



Q4'23 and FY'23 Financial Results

MAY 24, 2023

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-K for the fiscal year ended March 31, 2023, 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 May 24, 2023, which is located on our website at www.enersys.com.



Business Update

DAVE SHAFFER, CHIEF EXECUTIVE OFFICER

Q4'23 & FY'23 Highlights

(\$ millions, except EPS)	Q4'23	FY'23	Key Takeaways
Net Sales (Y / Y Growth)	\$990 9.1%	\$3,709 10.5%	<ul style="list-style-type: none"> Record net sales in the quarter and full year \$1.3B backlog at CC², down 7% y/y; ~2X pre-covid levels, stable demand and order trends across all segments 24.9% adj. GM¹ in Q4, +180 bps q/q, including \$17M IRA benefit; price/mix benefit of \$0.29 /sh outpaced cost of (\$0.24) /sh Record quarter adjusted operating earnings¹, up 60% y/y 1.8x net leverage¹, including benefit from \$150M trade receivable securitization facility closed in Q3 Reported full year operating cash flow of \$280M and free cash flow¹ of \$191M Returned \$51M of value to shareholders through share repurchases and dividends in FY'23
Adj. Operating Earnings ¹ & % Margin	\$107 10.8%	\$322 8.7%	
Adj. EBITDA ¹ & % Margin	\$118 11.9%	\$388 10.5%	
Adj. Diluted EPS ¹ (Y / Y Growth)	\$1.82 52.0%	\$5.34 19.6%	
Cash Flow (Y / Y Growth)	\$144M \$132M	\$280M \$346M	

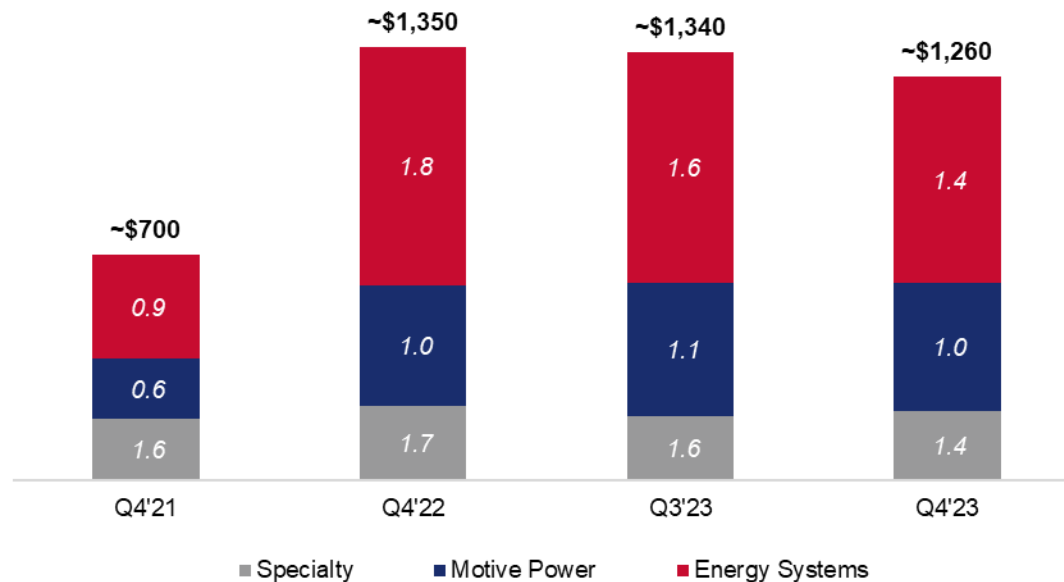
1) Non-GAAP measure. Please refer to appendix for reconciliation.

2) Constant Currency "CC" for backlog refers to a static budgeted exchange rate

Healthy Backlog Drives Long-Term Growth

ORDER GROWTH & MACRO CONDITIONS DRIVING STRONG BACKLOG

Backlog in USD at CC¹
\$ millions



Backlog coverage ratio (backlog / net sales) by segment noted above

- **Energy Systems:** backlog normalizing with FY'22 large program orders closing and easing supply chain constraints; backlog coverage remains above historic levels
- **Motive Power:** backlog coverage >2x historic levels; book to bill >1.0
- **Specialty:** Transportation and A&D backlog increased q/q; book to bill >1.0 on record revenue quarter

Total backlog ~2x historic levels w/orders stabilizing towards pre-COVID trends

Loosening supply chains enabling us to satisfy customer demand

Technology Advancements

POWERING THE FUTURE, EVERYWHERE FOR EVERYONE

TouchSafe

Rigorous safety testing underway



Telecom customer field trials planned for early calendar 2024

NexSys[®] Li-ion 80V Battery

Shipped first EMEA customer units



CE compliant to meet EU health, safety & environmental standards




DataSafe[®] XE Battery

Power Project of the Year



Committed to excellence, innovation, and sustainability

FY'23 Business Segment Performance

	Net Sales (\$ millions)	Adj. OE ¹ Margin	Segment Overview
 <p>Energy Systems</p>	<p>\$1,738 +13.1% y/y</p>	<p>5.0% +190 bps y/y</p>	<ul style="list-style-type: none"> • \$645M backlog; -13% y/y, normalizing as FY'22 large program orders conclude, and supply chains improve • Revenue growth driven by battery sales in Amer & EMEA • Pricing actions materializing, richer sales mix anticipated • Significant improvement to Adj. Op Earnings¹
 <p>Motive Power</p>	<p>\$1,451 +6.6% y/y</p>	<p>12.4% -20 bps y/y</p>	<ul style="list-style-type: none"> • Healthy backlog and stable demand trends • Maintenance-free 19% of revenue; +270 bps y/y, +450 bps vs FY'21 • \$40M net price/mix cost recapture for FY'23 • Demand driven by electrification and automation
 <p>Specialty</p>	<p>\$519 +13.0% y/y</p>	<p>7.6% -230 bps y/y</p>	<ul style="list-style-type: none"> • Continued pricing actions driving revenue growth • Strong demand from Class 8 Truck OEMs • ~(\$5M) elevated costs from MO performance incurred in Q3 and Sylmar closing • Growth limited by capacity; focused on improving operational efficiency to ease TPPL capacity constraints

1) Non-GAAP measure. Please refer to appendix for reconciliation.

2022 Sustainability Update Highlights



SCOPE 1 CLIMATE GOALS

Emissions down 7.6%*
vs 2021 and >24%*
lower than 2019



SCOPE 2 CLIMATE GOALS

Emissions down 3.7%*
vs 2021



EMPLOYEE NET PROMOTER

Employee Net Promoter
Score increased 11 points



CLIMATE ACTION PLAN COMMITTEE

High-level cross-functional
committee formed to
develop detailed
decarbonization plan



TCFD REPORT & CDP SUBMISSION

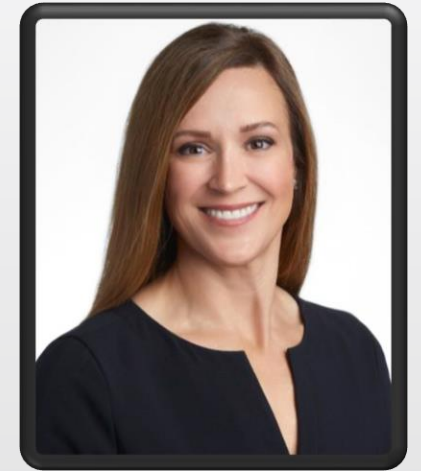
First-time submitting
climate data to the CDP
Published first DCFD
Report



MOST RESPONSIBLE

Ranked by Newsweek as
one of "America's Most
Responsible Companies"

NEW LEADERSHIP



Appointed **Shannon Thomas** as Chief Human Resources Officer, leading the global Human Resources function, including diversity, equity, and inclusion (DEI) initiatives.

Focusing on What We Can Control

- 1 Pricing** – continue to execute pricing increases commensurate with cost increases
- 2 Operating Efficiencies** – reduce waste through EOS, including plant rationalization, productivity improvements & inventory reductions balanced w/strategic buffers
- 3 FX and Interest Rate Mitigation** – cash repatriation, FX swaps, asset securitization, reduced targeted leverage
- 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, product redesign, dual source & buffer sourcing with strategic inventory

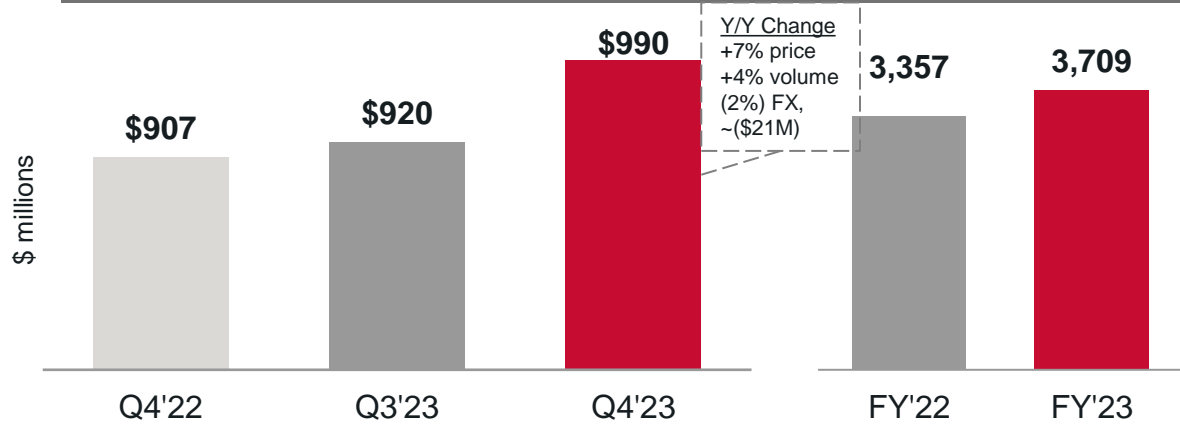


Finance Update

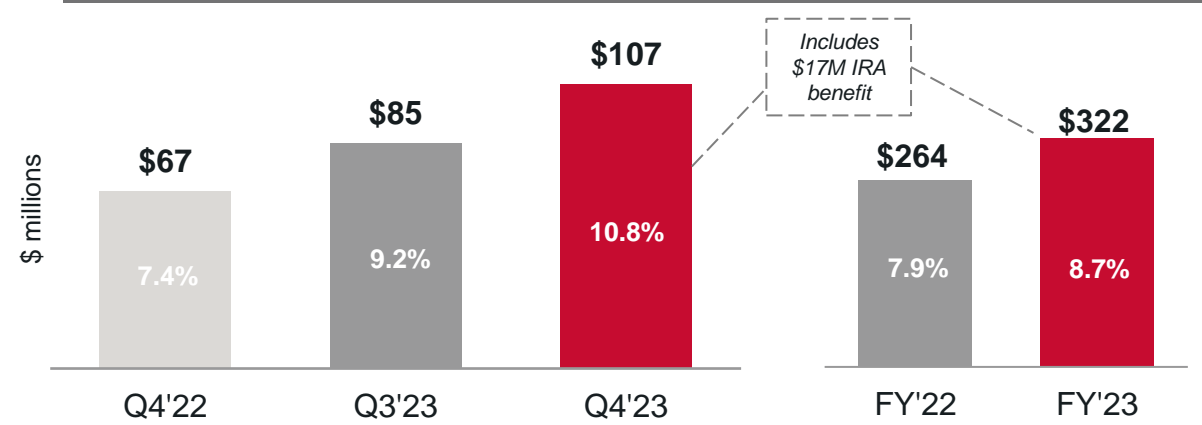
ANDI FUNK, CHIEF FINANCIAL OFFICER

Q4'23 & FY'23 Results

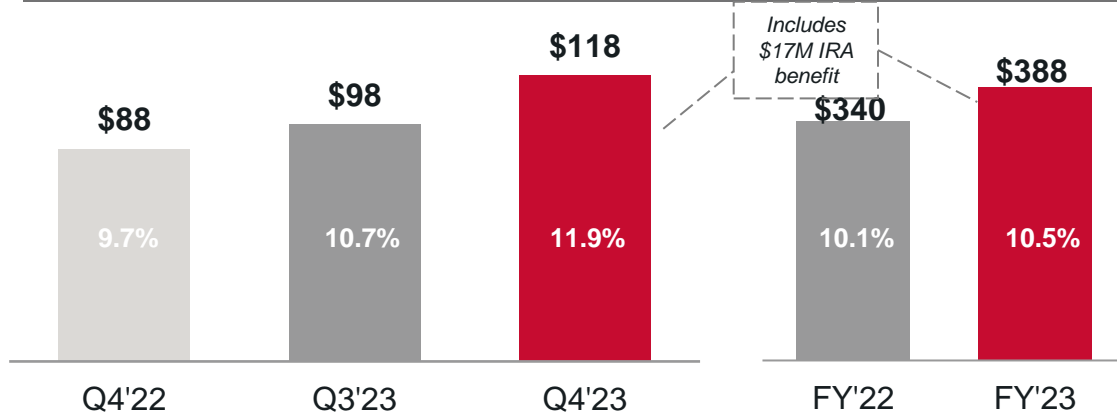
Net Sales



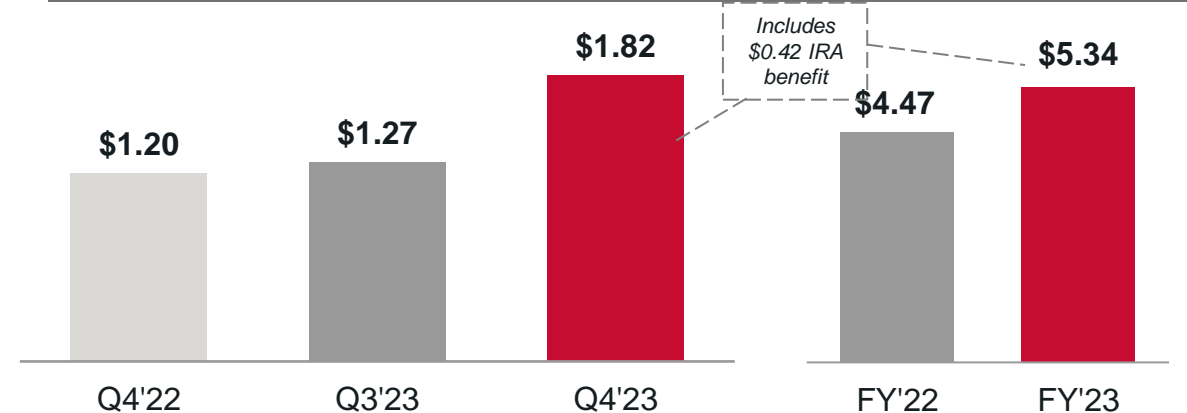
Adj Operating Earnings¹ & Margin



Adj EBITDA¹ & Margin



Adj Diluted EPS¹



1) Non-GAAP measure. Please refer to appendix for reconciliation.

Inflation Reduction Act (IRA)


CREDITS AND ESTIMATED IMPACT


IRC 45X	<ul style="list-style-type: none">• Advanced manufacturing production tax credits for battery cells and battery modules produced in the U.S.• Cells \geq100 Watt hours per Liter (Wh/L) and \geq 12 Watt hour (Wh)• \$35/kWh credit/ cell produced; \$10/kWh credit/ module assembled
EnerSys' eligible products	<ul style="list-style-type: none">• Much of our TPPL, portion of high-density traditional flooded lead acid batteries
Estimated financial impact	<ul style="list-style-type: none">• In Q4'23: \$17M reduction to cost of goods sold, translating to \$0.42 benefit to Adj. Diluted EPS• Monetization method: deductible tax credit will be applied against our expected FY'23 tax liability• In Q1'24: estimate benefit in the range of \$0.40 - \$0.50 adjusted diluted earnings per share• Credit 100% for 7 years; 25% reduction/ year; phase out years 8-10
Additional considerations	<ul style="list-style-type: none">• Awaiting IRS administrative clarification• Will continue to evaluate the potential benefits of the IRA and will provide updates as appropriate
EnerSys commitment	<ul style="list-style-type: none">• Intend to use the IRA benefit aligned with the intent of the law• Committed to accelerate investments in US capacity of qualifying batteries and domestic sourcing of lithium and other energy dense battery technologies


Our eligibility for IRC 45X credits of the IRA reinforces the critical nature of the products and services we provide

Q4'23 Segment Financial Highlights

\$ MILLIONS; % AND BPS Y/Y GROWTH

	Net Sales		Adj. Op Earnings ¹	Adj. OE ¹ Margin
 Energy Systems	\$458	Volume +8%	\$29.6 +86%	6.5% +260 bps
		Price +6%		
		FX (2%)		

		Reported +12%		
 Motive Power	\$384	Volume (0.3%)	\$50.4 +26%	13.1% +210 bps
		Price +8%		
		FX (3%)		

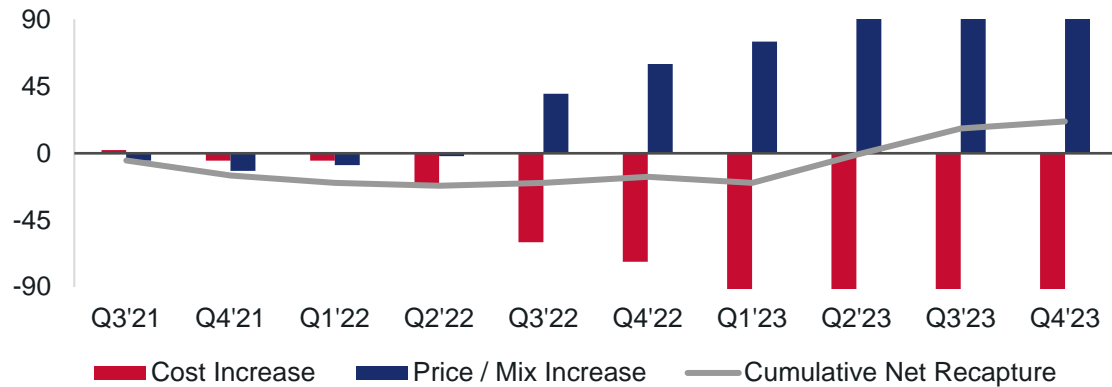
		Reported +5%		
 Specialty	\$148	Volume +6%	\$9.8 -9%	6.6% -160 bps
		Price +7%		
		FX (1%)		

		Reported +12%		

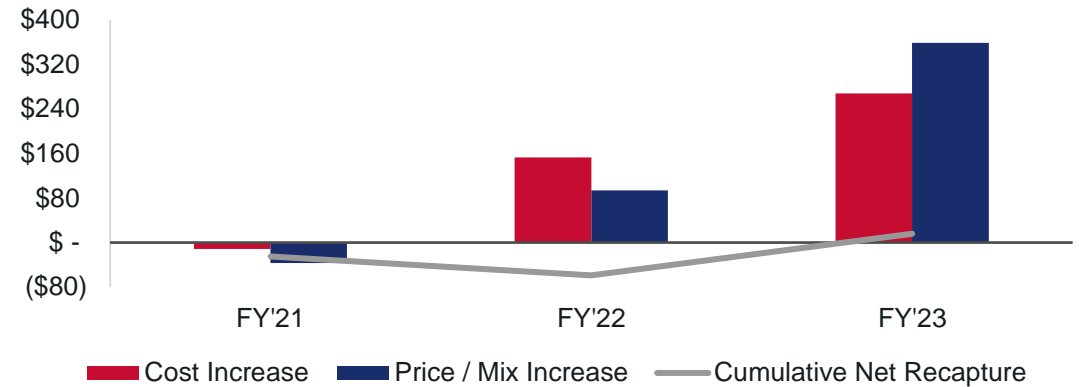
1) Non-GAAP measure. Please refer to appendix for reconciliation.

Price/Mix - Cost Recapture Closing the Gap

Price/Mix – Cost Recapture (q/q, \$ millions)



Price/Mix – Cost Recapture (y/y, \$ millions)



- Q4'23 price/mix of ~\$0.29 adj. EPS more than offset costs of ~(\$0.24) adj. EPS
- Third consecutive quarter of favorable net price/mix-cost recapture
- Energy Systems recapture lag reversed as anticipated, catching up to other segments
- Beginning to see costs stabilize, delay to P&L until related inventory is sold

Price/mix gains should continue to surpass cost increases from ongoing pass through, mix improvements, and EOS savings

Adj EPS¹ Bridge

Q4'23 SEQUENTIAL AND YEAR-OVER-YEAR



Price/mix outpaced costs for third consecutive quarter

1) Non-GAAP measure. Please refer to appendix for reconciliation.

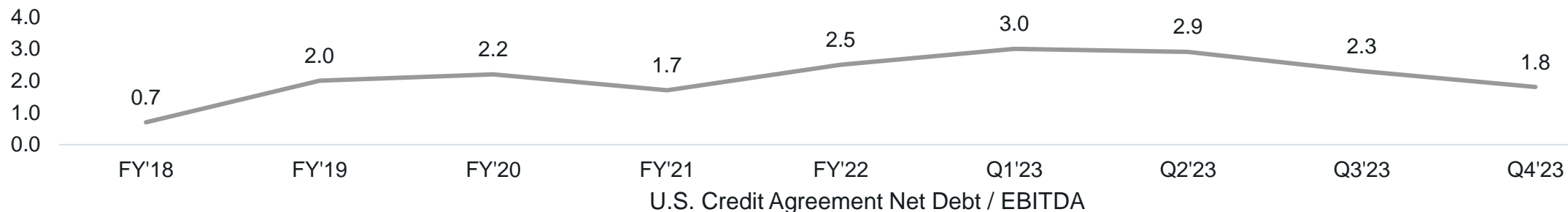
Disciplined & Balanced Capital Allocation

Capital Allocation Priorities	FY'18 – FY'22 (cumulative) \$ millions	FY'23 \$ millions
1 Invest in Organic Growth (<i>CapEx</i>)	~\$390	~\$90
2 Strategic M&A <i>(Alpha Technologies and NorthStar Battery)</i>	~\$940	\$0
3 Return of Capital	~\$150 <i>dividends</i> ~\$370 <i>buybacks</i>	~\$28 <i>dividends</i> ~\$23 <i>buybacks</i>

Healthy Balance Sheet

- 2 – 3x target leverage, adjusted to lower end of range
- Over \$340M in cash and cash equivalents
 - Effective management of POC¹ contributed to strong free cash flow of \$191M
- Ample flexibility to support business investment
- Committed to competitive dividends
- ~\$185M outstanding repurchase authorization

Historical Net Leverage



1) Primary Operating Capital (POC) was formerly referred to as Primary Working Capital (PWC) and is a non-GAAP measure. Please refer to appendix for definition.

Looking Ahead

	Guidance	Assumptions
EPS adj. diluted (Q1'24)	\$1.77 - \$1.87	<ul style="list-style-type: none"> • Volumes seasonally lower • Improved mix, EOS savings • Leveling price/cost • FX/Int rates consistent with Q4'23 • Includes \$0.40 - \$0.50 from IRA <ul style="list-style-type: none"> • <i>Intended to be invested in US capacity for high density batteries</i>
CapEx (FY'24)	\$120M	<ul style="list-style-type: none"> • Continued investments in innovation and Li/TPPL capacity expansion • \$4M allocated to execute ESG goals
<ul style="list-style-type: none"> • Stable customer demand in diverse end markets • Pricing actions outpacing persisting cost headwinds • Focused OpEx discipline and footprint optimization opportunities • Ongoing EOS execution and waste reduction • Continued strong earnings, cash flow and free cash flow • Remain prepared for the possibility of a downcycle 		

Note: EnerSys does not provide a quantitative reconciliation of the company's projected range for adjusted diluted earnings per share. Please see our latest Form 8-K which includes our press release dated May 24, 2023, for more details.

SAVE THE DATE

ENERSYS 2023 INVESTOR DAY

Date: June 15th

Time: 8:30 AM - 12:00 PM ET

Format: Hybrid event hosted in-person and via webcast with archived replays

Link: <https://enersys-investor-day-2023.open-exchange.net/>

Request an invitation to the live event at investorrelations@enersys.com

Come join the executive management team as they give an overview of the company's strategic vision to grow the business across global markets.

Speakers:

- David Shaffer | President & Chief Executive Officer
- Drew Zogby | President, Energy Systems – Global
- Shawn O’Connell | President, Motive Power – Global
- Mark Matthews | SVP, Specialty – Global
- Patrice Baumann | SVP, Operations & Supply Chain
- Joern Tinnemeyer | SVP & Chief Technology Officer
- Andrea Funk | EVP & Chief Financial Officer



70.111
EnerSys[®]



2023 INVESTOR DAY

48.991

44.870

20.556

12.002

11.311



Appendix

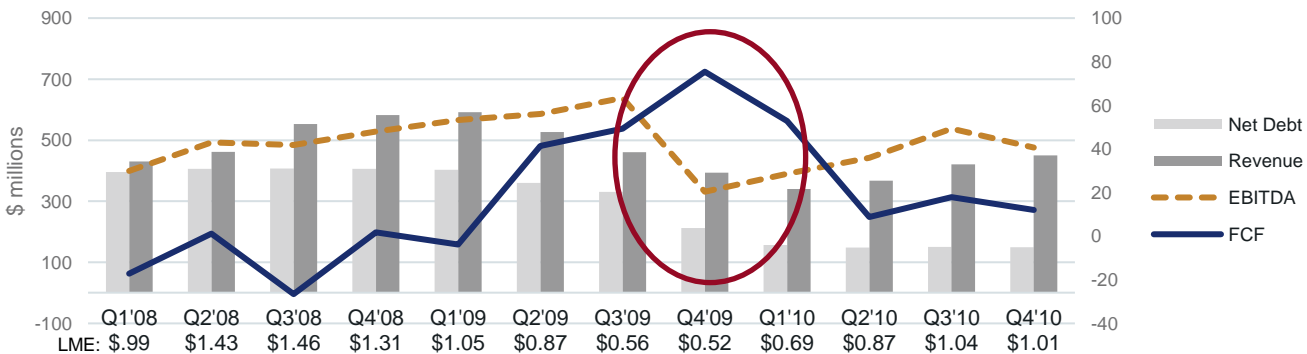
Recession Playbook

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 POC¹ would be monetized (>.5X leverage opp)
6. **Leadership knows the playbook and is prepared to act**

2009 Recession Quarterly Impact on Cash Flow



1) Primary Operating Capital (POC) was formerly referred to as Primary Working Capital (PWC) and is a non-GAAP measure. Please refer to appendix for definition.



LoB Resilience

- | | |
|-----------------------|--|
| All | <ul style="list-style-type: none"> • 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 | <ul style="list-style-type: none"> • GDP-independent cycle (5G buildout, infrastructure, RDOF, grid resiliency spend, etc. continues) |
| Specialty | <ul style="list-style-type: none"> • Aged OTR truck base w/pent-up demand delays slowdown • Low Trans mkt share enables growth • A&D spend independent of GDP |
| Motive Power | <ul style="list-style-type: none"> • <i>Most exposed - trends with GDP</i> • <i>Bolstered by movements from increased automation & electrification of ICE forklifts</i> |



Slow-Down Levers

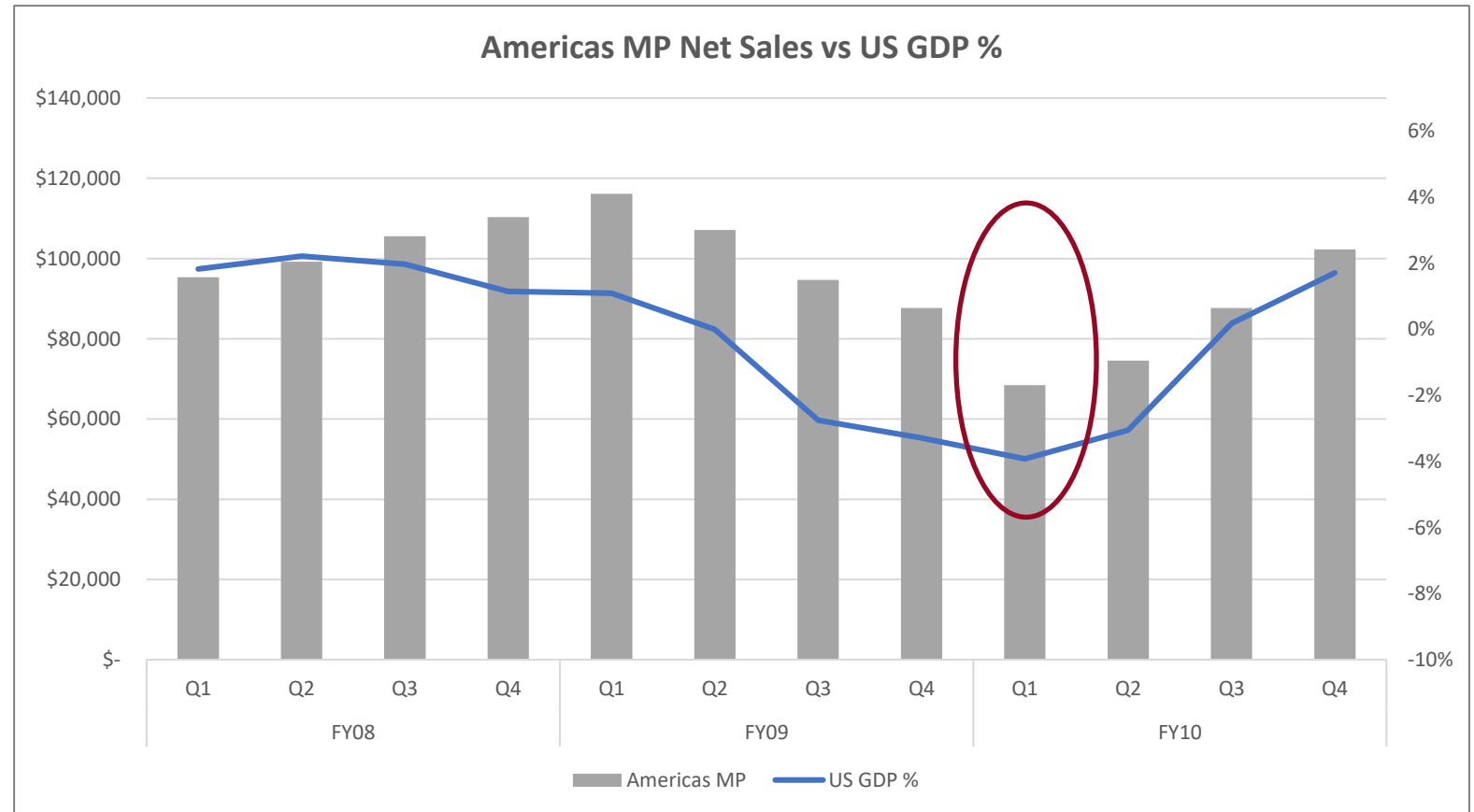
- | P&L: | Cash Flow: |
|---|--|
| ✓ Lower MP revenue; ES/Spec minimally affected | ✓ Higher margins |
| ✓ Mix benefit from normalized supply chains (electronics) | ✓ Lower CapEx |
| ✓ Price-cost recapture catch up | ✓ Inv / AR monetization |
| ✓ Delayed price elasticity on lower costs | ✓ Higher AP w/reduced supplier power |
| ✓ Reduce OpEx | ✓ Hagen closure, Ooltewah closure, additional footprint optimization opportunities |
| ✓ <i>Historically rapid AOE recovery</i> | ✓ <i>Significant Cash Inflow / Buy-Back Opportunity</i> |

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 battery 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
 - Hagen closure - \$20M annual savings starting FY'21



Q4'23 Results

(\$ millions)

	Q4 F'22	Q3 F'23	Q4 F'23
NET SALES	\$907.0	\$920.2	\$989.9
Adj. GROSS PROFIT ¹	\$196.2 (22%)	\$212.8 (23%)	\$246.0 (25%)
Adj. OP EARNINGS ¹ \$	\$66.8	\$84.9	\$107.1
Adj. OP EARNINGS ¹ %	7.4%	9.2%	10.8%
Adj. EPS ¹	\$1.20	\$1.27	\$1.82

1) Non-GAAP measure. Please refer to appendix for reconciliation.

Q4'23 Net Sales by Segment & Region, Q/Q

(\$ millions, Except per Share Amounts)

	Q3'23	Q4'23	Fav/(Unfav)	
			\$	%
Energy Systems	\$434	\$458	\$24	6%
Motive Power	\$362	\$384	\$22	6%
Specialty	\$124	\$148	\$24	19%
Total Net Sales	<u>\$920</u>	<u>\$990</u>	<u>\$69.7</u>	<u>7.6%</u>
			1% Price, 6% Organic, 0% Acquisitions, 1% Fx	
	Q3'23	Q4'23	Fav/(Unfav)	
			\$	%
Americas	\$665	\$719	\$54	8%
EMEA	\$199	\$216	\$16	8%
Asia	\$56	\$55	(\$0)	-1%
Total Net Sales	<u>\$920</u>	<u>\$990</u>	<u>\$69.7</u>	<u>7.6%</u>
			1% Price, 6% Organic, 0% Acquisitions, 1% Fx	

Note: Rounding may cause totals not to foot.

May 2023

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Q4'23 Net Sales by Segment & Region, Y/Y

(\$ millions)

	Q4'22	Q4'23	Fav/(Unfav)					
			\$	%	Volume	Price	M&A	Fx
Energy Systems	\$410	\$458	\$48	12%	8%	6%	-	-2%
Motive Power	\$365	\$384	\$19	5%	0%	8%	-	-3%
Specialty	\$132	\$148	\$16	12%	6%	7%	-	-1%
Total Net Sales	\$907	\$990	\$83	9%	4%	7%	-	-2%
	Q4'22	Q4'23	Fav/(Unfav)					
			\$	%	Volume	Price	M&A	Fx
Americas	\$643	\$719	\$75	12%	5%	7%	-	-1%
EMEA	\$204	\$216	\$11	5%	2%	8%	-	-5%
Asia	\$59	\$55	(\$4)	-6%	-2%	2%	-	-6%
Total Net Sales	\$907	\$990	\$83	9%	4%	7%	-	-2%

Note: Rounding may cause totals not to foot.

May 2023

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FY'23 Net Sales by Segment & Region, Y/Y

(\$ millions)

	Q4'22	Q4'23	Fav/(Unfav)					
			\$	%	Volume	Price	M&A	Fx
Energy Systems	\$1,537	\$1,738	\$202	13%	9%	8%	-	-4%
Motive Power	\$1,361	\$1,451	\$90	7%	3%	8%	-	-5%
Specialty	\$459	\$519	\$60	13%	9%	6%	-	-2%
Total Net Sales	<u>\$3,357</u>	<u>\$3,709</u>	<u>\$351</u>	<u>10%</u>	<u>7%</u>	<u>8%</u>	<u>-</u>	<u>-4%</u>
	Q4'22	Q4'23	Fav/(Unfav)					
			\$	%	Volume	Price	M&A	Fx
Americas	\$2,328	\$2,690	\$362	16%	8%	8%	-	-1%
EMEA	\$789	\$788	(\$2)	0%	3%	9%	-	-12%
Asia	\$240	\$231	(\$9)	-4%	2%	2%	-	-8%
Total Net Sales	<u>\$3,357</u>	<u>\$3,709</u>	<u>\$351</u>	<u>10%</u>	<u>7%</u>	<u>8%</u>	<u>-</u>	<u>-4%</u>

Note: Rounding may cause totals not to foot.

May 2023

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Q4'23 Adj Operating Earnings¹ by Segment

(\$ millions)

Year Over Year	Q4'22		Q4'23		Fav/(Unfav)	
	\$	% of Sales	\$	% of Sales	\$	%
Adj. Operating Earnings¹	\$	% of Sales	\$	% of Sales		
Energy Systems	\$15.9	3.9%	\$29.6	6.5%	\$13.7	86%
Motive Power	\$40.1	11.0%	\$50.4	13.1%	\$10.3	26%
Specialty	\$10.8	8.2%	\$9.8	6.6%	(\$1.0)	-9%
<i>IRA benefit</i>	\$0.0		\$17.3		\$17.3	NM
Total Adj. Operating Earnings ¹	\$66.8	7.4%	\$107.1	10.8%	\$40.4	61%
Sequential	Q3'23		Q4'23		Fav/(Unfav)	
	\$	% of Sales	\$	% of Sales	\$	%
Adj. Operating Earnings¹	\$	% of Sales	\$	% of Sales		
Energy Systems	\$26.5	6.1%	\$29.6	6.5%	\$3.1	12%
Motive Power	\$47.1	13.0%	\$50.4	13.1%	\$3.3	7%
Specialty	\$11.3	9.1%	\$9.8	6.6%	(\$1.5)	-14%
<i>IRA benefit</i>	\$0.0		\$17.3		\$17.3	NM
Total Adj. Operating Earnings ¹	\$84.9	9.2%	\$107.1	10.8%	\$22.2	26%

1) Non-GAAP measure. Please refer to appendix for reconciliation.

Note: Rounding may cause totals not to foot.

FY'23 Adj Operating Earnings¹ by Segment

(\$ millions)

Year Over Year	FY'22		FY'23		Fav/(Unfav)	
	\$	% of Sales	\$	% of Sales	\$	%
Adj. Operating Earnings¹	\$	% of Sales	\$	% of Sales		
Energy Systems	\$47.2	3.1%	\$86.3	5.0%	\$39.1	83%
Motive Power	\$170.9	12.6%	\$179.5	12.4%	\$8.6	5%
Specialty	\$45.5	9.9%	\$39.3	7.6%	(\$6.2)	-14%
<i>IRA benefit</i>	\$0.0		\$17.3		\$17.3	NM
Total Adj. Operating Earnings¹	<u>\$263.6</u>	<u>7.9%</u>	<u>\$322.4</u>	<u>8.7%</u>	<u>\$58.8</u>	<u>22%</u>

1) Non-GAAP measure. Please refer to appendix for reconciliation.
Note: Rounding may cause totals not to foot.

Q4'23 Adj Net Earnings¹ & Adj EPS¹

(\$ millions, except per share amounts)

	Q4'22		Q4'23		Fav/(Unfav)	
		% of Sales		% of Sales	\$	%
Adj. Operating Earnings¹	\$66.8	7.4%	\$107.1	10.8%	\$40.4	60%
Book Tax Rate	28%		13%			
Adj. Net Earnings¹	\$50.1	5.5%	\$75.5	7.6%	\$25.4	51%
Adj. Diluted EPS¹	\$1.20		\$1.82		\$0.62	52%
Avg. Diluted Shares Outstanding <i>(Millions)</i>	41.843		41.505		.338	1%

1) Non-GAAP measure. Please refer to appendix for reconciliation.
Note: Rounding may cause totals not to foot.

FY'23 Adj Net Earnings¹ & Adj EPS¹

(\$ millions, except per share amounts)

	FY'22		FY'23		Fav/(Unfav)	
		<i>% of Sales</i>		<i>% of Sales</i>	\$	%
Adj. Operating Earnings¹	\$263.6	7.9%	\$322.4	8.7%	\$58.8	22%
Book Tax Rate	28%		13%			
Adj. Net Earnings¹	\$50.1	5.5%	\$75.5	7.6%	\$25.4	51%
Adj. Diluted EPS¹	\$4.47		\$5.34		\$0.88	20%
Avg. Diluted Shares Outstanding <i>(Millions)</i>	41.843		41.505		.338	1%

1) Non-GAAP measure. Please refer to appendix for reconciliation.
Note: Rounding may cause totals not to foot.

Balance Sheet & Other Highlights

(\$ millions)

	FY'22	FY'23
Cash & Cash Equivalents	\$402.5	\$346.7
Net Debt (Gross Debt – Investments)	\$1,018	\$844
Net Cash from Operations	(\$65.6)	\$279.9
Capital Expenditures	(\$74.0)	(\$88.8)
Leverage Ratio ¹ (per US Credit Agreement)	2.5X	1.8X
Primary Operating Capital ¹ as a % of Sales	28.7%	26.7%

1) Primary Operating Capital (POC) was formerly referred to as Primary Working Capital (PWC) and is a non-GAAP measure. See appendix for non-GAAP definition and reconciliation.

May 2023

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Non-GAAP Reconciliations

Non-GAAP Reconciliation

ADJUSTED OPERATING EARNINGS

	Quarter ended (\$ millions)				
	March 31, 2023				
	Energy Systems	Motive Power	Specialty	IRA Tax Credits	Total
Net Sales	\$ 458.2	\$ 383.6	\$ 148.1	\$ —	\$ 989.9
Operating Earnings	\$ 23.0	\$ 48.4	\$ 6.7	\$ 17.3	\$ 95.4
Restructuring and other exit charges	0.3	1.6	2.1	—	4.0
Impairment of indefinite-lived intangibles	0.1	—	0.4	—	0.5
Amortization of identified intangible assets from recent acquisitions	5.7	—	0.5	—	6.2
Other	0.5	0.4	0.1	—	1.0
Adjusted Operating Earnings	\$ 29.6	\$ 50.4	\$ 9.8	\$ 17.3	\$ 107.1

	Quarter ended (\$ millions)			
	March 31, 2022			
	Energy Systems	Motive Power	Specialty	Total
Net Sales	\$ 410.4	\$ 364.9	\$ 131.7	\$ 907.0
Operating Earnings	\$ 4.7	\$ 29.8	\$ 10.0	\$ 44.5
Inventory adjustment relating to exit activities	0.2	1.4	—	1.6
Restructuring and other exit charges	1.4	4.2	—	5.6
Impairment of indefinite-lived intangibles	0.5	0.7	—	1.2
Loss on assets held for sale	—	3.0	—	3.0
Amortization of identified intangible assets from recent acquisitions	5.8	—	0.5	6.3
Other	3.3	1.0	0.3	4.6
Adjusted Operating Earnings	\$ 15.9	\$ 40.1	\$ 10.8	\$ 66.8

Increase (Decrease) as a % from prior year quarter	Energy Systems	Motive Power	Specialty	Total
Net Sales	11.7 %	5.1 %	12.4 %	9.1 %
Operating Earnings	NM	62.4	(32.9)	NM
Adjusted Operating Earnings	86.9	25.6	(9.2)	60.5

NM = Not Meaningful

	Quarter ended (\$ millions)			
	January 1, 2023			
	Energy Systems	Motive Power	Specialty	Total
Net Sales	\$ 434.3	\$ 361.8	\$ 124.1	\$ 920.2
Operating Earnings	\$ 20.5	\$ 47.1	\$ 10.9	\$ 78.5
Inventory adjustment relating to exit activities	(0.2)	(0.7)	—	(0.9)
Restructuring and other exit charges	0.2	0.6	—	0.8
Amortization of identified intangible assets from recent acquisitions	5.9	—	0.4	6.3
Other	0.1	0.1	—	0.2
Adjusted Operating Earnings	\$ 26.5	\$ 47.1	\$ 11.3	\$ 84.9

Non-GAAP Reconciliation

FY ADJUSTED OPERATING EARNINGS

	Twelve months ended				
	(\$ millions)				
	March 31, 2023				
	Energy Systems	Motive Power	Specialty	IRA Tax Credits	Total
Net Sales	\$ 1,738.1	\$ 1,451.3	\$ 519.1	\$ —	\$ 3,708.5
Operating Earnings	\$ 60.8	\$ 165.2	\$ 35.0	\$ 17.3	\$ 278.3
Inventory adjustment relating to exit activities	(0.2)	0.8	—	—	0.6
Restructuring and other exit charges	1.5	12.8	2.1	—	16.4
Impairment of indefinite-lived intangibles	0.1	—	0.4	—	0.5
Loss on assets held for sale	—	—	—	—	—
Amortization of identified intangible assets from recent acquisitions	23.4	—	1.7	—	25.1
Other	0.6	0.6	0.1	—	1.3
Acquisition activity expense	—	—	—	—	—
Adjusted Operating Earnings	\$ 86.2	\$ 179.4	\$ 39.3	\$ 17.3	\$ 322.2

	Twelve months ended			
	(\$ millions)			
	March 31, 2022			
	Energy Systems	Motive Power	Specialty	Total
Net Sales	\$ 1,536.6	\$ 1,361.2	\$ 459.5	\$ 3,357.3
Operating Earnings	\$ 15.1	\$ 146.5	\$ 44.6	\$ 206.2
Inventory adjustment relating to exit activities	0.2	2.4	—	2.6
Restructuring and other exit charges	2.8	17.1	(1.1)	18.8
Impairment of indefinite-lived intangibles	0.5	0.7	—	1.2
Loss on assets held for sale	—	3.0	—	3.0
Amortization of identified intangible assets from recent acquisitions	23.6	—	1.8	25.4
Other	5.1	1.0	0.3	6.4
Adjusted Operating Earnings	\$ 47.3	\$ 170.7	\$ 45.6	\$ 263.6

Increase (Decrease) as a % over prior year	Energy Systems	Motive Power	Specialty	Total
Net Sales	13.1 %	6.6 %	13.0 %	10.5 %
Operating Earnings	NM	12.6	(21.5)	35.0
Adjusted Operating Earnings	82.6	5.1	(13.7)	15.7

Non-GAAP Reconciliation

ADJUSTED EBITDA

	Quarter ended		Twelve months ended		Quarter ended (S millions) January 1, 2023
	(S millions)		(S millions)		
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	
Net Earnings	\$ 65.9	\$ 28.1	\$ 175.8	\$ 143.9	\$ 44.4
Depreciation	15.3	15.3	60.4	62.6	14.8
Amortization	6.9	8.2	30.8	33.2	7.8
Interest	15.0	9.4	59.5	37.8	17.5
Income Taxes	9.8	10.8	34.8	30.0	13.4
EBITDA	112.9	71.8	361.3	307.5	97.9
Non-GAAP adjustments	5.3	16.0	26.2	32.0	0.2
Adjusted EBITDA	\$ 118.2	\$ 87.8	\$ 387.5	\$ 339.5	\$ 98.1

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

	Quarter ended		Twelve months ended		Quarter ended (S millions) January 1, 2023
	(S millions)		(S millions)		
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	
Inventory adjustment relating to exit activities	\$ 0.0	\$ 1.6	\$ 0.6	\$ 2.6	\$ (0.9)
Restructuring and other exit charges	4.0	5.6	16.4	18.8	0.8
Impairment of indefinite-lived intangibles	0.5	1.2	0.5	1.2	0.4
Loss on assets held for sale	—	3.0	—	3.0	(0.6)
Other	0.7	4.6	2.2	6.4	0.5
Remeasurement of monetary assets included in other (income) expense relating to exit from Russia operations	—	—	4.5	—	(0.6)
Asset Securitization Transaction Fees	0.1	—	0.6	—	0.5
Cost of funding to terminate net investment hedges	—	—	1.4	—	—
Non-GAAP adjustments	\$ 5.3	\$ 16.0	\$ 26.2	\$ 32.0	\$ 0.2

	Quarter ended		Quarter ended (S millions) January 1, 2023
	(S millions)		
	March 31, 2023	March 31, 2022	
Net Earnings	\$ 65.9	\$ 28.1	\$ 44.4
Depreciation	15.3	15.3	14.8
Amortization	6.9	8.2	7.8
Interest	15.0	9.4	17.5
Income Taxes	9.8	10.8	13.4
EBITDA	112.9	71.8	97.9
Non-GAAP adjustments	5.3	16.0	0.2
Adjusted EBITDA	\$ 118.2	\$ 87.8	\$ 98.1

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

	Quarter ended		Quarter ended (S millions) January 1, 2023
	(S millions)		
	March 31, 2023	March 31, 2022	
Inventory adjustment relating to exit activities	\$ 0.0	\$ 1.6	\$ (0.9)
Restructuring and other exit charges	4.0	5.6	0.8
Other	0.5	1.2	0.4
Remeasurement of monetary assets included in other (income) expense relating to exit from Russia operations	—	—	(0.6)
Asset Securitization Transaction Fees	0.1	—	0.5
Cost of funding to terminate net investment hedges	—	—	—
Non-GAAP adjustments	\$ 5.3	\$ 16.0	\$ 0.2

Non-GAAP Reconciliation

Q4 ADJUSTED DILUTED EPS

	Quarter ended	
	<i>(in millions, except share and per share amounts)</i>	
	March 31, 2023	March 31, 2022
Net Earnings reconciliation		
As reported Net Earnings	\$ 65.9	\$ 28.1
Non-GAAP adjustments:		
Inventory adjustment relating to exit activities	— (1)	1.6 (1)
Restructuring and other exit charges	4.0 (2)	5.6 (2)
Impairment of indefinite-lived intangibles	0.5 (3)	1.2 (3)
Loss on assets held for sale	— (4)	3.0 (4)
Amortization of identified intangible assets from recent acquisitions	6.2 (5)	6.3 (5)
Asset Securitization Transaction Fees	0.1	—
Other	0.7	4.6
Income tax effect of above non-GAAP adjustments	(2.0)	(0.3)
Non-GAAP adjusted Net Earnings	<u>\$ 75.4</u>	<u>\$ 50.1</u>
Outstanding shares used in per share calculations		
Basic	<u>40,873,977</u>	<u>41,243,629</u>
Diluted	<u>41,505,060</u>	<u>41,843,270</u>
Non-GAAP adjusted Net Earnings per share:		
Basic	<u>\$ 1.85</u>	<u>\$ 1.21</u>
Diluted	<u>\$ 1.82</u>	<u>\$ 1.20</u>
Reported Net Earnings (Loss) per share:		
Basic	<u>\$ 1.61</u>	<u>\$ 0.68</u>
Diluted	<u>\$ 1.59</u>	<u>\$ 0.67</u>
Dividends per common share	<u>\$ 0.175</u>	<u>\$ 0.175</u>

Non-GAAP Reconciliation

Q4 ADJUSTED DILUTED EPS (CONTINUED)

	Quarter ended	
	<i>(\$ millions)</i>	
	March 31, 2023	March 31, 2022
	Pre-tax	Pre-tax
(1) Inventory adjustment relating to exit activities - Energy Systems	\$ —	\$ 0.2
(1) Inventory adjustment relating to exit activities - Motive Power	—	1.4
(2) Restructuring and other exit charges - Energy Systems	0.3	1.4
(2) Restructuring and other exit charges - Motive Power	1.6	4.2
(2) Restructuring and other exit charges - Specialty	2.1	—
(3) Impairment of indefinite-lived intangibles - Energy Systems	0.1	0.5
(3) Impairment of indefinite-lived intangibles - Motive	—	0.7
(3) Impairment of indefinite-lived intangibles - Specialty	0.4	—
(4) Loss on assets held for sale - Motive	—	3.0
(5) Amortization of identified intangible assets from recent acquisitions - Energy Systems	5.7	5.8
(5) Amortization of identified intangible assets from recent acquisitions - Specialty	0.5	0.5
Total Non-GAAP adjustments	\$ 10.7	\$ 17.7

Non-GAAP Reconciliation

FY ADJUSTED DILUTED EPS

	Twelve months ended	
	<i>(in millions, except share and per share amounts)</i>	
	March 31, 2023	March 31, 2022
Net Earnings reconciliation		
As reported Net Earnings	\$ 175.8	\$ 143.9
Non-GAAP adjustments:		
Inventory adjustment relating to exit activities	0.6 (1)	2.6 (1)
Restructuring and other exit charges	16.4 (2)	18.8 (2)
Impairment of indefinite-lived intangibles	0.5 (3)	1.2 (3)
Loss on assets held for sale	— (4)	3.0 (4)
Amortization of identified intangible assets from recent acquisitions	25.1 (5)	25.4 (5)
Remeasurement of monetary assets included in other (income) expense relating to exit from Russia operations	4.5	—
Asset Securitization Transaction Fees	0.6	—
Cost of funding to terminate net investment hedges	1.4	—
Financing fees related to debt modification	1.2	—
Other	2.2	6.4
Income tax effect of above non-GAAP adjustments	(7.5)	(10.3)
Non-GAAP adjusted Net Earnings	\$ 220.8	\$ 191.0
Outstanding shares used in per share calculations		
Basic	40,809,235	42,106,337
Diluted	41,326,755	42,783,373
Non-GAAP adjusted Net Earnings per share:		
Basic	\$ 5.41	\$ 4.54
Diluted	\$ 5.34	\$ 4.47
Reported Net Earnings (Loss) per share:		
Basic	\$ 4.31	\$ 3.42
Diluted	\$ 4.25	\$ 3.36
Dividends per common share	\$ 0.70	\$ 0.70

Non-GAAP Reconciliation

FY ADJUSTED DILUTED EPS (CONTINUED)

	Twelve months ended			
	<i>(\$ millions)</i>			
	March 31, 2023		March 31, 2022	
	Pre-tax		Pre-tax	
(1) Inventory adjustment relating to exit activities - Energy Systems	\$	(0.2)	\$	0.2
(1) Inventory adjustment relating to exit activities - Motive Power		0.8		2.4
(2) Restructuring and other exit charges - Energy Systems		1.5		2.8
(2) Restructuring and other exit charges - Motive Power		12.8		17.1
(2) Restructuring and other exit charges - Specialty		2.1		(1.1)
(3) Impairment of indefinite-lived intangibles - Energy Systems		0.1		0.5
(3) Impairment of indefinite-lived intangibles - Specialty		0.4		0.7
(4) Loss on assets held for sale - Motive		—		3.0
(5) Amortization of identified intangible assets from recent acquisitions - Energy Systems		23.4		23.6
(5) Amortization of identified intangible assets from recent acquisitions - Specialty		1.7		1.8
Total Non-GAAP adjustments	\$	42.6	\$	51.0

Non-GAAP Reconciliation

Q3 ADJUSTED DILUTED EPS

	Quarter ended	
	<i>(in millions, except share and per share amounts)</i>	
	January 1, 2023	January 2, 2022
Net Earnings reconciliation		
As reported Net Earnings	\$ 44.4	\$ 36.3
Non-GAAP adjustments:		
Inventory adjustment relating to exit activities	(0.9) ⁽¹⁾	— ⁽¹⁾
Restructuring and other exit charges	0.8 ⁽²⁾	2.5 ⁽²⁾
Amortization of identified intangible assets from recent acquisitions	6.3 ⁽³⁾	6.3 ⁽³⁾
Remeasurement of monetary assets included in other (income) expense relating to exit from Russia operations	(0.6)	—
Asset Securitization Transaction Fees	0.5	
Other	0.4	0.4
Income tax effect of above non-GAAP adjustments	1.4	(2.5)
Non-GAAP adjusted Net Earnings	\$ 52.3	\$ 43.0
Outstanding shares used in per share calculations		
Basic	40,835,636	41,905,815
Diluted	41,281,693	42,497,045
Non-GAAP adjusted Net Earnings per share:		
Basic	\$ 1.28	\$ 1.03
Diluted	\$ 1.27	\$ 1.01
Reported Net Earnings (Loss) per share:		
Basic	\$ 1.09	\$ 0.87
Diluted	\$ 1.08	\$ 0.85
Dividends per common share	\$ 0.175	\$ 0.175

Non-GAAP Reconciliation

Q3 ADJUSTED DILUTED EPS (CONTINUED)

	Quarter ended	
	<i>(\$ millions)</i>	
	January 1, 2023	January 2, 2022
	Pre-tax	Pre-tax
(1) Inventory adjustment relating to exit activities - Energy Systems	\$ (0.2)	\$ —
(1) Inventory adjustment relating to exit activities - Motive Power	(0.7)	—
(2) Restructuring and other exit charges - Energy Systems	0.2	0.7
(2) Restructuring and other exit charges - Motive Power	0.6	1.7
(2) Restructuring and other exit charges - Specialty	—	0.1
(3) Amortization of identified intangible assets from recent acquisitions - Energy Systems	5.9	5.9
(3) Amortization of identified intangible assets from recent acquisitions - Specialty	0.4	0.4
Total Non-GAAP adjustments	\$ 6.2	\$ 8.8

Non-GAAP Reconciliation

LEVERAGE RATIO

	Last twelve months	
	March 31, 2023	March 31, 2022
	(in millions, except ratios)	
Net earnings as reported	\$ 175.8	\$ 143.9
Add back:		
Depreciation and amortization	91.2	95.9
Interest expense	59.5	37.8
Income tax expense	34.8	30.0
EBITDA (non GAAP)	\$ 361.3	\$ 307.6
Adjustments per credit agreement definitions ⁽¹⁾	51.7	51.5
Adjusted EBITDA (non-GAAP) per credit agreement ⁽¹⁾	\$ 413.0	\$ 359.1
Total net debt ⁽²⁾	\$ 736.0	\$ 905.9
Leverage ratios:		
Total net debt/credit adjusted EBITDA ratio	1.8 X	2.5 X

- (1) The \$51.7 million adjustment to EBITDA in fiscal 2023 primarily related to \$26.4 million of non-cash stock compensation, \$22.4 million of restructuring and other exit charges, impairment of indefinite-lived intangibles of \$0.5 million, and \$1.4 million for swap termination fees. The \$51.5 million adjustment to EBITDA in fiscal 2022 primarily related to \$24.3 million of non-cash stock compensation, \$26.0 million of restructuring and other exit charges, indefinite-lived intangibles of \$1.2 million.
- (2) Debt includes finance lease obligations and letters of credit and is net of all U.S. cash and cash equivalents and foreign cash and investments, as defined in the Fourth Amended Credit Facility. In fiscal 2023, the amounts deducted in the calculation of net debt were U.S. cash and cash equivalents and foreign cash investments of \$347.0 million, and in fiscal 2022, were \$402.5 million.

Non-GAAP Reconciliation

FREE CASH FLOW

	Fiscal year ended March 31,		
	2023	2022	2021
Net cash provided by (used in) operating activities	\$ 279.9	\$ (65.6)	\$ 358.4
Less Capital Expenditures	(88.8)	(74.0)	(70.0)
Free Cash Flow	<u>\$ 191.1</u>	<u>\$ (139.6)</u>	<u>\$ 288.4</u>

Non-GAAP Reconciliation

PRIMARY OPERATING CAPITAL

Primary Operating Capital

As part of managing the performance of our business, we monitor the level of primary operating capital, and its ratio to net sales. We define primary operating capital as accounts receivable, plus inventories, minus accounts payable. The resulting net amount is divided by the trailing three month net sales (annualized) to derive a primary operating capital percentage. We believe these three elements included in primary operating capital are most operationally driven, and this performance measure provides us with information about the asset intensity and operating efficiency of the business on a company-wide basis that management can monitor and analyze trends over time. Primary operating capital was \$1,057.0 million (yielding a primary operating capital percentage of 26.7%) at March 31, 2023 and \$1,042.0 million (yielding a primary working operating percentage of 28.7%) at March 31, 2022. The primary operating percentage of 26.7% at March 31, 2023 is 200 basis points lower than that for March 31, 2022, and 220 basis points higher than that for March 31, 2021. The change in the ratio is a result of the continued supply chain constraints, inflationary pressures across our business, and strategic inventory build that have outweighed benefits received from the sale of \$150.0 million in accounts receivables through a Receivables Purchase Agreement (RPA) entered into during the third quarter of fiscal 2023.

Primary Operating Capital and Primary Operating Capital percentages at March 31, 2023, 2022 and 2021 are computed as follows:

<i>(\$ in Millions)</i>	March 31, 2023	March 31, 2022	March 31, 2021
Accounts receivable, net	\$ 637.8	\$ 719.4	\$ 603.6
Inventory, net	797.8	715.7	518.2
Accounts payable	(378.6)	(393.1)	(323.9)
Total primary operating capital	\$ 1,057.0	\$ 1,042.0	\$ 797.9
Trailing 3 months net sales	\$ 989.9	\$ 907.0	\$ 813.5
Trailing 3 months net sales annualized	\$ 3,959.6	\$ 3,628.1	\$ 3,254.2
Primary operating capital as a % of annualized net sales	26.7 %	28.7 %	24.5 %

Non-GAAP Reconciliation

ADJUSTED GROSS PROFIT

	Quarter ended (\$ millions)			Year ended (\$ millions)	
	March 31, 2023	January 1, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Net Sales	\$ 989.9	\$ 920.2	\$ 907.0	\$ 3,708.5	\$ 3,357.3
Gross Profit	\$ 246.0	\$ 213.6	\$ 194.6	\$ 840.1	\$ 750.0
Inventory adjustment relating to exit activities	-	(0.9)	1.6	0.6	2.6
Adjusted Gross Profit	\$ 246.0	\$ 212.8	\$ 196.2	\$ 840.7	\$ 752.6



Thank you.

For more information visit
us at www.enersys.com

World Headquarters
2366 Bernville Road
Reading, PA 19605 USA
+1 610-208-1991 / +1 800-538-3627

EnerSys EMEA
EH Europe GmbH
Baarerstrasse 18
6300 Zug Switzerland

EnerSys Asia
152 Beach Road
Gateway East Building #11- 08
Singapore 189721 / +65 6416-4800