



FISCAL 2022

SECOND QUARTER FINANCIAL RESULTS

December 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 Q2 Highlights

Quarterly Performance

Sales of \$296 Million

Auto Demand Headwind, Strong Industrial Sales

Continued Margin Impact from Supply Chain Disruptions

Business Activity

Ongoing Supply Chain Mitigation Efforts

Awards in Cloud Computing, Commercial Vehicle, & EV



Electric Vehicle Activity

Record EV Sales

16% of Q2 Consolidated Sales

Expecting Mid-Teens % in FY22

Balance Sheet & Cash Flow

Inventory Investment to Support Sales

Purchased \$35 Million of Methode Shares

FY22 Q2 Select Business Awards



Non-EV Automotive

- Interior Ambient Lighting for U.S. Auto OEM
- HVAC Control Panel for European Auto OEM

} \$9M*



Cloud Computing

- Busbar Assembly for a U.S. Data Center Supplier
- Busbar Assembly for a U.S. Data Center Supplier

} \$6M*



Commercial Vehicles

- LED Turn Indicator for European Commercial Vehicle OEM
- LED Tail Lamp for European Commercial Vehicle OEM

} \$6M*



Electric Vehicles

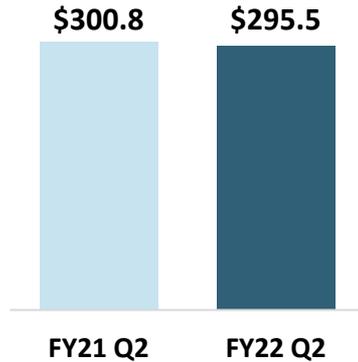
- Door Activation Switch for U.S. Auto OEM
- Interior Ambient Lighting for U.S. Auto OEM
- Electronic Parking Brake Switch for Asian Auto OEM
- Busbar Assembly for U.S. Charging Station OEM

} \$4M*

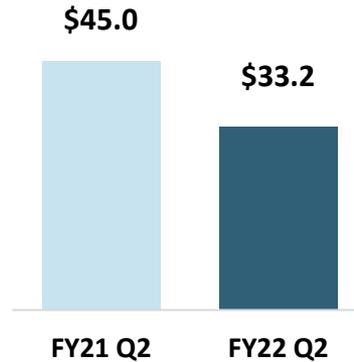
Financial Results

FY22 Q2 Financial Highlights

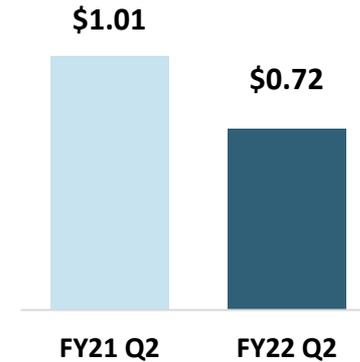
Net Sales (\$M)



Income from Operations (\$M)



Diluted Earnings per Share (\$)



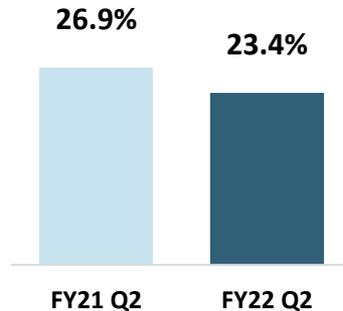
FY22 Q2 Financial Results

Gross Margin %

- Lower sales volume
- Higher costs for material and logistics related to supply chain disruptions

Partially offset by:

- Lower restructuring costs

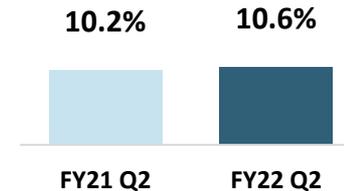


Selling & Administrative %

- Higher stock-based compensation expense and salary expense

Partially offset by:

- Lower restructuring costs
- Lower professional fees



FY22 Q2 Financial Results

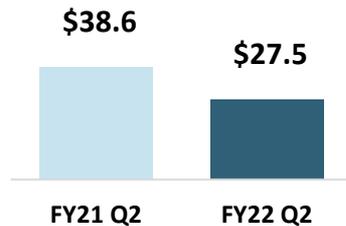
Net Income

(\$M)

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

Partially offset by:

- Favorable foreign currency translation



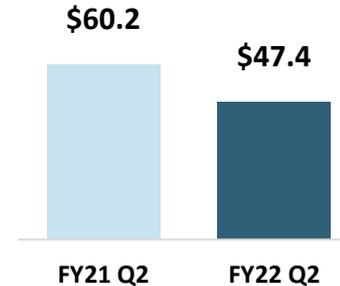
EBITDA*

(\$M)

- Lower income from operations
- Lower other income

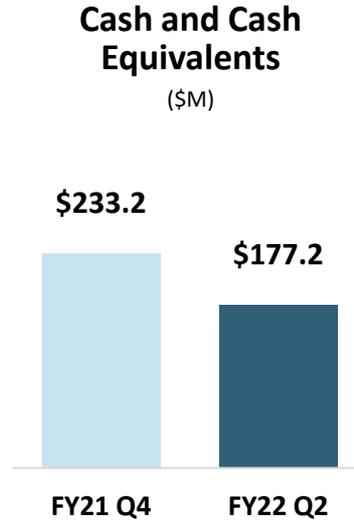
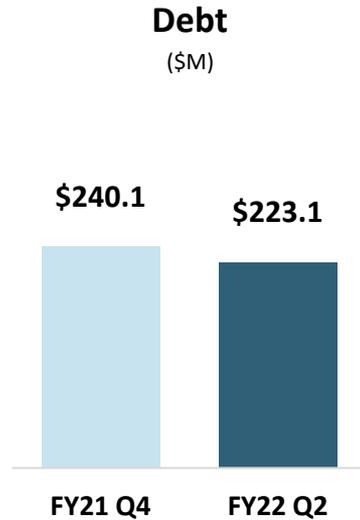
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* See Appendix for reconciliation to GAAP

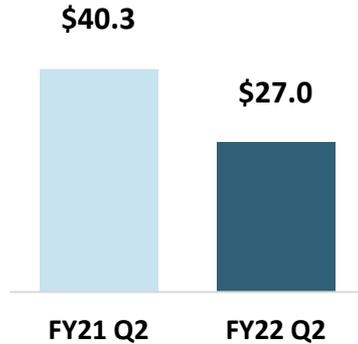
FY22 Q2 Balance Sheet



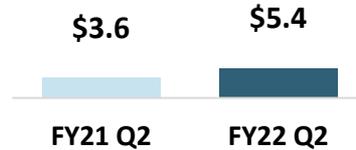
* See Appendix for reconciliation to GAAP

FY22 Q2 Free Cash Flow

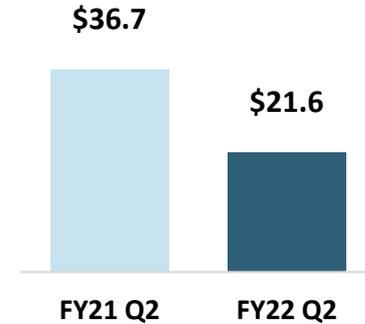
Net Cash Provided by Operating Activities
(\$M)



Capital Expenditure
(\$M)



Free Cash Flow*
(\$M)



* See Appendix for reconciliation to GAAP

FY22 Guidance

FY22 Full Year Revised

- Net sales for FY22 of **\$1,140 - \$1,160** million, prior guidance of \$1,175 - \$1,235 million
- Diluted earnings per share for FY22 of **\$3.00 - \$3.20**, prior guidance of \$3.35 - \$3.75

The guidance is subject to disruption due to a variety of factors including the impact from the COVID-19 pandemic, the ongoing semiconductor shortage, other supply chain disruptions, and both short and long-term supply chain rationalization and mitigation efforts.

Full Year Guidance Assumes:

- Income Tax Rate at 17% - 18% with no discrete tax benefits or expenses, prior guidance of 17% - 19%
- CapEx of \$45 - \$50 million, prior guidance of \$53 - \$57 million
- Depreciation and Amortization of \$54 - \$57 million, prior guidance of \$55 - \$59 million



Thank You

Appendix



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

	Three Months Ended		Six Months Ended	
	October 30, 2021	October 31, 2020	October 30, 2021	October 31, 2020
EBITDA:				
Net income	\$ 27.5	\$ 38.6	\$ 56.6	\$ 59.3
Income tax expense	5.5	7.6	11.2	2.5
Interest expense, net	1.1	1.4	2.2	3.0
Amortization of intangibles	4.8	5.0	9.6	9.7
Depreciation	8.5	7.6	16.3	15.0
EBITDA	\$ 47.4	\$ 60.2	\$ 95.9	\$ 89.5
	Three Months Ended		Six Months Ended	
	October 30, 2021	October 31, 2020	October 30, 2021	October 31, 2020
Free Cash Flow:				
Net cash provided by operating activities	\$ 27.0	\$ 40.3	\$ 36.7	\$ 56.7
Purchases of property, plant and equipment	(5.4)	(3.6)	(21.3)	(15.2)
Free cash flow	\$ 21.6	\$ 36.7	\$ 15.4	\$ 41.5
	October 30, 2021	May 1, 2021		
Net Debt:				
Short-term debt		\$ 14.7	\$	14.9
Long-term debt		208.4	225.2	225.2
Total debt		223.1	240.1	240.1
Less: cash and cash equivalents		(177.2)	(233.2)	(233.2)
Net debt		\$ 45.9	\$	6.9