



March 5, 2020

FISCAL 2020 THIRD 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 presentation 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 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) potential impact from Coronavirus outbreak; (5) timing, quality and cost of new program launches; (6) ability to withstand price pressure, including pricing reductions; (7) ability to successfully market and sell Dabir Surfaces products; (8) currency fluctuations; (9) customary risks related to conducting global operations; (10) ability to withstand business interruptions; (11) recognition of goodwill impairment charges; (12) ability to successfully benefit from acquisitions and divestitures; (13) investment in programs prior to the recognition of revenue; (14) dependence on the availability and price of materials; (15) fluctuations in our gross margins; (16) dependence on our supply chain; (17) income tax rate fluctuations; (18) ability to keep pace with rapid technological changes; (19) breach of our information technology systems; (20) ability to avoid design or manufacturing defects; (21) ability to compete effectively; (22) ability to protect our intellectual property; (23) success of Grakon and/or our ability to implement and profit from new applications of the acquired technology; (24) significant adjustments to expense based on the probability of meeting certain performance levels in our long-term incentive plan; (25) ability to manage our debt levels and any restrictions thereunder; and (26) 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.

FY20 YTD Highlights^{1, 2}



(Dollars in Millions except per share amount; FY20 results include 40 weeks and FY19 results include 39 weeks)

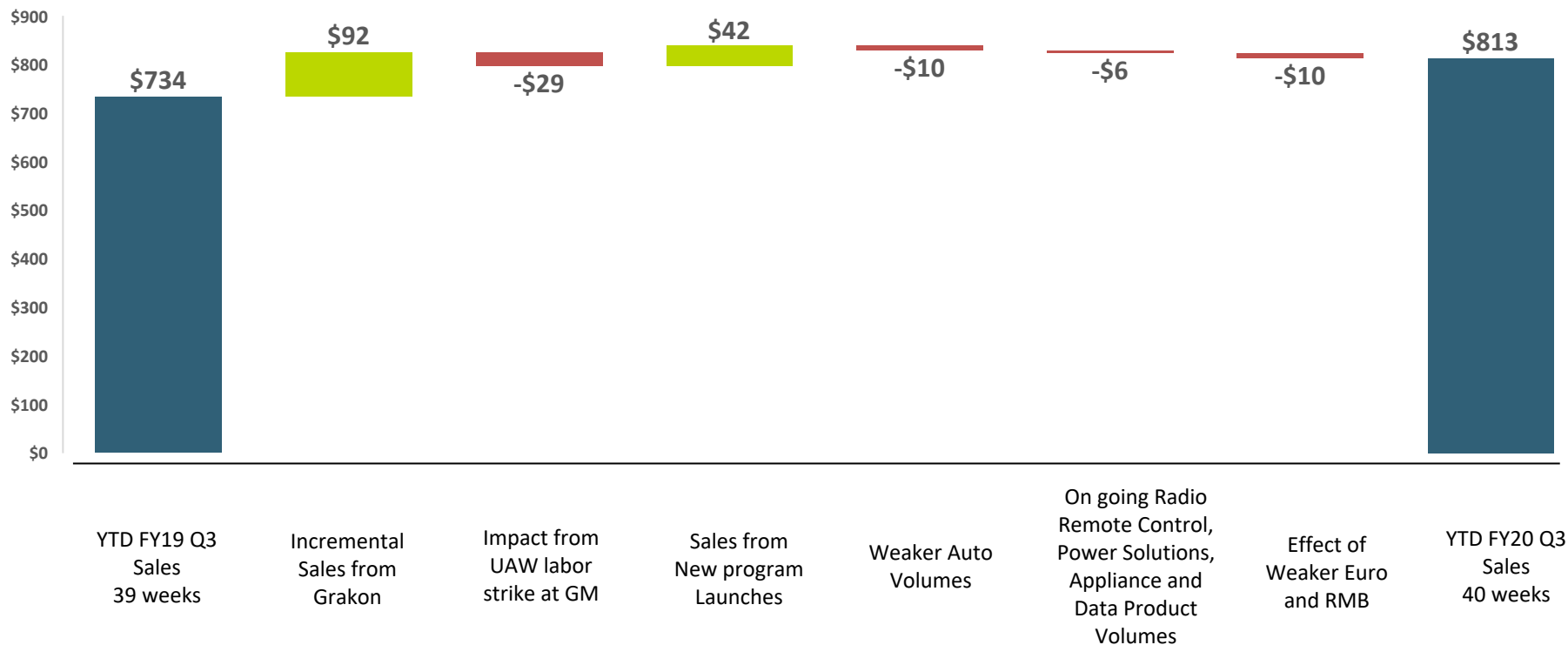
	Sales			Net Income			Diluted Earnings Per Share			Adjusted Net Income			Adjusted Diluted Earnings Per Share		
	FY 19	FY 20	YoY Change	FY 19	FY 20	YoY Change	FY 19	FY 20	YoY Change	FY 19	FY 20	YoY Change	FY 19	FY 20	YoY Change
YTD	\$734.3	\$813.3	10.8%	\$69.0	\$93.3	35.2%	\$1.83	\$2.47	35.0%	\$87.9	\$91.9	4.5%	\$2.34	\$2.44	4.3%

¹ See Appendix for reconciliation to GAAP

² FY20 values above include the adverse impact of the United Auto Workers (UAW) strike at General Motors (GM)

YTD Sales Drivers

(Dollars in Millions; FY20 results include 40 weeks and FY19 results include 39 weeks)



FY20 Financial Guidance Reaffirmed

\$1.10-1.13B

Revenue

\$150.3-164.3M

Pre-Tax Income

\$3.25-\$3.55

EPS

\$122-\$136M

Free Cash Flow*

** Net Income + Depreciation and Amortization minus Cap-Ex*

Q3 Business Awards – totals \$29 M

- Torque Sensor & Complex-Insert-Molded Assembly for ATV power steering system - \$12.0 M annually
- Incremental application of a Steering Angle Sensor - \$4.0 M annually
- Incremental application of a Door Activation Switch for an EV vehicle - \$1.5 M annually
- Puddle Lamp and License Plate Lamp for an EV vehicle - \$1.3 M annually
- Overhead Console Lamp for an EV vehicle - \$1.0 M annually
- Overhead Console electronics for a Japanese OEM - \$1.0 M annually
- Busbars for a HEV* vehicle - \$1.5 M annually
- Busbars for a HEV* vehicle - \$2.7 M annually
- Busbars for datacenter rack - \$3.0 M annually
- Interior “Strip Lighting” for a Bus OEM - \$1.0 M annually

* Different automotive OEMs

New & Expanded Engineering Center in India

- Methode has completed construction and moved into its new 50,000 sq. ft. engineering center in Bangalore, India
- Currently houses approximately 165 employees with capacity to support future growth
- Added additional product testing capabilities



Q3 FY20 Highlights and Path for Growth

Global Auto

Strong mix of products for SUVs and trucks continues
Limited exposure to domestic Chinese automotive OEMs

Operational Efficiencies

Benefit of initiatives to reduce costs and improve profitability
Lower than anticipated tariff expense



Dabir Development

Eight new customers
Six evaluations completed, three in process, another nine being scheduled

Sensor Growth

Magneto-elastic and eddy current sensing
E-bike growth continues
Tow Load application development continues

New Business Awards

Further Penetration of EV powertrain systems for China market and power distribution for datacenter rack system
Combined expertise in interior and exterior lighting continues to win new programs
New HMI solutions
Innovation will bring both increased market penetration and content per vehicle
Incremental volume for sport/rec vehicle Steering Assist Sensor solution

FY20 Q3 Highlights¹



(Dollars in Millions except per share amount; FY20 results include 14 weeks and FY19 results include 13 weeks)

	Sales			Net Income			Diluted Earnings Per Share			Adjusted Net Income			Adjusted Diluted Earnings Per Share		
	FY 19	FY 20	YoY Change	FY 19	FY 20	YoY Change	FY 19	FY 20	YoY Change	FY 19	FY 20	YoY Change	FY 19	FY 20	YoY Change
Q3	\$246.9	\$285.9	15.8%	\$30.7	\$41.2	34.2%	\$0.82	\$1.09	32.9%	\$31.3	\$39.4	25.9%	\$0.83	\$1.05	26.5%

¹ See Appendix for reconciliation to GAAP

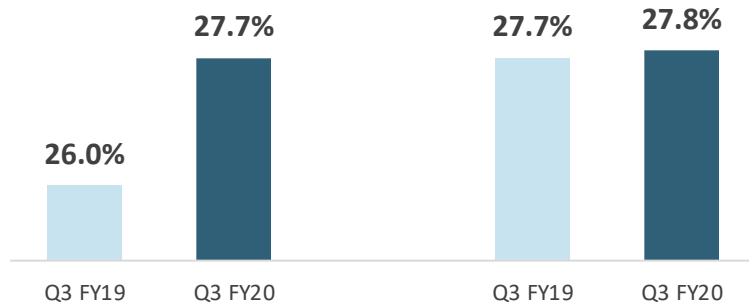
Q3 FY20 Financial Results*

Gross Margins

- Benefit of increased automotive segment sales
- Benefit of increased sensor sales

Partially offset by:

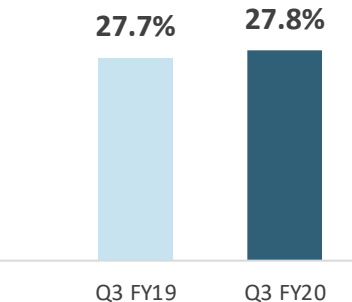
- Impact of foreign currency translation
- Lower radio remote control and appliance product sales



Adjusted Gross Margins

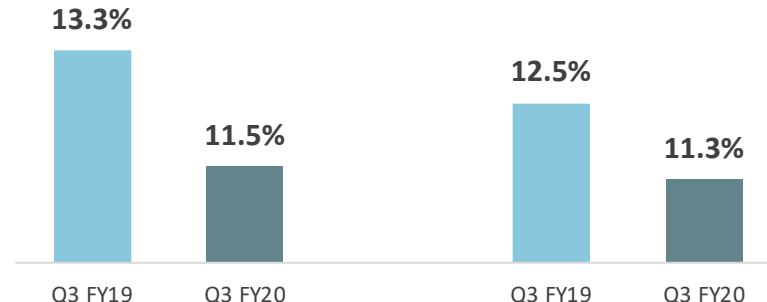
Excludes:

- Expense for initiatives to reduce costs and improve operational profitability
- Purchase accounting adjustments



S&A

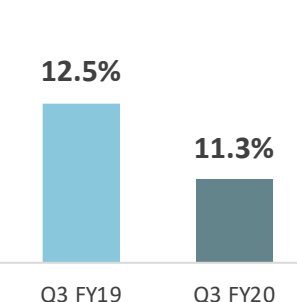
- Lower expenses for initiatives to reduce costs and improve operational profitability
- Benefit from initiatives to reduce costs and improve operational profitability
- Lower acquisition-related costs
- Lower stock-based compensation expense



Adjusted S&A

Excludes:

- Expense for initiatives to reduce costs and improve operational profitability
- Acquisition-related costs



* See Appendix for reconciliation to GAAP

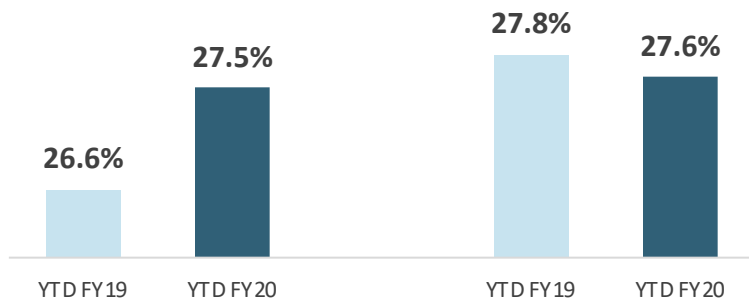
YTD FY20 Financial Results*

Gross Margins

- Benefit of Grakon sales
- Benefit of increased sensor sales

Partially offset by:

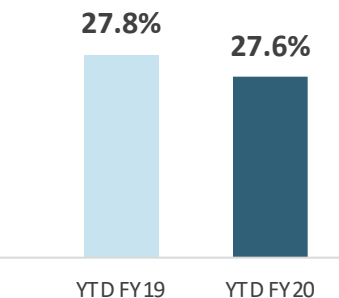
- Impact of UAW strike at GM
- Impact of foreign currency translation
- Lower radio remote control and appliance product sales



Adjusted Gross Margins

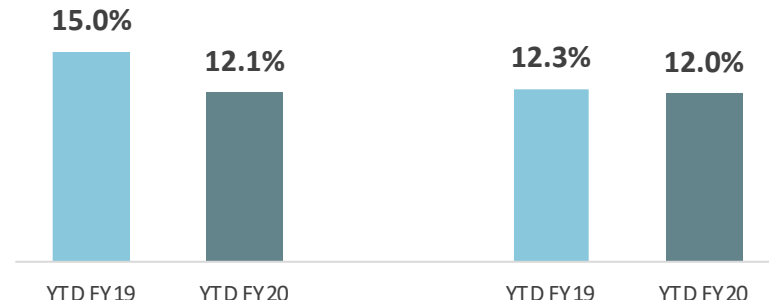
Excludes:

- Expense for initiatives to reduce costs and improve operational profitability
- Purchasing accounting adjustments



S&A

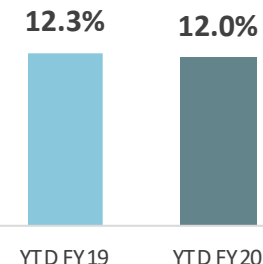
- Lower expense for initiatives to reduce costs and improve operational profitability
- Benefit from initiatives to reduce costs and improve operational profitability
- Lower acquisition-related costs
- S&A attributable to Grakon (lower % than consolidated MEI)
- Lower stock-based compensation expense



Adjusted S&A

Excludes:

- Expense for initiatives to reduce costs and improve operational profitability
- Acquisition-related costs
- Stock-based compensation accrual adjustment



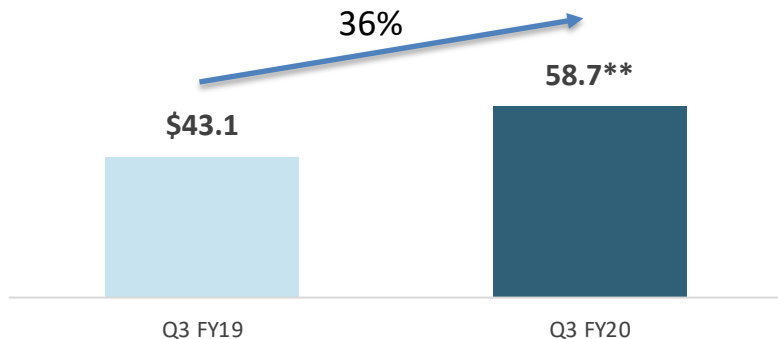
* See Appendix for reconciliation to GAAP

Q3 FY20 Financial Results*

(Dollars in Millions)



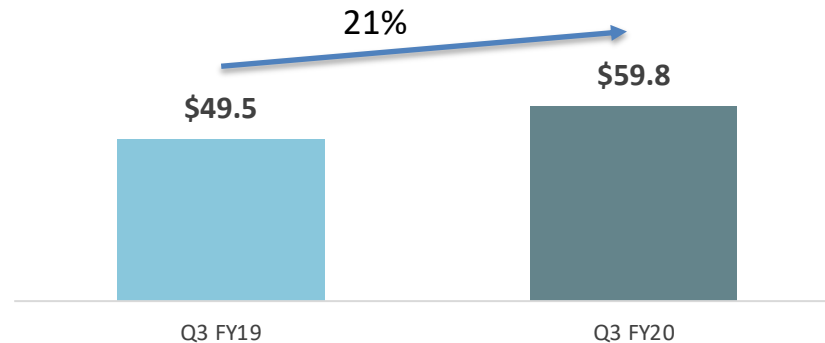
EBITDA



Adjusted EBITDA

Excludes:

- Expense for initiatives to reduce costs and improve operational profitability
- Acquisition-related expenses



* See Appendix for reconciliation to GAAP

** Includes \$1.3 M EBITDA benefit of “replenishment” orders and cost savings initiatives occurring as a result of the UAW labor strike at GM

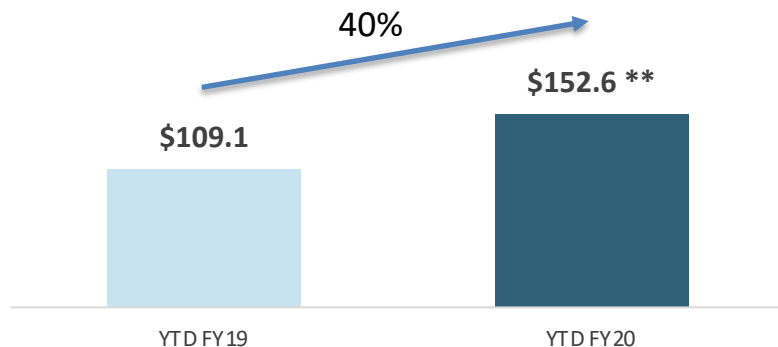
NOTE: FY20 contained 40 weeks, FY19 contained 39 weeks

YTD FY20 Financial Results*

(Dollars in Millions)



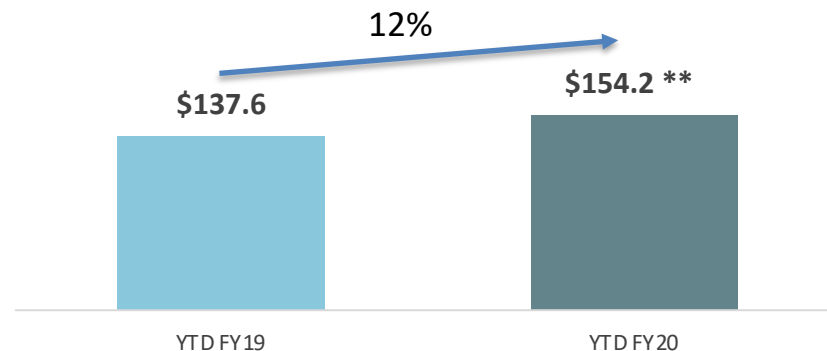
EBITDA



Adjusted EBITDA

Excludes:

- Expense for initiatives to reduce costs and improve operational profitability
- Acquisition-related expenses
- Stock-based compensation accrual adjustment



* See Appendix for reconciliation to GAAP

** Includes \$8.7 M adverse impact from UAW labor strike at GM

NOTE: FY20 contained 40 weeks, FY19 contained 39 weeks

Free Cash Flow (FCF)*

(Dollars in Millions)



	9 Months Jan 26, 2019	9 Months Feb 1, 2020
Net Income	\$69.0	\$93.3
Depreciation and Amortization	30.6	36.0
CapEx	(37.0)	(34.9)
FCF	\$62.6	\$94.4

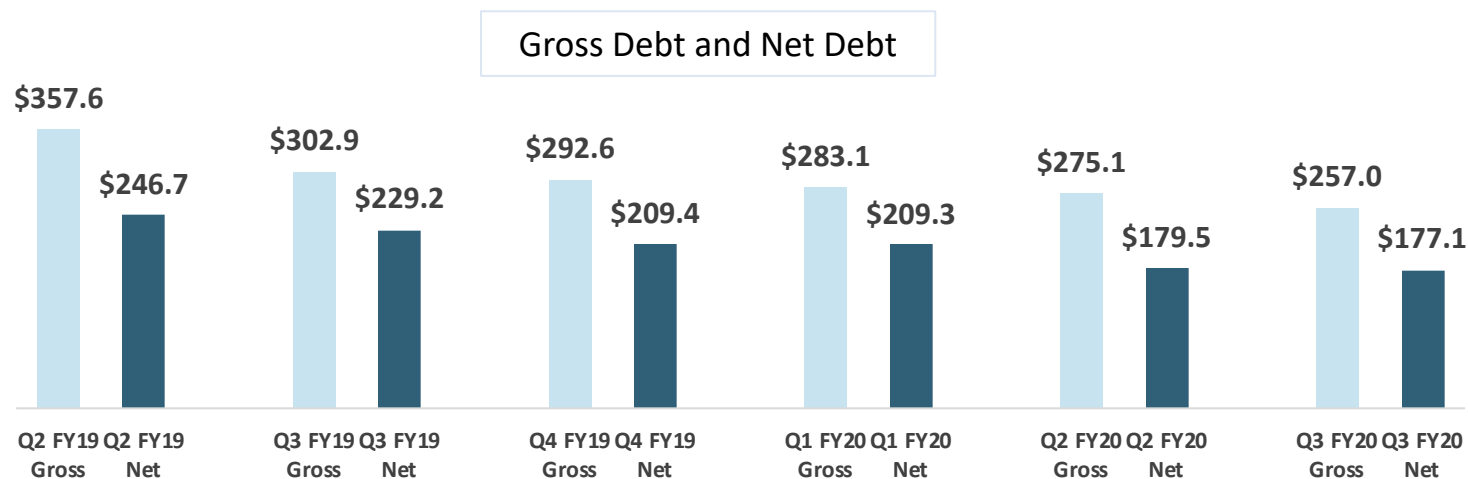
* See Appendix for reconciliation to GAAP

Deleveraging Since Grakon Acquisition in Q3 FY19



(Dollars in Millions)

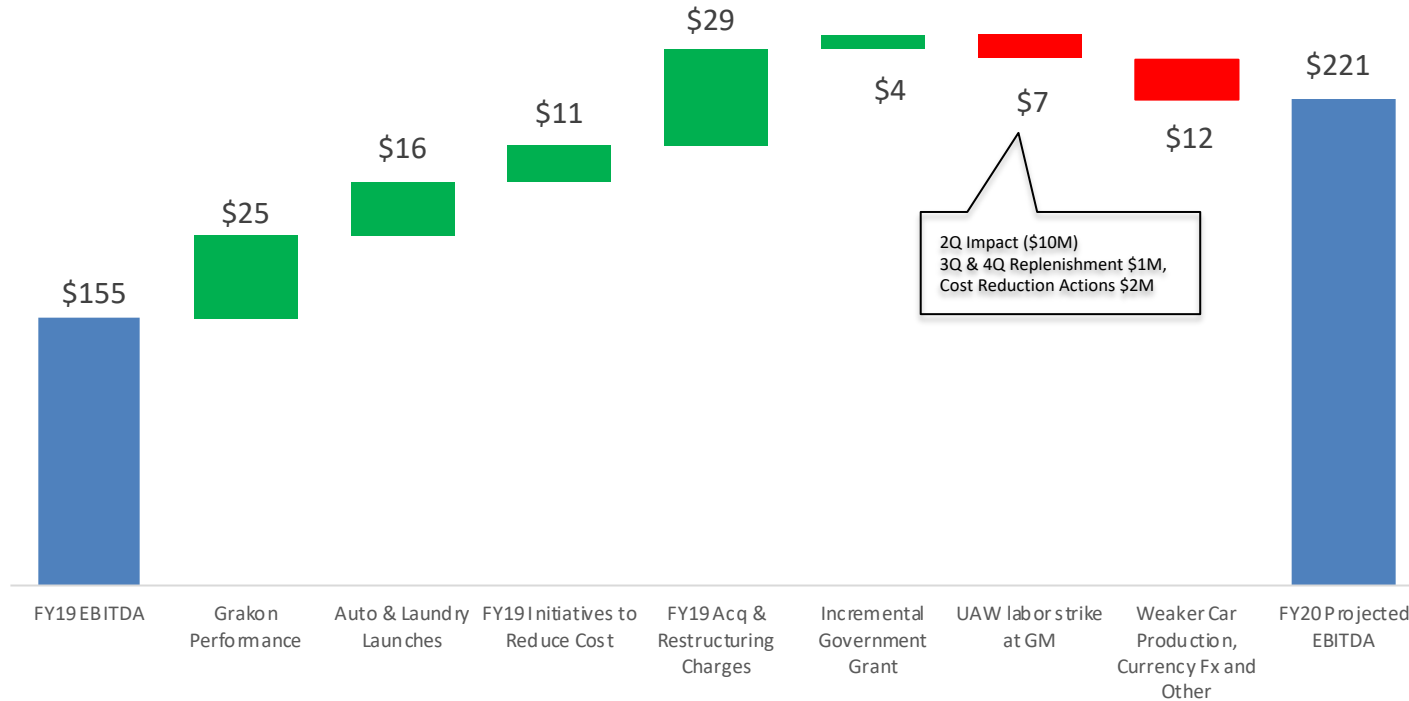
Gross Debt / TTM EBITDA Ratio* is 1.3 at end of Q3 FY20



* As defined in the credit facility agreement

Determining Projected FY20 EBITDA

(Dollars in Millions)



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, acquisition-related costs and long-term incentive plan accrual adjustments in the applicable periods.

Adjusted Income from Operations excludes from Income from Operations initiatives to reduce overall costs and improve operational profitability, acquisition-related costs and long-term incentive plan accrual adjustments 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 and acquisition related costs 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, initiatives to reduce overall costs and improve operational profitability and long-term incentive plan accrual adjustments 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, acquisition-related costs and long-term incentive plan accrual adjustments 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 February 1, 2020 (14 weeks)

	U.S. GAAP (As Reported)	Expense for Initiatives to Reduce Overall Costs and Improve Operational Profitability	Acquisition-Related Costs			Transition tax and the impact of revaluing deferred taxes due to the change in the federal tax rate from U.S. Tax Reform	Non-U.S. GAAP Financial Measures
			Purchase Accounting Adjustments Related to Inventory	Severance	Other		
Gross Profit	\$ 79.3	\$ 0.4	\$ —	\$ —	\$ —	\$ —	\$ 79.7
Gross Margin (% of sales)	27.7%	0.1 %	—%	—%	—%	—%	27.8%
Selling and Administrative Expenses	\$ 33.0	\$ (0.7)	\$ —	\$ —	\$ —	\$ —	\$ 32.3
Selling and Administrative Expenses (% of sales)	11.5%	(0.2)%	—%	—%	—%	—%	11.3%
Income from Operations	\$ 41.5	\$ 1.1	\$ —	\$ —	\$ —	\$ —	\$ 42.6
Net Income	\$ 41.2	\$ 1.0	\$ —	\$ —	\$ —	\$ (2.8)	\$ 39.4
Diluted Earnings per Share	\$ 1.09	\$ 0.03	\$ —	\$ —	\$ —	\$ (0.07)	\$ 1.05

Appendix

METHODE ELECTRONICS, INC. AND SUBSIDIARIES

(\$ in millions, except per share data)



Reconciliation of Non-GAAP Financial Measures for the Three Months Ended January 26, 2019 (13 weeks)

	U.S. GAAP (As Reported)	Expense for Initiatives to Reduce Overall Costs and Improve Operational Profitability	Acquisition-Related Costs			Transition tax and the impact of revaluing deferred taxes due to the change in the federal tax rate from U.S. Tax Reform	Non-U.S. GAAP Financial Measures
			Purchase Accounting Adjustments Related to Inventory	Severance	Other		
Gross Profit	\$ 64.3	\$ 1.3	\$ 3.0	\$ —	\$ —	\$ —	\$ 68.6
Gross Margin (% of sales)	26.0%	0.5 %	1.2%	—%	— %	—%	27.7%
Selling and Administrative Expenses	\$ 32.8	\$ (1.3)	\$ —	\$ (0.1)	\$ (0.7)	\$ —	\$ 30.7
Selling and Administrative Expenses (% of sales)	13.3%	(0.5)%	—%	—%	(0.3)%	—%	12.5%
Income from Operations	\$ 26.0	\$ 2.6	\$ 3.0	\$ 0.1	\$ 0.7	\$ —	\$ 32.4
Net Income	\$ 30.7	\$ 2.2	\$ 2.5	\$ 0.1	\$ 0.6	\$ (4.8)	\$ 31.3
Diluted Earnings per Share	\$ 0.82	\$ 0.06	\$ 0.07	\$ —	\$ 0.01	\$ (0.13)	\$ 0.83

Appendix

METHODE ELECTRONICS, INC. AND SUBSIDIARIES

(\$ in millions, except per share data)



Reconciliation of Non-GAAP Financial Measures for the Nine Months Ended February 1, 2020 (40 weeks)

	U.S. GAAP (As Reported)	Expense for Initiatives to Reduce Overall Costs and Improve Operational Profitability	Acquisition-Related Costs				Long-term Incentive Plan Accrual Adjustment	Transition tax and the impact of revaluing deferred taxes due to the change in the federal tax rate from U.S. Tax Reform	Non-U.S. GAAP Financial Measures
			Purchase Accounting Adjustments Related to Inventory	Severance	Other				
Gross Profit	\$ 223.7	\$ 0.6	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 224.3
Gross Margin (% of sales)	27.5%	0.1 %	—%	—%	—%	—%	—%	—%	27.6%
Selling and Administrative Expenses	\$ 98.6	\$ (1.0)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 97.6
Selling and Administrative Expenses (% of sales)	12.1%	(0.1)%	—%	—%	—%	—%	—%	—%	12.0%
Income from Operations	\$ 110.8	\$ 1.6	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 112.4
Net Income	\$ 93.3	\$ 1.4	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (2.8)	\$ 91.9
Diluted Earnings per Share	\$ 2.47	\$ 0.04	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (0.07)	\$ 2.44

Appendix

METHODE ELECTRONICS, INC. AND SUBSIDIARIES

(\$ in millions, except per share data)



Reconciliation of Non-GAAP Financial Measures for the Nine Months Ended January 26, 2019 (39 weeks)

	U.S. GAAP (As Reported)	Expense for Initiatives to Reduce Overall Costs and Improve Operational Profitability	Acquisition-Related Costs				Long-term Incentive Plan Accrual Adjustment	Transition tax and the impact of revaluing deferred taxes due to the change in the federal tax rate from U.S. Tax Reform	Non-U.S. GAAP Financial Measures
			Purchase Accounting Adjustments Related to Inventory	Severance	Other				
Gross Profit	\$ 195.2	\$ 2.7	\$ 5.6	\$ —	\$ —	\$ —	\$ —	\$ 203.5	
Gross Margin (% of sales)	26.6%	0.4 %	0.8%	— %	— %	— %	—%	27.8%	
Selling and Administrative Expenses	\$ 110.3	\$ (3.1)	\$ —	\$ (1.5)	\$ (8.2)	\$ (7.4)	\$ —	\$ 90.1	
Selling and Administrative Expenses (% of sales)	15.0%	(0.4)%	—%	(0.2)%	(1.1)%	(1.0)%	—%	12.3%	
Income from Operations	\$ 73.8	\$ 5.8	\$ 5.6	\$ 1.5	\$ 8.2	\$ 7.4	\$ —	\$ 102.3	
Net Income	\$ 69.0	\$ 4.8	\$ 4.7	\$ 1.2	\$ 6.8	\$ 6.2	\$ (4.8)	\$ 87.9	
Diluted Earnings per Share	\$ 1.83	\$ 0.13	\$ 0.13	\$ 0.03	\$ 0.18	\$ 0.17	\$ (0.13)	\$ 2.34	

Appendix

METHODE ELECTRONICS, INC. AND SUBSIDIARIES

(\$ in millions)



Reconciliation of EBITDA and Adjusted EBITDA to Net Income

	Three Months Ended		Nine Months Ended	
	February 1, 2020 (14 Weeks)	January 26, 2019 (13 Weeks)	February 1, 2020 (40 Weeks)	January 26, 2019 (39 Weeks)
Net Income	\$ 41.2	\$ 30.7	\$ 93.3	\$ 69.0
Income Tax Expense (Benefit)	2.8	(3.0)	15.3	4.5
Interest Expense, Net	2.4	3.2	8.0	5.0
Amortization of Intangibles	4.8	5.5	14.3	11.1
Depreciation	7.5	6.7	21.7	19.5
EBITDA	58.7	43.1	152.6	109.1
Expense for Initiatives to Reduce Overall Costs and Improve Operational Profitability	1.1	2.6	1.6	5.8
Acquisition-related Costs - Purchase Accounting Adjustments Related to Inventory	—	3.0	—	5.6
Acquisition-related Costs - Severance	—	0.1	—	1.5
Acquisition-related Costs - Other	—	0.7	—	8.2
Long-term Incentive Plan Accrual Adjustment due to change in Fiscal 2020 EBITDA estimate	—	—	—	7.4
Adjusted EBITDA	\$ 59.8	\$ 49.5	\$ 154.2	\$ 137.6

Appendix

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



	Three Months Ended		Nine Months Ended	
	February 1, 2020 (14 Weeks)	January 26, 2019 (13 Weeks)	February 1, 2020 (40 Weeks)	January 26, 2019 (39 Weeks)
Net Income	\$ 41.2	\$ 30.7	\$ 93.3	\$ 69.0
Amortization of Intangibles	4.8	5.5	14.3	11.1
Depreciation	7.5	6.7	21.7	19.5
Purchases of Property, Plant and Equipment	(8.1)	(8.4)	(34.9)	(37.0)
Free Cash Flow	<u>\$ 45.4</u>	<u>\$ 34.5</u>	<u>\$ 94.4</u>	<u>\$ 62.6</u>



Thank you