INTRICON CORP
Form 424B5
August 14, 2018

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Registration No. 333-226334

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying base prospectus are not an offer to sell these securities, and are not soliciting an offer to buy these securities, in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION

DATED AUGUST 14, 2018

PROSPECTUS SUPPLEMENT (To Prospectus dated August 7, 2018)

1,500,000 Shares

Common Stock

We are offering 1,500,000 shares of our common stock pursuant to this prospectus supplement and the accompanying base prospectus.

Our common stock trades on the Nasdaq Global Market under the symbol “IIN.” The last reported sale price of our common stock on August 13, 2018 was $63.95 per share.

We have entered into an equity purchase agreement with our directors and officers listed in “Use of Proceeds” to repurchase, following the closing of this offering an aggregate of 500,000 shares of our common stock from such directors and officers at a price equal to the net proceeds per share that we will receive from this offering, before

expenses. We intend to use a portion of the net proceeds from this offering to fund such repurchase.

Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page S-7 of this prospectus supplement and page 1 of the accompanying base prospectus.

	Per Share	Total
Public offering price	$	$
Underwriting discounts and commissions (1)	$	$
Proceeds, before expenses, to us	$	$

(1) We have agreed to reimburse the underwriters for certain expenses. See "Underwriting."

We have granted the underwriters an option for a period of 30 days to purchase up to an additional 225,000 shares of our common stock. If the underwriters exercise their option in full, the total underwriting discounts and commissions payable by us will be $ and the total proceeds to us, before expenses, will be $.

The underwriters expect to deliver the shares of common stock on or about August , 2018.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying base prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

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The date of this prospectus supplement is August , 2018

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Prospectus Supplement

Prospectus

ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement is part of a registration statement that we have filed with the Securities and Exchange Commission, referred to herein as the SEC, utilizing a "shelf" registration process. Under this shelf registration process, we are offering to sell shares of our common stock using this prospectus supplement and the accompanying base prospectus. In this prospectus supplement, we provide you with specific information about the terms of this offering and the shares of common stock that we are selling in this offering. Both this prospectus supplement and the accompanying base prospectus include important information about us, the shares of common stock being offered and other information you should know before investing. This prospectus supplement also adds, updates and changes information contained in the accompanying base prospectus. You should read this prospectus supplement, the accompanying base prospectus and the information incorporated by reference in this prospectus supplement and the accompanying base prospectus before investing in the shares. To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying base prospectus or in any document incorporated by reference that was filed with the SEC before the date of this prospectus supplement, on the other hand, you should rely on the information in this prospectus supplement. If any statement in one of these documents is inconsistent with a statement in another document having a later date – for example, a document incorporated by reference in the accompanying base prospectus – the statement in the document having the later date modifies or supersedes the earlier statement.

We further note that the representations, warranties and covenants made by us in any agreement that is filed as an exhibit to any document that is incorporated by reference herein were made solely for the benefit of the parties to such agreement, including, in some cases, for the purpose of allocating risk among the parties to such agreements, and should not be deemed to be a representation, warranty or covenant to you. Moreover, such representations, warranties or covenants were accurate only as of the date specified in the relevant agreement. Accordingly, such representations, warranties and covenants should not be relied on as accurately representing the current state of our affairs.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying base prospectus, along with the information contained in any free writing prospectus that we have authorized for use in connection with this offering. You should also read and consider the information in the documents to which we have referred you under the captions "Where You Can Find More Information" and "Documents Incorporated by Reference" in this prospectus supplement and in the accompanying base prospectus. We have not, and the underwriters have not, authorized anyone else to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should not assume that the information appearing in this prospectus supplement, the accompanying base prospectus, the documents incorporated by reference in this prospectus supplement and the accompanying base prospectus, and any free writing prospectus authorized by us is accurate as of any date other than the respective dates of those documents regardless of the time of delivery to you. You should not consider this prospectus supplement, the accompanying prospectus, or any free writing prospectus authorized by us to be an offer or solicitation relating to the shares in any jurisdiction in which such an offer or solicitation relating to the shares is not authorized. Furthermore, you should not consider this prospectus

supplement, the accompanying base prospectus, or any free writing prospectus authorized by us to be an offer or solicitation relating to the shares if the person making the offer or solicitation is not qualified to do so, or if it is unlawful for you to receive such an offer or solicitation.

Unless otherwise stated, references in this prospectus supplement to “IntriCon,” the “Company,” “we,” “us” and “our” refer to IntriCon Corporation and its consolidated subsidiaries.

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement, the accompanying base prospectus and the documents incorporated by reference. This summary does not contain all the information that you should consider before investing in our securities. You should read carefully this entire prospectus supplement, the accompanying base prospectus, the documents incorporated by reference in this prospectus supplement and the accompanying base prospectus and the information included in any free writing prospectus that we have authorized for use in connection with this offering before making an investment decision to purchase our common stock, especially the risks discussed in the section entitled "Risk Factors" in this prospectus supplement and in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2017 filed with the SEC on March 13, 2018, as well as the consolidated financial statements and notes to those consolidated financial statements incorporated by reference in this prospectus supplement and the accompanying base prospectus.

The Company

Company Overview

IntriCon is an international company engaged in designing, developing, engineering, manufacturing and distributing body-worn devices. The Company serves the body-worn device market by designing, developing, engineering, manufacturing and distributing micro-miniature products, microelectronics, micro-mechanical assemblies, complete assemblies and software solutions, primarily for the emerging value based hearing healthcare market, the medical bio-telemetry market and the professional audio communication market. The Company is a Pennsylvania corporation formed in 1930, and has gone through several transformations since its formation. The Company's core business of body-worn devices was established in 1993 through the acquisition of Resistance Technologies Inc., now known as IntriCon, Inc. The Company has facilities in Minnesota, Illinois, Singapore, Indonesia, the United Kingdom and Germany, and operates through subsidiaries.

The Company's website is *www.intricon.com*. Information contained in, or accessible through, the Company's website does not constitute a part of this prospectus supplement or a part of the accompanying base prospectus.

For a detailed description of IntriCon's business, the latest financial statements of IntriCon, management's discussion and analysis of IntriCon's financial condition and results of operations, and other important information concerning IntriCon, please refer to IntriCon's Annual Report on Form 10-K for the year ended December 31, 2017, IntriCon's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2018 and June 30, 3018 and other documents filed with the SEC, which are incorporated by reference into this prospectus supplement and the accompanying base

prospectus.

Market Overview

IntriCon serves the body-worn device market by designing, developing, engineering, manufacturing and distributing micro-miniature products, microelectronics, micro-mechanical assemblies, complete assemblies and software solutions, primarily for the medical bio-telemetry market, the emerging value based hearing healthcare market, the hearing health direct to consumer market and the professional audio communication market.

Hearing Healthcare Market

In the United States alone, there are approximately 40 million adults that report some degree of hearing loss. In adults, the most common cause of hearing loss is aging and noise. In fact, by the age of 65, one out of three people have hearing loss. The hearing-impaired population is expected to grow significantly over the next decade due to an aging population and more frequent exposure to loud sounds that can cause noise-induced hearing loss. It is estimated that hearing aids can help more than 90 percent of people with hearing loss, however the current market penetration into the U.S. hearing impaired population is approximately 20 percent, a percentage that has remained essentially unchanged for the last four decades. The primary deterrents to greater penetration are cost and access. Along with this, the legacy channel is an oligopoly of five large hearing aid manufacturers who utilize bricks and mortar and licensed audiologists to sell devices while controlling the channel dynamics.

The average cost of a hearing aid sold in the US market today is over $2,400 per device, more than double the cost from twelve years ago. Approximately 70 percent of the hearing impaired have hearing loss in both ears (referred to as a binaural loss), driving the total cost to almost $5,000 on average for a set of hearing aids.

We believe a perfect vortex of factors has come together over the last few years to enable the emergence of a market disruptive, high-quality, low cost distribution model, including continued consolidation of retail (causing escalating hearing aid prices), consumer outcry, consumer education, advancements in technology (such as behind-the-ear devices, advanced digital signal processing, low-power wireless, and self-fitting software) as well as regulatory actions and pronouncements by the U.S. Food and Drug Administration, the President's Council of Advisors on Science and Technology and the National Academies of Science, Engineering and Medicine.

Today in the US market, the legacy channel pushes all hearing impaired through the same inefficient, costly channel. However, a very large portion of the hearing-impaired market – mostly notably those with mild to moderate losses – could be properly served with the proper combination of high quality, outcome-based devices, advanced fitting software and consumer services/care best practices – all at much lower cost. We believe fundamental change is needed and are excited about the opportunity to deliver affordable, quality outcomes-based hearing healthcare, by combining state-of-the-art devices and software technology, along with best practices customer service and at a much lower cost directly to consumers across the country, many of whom have not been able to afford care previously.

In early January 2016, the U.S. Food and Drug Administration (FDA) weighed in on low hearing aid penetration rates with an announcement that highlighted statistics from the National Institute on Deafness and Other Communication Disorders. They found that 37.5 million U.S. adults aged 18 and older report some form of hearing loss. However, only 30 percent of adults over 70, and 16 percent of those aged 20 to 69, who could benefit from wearing hearing aids, have ever used them. Based on these statistics, the FDA reopened the public comment period on draft guidance related to the agency's premarket requirements for hearing aids and personal sound amplifiers (PSAPs). In April 2016, the FDA hosted a public workshop to, among other things, gather stakeholder and public input on draft guidance related to the agency's premarket requirements for hearing aids and PSAPs. The FDA's intent is to consider ways in which it can most effectively regulate hearing aids to promote accessibility and affordability while encouraging innovation. In December 2016, the FDA announced important steps to better support consumer access to hearing aids. The agency issued a guidance document explaining that it does not intend to enforce the requirement that individuals age 18 and older receive a medical evaluation or sign a waiver prior to purchasing most hearing aids, effective immediately. It also announced its commitment to consider creating a category of over-the-counter (OTC) hearing aids.

Furthermore, there have been significant public policy developments during 2017. On August 18, 2017, President Donald Trump signed into law H.R. 2430, the FDA Reauthorization Act of 2017, which includes a section concerning the regulation of OTC hearing aids. The law is designed to enable adults with mild to moderate hearing loss to access OTC hearing aids without being seen by a hearing care professional. The law requires the FDA to create and regulate a category of OTC hearing aids to ensure they meet the same high standards for safety, consumer labeling, and manufacturing protection that all other medical devices must meet. Additionally, the law mandates that the FDA

establish an OTC hearing aid category for adults with “perceived” mild to moderate hearing loss within three years of passage of the legislation. The FDA also must finalize a rule within 180 days after the close of the comment period, detailing what level of safety, labeling and consumer protections will be included. We believe this law has the potential to remove the significant barriers existing today that prevent innovative hearing health solutions. We believe that this law will invigorate competition, spur innovation and facilitate the development of an ecosystem of hearing health care that provides affordable and accessible solutions to millions of unserved or underserved Americans. Today, IntriCon serves both the value-based hearing healthcare channel and the legacy hearing health channel.

Value-Based Hearing Healthcare

The Company believes the value-based hearing healthcare (VBHH) market offers significant growth opportunities. In contrast to the legacy channel dynamics, the VBHH market channel is flexible and able to serve the end consumer through a variety of modalities which may include remoting fittings, customer support call centers, bricks and mortar, etc. The average price of a hearing aid sold through this channel is less than twenty-five percent of the average $2,400 device cost typically sold through the legacy channel. The Company recently commissioned an ethnographic research study, which identified a $3+ billion annual value-based hearing healthcare market opportunity. In addition, this study assisted us in identifying our customer, various customer segmentations and personas. To best approach this market opportunity, we have focused our efforts to serve both the value-based Direct-to-End-Consumer (DTEC) and value-based Indirect-to-End-Consumer (ITEC)

channels. Over the past decade we have invested in the manufacturing footprint, product technology and fitting software to provide individuals access to affordable, quality outcomes-based hearing healthcare.

Our DTEC represents a channel that sells products and services directly to the end consumer, which today consists of our Hearing Help Express (HHE) business. In December of 2017, we purchased the remaining 80% of HHE, a direct-to-consumer mail order hearing aid provider. However, the Company has been preparing to address this market long before the acquisition of HHE and in fact has spent the last decade, investing in the technology and low-cost manufacturing to design and build superior devices and fitting solutions. With this acquisition, we believe we now have the channel infrastructure to directly reach consumers and—importantly for millions—the ability to offer high-quality hearing healthcare at a fraction of the cost. The Company's devices and technologies coupled with HHE's high-touch care, outcomes based, and hassle free telemedicine model has created a complete eco-system of hearing healthcare in which the Company intends to serve the $3+ billion market. Through our other VBHH initiatives and tests, we have formed alliances with other key partners, which have given us experience and vital insight as we move aggressively into a more consumer-facing role. HHE provides an efficient, direct-to-consumer channel to reach consumers who likely do not have insurance that will cover hearing devices. This is a channel that we can build on and expand via technology—and one that is complementary with many of our existing relationships.

The Company is also focused on serving its value-based ITEC customers, those companies selling products and services directly to the end consumer. We have established ourselves as a leader in supplying this portion of the market with advanced, outcome-based products and accessories. The Company has formed strong relationships with various customers in the channel, including insurance providers, and geriatric product retailers and other DTC hearing aid providers.

Legacy Hearing Health Channel

We also believe there are niches in the legacy hearing health channel that will embrace our outcomes-based products and technologies in the United States and Europe. High costs of legacy devices and retail consolidation have constrained the growth potential of the independent audiologist and dispenser. We believe our software and product offering can provide independent audiologists and dispensers the ability to compete with larger retailers, such as Costco, and manufacturer owned retail distributors.

Medical Bio-Telemetry

In the medical bio-telemetry market, the Company is focused on sales of bio-telemetry devices for life-critical diagnostic monitoring. The Company manufactures microelectronics, micro-mechanical assemblies, high-precision

injection-molded plastic components and complete bio-telemetry devices for emerging and leading medical device manufacturers. The medical industry is faced with pressures to reduce the cost of healthcare. Driven by its core technologies, IntriCon helps shift the point of care from expensive traditional settings, such as hospitals, to less expensive non-traditional settings like the home. IntriCon currently serves this market by offering medical manufacturers the capabilities to design, develop, manufacture and distribute medical devices that are easier to use, are more miniature, use less power, and are lighter. Increasingly, the medical industry is looking for wireless, low-power capabilities in their devices.

IntriCon currently has a presence in the diabetes and cardiac-catheter positioning markets. For diabetes, IntriCon works with Medtronic to manufacture their wireless continuous glucose monitors (CGM), sensors assemblies, and accessories associated with Medtronic's insulin pump and CGM system. In August 2016, the FDA approved the MiniMed 630G system which is intended to replace Medtronic's MiniMed 530G system. In September 2016, the FDA approved the next generation MiniMed 670G insulin pump system, which IntriCon components are also designed into. The MiniMed 670G is the world's first hybrid closed loop insulin delivery system. In June 2017, the 670G was launched in the U.S. Medtronic began fulfilling orders from patients enrolled in their Priority Access Program. In parallel, Medtronic began taking new orders from interested customers who want to be next in line to receive the system after the Priority Access orders are filled. In March 2018, the FDA approved the Guardian Connect, Medtronic's standalone CGM system that allows patients to stay ahead of high and low glucose events. Looking ahead, we believe there are opportunities to expand our diabetes product offering with Medtronic, as well as move into new markets outside of the diabetes market.

IntriCon has a suite of medical coils and micro coils that it offers to various original equipment manufacturing (OEM) customers. These products are currently used in pacemaker programming and interventional catheter positioning applications.

IntriCon manufactures bubble sensors and flow restrictors that monitor and control the flow of fluid in an intravenous

infusion system as well as a family of safety needle products for an OEM customer that utilizes IntriCon's insert and straight molding capabilities. These products are assembled using full automation, including built-in quality checks within the production lines.

Professional Audio Communications

IntriCon entered the high-quality audio communication device market in 2001, and now has a line of miniature, professional audio headset products used by customers focusing on emergency response needs. The line includes several communication devices that are extremely portable and perform well in noisy or hazardous environments. These products are well suited for applications in the fire, law enforcement, safety, aviation and military markets. In addition, the Company has a line of miniature ear- and head-worn devices used by performers and support staff in the music and stage performance markets. We believe performance in difficult listening environments and wireless operations will continue to improve as these products increasingly include our proprietary nanoDSP, wireless nanoLink and PhysioLink technologies.

Core Technologies Overview

Our core technologies expertise is focused on three main markets: medical bio-telemetry, value based hearing healthcare and professional audio communications. Over the past several years, the Company has increased investments in the continued development of five critical core technologies: Ultra-Low-Power (ULP) Digital Signal Processing (DSP), ULP Wireless, Fitting Software, Microminiaturization, and Miniature Transducers. These five core technologies serve as the foundation of current and future product platform development, designed to meet the rising demand for smaller, portable, more advanced devices and the need for greater efficiencies in the delivery models. The continued advancements in this area have allowed the Company to further enhance the mobility and effectiveness of miniature body-worn devices.

ULP DSP

DSP converts real-world analog signals into a digital format. Through our nanoDSP™ technology, IntriCon offers an extensive range of ULP DSP amplifiers for hearing, medical and professional audio applications. Our proprietary nanoDSP incorporates advanced ultra-miniature hardware with sophisticated signal processing algorithms to produce devices that are smaller and more effective. The Company further expanded its DSP portfolio including improvements to its Reliant CLEAR™ feedback canceller, offering increased added stable gain and faster reaction time. Additionally, the DSP technologies are utilized in the Audion8™, our eight-channel hearing aid amplifier, and the Audion16™, our wide dynamic range compression sixteen-channel hearing aid amplifier. The amplifiers are feature-rich and are designed to

fit a wide array of applications. In addition to multiple compression channels, the amplifiers have a complete set of proven adaptive features which greatly improve the user experience.

ULP Wireless

Wireless connectivity is fast becoming a required technology, and wireless capabilities are especially critical in new body-worn devices. IntriCon's BodyNet™ ULP technology, including the nanoLink™ and PhysioLink™ wireless systems, offers solutions for transmitting the body's activities to caregivers and wireless audio links for professional communications and surveillance products, including diabetes monitoring and audio streaming for hearing devices.

IntriCon is in the final stages of commercializing its Physiolink3 wireless technology, which will be incorporated into product platforms serving the medical, hearing health and professional audio communication markets. This system is based on 2.4GHz proprietary digital radio protocol in the industrial-scientific-medical (ISM) frequency band and enables audio and data streaming and command and control to ear-worn and body-worn applications over distances of up to ten meters. The Physiolink3 technology can be used to increase productivity in the emerging VBHH channels through in office wireless programming, remote cloud based fitting and consumer directed self-fitting of hearing aids. This will provide both greater access and lower costs for patients. In addition, remote control functions will improve the patient experience while using the device especially for those with diminished dexterity. The Physiolink3 technology builds on the Physiolink2 capabilities by adding wireless streaming at, what we believe, are much lower power levels than any technology currently on the market. This will allow for accessories to enhance the user experience in noisy environments by allowing audio streaming directly to the hearing aid.

Fitting Software

The ability to efficiently and effectively fit hearing aids is critical to building a value based eco-system of hearing healthcare. By developing more advanced fitting software systems, individuals can benefit from fittings that conform to their specific loss, while eliminating the need for an in-person appointment. In addition to the traditional fitting software, IntriFit, used in the conventional channel, IntriCon has made significant investments in various advanced fitting software solutions that can enable remote and self-fitting solutions. IntriCon believes these advanced fitting solutions, along with the other components of the eco-system, will drive access, affordability and superior customer satisfaction to the millions of individuals that cannot receive care today, primarily due to high cost and low access. IntriCon expects to introduce our advanced fitting solutions through our various VBHH channels later in 2018.

Microminiaturization

We began honing our microminiaturization skills over 30 years ago, supplying components to the hearing health industry. Our core miniaturization technology allows us to make devices for our markets that are one cubic inch and smaller. We also are specialists in devices that run on very low power, as evidenced by our ULP wireless and DSP. Less power means a smaller battery, which enables us to reduce size even further, and develop devices that fit into the palm of one’s hand.

Miniature Transducers

Included in our transducer line are our miniature medical coils and micro coils used in pacemaker programming and interventional catheter positioning applications. We believe that with the increase of greater interventional care, our coil technology harbors significant value.

Principal Executive Offices

The Company’s headquarters are located at 1260 Red Fox Road, Arden Hills, MN 55112, and its telephone number is (651) 636-9770.

The Offering

Common stock offered	1,500,000 shares.
Option to purchase additional shares	We have granted the underwriters an option to purchase up to an additional 225,000 shares of our common stock. This option is exercisable, in whole or in part, for a period of 30 days from the date of this prospectus supplement.
Common stock to be outstanding after this offering and our repurchase of 500,000 shares of our common stock	8,189,580 shares (or 8,414,580 shares if the underwriters exercise in full their option to purchase additional shares).
Proceeds of offering	We estimate that the net proceeds from this offering will be approximately $89.9 million (or approximately $103.4 million if the underwriters exercise in full their option to purchase additional shares), based on an assumed public offering price of $63.95 per share, the closing price of our common stock on the Nasdaq Global Market on August 13, 2018, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.
Use of proceeds	We intend to use the net proceeds from this offering to repay outstanding term loan borrowings under our senior credit facility, to repay outstanding borrowings under our capital expenditure loan facility; to repay outstanding revolving loan borrowings under our senior credit facility, to fund purchases of capital equipment in connection with the expansion of our manufacturing facilities, to repurchase 500,000 shares of our common stock from our directors and officers, and for working capital and other general corporate purposes. See “Use of Proceeds” on page S-10 of this prospectus supplement.
Risk factors	Investing in our common stock involves a high degree of risk. See “Risk Factors” on page S-7 of this prospectus supplement, and the risks discussed under the heading “Risk Factors” in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2017, for a discussion of factors you should carefully consider before deciding to invest in shares of our common stock.
Nasdaq Global Market symbol	“IIN”

The number of shares of our common stock to be outstanding immediately after the offering is based on 7,189,580 shares of our common stock outstanding as of July 31, 2018, and excludes:

1,101,586 shares issuable upon the exercise of stock options outstanding as of July 31, 2018, at a weighted average exercise price of $6.05 per share;

97,723 shares issuable upon the vesting of restricted stock units outstanding as of July 31, 2018;

229,931 shares of our common stock reserved for future grants of stock options, stock awards, stock appreciation rights, restricted stock units and other equity-based awards under our 2015 Equity Incentive Plan as of July 31, 2018; and

94,697 shares of our common stock reserved for purchase under our Employee Stock Purchase Plan, as amended as of July 31, 2018.

Except as otherwise indicated, all information in this prospectus supplement assumes no exercise by the underwriters of their option to purchase up to an additional 225,000 shares of our common stock.

RISK FACTORS

An investment in our common stock is subject to a number of risks and uncertainties. Before you make a decision to invest in our securities, you should consider carefully the risks described below and discussed under the section captioned "Risk Factors" contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, and in any subsequently filed Quarterly Report on Form 10-Q, which are incorporated by reference in this prospectus supplement and the accompanying base prospectus in their entirety, together with other information in this prospectus supplement, the accompanying base prospectus, and the information and documents incorporated by reference. The risks and uncertainties described below, and those incorporated by reference into this prospectus supplement and the accompanying base prospectus, are not the only ones facing our company. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of these risks actually occur, our business, financial condition, results of operations and prospects could be materially affected. In that case, the value of our common stock could decline substantially.

Risk Factors Relating to the Offering and Our Common Stock

The market price of our common stock has been and is likely to continue to be volatile and there has been relatively limited trading volume in our stock, which may make it difficult for shareholders to resell common stock when they want to and at prices they find attractive.

The market price of our common stock has been and is likely to be highly volatile, and there has been relatively limited trading volume in our common stock. Our stock price has increased significantly during the past 12 months and in the future may not continue to increase at the same rate or may decline. The common stock market price could be subject to wide fluctuations in response to a variety of factors, including the following:

announcements of fluctuations in our or our competitors' operating results;

required changes in our reported revenue and revenue recognition accounting policy under Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606);

the timing and announcement of sales or acquisitions of assets by us or our competitors;

changes in estimates or recommendations by securities analysts;

adverse or unfavorable publicity about our products, technologies or us;

the commencement of material litigation, or an unfavorable verdict, against us;

terrorist attacks, war and threats of attacks and war;

additions or departures of key personnel; and

sales of common stock by us or our shareholders.

Our offering price may not be indicative of the price of our stock that will prevail in the trading market following the offering. In addition, the stock market in recent years has experienced significant price and volume fluctuations. Such volatility has affected many companies irrespective of, or disproportionately to, the operating performance of these companies. These broad fluctuations and limited trading volume may materially adversely affect the market price of our common stock, and your ability to sell our common stock.

Most of our outstanding shares are available for resale in the public market without restriction. All of the shares sold in this offering, other than shares purchased by our affiliates, will also be available for resale in the public market without restriction. The sale of a large number of these shares could adversely affect the share price and could impair our ability to raise capital through the sale of equity securities or make acquisitions for common stock.

"Anti-takeover" provisions may make it more difficult for a third party to acquire control of us, even if the change in control would be beneficial to shareholders.

We are a Pennsylvania corporation. Anti-takeover provisions in Pennsylvania law and our charter and bylaws could make it more difficult for a third party to acquire control of us. These provisions could adversely affect the market price of the common stock and could reduce the amount that shareholders might receive if we are sold. For example, our charter provides that the board of directors may issue preferred stock without shareholder approval. In addition, our bylaws provide for a classified board, with each board member serving a staggered three-year term. Directors may be removed only for cause and only upon the affirmative vote of the holders of at least two-thirds of all of the shares of common stock outstanding and entitled to vote.

Our management team may invest or spend the proceeds of this offering in ways with which you may not agree or in ways which may not yield a significant return.

Our management will have broad discretion over the use of proceeds from this offering. We intend to use the net proceeds from this offering to repay outstanding term loan borrowings under our senior credit facility, to repay outstanding borrowings under our capital expenditure loan facility; to repay outstanding revolving loan borrowings under our senior credit facility, to fund purchases of capital equipment in connection with the expansion of our manufacturing facilities, to repurchase shares of our common stock from our directors and officers, and for working capital and other general corporate purposes Our management will have considerable discretion in the application of the net proceeds, and you will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately. The net proceeds may be used for corporate purposes that do not increase our operating results or enhance the value of our common stock.

Investors in this offering will experience immediate and substantial dilution and may experience further dilution in the future.

The public offering price of the common stock offered pursuant to this prospectus supplement is substantially higher than the net tangible book value per share of our common stock. Therefore, if you purchase shares of common stock in this offering, you will incur immediate and substantial dilution in the pro forma net tangible book value per share of common stock from the price per share that you pay for the common stock. Furthermore, we expect that we will seek to raise additional capital from time to time in the future. Such financings may involve the issuance of equity and/or securities convertible into or exercisable or exchangeable for our equity securities. We also expect to continue to utilize equity-based compensation. To the extent options are exercised, restricted stock units vest or we issue common stock, preferred stock, or securities such as warrants that are convertible into, exercisable or exchangeable for, our common stock or preferred stock in the future, you may experience further dilution.

Our shareholders may experience further dilution in their percentage ownership if we issue additional shares of common stock in the future.

Any additional future issuances of common stock by us will reduce the percentage of our common stock owned by investors purchasing shares in this offering who do not participate in such future issuances. In most circumstances, shareholders will not be entitled to vote on whether or not we issue additional common stock.

Because we do not expect to pay dividends on our common stock, shareholders will benefit from an investment in our common stock only if it appreciates in value.

We currently intend to retain any future earnings to support operations and to finance the growth and development of our business and do not intend to pay cash dividends on our common stock for the foreseeable future. Any payment of future dividends will be at the discretion of our board of directors and will depend upon, among other things, our earnings, financial condition, capital requirements, level of indebtedness, contractual restrictions with respect to the payment of dividends, and other factors that our board of directors deems relevant. Terms of our banking agreements prohibit the payment of cash dividends without prior bank approval. As a result, the success of an investment in our common stock will depend upon any future appreciation in its value. There is no guarantee that our common stock will appreciate in value or even maintain the price at which shareholders have purchased their shares.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying base prospectus and the documents we incorporate by reference in this prospectus supplement and the accompanying base prospectus contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Exchange Act, and may involve material risks, assumptions and uncertainties. Statements that are not purely historical should be considered forward-looking statements. Often they can be identified by the use of forward-looking words and phrases, such as "may," "will," "believe," "anticipate," "expect," "should," "optimistic," "continue," "estimate," "intend," "plan," "wou "guidance," "potential," "opportunity," "project," "forecast," "confident," "projections," "schedule," "designed," "future" and t These statements may include, but are not limited to statements regarding net operating loss carryforwards, the ability to meet cash requirements for operating needs, the ability to meet liquidity needs, assumptions used to calculate future levels of funding of employee benefit plans, the adequacy of insurance coverage, and the impact of new accounting pronouncements and litigation. Forward-looking statements also include, without limitation, statements as to the Company's expected future results of operations and growth, strategic alliances and their benefits, government regulation, potential increases in demand for the Company's products, the Company's ability to meet working capital requirements, the Company's business strategy, the expected increases in operating efficiencies, anticipated trends in the Company's markets, estimates of goodwill impairments and amortization expense of other intangible assets, the effects of changes in accounting pronouncements, the effects of litigation and the amount of insurance coverage, and statements as to trends or the Company's or management's beliefs, expectations and opinions.

These statements are based on our current beliefs, expectations and assumptions and are subject to a number of risks and uncertainties. Actual results and timing of certain events could differ materially from those projected in or contemplated by forward-looking statements due to a number of factors including, without limitation, the risks outlined from time to time in our filings with the SEC. These risks and uncertainties should be considered in evaluating any forward-looking statement contained in this prospectus supplement, the accompanying base prospectus or incorporated by reference in this prospectus supplement and the accompanying base prospectus. We undertake no obligation to update or publicly release any revisions to forward-looking statements to reflect events, circumstances or changes in expectations after the date of this prospectus supplement. In addition, our past results are not necessarily indicative of our future results.

USE OF PROCEEDS

We estimate that the net proceeds from the sale of shares of common stock in this offering will be approximately $89.9 million based on the assumed sale of 1,500,000 shares of our common stock offered hereby, or approximately $103.4 million if the underwriters exercise in full their option to purchase an assumed 225,000 additional shares of common stock, at an assumed public offering price of $63.95 per share, the closing price of our common stock on the Nasdaq Global Market on August 13, 2018, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

We intend to use the net proceeds from this offering to repay outstanding term loan borrowings under our senior credit facility; to repay outstanding borrowings under our capital expenditure loan facility; to repay outstanding revolving loan borrowings under our senior credit facility; to fund purchases of capital equipment in connection with the expansion of our manufacturing facilities; to repurchase 500,000 shares of our common stock from our directors and officers; and for working capital and other general corporate purposes. As of July 31, 2018, we had outstanding balances of approximately $5.75 million under our term loan, approximately $1.0 million under our capital expenditure loan facility, and approximately $5.9 million under our revolving credit facility. Amounts we pay down under our capital expenditure loan facility and our revolving credit facility may be reborrowed in the future.

We have entered into an equity purchase agreement with the following directors and officers of our company: Mark S. Gorder (President, Chief Executive Officer and director), Michael J. McKenna (director), Nicholas A. Giordano (director), Robert N. Masucci (director), Michael P. Geraci (Vice President of Sales and Marketing), Dennis L. Gonsior (Vice President of Global Operations), Greg Gruenhagen (Vice President of Quality and Regulatory Affairs), Scott Longval (Chief Financial Officer) and Delain Wright (Vice President of Business Development). Pursuant to the equity purchase agreement we will repurchase an aggregate of 500,000 shares of our common stock from such directors and officers at a price equal to the net proceeds per share that we will receive from this offering, before expenses. The closing of the share repurchase will be contingent on the closing of, and is expected to occur following the closing of this offering. The shares that we repurchase will be retired and returned to the status of authorized, but unissued shares.

Our credit facility has a maturity date of December 15, 2022. The weighted average interest rate on our revolving credit facility and term loan were 5.25% and 4.92% for the six months ended June 30, 2018. During fiscal 2018, our capital expenditure loan facility bears interest based on applicable bank margins plus the higher of (a) the Prime Rate, and (b) the Federal Funds Rate plus 0.5% per annum. A more complete description of our credit facility is set forth under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and in the notes to our consolidated financial statements in each of our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2018, each of which is incorporated by reference in this prospectus supplement.

The amounts and timing of our actual expenditures will depend on numerous factors, including, capital equipment terms and conditions, demand from our customers, and securing new business opportunities, as well as the amount of cash used in our operations. We therefore cannot estimate with certainty the amount of net proceeds to be used for each of the purposes described above. We may find it necessary or advisable to use the net proceeds for other purposes, and we will have broad discretion in the application of the net proceeds. Pending the uses described above, we plan to invest the net proceeds from this offering in short- and intermediate-term, interest-bearing obligations, investment-grade instruments, certificates of deposit or direct or guaranteed obligations of the U.S. government.

CAPITALIZATION

The following table sets forth our consolidated cash and total capitalization as of June 30, 2018:

on an actual basis;

on an as adjusted basis to give effect to (a) this offering (assuming no exercise of the underwriters' option to purchase additional shares) at an assumed offering price per share of $63.95, which was the last reported sale price of our common stock on the Nasdaq Global Market on August 13, 2018, and after deducting estimated underwriting discounts and offering expenses payable by us, and (b) the application of the net proceeds from this offering.

The following data is qualified in its entirety by, and should be read in conjunction with, the information provided under the caption "Use of Proceeds" in this prospectus supplement, under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2018 incorporated by reference in this prospectus supplement and our consolidated financial statements and notes thereto incorporated by reference in this prospectus supplement and the accompanying base prospectus.

	As of June 30, 2018	
	Actual	**As Adjusted (1)**
	(dollars in thousands)	
	(unaudited)	
Cash	$539	$ 48,208
Current maturities of long-term debt(2)	$2,072	$ 1,072
Long-term debt, less current maturities(2)	$11,205	$ 61
Equity:		
Common stock, $1.00 par value: 20,000,000 shares authorized; 7,037,305 shares issued and outstanding, actual; 8,037,305 shares issued and outstanding, as adjusted	7,037	8,037
Additional paid-in capital	22,489	81,302
Accumulated deficit	(3,281)	(3,281)
Accumulated other comprehensive loss	(899)	(899)
Total shareholders' equity	25,346	85,159
Non-controlling interest	(279)	(279)
Total equity	25,067	84,880
Total capitalization	38,344	86,013

(1) The "As adjusted" column reflects (i) the repayment of $5.75 million of borrowings under our term loan and $6.4 million of borrowings under our revolving credit facility (there were no borrowing outstanding under our capital expenditure loan facility as of June 30, 2018) and (ii) the repurchase and cancellation of 500,000 shares of our common stock from our directors and officers at a price equal to the assumed net proceeds per share received by IntriCon in the offering, before expenses. Pending the use of the net proceeds from this offering for funding of capital expenditures or for working capital and general corporate purposes, we may temporarily investment in short- and intermediate-term, interest-bearing obligations, investment-grade instruments, certificates of deposit or direct or guaranteed obligations of the U.S. government. See "Use of Proceeds" Our receipt of the balance of the assumed net proceeds from this offering has been applied to increase the amount of cash reflected in the "As Adjusted" column of the table above and does not reflect any potential temporary investment of such proceeds. The "As Adjusted" column is illustrative only and will be based on the actual public offering price and other terms of this offering determined at pricing.

(2) As of July 31, 2018, we had outstanding balances of approximately $5.75 million under our term loan, approximately $1.0 million under our capital expenditure loan facility, and approximately $5.9 million under our revolving credit facility.

The capitalization table above is based on the number of shares outstanding as of June 30, 2018, does not give effect to any

exercise of the underwriters' option to purchase additional shares, and excludes:

1,248,961 shares issuable upon the exercise of stock options outstanding as of June 30, 2018, at a weighted average exercise price of $5.96 per share;

97,723 shares issuable upon the vesting of restricted stock units outstanding as of June 30, 2018;

214,565 shares of our common stock reserved for future grants of stock options, stock awards, stock appreciation rights, restricted stock units and other equity-based awards under our 2015 Equity Incentive Plan as of June 30, 2018; and

94,697 shares of our common stock reserved for purchase under our Employee Stock Purchase Plan, as amended as of June 30, 2018.

UNDERWRITING

Subject to the terms and conditions set forth in an underwriting agreement between us and Stifel, Nicolaus & Company, Incorporated, as representative of the several underwriters, each of the underwriters named below has severally agreed to purchase from us the aggregate number of shares set forth opposite its name below:

Underwriters	**Number of Shares**
Stifel, Nicolaus & Company, Incorporated	
Total	

The underwriting agreement provides that the obligations of the several underwriters are subject to various conditions, including approval of legal matters by counsel. The nature of the underwriters' obligations commits the underwriters to purchase and pay for all of the shares listed above if any are purchased.

The underwriters expect to deliver the shares to purchasers on or about , 2018.

Option to Purchase Additional Shares

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus supplement, to purchase, from time to time, in whole or in part, up to an aggregate of 225,000 shares of our common stock from us, at the public offering price, less the underwriting discount payable by us, as set forth on the cover page of this prospectus supplement. If the underwriters exercise this option in whole or in part, then each of the underwriters will be separately committed, subject to the conditions described in the underwriting agreement, to purchase the additional shares of our common stock in proportion to their respective commitments set forth in the table above.

Commissions and Discounts

The underwriters propose to offer the shares directly to the public at the public offering price set forth on the cover page of this prospectus supplement, and at this price less a concession not in excess of $ per share of common stock to other dealers. After this offering, the offering price and other selling terms may be changed by the representative. Our shares are offered subject to receipt and acceptance by the underwriters and to other conditions, including the right to reject orders in whole or in part.

The following table summarizes the compensation to be paid to the underwriters by us and the proceeds, before expenses, payable to us:

	Per Share		Total	
	No Exercise	Full Exercise	No Exercise	Full Exercise
Public offering price	$	$	$	$
Underwriting discount	$	$	$	$
Proceeds, before expenses, to us	$	$		