EnerSys®

Q4'24 & FY'24 Earnings

MAY 22, 2024

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, 2024, 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 22, 2024, which is located on our website at www.enersys.com.

Q4’24 & FY’24 Overview

DAVE SHAFFER

PRESIDENT AND CEO

Q4’24 & FY’24 Performance

	Net Sales	Adj Op Earnings[1]	Adj EBITDA[1]	Adj EPS[1]	Free Cash Flow[1]
Q4’24	$911M (8%) Y/Y	$109M +2% Y/Y	$124M +5% Y/Y	$2.08 +14% Y/Y	$109M ($3M) Y/Y
FY’24	$3.6B (3%) Y/Y	$450M +40% Y/Y	$507M +31% Y/Y	$8.35 +56% Y/Y	$371M +$180M Y/Y

Adj Gross Margin[1] of 28.0% in Q4 & FY’24 up 310 bps and 530 bps Y/Y, respectively

1) Non-GAAP measure. Please refer to appendix for reconciliation. Q4’24 includes $36M of IRA tax credit recorded in Cost of Goods Sold (COGS); FY’24 includes $136M, and Q4/FY’23 includes $17M.

Q4'24 Executing on our Strategy

Innovate

Increasing Higher Value Solutions

- MP Next Gen charger offers advanced features: over air updates, energy management, and high energy efficiency - *in customer demo phase*
- MP Wireless Charger received UL 1564 certification
- ES PowerSafe® SBS XL 2V battery awarded "2024 Energy Storage Product of the Year"[1]

Optimize

Expanding Margins

- ES restructuring actions to generate ~$47M annual savings FY'25; ~$40M improvement Y/Y
- Increasing maintenance-free sales: record 25% of MP sales Q4'24 and record 22% of MP sales FY'24
- Sustainable improvements in our Springfield 2 factory since February; on track for equipment and line upgrades in second half FY'25

Accelerate

Compounding Value Creation

- Data Centers represent 10% of FY'24 total company sales
- MP EnSite® data analytics and NexSys® TPPL solutions accelerating large national retail customer's profit and sustainability initiatives through maintenance-free conversion across 600 sites
- Selected Greenville, SC as potential lithium cell factory[2] location; secured $200M in short and long-term incentives

[1] *Electrical Review and Data Centre Review Excellence Awards* – industrial and utility applications
[2] IRC 45X benefits to help fund development; exploring additional government funding with intention of staying within 2 - 3x leverage target range and generating accretive ROIC

Bren-Tronics Acquisition

EXPANDS PRESENCE IN CRITICAL DEFENSE APPLICATIONS

Bren-Tronics, Inc.

Leading manufacturer of portable power solutions, including small and large format lithium batteries and charging solutions, for military and defense applications

$208M
Transaction Value

~$100M
CY 2023 Sales

Commack, NY
HQ

~280
Employees

HIGHLIGHTS

- Legacy of innovation since 1973 and strong relationship with DOD
- Highly complementary portfolio of products for military and defense
- Strong engineering and product development capabilities with extensive new product roadmap
- Will be integrated into Specialty line of business
- Purchase price represents 8.7x CY 2023 Adj. EBITDA
- All cash financing; expected to be immediately accretive to EPS
- Closing expected near end of Q1 FY'25*

DELIVERING ON OUR STATED M&A PRIORITIES

- ✓ Provides differentiated technologies
- ✓ Aligns with EnerSys' growth priorities
- ✓ Accelerates lithium strategy
- ✓ Execute opportunistic tuck-in acquisitions
- ✓ Accretive to growth and earnings

*Subject to customary review. See press release for forward looking statement

2023 Sustainability Report Published

EU CSRD

Key highlights from 2023 report:

- Scope 1 GHG emissions down 4% since 2022, and down 25% since 2019
- 15% reduction in energy intensity since 2020
- 6% reduction in water usage intensity since 2020
- Publication of 2023 Scope 3 GHG data
- Appendix aligned with the EU Corporate Sustainability Reporting Directive

Award winning programs:

- EnerSys ranked in Top 10 Military Friendly® Supplier Diversity Programs
- Won Better Practice Award in 2023 & Better Project Award in 2024
- Honored with MHEDA Most Valuable Supplier award for 10th consecutive year

MILITARY FRIENDLY® 2024 SILVER EMPLOYER

MILITARY FRIENDLY® 2024 GOLD TOP 10 SUPPLIER DIVERSITY PROGRAM

Better Plants® U.S. DEPARTMENT OF ENERGY

2024 MVS MOST VALUABLE SUPPLIER Awarded by MHEDA

Driving meaningful change and laying the groundwork for a brighter tomorrow for future generations

ANDI FUNK

EVP AND CFO

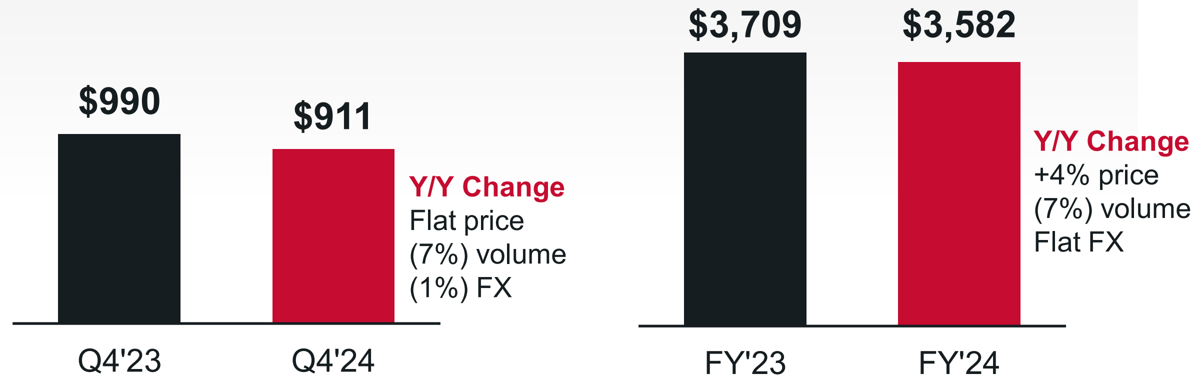
Q4’24 & FY’24 Financial Results
Q1’25 & FY’25 Outlook

EnerSys

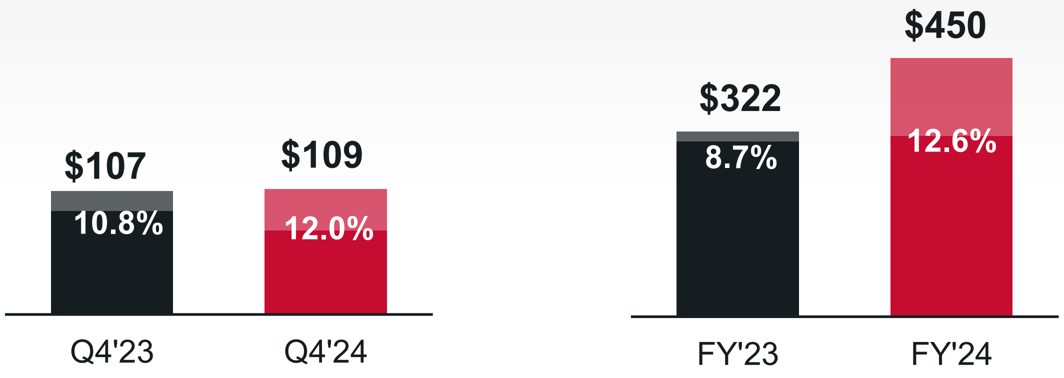
Q4’24 and FY'24 Results

($M, except EPS)

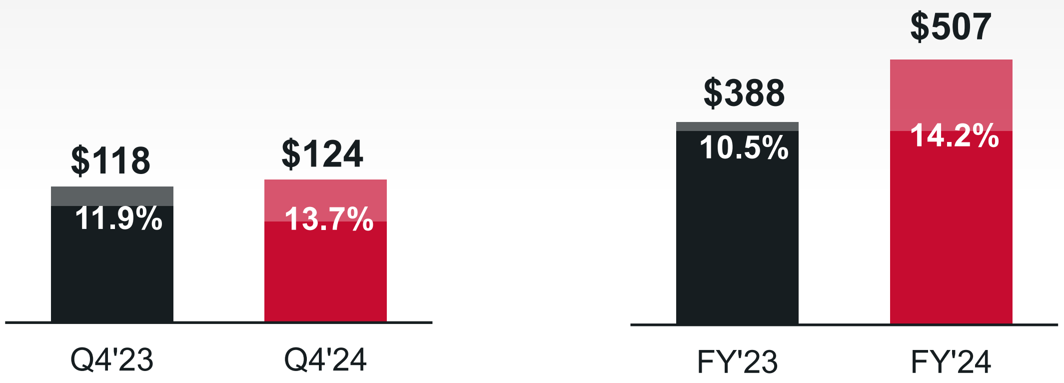
NET SALES



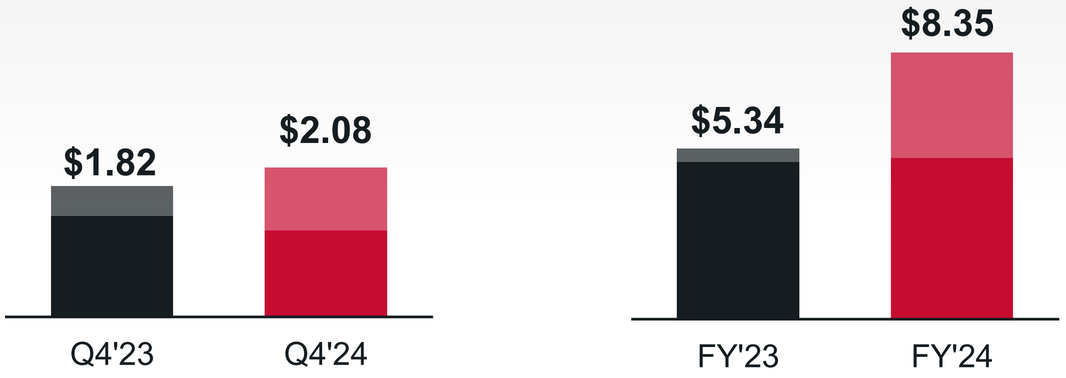
ADJ OPERATING EARNINGS[1] & MARGIN



ADJ EBITDA[1] & MARGIN



ADJ DILUTED EPS[1]



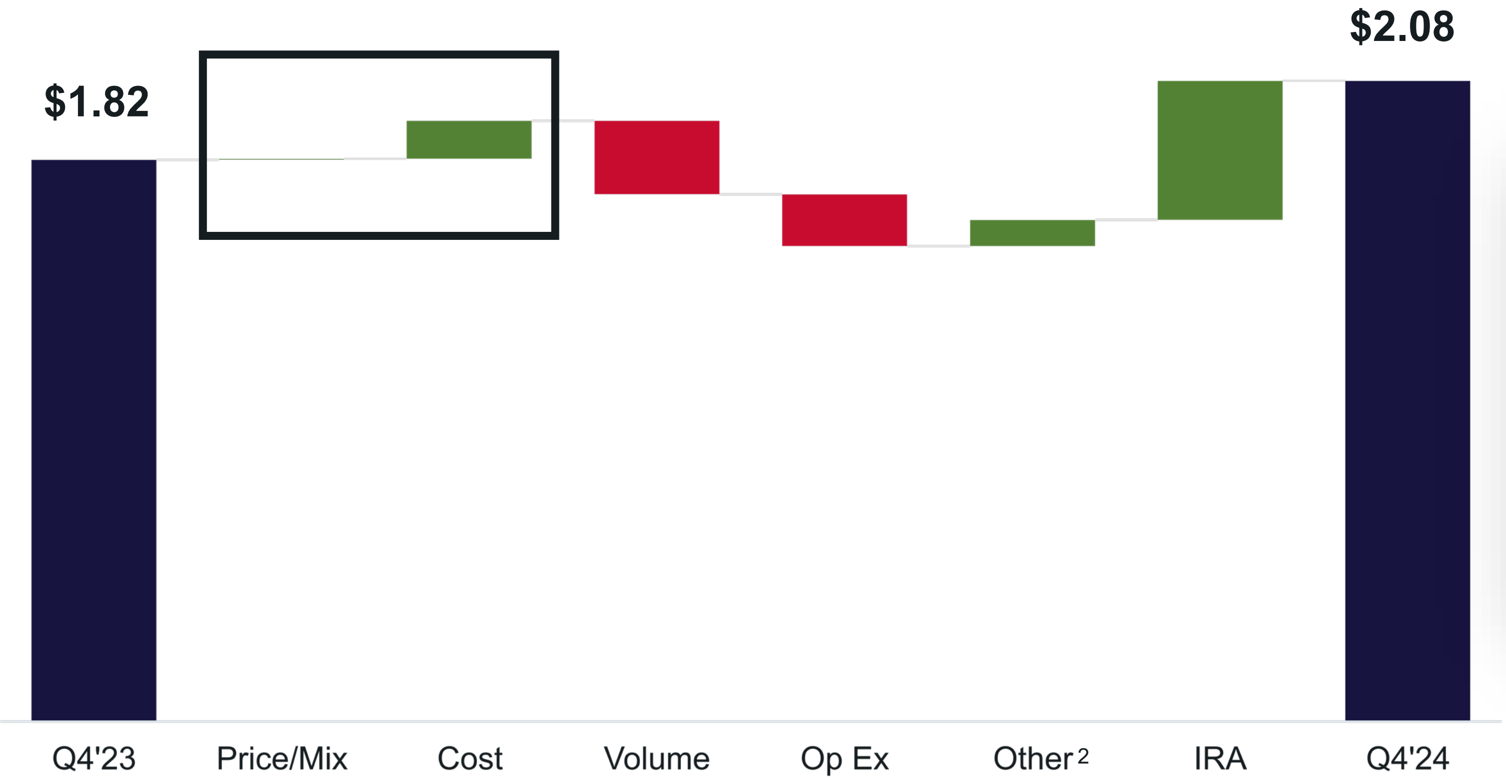
Pre-IRA Adj. Op Earnings[1] and Adj. EPS[1] both up 3% for FY’24 despite net sales down 3%

1) Non-GAAP measure. Please refer to appendix for reconciliation. Q4’24 includes $36M of IRA tax credit recorded in Cost of Goods Sold (COGS); FY’24 includes $136M, and Q4/FY’23 includes $17M.

Prior Year IRA | Current Year IRA
Prior Year Base | Current Year Base

Adj EPS[1] Bridge & Adj Op Earnings[1]

Q4’24 YEAR-OVER-YEAR



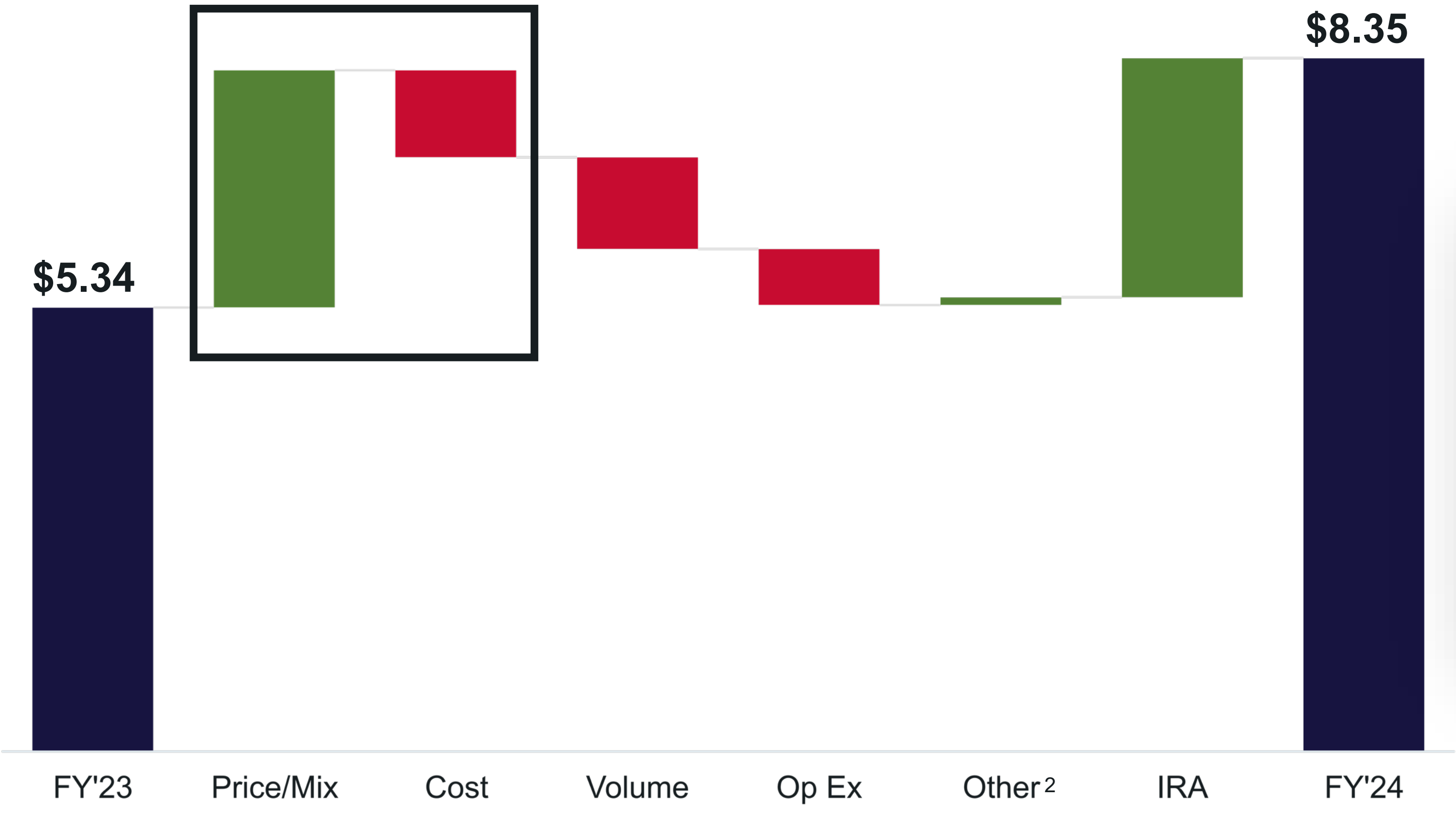
($M)	Net Sales	AOE[1]
Energy Systems	$369	$17.4
Motive Power	$395	$58.1
Specialty	$147	$8.5
Corporate/Other	-	$25.2
Total	**$911**	**$109.2**

Sales and earnings in line with expectations; continued volume impact from telco/broadband spending pauses

1) Non-GAAP measure. Please refer to appendix for reconciliation.
2) Other includes Interest, Taxes, Shares, and F/X

Adj EPS[1] Bridge & Adj Op Earnings[1]

FY'24 YEAR-OVER-YEAR



($M)	Net Sales	AOE[1]
Energy Systems	$1,590	$87.0
Motive Power	$1,456	$214.6
Specialty	$536	$31.4
Corporate/Other	-	$117.2
Total	**$3,582**	**$450.2**

Full year earnings growth driven by positive price/mix cost recapture and IRA benefits

1) Non-GAAP measure. Please refer to appendix for reconciliation.
2) Other includes Interest, Taxes, Shares, and F/X

Energy Systems Segment Highlights

	Q4’24 ($M)	Y/Y change
Net Sales	$369	(19%)
Adj Op Earnings[1]	$17.4	(41%)
Adj OE Margin[1]	4.7%	(180 bps)

- **Net Sales (19%) Y/Y**
  - (19%) volume primarily due to continued U.S. Communication Networks CapEx pause
  - +2% price / mix offsetting (2%) FX
  - Data center sales up Y/Y with increasing demand

- **Adj Op Earnings[1] ($12M) from prior year**
  - Up +$3M sequentially on early execution of cost savings
  - Restructuring initiatives focused on resetting margin profile; $47M annualized savings expected FY’25; +~$40M Y/Y

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

Motive Power Segment Highlights

	Q4’24 ($M)	Y/Y change
Net Sales	$395	+3%
Adj Op Earnings[1]	$58.1	+15%
Adj OE Margin[1]	14.7%	+160 bps

- **Net Sales +3% Y/Y**
  - +5% volume, +1% acquisition
  - (2%) price/mix due to elimination of utility adder and (1%) FX
  - Maintenance-free products increased to a record 25.0% of segment net sales from 22.4% in Q4’23
- **Adj Op Earnings[1] +$8M Y/Y with solid margin improvement**
  - Lower utility costs offsetting price/mix decline from adder elimination
  - TPPL maintenance-free accelerating customer sustainability goals

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

Specialty Segment Highlights

	Q4'24 ($M)	Y/Y change
Net Sales	$147	(1%)
Adj Op Earnings[1]	$8.5	(13%)
Adj OE Margin[1]	5.8%	(80 bps)

- **Net Sales (1%) Y/Y**
  - Flat volume
  - (1%) price/mix and flat FX
  - Transportation demand paced by capacity constraints
- **Adj Op Earnings[1] ($1M) but improved Q/Q**
  - Continued impact from under absorption in Missouri plants, though starting to see productivity improvements
  - Focused on retooling Missouri capacity for more Transportation product sizes

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

Balance Sheet, Cash Flow and Leverage

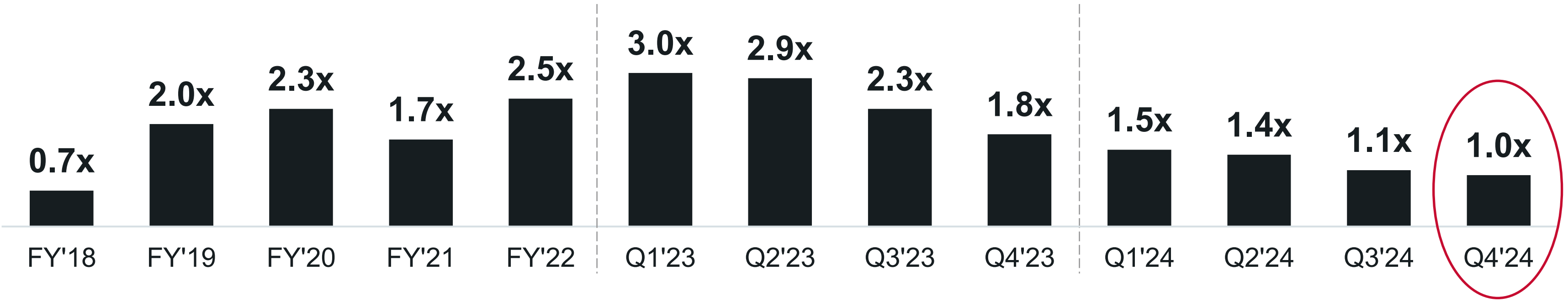
SELECTED BALANCE SHEET METRICS[1]

($M)	Q4'23	Q4'24
Cash and Cash Equivalents	$347	$333
Net Debt[3]	$736	$511
Net Leverage Ratio[3]	1.8x	1.0x
Primary Operating Capital[4]	$1,057	$853

SELECTED CASH FLOW METRICS[2]

($M)	Q4'23	Q4'24	FY'23	FY'24
Cash Flow from Operations	$144	$137	$280	$457
CapEx	($31)	($27)	($89)	($86)
Free Cash Flow[4]	$113	$109	$191	$371

NET LEVERAGE RATIO[3]



Maintaining strong free cash flow generation and healthy balance sheet

1) Balances as of periods ending March 31, 2023 and March 31, 2024
2) Periods ending March 31, 2023 and March 31, 2024
3) Net Debt includes finance lease obligations and letters of credit, net of cash and cash equivalents. Net leverage ratio = Net Debt / Adj EBITDA (per credit agreement). Please refer to appendix for reconciliations.
4) Primary Operating Capital (POC) was formerly referred to as Primary Working Capital (PWC) and is a non-GAAP measure. Free Cash Flow is a non-GAAP measure. Please refer to appendix for reconciliations.

Disciplined Capital Allocation Strategy

Priorities		Q4'24	Future Priorities
Invest in Organic Growth (CapEx)		$27M	• Continue TPPL capacity investments & end-to-end solutions • Optimize EOS to drive additional operational efficiencies • Accelerate domestic-sourced lithium strategy
Strategic M&A		Announced Bren-Tronics acquisition agreement[1] $208M	• Innovate with incremental systems solutions • Execute opportunistic tuck-in acquisitions
Net Leverage[2]		1.0x EBITDA	• Target low end of 2x – 3x long-term net leverage range
Return of Capital	*Dividends* *Buybacks*	$9M $13M	• Committed to a competitive dividend that grows with earnings over time (excluding IRA funds) • $116M outstanding repurchase authorization[3]

Balancing innovation and growth investments with returning capital to shareholders

TPPL: Thin Plate Pure Lead; EOS: EnerSys Operating System
[1] Pending customary review. Expected to close in fiscal Q1'25.
[2] Non-GAAP financial measure. Please refer to appendix for reconciliation; Net leverage = Net Debt / Adj EBITDA (per credit agreement)
[3] As of 05/22/2024; includes $99 million remaining on stock repurchase authorization and estimated anti-dilution repurchases, less shares purchased subsequent to quarter end.

Looking Ahead: Q1'25 and FY'25 Guidance[1]

	Q1'25	FY'25
Net Sales	**$860M – $900M**	**$3,675M – $3,825M**
Adj. Diluted EPS[2]	**$1.93 – $2.03**	**$8.55 – $8.95**
CapEx		**$100M – $120M**

ASSUMPTIONS

Q1'25

- Slightly lower volume on normal seasonality

FY'25

- MP and Spec healthy demand
- Telco/Broadband steady improvements but not back to normalized levels
- Fast Charge & Storage first revenue
- Margin improvement from ES FY'24 profit actions, MP maintenance free conversions and Spec aftermarket growth
- OpEx discipline with additional FC&S spend
- Tax rate 20% – 21%, pre-IRA

[1] Guidance does not include the anticipated acquisition of Bren-Tronics, which is expected to close near the end of fiscal first quarter, subject to regulatory review.
[2] EnerSys does not provide a quantitative reconciliation for forward-looking statements. Please see our latest Form 8-K which includes our press release dated May 22, 2024, for more details.

Progress Toward FY'27 Targets

FINANCIAL AND OPERATIONAL GOALS REMAIN ACHIEVABLE

	FY'23 *Actual*	FY'24 *Actual*	FY'25 *Guidance*	FY'27[2] *Targets*
Net Sales	**$3.7B**	**$3.6B** *-3% CAGR*	**$3,675M – $3,825M**	**8% – 10% CAGR**
Adj. Operating Margin[1]	**8.7%**	**12.6%**	**–**	**14% – 16%**
Adj. EBITDA[1]	**$388M**	**$507M**	**–**	**$850M – 950M**
Adj. EPS[1]	**$5.34**	**$8.35**	**$8.55 – $8.95**	**$11.00 – $13.00**

UPSIDE

- Driving maintenance-free sales
- Investing in capacity flexibility
- ES margin reset
- Disciplined M&A (e.g., Bren-Tronics)
- Excess capital reinvestment
- Expanded IRA benefit

UNCERTAINTIES

- Geopolitical tensions
- General economic conditions
- Extended network build-out delays
- Launch ramp for new initiatives

[1] EnerSys does not provide a quantitative reconciliation for forward-looking statements. Please see our latest Form 8-K which includes our press release dated May 22, 2024, for more details.
[2] Four-year CAGR vs. FY'23

Q&A

May 2024

Appendix

Non-GAAP Reconciliations

May 2024

Non-GAAP Reconciliation

Q4 FY'24 ADJUSTED OPERATING EARNINGS

($ in millions)	Quarter ended March 31, 2024									
	Energy Systems		Motive Power		Specialty		Corporate and other		Total	
Net Sales	$	369.4	$	394.8	$	146.5	$	—	$	910.7
Operating Earnings	$	(4.9)	$	53.9	$	6.7	$	25.2	$	80.9
Inventory adjustment relating to exit activities		1.0		—		—		—	$	1.0
Restructuring and other exit charges		3.8		3.7		1.0		—		8.5
Impairment of indefinite-lived intangibles		7.6		—		—		—		7.6
Amortization of intangible assets		6.0		0.2		0.7		—		6.9
Legal proceedings charge, net		3.7		—		—		—		3.7
Other		0.2		0.3		0.1		—		0.6
Adjusted Operating Earnings	$	17.4	$	58.1	$	8.5	$	25.2	$	109.2

($ in millions)	Quarter ended March 31, 2023									
	Energy Systems		Motive Power		Specialty		Corporate and other		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 intangible assets		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

Increase (Decrease) as a % from prior year quarter	Energy Systems	Motive Power	Specialty	Corporate and other	Total
Net Sales	(19.4)%	2.9 %	(1.1)%	— %	(8.0)%
Operating Earnings	(121.3)	11.3	0.2	45.8	(15.2)
Adjusted Operating Earnings	(41.3)	15.4	(13.3)	45.8	2.0

NM = Not Meaningful

Non-GAAP Reconciliation

FY’24 ADJUSTED OPERATING EARNINGS

($ in millions)	Quarter ended March 31, 2024				
	Energy Systems	**Motive Power**	**Specialty**	**Corporate and other**	**Total**
Net Sales	$ 369.4	$ 394.8	$ 146.5	$ —	$ 910.7
Operating Earnings	$ (4.9)	$ 53.9	$ 6.7	$ 25.2	$ 80.9
Inventory adjustment relating to exit activities	1.0	—	—	—	$ 1.0
Restructuring and other exit charges	3.8	3.7	1.0	—	8.5
Impairment of indefinite-lived intangibles	7.6	—	—	—	7.6
Amortization of intangible assets	6.0	0.2	0.7	—	6.9
Legal proceedings charge, net	3.7	—	—	—	3.7
Other	0.2	0.3	0.1	—	0.6
Adjusted Operating Earnings	$ 17.4	$ 58.1	$ 8.5	$ 25.2	$ 109.2

($ in millions)	Quarter ended March 31, 2023				
	Energy Systems	**Motive Power**	**Specialty**	**Corporate and other**	**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 intangible assets	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

Increase (Decrease) as a % from prior year quarter	**Energy Systems**	**Motive Power**	**Specialty**	**Corporate and other**	**Total**
Net Sales	(19.4)%	2.9 %	(1.1)%	— %	(8.0)%
Operating Earnings	NM	11.3	0.2	45.8	(15.2)
Adjusted Operating Earnings	(41.3)	15.4	(13.3)	45.8	2.0

NM = Not Meaningful

Non-GAAP Reconciliation

ADJUSTED EBITDA

($ in millions)	Quarter ended March 31, 2024	Quarter ended March 31, 2023	Twelve months ended March 31, 2024	Twelve months ended March 31, 2023
Net Earnings	60.9	$ 65.9	$ 269.1	$ 175.8
Depreciation	16.8	15.3	64.0	60.4
Amortization	6.9	6.9	28.0	30.8
Interest	10.8	15.0	49.9	59.5
Income Taxes	5.7	9.8	23.1	34.8
EBITDA	101.1	112.9	434.1	361.3
Non-GAAP adjustments	23.4	5.3	72.7	26.2
Adjusted EBITDA	$ 124.5	$ 118.2	$ 506.8	$ 387.5

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

($ in millions)	Quarter ended March 31, 2024	Quarter ended March 31, 2023	Twelve months ended March 31, 2024	Twelve months ended March 31, 2023
Inventory adjustment relating to exit activities	$ 1.0	$ —	$ 20.2	$ 0.6
Restructuring and other exit charges	8.5	4.0	28.1	16.4
Impairment of indefinite-lived intangibles	7.6	0.5	13.6	0.5
Legal proceedings charge, net	3.7	—	3.7	—
Other	2.6	0.7	7.1	2.2
Remeasurement of monetary assets included in other (income) expense relating to exit from Russia operations	—	—	—	4.5
Asset Securitization Transaction Fees	—	0.1	—	0.6
Cost of funding to terminate net investment hedges	—	—	—	1.4
Non-GAAP adjustments	$ 23.4	$ 5.3	$ 72.7	$ 26.2

Non-GAAP Reconciliation

Q4 FY'24 ADJUSTED DILUTED EPS

(in millions, except share and per share amounts)	Quarter ended March 31, 2024			Quarter ended March 31, 2023		
Net earnings reconciliation						
As reported Net Earnings	$	60.9		$	65.9	
Non-GAAP adjustments:						
Inventory adjustment relating to exit activities		1.0	(1)		—	(1)
Restructuring and other exit charges		8.5	(1)		4.0	(1)
Impairment of indefinite-lived intangibles		7.6	(2)		0.5	(2)
Loss on assets held for sale		—	(4)		—	(4)
Amortization of identified intangible assets		6.9	(3)		6.2	(3)
Asset Securitization Transaction Fees		—			0.1	
Legal proceedings charge, net		3.7	(4)		—	
Other		3.3	(4)		0.7	
Income tax effect of above non-GAAP adjustments		(6.7)			(2.0)	
Non-GAAP adjusted Net earnings	$	85.2		$	75.4	
Outstanding shares used in per share calculations						
Basic		40,365,995			40,873,977	
Diluted		41,054,904			41,505,060	
Non-GAAP adjusted Net earnings per share:						
Basic	$	2.11		$	1.85	
Diluted	$	2.08		$	1.82	
Reported Net earnings (Loss) per share:						
Basic	$	1.51		$	1.61	
Diluted	$	1.48		$	1.59	
Dividends per common share	$	0.225		$	0.175	

The following table provides the line of business allocation of the non-GAAP adjustments of items relating operating earnings (that are allocated to lines of business) shown in the reconciliation at left:

($ millions)	Quarter ended March 31, 2024		Quarter ended March 31, 2023	
		Pre-tax		Pre-tax
(1) Inventory adjustment relating to exit activities - Energy Systems	$	1.0	$	—
(1) Restructuring and other exit charges - Energy Systems		3.8		0.3
(1) Restructuring and other exit charges - Motive Power		3.7		1.6
(1) Restructuring and other exit charges - Specialty		1.0		2.1
(2) Impairment of indefinite-lived intangibles - Energy Systems		7.6		0.1
(3) Impairment of indefinite-lived intangibles - Specialty		—		0.4
(3) Amortization of identified intangible assets - Energy Systems		6.0		5.7
(3) Amortization of identified intangible assets - Motive Power		0.2		—
(3) Amortization of identified intangible assets - Specialty		0.7		0.5
(4) Legal proceedings charge, net - Energy Systems		3.7		
(4) Other - Energy Systems		0.2		—
(4) Other - Motive Power		0.3		—
(4) Other - Specialty		0.1		—
Total Non-GAAP adjustments	$	28.3	$	10.7

Non-GAAP Reconciliation

FY'24 ADJUSTED DILUTED EPS

(in millions, except share and per share amounts)	Twelve months ended March 31, 2024			Twelve months ended March 31, 2023		
Net Earnings reconciliation						
As reported Net Earnings	$	269.1		$	175.8	
Non-GAAP adjustments:						
Inventory adjustment relating to exit activities		20.2	(1)		0.6	(1)
Restructuring and other exit charges		28.1	(1)		16.4	(1)
Impairment of indefinite-lived intangibles		13.6	(2)		0.5	(2)
Loss on assets held for sale		—			—	
Amortization of identified intangible assets		28.0	(2)		25.1	(2)
Remeasurement of monetary assets included in other (income) expense relating to exit from Russia Operations		—			4.5	
Asset Securitization Transaction Fees		—			0.6	
Acquisition activity expense		—			—	
Cost of funding to terminate net investment hedges		—			1.4	
Financing fees related to debt modification		—			1.2	
Legal proceedings charge, net		3.7	(3)		—	
Other		7.8	(3)		2.2	
Income tax effect of above non-GAAP adjustments		(25.2)			(7.5)	
Financing fees related to debt modification	$	—		$	—	
Non-GAAP adjusted Net Earnings	$	345.3		$	220.8	
Outstanding shares used in per share calculations						
Basic		40,669,392			40,809,235	
Diluted		41,371,439			41,326,755	
Non-GAAP adjusted Net Earnings per share:						
Basic	$	8.49		$	5.41	
Diluted	$	8.35		$	5.34	
Reported Net Earnings (Loss) per share:						
Basic	$	6.62		$	4.31	
Diluted	$	6.50		$	4.25	
Dividends per common share	$	0.850		$	0.70	

The following table provides the line of business allocation of the non-GAAP adjustments of items relating operating earnings (that are allocated to lines of business) shown in the reconciliation at left:

($ millions)	Twelve months ended March 31, 2024		Twelve months ended March 31, 2023	
		Pre-tax		Pre-tax
(1) Inventory adjustment relating to exit activities - Energy Systems		17.1		(0.2)
(1) Inventory adjustment relating to exit activities - Motive Power		—		0.8
(1) Inventory Adjustment relating to exit activities - Specialty		3.1		—
(1) Restructuring and other exit charges - Energy Systems		8.9		1.5
(1) Restructuring and other exit charges - Motive Power		11.6		12.8
(1) Restructuring and other exit charges - Specialty		7.6		2.1
(2) Impairment of indefinite-lived intangibles - Energy Systems		13.6		0.1
(2) Impairment of indefinite-lived intangibles - Specialty				0.4
(2) Amortization of identified intangible assets - Energy Systems		24.5		23.4
(2) Amortization of identified intangible assets - Motive Power		0.7		—
(2) Amortization of identified intangible assets - Specialty		2.8		1.7
(3) Legal proceedings charge, net - Energy Systems		3.7		
(3) Other - Energy Systems		3.7		—
(3) Other - Motive Power		1.1		—
(3) Other - Specialty		0.3		—
(5) Acquisition activity expense - Energy Systems		—		—
(5) Acquisition activity expense - Motive Power		—		—
(3) Other - Motive		—		—
(3) Other - Specialty		—		—
Total Non-GAAP adjustments	$	98.7	$	42.6

Non-GAAP Reconciliation

LEVERAGE RATIO BY YEAR

	Fiscal year ended March 31,					
($ in millions, except ratios)	2023	2022	2021	2020	2019	2018
Net earnings as reported	$175.8	$143.9	$143.3	$137.1	$160.5	$119.8
Add back:						
Depreciation and amortization	91.2	95.9	94.1	87.3	63.3	54.3
Interest expense	59.5	37.8	38.5	43.7	30.9	25.0
Income tax expense	34.8	30.0	26.8	9.9	21.6	118.5
EBITDA (non GAAP)	$361.3	$307.5	$302.7	$278.0	$276.3	$317.6
Adjustments per credit agreement definitions(1)	51.7	51.5	56.3	123.6	139.0	23.2
Adjusted EBITDA (non-GAAP) per credit agreement(1)	$413.0	$359.1	$359.0	$401.6	$415.3	$340.8
Total net debt(2)	$736.0	$905.9	$615.0	$905.6	$835.8	$234.7
Leverage ratios:						
Total net debt/credit adjusted EBITDA ratio	1.8x	2.5x	1.7x	2.3x	2.0x	0.7x

(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. The $56.3 million adjustment to EBITDA in fiscal 2021 primarily related to $19.8 million of non-cash stock compensation, $33.2 million of restructuring and other exit charges, business integration costs of $7.3 million, partially offset by $3.9 million of gain ($4.4 million gain less insurance deductibles) relating to the final settlement of the Richmond, KY fire claim. The $123.6 million adjustment to EBITDA in fiscal 2020 primarily related to impairment of goodwill and other intangible assets of $44.2 million, $20.8 million of non-cash stock compensation, inclusion of $18.5 million of six months of pro forma earnings of NorthStar, $20.8 million of restructuring and other exit charges and $1.9 million of inventory adjustments (fair value step up relating to the NorthStar transaction), $14.3 million for insurance reimbursement for business interruption due to the Richmond, KY fire and other charges of $3.1 million. The $139.0 million adjustment to EBITDA in fiscal 2019 primarily related to the inclusion of $69.3 million of nine months of pro forma earnings of Alpha, $13.6 million for fees and expenses related to the Alpha transaction, $22.6 million of non-cash stock compensation, $23.2 million of non-cash restructuring and other exit charges and $10.3 million of inventory adjustments (including a fair value step up relating to the Alpha transaction of $7.2 million). The $23.2 million adjustment to EBITDA in fiscal 2018 primarily related to $19.5 million of non-cash stock compensation and $3.7 million of non-cash restructuring and other exit charges.

(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, in fiscal 2022, were $402.5 million, in fiscal 2021, were $399 million, in fiscal 2020, were $262 million, in fiscal 2019, were $200 million, and in fiscal 2018, were $372 million.

Non-GAAP Reconciliation

LEVERAGE RATIO BY QUARTER

($ in millions, except ratios)	Last twelve months ended							
	March 31, 2024	December 31, 2023	October 1, 2023	July 2, 2023	March 31, 2023	January 1, 2023	October 2, 2022	July 3, 2022
Net earnings as reported	$269.1	$274.1	$242.4	$211.6	$175.8	$137.9	$129.9	$131.0
Add back:								
Depreciation and amortization	92.0	90.5	90.0	90.2	91.2	92.6	92.0	95.1
Interest expense	49.9	54.1	59.9	63.3	59.5	53.9	46.1	40.2
Income tax expense	23.1	27.3	38.2	35.7	34.8	35.8	28.9	27.4
EBITDA (non-GAAP)	$434.1	$446.0	$430.5	$400.8	$361.3	$320.2	$296.9	$293.7
Adjustments per credit agreement definitions(1)	85.8	78.6	48.9	50.1	51.7	59.8	62.3	53.8
Adjusted EBITDA (non-GAAP) per credit agreement(1)	$519.9	$524.6	$479.4	$450.9	$413.0	$380.0	$359.2	$347.5
Total net debt(2)	$511.1	$586.9	$662.0	$690.1	$736.0	$858.9	$1,045.5	$1,048.8
Leverage ratios:								
Total net debt/credit adjusted EBITDA ratio	1.0x	1.1x	1.4x	1.5x	1.8x	2.3x	2.9x	3.0x

(1) The $85.8 million adjustment to EBITDA in the last twelve months ending March 31, 2024 primarily related to $30.6 million of non-cash stock compensation, $40.7 million of restructuring and other exit charges, impairment of indefinite-lived intangibles and write-down of other current assets of $13.6 million. The $78.6 million adjustment to EBITDA in the last twelve months ending December 31, 2023 primarily related to $30.5 million of non-cash stock compensation, $37.9 million of restructuring and other exit charges, impairment of indefinite-lived intangibles and write-down of other current assets of $9.6 million. The $48.4 million adjustment to EBITDA in the last twelve months ending October 1, 2023 primarily related to $27.6 million of non-cash stock compensation, $17.6 million of restructuring and other exit charges, impairment of indefinite lived intangibles and other current assets of $3.6 million. The $50.1 million adjustment to EBITDA in the last twelve months ending July 2, 2023 primarily related to $29 million of non-cash stock compensation, $15.2 million of restructuring and other exit charges, impairment of indefinite lived intangibles and other current assets of $4.5 million, and $1.4 million for swap termination fees. The $51.7 million adjustment to EBITDA in the last twelve months ending March 31, 2023 is 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 a swap termination fee of $1.4 million. The $59.8 million adjustment to EBITDA in the last twelve months ending January 1, 2023 primarily related to $27.2 million of non-cash stock compensation, $29.1 million of restructuring and other exit charges, impairment of indefinite-lived intangibles of $2.1 million and a swap termination fee of $1.4 million. The $62.3 million adjustment to EBITDA in the last twelve months ending October 2, 2022 primarily related to $26.7 million of non-cash stock compensation, $28.0 million of discontinuing operations, $4.0 million of restructuring and other exit charges, $1.4 million related to termination of a swap agreement, indefinite-lived intangibles of $1.2 million and $1.0 million write-down of non-current assets. The $53.8 million adjustment to EBITDA in the last twelve months ending July 3, 2022 primarily related to $26.0 million of non-cash stock compensation, $26.5 million of restructuring and other exit charges, indefinite-lived intangibles of $1.3 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 the last twelve months ending March 31, 2024, the amounts deducted in the calculation of net debt were U.S. cash and cash equivalents and foreign cash investments of $333.3 million. In Q3 Fiscal 2024, the amounts deducted in the calculation of net debt were U.S. cash and cash equivalents and foreign cash investments of $332.7 million. In Q2 fiscal 2024, the amounts deducted in the calculation of net debt were all cash and cash equivalents of $327.8 million. In Q1 fiscal 2024, the amounts deducted in the calculation of net debt were all cash and cash equivalents of $258.3 million. In Q4 fiscal 2023, the amounts deducted in the calculation of net debt were all cash and cash equivalents of $347.0 million. In Q3 fiscal 2023, the amounts deducted in the calculation of net debt were all cash and cash equivalents of $298.1 million. In Q2 fiscal 2023, the amounts deducted in the calculations of net debt were all cash and cash equivalents of $294.4 million. In Q1 fiscal 2023, the amounts deducted in the calculations of net debt were all cash and cash equivalents of $298.1 million.

Non-GAAP Reconciliation

FREE CASH FLOW

($ in millions)	Quarter ended March 31, 2024	Quarter ended March 31, 2023	Twelve months ended March 31, 2024	Twelve months ended March 31, 2023
Net cash provided by (used in) operating activities	$ 136.8	$ 144.1	$ 457.0	$ 279.9
Less Capital Expenditures	(27.4)	(31.3)	(86.4)	(88.8)
Free Cash Flow	109.4	112.8	370.6	191.1

($ in millions)	Quarter ended March 31, 2024	Quarter ended March 31, 2023	Twelve months ended March 31, 2024	Twelve months ended March 31, 2023
Net cash provided by (used in) operating activities	$ 136.8	$ 144.1	$ 457.0	$ 279.9
Net earnings	60.9	65.9	269.1	175.8
Operating cash flow conversion %	224.6 %	218.7 %	169.8 %	159.2 %
Free cash flow	109.4	112.8	370.6	191.1
Adjusted net earnings	85.2	75.4	345.3	220.8
Adjusted free cash flow conversion %	128.4 %	149.6 %	107.3 %	86.5 %

Non-GAAP Reconciliation

ADJUSTED GROSS PROFIT AND GROSS MARGIN

($ in millions)	Quarter ended		Twelve months ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Gross Profit as reported	$ 254.3	$ 246.0	$ 982.8	$ 840.1
Inventory adjustment relating to exit activities	1.0	0.0	20.2	0.6
Adjusted Gross Profit	255.3	246.0	1,003.0	840.7
Gross Margin	27.9 %	24.9 %	27.4 %	22.7 %
Adjusted Gross Margin	28.0 %	24.9 %	28.0 %	22.7 %

Key Performance Indicator

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 $852.9 million (yielding a primary operating capital percentage of 23.4%) at March 31, 2024 and $1,057.0 million (yielding a primary working operating percentage of 26.7%) at March 31, 2023. The primary operating percentage of 23.4% at March 31, 2024 is 200 basis points lower than that for March 31, 2023, and 220 basis points higher than that for March 31, 2022. 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.

($ in Millions)	March 31, 2024	March 31, 2023	March 31, 2022
Accounts receivable, net	$524.7	$637.8	$719.4
Inventory, net	697.7	797.8	715.7
Accounts payable	(369.5)	(378.6)	(393.1)
Total primary operating capital	852.9	1,057.0	1,042.0
Trailing 3 months net sales	910.7	989.9	907.0
Trailing 3 months net sales annualized	3,642.8	3,959.6	3,628.1
Primary operating capital as a % of annualized net sales	23.4 %	26.7 %	28.7 %

Thank you.

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