William Blair 43rd Annual Growth Stock Conference

JUNE 7, 2023

June 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.

Key Takeaways

- We are a global **Industrial Technology** company delivering highly differentiated **Energy Solutions** to **Diverse End Markets**
- Our **Proprietary Technologies and Services** play a critical role in the energy transition fueled by **Megatrends**
- Our **Resilient Business Model** positions us well to **Capture Growth and Margin Expansion**

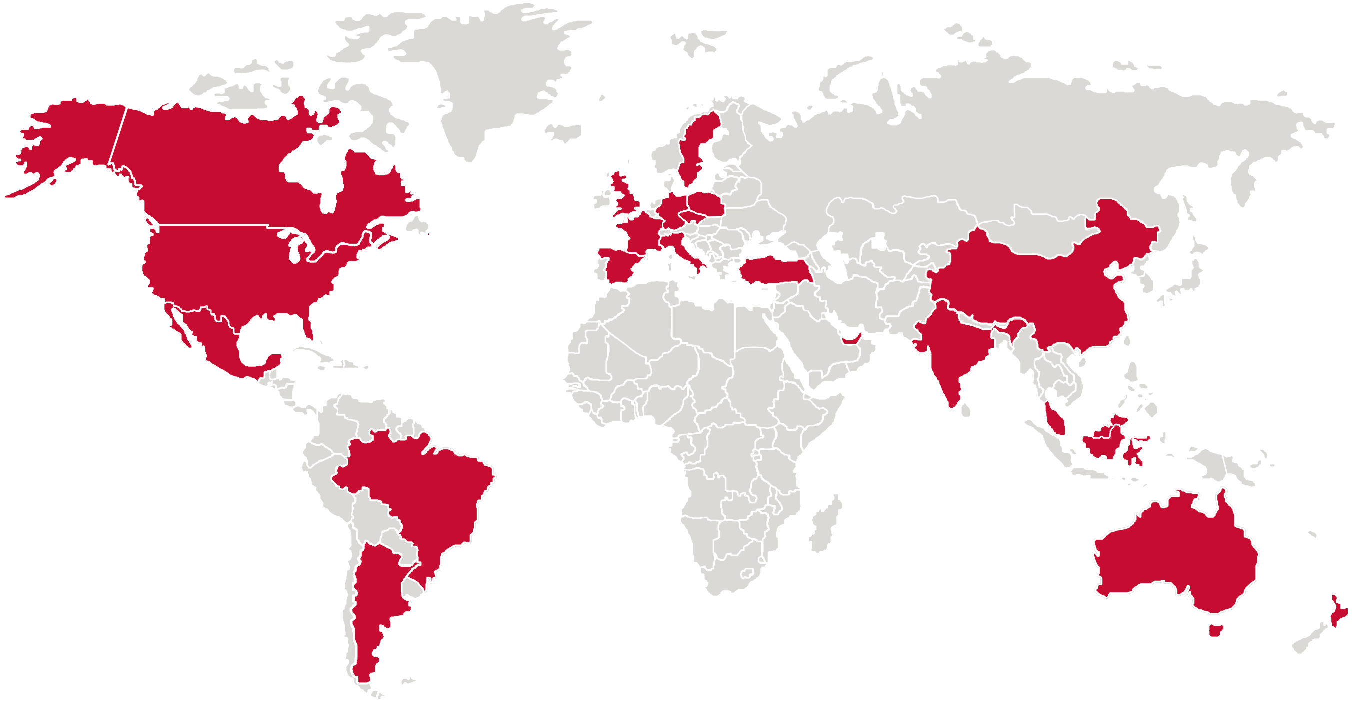
June 2023

EnerSys at a Glance

FY 2023 KEY STATISTICS[1]

$4.1B	$322M	$388M	$5.34	10k+
Market Cap[2]	Adj. Operating Earnings[3]	Adj. EBITDA[3]	Adj. Diluted EPS[3]	Customers

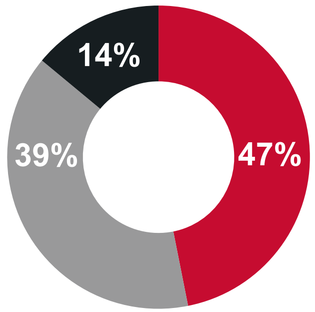
GLOBAL FACILITY BASE[4]



FY 2023 NET SALES

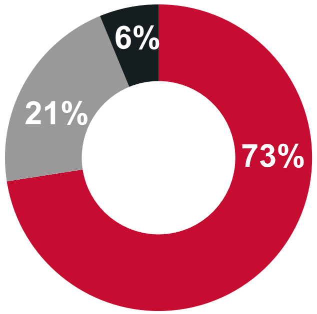
$3.7B

Business Segments



- Energy Systems
- Motive Power
- Specialty

Geography



- Americas
- EMEA
- Asia

[1] FY 2023, year end March 31, 2023
[2] Market Cap as of June 1, 2023
[3] Non-GAAP measure. Includes $17M IRA benefit. Please refer to appendix for reconciliation
[4] Represents geographies with EnerSys manufacturing and distribution centers

Technology Driven Portfolio Transformation

2017

- Traditional lead acid battery company
- Narrow set of end markets
- Limited scale

2023

- Integrated technology solutions across energy storage, power & electronics, and software & services
- Broad exposure to a wide range of end markets with secular growth trends
- Enhanced scale

Growth Opportunities

- Expand capacity for premium products
  - Grow Motive Power maintenance-free solutions
  - Increase Transportation market share
- Leverage 5G and other megatrends with proprietary technologies
  - Small Cell build out
  - Battery management and software platforms
  - Fast Charge & Storage launch
- Reduce costs through EOS and volume leverage

Transformed Through Strategic Initiatives and Disciplined M&A

Strategic Initiatives

✓ Expansion of TPPL product line

✓ Launched lithium platform

✓ End market / product diversification

M&A

alpha TECHNOLOGIES 2018

NorthStar BATTERY 2019

Leveraging Our Platforms Across All Segments

3 Core Technology Platforms | **3 Business Segments** | **6 End Markets**

June 2023

Technology to Meet Customer Needs

Lithium-ion

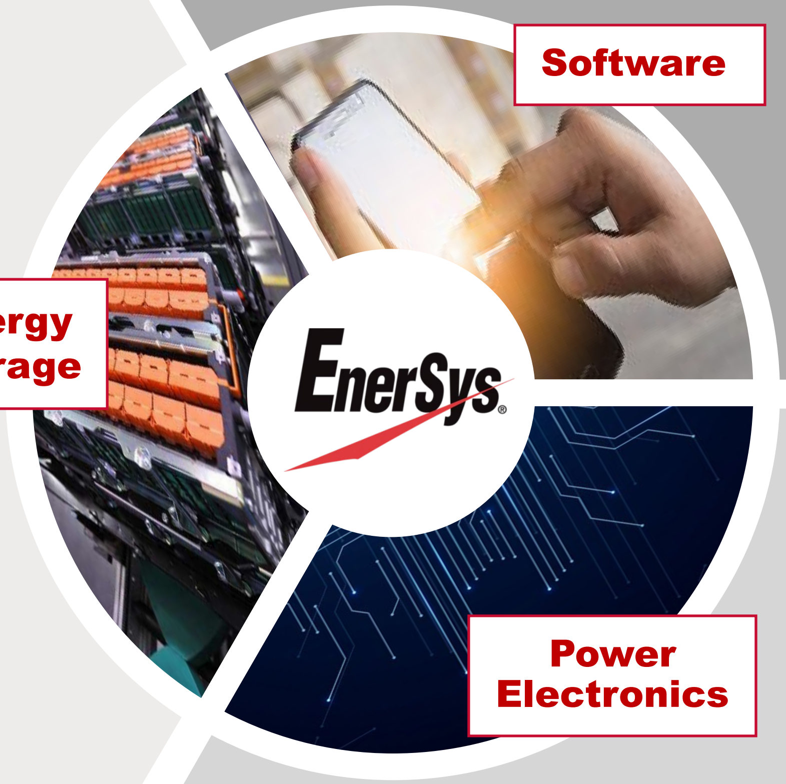
- Maintenance-free, longer cycle life, fastest charge rate
- Innovative safety technology
- Ideal for use cases requiring high power density / long life and heavy-duty applications

TPPL

- Virtually maintenance free
- Ideal for light-to-medium applications

Flooded

- Ideal for industrial / harsh environment applications



- Edge computing, efficient data collection to the cloud
- Asset management software
- App support to manage health of assets
- Fleet management – automated service notifications
- Smart batteries

- Advanced, high efficiency power conversion
- High voltage power transfer with power line communication for 5G small cells
- Wireless power transfer for automated warehouses
- Fast chargers for electric vehicles

Differentiated platforms with enhanced vertical capabilities to deliver the right solutions for our customers

Our Sustainability Journey

2020 2021 2022 2023 2024 2025 2030

2H 2020
Established full-time Sustainability Team; joined external sustainability initiatives

1H 2021
Formed ESG and DEI Steering Committees

July 2021
Launched inaugural diversity engagement survey

August 2021
Published initial sustainability update

December 2021
Published supplemental environmental data

April 2022
Published inaugural GRI and SASB-aligned Sustainability Report

August 2022
Announced Scope 1 and Scope 2 carbon neutrality goals; submitted CDP disclosure

December 2022
Published first TCFD report

December 2022
Named One of Newsweek's "Americas' Most Responsible Companies"

May 2023
Published 2022 Sustainability Update

2H 2023
Scope 3 Inventory

2024
Target date for climate goal detail road map

2025
Target date for 2021 diversity and employer recognition goals

2030
Target date for energy and water intensity reduction goals

Our Board and management team continue to oversee and prioritize the evolution of our sustainability journey

June 2023

Q4’23 & FY’23 Highlights

($ millions, except EPS)	Q4’23	FY’23
Net Sales (Y / Y Growth)	**$990** *9.1%*	**$3,709** *10.5%*
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*

Key Takeaways

- Record net sales in the quarter and full year
- $1.3B backlog at CC[2], down 7% y/y; ~2X pre-covid levels, stable demand and order trends across all segments
- 24.9% adj. GM[1] 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 earnings[1], up 60% y/y
- 1.8x net leverage[1], including benefit from $150M trade receivable securitization facility closed in Q3
- Reported full year operating cash flow of $280M and free cash flow[1] of $191M
- Returned $51M of value to shareholders through share repurchases and dividends in FY’23

1) Non-GAAP measure. Please refer to appendix for reconciliation.
2) Constant Currency “CC” for backlog refers to a static budgeted exchange rate

Inflation Reduction Act (IRA)

CREDITS AND ESTIMATED IMPACT

IRC 45X	• Advanced manufacturing production tax credits for battery cells and battery modules produced in the U.S. • Cells >=100 Watt hours per Liter (Wh/L) and & 12 Watt hour (Wh) • $35/kWh credit/ cell produced; $10/kWh credit/ module assembled
EnerSys' eligible products	• Much of our TPPL, portion of high-density traditional flooded lead acid batteries
Estimated financial impact	• 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	• Awaiting IRS administrative clarification • Will continue to evaluate the potential benefits of the IRA and will provide updates as appropriate
EnerSys commitment	• 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

Compelling EnerSys Investment Case

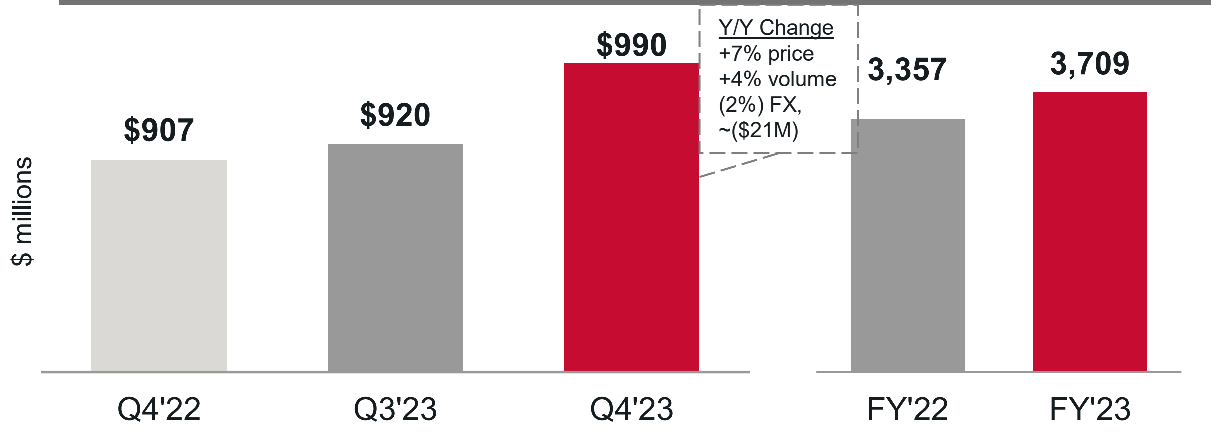
BUILDING BLOCKS FOR CONTINUED SUCCESS

1. Provider of highly differentiated energy solutions
2. Full suite of technologies for a diverse set of end markets
3. Strategically aligned to large and growing markets fueled by industry megatrends
4. Healthy balance sheet with ample flexibility to invest in the business
5. Positioned for accelerated earnings growth when market conditions normalize
6. Strong leadership team focused on delivering long-term shareholder value

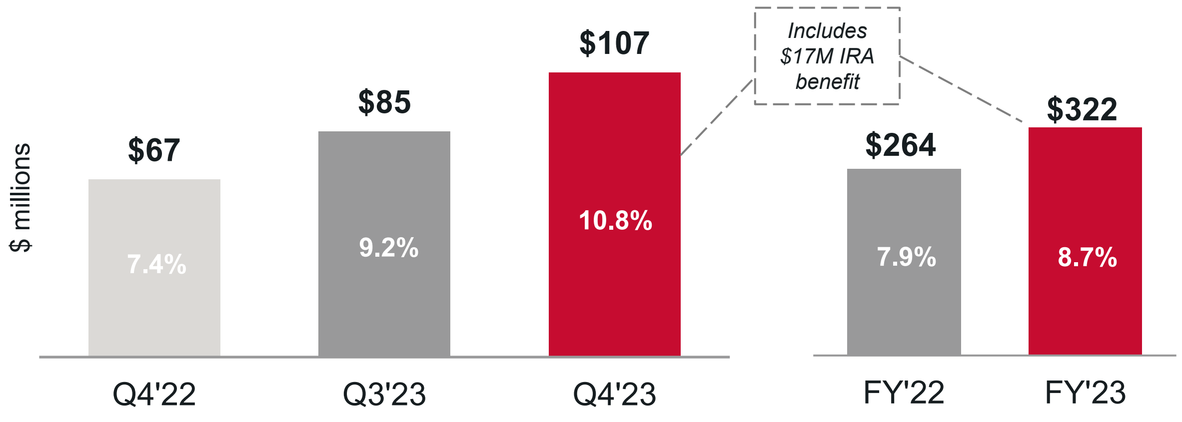
Appendix

Q4’23 & FY’23 Results

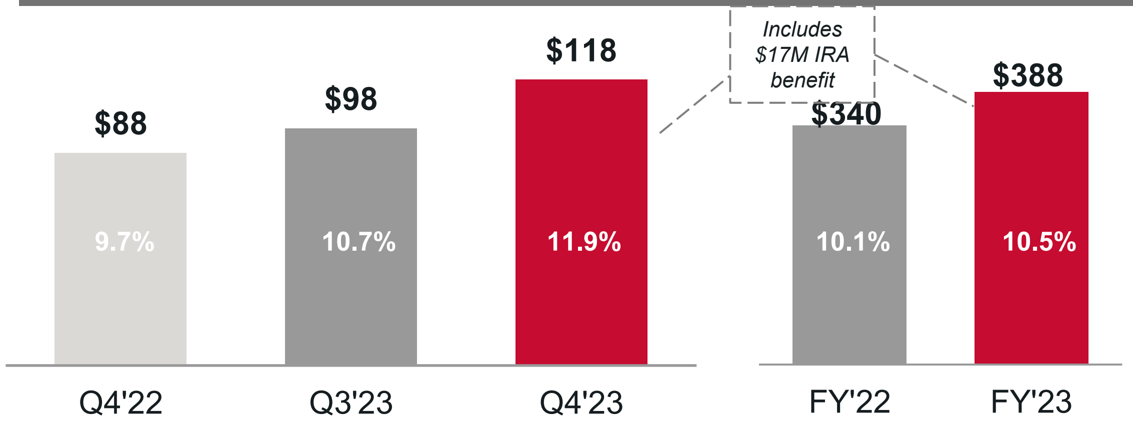
Net Sales



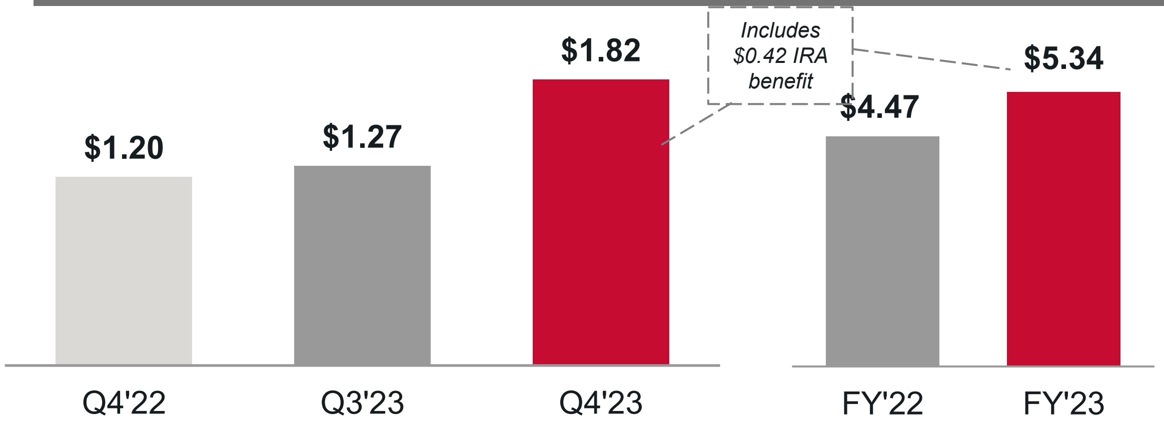
Adj Operating Earnings[1] & Margin



Adj EBITDA[1] & Margin



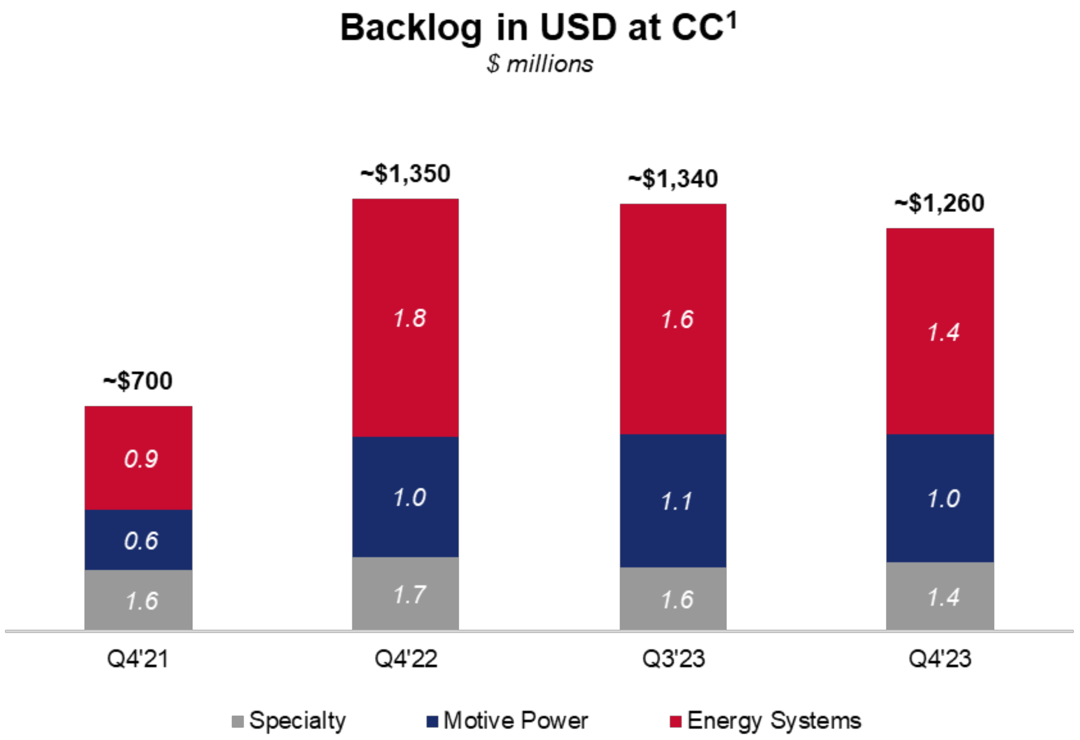
Adj Diluted EPS[1]



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

Healthy Backlog Drives Long-Term Growth

ORDER GROWTH & MACRO CONDITIONS DRIVING STRONG BACKLOG



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

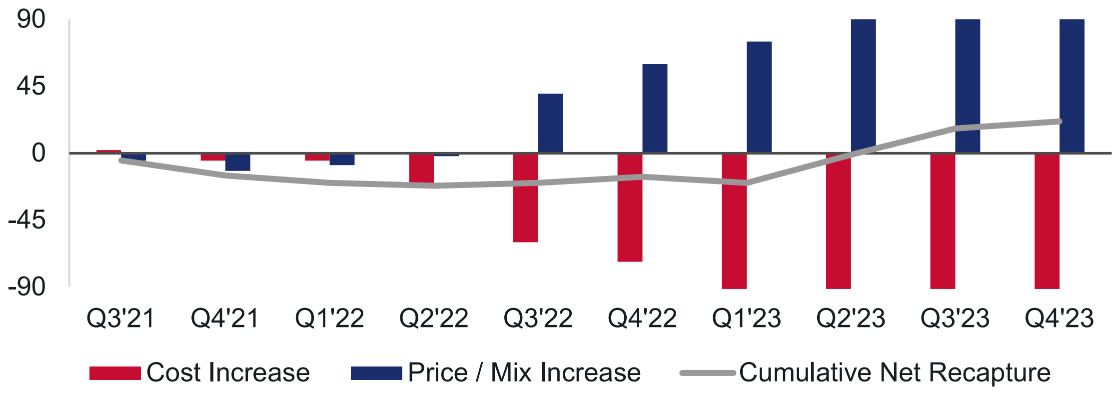
Total backlog ~2x historic levels w/orders stabilizing towards pre-COVID trends

Loosening supply chains enabling us to satisfy customer demand

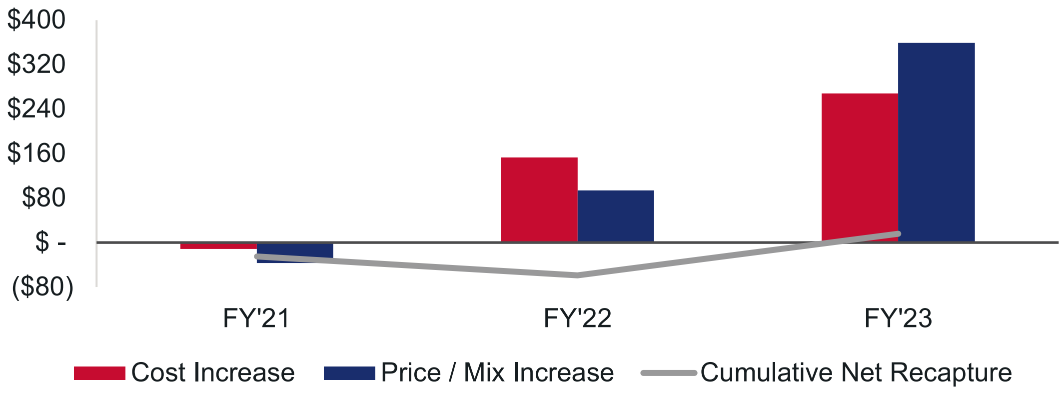
1) Constant Currency "CC" for backlog refers to a static budgeted exchange rate

Price/Mix - Cost Recapture Closing the Gap

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



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

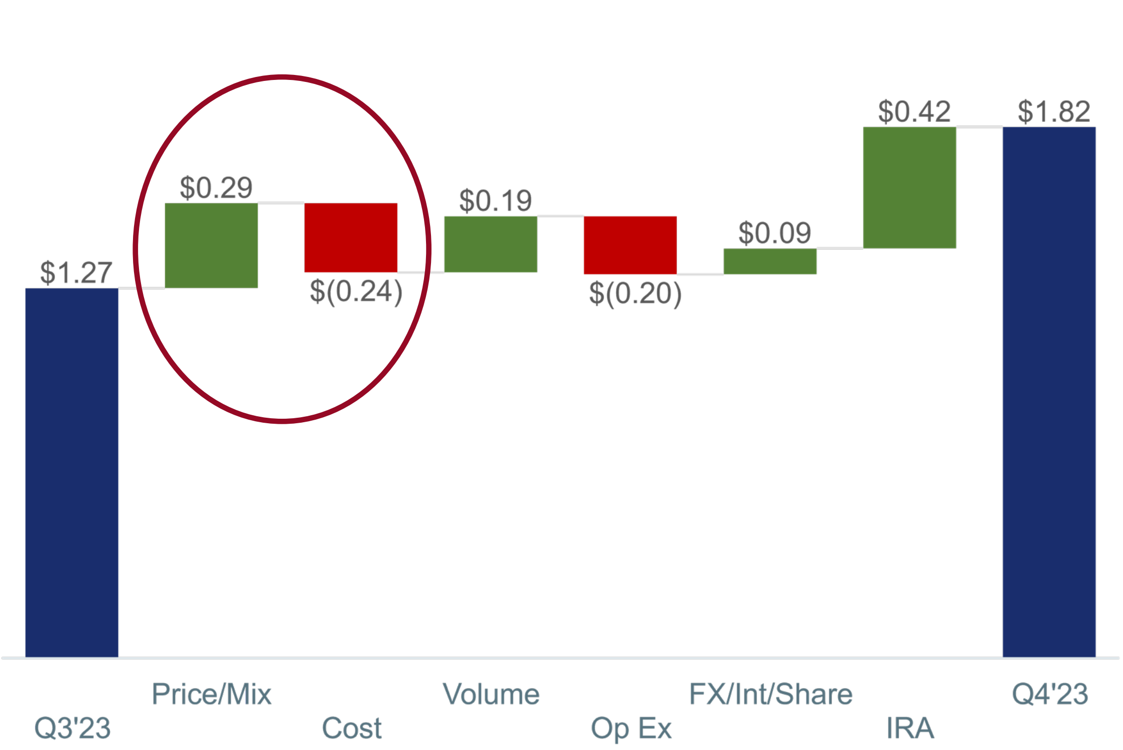


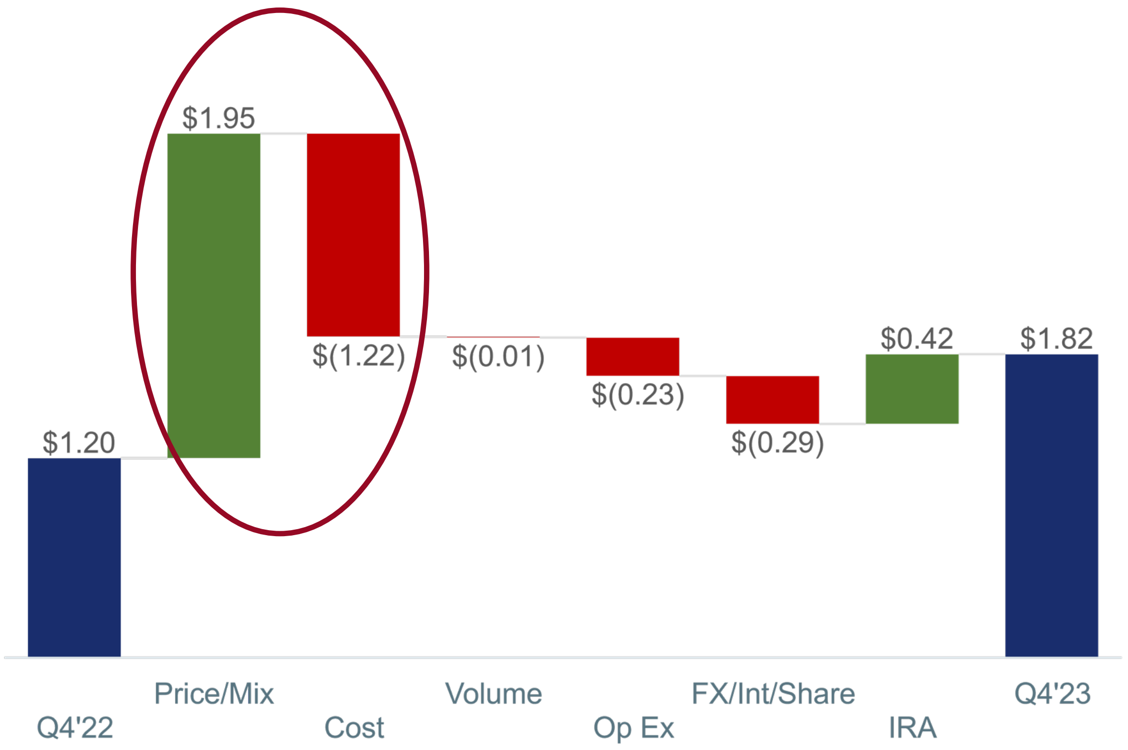
- Q4’23 price/mix of ~$0.29 adj. EPS more than offset costs of ~($0.24) adj. EPS
- Third consecutive quarter of favorable net price/mix-cost recapture
- Energy Systems recapture lag reversed as anticipated, catching up to other segments
- Beginning to see costs stabilize, delay to P&L until related inventory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

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

Adj EPS[1] 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.

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% Price +6% FX (2%) ---------------------------- **Reported +12%**	**$29.6** +86%	**6.5%** +260 bps
Motive Power	$384	Volume (0.3%) Price +8% FX (3%) ---------------------------- **Reported +5%**	**$50.4** +26%	**13.1%** +210 bps
Specialty	$148	Volume +6% Price +7% FX (1%) ---------------------------- **Reported +12%**	**$9.8** -9%	**6.6%** -160 bps
Unallocated IRA Benefit			**$17.3**	
Total Company	$990	Volume +4% Price +7% FX (2%) ---------------------------- **Reported +9%**	**$107.1** +60%	**10.8%** +340 bps

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

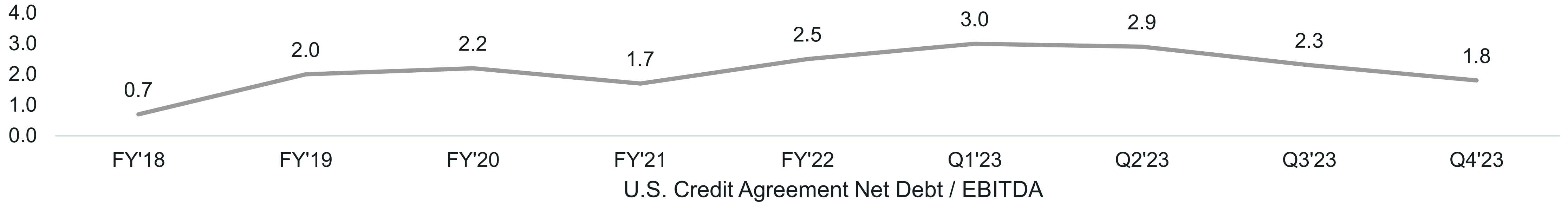
Disciplined & Balanced Capital Allocation

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

Healthy Balance Sheet

- 2 – 3x target leverage, adjusted to lower end of range
- Over $340M in cash and cash equivalents
  - Effective management of POC[1] 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[2]



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.
2) Asset securitization proceeds of $150M positively impacts Q3'FY23 and Q4'FY23 leverage ratio.

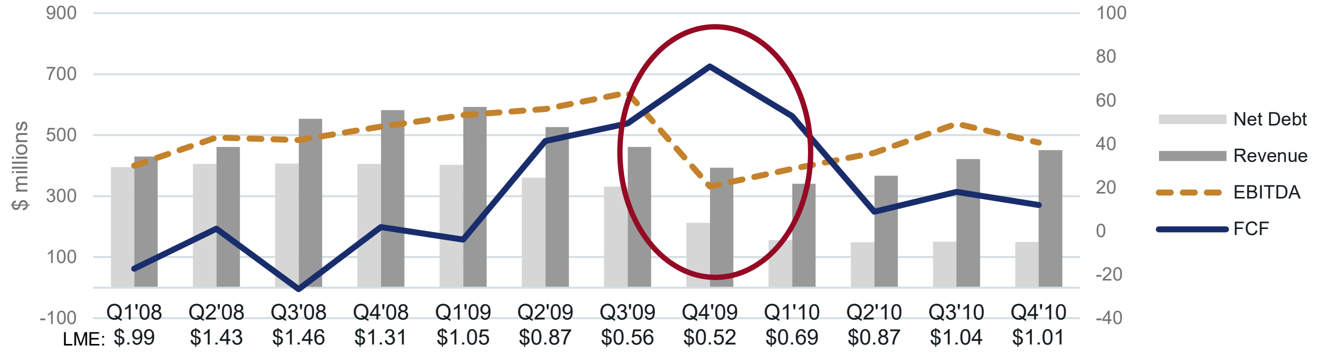
Recession Playbook

IMPACT & ACTIONS TO MITIGATE SLOWDOWN

Key Takeaways:

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

2009 Recession Quarterly Impact on Cash Flow



LoB Resilience

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

Slow-Down Levers

P&L:	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
✓ *Historically rapid AOE recovery*	✓ Significant Cash Inflow / Buy-Back Opportunity

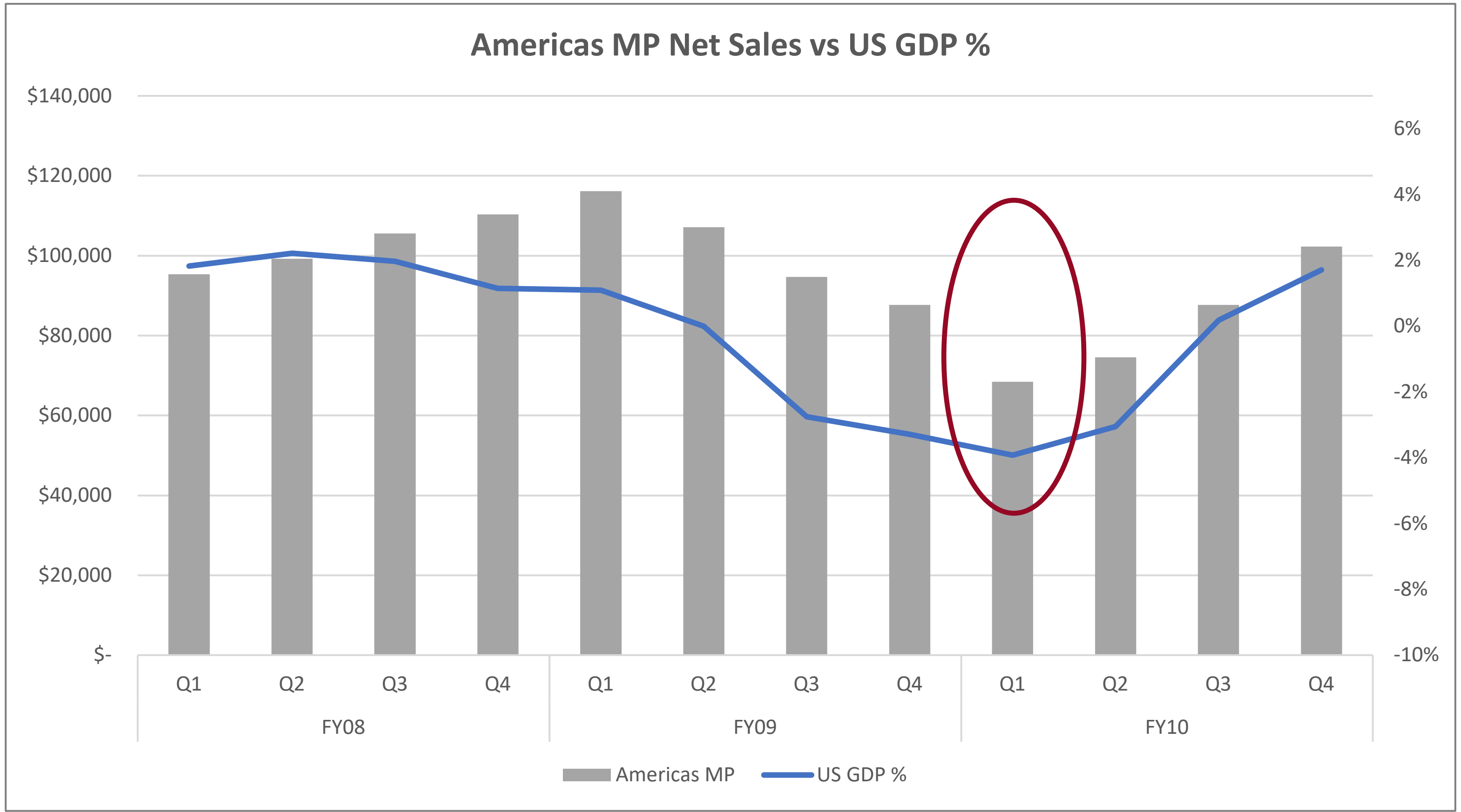
$M USD AA

Motive Power

REVENUE HISTORICALLY TRENDS WITH GDP

Motive Power Strengths vs Prior Cycles:

- Bolstered by movements from increased automation & electrification of ICE forklifts
- Higher margin NexSys® maintenance-free solutions increasing as percentage of revenue mix
- Operating efficiencies
  - Richmond DC expanded to centralize inventory, improve lead times and better serve our customers
  - Ooltewah closure - $8M annual savings starting 2H'23
  - Sales and order automation transformation
  - Hagen closure - $20M annual savings starting FY'21



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) 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

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

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

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

	Quarter ended ($ millions)		Twelve months ended ($ 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
Restructuring and other exit charges	4.0	5.6	16.4	18.8
Impairment of indefinite-lived intangibles	0.5	1.2	0.5	1.2
Loss on assets held for sale	—	3.0	—	3.0
Other	0.7	4.6	2.2	6.4
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	$ 5.3	$ 16.0	$ 26.2	$ 32.0

	Quarter ended ($ millions)
	January 1, 2023
Net Earnings	$ 44.4
Depreciation	14.8
Amortization	7.8
Interest	17.5
Income Taxes	13.4
EBITDA	97.9
Non-GAAP adjustments	0.2
Adjusted EBITDA	$ 98.1

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

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

Non-GAAP Reconciliation

Q4 ADJUSTED DILUTED EPS

	Quarter ended (in millions, except share and per share amounts)			
	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	$ 75.4		$ 50.1	
Outstanding shares used in per share calculations				
Basic	40,873,977		41,243,629	
Diluted	41,505,060		41,843,270	
Non-GAAP adjusted Net Earnings per share:				
Basic	$ 1.85		$ 1.21	
Diluted	$ 1.82		$ 1.20	
Reported Net Earnings (Loss) per share:				
Basic	$ 1.61		$ 0.68	
Diluted	$ 1.59		$ 0.67	
Dividends per common share	$ 0.175		$ 0.175	

Non-GAAP Reconciliation

Q4 ADJUSTED DILUTED EPS (CONTINUED)

	Quarter ended ($ millions)	
	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 (in millions, except share and per share amounts)					
	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 ($ millions)	
	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 (in millions, except share and per share amounts)			
	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 ($ millions) January 1, 2023	Quarter ended ($ millions) 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	Last twelve months 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	$ 191.1	$ (139.6)	$ 288.4

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:

($ in Millions)	**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.

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