



August 29, 2019

FISCAL 2020 FIRST-QUARTER FINANCIAL RESULTS

Forward-Looking Statements

This presentation contains certain forward-looking statements, which reflect management's expectations regarding future events and operating performance and speak only as of the date hereof. These forward-looking statements are subject to the safe harbor protection provided under the securities laws. Methode undertakes no duty to update any forward-looking statement to conform the statement to actual results or changes in Methode's expectations on a quarterly basis or otherwise. The forward-looking statements in this press release involve a number of risks and uncertainties. The factors that could cause actual results to differ materially from our expectations are detailed in Methode's filings with the Securities and Exchange Commission, such as our annual and quarterly reports. Such factors may include, without limitation, the following (1) dependence on a small number of large customers, including two large automotive customers; (2) dependence on the automotive, appliance, commercial vehicle, computer and communications industries; (3) international trade disputes resulting in tariffs and our ability to mitigate tariffs; (4) timing, quality and cost of new program launches; (5) ability to withstand price pressure, including pricing reductions; (6) ability to successfully market and sell Dabir Surfaces products; (7) currency fluctuations; (8) customary risks related to conducting global operations; (9) ability to withstand business interruptions; (10) recognition of goodwill impairment charges; (11) ability to successfully benefit from acquisitions and divestitures; (12) investment in programs prior to the recognition of revenue; (13) dependence on the availability and price of materials; (14) fluctuations in our gross margins; (15) dependence on our supply chain; (16) income tax rate fluctuations; (17) ability to keep pace with rapid technological changes; (18) breach of our information technology systems; (19) ability to avoid design or manufacturing defects; (20) ability to compete effectively; (21) ability to protect our intellectual property; (22) success of Grakon and/or our ability to implement and profit from new applications of the acquired technology; (23) significant adjustments to expense based on the probability of meeting certain performance levels in our long-term incentive plan; and (24) costs and expenses due to regulations regarding conflict minerals.

Use of Non-GAAP Financial Measures

To supplement the Company's financial statements presented in accordance with generally accepted accounting principles in the United States (“GAAP”), Methode uses certain non-GAAP measures. Reconciliation to the nearest GAAP measures of all non-GAAP measures included in this presentation are provided in the presentation. Methode's definitions of these non-GAAP measures may differ from similarly titled measures used by others. These non-GAAP measures should be considered supplemental to, and not a substitute for, financial information prepared in accordance with GAAP. The Company believes that these non-GAAP measures are useful because they (i) provide both management and investors meaningful supplemental information regarding financial performance by excluding certain expenses that may not be indicative of recurring core business operating results, (ii) permit investors to view Methode's performance using the same tools that management uses to evaluate its past performance, reportable business segments and prospects for future performance and (iii) otherwise provide supplemental information that may be useful to investors in evaluating Methode.

Q1 FY20 Highlights and Path for Growth

Global Auto

Strong mix of products for SUVs and pickup trucks

Limited exposure to domestic Chinese automotive OEMs

Operational Efficiencies

Benefit of initiatives to reduce costs and improve profitability

Lower than anticipated tariff expense



Sensor Growth

Magneto-elastic sensing

Q1 YOY growth of 11%

New Business Awards

Further Penetration of EV Market

Combining expertise in interior and exterior lighting and power distribution

Innovation will bring both increased market penetration and content per vehicle

Dabir Development

Five new customers

Reduced evaluation time

Q1 Highlights*

(All Numbers In Millions except per share amount)



Sales Growth

Net Income

Net Income Per Share

Adjusted Net Income

Adjusted Net Income Per Share

| | FY 19 | FY 20 | YoY Change |
|----|---------|---------|------------|
| Q1 | \$223.4 | \$270.2 | 20.9% |

| | FY 19 | FY 20 | YoY Change |
|--|--------|--------|------------|
| | \$23.7 | \$28.3 | 19.4% |

| | FY 19 | FY 20 | YoY Change |
|--|--------|--------|------------|
| | \$0.63 | \$0.75 | 19% |

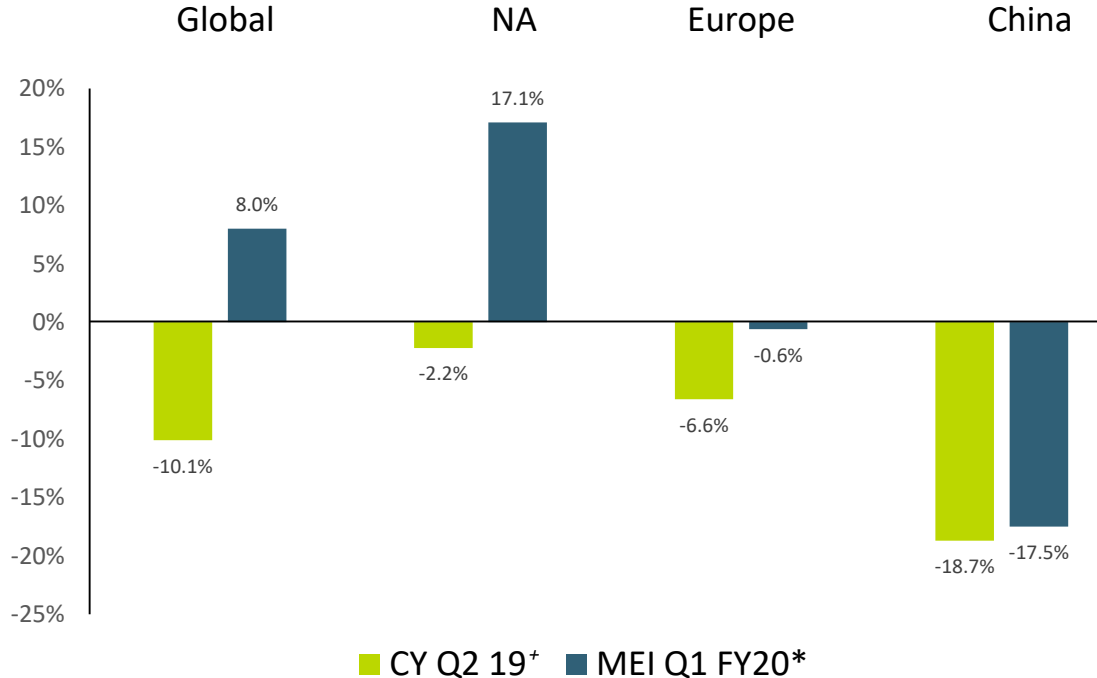
| | FY 19 | FY 20 | YoY Change |
|--|--------|--------|------------|
| | \$24.9 | \$28.3 | 13.7% |

| | FY 19 | FY 20 | YoY Change |
|--|--------|--------|------------|
| | \$0.66 | \$0.75 | 14% |

*See Appendix for reconciliation to GAAP

Methode Outperformed the Market

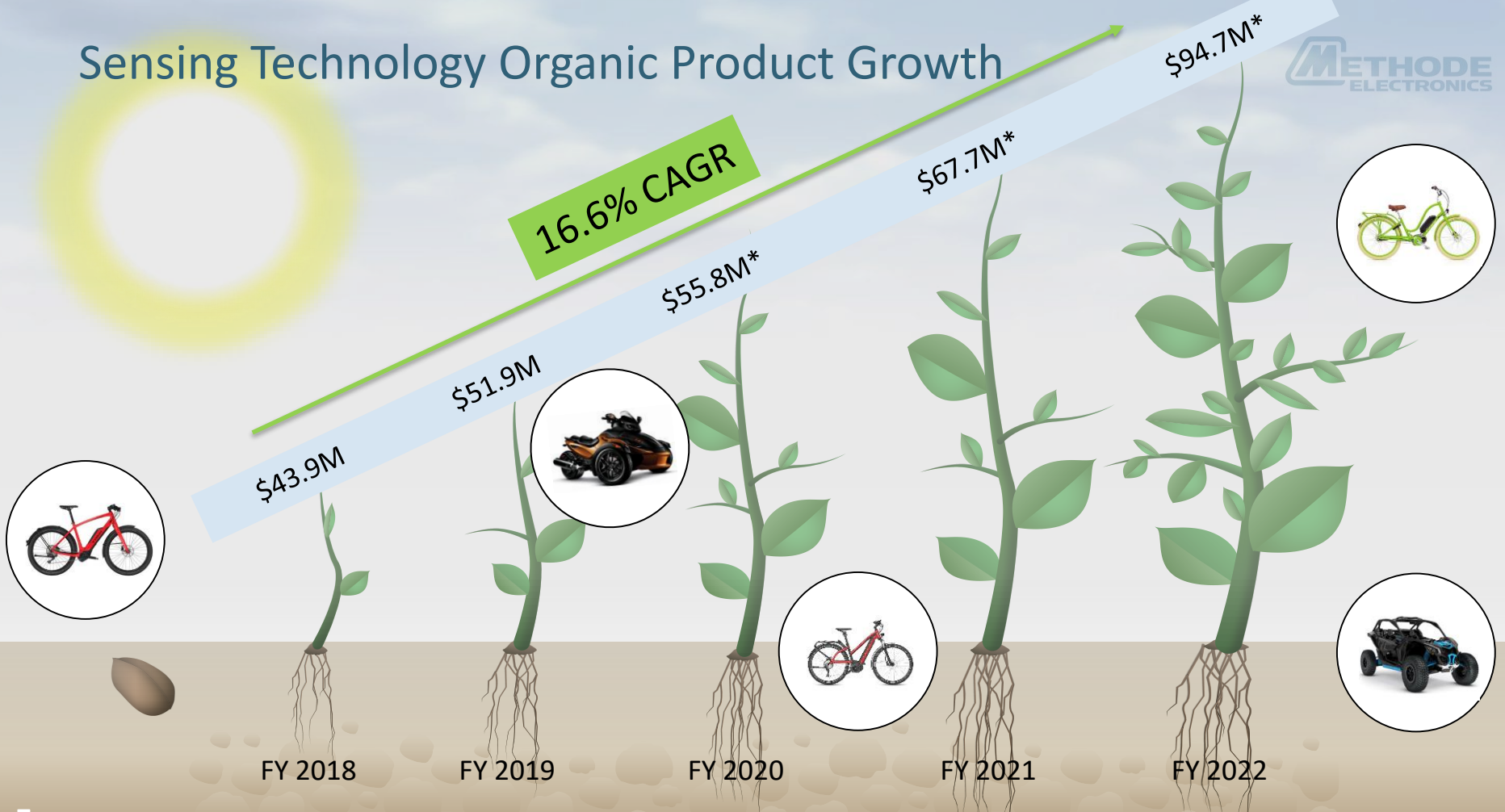
Automotive Industry Volumes Versus Methode's Automotive Sales



- Grakon Tesla sales in NA
- Strong mix of products for SUVs and pickup trucks in NA
- 6 launches - 3 in NA, 3 in Europe
- Limited exposure to domestic Chinese automotive OEMs
- Methode Asia affected by passenger car slowdown and pricedowns
 - New product launches during FY 20 should help offset headwinds

*Excludes impact of currency
* Source, Ward's, JD Power, ACEA

Sensing Technology Organic Product Growth

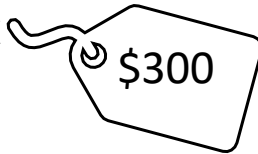


*Booked business as of 7/19

Content Per Electric Vehicle



Tesla Model X

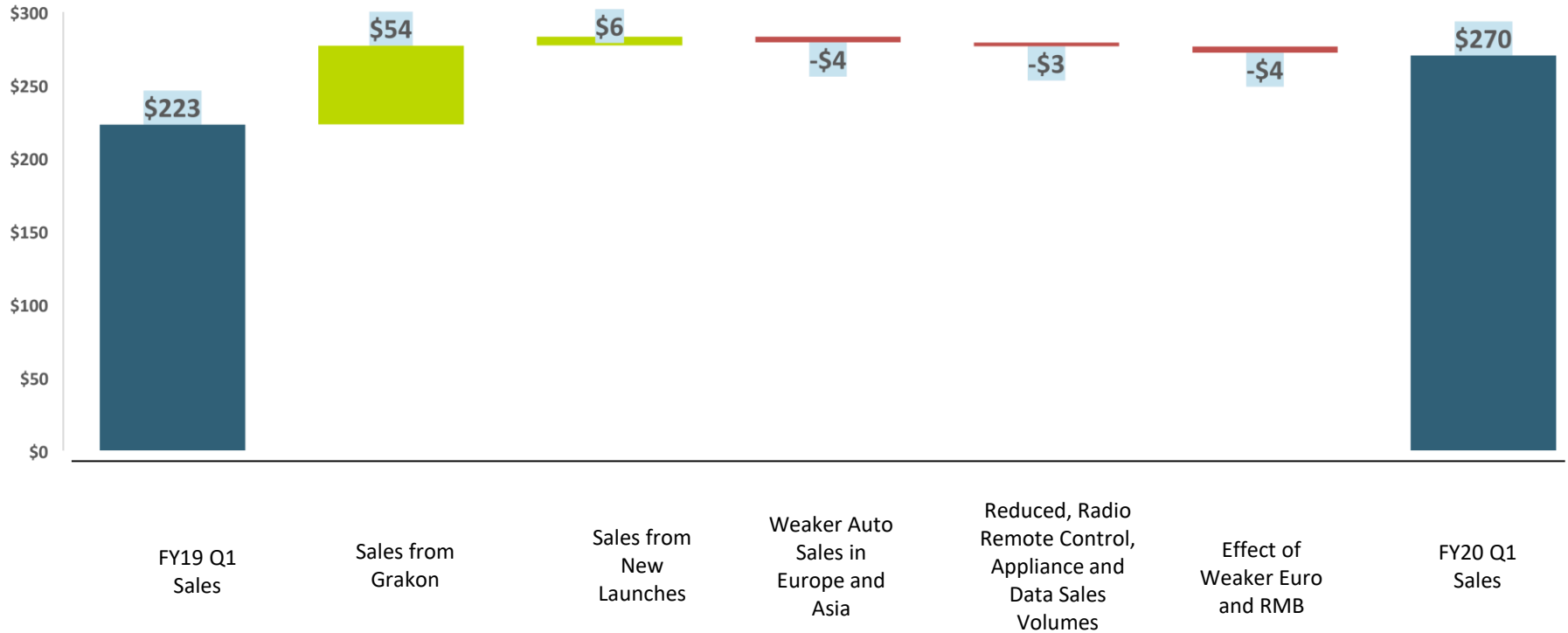


Rivian Electric SUV



Q1 Sales Drivers

(Dollars In Millions)



Q1 Income Drivers

(Dollars In Millions)

+ Sales from Grakon and new launches

+ Benefit of Initiatives to Reduce Costs

+ Lack of Expense from Initiatives to Reduce Costs

+ Lower Acquisition-Related Costs

■ Lower Radio Remote Control, Appliance and Data Solutions Sales

■ Higher Net Interest Expense

■ Increased Intangible Asset Amortization Expense

■ Higher Income Tax Expense

■ Impact of Foreign Currency Translation

■ Increased Stock-Based Compensation Expense

■ Net Tariff Expense

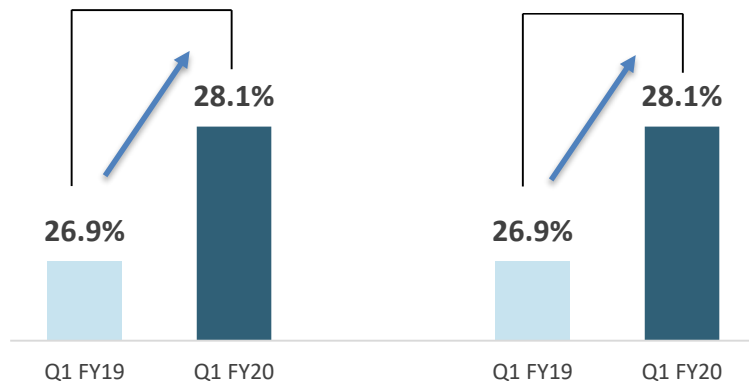
Q1 FY20 Financial Results*

Gross Margins

- Benefit of Grakon sales

Partially offset by:

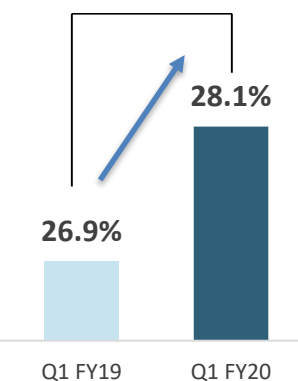
- Impact of foreign currency translation
- Lower radio remote control product and Interface segment sales



Adjusted Gross Margins

Excludes:

- Expense for initiatives to reduce costs

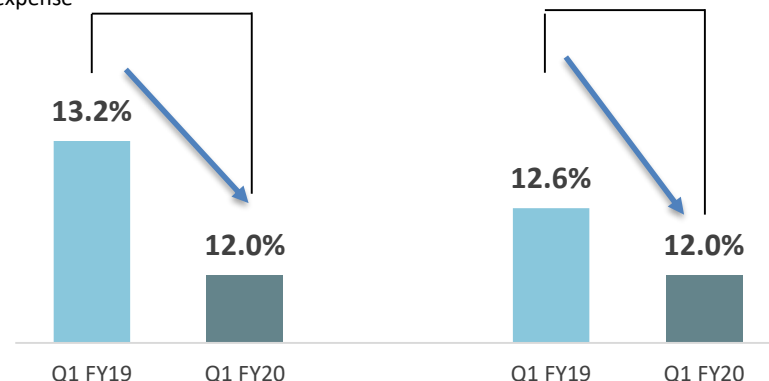


S&A

- Absence of expense for initiatives to reduce costs
- Benefit from initiatives to reduce costs
- Lower acquisition-related costs
- S&A attributable to Grakon (lower % than MEI)

Partially offset by:

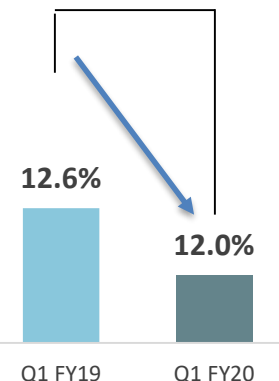
- Higher stock-based compensation expense



Adjusted S&A

Excludes:

- Expense for initiatives to reduce costs
- Acquisition-related expense



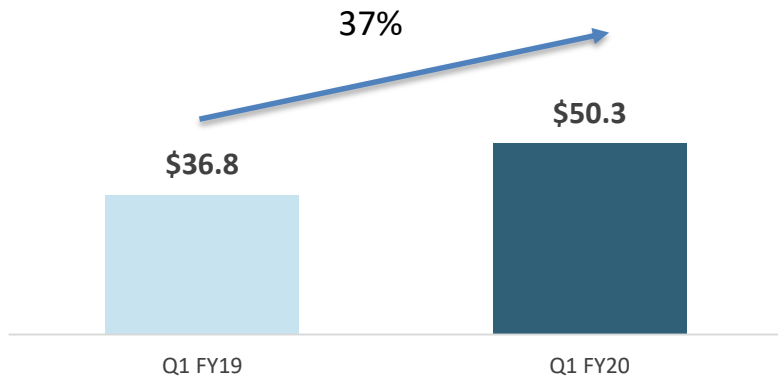
*See Appendix for reconciliation to GAAP

Q1 FY20 Financial Results*

(Dollars In Millions)



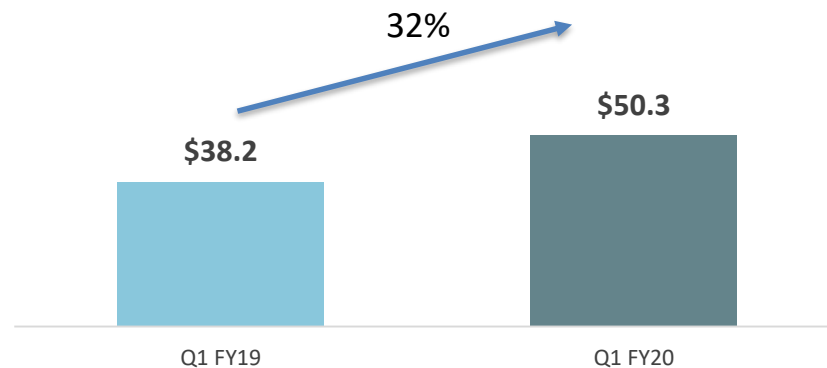
EBITDA



Adjusted EBITDA

Excludes

- Expense for initiatives to reduce costs
- Acquisition-related expenses



*See Appendix for reconciliation to GAAP

Free Cash Flow and Balance Sheet

(Dollars In Millions)



Q1 FY 20 FCF
\$26.9M



Debt to
TTM
EBITDA
1.6X

| | 3 Months July 28, 2018 | 3 Months July 27, 2019 |
|----------------------------------|---------------------------|---------------------------|
| Net Income | \$23.7 | \$28.3 |
| Depreciation and Amortization | 8.4 | 11.8 |
| CapEx | (18.2) | (13.2) |
| FCF | \$13.9 | \$26.9 |

FY2020 Guidance Reaffirmed

\$1.13-1.17B

Revenue

\$150.3-164.3M

Pre-Tax Income

\$3.25-\$3.55

EPS

\$48-\$54M

CapEx

\$51-\$54M

Depreciation and Amortization

18-21%

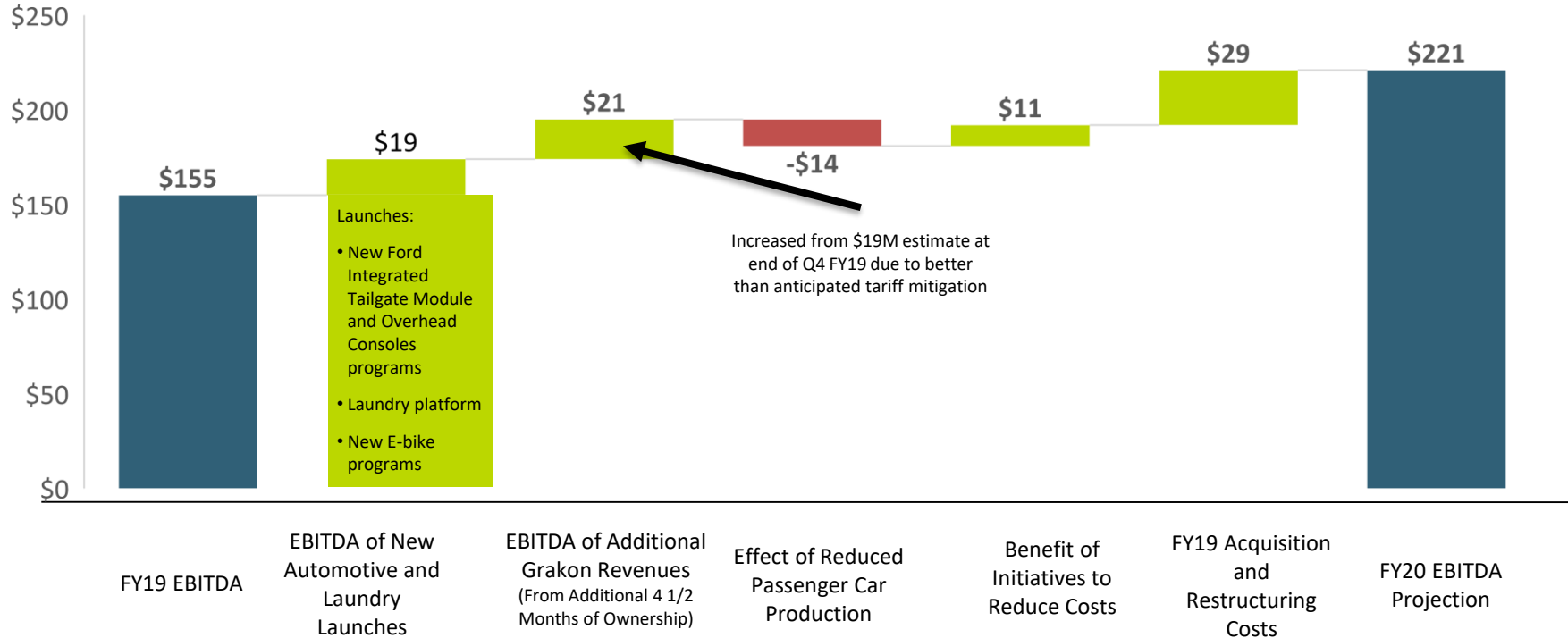
Income Tax Rate

\$122-\$136M

Free Cash Flow

Determining Projected FY20 EBITDA

(Dollars In Millions)



Appendix

Non-GAAP Financial Measures

To supplement the Company's financial statements presented in accordance with generally accepted accounting principles in the United States ("GAAP"), Methode uses Adjusted Net Income, Adjusted Earnings Per Share, Adjusted Income from Operations, Adjusted Gross Profit, Adjusted Gross Margins As a Percentage of Sales, Adjusted Selling and Administrative Expenses, Adjusted Selling and Administrative Expenses as a Percentage of Sales, EBITDA, Adjusted EBITDA, and Free Cash Flow as non-GAAP measures. Reconciliation to the nearest GAAP measures of all non-GAAP measures included in this presentation can be found in this appendix. Methode's definitions of these non-GAAP measures may differ from similarly titled measures used by others. These non-GAAP measures should be considered supplemental to, and not a substitute for, financial information prepared in accordance with GAAP. The Company believes that these non-GAAP measures are useful because they (i) provide both management and investors meaningful supplemental information regarding financial performance by excluding certain expenses that may not be indicative of recurring core business operating results, (ii) permit investors to view Methode's performance using the same tools that management uses to evaluate its past performance, reportable business segments and prospects for future performance and (iii) otherwise provide supplemental information that may be useful to investors in evaluating Methode.

Adjusted Net Income and Adjusted Earnings Per Share excludes from Net Income and Earnings Per Share, respectively, expenses for initiatives to reduce overall costs and improve operational profitability and acquisition-related costs in the applicable periods.

Adjusted Income from Operations excludes from Income from Operations initiatives to reduce overall costs and improve operational profitability and acquisition-related costs in the applicable periods.

Adjusted Gross Profit and Adjusted Gross Margins as a percentage of sales exclude from gross margins as a percentage of sales expense for initiatives to reduce overall costs and improve operational profitability in the applicable periods.

Adjusted Selling and Administrative Expenses and Adjusted Selling and Administrative Expenses as a Percentage of Sales exclude from selling and administrative expenses as a percentage of sales acquisition-related costs and initiatives to reduce overall costs and improve operational profitability in the applicable periods.

EBITDA excludes from net income income tax expense, interest expense, net, amortization of intangibles and depreciation.

Adjusted EBITDA excludes from EBITDA expenses for initiatives to reduce overall costs and improve operational profitability and acquisition-related costs in the applicable periods.

Free Cash Flow is defined as net income plus depreciation and amortization of intangibles less capital expenditures.

Appendix



METHODE ELECTRONICS, INC. AND SUBSIDIARIES

(\$ in millions, except per share data)

Reconciliation of Non-GAAP Financial Measures for the Three Months Ended July 27, 2019

| | U.S. GAAP (As Reported) | Expense for Initiatives to Reduce Overall Costs and Improve Operational Profitability | Acquisition Related Costs | Non-U.S. GAAP Financial Measures |
|--|----------------------------|---|------------------------------|---|
| Gross Profit | \$ 75.8 | \$ — | \$ — | \$ 75.8 |
| Gross Margin (% of sales) | 28.1% | —% | —% | 28.1% |
| Selling and Administrative Expenses | \$ 32.4 | \$ — | \$ — | \$ 32.4 |
| Selling and Administrative Expenses (% of sales) | 12.0% | —% | —% | 12.0% |
| Income from Operations | \$ 38.6 | \$ — | \$ — | \$ 38.6 |
| Net Income | \$ 28.3 | \$ — | \$ — | \$ 28.3 |
| Diluted Earnings per Share | \$ 0.75 | \$ — | \$ — | \$ 0.75 |

Appendix



METHODE ELECTRONICS, INC. AND SUBSIDIARIES

(\$ in millions, except per share data)

Reconciliation of Non-GAAP Financial Measures for the Three Months Ended July 28, 2018

| | U.S. GAAP (As Reported) | Expense for Initiatives to Reduce Overall Costs and Improve Operational Profitability | Acquisition Related Costs | Non-U.S. GAAP Financial Measures |
|--|----------------------------|---|------------------------------|---|
| Gross Profit | \$ 60.1 | \$ 0.1 | \$ — | \$ 60.2 |
| Gross Margin (% of sales) | 26.9% | — % | — % | 26.9% |
| Selling and Administrative Expenses | \$ 29.5 | \$ (0.7) | \$ (0.6) | \$ 28.2 |
| Selling and Administrative Expenses (% of sales) | 13.2% | (0.3)% | (0.3)% | 12.6% |
| Income from Operations | \$ 28.7 | \$ 0.8 | \$ 0.6 | \$ 30.1 |
| Net Income | \$ 23.7 | \$ 0.7 | \$ 0.5 | \$ 24.9 |
| Diluted Earnings per Share | \$ 0.63 | \$ 0.02 | \$ 0.01 | \$ 0.66 |

Appendix



METHODE ELECTRONICS, INC. AND SUBSIDIARIES
(\$ in millions)
Reconciliation of EBITDA and Adjusted EBITDA to Net Income

| | Three Months Ended | |
|---|--------------------|------------------|
| | July 27, 2019 | July 28, 2018 |
| Net Income | \$ 28.3 | \$ 23.7 |
| Income Tax Expense | 7.3 | 4.5 |
| Interest Expense, Net | 2.9 | 0.2 |
| Amortization of Intangibles | 4.8 | 1.9 |
| Depreciation | 7.0 | 6.5 |
| EBITDA | 50.3 | 36.8 |
| Expense for Initiatives to Reduce Overall Costs and Improve Operational Profitability | — | 0.8 |
| Acquisition-related Costs | — | 0.6 |
| Adjusted EBITDA | \$ 50.3 | \$ 38.2 |

Appendix



METHODE ELECTRONICS, INC. AND SUBSIDIARIES
(\$ in millions)
Reconciliation of Free Cash Flow to Net Income

| | Three Months Ended | |
|--|--------------------|------------------|
| | July 27, 2019 | July 28, 2018 |
| Net Income | \$ 28.3 | \$ 23.7 |
| Amortization of Intangibles | 4.8 | 1.9 |
| Depreciation | 7.0 | 6.5 |
| Purchases of Property, Plant and Equipment | (13.2) | (18.2) |
| Free Cash Flow | \$ 26.9 | \$ 13.9 |