

EnerSys®

The logo for EnerSys features the company name in a bold, italicized, black sans-serif font. A red diagonal slash cuts through the text from the bottom left to the top right. A registered trademark symbol (®) is located to the right of the 's'.

Power/Full Solutions

2nd Quarter Earnings Conference Call

November 11, 2021

David M. Shaffer

Director, President and Chief Executive Officer

Michael J. Schmidlein

Executive Vice President and Chief Financial Officer

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 October 3, 2021, 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 November 10, 2021, which is located on our website at www.enersys.com.

Record Backlog

Continued Inflation & Supply Delays



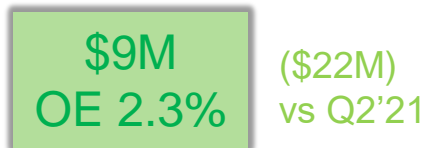
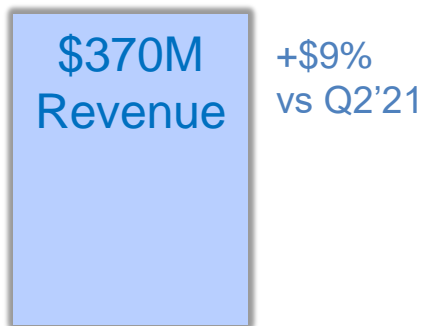
Presented on an as adjusted basis.

- Record market demand across all segments
- Backlog over \$1B, >2X normal levels; backlog growth led by ES – *more than COVID recovery*
- MP & Specialty better than forecast; ES lagged
- Supply chain masking underlying profitability
- Cost pressures accelerated +\$20M sequentially, aggressive price actions continuing to chase
- New products, customers, and channels in pipeline

Record global demand continuing to face cost-supply issues; actively addressing

Energy Systems

→ Robust end-markets, record backlog, greatest supply chain impacts



Presented on an as adjusted basis.

- Q2 order rates +57% vs pre-COVID Q2'F'20
- Large initial CA PUC backup orders received
- Global economic environment suppressing OE margin
 - Complex supply chain with greater exposure to freight inflation/delays, tariffs & sourcing
 - Aggressive pricing actions taken but delayed cost recovery due to large backlog and project nature of business
- Strong market demand, mega-market trends, new products, TPPL capacity growth, price increases and alternate sourcing all point to extremely bright horizon

Robust demand & new products should deliver strong results as costs/supply stabilize

Motive Power

→ Demand at pre-COVID levels; sales & OE outperformed

\$321M
Revenue

+22%
vs Q2'21

\$41M
OE 13%

+\$17M
vs Q2'21

- Backlog a record \$270M+ with positive runway coming out of European holiday season
- Margins up due to pricing, mix, & OpEx efficiencies; OE 18% higher than pre-COVID Q2'F'20
- NexSys[®] TPPL & lithium variants gaining acceptance
- Hagen restructuring savings beginning to be realized, additional savings being extracted from legacy business

Presented on an as adjusted basis.

Business should see steady recovery balance of fiscal year

Specialty

→ Another solid quarter, record backlog

\$101M
Revenue

-3%
vs Q2'21

\$12M
OE 12%

+0.4%
vs Q2'21

- Solid Trans and A&D performance, paced by supply issues
- Q2 delayed deliveries recovered in Q3
- \$1.2B TPPL capacity and productivity improvements on track exiting FY'22
- Continued robust Trans market and share growth anticipated into H2 & CY'22

Presented on an as adjusted basis.

Strong US demand signals & Class 8 truck recovery offer great opportunity

Product Road & Developments

→ Exciting technological advancements

- Launched 11 new variants for MP with more to come
- Lithium demand growing in ES
 - Initial CPUC orders taken
 - Positive UL testing in Telecom & residential home energy storage
- TouchSafe development with Corning advancing; Customer plans for use in high-frequency networks accelerating
- EV Fast Charge and Storage initiative progressing; FY'23 revenue anticipated



Near-term:

- Diligent execution mitigating supply chain issues & rising costs through ongoing aggressive pricing actions, alternate sourcing, redesigns & manning
- Continued progress on new product initiatives

Future - Immense opportunities driven by market mega-trends:

- Massive 5G buildout
- Rural broadband
- High frequency small cell deployment
- Home energy storage
- EV charging
- Transportation market & share growth
- Material handling OEMs returning to normalized levels
- Increased defense allocations

2nd Quarter Fiscal 2022 Results

(\$ Millions)

	Q2 F'22	Q1 F'22	Q2 F'21
SALES	\$791.4	\$814.9	\$708.4
GROSS PROFIT	178.8 (23%)	193.2 (24%)	177.6 (25%)
OP EARNINGS \$	\$61.4	\$75.1	\$66.2
OP EARNINGS %	7.8%	9.2%	9.3%
EPS	\$1.01	\$1.25	\$1.00

Presented on an as adjusted basis.

F'22 2nd Qtr. YoY Sales By Line of Business & Region

(\$ Millions)

	F'22 Q2	F'21 Q2	Fav/(Unfav)					
			\$	%	Volume	Price	M&A	Fx
Energy Systems	\$370	\$341	\$29	9%	9%	-1%	-	1%
Motive Power	\$321	\$264	\$57	22%	20%	2%	-	-
Specialty	\$101	\$104	(\$3)	-3%	-8%	5%	-	-
Total Net Sales	\$791	\$708	\$83	12%	11%	1%	-	-
	F'22 Q2	F'21 Q2	Fav/(Unfav)					
			\$	%	Volume	Price	M&A	Fx
Americas	\$550	\$481	\$69	14%	14%	-	-	-
EMEA	\$180	\$172	\$8	5%	3%	2%	-	-
Asia	\$61	\$56	\$5	10%	7%	-	-	3%
Total Net Sales	\$791	\$708	\$83	12%	11%	1%	-	-

Rounding may cause minor differences.

Highlighted items are referenced in management presentation.

F'22 2nd Qtr. Sequential Sales By Line of Business & Region

(\$ Millions)

			Fav/(Unfav)	
	F'22 Q2	F'22 Q1	\$	%
Energy Systems	\$370	\$371	(\$1)	0%
Motive Power	\$321	\$336	(\$15)	-5%
Specialty	\$101	\$108	(\$7)	-6%
Total Net Sales	\$791	\$815	(\$23)	-3%
			[-3% Organic, 1% Price, 0% Acquisitions, -1% Fx]	
	F'22 Q2	F'22 Q1	Fav/(Unfav)	
			\$	%
Americas	\$550	\$557	(\$6)	-1%
EMEA	\$180	\$201	(\$21)	-11%
Asia	\$61	\$57	\$4	8%
Total Net Sales	\$791	\$815	(\$24)	-3%
			[-3% Organic, 1% Price, 0% Acquisitions, -1% Fx]	

Rounding may cause minor differences.

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F'22 2nd Qtr. Operating Earnings by LoB

(\$ Millions)

Year Over Year	F'22 Q2	F'21 Q2	Fav/(Unfav)	
			\$	%
Operating Earnings				
Energy Systems	\$8.5 2.3%	\$30.1 8.8%	(\$21.6)	-72%
Motive Power	41.0 12.8%	24.2 9.2%	\$16.8	69%
Specialty	11.9 11.8%	11.9 11.4%	\$0.0	0%
Total Operating Earnings	\$61.4	\$66.2	(\$4.8)	-7%
As % Net Sales	7.8%	9.3%		
Sequential	F'22 Q2	F'22 Q1	Fav/(Unfav)	
			\$	%
Operating Earnings				
Energy Systems	\$8.5 2.3%	\$13.1 3.5%	(\$4.6)	-35%
Motive Power	41.0 12.8%	50.6 15.1%	(\$9.6)	-19%
Specialty	11.9 11.8%	11.4 10.6%	\$0.5	4%
Total Operating Earnings	\$61.4	\$75.1	(\$13.7)	-18%
As % Net Sales	7.8%	9.2%		

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

Highlighted items are referenced in management presentation.

F'22 2nd Qtr. Net Earnings and EPS

(\$ Millions, Except Per Share Amounts)

	F'22 Q2	F'21 Q2	Fav/(Unfav)	
			\$	%
Operating Earnings	\$61.4	\$66.2	(\$4.8)	-7%
As % Net Sales	7.8%	9.3%		(1.5)Pts.
Book Tax Rate	16%	17%		
Net Earnings	\$43.5	\$43.2	\$0.3	1%
As % Net Sales	5.5%	6.1%		(0.6)Pts.
EPS diluted	\$1.01	\$1.00	\$0.01	1%
Avg. Diluted Shares Outstanding <i>(Millions)</i>	43.256	43.087	(.168)	0%

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F'22 YTD Sales

By Line of Business & Region

(\$ Millions)

	F'22	F'21	Fav/(Unfav)		Volume	Price	M&A	Fx
			\$	%				
Energy Systems	\$741	\$694	\$47	7%	6%	-1%	-	2%
Motive Power	\$657	\$527	\$130	25%	21%	1%	-	3%
Specialty	\$208	\$193	\$16	8%	4%	3%	-	1%
Total Net Sales	<u>\$1,606</u>	<u>\$1,413</u>	<u>\$193</u>	<u>14%</u>	<u>11%</u>	<u>1%</u>	<u>-</u>	<u>2%</u>
	F'22	F'21	Fav/(Unfav)		Volume	Price	M&A	Fx
			\$	%				
Americas	\$1,107	\$971	\$135	14%	13%	-	-	1%
EMEA	\$381	\$331	\$50	15%	10%	1%	-	5%
Asia	\$118	\$111	\$7	7%	1%	-	-	6%
Total Net Sales	<u>\$1,606</u>	<u>\$1,413</u>	<u>\$193</u>	<u>14%</u>	<u>11%</u>	<u>1%</u>	<u>-</u>	<u>2%</u>

Rounding may cause minor differences.

Highlighted items are referenced in management presentation.

F'22 YTD Net Earnings and EPS

(\$ Millions, Except Per Share Amounts)

	F'22	F'21	Fav/(Unfav)	
			\$	%
Operating Earnings	\$136.5	\$127.4	\$9.1	7%
As % Net Sales	8.5%	9.0%		(0.5) Pts.
Book Tax Rate	17%	19%		
Net Earnings	\$97.9	\$82.6	\$15.3	19%
As % Net Sales	6.1%	5.8%		0.3 Pts.
EPS diluted	\$2.26	\$1.92	\$0.34	18%
Avg. Diluted Shares Outstanding (Millions)	43.397	43.010	(.387)	-1%

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Financial Position Highlights

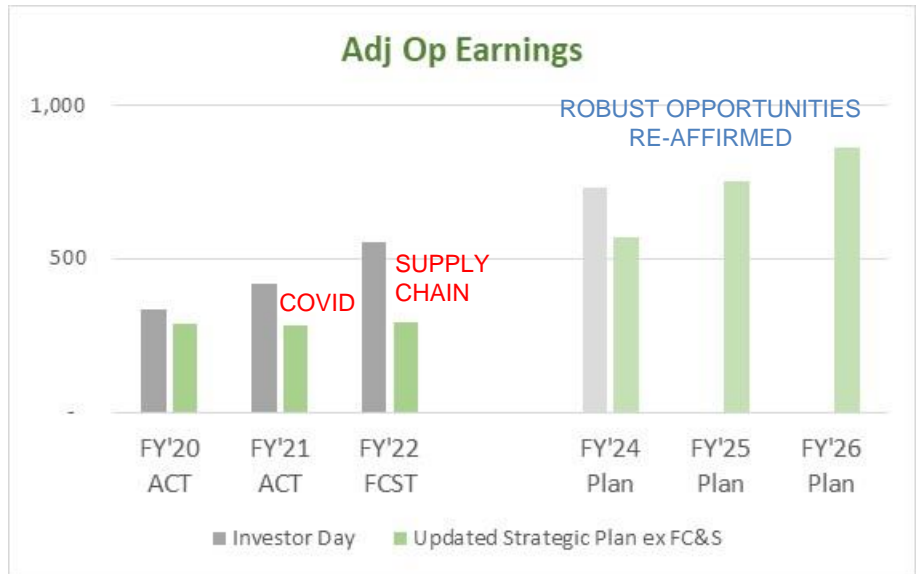
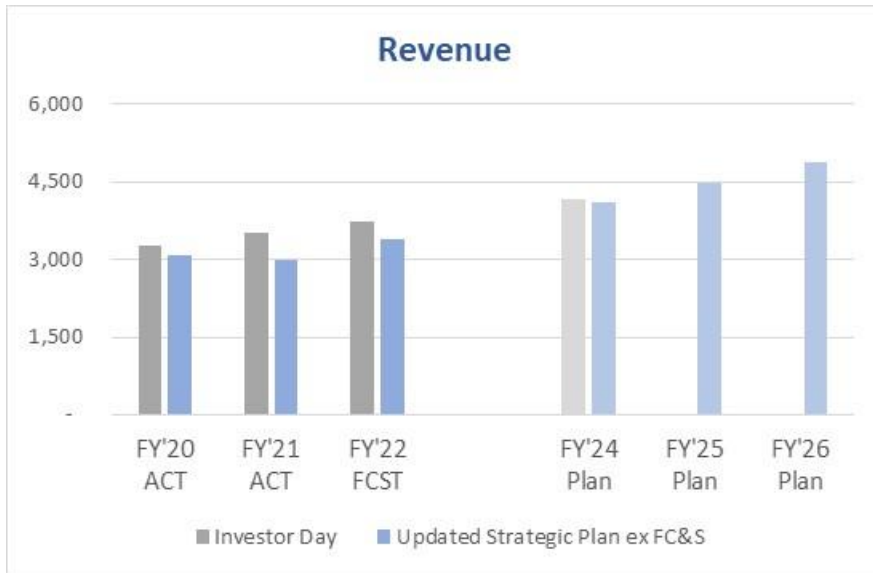
(\$ Millions)

	Q2 YTD 2022	Fiscal Year 2021
Cash & Cash Equivalents	\$407.5	\$451.8
Net Debt (Gross Debt – Investments)	\$814.1	\$684.3
Net Cash from Operations YTD	(\$65.6)	\$358.4
Capital Expenditures YTD	\$34.6	\$70.0
Leverage Ratio (per US Credit Agreement)	2.0X	1.7X
Primary Working Capital as a % of Sales	29.4%	24.5%

 Highlighted items are referenced in management presentation.

Updated 5-Year Model

(\$ Millions)



5-Year model re-affirmed with one-year lag to October 2019 Investor Day model