



Continuing our transformation.

SEPTEMBER 2024

 knowles

Creating High Performance Electronics for Tomorrow's Technology

Through a combination of application knowledge, design, materials technology, and advanced manufacturing, we deliver **superior solutions for demanding applications.**

\$560M

2023 Pro Forma Revenue*

21%

2023 Pro Forma Adjusted EBITDA Margin*

4,500

Employees

11

Countries with Operations

2

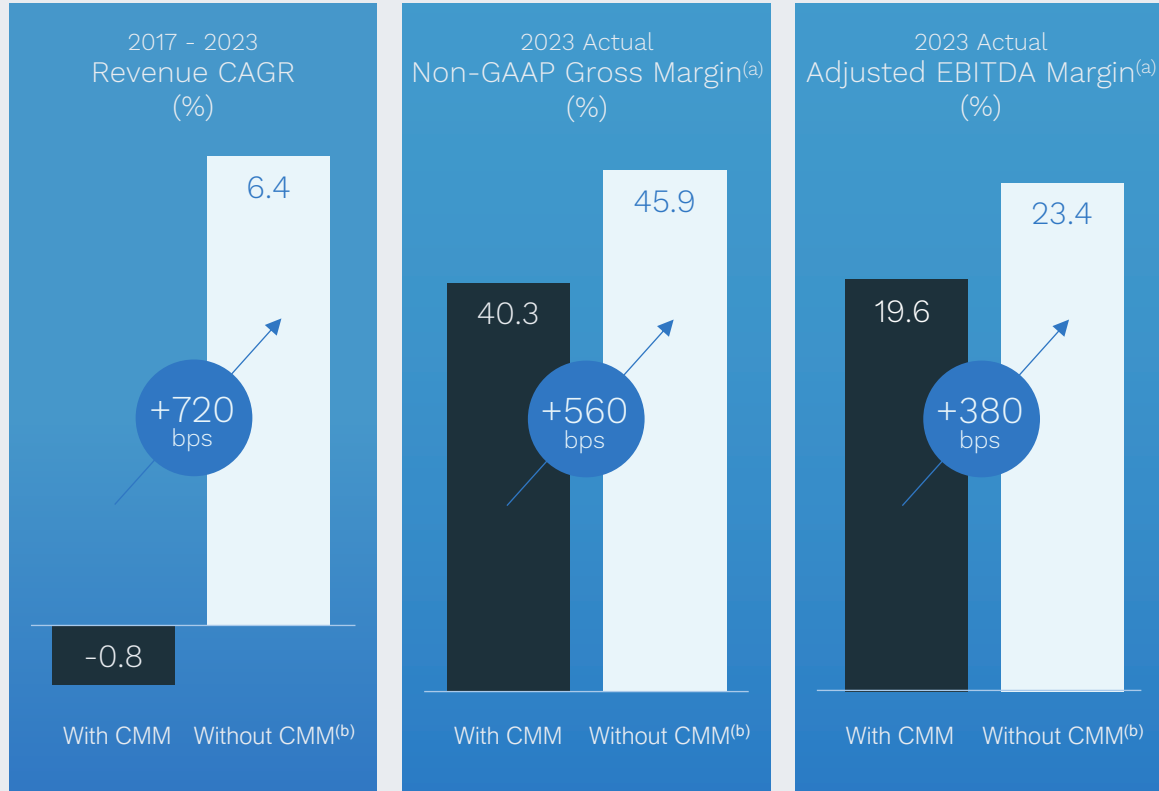
Operating Segments

* 2023 Pro Forma Revenue and 2023 Pro Forma Adjusted EBITDA Margin represent 2023 results excluding our Consumer MEMS Microphones segment and including the actual full year results for Cornell Dubilier. 2023 Pro Forma Revenue and 2023 Pro Form Adjusted EBITDA do not include all required accounting adjustments associated with the disposition of the Consumer MEMS Microphones business.

For these pro forma and Non-GAAP financial measures see the Appendix for a GAAP to non-GAAP reconciliation.

Transforming Our Business to Yield Higher Growth and Higher Margins

- In September 2024, Knowles signed a definitive agreement to sell its Consumer MEMS Microphones (“CMM”) business
- Knowles: high-reliability, high-performance industrial technology company



(a) For this Non-GAAP financial measure see the Appendix for the GAAP to non-GAAP reconciliation.

(b) These pro forma results do not include all required accounting adjustments associated with the disposition of Consumer MEMS Microphones business.

50K+ Customers Diversified Across Attractive End Markets

MedTech **52%**



\$235M
Revenue

Includes three major markets: MRI, Implantables, and Hearing Health

Defense **21%**




\$93M
Revenue

Electrification / Energy **4%**



\$18M
Revenue


2023
Market Mix*

Industrial / Other **23%**






\$105M
Revenue

* 2023 Market Mix depicts only our Precision Devices and MedTech & Specialty Audio segments based on actual results as reported in our 2023 Form 10-K.



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High Reliability.
High Performance.
High Margins.

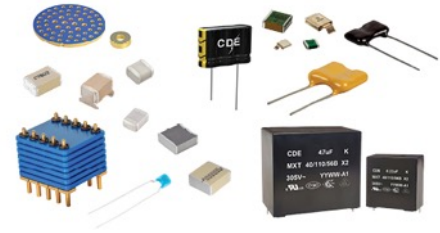
Precision Devices

-  Superior ceramics know-how
-  Thin film expertise
-  Customized solutions

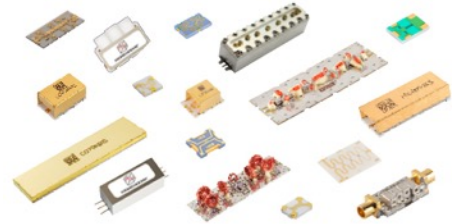
MedTech & Specialty Audio

-  Best audio
-  Smallest size
-  Lowest power

High Performance
Capacitors



RF / Microwave
Filters



Hearing Health
Solutions

Microphones, BA Speakers



Precision Devices

Delivering specialty high-performance components across a broad range of applications.

\$221M

2023 Revenue

22%

2023 Adjusted EBITDA Margins*

Key Applications

Defense Radar & Communications



Implantables



Medical Imaging



Electric Vehicles



MedTech & Specialty Audio

Delivering the highest performing solutions to address hearing loss.

\$230M

2023 Revenue

42%

2023 Adjusted EBITDA Margins*

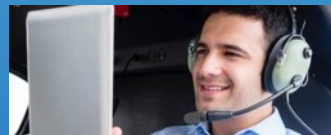
Hearing Aid



In Ear Monitor



Communications



True Wireless



* For this Non-GAAP financial measure see the Appendix for the GAAP to non-GAAP reconciliation.

These results do not include all required accounting adjustments associated with the disposition of the Consumer MEMS Microphones business.

Capital Allocation to Drive Shareholder Value

- Proven ability to deliver strong cash flow driven by Mid-Single Digit revenue growth with expanding margins
- Strong balance sheet supports growth and capital returns to shareholders
- Liquidity of \$300M+ to support acquisition growth – demonstrated capabilities to acquire and integrate
- Expect to maintain net Leverage Ratio below 2.75x
- Anticipated capital investments of 3-5% of revenues to support new business and product innovation

Leverage Ratio represents the ratio of Consolidated Total Indebtedness to Consolidated EBITDA, as those terms are defined in our Revolving Credit Facility.

Appendix

Q3 2024 Guidance and Q4 Revenue Outlook*

	GAAP	Adjustments	Non-GAAP
Revenues	\$139 to \$143 million	—	\$139 to \$143 million
Diluted earnings per share	\$0.10 to \$0.14	\$0.14	\$0.24 to \$0.28
Net cash provided by operating activities	\$35 to \$45 million	—	\$35 to \$45 million

Q3 2024 GAAP earnings per share from continuing operations are expected to include approximately \$0.06 per share in stock-based compensation expense, \$0.04 per share in intangibles amortization expense, and \$0.02 per share in acquisition related costs, and \$0.02 from differences related to the GAAP effective tax rate. These items are excluded from non-GAAP results.

Q3 2024 Net cash provided by operating activities is expected to include \$5 million of cash provided by discontinued operations.

Q4 2024 revenue from continuing operations is expected to be in the range of \$140 to \$150 million.

* Knowles is updating its third quarter 2024 guidance to reflect the anticipated sale of the CMM business. Operating results for the CMM segment will be reported as discontinued operations beginning in the third quarter of 2024.

Strategically Restructured for Greater Returns

- 1 | Knowles continues its transformation into a premier industrial technology company
- 2 | CMM transaction changes the mix of our end markets eliminating consumer mobile market, transforming our business to yield higher growth and higher margins
- 3 | Well positioned to drive shareholder value and support acquisition growth through capital allocation strategy
- 4 | Investor forum anticipated after close

Knowles Corporation

Consolidated Revenues Reconciliation

	Year Ended December 31, 2023	
Revenues	\$	707.6
(-) Revenues from CMM		(256.2)
Revenues excluding CMM		451.4
+ Revenues from Cornell Dubilier prior to acquisition		108.4
Pro forma revenues excluding CMM	\$	559.8

Knowles Corporations

Consolidated Non-GAAP Gross Margin Reconciliation

Gross profit	\$	283.4
<i>Gross profit margin</i>		40.1%
Non-GAAP reconciling adjustments		2.0
Non-GAAP gross profit		285.4
<i>Non-GAAP gross profit margin</i>		40.3%
(-) Gross profit from CMM		(80.0)
Gross profit excluding CMM	\$	203.4
<i>Gross profit margin excluding CMM</i>		45.1%
Non-GAAP reconciling adjustments excluding CMM		3.9
Non-GAAP gross profit excluding CMM	\$	207.3
<i>Non-GAAP gross profit margin excluding CMM</i>		45.9%

Knowles Corporation

Consolidated Adjusted EBITDA Reconciliation

	Year Ended December 31, 2023	
Operating earnings	\$	51.1
Other expense, net		0.7
Earnings before interest and income taxes		50.4
Non-GAAP reconciling adjustments		55.4
Depreciation expense		33.0
Adjusted earnings before interest, income taxes, depreciation, and amortization ("EBITDA")	\$	138.8
<i>Adjusted EBITDA margin</i>		19.6%

Precision Devices

Consolidated Adjusted EBITDA Reconciliation

Operating earnings	\$	25.3
Other expense, net		0.3
Earnings before interest and income taxes		25.0
Non-GAAP reconciling adjustments		15.5
Depreciation expense		8.3
Adjusted EBITDA	\$	48.8
<i>Adjusted EBITDA margin</i>		22.0%

MedTech & Specialty Audio

Consolidated Adjusted EBITDA Reconciliation

Operating earnings	\$	85.2
Other expense, net		—
Earnings before interest and income taxes		85.2
Non-GAAP reconciling adjustments		3.5
Depreciation expense		8.2
Adjusted EBITDA	\$	96.9
<i>Adjusted EBITDA margin</i>		42.1%

Consumer MEMS Microphones (CMM)

Consolidated Adjusted EBITDA Reconciliation

	Year Ended December 31, 2023	
Operating earnings	\$	9.0
Other expense, net		—
Earnings before interest and income taxes		9.0
Non-GAAP reconciling adjustments		9.9
Depreciation expense		14.3
Adjusted EBITDA	\$	33.2
<i>Adjusted EBITDA margin</i>		13.0%

Knowles Corporation excluding CMM

Adjusted EBITDA Reconciliation

Consolidated Adjusted EBITDA	\$	138.8
(-) CMM Adjusted EBITDA		(33.2)
Adjusted EBITDA excluding CMM	\$	105.6
<i>Adjusted EBITDA margin excluding CMM</i>		23.4%

Knowles Corporation

Pro Forma Adjusted EBITDA

Adjusted EBITDA excluding CMM	\$	105.6
Cornell Dubilier Adjusted EBITDA prior to acquisition		11.3
Pro forma Adjusted EBITDA excluding CMM	\$	116.9
<i>Pro forma Adjusted EBITDA margin excluding CMM</i>		20.9%



For additional information, please contact:

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