

INVESTING IN
INNOVATION FOR
OUR CUSTOMERS



Sidoti & Company
Winter Small-Cap Conference

January 19-20, 2022

Safe Harbor Statement



Exchange: Nasdaq
Ticker Symbol: VOXX
Headquarters: Orlando, FL
Fiscal Year-End: February 28, 2021

Market Cap*: ~\$229 million
Stock Price*: \$9.59
52 Week Range*: \$9.06 - \$27.78
Average Daily Volume*: ~143,000 shares

** As of January 10, 2022*

Disclaimer

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 28, 2021, 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.

About VOXX International Corporation

Driving Innovation For Over *60 years* – *Profitable and Growing*

- **Global manufacturer and distributor of lifestyle products to consumers worldwide**
- **Three business segments: Automotive Electronics, Consumer Electronics & Biometrics**
- **Diversified product portfolio, over 35 brands, and impressive engineering capabilities**
- **Strategic supplier to many of the world's largest Tier-1 OEMs and leading global retailers**
- **Delivered significant YOY top- and bottom-line growth, with opportunities for expansion**
- **Strong Balance Sheet*: ~\$21M in cash / ~\$10M in long-term debt / untapped \$140M Credit Facility**

Our Business Segments and Offerings



Sampling of Automotive Electronics Products

- Mobile multi-media infotainment products, including rear-seat, in-dash, overhead and headrest video systems
- Remote start, vehicle access and security systems
- Smart phone telematics applications
- Turn signals and lighting products for OEM's
- Various aftermarket offerings, including auto sound systems, satellite radio, power accessories, collision avoidance, driver distraction, sensing and camera systems, power lift gates, and more...



Sampling of Consumer Electronics Products

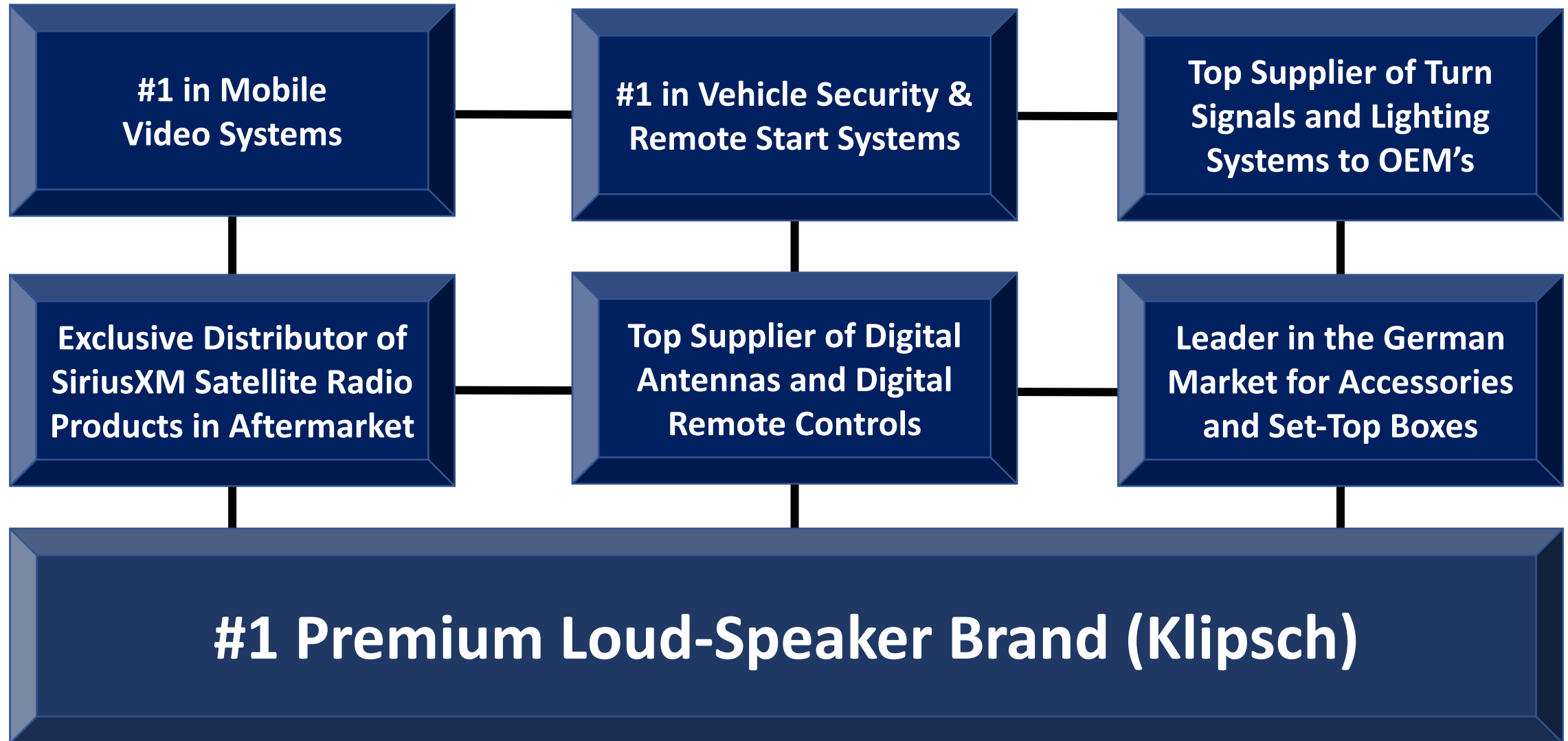
- Premium loudspeakers, computer speakers, commercial speakers, wireless and Bluetooth speakers, etc.
- Home theater systems, and streaming music systems for residential and commercial applications
- Headphones, soundbars and sound bases
- Digital antennas, remote controls, accessories, power, charging and connectivity systems
- Karaoke products, nursery products, set-top boxes, home and portable stereos and indoor/outdoor speakers
- Various digital media products



Sampling of Biometrics Products

- Physical security and embedded solutions utilizing EyeLock's patented iris authentication product suite
- Physical security products: NANO iXT, NANO NXT, NANO EXT, MYRIS, accessories and software
- Embedded solutions: Jericho, Kimber and Harrington
- Indoor and outdoor iris authentication solutions for industrial, commercial and residential use
- New solutions introduced in FY21 addressing global COVID-19 pandemic

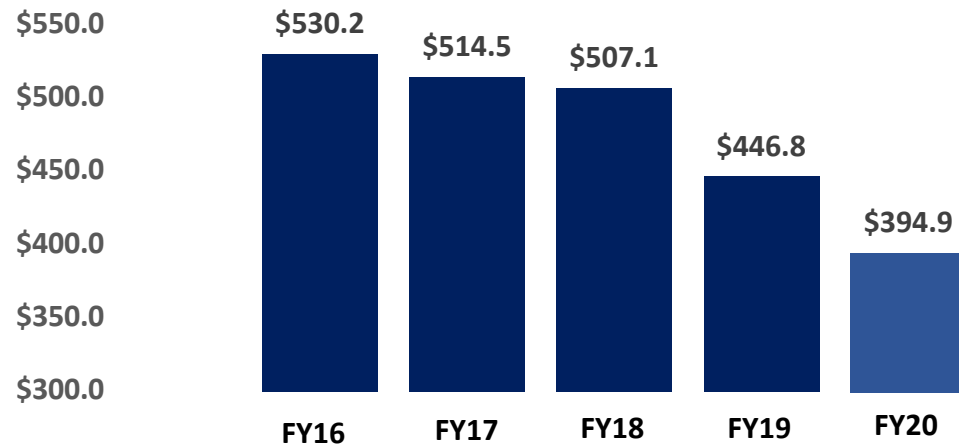
Strong Brand Recognition and Market Leadership Positions



Recent History: Transforming our Business and Evolving with Technology

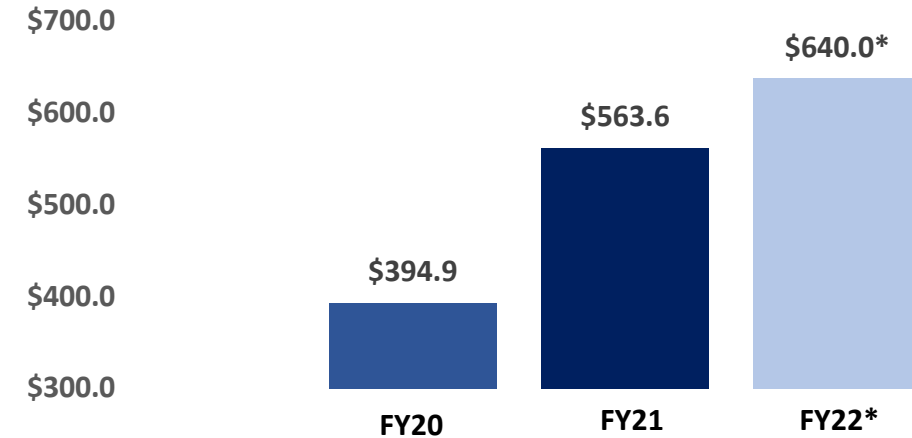
(\$'s in millions)

Total Net Sales (FY16-FY20)



(\$'s in millions)

Total Net Sales (FY20-FY22*)



- ❖ **FY16 – FY18:** Premium Audio up / Automotive down
- ❖ **FY19 – FY20:**
 - Realignment of the business
 - New segments formed
 - Operations/facilities consolidated
 - SKU rationalization / exiting categories
 - New technologies introduced

- ❖ **FY20 – FY21:**
 - Managing through COVID-19
 - Premium Audio expansion
 - New Automotive programs awarded
- ❖ **FY21 – FY22:**
 - Global supply chain constraints
 - Expanding distribution and customers
 - Strategic acquisitions

Fiscal 2016 and Fiscal 2017 net sales were reported higher in the Company's Form 10-K and adjusted in the Fiscal 2018 Form 10-K to account for the divestiture of Hirschmann Car Communication GmbH on August 31, 2017. Estimates for FY22 represent the most recent estimate provided by management in October 2021. The Company's Fiscal Year ends on February 28th.

Coming Off One of the Most Profitable Years in our History (FY21)

Delivered Significant YoY Gains Across the Board (Top- and Bottom-Line)

Consolidated Net Sales		
\$394.9M	+ 42.7%	\$563.6M
FY20		Q4 FY21

Consolidated Gross Profit		
\$109.8M	+ \$48.8M	\$158.5M
FY20		FY21

Operating Income (Loss)		
\$(50.3)M	+ \$72.8M	\$22.5M
FY20		FY21

Net Income (Loss) Attributable to VOXX		
\$(26.4)M	+ \$53.2M	\$26.8M
FY20		FY21

EBITDA (Loss)		
\$(11.9)M	+ \$56.3M	\$44.4M
FY20		FY21

Adjusted EBITDA		
\$4.9M	+ \$42.1M	\$46.9M
FY20		FY21

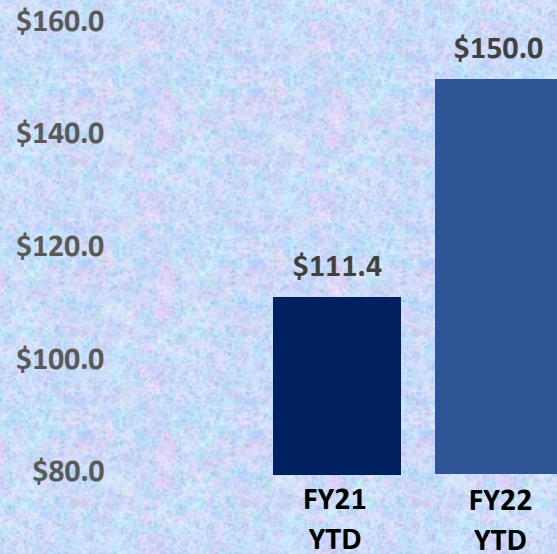
Today: FY22 YTD – Growing in Each of our Business Segments

FY22 YTD Net Sales of \$472 Million vs. \$401.1 Million – Up \$71 Million or 17.7%

YTD Comparisons (F22 vs. FY21)

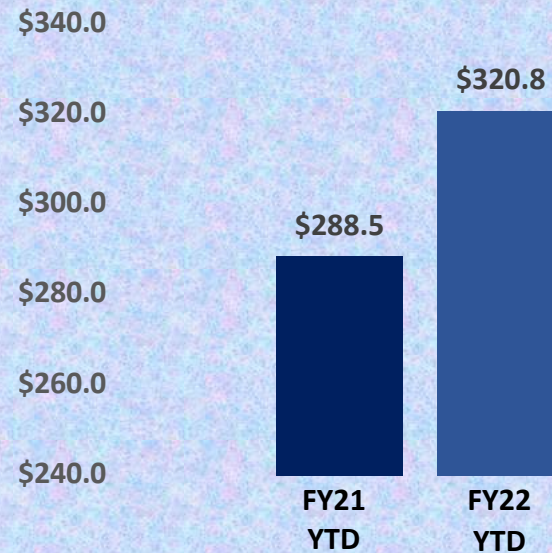
Automotive Electronics

(\$'s in millions)



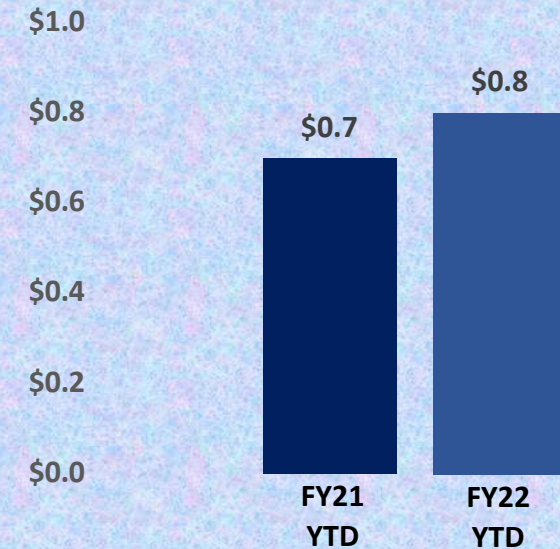
Consumer Electronics

(\$'s in millions)



Biometrics

(\$'s in millions)



Key Growth Drivers in FY22 YTD



- ❖ DEI subsidiary (formed in July 2020)
- ❖ OEM rear-seat entertainment (RSE) – Stellantis, Nissan and Ford
- ❖ Automotive safety electronics products
- ❖ OEM and aftermarket security products
- ❖ Aftermarket RSE systems



- ❖ Premium home theater systems
- ❖ International (Germany) audio products
- ❖ 11 Trading Company (formed in 2Q Fiscal 2021) – Onkyo, Integra and Pioneer brands
- ❖ Singsation solutions
- ❖ Oehlbach branded products (Germany)

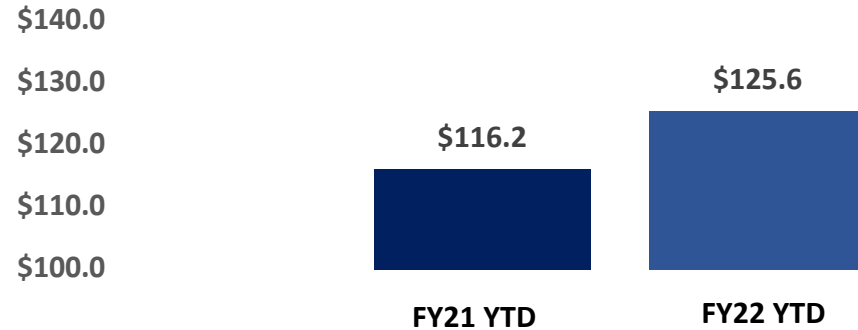


- ❖ NIXT products, which were introduced in the second half of Fiscal 2021
- ❖ Future contributions anticipated from GalvanEyes, healthcare agreement and other awards

FY22 YTD Financial Snapshot

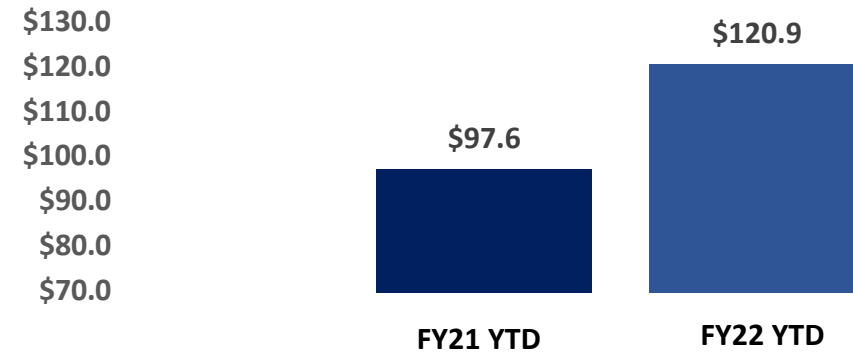
(\$'s in millions)

Gross Profit



(\$'s in millions)

Operating Expenses



(\$'s in millions)

Operating Income



(\$'s in millions)

Adjusted EBITDA



Maintaining Profitability Despite Supply Chain Issues

YTD Comparisons – Additional Financial Details

❖ **Gross margin of 26.6%, down 240 basis points (“bps”) - gross profit increased \$9.4 million**

- Automotive Electronics segment gross margin of 24.7%, up 180 bps
- Consumer Electronics segment gross margin of 27.4%, down 380 basis bps
- Biometric segment gross margin of 28.4%, up YOY.

Gross margins impacted by higher supply chain-related costs, lower absorption in the Automotive Electronics segment due to customer plant shutdowns, and product mix shifts. Price increases to have a bigger positive impact in FY22 Q4 and beyond.

❖ **Total operating expenses of \$120.9 million, an increase of \$23.3 million**

- \$6.8 million of non-recurring expenses (professional fees and NRE/outside labor – 1st half comparisons)
- \$5.4 million in higher overhead at DEI (1st half comparisons)
- \$2.5 million related to furloughed employees and salary/bonus reductions (1st half comparisons)
- \$4.0 million of added expenses related to the Onkyo acquisition (Q3)
- Remaining \$4.5 million in Q3 related to Seaguard arbitration, Australia Premium Audio Company subsidiary, etc.

Balance Sheet Update (YTD)

Healthy Cash Position / Little Debt / Untapped Domestic Credit Facility

- Ended FY22 third quarter with \$21.2 million in cash and cash equivalents
- Total debt of \$13.1 million compared to \$7.1 million as of February 28, 2021
- Increase in total debt position due to shareholder loan payable to Sharp as part of joint venture (\$4.8 million) and Euro asset-based lending obligations for VOXX Germany (\$1.6 million)
- Total long-term debt* of \$9.9 million compared to \$6.0 million as of February 28, 2021
- Credit Facility of \$140 million, untapped as of November 30, 2021
- Sufficient working capital to fund business and execute strategy

Seaguard Arbitration Ruling

\$39.4 million arbitration judgement – Company to defend its position; pursuing legal recourse

- Former supplier of stolen vehicle recovery products and back-end services – 2007 supply agreement
- More than 10 years later, Seaguard filed a demand for arbitration – breach of contract and patent infringement
- Initial damages sought of ~\$10 million; claim amended to ~\$40 million – Seaguard awarded \$39.4 million in damages
- Cash has not been paid to Seaguard; \$39.4 million charge taken in FY22 Q3 (other income and expenses)
- VOXX intends to fight the ruling: motion made to modify the interim award based on the plain language of the agreement
- If unsuccessful: seek the California court to vacate or modify the award on legal and equitable grounds
- If arbitration ruling changes in VOXX's favor, the *potential for a positive pick-up to future earnings exists*

Looking Ahead...Key Drivers of Future Performance

Automotive Electronics

- Volume of new OEM awards spanning many years
- EVOLVE RSE program with Amazon Fire TV – future OEMs
- VSM's OEM market and channel expansion
- Strength and market share position in automotive security through DEI subsidiary and VOXX owned brands
- New products & solutions

Consumer Electronics

- Expanding brand portfolio and product assortment
- Continued market share growth of Klipsch
- Onkyo acquisition and Pioneer distribution
- More “stay-at-home” products for consumers
- New products & solutions

Biometrics

- GalvanEyes distribution leading to new awards and projects
- Healthcare contract – currently in Beta with 2023 launch
 - Several embedded solutions projects still in evaluation stage
 - New products & solutions

Automotive Electronics Segment – Key Drivers

~\$530 Million of New OEM Awards Received over the Past ~Two ½ Years with More Pending

STELLANTIS



MEKRA
LANG



POLARIS



NAVISTAR



Sampling of Automotive OEM Awards Since Q1 FY 2020*

Rear-Seat Entertainment

- ☐ **New** OEM program with Stellantis awarded in FY22 Q3 ~\$125 million
- ☐ EVOLVE RSE program with Stellantis ~\$275 million
- ☐ EVO/EVOLVE RSE program with Ford ~\$80 million
- ☐ EVO RSE program with Nissan ~\$20 million

Other OEM Awards Disclosed

- ☐ Navistar (EVSS – VSM)
- ☐ Nissan (Fog Light Kits – VSM)
- ☐ Polaris (Camara systems – VSM)
- ☐ Subaru (Remote start program)
- ☐ Volvo, Volvo Europe and Mekra Lang (Lighting programs)

Automotive Electronics Segment: Key Drivers (Cont'd)

Full Year of DEI Results: Long-Term Opportunities with New Brands, Product Lines and Distribution



- FY21 2nd quarter acquisition
- Leader in automotive security and remote start products
- Strong brand portfolio, engineering talent and distribution
- Now expect to add ~\$70 million in annual sales
- Significantly strengthens VOXX's aftermarket offering when combined with our other brands and reach

AstroStart

AUTOSTART. ⚡



AVITAL

CLIFFORD

DIRECTED

PYTHON

VIPER

Consumer Electronics Segment – Key Drivers

Acquisition of Onkyo's Home Entertainment A/V Business
New Licensing and Distribution Agreement with Pioneer

ONKYO

Brands Added in April 2022

ESOTERIC

TEAC

Integra®

Pioneer

**Pioneer
ELITE**

Future Growth Drivers

- ❑ JV with Sharp to acquire the home audio/video business of Onkyo Home Entertainment Corporation
- ❑ Transaction closed on September 8th: purchase price of \$30.4M in cash, plus contingent considerations
- ❑ PAC is majority shareholder with majority voting rights
- ❑ PAC will manage worldwide distribution and all sales and marketing; Sharp responsible for manufacturing
- ❑ JV owns the brands, IP, engineering, and manufacturing for Onkyo and Integra brands
- ❑ New licensing and distribution agreement with Pioneer Corporation (Pioneer and Pioneer Elite brands)
- ❑ Expect ~\$50 million in revenue in FY22 with a goal of ~\$125 million in FY23

Consumer Electronics Segment - Key Drivers (Cont'd)

Continued Expansion of the Klipsch Brand (and other Premium Audio brands)



Biometrics Segment – Key Drivers



New Distribution Partner with Extensive Global Relationships in Untapped Geographies and Markets

Recent Corporate Updates (FY22 YTD)

- ☐ Progressing on current projects and securing new awards
- ☐ Secured new award from a Switzerland-based customer in Life Sciences
- ☐ Won small award from a U.S. government agency
- ☐ On schedule for beta launch with large healthcare company in 1H FY23, with deployment in late CY22
- ☐ Entered into a MSA and license agreement with a home healthcare and AI Diagnostics company
- ☐ Working on a prototype product for an Automall in Miami (ties to VOXX Automotive)

Well Positioned for the Future

1

~\$530 million of new OEM awards spanning multiple years

2

Potential for new OEM customers (EVOLVE / Amazon Fire TV)

3

Onkyo Growth w/ Sales at Historical Premium Audio Margins

4

Biometrics Opportunities – new distribution/products/solutions

5

Potential for accretive and synergistic acquisitions



For more information on VOXX International Corporation, please visit our website at www.voxxintl.com.

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