Q1'23 Financial Results

AUGUST 10, 2022

Forward Looking Statements

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 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," set forth in our Annual Report on Form 10-Q for the fiscal year ended March 31, 2022, 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 August 10, 2022, which is located on our website at www.enersys.com.

Business Update

DAVID SHAFFER, CHIEF EXECUTIVE OFFICER

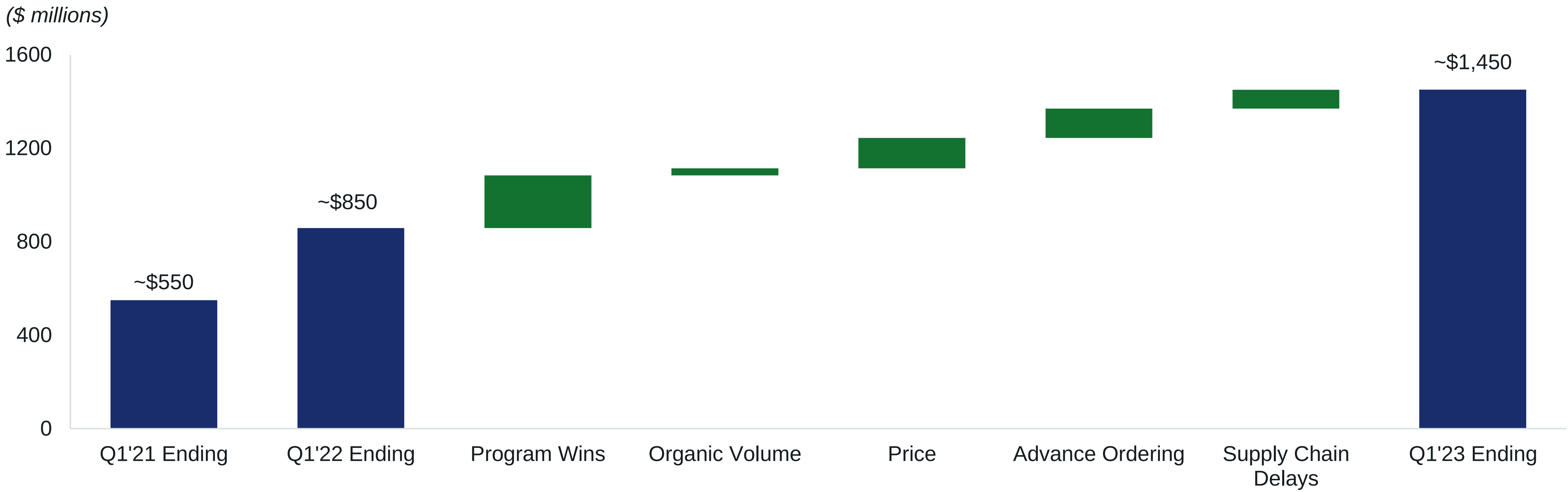
Q1'23 Results

($ millions, except EPS)	Q1'23	Key Takeaways
Revenue (Y / Y Growth)	**$899** *10.3%*	• $899M record quarterly net sales +10.3% y/y, second highest quarterly revenue and volume • Would have been ~$40m higher without FX impact /MO temporary shutdowns • TPPL revenue +13% y/y; would have been +17% without temporary shutdowns • >$1B record Q1 orders grew backlog to $1.5B on robust market demand across all business segments • Achieved multiple operating efficiency milestones; closed Ooltewah facility for an ~$8m annual savings, expanded Richmond DC to lower lead times • Earnings declined y/y due to price recapture lag due to 2nd highest sequential cost increase and mix drag due to supply chain constraints
Adj. Operating Earnings & % Margin	**$65** *7.2%*	
Adj. EBITDA & % Margin	**$85.5** *9.5%*	
Adj. Diluted EPS	**$1.15**	

Note: See appendix for non-GAAP reconciliation.

Record Backlog Drives Long-Term Growth

ORDER GROWTH & MACRO CONDITIONS DRIVING RECORD BACKLOG



- Continued backlog growth driven by strong demand across all segments
- ~45% of 12-month backlog increase from program wins and organic volume, while the remaining 55% is comprised of price, advance orders, and delayed shipments due to supply chain

Q1’23 Business Segment Performance

	Net Sales *($ million)*	Adj. Op Margin	Segment Overview
	**$409** +10.1% y/y	**3.3%** -20 bps y/y	• $850M record backlog; revenue/earnings tailwind when supply chain constraints subside • 5G, CPUC, discrete projects, & customer wins driving growth • Pricing actions materializing, but lagging historical cost increases • Fast Charge and Storage orders on track, end FY’23
	**$368** +9.4% y/y	**11.5%** -360 bps y/y	• NexSys® maintenance-free solutions resulted in a record percentage of revenue mix • Absorbed ~$3M FX impact to AOE • Demand driven by electrification and automation • Ongoing price increases fighting persisting inflation
	**$123** +13.9% y/y	**7.3%** -330 bps y/y	• Strong revenue growth despite headwinds and seasonality in Trans and A&D • Increased share in Class 8 market*, order patterns normalizing • Strong momentum in Aerospace and Defense • Labor & supply shortages pressuring margins; offsetting with tight OpEx controls

*Source: BCI May monthly shipping reports, HD/Commercial category

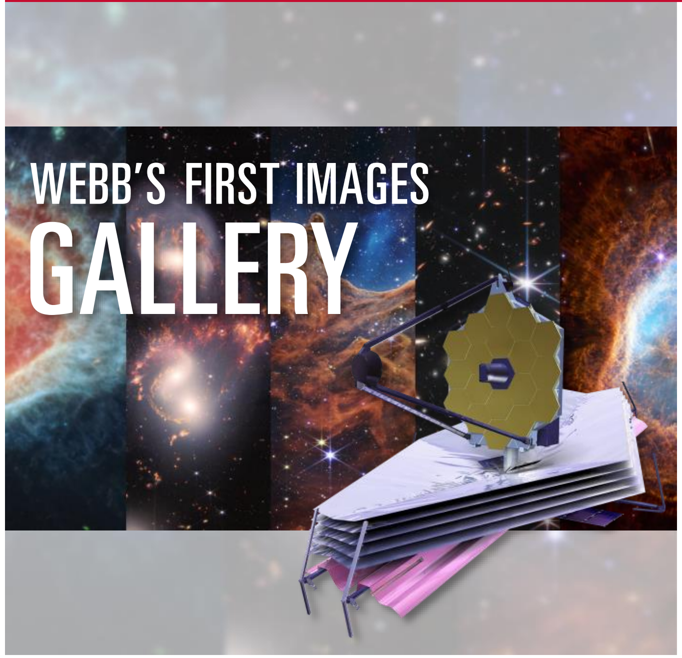
Note: See appendix for non-GAAP reconciliation.

Technology Advancements

POWERING THE FUTURE, EVERYWHERE FOR EVERYONE

Specialty Batteries

Making history



Battery Energy Storage Systems (BESS)

Defining the future

Environmental, Social & Governance Update

- New director Rudy Wynter, President of National Grid, New York
- Brings breadth and depth of experience in the utility industry, particularly with clean energy and electric grid resilience

- New Carbon Neutrality Goals: Scope 1 by 2040 and Scope 2 by 2050
- Identified initial CapEx requirements
- Committed to building a sustainable future

CDP
DISCLOSURE INSIGHT ACTION

- Participating in CDP process; submitted first response to CDP questionnaire
- Achieving new milestones in our climate disclosure initiatives

Focusing on What We Can Control

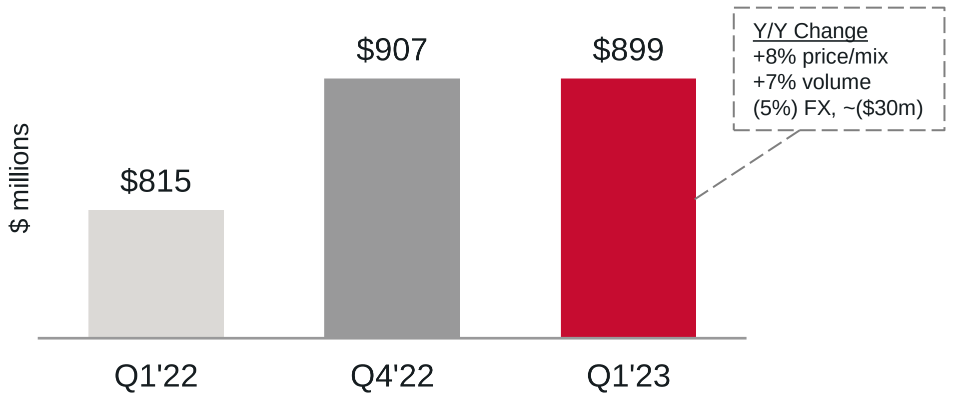
1. ***Pricing*** – continue to execute pricing increases commensurate with cost increases
2. ***Redesign*** – redesign products for component supply constraints (e.g., chips)
3. ***Operating Efficiencies*** – reduce costs through EOS
4. ***Profitable Growth*** – retain leading market position & grow share through expansion of technologically advanced products and increased TPPL capacity
5. ***Mitigate Supply Constraints*** – onshore CMs, dual source & buffer sourcing with strategic inventory

Finance Update

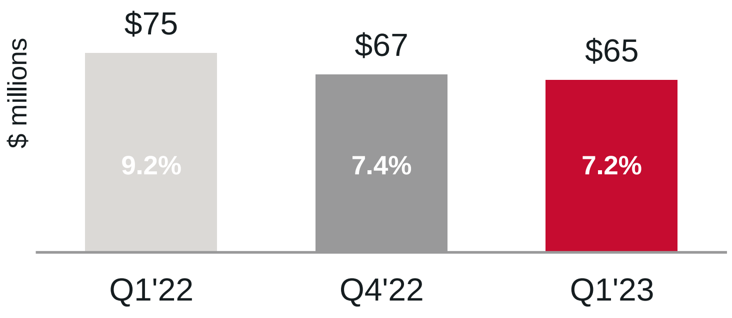
ANDI FUNK, CHIEF FINANCIAL OFFICER

Q1’23 Results

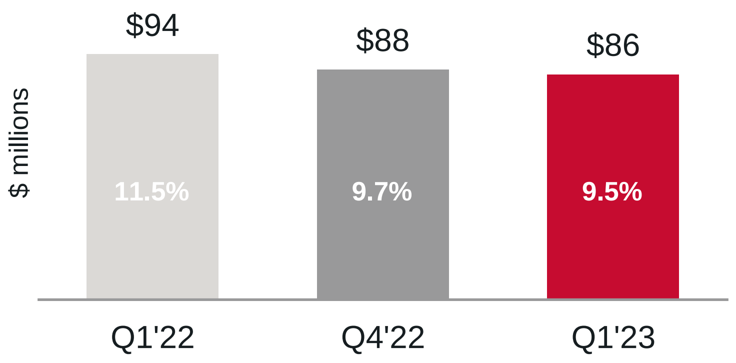
Net Sales



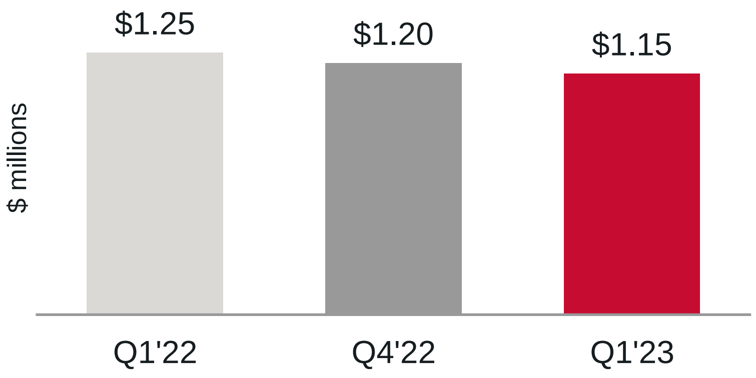
Adj Operating Income & Margin



Adj EBITDA & Margin



Adj Diluted EPS



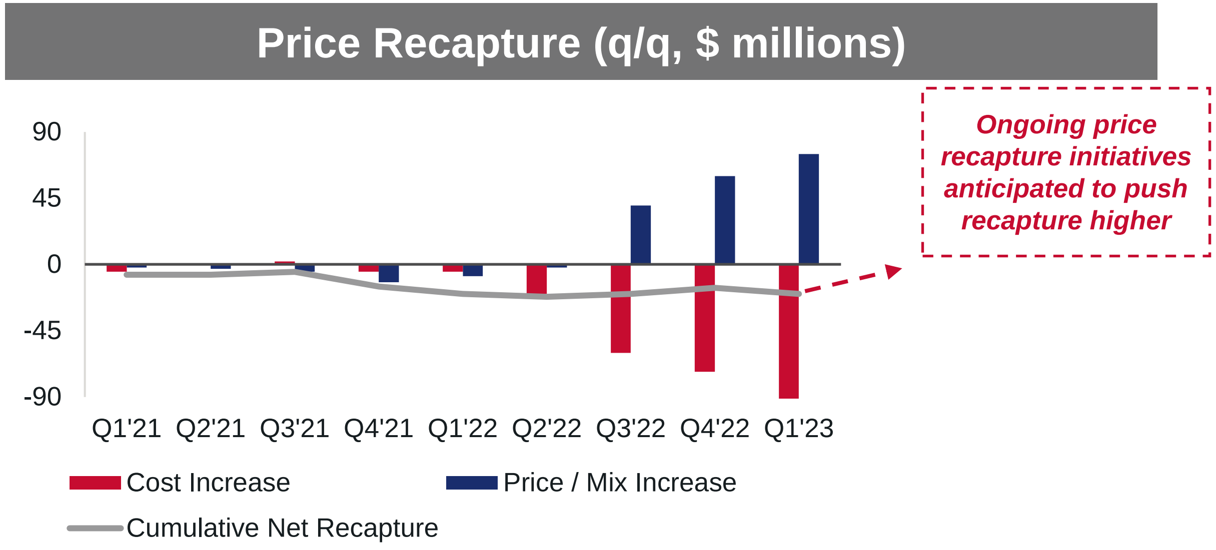
Note: See appendix for non-GAAP reconciliation.

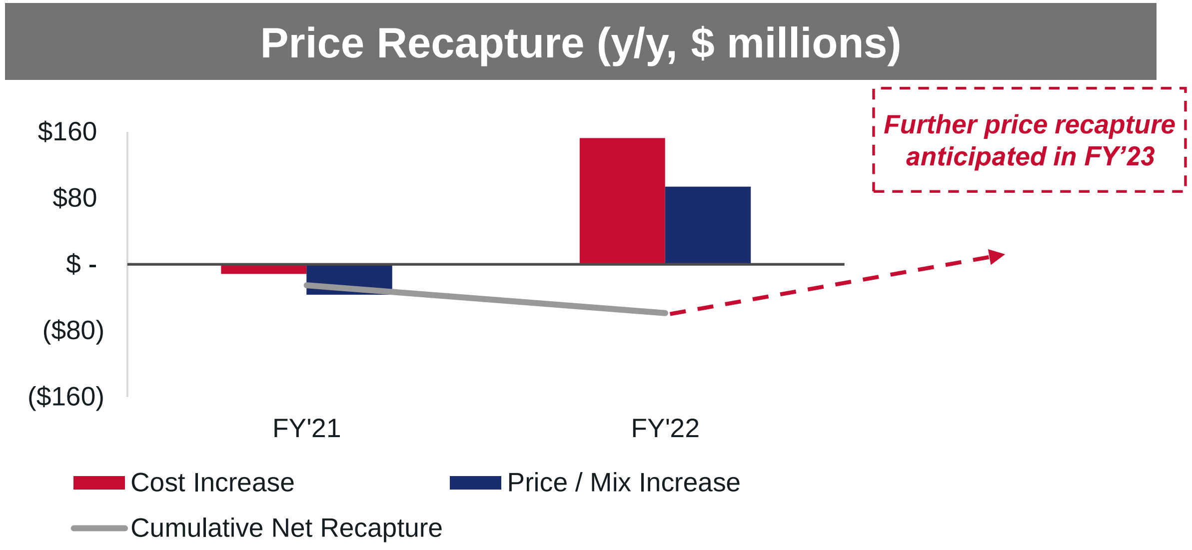
Q1'23 Segment Financial Highlights

	Sales *($ millions; % y/y Growth)*		Segment Adj. Operating Margin	Segment Overview
	**$409**	Volume +7% Price/Mix +8% FX (4%) ---------------------------- **Reported +10%**	**3.3%** -20 bps y/y	• Record backlog +113% y/y, +226% vs FY'21 • Price/mix beginning to improve • Price and OpEx improvements offset by elevated freight, tariffs and other costs
	**$368**	Volume +7% Price/Mix +8% FX (6%) ---------------------------- **Reported +9%**	**11.5%** -360 bps y/y	• Record backlog +59% y/y, +195% vs FY'21 • Ongoing price increases and maintenance-free demand offsetting inflation • Operational efficiencies offsetting headwinds
	**$123**	Volume +11% Price/Mix +6% FX (2%) ---------------------------- **Reported +14%**	**7.3%** -330 bps y/y	• Class 8 OEM strong pent-up demand • Robust A&D demand • Cost and supply challenges at Missouri plants

Note: See appendix for non-GAAP reconciliation. Rounding may cause totals not to foot.

Price Recapture Gaining Traction





Ongoing Price Capture Initiatives

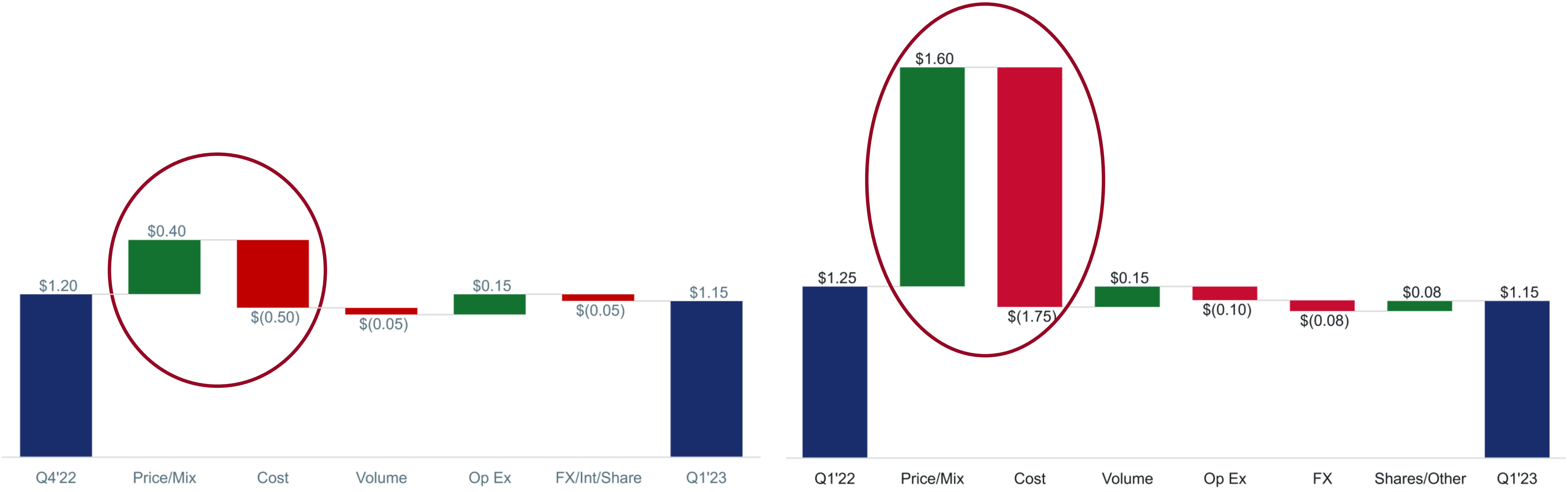
- Q1'23 price recapture of ~$0.40 adj. EPS partially offset ~$0.50 adj. EPS of costs (second highest sequential cost increase)
- $7m sequential OpEx reduction partially offset cost increases
- $0.35 adj. EPS of price-cost recapture opportunity when costs stabilize (vQ1'22)
- Equitable price increases commensurate with our higher costs sticking, despite lag in realization
- Current margin headwinds to become tailwinds when costs normalize, onshoring initiatives take hold and pricing actions catch up from multi-quarter lags

Q1'23 Segment Price Recapture Update

- Energy Systems prices sticking, fighting against continued higher costs, freight & tariffs
- Motive Power multiple price increases tailwinds from maintenance-free
- Specialty roughly flat, mix impacted by supply disruptions

Adj EPS Bridge

Q1'23 SEQUENTIAL AND YEAR-OVER YEAR



Note: See appendix for non-GAAP reconciliation.

August 2022

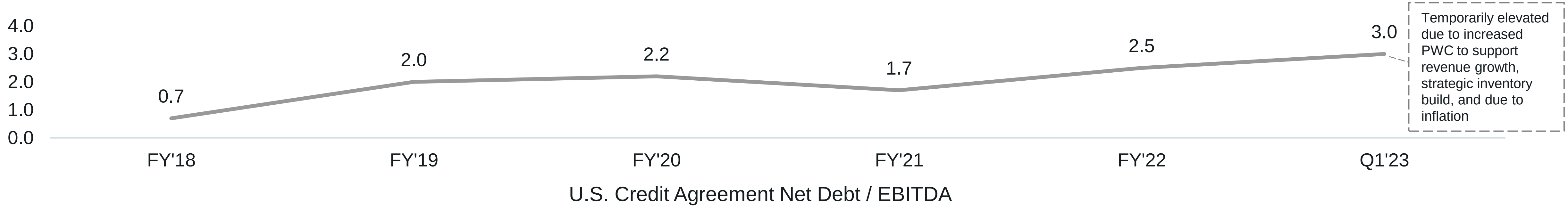
Disciplined & Balanced Capital Allocation

Capital Allocation Priorities	FY'18 – FY'22 (cumulative) *$ millions*	Q1'23 *$ millions*
1 Invest in Organic Growth *(CapEx)*	~$390	~$23
2 Strategic M&A	~$940 *(Alpha Technologies and NorthStar Battery)*	$0
3 Return of Capital	~$150 *dividends* ~$370 *buybacks*	~$7 *dividends* ~$23 *buybacks*

Healthy Balance Sheet

- 2 – 3x target leverage
- ~$380M cash and cash equivalents
    - Strong cash generation outpaced by strategic inventory increase, PWC yields cash in recessionary periods
- Ample flexibility to support business investment
- Committed to consistent dividends through cycles
- $190M outstanding repurchase authorization (including annual evergreen dilution authorization Q1'23)

Historical Net Leverage



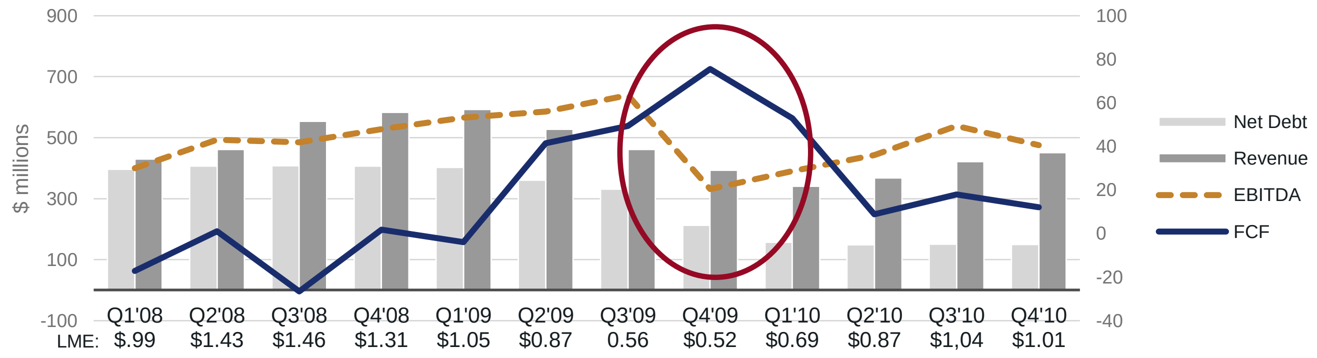
Recession Playbook

IMPACT & ACTIONS TO MITIGATE SLOWDOWN

Key Takeaways:

1. Slowdown not evident yet, but being vigilant
2. Company has deep history of disciplined cost management & cash generation in recessionary periods
3. MP revenue would be most exposed
4. A recession today would be different for ENS:
   - Anomalous inventory investment would normalize
   - Backlog and pent-up demand would delay/soften decline
   - Stable/lower costs would drive catch-up profit improvement
   - Supply chain normalization would offer mix benefit
   - LME had more room to fall and MP was a larger % of revenue in the 2009 recession
5. Significant PWC would be monetized (>.5X leverage opp)
6. **Leadership knows the playbook and is prepared to act**

2009 Recession Quarterly Impact on Cash Flow



LoB Resilience

All	• Extensive backlog & pent-up demand buffers impact • Supply chain normalizing provides mix benefit • Stable inflation/lower commodity & freight costs enable price catch up
Energy Systems	• GDP-independent cycle (5G buildout, infrastructure, RDOF, grid resiliency spend, etc. continues)
Specialty	• Aged OTR truck base w/pent-up demand delays slowdown • Low Trans mkt share enables growth • A&D spend independent of GDP
Motive Power	• *Most exposed - trends with GDP* • *Bolstered by movements from increased automation & electrification of ICE forklifts*

Slow-Down Levers

P&L:

- ✓ Lower MP revenue; ES/Spec minimally affected
- ✓ Mix benefit from normalized supply chains (electronics)
- ✓ Price-cost recapture catch up
- ✓ Delayed price elasticity on lower costs
- ✓ Reduce OpEx
- ✓ *Historically rapid AOE recovery*

Cash Flow:

- ✓ Higher margins
- ✓ Lower CapEx
- ✓ Inv / AR monetization
- ✓ Higher AP w/reduced supplier power
- ✓ Hagen closure, Ooltewah closure, additional footprint optimization opportunities
- ✓ Significant Cash Inflow / Buy-Back Opportunity

$M USD AA

Looking Ahead

	Guidance	Assumptions

EPS adj. diluted *(Q2'23)*	$1.05 to $1.15	• Seasonally slower quarter
		• ($0.08) per share from FX
		  • Euro remains at Q1'23 levels
		  • No FX OIE gain
		• ($0.04) per share from Q1'23 temporary Missouri shutdowns

CapEx *(FY'23)*	$100m	• Continued capacity investments • Includes $23m Q1'23 spend

- Continued strong market demand
- Pricing actions prioritized while fighting against persisting cost headwinds
- Focused OpEx discipline and footprint optimization opportunities
- Ongoing EOS execution
- Poised for earnings and cash flow improvement when costs stabilize
- Well prepared for the possibility of a downcycle

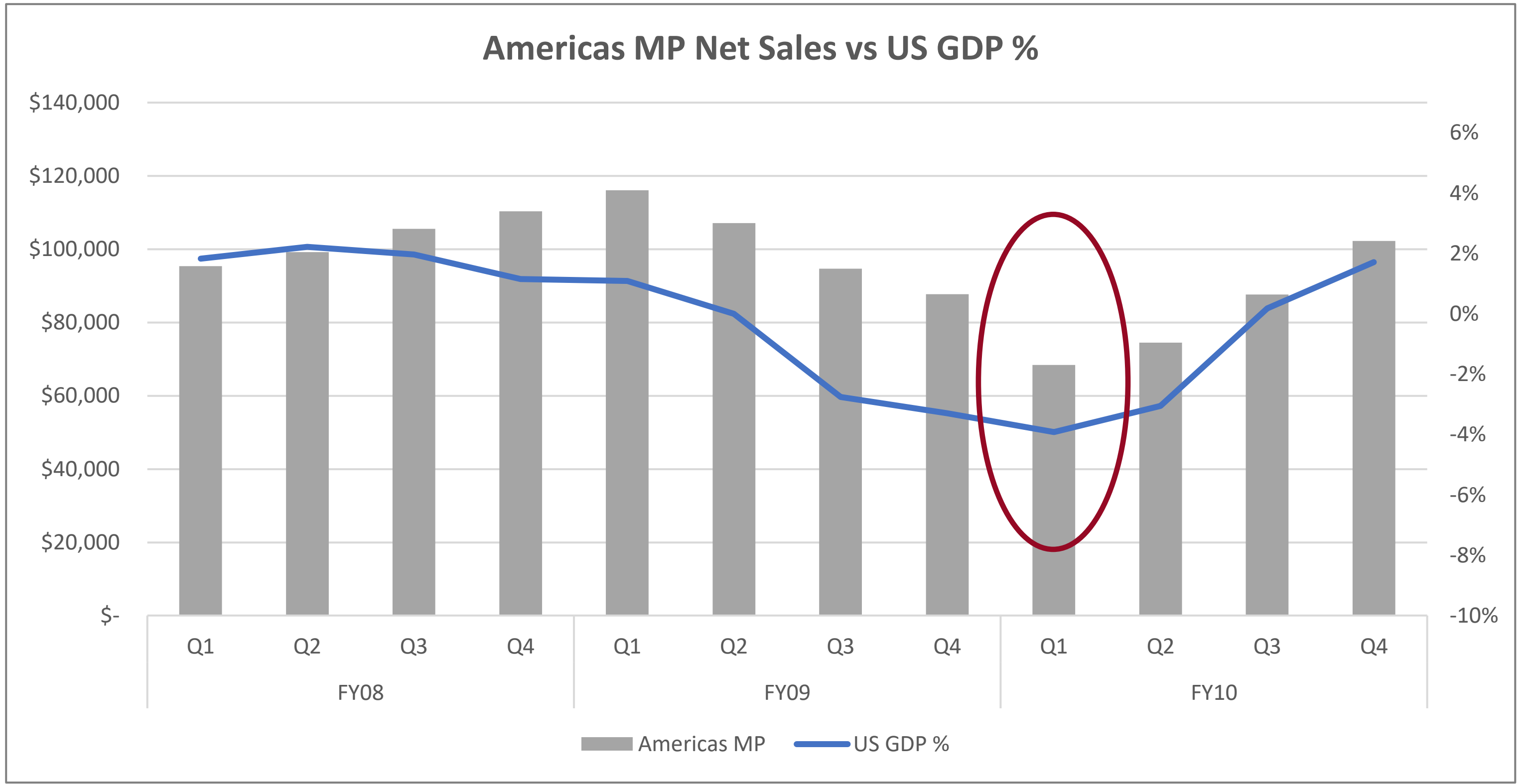
Appendix

Motive Power

REVENUE HISTORICALLY TRENDS WITH GDP

Motive Power Strengths vs Prior Cycles:

- Bolstered by movements from increased automation & electrification of ICE forklifts
- Higher margin NexSys® maintenance-free solutions increasing as percentage of revenue mix
- Operating efficiencies
  - Richmond DC expanded to centralize inventory, improve lead times and better serve our customers
  - Ooltewah closure - $8m annual savings starting 2H’23
  - Sales and order automation transformation



Q1'23 Results

($ millions)

	Q1 F'22	Q4 F'22	Q1 F'23
NET SALES	$814.9	$907.0	$898.9
GROSS PROFIT	193.2 (24%)	$196.2 (22%)	$185.5 (21%)
Adj. OP EARNINGS $	$75.1	$66.8	$64.9
Adj. OP EARNINGS %	9.2%	7.4%	7.2%
Adj. EPS	$1.25	$1.20	$1.15

Note: See appendix for non-GAAP reconciliation.

Q1’23 Net Sales by Segment & Region, Q/Q

($ millions, Except per Share Amounts)

($ Millions, Except Per Share Amounts)

			Fav/(Unfav)	
	Q4'22	Q1'23	$	%
Energy Systems	$410	$409	($2)	0%
Motive Power	$365	$368	$3	1%
Specialty	$132	$123	($9)	-7%
Total Net Sales	$907	$899	($8)	-1%
			6% Organic, 2% Price, 0% Acquisitions, -1% Fx	

			Fav/(Unfav)	
	Q4'22	Q1'23	$	%
Americas	$643	$645	$2	0%
EMEA	$204	$195	($10)	-5%
Asia	$59	$59	($0)	-1%
Total Net Sales	$907	$899	($8)	-1%
			6% Organic, 2% Price, 0% Acquisitions, -1% Fx	

Note: Rounding may cause totals not to foot.

Q1’23 Net Sales by Segment & Region, Y/Y

($ millions)

	Q1'22	Q1,23	Fav/(Unfav) $	%	Volume	Price	M&A	Fx
Energy Systems	$371	$409	$37	10%	7%	8%	-	-4%
Motive Power	$336	$368	$32	9%	7%	8%	-	-6%
Specialty	$108	$123	$15	14%	11%	6%	-	-2%
Total Net Sales	$815	$899	$84	10%	7%	8%	-	-5%

	Q1'22	Q1,23	Fav/(Unfav) $	%	Volume	Price	M&A	Fx
Americas	$557	$645	$88	16%	10%	7%	-	-0.6%
EMEA	$201	$195	($6)	-3%	1%	11%	-	-15%
Asia	$57	$59	$2	3%	9%	1%	-	-7%
Total Net Sales	$815	$899	$84	10%	7%	8%	-	-5%

Note: Rounding may cause totals not to foot.

Q1’23 Adj Operating Earnings by Segment

($ millions)

Year Over Year	Q1'22	Q1'23	Fav/(Unfav) $	Fav/(Unfav) %
Operating Earnings				
Energy Systems	$13.1	$13.6	$0.5	4%
	3.5%	*3.3%*		
Motive Power	50.6	42.3	($8.3)	-16%
	15.6%	*11.5%*		
Specialty	11.4	8.9	($2.5)	-22%
	10.6%	*7.3%*		
Total Operating Earnings	$75.1	$64.9	($10.2)	-14%
As % Net Sales	*9.2%*	*7.2%*		

Sequential	Q4'22	Q1'23	Fav/(Unfav) $	Fav/(Unfav) %
Operating Earnings				
Energy Systems	$15.9	$13.6	($2.3)	-14%
	3.9%	*3.3%*		
Motive Power	40.1	42.3	$2.2	5%
	11.0%	*11.5%*		
Specialty	10.8	8.9	($1.9)	-17%
	8.2%	*7.3%*		
Total Operating Earnings	$66.8	$64.9	($1.9)	-3%
As % Net Sales	*7.4%*	*7.2%*		

Note: Rounding may cause totals not to foot. See appendix for non-GAAP reconciliation.

Q1’23 Adj Net Earnings & EPS

($ millions, except per share amounts)

	Q1'22	Q1'23	Fav/(Unfav) $	Fav/(Unfav) %
Operating Earnings	$75.1	$64.9	($10.2)	-14%
As % Net Sales	*9.2%*	*7.2%*		(2.0)Pts.
Book Tax Rate	18%	16%		
Net Earnings	$54.4	$47.4	($7.0)	-13%
As % Net Sales	*6.7%*	*5.3%*		(1.4)Pts.
EPS diluted	**$1.25**	**$1.15**	**($0.10)**	-8%
Avg. Diluted Shares Outstanding *(Millions)*	**43.537**	**41.353**	**2.184**	5%

Note: Rounding may cause totals not to foot. See appendix for non-GAAP reconciliation.

Balance Sheet & Other Highlights

($ millions)

	Q1'22	Q1'23
Cash & Cash Equivalents	$406.2	$383.2
Net Debt (Gross Debt – Investments)	$776.4	$1,018.1
Net Cash from Operations	($48.1)	($71.9)
Capital Expenditures	($16.4)	($23.0)
Leverage Ratio (per US Credit Agreement)	1.95X	3.0X
Primary Working Capital as a % of Sales	26.1%	31.5%

Non-GAAP Reconciliations

Non-GAAP Reconciliation

	Quarter ended (in millions, except share and per share amounts)		
	July 3, 2022		July 4, 2021
Net Earnings reconciliation			
As reported Net Earnings	$ 31.0		$ 43.9
Non-GAAP adjustments:			
Restructuring and other exit charges	8.3	(1)	7.8
Amortization of identified intangible assets from recent acquisitions	6.4	(2)	6.4
Remeasurement of monetary assets included in other (income) expense relating to Russia operations	5.2		—
Income tax effect of above non-GAAP adjustments	(3.4)		(3.7)
Non-GAAP adjusted Net Earnings	$ 47.5		$ 54.4
Outstanding shares used in per share calculations			
Basic	40,786,336		42,700,329
Diluted	41,352,646		43,537,344
Non-GAAP adjusted Net Earnings per share:			
Basic	$ 1.16		$ 1.28
Diluted	$ 1.15		$ 1.25
Reported Net Earnings (Loss) per share:			
Basic	$ 0.76		$ 1.03
Diluted	$ 0.75		$ 1.01
Dividends per common share	$ 0.175		$ 0.175

Non-GAAP Reconciliation

	Quarter ended ($ millions)	
	July 3, 2022	July 4, 2021
	Pre-tax	Pre-tax
(1) Restructuring and other exit charges - Energy Systems	0.2	0.5
(1) Restructuring and other exit charges - Motive Power	8.1	8.5
(1) Restructuring and other exit charges - Specialty	—	(1.2)
(2) Amortization of identified intangible assets from recent acquisitions - Energy Systems	6.0	6.0
(2) Amortization of identified intangible assets from recent acquisitions - Specialty	0.4	0.4
Total Non-GAAP adjustments	$ 14.7	$ 14.2

Non-GAAP Reconciliation

	Quarter ended	
	July 3, 2022	July 4, 2021
Net Earnings	$ 31.0	$ 43.9
Depreciation	15.5	16.0
Amortization	8.1	8.4
Interest	11.6	9.1
Income Taxes	5.8	8.4
EBITDA	72.0	85.8
Non-GAAP adjustments	13.5	7.8
Adjusted EBITDA	$ 85.5	$ 93.6

The following table provides the non-GAAP adjustments shown in the reconciliation above:

	Quarter ended	
	July 3, 2022	July 4, 2021
Restructuring and other exit charges	$ 8.3	$ 7.8
Remeasurement of monetary assets included in other (income) expense relating to Russia operations	5.2	—
Non-GAAP adjustments	$ 13.5	$ 7.8

Thank you.

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