



INVESTING IN  
INNOVATION FOR  
OUR CUSTOMERS



**Stifel 2021 Virtual Cross Sector Insight Conference**

*June 9, 2021*

# About VOXX International Corporation

**Driving Innovation For Over *60 years***

- **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: Roughly \$60M in cash and an 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**

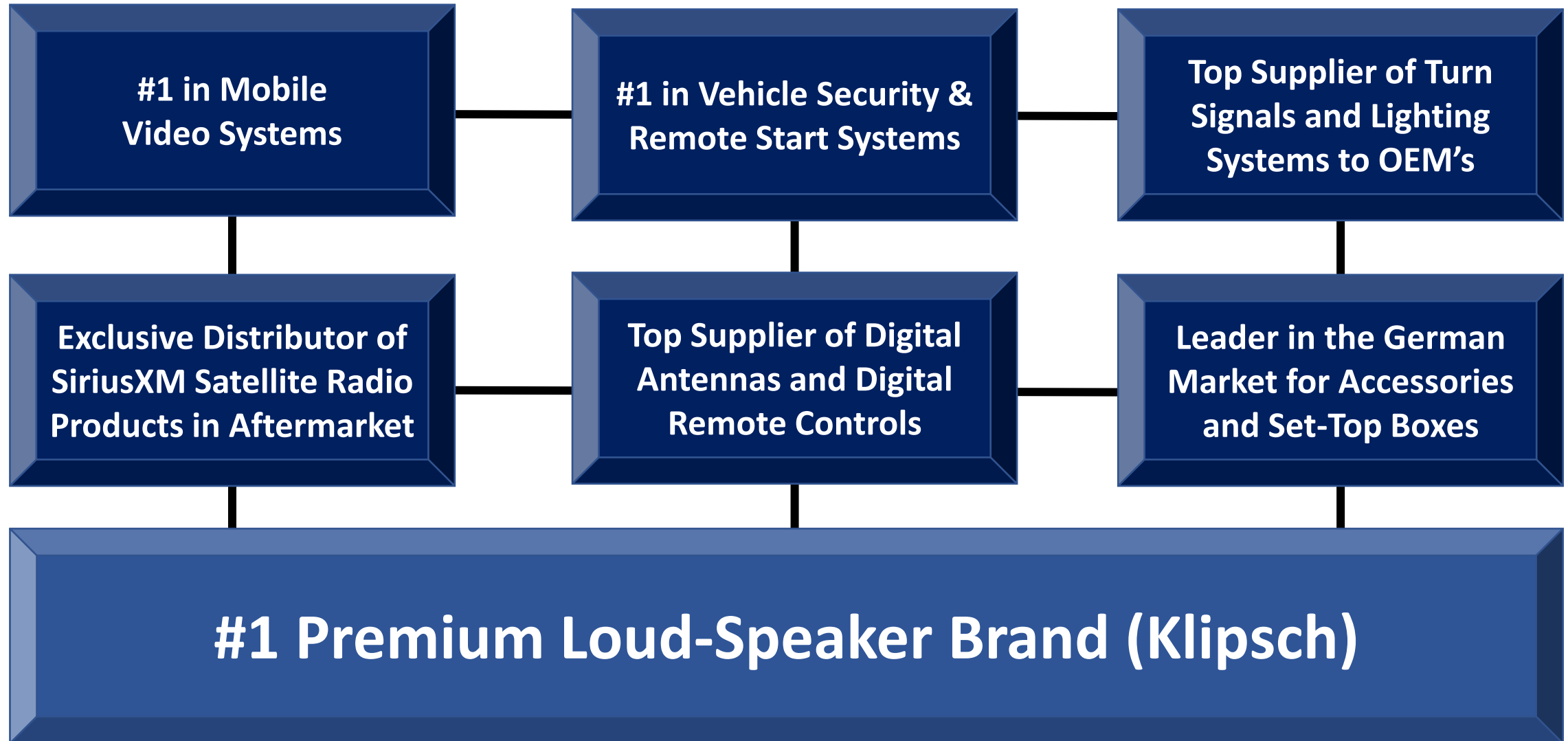
- Premium loudspeakers, computer speakers, commercial speakers, wireless and Bluetooth speakers, etc.
- Home theater systems, and streaming music systems for residential and commercial applications
- Headphones, soundbars and sound bases
- Digital antennas, remote controls, accessories, power, charging 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



# One of the Most Profitable Years in our History

## FY21 – Delivered Significant YoY Gains Across the Board

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



# Each of our Business Segments Generated YoY Improvements



- ❑ Net sales of \$163.9M vs. \$114.2M, up \$49.7M or 43.6%.
- ❑ Aftermarket product sales of \$117.7M vs. \$64.5M, up \$53.3M or 82.6%.
- ❑ OEM product sales of \$46.2M vs. \$49.7M, down \$3.5M or 7.1%.
- ❑ Gross margin of 24.0% vs. 20.3%, up 370 basis points (gross profit up \$16.2M).
- ❑ Pre-tax income of \$9.6M vs. Pre-tax loss of \$0.7M, up \$10.3M.



- ❑ Net sales of \$398.3M vs. \$279.7M, up \$118.6M or 42.4%.
- ❑ Premium Audio product sales of \$299.9M vs. \$170.8M, up \$129.1M or 75.6%.
- ❑ Other Consumer product sales of \$98.4M vs. \$108.9M, down \$10.6M or 9.7%.
- ❑ Gross margin of 29.8% vs. 31.0%, down 120 basis points (gross profit up \$32.3M).
- ❑ Pre-tax income of \$38.9M vs. \$9.4M, up \$29.6M.



- ❑ Net sales of \$0.8M vs. \$0.5M, up \$0.3M or 81.3%.
- ❑ Negative gross margin and gross profit for both fiscal year periods; small impact.
- ❑ Pre-tax loss of \$8.7M vs. Pre-tax loss of \$39.2M, improvement of \$30.5M.

# Ended FY21 on a Strong Note with Momentum Building

## Significant YoY Top-Line Growth and Profitability

Consolidated Net Sales		
\$101.1M	+ 60.8%	\$162.5M
Q4 FY20		Q4 FY21

Consolidated Gross Profit		
\$28.5M	+ \$13.8M	\$42.4M
Q4 FY20		Q4 FY21

Operating Income (Loss)		
\$(35.0)M	+ \$38.9M	\$3.9M
Q4 FY20		Q4 FY21

Net Income (Loss) Attributable to VOXX		
\$(21.8)M	+ \$31.2M	\$9.4M
Q4 FY20		Q4 FY21

EBITDA (Loss)		
\$(18.4)M	+ \$28.7M	\$10.3M
Q4 FY20		Q4 FY21

Adjusted EBITDA		
\$1.6M	+ \$10.2M	\$11.9M
Q4 FY20		Q4 FY21

Comparisons are for the Fiscal 2021 and Fiscal 2020 fourth quarters ended February 28, 2021 and February 29, 2020.  
EBITDA defined as Earnings Before Interest, Taxes, Depreciation & Amortization.

# Fiscal 2021: Balance Sheet and Financing Highlights

**Strong Balance Sheet – Net Cash Position of over \$50M - Expected to Grow in FY22**

- Ended FY21 with cash and cash equivalents of \$59.4M vs. \$37.4 million, up \$22.0M.
- Used \$11.0M in cash during FY21 to fund the acquisition of Directed Electronics (DEI)\*
- Total debt of \$7.1M vs. \$8.2M, down \$1.1M (only debt related to Florida mortgage).
- Revolving Credit Facility with availability of up to \$127.5M\*\*.
- Repaid \$20.0M draw on Credit Facility (precautionary measure responding to COVID).
- Sufficient working capital on hand to fund business and execute strategy.

*Comparisons are for the Fiscal 2021 year ended February 28, 2021 and Fiscal 2020 year ended February 29, 2020.*

*\* Acquisition of aftermarket vehicle remote start and security solutions businesses of Directed, LLC and Directed Electronics Canada Inc.*

*\*\* On April 19, 2021, the Company amended its Credit Facility with a committed availability of up to \$140.0M.*



# FY21 Milestones: Acquisition of DEI Strengthens our Automotive Aftermarket Business

Now Have the #1 Position in the Aftermarket for Remote Start and Security Systems



- FY21 2<sup>nd</sup> quarter acquisition for \$11 million in cash plus certain assets and liabilities
- Leader in remote start and security systems and Connected Car solutions (telematics)
- Strong brand portfolio and engineering talent
- Expands aftermarket distribution network
- Expected to add ~\$50 million in annual sales

**AstroStart**

AUTOSTART. ⚡



AVITAL

**CLIFFORD**

**DIRECTED**

**PYTHON**

**VIPER**

# FY21 Milestones: New Automotive OEM Awards

VSM Acquisition Driving New OEM Awards in New Product Categories and Markets



**POLARIS**



**NAVISTAR**



# FY21 Milestones: Continued Growth in OEM Customer Base

Over \$400M in New Automotive OEM Awards Over the Past ~Two Years With More on the Horizon

**AUTOCAR**

**Bendix<sup>®</sup>**

**Club Car<sup>®</sup>**



**NAVISTAR**



**PACCAR**



STELLANTIS



**TEXTRON**



# FY21 Milestones: Realignment of our Premium Audio Group

## Realignment of Premium Audio

## Formation of 11 Trading Company

## Alliance with Onkyo and Pioneer

- Klipsch Holding, LLC became Premium Audio Company, LLC with two subsidiaries
- Klipsch Group to distribute the Klipsch, Jamo, Energy, and ProMedia speaker brands
- 11 Trading Company (11TC) to distribute the Onkyo, Pioneer, Pioneer Elite, and Integra brands
- Company enters new categories: Products range from AV receivers, HiFi equipment, mini-systems, smart speakers, turntables, sound bars, home theater systems, optical disc players and more



### **Premium Audio Company, LLC, Signs an Asset Purchase Agreement to Acquire the Audio/Video Business of Onkyo Home Entertainment Corporation**

- ✓ Leader in the home audio and video entertainment industry
- ✓ Total purchase price of \$30.8 million (plus certain liabilities)
- ✓ VOXX (PAC), with Sharp Corporation as our partner, to acquire Onkyo and Integra brands
- ✓ MOU to formalize agreement to license Pioneer and Pioneer Elite brands
- ✓ Deal subject to Onkyo shareholder approval (meeting on June 25<sup>th</sup>)



# FY21 Milestones: Klipsch Continues to Gain Market Share

Klipsch Achieved the Highest Increase in U.S. Online Market Share in the Home Speaker Category

## #1 MARKET POSITION

Klipsch is the **#1** premium speaker brand in the **United States** with over **25%** total market share in the home audio category. Klipsch is the **#1** premium speaker brand in **Canada** with over **35%** total market share in the home audio category.

### NPD DATA



## MARKET POSITION

Five of the top ten best-selling premium home speakers in the United States are Klipsch products, including the #1 and #2 position SKUs.

### NPD DATA

#1 premium speaker brand in the #1 consumer electronics retailer in the United States.

### BEST BUY



# FY21 Milestones: New Partnerships in Biometrics Segment



June  
2020



July  
2020



July  
2020

- ✓ Strategic partnership broadens access of iris technology
- ✓ CMITech to utilize EyeLock algorithms in diverse markets
- ✓ EyeLock gains exclusive/non-exclusive distribution rights for CMITech's physical access control applications
- ✓ Collaborating on future technology/applications

- ✓ EyeLock's access control solutions to be sold in Japan and into Asia
- ✓ Marubeni has the rights to deliver EyeLock's nano NXT® and EXT™ offerings across their partner base
- ✓ EyeLock to leverage Marubeni's strong distribution and customer networks
- ✓ Target markets: automotive, financial and construction industries
- ✓ Marubeni is global with \$70B+ in revenue

- ✓ Global partnership to market biometric solutions in Europe and the Americas
- ✓ EyeLock will leverage ITS' iris authentication integration platform and integrate it with myris®
- ✓ Target markets include medical, pharmaceutical, agricultural and food processing
- ✓ ITS is a global provider of integrated iris and fingerprint biometric solutions

# FY21 Milestones: New Solutions Addressing Global Pandemic

## nano iXT<sup>®</sup>

The Most ADVANCED Indoor Iris  
Identity Authentication Solution



EyeLock iXT<sup>®</sup> with the optional iTemp thermal sensor

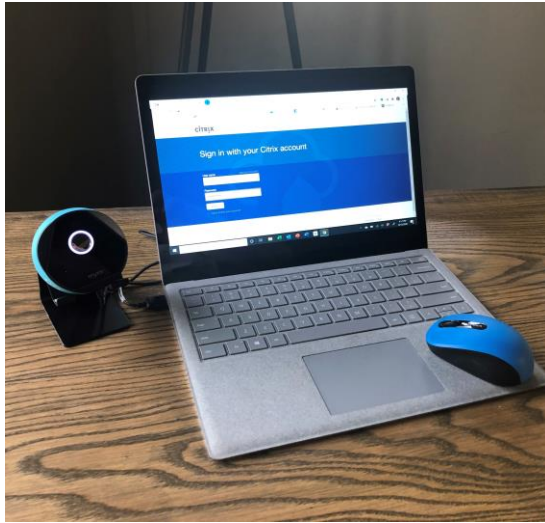


## FEATURES

- Provides the highest accuracy of infrared imaging technology for human temperature measurement
- Incorporates the latest industry-leading FLIP Lepton enhanced micro-sensor that is fully contactless
- Measures the temperature of each subject's forehead
- Operates effectively on people wearing masks and glasses

# FY21 Milestones: New Solutions for Global Markets

## EyeLock ID®



Easy for companies to deploy secure authentication services for remote and office employees. At the center of EyeLock ID® is the **myris®**, a proven hand-held, USB connected iris identity authenticator. The software allows users to securely gain access to devices, networks, applications, and VPNs, etc.

- ✓ Higher Education
- ✓ Corporate
- ✓ Criminal Justice
- ✓ Manufacturing
- ✓ Healthcare
- ✓ Enterprise
- ✓ Government
- ✓ Transportation
- ✓ Banking
- ✓ Financial



## HIGH SECURITY MADE SIMPLE

*An identity management software platform designed to manage/monitor EyeLock iris recognition devices*

- ✓ Database synchronization across devices
- ✓ Synchronization of configuration settings
- ✓ Biometrics matching
- ✓ System event logging
- ✓ Backend of logical access systems
- ✓ Physical and logic access control
- ✓ And more...

# Recent Corporate Development: EyeLock & GalvanEyes LLC



## **VOXX International Corporation Announces Exclusive Distribution Agreement Between EyeLock LLC and GalvanEyes Partners LLC**

- ❑ Four (4) year exclusive distribution agreement with GalvanEyes Partners LLC (“GalvanEyes”; managed by Beat Kahli)
- ❑ Exclusivity covers the EU, Switzerland, Puerto Rico, Malaysia, and Singapore; in the U.S. markets, exclusivity is for the residential real estate market and specific U.S. Government agencies
- ❑ Non-exclusive distribution rights in all territories and markets with the Company’s consent
- ❑ In consideration, GalvanEyes has agreed to pay EyeLock \$10.0M in the form of an annual fee of up to \$5.0M
- ❑ Gross profit generated by GalvanEyes on the sale of EyeLock products will be deducted from the annual fees
- ❑ Put/call arrangement for a 20.0% interest in EyeLock (terms to be included in DEF14A)
- ❑ Will be presented to shareholders on July 29, 2021, at the Company’s Annual Meeting of Stockholders



# Looking Ahead: Driving our Optimism in Automotive

## Automotive Electronics Segment Expected to Double Revenues over the Next 2-3 Years\*



- Chosen as Amazon's domestic vehicle systems integrator
- Bringing Fire TV to the vehicle through our new rear-seat entertainment system – EVOLVE
- Stellantis will be launching this summer with Ford launching in the fall
- Multi-year awards for several vehicles with expansion opportunities
- Discussions underway with other large automotive OEMs



- Full year of DEI results to positively impact Automotive Electronics segment results
- Both DEI and VSM/Rostra performing better than expected with growth opportunities
- New OEM customers and awards through VSM
- New aftermarket distribution partners through Rostra and DEI
- Multiple product categories and brands added to our portfolio



# Looking Ahead: Driving our Optimism in Consumer

## Significant Growth in Premium Audio Categories in FY21 with New Distribution and Product Offering



- New distribution arm within the Premium Audio Group expected to drive sales
- New brands added since the group's formation with global appeal
- Looking to add brands and product lines, leveraging our infrastructure/relationships



- Klipsch continues to gain market share in key product categories
- Several new product lines introduced in FY21, with more coming this fall and summer
- Added new big box retailers and specialty stores, which should drive higher volumes
- Expanded in-store promotions and programs with strategic customers
- Opportunities to expand Commercial business as restaurants, movie theaters and hotel chains resume normal/limited operations

# Summary: Building Momentum for the Future

## Opportunities for Expansion / Positive Cash Generation / Long-Term Value Creation

- Well-positioned to grow in all business segments (component/part shortages near-term hurdle)
- We have more customers and partners distributing and selling our products globally
- New technology in RSE, with over \$400M in new awards and more expected
- Past investments in technology should drive new revenue streams in future years
- Balance sheet remains very strong, with ~\$60M in cash on hand and access to capital
- Opportunities for acquisitions exist with many companies hurt by COVID environment

# Safe Harbor Statement and Thank You!



**Exchange:** Nasdaq  
**Ticker Symbol:** VOXX  
**Headquarters:** Orlando, FL  
**Fiscal Year-End:** February 28, 2021  
**Website:** [www.voxxintl.com](http://www.voxxintl.com)

**Investor Relations Contact:**  
Glenn Wiener, President & CEO  
GW Communications  
Tel: 917-887-8434  
Email: [gwiener@gwcco.com](mailto:gwiener@gwcco.com)

## 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.