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): June 11, 2020

VOXX INTERNATIONAL CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**0-28839**
(State or other jurisdiction of incorporation)	(Commission File Number)

13-1964841
(I.R.S. Employer Identification No.)

2351 J Lawson Blvd., Orlando, FL	**32824**
(Address of principal executive offices)	(Zip Code)

(800) 645-7750
(Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:

Title of each Class:	**Trading Symbol:**	**Name of Each Exchange on which Registered**
Class A Common Stock $.01 par value	VOXX	The Nasdaq Stock Market LLC

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 240.13c-4(c))

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 1.01 Entry into a Material Definitive Agreement.

VOXX International Corporation (the “Company”) entered into Amendment No. 7 to the Second Amended and Restated Credit Agreement and Waiver, which was dated as of June 11, 2020 (the “Amendment No. 7”), by and among the Company, the Borrowers, the other Guarantors, the Lenders party thereto and Wells Fargo Bank, National Association, as agent on behalf of the Lenders under the Credit Agreement.

Pursuant to Amendment No. 7, certain provisions of the Credit Agreement have been amended to: add and/or amend certain definitions including but not limited to the definition of Benchmark Replacement, Benchmark Replacement Adjustment, Benchmark Replacement Conforming Changes, Benchmark Replacement Date, Benchmark Transition Event, Benchmark Transition Start Date, Benchmark Unavailability Period, Covered Entity, Michigan Real Property, Applicable Margin, Base Rate, Eligible Accounts, Maximum Credit, Maximum Revolver Amount, and LIBOR Rate. Amendment No. 7 extends the Maturity Date for a term ending on April 26, 2022, provides for Maximum Credit and Maximum Revolver Amount of $127,500,000 and an Unused Line Fee equal to one half of one percent (0.50%) per annum. Amendment No. 7 also provides that if the LIBOR Rate is below 0.75%, the LIBOR Rate shall be deemed to be 0.75%; if the Base Rate is below 2%, the Base Rate shall be deemed to be 2% and the Applicable Margin was amended to provide for Applicable LIBOR and Base Rate Margins based Quarterly Average Excess Availability from $0 to greater than $50 million.

The Amendment No. 7 increased the Real Property Availability by including the Michigan real estate in the Borrowing Base and reappraising the other real property. Availability concentrations for Costco, Wal-Mart, Best Buy, Amazon, and Ford Motor Company were also increased. The Amendment Fee was $225,000.

The above description of Amendment No. 7 does not purport to be a complete statement of the parties’ rights and obligations under Amendment No. 7 and is qualified in its entirety by reference to Amendment No. 7 which is filed herewith as Exhibit 10.1.

Item 2.02 Results of Operations and Financial Condition.

On June 15, 2020, the Company issued a press release announcing its earnings for the quarter and year ended February 29, 2020. A copy of the release is furnished herewith as Exhibit 99.1.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation Under an Off-Balance Sheet Arrangement of a Registrant.

The disclosures required by this Item 2.03 are combined in Item 1.01 above and are incorporated as if fully restated herein.

Item 8.01 Other Events.

On June 16, 2020, the Company held a conference call to discuss its financial results for the quarter and year ended February 29, 2020. 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
10.1	Amendment No. 7 to Second Amended and Restated Credit Agreement and Waiver, dated as of June 11, 2020, by and among VOXX International Corporation, the Borrowers, the other Guarantors, the Lenders party thereto and Wells Fargo Bank, National Association, as agent on behalf of the Lenders under the Credit Agreement (filed herewith).
99.1	Press Release, dated June 15, 2020, relating to VOXX International Corporation's earnings release for the quarter and year ended February 29, 2020 (filed herewith).
99.2	Transcript of conference call held on June 16, 2020 at 10:00 am (filed herewith).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VOXX INTERNATIONAL CORPORATION (Registrant)

Date: June 17, 2020	BY: /s/ Charles M. Stoehr
	Charles M. Stoehr Senior Vice President and Chief Financial Officer

AMENDMENT NO. 7 TO SECOND
AMENDED AND RESTATED CREDIT AGREEMENT AND WAIVER

AMENDMENT NO. 7 TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT AND WAIVER, dated as of June 11, 2020 (this "Amendment No. 7"), is by and among WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, in its capacity as agent pursuant to the Credit Agreement (as hereinafter defined) acting for and on behalf of the parties thereto as lenders (in such capacity, "Agent"), the parties to the Credit Agreement as lenders (individually, each a "Lender" and collectively, "Lenders"), VOXX ACCESSORIES CORP., a Delaware corporation ("ACC"), VOXX ELECTRONICS CORP., a Delaware corporation ("AEC"), CODE SYSTEMS, INC., a Delaware corporation ("CSI"), INVISION AUTOMOTIVE SYSTEMS INC., a Delaware corporation ("IAS") and KLIPSCH GROUP, INC., an Indiana corporation ("Klipsch", together with ACC, AEC, CSI and IAS, are referred to hereinafter each individually as a "Borrower", and individually and collectively, jointly and severally, as the "Borrowers"), VOXX INTERNATIONAL CORPORATION, Delaware corporation ("Parent") and the other Guarantors (as defined in the Credit Agreement).

W I T N E S S E T H :

WHEREAS, Agent, Lenders, Borrowers and Guarantors have entered into financing arrangements pursuant to which Lenders (or Agent on behalf of Lenders) may make loans and advances and provide other financial accommodations to Borrowers as set forth in the Second Amended and Restated Credit Agreement, dated as of April 26, 2016, by and among Agent, Lenders, Borrowers and Parent, as amended by Amendment No. 1 to Second Amended and Restated Credit Agreement, dated as of August 10, 2016, Amendment No. 2 to Second Amended and Restated Credit Agreement, dated as of September 13, 2016, Amendment No. 3 to Second Amended and Restated Credit Agreement, dated as of June 30, 2017, Amendment No. 4 to Second Amended and Restated Credit Agreement, dated as of April 19, 2018, Amendment No. 5 to Second Amended and Restated Credit Agreement and Waiver, dated as of May 10, 2019 and Amendment No. 6 to Second Amended and Restated Credit Agreement, dated January 24, 2020 (as from time to time amended, modified, supplemented, extended, renewed, restated or replaced, the "Credit Agreement") and the other Loan Documents;

WHEREAS, Borrowers and Guarantors desire (a) for Agent and Lenders to waive certain Events of Default and (b) to amend certain provisions of the Credit Agreement as set forth herein, and Agent and Lenders are willing to provide such waivers and to agree to such amendments on the terms and subject to the conditions set forth herein; and

WHEREAS, by this Amendment No. 7, Agent, Lenders, Borrowers and Guarantors intend to evidence such waivers and amendments;

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions.

(a) Additional Definition. The Credit Agreement and the other Loan Documents are hereby amended to include, in addition and not in limitation, each of the following definitions:

(i) "Amendment No. 7" means Amendment No. 7 to Second Amended and Restated Credit Agreement and Waiver, dated as of June 11, 2020, by and among Agent, Lenders, Borrowers and Guarantors, as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

(ii) "Benchmark Replacement" means the sum of: (a) the alternate benchmark rate (which may include Term SOFR) that has been selected by Agent and Borrower Agent giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to the LIBOR Rate for United States dollar-denominated syndicated credit facilities and (b) the Benchmark Replacement Adjustment; provided that, if the Benchmark Replacement as so determined would be less than 0.75%, the Benchmark Replacement shall be deemed to be 0.75% for the purposes of this Agreement.

(iii) "Benchmark Replacement Adjustment" means, with respect to any replacement of the LIBOR Rate with an Unadjusted Benchmark Replacement for each applicable Interest Period, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by Agent and Borrower Agent giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the LIBOR Rate with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the LIBOR Rate with the applicable Unadjusted Benchmark Replacement for United States dollar-denominated syndicated credit facilities at such time.

(iv) "Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Base Rate", the definition of "Interest Period", timing and frequency of determining rates and making payments of interest and other administrative matters) that Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by Agent in a manner substantially consistent with market practice (or, if Agent decides that adoption of any portion of such market practice is not administratively feasible or if Agent determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as Agent decides is reasonably necessary in connection with the administration of this Agreement).

(v) "Benchmark Replacement Date" means the earlier to occur of the following events with respect to the LIBOR Rate:

(a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event," the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of the LIBOR Rate permanently or indefinitely ceases to provide the LIBOR Rate; or

(b) in the case of clause (c) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

(vi) "Benchmark Transition Event" means the occurrence of one or more of the following events with respect to the LIBOR Rate:

(a) a public statement or publication of information by or on behalf of the administrator of the LIBOR Rate announcing that such administrator has ceased or will cease to provide the LIBOR Rate, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the LIBOR Rate;

(b) a public statement or publication of information by the regulatory supervisor for the administrator of the LIBOR Rate, the Federal Reserve System of the United States (or any successor), an insolvency official with jurisdiction over the administrator for the LIBOR Rate, a resolution authority with jurisdiction over the administrator for the LIBOR Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the LIBOR Rate, which states that the administrator of the LIBOR Rate has ceased or will cease to provide the LIBOR Rate permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the LIBOR Rate; or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of the LIBOR Rate announcing that the LIBOR Rate is no longer representative.

(vii) "Benchmark Transition Start Date" means (a) in the case of a Benchmark Transition Event, the earlier of (i) the applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication) and (b) in the case of an Early Opt-in Election, the date specified by Agent or the Required Lenders, as applicable, by notice to Borrower Agent, Agent (in the case of such notice by the Required Lenders) and the Lenders.

(viii) "Benchmark Unavailability Period" means, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the LIBOR Rate and solely to the extent that the LIBOR Rate has not been replaced with a Benchmark Replacement, the period (x) beginning at the time that such Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the LIBOR Rate for all purposes hereunder in accordance with Section 2.12(d)(iv) and (y) ending at the time that a Benchmark Replacement has replaced the LIBOR Rate for all purposes hereunder pursuant to Section 2.12(d)(iv).

(ix) "BHC Act Affiliate" of a Person means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such Person.

(x) "Covered Entity" means any of the following:

(i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

(xi) "Covered Party" has the meaning specified therefor in Section 17.21 of this Agreement.

(xii) "Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

(xiii) "Early Opt-in Election" means the occurrence of:

(a) (i) a determination by Agent or (ii) a notification by the Required Lenders to Agent (with a copy to Borrower Agent) that the Required Lenders have determined that United States dollar-denominated syndicated credit facilities being executed at such time, or that include language similar to that contained in Section 2.12(d)(iv) are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace the LIBOR Rate, and

(b) (i) the election by Agent or (ii) the election by the Required Lenders to declare that an Early Opt-in Election has occurred and the provision, as applicable, by Agent of written notice of such election to Borrower Agent and the Lenders or by the Required Lenders of written notice of such election to Agent.

(xiv) "Federal Reserve Bank of New York's Website" means the website of the Federal Reserve Bank of New York at http://www.newyorkfed.org, or any successor source.

(xv) "Michigan Real Property" means the Real Property owned by Voxx Automotive Corp. located at 2365 Pontiac Road, Auburn Hills, MI 48326.

(xvi) "Michigan Real Property Appraisal" has the meaning set forth in the definition of Michigan Real Property Eligibility Conditions for such term.

(xvii) "Michigan Real Property Eligibility Conditions" means each of the following: (a) Agent determines, in writing, that each of the criteria in the definition of Eligible Real Property have been satisfied with respect to the Michigan Real Property, (ii) Agent has received, with respect to the Michigan Real Property, a written appraisal after the Amendment No. 7 Effective Date, in form, scope and methodology reasonably acceptable to Agent and performed by an appraiser reasonably acceptable to Agent, addressed to Agent and upon which Agent and Lenders are expressly permitted to rely, the results of which shall be reasonably satisfactory to Agent (the "Michigan Real Property Appraisal") and (iii) Agent has received internal Flood Disaster Protection Act approval.

(xviii) "QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. §5390(c)(8)(D).

(xix) "QFC Credit Support" has the meaning specified therefor in Section 17.21 of this Agreement.

(xx) "Relevant Governmental Body" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

(xxi) "SOFR" with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website.

(xxii) "Supported QFC" has the meaning specified therefor in Section 17.21 of this Agreement.

(xxiii) "Term SOFR" means the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

(xxiv) "Unadjusted Benchmark Replacement" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(xxv) "U.S. Special Resolution Regimes" has the meaning specified therefor in Section 17.21 of this Agreement.

(b) Amendments to Definitions.

(i) Applicable Margin. The definition of "Applicable Margin" set forth in the Credit Agreement is hereby amended by deleting the table contained therein in its entirety and replacing such table with the following:

"Tier	Quarterly Average Excess Availability	Applicable LIBOR Rate Margin	Applicable Base Rate Margin
1	Greater than $50,000,000	2.00%	1.00%
2	Greater than or equal to $25,000,000 but less than or equal to $50,000,000	2.25%	1.25%
3.	Less than $25,000,000	2.50%	1.50%"

(ii) Base Rate. The definition of "Base Rate" set forth in the Credit Agreement is hereby amended by adding the following new sentence to the end of such definition: "Notwithstanding anything to the contrary contained in this definition, if the Base Rate determined pursuant to this definition is below 2.00%, the Base Rate shall be deemed to be 2.00%."

(iii) Compliance Period. The definition of "Compliance Period" set forth in the Credit Agreement is hereby amended by deleting each reference to "twelve and one-half percent (12.5%)" contained therein and replacing each such reference with "twenty percent (20%)".

(iv) Eligible Accounts. The definition of "Eligible Accounts" set forth in the Credit Agreement is hereby amended by deleting clause (j) thereof in its entirety and replacing it with the following:

"(j) Accounts with respect to an Account Debtor (other than Wal-Mart Stores, Inc., Best Buy Co., Inc., Amazon, Costco, Ford Motor Company and Target) whose total obligations owing to Borrowers exceed ten percent (10%) (such percentage, as applied to a particular Account Debtor, being subject to reduction by Agent in its Permitted Discretion if the creditworthiness of such Account Debtor deteriorates) of all Eligible Accounts, to the extent of the obligations owing by such Account Debtor in excess of such percentage, or in the case of each of Ford Motor Company or Target, to the extent of the obligations owing by each of such Account Debtors in excess of fifteen percent (15%) of all Eligible Accounts, or in the case of each of Wal-Mart Stores, Inc., Amazon or Costco, to the extent of the obligations owing by such Account Debtor in excess of twenty percent (20%) of all Eligible Accounts, or in the case of Best Buy Co., Inc., to the extent of the obligations owing by such Account Debtor in excess of thirty percent (30%) of all Eligible Accounts (in each case, as to Wal-Mart Stores, Inc., Best Buy Co., Inc., Amazon, Coscto, Ford Motor Company or Target such percentage being subject to reduction by Agent in its Permitted Discretion if the creditworthiness of such Account Debtor deteriorates); provided, that, in each case, the amount of Eligible Accounts that are excluded because they exceed any of the foregoing percentages shall be determined by Agent based on all of the otherwise Eligible Accounts prior to giving effect to any eliminations based upon the foregoing concentration limit,"

(v) Maximum Credit. The definition of "Maximum Credit" set forth in the Credit Agreement is hereby amended by deleting the reference to "$155,000,000" contained therein and replacing it with "$[124,750,000]".

(vi) Maximum Revolver Amount. The definition of "Maximum Revolver Amount" set forth in the Credit Agreement is hereby amended by deleting the reference to "$140,000,000" contained therein and replacing it with "$[124,750,000]".

(vii) Real Property Availability. The definition of "Real Property Availability" set forth in the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"Real Property Availability" means $12,628,000; provided, that, (a) commencing on July 1, 2020, and as of the first day of each calendar quarter thereafter, the Real Property Availability shall be reduced by $287,000 and (b) in the event that each of the Michigan Real Property Eligibility Conditions have been satisfied, an amount equal to 60% of the fair market value of the Michigan Real Property (determined based on the Michigan Real Property Appraisal) shall be added to Real Property Availability.

(viii) LIBOR Rate. The definition of "LIBOR Rate" set forth in the Credit Agreement is hereby amended by deleting the reference to "(and, if any such rate is below zero, the LIBOR Rate shall be deemed to be zero)" contained therein and replacing it with "(and, if any such rate is below 0.75%, the LIBOR Rate shall be deemed to be 0.75%)".

(c) Interpretation. All terms used herein which are not otherwise defined herein, including but not limited to, those terms used in the recitals hereto, shall have the respective meanings assigned thereto in the Credit Agreement as amended by this Amendment No. 7. The Credit Agreement shall be deemed to include the terms which are defined in the recitals hereto.

2. Unused Line Fee. Section 2.10(b) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"(b) Borrowers shall pay to Agent, for the account of Revolving Lenders, a monthly unused line fee payable in arrears on the first day of each month from and after the date of Amendment No. 7 up to the first day of the month prior to the Payoff Date and on the Payoff Date, in an amount equal to one half of one percent (0.50%) per annum times the result of (i) the aggregate amount of the Revolver Commitments, less (ii) the average Daily Balance of the Revolver Usage during the immediately preceding month (or portion thereof). For purposes of the calculation of the unused line fee, the Revolver Usage shall include the amount of the Orange County IRB Reserve. Swing Loans shall not be considered in the calculation of the unused line fee."

3. LIBOR Replacement.

(a) Section 2.12(d)(ii) of the Credit Agreement is hereby amended by deleting the reference to "In the event that any change after the Closing Date" at the beginning thereof and replacing it with "Subject to the provisions set forth in Section 2.12(d)(iv) below, in the event that any change after the Closing Date".

(b) Section 2.12(d) of the Credit Agreement is hereby amended to add a new clause (iv) at the end thereof as follows:

"(iv) Effect of Benchmark Transition Event.

(a) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, Agent and Borrower Agent may amend this Agreement to replace the LIBOR Rate with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. on the fifth (5th) Business Day after Agent has posted such proposed amendment to all Lenders and Borrower Agent so long as Agent has not received, by such time, written notice of objection to such amendment from Lenders comprising the Required Lenders. Any such amendment with respect to an Early Opt-in Election will become effective on the date that Lenders comprising the Required Lenders have delivered to Agent written notice that such Required Lenders accept such amendment. No replacement of the LIBOR Rate with a Benchmark Replacement pursuant to this Section 2.12(d)(iv) will occur prior to the applicable Benchmark Transition Start Date. Notwithstanding anything to the contrary contained in this Agreement (including Section 14.1 hereof), any amendment contemplated by this Section 2.12(d)(iv) in connection with a Benchmark Transition Event or an Early Opt-in Election shall be effective as contemplated by this Section 2.12(d)(iv).

(b) Benchmark Replacement Conforming Changes. In connection with the implementation of a Benchmark Replacement, Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(c) Notices; Standards for Decisions and Determinations. Agent will promptly notify Borrower Agent and the Lenders of (1) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date and Benchmark Transition Start Date, (2) the implementation of any Benchmark Replacement, (3) the effectiveness of any Benchmark Replacement Conforming Changes and (4) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by Agent or Lenders pursuant to this Section 2.12(d)(iv) including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 2.12(d)(iv).

(d) Benchmark Unavailability Period. Upon Borrower Agent's receipt of notice of the commencement of a Benchmark Unavailability Period, Borrower Agent may revoke any request for a Borrowing of a LIBOR Rate Loan, conversion to or continuation of LIBOR Rate Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, Borrower Agent will be deemed to have converted any such request into a request for a Borrowing of or conversion to Base Rate Loans. During any Benchmark Unavailability Period, the component of Base Rate based upon the LIBOR Rate will not be used in any determination of the Base Rate."

4. Maturity Date. The first sentence of Section 3.3 of the Credit Agreement is hereby deleted and replaced with the following:

"This Agreement shall continue in full force and effect for a term ending on April 26, 2022 (the "Maturity Date")."

5. Acknowledgement Regarding Any Supported QFCs. Section 17 of the Credit Agreement is hereby amended to add a new Section 17.21 at the end thereof as follows:

"17.21 Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Hedge Agreements or any other agreement or instrument that is a QFC (such support, "QFC Credit Support" and each such QFC a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States): In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S.

Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support."

6. Commitment Schedule. Schedule C-1 to the Credit Agreement is hereby deleted in its entirety and replaced with the amended Schedule C-1 attached as Exhibit A to this Amendment No. 7.

7. Real Property Collateral Schedule; Eligible Real Property Schedule. Upon the satisfaction of each of the Michigan Real Property Eligibility Conditions (a) Schedule R-1 to the Credit Agreement shall be deemed to include the Michigan Real Property and the Michigan Real Property shall constitute Real Property Collateral under the Credit Agreement and (b) Schedule E-2 to the Credit Agreement shall be deemed to include the Michigan Real Property.

8. Waiver.

(a) Agent and Lenders hereby waive the Event of Default arising under Section 8.2(a)(i) of the Credit Agreement due to the violation of Section 5.11 of the Credit Agreement as a result of the Loan Parties failing to join VSM Rostra LLC, a Delaware limited liability company ("VSM Rostra"), a wholly owned subsidiary of Voxx Automotive Corp. (f/k/a VoxxHirschmann Corporation), to the Credit Agreement and the other Loan Documents within the time period required by Section 5.11 of the Credit Agreement (such Event of Default hereinafter referred to as the "Specified Default"); provided, that, it shall be deemed an immediate and automatic Event of Default pursuant to Section 8.2(a)(i) of the Credit Agreement if VSM Rostra is not joined to the Credit Agreement and the other Loan Documents in accordance with the requirements in Section 5.11 of the Credit Agreement by no later than July 31, 2020 (or such later date as Agent may agree).

(b) Agent and Lenders have not waived, are not by this Amendment No. 7 waiving, and have no intention of waiving, any Event of Default which may have occurred on or prior to the date hereof, whether or not continuing on the date hereof, or which may occur after the date hereof (whether the same or similar to the Specified Default or otherwise), other than the Specified Default. The foregoing waivers shall not be construed as a bar to or a waiver of any other or further Event of Default on any future occasion, whether similar in kind or otherwise and shall not constitute a waiver, express or implied, of any of the rights and remedies of Agent or any Lender arising under the terms of the Credit Agreement or any other Loan Documents on any future occasion or otherwise.

9. Amendment Fee. In consideration of the waivers and amendments set forth herein, Borrowers shall on the date hereof, pay to Agent, for the account of Lenders, or Agent, at its option, may charge the loan account of Borrowers maintained by Agent, an amendment fee in the amount of $225,000, which fee is fully earned and payable as of the date hereof and shall constitute part of the Obligations.

10. Representations and Warranties. Borrowers and Guarantors, jointly and severally, represent and warrant with and to Agent and Lenders as follows, which representations and warranties shall survive the execution and delivery hereof:

(a) this Amendment No. 7 and each other agreement to be executed and delivered by Borrowers and Guarantors in connection herewith (collectively, together with this Amendment No. 7, the “Amendment Documents”) has been duly authorized, executed and delivered by all necessary corporate action on the part of each Borrower and each Guarantor which is a party hereto and, if necessary, its equity holders and is in full force and effect as of the date hereof and the agreements and obligations of each Borrower and each Guarantor contained herein and therein constitute legal, valid and binding obligations of each Borrower and each Guarantor, enforceable against each Borrower and each Guarantor in accordance with their terms, except as enforceability is limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors’ rights;

(b) the execution, delivery and performance of each Amendment Document (i) are all within each Borrower’s and each Guarantor’s corporate or limited company powers, as applicable, and (ii) are not in contravention of law or the terms of any Borrower’s or any Guarantor’s certificate or articles of incorporation of formation, by laws, operating agreement or other organizational documentation, or any indenture, agreement or undertaking to which any Borrower or any Guarantor is a party or by which any Borrower or any Guarantor or its property are bound;

(c) all of the representations and warranties set forth in the Credit Agreement and the other Loan Documents, each as amended hereby, are true and correct in all material respects on and as of the date hereof, as if made on the date hereof, except to the extent any such representation or warranty is made as of a specified date, in which case such representation or warranty shall have been true and correct in all material respects as of such date; and

(d) after giving effect to the provisions of this Amendment No. 7, no Default or Event of Default exists or has occurred and is continuing as of the date hereof.

11. Conditions Precedent. This Amendment No. 7 shall be effective upon the satisfaction of each of the following conditions precedent:

(a) Agent shall have received counterparts of this Amendment No. 7, duly authorized, executed and delivered by each Borrower, each Guarantor and the Required Lenders;

(b) Agent shall have received in immediately available funds (or Agent has charged the loan account of Borrower) the full amount of the fee referred to in Section 9 hereof;

(c) Agent shall have received internal Flood Disaster Prevention Act approval; and

(d) after giving effect to the provisions of this Amendment No. 7, no Default or Event of Default shall have occurred and be continuing.

12. Effect of Amendment No. 7. Except as expressly set forth herein, no other amendments, waivers, changes or modifications to the Loan Documents are intended or implied, and in all other respects the Loan Documents are hereby specifically ratified, restated and confirmed by all parties hereto as of the effective date hereof and the Loan Parties shall not be entitled to any other or further waiver or amendment by virtue of the provisions of this Amendment No. 7 or with respect to the subject matter of this Amendment

No. 7. To the extent of conflict between the terms of this Amendment No. 7 and the other Loan Documents, the terms of this Amendment No. 7 shall control. The Credit Agreement and this Amendment No. 7 shall be read and construed as one agreement. This Amendment No. 7 is a Loan Document. The Credit Agreement remains in full force and effect, and nothing contained in this Amendment No. 7 will constitute a waiver of any right, power or remedy under the Credit Agreement.

13. Governing Law. The validity, interpretation and enforcement of this Amendment No. 7 and any dispute arising out of the relationship between the parties hereto whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of New York but excluding any principles of conflicts of law or other rule of law that would cause the application of the law of any jurisdiction other than the laws of the State of New York.

14. Jury Trial Waiver. BORROWERS, GUARANTORS, AGENT AND LENDERS EACH HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER THIS AMENDMENT NO. 7 OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO IN RESPECT OF THIS AMENDMENT NO. 7 OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. BORROWERS, GUARANTORS, AGENT AND LENDERS EACH HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT EACH BORROWER, GUARANTOR, AGENT OR LENDER MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AMENDMENT NO. 7 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

15. Binding Effect. This Amendment No. 7 shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns.

16. Waiver, Modification, Etc. No provision or term of this Amendment No. 7 may be modified, altered, waived, discharged or terminated orally, but only by an instrument in writing executed by the party against whom such modification, alteration, waiver, discharge or termination is sought to be enforced.

17. Further Assurances. The Loan Parties shall execute and deliver such additional documents and take such additional action as may be reasonably requested by Agent to effectuate the provisions and purposes of this Amendment No. 7.

18. Entire Agreement. This Amendment No. 7 and the Credit Agreement represent the entire agreement and understanding concerning the subject matter hereof among the parties hereto, and supersedes all other prior agreements, understandings, negotiations and discussions, representations, warranties, commitments, proposals, offers and contracts concerning the subject matter hereof, whether oral or written.

19. Headings. The headings listed herein are for convenience only and do not constitute matters to be construed in interpreting this Amendment No. 7.

20. Counterparts. This Amendment No. 7, any documents executed in connection herewith and any notices delivered under this Amendment No. 7, may be executed by means of (i) an electronic signature that complies with the federal Electronic Signatures in Global and National Commerce Act, state enactments of the Uniform Electronic Transactions Act, or any other relevant and applicable electronic

signatures law; (ii) an original manual signature; or (iii) a faxed, scanned, or photocopied manual signature. Each electronic signature or faxed, scanned, or photocopied manual signature shall for all purposes have the same validity, legal effect, and admissibility in evidence as an original manual signature. Agent reserves the right, in its sole discretion, to accept, deny, or condition acceptance of any electronic signature on this Amendment No. 7 or on any notice delivered to Agent under this Amendment No. 7. This Amendment No. 7 and any notices delivered under this Amendment No. 7 may be executed in any number of counterparts, each of which shall be deemed to be an original, but such counterparts shall, together, constitute only one instrument. Delivery of an executed counterpart of a signature page of this Amendment No. 7 and any notices as set forth herein will be as effective as delivery of a manually executed counterpart of the Amendment No. 7 or notice.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 7 to be duly executed and delivered as of the day and year first above written.

BORROWERS:

VOXX ACCESSORIES CORP.

By:_/s/ Loriann Shelton___________
Name: Loriann Shelton
Title: VP, CFO, Secretary and Treasurer

VOXX ELECTRONICS CORP.

By:_/s/ Loriann Shelton_____________
Name: Loriann Shelton
Title: VP, CFO, Secretary

CODE SYSTEMS, INC.

By:_/s/ Charles M. Stoehr____________
Name: Charles M. Stoehr
Title: VP & CFO

INVISION AUTOMOTIVE SYSTEMS INC.

By:_/s/ Charles M. Stoehr_____________
Name: Charles M. Stoehr
Title: Vice President

KLIPSCH GROUP, INC.
By:_/s/ Charles M. Stoehr________________
Name: Charles M. Stoehr
Title: Vice President

[Signatures Continued on Following Page]

[Signatures Continued from Previous Page]

GUARANTORS:

VOXX INTERNATIONAL CORPORATION
By:_/s/ Charles M. Stoehr______________
Name: Charles M. Stoehr
Title: Senior VP & CFO

AUDIOVOX ADVANCED ACCESSORIES GROUP, LLC

By:_/s/ Loriann Shelton____________
Name: Loriann Shelton
Title: CFO, Treasurer, Secretary

AUDIOVOX WEBSALES LLC

By:_/s/ Loriann Shelton_____________
Name: Loriann Shelton
Title: CFO, Treasurer, Secretary

CARIBBEAN TECHNICAL EXPORT, INC.

By:_/s/ Charles M. Stoehr____________
Name: Charles M. Stoehr
Title: President

LATIN AMERICA EXPORTS CORP.

By:_/s/ Charles M. Stoehr____________
Name: Charles M. Stoehr
Title: Treasurer

OMEGA RESEARCH AND DEVELOPMENT TECHNOLOGY LLC

By:_/s/ Loriann Shelton_____________
Name: Loriann Shelton
Title: CFO, Treasurer, Secretary

[Signatures Continued on Following Page]

[Signatures Continued from Previous Page]

ELECTRONICS TRADEMARK HOLDING COMPANY, LLC

By:_/s/ Charles M. Stoehr________
Name: Charles M. Stoehr
Title: Senior VP & CFO

AUDIOVOX ATLANTA CORP.

By:_/s/ Charles M. Stoehr________
Name: Charles M. Stoehr
Title: Vice President

AUDIOVOX COMMUNICATIONS CORP.

By:_/s/ Charles M. Stoehr________
Name: Charles M. Stoehr
Title: VP & Treasurer

AUDIOVOX CONSUMER ELECTRONICS, INC.

By:_/s/ Charles M. Stoehr________
Name: Charles M. Stoehr
Title: Vice President

AUDIOVOX GERMAN CORPORATION

By:_/s/ Charles M. Stoehr________
Name: Charles M. Stoehr
Title: Vice President

AUDIOVOX INTERNATIONAL CORP.

By:_/s/ Charles M. Stoehr________
Name: Charles M. Stoehr
Title: Vice President

AUDIOVOX LATIN AMERICA LTD.

By:_/s/ Charles M. Stoehr________
Name: Charles M. Stoehr
Title: Vice President

KLIPSCH HOLDING LLC

By:_/s/ Charles M. Stoehr________
Name: Charles M. Stoehr
Title: Vice President & CFO

[Signatures Continued on Following Page]

[Signatures Continued from Previous Page]

VOXX ASIA INC.

By:_/s/ Charles M. Stoehr________
Name: Charles M. Stoehr
Title: VP, Secretary, & Treasurer

VOXX HQ LLC

By:_/s/ Charles M. Stoehr________
Name: Charles M. Stoehr
Title: Senior VP & CFO

VOXX WOODVIEW TRACE LLC

By:_/s/ Charles M. Stoehr________
Name: Charles M. Stoehr
Title: Senior VP & CFO

VOXX AUTOMOTIVE CORP. (F/K/A VOXXHIRSCHMANN CORPORATION)

By:_/s/ Charles M. Stoehr________
Name: Charles M. Stoehr
Title: Vice President

KLIPSCH GROUP EUROPE - DENMARK

By:_/s/ Paul Jacobs_____________
Name: T. Paul Jacobs
Title: Managing Director

KLIPSCH GROUP EUROPE - FRANCE S.A.R.L

By:_/s/ Paul Jacobs_____________
Name: T. Paul Jacobs
Title: Managing Director

KLIPSCH GROUP EUROPE B.V.

By:_/s/ Paul Jacobs_____________
Name: T. Paul Jacobs
Title: Managing Director

AUDIOVOX MEXICO, S. DE R.L. DE C.V.

By:_/s/ Charles M. Stoehr________
Name: Charles M. Stoehr
Title: Manager

[Signatures Continued on Following Page]

[Signatures Continued from Previous Page]

AUDIO PRODUCTS INTERNATIONAL CORP.
By:_/s/ Paul Jacobs______________
Name: T. Paul Jacobs
Title: President

AUDIOVOX CANADA LIMITED
By:_/s/ Charles M. Stoehr_________
Name: Charles M. Stoehr
Title: Vice President

AGENT AND LENDERS:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Agent and a Lender

By: _/s/ Andrew Rogan______________
Name: ___Andrew Rogan_______________
Title: ____Vice President_______________

CITIBANK, N.A., as Lender

By: _/s/ William H. Moul, Jr.____________
Name: __William H. Moul, Jr.______________
Title: ___Authorized Signatory____________

HSBC BANK USA, NATIONAL ASSOCIATION,
as Lender

By: _/s/ Andrew Brown__________________
Name: __Andrew Brown___________________
Title: __Senior Vice President______________

KEYBANK NATIONAL ASSOCIATION, as Lender

By: __/s/ Timothy W. Kenealy__________
Name: __Timothy W. Kenealy____________
Title: ___Vice President________________

[Signature Page to Amendment No. 7 to Credit Agreement and Waiver (Voxx)]

EXHIBIT A
TO
AMENDMENT NO. 7 TO SECOND
AMENDED AND RESTATED CREDIT AGREEMENT AND WAIVER

Amended Commitment Schedule

Schedule C-1

Commitments

Lender	Revolver Commitments	Pro Rata Share
Wells Fargo Bank, National Association	$75,000,000	58.8235%
KeyBank National Association	$22,500,000	17.6471%
Citibank, N.A.	$15,000,000	11.7647%
HSBC Bank USA, National Association	$15,000,000	11.7647%
Total	$127,500,000	100.0%

Exhibit 99.1

FOR IMMEDIATE RELEASE

VOXX INTERNATIONAL CORPORATION REPORTS ITS FISCAL 2020 FOURTH QUARTER AND YEAR-END FINANCIAL RESULTS

ORLANDO, Fla., June 15, 2020 – VOXX International Corporation (NASDAQ: VOXX), a leading manufacturer and distributor of automotive and consumer technologies for the global markets, today announced financial results for its Fiscal 2020 fourth quarter and year ended February 29, 2020.

On May 4, 2020, the Company filed a Form 8-K with the Securities and Exchange Commission ("SEC") noting it intended to delay its Form 10-K filing for the year ended February 29, 2020 until June 15, 2020. This was based on an SEC order issued on March 25, 2020 pursuant to Section 36 (Release No. 34-88465). The additional time to finalize the Report was solely due to COVID-19 as resources were limited.

Commenting on the Company's Fiscal 2020 results, Pat Lavelle, President and Chief Executive Officer of VOXX International Corporation stated, "Despite the losses reported, Fiscal 2020 was a successful year in that we carried through on the strategic plan we began last fiscal year. We combined our international accessories business; brought our international premium audio operations under Klipsch; realigned our domestic accessories group and continued our aggressive SKU rationalization program that began in Fiscal 2019; and, instituted significant cost control programs to lower overhead. We also sold international real estate and closed on a strategic acquisition to enhance our automotive offerings. The only thing that we did not anticipate was the unforeseen drop in our Automotive Electronics business segment. Automotive net sales declined by approximately $47 million due to plant delays with our largest OEM customer and the end of life of a program with another OEM earlier than anticipated. The overall market also played a role as car sales have fallen and are expected to decline further this year. However, over the past 12-months, we have won nearly $375 million in new automotive awards and while Fiscal 2021 may be soft to start, we're expecting strong growth in the years to come."

Lavelle continued, "Another bright spot was the performance of our premium audio products with sales up $12.3 million. We strengthened our offerings, have new products coming to market, and have added new distribution partners. Also positive is the inbound interest for EyeLock solutions given the COVID-19 global pandemic. We have always maintained that iris authentication is the safest and most secure, and now, it's the most practical. Gloves impede fingerprint scans while masks impede facial recognition. Nothing prevents a clear scan of your eye or eyes and we've seen a large number of opportunities emerge since the pandemic. We have secured the services of an investment banker to review all strategic alternatives for EyeLock and that does not necessarily mean a sale. Rather, we are looking at partnerships, joint ventures, spin-offs, financing arrangements, and more – anything that will help support EyeLock and improve our business and financial position. Fiscal 2021 will start slow due to COVID-19, but barring any further setbacks, with the contracts awarded and the additional steps we've taken to lower overhead, we should see growth and profitability this year, with a strong balance sheet at our disposal to take advantage of opportunities that may be on the horizon."

Fiscal 2020 and Fiscal 2019 Fourth Quarter Financial Comparisons

Net sales in the Fiscal 2020 fourth quarter ended February 29, 2020 were $101.1 million, a $6.4 million decline as compared to $107.5 million in the Fiscal 2019 fourth quarter ended February 28, 2019. The year-over-year decline was driven by a $9.3 million reduction in Automotive Electronics segment sales due to lower industrywide car sales. This was partially offset by a $3.1 million increase in net sales in the Consumer Electronics segment, primarily a result of strong sales of premium audio products and expanded distribution.

- Automotive Electronics segment net sales of $27.7 million as compared to $36.9 million, down $9.3 million.
- Consumer Electronics segment net sales of $73.1 million as compared to $70.0 million, up $3.1 million.
- Biometrics segment net sales of $0.1 million as compared to $0.3 million, down $0.2 million.

The gross margin in the Fiscal 2020 fourth quarter was 28.2%, representing a 610-basis point increase over the Fiscal 2019 fourth quarter. Driving this increase was a 710-basis point improvement in the Consumer Electronics segment, due to the higher sales of premium audio products and higher margins associated with a smaller accessories assortment. This helped offset a 690-basis point decline in Automotive Electronics segment gross margins, which were down primarily due to lower sales volume and the lack of overhead absorption.

- Automotive Electronics segment gross margin of 17.7% as compared to 24.6%, down 690 basis points.
- Consumer Electronics segment gross margin of 32.2% as compared to 25.1%, up 710 basis points.
- Biometrics segment gross margins were negative for both of the comparable periods.

Total operating expenses in the Fiscal 2020 fourth quarter were $63.3 million as compared to $54.2 million in the comparable Fiscal 2019 period, an increase of $9.1 million. General & administrative and engineering and technical support expenses were down when comparing the Fiscal 2020 and Fiscal 2019 fourth quarter periods and selling expenses were relatively flat. In the Fiscal 2020 fourth quarter, the Company incurred non-cash intangible asset impairment charges of $30.2 million, $27.4 million of which was in the Biometrics segment. In the Fiscal 2019 fourth quarter, the Company incurred non-cash intangible asset impairment charges of $16.0 million and restructuring expenses of $4.6 million. Excluding the non-cash impairment charges and restructuring expenses, total operating expenses declined by approximately $0.6 million.

The Company reported an operating loss of $34.7 million in the Fiscal 2020 fourth quarter, due primarily to the non-cash impairment charges. Excluding these charges, the Company would have reported an operating loss of $4.5 million. In the Fiscal 2019 fourth quarter, the Company reported an operating loss of $30.4 million. Excluding the non-cash impairment charges and restructuring expenses, the Company would have reported an operating loss of $9.8 million in the Fiscal 2019 fourth quarter.

Net loss attributable to VOXX International Corporation was $21.8 million in the Fiscal 2020 fourth quarter, as compared to a net loss attributable to VOXX International Corporation of $36.6 million in the Fiscal 2019 fourth quarter.

On a per share basis, the Company reported a basic and diluted loss per share attributable to VOXX International Corporation of $0.90 in the Fiscal 2020 fourth quarter, as compared to a basic and diluted loss per share attributable to VOXX International Corporation of $1.50 in the Fiscal 2019 fourth quarter.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”) in the Fiscal 2020 fourth quarter was $1.8 million, as compared to an Adjusted EBITDA loss of $3.8 million in the Fiscal 2019 fourth quarter, an improvement of $5.5 million year-over-year.

Fiscal 2020 and Fiscal 2019 Financial Comparisons

Fiscal 2020 net sales for the period ended February 29, 2020 were $394.9 million, a $51.9 million decline as compared to $446.8 million in Fiscal 2019.

The year-over-year decline was primarily in the Automotive Electronics segment, down $47.5 million, and was directly related to an OEM customer that experienced plant delays and another OEM customer that ended a program earlier than anticipated. The remaining impact was with Subaru and was anticipated. Offsetting OEM declines were higher sales of certain aftermarket safety and security products as compared to the prior year period, as well as sales related to the newly acquired Vehicle Safety Holdings Corp., which took place towards the end of the Company's Fiscal 2020 fourth quarter.

The Consumer Electronics segment experienced a year-over-year sales decline of $3.5 million, which was directly related to the Company's SKU rationalization programs and lower sales in the European markets. As previously noted, the Company exited several legacy product categories and discontinued other product lines throughout the fiscal year to focus on more sustainable categories with higher gross margins and where the Company has market-leading positions and technological advantages. Offsetting these declines were higher sales of reception products, activity bands within the Healthcare market and Premium Audio products, including higher sales of premium mobility and premium wireless and Bluetooth speakers, soundbars, Bluetooth speakers and wireless earbuds, and premium home separate speakers.

- Automotive Electronics segment net sales of $114.2 million as compared to $161.6 million, down $47.5 million.
- Consumer Electronics segment net sales of $279.7 million as compared to $283.1 million, down $3.5 million.
- Biometrics segment net sales of $0.5 million as compared to $1.1 million, down $0.6 million.

The gross margin in Fiscal 2020 was 27.8%, a 60-basis point improvement over Fiscal 2019. Gross margins were adversely impacted by lower than expected Automotive Electronics segment sales, which resulted in lower absorption of fixed overhead, as well as write-off adjustments associated with slower moving automotive products. Gross margins were also negatively impacted by lower sales of higher margin accessories products, and higher warehousing costs in Europe. Lastly, tariff increases in Fiscal 2020 also negatively impacted gross margins compared to the prior fiscal year. This was offset by higher sales of certain aftermarket security products related to the acquisition of Vehicle Safety Holdings Corp., higher sales of premium audio products including premium wireless and Bluetooth speakers, mobility products, home separates, and commercial speakers, all of which carry higher gross margins.

- Automotive Electronics segment gross margin of 20.3% as compared to 25.1%, down 480 basis points.
- Consumer Electronics segment gross margin of 31.0% as compared to 29.0%, up 200 basis points.
- Biometrics segment gross margins were negative for both of the comparable periods.

Total operating expenses in Fiscal 2020 were $159.2 million as compared to $162.6 million in the comparable Fiscal 2019 period, a reduction of $3.4 million. Selling expenses declined by $2.4 million year-over-year due to headcount reductions related to Fiscal 2019 restructuring activities, lower commissions, and overall reductions due to cost-cutting measures. General and administrative expenses increased by $2.0 million when comparing Fiscal 2020 and Fiscal 2019. However, Fiscal 2020 included a $1.6 million compensation expense associated with stock grants and Fiscal 2019 included a reimbursement of approximately $3.0 million related to a favorable lawsuit. Disregarding these specific items, general and administrative expenses would have declined year-over-year. Engineering and technical support expenses declined by $2.8 million year-over-year due to lower headcount at select subsidiaries, and lower research and development spending related to projects that were completed in Fiscal 2020. Certain R&D work was also transitioned in-house at EyeLock and Invision. Offsetting these declines were higher R&D expenses related to new projects, higher certification fees for certain products under development, and salary and related expenses resulting from new hires.

The Company also incurred non-cash intangible asset impairment charges in Fiscal 2020 of $30.2 million as compared to $25.8 million in Fiscal 2019. The Company also incurred restructuring expenses of $4.6 million in Fiscal 2019 related to its restructuring programs, which primarily consisted of severance charges.

- Selling expenses of $38.5 million as compared to $40.9 million, a reduction of $2.4 million.
- General and administrative expenses of $68.9 million versus $66.9 million, an increase of $2.0 million.

- Engineering and technical support expenses of $21.6 million as compared to $24.4 million, a reduction of $2.8 million.

The Company reported an operating loss of $49.5 million in Fiscal 2020 as compared to an operating loss of $41.2 million in Fiscal 2019. Note, both the Fiscal 2020 and Fiscal 2019 periods included non-cash intangible asset impairment charges and the Fiscal 2019 period included restructuring expenses.

Total other income, net for Fiscal 2020 was $8.5 million as compared to total other expense, net of $17.8 million in Fiscal 2019. Interest and bank charges declined by $0.9 million as the Company temporarily suspended its domestic supply chain financing in the Fiscal 2020 second and third quarters, resulting in a reduction of related fees. Equity in income of equity investee declined by $1.4 million due primarily to the impact of tariffs, an increase in warranty costs and other product-related expenses in Fiscal 2020 that were not present in the prior year. In Fiscal 2020, the Company recorded a gain on the sale of real property in Pulheim, Germany of $4.1 million and in Fiscal 2020, the Company also received the remaining proceeds from the sale of its investment in RxNetworks of $0.8 million. Lastly, other, net in Fiscal 2020 includes $1.0 million related to a life insurance policy, offset by a charge of $0.8 million for a payment made to TE Connectivity Ltd in final settlement of the working capital calculation related to the sale of Hirschmann Car Communication GmbH. In Fiscal 2019, the Company recorded a non-cash impairment charge on its Venezuela investment properties of $3.5 million, a non-cash impairment charge of $16.5 million related to the notes receivable from 360fly, and a $0.5 million loss associated with a prior investment.

Net loss attributable to VOXX International Corporation in Fiscal 2020 was $26.4 million, as compared to a net loss attributable to VOXX International Corporation of $46.1 million in Fiscal 2019. On a per share basis, the Company reported a basic and diluted loss per share attributable to VOXX International Corporation of $1.08 in Fiscal 2020, as compared to basic and diluted loss per share attributable to VOXX International Corporation of $1.89.

Adjusted EBITDA in Fiscal 2020 was $6.4 million, as compared to $13.7 million in Fiscal 2019.

Balance Sheet Update

As of February 29, 2020, the Company had cash and cash equivalents of $37.4 million as compared to $58.2 as of February 28, 2019. The variance in net cash relates to a change in the Company's supply chain financing activities as noted in its Form 10-K. Further, on a sequential basis compared to the period ended November 30, 2019, cash and cash equivalents increased by $5.3 million. Also note, during the Fiscal 2020 fourth quarter, we used $16.5 million in cash to fund the acquisition of Vehicle Safety Holdings Corp., and during Fiscal 2020, we purchased shares of the Company's Class A Common Stock for $2.7 million.

Total debt as of February 29, 2020 was $8.2 million, an improvement of $9.4 million, as compared to total debt of $17.6 million as of February 28, 2019. The Company's total debt consists of its Florida mortgage and its Euro asset-based lending obligation to support its German operations. Total long-term debt as of February 29, 2020 was $6.1 million, as compared to $5.8 million as of February 28, 2019.

Conference Call and Webcast Information

VOXX International will be hosting its conference call on Tuesday, June 16, 2020 at 10:00 a.m. Eastern. Interested parties can participate by visiting www.voxxintl.com, and clicking on the webcast in the Investor Relations section or via teleconference (toll-free: 877-303-9079; international: 970-315-0461 / conference ID: 1914749). A replay will be available on the Company's website approximately one hour after the completion of the call.

Non-GAAP Measures

EBITDA, Adjusted EBITDA and Diluted Adjusted EBITDA per common share are not financial measures recognized by GAAP. EBITDA represents net (loss) income, 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, life insurance proceeds, certain settlements, gains on sale of real property, gains on the sale of discontinued operations, losses on forward contracts, impairment charges, investment gains and losses, restructuring charges, and environmental remediation charges. Depreciation, amortization, stock-based compensation, and impairment charges are non-cash items. Diluted Adjusted EBITDA per common share represents the Company's diluted earnings per common share based on Adjusted EBITDA.

We present EBITDA, Adjusted EBITDA and Diluted Adjusted EBITDA per common share in this Form 10-K because we consider them to be useful and appropriate supplemental measures of our performance. Adjusted EBITDA and diluted adjusted earnings per common share help 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, Adjusted EBITDA and Diluted Adjusted EBITDA per common share 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 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 30 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 Company's annual report on Form 10-K for the fiscal year ended February 29, 2020 and other filings made by the Company from time to time with the SEC. The factors described in such SEC filings include, without limitation: the impact of the COVID-19 outbreak on the Company's results of operations, the Company's ability to realize the anticipated results of its business realignment; cybersecurity risks; risks that may result from changes in the Company's business operations; 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 COVID-19 pandemic and any worsening of the global business and economic environment as a result. The Company assumes no obligation and does not intend to update these forward-looking statements.

Investor & Media Relations Contact:
Glenn Wiener, GW Communications (for VOXX)
Tel: 212-786-6011 / Email: gwiener@GWCco.com

Tables to Follow

VOXX International Corporation and Subsidiaries
Consolidated Balance Sheets
February 29, 2020 and February 28, 2019
(In thousands, except share data)

	February 29, 2020	February 28, 2019
Assets		
Current assets:		
Cash and cash equivalents	$ 37,425	$ 58,236
Accounts receivable, net	69,714	73,391
Inventory, net	99,110	102,379
Receivables from vendors	230	1,009
Prepaid expenses and other current assets	10,885	10,449
Income tax receivable	456	921
Total current assets	217,820	246,385
Investment securities	2,282	2,858
Equity investments	21,924	21,885
Property, plant and equipment, net	51,424	60,493
Operating lease, right of use asset	3,143	—
Goodwill	55,000	54,785
Intangible assets, net	88,288	119,449
Deferred income tax assets	52	79
Other assets	1,638	2,877
Total assets	$ 441,571	$ 508,811
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 22,096	$ 31,143
Accrued expenses and other current liabilities	34,046	39,129
Income taxes payable	1,523	1,349
Accrued sales incentives	12,250	13,574
Current portion of long-term debt	1,107	10,021
Total current liabilities	71,022	95,216
Long-term debt, net of debt issuance costs	6,099	5,776
Finance lease liabilities, less current portion	720	516
Operating lease liabilities, less current portion	2,391	—
Deferred compensation	2,282	2,605
Deferred income tax liabilities	3,828	5,284
Other tax liabilities	1,225	1,332
Other long-term liabilities	3,294	2,981
Total liabilities	90,861	113,710
Commitments and contingencies		
Redeemable equity	2,481	-
Stockholders' equity:		
Preferred stock:		
No shares issued or outstanding	—	—
Common stock:		
Class A, $.01 par value; 60,000,000 shares authorized, 24,306,194 and 24,106,194 shares issued and 21,556,976 and 21,938,100 shares outstanding at February 29, 2020 and February 28, 2019, respectively	244	242
Class B Convertible, $.01 par value, 10,000,000 shares authorized, 2,260,954 shares issued and outstanding	22	22
Paid-in capital	299,228	296,946
Retained earnings	122,139	148,582
Accumulated other comprehensive loss	(19,055)	(16,944)
Less: Treasury stock, at cost, 2,749,218 and 2,168,094 shares of Class A Common Stock at February 29, 2020 and February 28, 2019, respectively	(23,918)	(21,176)
Less: Redeemable equity	(2,481)	—
Total VOXX International Corporation stockholders' equity	376,179	407,672
Non-controlling interest	(27,950)	(12,571)
Total stockholders' equity	348,229	395,101
Total liabilities and stockholders' equity	$ 441,571	$ 508,811

VOXX International Corporation and Subsidiaries
Consolidated Statements of Operations and Comprehensive (Loss) Income
Years Ended February 29, 2020, February 28, 2019 and February 28, 2018
(In thousands, except share and per share data)

	Year Ended February 29, 2020	Year Ended February 28, 2019	Year Ended February 28, 2018
Net sales	$ 394,889	$ 446,816	$ 507,092
Cost of sales	285,113	325,399	374,795
Gross profit	109,776	121,417	132,297
Operating expenses:			
Selling	38,471	40,915	45,999
General and administrative	68,928	66,935	78,957
Engineering and technical support	21,602	24,387	26,440
Intangible asset impairment charges	30,230	25,789	—
Restructuring expense	—	4,588	—
Total operating expenses	159,231	162,614	151,396
Operating loss	(49,455)	(41,197)	(19,099)
Other (expense) income:			
Interest and bank charges	(3,569)	(4,449)	(6,009)
Equity in income of equity investee	5,174	6,618	7,178
Gain on sale of real property	4,057	—	—
Impairment of Venezuela investment properties	—	(3,473)	—
Impairment of notes receivable	—	(16,509)	—
Investment gain (loss)	775	(530)	1,416
Other, net	2,078	577	(7,590)
Total other income (expense), net	8,515	(17,766)	(5,005)
Loss from continuing operations before income taxes	(40,940)	(58,963)	(24,104)
Income tax expense (benefit) from continuing operations	882	(6,131)	(17,445)
Net loss from continuing operations	$ (41,822)	$ (52,832)	$ (6,659)
Net income from discontinued operations, net of tax	—	—	34,618
Net (loss) income	$ (41,822)	$ (52,832)	$ 27,959
Less: net loss attributable to non-controlling interest	(15,379)	(6,741)	(7,345)
Net (loss) income attributable to VOXX International Corporation	$ (26,443)	$ (46,091)	$ 35,304
Other comprehensive (loss) income:			
Foreign currency translation adjustments	(1,517)	(3,195)	28,804
Derivatives designated for hedging, net of tax	(505)	461	(698)
Pension plan adjustments, net of tax	(89)	(12)	1,496
Unrealized holding gain on available-for-sale investment securities arising during the period, net of tax	-	24	74
Other comprehensive (loss) income, net of tax	(2,111)	(2,722)	29,676
Comprehensive (loss) income attributable to VOXX International Corporation	$ (28,554)	$ (48,813)	$ 64,980
(Loss) earnings per share - basic:			
Continuing operations attributable to VOXX International Corporation	$ (1.08)	$ (1.89)	$ 0.03
Discontinued operations attributable to VOXX International Corporation	$ —	$ —	$ 1.43
Attributable to VOXX International Corporation	$ (1.08)	$ (1.89)	$ 1.45
(Loss) earnings per share - diluted:			
Continuing operations attributable to VOXX International Corporation	$ (1.08)	$ (1.89)	$ 0.03
Discontinued operations attributable to VOXX International Corporation	$ —	$ —	$ 1.41
Attributable to VOXX International Corporation	$ (1.08)	$ (1.89)	$ 1.44
Weighted-average common shares outstanding (basic)	24,394,663	24,355,791	24,290,563
Weighted-average common shares outstanding (diluted)	24,394,663	24,355,791	24,547,246

VOXX International Corporation and Subsidiaries
Consolidated Statements of Operations and Comprehensive (Loss) Income
Three Months Ended February 29, 2020, February 28, 2019 and February 28, 2018
(In thousands, except share and per share data)

	Three Months Ended February 29, 2020	Three Months Ended February 28, 2019	Three Months Ended February 28, 2018
Net sales	$ 101,077	$ 107,457	$ 122,236
Cost of sales	72,543	83,703	90,023
Gross profit	28,534	23,754	32,213
Operating expenses:			
Selling	10,309	10,254	11,194
General and administrative	17,032	17,303	19,862
Engineering and technical support	5,701	6,038	6,142
Intangible asset impairment charges	30,230	15,975	—
Restructuring expense	-	4,588	—
Total operating expenses	63,272	54,158	37,198
Operating loss	(34,738)	(30,404)	(4,985)
Other (expense) income:			
Interest and bank charges	(934)	(1,058)	(1,159)
Equity in income of equity investee	1,502	1,472	1,444
Impairment of notes receivable	-	(16,509)	—
Investment loss	-	(530)	—
Other, net	209	(596)	182
Total other income (expense), net	777	(17,221)	467
Loss from continuing operations before income taxes	(33,961)	(47,625)	(4,518)
Income tax benefit from continuing operations	(308)	(9,278)	(12,914)
Net loss from continuing operations	$ (33,653)	$ (38,347)	$ 8,396
Net income from discontinued operations, net of tax	—	—	2,276
Net (loss) income	$ (33,653)	$ (38,347)	$ 10,672
Less: net loss attributable to non-controlling interest	(11,858)	(1,787)	(1,913)
Net (loss) income attributable to VOXX International Corporation	$ (21,795)	$ (36,560)	$ 12,585
Other comprehensive (loss) income:			
Foreign currency translation adjustments	(196)	138	1,135
Derivatives designated for hedging, net of tax	(234)	(81)	262
Pension Plan adjustments, net of tax	(114)	(69)	(192)
Other comprehensive (loss) income, net of tax	(544)	(12)	1,205
Comprehensive (loss) income attributable to VOXX International Corporation	$ (22,339)	$ (36,572)	$ 13,790
(Loss) earnings per share - basic:			
Continuing operations attributable to VOXX International Corporation	$ (0.90)	$ (1.50)	$ 0.42
Discontinued operations attributable to VOXX International Corporation	$ —	$ -	$ 0.09
Attributable to VOXX International Corporation	$ (0.90)	$ (1.50)	$ 0.52
(Loss) earnings per share - diluted:			
Continuing operations attributable to VOXX International Corporation	$ (0.90)	$ (1.50)	$ 0.42
Discontinued operations attributable to VOXX International Corporation	$ —	$ -	$ 0.09
Attributable to VOXX International Corporation	$ (0.90)	$ (1.50)	$ 0.51
Weighted-average common shares outstanding (basic)	24,141,506	24,355,791	24,316,103
Weighted-average common shares outstanding (diluted)	24,141,506	24,355,791	24,615,627

Reconciliation of GAAP Net Income Attributable to VOXX International Corporation

to EBITDA, Adjusted EBITDA and Diluted Adjusted EBITDA per Common Share (2)

	Fiscal 2020	Fiscal 2019	Fiscal 2018
Net (loss) income attributable to VOXX International Corporation	$ (26,443)	$ (46,091)	$ 35,304
Adjustments:			
Interest expense and bank charges (1)	3,070	2,884	5,169
Depreciation and amortization (1)	12,055	11,112	13,879
Income tax expense (benefit)	882	(6,131)	(13,262)
EBITDA	(10,436)	(38,226)	41,090
Adjustments:			
Stock-based compensation	2,282	551	552
Life insurance proceeds	(1,000)	—	—
Gain on sale of real property	(4,057)	—	—
Settlement of Hirschmann working capital	804	—	—
Gain on sale of discontinued operations	—	—	(36,118)
Loss on forward contracts attributable to sale of business	—	—	6,618
Impairment of investment properties in Venezuela	—	3,473	—
Impairment of notes receivable	—	16,509	—
Investment (gain) loss	(775)	530	(1,416)
Environmental remediation charges	—	454	—
Restructuring charges	—	4,588	—
Intangible asset impairment charges (1)	19,543	25,789	—
Adjusted EBITDA	$ 6,361	$ 13,668	$ 10,726
Diluted (loss) income per common share attributable to VOXX International Corporation	$ (1.08)	$ (1.89)	$ 1.44
Diluted Adjusted EBITDA per common share attributable to VOXX International Corporation	$ 0.26	$ 0.56	$ 0.44

(1) For purposes of calculating Adjusted EBITDA for the Company, interest expense, bank charges, depreciation and amortization, and intangible asset impairment charges added back to net (loss) income have been adjusted in order to exclude the minority interest portion of these expenses attributable to EyeLock LLC.

(2) EBITDA, Adjusted EBITDA and Diluted Adjusted EBITDA per common share in this presentation are based on a reconciliation to Net income attributable to VOXX International Corporation, which includes net income (loss) from both continuing and discontinued operations for all periods presented. The Company sold its Hirschmann subsidiary on August 31, 2017.

Reconciliation of GAAP Net Income Attributable to VOXX International Corporation to EBITDA, Adjusted EBITDA and Diluted Adjusted EBITDA per Common Share (2)

	Three Months Ended February 29, 2020	Three Months Ended February 28, 2019	Three Months Ended February 28, 2018
Net (loss) income attributable to VOXX International Corporation	$ (21,795)	$ (36,560)	$ 12,585
Adjustments:			
Interest expense and bank charges (1)	801	632	842
Depreciation and amortization (1)	3,074	3,226	2,717
Income tax benefit	(308)	(9,278)	(15,201)
EBITDA	(18,228)	(41,980)	943
Adjustments:			
Stock-based compensation attributable to stock options and restricted stock	466	158	107
Impairment of notes receivable	-	16,509	—
Investment loss	-	530	—
Environmental remediation charges	-	454	—
Restructuring charges	-	4,588	—
Intangible asset impairment charges (1)	19,543	15,975	—
Adjusted EBITDA	$ 1,781	$ (3,766)	$ 1,050
Diluted (loss) income per common share attributable to VOXX International Corporation	$ (0.90)	$ (1.50)	$ 0.51
Diluted Adjusted EBITDA per common share attributable to VOXX International Corporation	$ 0.07	$ (0.15)	$ 0.04

(1) For purposes of calculating Adjusted EBITDA for the Company, interest expense, bank charges, depreciation and amortization expense, and intangible asset impairment charges added back to net income (loss) have been adjusted in order to exclude the minority interest portion of these expenses attributable to EyeLock LLC.

(2) EBITDA, Adjusted EBITDA and Diluted Adjusted EBITDA per common share in this presentation are based on a reconciliation to Net income attributable to VOXX International Corporation, which includes net income (loss) from both continuing and discontinued operations for all periods presented. The Company sold its Hirschmann subsidiary on August 31, 2017.

Exhibit 99.2

VOXX (2020 Q4 Results) June 16, 2020	

Corporate Speakers:

- Glenn Wiener; GW Communications LLC; Owner
- Patrick Lavelle; VOXX International Corporation; President, CEO & Director
- Michael Stoehr; VOXX International Corporation; Senior VP, CFO & Director
- John Shalam; VOXX International Corporation; Chairman of the Board

Participants:

- Thomas Kahn; Kahn Brothers Advisors LLC; Chairman, President, Treasurer, Chief Compliance Officer & Director
- Eric Landry; BML Capital Management, LLC; Senior Analyst
- Beat Kahli; Kahli Holding AG; Co-Owner
- David Cohen; Midwood Capital Management, LLC; Co-Founder, Managing Member, Portfolio Manager & Chief Compliance Officer
- Braden Leonard; BML Capital Management, LLC; Managing Member and Founder

PRESENTATION

Operator: Ladies and gentlemen, thank you for standing by, and welcome to the VOXX International's Earnings Conference Call. (Operator Instructions) Please be advised that today's conference is being recorded. (Operator Instructions)

I would now like to hand the conference to your host today, Glenn Wiener, Investor Relations. Please go ahead, sir.

Glenn Wiener: Thank you. Good morning, and welcome to VOXX International's Fiscal 2020 Fourth Quarter and Year-End Results Conference Call. Our Form 10-K was filed with the SEC, and we issued a press release after market close. Both documents can be found on the IR section of our website. Our call is being webcast live over the Internet, and a replay will be available approximately 1 hour after the completion of this call.

Speaking from management today will be Pat Lavelle, President and Chief Executive Officer; and Michael Stoehr, Senior Vice President and Chief Financial Officer. Both will have prepared remarks, and we will then open up the call for questions. Our Chairman and Founder, John Shalam, is also available for questions.

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, 2020.

I'll now turn the call over to Pat Lavelle. Pat?

Patrick Lavelle: Thanks, Glenn, and good morning, everyone. First, on behalf of all of us at VOXX, I hope everyone is safe and taking extra precautions to remain that way, especially as the U.S. and other countries begin to reopen. These are unprecedented times we're experiencing and our best wishes are with you all.

On our first -- on our fiscal 2019 year-end conference call, we unveiled our strategy to realign our business to improve margins, lower expenses and bring VOXX back to profitability with the end goal to enhance shareholder valuations. We consolidated the international accessory business of Oehlbach and Schwaiger and moved international audio operations under Klipsch. We restructured our domestic accessory business.

We underwent a comprehensive program to get out of older legacy product lines as we are focused on more stable categories, ones where we have leading market share or technology and strong distribution. The restructuring allowed us to sell real estate in Germany, improving our cash position and balance sheet. We had a deal to sell our German accessories operation, which unfortunately did not materialize at that time as the buyer did not obtain financing.

We also changed our reporting segments, given the changes to our infrastructure. Combining accessories and premium audio and breaking out biometrics into a stand-alone segment. Automotive remained our aftermarket and OEM businesses. Lastly, the Board authorized an increase to our share repurchase program. We successfully executed the vast majority of programs we embarked on.

However, our Automotive segment, historically one of our more consistent and profitable ones, was hit hard and took away from the results we were expecting. We said the Automotive Electronics segment sales were anticipated to be down modestly due to lower projected car sales and a few end-of-life programs. Sales were down $47 million, which was far greater than we had planned.

This was primarily due to the delays at certain Ford plants, which impacted the launch of the Explorer program; the end of the GM Escalade program, which ended earlier than expected; and the decline with Subaru, which we had in our forecast. The Ford and GM issues, however, were not, and we moved quickly to adjust our overhead accordingly. We believe there may be compensatory benefits from some customers, and we'll provide updates accordingly.

We always remain focused on innovation, which we believe materialized in a big way. At CES in January, we unveiled our partnership with Amazon for Fire TV and our alliance with SiriusXM-Visa for the e-wallet program, leveraging EyeLock's biometrics technology. In February, we then closed on the acquisition of VSM-Rostra, a well-established company in both the OEM and aftermarket channels.

If you recall, we believe that some of fiscal 2019's delayed business with Ford and GM would be recouped in the first half of the fiscal year, but this is no longer expected due to COVID. However, we are confident that new innovations in our Automotive business will lead to growth over the next few years and that the VSM-Rostra acquisition should perform close to initial projections this year as their primary markets were considered essential by the government and were not hit as hard as others. We are also expecting our 50-50 joint venture, ASA, to continue to generate profitability for VOXX.

We are continuing to win OEM business. And long term, we're still bullish on the segment and our opportunities for growth. I am pleased to announce that we were awarded another $25 million of business with Fiat Chrysler, building on the $275 million program for Fire TV and our rear-seat entertainment system, which I discussed last quarter.

This program is now estimated at $300 million over 5 years and will begin next fall. We were also awarded a new RSE program with Ford that is approximately $75 million over 3 years, starting midyear in 2021. And we expect to start a new program with Nissan for the Armada later this year. This program is valued at $20 million over the next 2.5 years.

While the first half of fiscal '21 will start out slow due to lower vehicle sales industry-wide, volume should pick up in the second half based on programs we have and the segment should be profitable for the year. The next several years should be marked by meaningful growth.

Turning to our Consumer segment. The Consumer Electronics segment, which now includes accessories and premium audio product lines, is where we had the bulk of restructuring. Segment sales were down a little over 1% for the year, and that decline was expected as we discontinued several accessory product lines. But with the revised lineups, and especially the strong performance of Klipsch-branded products, gross margins were up 200 basis points, segment expenses were lower and we generated pretax income of $9.4 million versus a loss of $29.3 million in fiscal 2019.

In fiscal '20, we saw continued strength in sales of premium mobility products, wireless and Bluetooth speakers, sound bars and headphones. We also grew our custom installation speaker business. When COVID hit in Q4, we were able to redirect shipments to North America and the EMEA markets to minimize the impact of the APAC region shutdown, and we continued to see higher sales of home theater, portable Bluetooth speakers, sound bars and other product lines. This was done by the quick shift from traditional brick-and-mortar stores to online sales and expanded distribution.

In fiscal '21, we will be expanding distribution further and have new partners, which should help drive sales again this year across a number of categories.

I covered some of our new products in depth on our third quarter call, but to quickly summarize, we're expecting strong contributions from the personal audio and sound bar categories with the launch of the 5s with power -- which are powered monitors which are happening now, our market-leading ProMedia speakers, our true wireless headphones, new sound bars with Dolby Atmos, Wi-Fi, Google Assistant, and Amazon Alexa, all launching this summer and fall.

And finally, with Klipsch as the official headphone and portable audio partner of the McLaren Formula One team, we have new headphones coming this summer and in the fall. The Klipsch lineup has never been stronger.

Staying with the Consumer Electronics segment. Sales of accessory products were down again as expected due to the restructuring, but we saw higher gross margins and significant overhead reductions. We expanded our market share in the antenna category, added new SKUs at Walmart and were chosen as the exclusive antenna supplier at Home Depot.

We began to see an uptick in the antenna category as consumers again are cutting the cord, a positive for VOXX given our antenna portfolio and leading market share. And with more consumers working from home, the same holds true for various connectivity products. We also added new SKUs to the Singsation brand and had 3 of the top 10 karaoke machines on Amazon, including 2 of the top sellers. Our AR outdoor wireless speakers continue to perform well, and we have the new series scheduled to launch at Costco.

Lastly, the Biometrics segment. In fiscal '20, we again lowered overhead and remained focused on a few deals rather than a wide net of opportunities. Many of these projects were to undergo validation test in our fourth fiscal quarter and some in our current quarter. COVID, unfortunately, delayed plans. In the health care space, for example, testing has just resumed and should be completed in our second quarter.

The e-wallet alliance with SiriusXM-Visa is still underway. The project with IGT as well, and we have a few others within the government and computing industries. Our new EXT and the revised NXT solutions are now in the market. And we have a new partnership with CMITech, an iris recognition systems company with great hardware solutions. Combining their state-of-the-art hardware with our iris software and algorithms, we believe we will have, by far, the best and most competitive authentication systems on the market.

One of the first products from this new arrangement will be a combination of iris authentication and thermal sensor technology for temperature checks. It's designed for facilities where authorized entry is required. It is touchless and checks temperature and will bar even authorized entry if a high temperature is present. We believe this solution will meet the needs of the current COVID environment and expect the first prototype in mid-July. COVID has created a lot of inbound interest in EyeLock and iris biometrics.

With everyone wearing masks and gloves, iris is quickly becoming the preferred choice for authentication and the result is a renewed interest in EyeLock's technology and in the company. Facial recognition is also facing additional backlash given the events of recent weeks. Just last week, IBM announced that they would no longer offer facial recognition technology, and they are not the only ones to take this stance.

Additionally, in Q4, we engaged an investment banker to support us in evaluating strategic alternatives for EyeLock. This could be a spin-off, a financing partner, a joint venture or an outright sale. But I can assure you, everything will be evaluated.

But I have to say, while EyeLock's business and corresponding sales have been slow to materialize, we remain close to the finish line on some of the ventures I spoke about, and now new interest is growing. We did, however, take a noncash write-down on EyeLock's intangibles. With debt maturing in August, we may consider converting debt into equity, which would increase our ownership which we view as a positive given recent developments.

Overall, Q1 will be slow due to COVID, with improvement in Q2 and good momentum moving into Q3. We are planning for this based on the new automotive programs that will begin, Klipsch product launches and new distribution and potentially higher auto volume at EyeLock. I believe that based on everything we have done and assuming that the pandemic is moving in the right direction, VOXX should return to profitability in fiscal '21 with growth on the horizon.

I'll turn the call over to Mike now for the financial review, and then I'll come back for some closing comments. Mike?

Michael Stoehr: Thanks, Pat, and good morning, everyone. I'd like to echo Pat's earlier comments with respect to COVID-19. It undoubtedly has impacted us all, both personally and professionally, and my best wishes are with you all during these unprecedented times. On that note, the pandemic thankfully had minimal impact on operations towards the end of Q4, but had more of an impact on our fiscal 2021 first quarter.

The majority of merchandise resource is outside of the U.S. and many of our vendors are operating in the Pacific Rim. Some factories have been closed and others have or are operating at less than peak capacity. We have been working very closely with our partners to mitigate issues and we've been impressed with the pace in which our teams and our partners have responded.

I'll also add that given the partial shutdown in some of our automotive OEM customers and stay-at-home work orders for virtually all across the country, less work is tied to essential business, the spending environment has certainly been impacted as well. This has and will cut into our net sales, and we are actively managing and cutting costs to offset this.

On the other hand, as Pat indicated earlier, e-commerce sales of some of our Consumer Electronics segment products, both accessories and premium auto, have done quite well, and the interest in EyeLock has certainly picked up.

Now for our results, both for the quarter and year. Note all comparisons for the periods ended February 29, 2020 and February 28, 2019. For the quarter comparisons, net sales declined by $6.4 million. Automotive Electronics segment sales were down $9.3 million due to the reasons Pat covered, offset by a $3.1 million increase in Consumer Electronics.

Within the CE segment, Klipsch was the primary driver with total Klipsch product sales up almost 19%. General accessory product sales were down given the SKU rationalization programs and discontinued product lines. We did, however, see an increase in fourth quarter comparisons for reception products, hookup products and remotes as well as for the activity brand trackers associated with the UHC Motion Program as more subscribers were added.

For the year, net sales of $394.9 million were down $52 million, and the Automotive Electronics segment was the bulk of it, down $47.5 million due to the 2 OEM programs Pat discussed with Ford and GM. The anticipated decline with Subaru and lower aftermarket sales with satellite radio, the biggest aftermarket decline.

While the Consumer Electronics segment declined by $3.5 million for the comparable fiscal years, the segment did quite well considering the restructuring and realignment of the business and the global environment impacting consumers. Total Klipsch group sales were up over 10%. Virtually all key product categories for premium auto domestically were up year-over-year. General accessories sales were down as anticipated given the exited product lines.

Reception product sales were the biggest offsetting factor, up 17% year-over-year as we increased market share and expanded distribution, followed by activity brand trackers on a dollar basis as program sales were up over 130% year-over-year.

Fiscal 2020 fourth quarter gross margins of 28.2% increased by 610 points versus fiscal 2019. This was driven by higher margins in the CE segment and higher sales volumes relative to the Automotive Electronics segment as a percentage of our total mix.

For fiscal year comparisons, gross margins of 27.8% were up 60 basis points compared to fiscal 2019 and 170 basis points compared to fiscal 2018. While we reported improvements for consecutive years, the lower volume in Automotive, which impacted absorption held back what we believe the business is capable of achieving in more normal conditions. As car sales increase and new programs kick in and as anticipated high-margin EyeLock business starts to materialize, we believe investors will see positive impact of the changes we have made to improve supply chain efficiencies and improved margins with a better mix.

Operating expenses were up $9.1 million for the comparable fourth quarter period, and there was a lot of moving pieces in both fiscal years and true operating expenses to run the business were down year-over-year as we continue to take costs out. We reported an operating loss in the fourth quarter of fiscal 2020 of $34.7 million. Excluding noncash impairment charges, operating loss would have been $4.5 million.

In the fourth quarter of fiscal 2019, we reported an operating loss of $30.4 million. When you back out $4.6 million of restructuring and $16 million related to noncash impairment charges, operating loss would have been $9.8 million, thus an improvement of $5.3 million.

On an annual basis, we reported operating loss of $49.5 million. Again, however, backing out noncash impairment charges along with $2.3 million recorded with executive stock rent, the true operating loss of the company was $16.6 million. Keep in mind, we had a big shortfall in the Automotive segment, which was unanticipated. So you can see without this, the company is on the right path.

For fiscal 2019, operating loss was $41.2 million, plus restructuring charges of $4.6 million, $25.8 million for nonimpairments and $600 million for stock compensation, the true operating loss of the company was $10.3 million.

Within other expenses and other income net, there were a number of factors, which are noted in our Form 10-K.

To summarize briefly. In fiscal '20, we had $4.1 million gain on the sale of our Pulheim German real estate, an approximate $800,000 pickup on a prior investment. In fiscal '19, we had a $16.5 million of noncash impairment related to the 360Fly note, an impairment of $3.5 million on Venezuela properties, an approximate $500,000 loss on an investment.

Interest and bank charges were down. And ASA, which is reported as equity and income of equity investee, was profitable yet again, but down year-over-year due to onetime expenses and charges, which we addressed last quarter. Net loss attributable to VOXX was $21.8 million or a loss of $0.90 per share, both basic and diluted in fiscal '20 fourth quarter.

This compares to a net loss attributable to VOXX of $36.6 million or a loss of $1.50 per share, basic and diluted, in the fourth quarter of fiscal '19. And a net loss attributable to VOXX of $26.4 million or a loss of $1.08 per basic and diluted share for fiscal 2020, compared to a loss of $46.1 million or a loss of $1.89 per basic and diluted share in fiscal 2019.

Lastly, fiscal 2020 fourth quarter adjusted EBITDA of $1.8 million improved $5.5 million year-over-year and for fiscal year. Adjusted EBITDA -- for the fiscal year, adjusted EBITDA of $6.4 million declined by $7.3 million.

Moving on to the balance sheet. Cash and cash equivalents as of February 29, 2020, were $37.4 million. This is down from $58.2 million as of February 28, 2019, but an increase of $5.3 million sequentially. Note, in the fourth quarter of fiscal 2020, we used $16.5 million in cash to fund the asset purchase of Vehicle Safety Holdings Corp.

We also used $2.7 million to fund the share repurchase program. Total debt as of February 29, 2020, was $8.2 million, an improvement of $9.4 million year-over-year. This consists of our Florida mortgage and our euro asset-based lending obligations to support our German operations. Total long-term debt as of February 29, 2020, was $6.1 million as compared to $5.8 million as of February 28, 2019.

Lastly, on June 11, we entered into a new amended agreement with Wells Fargo Bank as our lender. The agreement now ends on April 26, 2020, and it has been amended to $127.5 million as a maximum revolver amount plus an unused line fee equal to 50 basis points. We expect to file a Form 8-K on this tomorrow.

I'm going to turn the call back to Pat for closing remarks. Pat?

Patrick Lavelle: Thank you, Mike. It's challenging to forecast our business. And with COVID-19, that remains even more so. But we've looked at different models and as we put our budget together this year, we took a conservative approach in our sales projections and buying programs for the first half of the year.

We are anticipating a slow start, but also believe that as we move out of the second quarter, based on new programs with Klipsch, new placement of accessory products, new OEM programs beginning and hopefully, more stability in global markets, we'll start to see not only growth but true leverage in earnings potential.

Due to the impact of COVID-19 in the first quarter, we have cut overhead aggressively and will only add back cost as business improves. Gross margins should hold relatively steady. Our balance sheet remains in good shape, and we have access to capital at attractive terms. This is a big asset for VOXX as it provides us with the flexibility to move forward quickly should the right opportunity emerge and also provides us with greater stability to run our business.

This concludes our remarks, and we are now ready to open it up for questions.

Michael Stoehr: Excuse me, Pat, I want to just clear, I said it was April 2022, not 2020. I misread the report. The bank lines were extended to April 2022. Thank you.

Patrick Lavelle: Thank you, Mike. That's an important note. Okay. Operator?

QUESTIONS AND ANSWERS

Operator: (Operator Instructions) Our first question comes from Thomas Kahn with Kahn Brothers.

Thomas Kahn: You paid $16 million in cash, I believe, to buy Vehicle Safety. Is that correct?

Patrick Lavelle: 1-6, yes.

Thomas Kahn: And normally, I would expect, if I did an acquisition that I would have like a 10% return hurdle rate. So I'm wondering is Vehicle Safety earning money? Are they going to earn 10% on the cash that you put into it? Or where do you stand with that one?

Patrick Lavelle: The way we looked at this program, they had -- they were profitable. They had a fairly strong EBITDA, okay? And there are 2 aspects to the program with VSM. One, they are a manufacturer. So moving their facility from New Jersey down to our Orlando operation will increase the absorption here in our building.

So when we looked at the operation, it is not only the EBITDA that is being generated by VSM-Rostra, it's the additional absorption that will increase the overall margin for the OEM company here. And when looking at those 2 improvements to our consolidated statements, it's well above 10%.

Thomas Kahn: Okay. Well, that's good to know. Putting the 2 together, we have $1.6 million of benefit in some fashion from this deal.

Patrick Lavelle: Higher than that, Tom.

Thomas Kahn: Okay. Second and last question. EyeLock. In the past, I've asked you to hire an investment banker because I think EyeLock is a very exciting company. And with the right investment banker, a hungry investment banker, a banker who does deals in the $100 million to $300 million range, a very attractive piece of business, particularly an IPO.

And in this market where there's so many speculative companies that do IPOs and with the advantage that we have with EyeLock, facial going out and all the rest of this, I would think that this would be a great time for a speculative underwriter to do an IPO, not getting (inaudible) homework from the underwriter.

And another one and recoup maybe the $60 million that we put into EyeLock fell 40% of it. That's what we do. But I mean I wouldn't give anybody, an eye banker or anybody else more than a month or 2. If they don't come up with anything, I'd say thank you very much, we're done with you. We'll try somebody else.

Patrick Lavelle: But one of the issues that we have, Tom, is COVID had delayed a lot of meetings, in-person meetings and everything else. So we really have to wait until people to come visit the operation, meet with the teams and everything, which is now starting. I believe our first meeting is scheduled for the end of June.

So as the states open up, we'll be able to -- we have a number of companies that expressed interest, signed NDAs and things like that. But until we start engaging with the people and they can come in and see the technology and everything else, it's going to take some time.

However, I could tell you the banker that we selected has deep experience in the biometric space and very good contract -- contacts with companies that are either using competitive biometrics that may need to change or companies that have already expressed interest in iris in the past. So we think we've got the right guy. And I agree, he's hungry.

Thomas Kahn: And just to finish up on EyeLock, please. So I wouldn't give this banker more than a few months because I think the window is open for an IPO now. And if he doesn't do it, get somebody else. And I told you this a number of years ago, to test client, to find a bank where you'll do it at no cost to them, to put iris recognition as opposed to putting your card in and all the rest of this. And I think time is of the essence. I mean this is the time...

Patrick Lavelle: Well, there's no question, Tom. I mean in light of what's happened with COVID, and if you just take the hospital situations with PPE being used and all facial systems did not work. People walking around with masks on, it will not work. Nobody wants to touch anything. So what do we have in EyeLock?

We have a opt-in system, okay, that will be able to authenticate through all -- whether you have masks or PPP on -- PPE on and is more secure than any system out there. But one of the big things is it's an opt-in system. This is not like facial where we're seeing pushback on facial. You have to opt-in to be on an iris program. And I think that's something that's overlooked, but in the environment we're in now, I think that will become a strong advantage.

Thomas Kahn: But if I were you, I would pay a small bank in Florida to put in iris in a branch or 2 and get huge publicity in the newspaper and on television and everything else.

Patrick Lavelle: Well, we have a number of locations that have our iris biometric. I think our new CMITech relationship is one that's going to bring us not only the latest in hardware, okay, but also a very, very competitive price. And with what I had mentioned previously, there are different iterations of systems that we can develop that will meet the needs of the marketplace, given what the marketplace needs today.

Operator: Our next question comes from Eric Landry with BML Capital.

Eric Landry: I just want to make clear is the -- is this banker that you've engaged only looking at EyeLock or is he looking at options for the entire portfolio?

Patrick Lavelle: No. This is only for the EyeLock operation.

Eric Landry: Okay. So then on ASA, you talked about some onetimers in the past 2 quarters. I think it was a warranty issue, if I remember correctly.

Patrick Lavelle: Correct.

Eric Landry: Are we past all that now?

Patrick Lavelle: Yes. They'll have some residual expenses that will come into this year, but the real impact that we're going to see, and we're anticipating a little lower income from them based on the fact that COVID has affected them in certain areas. So -- but we still think that they're going to generate a significant portion of the profits.

Eric Landry: All right. It looks to me like the -- some of the bigger manufacturers are bouncing back quite strongly right now.

Patrick Lavelle: Well, right now, what we're seeing in the car business, if that's what you're specifically talking about...

Eric Landry: No, no, no. I'm talking about ASA, but you can talk about the car business as well, if you like.

Patrick Lavelle: Well, yes, the car business is -- obviously, they were shut down in the first quarter. So that's impacted us. But as they open, there's pretty strong demand. It's very, very good promotions. And we are already starting to see shortages of certain types of vehicles, like trucks and things like that. So we believe as the manufacturers start to ramp up, that we'll start to see some robust business in the end of the second quarter and the third quarter.

All right. Well, let me just give you a caveat on that. The projected sales last year were somewhere around 17 million cars and trucks, like trucks. This year, it's -- the estimate is anywhere between 14 million and 16 million. So it will be down from last year, the number of vehicles sold in the U.S.

Eric Landry: Pat, you mentioned something earlier in the call like you folks there believe that the combination of CMITech and EyeLock provides this venture with, by far, the best, I think you said technology in the...

Patrick Lavelle: The best authentication, yes. We believe that.

Eric Landry: Okay. Okay. So what can you -- where can you point us as outsiders who see no sales or anything like that? Where can you point us to look to -- so that we can be confident that indeed this combination does have the best technology in the business? Where can we look as outsider to figure that out?

Patrick Lavelle: The -- look, we are located. We do have our equipment in various banks. We have in locker rooms of NBA teams and things like that. But I think on a go-forward basis, when you're looking at EyeLock, the -- as I said, we believe that EyeLock has come to the forefront now.

Eric Landry: But what makes you believe that? What is it that makes you believe that EyeLock is better than everybody else?

Patrick Lavelle: Well, let's put it this way. First off, the interest we're getting since COVID, when you're wearing a mask, when you're in a hospital and you have all the PPE on, okay, and you walk up and you have gloves on and now you have to give your fingerprint or now you have to show your face to either open a medical cabinet or open a door or anything, you've got to take your glove off, you've got to take your mask off and everything else.

EyeLock would require none of that. Okay? It's touchless. And even if your face is covered, which -- if you've seen some of the pictures of what PPE looks like, you will see that the eyes are clear and we will be able to see the eyes and authenticate. That's a big advantage for that technology.

Eric Landry: Right. But Pat, let me interrupt you. So what you're talking about is iris relative to face. What I thought you were indicating earlier in the call...

Patrick Lavelle: And fingerprint.

Eric Landry: Yes. What I thought you were indicating earlier in the call is that iris relative -- or EyeLock relative to the other iris players had the best technology in the business. Did I misinterpret that?

Patrick Lavelle: No, it does -- no because it's -- today, iris is just as competitive as facial and/or fingerprint. The advantages that you have with iris is we use a double live eye scan. And in the case of facial, okay, Apple's 3D facial, their claim is 1 in 1.1 million false positives. We use a double live eye scan. And that double live eye scan gives us 1 in over 2.5 trillion false positives. So it's the most secure biometric on the market short of DNA.

So that's the advantage. It's more secure. It's just as convenient. It works better in places where people have face coverings on, masks, things like that. We believe in today's environment, its opt-in requirement is something that takes care of a number of privacy concerns that people have. So when you put it all together, this has emerged in our estimation as one of, if not, the best iris biometric solution on the market.

Eric Landry: I understand all that, Pat. But if EyeLock technology is no better than or perhaps inferior to someone like Iris ID or Princeton or all the other iris players, it doesn't get you very far. So what I thought you were saying earlier in the call is that you believe

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that EyeLock's technology is better than the other iris players, but perhaps you weren't saying that.

Patrick Lavelle: Yes. I am saying that as well. When we look at our EXT, when we look at our standoff distance against all the other iris players, we exceed their capability. And that's in third-party tests.

Eric Landry: Okay. So there's a study out there that we can reference that will indicate that indeed the EyeLock stuff is better than what everybody else is offering.

Patrick Lavelle: Has tested better, yes.

Operator: Our next question comes from Beat Kahli with Kahli Holding AG.

Beat Kahli: I want to focus on EyeLock quick a little bit too. Looking at your balance sheet, which total balance sheet $441 million, $217 million, current asset (inaudible) about $224 million, somewhere EyeLock valuation is buried. How much of this roughly $224 million noncurrent assets which have goodwill, have intangible assets, et cetera, is EyeLock? So in other words, what's the valuation of EyeLock on your consolidated balance sheet as of the end of February?

Patrick Lavelle: Okay. Mike, you got that number?

Michael Stoehr: Yes. If you -- on the 10-K, by the way, on Page 92, you will see a full outline of how EyeLock is carried separately. But when we consolidate EyeLock in, there is not a substantial amount carrying value on our balance sheet. In fact, we had written off the intangibles as of February 29, 2020.

Beat Kahli: So in other words, you're basically saying that on this consolidated balance sheet, you are having your interest in EyeLock which -- it is a marginal amount. In other words, I mean, if EyeLock has the value of $100 million or $200 million, it's easy another $5 million to $10 million just EyeLock.

So I mean -- so basically, the investor on Page 92 can find that out. But am I correct to say that EyeLock's valuation, which I consider to be the most important asset which the company has in given time is basically on the balance sheet with a nonmaterial amount reflected?

Patrick Lavelle: Well, the only thing there would be the debt that we carry on the books for EyeLock, which we would then be able to convert.

Beat Kahli: Understand, but you have that consolidated. So I mean that's in your liabilities.

Patrick Lavelle: That's right.

Beat Kahli: So I mean that's sort of good news, but sort of surprising. So -- but understand that's gap. So another question is, is there any EyeLock contracts, for example, the SiriusXM contract with EyeLock, is there any update there? I mean that was kind of like nicely featured by you a little while ago. Anything happened with SiriusXM and EyeLock?

Patrick Lavelle: Unfortunately, due to COVID, Sirius was not able to get around to do all the testing and visitations that they plan to do with their customers. We understand that the program is still ongoing, and they plan to resume. So it's a delay. That's unfortunately what's happened when we shut down.

Beat Kahli: Okay. I understand. But it's still going. On the CMI partnership, I mean, there is exclusive distribution rights, et cetera. Besides that, are there any other direct benefits to EyeLock? How do you think this partnership will improve the current EyeLock product? I mean it's a little bit -- I mean CMI, I mean, again, great news for VOXX, great news for EyeLock, but it's a little bit difficult for an investor to understand what the CMI partnership really does for EyeLock, for our company?

Patrick Lavelle: Well, the first thing is that their hardware solution is state-of-the-art and it saves us from going out and redeveloping some of our perimeter access products. So it saves a fair amount of R&D work in developing our next-generation of perimeter access products. The key there though is their ability to move quickly as the market changes.

And the reason why I referenced the new product that we'll see prototypes in July is that this was a direct result of them being able to move quickly because of their manufacturing capability and us being able to work closely with them to embed our algorithms, embed our solutions in their product to bring something quite novel to the marketplace in a relatively short period of time. That's the advantage. Plus there are certain marketplaces that they serve that we believe would be helpful to the EyeLock technology and program because of their reach that we don't have.

Beat Kahli: Okay, got it. So your question, the Fire TV partnership with Amazon, what happened there? And is that part of the $375 million new Automotive contracts?

Patrick Lavelle: Yes, that's the -- we started with the FCA program and Amazon and working with Amazon to bring Fire TV to the car is an important program from them. They noted our position in the marketplace for rear-seat entertainment. And we've been able to put a collaboration program together where we'll be able to have Fire TV in the car sometime in the middle of next year.

Beat Kahli: Okay. So what happened with SOLO? I mean the children's safety vehicles product, haven't seen that in the 10-K.

Patrick Lavelle: SOLO, we continue to work on SOLO again. Our game plan coming in after the CES show was to visit all our key customers for demonstrations, discussions as to how they would want to see a system like that configured. That was all put on hold as the company shut down. So that program will be a resumption.

That will start as soon as we can get in. There are a number of companies that are still not allowing visitors into their operations. So as soon as we can open up and get those demonstrations done, get those engineering meetings done, I would be able to report better as to where we are there. That problem of hot car death for children is not going to go away. So we will continue to develop that with any interested OEM that we can generate.

Beat Kahli: When I analyzed, I mean, obviously, as always in a situation like this, there was only the night to look into your release of yesterday, but something which jumped out is that, while your revenue overall only decreased by 11% and your gross profit margin, by and large, remained stable, your EBITDA margin decreased by almost half. Is that, maybe for the CFO, what's the reason behind that? I mean normally, with an 11% revenue decrease, stable margins, I wouldn't see EBITDA decrease by almost half.

Patrick Lavelle: Go ahead, Mike.

Michael Stoehr: I'm sorry, I didn't understand the question.

Beat Kahli: When I looked at your P&L, I'm seeing that your revenue decreased by 11%. Your gross margin remained overall stable, but your EBITDA margin decreased by about half or almost half. What's the reason for that?

Michael Stoehr: The EBIT -- the -- what's happened that the EBIT margin went down is the overhead didn't come down as fast as the sales came down. And we put into a lot of -- in the fourth quarter, we addressed reducing the overhead, which is really what's driving that number.

Beat Kahli: But it's significant. So you're basically saying -- I noted well that and congratulations, Pat, and thanks for that, that you aligned your compensation much better with the company's performance. But still seeing the EBITDA decreasing that much compared to the year ago suggests that the operating expenses are still too high. And I think you gave that answer, came to the same -- not only conclusion, that that's the case. So will we see that adjustment in Q1 of the New Year now? Or I mean what did you do to adjust operating expenses more with revenues?

Patrick Lavelle: Well, that goes with what happened with COVID and what we saw coming. We aggressively took out a lot of market. We furloughed over 150 people in the United States. We furloughed, according to German laws, a number of people in Germany as well. We've taken across-the-board pay cuts, not only at the executive level but all remaining employees.

So what we think we've done there is that we took a very aggressive because we thought the COVID situation would be much worse than it's actually turning out to be and we cut overhead very, very deeply. But as we see business start to come back and we get busier, we're going to have to bring some of it back, but my anticipation is not, we will not bring it all back. And it will be a significant reduction in overhead year-over-year.

Michael Stoehr: And as Pat mentioned, we saw some of the benefits in the fourth quarter, which will come into fiscal 2020.

Beat Kahli: Yes. In listening to previous calls, one of the favorites was your stock buyback program. And as you all know, I mean, your stock below book value. And what I appreciate is the conservative makeup of the balance sheet. It's literally no debt. However, I mean, having a stock price, which is whenever you look at it 1/4 or 1/3 of book value having the availability to buy stock back. And you mentioned it all the time, you have a program, et cetera, but it looks like that you are very careful or very reluctant to really exercise it.

And I mean, look, I'm a big fan of solid balance sheet. And I admire you for that. I mean, look, VOXX will not go under, but for shareholders to see a stock at 1/3 of valuation. And then even to learn that EyeLock, which is probably one of the best products, which anybody can have in COVID-19 is literally not valued on that balance sheet, I mean, I'm just wondering, looking at the operational losses, why aren't you, I wouldn't even say more aggressive, but why aren't you pursuing more your share buyback program because, I mean, it's hard in this world with COVID-19 and everything to make money in any business, but the easiest for you is to buy your own stock back with ample balance sheet strength and make a profit.

I mean I personally as the largest shareholder on record for the company, we'll probably even pay a bonus for that, so -- because that would be relatively easy. So I'm asking you, again, like others before me, before I participated, in those calls asked you why aren't you more, I'm saying it again, aggressively buying stock back at the moment, so -- and still having a very, very solid balance sheet.

Patrick Lavelle: Well, Beat, this is where we are right now. We believe that there -- the thing that has consistently and always drove the share price for this company up was improving EBITDA, okay? And we can do all moves that we could make on lowering the outstanding shares, doing share buybacks and everything. But the one thing over the entire time where we have been a public company, our share price moved when our EBITDA moved up.

And our focus here now is to, at this point -- although we bought 581,000 shares back last year, our point on a go-forward basis here is to pick up some synergistic operations that will improve our EBITDA, improve our market position. And we think at this time, in light of what's happened with COVID and the potential of acquiring some good brands, good market, good sales, good margin are present and let's see what develops.

And if we see something really good, we're going to move on it. If we don't, we probably will continue our buyback program. But I believe that there are going to be opportunities that are facing us that are going to be very, very worthwhile to move on. And we'll...

Beat Kahli: Pat look -- I mean it looks fine. But I mean, I think I would love to see from the CFO for you when you see an opportunity, if that opportunity really shows potential, which is larger than buying stock back for $5.70 or $5.50 or $5 or you have a valuation of almost triple just on your books without EyeLock even having a significant value, I mean, I'm not a fan always of share buybacks in general.

I mean I think it often gets abused, but it's very, very rare that the company has a market valuation, which is 1/3 of book, has a balance sheet which is almost literally just equity hasn't valued EyeLock at any significant point, which we all believe and hope that's very significant value. I'm not so sure.

I mean if I looked at your acquisition in January, if you could compete with your own stock by buying it back for present value on the market and then look in 5 years, what would have been better, at least on your books, I mean, as you're going back to profitability or the safety company which you bought, but the [cherry] is out on that, but thank you for your answer, Pat.

Patrick Lavelle: Okay, Beat, thank you.

John Shalam: And Beat, this is John Shalam. And I'd like to add to Pat's comments as well in terms of buybacks. Frankly -- buyback is a good strategy. However, I honestly believe we have much better use for our cash and for our capital than buying stock which will give a short-term boost to the stock. We have plans for long-term developments.

We were looking at some new possibilities, and the use of our cash is going to be much more valuable than buying back stock at this time. That's -- I think that's very important for us to use our balance sheet and our strength to improve our sales and to improve our profitability and add to our operations. So for the time being, I don't think it's a good strategy for us to use up our cash to buy back stock with 6 months from now. Unless everything else materializes, we'll have no impact on the stock. That's it, Beat, sorry.

Beat Kahli: John, I mean, from an entrepreneur with 6 decades of experience with the reputation of you, I like to hear that. But we will test you in a year and 2 years, if that was the case. And I think maybe in the meantime, I will just continue or consider to buy the stock, which you are not doing, which may have the same effect for shareholders at the end because sincerely, if you can really make more money by buying long-term and sustainable assets with your balance sheet, with your resources, then I sincerely would consider on my side to continue to buy the stock, which I think has a triple value and then I think we'll reach the goal for everybody the same.

So but you still are telling investors in all your communication that you have a share buyback program and I was just wondering why you are so reluctantly issuing it at this favorable valuation based on your own balance sheet without even EyeLock valued in there. And having said that, I accept your answer.

I mean you're a great entrepreneur. And I think the valuation of VOXX, and it hugely depends a lot on your credibility and on your accomplishment. And hence, if you're saying that you can find better investments for the resources of VOXX than buying back stock, I take that, but we'll test it.

John Shalam: Well, that's exactly the strategy, and we're aware of many pending developments. We are experiencing strong growth in some of our operations. We have major, major developments coming in into our Automotive group next year. All of these things will require substantial capital, which we now have available and will serve us a great deal better than owning more shares than we now have. So Beat, I'll depend on you to execute the buyback program. Thank you.

Beat Kahli: As I cited in my SEC disclosure, I am prayerfully considering it but because I have already around 4 million shares on record, I'm probably the largest shareholder, I will go slowly if at all. So I think -- but I'm pleased with your spirit and from your mouth, I think, yes, I mean, I'm sure that's better investments than VOXX stock, but looking forward to the proof of Pat and you to execute.

John Shalam: Thank you, Beat. We appreciate your continuing support and interest in VOXX.

Operator: Our next question comes from David Cohen with Midwood.

David Cohen: I just -- I didn't necessarily catch all of the prepared remarks. But I'm wondering, were there any prepared remarks that addressed the first quarter now that it is actually over given the timing of this call on our fourth quarter results?

Patrick Lavelle: No. We -- obviously, the first quarter, everybody knows, is going to be impacted by what's happened with COVID. The car manufacturers were shut down. Many of the dealerships were shut down. So what I've indicated is we're going to have a slow start in the first quarter, but we will have our first quarter call, will be sometime in the middle of next month, we'll be able to go in more detail with you.

David Cohen: Right. Well, that -- I mean I can understand that related to Automotive, but can you -- what sort of general comment can you make at this point about Consumer Electronics in the first quarter?

Patrick Lavelle: Consumer Electronics performed pretty good. We had -- because of the switchover to online business, we did not -- we had access to markets, and the markets were very active during that period. So we had some positive surprises. And we expect -- although it was better than what we had originally forecasted, but we expect to see the Christmas, the third quarter, which is really our Christmas quarter, really start to improve

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based on the additional distribution that was added during the -- and a lot of it being online during the 3 months of the shutdown.

Operator: (Operator Instructions) Our next question comes from Brad Leonard with BML Capital Management.

Braden Leonard: Pat, just a couple of things here. You said your stock has risen when your EBITDA has risen. EBITDA has been going down for long time. I mean I don't know the last time it's been up year-over-year, maybe 6 or 7 years. I know there's a lot of charges in there, but I'm just looking at the data on my icon. So you can talk about this, and yes, this is great to have EBITDA going up.

But it's not just improved EBITDA, it's improved EBITDA or EBIT per share. So if you issue more shares to buy something or whatever, that's not necessarily better than buying back stock. I mean what is increasing EBITDA per share at the highest level? So I think that's important to point out. I'm sure you guys know that, but just going out and doing acquisitions and having your EBITDA go up if you have to issue a bunch of shares, it's not helping the shareholders at all?

Patrick Lavelle: Well, I can tell you that I don't think we've ever purchased or maybe 1 purchase we've done in years past that we used shares. We normally use cash. Look, when you look at our business, our business runs in cycles. And because of that, we have diversified over the years.

A disruptive technology could impact this business or wipe out a complete category in short order. So to protect against that, we've diversified many years ago to prevent any one shock from being a company killer, and we've seen company killers over the years. Some years, the total business, maybe with a recession, all the groups are going to be down. But many years, you've got some up, some down depending on the influences in their market. In good years, all of our operations are moving in the right direction.

And I believe that we might be entering into that cycle now with the new Automotive programs that we have, the additional distribution that we have slated for our commercial teams, our Consumer Electronic teams and the interest that we see to either drive more sales of EyeLock product or create a situation where maybe we do something with another partner to move this technology along quicker, or maybe we do a spinoff and have it come off our books. But that's the way our business runs. It's been running like that for 40 years.

But it was designed so that being in the electronics business, you can have a technology that can wipe you out in short order. And we've been set up to do that. We've been here since 1960. And the times when the stocks really move is when everybody is moving in the right direction and the EBITDA is growing.

Braden Leonard: Right, I understand that, and I don't disagree. And I understand the nature of the business, but creating a long-term shareholder value has not been -- we have not been successful in this, right? And so the stock is where it is. And so I understand the ups and downs of the cycle, and that's your job to manage it. I don't have to choose the investment, but -- so we are where we are. On your auto business, of your numbers that you guys throw out there, remind me, again, this is not a guaranteed number. This is based on projections of a certain amount of cars they're going to sell. Is that correct?

Patrick Lavelle: That's exactly right. It's based on projections of what they're going to sell of the cars that we are on.

Braden Leonard: Okay. So hopefully, that comes in, it may not come into that amount, that's...

Patrick Lavelle: Hopefully -- obviously -- yes, because the difference is this is not an accessory program for the FCA program with Tier 1. So they know how many cars they're going to build. They're going to build those cars. And so it's -- in our estimation, it's a much tighter number than you're supplying an accessory that a car dealer can order from the manufacturer. They have certain trim levels that our equipment is going to be on, and we can count to those numbers of vehicles that they're going to make that's going to carry the product.

Braden Leonard: But what if they don't end up selling that many vehicles?

Patrick Lavelle: Well, look, that's always a possibility.

Braden Leonard: I mean they don't know how many they're going to build in 2 years. They may have budgets, but they don't know for sure, so...

Patrick Lavelle: That's the nature of the business. Look, even if we had contracts that we're going to take so much, those contracts...

Braden Leonard: I understand. I understand. Okay. So back to creating value here. So you guys have claimed in the past. So that the Klipsch business is worth more than you paid for it. So that's like $8 a share. So if you were really serious about creating a bunch of value, you could say, hey, we're going to buy a bunch of stock back at $4 and $5 a share, and then we're just going to go out and market Klipsch in a year, and we think it's worth more. We've told everybody that, and we're going to see. So if you bought back a bunch of shares at $4 or $5 and then you go out and sell Klipsch for $8 or $9, you create a lot of value. And that's just financial arbitrage, right? And so...

Patrick Lavelle: That's true.

Braden Leonard: I mean it is what it is. If we're really serious about it and creating value versus building a bigger company that may not be more valuable, I think you could do that. So I guess my thoughts on that. We discussed that a year ago. And a year later, we're kind of still hoping for better things in the future. Who's the banker? Can you guys say who the banker is?

Patrick Lavelle: We've -- this is not something I would want to get into at this point. As we get more involved with some of the people that we're signing NDAs with, I may let that out.

Braden Leonard: Well, companies usually when they go through some sort of a process on a review of a business line, and oftentimes, they announce they've hired whoever Goldman, [Marrow], I don't know. So I don't see -- whatever is fine.

Patrick Lavelle: We can't get into it.

Braden Leonard: Okay. All right. So lastly, on the EyeLock and this discussion about it's better. I understand the problems with the facial recognition with all the PPE mask whatever everybody is wearing. So but what about against something like one of your competitors? And I know it's not a direct competitor, it's EyeVerify, which is now called, I don't know what they call themselves, ZOLOZ or [Veloz] or whatever they are. So Wells Fargo has that built into their app for their mobile banking. So it works fine. I have a Wells Fargo account. It opens up on my app, scans it, it works. So I mean why is your product better than theirs?

Patrick Lavelle: In the case of where we have great strength over others is outdoor, okay, because of the technology that we have, the licenses that we have. The licenses that we have are not available to everyone in the iris space. The other is that our standoff distance, depending on the application, is the greatest that we've seen of any iris biometric.

And that standoff distance is going to give you more flexibility in the number of applications that you can use iris. So when we compare ourselves to other iris companies, and believe me, we look at all the other technology, we see that our systems are far superior. And therefore, in testing and things like that, if we were up against another iris company testing -- depending on the application, if it's outdoor, we're going to win it. The standoff distance does not have to be right upfront like a phone, we're going to win it because our technology is simply better.

Braden Leonard: So you mean, your product works better further away than the others?

Patrick Lavelle: Yes. We've had programs with the military where we've run, I don't know, 50 Army personnel through an HBox, where we had a program that we sold last year, our HBox. And they -- it caught all 50 of them in a minute. It's a different technology that we use that allows us to have a much better standoff distance.

Operator: Our next question comes from Thomas Kahn with Kahn Brothers.

Thomas Kahn: Just looking at the filings, it looks like maybe Mr. Kahli and clients of Kahn Brothers own upwards of 30% or 40% of VOXX. So because we, with our clients,

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own 30% or 40% of VOXX, I think what Mr. Kahli says should carry some weight and what I say should carry some weight.

Patrick Lavelle: It always has.

Thomas Kahn: Okay. Well, so far, we've got a bloody head here, but as far as EyeLock goes, if we sit back a year from now and nothing's happened with EyeLock, we're slowly going to miss whatever opportunity we have. So I'm encouraging you, I don't know what banker you have, whether they're hungry enough or whatever, but when I see all the speculative underwritings that take place with companies that lose money and they'll have a little sizzle, but nothing and then I see that, probably there's some huge amount, how much did we put into EyeLock?

Patrick Lavelle: Approximately $60 million.

Thomas Kahn: $60 million (inaudible) is there an opportunity for us to get a return on our capital, get our money back maybe, have upside. I think this is the window. And John, I know you're listening and you're the man, but it's up to you, John, push somebody to get this done so we can get back our $60 million, still maintain some upside.

Patrick Lavelle: Tom, that's the game plan.

Okay. Operator, any further questions?

Operator: I'm not showing any further question.

Patrick Lavelle: Okay. I want to thank you all for your interest in VOXX. We had some very interesting conversations today. We are feeling good about what we're seeing in the next few months. So I look forward to talking to you all again next month. And until then, stay safe.

Operator: Ladies and gentlemen, this concludes today's conference call. Thank you for participating. You may now disconnect.