



# Q2'23 Financial Results

NOVEMBER 09, 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 November 9, 2022, which is located on our website at [www.enersys.com](http://www.enersys.com).



# **Business Update**

DAVID SHAFFER, CHIEF EXECUTIVE OFFICER

# Q2'23 Results

(\$ millions, except EPS)	Q2'23	Key Takeaways
<b>Net Sales</b> (Y / Y Growth)	<b>\$899</b> 13.7%	<ul style="list-style-type: none"> <li>• Second highest quarterly revenue (in a seasonally slow Q2)               <ul style="list-style-type: none"> <li>• +19% y/y at Constant Currency “CC”</li> <li>• ~(\$45M) y/y FX pressure</li> </ul> </li> </ul>
<b>Adj. Operating Earnings &amp; % Margin</b>	<b>\$65.4</b> 7.3%	<ul style="list-style-type: none"> <li>• TPPL revenue approx +30% y/y</li> </ul>
<b>Adj. EBITDA &amp; % Margin</b>	<b>\$85.7</b> 9.5%	<ul style="list-style-type: none"> <li>• \$1.4B backlog, +38% y/y, robust demand across all segments</li> <li>• 120 bps q/q adj GM expansion</li> </ul>
<b>Adj. Diluted EPS</b>	<b>\$1.11</b>	<ul style="list-style-type: none"> <li>• Ooltewah plant closure executing as planned; on track to begin realizing savings in Q4'FY23; total annual cost savings ~\$8M</li> <li>• Successfully launched NexSys® customer day featuring TPPL and lithium-ion line tours with 300 global decision makers</li> <li>• Price/mix benefit of \$0.60 /sh significantly outpaced cost of (\$0.23) /sh</li> <li>• Early signs costs are beginning to plateau and some supply chain easing</li> </ul>

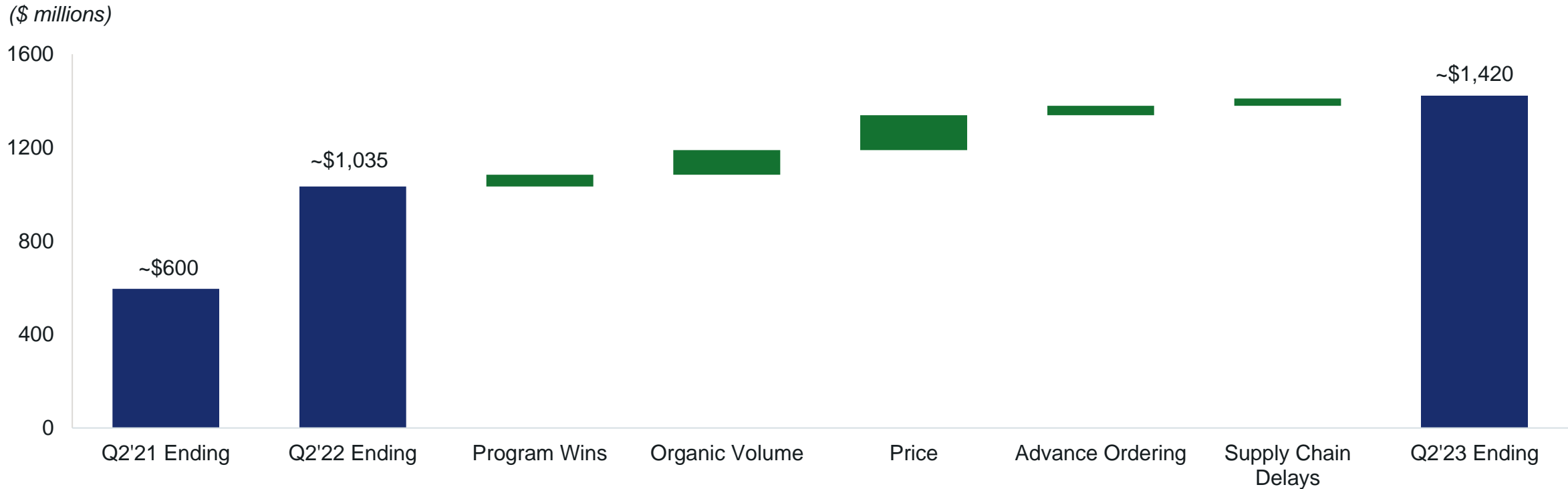
Note: See appendix for non-GAAP reconciliation.

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# Record Backlog Drives Long-Term Growth

ORDER GROWTH & MACRO CONDITIONS DRIVING RECORD BACKLOG



- Backlog >2x higher than historical levels
- ~40% of 12-month backlog increase from program wins and organic volume and ~40% increase from price, while the remaining 20% is comprised of advance orders and delayed shipments due to supply chain

# Inflation Reduction Act (IRA)

## FUNDING ALLOCATIONS ALIGN WITH ENERSYS TECHNOLOGY

<p><b>Direct Financial Opportunities</b></p>	<p><b>Manufacturing tax credit for battery cells</b>                  &gt;=100Wh/L (Section 45X)</p>	<p>Potential Annual Tax credits                  Jan 2023 – Dec 2032</p>	<ul style="list-style-type: none"> <li>• <b>Lithium / TPPL / Other products</b> in our product mix may qualify depending on energy density                         <ul style="list-style-type: none"> <li>• US Treasury/IRS will need to clarify in Notices or Regulations various definitions/requirements</li> <li>• Public comment period ended Friday 11/4/2022 – Treasury/IRS sought input on variety of topics</li> <li>• Treasury has indicated that they will prioritize issuing further guidance on this topic</li> </ul> </li> </ul>
<p><b>Market Growth Drivers</b></p>	<p>Incentive Tax Credits (ITC) –                  30% credit on cost of solar + storage</p>	<p>Accelerates market demand for renewables</p>	<ul style="list-style-type: none"> <li>• <b>Energy Systems – Mojave/Outback Renewable Products</b></li> </ul>
	<p>EV Tax Incentives</p>	<p>30% cost of commercial EVs/fleets                  \$7.5k per passenger vehicle</p>	<ul style="list-style-type: none"> <li>• <b>Specialty – Transportation Market</b></li> <li>• <b>Motive Power – Forklifts<sup>1</sup></b></li> <li>• <b>Fast Charge and Storage</b>  <i>(grid infrastructure requires stored energy, EVs need reliable fast charge)</i></li> </ul>

1) CA categorizes forklifts as offroad vehicles, therefore may qualify to receive certain benefits

# Technology Advancements

POWERING THE FUTURE, EVERYWHERE FOR EVERYONE

## Fast Charge & Storage



Upgraded on-site demo, near-production grade system

## CPUC Network Powering Program



Advancing both TPPL and Lithium modules

## NexSys® Customer Day



Interactive demos, seminars and guided TPPL & Lithium factory tours




## Wireless Technology



Developing autonomous solutions for AGVs



# Q2'23 Business Segment Performance

	Net Sales (\$ million)	Adj. Op Margin	Segment Overview
 <p><b>Energy Systems</b></p>	<p><b>\$437</b> +18.2% y/y</p>	<p><b>3.8%</b> +150 bps y/y</p>	<ul style="list-style-type: none"> <li>• \$835M backlog; +55% y/y, rev/earnings tailwind as supply chains ease</li> <li>• Q2 revenue growth driven by broadband and data center</li> <li>• CPUC related TPPL &amp; Li products ramping as planned, \$95M backlog</li> <li>• Pricing actions materializing, additional catch-up opportunity remains</li> </ul>
 <p><b>Motive Power</b></p>	<p><b>\$338</b> +5.4% y/y</p>	<p><b>11.7%</b> -110 bps y/y</p>	<ul style="list-style-type: none"> <li>• Stable backlog and demand trends</li> <li>• \$10M net price/mix- cost recapture in Q2'23</li> <li>• Maintenance-free 18% of revenue</li> <li>• Shipped first Li-ion orders with fully OEM UL 583</li> <li>• Demand driven by electrification and automation</li> </ul>
 <p><b>Specialty</b></p>	<p><b>\$124</b> +23.3% y/y</p>	<p><b>7.5%</b> -430 bps y/y</p>	<ul style="list-style-type: none"> <li>• Strong revenue growth primarily driven by volume</li> <li>• Class 8 Truck OEM supply chains show signs of improvement</li> <li>• Customer wins in Powersport and next gen Air Mobility Platform</li> <li>• Q2'23 price/mix improvement offset volume adjusted cost increases</li> <li>• TPPL capacity constraints, labor pressuring margins; offsetting with tight OpEx controls</li> </ul>

Note: See appendix for non-GAAP reconciliation.

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# Our Sustainability Strategy

\$4M ANNUAL CAPITAL ALLOCATION OVER THE NEXT 5 YEARS

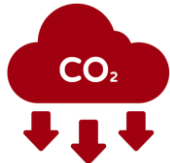
## ENVIRONMENTAL STEWARDSHIP



**Energy**  
25% by 2030



**Water**  
25% by 2030



**Climate**  
Scope 1 2040  
Scope 2 2050

## OUR PEOPLE AND COMMUNITY



**Female Leadership**  
20% by 2025



**Multicultural Leadership**  
25% by 2025



**Leading Employer Recognition**  
3 Global Indexes  
by 2025

## SUSTAINABILITY GOVERNANCE



**Targeting a TCFD-aligned report in 2022**



**Assessing risks and opportunities**



**Submitted climate disclosure to the CDP**

*Expect long-term accretive returns on our investments*

# Focusing on What We Can Control

**1** *Pricing* – continue to execute pricing increases commensurate with cost increases

**2** *Redesign* – redesign products for component supply constraints (e.g., chips)

**3** *Operating Efficiencies* – reduce costs through EOS

**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, dual source & buffer sourcing with strategic inventory

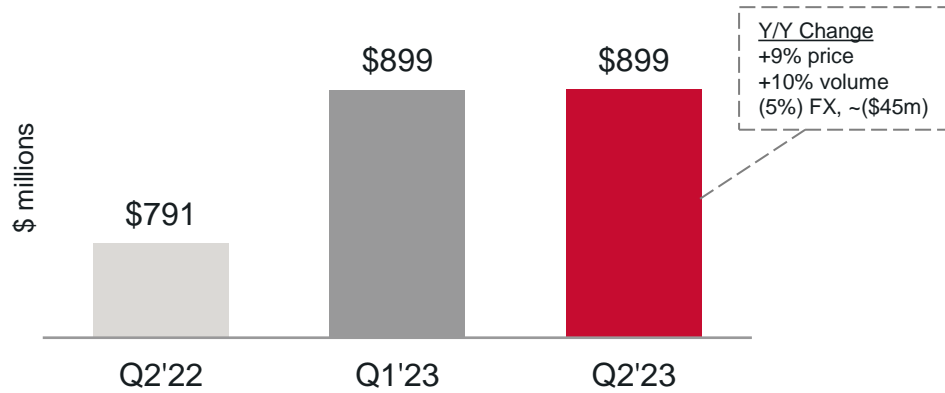


# Finance Update

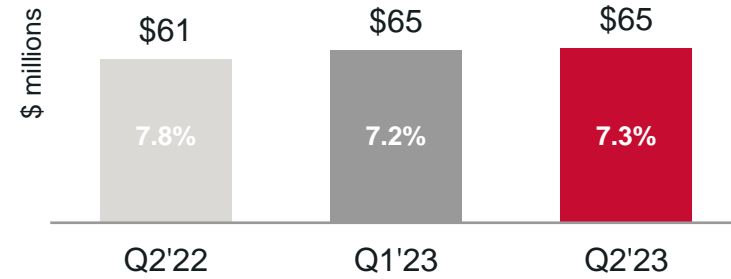
ANDI FUNK, CHIEF FINANCIAL OFFICER

# Q2'23 Results

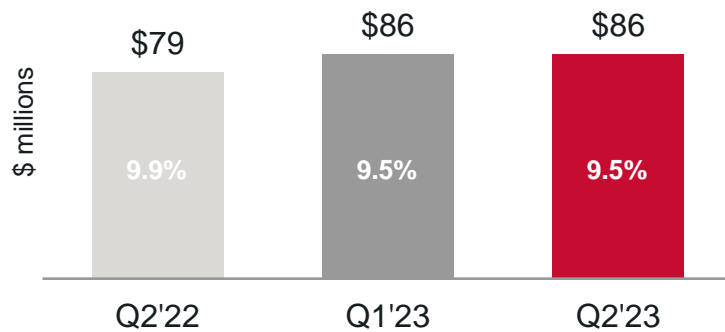
## Net Sales



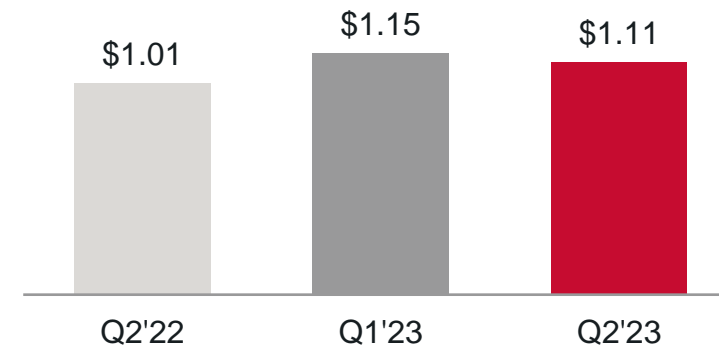
## Adj Operating Earnings & Margin



## Adj EBITDA & Margin



## Adj Diluted EPS






Note: See appendix for non-GAAP reconciliation.

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# Q2'23 Segment Financial Highlights

\$MILLIONS; % AND BPS Y/Y GROWTH

	Net Sales		Adj. Op Earnings	Adj. Op Margin
 <p><b>Energy Systems</b></p>	<b>\$437</b>	Volume +14% Price +9% FX (5%) ----- Reported +18%	<b>\$16.4</b> +94%	<b>3.8%</b> +150 bps
 <p><b>Motive Power</b></p>		Volume +3% Price +9% FX (7%) ----- Reported +5%		
 <p><b>Specialty</b></p>	<b>\$124</b>	Volume +19% Price +7% FX (3%) ----- Reported +23%	<b>\$9.3</b> -22%	<b>7.5%</b> -430 bps

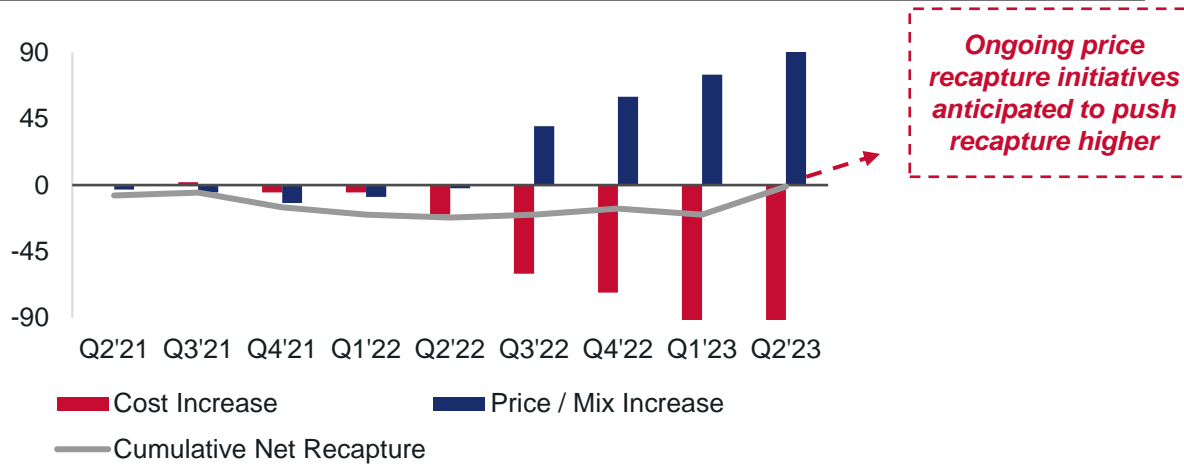
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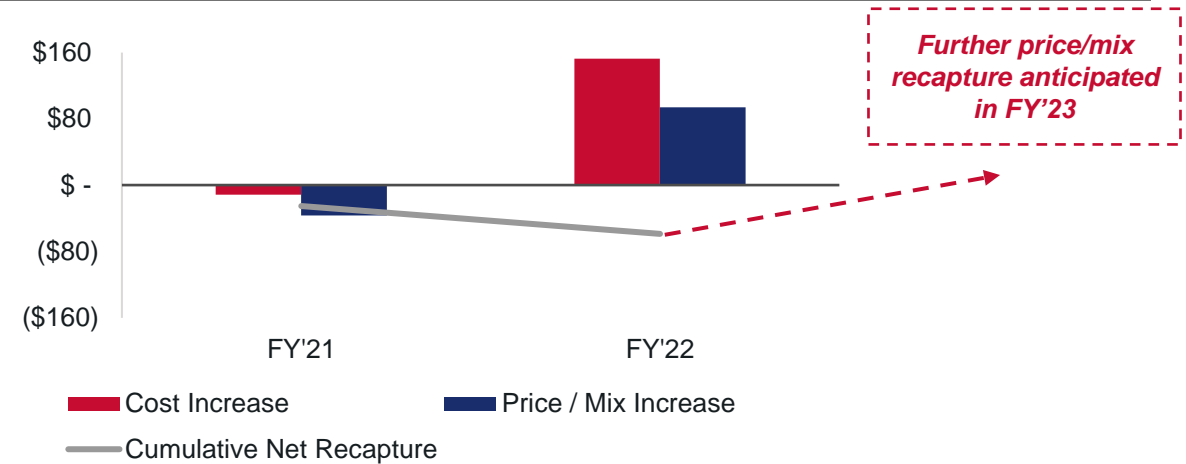
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# Price/Mix - Cost Recapture Gaining Traction

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



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



## Ongoing Price/Mix – Cost Recapture Initiatives

- Q2'23 price/mix of ~\$0.60 adj. EPS more than offset costs of ~\$0.23 adj. EPS
- Positive progress on anticipated price/mix-cost recapture
- \$0.15+ of quarterly adj. EPS price/mix-cost recapture opportunity when costs stabilize (vQ2'21)
- Footprint optimization, EOS savings, and richer mix driven by supply chain improvements should enable future margin expansion opportunity

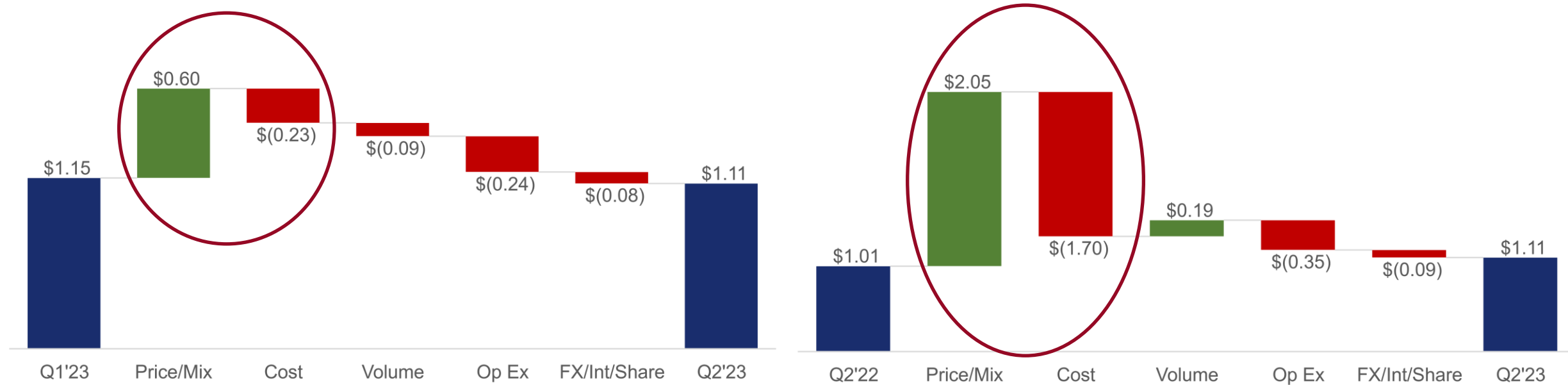
## Q2'23 Segment Price/Mix Recapture Update

- Energy Systems prices catching up, still enduring ongoing supply chain constraints
- Motive Power continued tailwinds from maintenance-free conversions, commodity inflation continuing
- Specialty remains constrained by supply and labor challenges



# Adj EPS Bridge

Q2'23 SEQUENTIAL AND YEAR-OVER YEAR



Costs beginning to stabilize  
Price/mix catching up

Note: See appendix for non-GAAP reconciliation.

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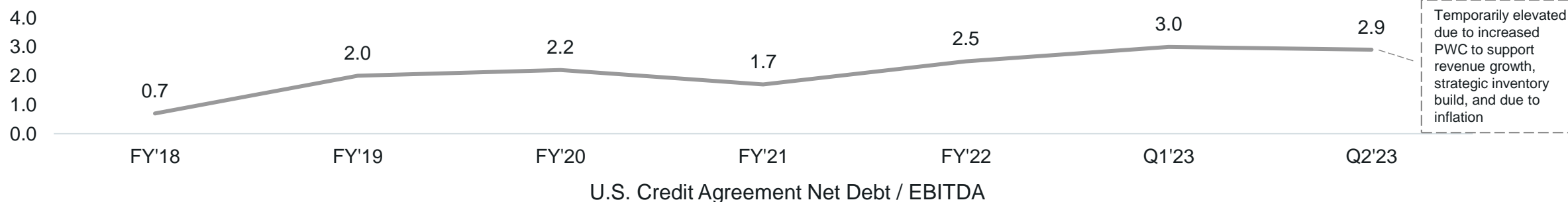
# Disciplined & Balanced Capital Allocation

Capital Allocation Priorities	FY'18 – FY'22 (cumulative) \$ millions	FY'23 YTD \$ millions
1 Invest in Organic Growth ( <i>CapEx</i> )	~\$390	~\$40
2 Strategic M&A <small>(Alpha Technologies and NorthStar Battery)</small>	~\$940	\$0
3 Return of Capital	~\$150 <i>dividends</i> ~\$370 <i>buybacks</i>	~\$14 <i>dividends</i> ~\$23 <i>buybacks</i>

## Healthy Balance Sheet

- 2 – 3x target leverage
- ~\$300M cash and cash equivalents
  - Strong cash generation outpaced by strategic inventory increase, PWC yields cash in recessionary periods
- Ample flexibility to support business investment
- Committed to consistent dividends through cycles
- ~\$185M outstanding repurchase authorization

## Historical Net Leverage



# 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**



### LoB Resilience

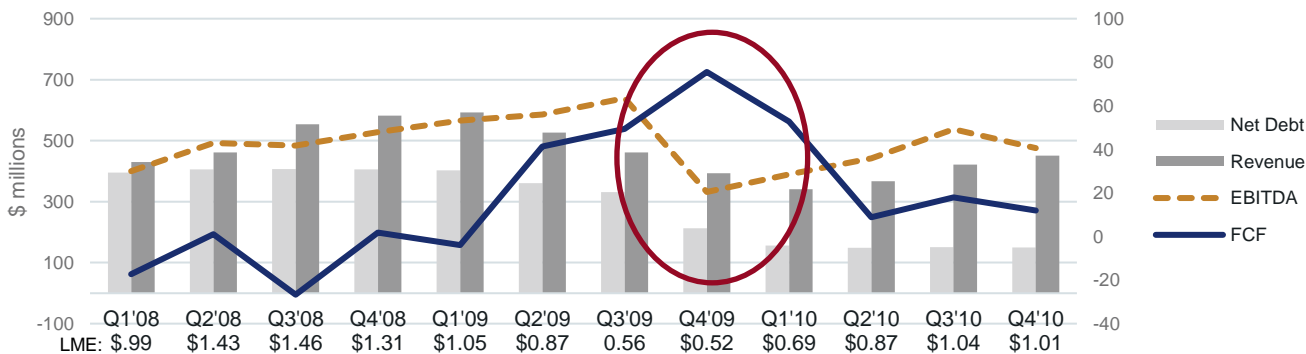
All	<ul style="list-style-type: none"> <li>• Extensive backlog &amp; pent-up demand buffers impact</li> <li>• Supply chain normalizing provides mix benefit</li> <li>• Stable inflation/lower commodity &amp; freight costs enable price catch up</li> </ul>
Energy Systems	<ul style="list-style-type: none"> <li>• GDP-independent cycle (5G buildout, infrastructure, RDOF, grid resiliency spend, etc. continues)</li> </ul>
Specialty	<ul style="list-style-type: none"> <li>• Aged OTR truck base w/pent-up demand delays slowdown</li> <li>• Low Trans mkt share enables growth</li> <li>• A&amp;D spend independent of GDP</li> </ul>
Motive Power	<ul style="list-style-type: none"> <li>• <i>Most exposed - trends with GDP</i></li> <li>• <i>Bolstered by movements from increased automation &amp; electrification of ICE forklifts</i></li> </ul>



### Slow-Down Levers

P&L:	Cash Flow:
<ul style="list-style-type: none"> <li>✓ Lower MP revenue; ES/Spec minimally affected</li> <li>✓ Mix benefit from normalized supply chains (electronics)</li> <li>✓ Price-cost recapture catch up</li> <li>✓ Delayed price elasticity on lower costs</li> <li>✓ Reduce OpEx</li> <li>✓ <i>Historically rapid AOE recovery</i></li> </ul>	<ul style="list-style-type: none"> <li>✓ Higher margins</li> <li>✓ Lower CapEx</li> <li>✓ Inv / AR monetization</li> <li>✓ Higher AP w/reduced supplier power</li> <li>✓ Hagen closure, Ooltewah closure, additional footprint optimization opportunities</li> <li>✓ <i>Significant Cash Inflow / Buy-Back Opportunity</i></li> </ul>

2009 Recession Quarterly Impact on Cash Flow



# Looking Ahead

	Guidance	Assumptions
<b>EPS adj. diluted (Q3'23)</b>	\$1.20 - \$1.30	<ul style="list-style-type: none"><li>• Volumes increase on seasonal recovery</li><li>• Pricing actions outpace costs</li><li>• Euro remains at Q2'23 levels</li></ul>
<b>CapEx (FY'23)</b>	\$100m	<ul style="list-style-type: none"><li>• Continued capacity investments</li><li>• Includes \$40m H1'F23 spend</li></ul>
<ul style="list-style-type: none"><li>• Continued strong customer demand in diverse end markets</li><li>• Pricing actions outpacing persisting cost headwinds</li><li>• Focused OpEx discipline and footprint optimization opportunities</li><li>• Ongoing EOS execution</li><li>• Poised for earnings and cash flow improvement when costs stabilize</li><li>• Well prepared for the possibility of a downcycle</li></ul>		



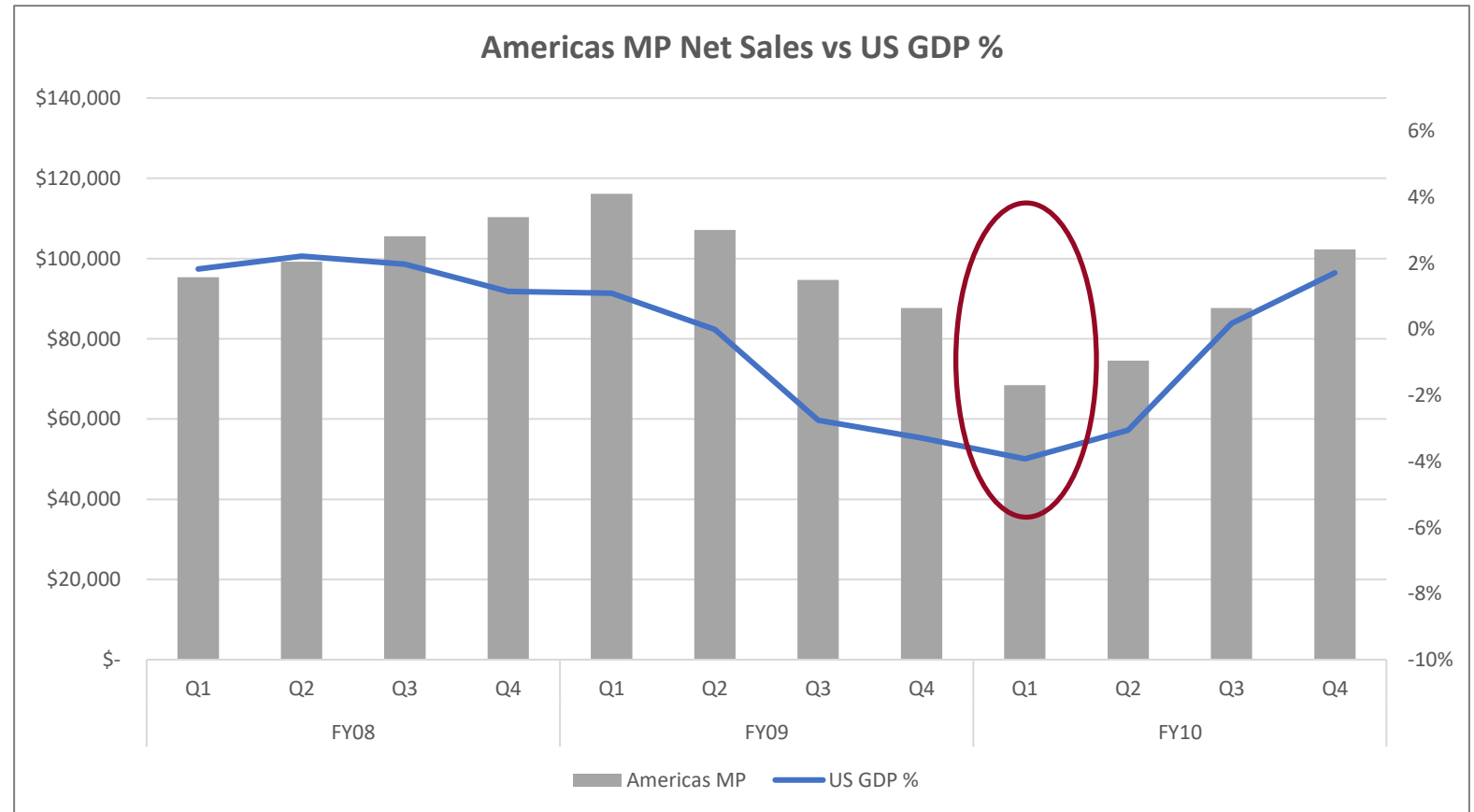
# Appendix

# 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





# Q2'23 Results

(\$ millions)

	Q2 F'22	Q1 F'23	Q2 F'23
NET SALES	\$791.4	\$899.0	\$899.4
Adj. GROSS PROFIT	\$178.8 (23%)	\$185.5 (21%)	\$196.4 (22%)
Adj. OP EARNINGS \$	\$61.4	\$64.8	\$65.4
Adj. OP EARNINGS %	7.8%	7.2%	7.3%
Adj. EPS	\$1.01	\$1.15	\$1.11

Note: See appendix for non-GAAP reconciliation.

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# Q2'23 Net Sales by Segment & Region, Q/Q

(\$ millions, Except per Share Amounts)

	Q1'23	Q2'23	Fav/(Unfav)	
			\$	%
<b>Energy Systems</b>	\$409	\$437	\$28	7%
<b>Motive Power</b>	\$368	\$338	(\$30)	-8%
<b>Specialty</b>	\$123	\$124	\$2	2%
<b>Total Net Sales</b>	<u>\$899</u>	<u>\$899</u>	<u>\$0.4</u>	<u>0.1%</u>
			0% Organic, 2% Price, 0% Acquisitions, -2% Fx	
	Q1'23	Q2'23	Fav/(Unfav)	
			\$	%
<b>Americas</b>	\$645	\$661	\$16	2%
<b>EMEA</b>	\$195	\$178	(\$17)	-9%
<b>Asia</b>	\$59	\$61	\$2	3%
<b>Total Net Sales</b>	<u>\$899</u>	<u>\$899</u>	<u>\$0.4</u>	<u>0.1%</u>
			0% Organic, 2% Price, 0% Acquisitions, -2% Fx	

Note: Rounding may cause totals not to foot.

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# Q2'23 Net Sales by Segment & Region, Y/Y

(\$ millions)

	Q2'22	Q2'23	Fav/(Unfav)					
			\$	%	Volume	Price	M&A	Fx
<b>Energy Systems</b>	\$370	\$437	\$67	18%	14%	9%	-	-5%
<b>Motive Power</b>	\$321	\$338	\$17	5%	3%	9%	-	-7%
<b>Specialty</b>	\$101	\$124	\$24	23%	19%	7%	-	-3%
<b>Total Net Sales</b>	<u>\$791</u>	<u>\$899</u>	<u>\$108</u>	<u>14%</u>	<u>10%</u>	<u>9%</u>	<u>-</u>	<u>-5%</u>
	Q2'22	Q2'23	Fav/(Unfav)					
			\$	%	Volume	Price	M&A	Fx
<b>Americas</b>	\$550	\$661	\$111	20%	12%	9%	-	-1%
<b>EMEA</b>	\$180	\$178	(\$2)	-1%	8%	11%	-	-20%
<b>Asia</b>	\$61	\$61	(\$1)	-1%	6%	1%	-	-8%
<b>Total Net Sales</b>	<u>\$791</u>	<u>\$899</u>	<u>\$108</u>	<u>14%</u>	<u>10%</u>	<u>9%</u>	<u>-</u>	<u>-5%</u>

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# Q2'23 Adj Operating Earnings by Segment

(\$ millions)

Year Over Year	Q2'22	Q2'23	Fav/(Unfav)	
			\$	%
<b>Adj. Operating Earnings</b>				
Energy Systems	\$8.5 2.3%	\$16.4 3.8%	\$7.9	94%
Motive Power	\$41.0 12.8%	\$39.7 11.7%	(\$1.4)	-3%
Specialty	\$11.9 11.8%	\$9.3 7.5%	(\$2.6)	-22%
Total Adj. Operating Earnings	<u>\$61.4</u>	<u>\$65.4</u>	<u>\$4.0</u>	<u>7%</u>
As % Net Sales	7.8%	7.3%		
Sequential	Q1'23	Q2'23	Fav/(Unfav)	
			\$	%
<b>Adj. Operating Earnings</b>				
Energy Systems	\$13.7 3.3%	\$16.4 3.8%	\$2.7	20%
Motive Power	\$42.2 11.5%	\$39.7 11.7%	(\$2.5)	-6%
Specialty	\$8.9 7.3%	\$9.3 7.5%	\$0.4	4%
Total Adj. Operating Earnings	<u>\$64.8</u>	<u>\$65.4</u>	<u>\$0.6</u>	<u>1%</u>
As % Net Sales	7.2%	7.3%		

Note: Rounding may cause totals not to foot. See appendix for non-GAAP reconciliation.

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# Q2'23 Adj Net Earnings & EPS

(\$ millions, except per share amounts)

	Q2'22	Q2'23	Fav/(Unfav)	
			\$	%
<b>Adj. Operating Earnings</b>	\$61.4	\$65.4	\$4.0	7%
As % Net Sales	7.8%	7.3%		(0.5)Pts.
<b>Book Tax Rate</b>	16%	17%		
<b>Adj. Net Earnings</b>	\$43.5	\$45.6	\$2.1	5%
As % Net Sales	5.5%	5.1%		(0.4)Pts.
<b>Adj. EPS diluted</b>	\$1.01	\$1.11	\$0.10	10%
<b>Avg. Diluted Shares Outstanding</b> (Millions)	43.256	41.168	2.088	5%

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# Balance Sheet & Other Highlights

(\$ millions)

	FY'22	Q2'23 YTD
Cash & Cash Equivalents	\$402.5	\$294.4
Net Debt (Gross Debt – Investments)	\$1,018.1	\$1,045.5
Net Cash from Operations	(\$65.6)	(\$70.3)
Capital Expenditures	(\$74.0)	(\$39.7)
Leverage Ratio (per US Credit Agreement)	2.5X	2.9X
Primary Working Capital as a % of Sales	28.7%	31.9%





# Non-GAAP Reconciliations

# Non-GAAP Reconciliation

	Quarter ended (\$ millions)			Six months ended (\$ millions)		
	October 2, 2022	October 3, 2021	Growth rate	October 2, 2022	October 3, 2021	Growth rate
<b>Energy Systems reported net sales</b>	\$ 437.0	\$ 369.8	18.2 %	\$ 845.6	\$ 741.0	14.1 %
<b>Exchange rate effect</b>	18.8			34.6		
<b>Energy Systems constant currency net sales</b>	<u>455.8</u>		23.2	<u>880.2</u>		18.8
<b>Motive Power reported net sales</b>	\$ 338.0	\$ 320.7	5.4 %	\$ 705.9	\$ 656.8	7.5 %
<b>Exchange rate effect</b>	23.5			42.8		
<b>Motive Power constant currency net sales</b>	<u>361.5</u>		12.7	<u>748.7</u>		14.0
<b>Specialty reported net sales</b>	\$ 124.4	\$ 100.9	23.3 %	\$ 246.9	\$ 208.5	18.5 %
<b>Exchange rate effect</b>	3.2			5.6		
<b>Specialty constant currency net sales</b>	<u>127.6</u>		26.5	<u>252.5</u>		21.2
<b>Total reported net sales</b>	\$ 899.4	\$ 791.4	13.7 %	\$ 1,798.4	\$ 1,606.3	12.0 %
<b>Exchange rate effect</b>	45.5			83.0		
<b>Total constant currency net sales</b>	<u>944.9</u>		19.4	<u>1,881.4</u>		17.1

# Non-GAAP Reconciliation

	Quarter ended (\$ millions)			
	October 2, 2022			
	Energy Systems	Motive Power	Specialty	Total
<b>Net Sales</b>	\$ 437.0	\$ 338.0	\$ 124.4	\$ 899.4
<b>Operating Earnings</b>	\$ 9.8	\$ 35.6	\$ 8.9	\$ 54.3
Inventory step up to fair value relating to recent acquisitions	—	—	—	—
Inventory adjustment relating to exit activities	—	1.5	—	1.5
Restructuring and other exit charges	0.8	2.5	—	3.3
Amortization of identified intangible assets from recent acquisitions	5.8	—	0.4	6.2
Other	—	0.1	—	0.1
<b>Adjusted Operating Earnings</b>	\$ 16.4	\$ 39.7	\$ 9.3	\$ 65.4

	Quarter ended (\$ millions)			
	October 3, 2021			
	Energy Systems	Motive Power	Specialty	Total
<b>Net Sales</b>	\$ 369.8	\$ 320.7	\$ 100.9	\$ 791.4
<b>Operating Earnings</b>	\$ 1.0	\$ 37.3	\$ 11.4	\$ 49.7
Inventory adjustment relating to exit activities	—	1.0	—	1.0
Restructuring and other exit charges	0.2	2.7	—	2.9
Amortization of identified intangible assets from recent acquisitions	5.9	—	0.5	6.4
Other	1.4	—	—	1.4
<b>Adjusted Operating Earnings</b>	\$ 8.5	\$ 41.0	\$ 11.9	\$ 61.4

Increase (Decrease) as a % from prior year quarter	Quarter ended (\$ millions)			
	Energy Systems	Motive Power	Specialty	Total
Net Sales	18.2 %	5.4 %	23.3 %	13.7 %
Operating Earnings	NM	(4.6)	(22.2)	9.2
Adjusted Operating Earnings	94.3	(3.1)	(21.7)	6.7

NM = Not Meaningful

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	Quarter ended (\$ millions)			
	July 3, 2022			
	Energy Systems	Motive Power	Specialty	Total
<b>Net Sales</b>	\$ 408.6	\$ 367.9	\$ 122.5	\$ 899.0
<b>Operating Earnings</b>	\$ 7.5	\$ 34.1	\$ 8.5	\$ 50.1
Restructuring and other exit charges	0.2	8.1	—	8.3
Amortization of identified intangible assets from recent acquisitions	6.0	—	0.4	6.4
<b>Adjusted Operating Earnings</b>	\$ 13.7	\$ 42.2	\$ 8.9	\$ 64.8

# Non-GAAP Reconciliation

	Quarter ended	
	(\$ millions)	
	October 2, 2022	October 3, 2021
Net Earnings	\$ 34.5	\$ 35.6
Depreciation	14.8	15.6
Amortization	8.0	8.3
Interest	15.4	9.6
Income Taxes	5.8	4.3
EBITDA	78.5	73.4
Non-GAAP adjustments	7.2	5.3
Adjusted EBITDA	\$ 85.7	\$ 78.7

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

	Quarter ended	
	(\$ millions)	
	October 2, 2022	October 3, 2021
Restructuring and other exit charges	\$ 4.8	\$ 3.9
Other	1.1	1.4
Remeasurement of monetary assets included in other (income) expense relating to exit from Russia operations	(0.1)	—
Cost of funding to terminate net investment hedges	1.4	—
Non-GAAP adjustments	\$ 7.2	\$ 5.3

	Quarter ended	
	(\$ millions)	
	July 3, 2022	
Net Earnings	\$ 31.0	
Depreciation	15.5	
Amortization	8.1	
Interest	11.6	
Income Taxes	5.8	
EBITDA	72.0	
Non-GAAP adjustments	13.5	
Adjusted EBITDA	\$ 85.5	

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

	Quarter ended	
	(\$ millions)	
	July 3, 2022	
Restructuring and other exit charges	\$ 8.3	
Remeasurement of monetary assets included in other (income) expense relating to exit from Russia operations	5.2	
Non-GAAP adjustments	\$ 13.5	

# Non-GAAP Reconciliation

	Quarter ended	
	<i>(in millions, except share and per share amounts)</i>	
	October 2, 2022	October 3, 2021
<b>Net Earnings reconciliation</b>		
As reported Net Earnings	\$ 34.5	\$ 35.6
Non-GAAP adjustments:		
Restructuring and other exit charges	4.8 (1)	3.9 (1)
Amortization of identified intangible assets from recent acquisitions	6.2 (2)	6.4 (2)
Remeasurement of monetary assets included in other (income) expense relating to exit from Russia operations	(0.1)	—
Cost of funding to terminate net investment hedges	1.4	—
Financing fees related to debt modification	1.2	—
Other	1.1	1.4
Income tax effect of above non-GAAP adjustments	(3.5)	(3.8)
<b>Non-GAAP adjusted Net Earnings</b>	<b>\$ 45.6</b>	<b>\$ 43.5</b>
<b>Outstanding shares used in per share calculations</b>		
Basic	40,740,989	42,575,576
Diluted	41,167,622	43,255,832
<b>Non-GAAP adjusted Net Earnings per share:</b>		
Basic	\$ 1.12	\$ 1.02
Diluted	\$ 1.11	\$ 1.01
<b>Reported Net Earnings (Loss) per share:</b>		
Basic	\$ 0.85	\$ 0.84
Diluted	\$ 0.84	\$ 0.82
<b>Dividends per common share</b>	<b>\$ 0.175</b>	<b>\$ 0.175</b>

# Non-GAAP Reconciliation

	Quarter ended			
	<i>(\$ millions)</i>			
	October 2, 2022		October 3, 2021	
	Pre-tax		Pre-tax	
(1) Inventory adjustment relating to exit activities - Motive Power	\$	1.5	\$	1.0
(1) Restructuring and other exit charges - Energy Systems		0.8		0.2
(1) Restructuring and other exit charges - Motive Power		2.5		2.7
(1) Restructuring and other exit charges - Specialty		—		—
(2) Amortization of identified intangible assets from recent acquisitions - Energy Systems		5.8		5.9
(2) Amortization of identified intangible assets from recent acquisitions - Specialty		0.4		0.5
<b>Total Non-GAAP adjustments</b>	<b>\$</b>	<b>11.0</b>	<b>\$</b>	<b>10.3</b>

# Non-GAAP Reconciliation

	Quarter ended	
	<i>(in millions, except share and per share amounts)</i>	
	July 3, 2022	July 4, 2021
<b>Net Earnings reconciliation</b>		
As reported Net Earnings	\$ 31.0	\$ 43.9
Non-GAAP adjustments:		
Restructuring and other exit charges	8.3 (1)	7.8 (1)
Amortization of identified intangible assets from recent acquisitions	6.4 (2)	6.4 (2)
Remeasurement of monetary assets included in other (income) expense relating to exit from Russia operations	5.2	—
Income tax effect of above non-GAAP adjustments	(3.4)	(3.7)
<b>Non-GAAP adjusted Net Earnings</b>	<b>\$ 47.5</b>	<b>\$ 54.4</b>
<b>Outstanding shares used in per share calculations</b>		
Basic	40,786,336	42,700,329
Diluted	41,352,646	43,537,344
<b>Non-GAAP adjusted Net Earnings per share:</b>		
Basic	\$ 1.16	\$ 1.28
Diluted	\$ 1.15	\$ 1.25
<b>Reported Net Earnings (Loss) per share:</b>		
Basic	\$ 0.76	\$ 1.03
Diluted	\$ 0.75	\$ 1.01
<b>Dividends per common share</b>	<b>\$ 0.175</b>	<b>\$ 0.175</b>

# Non-GAAP Reconciliation

	Quarter ended	
	(\$ millions)	
	July 3, 2022	July 4, 2021
	Pre-tax	Pre-tax
(1) Restructuring and other exit charges - Energy Systems	0.2	0.5
(1) Restructuring and other exit charges - Motive Power	8.1	8.5
(1) Restructuring and other exit charges - Specialty	—	(1.2)
(2) Amortization of identified intangible assets from recent acquisitions - Energy Systems	6.0	6.0
(2) Amortization of identified intangible assets from recent acquisitions - Specialty	0.4	0.4
Total Non-GAAP adjustments	<u>\$ 14.7</u>	<u>\$ 14.2</u>





# Thank you.

For more information visit  
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