

knowles

4th Quarter and Full Year 2021

Earnings Release Supplemental Information

February 9, 2022

Safe Harbor

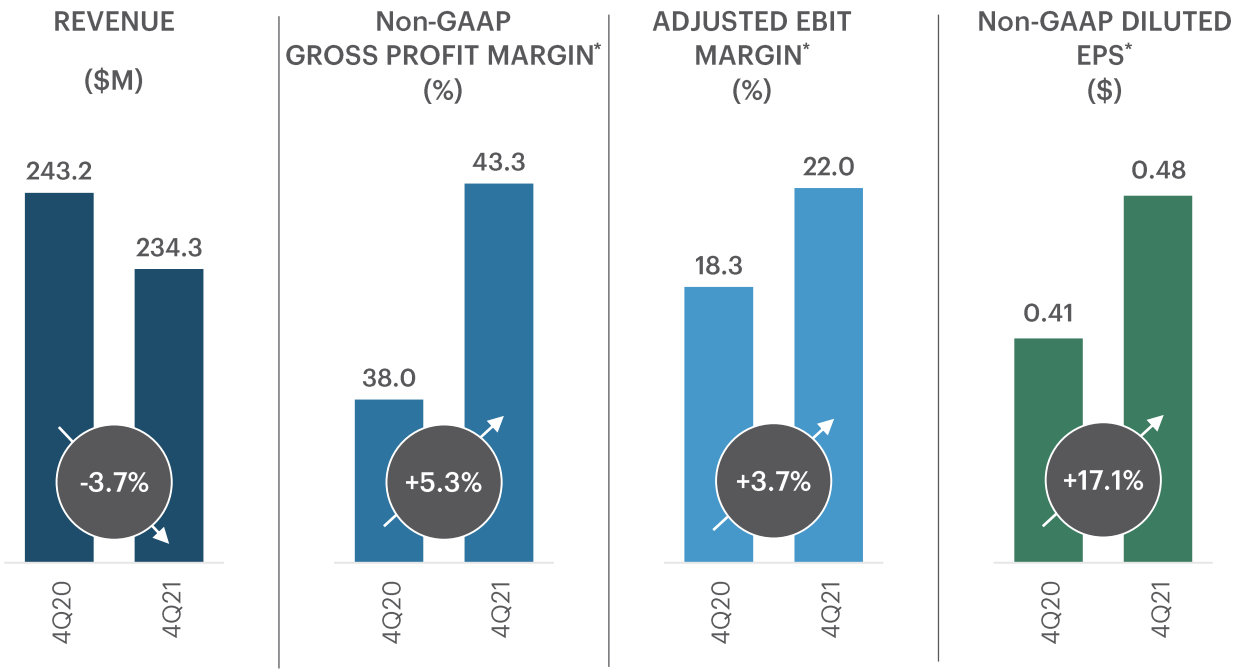
Forward Looking Statements

This presentation contains forward-looking statements within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995, such as statements about our future plans, objectives, expectations, financial performance, and continued business operations. The words "believe," "expect," "anticipate," "project," "estimate," "budget," "continue," "could," "intend," "may," "plan," "potential," "predict," "seek," "should," "will," "would," "objective," "path," "forecast," "goal," "guidance," "outlook," "effort," "target," and similar expressions, among others, generally identify forward-looking statements, which speak only as of the date the statements were made. The statements in this presentation are based on currently available information and the current expectations, forecasts, and assumptions of Knowles' management concerning risks and uncertainties that could cause actual outcomes or results to differ materially from those outcomes or results that are projected, anticipated, or implied in these statements, including risks relating to the COVID-19 pandemic and governmental responses to it, including but not limited to, the impact on our supply chain and customer demand. Other risks and uncertainties include, but are not limited to: unforeseen changes in MEMS microphone demand from our largest customers, in particular, two North American, a Korean, and Chinese OEM customers; our ongoing ability to execute our strategy to diversify our end markets and customers; our ability to stem or overcome price erosion in our segments; fluctuations in our stock's market price; fluctuations in operating results and cash flows; our ability to prevent or identify quality issues in our products or to promptly remedy any such issues that are identified; the timing of OEM product launches; risks associated with increasing our inventories in advance of anticipated orders by customers; global economic instability; the impact of changes to laws and regulations that affect the Company's ability to offer products or services to customers in different regions; our ability to achieve continued reductions in our operating expenses; the ability to qualify our products and facilities with customers; our ability to obtain, enforce, defend or monetize our intellectual property rights; difficulties or delays in and/or the Company's inability to realize expected cost synergies from its acquisitions; increases in the costs of critical raw materials and components; availability of raw materials and components; managing new product ramps and introductions for our customers; our dependence on a limited number of large customers; our ability to maintain and expand our existing relationships with leading OEMs in order to maintain and increase our revenue; increasing competition and new entrants in the market for our products; our ability to develop new or enhanced products or technologies in a timely manner that achieve market acceptance; our reliance on third parties to manufacture, assemble, and test our products and sub-components; escalating international trade tensions, new or increased tariffs and trade wars among countries; financial risks, including risks relating to currency fluctuations, credit risks and fluctuations in the market value of the Company; market risk associated with fluctuations in commodity prices, particularly for various precious metals used in our manufacturing operation, and changes in tax laws, changes in tax rates and exposure to additional tax liabilities; and other risks, relevant factors, and uncertainties identified in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020, as updated in our Quarterly Report on Form 10-Q for the quarter ended September 30,2021, subsequent Reports on Forms 10-Q and 8-K and our other filings we make with the U.S. Securities and Exchange Commission. These forward-looking statements speak only as of the date of this presentation, and Knowles disclaims any intention or obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Non-GAAP Disclaimer

The financial results disclosed in this presentation include certain measures calculated and presented in accordance with GAAP. In addition to the GAAP results included in this presentation, Knowles has presented supplemental, non-GAAP gross profit, earnings before interest and income taxes, adjusted earnings before interest and income taxes, adjusted earnings before interest and income taxes margin, non-GAAP gross profit margin, non-GAAP diluted earnings per share, free cash flow, free cash flow margin, and non-GAAP operating expense margin to facilitate evaluation of Knowles' operating performance. These non-GAAP financial measures exclude certain amounts that are included in the most directly comparable GAAP measure. In addition, these non-GAAP financial measures do not have standard meanings and may vary from similarly titled non-GAAP financial measures used by other companies. Knowles uses non-GAAP measures as supplements to its GAAP results of operations in evaluating certain aspects of its business, and its executive management team focuses on non-GAAP items as key measures of Knowles' performance for business planning purposes. These measures assist Knowles in comparing its performance between various reporting periods on a consistent basis, as these measures remove from operating results the impact of items that, in Knowles' opinion, do not reflect its core operating performance. Knowles believes that its presentation of these non-GAAP financial measures is useful because it provides investors and securities analysts with the same information that Knowles uses internally for purposes of assessing its core operating performance. For a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures, see the reconciliation tables in the Appendix.

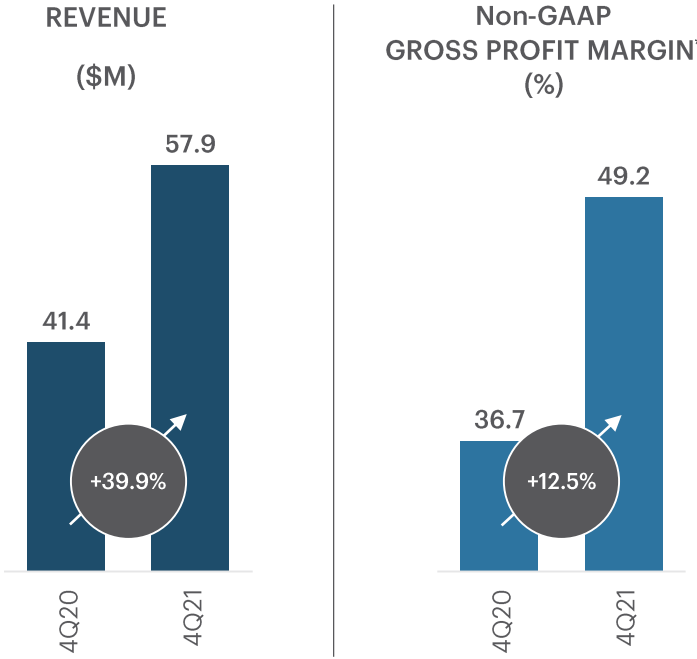
Continued execution on our margin focused strategy to deliver EPS and Free Cash Flow



- Delivering on our Adjusted EBIT Margin improvements
- Non-GAAP Diluted EPS 9% above the mid point of guidance for the quarter
- Strong full year Free Cash Flow Margin* of 15.4%

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

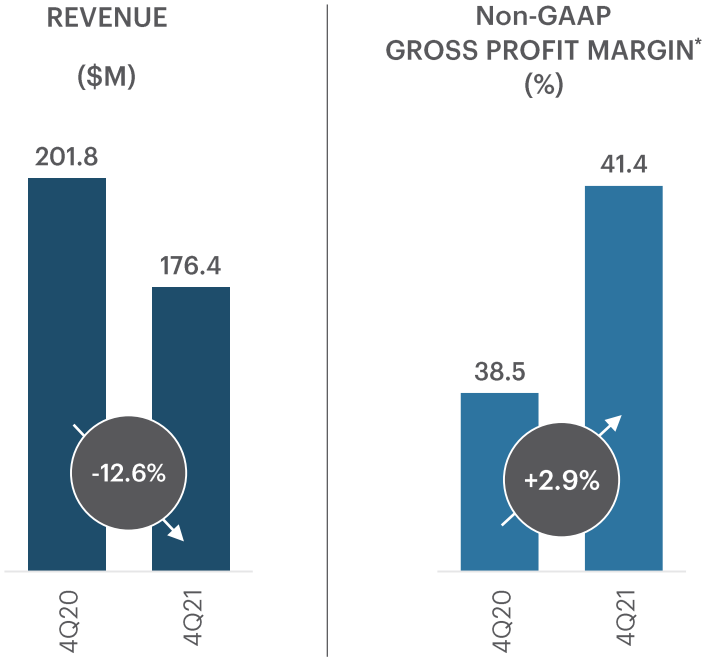
Precision Devices



- Strong organic growth in defense, MedTech and industrial markets
- Acquisition completed in the first half of 2021 augmented results
- Gross Profit Margin expansion driven by productivity gains, higher factory capacity utilization, favorable mix and net positive inventory reserve adjustments

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

Audio



- Revenue declined due to customer product launch timing, supply chain headwinds, and our focus on higher value MEMS Microphones, partially offset by increased shipments into the Hearing Health market
- Gross Profit Margin improvement driven by lower factory spending and favorable product mix related to an increased percentage of shipments into the ear, IoT and Hearing Health markets

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

Continued execution on our growth and margin focused strategy in 2021

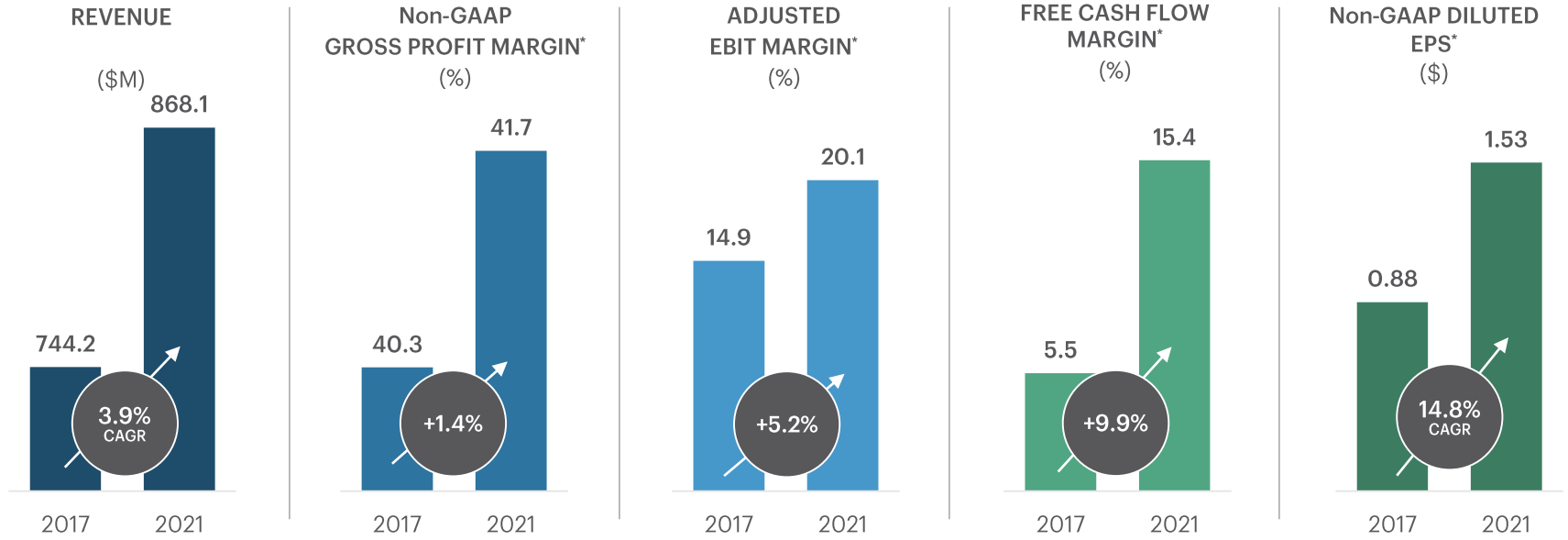
Revenue of $868.1 million	14% increase year-over-year
Non-GAAP Gross Profit Margin* of 41.7%	570bps increase year-over-year
Adjusted EBIT Margin* of 20.1%	970bps increase year-over-year
Non-GAAP Diluted EPS* of $1.53	128% increase year-over-year
Free Cash Flow* of $133.5 million	39% increase year-over-year

Delivering strong Adjusted EBIT Margins and exceptional free cash flow in 2021

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

We have significantly improved our financial performance from 2017 to 2021.

Since implementing our strategy to more deeply invest in market segments that yield the most attractive margins and free cash flow, our financial performance has continued to improve year-over-year.



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

2017 results include $13.6 million in revenue and $5.6 million related to recovered legal expenses associated with the settlement of a royalty dispute. Management estimates that $13.0 million of the settlement proceeds relate to years prior to 2017

Proven ability to deliver strong free cash flow.

Gross Margin Expansion

- Focused on markets that value our technology and manufacturing differentiation
- Implemented a more disciplined approach to pricing
- Divested lower gross margin businesses
- Completed acquisitions that were accretive to gross margin

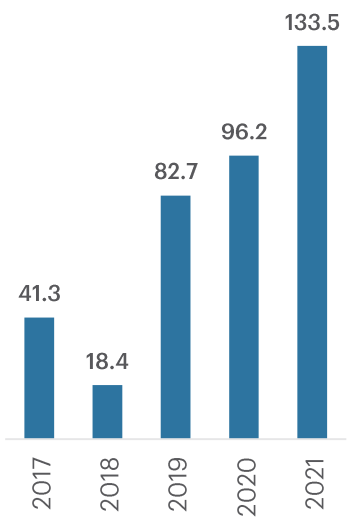
Expense Control

- Reduced R&D spend where pace of market adoption was below our expectations
- Committed to continuous improvement in processes to drive efficiencies
- Leveraged ERP system and low-cost shared service center

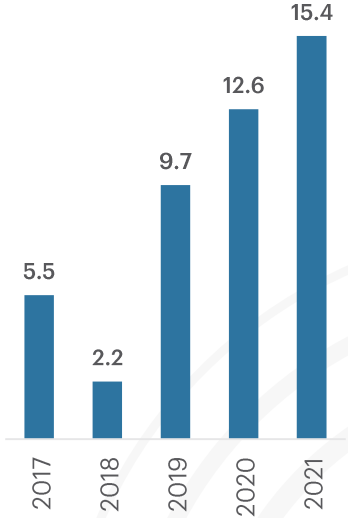
CapEx Discipline

- Optimized investments across areas with attractive returns

FREE CASH FLOW* ($M)



FREE CASH FLOW MARGIN* (%)



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

2017 results include $13.6 million in revenue and $5.6 million related to recovered legal expenses associated with the settlement of a royalty dispute. Management estimates that $13.0 million of the settlement proceeds relate to years prior to 2017

Q1 2022 Projections

	GAAP	ADJUSTMENTS	NON-GAAP
Revenue	$197–203M	—	$197–203M
Gross Profit Margin	38.2–40.2%	0.8%	39.0–41.0%
Diluted EPS	$0.12–0.14	$0.17	$0.29–0.31

Q1 2022 GAAP results are expected to include approximately $0.07 per share in stock-based compensation, $0.07 per share in restructuring charges, and $0.03 per share in amortization of intangibles.



Appendix

Reconciliation of GAAP Financial Measures to Non-GAAP Financial Measures

(in millions, except per share amounts)	Quarter Ended December 31, 2021	2020
Gross profit	**$ 100.9**	**$ 92.0**
Gross profit margin	*43.1%*	*37.8%*
Stock-based compensation expense	0.5	0.4
Production transfer costs [1]	-	0.1
Non-GAAP gross profit	**$ 101.4**	**$ 92.5**
Non-GAAP gross profit margin	*43.3%*	*38.0%*
Operating expenses	**$ 60.3**	**$ 54.4**
Stock-based compensation expense	(6.0)	(4.5)
Intangibles amortization expense	(4.4)	(3.2)
Restructuring charges	(0.2)	0.5
Other [2]	(0.3)	(0.4)
Non-GAAP operating expenses	**$ 49.4**	**$ 46.8**
Non-GAAP operating expenses margin	*21.1%*	*19.2%*
Earnings from continuing operations	**$ 92.6**	**$ 29.6**
Interest expense, net	**1.9**	**3.9**
(Benefit from) provision for income taxes	**(54.3)**	**2.8**
Earnings from continuing operations before interest and income taxes	**40.2**	**36.3**
Earnings from continuing operations before interest and income taxes margin	*17.2%*	*14.9%*
Stock-based compensation expense	6.5	4.9
Intangibles amortization expense	4.4	3.2
Restructuring charges	0.2	(0.5)
Production transfer costs [1]	-	0.1
Other [2]	0.3	0.4
Adjusted earnings from continuing operations before interest and income taxes	**$ 51.6**	**$ 44.4**
Adjusted earnings from continuing operations before interest and income taxes margin	*22.0%*	*18.3%*
Earnings from continuing operations	**$ 92.6**	**$ 29.6**
Non-GAAP reconciling adjustments [3]	11.4	8.1
Interest expense, net non-GAAP reconciling adjustments [4]	0.6	1.9
Income tax effects of non-GAAP reconciling adjustments [5]	58.6	0.7
Non-GAAP net earnings	**$ 46.0**	**$ 38.9**
Diluted earnings per share from continuing operations	**$ 0.98**	**$ 0.32**
Earnings per share non-GAAP reconciling adjustment	(0.50)	0.09
Non-GAAP diluted earnings per share	**$ 0.48**	**$ 0.41**
Diluted average shares outstanding	**94.3**	**93.0**
Non-GAAP adjustment [6]	1.5	1.1
Non-GAAP diluted average shares outstanding [6]	**95.8**	**94.1**

Notes:

[1] Production transfer costs represent duplicate costs incurred to migrate manufacturing to facilities primarily in Asia. These amounts are included in the corresponding Gross profit and Earnings from continuing operations before interest and income taxes for each period presented.

[2] Other expenses represent the ongoing net lease cost (income) related to facilities not used in operations.

[3] The non-GAAP reconciling adjustments are those adjustments made to reconcile Earnings from continuing operations before interest and income taxes to Adjusted earnings from continuing operations before interest and income taxes.

[4] Under GAAP, certain convertible debt instruments that may be settled in cash (or other assets) upon conversion are required to be separately accounted for as liability (debt) and equity (conversion option) components of the instrument in a manner that reflects the issuer's nonconvertible debt borrowing rate. Accordingly, for GAAP purposes we were required to recognize imputed interest expense on the Company's $172.5 million of convertible senior notes due November 1, 2021 that were issued in a private placement in May 2016. The imputed interest rate for the convertible notes was 8.12%, while the actual coupon interest rate of the notes was 3.25%. The difference between the imputed interest expense and the coupon interest expense is excluded from management's assessment of the Company's operating performance because management believes that this non-cash expense is not indicative of its core, ongoing operating performance.

[5] Income tax effects of non-GAAP reconciling adjustments are calculated using the applicable tax rates in the jurisdictions of the underlying adjustments. In 2021, these adjustments include a valuation allowance release of $59.1 million for our U.S. subsidiaries.

[6] The number of shares used in the diluted per share calculations on a non-GAAP basis excludes the impact of stock-based compensation expense expected to be incurred in future periods and not yet recognized in the financial statements, which would otherwise be assumed to be used to repurchase shares under the GAAP treasury stock method. In addition, the Company entered into convertible note hedge transactions that expired upon maturity of the convertible notes to offset any potential dilution from the convertible notes. Although the anti-dilutive impact of the convertible note hedges is not reflected under GAAP, the Company includes the anti-dilutive impact of the convertible note hedges in non-GAAP diluted average shares outstanding, if applicable.

Reconciliation of GAAP Financial Measures to Non-GAAP Financial Measures

(in millions, except per share amounts)	Year Ended December 31, 2021	2020	2017
Gross profit	**$ 359.5**	**$ 271.2**	**$ 286.3**
Gross profit margin	*41.4%*	*35.5%*	*38.5%*
Stock-based compensation expense	1.6	1.7	1.8
Impairment charges	-	-	1.4
Restructuring charges	-	2.3	4.0
Production transfer costs [1]	-	0.2	6.7
Other [2]	1.0	-	-
Non-GAAP gross profit	**$ 362.1**	**$ 275.4**	**$ 300.2**
Non-GAAP gross profit margin	*41.7%*	*36.0%*	*40.3%*
Operating expenses	**$ 243.7**	**$ 242.0**	**$ 245.8**
Stock-based compensation expense	(30.5)	(15.6)	(22.9)
Intangibles amortization expense	(15.9)	(13.0)	(7.3)
Impairment charges	(4.0)	(7.6)	(19.9)
Restructuring charges	(0.5)	(10.0)	(6.2)
Production transfer costs [1]	-	-	(0.1)
Other [2]	(2.0)	(1.2)	(0.3)
Non-GAAP operating expenses	**$ 190.8**	**$ 194.6**	**$ 189.1**
Non-GAAP operating expenses margin	*22.0%*	*25.5%*	*25.4%*
Earnings from continuing operations	**$ 150.2**	**$ 2.9**	**$ 6.5**
Interest expense, net	**14.2**	**16.4**	**20.6**
(Benefit from) provision for income taxes	**(45.6)**	**8.4**	**12.9**
Earnings from continuing operations before interest and income taxes	**118.8**	**27.7**	**40.0**
Earnings from continuing operations before interest and income taxes margin	*13.7%*	*3.6%*	*5.4%*
Stock-based compensation expense	32.1	17.3	24.7
Intangibles amortization expense	15.9	13.0	7.3
Impairment charges	4.0	7.6	21.3
Restructuring charges	0.5	12.3	10.2
Production transfer costs [1]	-	0.2	6.8
Other [2]	3.0	1.2	0.3
Adjusted earnings from continuing operations before interest and income taxes	**$ 174.3**	**$ 79.3**	**$ 110.6**
Adjusted earnings from continuing operations before interest and income taxes margin	*20.1%*	*10.4%*	*14.9%*
Earnings from continuing operations	**$ 150.2**	**$ 2.9**	**$ 6.5**
Non-GAAP reconciling adjustments [3]	55.5	51.6	70.6
Interest expense, net non-GAAP reconciling adjustments [4]	6.6	7.4	6.1
Income tax effects of non-GAAP reconciling adjustments [5]	65.4	(1.3)	2.0
Non-GAAP net earnings	**$ 146.9**	**$ 63.2**	**$ 81.2**
Diluted earnings per share from continuing operations	**$ 1.59**	**$ 0.03**	**$ 0.07**
Earnings per share non-GAAP reconciling adjustment	(0.06)	0.64	0.81
Non-GAAP diluted earnings per share	**$ 1.53**	**$ 0.67**	**$ 0.88**
Diluted average shares outstanding	**94.7**	**92.9**	**90.5**
Non-GAAP adjustment [6]	1.1	1.5	1.9
Non-GAAP diluted average shares outstanding [6]	**95.8**	**94.4**	**92.4**

Notes:

[1] Production transfer costs represent duplicate costs incurred to migrate manufacturing to facilities primarily in Asia. These amounts are included in the corresponding Gross profit and Earnings from continuing operations before interest and income taxes for each period presented.

[2] In 2021, Other expenses represent the ongoing net lease cost (income) related to facilities not used in operations and expenses related to the acquisition of Integrated Microwave Corporation by the Precision Devices segment. In 2020, Other expenses represent the ongoing net lease cost (income) related to facilities not used in operations and expenses related to shareholder activism. In 2017, Other primarily represents expenses related to the acquisition of certain assets of a capacitors manufacturer.

[3] The non-GAAP reconciling adjustments are those adjustments made to reconcile Earnings from continuing operations before interest and income taxes to Adjusted earnings from continuing operations before interest and income taxes.

[4] Under GAAP, certain convertible debt instruments that may be settled in cash (or other assets) upon conversion are required to be separately accounted for as liability (debt) and equity (conversion option) components of the instrument in a manner that reflects the issuer's nonconvertible debt borrowing rate. Accordingly, for GAAP purposes we were required to recognize imputed interest expense on the Company's $172.5 million of convertible senior notes due November 1, 2021 that were issued in a private placement in May 2016. The imputed interest rate for the convertible notes was 8.12%, while the actual coupon interest rate of the notes was 3.25%. The difference between the imputed interest expense and the coupon interest expense is excluded from management's assessment of the Company's operating performance because management believes that this non-cash expense is not indicative of its core, ongoing operating performance.

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[6] The number of shares used in the diluted per share calculations on a non-GAAP basis excludes the impact of stock-based compensation expense expected to be incurred in future periods and not yet recognized in the financial statements, which would otherwise be assumed to be used to repurchase shares under the GAAP treasury stock method. In addition, the Company entered into convertible note hedge transactions that expired upon maturity of the convertible notes to offset any potential dilution from the convertible notes. Although the anti-dilutive impact of the convertible note hedges is not reflected under GAAP, the Company includes the anti-dilutive impact of the convertible note hedges in non-GAAP diluted average shares outstanding, if applicable.

Historical Segment Data

(Continuing operations, in millions)	Audio					Precision Devices				
	Quarter Ended					Quarter Ended				
	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
Revenues	**$ 176.4**	**$ 177.7**	**$ 149.8**	**$ 163.1**	**$ 201.8**	**$ 57.9**	**$ 55.3**	**$ 50.0**	**$ 37.9**	**$ 41.4**
Gross profit	**$ 72.8**	**$ 71.9**	**$ 63.3**	**$ 64.8**	**$ 77.4**	**$ 28.4**	**$ 25.6**	**$ 20.8**	**$ 13.7**	**$ 15.1**
Stock-based compensation expense	0.3	0.2	0.2	0.2	0.3	0.1	0.1	0.1	0.1	-
Production transfer costs	-	-	-	-	-	-	-	-	-	0.1
Other	-	-	-	-	-	-	0.3	0.7	-	-
Non-GAAP gross profit	**$ 73.1**	**$ 72.1**	**$ 63.5**	**$ 65.0**	**$ 77.7**	**$ 28.5**	**$ 26.0**	**$ 21.6**	**$ 13.8**	**$ 15.2**
Non-GAAP gross profit margin	*41.4%*	*40.6%*	*42.4%*	*39.9%*	*38.5%*	*49.2%*	*47.0%*	*43.2%*	*36.4%*	*36.7%*
Research and development expenses	**$ 19.5**	**$ 19.4**	**$ 22.0**	**$ 20.9**	**$ 20.3**	**$ 3.0**	**$ 2.6**	**$ 2.5**	**$ 2.4**	**$ 2.0**
Stock-based compensation expense	(1.2)	(1.1)	(1.5)	(1.5)	(1.2)	-	(0.1)	(0.1)	-	-
Intangibles amortization expense	(1.5)	(1.4)	(1.3)	(1.5)	(1.3)	(0.1)	(0.1)	(0.1)	-	-
Production transfer costs	-	-	-	-	-	-	-	-	-	-
Other	(0.2)	-	(0.1)	-	-	-	-	-	-	-
Non-GAAP research and development expenses	**$ 16.6**	**$ 16.9**	**$ 19.1**	**$ 17.9**	**$ 17.8**	**$ 2.9**	**$ 2.4**	**$ 2.3**	**$ 2.4**	**$ 2.0**
Non-GAAP research and development expenses margin	*9.4%*	*9.5%*	*12.8%*	*11.0%*	*8.8%*	*5.0%*	*4.3%*	*4.6%*	*6.3%*	*4.8%*
Selling and administrative expenses	**$ 11.3**	**$ 12.0**	**$ 13.3**	**$ 13.4**	**$ 12.4**	**$ 10.1**	**$ 9.2**	**$ 8.7**	**$ 7.0**	**$ 7.6**
Stock-based compensation expense	(0.6)	(0.8)	(0.9)	(1.4)	(0.7)	(0.5)	(0.5)	(0.4)	(0.7)	(0.3)
Intangibles amortization expense	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)	(1.5)	(1.5)	(1.2)	(0.5)	(0.6)
Impairment charges	-	-	-	-	-	-	-	-	-	-
Production transfer costs	-	-	-	-	-	-	-	-	-	-
Other	-	(0.3)	(0.4)	(0.4)	(0.4)	-	-	-	-	-
Non-GAAP selling and administrative expenses	**$ 9.4**	**$ 9.6**	**$ 10.7**	**$ 10.3**	**$ 10.0**	**$ 8.1**	**$ 7.2**	**$ 7.1**	**$ 5.8**	**$ 6.7**
Non-GAAP selling and administrative expenses margin	*5.3%*	*5.4%*	*7.1%*	*6.3%*	*5.0%*	*14.0%*	*13.0%*	*14.2%*	*15.3%*	*16.2%*
Operating expenses	**$ 30.9**	**$ 35.4**	**$ 35.4**	**$ 34.5**	**$ 32.2**	**$ 13.2**	**$ 11.8**	**$ 11.2**	**$ 9.4**	**$ 9.6**
Stock-based compensation expense	(1.8)	(1.9)	(2.4)	(2.9)	(1.9)	(0.5)	(0.6)	(0.5)	(0.7)	(0.3)
Intangibles amortization expense	(2.8)	(2.7)	(2.6)	(2.8)	(2.6)	(1.6)	(1.6)	(1.3)	(0.5)	(0.6)
Impairment charges	-	(4.0)	-	-	-	-	-	-	-	-
Restructuring charges	(0.1)	-	(0.1)	(0.2)	0.5	(0.1)	-	-	-	-
Production transfer costs	-	-	-	-	-	-	-	-	-	-
Other	(0.2)	(0.3)	(0.5)	(0.4)	(0.4)	-	-	-	-	-
Non-GAAP operating expenses	**$ 26.0**	**$ 26.5**	**$ 29.8**	**$ 28.2**	**$ 27.8**	**$ 11.0**	**$ 9.6**	**$ 9.4**	**$ 8.2**	**$ 8.7**
Non-GAAP operating expenses margin	*14.7%*	*14.9%*	*19.9%*	*17.3%*	*13.8%*	*19.0%*	*17.4%*	*18.8%*	*21.6%*	*21.0%*
Earnings before interest and income taxes	**$ 42.0**	**$ 36.6**	**$ 28.0**	**$ 30.4**	**$ 45.4**	**$ 15.4**	**$ 14.0**	**$ 9.8**	**$ 4.5**	**$ 5.5**
Stock-based compensation expense	2.1	2.1	2.6	3.1	2.2	0.6	0.7	0.6	0.8	0.3
Intangibles amortization expense	2.8	2.7	2.6	2.8	2.6	1.6	1.6	1.3	0.5	0.6
Impairment charges	-	4.0	-	-	-	-	-	-	-	-
Restructuring charges	0.1	-	0.1	0.2	(0.5)	0.1	-	-	-	-
Production transfer costs	-	-	-	-	-	-	-	-	-	0.1
Other	0.2	0.3	0.5	0.4	0.4	-	0.3	0.7	-	-
Adjusted earnings before interest and income taxes	**$ 47.2**	**$ 45.7**	**$ 33.8**	**$ 36.9**	**$ 50.1**	**$ 17.7**	**$ 16.6**	**$ 12.4**	**$ 5.8**	**$ 6.5**
Adjusted earnings before interest and income taxes margin	*26.8%*	*25.7%*	*22.6%*	*22.6%*	*24.8%*	*30.6%*	*30.0%*	*24.8%*	*15.3%*	*15.7%*

Reconciliation of Segment EBIT to Consolidated Net Earnings

(Continuing operations, in millions)	Quarter Ended December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
Earnings before interest and income taxes					
Audio	**$ 42.0**	**$ 36.6**	**$ 28.0**	**$ 30.4**	**$ 45.4**
Precision Devices	**15.4**	**14.0**	**9.8**	**4.5**	**5.5**
Total segments	**57.4**	**50.6**	**37.8**	**34.9**	**50.9**
Corporate expense / other	17.2	14.1	14.9	15.7	14.6
Interest expense, net	1.9	4.2	4.1	4.0	3.9
Earnings before income taxes	**38.3**	**32.3**	**18.8**	**15.2**	**32.4**
(Benefit from) provision for income taxes	(54.3)	4.6	1.4	2.7	2.8
Net earnings	**$ 92.6**	**$ 27.7**	**$ 17.4**	**$ 12.5**	**$ 29.6**

Free Cash Flow and Free Cash Flow Margin

	Years Ended December 31,				
(in millions)	**2021**	**2020**	**2019**	**2018**	**2017**
Cash provided by operating activities	$ 182.1	$ 128.1	$ 123.9	$ 98.5	$ 92.9
Less: Capital expenditures	(48.6)	(31.9)	(41.2)	(80.1)	(51.6)
Free cash flow [(1)]	$ 133.5	$ 96.2	$ 82.7	$ 18.4	$ 41.3
Free cash flow margin [(1)]	*15.4%*	*12.6%*	*9.7%*	*2.2%*	*5.5%*

[(1)] In addition to measuring cash flow generation and usage based on liquidity measures determined in accordance with GAAP, Knowles also measures free cash flow and free cash flow margin. Free cash flow is defined as cash provided by operating activities less capital expenditures. Knowles believes these measures are useful in measuring its cash generated from operations that is available to repay debt, fund acquisitions, and repurchase Knowles' common stock. Free cash flow and free cash flow margin are not presented in accordance with GAAP and may not be comparable to similarly titled measures used by other companies in our industry. As such, free cash flow and free cash flow margin should not be considered in isolation from, or as an alternative to, any other liquidity measures determined in accordance with GAAP.