



Financial Results
Fourth Quarter Fiscal Year 2015

Quarter Ended June 30, 2015

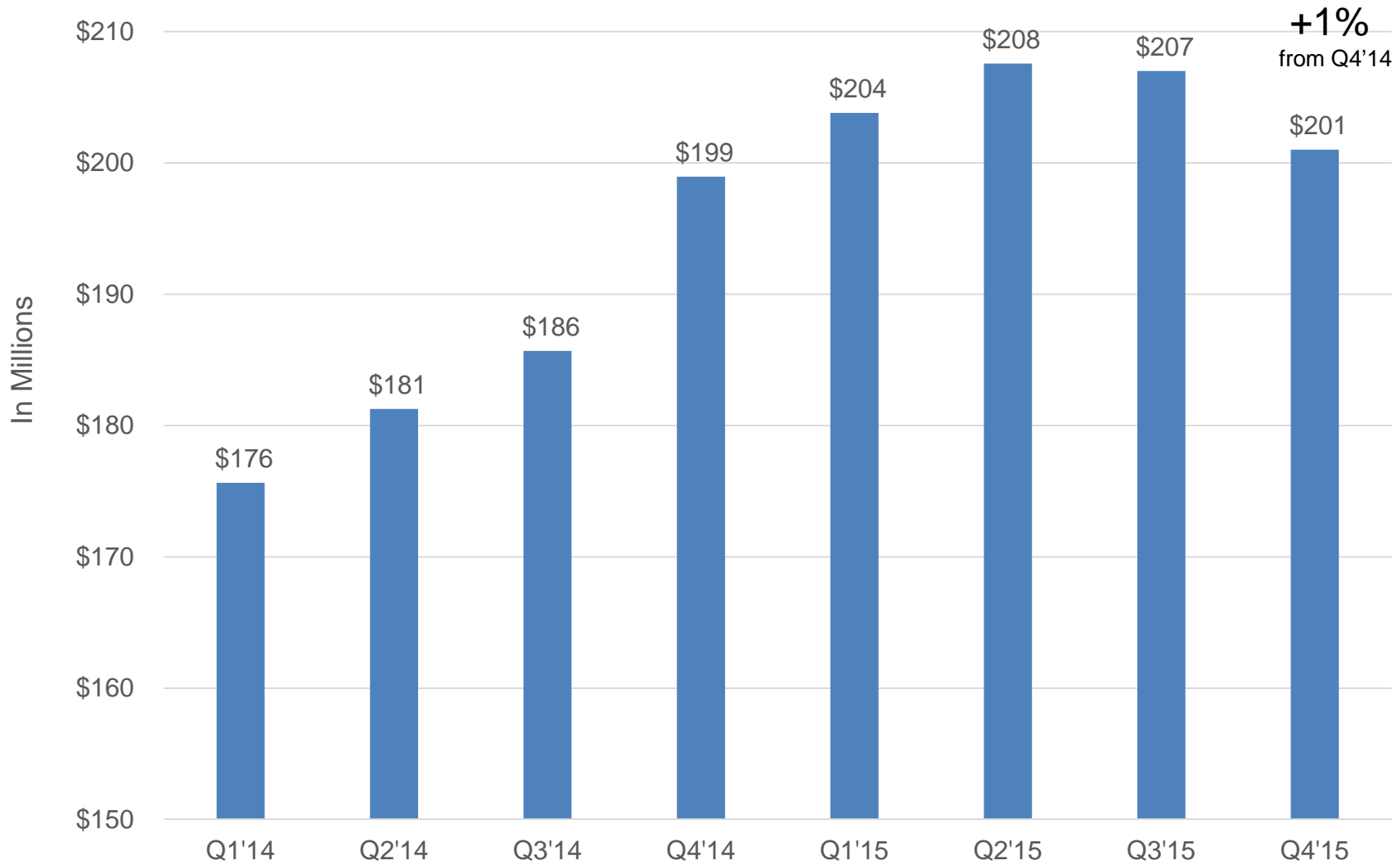
Supplementary Information to Kimball Electronics'
August 6, 2015 Earnings Release and Conference Call

Safe Harbor Statement

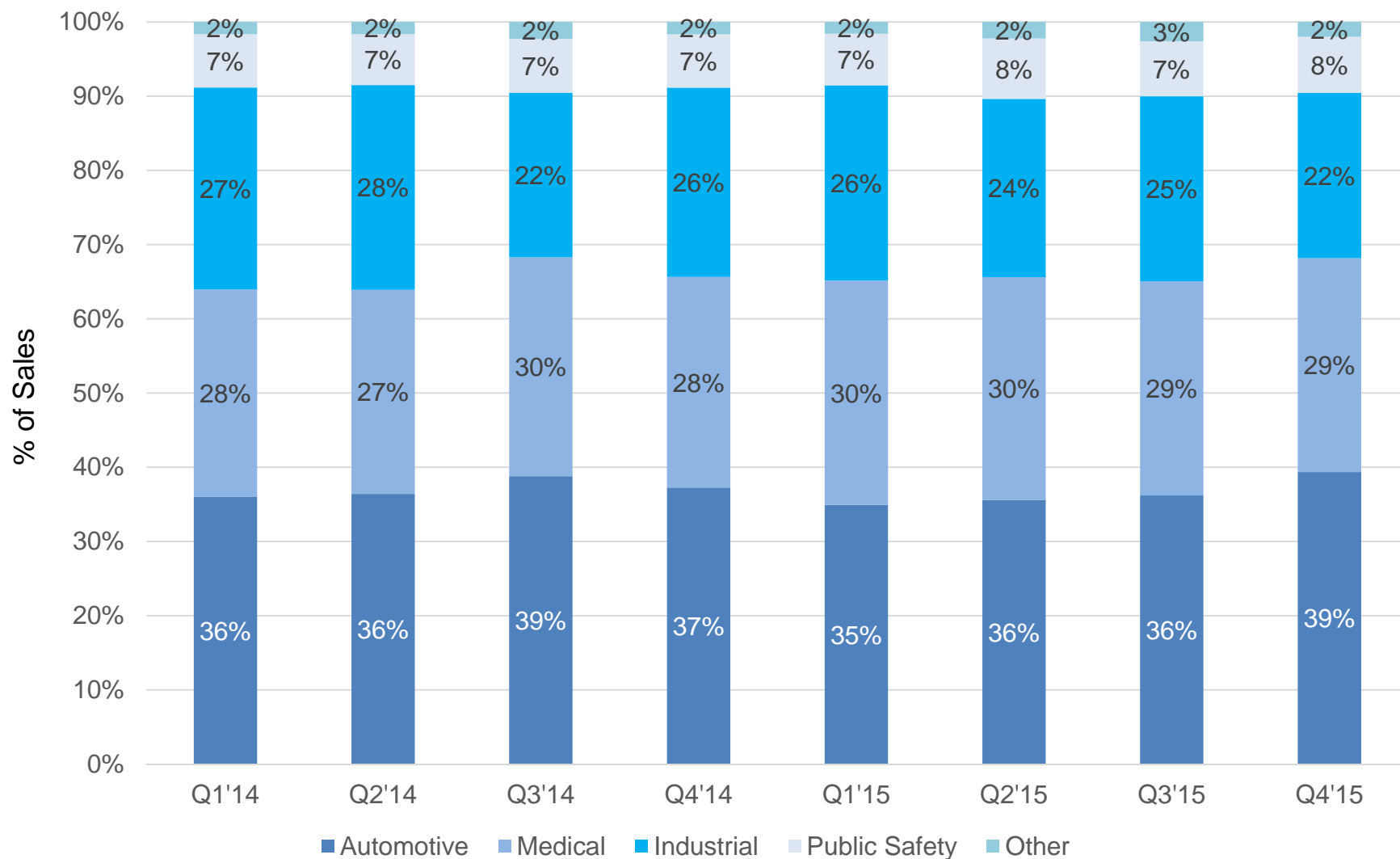
Certain statements contained within this supplementary information and any statements made during our earnings conference call today may be considered forward-looking under the Private Securities Litigation Reform Act of 1995 and are subject to risks and uncertainties including, but not limited to, our ability to fully realize the expected benefits of the completed spin-off, the global economic conditions, significant volume reductions from key contract customers, loss of key customers or suppliers, financial stability of key customers and suppliers, availability or cost of raw materials, and increased competitive pricing pressures reflecting excess industry capacities. 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 Registration Statement filed on Form 10, as amended, and declared effective on October 7, 2014, our earnings release, and other filings with the Securities and Exchange Commission (the “SEC”).

This supplementary information contains non-GAAP financial measures. A non-GAAP financial measure is a numerical measure of a company’s financial performance that excludes or includes amounts so as to be different than the most directly comparable measure calculated and presented in accordance with Generally Accepted Accounting Principles (GAAP) in the United States in the statement of income, statement of comprehensive income, balance sheet, statement of cash flows, or statement of equity of the company. The non-GAAP financial measures contained herein include Selling & Administrative Expense (%), Adjusted Operating Income, Adjusted Net Income, and Adjusted EBITDA which have been adjusted for restructuring charges, spin-off expenses, and settlement proceeds from lawsuits. Management believes it is useful for investors to understand how its core operations performed without the effects of the costs incurred in executing its restructuring plans, spin-off expenses, and lawsuit income. Excluding these amounts allows 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.

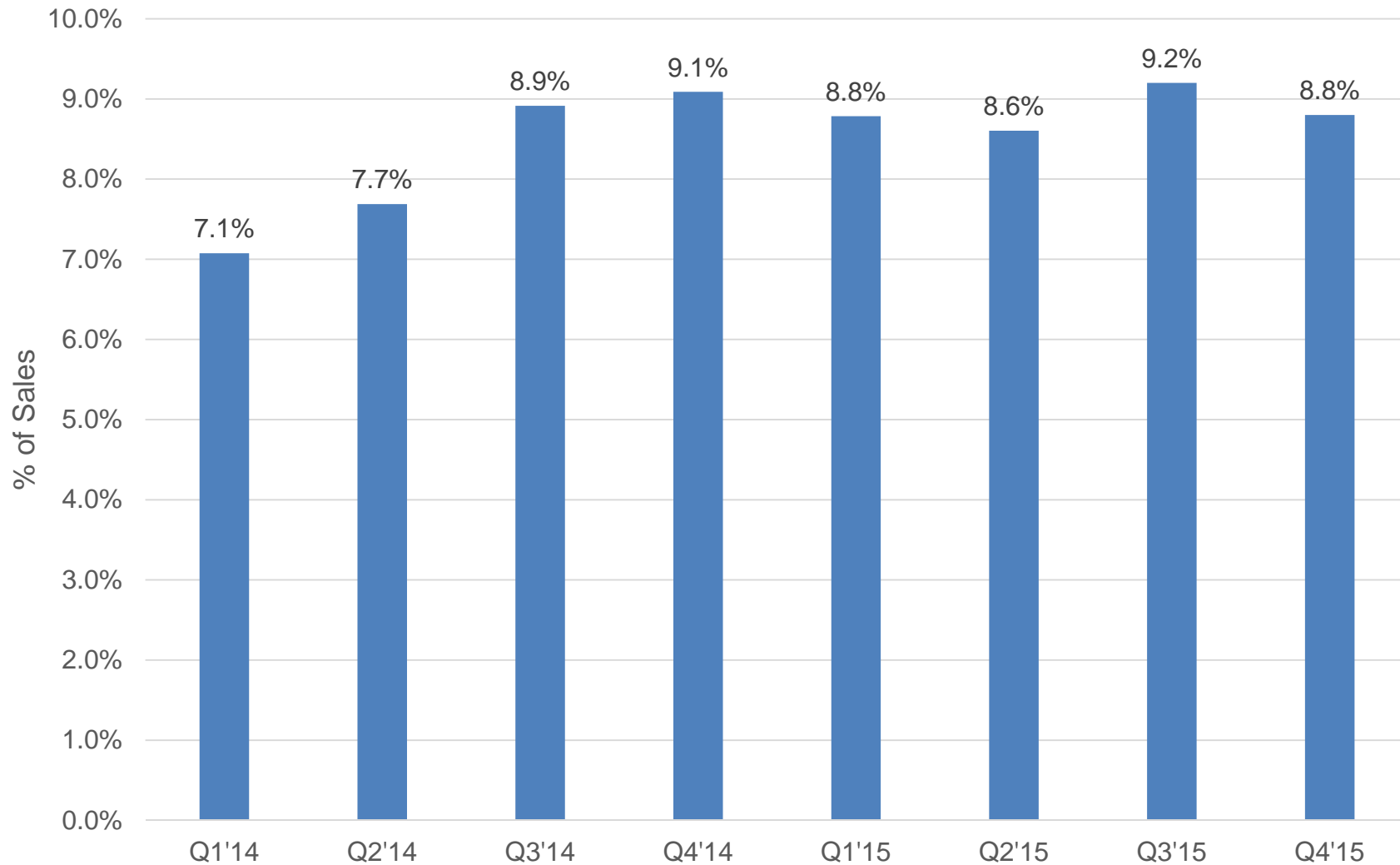
Net Sales



Net Sales Mix by Vertical Market

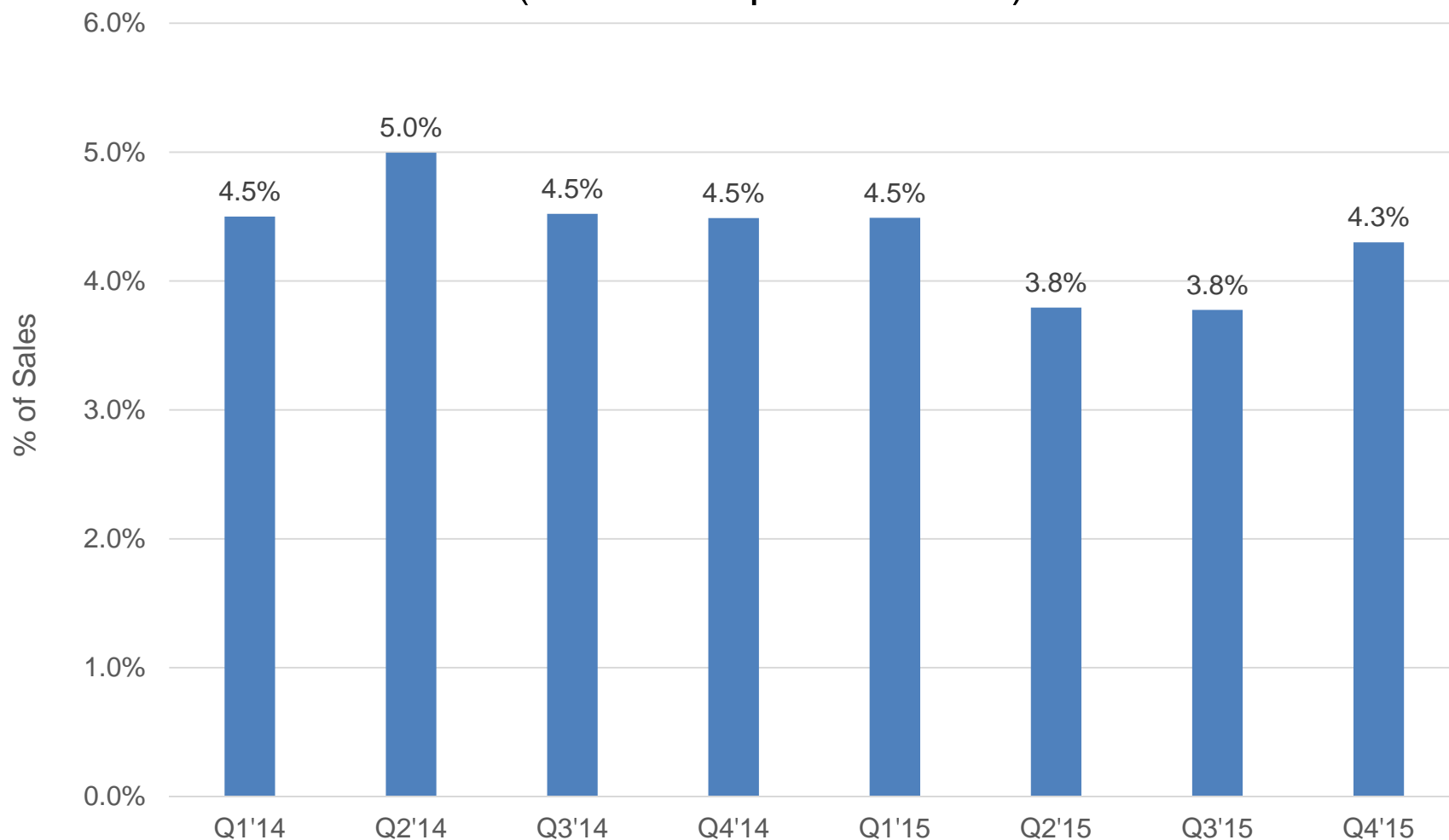


Gross Margin %



Selling & Administrative Expense (%) ^(Unaudited)

(Excludes spin-off costs*)

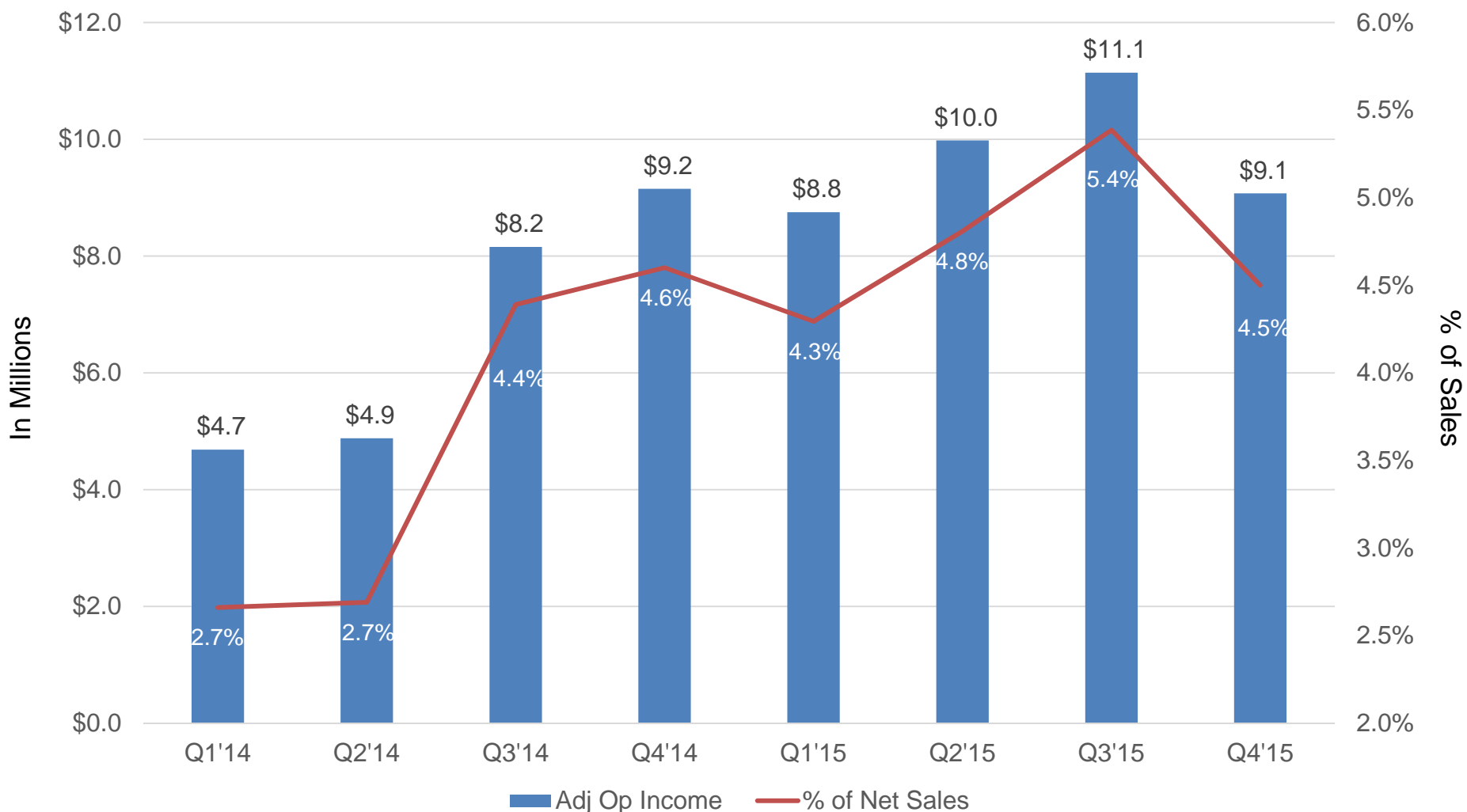


*Spin-off costs excluded by quarter were Q3'14 - \$0.8M (0.5% of sales), Q4'14 - \$1.4M (0.7%), Q1'15 - \$1.0M (0.5%), Q2'15 - \$1.3M (0.6%), Q3'15 - \$0.3M (0.2%).

Adjusted Operating Income

(Unaudited)

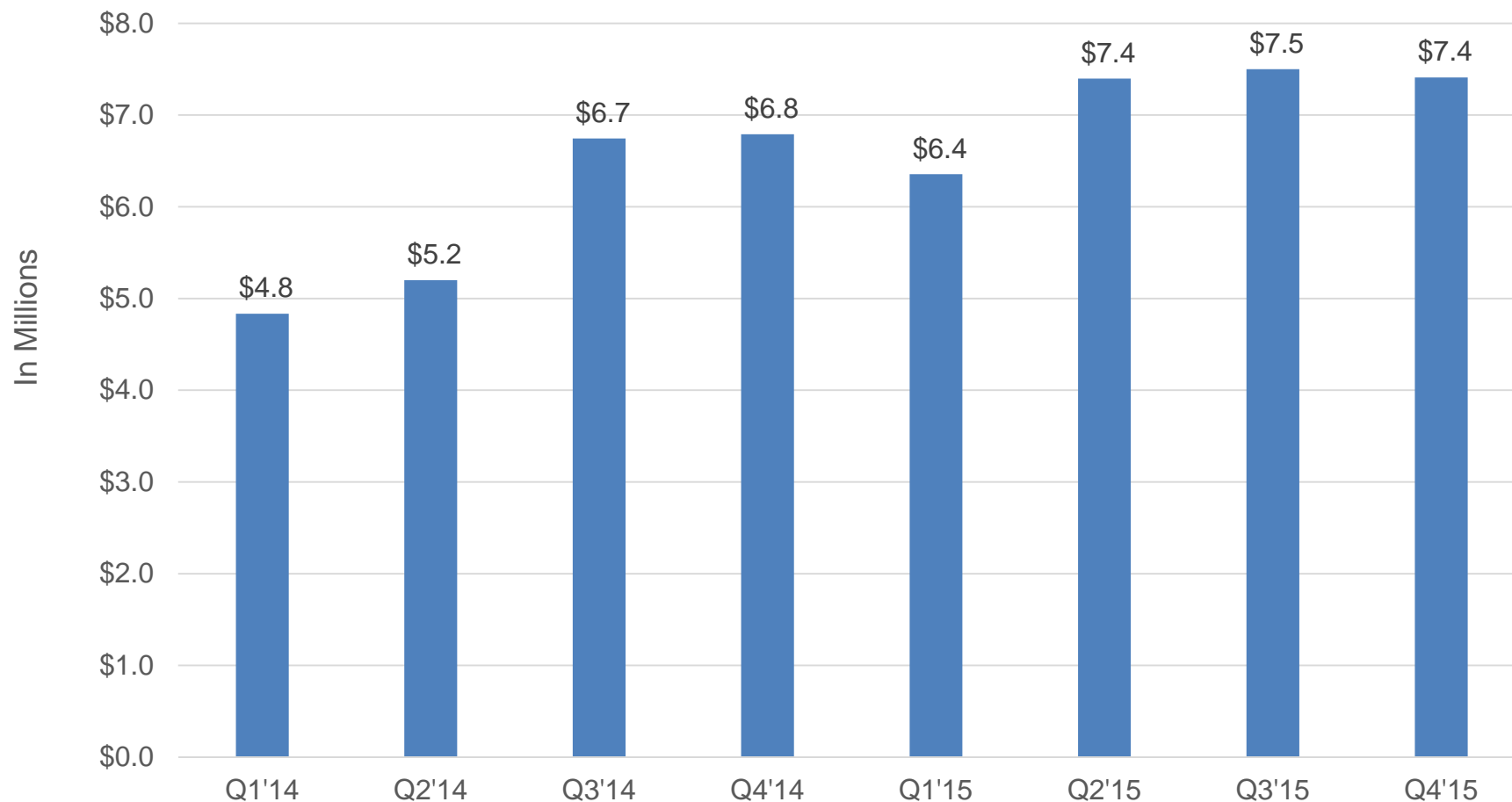
(Excludes restructuring, spin-off costs and anti-trust lawsuit proceeds)



Note: Adjusted Operating Income is a Non-GAAP measure – refer to Reconciliation of Non-GAAP Results on the final slide of this supplementary information

Adjusted Net Income

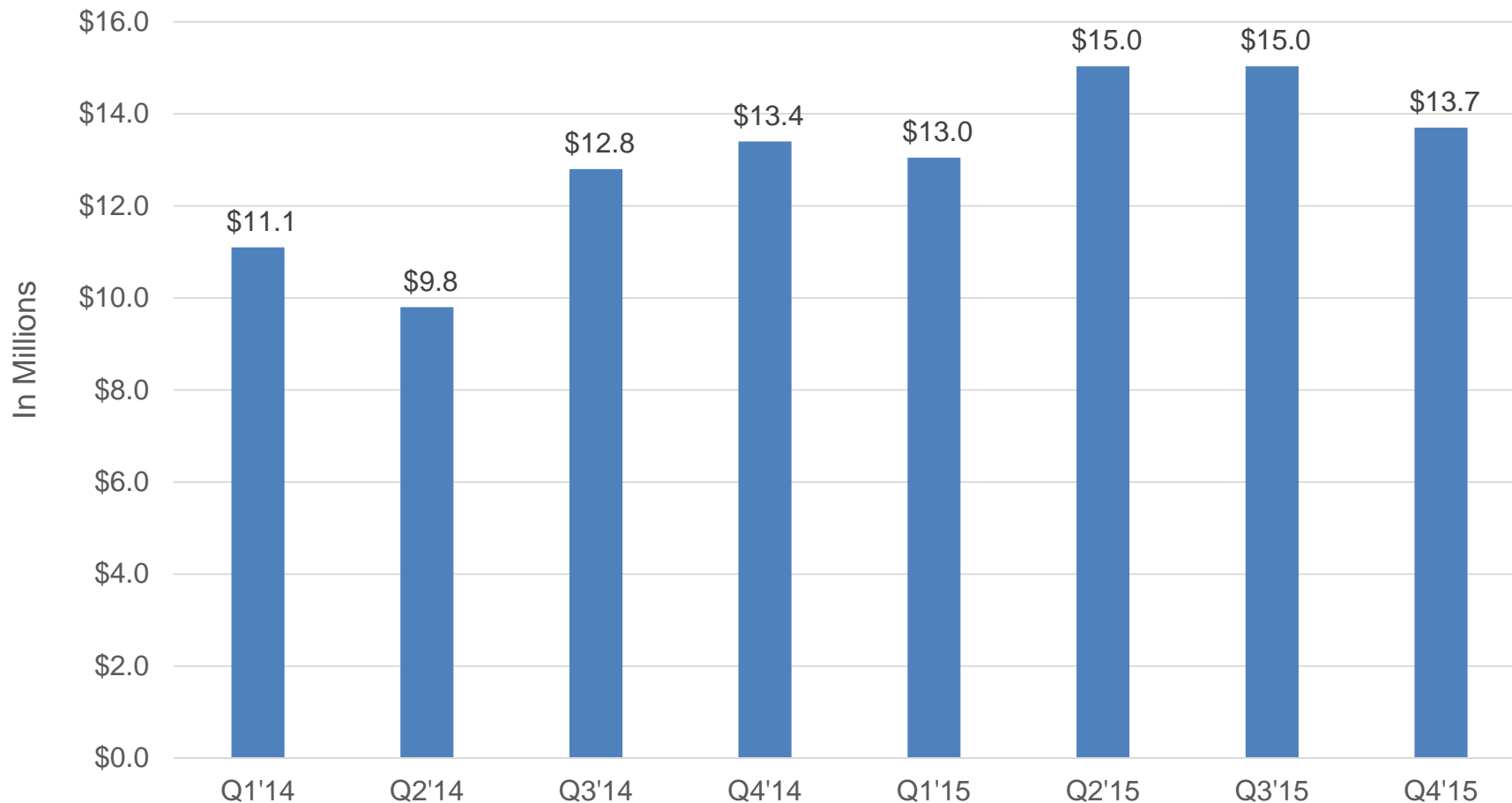
(Excludes restructuring, spin-off costs and anti-trust lawsuit proceeds)



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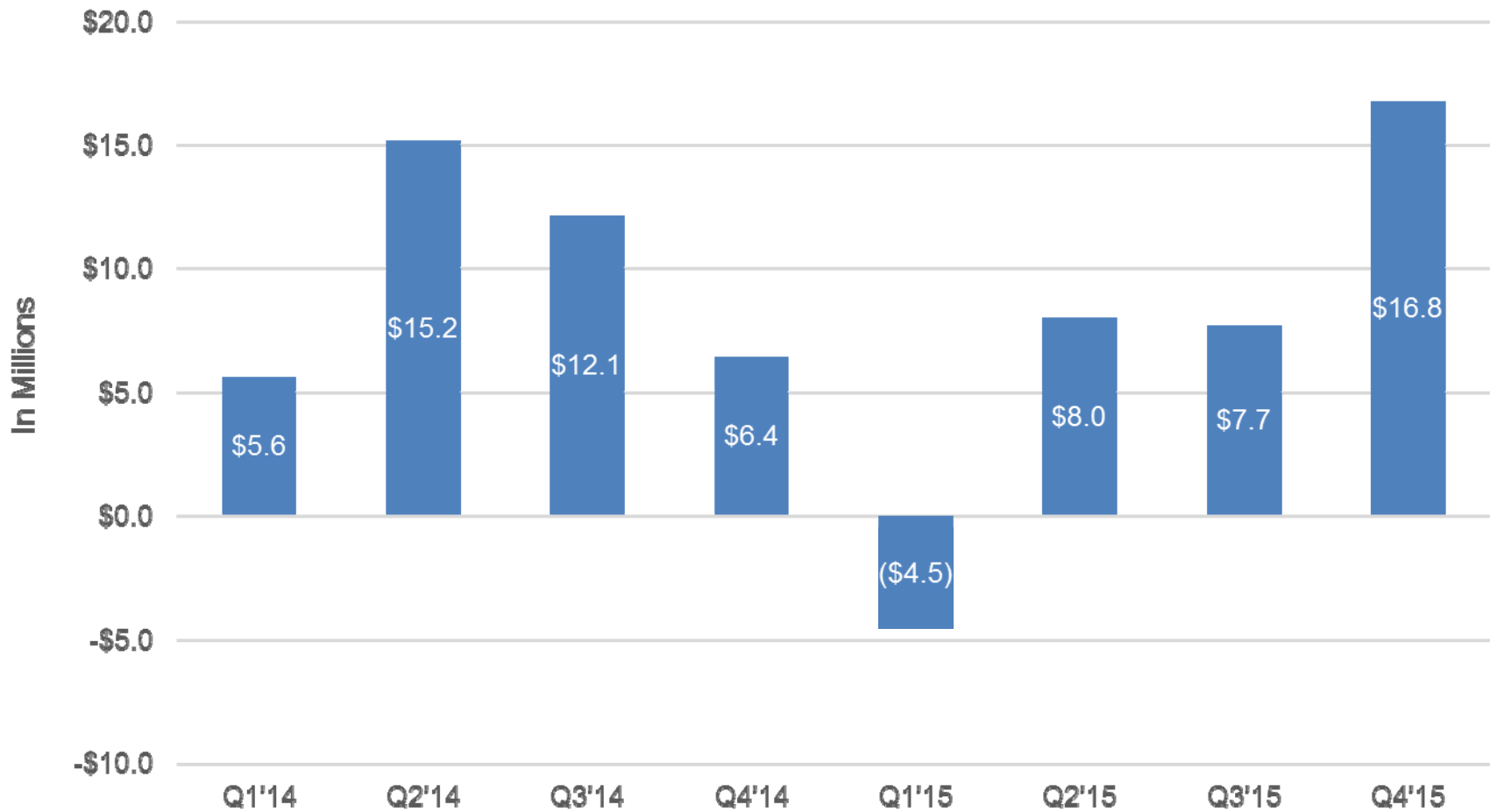
Adjusted EBITDA

(Excludes restructuring, spin-off costs and anti-trust lawsuit proceeds)

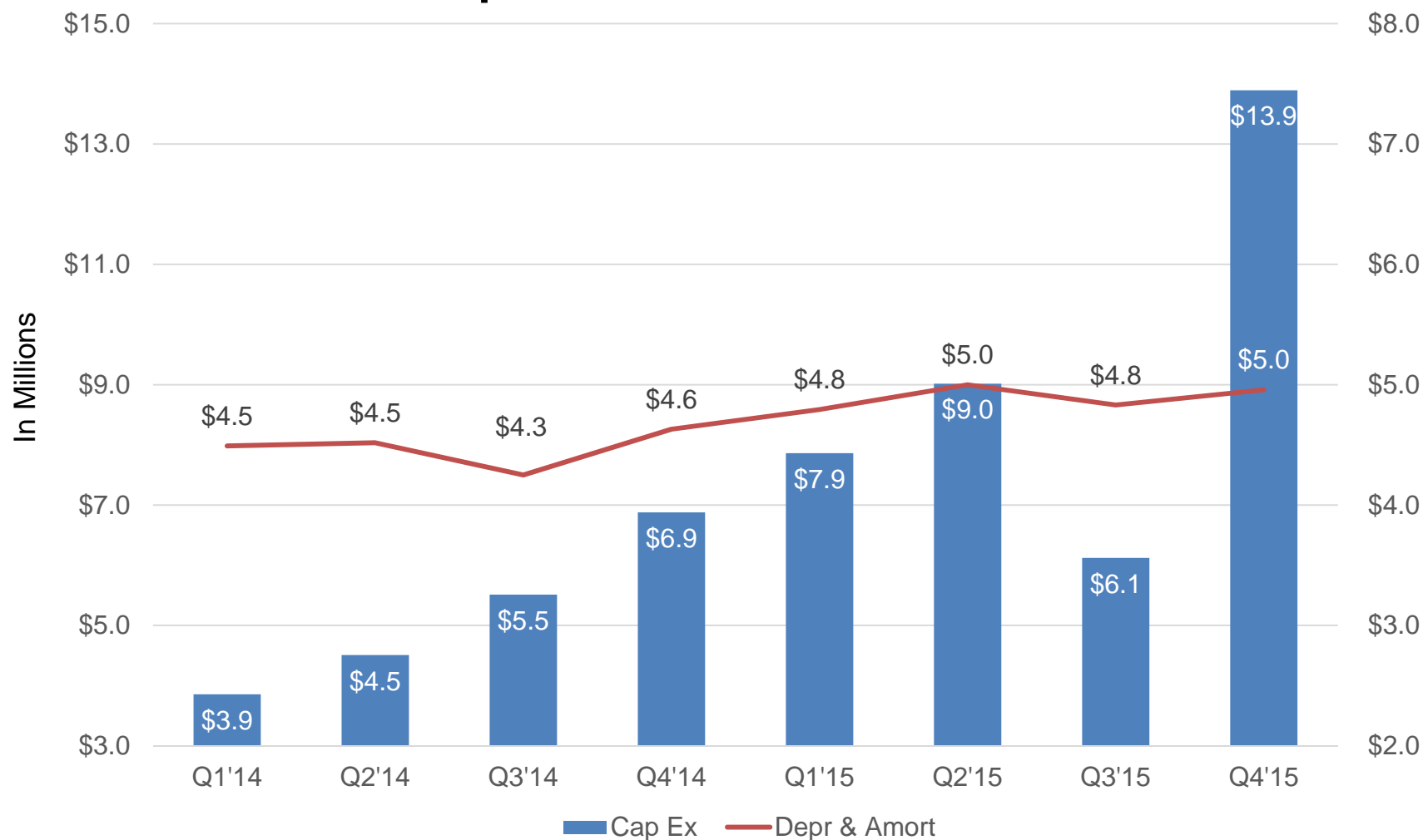


Note: Adjusted EBITDA is a Non-GAAP measure – refer to Reconciliation of Non-GAAP Results on the final slide of this supplementary information

Operating Cash Flow



Capital Expenditures and Depreciation & Amortization



Note: Capital Expenditures includes purchases of capitalized software.

Reconciliation of Non-GAAP Results

(Unaudited)	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15
Operating Income, as Reported	\$ 9,306	\$ 4,881	\$ 8,022	\$ 7,721	\$ 7,787	\$ 8,697	\$ 10,821	\$ 9,050
Add: Spin-off Expenses	0	0	802	1,431	964	1,285	321	24
Less: Settlement Proceeds from Lawsuits	5,022	0	666	0	0	0	0	0
Add: Restructuring Charges	402	0	0	0	0	0	0	0
Adjusted Operating Income	\$ 4,686	\$ 4,881	\$ 8,158	\$ 9,152	\$ 8,751	\$ 9,982	\$ 11,142	\$ 9,074
Net Income, as reported	\$ 7,698	\$ 5,200	\$ 6,356	\$ 5,359	\$ 5,391	\$ 6,229	\$ 7,191	\$ 7,394
Add: Spin-off Expenses	0	0	802	1,431	964	1,168	278	16
Less: Settlement Proceeds from Lawsuits	3,134	0	415	0	0	0	0	0
Add: Restructuring Charges	251	0	0	0	0	0	0	0
Adjusted Net Income	\$ 4,815	\$ 5,200	\$ 6,743	\$ 6,790	\$ 6,355	\$ 7,397	\$ 7,469	\$ 7,410
Adjusted Net Income	\$ 4,815	\$ 5,200	\$ 6,743	\$ 6,790	\$ 6,355	\$ 7,397	\$ 7,469	\$ 7,410
Add(Less) Interest, net	(13)	(12)	(5)	(9)	0	(7)	(10)	(8)
Add Depreciation & Amortization	4,491	4,518	4,250	4,630	4,794	5,023	4,832	4,958
Add Taxes	1,799	77	1,769	1,984	1,899	2,622	2,744	1,301
Adjusted EBITDA	\$ 11,092	\$ 9,783	\$ 12,757	\$ 13,395	\$ 13,048	\$ 15,035	\$ 15,035	\$ 13,661