EnerSys®

Investor Presentation

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

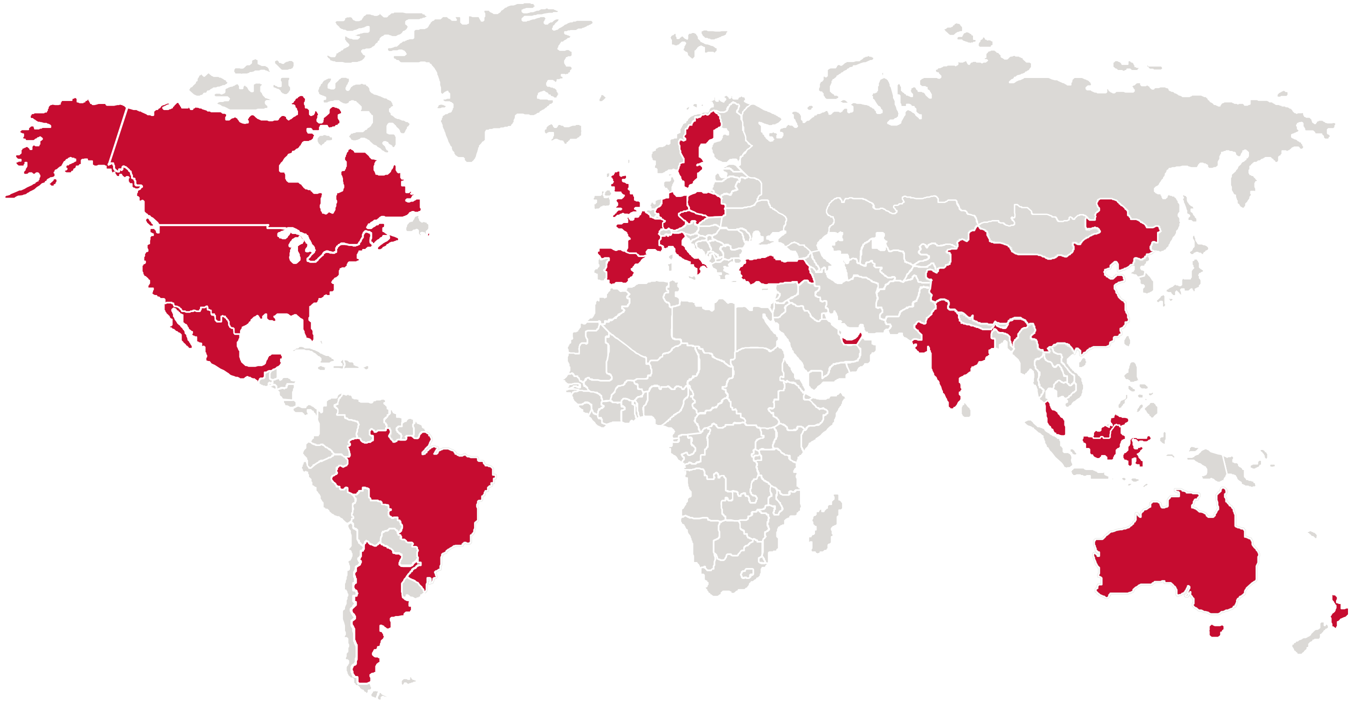
- We are a global **Industrial Technology** company delivering highly differentiated **Energy Solutions** to **Diverse End Markets**
- Our **Proprietary Technologies and Services** play a critical role in the energy transition fueled by **Megatrends**
- Our **Resilient Business Model** positions us well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

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

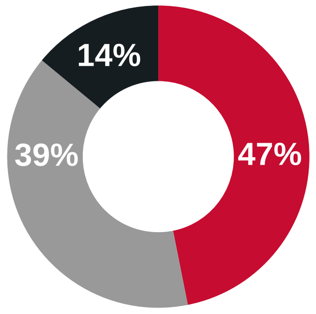
GLOBAL FACILITY BASE[4]



FY 2023 NET SALES

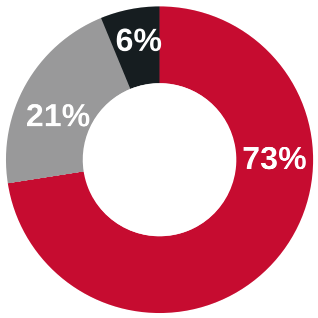
$3.7B

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

June 2023

Leveraging Our Platforms Across All Segments

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

Technology to Meet Customer Needs

Lithium-ion

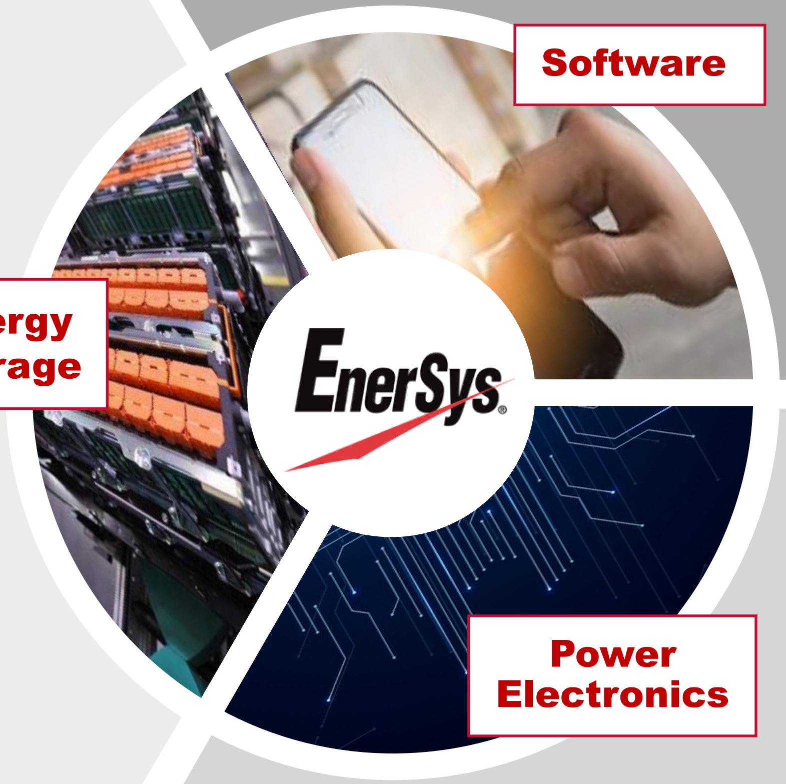
- Maintenance-free, longer cycle life, fastest charge rate
- Innovative safety technology
- Ideal for use cases requiring high power density / long life and heavy-duty applications

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

Technology Advancements

POWERING THE FUTURE, EVERYWHERE FOR EVERYONE

TouchSafe

Rigorous safety testing underway

Telecom customer field trials planned for early calendar 2024

NexSys® Li-ion 80V Battery

Shipped first EMEA customer units

CE compliant to meet EU health, safety & environmental standards

DataSafe® XE Battery

Power Project of the Year

Committed to excellence, innovation, and sustainability

EnerSys Lines of Business

A GLOBAL LEADER IN STORED ENERGY

Energy Systems

$1.7B FY'23 Revenue

Energy Systems focuses on the telecommunication and broadband, utility industries, renewables, and data center applications requiring stored energy solutions

Motive Power

$1.5B FY'23 Revenue

Motive Power batteries are utilized in electric forklift trucks, mining, and other commercial electric powered vehicles

Specialty

$0.5B FY'23 Revenue

Specialty segment provides energy storage solutions to the aerospace, defense, and transportation industries

Our Sustainability Journey

2020

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

2021

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

2022

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"

2023

May 2023
Published 2022 Sustainability Update

2H 2023
Scope 3 Inventory

2024

2024
Target date for climate goal detail road map

2025

2025
Target date for 2021 diversity and employer recognition goals

2030

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

Our Sustainability Strategy

$4M ANNUAL CAPITAL ALLOCATION OVER THE NEXT 5 YEARS

	Our Progress to Date	Future Aspirations
1 ENVIRONMENTAL STEWARDSHIP	▪ 2022 vs 2021: Scope 1 emissions down 7.6%*; Scope 2 down 3.7%*; Scope 3 emission quantification underway ▪ 2022 vs 2020: Energy intensity down 16.7%; Water intensity down 2.4% ▪ 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) ▪ Targeting greenhouse gas Scope 1 neutrality by 2040 and Scope 2 by 2050; announcing a comprehensive plan by August 2024
2 OUR PEOPLE AND COMMUNITY	▪ Increased female representation at the leadership level to 13% ▪ Created DEI Steering Committee and committed to embedding DEI in our business strategy ▪ Committed to providing employees with both formal and informal learning and development opportunities ▪ Certified "Great Place to Work" in 3 locations	▪ Increasing our female representation at the leadership level from 9% in 2021 to 20% in 2025 ▪ Increasing 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 ▪ Established cross-functional Climate Action Plan Committee ▪ Included climate in decision making process ▪ Embedded sustainability considerations across supply chain	▪ Continuing to analyze operations, governance, customer expectations and supply chain performance to better understand sustainability impacts and opportunities ▪ Continuous improvement process underway including annual Sustainability, CDP, and TCFD publications. ▪ Auditable tracking and preparation for anticipated new regulatory requirements (e.g., EU & SEC)
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 ▪ On-going support for customer sustainability via increasingly efficient products that facilitate electrification / decarbonization ▪ Launched an online customer portal to improve the battery recycling process	▪ Working to establish a robust, ambitious and measurable goal around product sustainability ▪ Supply chain mapping to assess Scope 3 emissions and other important sustainability criteria ▪ Integration of climate impact / considerations into all major procurement, design and production decisions ▪ On-going alignment with customer climate and other sustainability-goals

Expect long-term accretive returns on our investments

Financial Update

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*

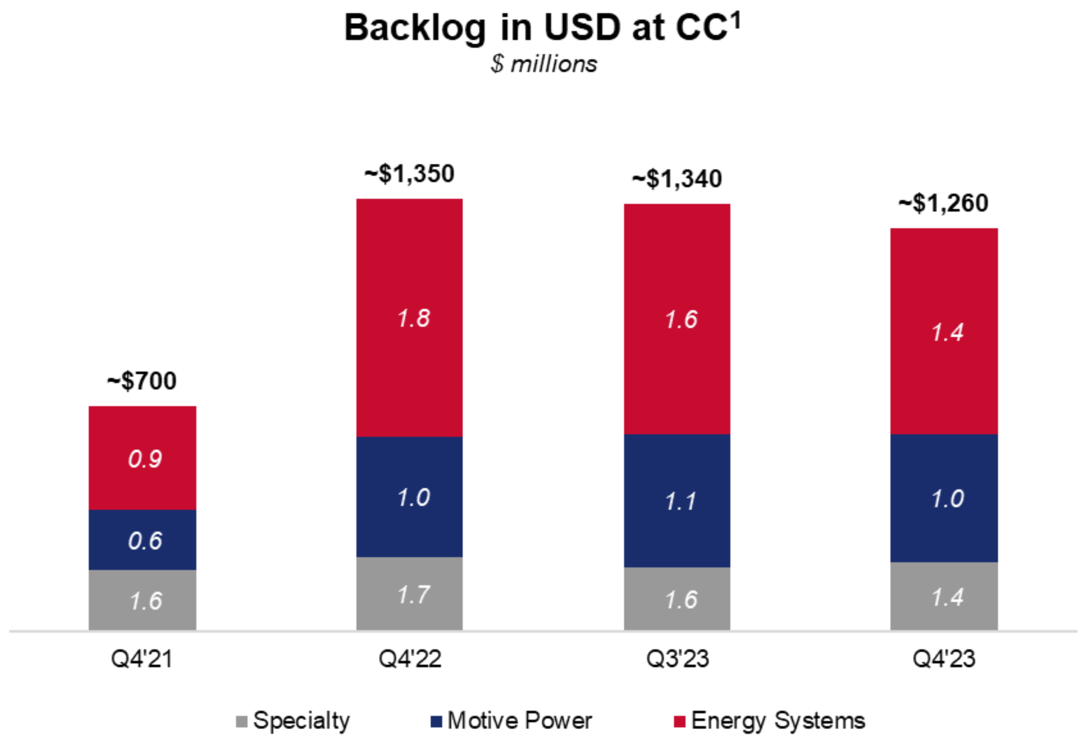
Key Takeaways

- 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

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

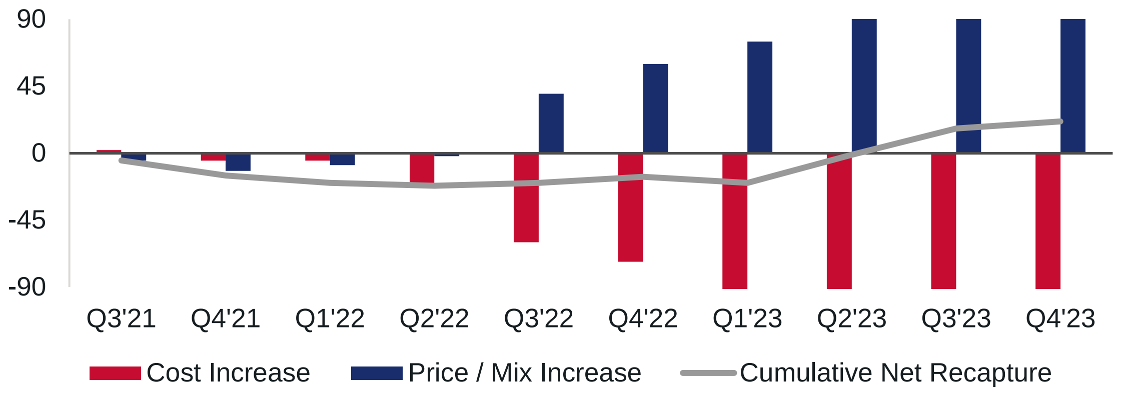
Total backlog ~2x historic levels w/orders stabilizing towards pre-COVID trends

Loosening supply chains enabling us to satisfy customer demand

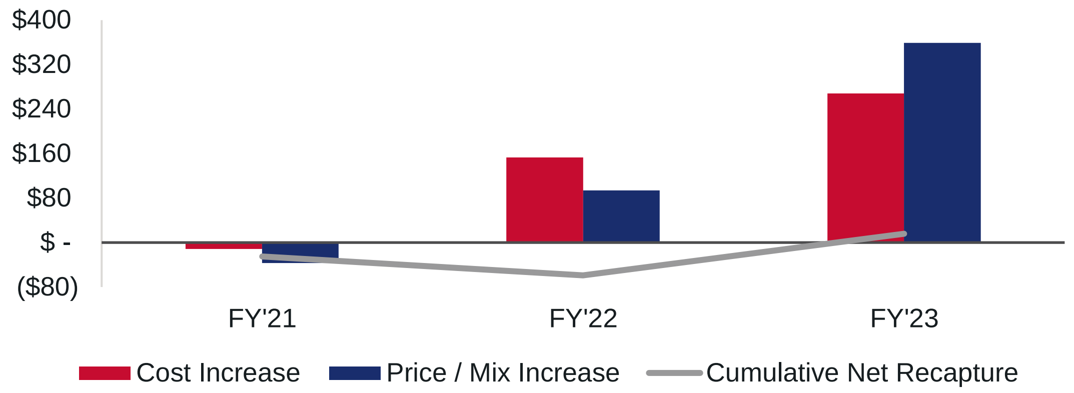
1) Constant Currency "CC" for backlog refers to a static budgeted exchange rate

Price/Mix - Cost Recapture Closing the Gap

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



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

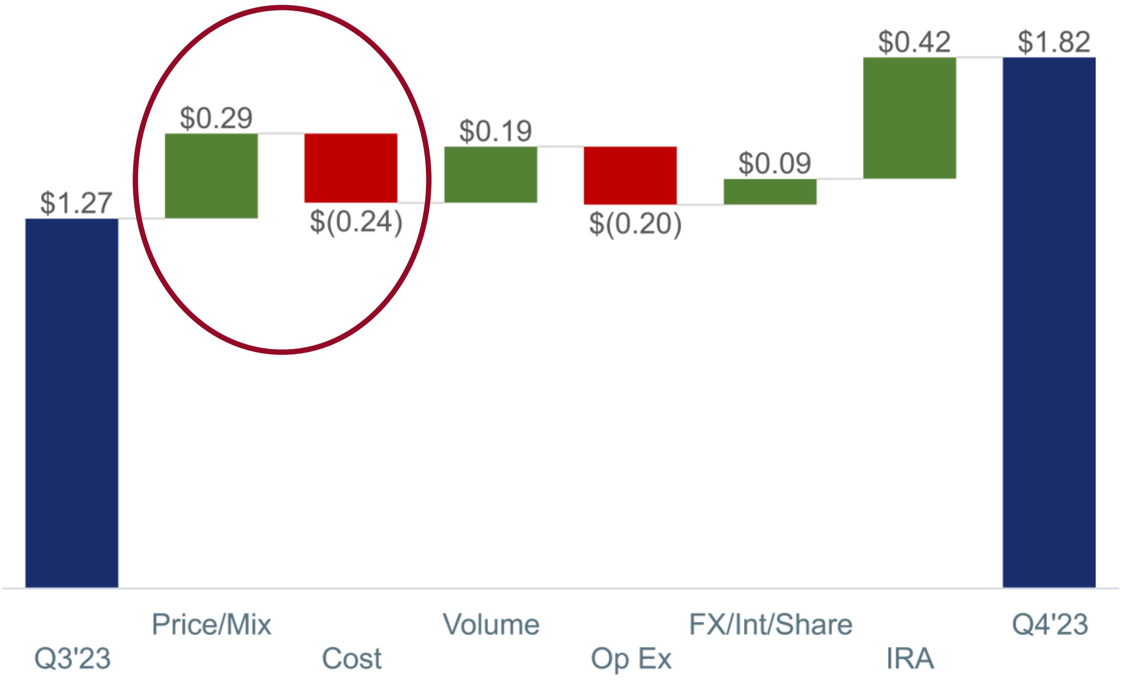


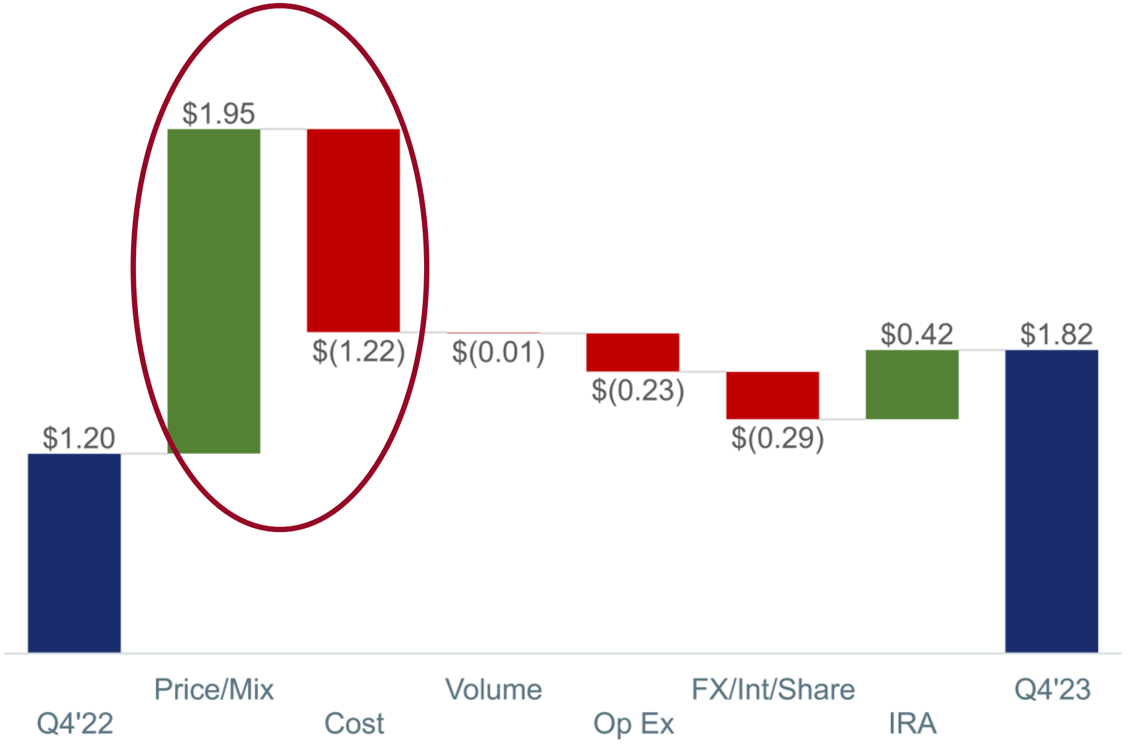
- Q4’23 price/mix of ~$0.29 adj. EPS more than offset costs of ~($0.24) adj. EPS
- Third consecutive quarter of favorable net price/mix-cost recapture
- Energy Systems recapture lag reversed as anticipated, catching up to other segments
- Beginning to see costs stabilize, delay to P&L until related inventory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

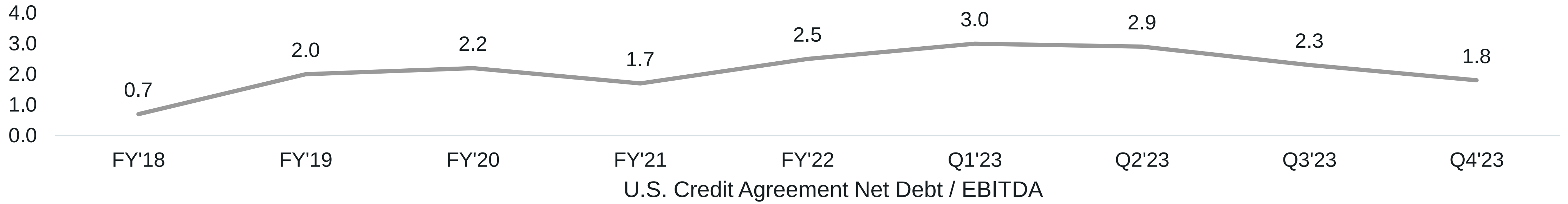
Disciplined & Balanced Capital Allocation

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.

Focusing on What We Can Control

1. ***Pricing*** – continue to execute pricing increases commensurate with cost increases
2. ***Operating Efficiencies*** – reduce waste through EOS, including plant rationalization, productivity improvements & inventory reductions balanced w/strategic buffers
3. ***FX and Interest Rate Mitigation*** – cash repatriation, FX swaps, asset securitization, reduced targeted leverage
4. ***Profitable Growth*** – retain leading market position & grow share through expansion of technologically advanced products and increased TPPL capacity
5. ***Mitigate Supply Constraints*** – onshore CMs, product redesign, dual source & buffer sourcing with strategic inventory

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

SAVE THE DATE

ENERSYS 2023 INVESTOR DAY

Date: June 15th

Time: 8:30 AM - 12:00 PM ET

Format: Hybrid event hosted in-person and
via webcast with archived replays

Link: https://enersys-investor-day-2023.open-exchange.net/

Request an invitation to the live event at
investorrelations@enersys.com

Come join the executive management team as they give an overview of the company's strategic vision to grow the business across global markets.

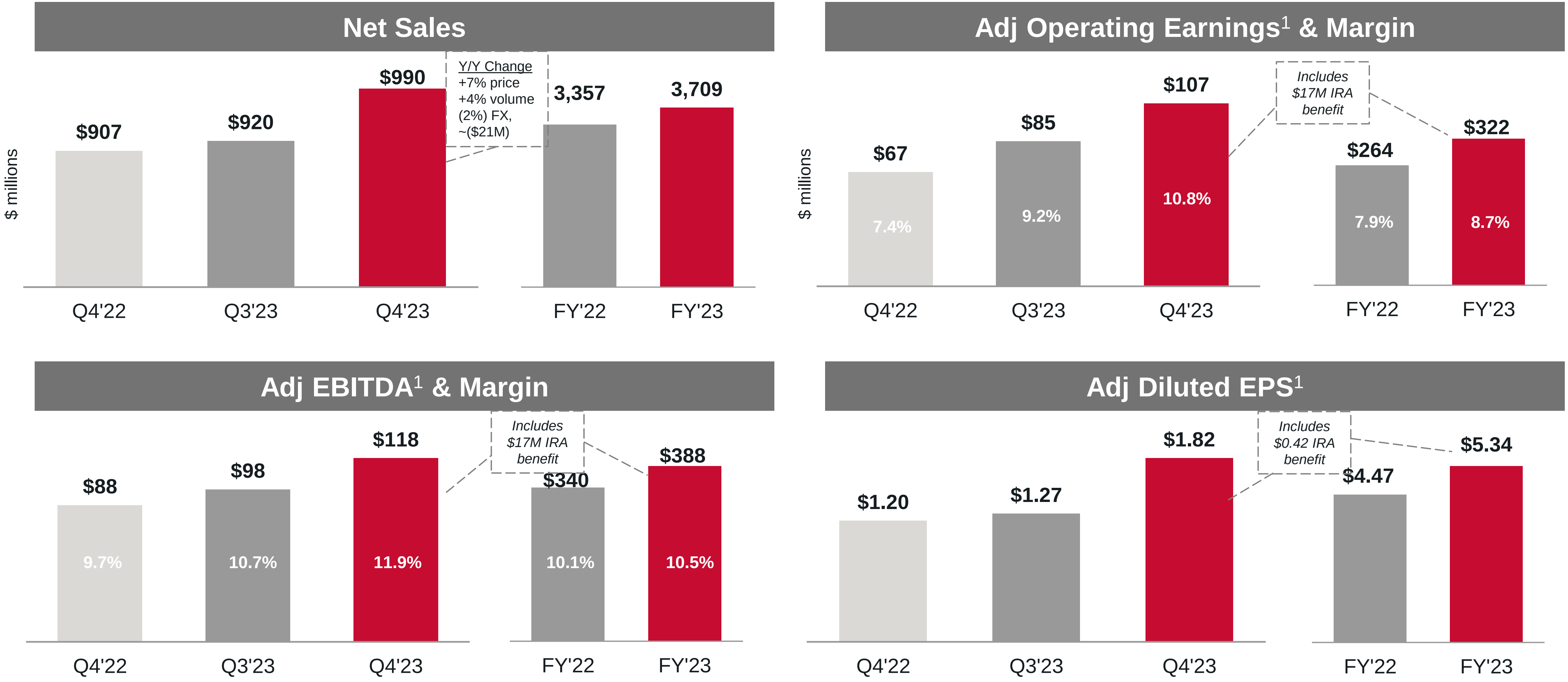
Speakers:

- David Shaffer | President & Chief Executive Officer
- Drew Zogby | President, Energy Systems – Global
- Shawn O’Connell | President, Motive Power – Global
- Mark Matthews | SVP, Specialty – Global
- Patrice Baumann | SVP, Operations & Supply Chain
- Joern Tinnemeyer | SVP & Chief Technology Officer
- Andrea Funk | EVP & Chief Financial Officer

June 2023

Appendix

Q4'23 & FY'23 Results



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

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

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.

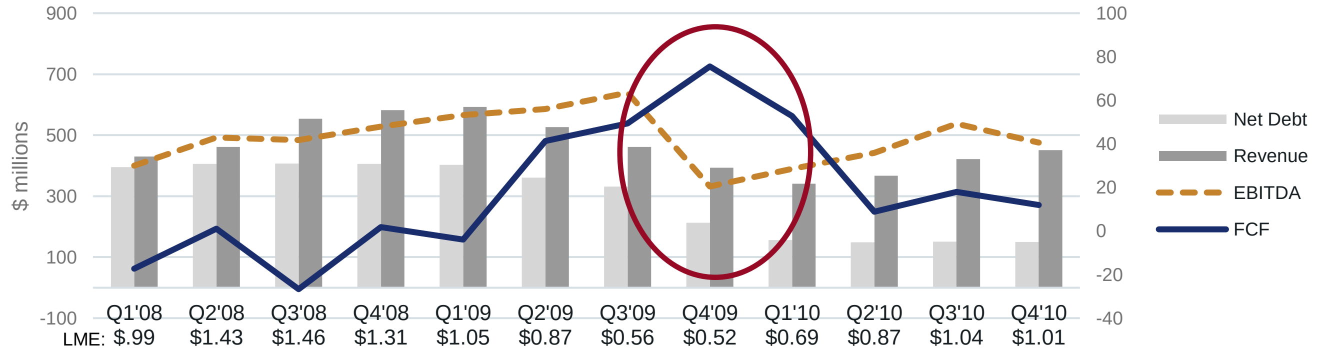
Recession Playbook

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:

- ✓ Lower MP revenue; ES/Spec minimally affected
- ✓ Mix benefit from normalized supply chains (electronics)
- ✓ Price-cost recapture catch up
- ✓ Delayed price elasticity on lower costs
- ✓ Reduce OpEx
- ✓ *Historically rapid AOE recovery*

Cash Flow:

- ✓ Higher margins
- ✓ Lower CapEx
- ✓ Inv / AR monetization
- ✓ Higher AP w/reduced supplier power
- ✓ Hagen closure, Ooltewah closure, additional footprint optimization opportunities
- ✓ Significant Cash Inflow / Buy-Back Opportunity

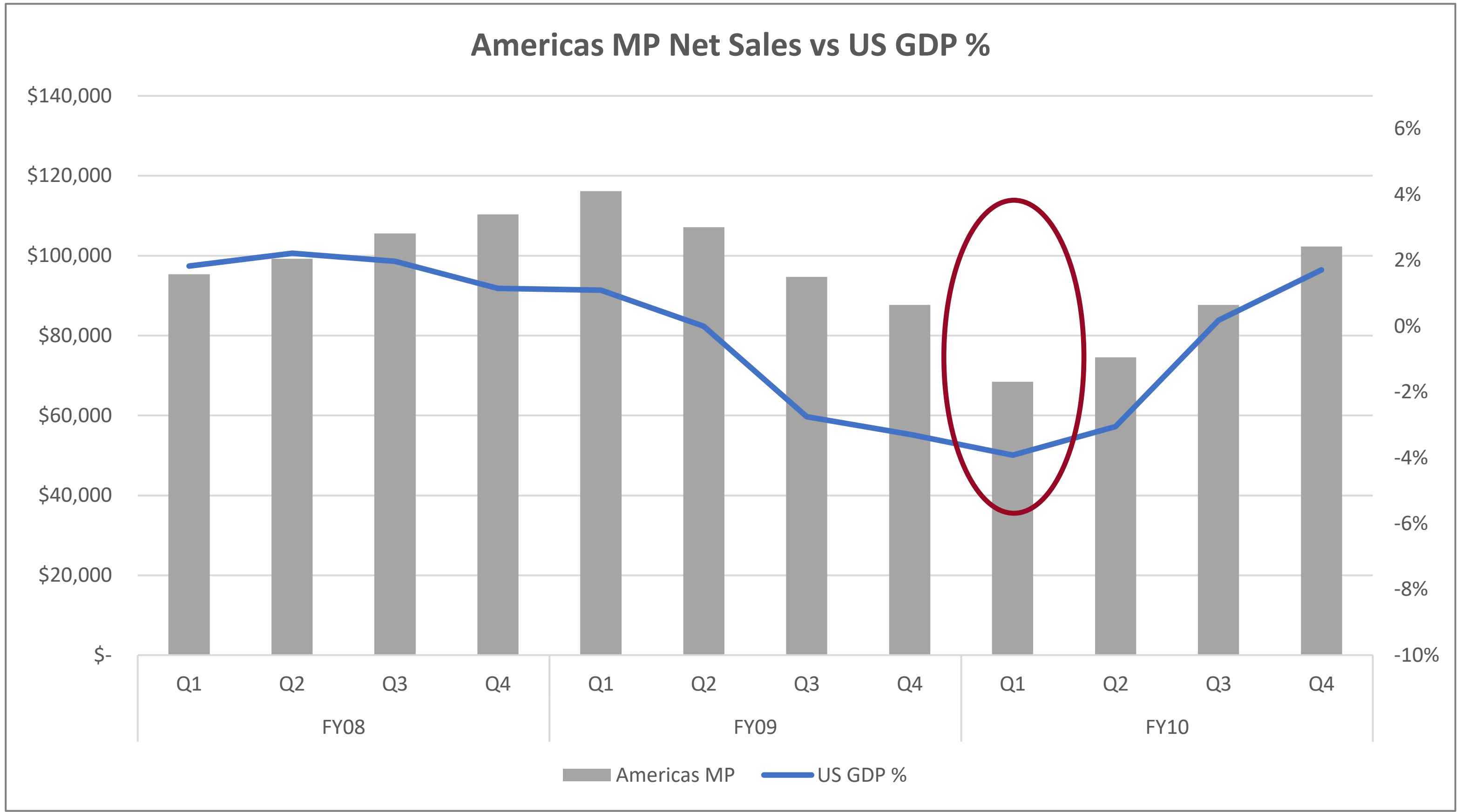
$M USD AA

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		Twelve months ended (in millions, except share and per share amounts) 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	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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