

Midwest IDEAS Conference











Safe Harbor Statement

Certain statements contained within this presentation may be considered forward-looking under the Private Securities Litigation Reform Act of 1995. The statements may be identified by the use of words such as "expect," "should," "goal," "predict," "will," "future," "optimistic," "confident," and "believe." These forward-looking statements are subject to risks and uncertainties including, without limitation, global economic conditions, geopolitical environment, global health emergencies including the COVID-19 pandemic, availability or cost of raw materials and components, foreign exchange fluctuations, and our ability to convert new business opportunities into customers and revenue. Additional cautionary statements regarding other risk factors that could have an effect on the future performance of Kimball Electronics, Inc. (the "Company") are contained in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2021, and other filings with the Securities and Exchange Commission (the "SEC").

This presentation contains non-GAAP financial measures. The non-GAAP financial measures contained herein include Adjusted Operating Income/Margin, Adjusted Earnings Per Share, and Return on Invested Capital (ROIC). Management believes these measures are useful and allow investors to meaningfully trend, analyze, and benchmark the performance of the Company's core operations. Many of the Company's internal performance measures that management uses to make certain operating decisions use these and other non-GAAP measures to enable meaningful trending of core operating metrics. Reconciliations of the reported GAAP numbers to these non-GAAP financial measures are included on the Non-GAAP Reconciliation slides.



Kimball Electronics At A Glance

A global manufacturing solutions provider of contract electronics and diversified manufacturing services

WORLD HEADQUARTERS

Jasper, IN

Nasdaq (KE)

NUMBER OF EMPLOYEES

-7,200 P



FY22 NET SALES

\$1.35 BILLION VERTICAL MARKETS

- Automotive
- Medical
- Industrial
- Public Safety

MANUFACTURING FACILITIES



Poland



Thailand





China



Mexico



Romania



Vietnam



Our Guide to Lasting Relationships and Global Success

OUR MISSION, OUR PURPOSE, AND OUR VISION & STRATEGY

MISSION

To attract, develop, and maintain long-term successful relationships with all the stakeholders of our business:

Our customers, employees, suppliers, communities, and Share Owners and to keep our promise to help achieve success with those relationships wherever we go in the world.

PURPOSE



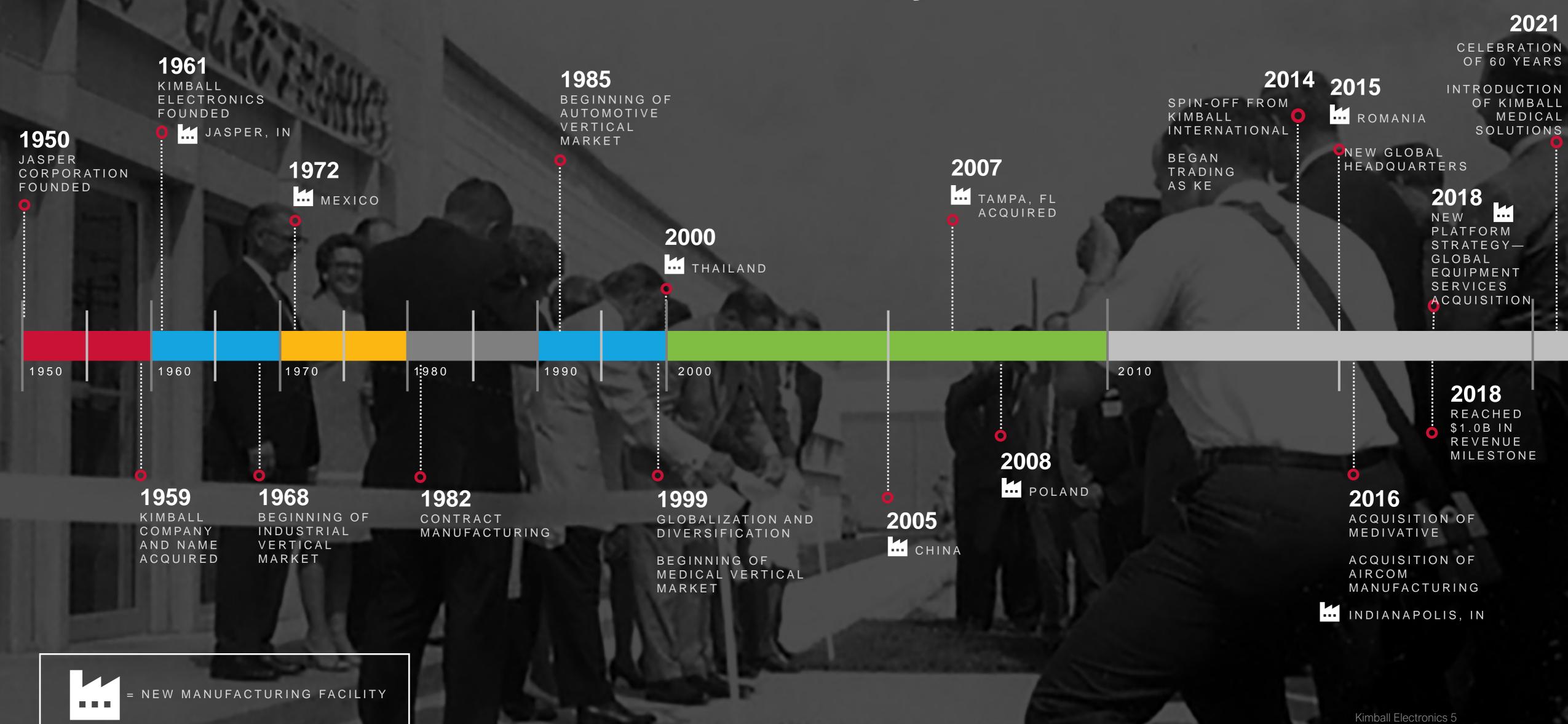
VISION

To be the world's most preferred multifaceted manufacturing solutions provider and to set the industry standard for quality, reliability, and service.

STRATEGY

To develop ourselves beyond a pure play EMS company to a multifaceted manufacturing solutions company.

A Rich History



Celebrating 60 Years Strong

Our company culture and core values are derived from the important beliefs of our **Guiding Principles**





Our customer is our business

People



Our people are the company

Citizenship



The environment is our home

Profit



Profits are the ultimate measure of how efficiently and effectively we serve our customers



Leadership Team

LEADING THE WAY AND CREATING QUALITY FOR LIFE











Steven Korn

PRESIDENT, GLOBAL **ELECTRONICS MANUFACTURING** (EMS) OPERATIONS





VICE PRESIDENT, DIVERSIFIED CONTRACT MANUFACTURING SERVICES (DCMS)



Jessica DeLorenzo

VICE PRESIDENT, **HUMAN RESOURCES**



Kathy Thomson

VICE PRESIDENT, GLOBAL BUSINESS DEVELOPMENT AND DESIGN SERVICES



Christopher Thyen _





Isabel Wells

CHIEF INFORMATION OFFICER

End-to-End Partnership Solutions

Whether you're looking for end-to-end engineering, design & manufacturing solutions — or help at any lifecycle stage in your product development — Kimball Electronics is the single-source partner for manufacturing to the most exacting, stringent, mission-critical, high-reliability, high-quality, has-to-be-right product specifications.



Engineering, Design & Development

Engaging with our integrated design and manufacturing services team increases speed to market.



Prototyping

We provide a dedicated team and equipment to expedite the process and bring products to market faster.



New Product Introduction or Transfer of Existing Product

We have a robust New
Product Introduction
process, focused on
manufacturability. Our
Transfer of Existing
Product process can be
applied to move product
from current supplier to a
Kimball facility.



Manufacturing

choosing us to manufacture your product means you are getting a true partner. We work as an extension of your own team and we treat your product like it's our product.



Testing

We can focus on identified areas or testing criteria to validate customer concerns or to reaffirm the reliability of specific functionality. No matter what testing you need, we've got it covered.



Support and Aftermarket Support Services

We know the market can change. We create custom solutions to support our customers and their product lifecycle from start to finish.

Competitive Advantage – Global Footprint



Tightly integrated systems around the world, giving customers we service at multiple locations a single point of contact

Strong communication and partnerships across all business units, providing customer service excellence internally and externally

Kimball Advantages

Global bonus plan driving better decision making across the business focused on one plan, one team

Region-to-region supply relationship, ability to supply our customers in same regions







Culture of Excellence

FOUNDATIONAL PRINCIPLE



Our customer is our business

We know we must provide innovative products and services that excite our customers and exceed their expectations of quality, features, and enduring value.

Our Industry 4.0 Strategy:

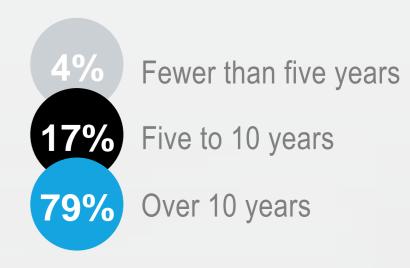
- Leverage a digital framework
- Meet customer requirements
- Enhance competitiveness
- Accelerate continuous improvement
- Share best practices

How We Deliver

AWARD-WINNING SERVICE AND LONG-TERM RELATIONSHIPS

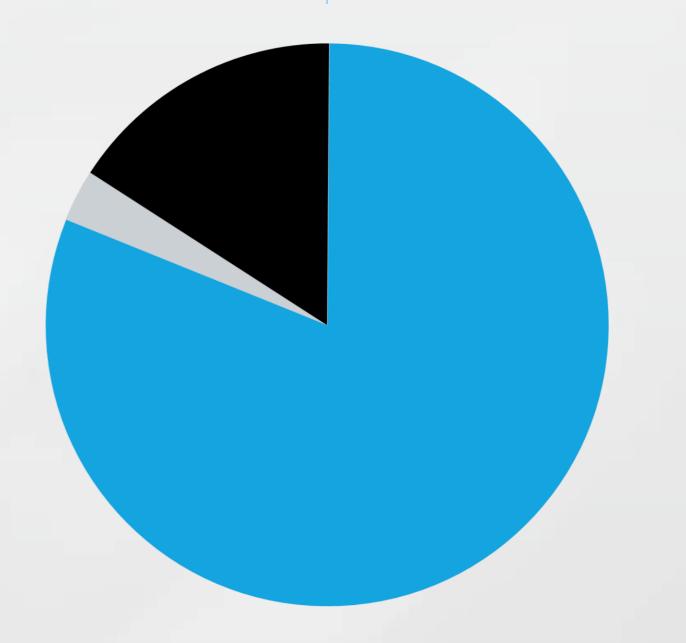
Kimball Electronics has participated in the Circuits Assembly Service Excellence Awards for eight consecutive years, winning awards for excellence in multiple categories, including:

FY22 net sales by length of customer relationship



- Quality
- Dependability/timely delivery
- Responsiveness
- Value for price
- Technology

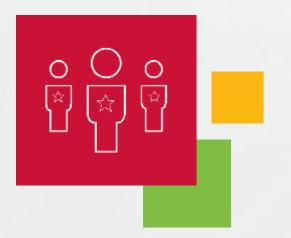
The award results, based solely on direct customer input, are an indication of outstanding achievement in service excellence.





We work at our collective best when we draw inspiration from the institutional knowledge of team members located around the globe.

1961 0 2022



Resilience

FOUNDATIONAL PRINCIPLE



Sixty years of promoting a culture that ensures the sustainability of our long-term talent pipeline. Our employees share in our success, both financially and through personal growth and fulfillment.



Diversity, Equity, and Inclusion

As a global company, we recognize the benefits of a diverse workforce and inclusive work environment. By developing an atmosphere of mutual respect, dignity for the individual, and a sense of family, we are better able to meet the unique needs of our employees, share owners, customers, communities, and suppliers.

OUR EXECUTIVE MANAGEMENT TEAM

50% female

20% ethnically diverse



8.32 out of 10

The collective score by Kimball Electronics employees in our Guiding Principles survey





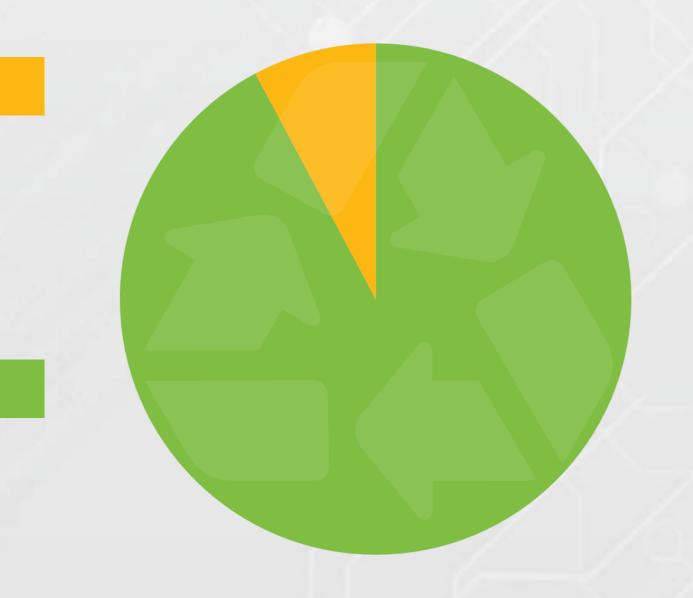


Our company and community pride intertwine. We share, but never impose, our values within our communities. Each Kimball Electronics facility strives to help make its community a great place to live through positive societal and environmental impact.

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Environmental Success

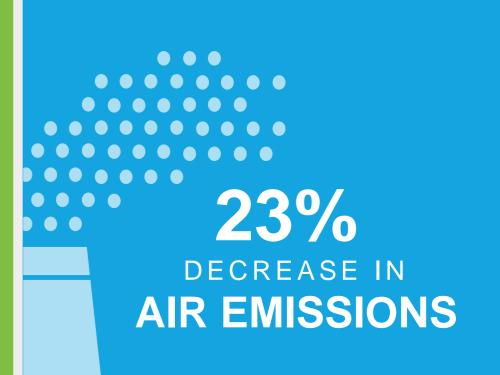
Our impact on global climate is real. We strive to reduce our energy usage and greenhouse gas footprint, and that starts with our local environment, health and safety teams, and the subsequent sharing of best practices globally.

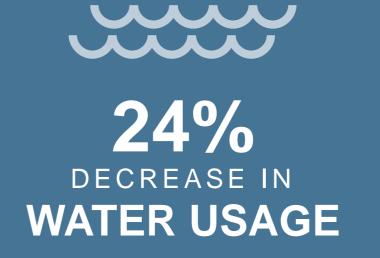


OVERALL,
WE RECYCLED

92%
OF OUR WASTE











36%
DECREASE IN
HAZARDOUS WASTE





ESG Report for 2021

Demonstrates our enhanced transparency regarding our policies, statements, and goals in human rights, supply chain transparency, occupational health and safety, diversity and inclusion, progress on environmental stewardship, and good governance.

We are truly focused on "creating quality for life".

Report available on our company website



Celebrating Our Share Owners

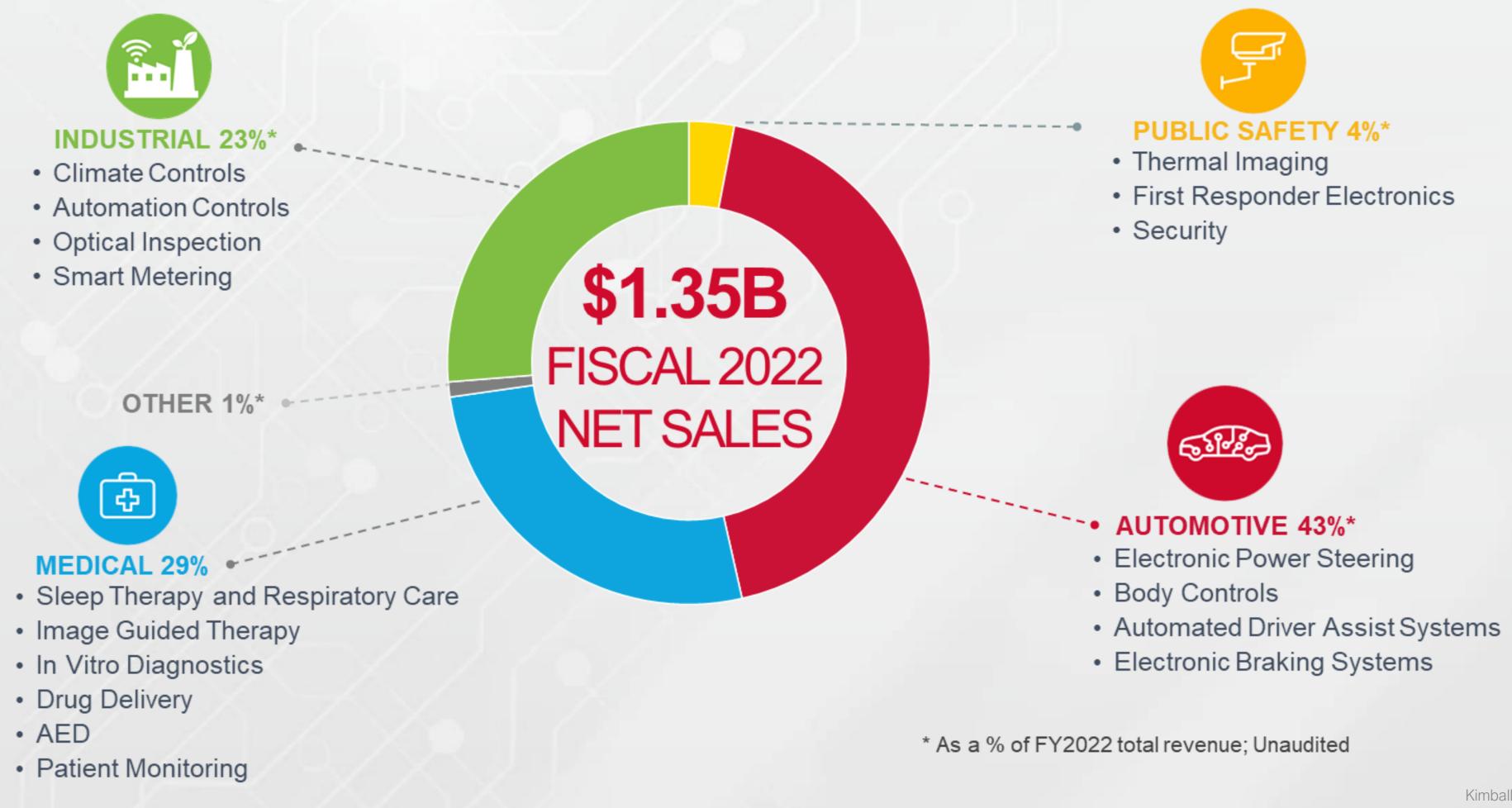


Fiscal 2022 was a good year for our company...

- Record results on the top line
- Strong funnel of new business increasing our backlog of open orders
- Executed a capital deployment strategy:
 - Investing in future growth with expansions at multiple facilities
 - Returning cash to Share Owners in the form of stock repurchases
 - Supporting customers with strategic inventory builds to mitigate parts shortages, even though the increases adversely impacted cash flow, CCD, and ROIC
 - We fully expect improvement in these areas as conditions normalize in the global supply chain

Diversified portfolio and end-market services

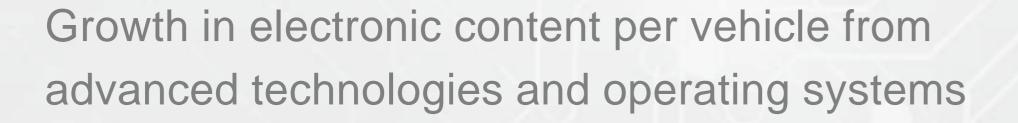
FISCAL 2022 NET SALES BY VERTICAL MARKET IN HIGHLY REGULATED AND COMPLEX INDUSTRIES





Automotive

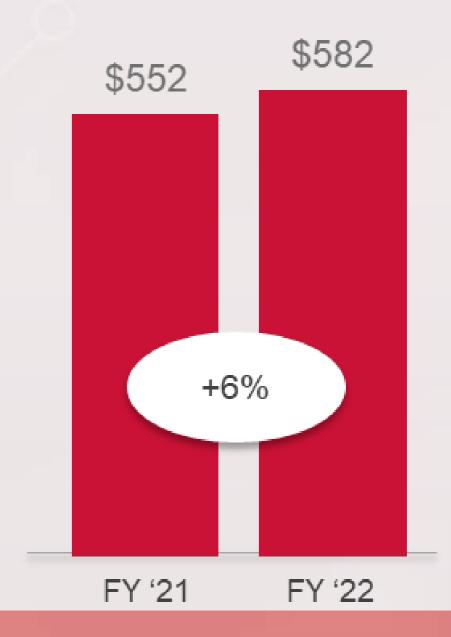
VERTICAL MARKET



- Electronic power steering
- Body controls
- Automated driver assist systems
- Electronic braking systems

Applications and architecture largely the same for both electric and internal combustion engines

Net Sales



REPRESENTATIVE CUSTOMERS TIER 1 SUPPLIERS









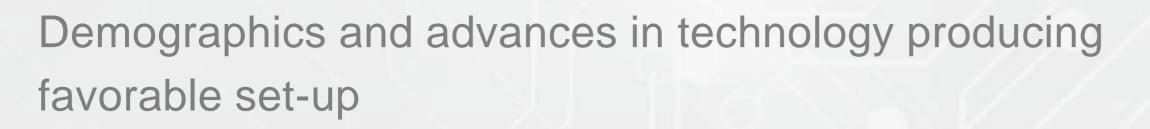






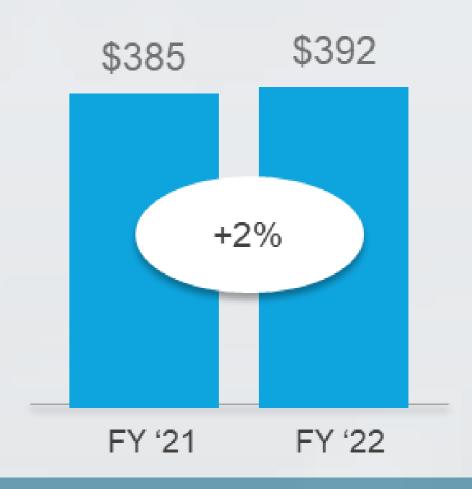
Medical

VERTICAL MARKET



- Aging population
- Affordability and increasing access to care
- Connected care to improve patient outcomes
- Decreasing device size
- Connected drug delivery

Net Sales



REPRESENTATIVE CUSTOMERS

ZOLL Medical

PHILIPS
Healthcare

SIEMENS Healthcare

stryker kaléo







Industrial

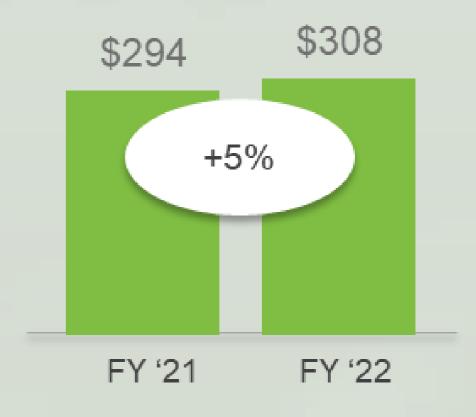
VERTICAL MARKET



Innovation and expertise driving Factory 4.0 reality in the dynamic and evolving industrial market

- Support efficiency
- Transactional efficiency
- Motor controls
- Interoperability of industrial devices

Net Sales



REPRESENTATIVE CUSTOMERS

Honeywell



REGAL



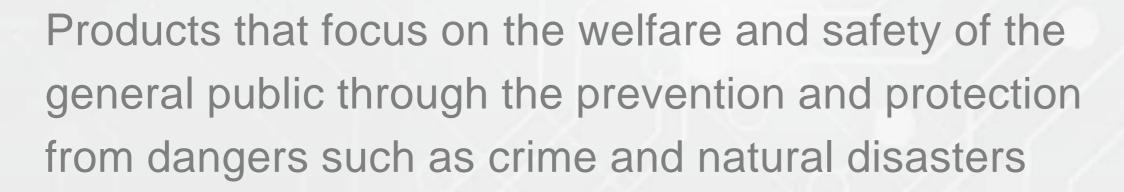






Public Safety

VERTICAL MARKET



- Supporting homeland security
- Safeguard people, property, and infrastructure
- Service the needs of nearly every public safety threat detection and threat avoidance market
- Emphasis on prevention





REPRESENTATIVE CUSTOMERS

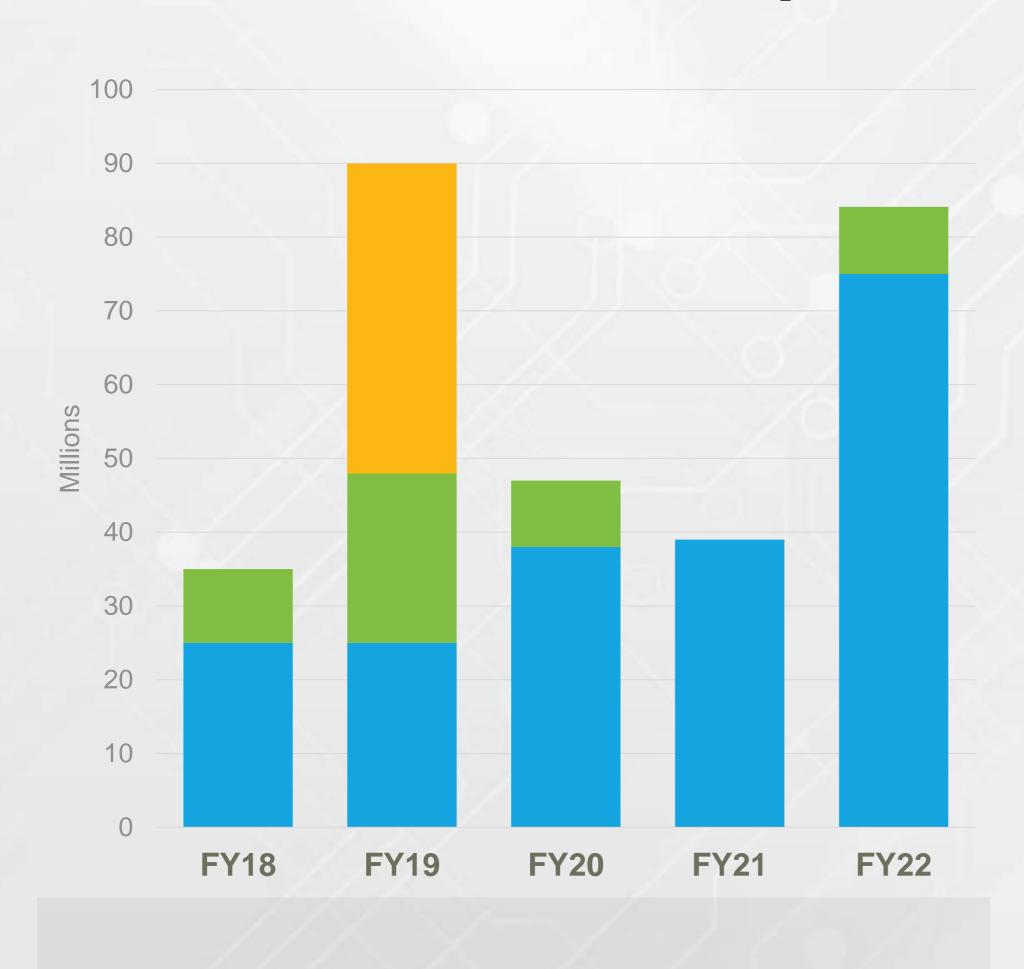








Capital Allocation



Reinvest in the business

Significant CapEx spending to fuel multiyear organic growth and expansion in ROIC.

Acquisitions

\$50+ million of acquisitions over past six years. Going forward M&A will play an important role in strategic direction of the firm.

Share repurchase

\$88.8 million of common stock repurchases representing 5.8 million shares since October of 2015.



Guidance for fiscal year 2023



Net sales range

\$1.6 - \$1.7 billion

Increase compared to fiscal 2022

▲19%-26% in net sales



Operating income expected to be 4.6% - 5.2% of net sales





Net sales estimated to be in the range of \$1.6 - \$1.7 billion, a 19% - 26% increase compared to fiscal 2022



Operating income margin of 4.6% - 5.2%



CapEx guidance of \$80 - \$100 million



CapEx includes equipment in the facility expansion in Mexico, and facility expansion in Poland

Capital deployment to support a healthy funnel of new product introductions



Addition of equipment with leading-edge technologies and capabilities

Strategically Positioned For Growth To \$2 Billion In Annual Revenue

COMPETITIVE ADVANTAGES



Global consistency

Single instance of SAP supports manufacturing operations around the world. Standard lean six sigma practices shared across all facilities.





Experienced body of knowledge required for high quality, high reliability, highly complex, and durable electronics.



Customer relationships

Sustainable and long-term produce ongoing streams of orders. Many programs single-sourced.



Regulatory compliance

...and industry certifications





Support global OEMs in all areas of the world. More easily allows programs to be singlesourced.



Megatrends

CIPC J-STD HASS

Key vertical market growth will provide tailwinds for future growth.



Facility Expansion in Thailand





- Expansion doubled the capacity of the facility
- Much of the product produced in Thailand is exported
- Heavy focus on the Medical vertical market

Facility Expansion in Mexico





- Expansion doubled the capacity of the facility
- Second building ~1 mile from original location
- Much of the product produced in Mexico supports the Automotive and Industrial vertical markets



Facility Expansion in Poland



- Supporting customers' growth in Europe
- Adding ~40% to existing production square footage in Poznan, Poland
- Expansion targeted for completion in early fiscal 2024... remains on schedule

Expanding Solution Set

OUR STRATEGY



- Add manufacturing services for non-electronic components
 - Attractive margin and return profile
 - Offer turnkey solutions and package of value





Electronics manufacturing service



Diversified contract manufacturing services



Automation, testing, and measurement



Outsourced manufacturing service

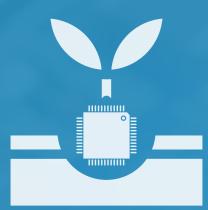
M&A **INVESTMENTS***



- Expand capabilities to create, install,
 - and service manufacturing systems
 - Greater strategic customer engagement
 - Proprietary products, software, and services
 - Leverage AT&M technologies across all market verticals





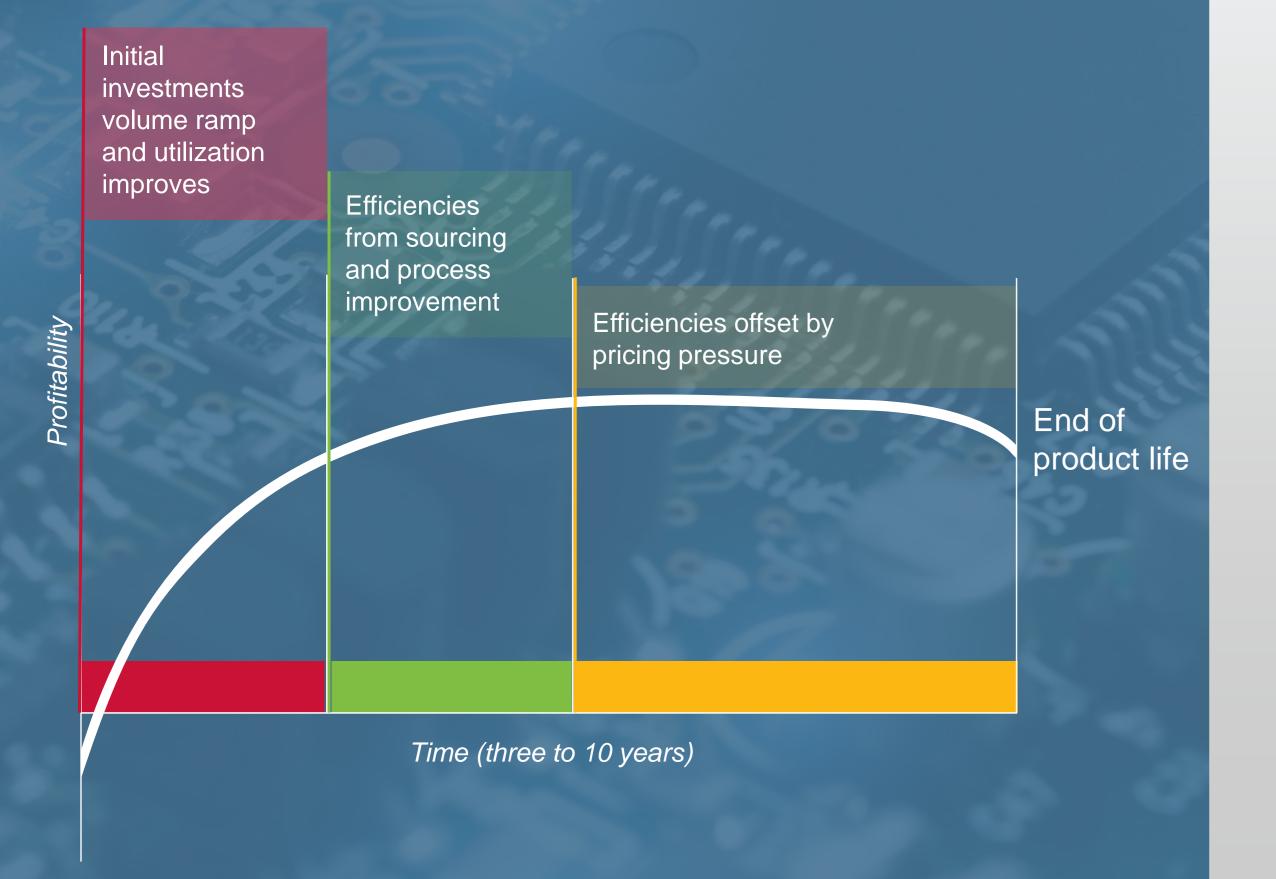


THESE PROGRAMS PROGRESS

at a slow and steady pace, allowing for long-term sustainable growth gained through sourcing efficiencies and process improvements.

A program lifecycle can be as long as a decade!

Program Lifecycle:



Program Lifecycle

ROIC MEASURED OVER MULTIPLE YEARS



As new programs mature, volumes ramp, and cost efficiencies are gained



Increased launch activity in recent years has put near-term pressure on profitability/returns



ROIC measured over multiple years



Programs are mostly single-sourced





Entrepreneurial Spirit

FOUNDATIONAL PRINCIPLE



We seek to promote and reinforce an entrepreneurial spirit — a conviction that growth and continuous improvement is everyone's job.

This spirit is further reflected in the recognition that profits are the ultimate measure of how efficiently and effectively we serve our customers.



Making investments in our future

Leveraging our strong balance sheet for growth

Creating opportunities to expand profitability and returns



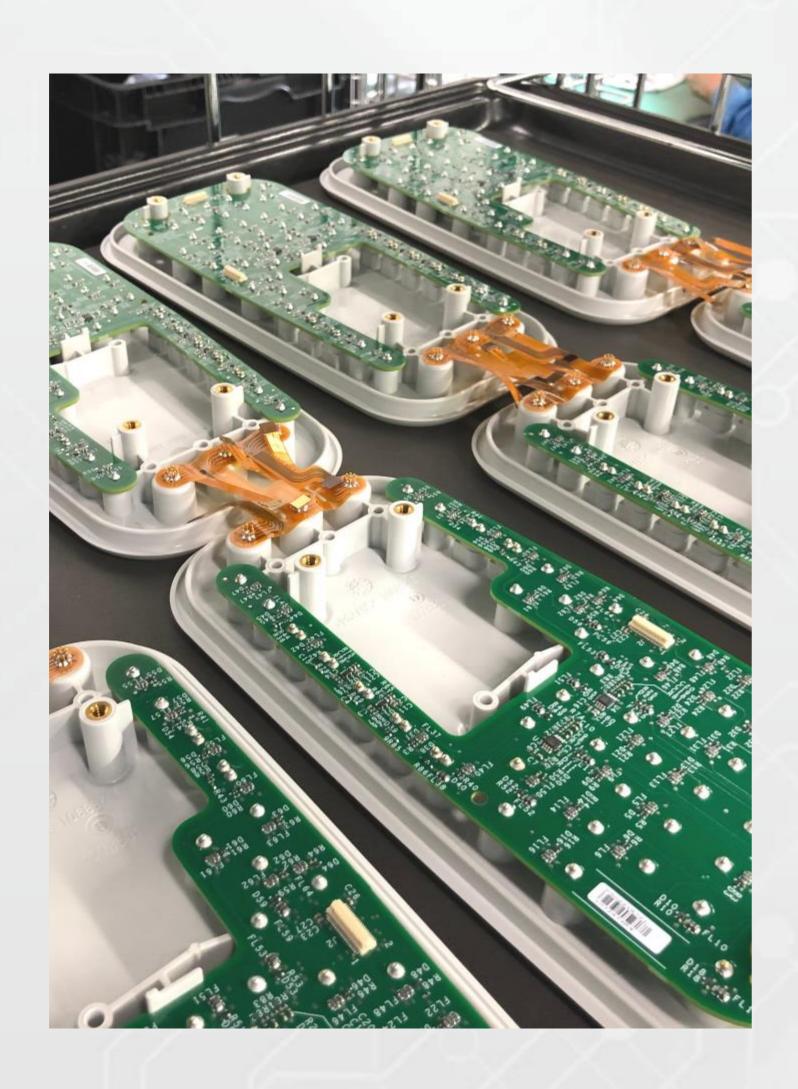
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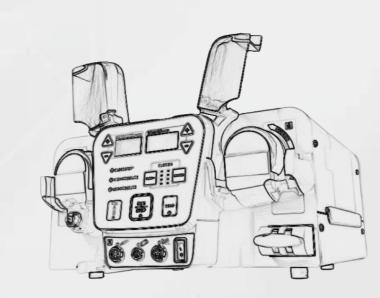


Appendix

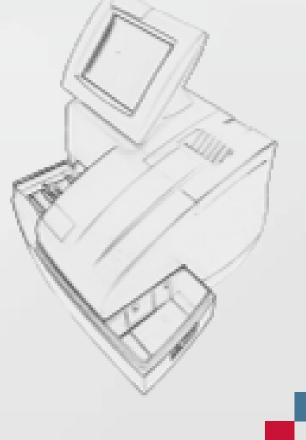
Electronics Manufacturing Services (EMS)

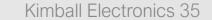


- Printed Circuit Board Assembly (PCBA's)
- Full System and High-Level Assembly Build
- Large Capital Equipment Assembly
- Prototyping
- New Product Introduction or Transfer of Existing Products
- Supply Chain Management
- Design Engineering Services







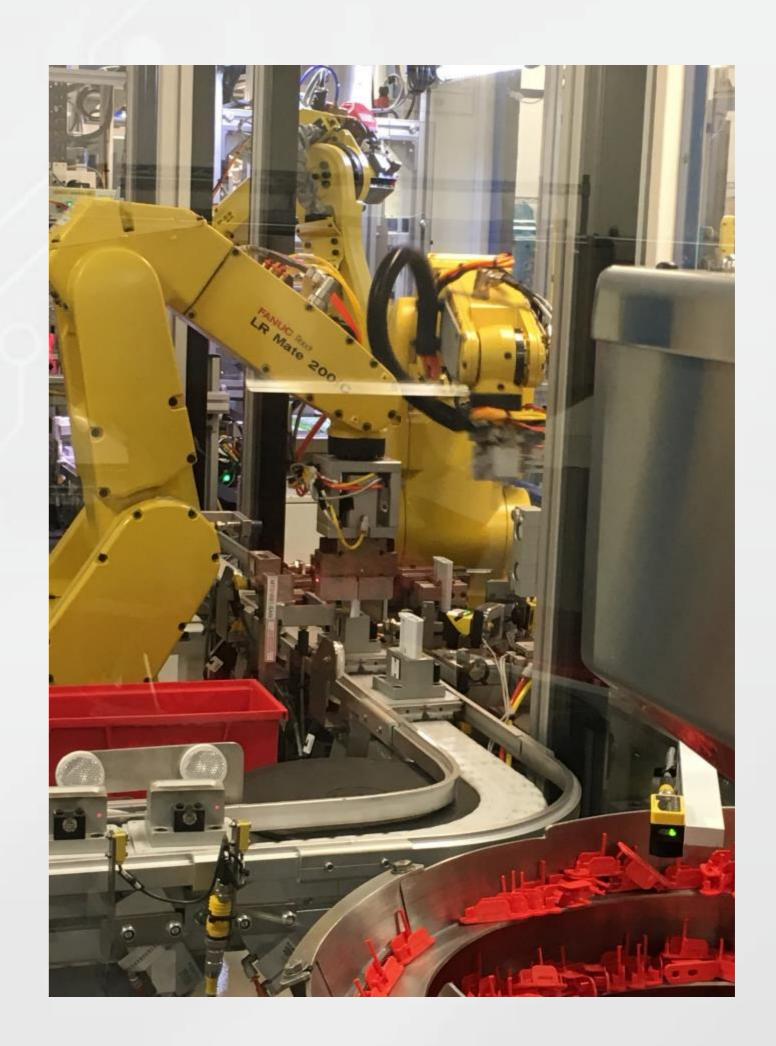


Medical Contract Manufacturing Services (DCMS)

- Focused on the Medical Market
- Scientific Injection Molding
- Cold Chain Management
- Drug Delivery Device Manufacturing
- Disposable Medical Product Manufacturing
- Surgical Device Manufacturing
- Complex Medical Device Assembly
- Clean Room Assembly
- Design Engineering Services







Automation, Test & Measurement (AT&M)

- Automation, Assembly, and Small Part Handling Solutions
- Inspection, Metrology, and Quality Control
 Solutions
- Functional Testing: Leak, Air, Optical, Water,
 Force Touch, Camera, Battery Cycling, LiDAR
 Component
- Optical Engineering, Machine Vision and Artificial Intelligence
- EMTab Al driven, web based, manufacturing data gathering and analysis management system facilitating Industry 4.0 transformation.

