



Methode is... possibilities

Baird's 2013 Industrial Conference

November 6, 2013

Safe Harbor



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 a small number of large customers, including one large automotive customer; (2) dependence on the automotive, appliance, computer and communications industries; (3) customary risks related to conducting global operations; (4) timing, quality and cost of new program launches; (5) ability to avoid design or manufacturing defects; (6) ability to compete effectively; (7) dependence on the availability and price of raw materials; (8) dependence on our supply chain; (9) downturns in the automotive industry or the bankruptcy of certain automotive customers; (10) ability to keep pace with rapid technological changes; (11) ability to protect our intellectual property; (12) ability to withstand price pressure; (13) location of a significant amount of cash outside of the U.S.; (14) the recognition of goodwill impairment and long-lived asset charges; (15) currency fluctuations; (16) ability to successfully benefit from acquisitions and divestitures; (17) ability to withstand business interruptions; (18) income tax rate fluctuations; (19) a breach of our information technology systems; and (20) the cost and implementation of SEC disclosure and reporting requirements regarding conflict minerals.



Methode is...



Solution Groups



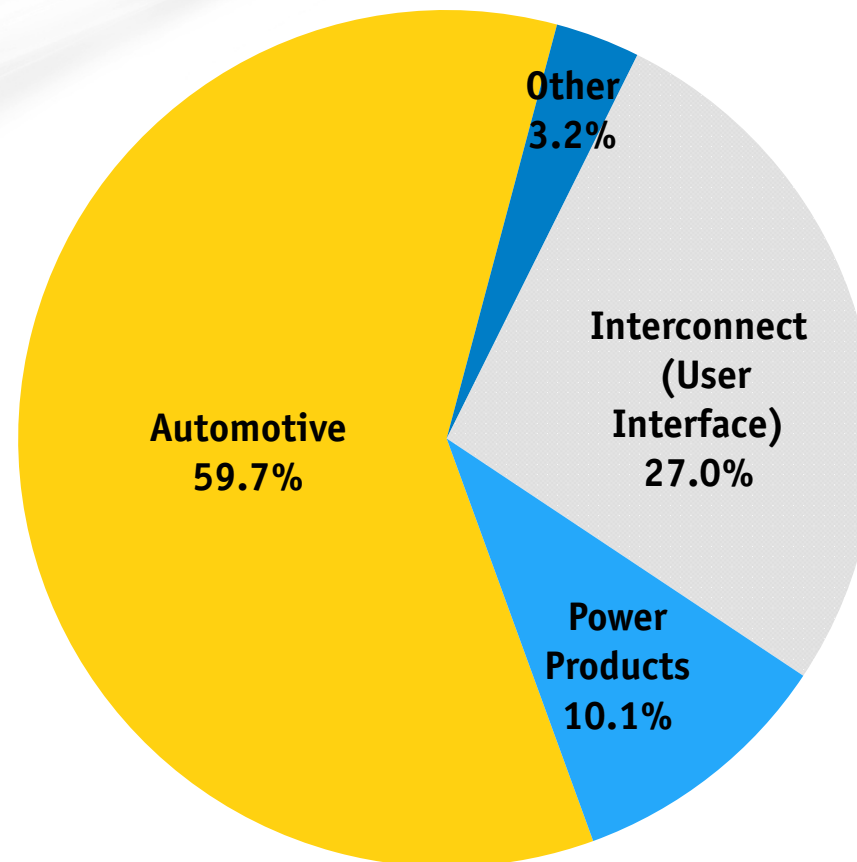
Solutions for

- Automotive
- Transportation
- Industrial
- Consumer & Commercial
- Military & Aerospace
- Alternative Energy
- Communications
- Medical

Global Capabilities

- Design & engineering
- Program management
- Manufacturing
- Test

FY 13 Segment Sales



Competitive Advantages



- Field-proven technologies provide solutions for our customers and competitive advantage to Methode

➡ ***Over 290 patents***

- Vertical integration and continuous improvement of manufacturing systems

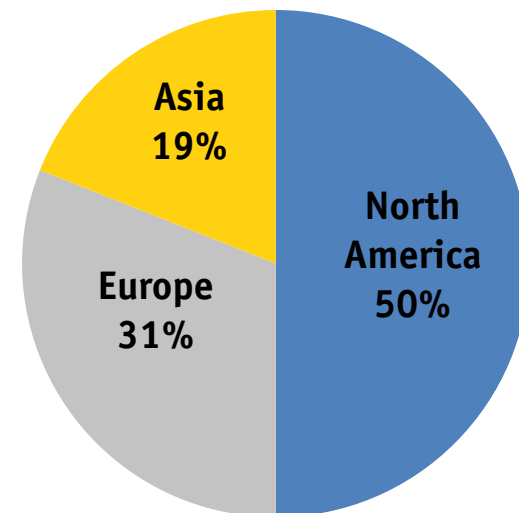
➡ ***Low defective parts per million / High on-time delivery***

- Seasoned launch and design teams

➡ ***Successful launch of large programs for General Motors, Ford, Whirlpool and others***

- Global manufacturing footprint with regional design and engineering capabilities

FY13 Sales By Manufacturing Location



Financial Strength



- FY13 sales grew nearly 12% over FY12
- FY13 non-GAAP EPS of \$0.52* (GAAP EPS of \$1.08) compared to FY12 EPS of \$0.22
- Strong balance sheet with ~ \$73.4 million in net cash and credit availability⁺
- Dividend paid for over 30 years
- Current dividend yield of 1.0%[±]
- Named one of America's Most Trustworthy Companies by *Forbes* in 2012 and 2013



* Adjusted for the \$20.0 million Delphi settlement, \$0.3 million Eetrex impairment, \$2.1 million Tandem Cash Award expense and \$7.6 million increase in the Malta deferred tax asset.

+ As of July 27, 2013

± As of November 4, 2013

Strong Financial Results



Q1FY14 Versus Prior Year

- Sales improved nearly 41%
- Net income grew 250%
- Gross margin improved to 20.3% compared to 18%
- Operating margin improved to 8.9% from 7.3%
- SG&A as a percentage of revenues decreased to 11.3% from 14.5%
- Strong expense leverage
 - ✓ Increased manufacturing efficiencies due to vertical integration
 - ✓ Favorable raw material pricing and product mix in Power Products
 - ✓ Lower than anticipated scrap on General Motors K2xx programs

Improving Margins



Gross Margins

	FY13 Actual	FY14 Target	FY14 Q1 Actual	FY15 Target
Automotive	14.0%	High teens%	18.3%	Low-mid 20%
Interconnect	26.2%	Mid-high 20%	27.2%	High 20-low 30%
Power	17.3%*	Low 20%	22.5%	Mid 20%

Automotive

- Vertical integration of intricate paint process
- Revenue from GM K2xx
- Methode capacitive touchscreen in FY15
- Europe and Asia already meeting margin goals

Interconnect

- Improved mix with greater industrial revenue

Power

- New product launches
- Cost control measures

* Includes Eetrex development costs. Without these costs, gross margins would have been 22.0%.

Improving Margins



Pre-Tax Operating Margins

	FY11	FY12	FY 13	FY14 Q1
Auto	5.9%	3.7%	5.5%	12.0%
Interconnect	14.4%	14.1%	13.1%	16.9%
Power	7.1%	3.2%	1.6%	13.3%
Consolidated	3.7%	2.5%	4.2%	8.9%

- FY14 goal 9-10% consolidated, reached 8.9% in Q1
- FY15 goal 10-11% consolidated

Automotive Solutions



Technological Innovation



Integrated Center Consoles (ICC)



Electric Vehicle (EV) Bus Bar Assemblies



Transmission Products



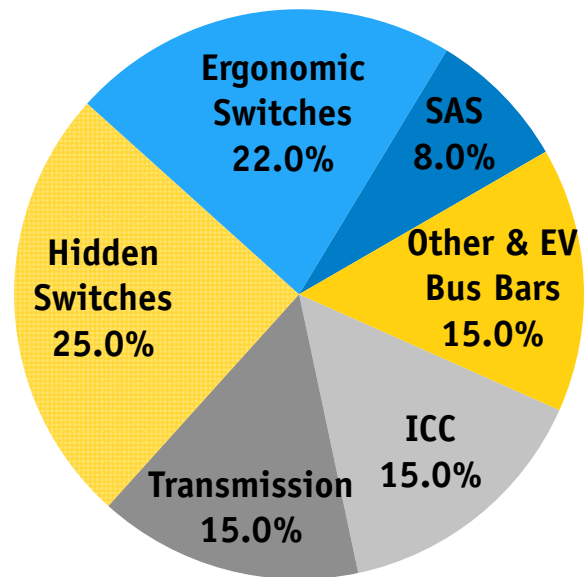
Hidden & Ergonomic Switches



Steering Angle Sensors (SAS)



FY13 Automotive Sales



Integrated Center Consoles



- Methode's integrated center consoles incorporate
 - ✓ Touchscreens, touch panels, ambient lighting
 - ✓ Integrated software allows multiple systems to communicate
- Methode is one of a select, few global suppliers with the technology, manufacturing expertise and ability to design and integrate all functions into a stylistic product that meets stringent automotive requirements
- Major competitors
 - ✓ Alpine
 - ✓ Delphi
 - ✓ Panasonic
 - ✓ Preh
 - ✓ TRW

Integrated Center Consoles



Major Awards In Production

MyFord & MyLincoln Touch

- 2011-2015 MKX, Edge, & Explorer
- 2013-2017 Taurus, Flex, MKS, & MKT
- Utilize TouchSensor's Field-Effect and Integrated Back Lighting technologies
- PACE 2012 Award Winner for Field-Effect™ solid-state switches



General Motors K2xx

- 2014-2019 Tahoe, Yukon, Silverado, Sierra, Suburban and Yukon XL
- Standard on every model
- Methode provides entire center console including display, touchscreen and an articulation design on certain platforms



Integrated Center Consoles



Recent Awards

- French OEM
 - ✓ Methode's first high-volume center console program in Europe
 - ✓ Approximately \$100m in total revenue over life of program
 - ✓ Approximate revenue of \$6m in FY16, ramping to approximately \$20m in FY17
 - ✓ Panel integrates display, controls for radio, infotainment and climate functions in a stylish package with innovative decorative finishes
- North American OEM
 - ✓ Approximate revenue of \$11m in FY17, ramping to approximately \$15m in FY18
 - ✓ Approximately \$60m in total revenue over life of program

Transmission Lead Frame



- Integrated power and signal distribution backbone for transmission controller
- Highly complex insert molded assembly reduces electrical connections required with traditional design
- Improves system reliability, reduces costs
- General Motors program for 2008-2017 at \$48m average annual revenue
- Ford program for 2014-2019 at \$9m average annual revenue

GM T76 Lead Frame



Ford 6F35 Lead Frame

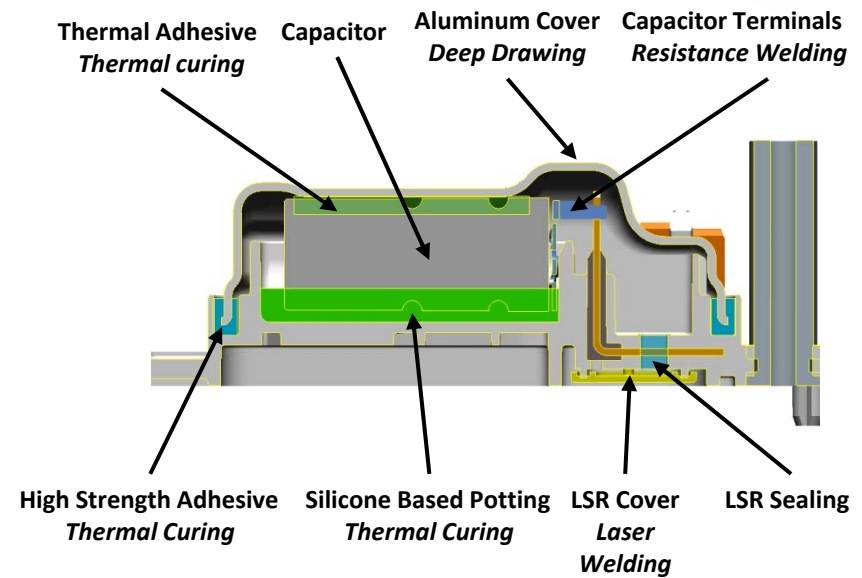


Transmission Lead Frame



Vertical Integration of New Technologies

- Laser welding and resistance welding
- Liquid silicone over-molding
- Resin and thermal gel potting
- Aluminium to plastic adhesive
- Launching Q4 FY14 for new Volkswagen hybrid vehicle



Transmission Sensor



Clutch Plate Position Sensor

- First deployment of patented Magneto-elastic technology in transmission
- Deployed in new generation of fuel efficient, dual clutch transmissions
- Enables accurate and repeatable measurement
- Resolution nearly ten times current, commercially viable technology
- Withstands harsh environment of transmission
- Operates at temperatures in excess of 360°F
- Launches FY15, 5-year program, \$11m average annual revenue

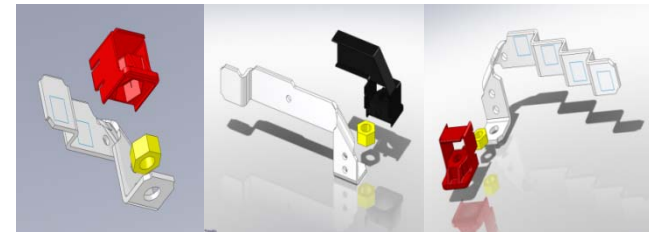


EV Bus Bar Assemblies



- Nissan Leaf
 - ✓ North American and European vehicles
 - ✓ Connect lithium-ion battery cells
 - ✓ Each vehicle requires 48 battery modules
 - ✓ Three Methode assemblies utilized on each battery module
 - ✓ Methode developed and implemented an innovative, automated production system meeting stringent automotive requirements
- Working with other OEMs on similar products

Battery Pack With 48 Battery Modules



Interconnect Solutions



Technological Innovation



**Appliance User
Interface Panels**



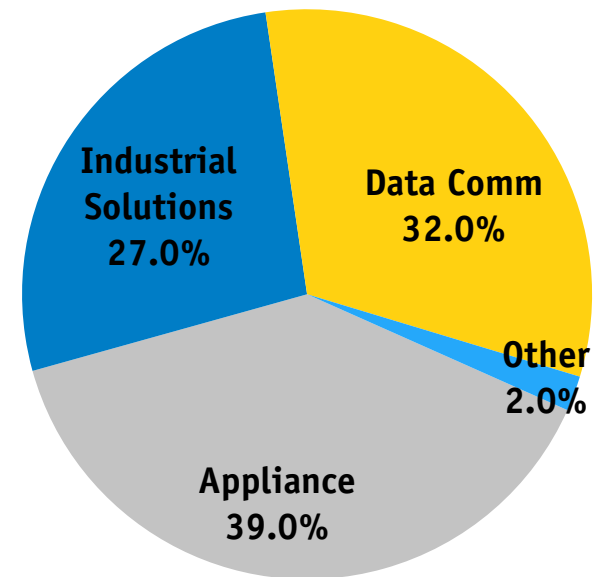
**Industrial Safety
Solutions**



Data Communication Solutions



FY13 Interconnect Sales

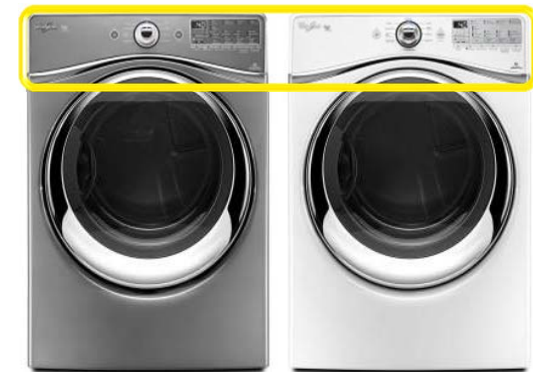


Appliance Touch Panels



- TouchSensor's user interfaces are found on over 60% of the solid-state touch interfaces in North America
 - ✓ Integrate touch, LED's, displays and decorative fascia into one sub-assembly
 - ✓ Discrete key designs as well as high-resolution LCD touchscreens
 - ✓ Main customer brands
 - Whirlpool
 - Maytag
 - Electrolux
 - Jenn-Air

Whirlpool Washer and Dryer



Jenn-Air Wall Oven



Industrial User Interfaces



Radio Remote Control Solutions

- Custom engineered control solutions for industrial machinery and equipment
- Pioneering solutions for the next generation of radio remote control systems
 - ✓ Touch screens
 - ✓ Load sensors
 - ✓ Live video
 - ✓ Haptic feedback
- Proven expertise with over 300,000 global installations for:
 - ✓ Concrete pumps
 - ✓ Cranes
 - ✓ Material handling
 - ✓ Drilling rigs
 - ✓ Locomotives
 - ✓ Work platforms
 - ✓ Explosion proof applications
- Provides Methode a solid path to market to industrial customers



Data Solutions



- Provides products and services focused on supporting the data and telecommunications industries
 - ✓ High speed copper transceivers, loop backs and cages
 - ✓ DCIM enabled cabinet (sensors and centralized data collection)
 - ✓ Fiber optic and copper cable assemblies
 - ✓ Data center cabinets, enclosures and cable management
 - ✓ Intelligent power distribution, assurance and management devices
 - ✓ Design, installations and customization services

Data Center Infrastructure



Power Product Solutions



Technological Innovation



Bus Bars



Interconnect



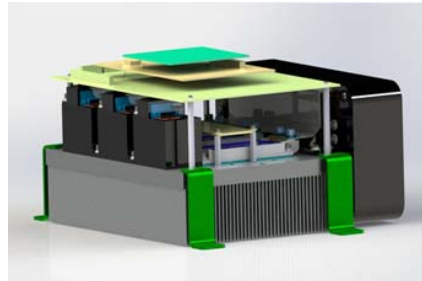
Power Rail



System Integration



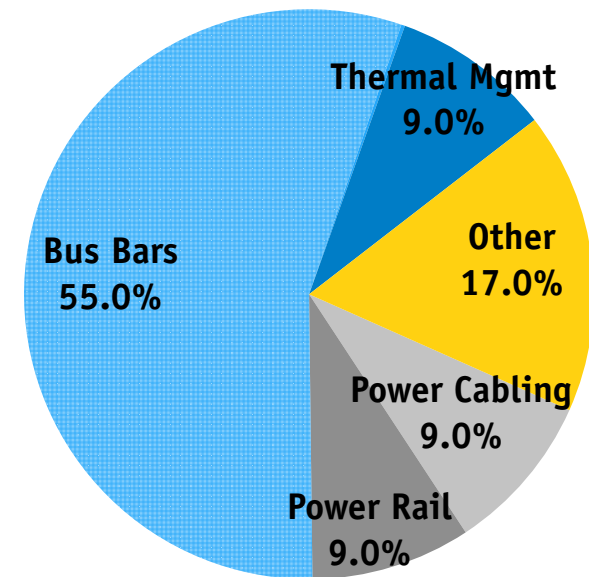
Power Converter Module



Thermal Management



FY13 Power Product Sales



Technologies and Capabilities



- Methode is a global expert in design, application and manufacture of power distribution products, thermal components and subassembly solutions in the focus markets of
 - ✓ Big data
 - ✓ Renewable energy
 - ✓ Military/Aerospace
 - ✓ Transportation
- Active Power System Integration
 - ✓ As a tier one integrator, Methode leverages its core capabilities to provide OEMs cost-effective alternatives to managing multiple suppliers

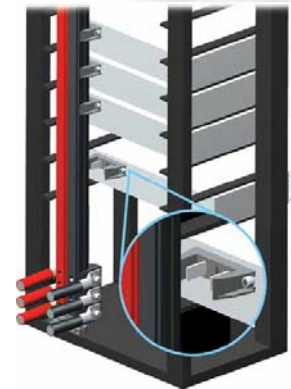
PowerRail



- Patented power-distribution provides flexibility with multiple quick connect interconnect points
- Easily customized in lengths, number of rails, connect/disconnect options
- Adds flexibility and redundancy with easy pluggable add-ons, allowing customers systems to operate reliably
- Recent award with “Big Data” customer launched in Q4 FY13



750 Amp



Typical Application



200 Amp Showing Connection Density

What's Next?



Methode's Core Strategy



Design and engineer products that incorporate Methode's broad range of field-proven technologies and utilize our global manufacturing capabilities to deliver unique solutions that provide genuine value for our customers and higher margins for our shareholders.

Automotive Capacitive Touchscreens



- Allows functionality, speed and accuracy similar to Smart Phones
- Enhanced user experience compared to resistive technology
- Rigorously tested to automotive standards
- According to IMS Research, 5.8 million automotive touchscreens were sold globally in 2011; sales are expected to rise six-fold to 35.7 million in 2019
- iSupply recently estimated 9 out of 10 vehicles sold in U.S. now offer touchscreens within the center console that almost entirely utilize resistive technology
- Launching in FY15 with major OEM

SmartCenter Stack



Increased Integration

- One complete system includes
 - ✓ Integrated center stack
 - ✓ Video screen
 - ✓ Capacitive touch screen
 - ✓ Wired/wireless cell phone connection
 - ✓ Audio
 - ✓ Tactile knobs/buttons
- Some vehicles will utilize operator's cell phone as media server/duplicates phone functionality through vehicle touchscreen
- Advantages
 - ✓ Reduction in discrete modules (housings, regulators, bus transceivers, video interface)
 - ✓ Single source for all HMI functions
 - ✓ Reduces vehicle cabling
- Earliest deployment FY18

Transmission Torque Measurement



Active and Absolute Non-Contacting Torque Sensor

- Patented Magneto-elastic technology relies on magnetizing the drivetrain shaft which, when stressed, outputs an instantaneous and very precise torque measurement
- Allows automakers the ability to measure real-time torque vs. current technology requiring elaborate algorithms that only estimate torque
- Currently being prototyped and tested with several automotive OEMs
- Earliest deployment FY18

Characteristic	Today	Methode's Magneto-elastic Technology
Torque calculated by	Estimation	Measurement
Completely real time	No	Yes
Accuracy invariant to temperature and altitude	No	Yes
Accuracy of initial calibration maintained over time	Sufficient	Excellent
Calibration accuracy in cars	Very good	Excellent
Calibration accuracy in trucks and SUVs	Sufficient	Excellent
Smoothness of shift	Sufficient	Excellent

Digital Printing



- Digital printing on glass
 - ✓ Replaces conventional screen printed decorative tempered glass on user interface panels
 - ✓ Utilizes ultra-violet curable organic inks dispensed via large-scale, digital printer
 - ✓ In production with one customer
 - ✓ Approved by major OEM for conversion in FY14
- Digital printing of graphics and circuits via Methode Nano-particle conductive ink
 - ✓ Replaces conventional printed circuit board
 - ✓ Provides distinct competitive advantage
 - ✓ Reduces inventory, lead-time and tooling (print on demand)
 - ✓ Earliest deployment FY16



HighPer Touch



The Next Generation of Touch

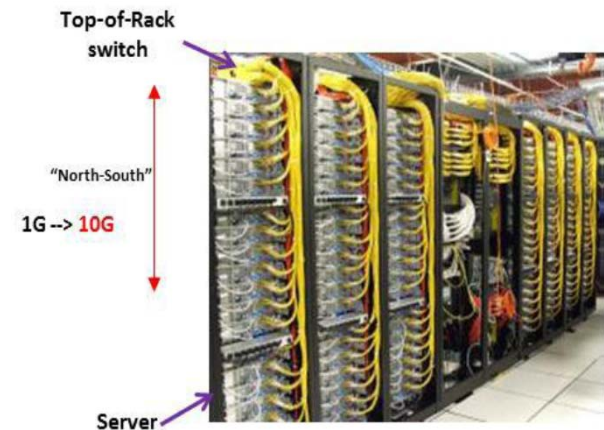
- Addresses common challenges associated with various touch technologies
- Senses touch through thicker substrate
- Feels the same to user with or without gloves
- Enhanced “noise” performance over conventional touch technology
- Provides water immunity
- Allows for greater variances in manufacturing processes
- Consumer, Automotive, Appliance, Industrial, Medical applications
- Per IHS iSuppli Report, touch controller shipments will reach 2.4 billion pieces by 2015
- Earliest deployment FY15



10G Transceiver Modules



- Transceivers are placed in data communications networks to allow flexibility when connecting switches to other networking equipment
- Copper transceivers are used for short distance high speed communications and are more cost effective than their optical counterparts
- In FY15, Methode will launch 10G copper transceivers with estimated revenue of \$40m in FY17



Therapeutic Support

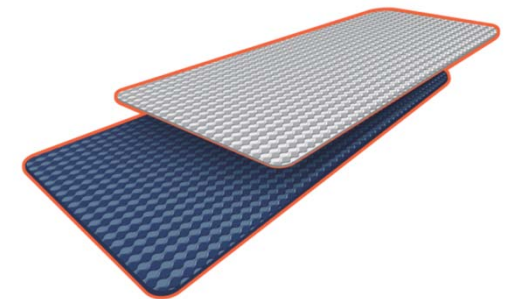


- Methode medical innovation
 - ✓ New technology aimed at “bed sore” prevention
 - ✓ \$2 billion annual concern in U.S.
 - ✓ No longer covered by Medicaid & Medicare if hospital acquired
- Dabir Surfaces Inc.
 - ✓ Licensed IP from Reza Dabir, M.D. (Cardiothoracic Surgeon)
 - ✓ New Methode IP creation (Substantial)
 - ✓ Leverages Methode manufacturing expertise
 - ✓ Utilizes existing Methode technology portfolio
 - TouchSensor user interface
 - Encrypted wireless communication
 - ✓ Established channel-to-market

DABIRAIR
CONTROLLERS



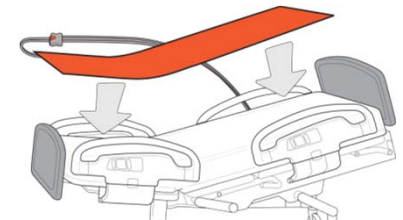
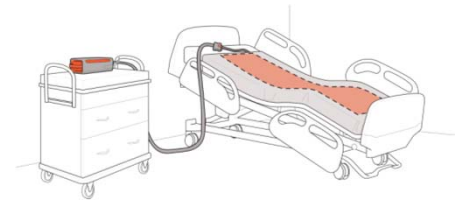
DABIRAIR
OVERLAYS



Therapeutic Support



- Dabir Therapeutic Support Technology
 - ✓ Disposable overlays with intelligent controller
 - ✓ Overlays install between support mattress and cover sheet
 - ✓ Provides alternating “Nodal Support” for localized pressure relief
- Dabir Application Potential
 - ✓ Long-duration surgical procedures
 - ✓ Dialysis procedures
 - ✓ Recovery & long-term care settings
- Commercialization
 - ✓ In negotiation with national distributors, targeting expansion into EU
 - ✓ FDA Device Classification: Class II – 510k exempt
- FY2015 market introduction



Methode is...possibilities



Investing In Our Future



- Will continue to follow a balanced strategy of investing in our business, maintaining a strong and flexible financial position and returning cash to shareholders
 - ✓ Continue to invest in core businesses to grow, defend and improve our competitive position
 - ✓ Continue to invest in engineering and launch management to provide customer solutions and near-flawless execution
 - ✓ Maintain strong and flexible balance sheet with ample liquidity to support continued growth organically and through acquisitions
- Investing approximately 4-5% of net sales in R&D
- Leverage global footprint, vertical integration and continuous manufacturing systems improvement

Investment Appeals



- Portfolio of products and solutions to meet customer needs in growing end markets
- Opportunities for expansion into additional end markets
- Global engineering, design and low-cost manufacturing
- Unique patented technologies – strong product development heritage
- Seasoned management team
- Margin expansion through sales growth and expense leverage
- Strong balance sheet with sufficient liquidity to fund growth organically and through acquisition



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