



# Strategy and ESG Update

JUNE 24, 2022

# 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, 2022, 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 25, 2022, which is located on our website at [www.enersys.com](http://www.enersys.com).

# EnerSys At A Glance (NYSE: ENS)

LEADING PROVIDER OF DIFFERENTIATED ENERGY SOLUTIONS

**\$3.4bn<sup>1</sup>**

Sales

**7.9%<sup>1</sup>**

Adj. Operating Margin

**\$4.47<sup>1</sup>**

Adj. Diluted EPS

**~11.4k<sup>1</sup>**

Total Employees

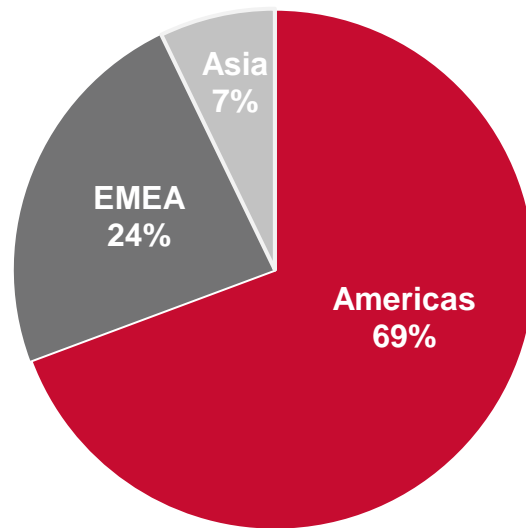
**10k+<sup>1</sup>**

Customers

**22%<sup>1</sup>**

Market Share<sup>2</sup>

## FY'22 SALES BY GEOGRAPHY



## GLOBAL CUSTOMER BASE<sup>3</sup>



1. FY'22, year end March 31, 2022

2. 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 & defence and cabinet enclosures markets (each estimated at \$1 to \$2 billion)

3. Represents geographies with EnerSys manufacturing and distribution centers

# Technology Driven Portfolio Transformation

## 2010

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

## 2022

- 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



2010



2013



2015



2018



2019

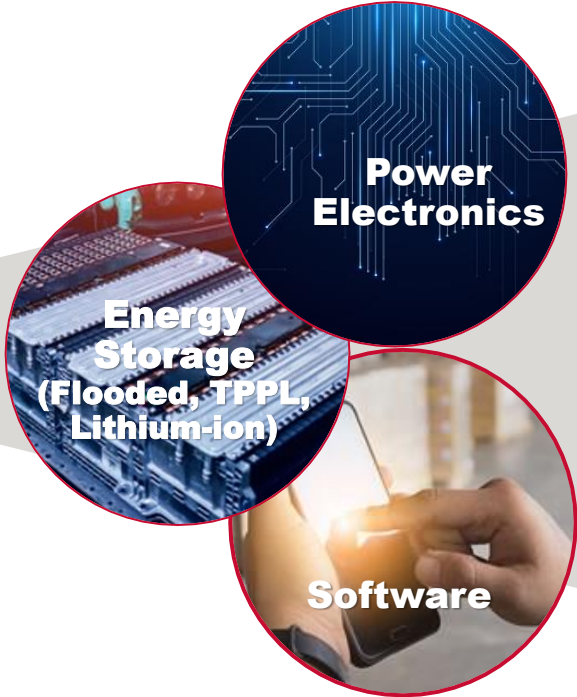
# Leveraging Our Platforms Across All Segments

## 3 Core Technology Platforms

## 3 Business Segments

## 8 End Markets

**EnerSys**  
*Premium Energy Solutions Provider*



- Telecom Networks**
- Broadband Cable**
- Industrial Power and Utilities**
- Renewable Energy**
- Data Centers**
- Logistics and Warehousing**
- Aerospace & Defense**
- Transportation**

# Disciplined & Balanced Capital Allocation

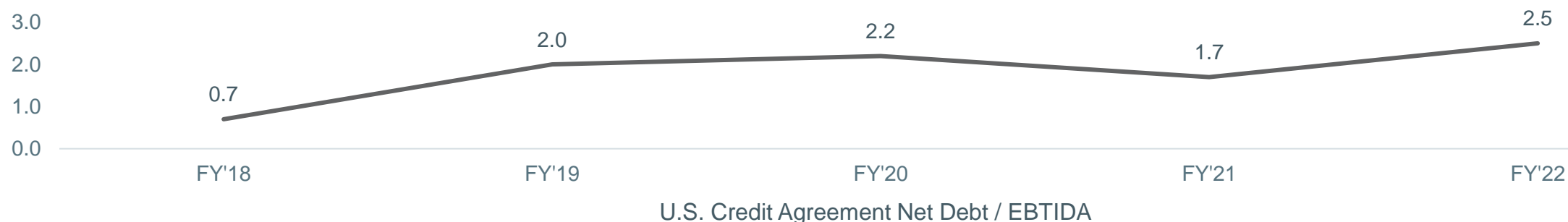
Capital Allocation Priorities	FY'18 – FY'22 (cumulative) \$ millions	FY'22 \$ millions
1 Invest in Organic Growth (Capex)	~\$390	~\$75
2 Strategic M&A <i>(Alpha Technologies and NorthStar Battery)</i>	~\$940	\$0
3 Return of Capital	~\$150 dividends ~\$370 buybacks	~\$30 dividends ~\$160 buybacks

## Healthy Balance Sheet

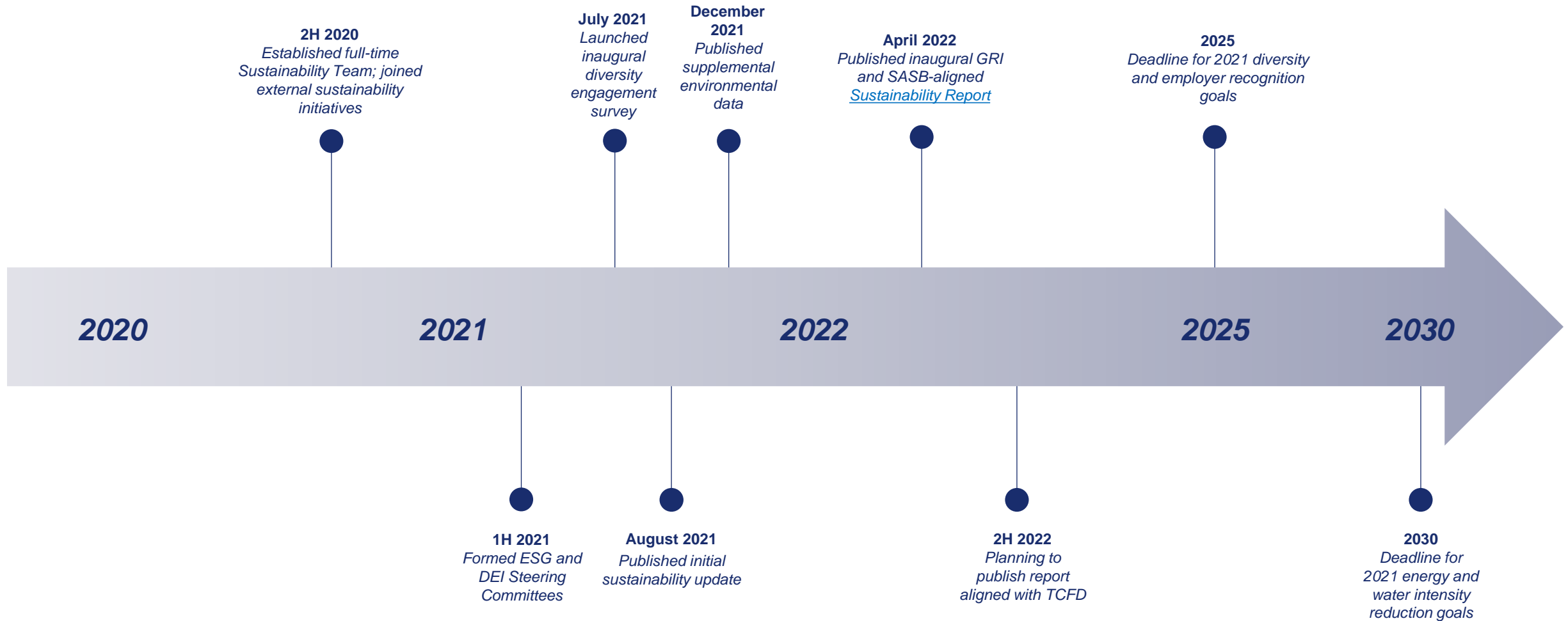
- 2 – 3x target leverage
- ~\$400M cash and cash equivalents
  - Strong cash generation outpaced by strategic inventory increase FY'22, PWC yields cash in recessionary periods
- Ample flexibility to support business investment
- Committed to consistent dividends through cycles
- \$188M\* outstanding repurchase authorization (including \$150m additional authorization announced in Q4'22 and \$25m annual evergreen dilution authorization Q1'23)

\*Remaining stock repurchase authorization as of May 25, 2022

## Historical Net Leverage



# Our Sustainability Journey



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



# Our Sustainability Strategy

## Our Progress to Date

## Future Aspirations

### 1 ENVIRONMENTAL STEWARDSHIP

- Began tracking energy usage and Scope 1 & 2 emissions, began initial steps to quantify scope 3 emissions
- Began tracking and disclosing the volume of water withdrawn at our manufacturing sites
- Partnered with trade associations and industry experts to develop a circular lithium-ion battery recycling process

- Targeting 25% reduction in energy intensity by 2030 (vs. 2020)
- Targeting 25% reduction in water intensity by 2030 (vs. 2020)
- Working to establish a robust, ambitious and measurable climate goal aligned with key customer, investor and other stakeholder expectations in 2022

### 2 OUR PEOPLE AND COMMUNITY

- Committed to embedding DEI in our business strategy
- Committed to providing employees with both formal and informal learning and development opportunities
- Created DEI Steering Committee and launched first diversity engagement survey (in 2021)

- Working to improve our female representation at the leadership level from 9% in 2021 to 20% in 2025
- Working to improve our representation of multicultural talent in the U.S. at the leadership level from 16% in 2021 to 25% in 2025
- Aspiring to become recognized by at least three global indexes as a leading employer by 2025

### 3 SUSTAINABILITY GOVERNANCE

- Assigned Board-level oversight of sustainability
- Created ESG Steering Committee, consisting of senior management and subject matter experts from across the business
- Formed dedicated sustainability team that focuses on various environment and social topics
- Embedded sustainability considerations across supply chain

- Targeting publications of a TCFD-aligned report in 2022
- Continuing to analyze operations, governance, customer expectations and supply chain performance to better understand sustainability impacts and opportunities

### 4 SUSTAINABILITY OF PRODUCTS AND SERVICES

- Incorporated ESG considerations into development of products and services, specifically relating to the energy transition and decarbonization goals of customers
- Received RE100 commitment from 20+ top customers (*a 100% renewable energy initiative*)
- Launched an online customer portal to improve the battery recycling process

- Working to establish a robust, ambitious and measurable goal around our products' sustainability in 2022

## REPORTING ALIGNED WITH ESTABLISHED FRAMEWORKS

*We understand that robust sustainability disclosure is a crucial step in ensuring accountability and maintaining and reinforcing our corporate reputation*



(publishing inaugural report in 2022)





# 1 Environmental Stewardship

COMMITTED TO ACTING AS A RESPONSIBLE INDUSTRY LEADER

Topic	Our Practices / Commitments	2021 Highlights
<b>ENERGY AND GREENHOUSE GAS EMISSIONS</b>	<ul style="list-style-type: none"> <li>Aim to reduce direct / indirect emissions by increasing operational efficiency and exploring renewable energy sources</li> <li><b>Targeting 25% reduction in energy intensity by 2030 (vs. 2020)</b></li> </ul>	<ul style="list-style-type: none"> <li>Began tracking and reporting our energy usage and Scope 1 and 2 greenhouse gas emissions</li> <li>Joined the Alliance to Save Energy, committing to advocate for policies that accelerate energy efficiency</li> <li>Joined Better Plants, a US Department of Energy program focused on reducing energy intensity</li> </ul>
<b>WATER</b>	<ul style="list-style-type: none"> <li>Committed to good water stewardship, minimizing wastewater discharge from operations and ensuring our levels of chemicals and total dissolved solids are well below regulatory requirements</li> <li><b>Targeting 25% reduction in water intensity by 2030 (vs. 2020)</b></li> </ul>	<ul style="list-style-type: none"> <li>Began tracking and disclosing the volume of water withdrawn at our manufacturing sites</li> <li>Joined the UN CEO Water Mandate, committing to advance water stewardship and reduce water stress by 2050</li> </ul>
<b>WASTE</b>	<ul style="list-style-type: none"> <li>Aim to contribute to the circular economy by recovering all EnerSys batteries sold and returning materials back across the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Partnered with trade associations and industry experts to develop a circular lithium-ion battery recycling process (similar to current processes in place for lead-acid batteries)</li> </ul>
<b>BIODIVERSITY</b>	<ul style="list-style-type: none"> <li>Managing the impacts of the limited supply of the materials we source</li> <li>Committed to annually reporting on biodiversity performance in our Sustainability Report</li> </ul>	<ul style="list-style-type: none"> <li>Through in-depth assessments, we determined that our direct operations have minimal impact on critical habitats or other areas with high diversity value</li> </ul>

## External Initiatives



# 2 Our People and Community

## OUR COMMITMENT TO OUR PEOPLE

Topic	Our Practices / Commitments	2021 Highlights
<p><b>WORKFORCE HEALTH AND SAFETY</b></p>	<ul style="list-style-type: none"> <li>Undertake efforts to monitor and reduce acute and chronic exposures in the workplace</li> <li>Educate and train our employees to find and record potential hazards in our safety management system</li> </ul>	<ul style="list-style-type: none"> <li>Decreased our days-away cases and have had no fatalities at our facilities for the fourth year in a row</li> </ul>
<p><b>DIVERSITY, EQUITY AND INCLUSION (DEI)</b></p>	<ul style="list-style-type: none"> <li>In 2021, created a DEI Steering Committee and launched inaugural diversity engagement survey</li> <li>Committed to powering an organization where DEI is embedded in our business strategy</li> <li><i>Working to improve our female representation at the leadership level from 9% in 2021 to 20% in 2025</i></li> <li><i>Working to improve our representation of multicultural talent in the U.S. at the leadership level from 16% in 2021 to 25% in 2025</i></li> </ul>	<ul style="list-style-type: none"> <li>Committed to various initiatives including, CEO Action for Diversity and Inclusion, a pledge focusing on diversity, equity and inclusion</li> </ul>
<p><b>TRAINING AND DEVELOPMENT</b></p>	<ul style="list-style-type: none"> <li>Committed to providing employees with both formal and informal learning and development opportunities</li> <li>Robust talent management practices to empower employees to improve their performance and development</li> <li><i>Aspiring to become recognized by at least 3 global indexes as a leading employer by 2025</i></li> </ul>	<ul style="list-style-type: none"> <li>Developed the Level Up program, which provides training, expert guidance and support to individuals who have a desire to educate others</li> <li>Over 95+% usage of Continuous Performance Management (CPM) procedure where employees schedule quarterly meetings with their managers</li> </ul>

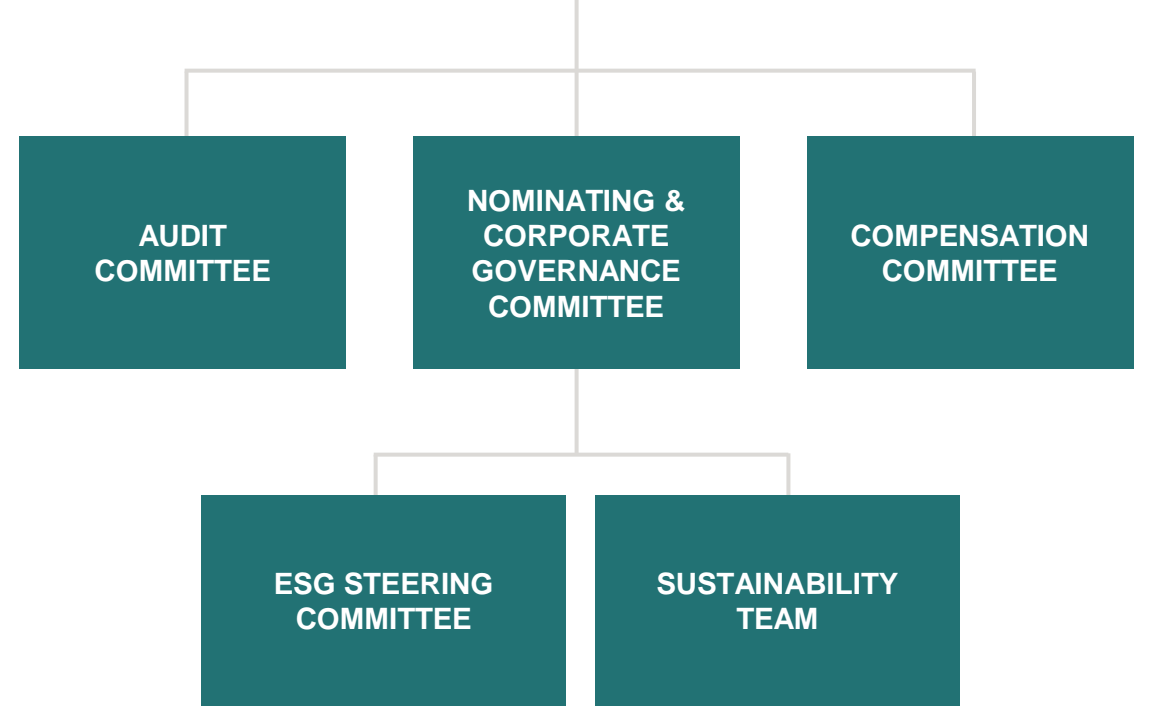
**CEO ACTION FOR DIVERSITY & INCLUSION**

# 3 Sustainability Governance

WE TAKE OUR RESPONSIBILITY AS A CORPORATE CITIZEN SERIOUSLY

## ESG OVERSIGHT AT ENERSYS

### BOARD OF DIRECTORS



## SUPPLY CHAIN MANAGEMENT

**HUMAN RIGHTS**

- Formal Workforce Labor Rights Policy and Corporate Social Responsibility and Human Rights Policy in place
- Screen new potential suppliers for social criteria aligned with our policies and periodically evaluate our current suppliers against stated human rights standards

**LABOR AND EMPLOYEE REPRESENTATION**

- Work with suppliers that respect and value their employees and create a culture of open and direct communication
- Respect the rights of all workers to form multi-stakeholder and other collaborative initiatives for the protection of their interests, as upheld in our Workforce Labor Rights Policy

**SUPPLIER DIVERSITY**

- Provide minority and women-owned business enterprises (MWBE) an equal opportunity to participate in all aspects of supplier contractual opportunities
- Prioritize local suppliers wherever possible to help invest in local economies, improve community relationships and ensure reliable supply

**CRITICAL MATERIALS**

- Strategy is focused on reducing supply risks to value chain from critical minerals, investing in recycling and the realizing a circular economy
- Manage risks associated with the use of these critical minerals, including physical limits on availability and access, changes in price, regulatory, reputational, environmental and human rights risks

# Sustainability of Products and Services

OUR POWER SOLUTIONS ENABLE THE TRANSITION TO A LOW CARBON ECONOMY

## SUSTAINABILITY IN OUR CORE BUSINESSES

### Energy Systems

*Developing reliable, accessible, scalable and distributed energy storage solutions to advance and accelerate the transition to a low carbon economy*

### Motive Power

*Providing innovative, low carbon battery solutions to help customers reach their sustainability goals*

### Specialty

*Engineering custom, advanced battery technologies that support critical missions and enable customers to mitigate climate risks*

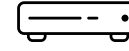
## PRODUCT AND SERVICE APPLICATIONS ACROSS THE INDUSTRIES WE SERVE

### Aerospace & Specialty



*Supporting aerospace applications by providing ready, resilient and reliable batteries*

### Cable Broadband



*Providing an integrated ecosystem of solutions for consistent power and access*

### Communication Networks



*Creating customer power solutions to support expanding energy infrastructure*

### Data Centers



*Ensuring reliable batteries designed for Uninterruptible Power Supplies*

### Power and Utilities



*Innovating to provide advanced energy storage and advanced industrial power solutions*

### Logistics / Warehousing



*Supporting the global supply chain with industry leading batteries*

### Medical



*Powering external and internal medical devices reliably to change lives*

### Power of 5G



*Providing consistent power to private mobile, core and edging computing networks*

### Renewable Energy



*Enabling the energy transition with flexible, grid and off-grid battery-based solutions*

### Safety and Security



*Maintaining storage solutions for critical safety, security, surveillance and communications systems*

### Transportation



*Innovating to provide battery solutions for vehicle, rail and marine transportation*

# Corporate Governance

OUR REPUTATION FOR BUILDING RELIABLE PRODUCTS AND SOLUTIONS IS ROOTED IN OUR STRONG CORPORATE GOVERNANCE

## BOARD INDEPENDENCE

- Independent Board Chair
- Independent Board (8 of 9 directors)
- Fully independent Audit, Compensation and Nominating & Corporate Governance Committees
- Regular executive sessions of independent directors

## BOARD PRACTICES

- Limits on outside Board membership
- Age limit for re-election of Directors
- Orientation for new directors and continuing education for all directors
- Ongoing commitment to Board refreshment and diversity

## BOARD ACCOUNTABILITY

- Majority vote standard
- Shareholder engagement program
- Annual Board and Committee self-evaluations

## STOCK OWNERSHIP / COMPENSATION

- Stock ownership guidelines
- Prohibit hedging and pledging of company securities
- Clawback policy in place
- Mandatory holding requirement after vesting for certain equity awards

# Board of Directors

EXPERIENCED LEADERS FROM A RANGE OF RELEVANT BACKGROUNDS



**Arthur Katsaros\***  
*Former Group Vice President  
(Development and Technology),  
Air Products and Chemicals*

- 15+ years of senior management leadership experience with a global manufacturer, in charge of international business and operations, manufacturing, engineering, information technology and research and development



**David Shaffer**  
*President and CEO,  
EnerSys*

- Broad range of leadership, manufacturing and sales experience across various aspects of EnerSys's global business



**Caroline Chan**  
*Vice President and General Manager  
(Network Business Incubator Division),  
Intel Corporation*

- Background and expertise in wireless technology, 5G infrastructure, market development and strategic planning



**Hwan-Yoon Chung**  
*Managing Director,  
DCP Capital*

- Financial expert with private equity and investing experience and environmental expertise



**Steven Fludder**  
*CEO,  
LS Energy Solutions*

- Expertise in smart energy storage and electrical grids, with significant experience in environmental-focused business initiatives



**Howard Hoffen**  
*Chairman, CEO and Managing Director,  
Metalmark Capital*

- Extensive investment and private equity expertise with experience in audit and financial reporting, risk management, executive compensation and strategic planning



**Gen. Robert Magnus, USMC (Retired)**  
*Retired Asst. Commandant,  
United States Marine Corps*

- Extensive financial management experience and responsibilities for peacetime and wartime programs and budgets for the U.S. Marine Corps



**Paul Tufano**  
*Former President and CEO,  
Benchmark Electronics*

- Financial expertise garnered from service as a former senior executive, including as CFO of several public manufacturing companies involving complex technologies



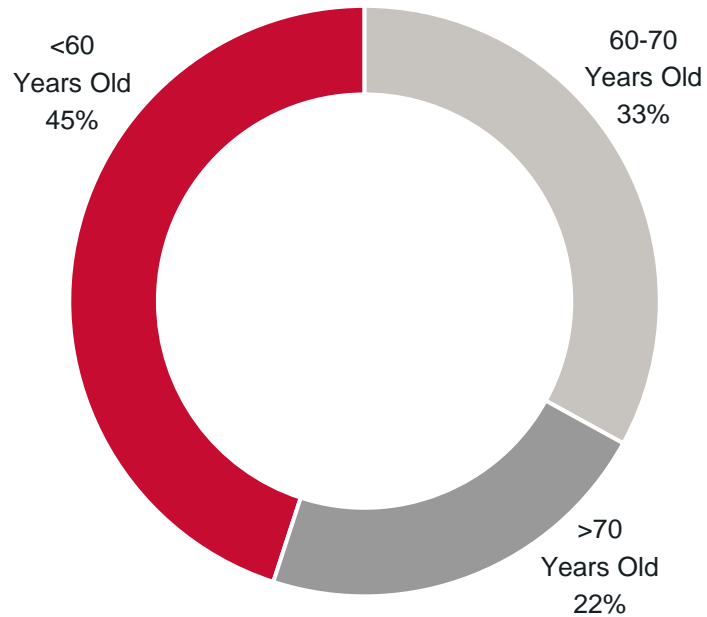
**Ronald Vargo**  
*Former EVP and CFO,  
ICF International*

- Financial acumen and broad leadership experiences in technology and engineering in global markets

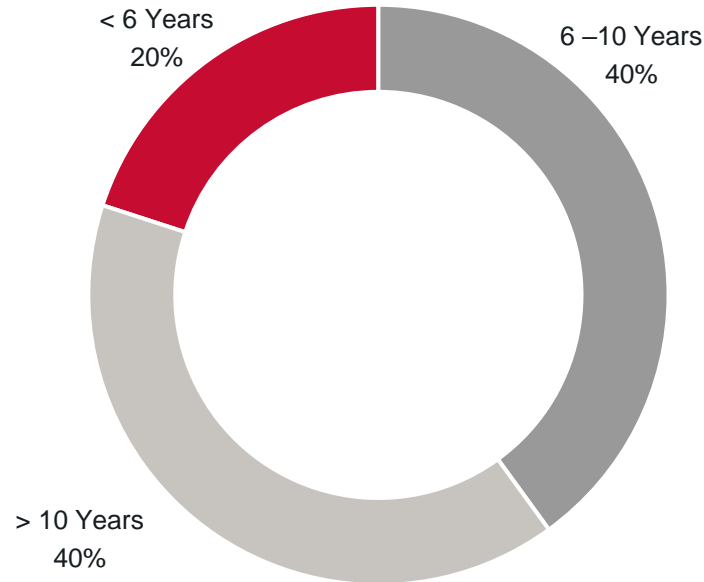
# Board Commitment to Diversity

OUR BOARD PRIORITIZES AND VALUES DIVERSITY

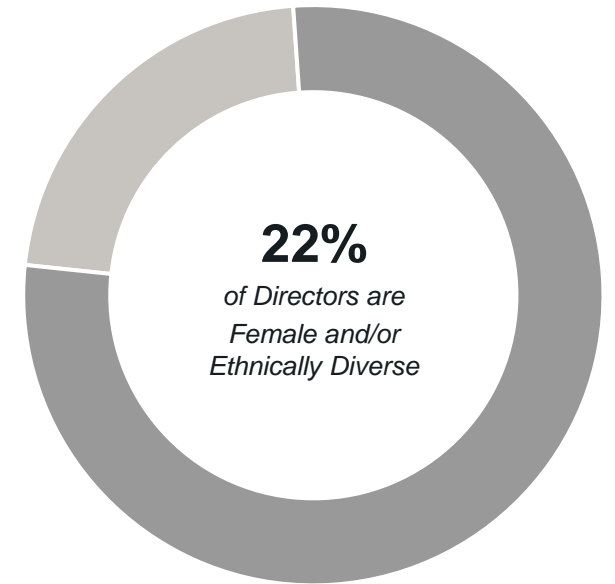
## AGE<sup>1</sup>



## TENURE<sup>1</sup>



## GENDER / RACE / ETHNICITY<sup>1</sup>



1. Data sourced from 2022 Proxy Statement (filed June 23, 2022)



# Board Evaluation and Refreshment

COMMITMENT TO REGULAR REFRESHMENT TO EVOLVE OUR BOARD

## PROCESS OVERVIEW

- Robust Board evaluation and refreshment process in place
- Regularly evaluate mix of Board attributes, skills and experiences in the context of our strategy and evolving industry and business trends
- Focus on director candidates who possess a diversity of backgrounds, skills and professional experiences aligned with our strategy

## KEY SELECTION CRITERIA

- Nominating and Corporate Governance Committee seeks directors with the appropriate characteristics, skills and experiences to join our Board, including:

Integrity and character

Sound and independent judgment

Breadth of experience

Business acumen

Leadership skills

Scientific or technology expertise

Familiarity with issues affecting global businesses in diverse industries

Diversity of backgrounds and experiences

## OUR PROCESS IN ACTION

*Two Independent Directors Added Since 2020*



**Caroline Chan**

Vice President and General Manager  
(Network Business Incubator Division),  
Intel Corporation



**Steven Fludder**

CEO,  
LS Energy Solutions

# Board Committees and Risk Oversight

## OUR APPROACH TO COMMITTEE COMPOSITION AND RESPONSIBILITIES

### BOARD ROLE IN RISK OVERSIGHT

- Full Board oversees various risks affecting the business directly and indirectly through its committees
- The Board regularly reviews information regarding our credit, liquidity, markets, legal, regulatory, compliance and operations, including technology and cyber security risk, as well as the strategic and financial considerations associated with each topic
- At least annually, the Board conducts a review of long-term strategic plans, and members of senior management report on top risks and the steps management has taken or will take to mitigate these risks

### AUDIT COMMITTEE

- Receives regular reports from management's risk committee on any identified materials risks and reviews and discusses policies and procedures with respect to risk assessment and risk management



**Vargo**  
(Chair)



**Chung**



**Fludder**



**Tufano**

### COMPENSATION COMMITTEE

- Oversees human capital and compensation risks, including evaluating and assessing risks arising from compensation policies and practices and ensuring executive compensation is aligned with performance and does not encourage excessive risk taking



**Tufano**  
(Chair)



**Chan**



**Gen. Magnus**



**Vargo**

### NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

- Oversees risks related to our overall corporate governance, including Board and committee composition, Board size and structure, Board compensation, director independence, Board and management succession planning, corporate governance profile and ratings and ESG-related strategies, initiatives and policies



**Gen. Magnus**  
(Chair)



**Chan**



**Fludder**



**Hoffen**

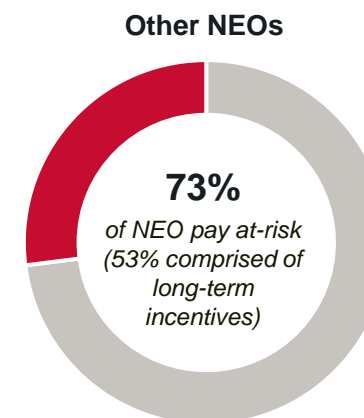
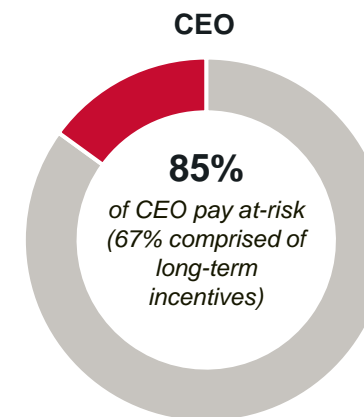
# Executive Compensation Philosophy and Design

COMMITTED TO ALIGNING OUR COMPENSATION WITH STOCKHOLDER INTERESTS

## INCENTIVES ALIGNED WITH BUSINESS GOALS

Type of Pay	Goals	Metrics	
<b>MANAGEMENT INCENTIVE PLAN (MIP)</b>	<b>Expense Control</b> <b>Profitability</b> <b>Cash Generation and Preservation</b> <b>Continued Investment in New Product Lines</b>	<b>60%</b> Operating Earnings	<b>20%</b> Free Cash Flow
<b>LONG-TERM INCENTIVES</b>	<b>Shareholder Value Creation</b>	<b>50%</b> Premium-Priced Stock Options <i>(vesting in annual increments over three years with a 10-year exercise term)</i>	<b>50%</b> Time-Vested RSUs <i>(vesting annually over four years)</i>

## FY 2022 TARGET COMPENSATION MIX



1. NFQT goals include milestones that align with the achievement of our 5-year strategic plan; the plan aligns with our focus on expense control, profitability, cash generation and preservation, and continued investment in our new product lines

# 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** Experienced, diverse board and strong leadership team with a range of skill sets to drive value



# Appendix

# Our Sustainability Priorities

WE HAVE CONDUCTED A MATERIALITY ASSESSMENT TO CONFIRM NINE KEY TOPICS THAT CURRENTLY CONSTITUTE THE HIGHEST SUSTAINABILITY PRIORITIES FOR OUR BUSINESS

1 Climate Change



2 Customer Use of Products



3 Diversity, Equity, and Inclusion (DEI)



4 Energy Management



5 Materials Sourcing



6 Product Efficiency



7 Product End-of-life (Use) Management



8 Talent Attraction and Retention



9 Workforce Health & Safety



# 2021 Sustainability Goals

## GOALS / TARGETS INFORMED BY MATERIALITY ASSESSMENT

### Energy Intensity



- Reduce energy intensity per kWh of storage produced by 25% by 2030

### Water Intensity



- Reduce water intensity per kWh of storage produced by 25% by 2030

### Female Representation



- Improve female representation at the leadership level to 20% in 2025

### Multicultural Talent



- Improve representation of multicultural talent in U.S. leadership to 25% by 2025

### Leading Employer



- Become recognized by up to 3 global indexes as a leading employer by 2025

## COMMITTED TO SETTING ADDITIONAL GOALS IN 2022

### Climate



- We are working to establish a robust, ambitious and measurable climate goal aligned with key customer, investor and other stakeholder expectations in 2022

### Waste



- We are working to establish a robust, ambitious and measurable waste goal aligned with key customer, investor and other stakeholder expectations in 2022

### Products



- We are working to establish a robust, ambitious and measurable goal around our products' sustainability in 2022



# Business Segment Overview

FISCAL YEAR 2022

**Net Sales**  
(\$ millions)

**Adj. Op Margin**

**Segment Overview**



**\$1,537**  
+11% y/y

**3.1%**  
-360 bps y/y

- \$740M record backlog
- Pricing actions gained traction in Q4'22
- Infrastructure spending / network upgrades fueling growth
- Fast Charge and Storage on track, end FY'23



**\$1,361**  
+17% y/y

**12.5%**  
+20 bps y/y

- Continued penetration of proprietary NexSys TPPL and Li-Ion maintenance-free products
- Demand driven by recovery, electrification and automation
- Ongoing price increases offsetting persisting inflation
- Continued progress on transformation initiatives



**\$459**  
+6% y/y

**9.9%**  
-120 bps y/y

- Significant revenue and share growth opportunities remain in Transportation
- Strong momentum in Aerospace and Defense
- Labor and supply shortages pressuring margins

Note: See appendix for non-GAAP reconciliation

# Foundation for a Strong Financial Future

FY'23 Guidance	
Q1'23 Adj EPS	\$1.10 - \$1.20
FY'23 Capex	~\$100M

**Strat Plan:**

- Priorities on track and trending to plan
- Supply chain conditions volatile – timing uncertain
- Will update model as macro environment stabilizes

Strat Plan Pillars	~ Value	Strat Plan Priorities	FY'22 Tracking
Revenue >6% CAGR	\$100M AOE	<b>Markets:</b> <ul style="list-style-type: none"> <li>• ES 5G</li> <li>• MP Maint Free</li> <li>• Trans MS Gain</li> </ul>	✓ 8% CAGR FY'26 vs FY'20 <ul style="list-style-type: none"> <li>• Megatrends further fueling markets</li> <li>• Higher cost pass-through pricing; COVID pushed out volumes 1 year</li> </ul>
		<b>Capacity:</b> <ul style="list-style-type: none"> <li>• Grow TPPL</li> </ul>	✓ NSB Acq ✓ \$1.2B TPPL capacity exit FY'22; +\$200M pa planned capacity increases
Higher Value Products	\$200M AOE	Higher margin TPPL, lithium, & systems technologies	✓ NPIs on track + DC Fast Charge & Storage (not in prior strat plan) – Redesign distractions; supply chain headwinds
EOS	\$100M AOE	Lean & footprint rationalization	✓ EOS processes operational at all production sites with ~\$30M / pa savings – Savings overshadowed by labor, inflation, and supply chain headwinds ✓ Hagen closure on time and under budget
OpEx	\$75M AOE	\$75M AOE	✓ Op Ex growing slower than volume
Cap Alloc	+ EPS	10M+ buy backs	✓ Consistent dividend & opportunistic buy backs
Supply chain conditions	FY'22 (\$50M) price recapture lag	<b>Initial Assumptions:</b> <ul style="list-style-type: none"> <li>• 2% inflation</li> <li>• No recession</li> <li>• Commodities &amp; currency constant</li> </ul>	? Unprecedented inflation ? Tariffs ? COVID recession; looming economic recession ? Ongoing COVID absenteeism & shutdowns ? Russia / Ukraine war ? APAC geopolitical tensions

Note: See appendix for non-GAAP reconciliation

June 2022

© 2022 EnerSys. All Rights Reserved.

# Q4'22 & FY'22 Results

(\$ millions, except EPS)	Q4'22	FY'22
<b>Revenue (Y / Y Growth)</b>	<b>\$907</b> +11.5%	<b>\$3,357</b> +12.7%
<b>Adj. Operating Earnings &amp; % Margin</b>	<b>\$67</b> 7.4%	<b>\$264</b> 7.9%
<b>Adj. EBITDA &amp; % Margin</b>	<b>\$88</b> 9.7%	<b>\$340</b> 10.1%
<b>Adj. Diluted EPS</b>	<b>\$1.20</b>	<b>\$4.47</b>

## Key Takeaways

- \$907M record quarterly net sales +11.5% y/y
- Backlog grew to \$1.3B on robust market demand across all business segments
- Q4'22 price outpaced cost, driving sequential earnings improvement despite new macro headwinds
- Earnings declined y/y due to price recapture lag for increased costs and supply chain mix drag
- Returned \$186M to shareholders through share buybacks and dividends in FY'22
- Launched first comprehensive sustainability report in April 2022

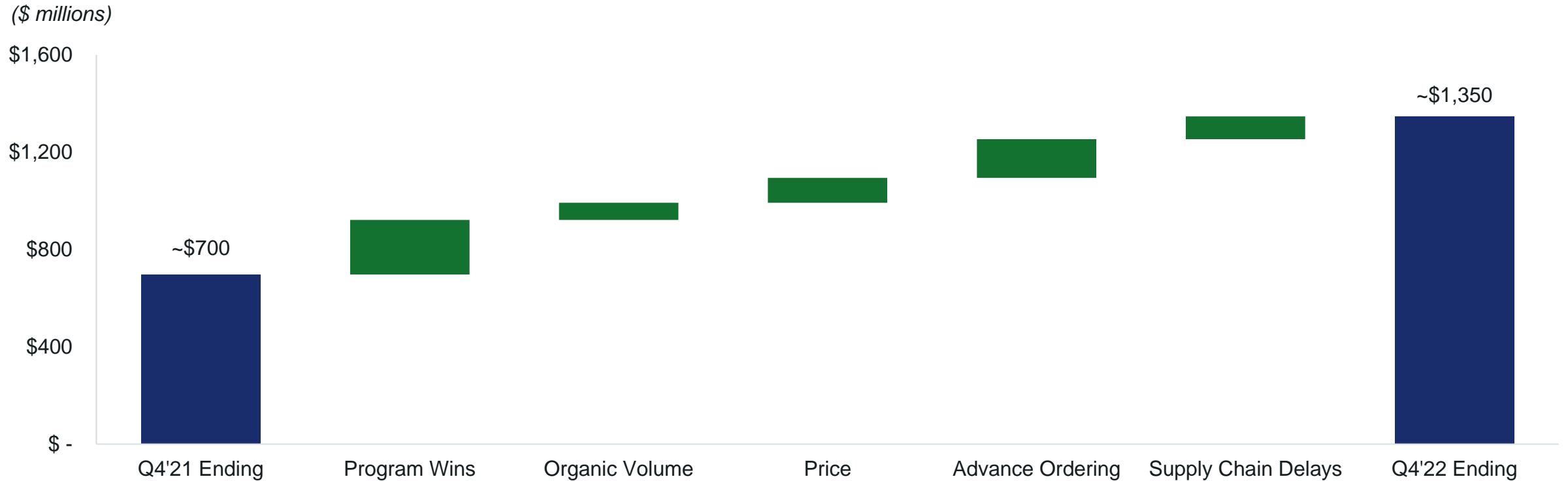
Note: See appendix for non-GAAP reconciliation

June 2022

© 2022 EnerSys. All Rights Reserved.

# Record Backlog Drives Long-Term Growth

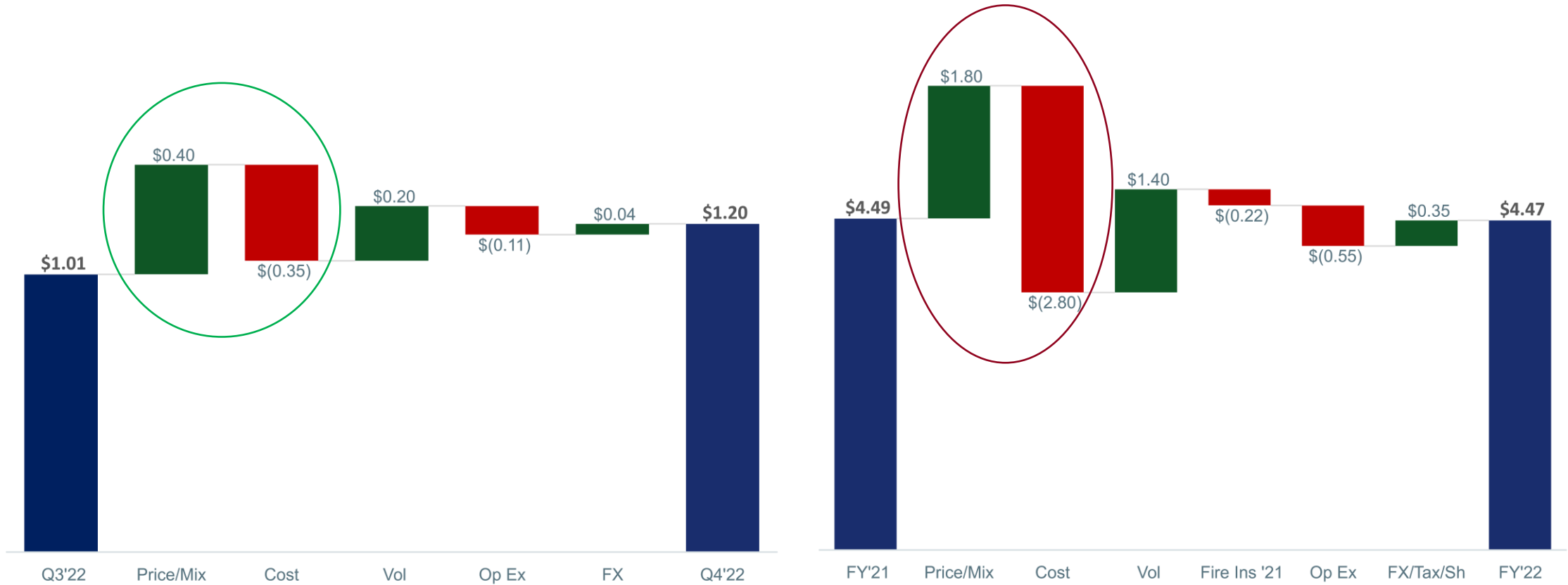
ORDER GROWTH & MACRO CONDITIONS DRIVING RECORD BACKLOG



- Continued backlog growth driven by strong demand across end markets
- ~50% of FY'22 backlog increase from program wins and organic volume, while the remaining 50% is comprised of price, advance orders, and delayed shipments due to supply chain

# Adj EPS Bridge

Q4'22 SEQUENTIAL AND FULL YEAR



Note: See appendix for non-GAAP reconciliation

June 2022

© 2022 EnerSys. All Rights Reserved.

# Non-GAAP Reconciliation

	Quarter ended	
	<i>(in millions, except share and per share amounts)</i>	
	March 31, 2022	March 31, 2021
<b>Net Earnings reconciliation</b>		
As reported Net Earnings	\$ 28.1	\$ 33.8
Non-GAAP adjustments:		
Inventory adjustment relating to exit activities	1.6 (1)	—
Restructuring and other exit charges	5.6 (1)	20.7 (1)
Impairment of indefinite-lived intangibles	1.2 (2)	—
Loss on assets held for sale	3.0 (3)	—
Amortization of identified intangible assets from recent acquisitions	6.3 (4)	6.0 (4)
Other	4.6 (6)	—
Purchase accounting related tax	—	2.2
Income tax effect of above non-GAAP adjustments	(0.3)	(6.2)
<b>Non-GAAP adjusted Net Earnings</b>	<b>\$ 50.1</b>	<b>\$ 56.5</b>
<b>Outstanding shares used in per share calculations</b>		
Basic	41,243,629	42,686,413
Diluted	41,843,270	43,587,698
<b>Non-GAAP adjusted Net Earnings per share:</b>		
Basic	\$ 1.21	\$ 1.33
Diluted	\$ 1.20	\$ 1.30
<b>Reported Net Earnings (Loss) per share:</b>		
Basic	\$ 0.68	\$ 0.79
Diluted	\$ 0.67	\$ 0.78
<b>Dividends per common share</b>	<b>\$ 0.175</b>	<b>\$ 0.175</b>

# Non-GAAP Reconciliation

The following table provides the line of business allocation of the non-GAAP adjustments shown in the reconciliation above:

	Quarter ended	
	<i>(\$ millions)</i>	
	March 31, 2022	March 31, 2021
	Pre-tax	Pre-tax
(1) Inventory adjustment relating to exit activities - Energy Systems	0.2	—
(1) Inventory adjustment relating to exit activities - Motive	1.4	—
(1) Restructuring and other exit charges - Energy Systems	1.4	0.5
(1) Restructuring and other exit charges - Motive Power	4.2	20.0
(1) Restructuring and other exit charges - Specialty	—	0.2
(2) Impairment of indefinite-lived intangibles - Energy Systems	0.5	—
(2) Impairment of indefinite-lived intangibles - Motive	0.7	—
(3) Loss on assets held for sale - Motive	3.0	—
(4) Amortization of identified intangible assets from recent acquisitions - Energy Systems	5.8	5.5
(4) Amortization of identified intangible assets from recent acquisitions - Specialty	0.5	0.5
(6) Other - Energy Systems	3.3	—
(6) Other - Motive	1.0	—
(6) Other - Specialty	0.3	—
Total Non-GAAP adjustments	<u>\$ 22.3</u>	<u>\$ 26.7</u>



# Non-GAAP Reconciliation

	Twelve months ended	
	<i>(in millions, except share and per share amounts)</i>	
	March 31, 2022	March 31, 2021
<b>Net Earnings reconciliation</b>		
As reported Net Earnings	\$ 143.9	\$ 143.3
Non-GAAP adjustments:		
Inventory adjustment relating to exit activities	2.6 (1)	—
Restructuring and other exit charges	18.8 (1)	40.4 (1)
Impairment of indefinite-lived intangibles	1.2 (2)	—
Loss on assets held for sale	3.0 (3)	—
Amortization of identified intangible assets from recent acquisitions	25.4 (4)	25.3 (4)
Acquisition activity expense	—	0.3 (5)
Other	6.4 (6)	1.8 (6)
Purchase accounting related tax	—	2.2
Income tax effect of above non-GAAP adjustments	(10.3)	(17.3)
Swiss Tax Reform	\$ —	\$ (1.9)
<b>Non-GAAP adjusted Net Earnings</b>	<b>\$ 191.0</b>	<b>\$ 194.1</b>
<b>Outstanding shares used in per share calculations</b>		
Basic	42,106,337	42,548,449
Diluted	42,783,373	43,224,403
<b>Non-GAAP adjusted Net Earnings per share:</b>		
Basic	\$ 4.54	\$ 4.56
Diluted	\$ 4.47	\$ 4.49
<b>Reported Net Earnings (Loss) per share:</b>		
Basic	\$ 3.42	\$ 3.37
Diluted	\$ 3.36	\$ 3.32
<b>Dividends per common share</b>	<b>\$ 0.70</b>	<b>\$ 0.70</b>

# Non-GAAP Reconciliation

The following table provides the line of business allocation of the non-GAAP adjustments shown in the reconciliation above:

	Twelve months ended	
	<i>(\$ millions)</i>	
	March 31, 2022	March 31, 2021
	Pre-tax	Pre-tax
(1) Inventory adjustment relating to exit activities - Energy Systems	0.2	—
(1) Inventory adjustment relating to exit activities - Motive Power	2.4	—
(1) Restructuring and other exit charges - Energy Systems	2.8	3.1
(1) Restructuring and other exit charges - Motive Power	17.1	36.9
(1) Restructuring and other exit charges - Specialty	(1.1)	0.4
(2) Impairment of indefinite-lived intangibles - Energy Systems	0.5	—
(2) Impairment of indefinite-lived intangibles - Motive	0.7	—
(3) Loss on assets held for sale - Motive	3.0	—
(4) Amortization of identified intangible assets from recent acquisitions - Energy Systems	23.6	23.5
(4) Amortization of identified intangible assets from recent acquisitions - Specialty	1.8	1.8
(5) Acquisition activity expense - Energy Systems	—	0.2
(5) Acquisition activity expense - Specialty	—	0.1
(6) Other - Energy Systems	5.1	1.5
(6) Other - Motive	1.0	0.3
(6) Other - Specialty	0.3	—
Total Non-GAAP adjustments	<u>\$ 57.4</u>	<u>\$ 67.8</u>

# Non-GAAP Reconciliation

	<u>Quarter ended</u> <i>(in millions, except share and per share amounts)</i>
	<u>January 2, 2022</u>
<b>Net Earnings reconciliation</b>	
As reported Net Earnings	\$ 36.3
Non-GAAP adjustments:	
Restructuring and other exit charges	2.5 (1)
Amortization of identified intangible assets from recent acquisitions	6.3 (2)
Other	0.4 (3)
Income tax effect of above non-GAAP adjustments	(2.5)
<b>Non-GAAP adjusted Net Earnings</b>	<u>\$ 43.0</u>
<b>Outstanding shares used in per share calculations</b>	
Basic	<u>41,905,815</u>
Diluted	<u>42,497,045</u>
<b>Non-GAAP adjusted Net Earnings per share:</b>	
Basic	<u>\$ 1.03</u>
Diluted	<u>\$ 1.01</u>
<b>Reported Net Earnings (Loss) per share:</b>	
Basic	<u>\$ 0.87</u>
Diluted	<u>\$ 0.85</u>
<b>Dividends per common share</b>	<u>\$ 0.175</u>

The following table provides the line of business allocation of the non-GAAP adjustments shown in the reconciliation above

	<u>January 2, 2022</u>
	Pre-tax
(1) Restructuring and other exit charges - Energy Systems	0.7
(1) Restructuring and other exit charges - Motive Power	1.7
(1) Restructuring and other exit charges - Specialty	0.1
(2) Amortization of identified intangible assets from recent acquisitions - Energy Systems	5.9
(2) Amortization of identified intangible assets from recent acquisitions - Specialty	0.4
(3) Other - Energy Systems	0.4
(3) Other - Motive Power	—
Total Non-GAAP adjustments	<u>\$ 9.2</u>

# Non-GAAP Reconciliation

	Quarter ended (\$ millions)			
	January 2, 2022			
	Energy Systems	Motive Power	Specialty	Total
<b>Net Sales</b>	\$ 385.2	\$ 339.5	\$ 119.3	\$ 844.0
<b>Operating Earnings</b>	\$ 2.8	\$ 37.3	\$ 11.0	\$ 51.1
Restructuring and other exit charges	0.7	1.7	0.1	2.5
Amortization of identified intangible assets from recent acquisitions	5.9	—	0.4	6.3
Other	0.4	—	—	0.4
<b>Adjusted Operating Earnings</b>	\$ 9.8	\$ 39.0	\$ 11.5	\$ 60.3

# Non-GAAP Reconciliation

## Reconciliations of GAAP to Non-GAAP Financial Measures (Unaudited)

The table below presents a reconciliation of Net Earnings to EBITDA and Adjusted EBITDA:

	Quarter ended		Twelve months ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Net Earnings	\$ 28.1	\$ 33.8	\$ 143.9	\$ 143.3
Depreciation	15.3	15.8	62.6	60.9
Amortization	8.2	8.1	33.2	33.4
Interest	9.4	9.1	37.8	38.5
Income Taxes	10.8	9.4	30.0	26.8
EBITDA	71.8	76.2	307.5	302.9
Non-GAAP adjustments	16.0	20.7	32.0	42.5
Adjusted EBITDA	\$ 87.8	\$ 96.9	\$ 339.5	\$ 345.4

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

	Quarter ended		Twelve months ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Inventory adjustment relating to exit activities	\$ 1.6	\$ 0.0	\$ 2.6	\$ —
Restructuring and other exit charges	5.6	20.7	18.8	40.4
Impairment of indefinite-lived intangibles	1.2	—	1.2	—
Loss on assets held for sale	3.0	—	3.0	—
Acquisition activity expense	—	—	—	0.3
Other	4.6	—	6.4	1.8
Non-GAAP adjustments	\$ 16.0	\$ 20.7	\$ 32.0	\$ 42.5

# Adj EBITDA

\$ Millions	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	FY'21	FY'22
<b>Net Sales</b>	<b>\$ 813.5</b>	<b>\$ 814.9</b>	<b>\$ 791.4</b>	<b>\$ 844.0</b>	<b>\$ 907.0</b>	<b>\$2,977.9</b>	<b>\$3,357.3</b>

\$ Millions	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	FY'21	FY'22
<b>Net Earnings</b>	<b>\$ 33.8</b>	<b>\$ 43.9</b>	<b>\$ 35.6</b>	<b>\$ 36.3</b>	<b>\$ 28.1</b>	<b>\$ 143.3</b>	<b>\$ 143.9</b>
Depreciation	15.8	16.0	15.6	15.7	15.3	60.9	62.6
Amortization	8.1	8.4	8.3	8.3	8.2	33.4	33.2
Interest	9.1	9.1	9.6	9.7	9.4	38.5	37.8
Income Taxes	9.4	8.4	4.3	6.5	10.8	26.8	30.0
<b>EBITDA</b>	<b>\$ 76.2</b>	<b>\$ 85.8</b>	<b>\$ 73.4</b>	<b>\$ 76.5</b>	<b>\$ 71.8</b>	<b>\$ 302.9</b>	<b>\$ 307.5</b>
<b>Non-GAAP Adjustments</b>							
Inventory adjustment relating to exit activities	-	-	1.0	-	1.6	-	2.6
Restructuring and other exit charges	20.7	7.8	2.9	2.5	5.6	40.4	18.8
Impairment of indefinite-lived intangibles	-	-	-	-	1.2	-	1.2
Loss on assets held for sale	-	-	-	-	3.0	-	3.0
Acquisition activity expense	-	-	-	-	-	0.3	-
Other	-	-	1.4	0.4	4.6	1.8	6.4
<b>Adjusted EBITDA</b>	<b>\$ 96.9</b>	<b>\$ 93.6</b>	<b>\$ 78.7</b>	<b>\$ 79.4</b>	<b>\$ 87.8</b>	<b>\$ 345.4</b>	<b>\$ 339.5</b>

11.9%	11.5%	9.9%	9.4%	9.7%	11.6%	10.1%
-------	-------	------	------	------	-------	-------



# Thank you.

For more information visit  
us at [enersys.com](https://enersys.com)

#### **EnerSys Global Headquarters**

2366 Bernville Road  
Reading, PA 19605 | USA  
Tel. +1-610-208-1991  
+1-800-538-3627  
Fax +1-610-372-8613

#### **EnerSys EMEA**

EH Europe GmbH  
Baarerstrasse 18  
6300 Zug  
Switzerland

#### **EnerSys APAC**

152 Beach Road  
Gateway East Building #11- 03  
Singapore  
189721  
Tel: +65 6508 1780