



FISCAL 2023

FOURTH QUARTER & FULL YEAR FINANCIAL RESULTS

June 22, 2023

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) Dependence on our supply chain, including semiconductor suppliers; 2) Impact from pandemics, such as the COVID-19 pandemic; 3) Dependence on the automotive and commercial vehicle industries; 4) Impact from inflation; 5) Dependence on a small number of large customers, including one large automotive customer; 6) Dependence on the availability and price of materials; 7) Risks related to conducting global operations; 8) Ability to withstand pricing pressures, including price reductions; 9) Currency fluctuations; 10) Timing and magnitude of costs associated with restructuring activities; 11) Failure to attract and retain qualified personnel; 12) Recognition of goodwill and other intangible asset impairment charges; 13) Timing, quality and cost of new program launches; 14) International trade disputes resulting in tariffs and our ability to mitigate tariffs; 15) Adjustments to compensation expense for performance-based awards; 16) Investment in programs prior to the recognition of revenue; 17) Ability to compete effectively; 18) Impact from production delays or cancelled orders; 19) Ability to withstand business interruptions; 20) Ability to keep pace with rapid technological changes; 21) Breaches to our information technology systems; 22) Ability to avoid design or manufacturing defects; 23) Ability to manage our debt levels and any restrictions thereunder; 24) Income tax rate fluctuations; 25) Ability to protect our intellectual property; 26) Ability to successfully benefit from acquisitions and divestitures; 27) Impact from climate change and related regulations; 28) Judgments related to accounting for tax positions; and 29) Costs associated with environmental, health and safety regulations.

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 Selling and Administrative Expenses, Adjusted Selling and Administrative Expenses as a Percentage of Sales, 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.

FY23 Q4 Highlights

Quarterly Performance

Sales of \$301M
Sales Up 9% Excluding FX and Cost Recovery
Lighting and Power Solutions Driving Growth

Business Activity

Ongoing Material Cost Inflation
Program Awards of Over \$250M
Nordic Lights Acquisition Nearing Completion



Electric Vehicle Activity

23% of Consolidated Sales, Record Sales on \$ Basis
\$215M+ in EV Program Awards
FY24 EV Sales Dependent on Take Rates & Roll Offs

Balance Sheet & Cash Flow

Debt Increase Driven by Nordic Lights
Purchased \$8M of Shares
Free Cash Flow of \$38M

FY23 Q4 Select Business Awards

Electric Vehicles



- Busbar Assembly for European Auto OEM
- Busbar Assembly for U.S. Auto OEM
- Busbar Assembly for U.S. Auto OEM
- Power Distribution Unit for U.S. Truck OEM
- Center Stop Lamp for U.S. Auto OEM

➔ **\$215M***

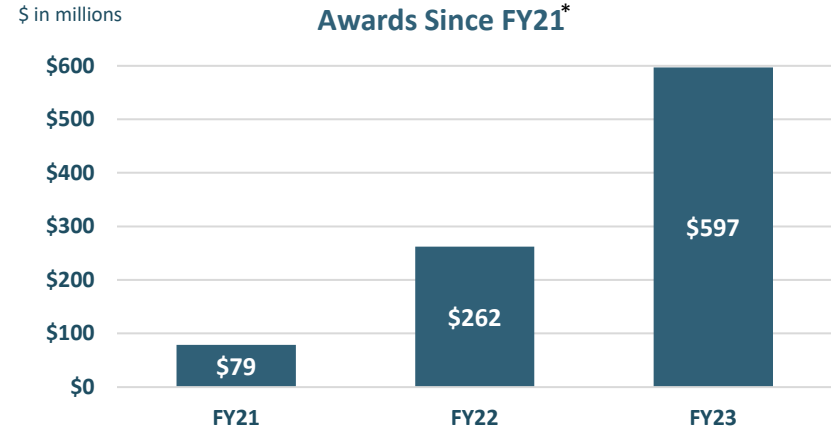
Other



- Blind Spot Warning Lamp for European Truck OEM
- Door Activation Switch for European Auto OEM
- Overhead Console for European Auto OEM
- Torque Sensor for European eBike Powertrain OEM
- Torque Sensor for Asian eBike Powertrain OEM

➔ **\$43M***

Cumulative Electric Vehicle Awards Since FY21*



FY23 Highlights

Full Year Performance

Record Sales of \$1,180 Million
Up 7% Excluding FX and Cost Recovery

Business Activity

Material and Manufacturing Cost Inflation
Program Awards of over \$435 Million, Over 75% in EV



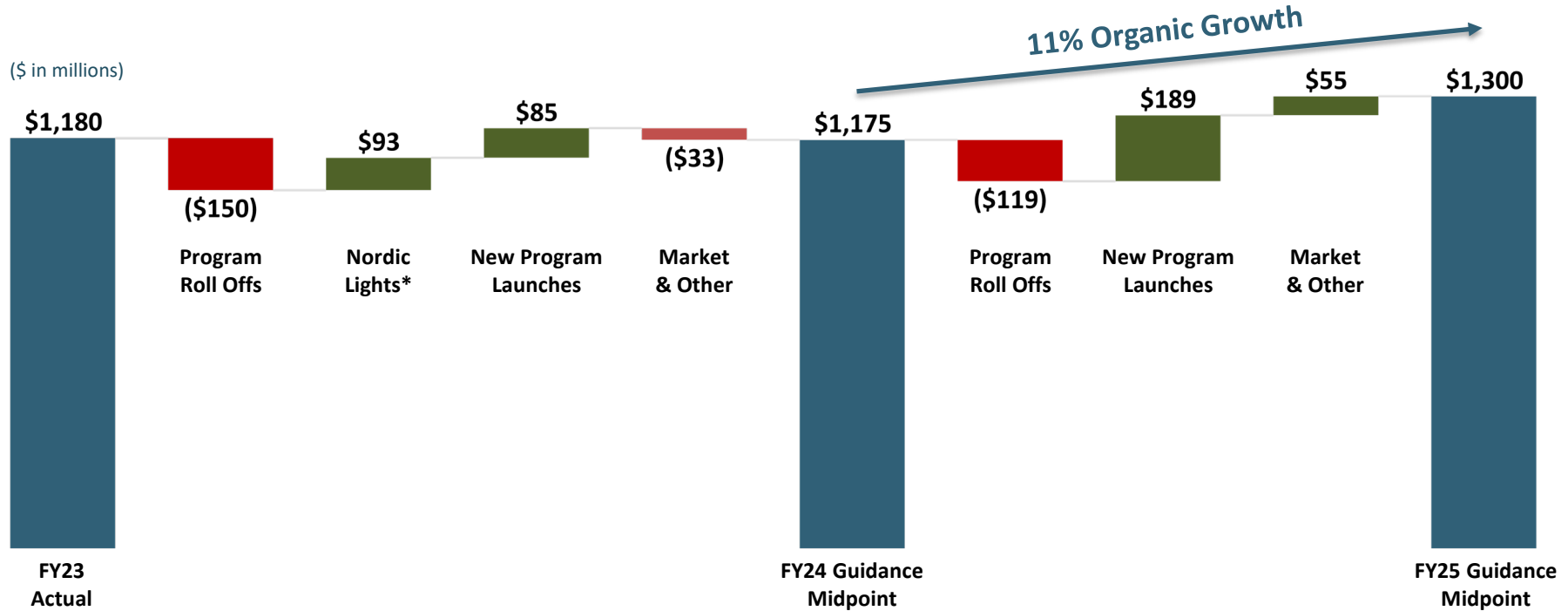
Electric Vehicle Activity

Record EV Application Sales
21% of FY23 Consolidated Sales

Balance Sheet & Cash Flow

Free Cash Flow of \$91M
Purchased \$48 Million of Methode Shares

FY23 – FY25 Sales Bridge



* Methode's estimate based on Nordic Light's historical performance, their current guidance, and their long-term financial targets

Summary

FY23 Highlights

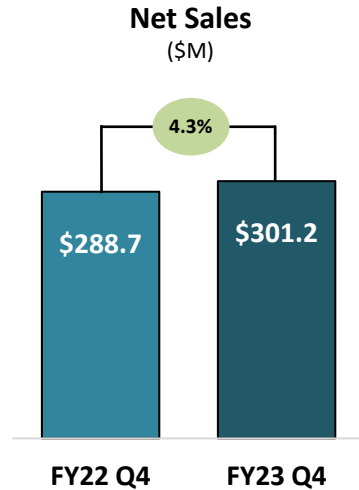
- Record Sales Driven by 29%* Growth in Industrial Segment
- Record EV Application Sales
- Strong Free Cash Flow
- Acquisition of Nordic Lights

FY24-25 Sales Guidance

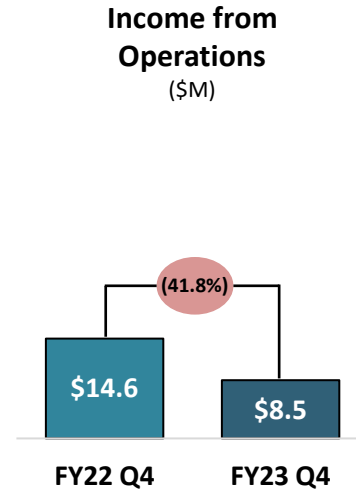
- Program Roll Offs and Market Headwinds in Commercial Vehicle, Data Center, & eBike Driving Lower Organic Sales in FY24
- Significant Investments in FY24 to Support over 20 New Program Launches
- Multiple Years of Strong Program Awards Support FY25 Sales Guidance
- FY25 Sales Guidance Midpoint Represents **11% Organic Growth** over the FY24 Guidance Midpoint

Financial Results

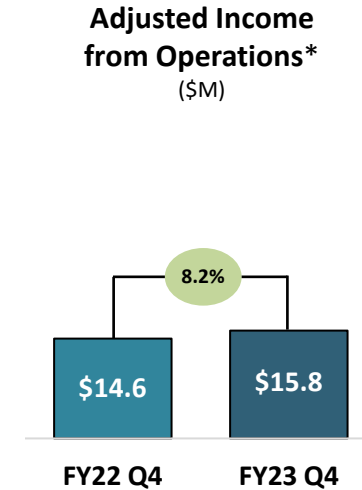
FY23 Q4 Net Sales & Income from Operations



- + Commercial Vehicle Lighting
- + EV Power Distribution
- Unfavorable Foreign Currency



- Nordic Lights Acquisition Costs
- Unfavorable Foreign Currency
- + Higher Sales Volume



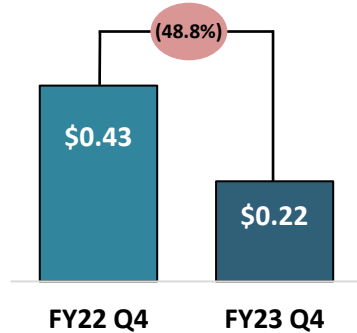
Excludes:

- Acquisition Costs of \$6.8M
- Reorganization Costs of \$0.5M

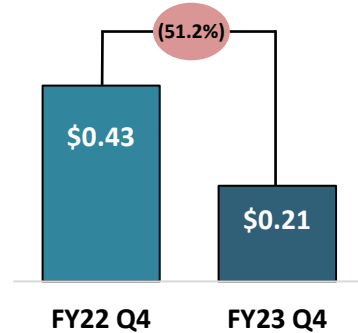
* See Appendix for reconciliation to GAAP

FY23 Q4 Earnings per Share & EBITDA

Diluted Earnings per Share
(\$)



Adjusted Diluted Earnings per Share*
(\$)

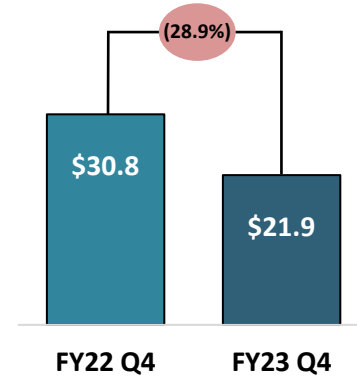


- Nordic Lights Acquisition Costs
- Unfavorable Foreign Currency
- + Reorganization Tax Benefit

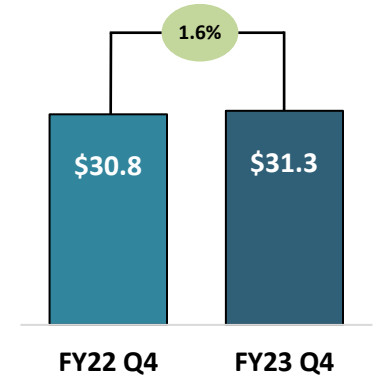
Excludes:

- Acquisition Costs of \$6.6M
- Reorganization Net Benefit of \$7.0M

EBITDA*
(\$M)



Adjusted EBITDA*
(\$M)



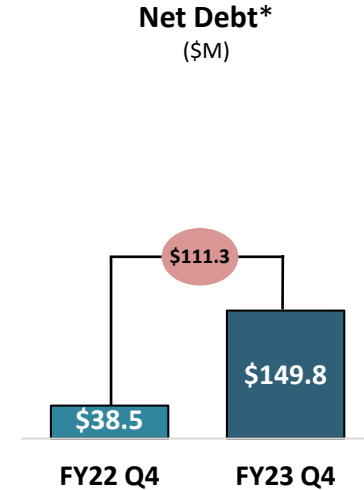
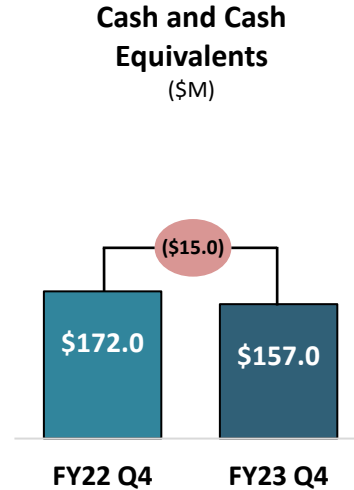
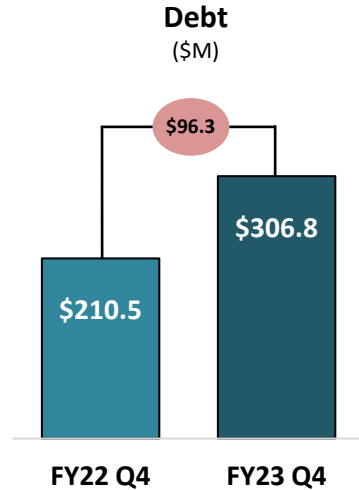
- Nordic Lights Acquisition Costs
- Unfavorable Foreign Currency
- + Higher Sales Volume

Excludes:

- Acquisition Costs of \$6.8M
- Reorganization Costs of \$2.6M

* See Appendix for reconciliation to GAAP

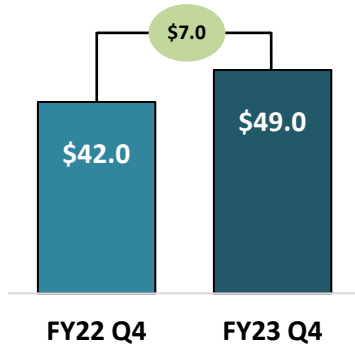
FY23 Q4 Balance Sheet



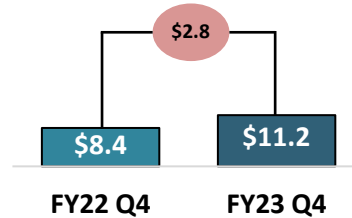
* See Appendix for reconciliation to GAAP

FY23 Q4 Free Cash Flow

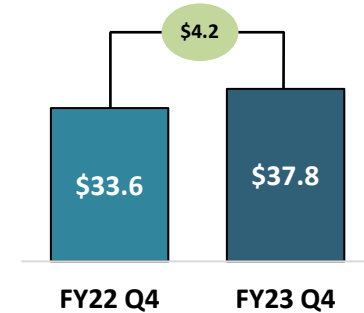
Net Cash Provided by Operating Activities
(\$M)



Capital Expenditure
(\$M)

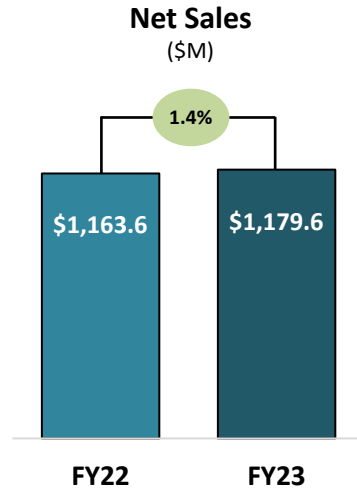


Free Cash Flow*
(\$M)

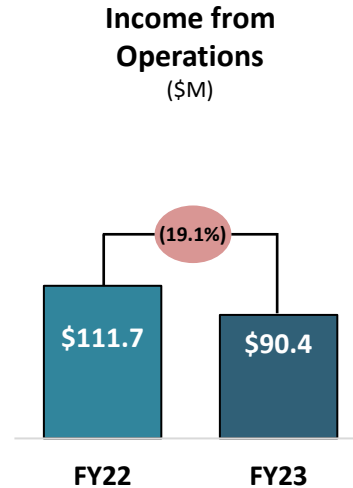


* See Appendix for reconciliation to GAAP

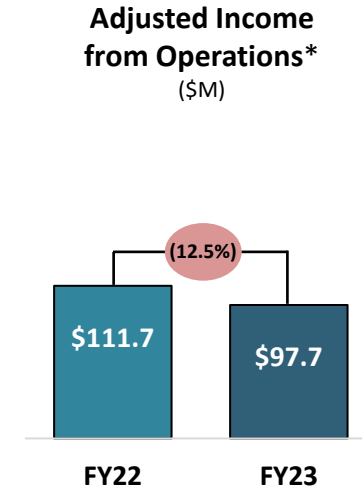
FY23 Net Sales & Income from Operations



- + Industrial Segment
- North American Auto Program Roll Off
- Unfavorable Foreign Currency



- Nordic Lights Acquisition Costs
- Material Cost Inflation
- + Higher Sales Volume

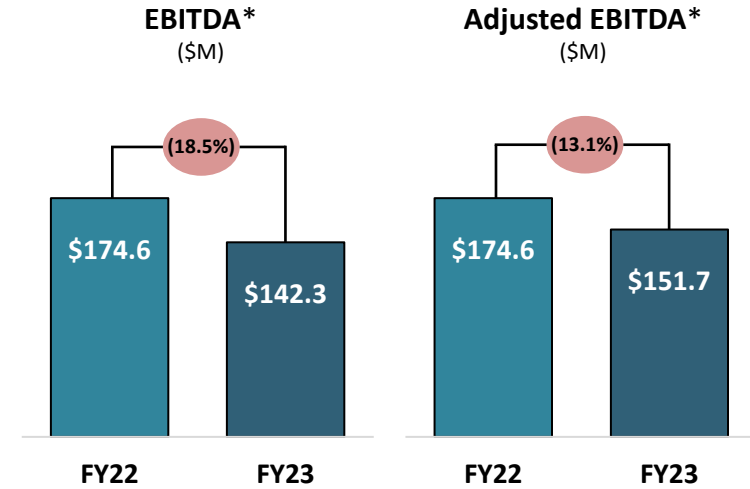
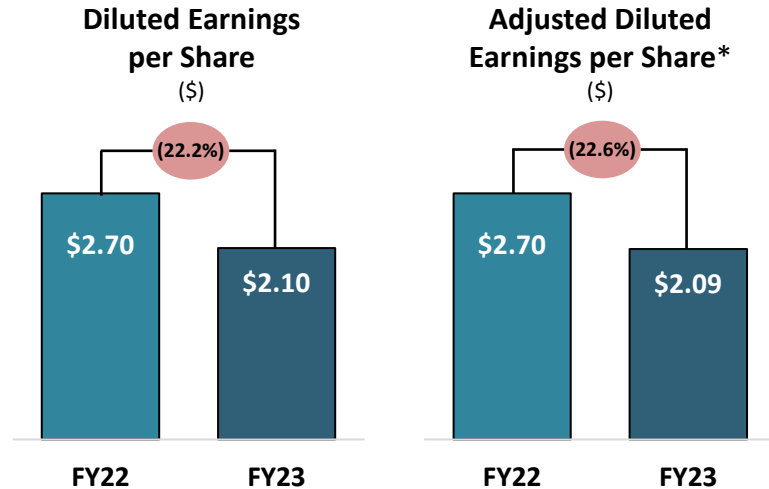


Excludes:

- Acquisition Costs of \$6.8M
- Reorganization Costs of \$0.5M

* See Appendix for reconciliation to GAAP

FY23 Earnings per Share & EBITDA



- Nordic Lights Acquisition Costs
- Material Cost Inflation
- + Reorganization Tax Benefit

Excludes:

- Acquisition Costs of \$6.6M
- Reorganization Net Benefit of \$7.0M

- Nordic Lights Acquisition Costs
- Material Cost Inflation
- + Higher Sale Volume

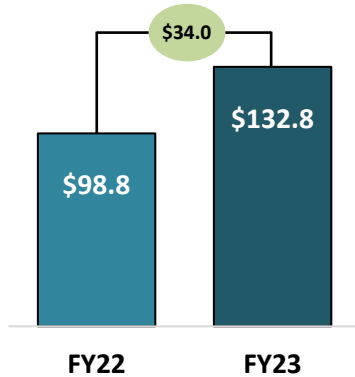
Excludes:

- Acquisition Costs of \$6.8M
- Reorganization Costs of \$2.6M

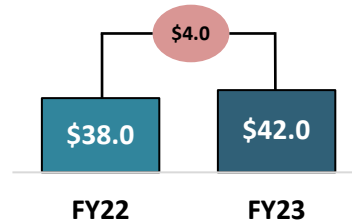
* See Appendix for reconciliation to GAAP

FY23 Free Cash Flow

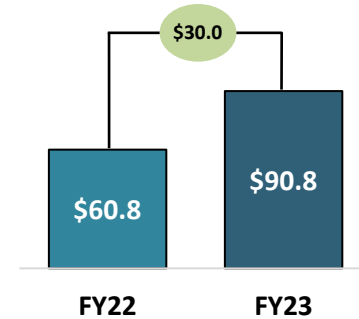
Net Cash Provided by Operating Activities
(\$M)



Capital Expenditure
(\$M)



Free Cash Flow*
(\$M)



* See Appendix for reconciliation to GAAP

Guidance

Fiscal 2024 Full Year Guidance

- Net sales range of \$1,150 - \$1,200 million
- Diluted earnings per share range of \$1.55 - \$1.75

Fiscal 2024 Guidance Assumptions

- Includes the Nordic Lights Group Corporation acquisition
- Income Tax Rate at 18% - 20% with no discrete tax benefits or expenses
- CapEx of \$65 - \$75 million
- Depreciation and Amortization of \$57 - \$62 million

Fiscal 2025 Full Year Guidance

- Net sales range of \$1,250 - \$1,350 million
- Income from operations as a percentage of net sales range of 11% to 12%
- Income Tax Rate at 20% - 22% with no discrete tax benefits or expenses
- Approximately 11% organic sales growth from the midpoint of the fiscal 2024 net sales guidance

The fiscal 2024 and 2025 guidance is unchanged from the preliminary guidance provided on June 12, 2023. Guidance does not include any new acquisition costs and is subject to change due to a variety of factors including supply chain disruptions, inflation, global economic instability, successful cost recovery actions, the successful launch of multiple new programs, the ultimate take rates on new EV programs, restructuring efforts, and potential impairments or divestitures.



Thank You

Appendix



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

	Three Months Ended		Fiscal Year Ended	
	April 29, 2023	April 30, 2022	April 29, 2023	April 30, 2022
EBITDA:				
Net income	\$ 8.1	\$ 16.2	\$ 77.1	\$ 102.2
Income tax (benefit) expense	(0.3)	1.0	13.0	16.3
Interest expense, net	1.4	0.6	2.7	3.5
Amortization of intangibles	4.7	4.7	18.8	19.1
Depreciation	8.0	8.3	30.7	33.5
EBITDA	21.9	30.8	142.3	174.6
Acquisition costs	6.8	—	6.8	—
Costs related to the reorganization of a foreign subsidiary	2.6	—	2.6	—
Adjusted EBITDA	\$ 31.3	\$ 30.8	\$ 151.7	\$ 174.6

	Three Months Ended		Fiscal Year Ended	
	April 29, 2023	April 30, 2022	April 29, 2023	April 30, 2022
Free Cash Flow:				
Net cash provided by operating activities	\$ 49.0	\$ 42.0	\$ 132.8	\$ 98.8
Purchases of property, plant and equipment	(11.2)	(8.4)	(42.0)	(38.0)
Free cash flow	\$ 37.8	\$ 33.6	\$ 90.8	\$ 60.8

	April 29, 2023	April 30, 2022
Net Debt:		
Short-term debt	\$ 3.2	\$ 13.0
Long-term debt	303.6	197.5
Total debt	306.8	210.5
Less: cash and cash equivalents	(157.0)	(172.0)
Net debt	\$ 149.8	\$ 38.5

Appendix



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

Reconciliation of Non-GAAP Financial Measures for the Three Months Ended April 29, 2023

	U.S. GAAP (as reported)	Acquisition costs	Taxes and costs related to the reorganization of a foreign subsidiary	Non-U.S. GAAP
Selling and administrative expenses	\$ 50.1	\$ (6.8)	\$ (0.5)	\$ 42.8
Selling and administrative expenses (% of net sales)	16.6%	(2.3)%	(0.2)%	14.2%
Income from operations	\$ 8.5	\$ 6.8	\$ 0.5	\$ 15.8
Net income	\$ 8.1	\$ 6.6	\$ (7.0)	\$ 7.7
Diluted earnings per share	\$ 0.22	\$ 0.18	\$ (0.19)	\$ 0.21

Reconciliation of Non-GAAP Financial Measures for the Fiscal Year Ended April 29, 2023

	U.S. GAAP (as reported)	Acquisition costs	Taxes and costs related to the reorganization of a foreign subsidiary	Non-U.S. GAAP
Selling and administrative expenses	\$ 154.9	\$ (6.8)	\$ (0.5)	\$ 147.6
Selling and administrative expenses (% of net sales)	13.1%	(0.6)%	—%	12.5%
Income from operations	\$ 90.4	\$ 6.8	\$ 0.5	\$ 97.7
Net income	\$ 77.1	\$ 6.6	\$ (7.0)	\$ 76.7
Diluted earnings per share	\$ 2.10	\$ 0.18	\$ (0.19)	\$ 2.09

Appendix



Reconciliation of Non-GAAP Financial Measures for the Three Months Ended April 30, 2022

	U.S. GAAP (as reported)	Acquisition costs	Taxes and costs related to the reorganization of a foreign subsidiary	Non-U.S. GAAP
Selling and administrative expenses	\$ 35.6	\$ —	\$ —	\$ 35.6
Selling and administrative expenses (% of net sales)	12.3%	n/a	n/a	12.3%
Income from operations	\$ 14.6	\$ —	\$ —	\$ 14.6
Net income	\$ 16.2	\$ —	\$ —	\$ 16.2
Diluted earnings per share	\$ 0.43	\$ —	\$ —	\$ 0.43

Reconciliation of Non-GAAP Financial Measures for the Fiscal Year Ended April 30, 2022

	U.S. GAAP (as reported)	Acquisition costs	Taxes and costs related to the reorganization of a foreign subsidiary	Non-U.S. GAAP
Selling and administrative expenses	\$ 134.1	\$ —	\$ —	\$ 134.1
Selling and administrative expenses (% of net sales)	11.5%	n/a	n/a	11.4%
Income from operations	\$ 111.7	\$ —	\$ —	\$ 111.7
Net income	\$ 102.2	\$ —	\$ —	\$ 102.2
Diluted earnings per share	\$ 2.70	\$ —	\$ —	\$ 2.70