



“Powering the **Future**
Everywhere for **Everyone.**”

AUGUST 2019

At EnerSys, we pursue perfection to
deliver Power to innovate and inspire.

Power delivered simply, safely
and sustainably.

Power that creates superior
value for our customers and
shareholders.

We are proud to be **EnerSys**.



Forward-Looking Information

This presentation includes forward-looking statements and/or information, which are based on the Company's current expectations and assumptions, and are subject to a number of risks and uncertainties that could cause actual results to materially differ from those anticipated. Such risks include, among others, risks associated with competitive actions, technology development and implementation, intellectual property infringement, failure to execute acquisition strategy, penetration of existing markets, expansion into new markets, hiring and retaining high quality management and key employees and general economic conditions including the risks described in the Company's most recent annual report on Form 10-K dated and filed with the SEC on May 29, 2019 along with other unforeseen risks. The statements in this presentation and accompanying commentary are made as of the date of this presentation, even if subsequently made available by the Company on its website or otherwise. The Company does not undertake any obligation to update or revise these statements to reflect events or circumstances occurring after the date of this presentation.



Power/Full Solutions

EnerSys Acquires Alpha Group

*A Compelling Combination, Providing a Full
Suite of Power Solutions*

A Uniquely Compelling Acquisition

- ▶ North American leader in commercial-grade energy solutions for the broadband, telecom, and industrial markets, with strongly recognized brands

- ▶ Provides immediate material market share to attractive secular megatrends AND establishes an additional long-term growth platform

- ▶ Enables EnerSys to become the sole fully-integrated power and energy storage solution provider

- ▶ Complementary financial profile – accretive to near term growth and margins

- ▶ Compelling value creation through more than \$25mm of annual run-rate synergies

- ▶ Immediately accretive to earnings; EnerSys retains strong balance sheet

Key Transaction Terms

Structure & Consideration

- EnerSys acquires Alpha Group (“Alpha”) from its founders in a cash and stock transaction
- \$750mm¹ total consideration, or 11x LTM EBITDA pre-synergies (8x including run-rate synergies²)
 - \$650mm in cash consideration, funded with existing cash and credit facilities and new debt
 - \$100mm in stock consideration, issued to Fred Kaiser, founder of Alpha

Management

- Drew Zogby to lead the division as President, post transaction
- Key Alpha management to remain with the business on retention plans

Expected Transaction Benefits

- Accelerates revenue growth, and establishes additional platform for long-term growth
- Combined LTM revenue of over \$3.2 billion and adjusted EBITDA of ~\$422 mm², or ~13% margin
- Over \$25mm of identified run-rate cost and revenue synergies
- Transaction immediately accretive to earnings (before one-time acquisition costs)

1. Total consideration subject to regular working capital adjustments

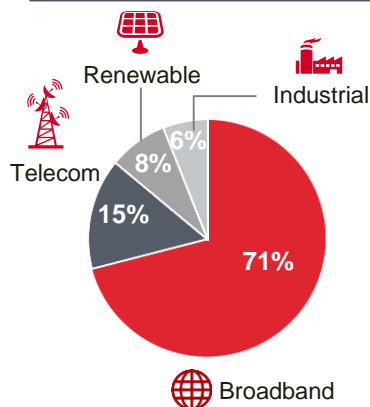
2. Includes full run-rate synergies of over \$25mm

Alpha at a Glance

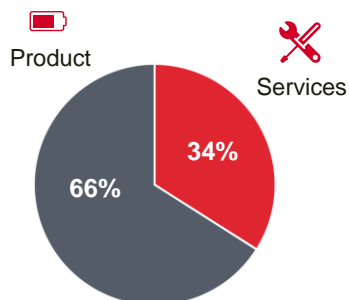
Alpha's Value Proposition

- Provider of highly integrated power solutions and services to Broadband, Telecom, Renewable and Industrial customers
- Industry leading reputation and brand with end-to-end power solutions
- U.S. market leader with global blue-chip customer base across diverse, global and growing end markets
- Consistent growth, profitability and cash flow generation

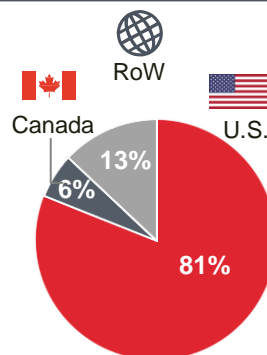
Revenue by Segment¹



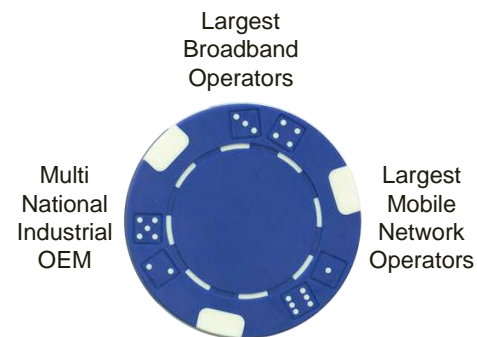
Revenue by Solution¹



Revenue by Geography¹



Blue Chip Customers



Key Financial Highlights

\$636mm
FY19 Revenue

12%
FY19 Adj.
EBITDA Margin

15%
FY18 to FY19
Revenue Growth

1,000+
Customers

>100
Countries
Sold Into

¹ Displays breakdown for FY2019.

Strong Position in Broadband and Telecom



Broadband (71% of Revenue)¹

- Serving Broadband and Internet Providers Globally
- Providing products and services to support Outside Plant, Facility and Fiber Network Equipment



Telecom (15% of Revenue)¹

- Serving all major Telecommunication providers Nationwide in the U.S.
- Supporting Line Power, Central Offices, Small Cell and Base Station Power needs



Renewable (8% of Revenue)¹

- Serving residential and non-residential renewable energy providers
- Supporting energy production, storage, engineered systems and management



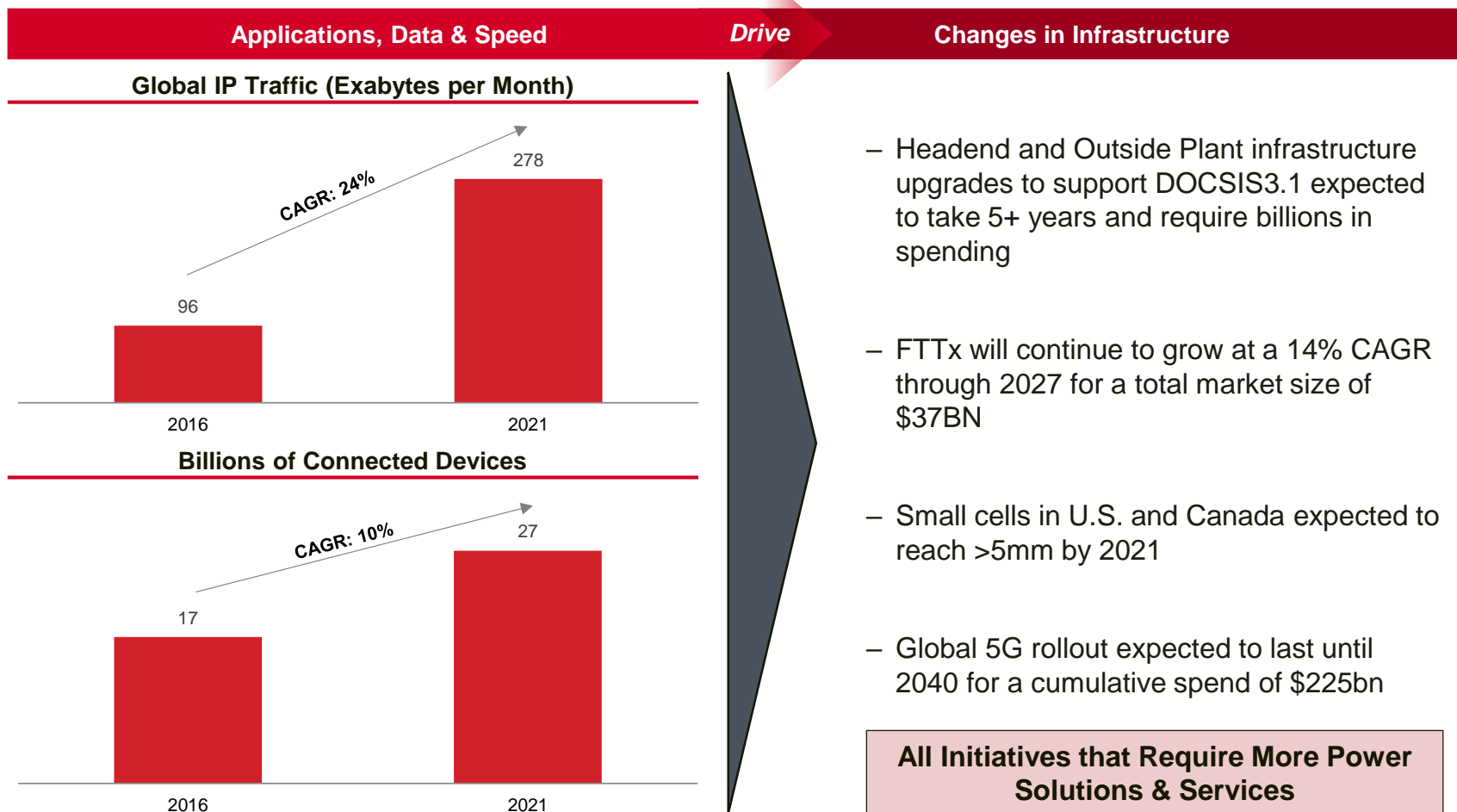
Industrial (6% of Revenue)¹

- Serving indoor and outdoor private and public industrial customers
- Providing key backup solutions for Smart City and Internet-of-Things enabled infrastructure



¹ As of FY19, Includes Product and Service Revenue.

Alpha Benefits from Favorable End Markets



Source: Cisco, Small Cell Forum, Future Market Insights, Morgan Stanley Research, Fiber Broadband Association

Two Highly Complementary Businesses



| | | |
|-------------------------------------|--|--|
| Mission | <ul style="list-style-type: none"> Powering the Future – Everywhere for Everyone The global leader in stored energy solutions for industry | <ul style="list-style-type: none"> Keep the world working by delivering solutions that meet today's and future power challenges |
| FY 2019 | \$2,647mm | \$636mm |
| Adjusted LTM EBITDA / Margin | \$328mm / 12% | \$78mm / 12% (\$101mm, 16% incl. synergies ¹) |
| Distinctive Capabilities | Advanced lead-acid battery capabilities, global manufacturing capabilities, global services and support capabilities | Platform designs for inverters, rectifiers and gateway devices |
| Key End Markets | Industrial Forklifts, Telecom, UPS, Fleet, Medical, Utility, Transportation, Government, Aerospace, Defense and other | Broadband, Telecom & Wireless, Renewable Energy, Industrial |
| Customers | Diversified dealers / OEMs End users | Broadband operators and wireless tower and small cell operators |
| Employees | ~9,700 | ~1,400 |

Two highly complementary platforms poised for synergy and growth acceleration

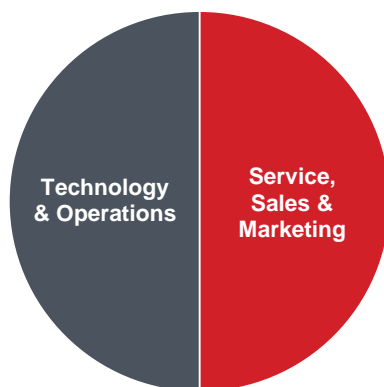
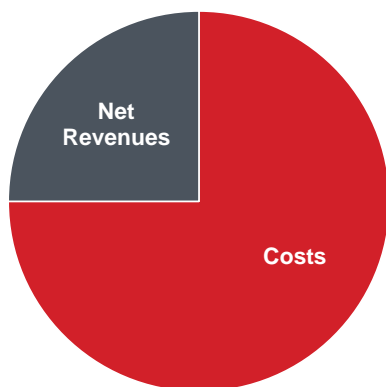
• 1 Includes full run-rate synergies of over \$25mm

Attractive Synergy Opportunity

FYE-March

Estimated Annual Run-rate Synergies of \$25mm+ by 2021+

Approximate Synergy Breakdown by Type



Key Elements of Integration

- Alpha management fully-retained
- EnerSys has significant expertise in successfully integrating acquisitions
- Management teams have been cooperating in developing joint plan for a smooth integration
- Revenue synergies to consist of incremental sales from integrated DC solutions and improvement of salesforce productivity
- Cost synergies to be achieved by eliminating redundancies and increasing manufacturing scale
- 100% of run-rate synergies to be achieved within two years of close

Builds on EnerSys' Existing \$25mm Annual Savings Programs

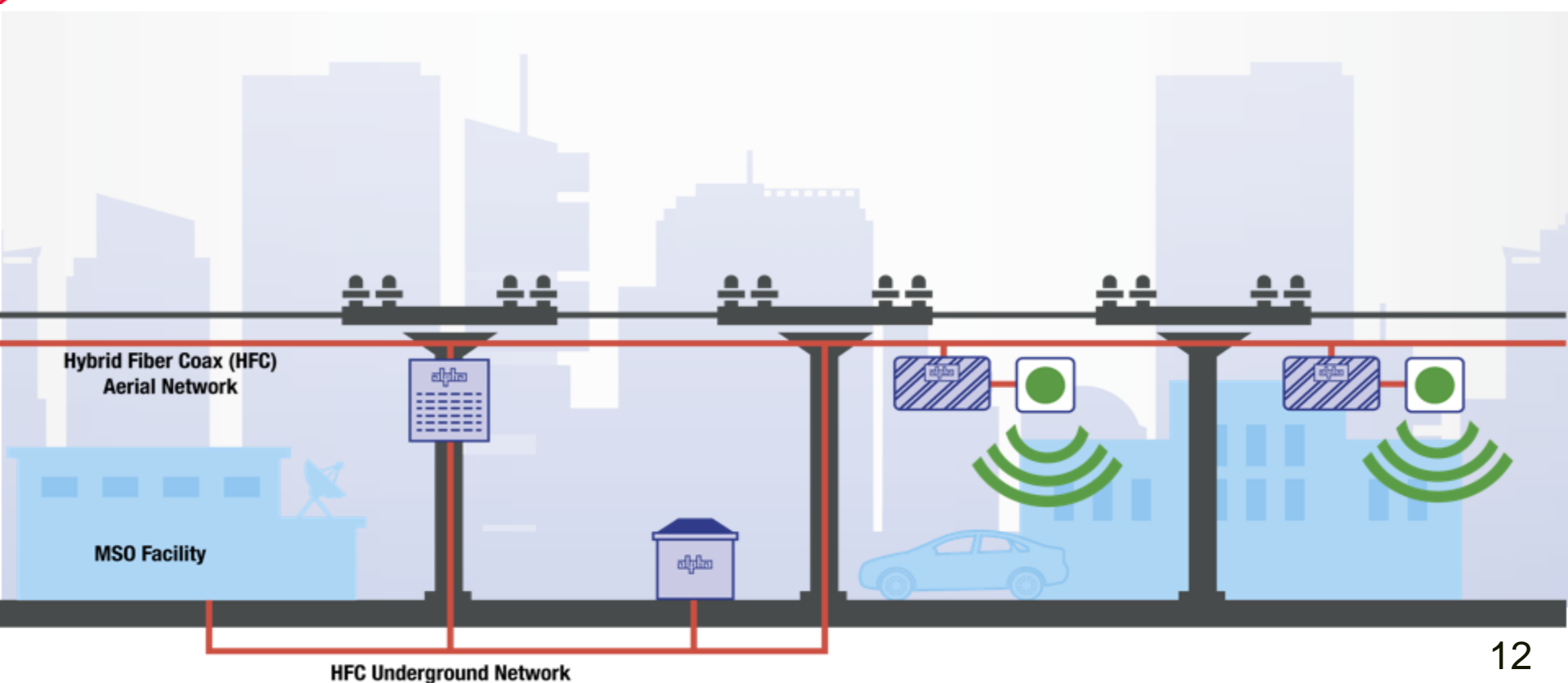
Summary of Transaction Benefits

- ▶ North American leader in commercial-grade energy solutions for the broadband, telecom, and industrial markets, with strongly recognized brands
- ▶ Provides immediate material market share to attractive secular megatrends AND establishes an additional long-term growth platform
- ▶ Enables EnerSys to become the sole fully-integrated power and energy storage solution provider
- ▶ Complementary financial profile – accretive to near term growth and margins
- ▶ Compelling value creation through more than \$25mm of annual run-rate synergies
- ▶ Immediately accretive to earnings; EnerSys retains strong balance sheet

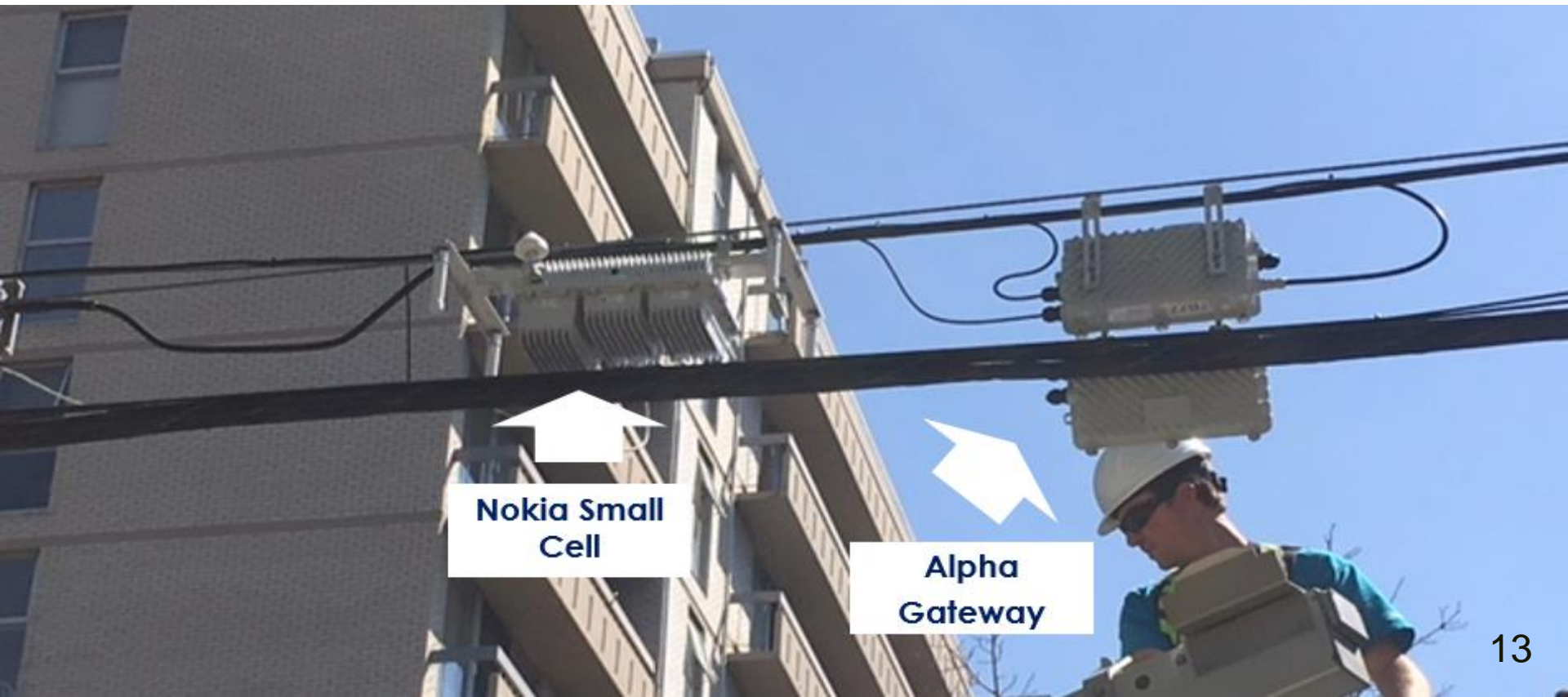


**A uniquely
attractive
platform for
growth for
ENS**

Small Cells Powered Over HFC Network



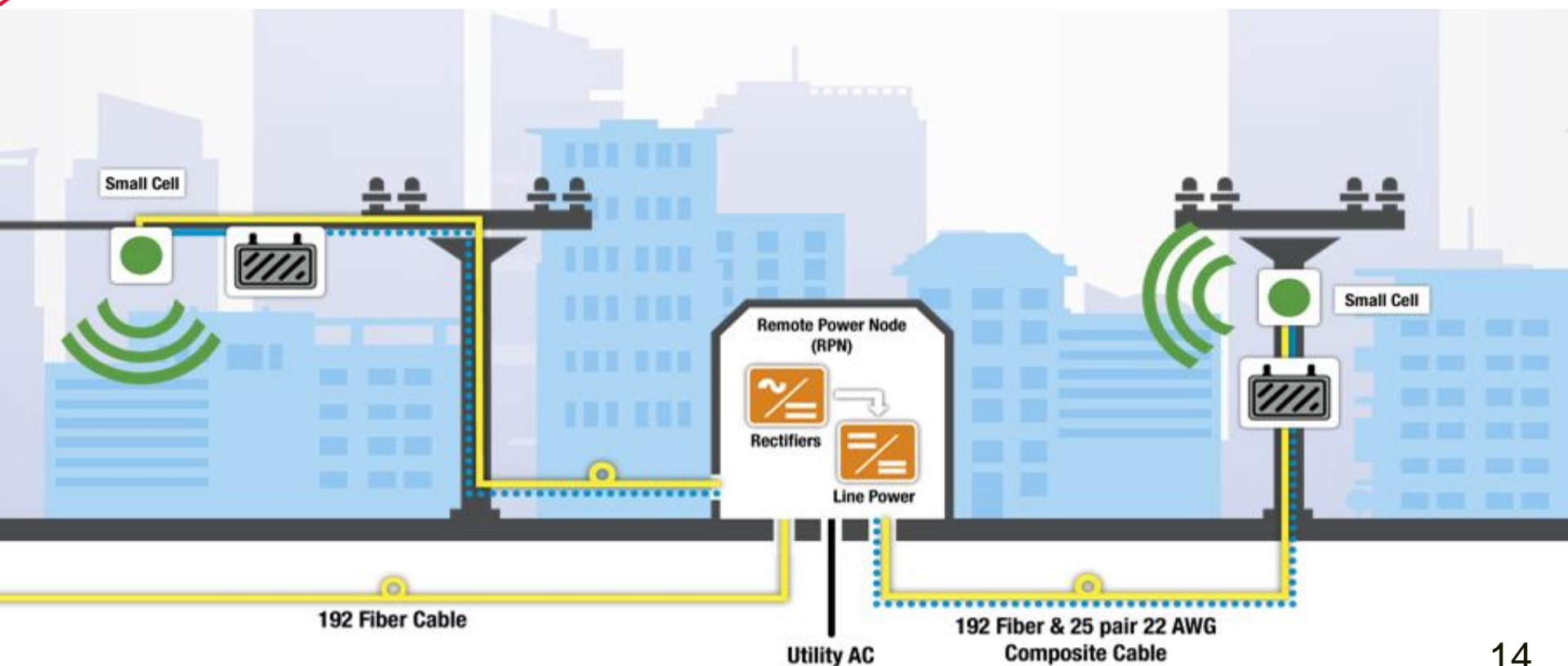
Gateway Powered Over HFC Network



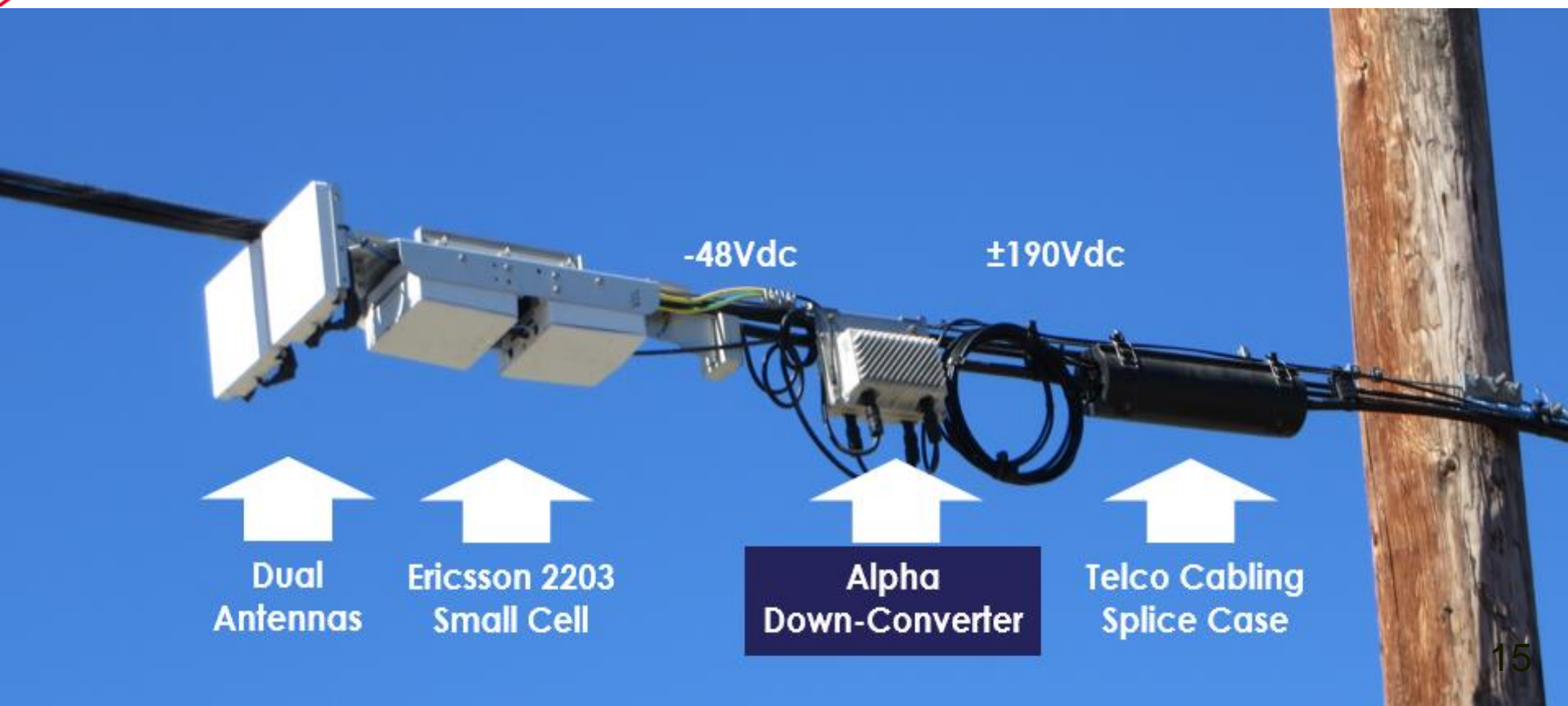
Nokia Small
Cell

Alpha
Gateway

Small Cells Powered Over Twisted Pair

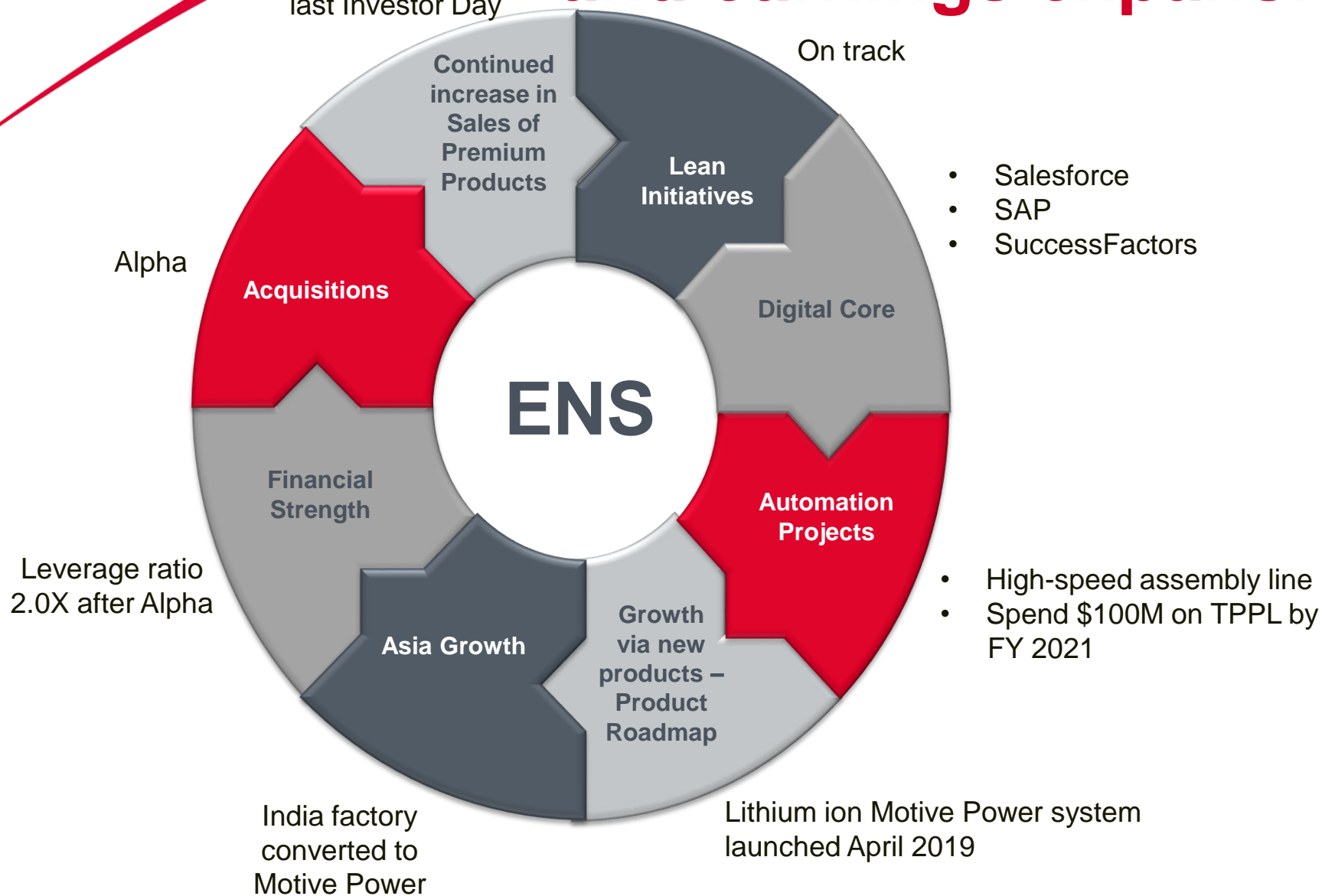


Small Cells Powered Over Twisted Pair



Drivers for future growth and earnings expansion

42% vs. 39% at last Investor Day



The Global Leader in stored energy solutions for industrial applications

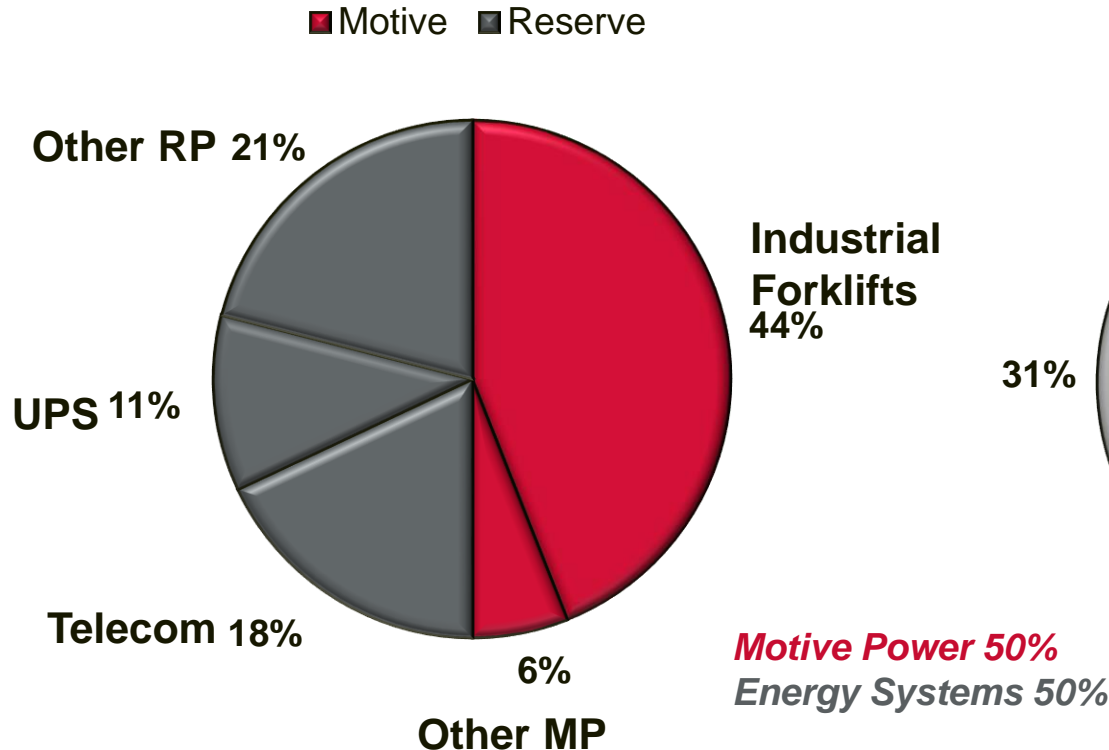
- Markets: Reserve Power, Motive Power, Aerospace & Defense
- Sales: \$2.8 billion in fiscal year 2019
- Global leader: 21% market share in CY 2018
- Customers: Over 10,000 in more than 100 countries
- Global manufacturing facilities
- Employees: 11,200 worldwide
- Sustainability: 99% recycle rate on Lead-Acid batteries

Source: BCI, Eurobat industry reports and management estimates based on the markets where EnerSys participates. Market size and share are for batteries and chargers only. It excludes power solution and services to broadband, telecom and other markets, and the aerospace & defense and cabinet enclosures markets (each estimated at \$1 to \$2 billion).

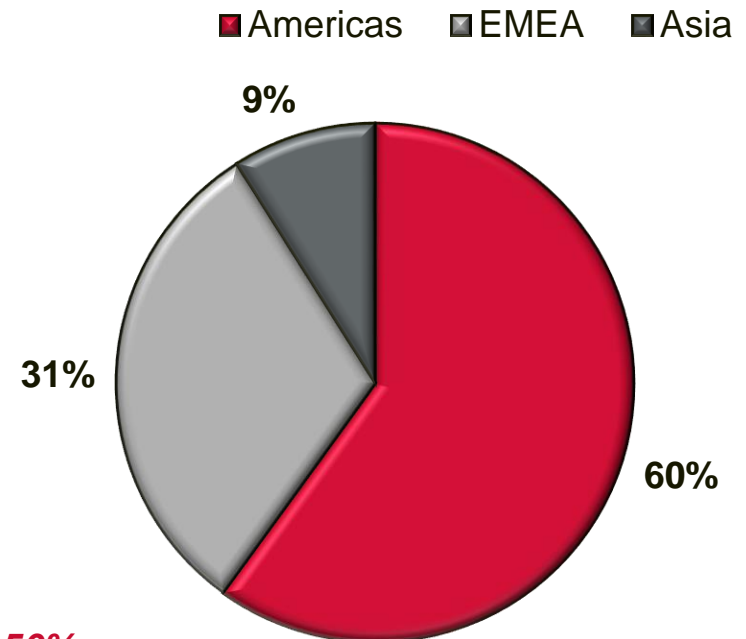
Diversified Business Model Reduces Cyclicalty

FY19 Net Sales of \$2.8 Billion

END MARKETS DIVERSIFICATION



GEOGRAPHIC DIVERSIFICATION



Note: Other reserve power includes power solutions and services to broadband, telecom and other markets, aerospace & defense, cabinet enclosures, utilities, emergency lighting, security systems and specialty products. Other motive power is primarily ground handling and mining equipment.

Motive Power – Power on the move Electric forklift trucks



- Low maintenance battery
- Longer topping up intervals (4/8/13/20 weeks)



- More power, longer lifetime
- Ideal for very heavy duty applications
- Opportunity charges*



- TPPL (thin plate pure lead) technology
- Extra fast charges
- Opportunity charges*

*Charging when convenient: shift change, lunch breaks, down time versus consistent 6 hour charge.

EnerSys at ProMat 2019

- Historic level of customer attendance
- Maintenance-free was main topic



Reserve Power - Mission-critical power on standby



Datacenters

- Cloud
- IT Systems
- Banking & Finance
- Process Industries
- Healthcare



Industrial UPS*

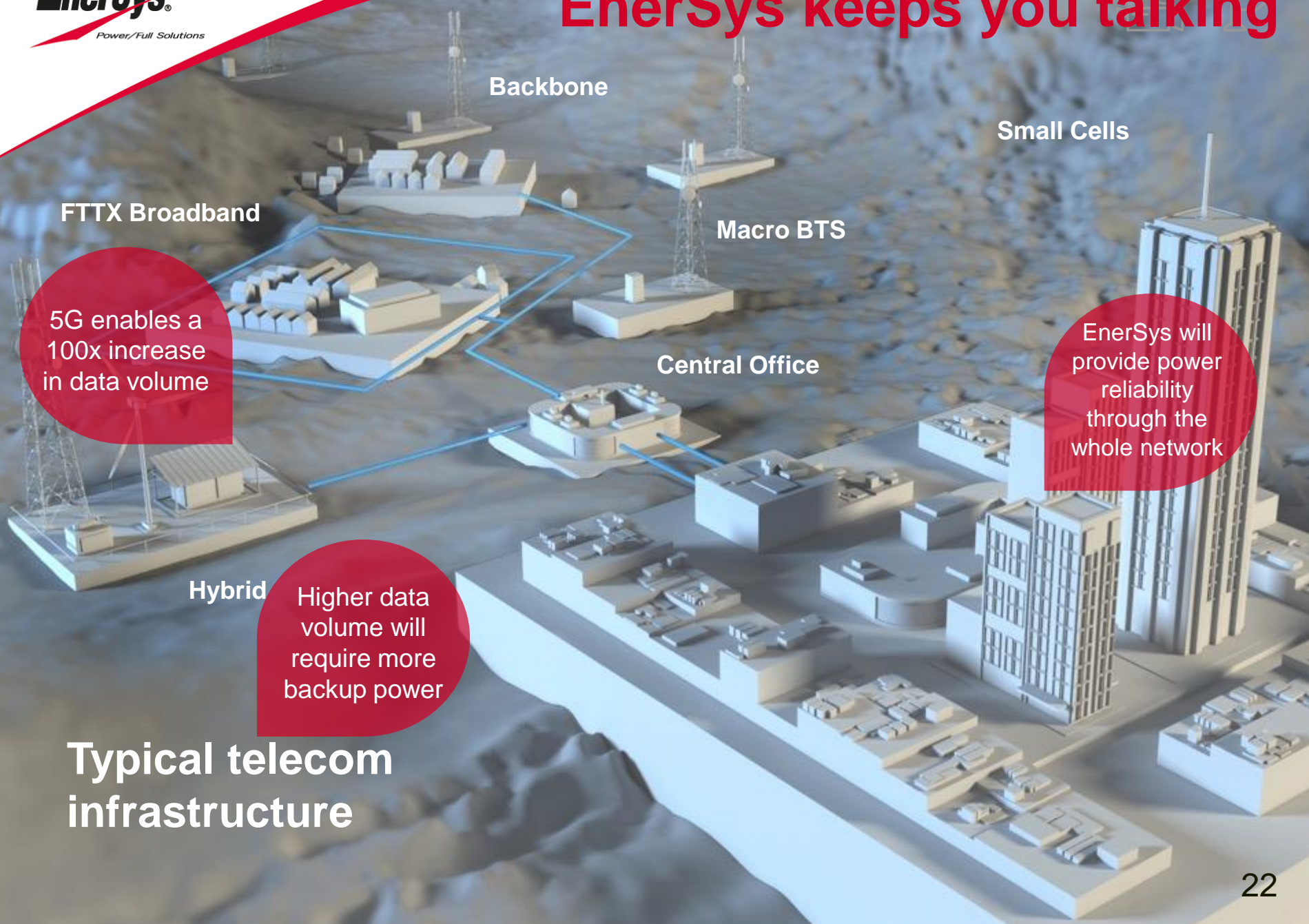
- Oil & Gas
- Switchgear
- Distribution Substations
- Industrial Substations
- Process Industries
- Railways & Metros
- Air Transport



Standard UPS*

- Datacenters
- Power Quality
- IT Systems
- Banking & Finance
- Process Industries
- Healthcare

EnerSys keeps you talking



FTTX Broadband

Backbone

Small Cells

Macro BTS

Central Office

5G enables a
100x increase
in data volume

EnerSys will
provide power
reliability
through the
whole network

Hybrid

Higher data
volume will
require more
backup power

Typical telecom
infrastructure

Reserve Power – Key segments



Telecom

EnerSys provides optimized solutions to reduce your energy consumption and promote the longest battery life.



Fleet/Vehicles

Today's vehicles are loaded with more electronics.

EnerSys' battery:

- Ability to keep up with changes
- Lasts twice as long
- Handles vibrations much better

US Market – \$1 B, ENS opportunity \$300M
EMEA Market - \$0.5+B, ENS opportunity \$150M

Aerospace & Defense - Lines of business



Air: Civil and military aviation

- Lead-Acid & Ni-Cd technologies, OEM, MOD and aftermarket



Land: Storage and management

- Thin Plate Pure Lead (TPPL) technology and management systems
- OEM and replacement
- Dominant supplier



Sea: Submarine batteries

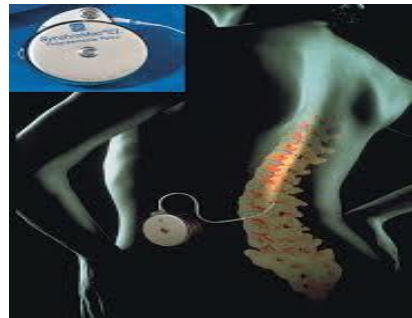
- Flooded Lead Acid, TPPL, OEM and replacement
- Next generation product development
- Dominant Supplier

Lithium ion Applications

Space



Medical



Defense

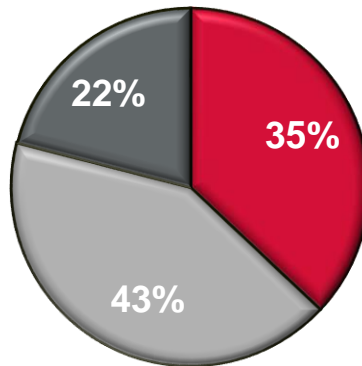


Global Industrial Lead Acid Battery Market

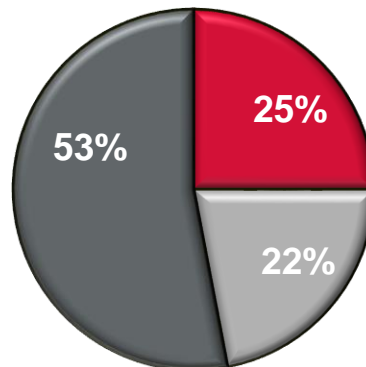
\$10.4 Billion CY 2018

GEOGRAPHIC

■ Americas ■ EMEA ■ Asia

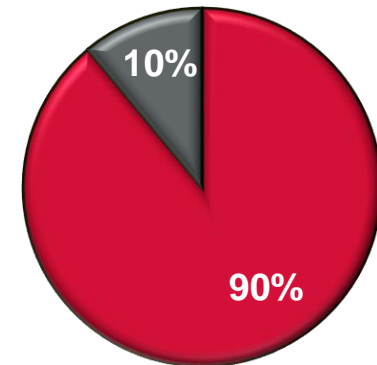


■ Americas ■ EMEA ■ Asia

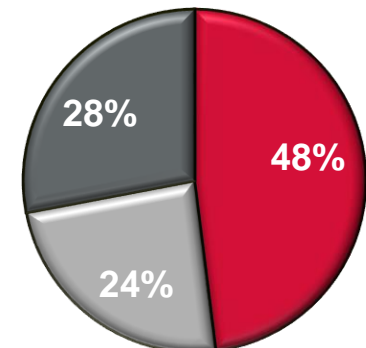


END MARKETS

■ Industrial Forklifts ■ Other



■ Telecom ■ UPS ■ Other



Note: Market size includes only the markets where EnerSys participates. Market size includes only batteries and chargers. It excludes power solutions and services to broadband, telecom and other markets, the aerospace & defense and cabinet enclosures markets (each estimated at \$1 to \$2 billion) and service revenue.

MOTIVE

\$4.1 Billion

RESERVE

\$6.3 Billion

Leading Market Positions

#1 Worldwide Market Share 21%

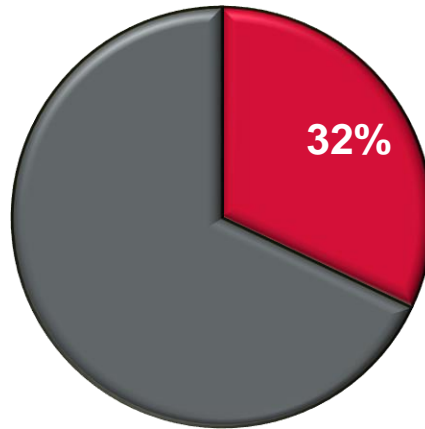
MOTIVE

\$4.1 Billion

RESERVE

\$6.3 Billion

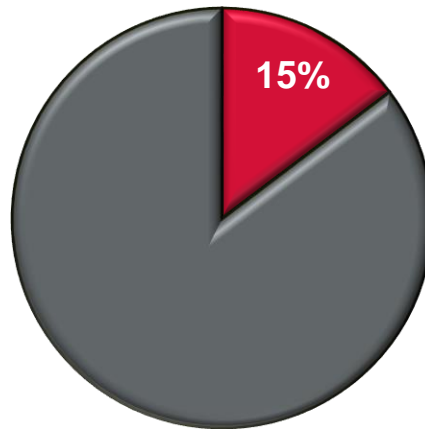
EnerSys #1



Motive - Major Competitors

| | |
|----------|-----------------|
| Exide | East Penn |
| Hoppecke | Crown Batteries |

EnerSys #1



Reserve - Major Competitors

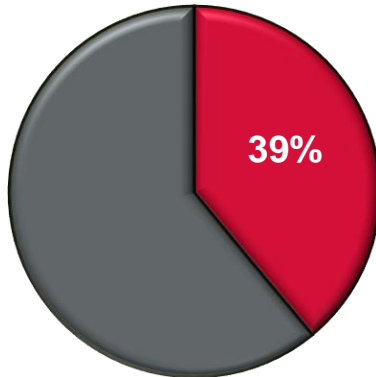
| | |
|--------------------------|------------|
| Exide | Saft |
| GS Yuasa | East Penn |
| Northstar | New Power |
| Narada | C&D |
| Coslight | Amara Raja |
| Exide Industries (India) | |

Source: BCI, Eurobat industry reports and management estimates based on the markets where EnerSys participates. Market size and share are for batteries and chargers only. It excludes power solutions and services to broadband, telecom and other markets, the aerospace & defense and cabinet enclosures markets (each estimated at \$1 to \$2 billion) and service revenue.

Regional Market Share

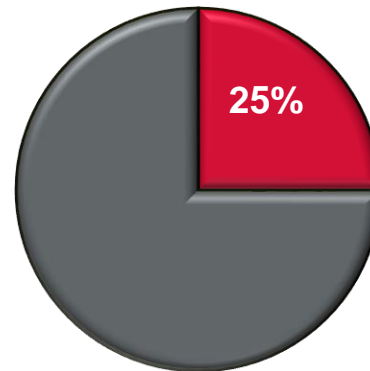
AMERICAS
\$3.0 Billion

EnerSys #1



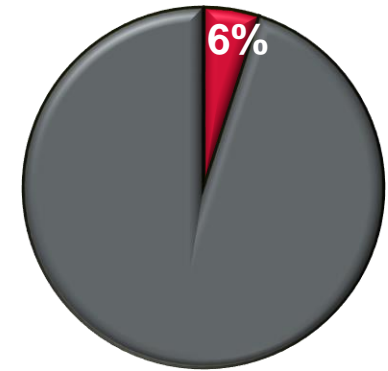
EMEA
\$3.1 Billion

EnerSys #1



ASIA
\$4.3 Billion

EnerSys #5



Major Competitors

Exide
East Penn
Northstar
C&D
Crown
New Power

Exide
Hoppecke
Fiamm Reserve Power
Northstar

Coslight
Narada
China Shoto
Leoch
Vision
Zibo

CHINA

GS Yuasa → JAPAN
Exide Industries
Amara Raja

INDIA

Trends expanding energy storage needs



Backup Power Systems

- Regulation requiring renewable energy storage



Electric Grid

- Electric grid infrastructure having trouble keeping up with ever increasing demand



Datacenters

- Data usage increases Streaming/Facetime/Videos
- UPS architectural change to faster backup – Premium Product



Vehicles

Trucks | Buses | Fire Engines | Police Cruisers

- Commercial fleet heavier electric loads – Truck, Emergency Response, Refrigeration, APU

Targeted opportunities

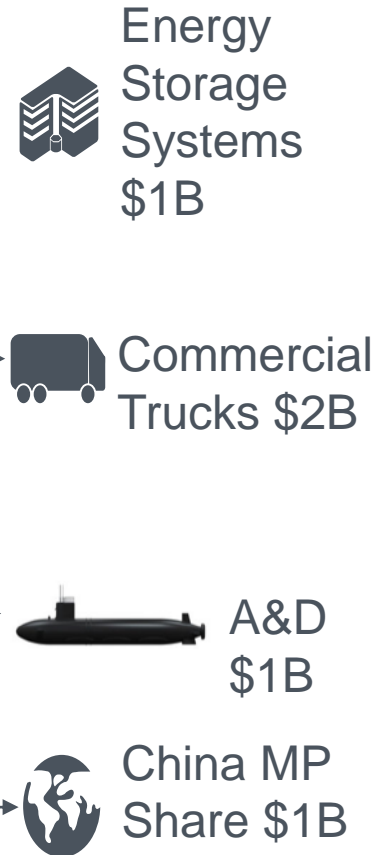
Expand Addressable
Market by 50%



Current Market



Future Market



Lean initiatives



**Relentless
elimination
of waste**



**Enterprise
transformation**



**Harmonize
factories
worldwide**

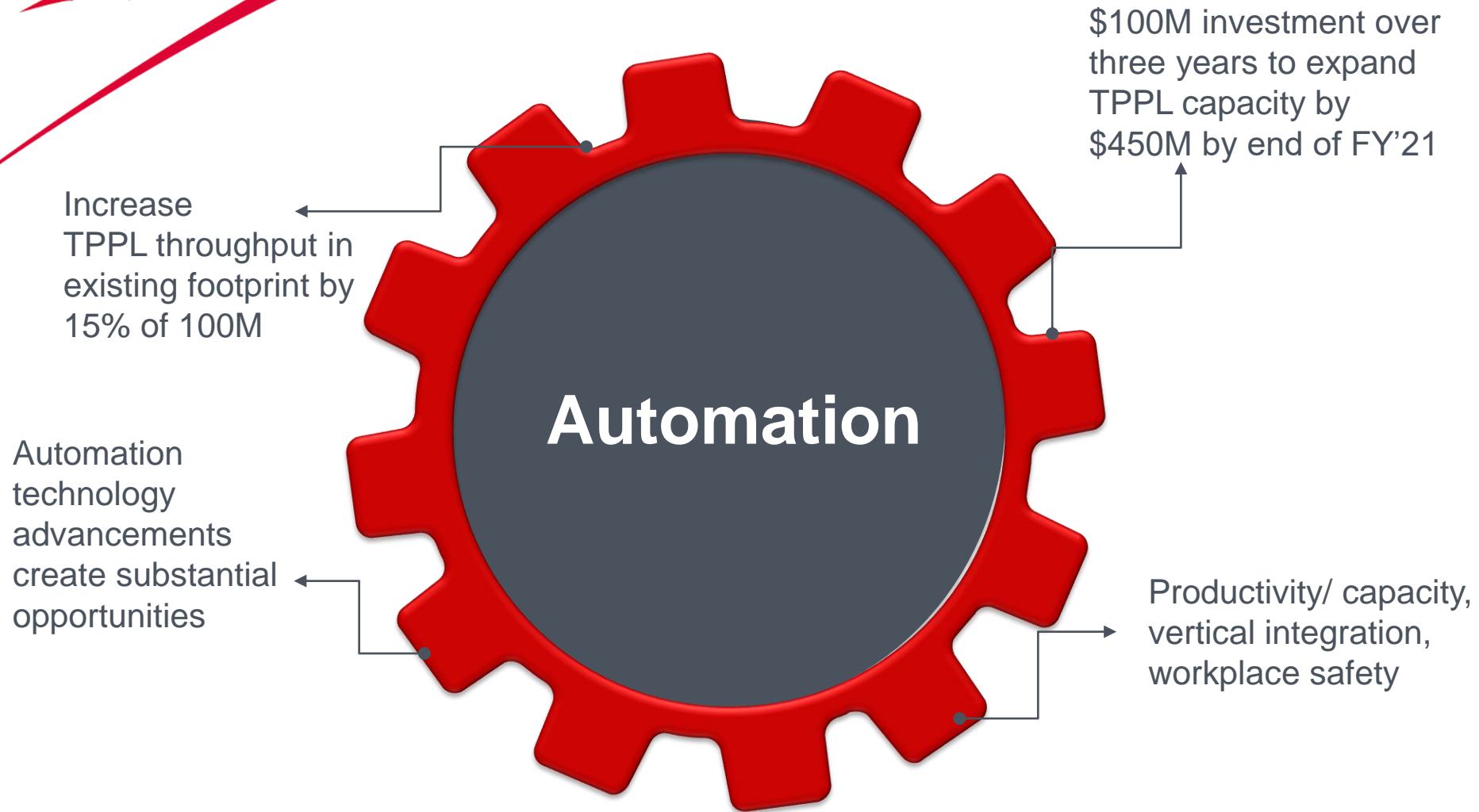


**Consultant
support**

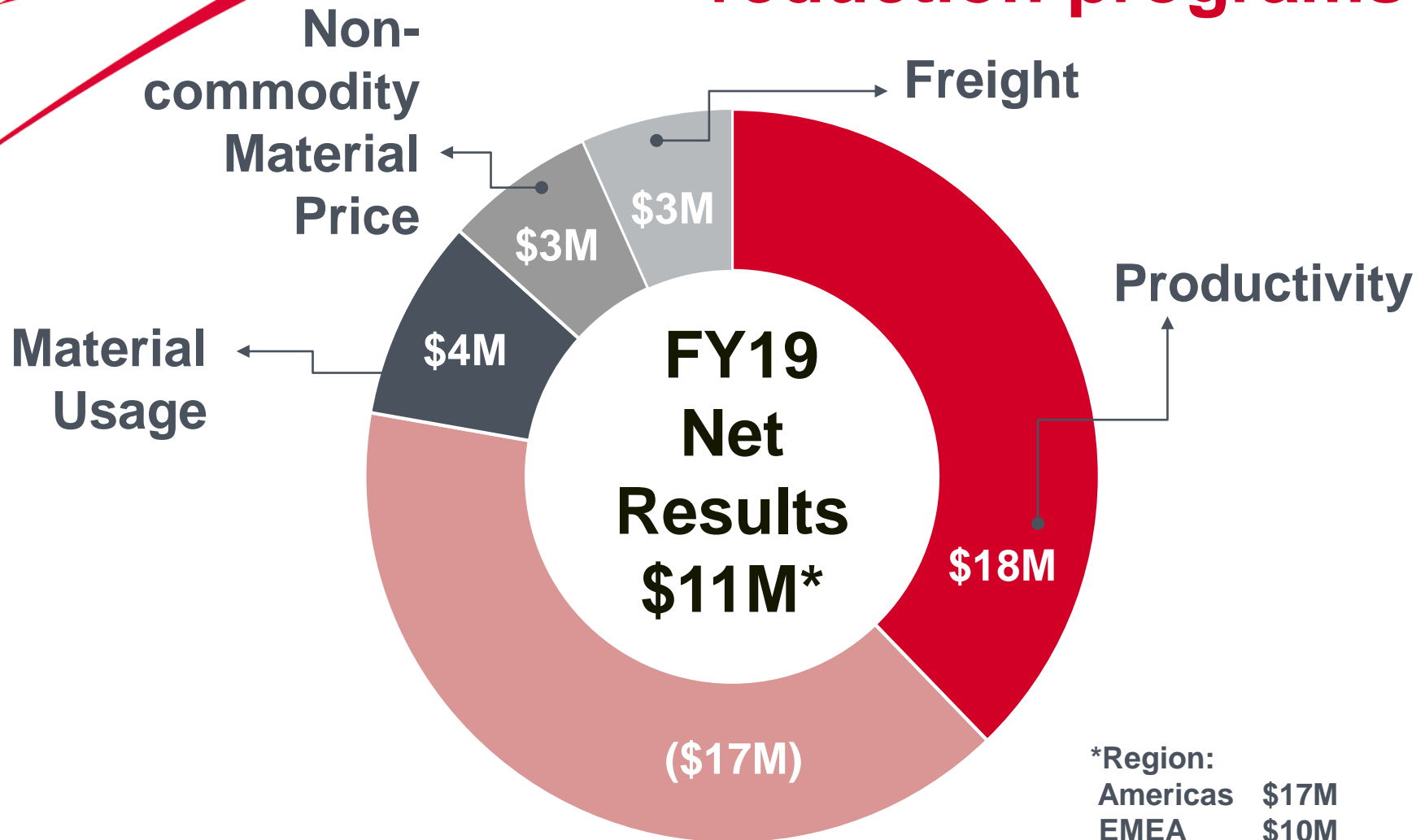


**Software
enhancements**

Automation initiatives



Annual recurring cost reduction programs



*Region:
Americas \$17M
EMEA \$10M
Asia \$ 1M

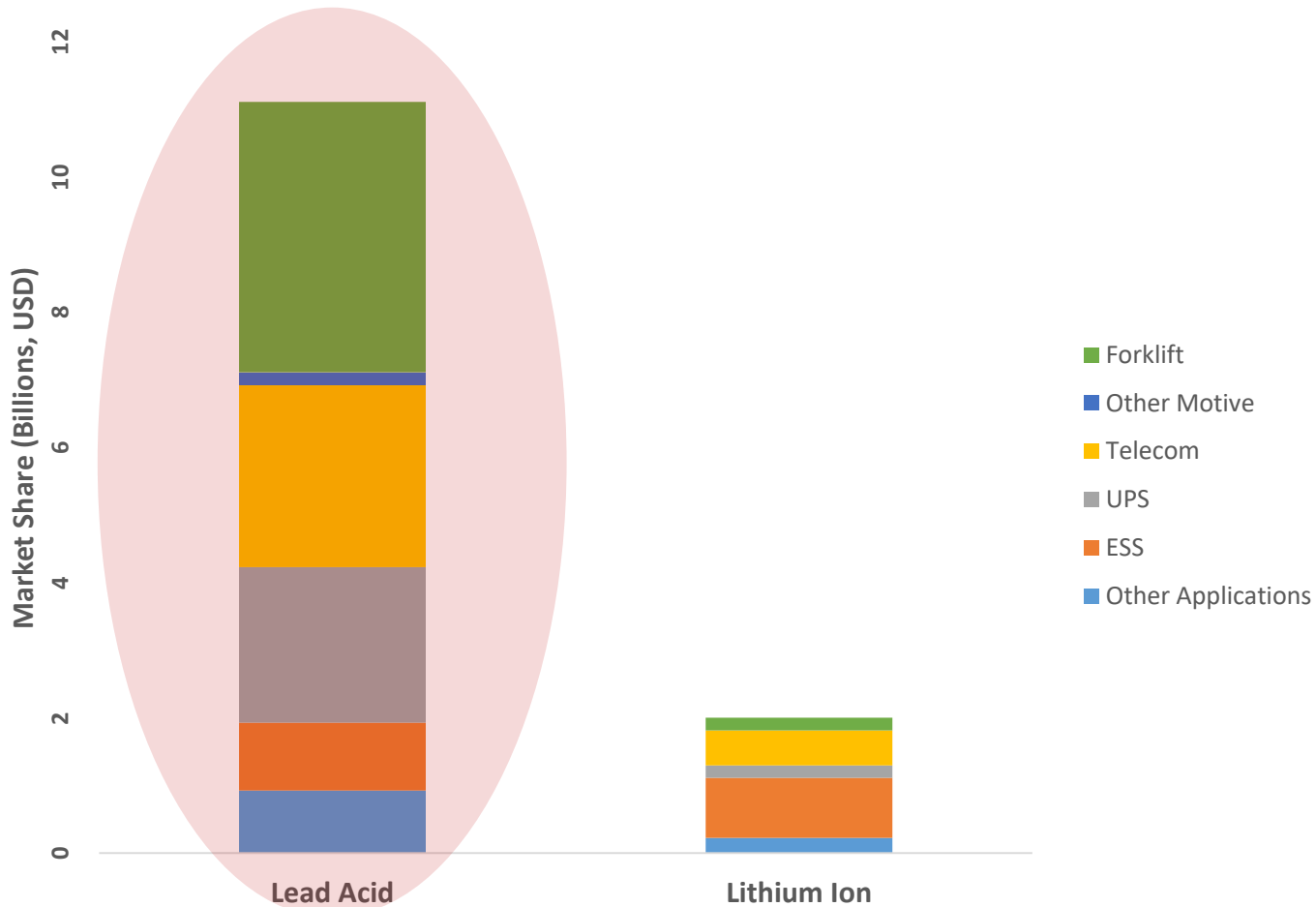
*Above Gross Savings of \$28M excludes offsetting negative variances for China Mfg. (\$6.0M), Americas Motive Power Mfg. (\$4.0M), Direct Labor (\$4.0M), Other (\$3.0M)

Product roadmap overview

- Continued advancement of lead technologies
- Expand lithium from A&D into broader Industrial markets
- Enhancing product portfolio for new markets including Energy Storage Systems (ESS)
- Larger emphasis on system engineering and modular kit development



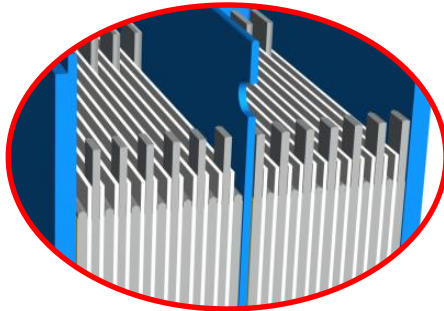
Industrial Battery Market 2016



Worldwide Secondary Battery Market in 2015 was \$65B – Lead Acid had 90% Market Share, but Lithium had 10 Year CAGR at 22%

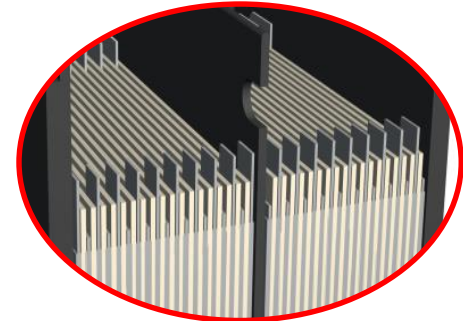
Source: Avicenne Energy 2016

What is Thin Plate Pure Lead (TPPL)?



Traditional

- 13 Plates per Section
- 0.5m²
- 550Wpc

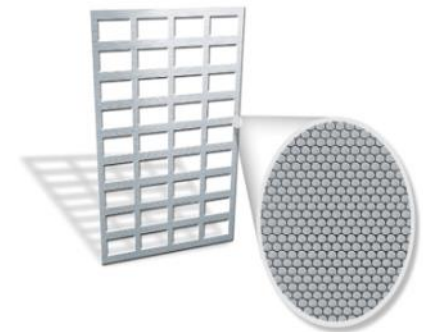


TPPL

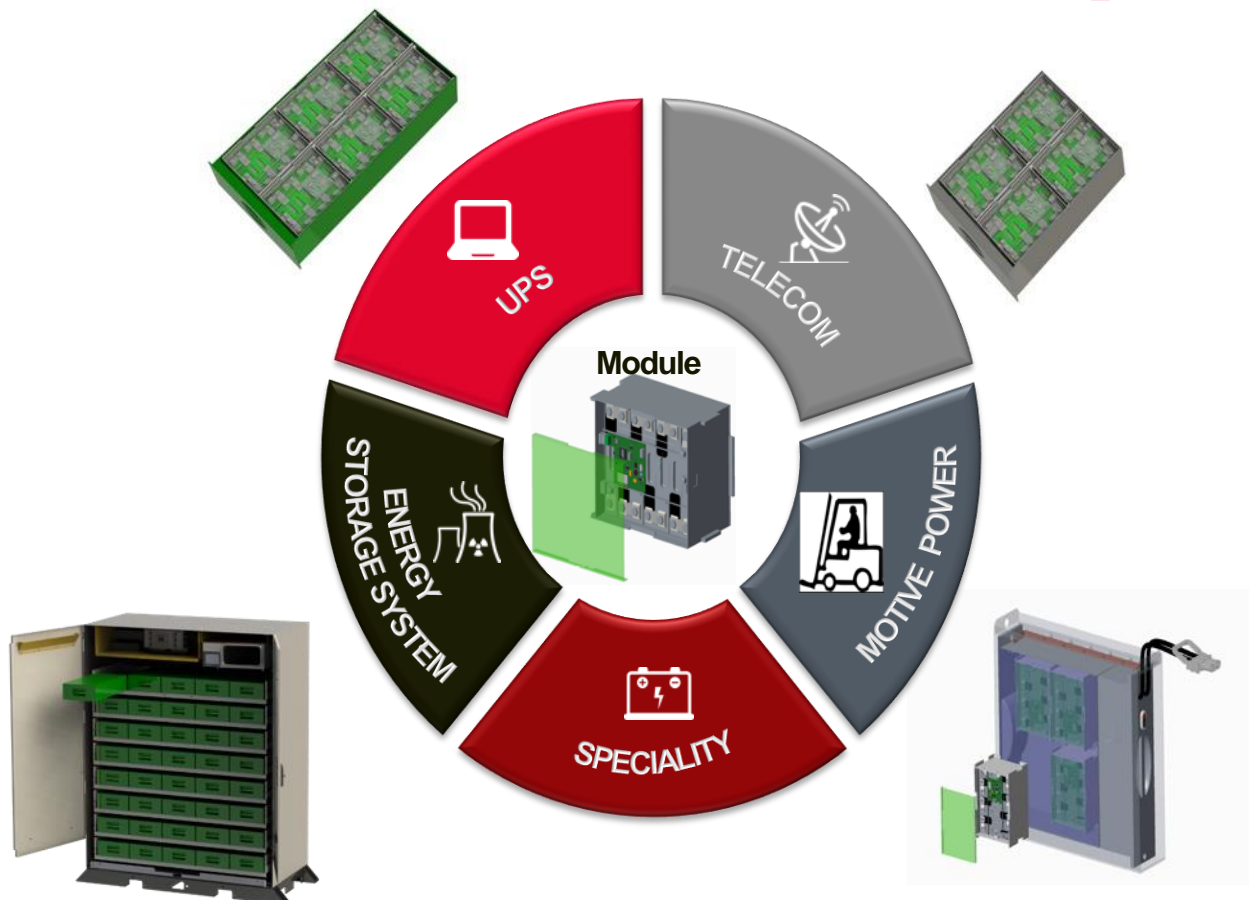
- 21 Plates per Section
- 0.8m²
- 706Wpc

TPPL – Pure Lead Crystallography

- Thinner grids allow for a higher energy density within the same footprint
- Very fine grain structure makes the grid far more resistant to corrosion
- Promotes surface area reaction
- Dramatically lowers resistance



Solutions **Modular Concept**



ESS 100KW/400KWh System

Next Generation TPPL

If the application requires

- Limited to daily partial cycling (peak shaving, demand charges)
- Space is somewhat confined
- No maintenance
- Restrictions (e.g. fire code)
- Remote monitoring



| Parameter | Value |
|-----------------------------------|-------|
| Price (USD/Wh/L) | 1.13 |
| Cycle Life (80% BoL with 80% DoD) | 800 |
| Relative Price | 52% |
| TCO (Cents/Wh/L/Cycle) | 0.14 |

ESS 100KW/400KWh System

Li-Ion System

If the application requires

- Significant cycling (PV, demand charges, high load profile)
- Space is very confined
- No maintenance
- No restrictions (e.g. fire code)
- Remote monitoring



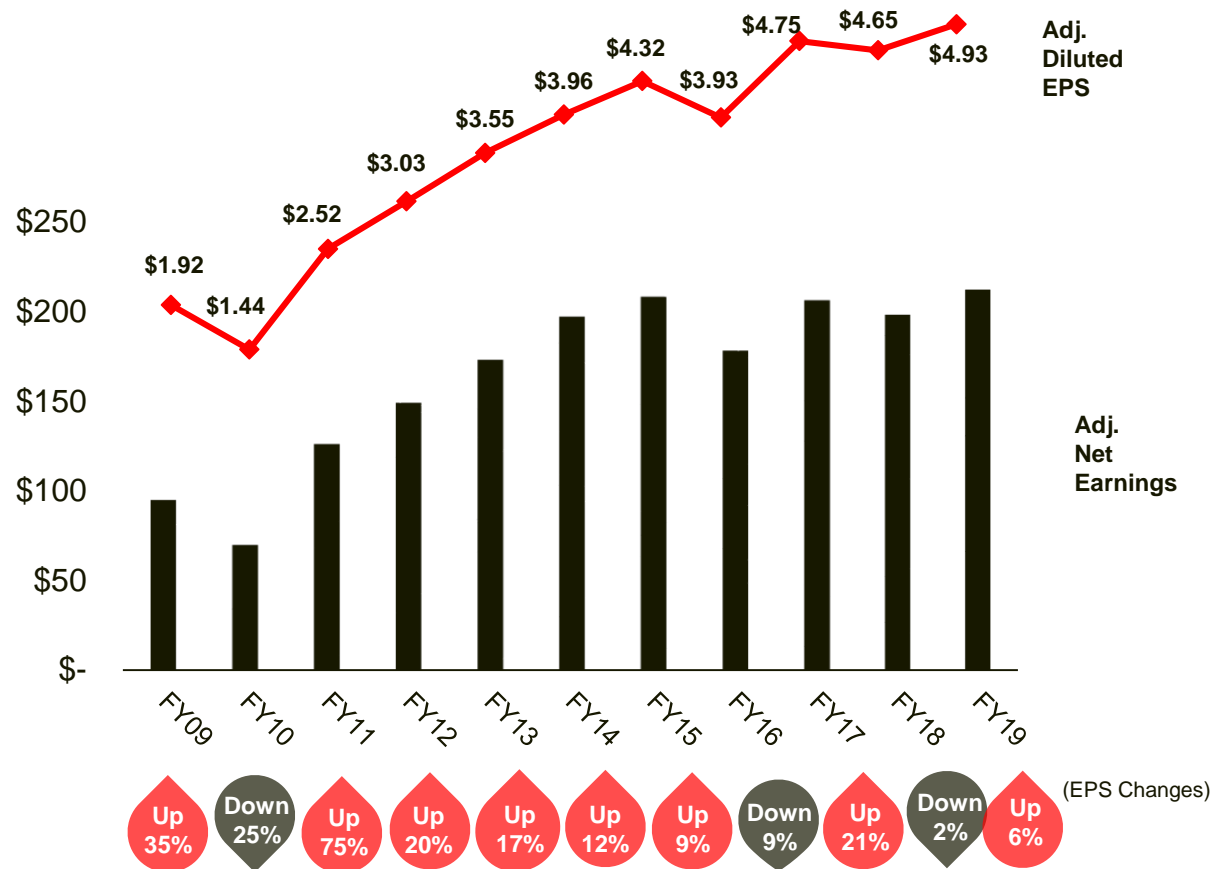
| Parameter | Value |
|---------------------------------|-------|
| Price (USD/Wh/L) | 2.56 |
| Cycle Life (80% BoL @ 100% DoD) | 6000 |
| Relative Price | 118% |
| TCO (Cents/Wh/L/Cycle) | 0.04 |

Historical earnings improvements

Adj. Net Earnings / Diluted EPS (\$ in Millions, except per share information)

Earnings drivers

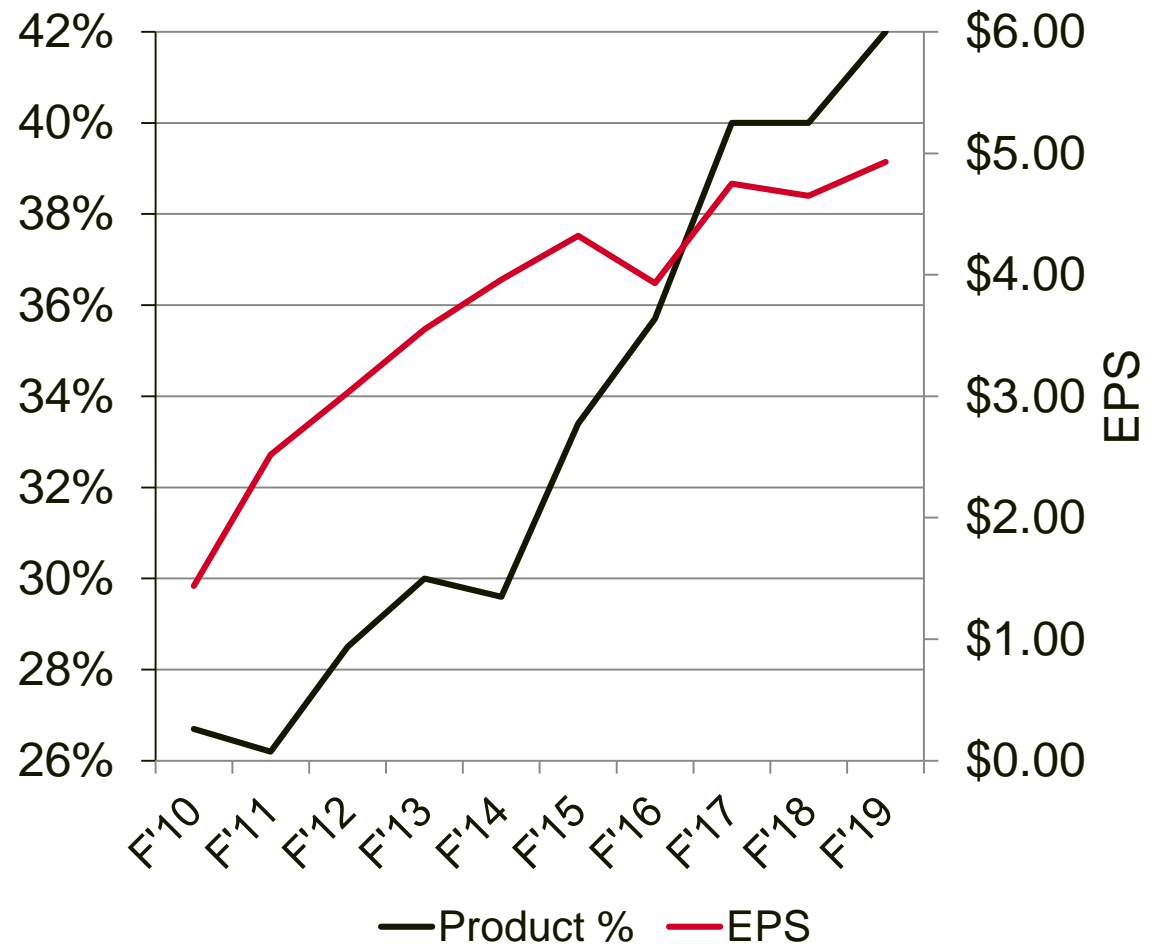
- Increased sales mix of premium products
- Restructuring cost savings
- Market leadership



Note - Adjusted earnings results exclude highlighted items.
FY19 includes Alpha.

Increasing premium products mix

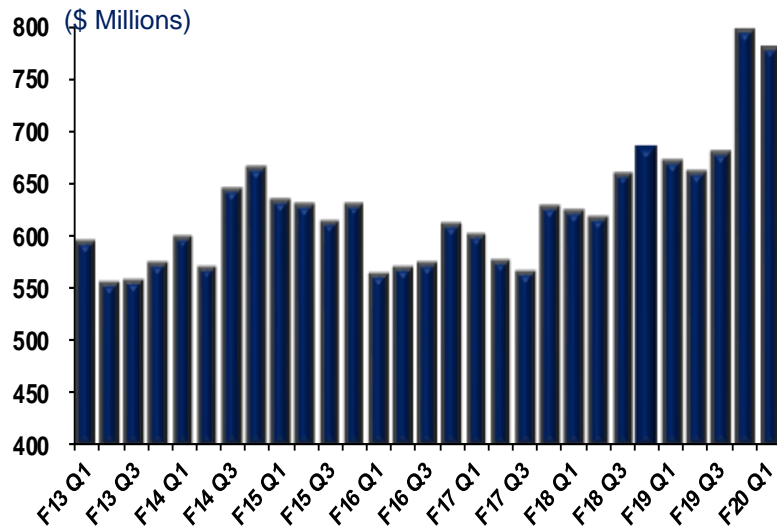
- Thin Plate Pure Lead – Telecom, UPS, A&D, Motive Power
- Premium Motive Power - Ironclad
- Modular Chargers
- Battery Management Systems
- Lithium – A&D



Note - Adjusted earnings results exclude highlighted items.
FY19 includes Alpha.

Net sales & gross profit margin

NET SALES

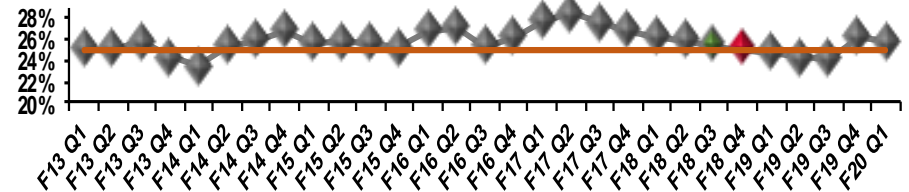


Notes:

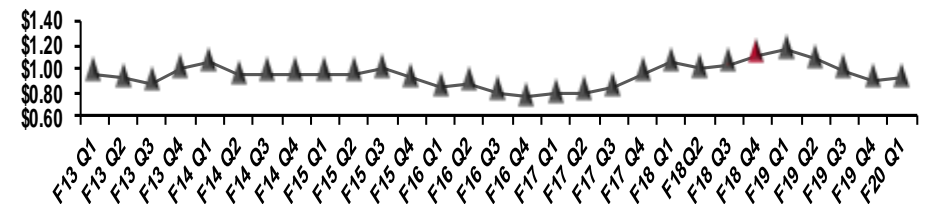
- LME and Euro are set to our P&L basis.
- \$ amounts are in average actual rates

* F19 includes Alpha

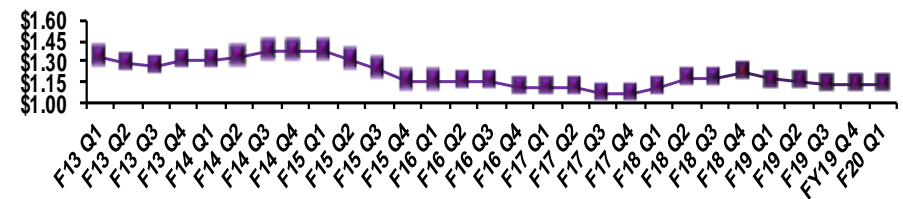
ACTUAL GP %



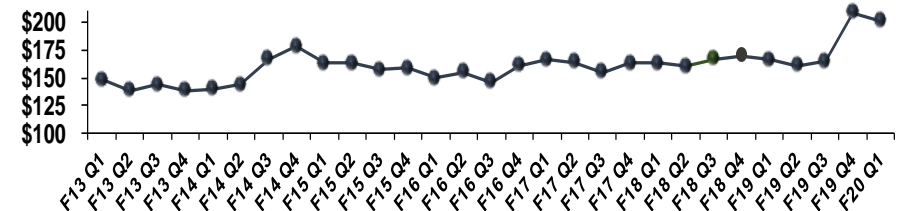
LME



EURO



GP \$

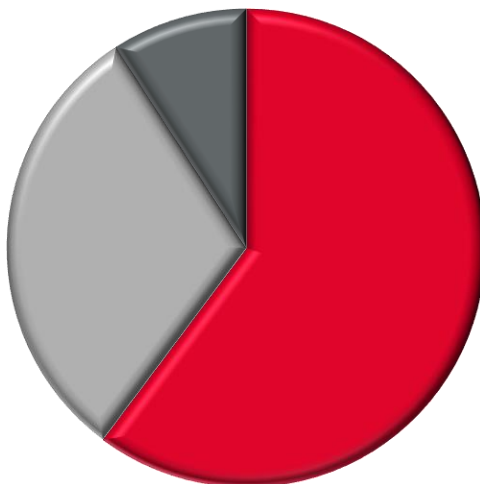


Driving long term operating earnings balance

Revenue FY 2019

Revenue FY 2021

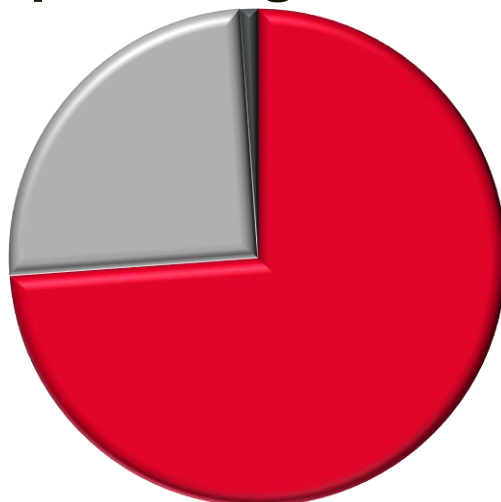
- Americas
- EMEA
- Asia



\$ 2.8 →

- ~ 4 % Organic CAGR
- Improved regional balance
- M&A TBD

Op Earnings FY 2019

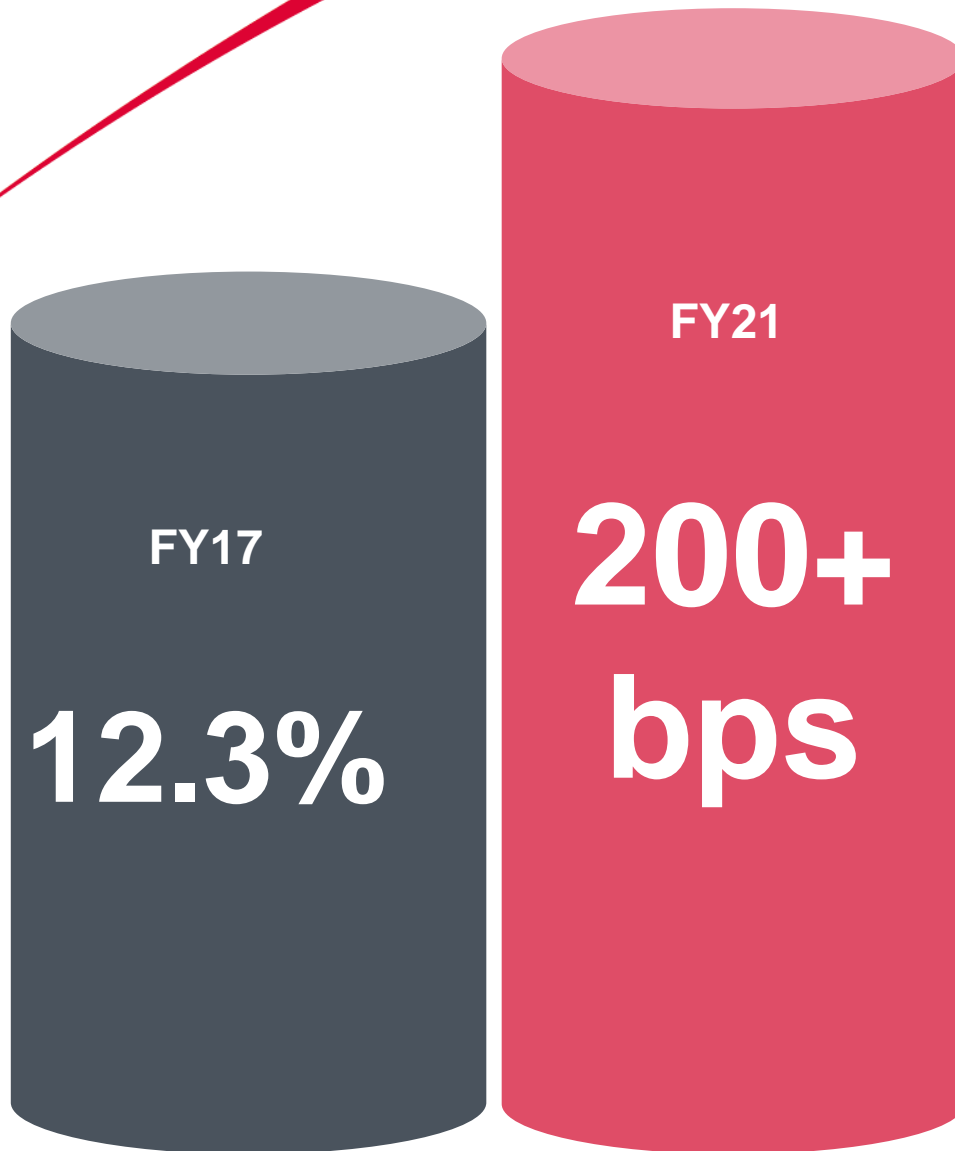


\$ 0.3 →

- 8-10 % Organic CAGR
- ~ 200 bps improvement

(\$ Billions)

Operating margin expansion



- Organic Growth
- Premium Mix
- Lean Initiatives
- New Products