



Methode Electronics, Inc.

Earnings Presentation

First Quarter Fiscal 2026

September 10, 2025

Forward-Looking Statements

This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that reflect, when made, our current views with respect to current events and financial performance. Such forward-looking statements are subject to many risks, uncertainties and factors relating to our operations and business environment, which may cause our actual results to be materially different from any future results, expressed or implied, by such forward-looking statements. All statements that address future operating, financial or business performance or our strategies or expectations are forward-looking statements. In some cases, you can identify these statements by forward-looking words such as “may,” “might,” “will,” “should,” “expects,” “plans,” “intends,” “anticipates,” “believes,” “estimates,” “predicts,” “projects,” “potential,” “outlook” or “continue,” and other comparable terminology. Factors that could cause actual results to differ materially from these forward-looking statements include, but are not limited to, the following:

- Dependence on the automotive, commercial vehicle, and construction industries;
- Timing, quality and cost of new program launches;
- Changes in electric vehicle (“EV”) demand;
- Investment in programs prior to the recognition of revenue;
- Impact from production delays or cancelled orders;
- Changes in global trade policies, including tariffs;
- Failure to attract and retain qualified personnel;
- Impact from inflation;
- Dependence on the availability and price of materials;
- Dependence on a small number of large customers;
- Dependence on our supply chain;
- Risks related to conducting global operations;
- Effects of potential catastrophic events or other business interruptions;
- Ability to withstand pricing pressures, including price reductions;
- Ability to compete effectively;

- Our lengthy sales cycle;
- Potential work stoppages;
- Ability to successfully benefit from acquisitions and divestitures;
- Ability to manage our debt levels;
- Ability to comply with restrictions and covenants under our credit agreement;
- Interest rate changes and variable rate instruments;
- Timing and magnitude of costs associated with restructuring activities;
- Recognition of goodwill and other intangible asset impairment charges;
- Risks associated with inventory;
- Ability to remediate a material weakness in our internal control over financial reporting;
- Currency fluctuations;
- Income tax rate fluctuations;
- Judgments related to accounting for tax positions;
- Risks associated with litigation and government inquiries;
- Risks associated with warranty claims;
- Impact of changing government regulations;
- Changing requirements by stakeholders on environmental or social matters;
- Effects of IT disruptions or cybersecurity incidents;
- Ability to innovate and keep pace with technological changes; and
- Ability to protect our intellectual property.

Additional details and factors are discussed under the caption “Risk Factors” in our periodic reports filed with the Securities and Exchange Commission. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us. Any forward-looking statements made by us speak only as of the date on which they are made. We are under no obligation to, and expressly disclaim any obligation to, update or alter our forward-looking statements, whether as a result of new information, subsequent events or otherwise.

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 (Loss), Adjusted Diluted Earnings (Loss) Per Share, Adjusted Pre-Tax Income (Loss), Adjusted Income (Loss) from Operations, EBITDA, Adjusted EBITDA, Net Debt 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 at the end of this 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 and benefits 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, (iii) are commonly used by other companies in our industry and provide a comparison for investors to the company's performance versus its competitors and (iv) otherwise provide supplemental information that may be useful to investors in evaluating Methode.

Agenda

- **Introduction** – Rob Cherry, VP Investor Relations
- **Q1 Business Update** – Jon DeGaynor, President and CEO
- **Q1 Financial Update** – Laura Kowalchik, CFO
- **Q&A Session** – All

Key Messages

-  Transformation is On Track
-  Continued Growth in Power Products Sales including Data Centers
-  Income from Operations up **\$9M**, Driven by Significant S&A Reductions and Ongoing Operational Improvements
-  Third Straight Quarter of Strong Free Cash Flow and Net Debt Reduction
-  Fiscal 2026 Guidance Affirmed

FY26 Q1 Overview



Income from Operations up \$9M, Despite \$18M Lower Sales Y/Y

- Sales lower **\$18M** Y/Y primarily driven by program transitions in NA, partially offset by power products
- Income from operations up **\$9M** Y/Y, driven by reduced S&A and operational improvements
- Adjusted EBITDA of **\$16M**, up **\$6M** Y/Y



Continued Strong Free Cash Flow and Net Debt Reduction

- Generated **\$18M** in free cash flow in Q1; Third strong, positive quarter in a row
- Net debt of \$202M in Q1; Down **\$41M** since FY25 Q2



EV Sales Stable Y/Y; Near-Term Outlook Remains Soft, but Long-Term Megatrend Intact

- xEV applications represented **19%** of total Q1 consolidated net sales
- Up from 18% in FY25 Q1, but down from 20% in FY25 Q4



Data Center Sales Growth Continues

- Sales up **12%** Y/Y
- On track for similar or greater sales in FY26

Key Financial Metrics

Net Sales	\$241M
Adj. EBITDA*	\$16M
Adj. Pre-Tax Loss*	(\$5M)
Adjusted EPS*	(\$0.22)
Free Cash Flow*	\$18M
Total Debt	\$323M
Net Debt*	\$202M

Power Solutions Enterprise

➤ Methode Leveraging **60+** Years of Power Distribution Expertise and Experience

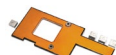
➤ Recent Growth Driven by Electric Vehicles (EVs), Data Centers and Mil/Aero

- *Supplied Busbars on EV for the Past **10+** Years*
- *Supplied Busbars for Data Centers for the Past **15+** Years*
- *Supplied Busbars for Mil/Aero for Past **25+** Years*



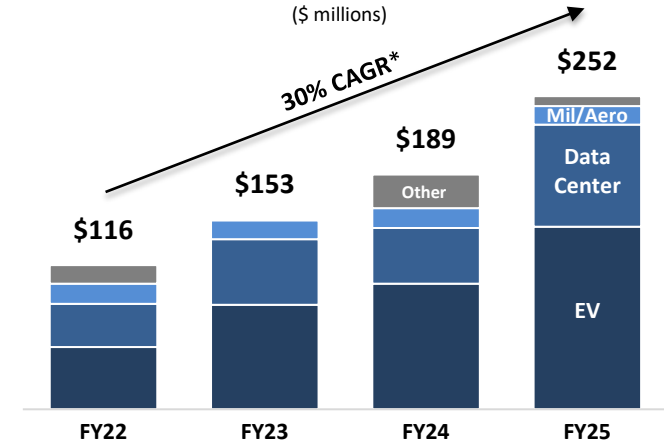
➤ **Sales CAGR of 30% since Fiscal 2022**

➤ Products Expected to Drive Further Growth:

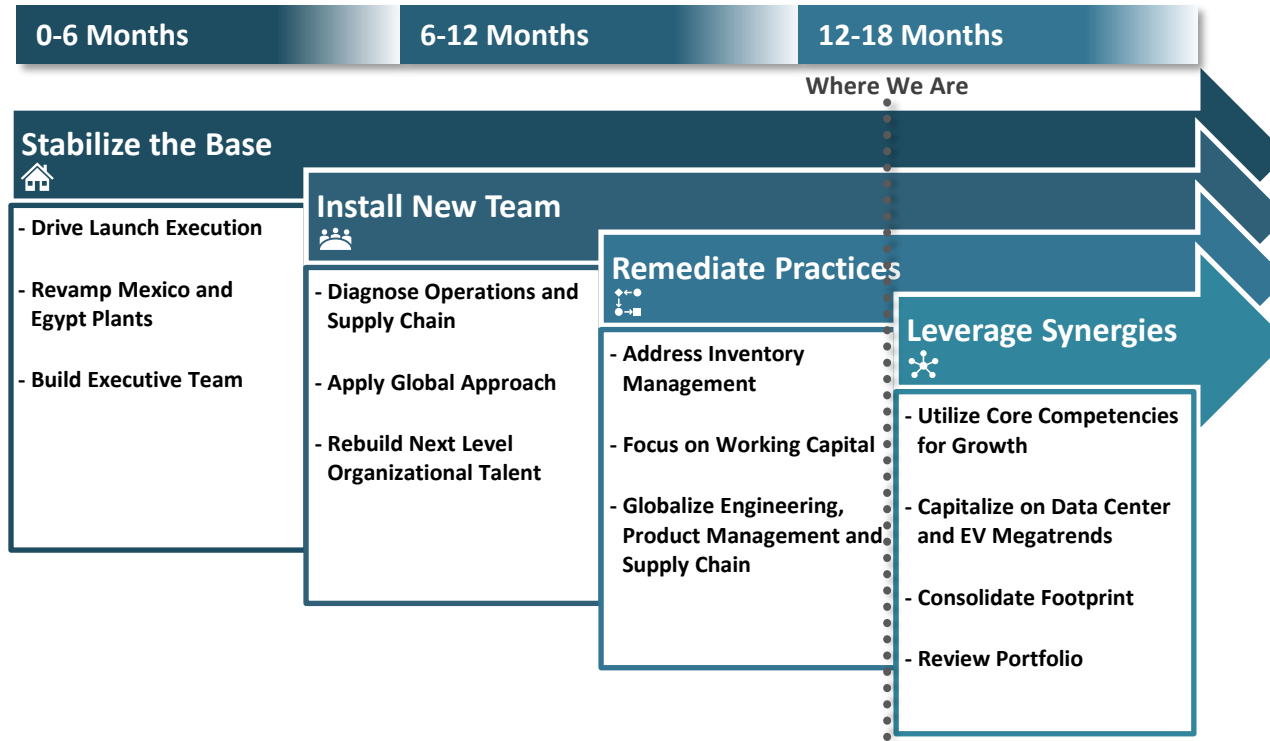
- *High-Voltage Busbars for Data Centers* → 
- *Interconnect Boards for EVs* → 
- *Advanced Power Products for Mil/Aero Applications* → 

Power Solutions Sales

(\$ millions)



Transformation Update



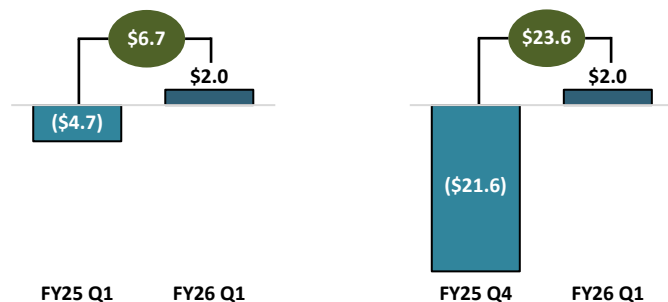
Financial Results

FY26 Q1 Net Sales & Income from Operations

FY25 Q1 v. FY26 Q1	FY25 Q4 v. FY26 Q1
Net Sales (\$M)	



Adj. Income/(Loss) from Operations (\$M)*	
---	--

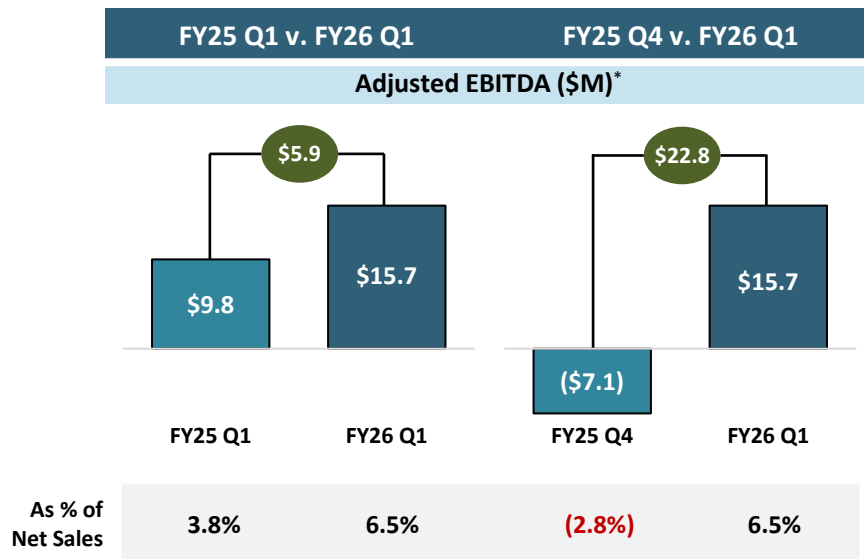


FY26 Q1 Performance

- Growth in power product sales, including data centers
- Lower activity in North America due to program transitions
- Continued weakness in commercial vehicle lighting market

- Y/Y Gross profit relatively flat despite lower net sales
- Y/Y S&A reduced by \$9.6M due to lower professional fees and compensation expenses
- FY25 Q4 included \$15.2M in excess and obsolete inventory expense and discrete inventory adjustments

FY26 Q1 EBITDA

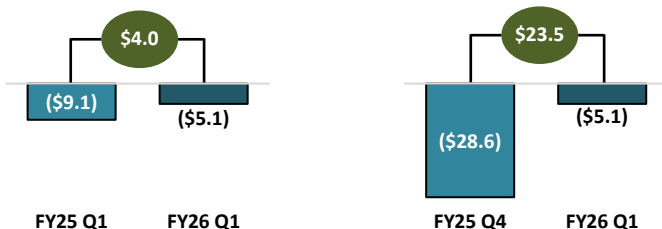


FY26 Q1 Performance

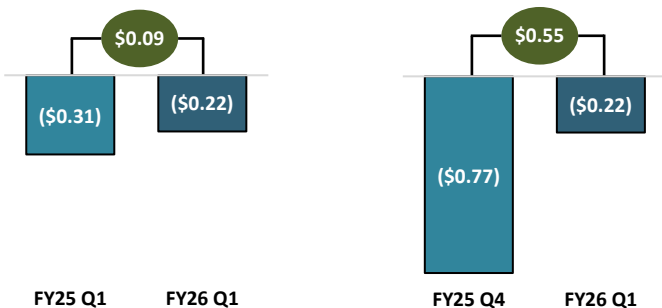
- EBITDA up Y/Y and Q/Q despite lower net sales
- S&A lower both Y/Y and Q/Q

FY26 Q1 Adjusted Pre-Tax Loss & Earnings Per Share

FY25 Q1 v. FY26 Q1	FY25 Q4 v. FY26 Q1
Adj. Pre-Tax Loss (\$M)*	



Adj. Diluted Earnings per Share*	
----------------------------------	--

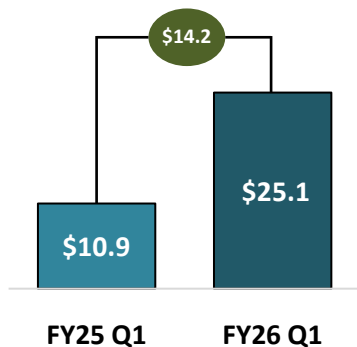


FY26 Q1 Performance

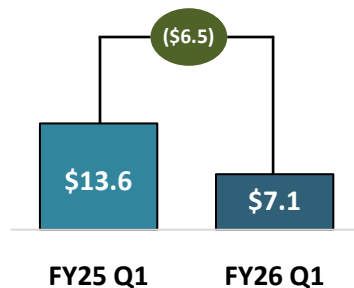
- Improved pre-tax Y/Y and Q/Q despite the lower net sales
- Y/Y S&A reduced by \$9.6M due to lower professional fees and compensation expenses
- FY25 Q4 included \$15.2M in excess and obsolete inventory expense and discrete inventory adjustments

FY26 Q1 Free Cash Flow

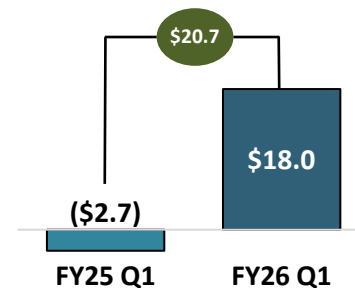
**Net Cash Provided by
Operating Activities**
(\$M)



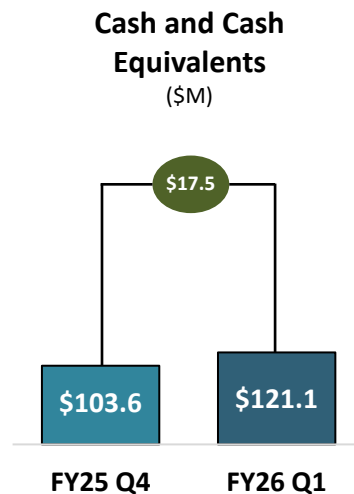
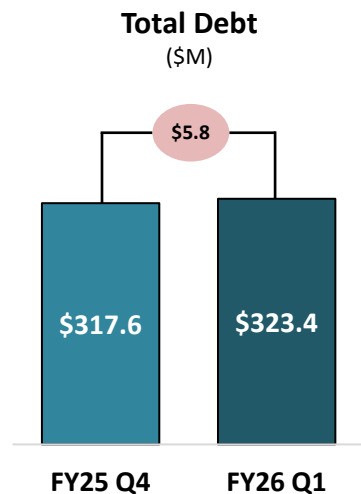
**Capital
Expenditure**
(\$M)



Free Cash Flow*
(\$M)



FY26 Q1 Balance Sheet



Guidance

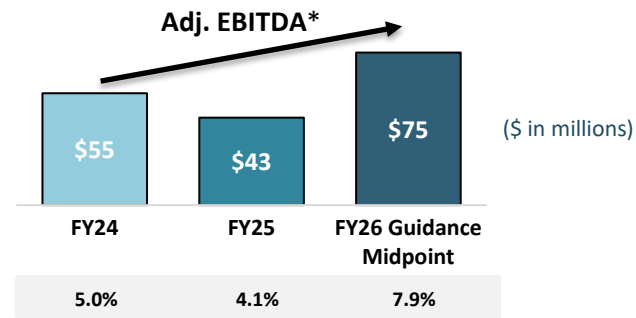
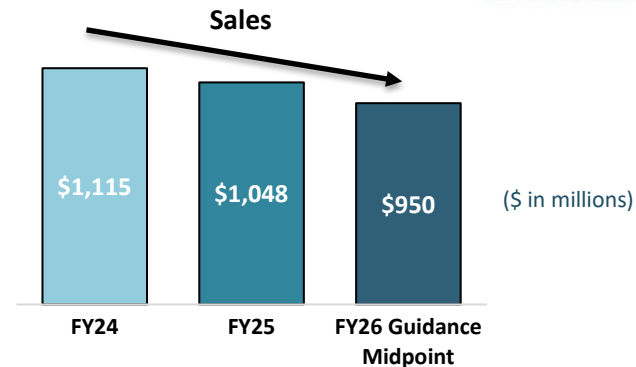


Fiscal 2026 Full Year Guidance Affirmed

- Net sales range of \$900 million to \$1,000 million
 - FY25 was a 53-week fiscal year, and FY26 is a 52-week fiscal year
- EBITDA range of \$70 million to \$80 million
 - Second half of fiscal year expected to be higher than the first half
- Free cash flow expected to be positive for FY26

Fiscal 2026 Guidance Assumptions

- Current market outlook based on third party forecasts & customer projections
- Current U.S. tariff policy
- Depreciation and Amortization of \$58 - \$63 million
- CapEx of \$24 - \$29 million
- Interest Expense \$21 - \$23 million
- Tax Expense of \$17 - \$21 million, of which \$10 - \$15 million is for valuation allowance on deferred tax assets



Guidance is subject to change due to a variety of factors including tariffs, the successful launch of multiple new programs, the ultimate take rates on EV programs, success and timing of cost recovery actions, inflation, global economic instability, supply chain disruptions, transformation and restructuring efforts, potential impairments, any acquisitions or divestitures, and legal matters.



Thank You

Appendix



METHODE ELECTRONICS, INC. AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP MEASURES (unaudited)
(in millions, except per share data)

	Three Months Ended							
	August 2, 2025 (13 Weeks)				July 27, 2024 (13 Weeks)			
	Income from operations	Pre-tax loss	Net loss	Diluted (loss) income per share	Loss from operations	Pre-tax loss	Net loss	Diluted (loss) income per share
U.S. GAAP (as reported)	\$ 1.1	\$ (6.1)	\$ (10.3)	\$ (0.29)	\$ (7.5)	\$ (13.1)	\$ (18.3)	\$ (0.52)
Transformation costs	—	—	—	\$ —	2.2	2.2	1.7	\$ 0.05
Restructuring costs and asset impairment charges	0.9	0.9	0.7	\$ 0.02	0.6	0.6	0.5	\$ 0.01
Partial write-off of unamortized debt issuance costs	—	0.6	0.5	\$ 0.01	—	1.2	0.9	\$ 0.03
Net gain on sale of non-core assets	—	(0.5)	(0.4)	\$ (0.01)	—	—	—	\$ —
Valuation allowance on deferred tax assets	—	—	1.7	\$ 0.05	—	—	4.3	\$ 0.12
Non-U.S. GAAP (adjusted)	<u>\$ 2.0</u>	<u>\$ (5.1)</u>	<u>\$ (7.8)</u>	<u>\$ (0.22)</u>	<u>\$ (4.7)</u>	<u>\$ (9.1)</u>	<u>\$ (10.9)</u>	<u>\$ (0.31)</u>

Appendix



METHODE ELECTRONICS, INC. AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP MEASURES (unaudited)
(in millions, except per share data)

	Three Months Ended							
	May 3, 2025 (13 Weeks)			Diluted (loss) income per share	April 27, 2024 (13 Weeks)			Diluted (loss) income per share
	Loss from operations	Pre-tax loss	Net loss		Loss from operations	Pre-tax loss	Net loss	
U.S. GAAP (as reported)	\$ (23.6)	\$ (30.4)	\$ (28.3)	\$ (0.80)	\$ (61.5)	\$ (63.1)	\$ (57.3)	\$ (1.63)
Goodwill impairment	—	—	—	\$ —	49.4	49.4	49.4	\$ 1.40
Acquisition-related costs - purchase accounting adjustments related to inventory	—	—	—	\$ —	—	—	—	\$ —
Transformation costs	—	—	—	\$ —	—	—	—	\$ —
Restructuring costs and asset impairment charges	2.0	2.0	1.6	\$ 0.05	2.3	2.3	1.9	\$ 0.05
Net gain on sale of non-core assets	—	(0.2)	(0.2)	\$ (0.01)	—	(2.4)	(1.9)	\$ (0.05)
Valuation allowance on deferred tax assets	—	—	(0.5)	\$ (0.01)	—	—	—	\$ —
Non-U.S. GAAP (adjusted)	<u>\$ (21.6)</u>	<u>\$ (28.6)</u>	<u>\$ (27.4)</u>	<u>\$ (0.77)</u>	<u>\$ (9.8)</u>	<u>\$ (13.8)</u>	<u>\$ (7.9)</u>	<u>\$ (0.23)</u>

Appendix



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

	Three Months Ended	
	August 2, 2025	July 27, 2024
	(13 Weeks)	(13 Weeks)
EBITDA:		
Net loss	\$ (10.3)	\$ (18.3)
Income tax expense	4.2	5.2
Interest expense, net	5.9	4.8
Amortization of intangibles	5.8	5.9
Depreciation	9.1	8.2
EBITDA	14.7	5.8
Transformation costs *	—	2.2
Partial write-off of unamortized debt issuance costs	0.6	1.2
Restructuring costs and asset impairment charges	0.9	0.6
Net gain on sale of non-core assets	(0.5)	—
Adjusted EBITDA	\$ 15.7	\$ 9.8

* Represents professional fees related to the Company's cost reduction initiative.

Appendix



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

	Three Months Ended		Fiscal Year Ended	
	May 3, 2025 (13 Weeks)	April 27, 2024 (13 Weeks)	May 3, 2025 (53 Weeks)	April 27, 2024 (52 Weeks)
EBITDA:				
Net loss	\$ (28.3)	\$ (57.3)	\$ (62.6)	\$ (123.3)
Income tax expense (benefit)	(2.1)	(5.8)	12.5	(4.8)
Interest expense, net	5.5	4.5	22.0	16.7
Amortization of intangibles	5.8	6.0	23.4	24.0
Depreciation	10.2	8.6	35.1	33.9
EBITDA	(8.9)	(44.0)	30.4	(53.5)
Goodwill impairment	—	49.4	—	105.9
Acquisition costs	—	—	—	0.5
Acquisition-related costs - purchase accounting adjustments related to inventory	—	—	—	0.5
Transformation costs *	—	—	8.7	—
Partial write-off of unamortized debt issuance costs	—	—	1.2	—
Restructuring costs and asset impairment charges	2.0	2.3	2.7	3.7
Net gain on sale of non-core assets	(0.2)	(2.4)	(0.5)	(1.8)
Adjusted EBITDA	\$ (7.1)	\$ 5.3	\$ 42.5	\$ 55.3

* Represents professional fees related to the Company's cost reduction initiative.

Appendix

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

	Three Months Ended	
	August 2, 2025 (13 Weeks)	July 27, 2024 (13 Weeks)
Free Cash Flow:		
Net cash provided by operating activities	\$ 25.1	\$ 10.9
Purchases of property, plant and equipment	(7.1)	(13.6)
Free cash flow	\$ 18.0	\$ (2.7)
	August 2, 2025	May 3, 2025
Net Debt:		
Short-term debt	\$ 0.2	\$ 0.2
Long-term debt	323.2	317.4
Total debt	323.4	317.6
Less: cash and cash equivalents	(121.1)	(103.6)
Net debt	\$ 202.3	\$ 214.0