

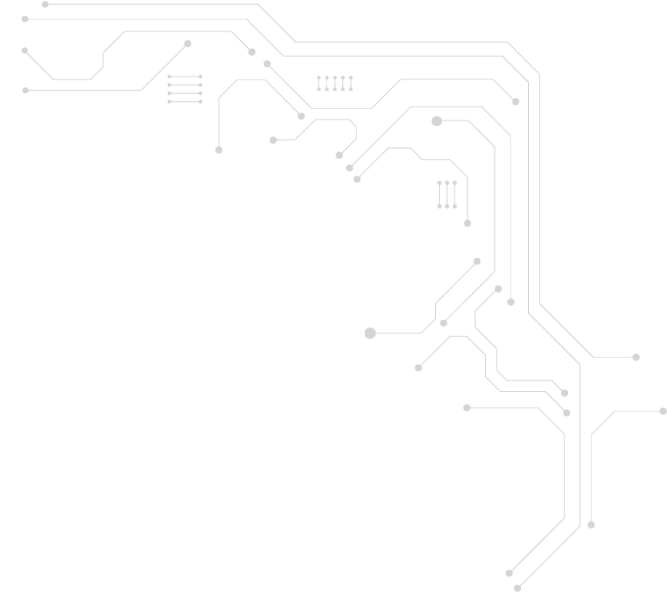


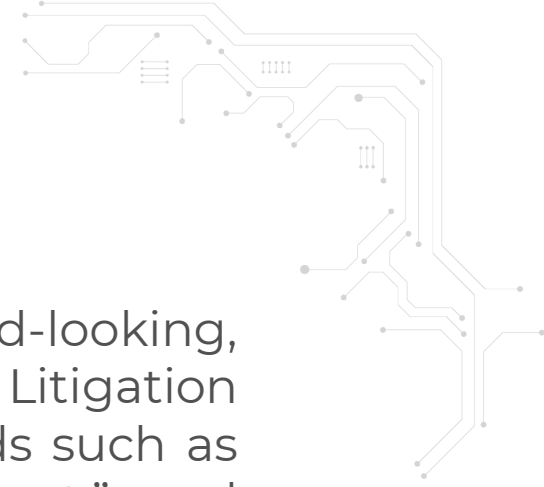
# Winning Together

THE KIMBALL WAY

## Company Overview

September 2024





# Safe Harbor Statement

Certain statements contained within this release are considered forward-looking, including our fiscal year 2025 guidance, 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.” Undue reliance should not be placed on these forward-looking statements. These statements are based on current expectations of future events and thus are inherently subject to uncertainty. If underlying assumptions prove inaccurate or known or unknown risks or uncertainties materialize, actual results could vary materially from our expectations and projections. These forward-looking statements are subject to risks and uncertainties including, without limitation, global economic conditions, geopolitical environment and conflicts such as the war in Ukraine, global health emergencies, availability or cost of raw materials and components, foreign exchange rate 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 the company are contained in its Annual Report on Form 10-K for the year ended June 30, 2024.

# Kimball Electronics (Nasdaq: KE)

Global, multifaceted solutions provider of **Electronics Manufacturing Services** (EMS) recognized for excellence and leadership in highly regulated and complex industries

**Diversified portfolio** of products that offer long runways of growth supported by **secular tailwinds** and program life cycles in the Automotive, Medical, and Industrial end markets

Uniquely positioned with a focus on **non-commodity** products that involve high levels of complexity, quality, reliability, and durability

**Long-term customer relationships** driving sustainable growth and enable multi-year planning and operating efficiency

Track record of **revenue** and **earnings growth** with recent capacity expansions supporting current demand momentum and future global growth opportunities



# Providing end-to-end solutions and support



## DESIGN & DEVELOPMENT

Integrated design and manufacturing services

Increases speed to market

## PROTOTYPING

Dedicated team & equipment

Bring products to market faster

## NEW PRODUCT INTRODUCTION

Robust process for NPI focused manufacturing

Transfer existing products from current supplier

## MANUFACTURING

Partnership - work as an extension of the team

Precision & quality

## TESTING

Focus testing criteria on areas of concern

Affirm reliability of specific functionality

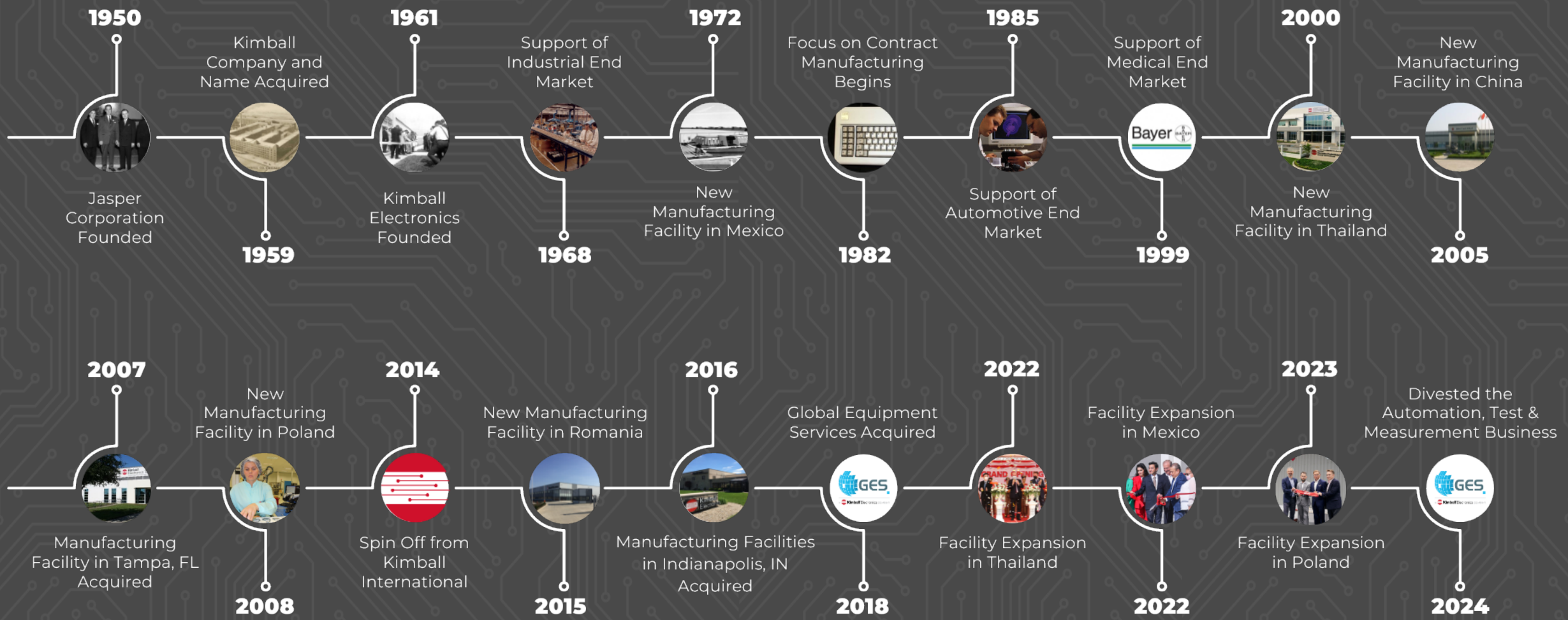
## AFTERMARKET SUPPORT

Service and support as market conditions change

Throughout product lifecycle from start to finish



# A rich history of growth and global expansion





# Our global footprint with an “in-region” focus

9 GLOBAL LOCATIONS

NORTH AMERICA | EUROPE | ASIA



NUMBER OF EMPLOYEES

**+6,600**



WORLD HEADQUARTERS

**Jasper, IN**

## MANUFACTURING FACILITIES



**USA**

Jasper, Indiana  
220,000 sq. ft.



**USA**

Indianapolis, Indiana  
120,000 sq. ft.



**USA**

Tampa, Florida  
150,000 sq. ft.



**Mexico**

Reynosa, Mexico  
470,000 sq. ft.



**Poland**

Poznan, Poland  
207,500 sq. ft.



**Romania**

Timisoara, Romania  
66,200 sq. ft.

*Note: 2 manufacturing facilities*



**China**

Nanjing, China  
132,400 sq. ft.



**Thailand**

Laem Chabang, Thailand  
220,000 sq. ft.

# Guide to long-term success

## MISSION

To attract, develop, and maintain long-term, successful relationships with all stakeholders in our business including our customers, employees, suppliers, communities, and Share Owners. To keep our promise to help achieve success with those relationships wherever we go in the world.

## VISION

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

## PURPOSE



Creating  
Quality  
for Life

## GUIDING PRINCIPLES



Our **customer** is our business



Our **people** are the company



The **environment** is our home



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

# Fiscal year 2024 highlights



**\$1,715M**

**Net Sales**

2nd highest year in  
company history



**\$112M**

**in Inventory  
Reductions**

25% year-over-year  
decrease



**\$74.3M**

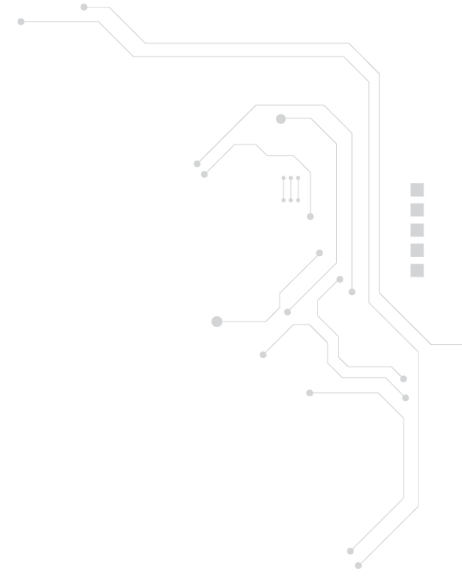
**Adjusted  
Operating  
Income**

4.3% of net sales



**\$73M**

**Cash flow generated  
from operating  
activities**





# Diversified portfolio focused on 3 end markets



Automotive



Medical



Industrial

## REVENUE

*Fiscal 2024 (\$ in millions)*

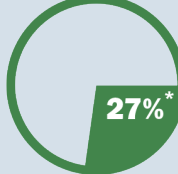
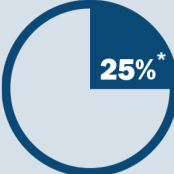
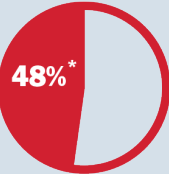
\$826

\$426

\$462

## % of TOTAL

*Fiscal 2024*



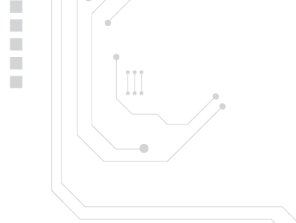
## MMI RANKING

6<sup>th</sup>

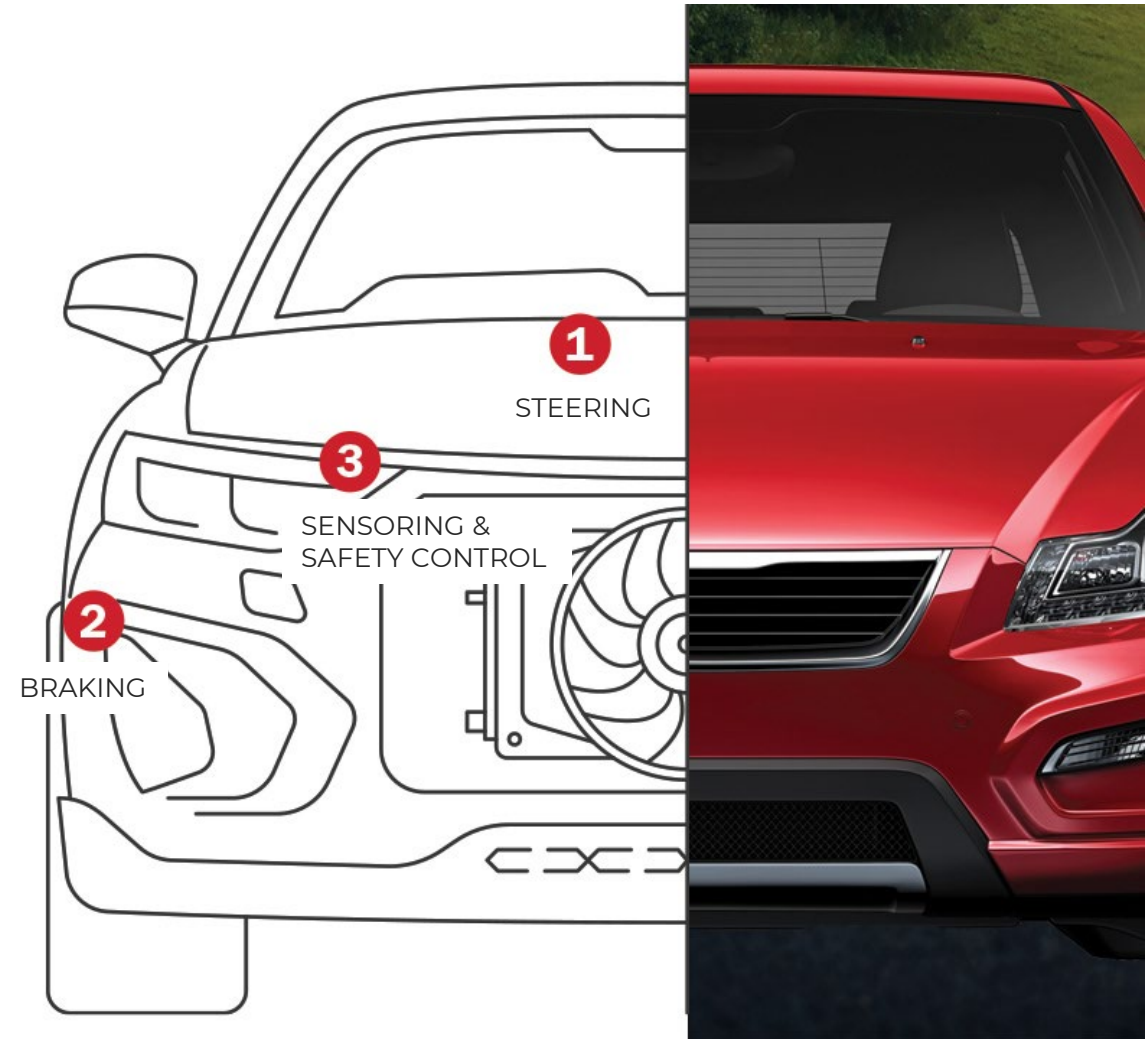
7<sup>th</sup>

22<sup>nd</sup>

# Automotive fueled by vehicle “electrification”



- Heavily concentrated on chassis control applications (steering, braking, suspension ECUs)
- Electronic braking is relatively new growth opportunity, started manufacturing these systems in Reynosa a few years ago
- In late Q4, the program experienced setback, tier one customer no longer producing system for OEM
  - Not a Kimball-related issue
  - Impacts fiscal 2025 outlook
- Relationship with customer never better
  - Launching new braking program for them in January 2025 in Romania



REPRESENTATIVE CUSTOMERS TIER 1 SUPPLIERS



# Medical supporting the continuum of care



REPRESENTATIVE CUSTOMERS

**PHILIPS**

 REACTHEALTH

**ZOLL**  
Advancing Resuscitation.

**kaléo**

## Favorable demographics and advances in technology

- Aging population
- Affordability & access to care
- Connected care
- Decreasing device size
- Connected drug delivery

## Products supporting prevention, early diagnostics, clinical & hospital treatment, home & community care

- Respiratory care
- Surgical systems
- In vitro diagnostics
- Patient monitoring equipment
- Drug delivery
- Imaging systems
- Focus on Class II and Class III devices

# Growth opportunities in Medical

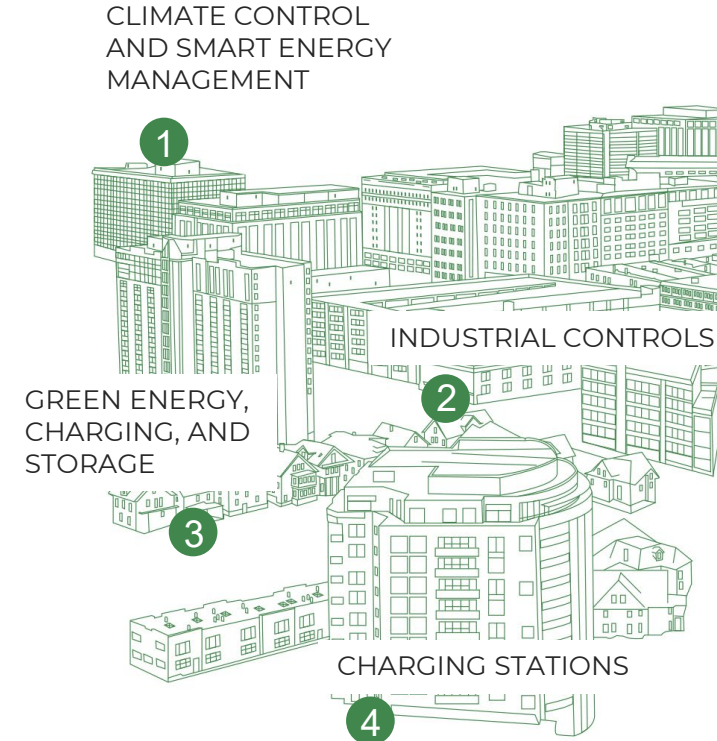
- Focus on Higher Level Assemblies (HLAs) and Finished Medical Devices
- Recently awarded transfer of work
  - Sole supplier on respiratory care final assembly and HLA business for largest medical customer
  - Expect transfer to commence in calendar 2025
  - Production impacting fiscal 2026 results
- Expertise in manufacturing selected drug devices, such as auto-injectors, as differentiator
- Focus significant business development resources in this space



# Industrial promoting clean energy and innovation

- Longer-term, return to growth from market rebound for climate control products
- Diversification into other sub-verticals within the industrial space
- Increased demand for factory automation and green energy
- Early stages of exploring off-highway equipment market

## REPRESENTATIVE CUSTOMERS

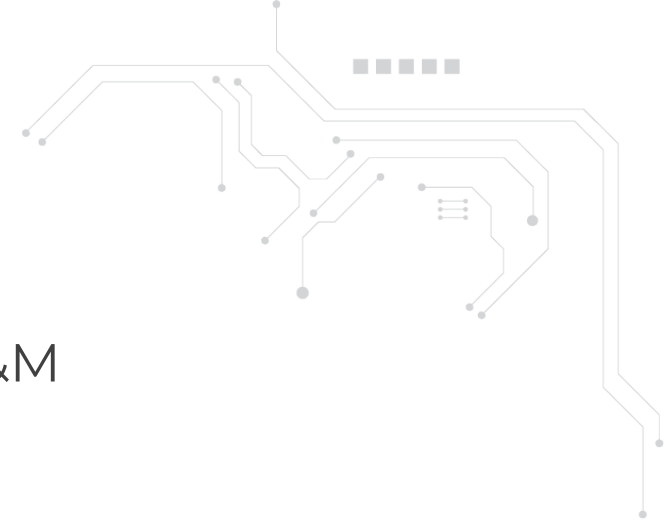




# Fiscal 2025 – “controlling what we can control”

- **Short-term** – cost structure, margin levels, working capital management, and capital expenditures
- Over longer period of time – extending beyond these measures and focused on **growing the top line**
- Recent pressure on demand trends has been **more significant** than originally anticipated, with a deeper and longer impact
- We have been in operation over 60 years and have weathered many storms
- Recognized when to **“cast the net a little wider”** by moving more deeply into new markets where core manufacturing capabilities support emerging technology
- Examples in medical **high-level assemblies** and **drug-device combinations**

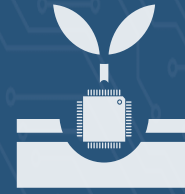
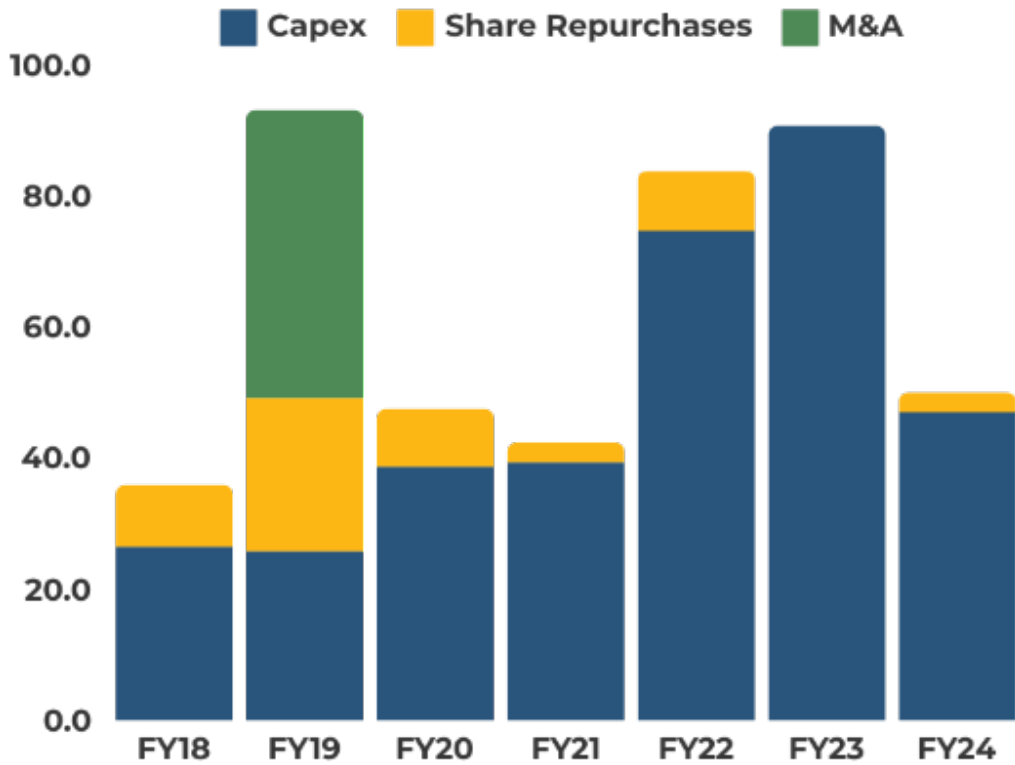
# Guidance for fiscal year 2025



- Net sales in the range of \$1.440 - \$1.540 billion
  - 8% - 14% decrease compared to fiscal 2024, excluding AT&M
- Adjusted operating income of 4.0% - 4.5% of net sales
  - Beginning in fiscal 2025, we will conform with the industry practice of excluding stock compensation from the calculation on this metric
  - Under this method, fiscal 2024 would have been 4.8%
- Capital expenditures of \$40 - \$50 million split between growth and maintenance
- OI margin to build over course of fiscal year... Q1 below full year guidance range
- Mix of revenue
  - Automotive & Industrial trends from Q4 continue in Q1
  - Decline in Medical more modest, anniversary impact of FDA recall

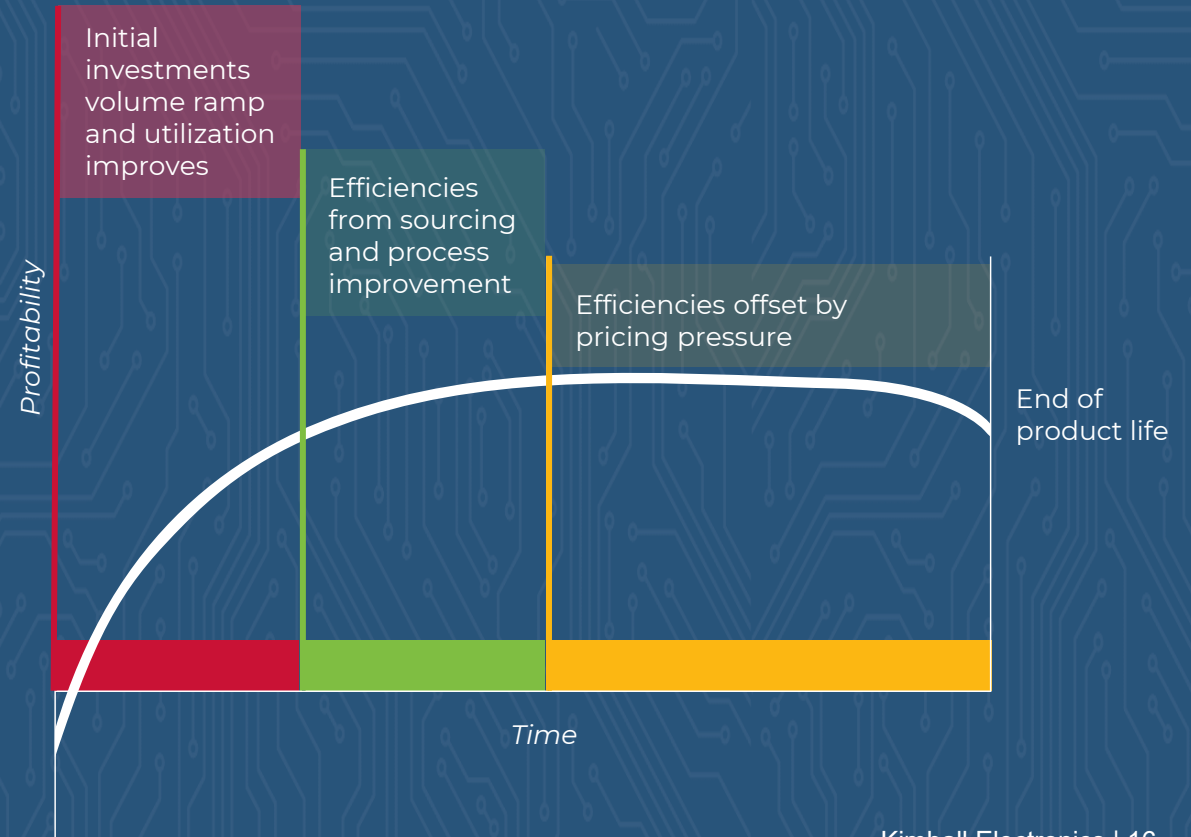
# Investing in growth

## CAPITAL ALLOCATION



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

## PROGRAM LIFECYCLES



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