2020 Needham Growth Conference

January 15, 2020

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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 press release 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: dependence on a small number of large customers, including two large automotive customers; dependence on the automotive, appliance, commercial vehicle, computer and communications industries; international trade disputes resulting in tariffs: investment in programs prior to the recognition of revenue; timing, quality and cost of new program launches; changes in U.S. trade policy; ability to withstand price pressure, including pricing reductions; ability to successfully market and sell Dabir Surfaces; currency fluctuations; customary risks related to conducting global operations; recognition of goodwill impairment charges; dependence on the availability and price of raw materials; fluctuations in our gross margins; ability to withstand business interruptions; ability to successfully benefit from acquisitions and divestitures; dependence on our supply chain; income tax rate fluctuations; ability to keep pace with rapid technological changes; breach of our information technology systems; ability to avoid design or manufacturing defects; ability to compete effectively; ability to protect our intellectual property; success of Pacific Insight, Procoplast and Grakon and/or our ability to implement and profit from new applications of the acquired technology; significant adjustments to expense based on the probability of meeting certain performance levels in our long-term incentive plan; and costs and expenses due to regulations regarding conflict minerals.

Methode is …

Leading developer and manufacturer of custom-engineered solutions and application-specific products utilizing the latest technologies for the Automotive, Industrial and Medical markets.

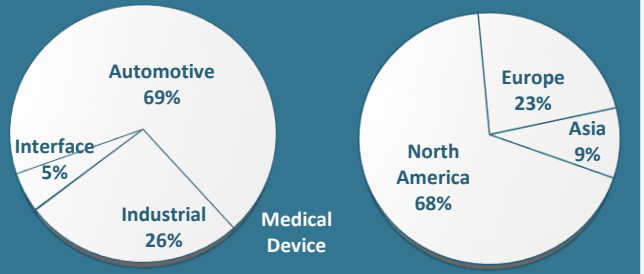
788 patents

450+ global engineers

6,200+ employees

10-year revenue growth CAGR of 8.9%

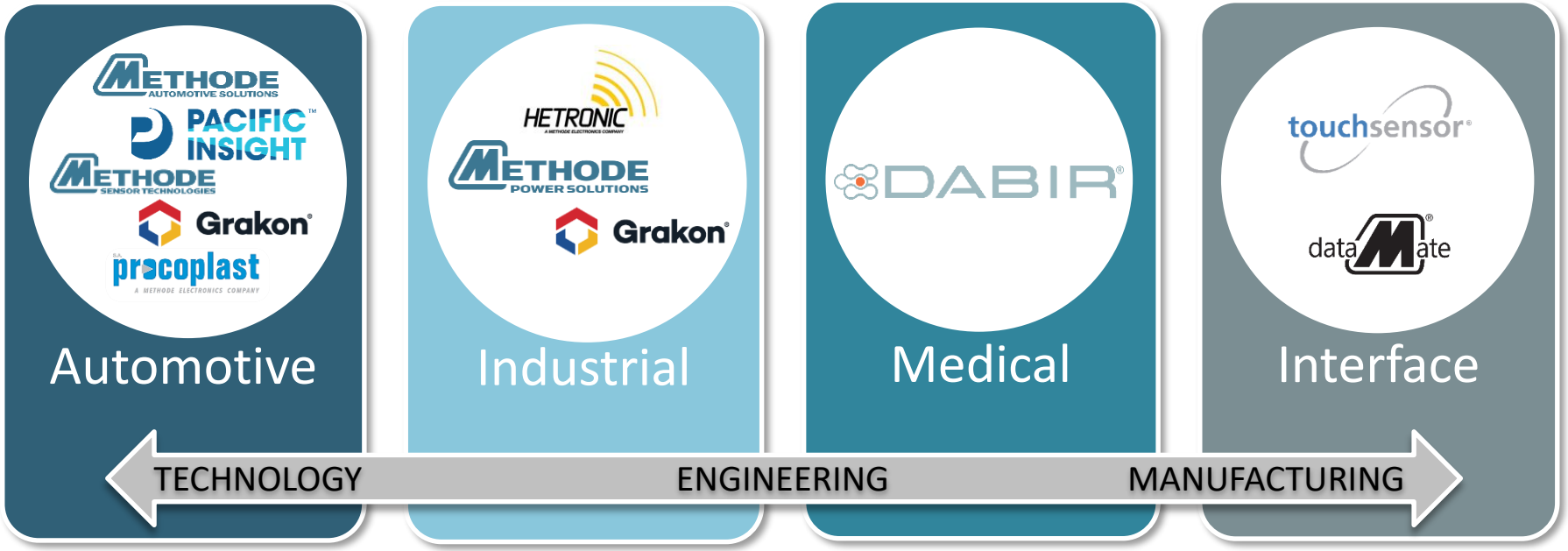
$1+ Billion Sales



10-year EBITDA growth CAGR of 13.2% *

*EBITDA is result of adding back impairment and restructuring charges in FY2009 (base year)

Methode's reporting segments are…




Trailering
Settings
Apple CarPlay
Camera
4G LTE
72°
12:03
BACK
72
AUTO
ON/OFF
A/C
74
SYNC

AUTOMOTIVE

Automotive Interior Solutions



HEADLAMP SWITCHES

STEERING WHEEL SWITCHES

WINDOW SWITCHES

TOUCHPADS

REAR SEAT CONTROLS

OVERHEAD CONSOLES

TOUCHSCREENS

CENTERSTACKS

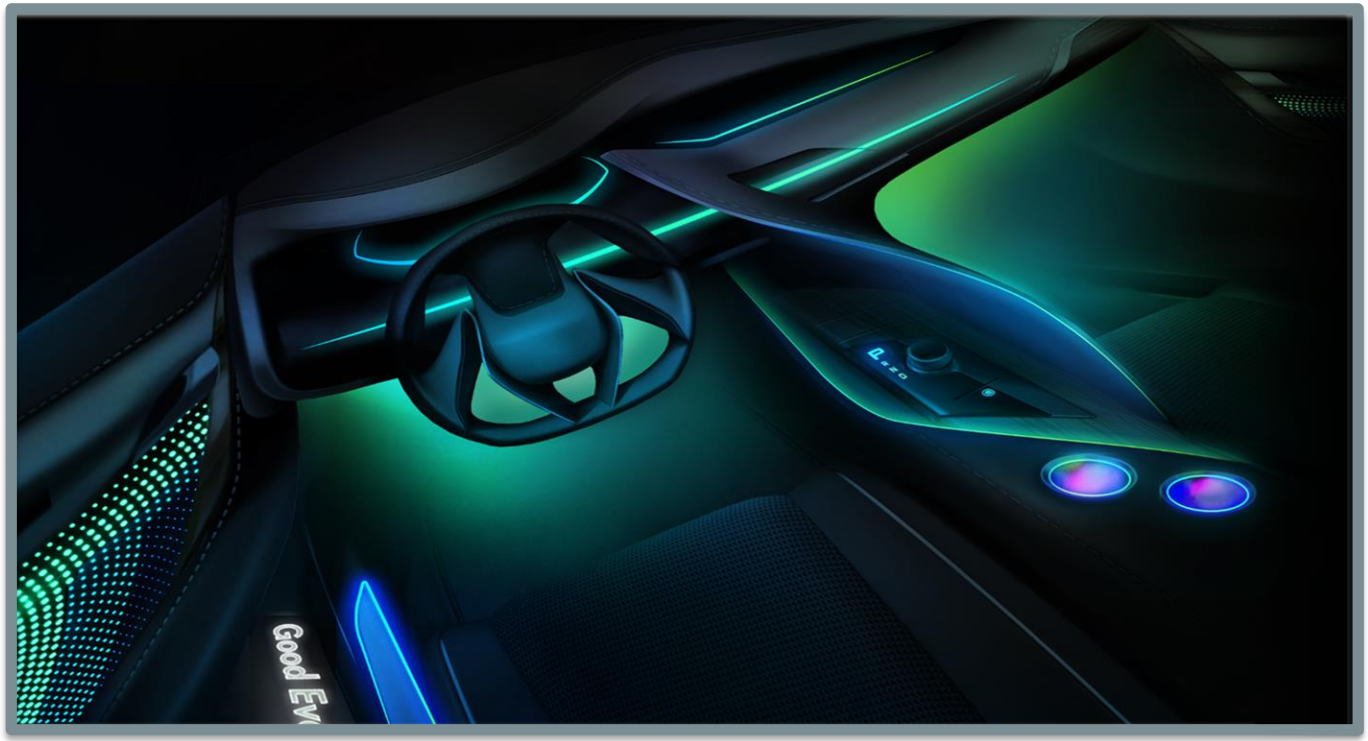
VALUE ADDED SWITCHES

SMART KNOBS

TERRAIN MANAGEMENT

MASTER CONTROLLERS

Automotive Lighting Solutions



PACIFIC INSIGHT™

- SILL PLATES
- FLOOD LIGHTING
- AMBIENT LIGHTING
- MATERIAL ILLUMINATION
- DOME LAMPS
- SEAT ILLUMINATION
- FULL COLOR SPECTRUM
- HOLOGRAPHIC LIGHTING

Automotive Exterior Solutions



GESTURE/TOUCH TAILGATE EMBLEM

INTEGRATED TAILGATE MODULE

ADVANCED ILLUMINATION

SMART TOWING

IN-GLASS MESSAGING

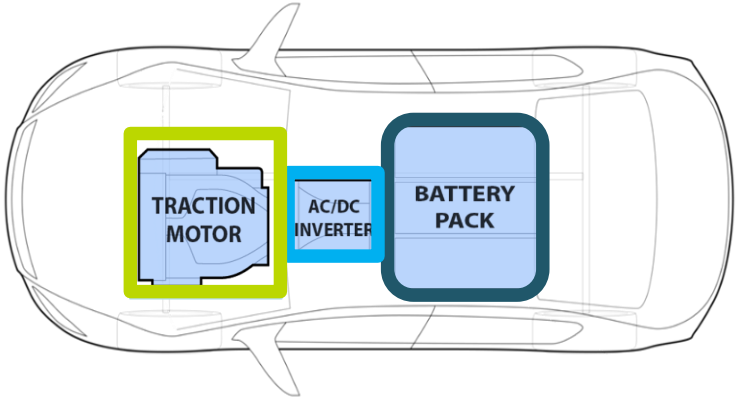
KEYLESS ENTRY

HANDLE-FREE DOOR SOLUTION

SIDE MIRROR PROJECTION

Electric Vehicle Solutions

- INTELLIGENT BATTERY CONNECTION
- BATTERY BUS BAR CONNECTIONS
- BATTERY DISCONNECT UNIT
- POWERBUD CONNECTORS

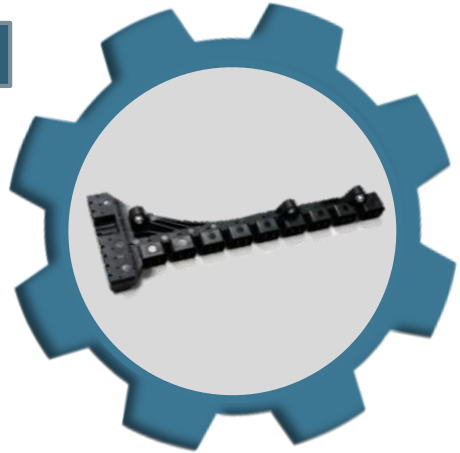


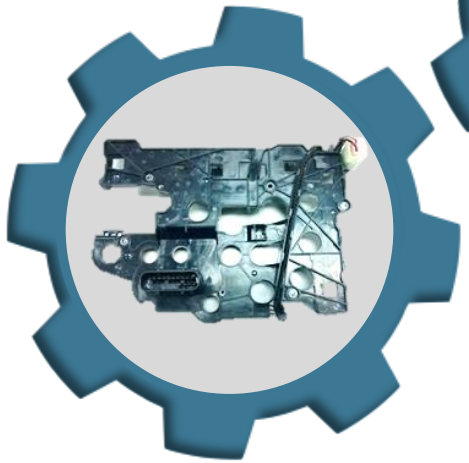
- COMPLEX INSERT MOLDED BUS-BAR/CARRIERS
- POWDER COATED BUS BAR
- FLEXIBLE BUS BAR
- LAMINATED BUS BAR

Transmission Control Solutions

Competitive Advantages

1. HIGHLY AUTOMATED PROCESSES
2. VERTICAL INTEGRATION
3. SOPHISTICATED MANUFACTURING TECHNOLOGY







Automotive Solutions

Competitive Advantages

1. CRITICAL FUNCTIONALITY
2. FLEXIBILITY AND STYLING
3. HIGHLY RELIABLE
4. VERTICAL INTEGRATION
5. SOPHISTICATED TECHNOLOGY





INDUSTRIAL

Commercial Vehicle Solutions



- AMBIENT LIGHTING
- TASK/READING LIGHTS
- STORAGE LIGHTING
- WARNING LIGHTS
- FOG LIGHTING
- MARKER LIGHTS
- TURN SIGNALS
- HEADLIGHTS
- SPOT LIGHTING

Grakon®

Grakon

Competitive Advantages

1. CRITICAL FUNCTIONALITY
2. HIGH CUSTOMIZATION/LOW VOLUME
3. ENHANCED AESTHETICS
4. HARSH ENVIRONMENTS
5. EXCEPTIONAL CUSTOMER RELATIONSHIPS



Hetronic Industrial Radio Remote Controls

WIRELESS CONTROL AND FEEDBACK

WIRELESS VIDEO FEEDBACK

RF PROXIMITY DETECTION

INTEGRATED CONTROLLER AND REMOTE CONTROL FOR LOCOMOTIVES

RF E-STOP

WEIGHT SENSOR (MAGNETO-ELASTIC)

ELECTROMECHANICAL AND REMOTE CONTROL RETROFIT KITS

BATTERIES AND CHARGERS

ACCESSORIES (STRAPS, BELTS, VESTS, ETC.)



Hetronic Industrial Radio Remote Controls

Competitive Advantages

1 CUSTOM ENGINEERED

2 CERTIFIED FOR DEMANDING / HARSH ENVIRONMENTS (such as EX)

3 SOPHISTICATED RADIO FREQUENCY AND VIDEO FEEDBACK TECHNOLOGY

4 VERTICALLY INTEGRATED AND LOW COST COUNTRY MANUFACTURING

STELLAR

Altec

TPS

KLW

Manitowoc

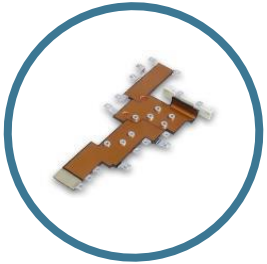
JCB

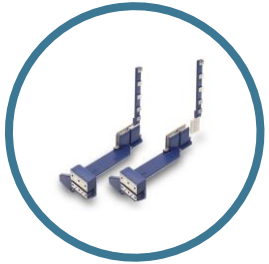
ADM

TEREX

HALLIBURTON

Power Solutions Group

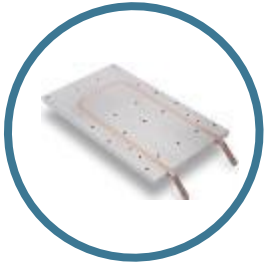




BUS BAR SOLUTIONS



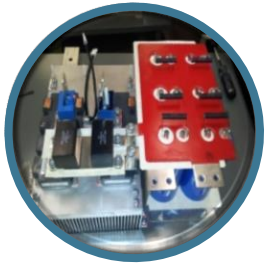
POWER CABLE SOLUTIONS



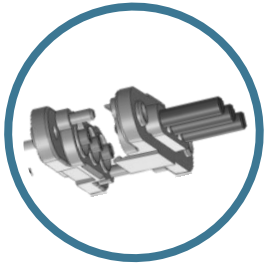
THERMAL SOLUTIONS



POWER CONNECTORS



POWER ASSEMBLY



POWERBUD MOTOR CONNECTION



OPEN COMPUTE CONNECTOR

Power Solutions Group

Competitive Advantages

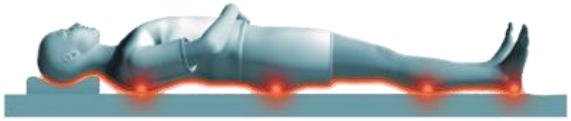
1. CUSTOM ENGINEERED
2. VERTICAL INTEGRATION
3. RELIABLE IN DEMANDING ENVIRONMENTS
4. PATENTED CONNECTORS AND CONTACTS
5. POWER DISTRIBUTION EXPERTISE

United Technologies
LOCKHEED MARTIN
FLEXTRONICS
Honeywell
BOMBARDIER
Raytheon
Schneider Electric
Rockwell Automation
Johnson Controls



MEDICAL

DABIR SURFACES



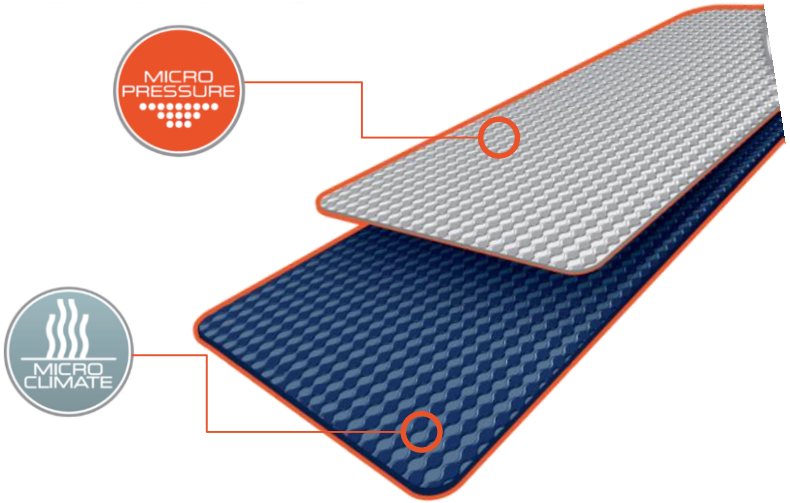
METHODE ELECTRONICS

NEW TECHNOLOGY FOR PRESSURE INJURY PREVENTION

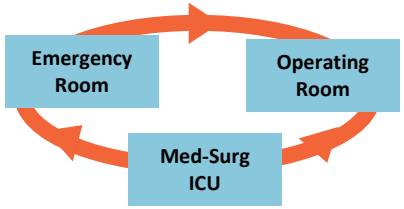
- REDUCE HOSPITAL READMISSIONS
- SHORTEN PATIENT STAYS
- LOWER SECONDARY INFECTION RATES
- IMPROVE PATIENT SATISFACTION SCORES
- IMPROVE QUALITY OF LIFE FOR THOSE AT RISK
- CONVERT A STANDARD HOSPITAL OR HOME BED INTO A SPECIALTY BED

Dabir Gen2 Controller

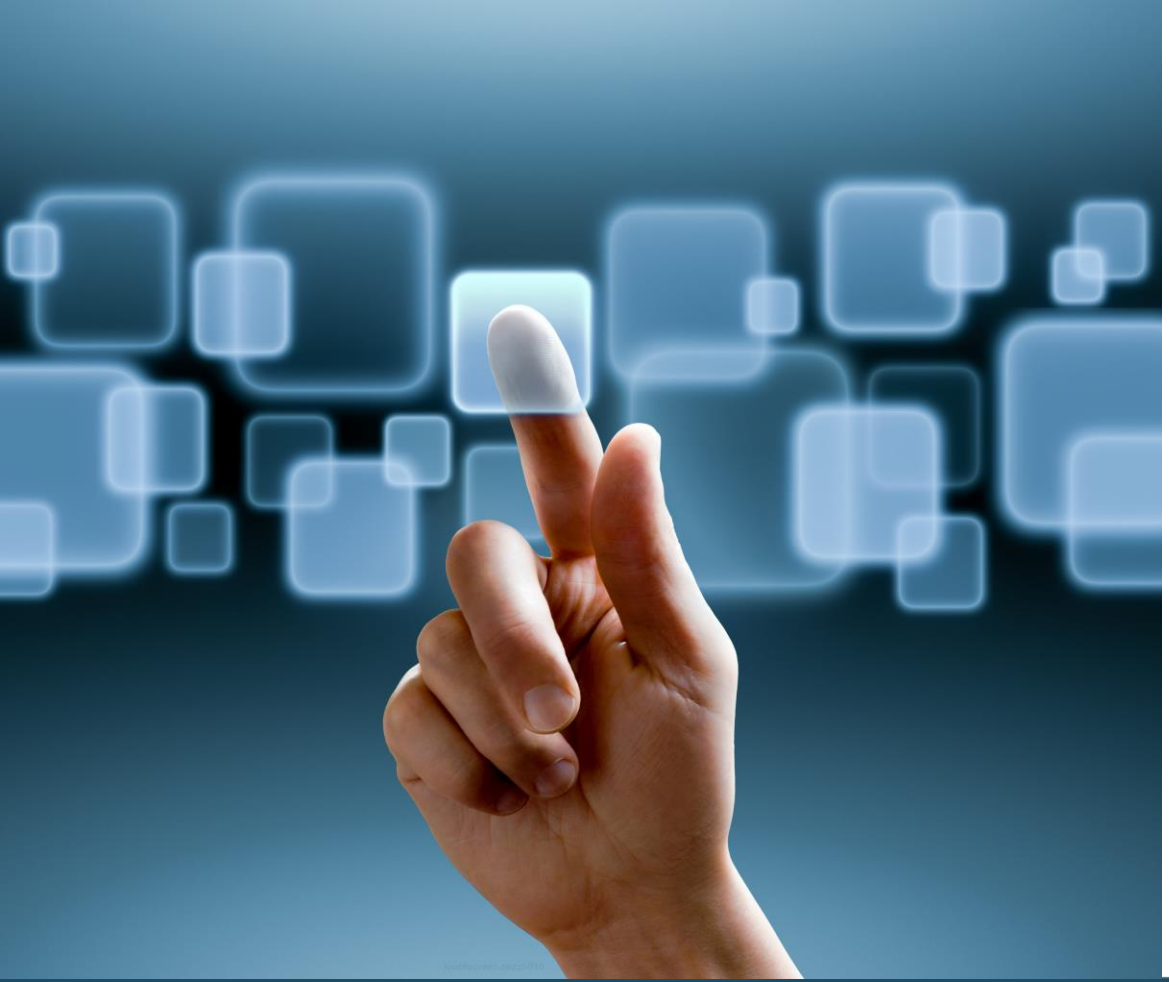




PORTABLE DESIGN CAN BE APPLIED IN A CONTINUITY-OF-CARE APPROACH ACROSS MANY SETTINGS







INTERFACE

Appliance Panels

MOLDING & ADVANCED DECORATION

INTEGRATED TEXT LIGHTING

DEAD-FRONT

FLEXIBLE CIRCUIT BOARDS

EMBEDDED SOFTWARE

CAPACITIVE TOUCH



SMARTKNOBS

2-SHOT MOLDING

PAINT & LASER ETCH

DIGITAL & PAD PRINTING

TOUCHSCREEN BONDING

IN MOLD LABELING & GLASS DECORATION

Fluid Level Sensing Solutions

ELECTRONIC PUMP SWITCHES, SENSORS, AND ALARM PRODUCTS

OFFERS SUPERIOR RELIABILITY, DURABILITY, AND PERFORMANCE

FOR HOME, COMMERCIAL, MUNICIPAL, MARINE, AND RV APPLICATIONS



LEVELGUARD SUMP PUMP SWITCH



BILGE PUMP WITH LEVELGUARD TECHNOLOGY



ICE MAKER SENSOR

Growth Drivers By Segment



AUTOMOTIVE

- LED lighting
- EV / HEV – Power management
- Infotainment
- ADAS / Autonomous (need of sensors)



INDUSTRIAL

- LED lighting
- Instrumentation
- Power distribution / Renewables
- Commercial Vehicle driver shortage
- ADAS / Autonomous (need of sensors)
- Driver and worker safety
- IoT



MEDICAL

- Never events (reduce pressure injuries, etc.)
- Patient quality – hospital rating systems
- Wellness
- Affordable Care Act – pay for outcomes vs. treatment
- Tele-medicine / homecare



INTERFACE

- Flexible/ configurable user interfaces
- Kiosks
- Digital Bandwidth demand (IoT, 5G)
- Product design – brand differentiation

Competitive Factors

- Patented Technology Solutions
- Strong Product Development Heritage
- Organic Product Growth
- Broad Customer Base
- Global Sales, Engineering and Lean Mfg. Footprint
- Highly Vertically Integrated Mfg.
- Substantial Free Cash Flow Generation
- Strong Balance Sheet
- Capital Deployment Focused on Value Creation

Leading, Patented Technology Solutions



AUTOMOTIVE INTERIOR

Headlamp Switches
Steering Wheel Switches
Window Switches
Touchpads
Rear Seat Controls
Overhead Consoles
Touchscreens
Center-stacks
Center Console Switches
Smart Knobs

Rotary Position Sensor



AUTOMOTIVE EXTERIOR

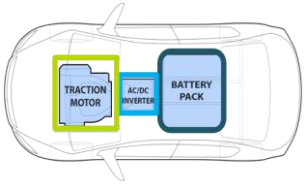
Gesture/Touch Tailgate Emblem
Integrated Tailgate Module
Advanced Illumination
In-glass Messaging
Keyless Entry
Handle-free Door Solution
Side Mirror Projection

Anti-roll Stability Sensor
Smart Towing Sensor
Transmission Position Sensor



LIGHTING

Sill Plates
Flood Lighting
Ambient Lighting
Material Illumination
Reading / Dome Lamps
Seat Illumination
Full Color Spectrum
Holographic Lighting



ELECTRIC VEHICLE

Intelligent Battery Connection
Battery Bus Bar Connections
Battery Disconnect Unit
PowerBud Connectors
Insert Molded Bus-bar/Carriers
Powder Coated Bus Bar
Flexible Bus Bar
Laminated Bus Bar
J1772 Charging Connector



COMPLEX INSERT MOLDED

Transmission Controller
(Lead Frame)
Engine Control Units
Ignition Switch
Anti-Lock Braking Assemblies
Pedal Assemblies
Door Latch Actuator
Horn Contact Unit
Transmission Solenoid Connector

Assembly | Decorating | Electronics | Metal | Plastic | Testing

Leading, Patented Technology Solutions



Grakon

Headlamp / Fog / DRL Lighting
Rear Lighting
RGB Ambient Lighting
Interior Task Lighting
Storage Lighting
Safety Lighting
Signal / Marker Lighting
Work / Task Lighting
Lighting Control Modules



HETRONIC

Wireless Control and Feedback
Wireless Video Feedback
Rf Proximity Detection
Integrated Controller and Remote Control For Locomotives
Rf E-stop
Weight Sensor (Magneto-elastic)
Electromechanical and Remote Control Retrofit Kits
Batteries and Chargers
Accessories (Straps, Belts, Vests, Etc.)



METHODE POWER SOLUTIONS

Bus Bar Solutions
Power Connectors
Power Assemblies
Power Cable Solutions
Thermal Solutions
PowerBud Connectors
Open Compute Connector
PowerRail

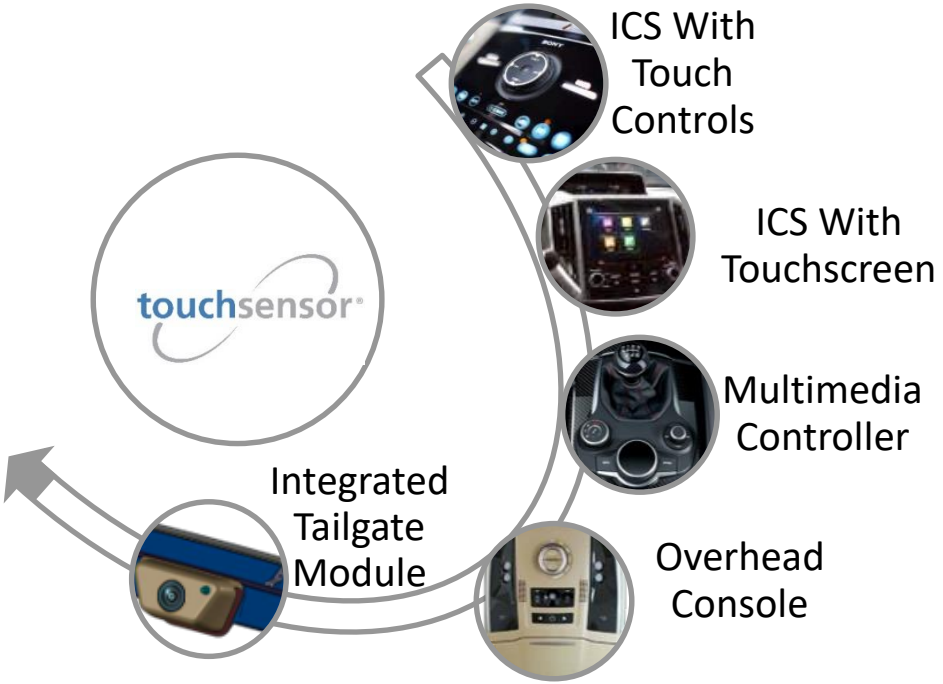


FLUID LEVEL SENSING

Sump Pump Switch
Bilge Pump Switch
Sewage Level Switch
RV Tank Level and Monitor
Marine High Water Alarm
Battery Electrolyte Level Sensor

Assembly | Decorating | Electronics | Metal | Plastic | Testing

Strong Product Development Heritage





Pressure Injury Prevention Overlay

Growing Content Per Vehicle



Ford Explorer

$75

- Integrated Center Panel
- Ignition Switch
- Brake Switch
- IP Switches
- **Overhead Console**
- **Ambient Lighting**



Electric SUV

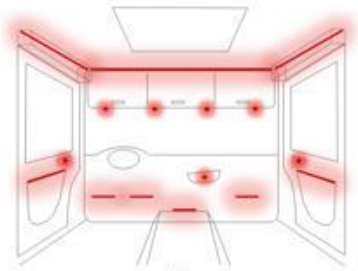
$228

- **Numerous interior lamps**

Cross-selling our technology

Grakon is booking new interior ambient lighting solutions business in the commercial vehicle and electric vehicle market by leveraging our Pacific Insight's RGB LED light engine technology. PI's RGB and single color LED light engines were originally developed for the Automotive market.





Commercial Truck's Cab Interior

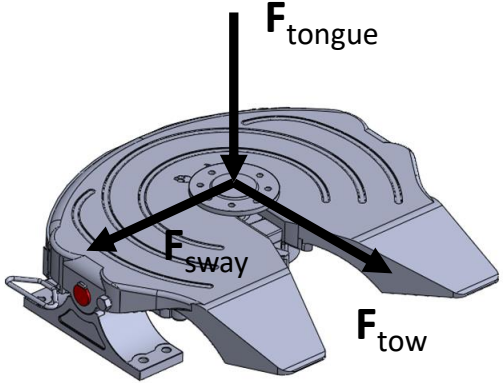


Electric SUV

New Sensor Application – Tow Load Sensor [TLS] System

Potential Benefits

- **Tongue Load**
- **Tow Load**
- **Driver Information Display**
- **Improved Ride and Handling While Towing**



An Enviable Customer List



Global Sales and Engineering Centers

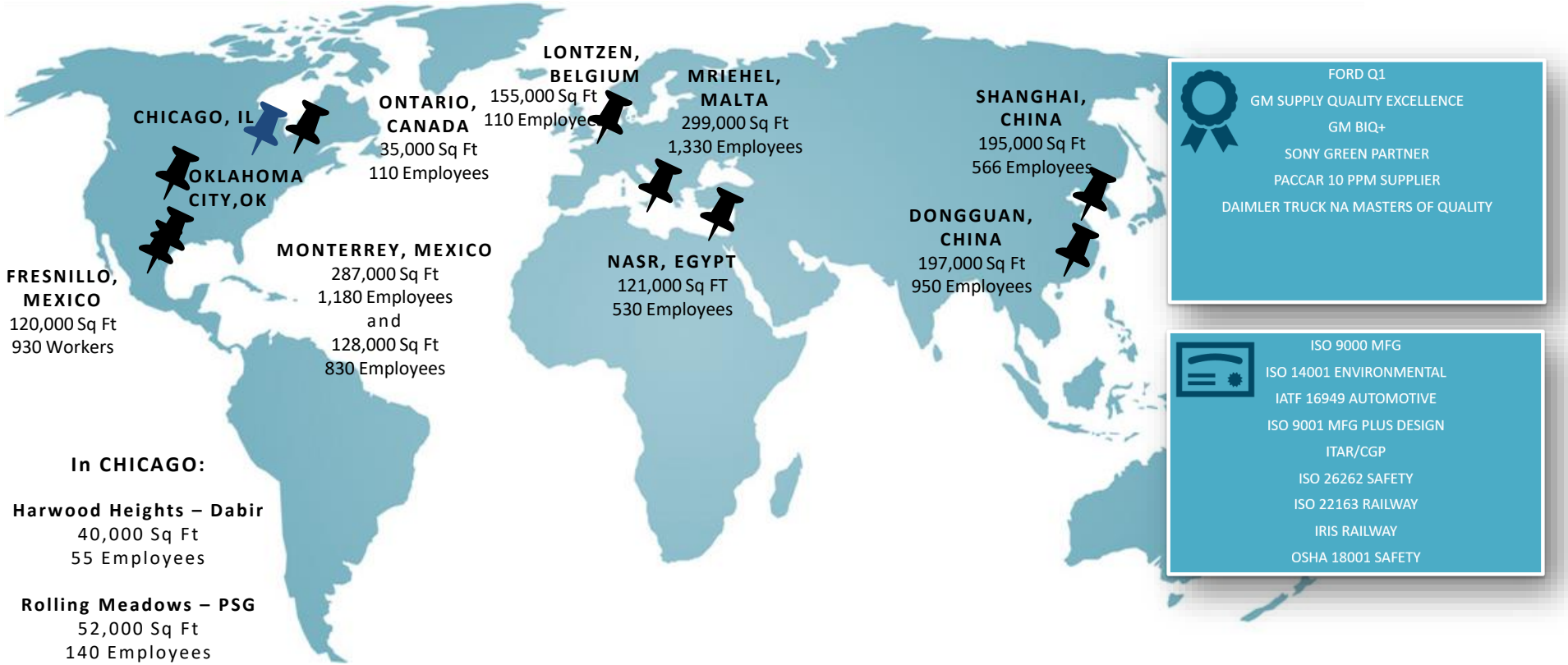


* In CHICAGO, IL:

HARWOOD HEIGHTS

ROLLING MEADOWS

Global Manufacturing Footprint



In CHICAGO:

Harwood Heights – Dabir
40,000 Sq Ft
55 Employees

Rolling Meadows – PSG
52,000 Sq Ft
140 Employees

FORD Q1
GM SUPPLY QUALITY EXCELLENCE
GM BIQ+
SONY GREEN PARTNER
PACCAR 10 PPM SUPPLIER
DAIMLER TRUCK NA MASTERS OF QUALITY

ISO 9000 MFG
ISO 14001 ENVIRONMENTAL
IATF 16949 AUTOMOTIVE
ISO 9001 MFG PLUS DESIGN
ITAR/CGP
ISO 26262 SAFETY
ISO 22163 RAILWAY
IRIS RAILWAY
OSHA 18001 SAFETY

Vertically Integrated Manufacturing Capabilities

ASSEMBLY

- Lean manufacturing focus
- Work Cells
- Fully Automated
- Semi-automated
- Mistake proofing
- Variable Controlled Fastening
- Class 10,000 clean room
- Class 1,000 (inside machine)
- Laser marking
- UV coating (manual & automated)
- Dedicated production lines
- Prototype prove-out lines
- Robotic part placement
- Adhesive dispensing

DECORATING

- Automated Paint Lines
- In-mold decorating (IMD)
- In-mold label (IML)
- Digital Printing
- Pad Printing
- Precision Laser Etching
- HOT Stamping
- Sputtering (metallization)
- Powder coating
- Micro-milling (graphics)

ELECTRONICS

- PCB assembly / processing
- Surface Mount lines (SMT)
- Wave & selective soldering
- Manual soldering
- Odd-form placement
- Potting (sealing)
- Touch Screen Optical Bonding
- Software embedding
- Automated Optical Inspection
- Electro-static Discharge assembly protection
- Conformal coating
- Wire - automated cut/strip/terminate

METAL

- Stamping
- In-house plating
- Metal plate lamination
- CNC machining
- Punching (metal plate)
- Water-jet
- Break/bend pressing
- Automated deburring
- Extrusion finishing
- Cutting
- Dielectric laminating
- Press fit
- Micro-welding
- Electro-discharge machining (EDM)

PLASTIC

- Injection Molding
- Insert Molding
- Over-molding
- Mold in color
- 2 shot molding
- Rapid heat and cool molding
- Liquid Silicon Rubber molding
- Blister Trays: mfg. in-house
- Plasma cleaning
- Laser welding
- Ultrasonic welding

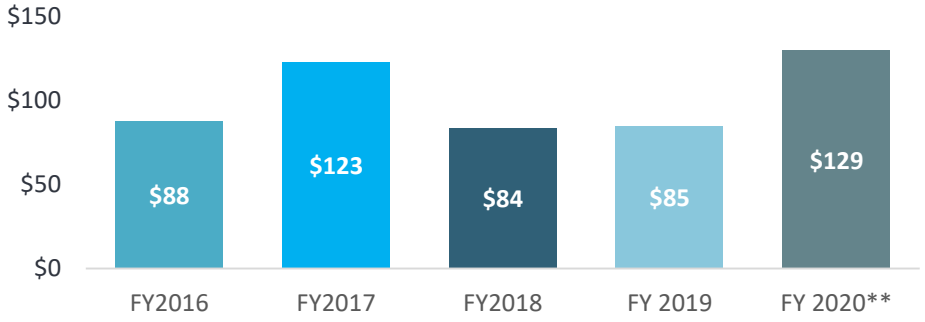
TESTING

- End-of-line testing (EOLT)
- Automated Optical Inspection (PCB/SMT)
- Environment chambers
- Thermal Shock chambers
- Vibration (and w/environment)
- Functional durability (test rigs)
- Salt spray
- Water spray and intrusion
- Illumination & dark room
- Color evaluation & measurement
- Aiming (light projection profile)
- Abrasion
- Gloss measurement
- Sand / Dust
- Electro-static discharge
- Electro-magnetic compatibility (EMC via EMI / RFI chamber)
- Load (compression/tension)
- Torque loading
- Sound via Isolated Sound chamber
- Pressure leak testing
- Adhesion
- Flammability
- Drop
- Hardness
- Ultraviolet exposure (UV)

Strong Cash Flow and Balance Sheet



Free Cash Flow* ±



** Millions*

± Adjusted, Net Income + Depreciation + Amortization - CapEx

*** Estimate*

Capital Deployment Focused on Value Creation

$961 Million Allocated Fiscal Years 2016-2019

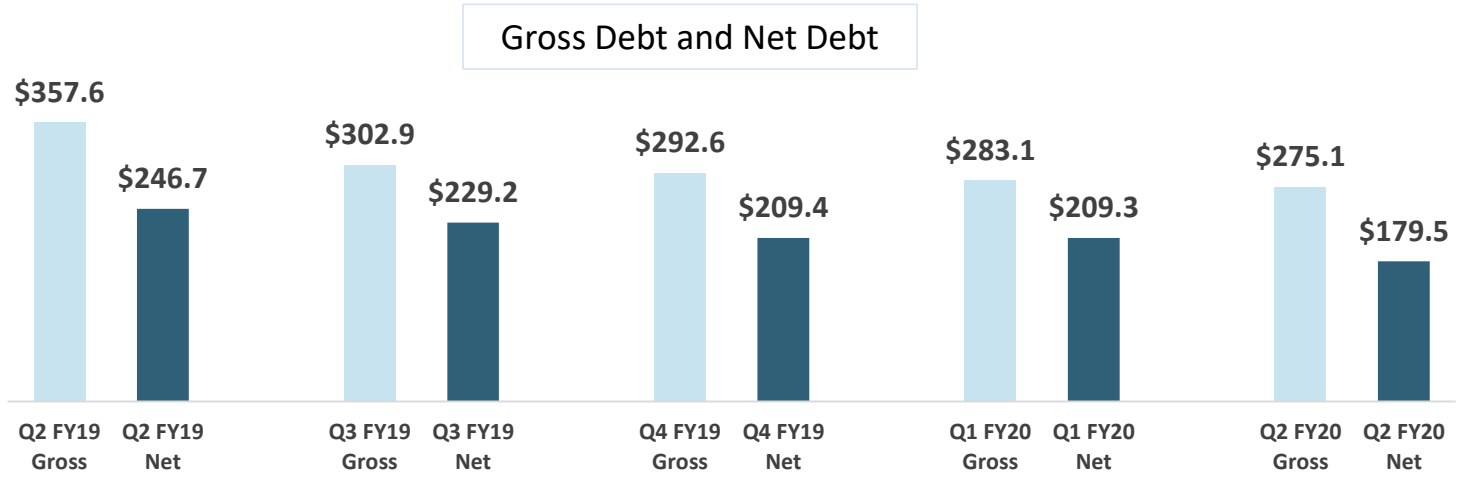
Fund the Business		
Acquisitions	$553M	58%
Cap Ex	$143M	15%
Product Development	$135M	14%

Return to Shareholders		
Share Repurchase	$ 72M	7%
Dividends	$ 58M	6%

Deleveraging Since Grakon Acquisition in Q2 FY19

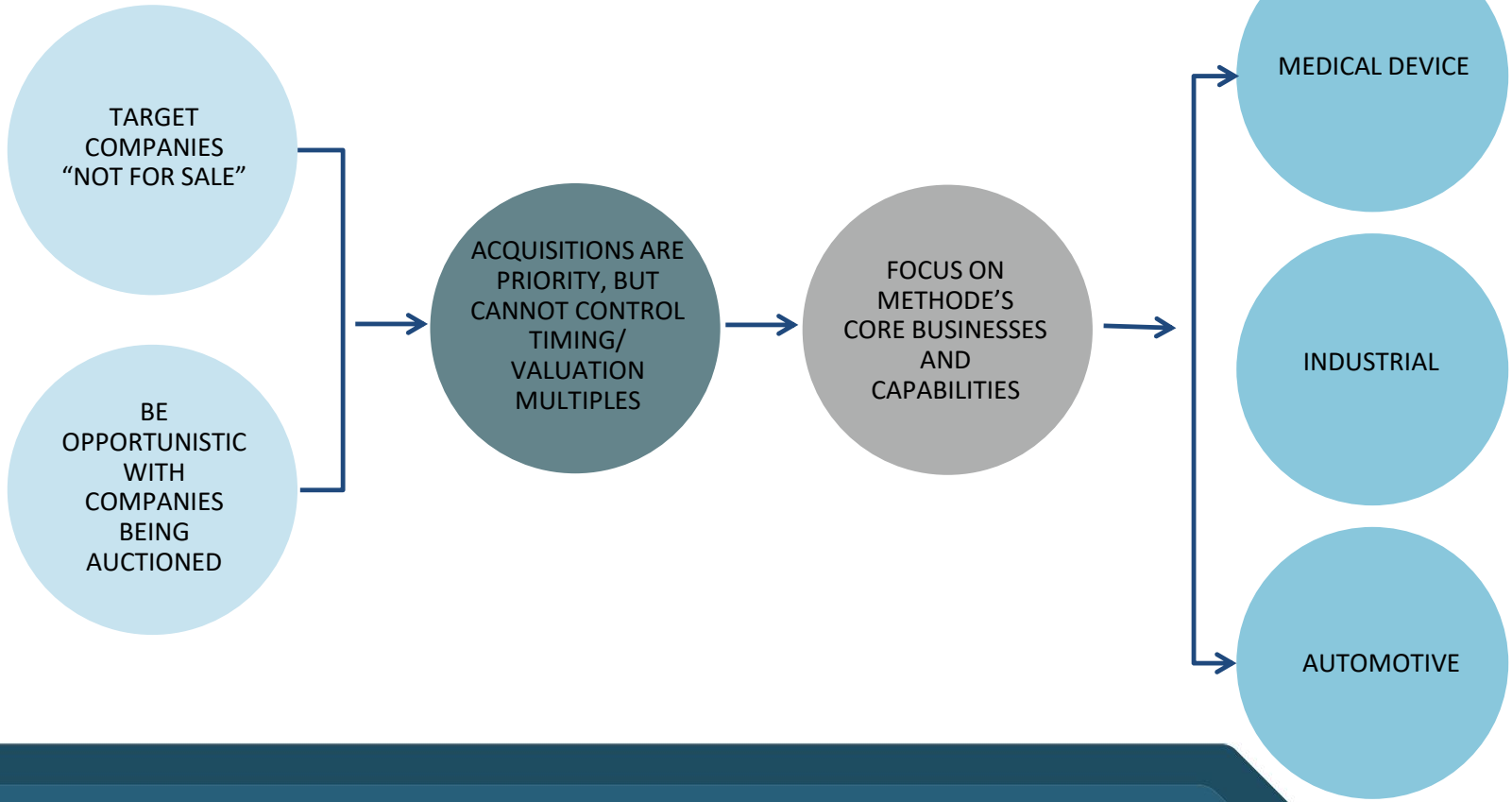
(Dollars in Millions)

TTM Gross Debt / EBITDA Ratio* is 1.5 at end of Q2 FY20



** As defined in the credit facility agreement*

Framework for Inorganic Growth



Continue Focus on Value Creation

Grow Organically and Inorganically

Leverage existing technologies to grow organically, increasing $ content/vehicle faster than volumes are dropping

Invest in innovation which will integrate our technologies into new products

Seek acquisitions in Industrial and opportunistically in Medical Device and Automotive

Strong Financial Management

Optimize capital allocation

Expand margins and ROIC - SGA efficiency, footprint rationalization and other initiatives

Seek to maintain effective tax rate via leverage of global manufacturing footprint

Focus on debt repayment

FY20 Financial Guidance Reaffirmed

$150.3-164.3M Pre-Tax Income	$122-$136M Free Cash Flow*	$48-$54M CapEx
$3.25-$3.55 EPS	18-21% Income Tax Rate	$51-$54M Depreciation and Amortization

FY20 Revenue Guidance Adjusted
Due to adverse impact of UAW labor strike at GM of $32M

$1.10-1.13B
Revenue

** Net Income + Depreciation and Amortization minus Cap-Ex*

Thank you