

Share Owners Meeting

November 11, 2022




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, 2022 and other filings with the Securities and Exchange Commission (the “SEC”).

Don Charron, Chairman and CEO



Corporate Prayer



**Doug Hass,
Chief Legal and Compliance
Officer, Secretary**



Proposals for Consideration

- Election of Directors
 - Michele A. M. Holcomb
 - Tom G. Vadaketh
 - Holly A. Van Deursen
- Ratify the selection of Deloitte & Touche LLP as the Company's Independent Registered Public Accounting Firm
- Approve, by a non-binding, advisory vote, the compensation paid to the Company's Named Executive Officers



Tom G. Vadaketh



Michele A.M. Holcomb



Holly A. Van Deursen

Preliminary Vote Report and Adjournment



Don Charron, Chairman and CEO



Opening Remarks

Welcome

- This is our 8th Annual Meeting of Share Owners since the spin as a public company

Share Owners

- Thank you for your continued support

Veterans and Active Military Personnel

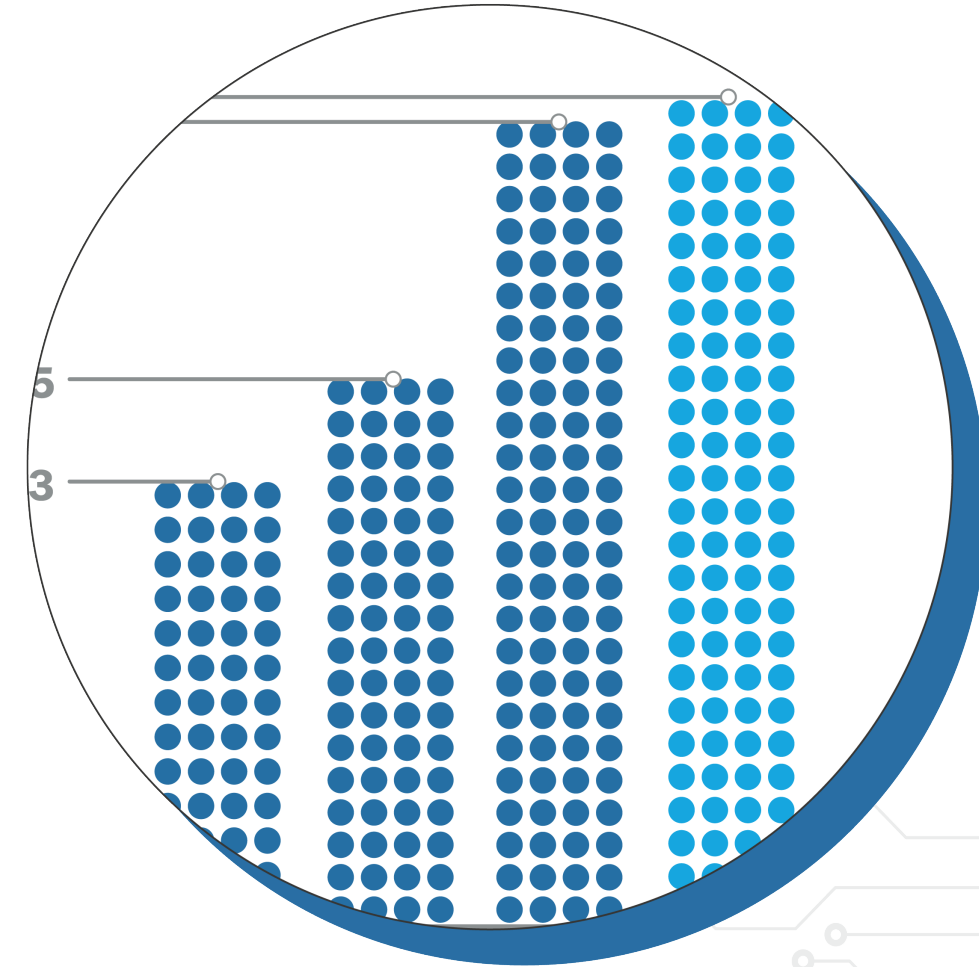
- Thank you for your service



State of the Company

Poised for Growth

- Unique manufacturing capabilities and award-winning customer service
- Support vertical end-markets benefiting from industry megatrends that will drive long-term growth
- Emerging from the challenging operating environment with strength
- Strong customer partnerships have produced several business wins, along with expansions of existing programs
- Company culture serves as the cornerstone of our Strategic Plan and foundation of the organization



Embracing the ever-changing landscape with commitment and resolve

Global Pandemic

- Crisis not fully behind us
- China's zero-tolerance policy
- Our #1 priority is health and safety
- We're effectively meeting the challenges

Ukraine Conflict

- Volunteerism and donations
- Red Cross, The Pink Box Foundation, etc.
- Appropriate measures to safeguard our business

Supply Chain Disruption

- Component parts shortages
- Remained committed to our workforce
- Top-line record results nonetheless



Fiscal 2022 was a Good Year for our Company...

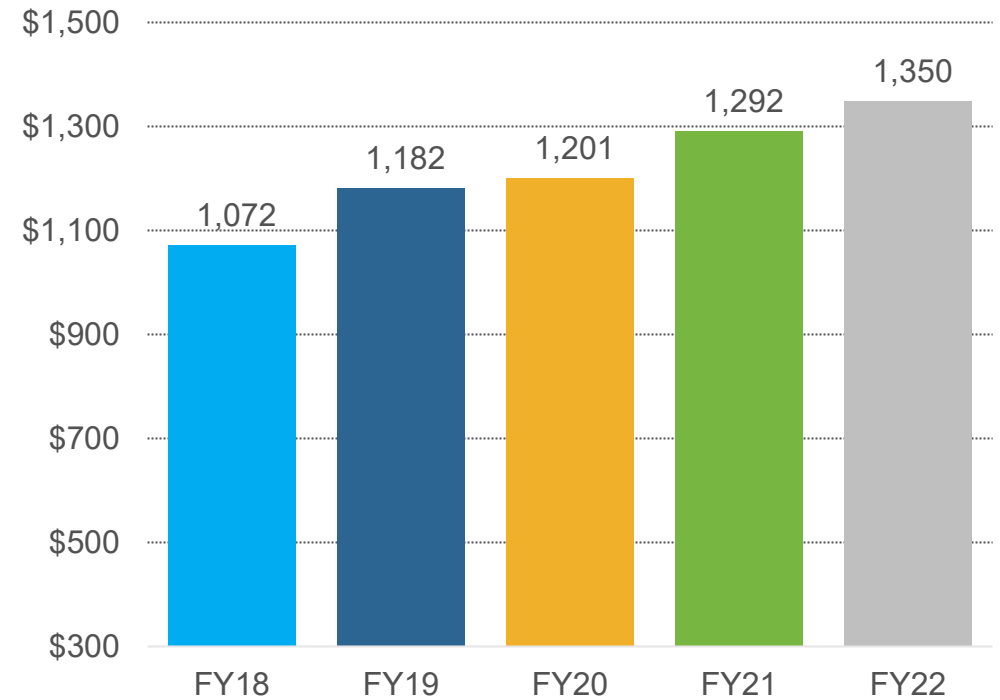
Record Results on the Top Line

- Bifurcated year, as expected
- Strong second half drove annual revenue to record levels
- Funnel of new business increased backlog of open orders

Executed a Capital Deployment Strategy

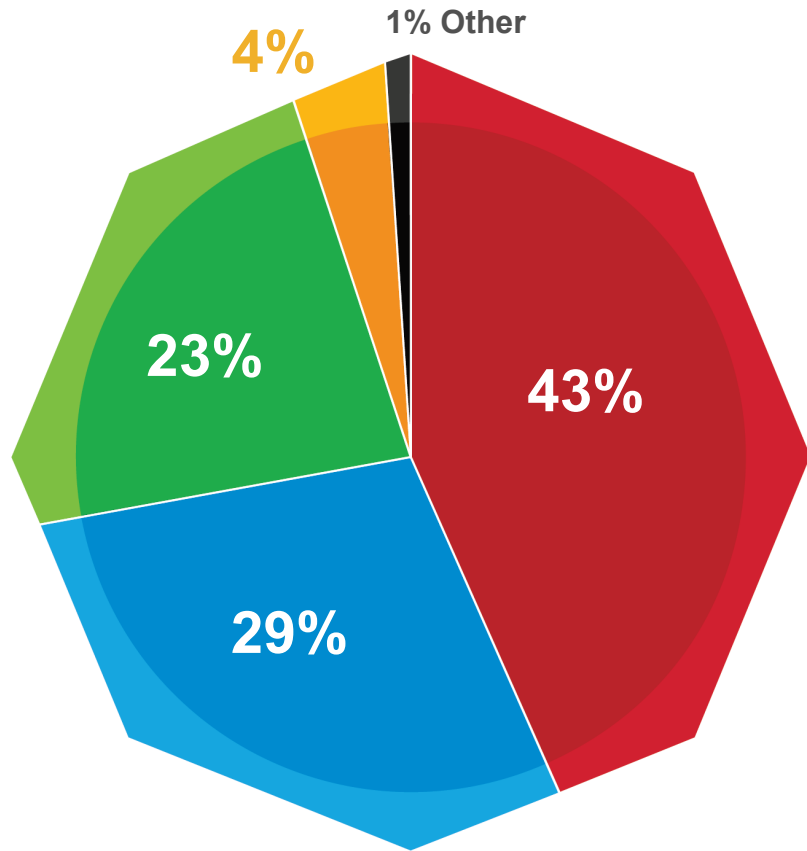
- Investing in future growth with expansions at multiple facilities
- Returning cash to Share Owners in the form of stock repurchases
- Supporting customers with strategic inventory builds to mitigate parts shortages, even though the increases adversely impacted cash flow, CCD, and ROIC

Fiscal Year Net Sales
(\$ in millions)



8% CAGR FY2018 to FY2022 • 4% Growth FY22 (ended 6/30/22)

Diversified Portfolio and End Market Services



 **AUTOMOTIVE** ↑ 6% in Net Sales

 **MEDICAL** ↑ 2% in Net Sales

 **INDUSTRIAL** ↑ 5% in Net Sales

 **PUBLIC SAFETY** ↑ 4% in Net Sales

\$1.35B FY2022 NET SALES

Up 4% from FY2021

Poised for Growth: Automotive Market

Automotive was our best performing vertical market in fiscal year 2022, with net sales exceeding \$580 million. This represents a 6% increase compared to fiscal year 2021, with strength in electronic power steering, automated driver assistance, and electronic braking—including redundant safety systems in self-driving applications.



Poised for Growth: Automotive Market

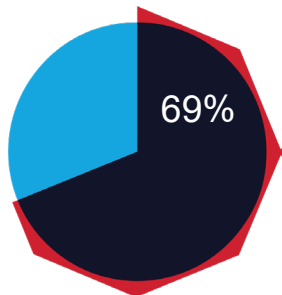
Our Manufacturing Competencies Align Well with the Emerging Technologies

Vehicle Electrification

- Automakers are continuing to respond to customer demand by developing more Electric Vehicle (EV) models, including both plug-in hybrid electric vehicles and battery electric vehicles, that are increasingly cost-competitive with their internal combustion engine counterparts.

Unparalleled Automotive Electronics Manufacturing Experience

- We understand the importance of safety and reliability and work with our market-leading customers to ensure the highest levels of quality and security of supply.



69% of the Automotive assemblies manufactured in fiscal year 2022 were for the application of steering



+20 MILLION automotive assemblies manufactured in fiscal year 2022 for occupant safety, vehicle sensing, and safety applications.

Poised for Growth: Medical Market

Net sales in the Medical vertical market were \$392 million, or a 2% increase compared to fiscal year 2021. This was an encouraging result considering the impact the pandemic had on the Medical industry, with a significant decline in elective procedures during the crisis. Our success was driven by support in applications involving sleep therapy and respiratory care, image guided therapy, in vitro diagnostics, drug delivery systems, AED, and patient monitoring equipment.



Poised for Growth: Medical Market

Medical Solutions

In August of 2021, Kimball Electronics was excited to announce the introduction of Kimball Medical Solutions, providing our medical customers a full-service approach across all of our capabilities: electronics manufacturing, precision injection molded plastics, contract manufacturing, assembly and packaging services, sterilization and cold chain management, custom automation services and test systems, machine vision and artificial intelligence, and design engineering services.



+5 MILLION disposable diagnostic test products produced for our customers in fiscal year 2022

Poised for Growth: Industrial and Public Safety Market

Our business supporting the Industrial vertical market, which we frequently call “green & clean”, also had a good year with improving top-line trends, after prolonged pandemic-related disruptions.



Support for Evolving Markets

Smart Electronic Access Control Products

- Our manufacturing for the Public Safety end market includes products that support the safeguarding of people, property, and infrastructure. In addition to the trend of a growing remote workforce, the future of door and smart access control will increasingly rely on electronics and on mobile technology.



+500,000 smart access control assemblies produced in fiscal year 2022

Helping Leading the Way in Smart Meter Manufacturing

- Smart meters are electronic measurement devices used by utility companies and municipalities to communicate billing information to customers for electricity, water, and/or gas operating systems.



The global smart meters market is expected to grow by registering a Compound Annual Growth Rate (CAGR) of 7.74% over 5 years (forecast period 2022-2027).

Recently Affirmed Guidance for Fiscal 2023, and Expect Full Year Results to be at the High-End of the Range

Net sales range

\$1.6 - \$1.7 billion

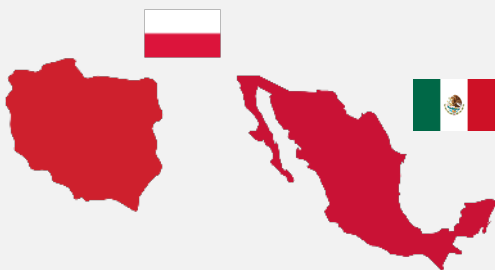
Increase compared to fiscal 2022

▲ 19% - 26% in net sales

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

CapEx

\$80 - \$100 million



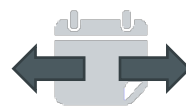
Net sales estimated to be in the range of \$1.6 - \$1.7 billion, a 19% - 26% increase compared to fiscal 2022



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

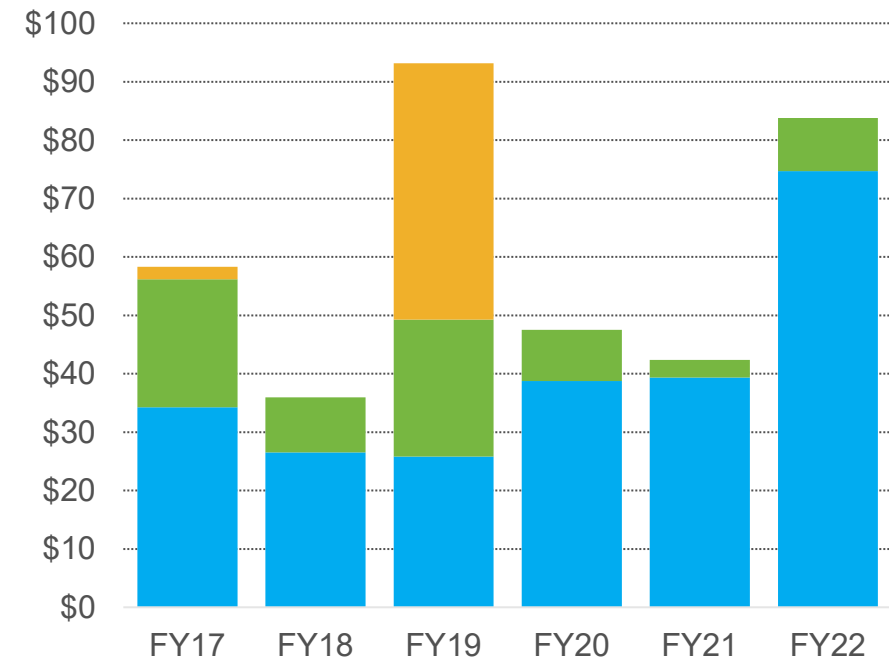


Addition of equipment with leading-edge technologies and capabilities

Capital Allocation

- Reinvest in the business** – Significant CapEx spending to fuel multi-year organic growth and expansion in ROIC.
- Acquisitions** – \$50+ million of acquisitions over past seven years. Going forward M&A will play an important role in strategic direction of the Company.
- Share Repurchase** – \$88.8 million of common stock repurchases representing 5.8 million shares since October of 2015.

Capital Allocation
(\$ in millions)



Looking Forward

Path to \$2 Billion in Annual Revenue

- Strong backlog of open orders
- New business aligns our facility expansions with our customers' growth
- Strategic Plan identified key areas of focus to achieve this goal with manufacturing capacity being a critical variable
- Generate ~\$1 million of sales volume / 1,000 sq ft
- Recent capacity expansions are meaningful



Poised for Growth: Facilities Expansion

Kimball Electronics is expanding its global manufacturing and warehousing facilities to meet the growing demand from both existing and new customers.



Poised for Growth: Facilities Expansion

Facility Expansions Align with Customer Growth

Expanding Our Footprint in Thailand

- The fiscal year 2022 expansion project for Kimball Electronics — Thailand has more than doubled the capacity of our manufacturing facility.

Doubling our Manufacturing Capacity in Mexico

- Our most recent manufacturing capacity expansion took place in Reynosa, Mexico, where we completed the construction of a new facility, Kimball Electronics — Mexico #2, in late June.

New Business Drives Growth in Poland

- The most recent facility expansion initiated in fiscal year 2022 is that of our Poland manufacturing facility.



↑ **38%**

We're underway with 370,000 square feet of new facility expansions, representing an increase of 38% capacity worldwide.



Poised for Growth: Our Culture

We demonstrate our company purpose by Creating Quality for Life for our people through a respectful and rewarding company culture that encourages meaningful work, as well as for our communities through our positive societal impacts.



People are the Company

Diversity, Equity, Inclusion & Belonging

- As a human-centered company focused on Diversity, Equity, Inclusion & Belonging (DEI&B), we promote multiple “heritage” days and months by giving employees the option to participate in virtual events to encourage openness to others and learning new insights.







44% of our executive team is female

11% of our executive management team is ethnically diverse

Guiding Principles

- Each year, employees around the world rate us on how well we are living up to the company culture we strive to provide as defined by the elements within our Guiding Principles.

Our Guiding Principles include:

-  The People are the Company
-  Our Customer is Our Business
-  The Environment is our Home
-  Profits are the Ultimate Measure



Thank You and Congratulations



Michele A.M. Holcomb

Member of the Kimball Electronics Board since 2019



Holly A. Van Deursen

Member of the Kimball Electronics Board since 2019

Each enhances our Board's distinct and valuable skill sets as we continue to build lasting relationships and global success with our stakeholders

Welcome

- Tom Vadaketh appointed new Director at our Board Meeting in September
 - Stands for election to a full term at our Annual Meeting of Share Owners later this week
- Well-rounded financial expertise and vast experience with major multinational organizations
- Demonstrated leadership in a variety of global businesses driving both organic growth and strategic acquisitions



Tom G. Vadaketh

State of the Company

In Closing...

- Focused on continuing to deliver on promises to our customers, employees, Share Owners, and communities
- After 24 years with the company, I have never been prouder to be a member of the Kimball Electronics family
- Thank you for the continued support



Questions?



Thank You!

