



William Blair 44th Annual Growth Stock Conference

JUNE 04, 2024



Forward Looking Statements

As a reminder, we will be presenting certain forward-looking statements in this presentation that are based on Management's current expectations and views regarding future events and operating performance and are subject to uncertainties and changes in circumstances. Our actual results may differ materially from the forward-looking statements for a number of reasons. Our forward-looking statements are applicable only as of the date of this presentation. For a list of the factors which could affect our future results, including our earnings estimates, see forward-looking statements included in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," set forth in our Annual Report on Form 10-K for the fiscal year ended March 31, 2024, which was filed with the U.S. Securities and Exchange Commission.

In addition, we will also be presenting certain non-GAAP financial measures. For an explanation of the differences between the comparable GAAP financial information and the non-GAAP information, please see our company's Form 8-K which includes our press release dated May 22, 2024, which is located on our website at www.enersys.com.

EnerSys at a Glance

FY 2024 KEY STATISTICS¹

\$4.1B

Market Cap²

\$450M

Adj. Operating Earnings³

\$507M

Adj. EBITDA³

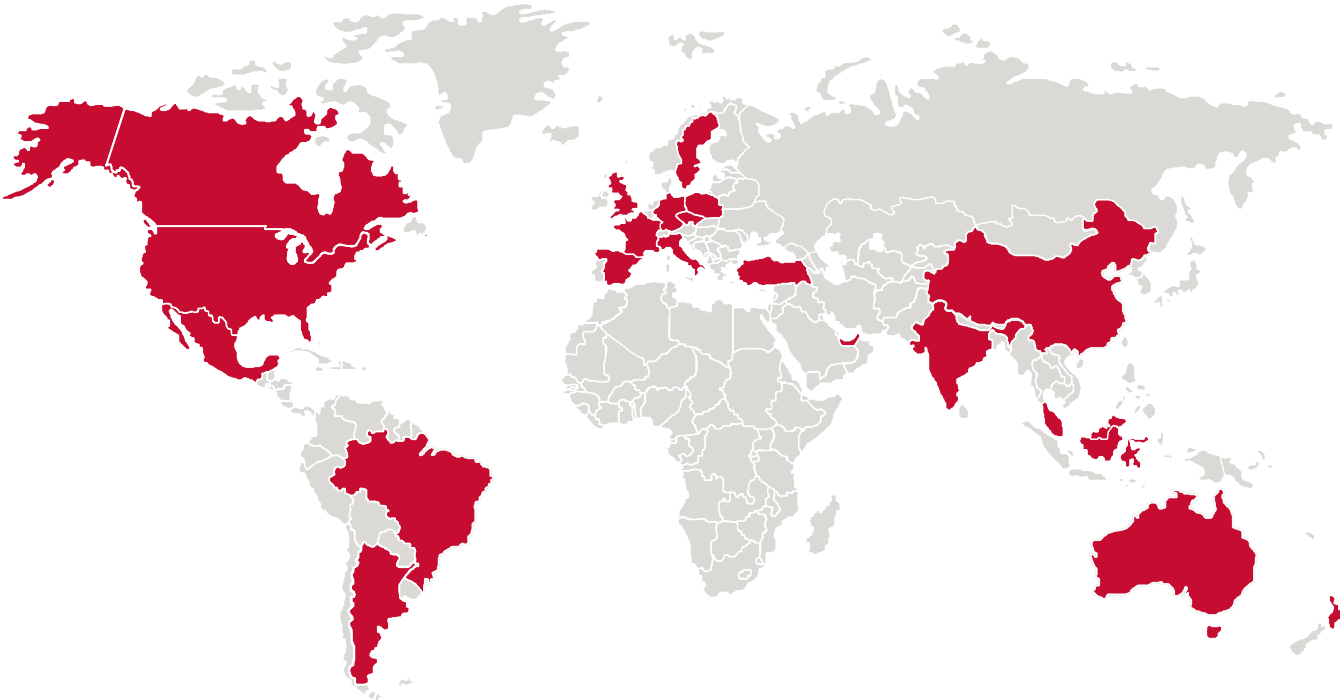
\$8.35

Adj. Diluted EPS³

10K+

Customers

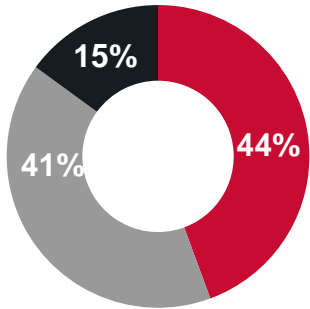
GLOBAL FACILITY BASE⁴



FY 2024 NET SALES

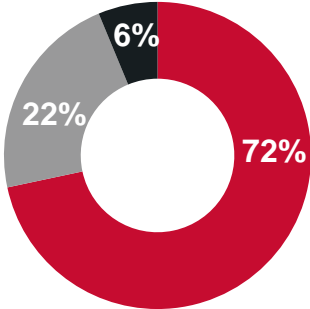
\$3.6B

Business Segments



- Energy Systems
- Motive Power
- Specialty

Geography



- Americas
- EMEA
- Asia

¹ FY 2024, year end March 31, 2024

² Market-Cap as of May 22, 24

³ Non-GAAP financial measure. Please refer to appendix for reconciliation

⁴ Represents geographies with EnerSys manufacturing and distribution centers

Well-Positioned for Long-Term Profitable Growth

1

Provider of **highly differentiated energy solutions** with full suite of technologies for diverse end markets

2

Strategically aligned with megatrends in **large and growing markets**

3

Resilient business model positioned for strong cash flow generation, profitable growth, and margin expansion

4

Strong, flexible balance sheet with **clear capital allocation priorities** for accelerated earnings growth

5

Energized **leadership team focused on execution** and **continuous value creation** for all stakeholders

Executing Our Strategic Vision | Significantly Transformed Portfolio

2016

Primarily traditional flooded lead-acid battery company

Limited scale with narrow set of end markets

- Established vision-driven culture
- Built teams to execute

- Integrated Alpha and NorthStar acquisitions
- Deepened capabilities

- Improved new product development time
- Expanded product lines and end markets

- Innovated foundational modular platforms
 - Energy Storage
 - Power Electronics
 - Software

- Developed EOS
- Reinforced continuous improvement mindset

TODAY

Innovating, Optimizing, and Accelerating integrated energy solutions offerings

Enhancing modular technology for additional scalability

Providing tailored energy solutions to critical end markets

Compounding growth through differentiated end-to-end solutions

Putting the “Sys” in EnerSys

Business Segments

ENERGY SYSTEMS

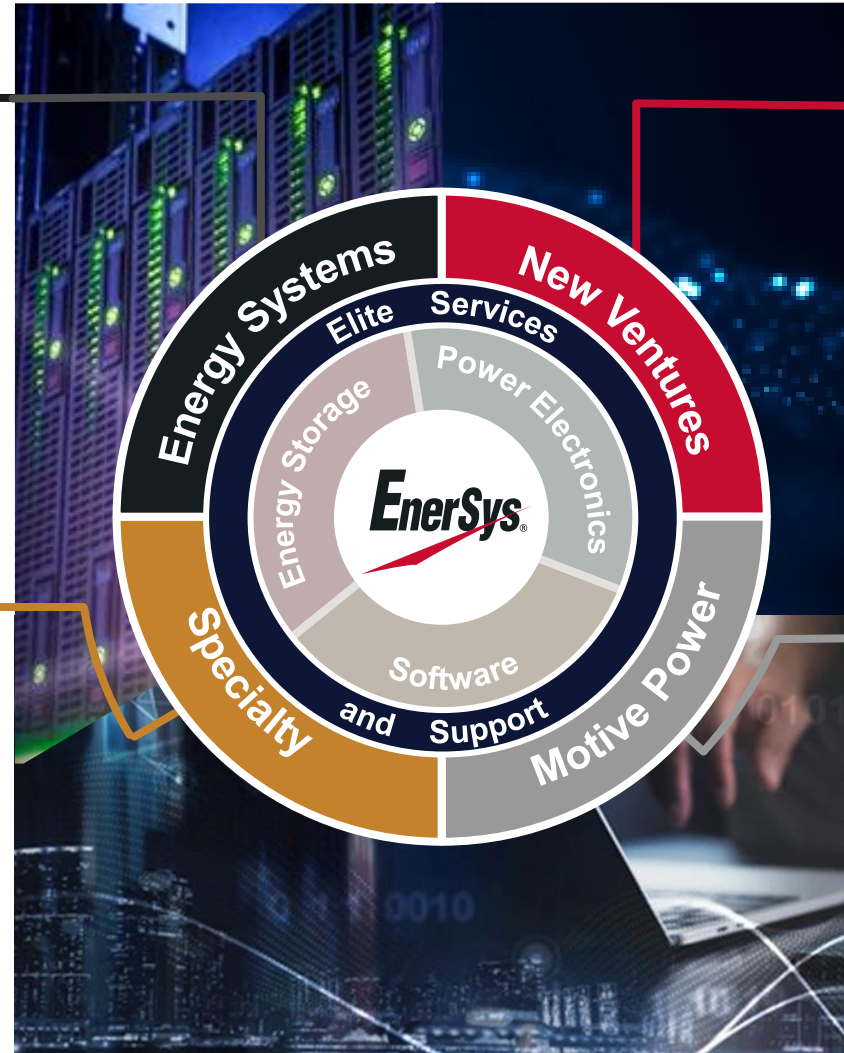
Power conversion, power distribution, and energy storage solutions

- Communication Networks
- Data Centers
- Industrial Power and Utilities

SPECIALTY

Energy solutions for large over-the-road trucks, aerospace and defense, and premium automotive applications

- Transportation
- Aerospace and Defense



NEW VENTURES

Energy storage and management systems for demand charge reduction, utility back-up power, and dynamic fast charging

- Commercial Real Estate and Retail Operations

MOTIVE POWER

Power batteries and chargers for electric forklift trucks and other industrial electric powered vehicles

- Logistics and Warehousing

Premium Energy Solutions and Elite Services Powering 7 Diverse End Markets

Foundational Core Modular Platforms

ENERGY STORAGE

Lithium-ion

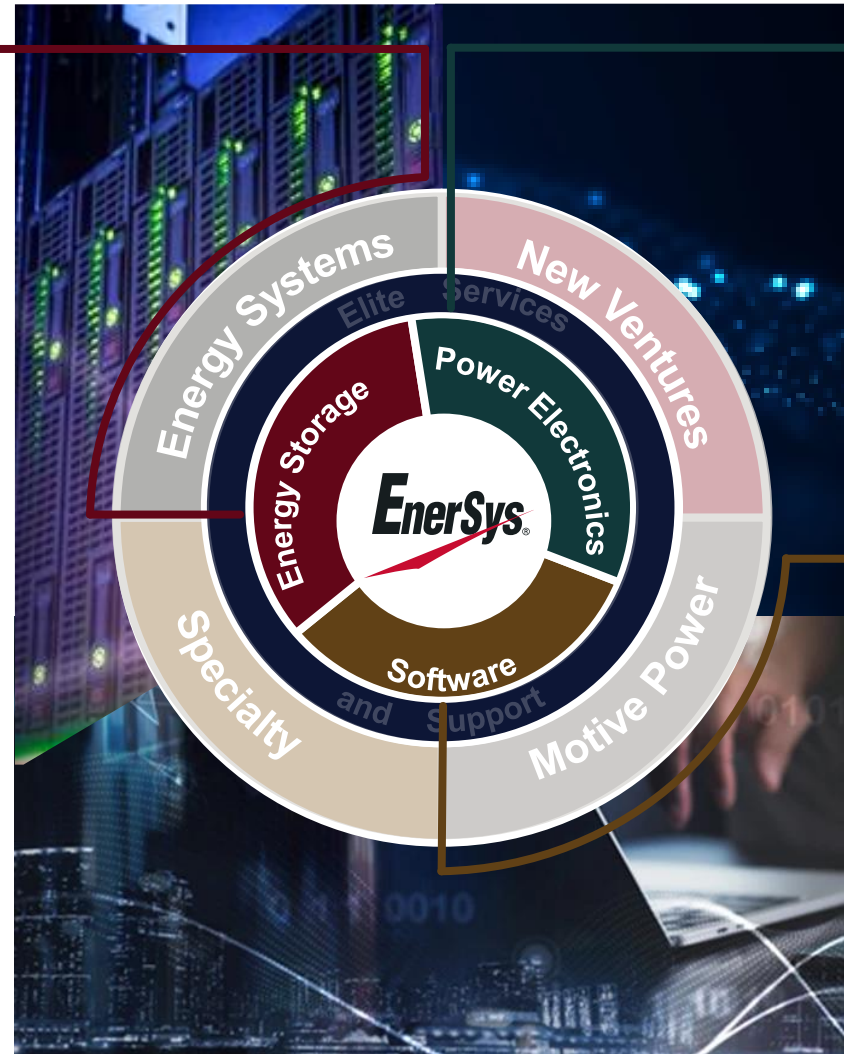
- Maintenance-free
- Longer cycle life
- Fastest charge rate
- Innovative safety technology
- High power density / heavy duty applications

TPPL

- Maintenance-free
- Light / medium applications

Flooded

- Industrial / harsh environment applications



POWER ELECTRONICS

- 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 EVs

SOFTWARE

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

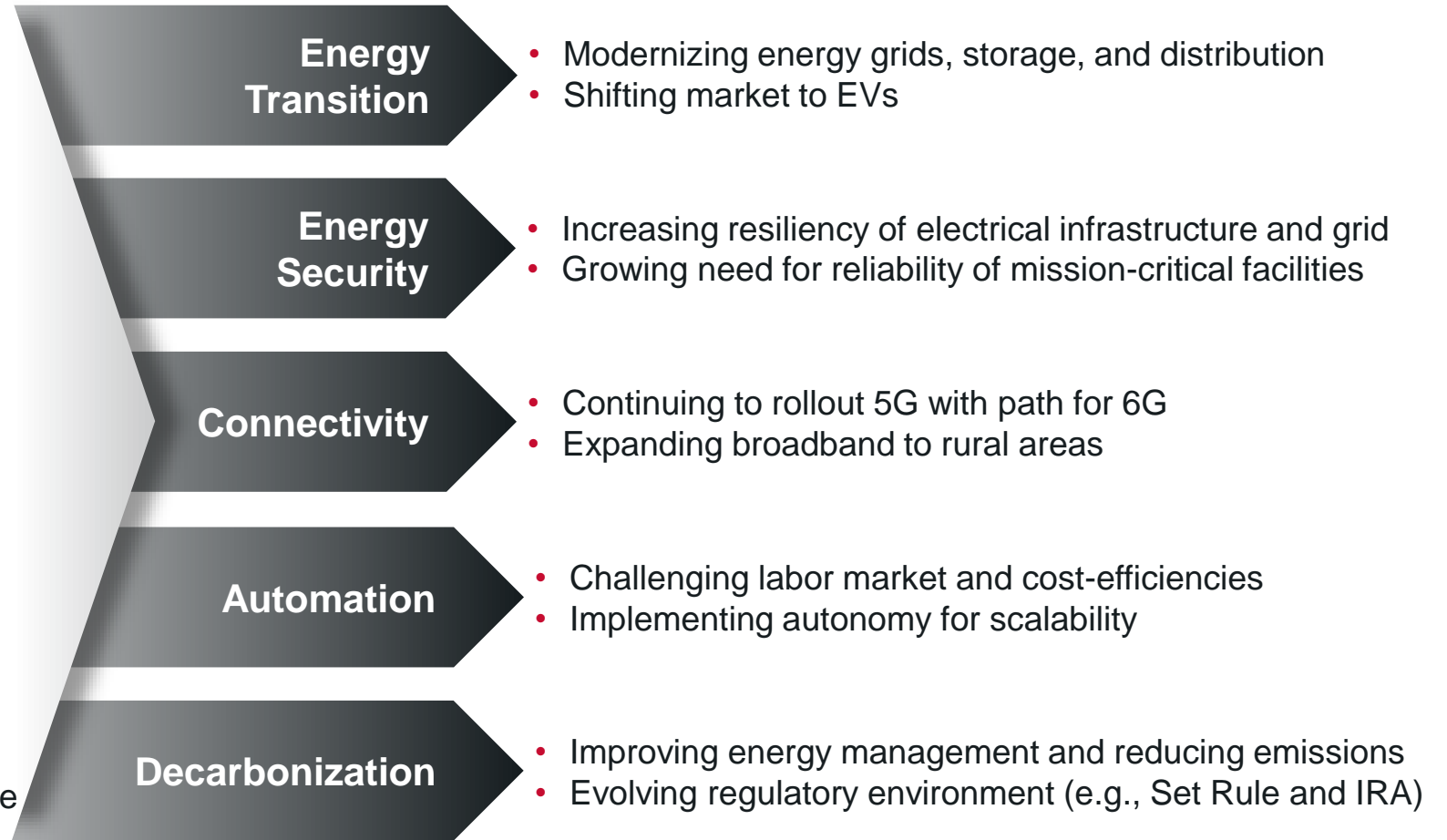
Differentiated Platforms with Enhanced Vertical Capabilities and Tailored Solutions

Addressing Global Megatrends in Attractive and Diverse End Markets



Diverse End Markets

- Communication Networks
- Data Centers
- Industrial Power & Utilities
- Logistics & Warehousing
- Transportation
- Aerospace & Defense
- Commercial Real Estate & Retail Operations

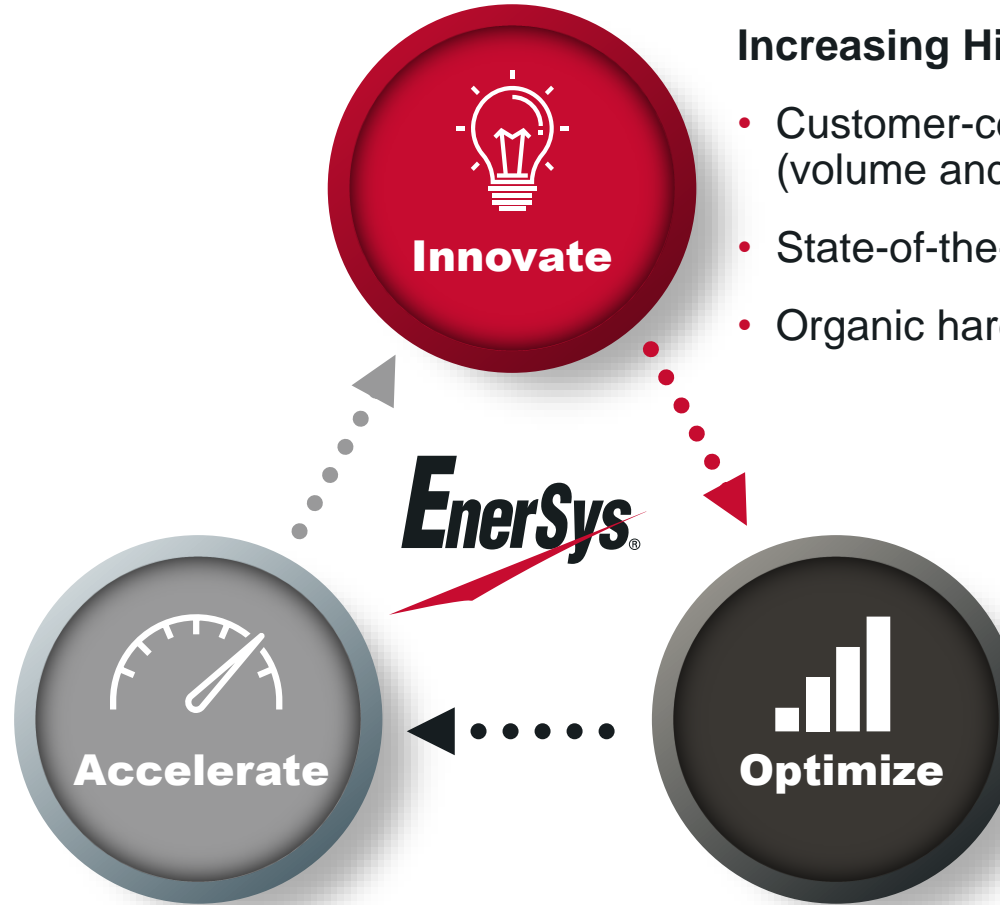


Megatrends Increasing Demand for Energy Solutions

Strategic Priorities Driving Long Term Growth

Compounding Value Creation

- Fast Charge and Storage (FC&S)
- Scalable projects across Energy Systems, Motive Power, and Specialty
- IRA reinforces strategy focused on high volumetric energy dense solutions (100+ Wh/L)



Increasing Higher Value Solutions

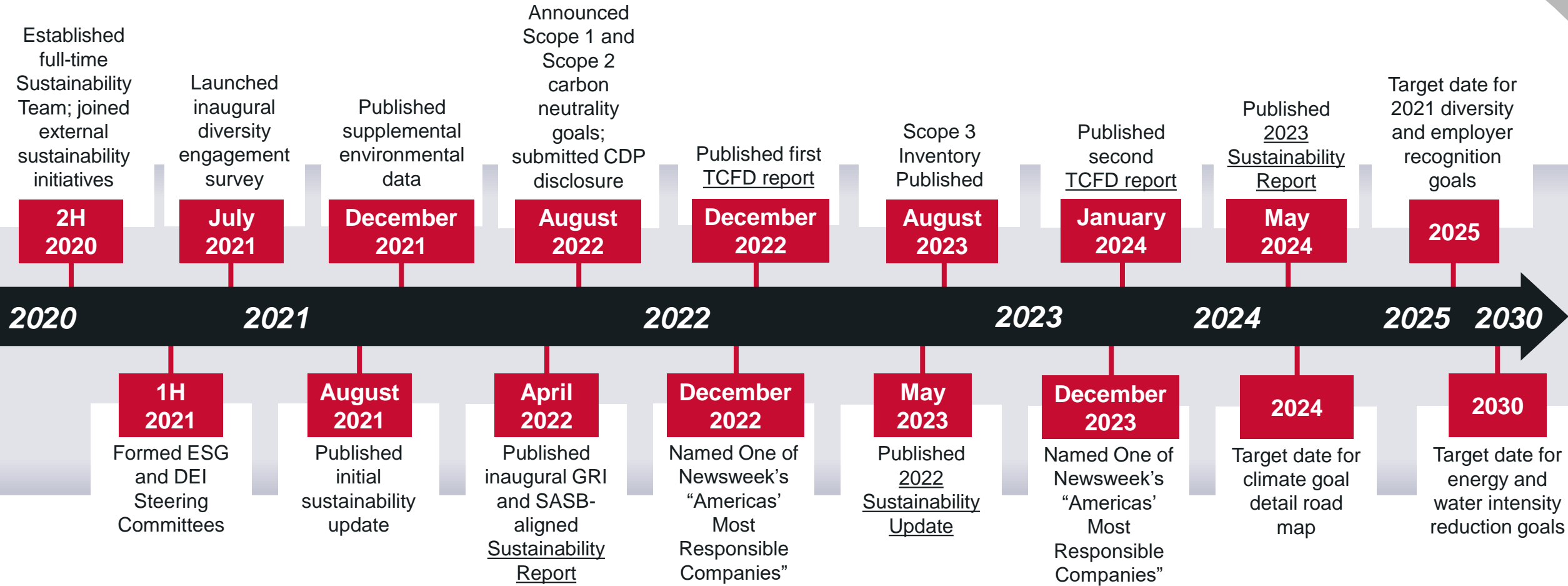
- Customer-centric NPIs (volume and mix)
- State-of-the-art technology
- Organic hardware and software

Expanding Margins

- Operational excellence to maximize fixed asset base
- Maintenance-free solutions
- Aftermarket opportunities

Clear and Consistent Strategy with Sustainable Competitive Advantages

Our Sustainability Journey



Our Board and Management Continue to Oversee and Prioritize the Evolution of our Sustainability Journey

Q4'24 & FY'24 Performance

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

Adj Gross Margin¹ of 28.0% in Q4 & FY'24 up 310 bps and 530 bps Y/Y, respectively

Bren-Tronics Acquisition

EXPANDS PRESENCE IN CRITICAL DEFENSE APPLICATIONS



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

\$208M

Transaction Value

Commack, NY

HQ

~\$100M

CY 2023 Sales

~280

Employees

HIGHLIGHTS

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

DELIVERING ON OUR STATED M&A PRIORITIES

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

Looking Ahead: Q1'25 and FY'25 Guidance¹

	Q1'25	FY'25
Net Sales	\$860M – \$900M	\$3,675M – \$3,825M
Adj. Diluted EPS²	\$1.93 – \$2.03	\$8.55 – \$8.95
CapEx		\$100M – \$120M

ASSUMPTIONS

Q1'25

- Slightly lower volume on normal seasonality

FY'25

- MP and Spec healthy demand
- Telco/Broadband steady improvements but not back to normalized levels
- Fast Charge & Storage first revenue
- Margin improvement from ES FY'24 profit actions, MP maintenance free conversions and Spec aftermarket growth
- OpEx discipline with additional FC&S spend
- Tax rate 20% – 21%, pre-IRA
- IRA expected annual benefit of ~\$120M - \$160M

¹ Guidance does not include the anticipated acquisition of Bren-Tronics, which is expected to close near the end of fiscal first quarter, subject to regulatory review.

² EnerSys does not provide a quantitative reconciliation for forward-looking statements. Please see our latest Form 8-K which includes our press release dated May 22, 2024, for more details.

Progress Toward FY'27 Targets

FINANCIAL AND OPERATIONAL GOALS REMAIN ACHIEVABLE

	FY'23 <i>Actual</i>	FY'24 <i>Actual</i>	FY'25 <i>Guidance</i>	FY'27 ² <i>Targets</i>
Net Sales	\$3.7B	\$3.6B -3% CAGR	\$3,675M – \$3,825M	8% – 10% CAGR
Adj. Operating Margin¹	8.7%	12.6%	–	14% – 16%
Adj. EBITDA¹	\$388M	\$507M	–	\$850M – 950M
Adj. EPS¹	\$5.34	\$8.35	\$8.55 – \$8.95	\$11.00 – \$13.00

UPSIDE

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

UNCERTAINTIES

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

Compelling Investment Thesis

1

Transformed company delivering innovative solutions and defining the future of energy transition

2

Strategically positioned in expanding markets driven by global megatrends

3

Invigorated leadership team executing a clear strategy for accelerated earnings growth

The EnerSys logo is centered in the lower half of the slide. It features the word "EnerSys" in a bold, black, sans-serif font. A red diagonal line cuts through the bottom of the letters "er" and "ys". A registered trademark symbol (®) is located to the upper right of the "s". The background behind the logo is a glowing blue network of interconnected nodes and lines, resembling a globe or a data network, set against a dark blue gradient background.

EnerSys[®]

Playing a Critical Role in Accelerating Energy Transition



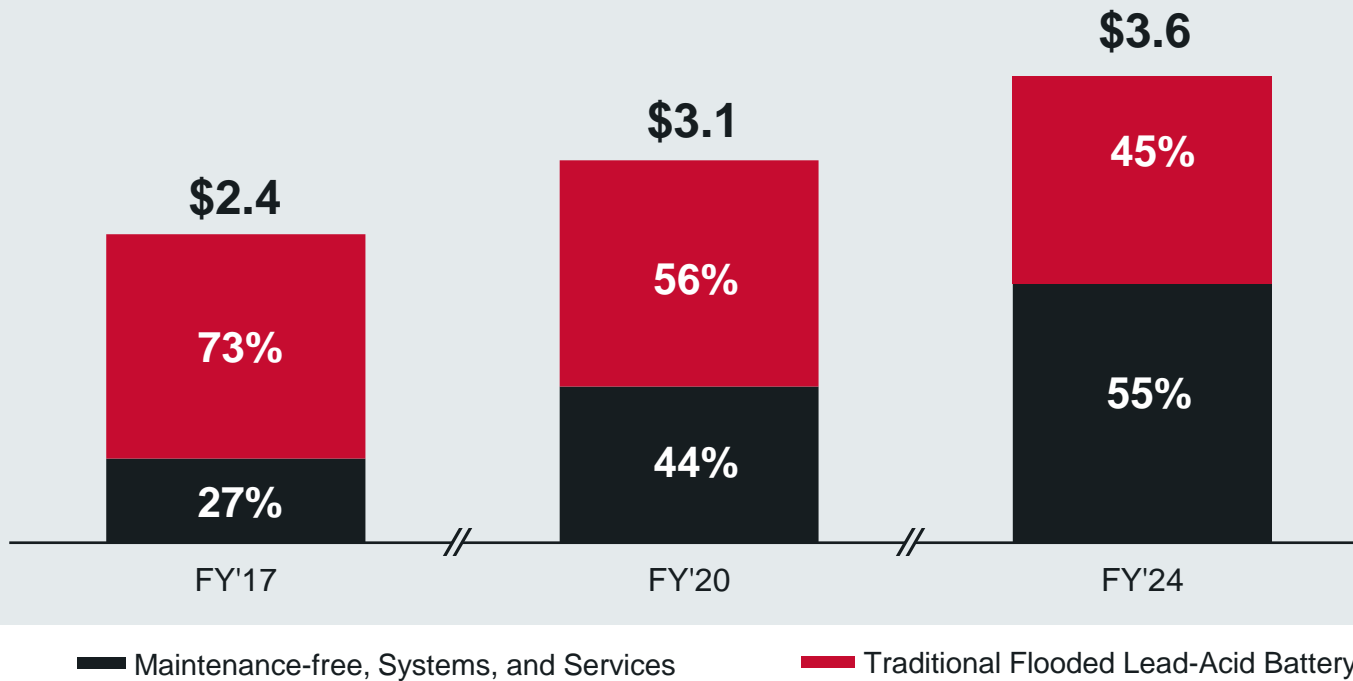
Q&A



Appendix

Product Portfolio Evolution | Transformed to End-to-End Energy Solutions Provider

NET SALES MIX
(\$B)



HIGHLIGHTS¹



110

New Product Introductions



3.5x

Faster New Product Development Time



75

UL Approvals

Executed Clear Strategy — Ready to Accelerate

Inflation Reduction Act (IRA) Enables...

BACKGROUND

\$369B in New Tax Credits

- Law in effect 1/1/23 - 12/31/32 with phase out years 8 - 10
- IRC 45X includes third party sales of U.S. manufactured battery cells and modules
- Battery Cell: \$35/kWh for 100+Wh/L density and 12+Wh capacity
- Battery Module: \$10/kWh for 7kWh+
- Expect additional clarification of tax credits

ENERSYS COMMITMENT

Accelerating Lithium Strategy

- Invest in U.S. domestic energy growth
 - Securing domestic lithium cells
 - Exploring and evaluating development of a U.S. lithium battery factory
 - Timing: cells available in ~3 years
- Provide CapEx to further expand TPPL production capacity in U.S.
- *Lithium, TPPL, and flooded lead-acid battery products may qualify depending on energy density*

ANNUAL BENEFITS¹

Recorded as reduction to COGS

~90% of EnerSys U.S. battery production currently qualifies

Expected Annual Value to EnerSys:

- 2023-2029 (years 1 – 7): ~\$120 – \$160M
- 2030-2032 (years 8 – 10): ~\$60 – \$80M

Proceeds will be used as law intended: *to further U.S. capacity of energy-dense batteries*

**...Accelerated Investments in Qualifying Batteries,
Including Domestic Lithium Strategy for FC&S and Maintenance-Free Offerings**

Disciplined Capital Allocation Strategy

PRIORITIES		FY'21 – FY'24 (\$M, cumulative)	FUTURE PRIORITIES
1	Invest in Organic Growth (CapEx)	~\$320	<ul style="list-style-type: none"> Continue TPPL capacity investments & end-to-end solutions Optimize EOS to drive additional operational efficiencies Accelerate domestic-sourced lithium strategy
2	Strategic M&A	~\$10	<ul style="list-style-type: none"> Innovate with incremental systems solutions Execute opportunistic tuck-in acquisitions
3	Net Leverage ¹	1.0x – 2.5x	<ul style="list-style-type: none"> Target low end of 2x – 3x long-term net leverage range
4	Return of Capital	<i>Dividends</i> ~\$120 <i>Buybacks</i> ~\$275	<ul style="list-style-type: none"> Committed to competitive dividend yield that grows with earnings over time (excluding IRA funds) Offset share dilution

Investments Support Significant Shareholder Value Creation

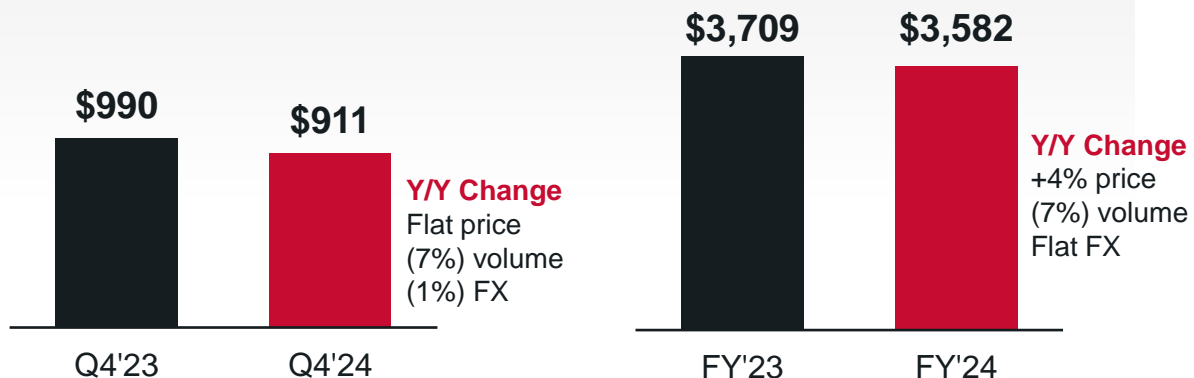


Financial Update

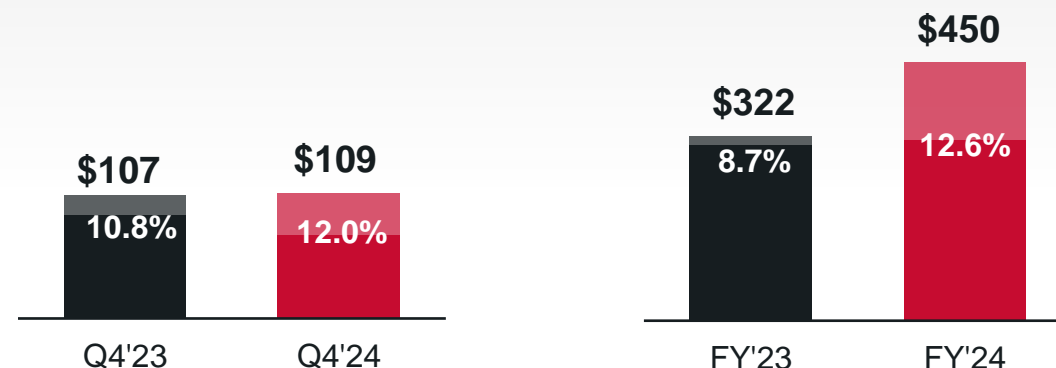
Q4'24 and FY'24 Results

(\$M, except EPS)

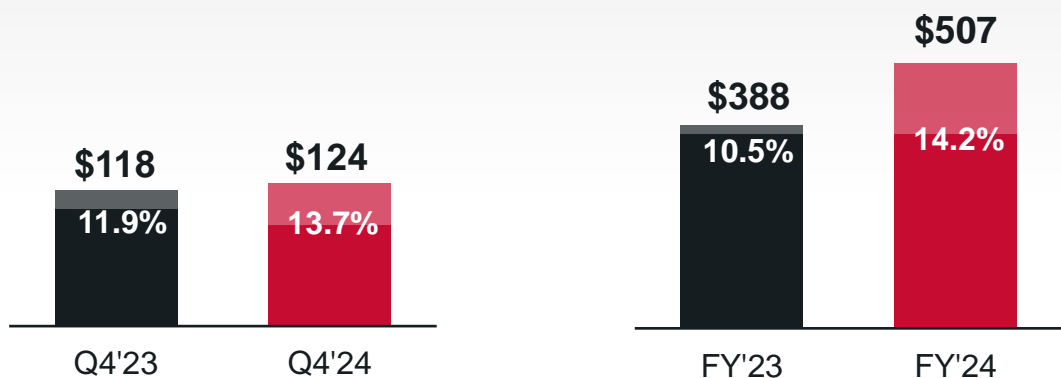
NET SALES



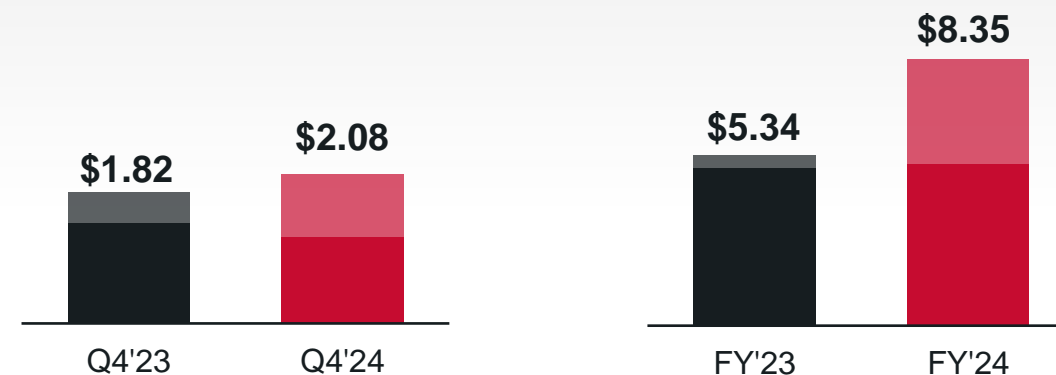
ADJ OPERATING EARNINGS¹ & MARGIN



ADJ EBITDA¹ & MARGIN



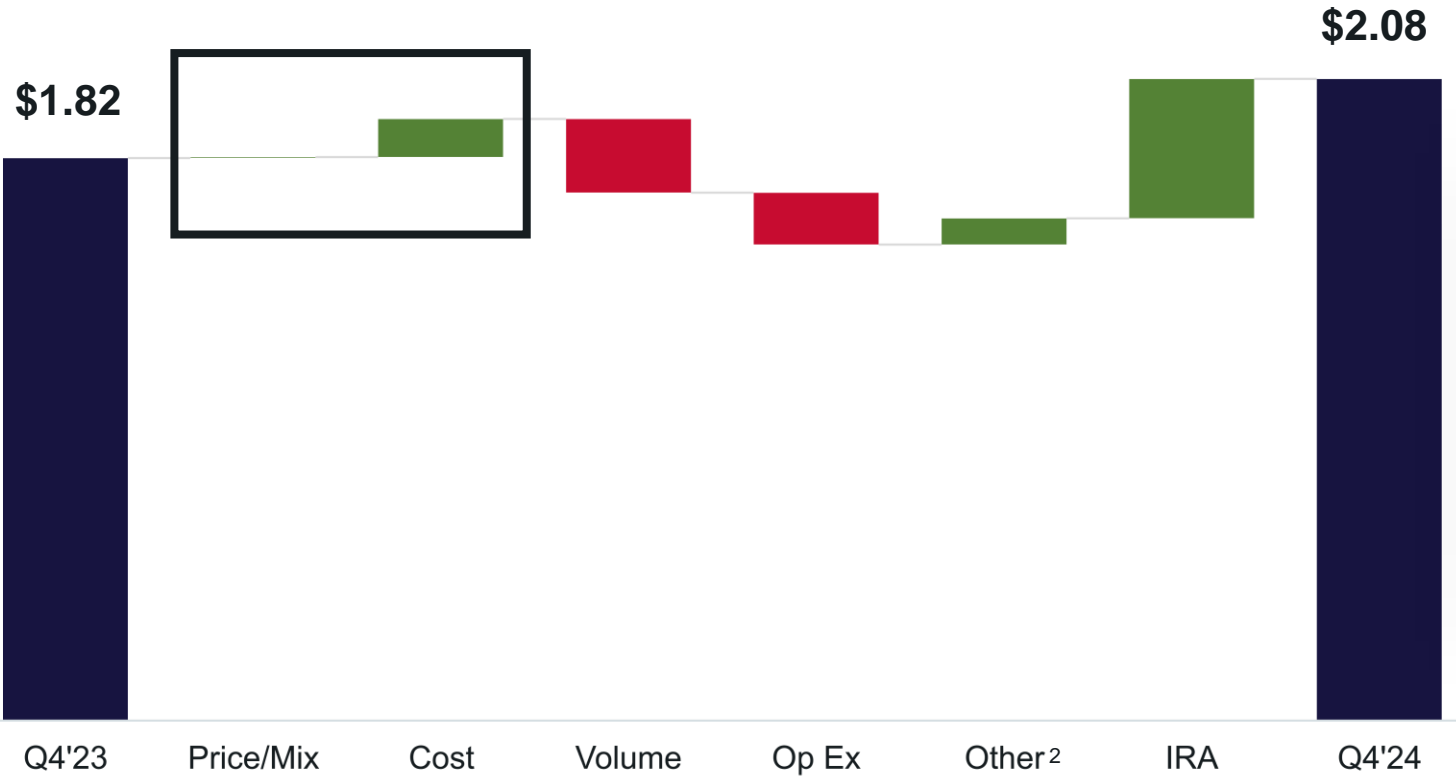
ADJ DILUTED EPS¹



Pre-IRA Adj. Op Earnings¹ and Adj. EPS¹ both up 3% for FY'24 despite net sales down 3%

Adj EPS¹ Bridge & Adj Op Earnings¹

Q4'24 YEAR-OVER-YEAR

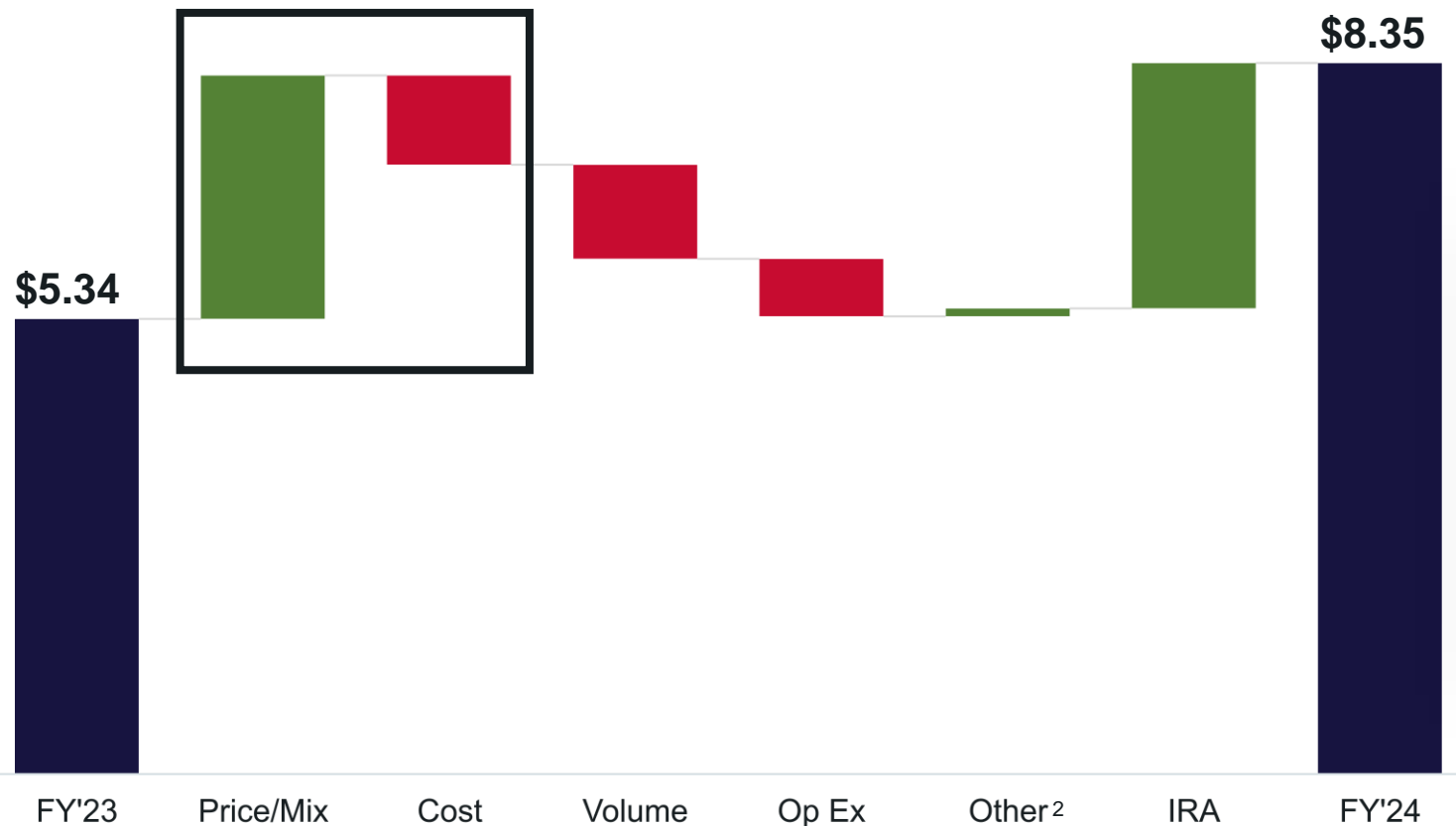


(\$M)	Net Sales	AOE ¹
Energy Systems	\$369	\$17.4
Motive Power	\$395	\$58.1
Specialty	\$147	\$8.5
Corporate/Other	-	\$25.2
Total	\$911	\$109.2

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

Adj EPS¹ Bridge & Adj Op Earnings¹

FY'24 YEAR-OVER-YEAR



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

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

Balance Sheet, Cash Flow and Leverage

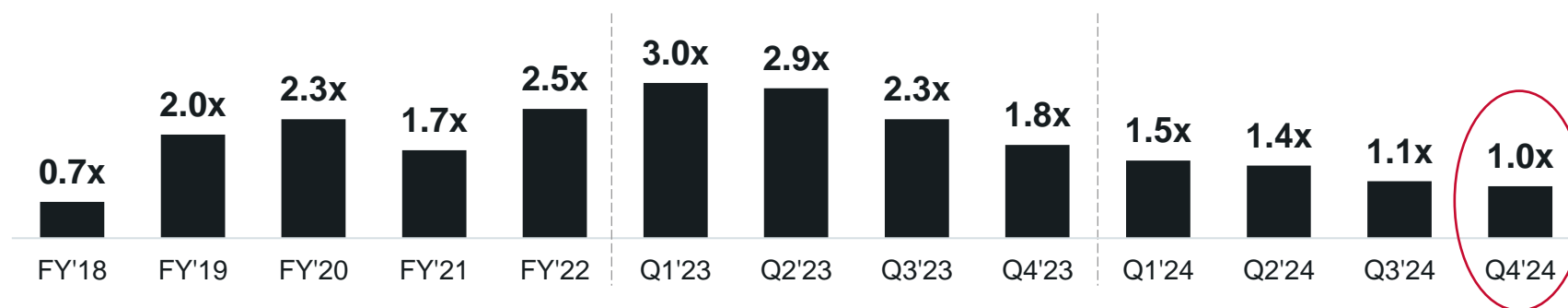
SELECTED BALANCE SHEET METRICS¹

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

SELECTED CASH FLOW METRICS²

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

NET LEVERAGE RATIO³



Maintaining strong free cash flow generation and healthy balance sheet

1) Balances as of periods ending March 31, 2023 and March 31, 2024

2) Periods ending March 31, 2023 and March 31, 2024

3) Net Debt includes finance lease obligations and letters of credit, net of cash and cash equivalents. Net leverage ratio = Net Debt / Adj EBITDA (per credit agreement). Please refer to appendix for reconciliations.

4) Primary Operating Capital (POC) was formerly referred to as Primary Working Capital (PWC) and is a non-GAAP measure. Free Cash Flow is a non-GAAP measure. Please refer to appendix for reconciliations.



Non-GAAP Reconciliations

Reconciliations of GAAP to Non-GAAP Financial Measures

This presentation contains financial information determined by methods other than in accordance with U.S. Generally Accepted Accounting Principles, ("GAAP"). EnerSys' management uses the non-GAAP financial measures "adjusted Net earnings", "adjusted Diluted EPS", "adjusted operating earnings", "adjusted EBITDA", "adjusted EBITDA per credit agreement", "net debt", "net leverage ratio", "net sales at constant currency", and "net sales growth rate at constant currency" as applicable, in their analysis of the Company's performance. Adjusted Net earnings and adjusted operating earnings measure, as used by EnerSys in past quarters and years, adjusts Net earnings and operating earnings determined in accordance with GAAP to reflect changes in financial results associated with the Company's restructuring initiatives and other highlighted charges and income items. Adjusted EBITDA is a key performance measure that our management uses to assess our operating performance. Because Adjusted EBITDA facilitates internal comparisons of our historical operating performance on a more consistent basis, we use this measure as an overall assessment of our performance, to evaluate the effectiveness of our business strategies and for business planning purposes. We calculate Adjusted EBITDA as net income before interest income, interest expense, other (income) expense net, provision (benefit) for income taxes, depreciation and amortization, further adjusted to exclude restructuring and exit activities, impairment of goodwill, indefinite-lived intangibles and other assets, acquisition activities and those charges and credits that are not directly related to operating unit performance. EBITDA is calculated as net income before interest income, interest expense, other (income) expense net, provision (benefit) for income taxes, depreciation and amortization. We define non-GAAP adjusted EBITDA per credit agreement as net earnings determined in accordance with GAAP for interest, taxes, depreciation and amortization, and certain charges or credits as permitted by our credit agreements, that were recorded during the periods presented. We define non-GAAP net debt as total debt, finance lease obligations and letters of credit, net of all cash and cash equivalents, as defined in the Third Amended Credit Facility on the balance sheet as of the end of the most recent fiscal quarter. We define non-GAAP net leverage ratio as non-GAAP net debt divided by last twelve months non-GAAP adjusted EBITDA per credit agreement. We define non-GAAP free cash flow as net cash provided by or used in operating activities less capital expenditures. Free cash flow is used by investors, financial analysts, rating agencies and management to help evaluate the Company's ability to generate cash to pursue incremental opportunities aimed toward enhancing shareholder value. We define non-GAAP constant currency net sales as total net sales excluding the effect of foreign exchange rate movements, and we use it to determine the constant currency growth rate on a year-on-year basis. Non-GAAP constant currency revenues are calculated by translating current period revenues using the prior comparative periods' actual exchange rates, rather than the actual exchange rates in effect during the current period. Constant currency net sales growth rate is calculated by determining the difference between current period non-GAAP constant currency net sales and current period reported net sales divided by prior period as reported net sales. Management believes the presentation of these financial measures reflecting these non-GAAP adjustments provides important supplemental information in evaluating the operating results of the Company as distinct from results that include items that are not indicative of ongoing operating results and overall business performance; in particular, those charges that the Company incurs as a result of restructuring activities, impairment of goodwill and indefinite-lived intangibles and other assets, acquisition activities and those charges and credits that are not directly related to operating unit performance, such as significant legal proceedings, amortization of Alpha and NorthStar related intangible assets and tax valuation allowance changes, including those related to the AHV (Old-Age and Survivors Insurance) Financing (TRAF) in Switzerland. Because these charges are not incurred as a result of ongoing operations, or are incurred as a result of a potential or previous acquisition, they are not as helpful a measure of the performance of our underlying business, particularly in light of their unpredictable nature and are difficult to forecast. Although we exclude the amortization of purchased intangibles from these non-GAAP financial measures, management believes that it is important for investors to understand that such intangible assets were recorded as part of purchase accounting and contribute to revenue generation.

Income tax effects of non-GAAP adjustments are calculated using the applicable statutory tax rate for the jurisdictions in which the charges (benefits) are incurred, while taking into consideration any valuation allowances. For those items which are non-taxable, the tax expense (benefit) is calculated at 0%.

EnerSys does not provide a quantitative reconciliation of the company's projected range for fiscal 2027 adjusted operating earnings, adjusted EBITDA, or adjusted diluted earnings per share to operating earnings, EBITDA, or diluted earnings per share, respectively, which are the most directly comparable GAAP measures, in reliance on the unreasonable efforts exception provided under Item 10(e)(1)(i)(B) of Regulation S-K. EnerSys' adjusted measures exclude certain items, including but not limited to certain non-cash, large and/or unpredictable charges and benefits, charges from restructuring and exit activities, impairment of goodwill and indefinite-lived intangibles, acquisition and disposition activities, legal judgments, settlements, or other matters, and tax positions, that are inherently uncertain and difficult to predict, can be dependent on future events that are less capable of being controlled or reliably predicted by management and are not part of the Company's routine operating activities can be dependent on future events that are less capable of being controlled or reliably predicted by management and are not part of the Company's routine operating activities. Due to the uncertainty of the occurrence or timing of these future excluded items, management cannot accurately forecast many of these items for internal use and therefore cannot create a quantitative reconciliation without unreasonable efforts.

These non-GAAP disclosures have limitations as an analytical tool, should not be viewed as a substitute for operating earnings, Net earnings or net income determined in accordance with GAAP, and should not be considered in isolation or as a substitute for analysis of the Company's results as reported under GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies. Management believes that this non-GAAP supplemental information will be helpful in understanding the Company's ongoing operating results. This supplemental presentation should not be construed as an inference that the Company's future results will be unaffected by similar adjustments to Net earnings determined in accordance with GAAP.

Non-GAAP Reconciliation

Q4 FY'24 ADJUSTED OPERATING EARNINGS

(\$ in millions)

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

(\$ in millions)

	Quarter ended March 31, 2023				
	Energy Systems	Motive Power	Specialty	Corporate and other	Total
Net Sales	\$ 458.2	\$ 383.6	\$ 148.1	\$ —	\$ 989.9
Operating Earnings	\$ 23.0	\$ 48.4	\$ 6.7	\$ 17.3	\$ 95.4
Restructuring and other exit charges	0.3	1.6	2.1	—	4.0
Impairment of indefinite-lived intangibles	0.1	—	0.4	—	0.5
Amortization of intangible assets	5.7	—	0.5	—	6.2
Other	0.5	0.4	0.1	—	1.0
Adjusted Operating Earnings	\$ 29.6	\$ 50.4	\$ 9.8	\$ 17.3	\$ 107.1

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

NM = Not Meaningful

Non-GAAP Reconciliation

FY'24 ADJUSTED OPERATING EARNINGS

(\$ in millions)

	Twelve months ended March 31, 2024				
	Energy Systems	Motive Power	Specialty	Corporate and other	Total
Net Sales	\$ 1,590.0	\$ 1,456.2	\$ 535.6	\$ 0.0	\$ 3,581.8
Operating Earnings	\$ 15.5	\$ 201.2	\$ 17.6	\$ 117.2	\$ 351.5
Inventory adjustment relating to exit activities	17.1	—	3.1	—	20.2
Restructuring and other exit charges	8.9	11.6	7.6	—	28.1
Impairment of indefinite-lived intangibles	13.6	—	—	—	13.6
Amortization of intangible assets	24.5	0.7	2.8	—	28.0
Legal proceedings charge, net	3.7	—	—	—	3.7
Other	3.7	1.1	0.3	—	5.1
Adjusted Operating Earnings	\$ 87.0	\$ 214.6	\$ 31.4	\$ 117.2	\$ 450.2

(\$ in millions)

	Twelve months ended March 31, 2023				
	Energy Systems	Motive Power	Specialty	Corporate and other	Total
Net Sales	\$ 1,738.1	\$ 1,451.3	\$ 519.1	\$ 0.0	\$ 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
Amortization of intangible assets	23.4	—	1.7	—	25.1
Other	0.6	0.6	0.1	—	1.3
Adjusted Operating Earnings	\$ 86.2	\$ 179.4	\$ 39.3	\$ 17.3	\$ 322.2

	Energy Systems	Motive Power	Specialty	Corporate and other	Total
Increase (Decrease) as a % from prior year					
Net Sales	(8.5)%	0.3 %	3.2 %	NM	(3.4)%
Operating Earnings	(74.6)	21.9	(49.7)	NM	26.3
Adjusted Operating Earnings	0.8	19.6	(20.2)	NM	47.6

NM = Not Meaningful

Non-GAAP Reconciliation

ADJUSTED EBITDA

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

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

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

Non-GAAP Reconciliation

Q4 FY'24 ADJUSTED DILUTED EPS

(in millions, except share and per share amounts)

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

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

(\$ millions)

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

Non-GAAP Reconciliation

FY'24 ADJUSTED DILUTED EPS

(in millions, except share and per share amounts)

Net Earnings reconciliation

	Twelve months ended	
	March 31, 2024	March 31, 2023
As reported Net Earnings	\$ 269.1	\$ 175.8
Non-GAAP adjustments:		
Inventory adjustment relating to exit activities	20.2 (1)	0.6 (1)
Restructuring and other exit charges	28.1 (1)	16.4 (1)
Impairment of indefinite-lived intangibles	13.6 (2)	0.5 (2)
Loss on assets held for sale	—	—
Amortization of identified intangible assets	28.0 (2)	25.1 (2)
Remeasurement of monetary assets included in other (income) expense relating to exit from Russia Operations	—	4.5
Asset Securitization Transaction Fees	—	0.6
Acquisition activity expense	—	—
Cost of funding to terminate net investment hedges	—	1.4
Financing fees related to debt modification	—	1.2
Legal proceedings charge, net	3.7 (3)	—
Other	7.8 (3)	2.2
Income tax effect of above non-GAAP adjustments	(25.2)	(7.5)
Financing fees related to debt modification	\$ —	\$ —
Non-GAAP adjusted Net Earnings	\$ 345.3	\$ 220.8

Outstanding shares used in per share calculations

Basic	40,669,392	40,809,235
Diluted	41,371,439	41,326,755

Non-GAAP adjusted Net Earnings per share:

Basic	\$ 8.49	\$ 5.41
Diluted	\$ 8.35	\$ 5.34

Reported Net Earnings (Loss) per share:

Basic	\$ 6.62	\$ 4.31
Diluted	\$ 6.50	\$ 4.25

Dividends per common share	\$ 0.850	\$ 0.70
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The following table provides the line of business allocation of the non-GAAP adjustments of items relating operating earnings (that are allocated to lines of business) shown in the reconciliation at left:

(\$ millions)

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

Non-GAAP Reconciliation

LEVERAGE RATIO BY YEAR

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

(1) The \$51.7 million adjustment to EBITDA in fiscal 2023 primarily related to \$26.4 million of non-cash stock compensation, \$22.4 million of restructuring and other exit charges, impairment of indefinite-lived intangibles of \$0.5 million, and \$1.4 million for swap termination fees. The \$51.5 million adjustment to EBITDA in fiscal 2022 primarily related to \$24.3 million of non-cash stock compensation, \$26.0 million of restructuring and other exit charges, indefinite-lived intangibles of \$1.2 million. The \$56.3 million adjustment to EBITDA in fiscal 2021 primarily related to \$19.8 million of non-cash stock compensation, \$33.2 million of restructuring and other exit charges, business integration costs of \$7.3 million, partially offset by \$3.9 million of gain (\$4.4 million gain less insurance deductibles) relating to the final settlement of the Richmond, KY fire claim. The \$123.6 million adjustment to EBITDA in fiscal 2020 primarily related to impairment of goodwill and other intangible assets of \$44.2 million, \$20.8 million of non-cash stock compensation, inclusion of \$18.5 million of six months of pro forma earnings of NorthStar, \$20.8 million of restructuring and other exit charges and \$1.9 million of inventory adjustments (fair value step up relating to the NorthStar transaction), \$14.3 million for insurance reimbursement for business interruption due to the Richmond, KY fire and other charges of \$3.1 million. The \$139.0 million adjustment to EBITDA in fiscal 2019 primarily related to the inclusion of \$69.3 million of nine months of pro forma earnings of Alpha, \$13.6 million for fees and expenses related to the Alpha transaction, \$22.6 million of non-cash stock compensation, \$23.2 million of non-cash restructuring and other exit charges and \$10.3 million of inventory adjustments (including a fair value step up relating to the Alpha transaction of \$7.2 million). The \$23.2 million adjustment to EBITDA in fiscal 2018 primarily related to \$19.5 million of non-cash stock compensation and \$3.7 million of non-cash restructuring and other exit charges.

(2) Debt includes finance lease obligations and letters of credit and is net of all U.S. cash and cash equivalents and foreign cash and investments, as defined in the Fourth Amended Credit Facility. In fiscal 2023, the amounts deducted in the calculation of net debt were U.S. cash and cash equivalents and foreign cash investments of \$347.0 million, in fiscal 2022, were \$402.5 million, in fiscal 2021, were \$399 million, in fiscal 2020, were \$262 million, in fiscal 2019, were \$200 million, and in fiscal 2018, were \$372 million.

Non-GAAP Reconciliation

LEVERAGE RATIO BY QUARTER

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

(1) The \$85.8 million adjustment to EBITDA in the last twelve months ending March 31, 2024 primarily related to \$30.6 million of non-cash stock compensation, \$40.7 million of restructuring and other exit charges, impairment of indefinite-lived intangibles and write-down of other current assets of \$13.6 million. The \$78.6 million adjustment to EBITDA in the last twelve months ending December 31, 2023 primarily related to \$30.5 million of non-cash stock compensation, \$37.9 million of restructuring and other exit charges, impairment of indefinite-lived intangibles and write-down of other current assets of \$9.6 million. The \$48.4 million adjustment to EBITDA in the last twelve months ending October 1, 2023 primarily related to \$27.6 million of non-cash stock compensation, \$17.6 million of restructuring and other exit charges, impairment of indefinite lived intangibles and other current assets of \$3.6 million. The \$50.1 million adjustment to EBITDA in the last twelve months ending July 2, 2023 primarily related to \$29 million of non-cash stock compensation, \$15.2 million of restructuring and other exit charges, impairment of indefinite lived intangibles and other current assets of \$4.5 million, and \$1.4 million for swap termination fees. The \$51.7 million adjustment to EBITDA in the last twelve months ending March 31, 2023 is primarily related to \$26.4 million of non-cash stock compensation, \$22.4 million of restructuring and other exit charges, impairment of indefinite-lived intangibles of \$0.5 million and a swap termination fee of \$1.4 million. The \$59.8 million adjustment to EBITDA in the last twelve months ending January 1, 2023 primarily related to \$27.2 million of non-cash stock compensation, \$29.1 million of restructuring and other exit charges, impairment of indefinite-lived intangibles of \$2.1 million and a swap termination fee of \$1.4 million. The \$62.3 million adjustment to EBITDA in the last twelve months ending October 2, 2022 primarily related to \$26.7 million of non-cash stock compensation, \$28.0 million of discontinuing operations, \$4.0 million of restructuring and other exit charges, \$1.4 million related to termination of a swap agreement, indefinite-lived intangibles of \$1.2 million and \$1.0 million write-down of non-current assets. The \$53.8 million adjustment to EBITDA in the last twelve months ending July 3, 2022 primarily related to \$26.0 million of non-cash stock compensation, \$26.5 million of restructuring and other exit charges, indefinite-lived intangibles of \$1.3 million.

(2) Debt includes finance lease obligations and letters of credit and is net of all U.S. cash and cash equivalents and foreign cash and investments, as defined in the Fourth Amended Credit Facility. In the last twelve months ending March 31, 2024, the amounts deducted in the calculation of net debt were U.S. cash and cash equivalents and foreign cash investments of \$333.3 million. In Q3 Fiscal 2024, the amounts deducted in the calculation of net debt were U.S. cash and cash equivalents and foreign cash investments of \$332.7 million. In Q2 fiscal 2024, the amounts deducted in the calculation of net debt were all cash and cash equivalents of \$327.8 million. In Q1 fiscal 2024, the amounts deducted in the calculation of net debt were all cash and cash equivalents of \$258.3 million. In Q4 fiscal 2023, the amounts deducted in the calculation of net debt were all cash and cash equivalents of \$347.0 million. In Q3 fiscal 2023, the amounts deducted in the calculation of net debt were all cash and cash equivalents of \$298.1 million. In Q2 fiscal 2023, the amounts deducted in the calculations of net debt were all cash and cash equivalents of \$294.4 million. In Q1 fiscal 2023, the amounts deducted in the calculations of net debt were all cash and cash equivalents of \$298.1 million.

Non-GAAP Reconciliation

FREE CASH FLOW

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

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

Non-GAAP Reconciliation

ADJUSTED GROSS PROFIT AND GROSS MARGIN

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

Key Performance Indicator

PRIMARY OPERATING CAPITAL

As part of managing the performance of our business, we monitor the level of primary operating capital, and its ratio to net sales. We define primary operating capital as accounts receivable, plus inventories, minus accounts payable. The resulting net amount is divided by the trailing three month net sales (annualized) to derive a primary operating capital percentage. We believe these three elements included in primary operating capital are most operationally driven, and this performance measure provides us with information about the asset intensity and operating efficiency of the business on a company-wide basis that management can monitor and analyze trends over time. Primary operating capital was \$852.9 million (yielding a primary operating capital percentage of 23.4%) at March 31, 2024 and \$1,057.0 million (yielding a primary working operating percentage of 26.7%) at March 31, 2023. The primary operating percentage of 23.4% at March 31, 2024 is 200 basis points lower than that for March 31, 2023, and 220 basis points higher than that for March 31, 2022. The change in the ratio is a result of the continued supply chain constraints, inflationary pressures across our business, and strategic inventory build that have outweighed benefits received from the sale of \$150.0 million in accounts receivables through a Receivables Purchase Agreement (RPA) entered into during the third quarter of fiscal 2023.

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



Thank you.

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