Methode Electronics Earnings Presentation

Second Quarter Fiscal 2026

December 4, 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;
- Production delays or cancelled orders;
- Changes in global trade policies, including tariffs;
- Failure to attract and retain qualified personnel;
- 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;
- 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.

Financial Summary

Fiscal 2Q’26*	**$247M** Net Sales*	**$18M** Adjusted EBITDA**	**($12M)** Free Cash Flow**
Fiscal 1H’26*	**$487M** Net Sales*	**$33M** Adjusted EBITDA**	**+$6M** Free Cash Flow**

Highlights

- Net sales +3% and adjusted EBITDA +12% on a sequential quarter basis
- 2Q’26 free cash flow improved $47M compared to the prior year
- 1H’26 results inline with management estimates; 2H’26 results expected to be higher than 1H’26

Reaffirming fiscal 2026 sales guidance of $900M to $1B and adjusted EBITDA of $70M to $80M

** Fiscal 2Q 2026 contained 13 weeks compared to 14 weeks in Fiscal 2Q 2025; Fiscal 1H 2026 contained 26 weeks compared to 27 weeks in fiscal 1H 2025*
***Refer to the appendix for GAAP to non-GAAP reconciliation*

METHODE ELECTRONICS

Operational and Strategic Priorities Update

Foundational Actions

- **Harmonizing operating practices and processes** across businesses and geographies with intensive business reviews at our manufacturing facilities
- **Driving operating excellence and continuous improvement** with 6 manufacturing site visits to Egypt, Malta, and Mexico conducted in the quarter

Refine Organization

- **Topgrading of leadership substantially completed** across the organization
- **Focusing on working as "One Methode"** by aligning leadership and strengthening the execution focus within the company culture

Align Portfolio

- **Aligning product portfolio with megatrends,** including data centers and vehicle electrification
- **Driving a disciplined approach to long-term growth investments,** particularly power solutions offerings

Business Structure

- **Completing strategic footprint action of relocating corporate headquarters** to Southfield, Michigan

Site visit to Methode Malta facility

Company owned headquarters in Michigan

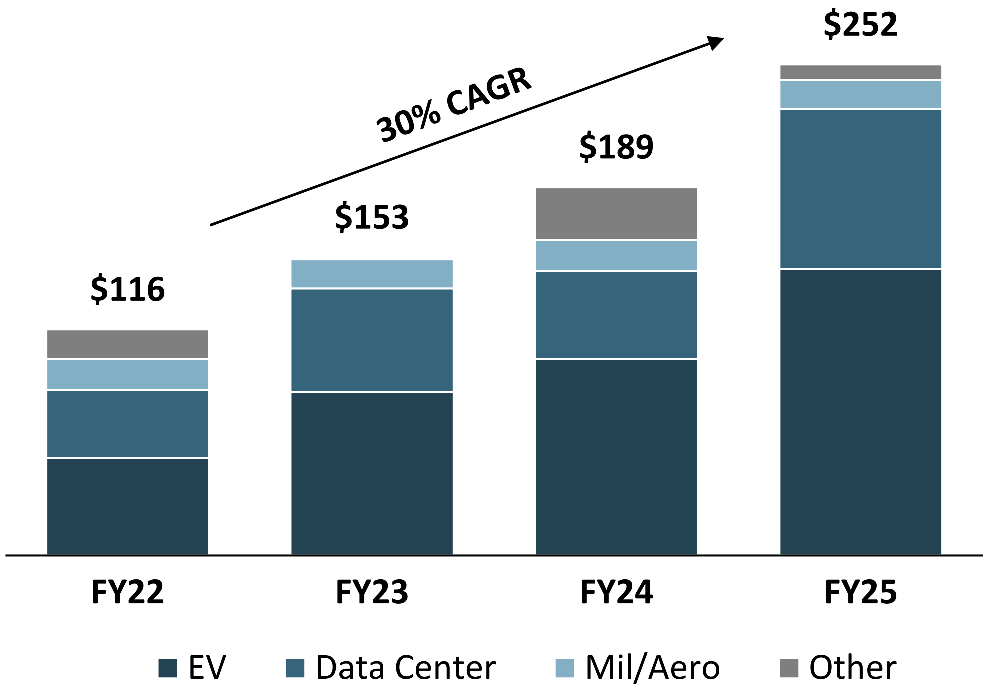
Increased intensity and urgency to drive financial and operational improvement

Power Solutions Offerings

Highlights

Experience	Leveraging 60+ years of power distribution engineering expertise
End Markets	Recent results driven by EVs, data centers and mil/aero applications
Products	Expect growth in 800-volt busbars, interconnects, and advanced power products
Customers	Partnering with customers to speed up delivery of product with programs such as vendor managed inventory (VMI)

Net Sales ($ Millions)



Selectively investing in the data center business for long-term growth

Transformation Update

0-6 Months | 6-12 Months | 12-18 Months

Where We Are

Stabilize the Base

- Drive Launch Execution
- Revamp Mexico and Egypt Plants
- Build Executive Team

Install New Team

- Diagnose Operations and Supply Chain
- Apply Global Approach
- Rebuild Next Level Organizational Talent

Remediate Practices

- Address Inventory Management
- Focus on Working Capital
- Globalize Engineering, Product Management and Supply Chain

Leverage Synergies

- Utilize Core Competencies for Growth
- Capitalize on Data Center and EV Megatrends
- Consolidate Footprint
- Review Portfolio

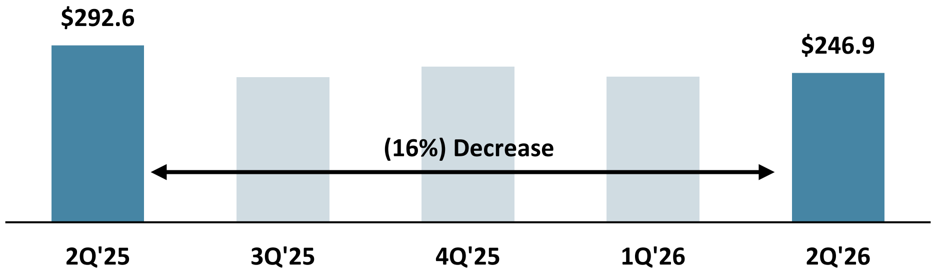
Building a solid foundation to drive consistent execution

METHODE ELECTRONICS

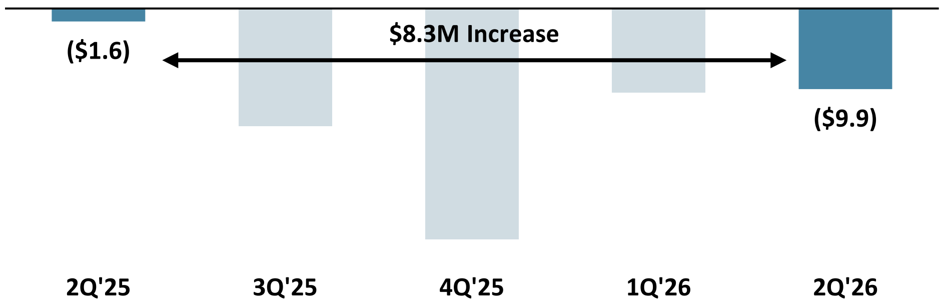
Fiscal 2Q 2026 Financial Review

Reported Financials
($M, except EPS)

Net Sales



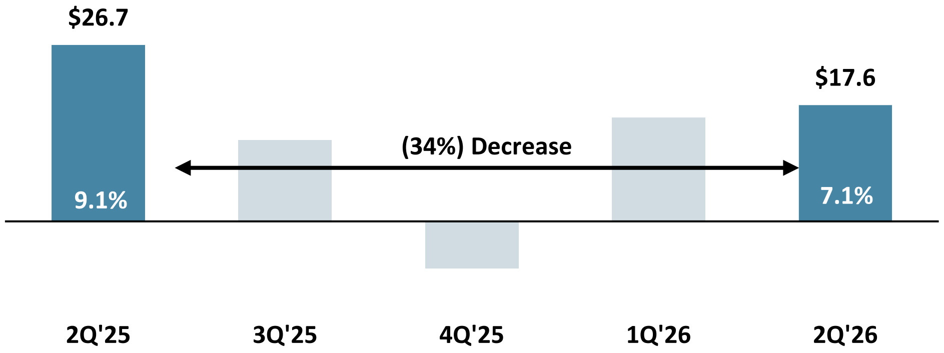
Net Loss and EPS



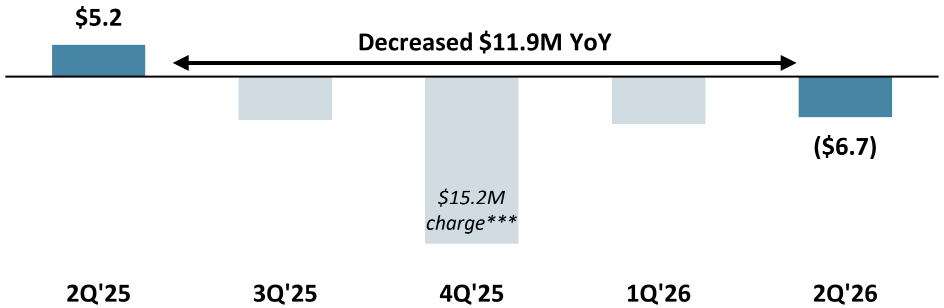
EPS	($0.05)	($0.28)

Adjusted Financials*
($M, except EPS)

Adjusted EBITDA and % of Net Sales



Adjusted Net Income (Loss) and Adjusted EPS



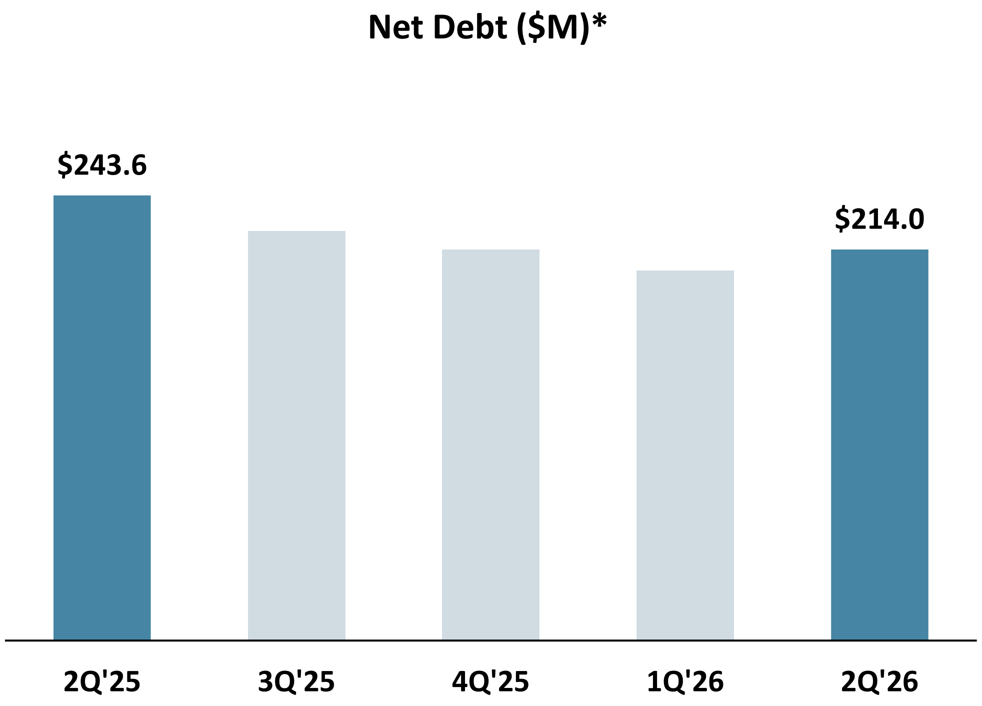
Adj. EPS	$0.14	($0.19)

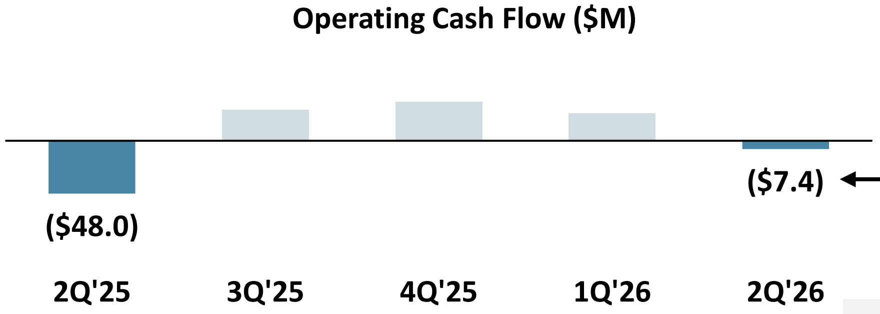
Sequential quarter results demonstrate improvement

** Refer to the appendix for GAAP to non-GAAP reconciliation*
*** Fiscal 2Q 2026 contained 13 weeks compared to 14 weeks in Fiscal 2Q 2025*
**** Including $15.2M Excess & Obsolete (E&O) inventory expense and discrete inventory adjustment in fiscal 4Q 2025*

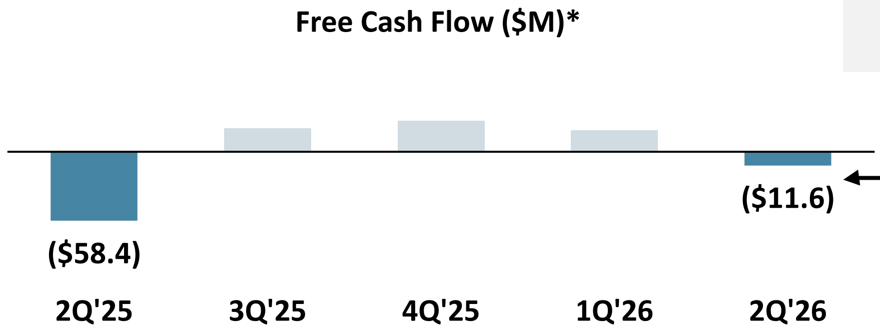
METHODE ELECTRONICS

Disciplined Capital Allocation Strategy





Impacted by cutover related to VMI initiative



Reduced net debt by $29.6M or 12% year-over-year

Generated +$6.4M of free cash flow in 1H'26

Expect positive free cash flow in fiscal 2026 and to further delever over the long-term

**Refer to the appendix for GAAP to non-GAAP reconciliation*
*** Fiscal 2Q 2026 contained 13 weeks compared to 14 weeks in Fiscal 2Q 2025*

Fiscal 2026 Guidance

$ Millions	Fiscal 2025 Actuals	Fiscal 2026 Current Guidance
Net Sales	$1,048	$900-1,000
Interest Expense	$22	$21-23
Tax Expense	$13	$17-21
D&A	$59	$58-63
Adjusted EBITDA*	$43	$70-80
Capital Expenditures	$42	$24-29

Commentary

- Constantly changing operating environment could impact results
- Interest expense reflects borrowings at similar levels and rates
- Tax expense includes $10 to $15M for valuation allowance on deferred tax assets
- Expect adjusted EBITDA for second half of fiscal 2026 higher than the first half
- Continue to tightly manage capital expenditures

Reaffirming fiscal 2026 sales guidance of $900M to $1B and adjusted EBITDA of $70M to $80M

** Refer to the appendix for GAAP to non-GAAP reconciliation*

*** Fiscal 2026 contains 52 weeks; Fiscal 2025 contained 53 weeks*

****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.*

*****Due to the inherent difficulty of forecasting the timing and amount of certain items that would impact net income margin, such as foreign currency gains and losses, we are unable to reasonably estimate net income margin, the GAAP financial measure most directly comparable to Adjusted EBITDA margin. Accordingly, we are unable to provide a reconciliation of Adjusted EBITDA margin to net income margin with respect to the guidance provided.*

Key Takeaways

- ✓ Financial and operational actions drove sequentially improved results
- ✓ Solid long-term growth prospects for data center business
- ✓ Aggressively driving free cash flow and net debt reduction for fiscal 2026
- ✓ Reaffirming fiscal 2026 guidance in a continued, dynamic operating environment

Driving value accretive actions to deliver enhanced long-term returns for shareholders

Thank You

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.

Appendix

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

	Three Months Ended		Six Months Ended	
	November 1, 2025 (13 Weeks)	November 2, 2024 (14 Weeks)	November 1, 2025 (26 Weeks)	November 2, 2024 (27 Weeks)
EBITDA:				
Net loss	$ (9.9)	$ (1.6)	$ (20.2)	$ (19.9)
Income tax expense	5.7	3.2	9.9	8.4
Interest expense, net	5.7	6.2	11.6	11.0
Amortization of intangibles	5.8	5.9	11.6	11.8
Depreciation	9.2	8.4	18.3	16.6
EBITDA	16.5	22.1	31.2	27.9
Transformation costs *	—	4.8	—	7.0
Partial write-off of unamortized debt issuance costs	—	—	0.6	1.2
Restructuring costs and asset impairment charges	1.1	0.1	2.0	0.7
Net gain on sale of non-core assets	—	(0.3)	(0.5)	(0.3)
Adjusted EBITDA	$ 17.6	$ 26.7	$ 33.3	$ 36.5

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

	Three Months Ended		Six Months Ended	
	November 1, 2025 (13 Weeks)	November 2, 2024 (14 Weeks)	November 1, 2025 (26 Weeks)	November 2, 2024 (27 Weeks)
Free Cash Flow:				
Net cash provided (used) by operating activities	$ (7.4)	$ (48.0)	$ 17.7	$ (37.1)
Purchases of property, plant and equipment	(4.2)	(10.4)	(11.3)	(24.0)
Free cash flow	$ (11.6)	$ (58.4)	$ 6.4	$ (61.1)

	November 1, 2025	May 3, 2025
Net Debt:		
Short-term debt	$ 0.2	$ 0.2
Long-term debt	332.3	317.4
Total debt	332.5	317.6
Less: cash and cash equivalents	(118.5)	(103.6)
Net debt	$ 214.0	$ 214.0

Appendix

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

	Three Months Ended							
	November 1, 2025 (13 Weeks)				November 2, 2024 (14 Weeks)			
	Income from operations	Pre-tax loss	Net loss	Diluted loss per share	Income from operations	Pre-tax income	Net (loss) income	Diluted (loss) income per share
U.S. GAAP (as reported)	$ 2.9	$ (4.2)	$ (9.9)	$ (0.28)	$ 9.4	$ 1.6	$ (1.6)	$ (0.05)
Transformation costs	—	—	—	$ —	4.8	4.8	3.7	$ 0.10
Restructuring costs and asset impairment charges	1.1	1.1	0.9	$ 0.03	0.1	0.1	0.1	$ 0.01
Net gain on sale of non-core assets	—	—	—	$ —	—	(0.3)	(0.2)	$ (0.01)
Valuation allowance on deferred tax assets	—	—	2.3	$ 0.06	—	—	3.2	$ 0.09
Non-U.S. GAAP (adjusted)	$ 4.0	$ (3.1)	$ (6.7)	$ (0.19)	$ 14.3	$ 6.2	$ 5.2	$ 0.14

	Six Months Ended							
	November 1, 2025 (26 Weeks)				November 2, 2024 (27 Weeks)			
	Loss from operations	Pre-tax loss	Net loss	Diluted (loss) income per share	Income from operations	Pre-tax loss	Net loss	Diluted (loss) income per share
U.S. GAAP (as reported)	$ 4.0	$ (10.3)	$ (20.2)	$ (0.57)	$ 1.9	$ (11.5)	$ (19.9)	$ (0.56)
Transformation costs	—	—	—	$ —	7.0	7.0	5.4	$ 0.15
Partial write-off of unamortized debt issuance costs	—	0.6	0.5	$ 0.01	—	1.2	0.9	$ 0.03
Restructuring costs and asset impairment charges	2.0	2.0	1.6	$ 0.05	0.7	0.7	0.6	$ 0.02
Net gain on sale of non-core assets	—	(0.5)	(0.4)	$ (0.01)	—	(0.3)	(0.2)	$ (0.01)
Valuation allowance on deferred tax assets	—	—	4.0	$ 0.11	—	—	7.5	$ 0.21
Non-U.S. GAAP (adjusted)	$ 6.0	$ (8.2)	$ (14.5)	$ (0.41)	$ 9.6	$ (2.9)	$ (5.7)	$ (0.16)