

# VOXX INTERNATIONAL CORP

## **FORM 8-K** (Current report filing)

Filed 09/07/17 for the Period Ending 08/31/17

Address	180 MARCUS BLVD HAUPPAUGE, NY, 11788
Telephone	6312317750
CIK	0000807707
Symbol	VOXX
SIC Code	5065 - Electronic Parts and Equipment, Not Elsewhere Classified
Industry	Auto Vehicles, Parts & Service Retailers
Sector	Consumer Cyclical
Fiscal Year	02/29

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15 (d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 31, 2017

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

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**0-28839**  
(Commission File Number)

**13-1964841**  
(IRS Employer Identification No.)

**2351 J Lawson Boulevard, Orlando, Florida**  
(Address of principal executive offices)

**32824**  
(Zip Code)

Registrant's telephone number, including area code (800) 645-7750

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)  
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12 )  
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))  
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

---

**Item 2.01 Completion of Acquisition or Disposition of Assets.**

On August 31, 2017, VOXX International Corporation, ("Voxx" or "the Company") closed the previously announced sale of Hirschmann Car Communications GmbH and its worldwide subsidiaries (collectively, "Hirschmann") pursuant to a Sale and Purchase Agreement, dated as of June 25, 2017 (the "Sale and Purchase Agreement") with a subsidiary of TE Connectivity Ltd. (the "Purchaser"). The consideration received by the Company was approximately 149.0 million Euro, or \$170.0 million based on the terms of the sale and forward contracts at an average U.S. dollar exchange rate of 1.14. The purchase price is subject to adjustment based upon the final working capital.

The foregoing description does not purport to be complete and is qualified in its entirety by reference to the Sale and Purchase Agreement, a copy of which will be filed as an exhibit to Voxx's Form 10-Q for the Company's second fiscal quarter ended August 31, 2017.

In connection with the closing, the Company is filing herewith certain pro forma financial information related to the sale of Hirschmann, which is attached hereto as Exhibit 99.1.

**Item 8.01 Other Events.**

On August 31, 2017, the Company issued a press release announcing that it had closed the sale of Hirschmann. A copy of the press release is furnished as Exhibit 99.2 to this current report.

The information furnished under Item 8.01, including Exhibit 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.****(b) Pro Forma Financial Information**

The unaudited Pro Forma Financial Statements of the Company reflecting the closing of the sale of Hirschmann are filed as Exhibit 99.1 to this current report on Form 8-K.

- i. Unaudited Pro Forma Condensed Consolidated Balance Sheet as of May 31, 2017
- ii. Unaudited Pro Forma Consolidated Statement of Operations and Comprehensive Income for the three months ended May 31, 2017
- iii. Unaudited Pro Forma Consolidated Statement of Operations and Comprehensive Income (Loss) for the year ended February 28, 2017
- iv. Unaudited Pro Forma Consolidated Statement of Operations and Comprehensive Loss for the year ended February 29, 2016
- v. Unaudited Pro Forma Consolidated Statement of Operations and Comprehensive Loss for the year ended February 28, 2015

**(d) Exhibits****EXHIBIT INDEX**

---

<b><u>Exhibit No.</u></b>	<b><u>Description</u></b>
99.1	<a href="#"><u>Unaudited Pro Forma Condensed Consolidated Balance Sheet as of May 31, 2017 and Unaudited Pro Forma Consolidated Statements of Operations and Comprehensive Income (Loss) for the three months ended May 31, 2017 and for the years ended February 28, 2017, February 29, 2016 and February 28, 2015.</u></a>
99.2	<a href="#"><u>Press Release dated August 31, 2017, relating to the completion of VOXX International Corporation's sale of Hirschmann Car Communication GmbH and its worldwide subsidiaries (furnished herewith).</u></a>

#### **SIGNATURES**

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

VOXX INTERNATIONAL CORPORATION (Registrant)

Date: September 7, 2017

By: /s/ Charles M. Stoehr  
Charles M. Stoehr  
Senior Vice President and  
Chief Financial Officer

**VOXX INTERNATIONAL CORPORATION**  
**UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS**

On August 31, 2017, Voxx International Corporation ("Voxx" or "the Company") closed the previously announced sale of Hirschmann Car Communication GmbH and its worldwide subsidiaries ("Hirschmann") pursuant to a Sale and Purchase Agreement, dated as of June 25, 2017 (the "Sale and Purchase Agreement") with a subsidiary of TE Connectivity Ltd (the "Purchaser"). The consideration received by the Company was approximately 149.0 million Euro, or \$170.0 based on the terms of the sale and forward contracts at an average U.S. dollar exchange rate of approximately 1.14. The purchase price, at the exchange rate on the date of closing approximated \$177.0 and is subject to adjustment based upon the final working capital.

The foregoing description does not purport to be complete and is qualified in its entirety by reference to the Sale and Purchase Agreement, a copy of which will be filed as an exhibit to Voxx's Form 10-Q for the Company's second fiscal quarter ended August 31, 2017.

The following unaudited pro forma consolidated financial statements are presented to comply with Article 11 of Regulation S-X and follow prescribed SEC regulations. The unaudited pro forma consolidated financial statements do not purport to present what the Company's results would have been had the disposition actually occurred on the dates indicated or to project what the Company's results of operations or financial position would be for any future period. The prescribed regulations limit pro forma adjustments to those that are directly attributable to the disposition, that are factually supportable and with respect to the pro forma statements of operations and comprehensive income (loss), that are expected to have a continuing impact. Consequently, the Company was not permitted within the consolidated financial statements to allocate to the disposed operations any indirect corporate overhead or costs, such as administrative corporate functions or any other costs that were shared with the retained business of the Company. As a result, such costs are not reflected in the pro forma adjustments and are included in the retained business of the Company. Additionally, the unaudited pro forma consolidated statements of operations and comprehensive income (loss) do not include costs associated with selling Hirschmann. The pro forma adjustments are described in the notes to the unaudited pro forma consolidated financial statements.

The unaudited pro forma consolidated financial statements have been prepared for informational purposes and to assist in the analysis of the Company's sale of Hirschmann to the Purchaser. This information should be read together with the historical consolidated financial statements and related notes of the Company included in its Annual Report on Form 10-K for the year ended February 28, 2017 and its Quarterly Report on Form 10-Q for the quarter ended May 31, 2017.

The unaudited pro forma consolidated statements of operations and comprehensive income (loss) for the three months ended May 31, 2017 and the years ended February 28, 2017, February 29, 2016 and February 28, 2015, assume the sale occurred on March 1, 2014. The unaudited pro forma consolidated balance sheet as of May 31, 2017, assumes the sale occurred on May 31, 2017. The unaudited pro forma consolidated financial statements are derived from the historical consolidated financial statements of the Company and are based on assumptions that management believes are reasonable in the circumstances. Hirschmann's historical operation, for current and prior periods, including the gain on sale, will be presented as discontinued operations for financial reporting purposes beginning with the Company's Quarterly Report on Form 10-Q for the three and six months ended August 31, 2017.

---

**VOXX International Corporation and Subsidiaries**  
**Unaudited Pro Forma Condensed Consolidated Balance Sheet**  
**At May 31, 2017**  
*(In thousands)*

	<u>Voxx Historical</u>	<u>Pro Forma Adjustments (a)</u>	<u>Voxx Pro Forma</u>
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 8,060	\$ 171,552	\$ 179,612
Accounts receivable, net	89,888	(12,189)	77,699
Inventory, net	165,409	(34,161)	131,248
Receivables from vendors	831	(42)	789
Prepaid expenses and other current assets	29,181	(8,312)	20,869
Income tax receivable	1,682	—	1,682
Total current assets	<u>295,051</u>	<u>116,848</u>	<u>411,899</u>
Investment securities	9,748	—	9,748
Equity investments	21,216	—	21,216
Property, plant and equipment, net	85,182	(18,839)	66,343
Goodwill	105,799	(51,893)	53,906
Intangible assets, net	175,732	(22,042)	153,690
Deferred income taxes	23	—	23
Other assets	1,624	—	1,624
Total assets	<u>\$ 694,375</u>	<u>\$ 24,074</u>	<u>\$ 718,449</u>
<b>Liabilities and Stockholders' Equity</b>			
Current liabilities:			
Accounts payable	\$ 71,669	\$ (16,388)	\$ 55,281
Accrued expenses and other current liabilities	54,924	(1,603) (b)	53,321
Income taxes payable	1,369	13,712 (c)	15,081
Accrued sales incentives	12,078	—	12,078
Current portion of long-term debt	10,420	(997)	9,423
Total current liabilities	<u>150,460</u>	<u>(5,276)</u>	<u>145,184</u>
Long-term debt, net of debt issuance costs	102,296	—	102,296
Capital lease obligation	2,792	(1,874)	918
Deferred compensation	3,868	(400)	3,468
Deferred income tax liabilities	27,773	(4,277)	23,496
Other tax liabilities	3,244	—	3,244
Other long-term liabilities	10,946	(8,747)	2,199
Total liabilities	<u>301,379</u>	<u>(20,574)</u>	<u>280,805</u>
Total stockholders' equity	<u>392,996</u>	<u>44,648</u>	<u>437,644</u>
Total liabilities and stockholders' equity	<u>\$ 694,375</u>	<u>\$ 24,074</u>	<u>\$ 718,449</u>

**VOXX International Corporation and Subsidiaries**  
**Unaudited Pro Forma Consolidated Statement of Operations and Comprehensive Income**  
**For the Three Months Ended May 31, 2017**  
*(In thousands, except share and per share data)*

	<u>Voxx Historical</u>	<u>Pro Forma Adjustments (d)</u>	<u>Voxx Pro Forma</u>
Net sales	\$ 159,103	\$ (44,248)	\$ 114,855
Cost of sales	115,364	(30,641)	84,723
Gross profit	<u>43,739</u>	<u>(13,607)</u>	<u>30,132</u>
Operating expenses:			
Selling	13,792	(1,382)	12,410
General and administrative	27,192	(6,989)	20,203
Engineering and technical support	10,594	(3,939)	6,655
Total operating expenses	<u>51,578</u>	<u>(12,310)</u>	<u>39,268</u>
Operating loss	<u>(7,839)</u>	<u>(1,297)</u>	<u>(9,136)</u>
Other income (expense):			
Interest and bank charges	(1,913)	118	(1,795)
Equity in income of equity investees	1,803	—	1,803
Other, net	(1,020)	16	(1,004)
Total other expense, net	<u>(1,130)</u>	<u>134</u>	<u>(996)</u>
Loss before income taxes	(8,969)	(1,163)	(10,132)
Income tax benefit	(4,063)	(3,391) (c)	(7,454)
Net loss	(4,906)	2,228	(2,678)
Less: net loss attributable to non-controlling interest	(1,875)	—	(1,875)
Net loss attributable to Voxx International Corporation	<u>\$ (3,031)</u>	<u>\$ 2,228</u>	<u>\$ (803)</u>
Other comprehensive income (loss):			
Foreign currency translation adjustments	7,359	(78)	7,281
Derivatives designated for hedging	(1,052)	(355)	(1,407)
Pension plan adjustments	(120)	(96)	(216)
Unrealized holding loss on available-for-sale investment securities, net of tax	(4)	—	(4)
Other comprehensive income, net of tax	<u>6,183</u>	<u>(529)</u>	<u>5,654</u>
Comprehensive income attributable to VOXX International Corporation	<u>\$ 3,152</u>	<u>\$ 1,699</u>	<u>\$ 4,851</u>
Net loss per common share attributable to VOXX International Corporation (basic)	<u>\$ (0.13)</u>		<u>\$ (0.03)</u>
Net loss per common share attributable to VOXX International Corporation (diluted)	<u>\$ (0.13)</u>		<u>\$ (0.03)</u>
Weighted-average common shares outstanding (basic)	<u>24,160,324</u>		<u>24,160,324</u>
Weighted-average common shares outstanding (diluted)	<u>24,160,324</u>		<u>24,160,324</u>

**VOXX International Corporation and Subsidiaries**  
**Unaudited Pro Forma Consolidated Statement of Operations and Comprehensive Income (Loss)**  
**For the Year Ended February 28, 2017**  
*(In thousands, except share and per share data)*

	Voxx Historical	Pro Forma Adjustments (d)	Voxx Pro Forma
Net sales	\$ 681,042	\$ (166,513)	\$ 514,529
Cost of sales	479,527	(109,027)	370,500
Gross profit	<u>201,515</u>	<u>(57,486)</u>	<u>144,029</u>
<b>Operating expenses:</b>			
Selling	48,205	(5,096)	43,109
General and administrative	107,882	(28,291)	79,591
Engineering and technical support	45,600	(16,082)	29,518
Total operating expenses	<u>201,687</u>	<u>(49,469)</u>	<u>152,218</u>
Operating loss	<u>(172)</u>	<u>(8,017)</u>	<u>(8,189)</u>
<b>Other income (expense):</b>			
Interest and bank charges	(7,488)	541	(6,947)
Equity in income of equity investees	6,797	—	6,797
Venezuela currency devaluation, net	(8)	—	(8)
Other, net	(572)	89	(483)
Total other expense, net	<u>(1,271)</u>	<u>630</u>	<u>(641)</u>
Loss before income taxes	(1,443)	(7,387)	(8,830)
Income tax expense	1,759	(1,370) (c)	389
Net loss	<u>(3,202)</u>	<u>(6,017)</u>	<u>(9,219)</u>
Less: net loss attributable to non-controlling interest	(7,624)	—	(7,624)
Net income (loss) attributable to Voxx International Corporation	<u>\$ 4,422</u>	<u>\$ (6,017)</u>	<u>\$ (1,595)</u>
<b>Other comprehensive income (loss):</b>			
Foreign currency translation adjustments	(3,194)	(41)	(3,235)
Derivatives designated for hedging	210	(236)	(26)
Pension plan adjustments	(180)	(148)	(328)
Unrealized holding loss on available-for-sale investment securities, net of tax	(17)	—	(17)
Other comprehensive loss, net of tax	<u>(3,181)</u>	<u>(425)</u>	<u>(3,606)</u>
Comprehensive income (loss) attributable to VOXX International Corporation	<u>\$ 1,241</u>	<u>\$ (6,442)</u>	<u>\$ (5,201)</u>
Net income (loss) per common share attributable to VOXX International Corporation (basic)	<u>\$ 0.18</u>		<u>\$ (0.07)</u>
Net income (loss) per common share attributable to VOXX International Corporation (diluted)	<u>\$ 0.18</u>		<u>\$ (0.07)</u>
Weighted-average common shares outstanding (basic)	<u>24,160,324</u>		<u>24,160,324</u>
Weighted-average common shares outstanding (diluted)	<u>24,240,310</u>		<u>24,240,310</u>



**VOXX International Corporation and Subsidiaries**  
**Unaudited Pro Forma Consolidated Statement of Operations and Comprehensive Loss**  
**For the Year Ended February 29, 2016**  
*(In thousands, except share and per share data)*

	Voxx Historical	Pro Forma Adjustments (d)	Voxx Pro Forma
Net sales	\$ 680,746	\$ (150,540)	\$ 530,206
Cost of sales	485,061	(98,391)	386,670
Gross profit	<u>195,685</u>	<u>(52,149)</u>	<u>143,536</u>
<b>Operating expenses:</b>			
Selling	48,513	(4,937)	43,576
General and administrative	111,382	(27,175)	84,207
Engineering and technical support	37,490	(14,567)	22,923
Intangible asset impairment charges	9,070	—	9,070
Acquisition costs	800	—	800
Total operating expenses	<u>207,255</u>	<u>(46,679)</u>	<u>160,576</u>
Operating loss	<u>(11,570)</u>	<u>(5,470)</u>	<u>(17,040)</u>
<b>Other income (expense):</b>			
Interest and bank charges	(8,075)	581	(7,494)
Equity in income of equity investees	6,538	—	6,538
Venezuela currency devaluation, net	(2)	—	(2)
Gain on bargain purchase	4,679	—	4,679
Other, net	632	(44)	588
Total other income, net	<u>3,772</u>	<u>537</u>	<u>4,309</u>
Loss before income taxes	(7,798)	(4,933)	(12,731)
Income tax benefit	(1,735)	(616) (c)	(2,351)
Net loss	<u>(6,063)</u>	<u>(4,317)</u>	<u>(10,380)</u>
Less: net loss attributable to non-controlling interest	(3,381)	—	(3,381)
Net loss attributable to Voxx International Corporation	<u>\$ (2,682)</u>	<u>\$ (4,317)</u>	<u>\$ (6,999)</u>
<b>Other comprehensive income (loss):</b>			
Foreign currency translation adjustments	(5,702)	(12)	(5,714)
Derivatives designated for hedging	(2,440)	(807)	(3,247)
Pension plan adjustments	640	569	1,209
Unrealized holding loss on available-for-sale investment securities, net of tax	20	—	20
Other comprehensive loss, net of tax	<u>(7,482)</u>	<u>(250)</u>	<u>(7,732)</u>
Comprehensive loss attributable to VOXX International Corporation	<u>\$ (10,164)</u>	<u>\$ (4,567)</u>	<u>\$ (14,731)</u>
Net loss per common share attributable to VOXX International Corporation (basic)	<u>\$ (0.11)</u>		<u>\$ (0.29)</u>
Net loss per common share attributable to VOXX International Corporation (diluted)	<u>\$ (0.11)</u>		<u>\$ (0.29)</u>
Weighted-average common shares outstanding (basic)	<u>24,172,710</u>		<u>24,172,710</u>
Weighted-average common shares outstanding (diluted)	<u>24,172,710</u>		<u>24,172,710</u>

**VOXX International Corporation and Subsidiaries**  
**Unaudited Pro Forma Consolidated Statement of Operations and Comprehensive Loss**  
**For the Year Ended February 28, 2015**  
*(In thousands, except share and per share data)*

	Voxx Historical	Pro Forma Adjustments (d)	Voxx Pro Forma
Net sales	\$ 757,498	\$ (172,138)	\$ 585,360
Cost of sales	533,628	(106,957)	426,671
Gross profit	<u>223,870</u>	<u>(65,181)</u>	<u>158,689</u>
<b>Operating expenses:</b>			
Selling	54,136	(6,169)	47,967
General and administrative	114,849	(32,206)	82,643
Engineering and technical support	37,157	(18,818)	18,339
Restructuring expense	1,134	—	1,134
Total operating expenses	<u>207,276</u>	<u>(57,193)</u>	<u>150,083</u>
Operating income	<u>16,594</u>	<u>(7,988)</u>	<u>8,606</u>
<b>Other income (expense):</b>			
Interest and bank charges	(6,851)	272	(6,579)
Equity in income of equity investees	5,866	—	5,866
Venezuela currency devaluation, net	(7,104)	—	(7,104)
Impairment of Venezuela investment properties	(9,304)	—	(9,304)
Other, net	1,495	(489)	1,006
Total other expense, net	<u>(15,898)</u>	<u>(217)</u>	<u>(16,115)</u>
Income (loss) before income taxes	696	(8,205)	(7,509)
Income tax expense (benefit)	1,638	(2,504) (c)	(866)
Net loss	<u>\$ (942)</u>	<u>\$ (5,701)</u>	<u>\$ (6,643)</u>
<b>Other comprehensive income (loss):</b>			
Foreign currency translation adjustments	(33,170)	787	(32,383)
Derivatives designated for hedging	3,258	1,229	4,487
Pension plan adjustments	(1,423)	(1,073)	(2,496)
Unrealized holding loss on available-for-sale investment securities, net of tax	(27)	—	(27)
Other comprehensive loss, net of tax	<u>(31,362)</u>	<u>943</u>	<u>(30,419)</u>
Comprehensive loss	<u>\$ (32,304)</u>	<u>\$ (4,758)</u>	<u>\$ (37,062)</u>
Net loss per common share (basic)	<u>\$ (0.04)</u>		<u>\$ (0.27)</u>
Net loss per common share attributable (diluted)	<u>\$ (0.04)</u>		<u>\$ (0.27)</u>
Weighted-average common shares outstanding (basic)	<u>24,330,361</u>		<u>24,330,361</u>
Weighted-average common shares outstanding (diluted)	<u>24,330,361</u>		<u>24,330,361</u>

**VOXX International Corporation**  
**Notes to the Unaudited Pro Forma Consolidated Financial Statements**  
*( In thousands, except per share amounts )*

**1. Description of Transaction**

On August 31, 2017, VOXX International Corporation ("Voxx" or "the Company") closed the previously announced sale of Hirschmann Car Communications GmbH and its worldwide subsidiaries ("Hirschmann") pursuant to a Sale and Purchase Agreement, dated as of June 25, 2017 (the "Sale and Purchase Agreement") with a subsidiary of TE Connectivity Ltd. The proceeds received by the Company were approximately 149.0 million Euro, or \$177.0, based on the exchange rate at August 31, 2017 before the effect of forward contracts used to hedge the transaction which are not included in the pro forma adjustments below. The purchase price is subject to adjustment based upon the final working capital.

**2. Pro Forma Adjustments**

a.) These adjustments reflect proceeds of 149.0 million Euro or \$177.0 (in cash, based on the exchange rate at August 31, 2017) from the sale, net of preliminary working capital adjustments, derecognition of the related assets and liabilities of Hirschmann, and the related after-tax estimated gain on sale. The estimated gain on sale is taxed using a statutory tax rate of 37%, which includes federal and state income taxes. The amount of estimated taxes payable on the gain may differ from the taxes payable computed using the statutory rate of 37%, as the taxes payable may be offset by certain net operating loss and tax credit carryforwards. The estimated gain on sale has not been included in the unaudited pro forma consolidated statements of operations and comprehensive income (loss) as it is considered to be non-recurring in nature. The actual gain may differ materially from the amount reflected in this proforma based on the carrying values of Hirschmann's net assets as of the date of closing, final working capital adjustments and other factors.

b.) This adjustment includes the expectation of non-recurring costs in connection with the sale. These amounts are for investment advisory, consulting and legal fees.

c.) These adjustments represent the estimated income tax effects of proforma adjustments, which are calculated using the jurisdictional statutory rates in effect for the periods presented based on the Company's tax position in each year.

d.) These adjustments eliminate the historical revenue and operating expenses directly attributable to the Hirschmann operation. Not included in the pro forma results are anticipated savings due to costs that may be reduced or eliminated.

**For Immediate Release****VOXX INTERNATIONAL CORPORATION COMPLETES ITS SALE OF HIRSCHMANN CAR COMMUNICATION TO  
TE CONNECTIVITY AND RECEIVES APPROXIMATELY \$170.0 MILLION**

**HAUPPAUGE, NY - August 31, 2017** - VOXX International Corporation (NASDAQ: VOXX), today announced that it has closed on its previously announced sale of Hirschmann Car Communication GmbH and its worldwide subsidiaries (collectively, “Hirschmann”) to a subsidiary of TE Connectivity Ltd. (NYSE: TEL). The Company received approximately 149.0 million Euro or \$170.0 million upon closing based on the terms of the sale and forward contracts at an average U.S. dollar exchange rate of approximately 1.14. There may be additional proceeds received by VOXX, which will be based upon final working capital adjustments to be calculated within 75 days.

Pat Lavelle, President and CEO of VOXX International Corporation stated, “With this transaction closed, we are now in position to pay down our debt in full, which will save us more than \$6.0 million in interest payments annually, while providing us with cash on hand and full access to our banking facilities to support our business and pursue a targeted M&A strategy. We are looking to grow organically within each of our segments and inorganically, through complementary acquisitions or ventures that will strengthen our offering, customer reach and financials. Our focus will predominantly be in the domestic markets, where we can leverage our distribution into the retail and automotive sectors and we intend to stay within our current areas of expertise. Over the next year, we will look for synergies and areas to lower our fixed expenses given lower sales volumes related to the Hirschmann sale, while at the same time, ensuring we have the foundation to support accretive acquisitions. We are exploring all avenues that we believe will lead to great value for our customers, employees and shareholders.”

John Shalam, Founder and Chairman of VOXX International Corporation added, “I would like to extend my sincere appreciation and gratitude to the team at Hirschmann, and wish them nothing but continued success in the years ahead. They have enjoyed decades of growth due to their commitment to innovation, and by partnering with their customers to continuously deliver the best antenna and tuner technologies in the industry. Their passion to be at the forefront will only be intensified with TE Connectivity by their side. For VOXX, this is a transformative event as it enables us to strengthen our balance sheet and gives us added flexibility to pursue investments in our current business, and in future technologies and companies we believe will add value. We have significant assets within our portfolio, such as EyeLock, Klipsch, Jamo, Acoustic Research, RCA, 808 Audio and more, as well as new contracts for rear-seat infotainment with some of the largest Automotive OEMs in the world, such as General Motors and Ford. While it will take us time to realign our business and drive savings, we are focused on generating consistent cash flow and profitability in the years ahead.”

As noted in the Company’s press release issued on June 26, 2017, VOXX International Corporation will continue to operate in the Automotive industry and will retain its ongoing OEM business that is not part of this transaction through VOXXHirschmann Corporation. The Company will also continue its Automotive Aftermarket business through its proprietary brands and 3rd-party distribution agreements. The continuing operations include the Company's market-leading rear-seat infotainment solutions, car security and remote start systems, remote start modules, app-based vehicle security solutions, keyless entry products and its newest innovation, the eFob, satellite radio products, and telematics, among others. Business lines that will be sold as part of this agreement include Hirschmann's antenna, smart antenna, multi-digital tuner and commercial asset tracking business, which incorporates various technologies and product lines. Under the terms of the agreement, VOXX International will phase out the VOXXHirschmann name over a period of two years.

Wells Fargo Securities is acting as exclusive financial advisor to VOXX International on the transaction.

---

### **About VOXX International Corporation**

VOXX International Corporation (NASDAQ: VOXX) has grown into a worldwide leader in many automotive and consumer electronics and accessories categories, as well as premium high-end audio. Today, VOXX International Corporation has an extensive distribution network that includes power retailers, mass merchandisers, 12-volt specialists and most of the world's leading automotive manufacturers. The Company has an international footprint in Europe, Asia, Mexico and South America, and a growing portfolio, which now comprises over 30 trusted brands. Among the key domestic brands are Klipsch®, RCA®, Invision®, Jensen®, Audiovox®, Terk®, Acoustic Research®, Advent®, Code Alarm®, Car Connection®, 808®, AR for Her®, and Prestige®. International brands include Klipsch®, Jamo®, Energy®, Mirage®, Mac Audio®, Magnat®, Heco®, Schwaiger®, Oehlbach® and Incaar™. For additional information, please visit our Web site at [www.voxxintl.com](http://www.voxxintl.com).

### **Safe Harbor Statement**

*Except for historical information contained herein, statements made in this release that would constitute forward-looking statements 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 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, premium audio and consumer accessories 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 concerns regarding the European debt crisis; restrictive debt covenants; the possibility that the review of our prior filings by the SEC may result in changes to our financial statements; and the possibility that stockholders or regulatory authorities may initiate proceedings against VOXX International Corporation and/or our officers and directors as a result of any restatements. Risk factors associated with our business, including some of the facts set forth herein, are detailed in the Company's Form 10-K for the fiscal year ended February 28, 2017.*

### **Company Contact :**

Glenn Wiener, President

GW Communications

Tel: 212-786-6011

Email: [gwiener@GWCco.com](mailto:gwiener@GWCco.com)