



FISCAL 2022

FIRST QUARTER FINANCIAL RESULTS

September 2, 2021

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 as our annual and quarterly reports. Such factors may include, without limitation, the following: 1) Impact from pandemics, such as the COVID-19 pandemic; 2) Dependence on the automotive and commercial vehicle industries; 3) Dependence on our supply chain, including semiconductor suppliers; 4) Dependence on a small number of large customers, including two large automotive customers; 5) Dependence on the availability and price of materials; 6) Failure to attract and retain qualified personnel; 7) Timing, quality and cost of new program launches; 8) Risks related to conducting global operations; 9) Ability to compete effectively; 10) Investment in programs prior to the recognition of revenue; 11) Ability to withstand pricing pressures, including price reductions; 12) Impact from production delays or cancelled orders; 13) Ability to successfully benefit from acquisitions and divestitures; 14) Ability to withstand business interruptions; 15) Breaches to our information technology systems; 16) Ability to keep pace with rapid technological changes; 17) Ability to protect our intellectual property; 18) Costs associated with environmental, health and safety regulations; 19) International trade disputes resulting in tariffs and our ability to mitigate tariffs; 20) Impact from climate change and related regulations; 21) Ability to avoid design or manufacturing defects; 22) Recognition of goodwill and long-lived asset impairment charges; 23) Ability to manage our debt levels and any restrictions thereunder; 24) Currency fluctuations; 25) Income tax rate fluctuations; 26) Judgments related to accounting for tax positions; 27) Adjustments to compensation expense for performance-based awards; 28) Timing and magnitude of costs associated with restructuring activities; and 29) Impact to interest expense from the replacement or modification of LIBOR.

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 financial measures, such as EBITDA, Net Debt, and Free Cash Flow. Reconciliation to the nearest GAAP measures of all non-GAAP measures included in this presentation can be found in the appendix. Management believes EBITDA is useful to investors as it is a measure that is commonly used by other companies in our industry and provides a comparison for investors to the company's performance versus its competitors. Management believes Net Debt is a meaningful measure to investors because management assesses the company's leverage position after considering available cash that could be used to repay outstanding debt. Management believes Free Cash Flow is a meaningful measure to investors because management reviews cash flows generated from operations after taking into consideration capital expenditures, which are both necessary to maintain the company's asset base and which are expected to generate future cash flows from operations. 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.

FY22 Q1 Highlights

Quarterly Performance

Sales of \$288 Million

Organic Sales Up 45%

Sales & Margin Impacts from Supply Chain Disruptions

Business Activity

Growth in Auto, Commercial Vehicle, and Dabir

Awards in EV, Cloud Computing, and e-Bike



Electric Vehicle Activity

16% of Q1 Consolidated Sales

Expecting Mid-Teens % in FY22

Growth in Power Distribution

Balance Sheet & Cash Flow

Purchased \$7.6 Million of Methode Shares

Increased Dividend from \$0.11 to \$0.14 per share

FY22 Q1 Select Business Awards

Electric Vehicles



- Busbar Assembly for European Auto OEM
- Interior Lighting for European Commercial Vehicle OEM
- Busbar Assembly for U.S.-Asian Auto OEM JV
- Busbar Assembly for U.S. SUV/Truck OEM

} \$14M*

Non-EV Automotive



- Transmission Connector for European Auto OEM
- Lighted Overhead Console for Asian Auto OEM
- Ignition and Pedal Switches for U.S. Auto OEM

} \$11M*

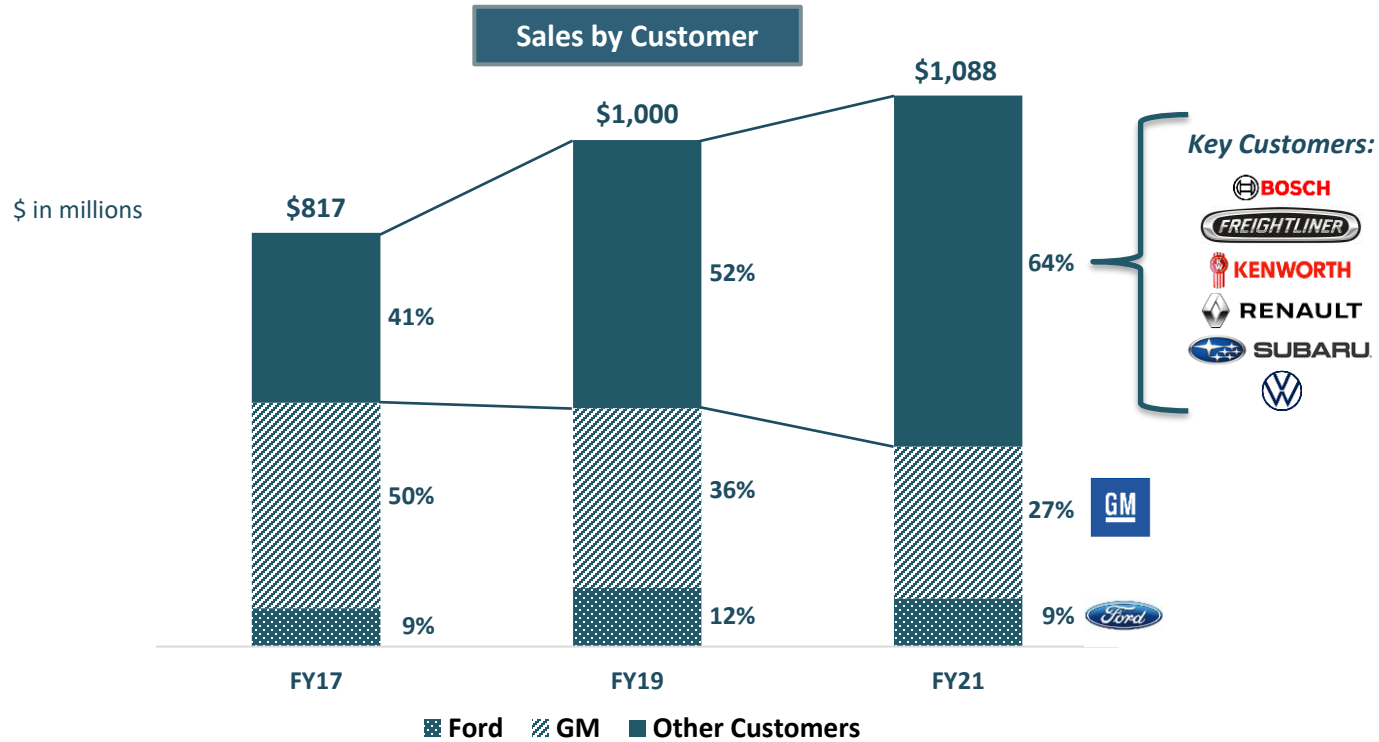
Cloud Computing and e-Bike



- Pluggable Module for a U.S. Data Center Supplier
- Busbar Assembly for a U.S. Data Center Supplier
- Torque Sensor for Asian e-Bike Motor OEM

} \$7M*

EV, Commercial Vehicle, and Cloud Computing Driving Customer Diversification



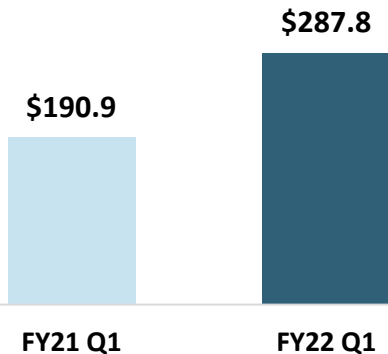
Financial Results

FY22 Q1 Financial Highlights

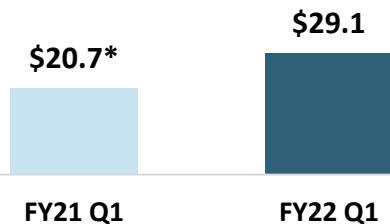
(Dollars in millions except per share amounts)



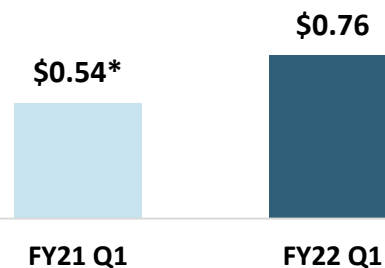
Net Sales



Net Income



Diluted Earnings Per Share



* FY21 Q1 included a discrete tax benefit of \$7.8 million or \$0.20 per diluted share

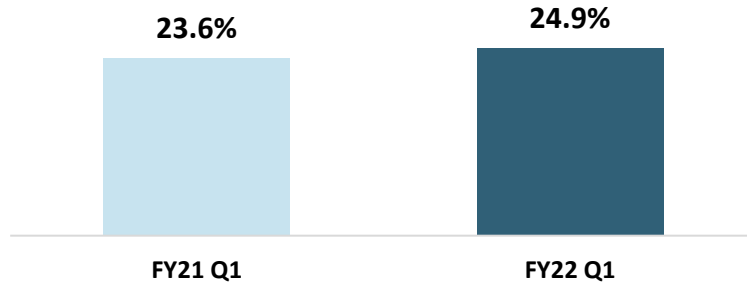
FY22 Q1 Financial Results

Gross Margin %

- Higher sales volume
- Lower restructuring costs
- Favorable foreign currency translation

Partially offset by:

- Higher costs for material and logistics related to supply chain shortages and disruptions
- Higher labor costs due to the elimination of pandemic-related salary and workday reductions

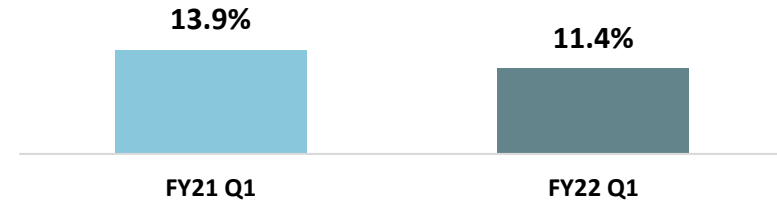


Selling & Administrative %

- Higher sales volume
- Lower restructuring costs

Partially offset by:

- Higher stock-based compensation expense
- Higher labor costs due to the elimination of pandemic-related salary and workday reductions



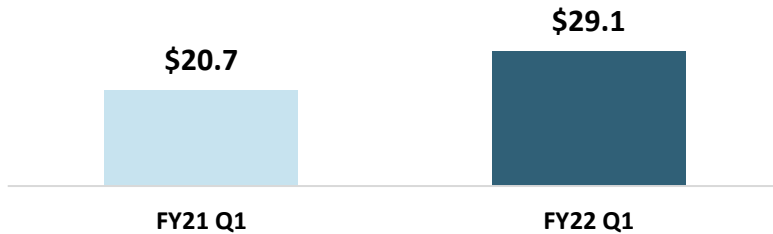
FY22 Q1 Financial Results

Net Income

- Higher sales volume
- Favorable foreign currency translation

Partially offset by:

- Higher tax expense
- Lower other income
- Higher cost of products sold
- Higher selling & administrative expense

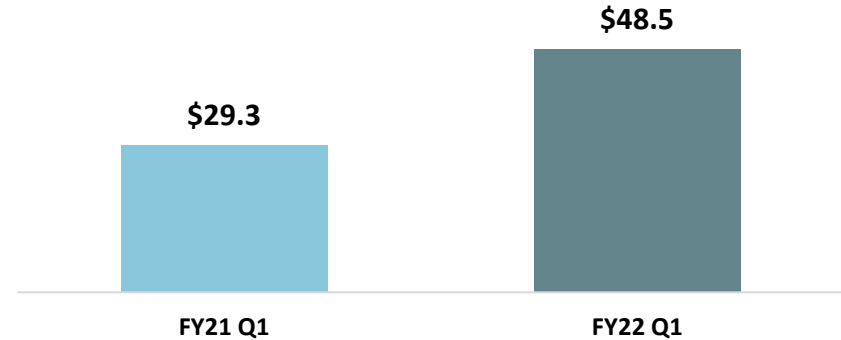


EBITDA*

- Higher income from operations
- Favorable foreign currency translation

Partially offset by:

- Lower other income



* See Appendix for reconciliation to GAAP

FY22 Q1 Free Cash Flow

(Dollars in millions)



	FY21 Q1	FY22 Q1
Net Cash Provided by Operating Activities	\$16.4	\$9.7
Capital Expenditure	(\$11.6)	(\$15.9)
Free Cash Flow	\$4.8	(\$6.2)

- Decrease mainly due to investment in inventory to support the increased sales and higher capital expenditures
- FY22 Free Cash Flow expected to be positive

* See Appendix for reconciliation to GAAP

FY22 Guidance

FY2022 Full Year Reaffirmed

- Net sales for FY22 of \$1,175 - \$1,235 million
- Diluted earnings per share for FY22 of \$3.35 - \$3.75

Guidance is subject to a variety of risk factors including the ongoing semiconductor shortage, other supply chain disruptions, and the COVID-19 pandemic

Full Year Guidance Assumes:

- Income Tax Rate at 17% - 19% with no discrete tax benefits or expenses
- CapEx of \$53 - \$57 million
- Depreciation and Amortization of \$55 - \$59 million



Thank You

Appendix



METHODE ELECTRONICS, INC. AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP MEASURES (Unaudited)
(in millions)

	Three Months Ended	
	July 31, 2021	August 1, 2020
EBITDA:		
Net income	\$ 29.1	\$ 20.7
Income tax expense	5.7	(5.1)
Interest expense, net	1.1	1.6
Amortization of intangibles	4.8	4.7
Depreciation	7.8	7.4
EBITDA	\$ 48.5	\$ 29.3
	Three Months Ended	
	July 31, 2021	August 1, 2020
Free Cash Flow:		
Net cash provided by operating activities	\$ 9.7	\$ 16.4
Purchases of property, plant and equipment	(15.9)	(11.6)
Free cash flow	\$ (6.2)	\$ 4.8
	July 31, 2021	May 1, 2021
	Net Debt:	
Short-term debt	\$ 14.8	\$ 14.9
Long-term debt	220.6	225.2
Total debt	235.4	240.1
Less: cash and cash equivalents	(207.9)	(233.2)
Net debt	\$ 27.5	\$ 6.9