



3rd Quarter Earnings Conference Call

February 7, 2019

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Forward-Looking Information

As a reminder, we will be presenting certain forward-looking statements on this call that are based on Management's current expectations and views regarding future events and operating performance and are subject to uncertainties and changes in circumstances. Our actual results may differ materially from the forward-looking statements for a number of reasons. Our forward-looking statements are applicable only as of the date of this presentation. For a list of the factors which could affect our future results, including our earnings estimates, see forward-looking statements included in "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations," set forth in our Quarterly Report on Form 10-Q for the fiscal quarter ended December 30, 2018, which was filed with the U.S. Securities and Exchange Commission.

In addition, we will also be presenting certain non-GAAP financial measures. For an explanation of the differences between the comparable GAAP financial information and the non-GAAP information, please see our company's Form 8-K which includes our press release dated February 6th, 2019, which is located on our web site at www.enersys.com.

Third Quarter Fiscal 2019 Results

(\$ Millions)

	w/Alpha Q3 F'19	Legacy ENS Q3 F'19	Legacy ENS Q3 F'18
SALES	\$680.0	\$654.6	\$658.9
GROSS PROFIT \$	\$168.3	\$163.3	\$167.0
OP EARNINGS \$	\$67.5	\$68.6	\$71.0
OP EARNINGS %	9.9%	10.5%	10.8%
EPS	\$1.17	\$1.21	\$1.25

Presented on an as adjusted basis. See appendix at end of presentation for more detailed information.

Global Business Review

AMERICAS

- U.S. Reserve Power solid, however, U.S. telecoms restructuring led to temporary order slowdown
- Telecom carriers forecast substantial purchasing increases in CY 2019
- Motive Power sales strong and EnerSys picked up market share

EMEA

- Strong Motive Power, partially offset by weak telecom (telecom spending soft - waiting for 5G)
- Reserve Power growth focus on long-haul truck transportation and datacenter markets
- Motive Power TPPL maintenance-free product sales also trending higher

ASIA

- Reserve Power Q3 sales volume down due to Chinese mandate for using repurposed lithium batteries for telecom
- Increase China Reserve Power exports to non-U.S. telecommunications customers

AEROSPACE & DEFENSE

- Additional orders from Defense and Aerospace OEMs for weapon systems anticipated
- Second shift in Tampa facility up and running

Information Metrics

(Legacy ENS Only)

	Q3 FY19	FY 2018	FY 2017
Premium Products % of Net Sales	43%	40%	40%
LME Lead Average	\$0.98 <small>(YoY Increase \$10M)</small>	\$1.04 <small>(YoY Increase \$125M)</small>	\$0.84
Gross Cost Reduction Savings	\$2M	\$25M	\$20+M
System Costs in P&L (SAP, Salesforce, HRIS)	\$3M	\$8M	\$3M
Engineering Costs YoY	\$1M	\$8M	\$2M+

- Premium product percentage of sales continues to rise
- YoY net lead cost minus pricing P&L tailwind

Strategic Initiatives

- **Alpha acquisition update**
 - **Positive acceptance from EnerSys and Alpha customers**
 - **No orders lost as a result of the acquisition (better than planned)**
 - **Synergy changes implemented and on track to achieve plan**
- **Maintenance-free motive power lithium modular product launches officially at U.S. ProMat show in April**
- **Management team announced and in place to execute strategy**
- **Mid-year investor day planned for review and update of strategic initiatives**

F'19 3rd Qtr. YOY Sales By Region & Line Of Business

(\$ Millions)

	F'19 Q3	F'18 Q3	Fav/(Unfav)				Volume	Price	M&A	Fx
			\$	%						
Americas	\$402	\$353	\$49	14%	5%	3%	8%	-2%		
EMEA	\$218	\$225	(\$7)	-3%	2%	-	-	-5%		
Asia	\$60	\$81	(\$21)	-25%	-23%	2%	-	-4%		
Total Net Sales	<u>\$680</u>	<u>\$659</u>	<u>\$21</u>	<u>3%</u>	<u>-</u>	<u>2%</u>	<u>4%</u>	<u>-3%</u>		
Motive Power	\$351	\$332	\$19	6%	7%	2%	-	-3%		
Reserve Power	\$329	\$327	\$2	1%	-6%	2%	8%	-3%		
Total Net Sales	<u>\$680</u>	<u>\$659</u>	<u>\$21</u>	<u>3%</u>	<u>-</u>	<u>2%</u>	<u>4%</u>	<u>-3%</u>		

Rounding may cause minor differences.

F'19 3rd Qtr. Sequential Sales By Region & Line Of Business

(\$ Millions)

	F'19 Q3	F'19 Q2	Fav/(Unfav)	
			\$	%
Americas	\$402	\$389	\$13	3%
EMEA	\$218	\$204	\$14	7%
Asia	\$60	\$68	(\$8)	-11%
Total Net Sales	<u>\$680</u>	<u>\$660</u>	<u>\$20</u>	<u>3%</u>
			<div style="border-left: 1px solid black; border-right: 1px solid black; padding: 5px; display: inline-block;"> 0% Organic, 4% Acquisitions 0% Price, -1% Fx </div>	
Motive Power	\$351	\$347	\$4	1%
Reserve Power	\$329	\$313	\$16	5%
Total Net Sales	<u>\$680</u>	<u>\$660</u>	<u>\$20</u>	<u>3%</u>

Rounding may cause minor differences.

F'19 3rd Qtr. Operating Earnings by Region

(\$ Millions)

Year Over Year	F'19 Q3	F'18 Q3	Fav/(Unfav)	
			\$	%
Operating Earnings				
Americas	\$50.9 13.5%	\$43.7 12.4%	\$7.2	16%
EMEA	17.1 7.9%	24.0 10.7%	(6.9)	-29%
Asia	0.6 1.0%	3.3 4.0%	(2.7)	-81%
Total Operating Earnings (Legacy ENS) As % Net Sales	\$68.6 10.5%	\$71.0 10.8%	(\$2.4)	-3%
Total Operating Earnings (with Alpha) As % Net Sales	\$67.5 9.9%			

Sequential	F'19 Q3	F'19 Q2	Fav/(Unfav)	
			\$	%
Operating Earnings				
Americas	\$50.9 13.5%	\$50.5 13.0%	\$0.4	1%
EMEA	17.1 7.9%	13.8 6.8%	3.3	24%
Asia	0.6 1.0%	2.3 3.4%	(1.7)	-74%
Total Operating Earnings (Legacy ENS) As % Net Sales	\$68.6 10.5%	\$66.6 10.1%	\$2.0	3%
Total Operating Earnings (with Alpha) As % Net Sales	\$67.5 9.9%			

Rounding may cause minor differences. Presented on an as adjusted basis.

F'19 3rd Qtr. Net Earnings and EPS

(\$ Millions, Except Per Share Amounts)

	F'19 Q3	F'18 Q3	Fav/(Unfav)	
			\$	%
Operating Earnings (Legacy ENS)	\$68.6	\$71.0	(\$2.4)	-3%
As % Net Sales	10.5%	10.8%		(0.3)Pts.
Book Tax Rate	17%	18%		
Operating Earnings (with Alpha)	\$67.5			
As % Net Sales	9.9%			
Net Earnings (Legacy ENS)	\$51.8	\$53.3	(\$1.5)	-3%
As % Net Sales	7.9%	8.1%		(0.2)Pts.
Net Earnings (w/Alpha)	\$50.4			
As % Net Sales	7.4%			
EPS diluted (Legacy ENS)	\$1.21	\$1.25	(\$0.04)	-3%
EPS diluted (w/Alpha)	\$1.17			
Avg. Diluted Shares Outstanding (Legacy ENS) (Millions)	42.805	42.547	(.258)	-1%
Avg. Diluted Shares Outstanding (w/Alpha) (Millions)	43.103			

Rounding may cause minor differences. Presented on an as adjusted basis.

F'19 YTD Sales By Region & Line Of Business

(Legacy ENS, \$ Millions)

	F'19	F'18	Fav/(Unfav)		Volume	Price	M&A	Fx
			\$	%				
Americas	\$1,183	\$1,049	\$134	13%	9%	3%	3%	-2%
EMEA	\$632	\$622	\$10	2%	3%	-	-	-1%
Asia	\$196	\$228	(\$32)	-14%	-14%	2%	-	-2%
Total Net Sales	<u>\$2,011</u>	<u>\$1,899</u>	<u>\$112</u>	<u>6%</u>	<u>4%</u>	<u>2%</u>	<u>1%</u>	<u>-1%</u>
Motive Power	\$1,045	\$974	\$70	7%	6%	2%	-	-1%
Reserve Power	\$967	\$924	\$42	5%	1%	2%	3%	-1%
Total Net Sales	<u>\$2,011</u>	<u>\$1,898</u>	<u>\$112</u>	<u>6%</u>	<u>4%</u>	<u>2%</u>	<u>1%</u>	<u>-1%</u>

Note - Rounding may cause minor differences. Presented on an as adjusted basis.

F'19 YTD Net Earnings and EPS

(Legacy ENS, \$ Millions, Except Per Share Amounts)

			Fav/(Unfav)	
	F'19	F'18	\$	%
Operating Earnings	\$203.5	\$209.2	(\$5.7)	-3%
As % Net Sales	10.2%	11.0%		(0.8)Pts.
Book Tax Rate	18%	20%	—	—
Net Earnings	\$151.4	\$148.0	\$3.4	2%
As % Net Sales	7.6%	7.8%		(0.2)Pts.
EPS diluted	\$3.54	\$3.41	\$0.13	4%
Avg. Diluted Shares Outstanding (Millions)	42.718	43.346	.628	1%

Note - Rounding may cause minor differences. Presented on an as adjusted basis.

Financial Position Highlights

(\$ Millions)

	Q3 Fiscal Year 2019	Full Fiscal Year 2018
Cash & Cash Equivalents	\$397.2	\$522.1
Net Debt (Gross Debt – Investments)	\$814.2	\$187.8
Net Cash from Operations YTD	\$166.4	\$211.0
Capital Expenditures	\$52.7	\$69.8
Leverage Ratio (per US Credit Agreement)	1.9X	0.7X
Primary Working Capital as a % of Sales	24.9%	25.7%

Appendix - Third Quarter Fiscal 2019 Results

(\$ Millions, Except Per Share Information)

	Total Company	Alpha Dec 8-30	Legacy ENS
NET SALES	\$680.0	\$25.4	\$654.6
COST OF SALES	511.7	20.4	491.3
GROSS PROFIT	168.3	5.0	163.3
OP EXPENSES	100.8	6.1	94.7
OP EARNINGS	67.5	(1.1)	68.6
INTEREST & OTHER	7.0	1.1	5.9
EARNINGS BEFORE TAX	60.5	(2.2)	62.7
TAX	9.9	(0.8)	10.7
NON-CONTROLLING INTEREST	0.2	—	0.2
ADJUSTED NET EARNINGS	50.4	(1.4)	51.8
EPS	\$1.17		\$1.21

Presented on an as adjusted basis.