basic loss per common share for the quarter was \$0.01 compared to income per common share of \$0.03 for the three month period one year ago.

"Our distributors in Asia and Scandinavia continue to buy at levels below last year as they work to reduce their inventory. The declines in foreign distribution were partially offset by improved sales in the U.S. through on-line retail, mass retail and certain distributors," Michael J. Koss, Chairman and CEO, told employees here today. "The lower sales resulted in a decline in earnings causing a loss for the quarter."

Sales for the twelve months ended June 30, 2017 , decreased by 7.5% to \$24,054,281 compared with \$26,001,346 for the same twelve month period a year ago. Twelve month net loss was \$963,636 compared to net income of \$1,389,000 for the same twelve months last year. Diluted and basic loss per common share was \$0.13 for the twelve months ended June 30, 2017 , compared with income of \$0.19 for the same twelve month period a year ago.

In the twelve months ended June 30, 2017 , sales declined to distributors in Scandinavia, Asia and Africa. These declines were partially offset by improved sales to the OEM customer in Asia combined with improved sales to domestic distributors. In the domestic market, Koss also had increased sales through mass retail and on-line retail.

"We have seen improvements in our on-line channels especially in the U.S. However, this is not enough to offset the continued weakness in Asia and Scandinavia," Koss continued. "Our focus continues to be increasing sales through our various channels and driving new products to market."

...

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.

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 "anticipates," "believes," "estimates," "expects," "intends," "plans," "may," "will," "should," "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, in particular, 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		Twelve Months Ended	
	June 30		June 30	
	2017	2016	2017	2016
Net sales	\$ 6,243,863	\$ 7,238,684	\$ 24,054,281	\$ 26,001,346
Cost of goods sold	4,447,831	4,717,610	17,158,977	17,058,774
Gross profit	1,796,032	2,521,074	6,895,304	8,942,572
Selling, general and administrative expenses	1,871,021	2,098,859	7,599,882	7,959,460
Unauthorized transaction related costs (recoveries), net	(6,211)	—	67,548	(1,286,001)
Interest expense	—	—	964	6,075
(Loss) income before income tax provision	(68,778)	422,215	(773,090)	2,263,038
Income tax provision	1,598	188,728	190,546	874,038
Net (loss) income	\$ (70,376)	\$ 233,487	\$ (963,636)	\$ 1,389,000
(Loss) income per common share:				
Basic	\$ (0.01)	\$ 0.03	\$ (0.13)	\$ 0.19
Diluted	\$ (0.01)	\$ 0.03	\$ (0.13)	\$ 0.19