Investor Presentation

AUGUST 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.

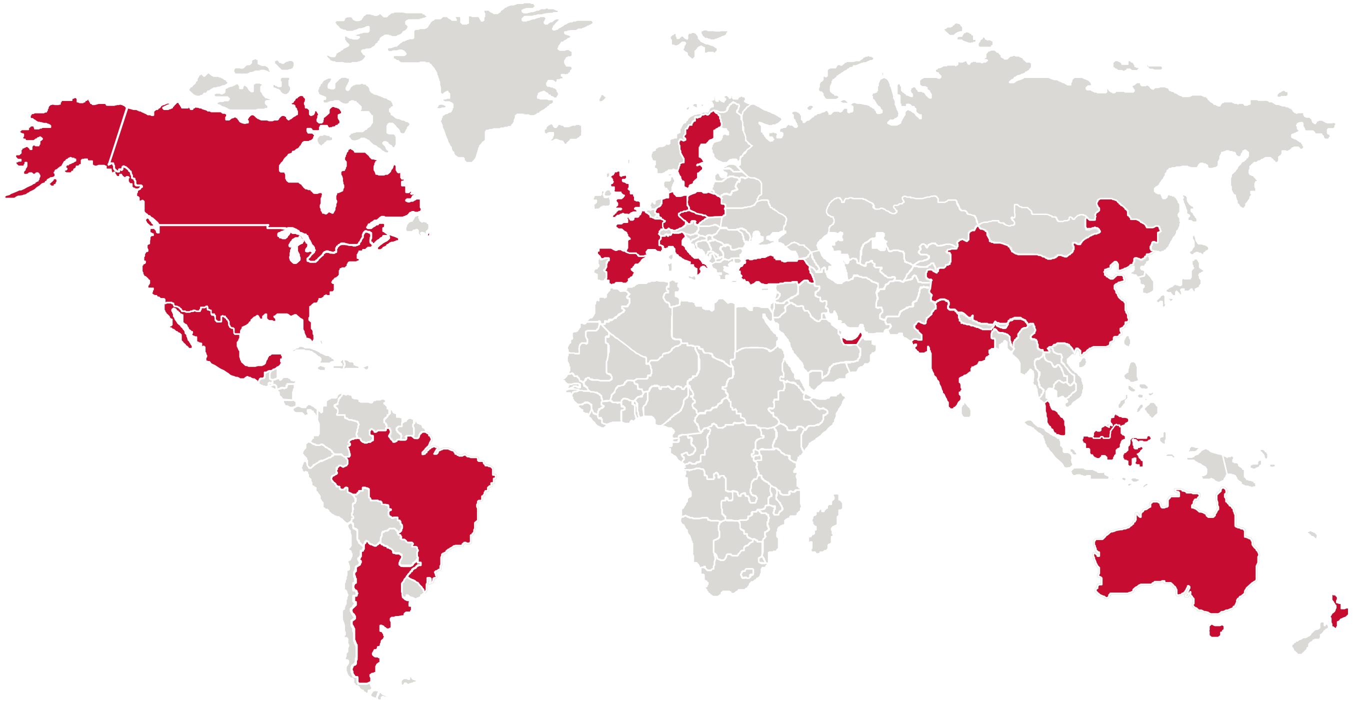
In addition, we will also be presenting certain non-GAAP financial measures. For an explanation of the differences between the comparable GAAP financial information and the non-GAAP information, please see our company's Form 8-K which includes our press release dated August 9, 2023, which is located on our website at www.enersys.com.

EnerSys at a Glance

FY 2023 KEY STATISTICS[1]

$4.3B	$322M	$388M	$5.34	10K+
Market Cap[2]	Adj. Operating Earnings[3]	Adj. EBITDA[3]	Adj. Diluted EPS[3]	Customers

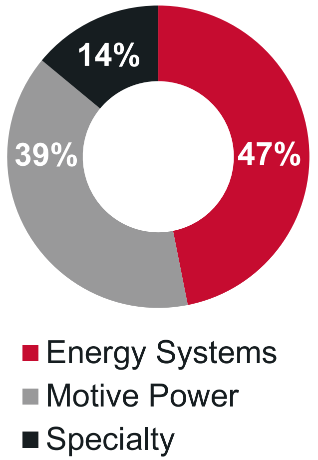
GLOBAL FACILITY BASE[4]



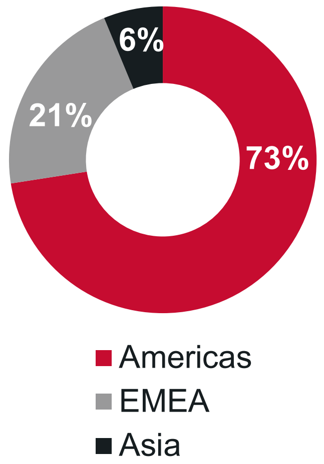
FY 2023 NET SALES

$3.7B

Business Segments



Geography



[1] FY 2023, year end March 31, 2023
[2] Market-Cap as of June 9, 2023
[3] Non-GAAP financial measure. Includes $17M IRA benefit. 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

Empowering Our Team to Innovate and Deliver Differentiated Solutions

MISSION

Providing people everywhere with accessible power to help them work and live better

EnerSys®

VISION

Serving the global community with mission-critical stored energy solutions

VALUES-DRIVEN CULTURE

Safety & Our Environment	Engagement	Continuous Improvement	Customer Experience	Teamwork	Ethics	Accountability
Ensuring well-being of our employees and communities	Rewarding talent who exhibit enthusiasm, inspiration, commitment, and pride	Driving operational excellence through EnerSys Operating System (EOS)	Focusing on innovation and adaptability to deliver exceptional value	Fostering an environment of collaboration and mutual respect	Demonstrating our integrity by being personally accountable for our actions	Setting clear expectations with common goals and vision

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

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

- Integrated Alpha and NorthStar acquisitions
- Deepened capabilities

- Developed EOS
- Reinforced continuous improvement mindset

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

TODAY

Innovating, Optimizing, and Accelerating integrated energy solutions offerings

Enhancing modular technology for additional scalability

Providing tailored energy solutions to critical end markets

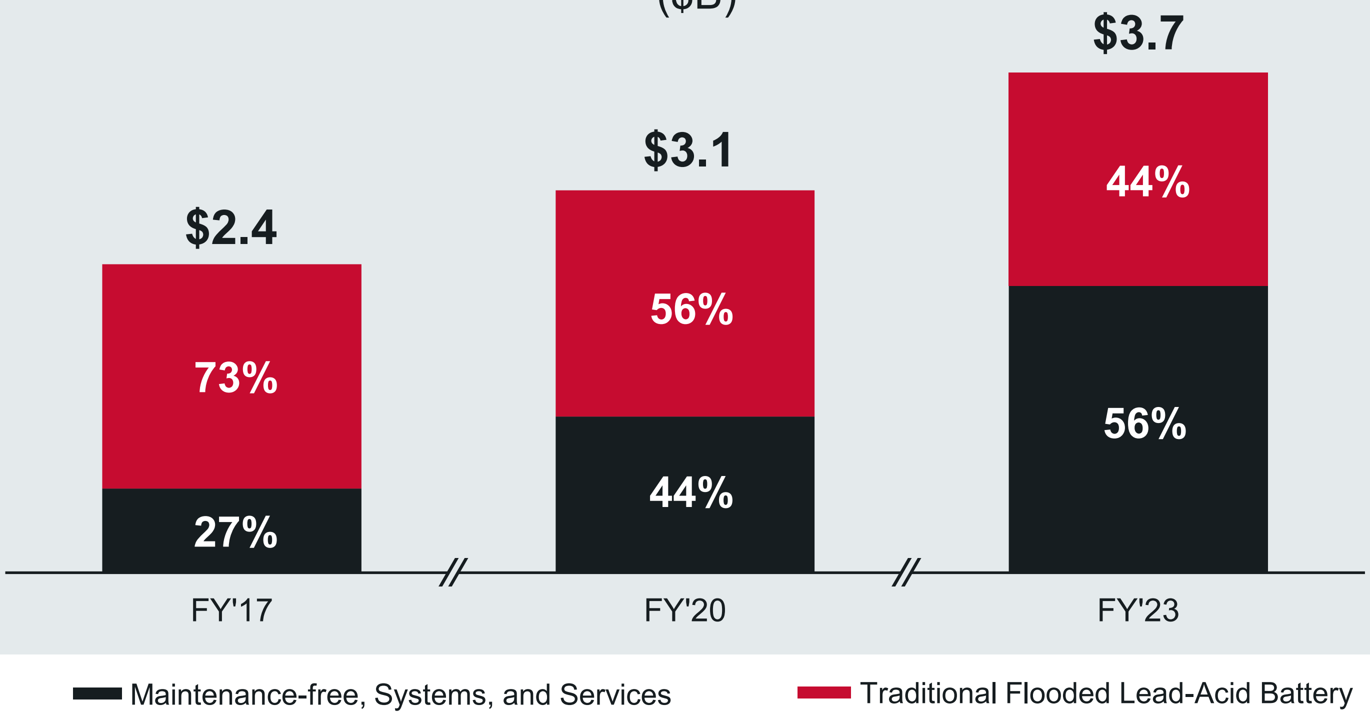
Compounding growth through differentiated end-to-end solutions

Putting the "Sys" in EnerSys

EOS: EnerSys Operating System

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

NET SALES MIX
($B)



HIGHLIGHTS

110 New Product Introductions

3.5x Faster New Product Development Time

75 UL Approvals

288% Increase in Engineers

Executed Clear Strategy — Ready to Accelerate

UL: Underwriters Laboratory

Business Segments

ENERGY SYSTEMS

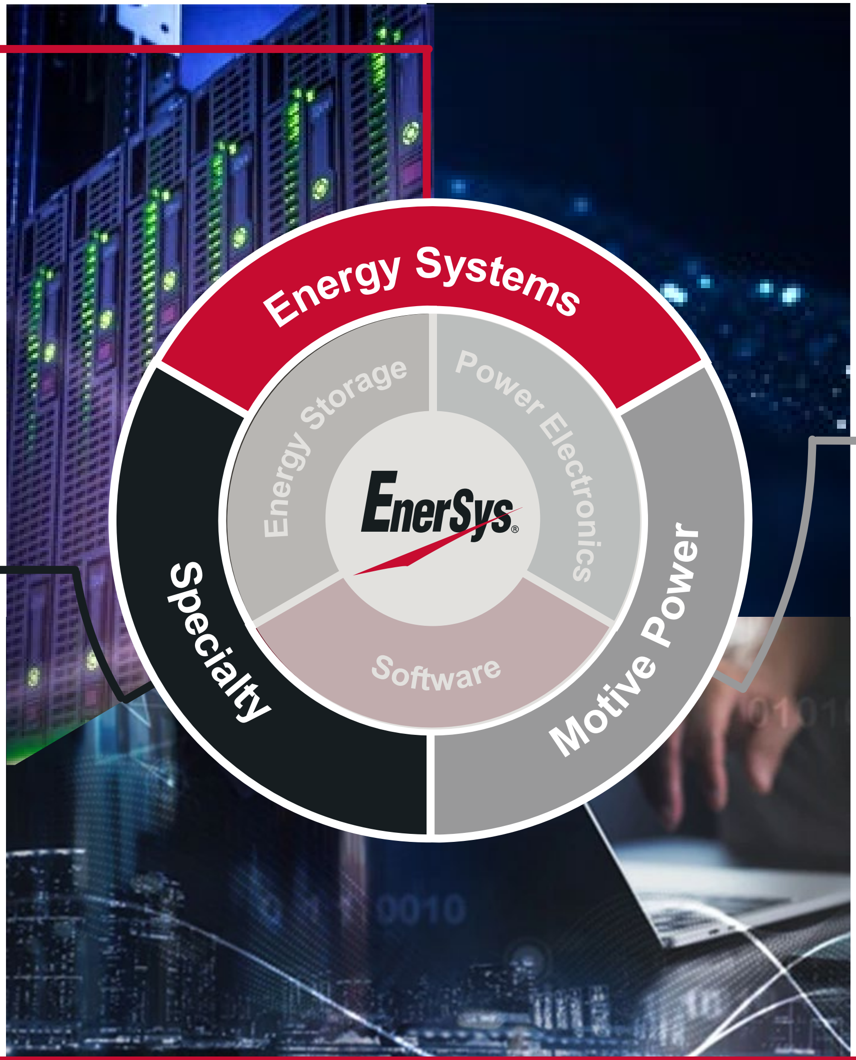
Power conversion, power distribution, and energy storage solutions

- Communication Networks
- Data Centers
- Industrial Power, Utilities, and Renewable Energy

SPECIALTY

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

- Transportation
- Aerospace and Defense



MOTIVE POWER

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

- Logistics and Warehousing

Premium Energy Solutions Powering 6 Diverse End Markets

Foundational Core Modular Platforms

ENERGY STORAGE

Lithium-ion

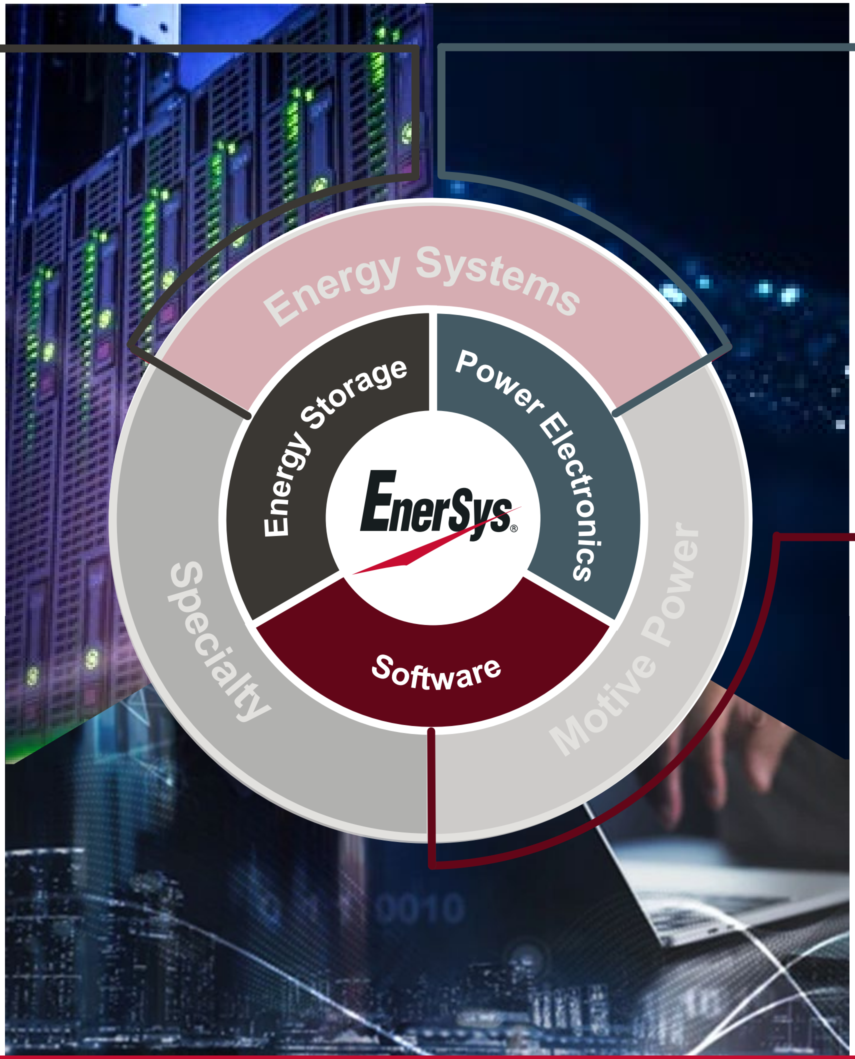
- Maintenance-free
- Longer cycle life
- Fastest charge rate
- Innovative safety technology
- High power density / heavy duty applications

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
- AI / Machine Learning

Differentiated Platforms with Enhanced Vertical Capabilities and Tailored Solutions

TPPL: Thin Plate Pure Lead

Addressing Global Megatrends in Attractive and Diverse End Markets

~$30B+
Serviceable Addressable Market[1]

$3.7B
EnerSys FY'23 Net Sales

Diverse End Markets
- Communication Networks
- Data Centers
- Industrial Power, Utilities, and Renewable Energy
- Logistics and Warehousing
- Transportation
- Aerospace and Defense

Energy Transition
- Modernizing energy grids, storage, and distribution
- Shifting market to EVs

Energy Security
- Increasing resiliency of electrical infrastructure and grid
- Growing need for reliability of mission-critical facilities

Connectivity
- Continuing to rollout 5G with path for 6G
- Expanding broadband to rural areas

Automation
- Challenging labor market and cost-efficiencies
- Implementing autonomy for scalability

Decarbonization
- Improving energy management and reducing emissions
- Evolving regulatory environment (e.g., Set Rule and IRA)

Megatrends Increasing Demand for Energy Solutions

[1] SAM includes existing markets we serve, excludes Fast Charge and Storage (FC&S); Source: Third-party research and Company estimates; IRA: Inflation Reduction Act

Leveraging Our Sustainable Competitive Advantages

Deep Customer Relationships

Customer-centric end-to-end solutions provider, from design to asset management software, service, and replacement

Domain Expertise

Product and company differentiation around systems / technology with **core competencies at scale**

Modular Technology

Only fully integrated provider of power hardware, conversion, and software systems to diverse end markets

Resilient Business Model

Large, diverse end-markets and global customer base supported by strong balance sheet and cash generation

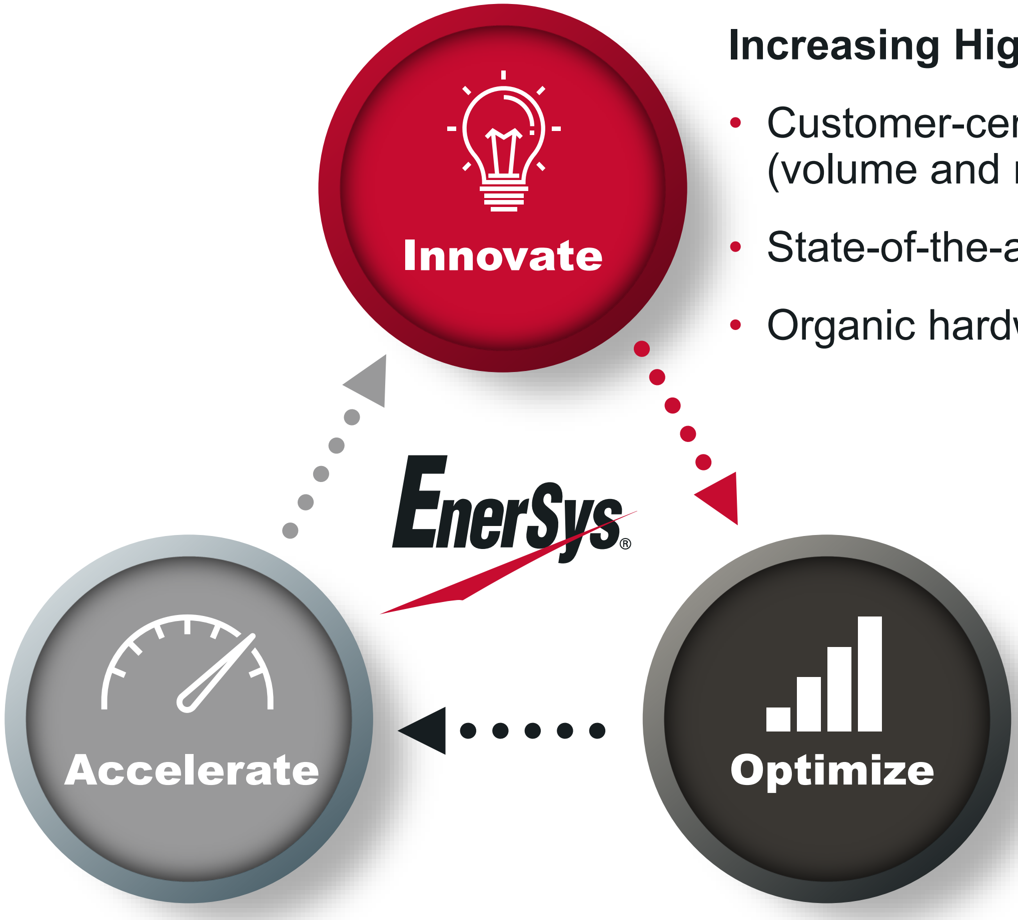
Operational Excellence

Continuous improvement driven by EOS enabling **margin expansion opportunities**

Maturity Plus Advanced Growth are Key Differentiators

EOS: EnerSys Operating System

Strategic Priorities Driving Long Term Growth



Increasing Higher Value Solutions

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

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)

Expanding Margins

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

Clear and Consistent Strategy with Sustainable Competitive Advantages

NPI: New Product Introductions; IRA: Inflation Reduction Act

Our Sustainability Journey

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

1H 2021 — Formed ESG and DEI Steering Committees

July 2021 — Launched inaugural diversity engagement survey

August 2021 — Published initial sustainability update

December 2021 — Published supplemental environmental data

April 2022 — Published inaugural GRI and SASB-aligned Sustainability Report

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

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

December 2022 — Published first TCFD report

May 2023 — Published 2022 Sustainability Update

August 2023 — Scope 3 Inventory Published

2024 — Target date for climate goal detail road map

2025 — Target date for 2021 diversity and employer recognition goals

2030 — Target date for energy and water intensity reduction goals

2020 2021 2022 2023 2024 2025 2030

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

Committed to a Sustainable Future

SUSTAINABILITY OF PRODUCTS AND SERVICES

- Driving profitability and growth, with focus on **energy transition** and **customer decarbonization** goals
  - Developing circular lithium-ion battery recycling process
- Improving products and services for **customers' sustainability needs**
- Leveraging online customer portal to optimize battery recycling, **reduce environmental impact, and increase profitability**

ENVIRONMENTAL STEWARDSHIP

- Tracking emissions metrics
  - **Scope 1 goal: neutral by 2040** ~8% GhG reduction since 2021 >24% GhG reduction since 2019
  - **Scope 2 goal: neutral by 2050** ~4% GhG reduction since 2021
  - Published 2022 **Scope 3 value chain emissions data**
- Disclosing water withdrawal volumes at manufacturing sites
  - **Goal: reduce water intensity per kWh 25% by 2030**
  - 1.4% reduction in water consumption vs. 2021

OUR PEOPLE AND COMMUNITY

- **Committed to embedding DEI** in business strategy
  - Female representation in leadership up to 13% from 9% between 2021 and 2022
- Created DEI Steering Committee
  - Launched **first diversity engagement survey** (2021)
- Recognized by Newsweek as **one of "America's Most Responsible Companies"** in Technology Hardware industry (2023)

SUSTAINABILITY GOVERNANCE

- Assigned **Board-level oversight** on sustainability
- Created Steering Committee and **dedicated sustainability team** (2021)
- Awarded **EcoVadis silver medal** for sustainability governance (2023)
- Embedded sustainability considerations **across supply chain**
- Published first **TCFD-aligned report** (2022)

Helping Customers Meet their Goals While Simultaneously Achieving Ours

GhG: Greenhouse Gas; TCFD: Task-Force on Climate-Related Financial Disclosures; kWh: Kilowatt-hour

Energy Systems at a Glance

FY 2023 KEY STATISTICS[1]

Net Sales	Adj. Operating Earnings[2]	Global Installed Base	Customers	Market Share
$1.7B	$86M	**1M+** Systems in Operation	Multi-National Blue Chip	**North America** - leading market position **Global** - high growth opportunities

Serving Diverse and Critical End Markets

COMMUNICATION NETWORKS

DATA CENTERS

INDUSTRIAL POWER, UTILITIES, AND RENEWABLE ENERGY

POWER SYSTEMS

BATTERIES

ENCLOSURES

SERVICES

- Engineering
- Installation
- Preventative Maintenance
- Construction
- Provisioning
- Monitoring Software

[1] FY 2023, year end March 31, 2023
[2] Non-GAAP financial measure. Please refer to appendix for reconciliation

Well-Positioned to Grow in Attractive Addressable Market

DRIVERS

- Network expansion and capex funded build programs
- Ongoing operational maintenance of networks and facilities
- High bandwidth services drive increased energy consumption
- RDOF / BEAD incentives for building out underserved broadband areas

$400B+
Total Global Network Infrastructure Market

~$20B+
Serviceable Addressable Market[1]

$1.7B
Energy Systems
FY'23
Net Sales

MARKET DYNAMICS

Resilient Power Everywhere

- Tailored solutions providing higher energy density and efficiencies
- Resilient and reliable systems for continuity of operations
- Scalable, intelligent integrated systems

Favorable Position to Capture Greater Share in Critical Power

RDOF: Rural Digital Opportunity Fund; BEAD: Broadband Equity, Access, and Deployment
[1]Source: Third-party research and Company estimates of Critical Power in Global Network Infrastructure Market

Motive Power at a Glance

FY 2023 KEY STATISTICS[1]

Net Sales	Adj. Operating Earnings[2]	Installed Base Global Charge Points	Countries	Global Market Share
$1.5B	$179M	~500K	121	~22%

Solutions Utilized by Electric Forklifts, Mining, and Other Commercial Electric-Powered Vehicles

EnerSys BRANDS / PRODUCTS

Batteries

Charging

Software & Services

EnSite

E connect

WiiQ

xinx

[1] FY 2023, year end March 31, 2023
[2] Non-GAAP financial measure. Please refer to appendix for reconciliation
[3] Source: BCI, Eurobat, other industry reports and management estimates based on the markets where EnerSys participates. Market size and share are for batteries and chargers only. CY2022 estimates.

Well-Positioned to Grow at or Above Market

DRIVERS

Electrification
- Decarbonization
- Environmental health and safety
- Lower cost of operation vs. ICE
- Lithium technology enablement

Automation
- Operational efficiencies
- Lack of labor and increased labor costs
- Software management capabilities
- Maintenance-free solutions

~$6.8B
Serviceable Addressable Market

$1.5B
Motive Power
FY’23
Net Sales

FUTURE STATE

Fully-Automated Warehouse

- Maintenance-free power
- Wireless charging
- Hands-off operation
- IoT connected batteries and chargers
- Powering AGV and AMR applications

EnerSys Innovation Enables Path to Future State

August 2023

AGV: Automated Guided Vehicle; AMR: Autonomous Mobile Robots
Note: SAM comprised of Forklift Batteries & Chargers: Traditional material handling market where ENS sells batteries and chargers to electric forklift trucks and Ancillary Markets: Floor Care Equipment, Ground Support Equipment, Mining, Rail and other segments; Source: Third-party research and Company estimates

Specialty at a Glance

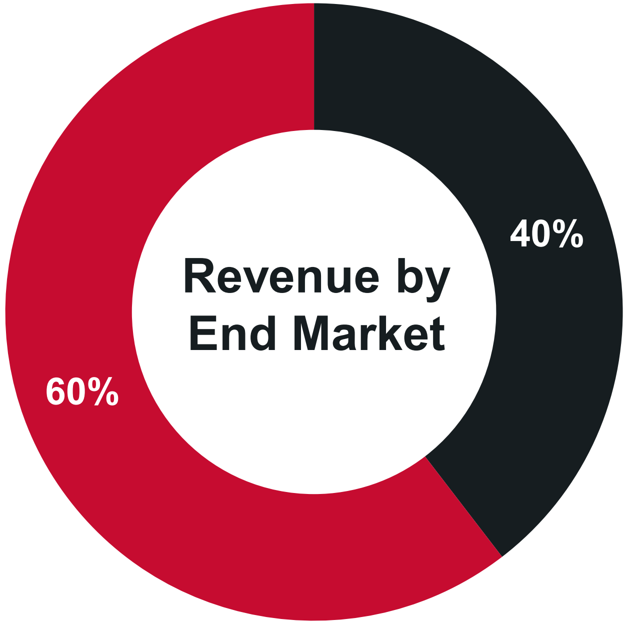
FY 2023 KEY STATISTICS[1]

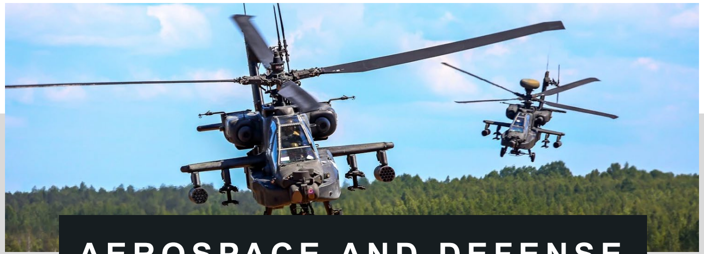
Net Sales	Adj. Operating Earnings[2]	Transportation Installed Base[3]	Customers Served	Market Share[3]
$519M	$39M	1.8M Trucks	700+	30% U.S. OEM Truck Market

TRANSPORTATION

Key Innovations

- Best-in-class power and energy for heavy-duty trucks
- Odyssey® Connect system supports battery health and life
- Superior performance for less down time





AEROSPACE AND DEFENSE

Key Innovations

Aerospace

- 5B+ cell hours without failure

Defense

- 70%+ share of DoD NATO 6T battery spend for U.S. Army tactical vehicles (TPPL)
- Lithium IP for next gen U.S. Space and Missile Defense applications

OEM: Original Equipment Manufacturer; DoD: Department of Defense; NATO: North Atlantic Treaty Organization; TPPL: Thin Plate Pure Lead
[1] FY 2023, year end March 31, 2023
[2] Non-GAAP financial measure. Please refer to appendix for reconciliation
[3] U.S. Transportation Truck Market Class 4 - 8

Positioned to Further Capture Share in Large and Attractive Markets

DRIVERS

- Increasing fleet electronic loads
  - Vehicle tracking systems
  - Audio / infotainment / GPS
  - Stop - start
  - Anti-idle / APUs
- Growing demand for higher-density and more resilient batteries
- Maximizing uptime / minimizing downtime with engines running

~$3.1B

Serviceable Addressable Market[1]

~$1B A&D

~$2.1B Transportation

$519M

Specialty FY'23 Net Sales

MARKET DYNAMICS

High-Density Resilient Power

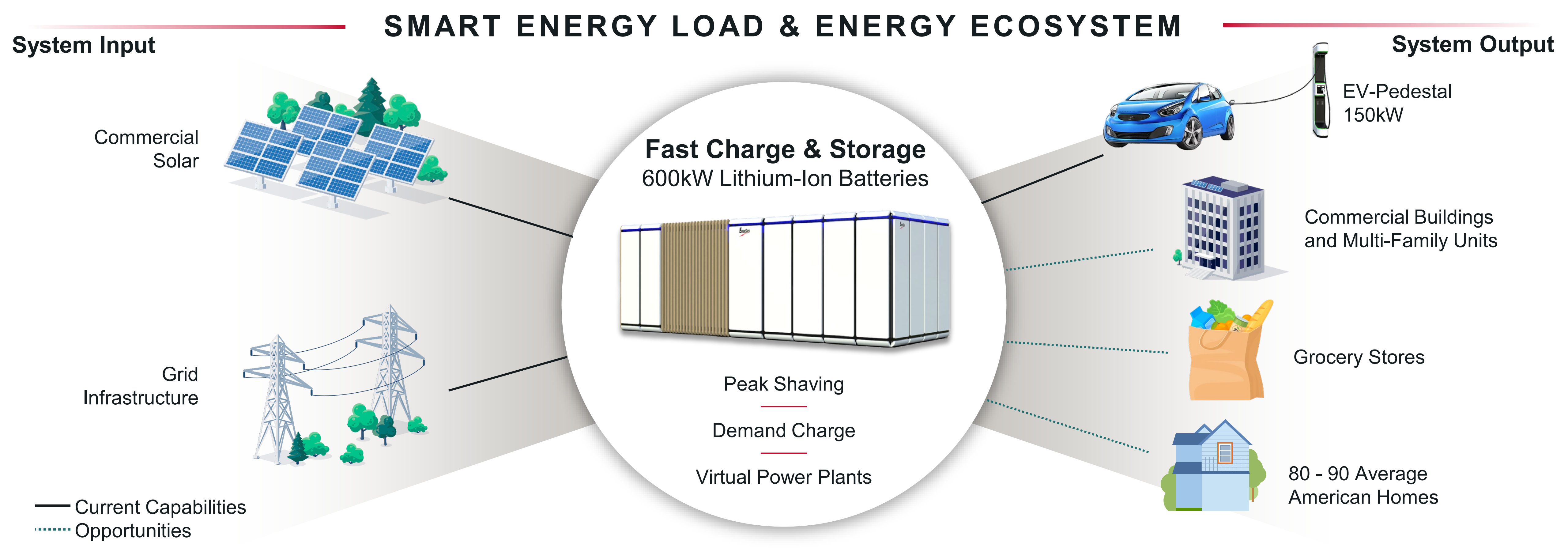
- Currently 9% of SAM
  - 31% OEM
  - 30% OES
  - 3% B2B / B2C
- Achieving 31% OEM market share in Aftermarket: $630M
- Leveraging OEM success to capture aftermarket share
- "Like-for-like" Odyssey® battery replacements in higher-margin aftermarket

Providing Higher-Density and More Resilient Batteries

APU: Auxiliary Power Units; A&D: Aerospace and Defense; OEM: Original Equipment Manufacturer; OES: Original Equipment Supplier

[1] North America Medium and Heavy-Duty Truck Market Class 4 – 8; Source: Third-party research and Company estimates

Powering the Future through Energy Management Capabilities

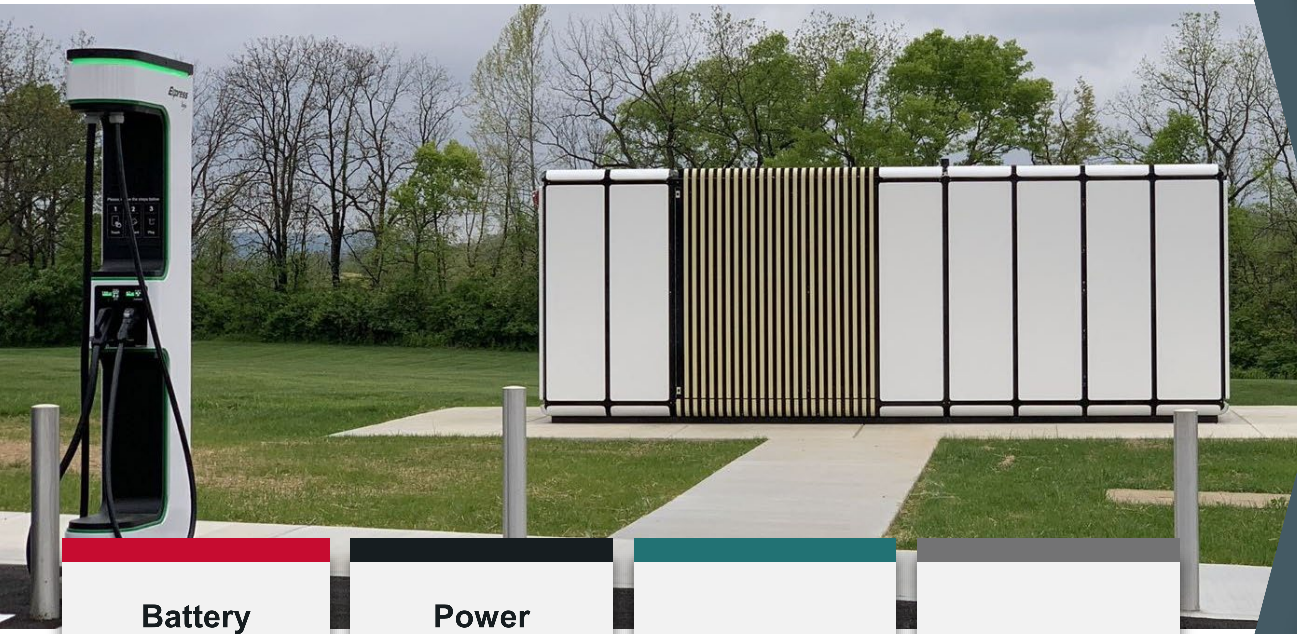


CLEAN | DECENTRALIZED | RESILIENT | OPTIMIZED

kW: Kilowatt

Accelerating Innovation with Fast Charge & Storage

END-TO-END SOLUTION



Battery Energy Storage System (BESS)

Power Conversion System

DC Pedestal

Software

KEY BENEFITS

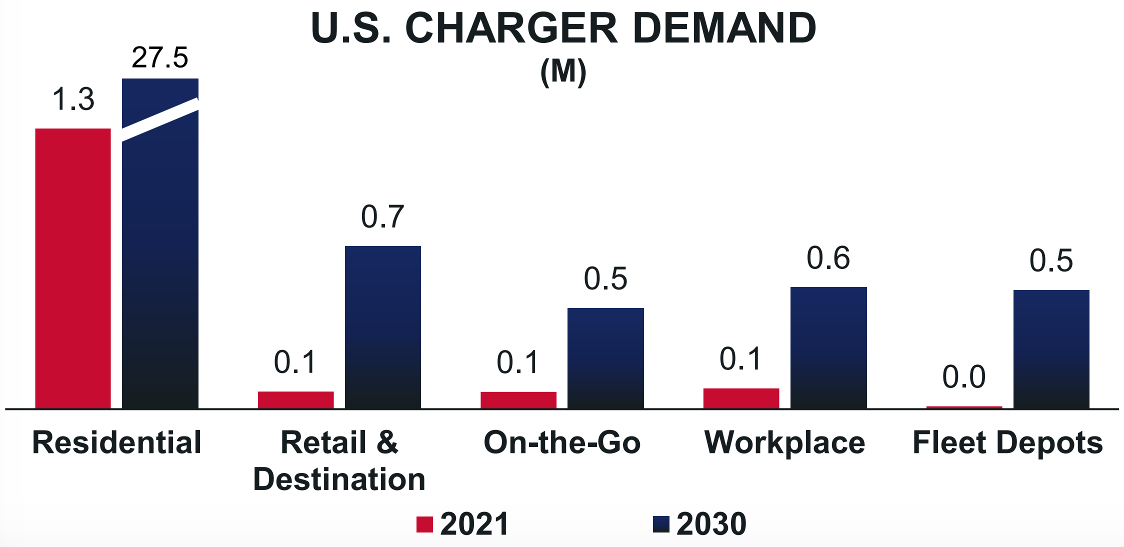
- Smart energy and load management ecosystem for reliable fast charging solutions
- Solar panel integration in decentralized system enables power in rural areas
- Modularity allows growth with the market
- Storage technologies boost energy load capabilities and increase cost savings
- Reliable customer experience
- 1 day installation; easy permitting

Efficiently Store, Manage, and Transfer Energy Needed to Support Growing Demands

DC: Direct Current

Significant Opportunity in Attractive and Growing Market

TARGET MARKET PUBLIC DC CHARGERS[1]



MARKET OPPORTUNITY

$217B[2]

Global Public DCFC Hardware Spend Estimate 2022 – 2030

$7.5B+

Bipartisan Infrastructure Law DCFC Spend

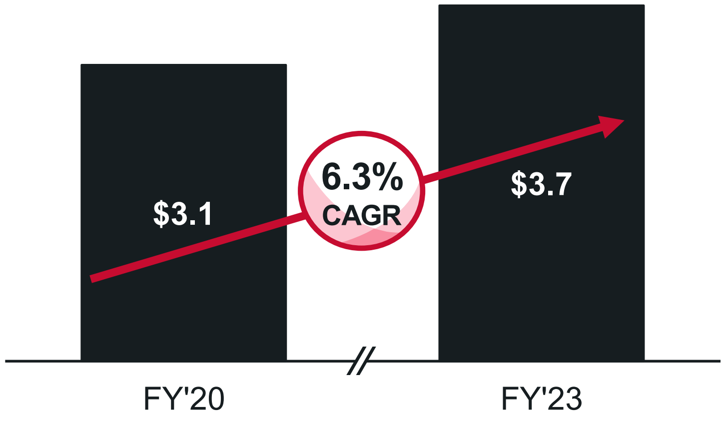
Well-Positioned to Capture Share of Future Opportunity

DCFC: Direct Current Fast Charging
[1] McKinsey Report 2023
[2] Bloomberg New Energy Finance (BNEF) Long-Term Electric Vehicle Outlook 2022

FY’20 to FY’23 Financial Performance

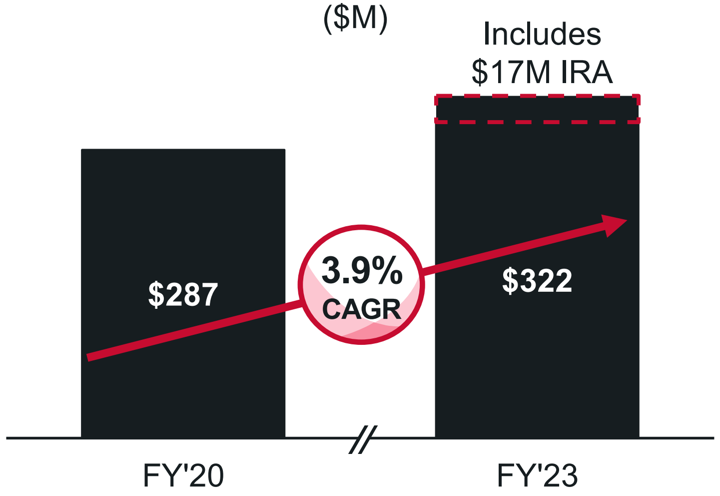
NET SALES

($B)

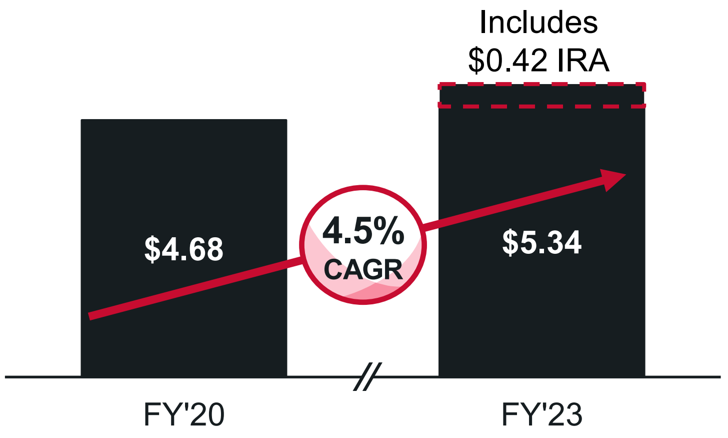


ADJ. OP EARNINGS[1]

($M)



ADJ. DILUTED EPS[1]



KEY DRIVERS

- Robust demand from growing markets, richer product mix, and price / cost recapture (~$450M of 0-margin cost recapture)
- $475M from TPPL expansion from FY’20 to FY’23

- Shifting to higher margin, maintenance-free, and technology-rich solutions
- Reducing costs via EOS and footprint optimization
- Capitalizing on OpEx leverage from disciplined spend
- Offsetting margin pressures from supply chain, inflation, and price / cost recapture lag

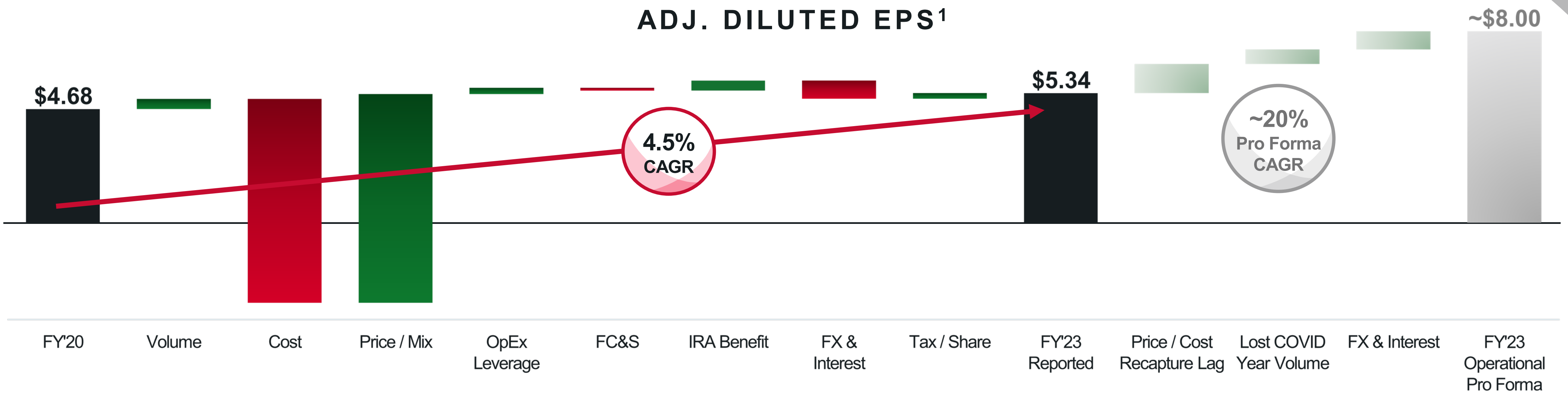
- FY’23 earnings muted by FX / interest expense
- ~$220M in net share repurchases since 2020
- Stable tax rate ~18%

Significant Progress on Initiatives Positions Us Well to Accelerate Profitable Growth

TPPL: Thin Plate Pure Lead; NPI: New Product Introductions; EOS: EnerSys Operating System

[1] Non-GAAP financial measure. Please refer to appendix for reconciliation

FY'20 to FY'23 Bridge



Segment Performance

- Capitalizing on high-growth end-markets
- **Significant price / mix achievements across all lines of business overcame unprecedented market dynamics (supply chain / inflation)**
- Costs net of cost savings and productivity headwinds from tight labor markets and supply disruptions

Operational Efficiencies and Wins

- EOS waste elimination and footprint optimization
- Leverage from OpEx growing slower than Sales
- IRA funding
- Stock buybacks

Headwinds

- FX and interest rates
- Price / cost recapture lag (pro forma applies Q4'23 recapture exit to entire year)
- COVID lost year of revenue growth

Successfully Navigated Through Unprecedented Market Conditions

August 2023

FC&S: Fast Charge & Storage; IRA: Inflation Reduction Act; EOS: EnerSys Operating System

[1] Non-GAAP financial measure. Please refer to appendix for reconciliation

Strong and Flexible Balance Sheet

SUMMARY CAPITAL STRUCTURE	($M, 07/02/2023)
Cash & Cash Equivalents	$258
$850M Revolving Credit Facility[1]	$115 drawn
2026 Term Loan (USD)[1]	$422
2026 Term Loan (CAD)[1]	$77
Total Secured Debt	**$614**
4.375% Senior Notes due 2027[1]	$300
Total Debt[2]	**$945**
FY 2023 Adj. EBITDA[3]	$388
Net Leverage[3,4]	**1.5x**

2x – 3x Long-Term Net Leverage Ratio Target

Strong balance sheet with significant upcoming cash generation supported by earnings growth and disciplined POC management

Favorable credit ratings (S&P BB+ / Moody's Ba2)

Targeting net leverage at low end of long-term range

Well-Capitalized to Accelerate Profitable Growth

POC: Primary Operating Capital
[1] Includes unamortized issuance costs; in total $6M across total debt
[2] Total debt includes $31M of short-term debt
[3] Non-GAAP financial measure. Please refer to appendix for reconciliation
[4] Net leverage = Net Debt / Adj. EBITDA (per credit agreement)

Clear Path to Achieving FY'27 Targets

	NET SALES	ADJ. OPERATING MARGIN[1]	ADJ. EBITDA[1]	ADJ. EPS[1]
FY'23 Baseline	6.3% FY'20-23 CAGR	8.7%	$388M	$5.34
FY'27 Targets	8% - 10% FY'23-27E CAGR	14% - 16%	$850M - $950M	$11.00 - $13.00 + reinvestment of capital for additional shareholder value creation

- Megatrends accelerate established positions in high growth end-markets
- FC&S supports energy transition
- Mix shifts to higher margin technology-rich products

- EOS drives continuous operational efficiencies, productivity, and waste reduction
- OpEx leverage enables margin expansion
- IRA benefit accelerates domestic lithium strategy, enabling FC&S, and maintenance-free initiatives

Industry-Leading Core Technologies Critical to Energy Transformation and U.S. Independence Combined with Deep Customer Relationships Drive Long-Term Success

FC&S: Fast Charge & Storage; EOS: EnerSys Operating System; IRA: Inflation Reduction Act
[1] Non-GAAP financial measure. Please refer to appendix for reconciliation. EnerSys does not provide a quantitative reconciliation for forward-looking metrics.
Please see appendix for our statement on reconciliations of GAAP to non-GAAP financial measures.

Accelerating Growth in Diverse End Markets

Total EnerSys: 8% – 10%

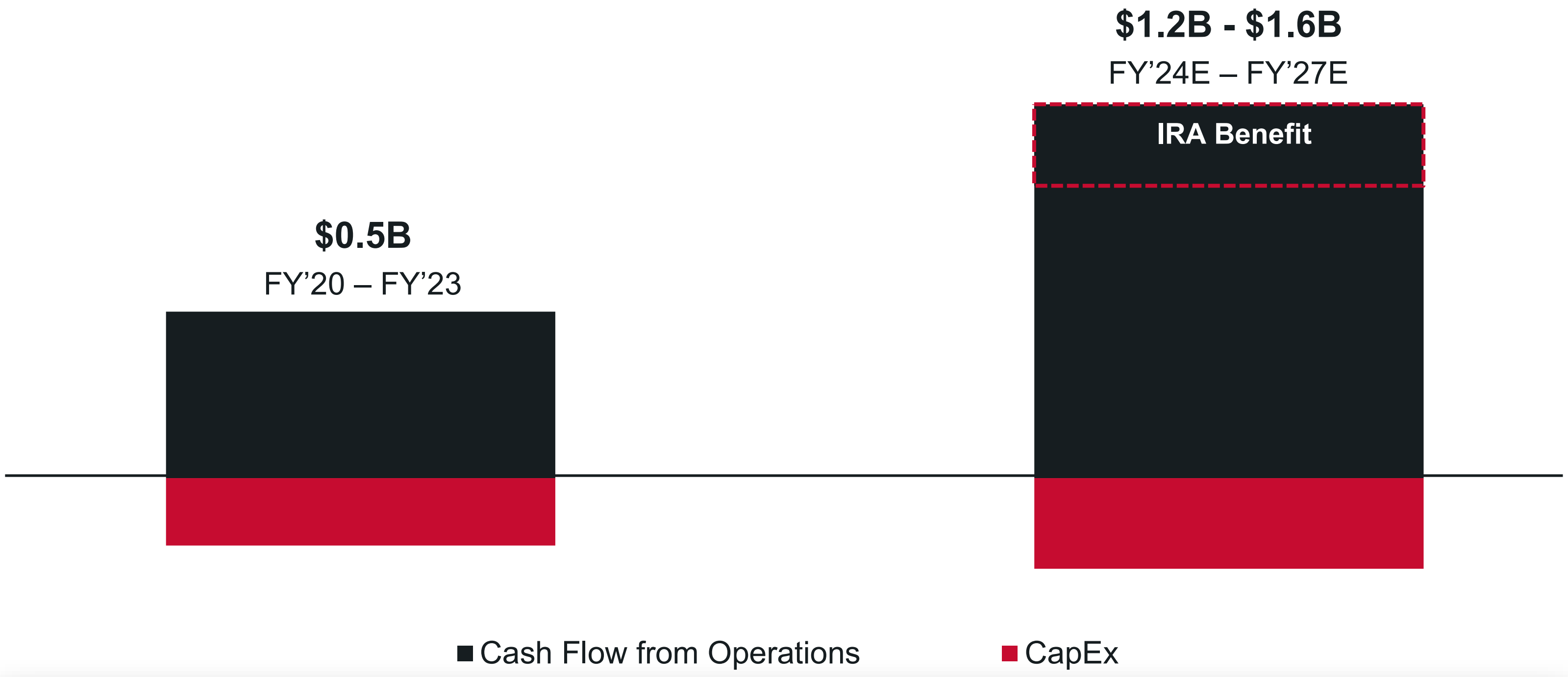
Net Sales
FY'23 – 27E CAGR

	Energy Systems	Motive Power	Specialty	Fast Charge & Storage
CAGR	6% – 8%	5% – 7%	10% – 12%	Incremental
Drivers	• Accelerating higher-tech content broadband and telecom solutions • Maintaining availability of critical power needs • Expanding globally	• Growing automation and electrification demand • Increasing maintenance-free solutions	• Capturing market share with capacity expansion • Increasing aftermarket penetration • Supplying critical A&D solutions	• Demonstrates ability to leverage core modular platforms into new high growth markets

Clear Path to Compounding Growth

Significant Free Cash Flow Generation

FREE CASH FLOW[1]



FY'24E – FY'27E Avg Annual Free Cash Flow Improves 2.5x

DRIVERS

- Revenue and earnings growth
  - Improved volume and price / mix
  - EOS savings
  - Positive OpEx leverage
- POC normalization – reduce average percent of net sales from 27% to 23%
- Average FCF conversion ~95%
- CapEx may increase for domestic lithium sourcing and maintenance-free expansion as IRA funds are re-invested

Accelerating Free Cash Flow through Earnings Growth, POC Normalization, and IRA Benefits

EOS: EnerSys Operating System; POC: Primary Operating Capital; IRA: Inflation Reduction Act

[1] Non-GAAP financial measure. Please refer to appendix for reconciliation. EnerSys does not provide a quantitative reconciliation for forward-looking metrics. Please see appendix for our statement on reconciliations of GAAP to non-GAAP financial measures.

Disciplined Capital Allocation Strategy

	PRIORITIES		FY'20 – FY'23 ($M, cumulative)
1	Invest in Organic Growth (CapEx)		~$330
2	Strategic M&A		~$180
3	Net Leverage[1]		1.7x – 2.5x
4	Return of Capital	*Dividends* *Buybacks*	~$110 ~$220

FUTURE PRIORITIES

- Continue TPPL capacity investments & end-to-end solutions
- Optimize EOS to drive additional operational efficiencies

- Accelerate domestic-sourced lithium strategy
- Innovate with incremental systems solutions
- Execute opportunistic tuck-in acquisitions

- Target low end of 2x – 3x long-term net leverage range

- Committed to competitive dividend yield
- $186M outstanding repurchase authorization
- Offset share dilution

Investments Support Significant Shareholder Value Creation

August 2023

TPPL: Thin Plate Pure Lead; EOS: EnerSys Operating System

[1] Non-GAAP financial measure. Please refer to appendix for reconciliation; Net leverage = Net Debt / Adj. EBITDA (per credit agreement)

Strategic and Accretive M&A

STRATEGIC FILTERS

- Aligns with Growth Priorities
- Accelerates Technical Evolution in Our Markets
- Adds Differentiating Technology for Portfolio Transformation
- Increases Energy Solutions Capabilities and/or Reach

FINANCIAL FILTERS

- Cost and/or Revenue Synergies
- Accretive to Growth / Earnings
- ROIC > WACC

- Proven integration capabilities: 32 acquisitions for $1.3B since 2004
- Expect to maintain 2x – 3x net leverage[1] ratio

Acquiring New Capabilities and Driving Economies of Scale in Line with Strategic Vision

[1] Non-GAAP financial measure; Net leverage = Net Debt / Adj. EBITDA

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 BENEFITS[1]

Recorded as reduction to COGS

~60% of EnerSys U.S. battery production currently qualifies

Expected Annual Value to EnerSys:
- Years 1 - 7: ~$80 – $120M
- Years 8 - 10: ~$40 – $60M

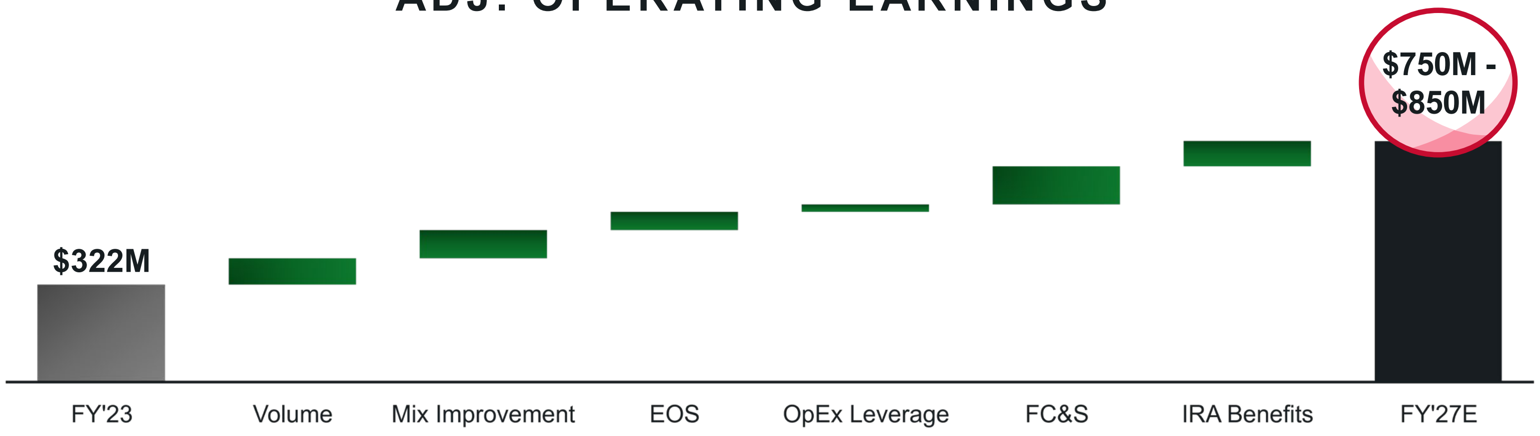
Proceeds will be used as law intended: *to further U.S. capacity of energy-dense batteries*

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

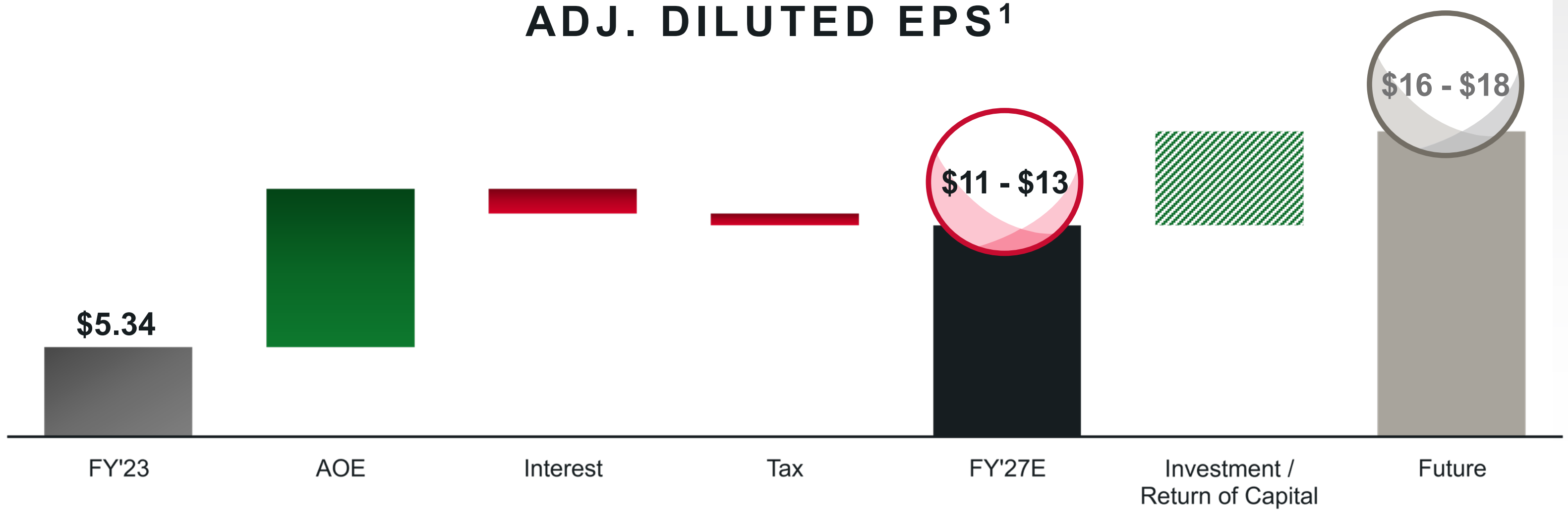
IRC: Internal Revenue Code; Wh/L: watt-hour per liter; Wh: watt-hour; kWh: Kilowatt-hour; TPPL: Thin Plate Pure Lead; FC&S: Fast Charge & Storage;
[1] Awaiting IRS administrative clarification

Expanding Margin and Growing Profits

ADJ. OPERATING EARNINGS[1]



ADJ. DILUTED EPS[1]



DRIVERS

Accelerate Volume Growth
- 8% – 10% net sales CAGR through FY'27
- Capitalize on megatrends in growing end-markets
- Increase share in under-served markets
- Accretive contribution from FC&S in early ramp

Innovate with Richer Mix
- Shift to higher margin, technology-rich products
- Grow maintenance-free solutions

Optimize Expenses
- Accelerate TPPL capacity and lithium strategy
- Drive EOS initiatives
- Leverage OpEx growth < net sales CAGR

Interest and Tax Assumptions
- Interest modeled debt at 2x EBITDA leverage
- Tax rate modeled at 25% before IRA benefit

Significant Cash Generation
- Earnings growth, POC normalization, and IRA benefit
- Timing, return, and capital allocation from excess cash flow and borrowings modeled at return ~ = WACC

EOS: EnerSys Operating System; FC&S: Fast Charge & Storage: IRA: Inflation Reduction Act: TPPL: Thin Plate Pure Lead; POC: Primary Operating Capital
[1] Non-GAAP financial measure. Please refer to appendix for reconciliation. EnerSys does not provide a quantitative reconciliation for forward-looking metrics. Please see appendix for our statement on reconciliations of GAAP to non-GAAP financial measures.

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

EnerSys®

Playing a Critical Role in Accelerating Energy Transition

Appendix

Financial Update

Strong Q1'24 Performance

$909M	$107M	$122M	$1.89	$59M
Net Sales	Adj. Op. Earnings[1]	Adj. EBITDA[1]	Adj. EPS[1]	Free Cash Flow[1]
+1% Y/Y	+65% Y/Y	+43% Y/Y	+64% Y/Y	+$154M Y/Y
	Adj. Op. Earnings[1] Margin of 11.8%	Adj. EBITDA[1] Margin of 13.4%		

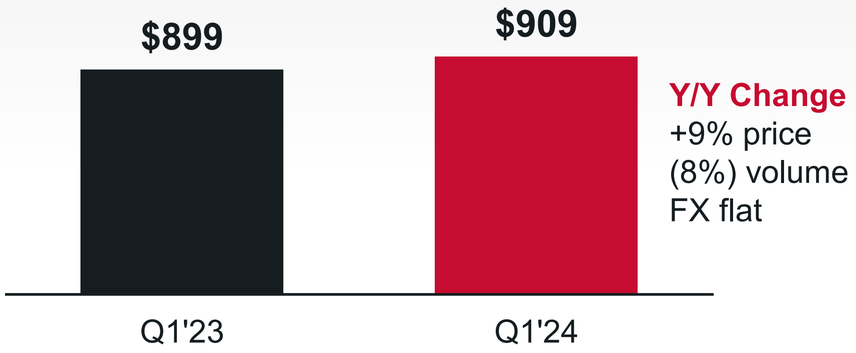
Delivered Solid Operational Results

1) Non-GAAP measure. Please refer to appendix for reconciliation. Includes $19M of IRA tax credit recorded in Cost of Goods Sold (COGS)

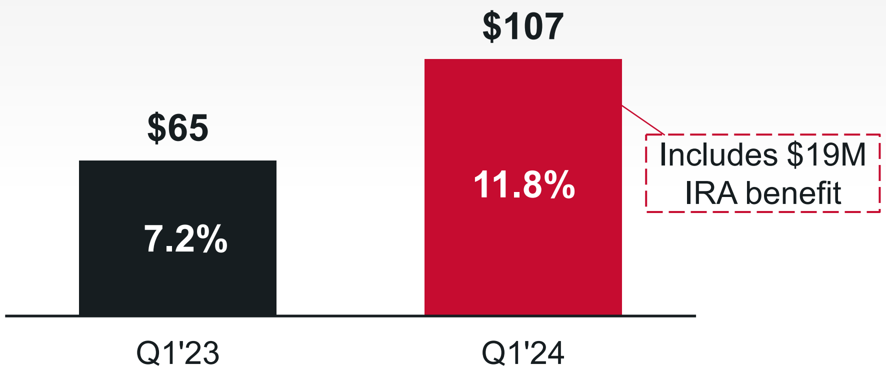
Q1’24 Results

($M, except EPS)

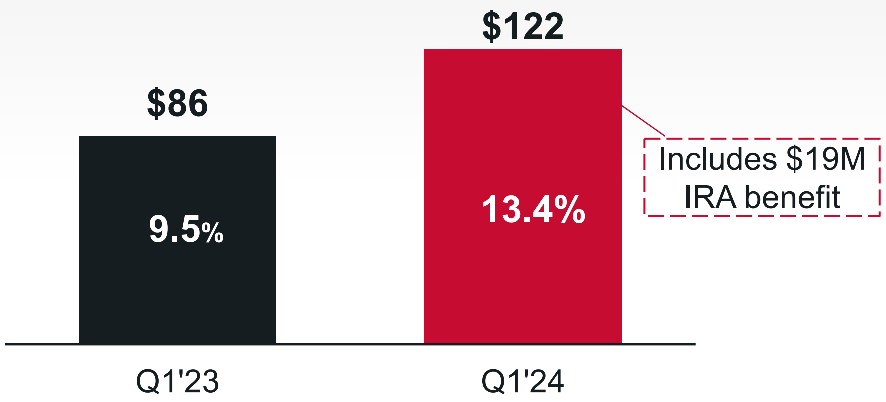
NET SALES



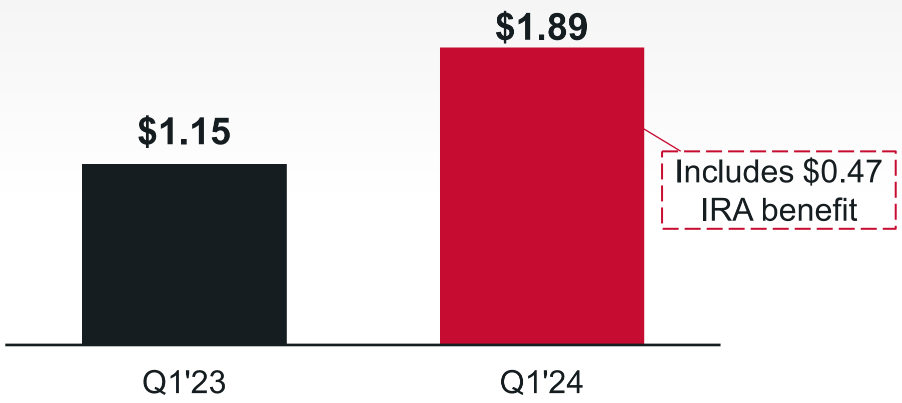
ADJ OPERATING EARNINGS[1] & MARGIN



ADJ EBITDA[1] & MARGIN

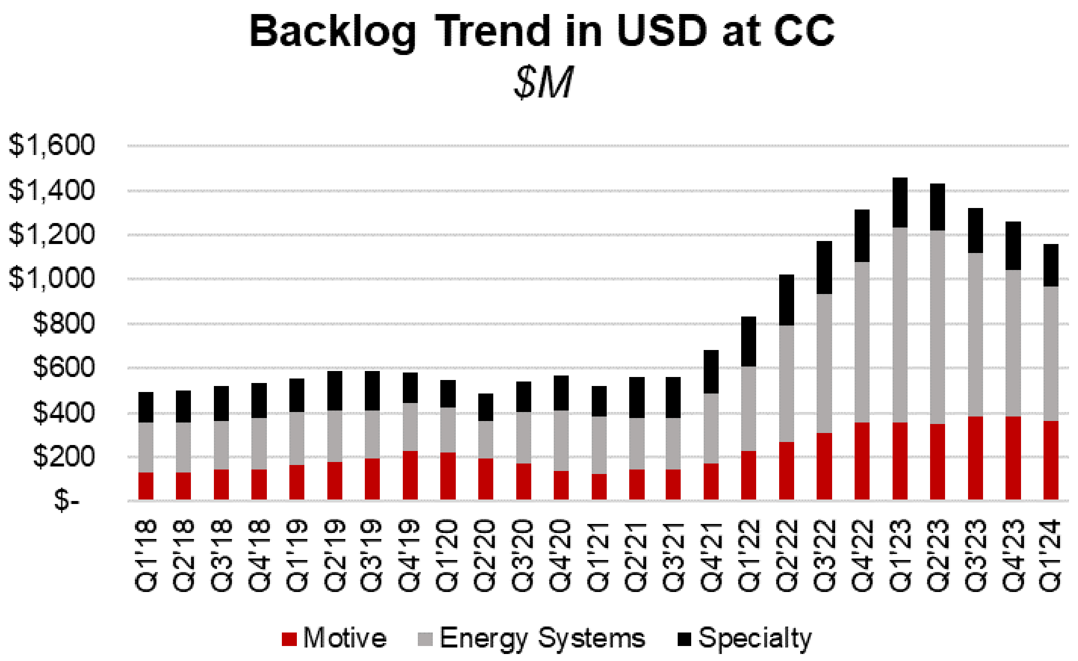


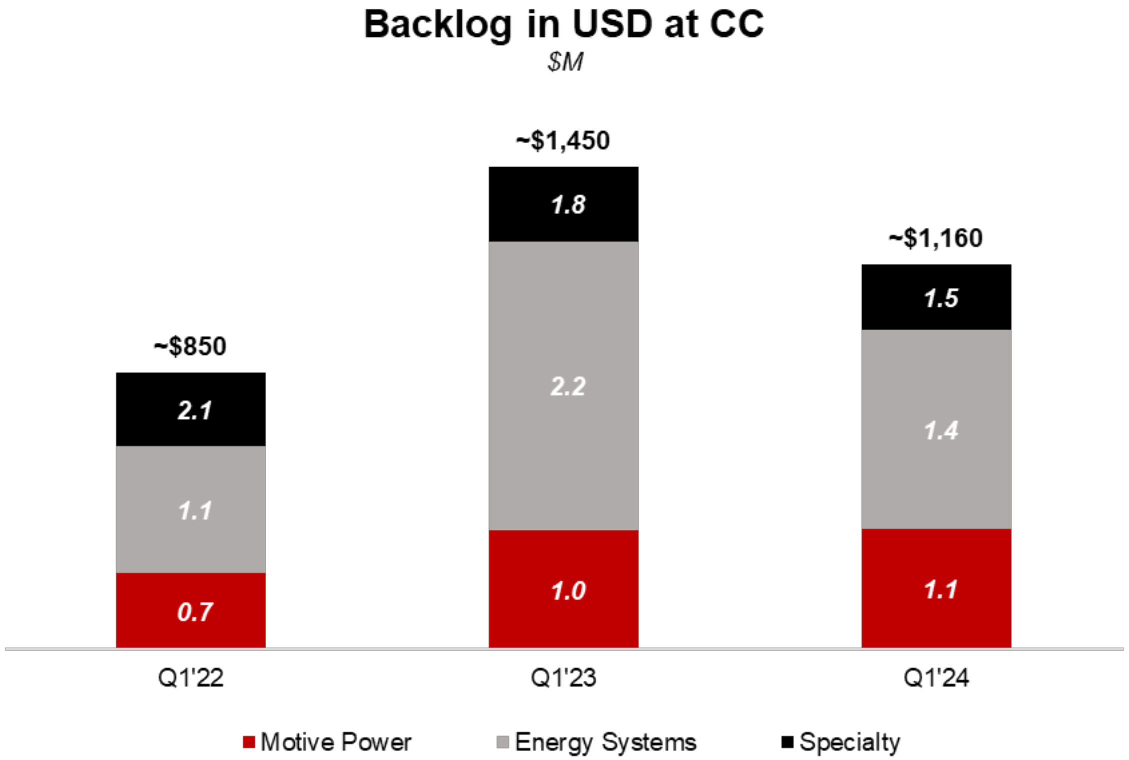
ADJ DILUTED EPS[1]



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

Backlog Normalizing and Remains Healthy





Backlog coverage ratio (backlog / quarterly net sales) by segment noted above

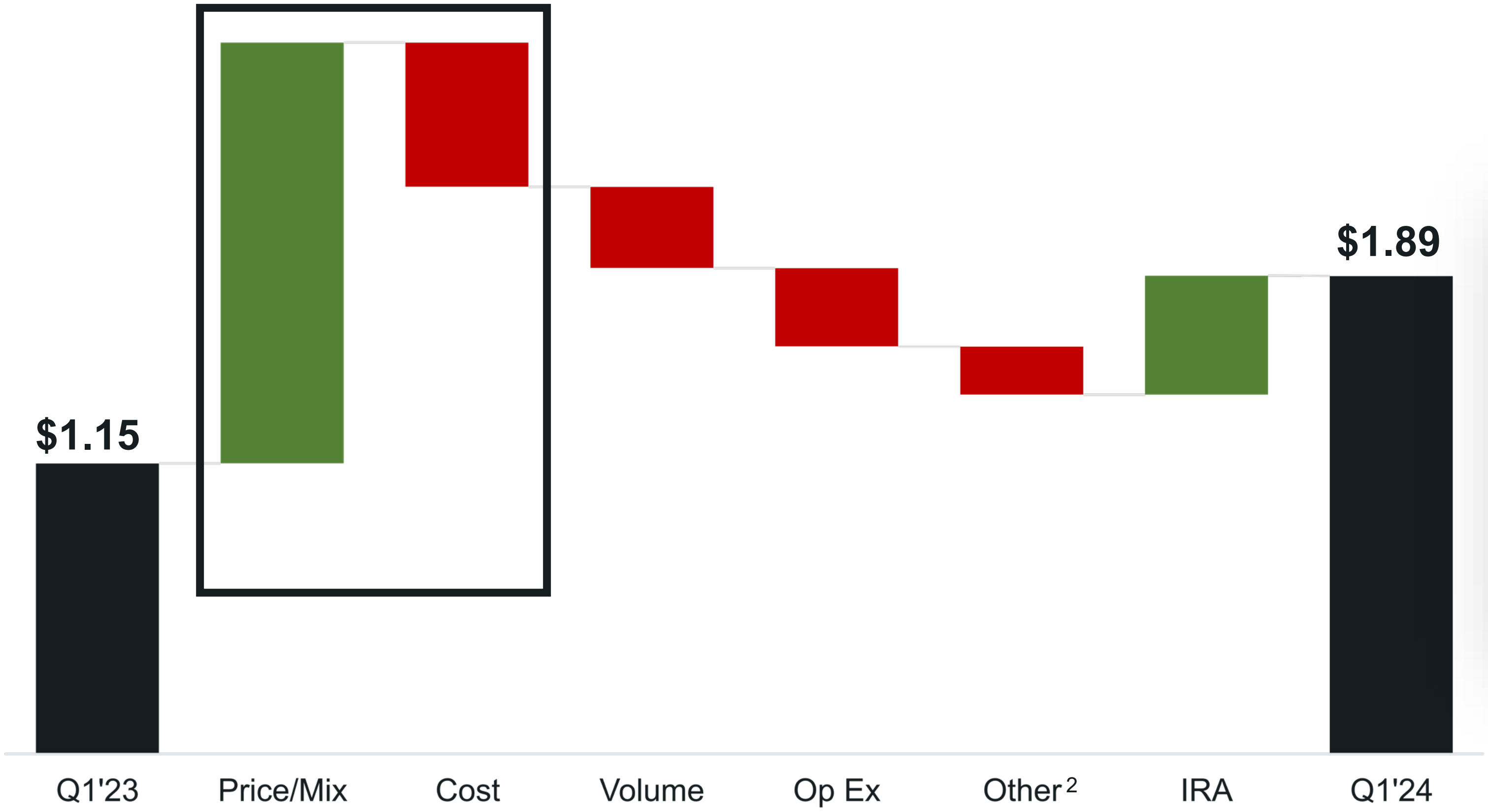
Backlog Down from Peak Prior Year Level; 2X Pre-Covid Levels

August 2023

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

Adj EPS[1] Bridge & Adj Op Earnings[1]

Q1'24 YEAR-OVER YEAR



($M)	Net Sales	AOE[1]
Energy Systems	$424.6	$29.7
Motive Power	$350.8	$50.3
Specialty	$133.2	$9.8
Corporate/Other	-	$17.4
Total	**$908.6**	**$107.2**

Price/Mix Outpaced Costs for Fourth Consecutive Quarter

1) Non-GAAP measure. Please refer to appendix for reconciliation.
2) Other includes Interest, Taxes, Shares, and F/X

Balance Sheet, Cash Flow and Leverage

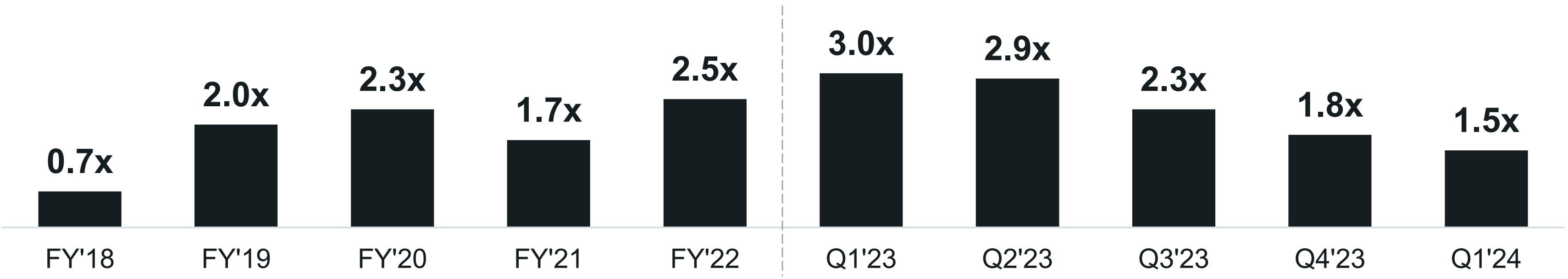
SELECTED BALANCE SHEET METRICS[1]

($M)	FY'23	Q1'24
Cash and Cash Equivalents	$347	$258
Net Debt[3]	$736	$690
Net Leverage Ratio[3]	1.8x	1.5x
Primary Operating Capital[4]	$1,057	$1,033

SELECTED QUARTERLY CASH FLOW METRICS[2]

($M)	Q1'23	Q1'24
Cash Flow from Operations	($72)	$75
CapEx	($23)	($16)
Free Cash Flow[4]	($95)	$59

NET LEVERAGE RATIO[3]



Significant Free Cash Flow Generation and Healthy Balance Sheet

1) Balances as of periods ending March 31, 2023 and July 2, 2023
2) Quarters ending July 3, 2022 and July 2, 2023
3) Net Debt equals total debt less 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

Q1'24 & Q1'23 ADJUSTED OPERATING EARNINGS

Business Segment Operating Results

	Quarter ended ($ millions) July 2, 2023				
	Energy Systems	Motive Power	Specialty	Corporate and other	Total
Net Sales	$ 424.6	$ 350.8	$ 133.2	$ —	$ 908.6
Operating Earnings	$ 22.2	$ 48.2	$ 1.6	$ 17.4	$ 89.4
Inventory adjustment relating to exit activities	—	—	3.1	—	$ 3.1
Restructuring and other exit charges	0.5	1.5	4.3	—	6.3
Amortization of intangible assets	6.2	0.1	0.7	—	7.0
Other	0.8	0.5	0.1	—	1.4
Adjusted Operating Earnings	$ 29.7	$ 50.3	$ 9.8	$ 17.4	$ 107.2

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

Increase (Decrease) as a % from prior year quarter	Energy Systems	Motive Power	Specialty	Corporate and other	Total
Net Sales	3.9 %	(4.6)%	8.7 %	NM	1.1 %
Operating Earnings	NM	41.3	(81.0)	NM	78.4
Adjusted Operating Earnings	NM	19.1	9.9	NM	65.4

NM = Not Meaningful

Non-GAAP Reconciliation

Q1'24 & Q1'23 ADJUSTED EBITDA

	Quarter ended ($ millions)	
	July 2, 2023	July 3, 2022
Net Earnings	$ 66.8	$ 31.0
Depreciation	15.6	15.5
Amortization	7.1	8.1
Interest	15.2	11.6
Income Taxes	6.7	5.8
EBITDA	111.4	72.0
Non-GAAP adjustments	10.8	13.5
Adjusted EBITDA	$ 122.2	$ 85.5

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

	Quarter ended ($ millions)	
	July 2, 2023	July 3, 2022
Inventory adjustment relating to exit activities	$ 3.1	$ 0.0
Restructuring and other exit charges	6.3	8.3
Other	1.4	—
Remeasurement of monetary assets included in other (income) expense relating to exit from Russia operations	—	5.2
Non-GAAP adjustments	$ 10.8	$ 13.5

Non-GAAP Reconciliation

Q1'24 & Q1'23 ADJUSTED DILUTED EPS

	Quarter ended (in millions, except share and per share amounts)			
	July 2, 2023		July 3, 2022	
Net earnings reconciliation				
As reported Net Earnings	$ 66.8		$ 31.0	
Non-GAAP adjustments:				
Inventory adjustment relating to exit activities	3.1	(1)	—	(1)
Restructuring and other exit charges	6.3	(2)	8.3	(2)
Amortization of identified intangible assets	7.0	(3)	6.4	(3)
Remeasurement of monetary assets included in other (income) expense relating to exit from Russia operations	—		5.2	
Other	1.4	(4)	—	(4)
Income tax effect of above non-GAAP adjustments	(6.0)		(3.4)	
Non-GAAP adjusted Net earnings	$ 78.6		$ 47.5	
Outstanding shares used in per share calculations				
Basic	40,937,334		40,786,336	
Diluted	41,698,324		41,352,646	
Non-GAAP adjusted Net earnings per share:				
Basic	$ 1.92		$ 1.16	
Diluted	$ 1.89		$ 1.15	
Reported Net earnings (Loss) per share:				
Basic	$ 1.63		$ 0.76	
Diluted	$ 1.60		$ 0.75	
Dividends per common share	$ 0.175		$ 0.175	

Non-GAAP Reconciliation

Q1'24 & Q1'23 ADJUSTED DILUTED EPS (CONTINUED)

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 above:

	Quarter ended ($ millions)	
	July 2, 2023	**July 3, 2022**
	Pre-tax	Pre-tax
(1) Inventory adjustment relating to exit activities - Motive Power	3.1	—
(2) Restructuring and other exit charges - Energy Systems	0.5	0.2
(2) Restructuring and other exit charges - Motive Power	1.5	8.1
(2) Restructuring and other exit charges - Specialty	4.3	—
(3) Amortization of identified intangible assets - Energy Systems	6.2	6.0
(3) Amortization of identified intangible assets - Motive	0.1	—
(3) Amortization of identified intangible assets acquisitions - Specialty	0.7	0.4
(4) Other - Energy Systems	0.8	—
(4) Other - Motive	0.5	—
(4) Other - Specialty	0.1	—
Total Non-GAAP adjustments	$ 17.8	$ 14.7

Non-GAAP Reconciliation

LEVERAGE RATIO BY YEAR

	Fiscal year ended March 31,					
(in millions, except ratios)	**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	1.8 X	2.5 X	1.7 X	2.3 X	2.0 X	0.7 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. 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

	Last twelve months ($ millions)				
(in millions, except ratios)	**July 2, 2023**	**March 31, 2023**	**January 1, 2023**	**October 2, 2022**	**July 3, 2022**
Net earnings as reported	$211.6	$175.8	$137.9	$129.8	$131.0
Add back:					
Depreciation and amortization	90.2	91.2	92.6	92.1	95.1
Interest expense	63.3	59.5	53.9	43.7	40.2
Income tax expense	35.7	34.8	35.8	31.3	27.4
EBITDA (non GAAP)	$400.8	$361.3	$320.2	$296.9	$293.7
Adjustments per credit agreement definitions(1)	50.1	51.7	59.8	62.3	53.8
Adjusted EBITDA (non-GAAP) per credit agreement(1)	$450.9	$413.0	$380.0	$359.2	$347.5
Total net debt(2)	$690.1	$736.0	$858.9	$1,045.5	$1,048.8
Leverage ratios:					
Total net debt/credit adjusted EBITDA ratio	1.5 X	1.8 X	2.3 X	2.9 X	3.0 X

(1) 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 indefinitelived 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 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 $59.8 million adjustment to EBITDA in LTM fiscal Q3 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 swap termination fee of $1.4M. The $62.3 million adjustment to EBITDA in the last twelve months ending October 2, 2022 primarily related to $26.6 million of non-cash stock compensation, $33.1 million of restructuring and other exit charges, indefinite-lived intangibles of $1.2 million and $1.4 million for swap termination fees. The $53.8 million adjustment to EBITDA in the last twelve months ending July 3, 2022 primarily related to $26.5 million of non-cash stock compensation, $21.7 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 cash and cash equivalents, as defined in the Fourth Amended Credit Facility. last twelve months ending July 2, 2023 and July 3, 2022, the amounts deducted in the calculation of net debt were all cash and cash equivalents of $258.3 million, and $383.2 million, respectively. In Q4 fiscal 2023, the amounts deducted in the calculation of net debt were all cash and cash equivalents of $346.7 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.

Non-GAAP Reconciliation

FREE CASH FLOW

	Quarter Ended			
	July 2, 2023		July 3, 2022	
Net cash provided by (used in) operating activities		74,946		(71,891)
Less Capital Expenditures		(16,093)		(23,014)
Free Cash Flow	$	58,853	$	(94,905)

	Fiscal year ended March 31,			
	2023	2022	2021	2020
Net cash provided by (used in) operating activities	$279.9	($65.6)	$358.4	$253.4
Less Capital Expenditures	(88.8)	(74.0)	(70.0)	(101.4)
Free Cash Flow	$191.1	($139.6)	$288.4	$152.0

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 $1,032.6 million (yielding a primary operating capital percentage of 28.4%) at July 2, 2023, $1,057.0 million (yielding a primary operating capital percentage of 26.7%) at March 31, 2023 and $1,131.5 million at July 3, 2022 (yielding a primary operating capital percentage of 31.5%). The primary operating capital percentage of 28.4% at July 2, 2023 worsened by 170 basis points compared to March 31, 2023 and improved 310 basis points compared to July 3, 2022. The increase in primary operating capital percentage at July 2, 2023 compared to March 31, 2023 was primarily due to a reduction in sales compared to the fourth fiscal quarter of the prior fiscal year. The decrease in primary operating capital percentage at July 2, 2023 compared to July 3, 2022 was primarily 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 July 2, 2023, March 31, 2023 and July 3, 2022 are computed as follows:

($ in Millions)	July 2, 2023	March 31, 2023	July 3, 2022
Accounts receivable, net	$ 566.5	$ 637.8	$ 697.1
Inventory, net	809.4	797.8	777.7
Accounts payable	(343.3)	(378.6)	(343.3)
Total primary operating capital	$ 1,032.6	$ 1,057.0	$ 1,131.5
Trailing 3 months net sales	$ 908.6	$ 989.9	$ 899.0
Trailing 3 months net sales annualized	$ 3,634.4	$ 3,959.6	$ 3,595.9
Primary operating capital as a % of annualized net sales	28.4 %	26.7 %	31.5 %

Non-GAAP Reconciliation

ADJUSTED GROSS PROFIT

	Quarter ended ($ millions)	
	July 2, 2023	July 3, 2022
Net Sales	$ 908.6	$ 899.0
Gross Profit	$ 240.3	$ 185.5
Inventory adjustment relating to exit activities	3.1	-
Adjusted Gross Profit	$ 243.4	$ 185.5

Non-GAAP Reconciliation

FY'23 & FY'22 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

Non-GAAP Reconciliation

FY’20 ADJ. OPERATING EARNINGS

	Twelve months ended ($ millions)			
	March 31, 2020			
	Energy Systems	Motive Power	Specialty	Total
Net Sales	$1,357.3	$1,348.2	$382.3	$3,087.8
Operating Earnings	$31.0	$124.7	$34.5	$190.2
Inventory step up to fair value relating to recent acquisitions	0.3	—	1.6	1.9
Restructuring and other exit charges	7.3	2	6	15.3
Fixed asset write-off relating to exit activities and other	0.1	5.4	—	5.5
Impairment of goodwill	27.9	11.8	—	39.7
Impairment of indefinite-lived intangibles	1.3	2.8	0.4	4.5
Amortization of identified intangible assets from recent acquisitions	22.2	—	0.9	23.1
ERP system implementation and other	3.1	2.1	0.1	5.3
Acquisition activity expense	1.1	—	0.7	1.8
Adjusted Operating Earnings	$94.3	$148.8	$44.2	$287.3

Non-GAAP Reconciliation

FY'23 & FY'22 ADJUSTED EBITDA

	Twelve months ended ($ millions) March 31, 2023	Twelve months ended ($ millions) March 31, 2022
Net Earnings	$ 175.8	$ 143.9
Depreciation	60.4	62.6
Amortization	30.8	33.2
Interest	59.5	37.8
Income Taxes	34.8	30.0
EBITDA	361.3	307.5
Non-GAAP adjustments	26.2	32.0
Adjusted EBITDA	$ 387.5	$ 339.5

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

	Twelve months ended ($ millions) March 31, 2023	Twelve months ended ($ millions) March 31, 2022
Inventory adjustment relating to exit activities	$ 0.6	$ 2.6
Restructuring and other exit charges	16.4	18.8
Impairment of indefinite-lived intangibles	0.5	1.2
Loss on assets held for sale	—	3.0
Other	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	0.6	—
Cost of funding to terminate net investment hedges	1.4	—
Non-GAAP adjustments	$ 26.2	$ 32.0

Non-GAAP Reconciliation

FY'23 & FY'22 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'23 & FY'22 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

FY'20 ADJ. DILUTED EPS

(in millions, except share and per share amounts)	Twelve months ended March 31, 2020	
Net Earnings reconciliation		
As reported Net Earnings	$137.1	
Non-GAAP adjustments:		
Inventory step up to fair value relating to recent acquisitions	1.9	(1)
Restructuring and other exit charges	20.8	(2)
Impairment of goodwill and indefinite-lived intangibles	44.2	(3)
Amortization of identified intangible assets from recent acquisitions	23.1	(4)
ERP system implementation and other	5.3	(5)
Acquisition activity expense	1.8	(6)
Purchase accounting related tax	—	
Income tax effect of above non-GAAP adjustments	(12.6)	
Swiss Tax Reform	(21.0)	
Non-GAAP adjusted Net Earnings	$200.6	
Outstanding shares used in per share calculations		
Basic	42,411,834	
Diluted	42,896,775	
Non-GAAP adjusted Net Earnings per share:		
Basic	$4.73	
Diluted	$4.68	
Reported Net Earnings per share:		
Basic	$3.23	
Diluted	$3.20	
Dividends per common share	$0.70	

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

	Twelve months ended March 31, 2020
	Pre-tax
(1) Inventory step up to fair value relating to recent acquisitions - Energy Systems	$0.3
(1) Inventory step up to fair value relating to recent acquisitions - Specialty	1.6
(2) Restructuring charges - Energy Systems	7.3
(2) Restructuring and other exit charges - Motive Power	2
(2) Restructuring and other exit charges - Specialty	6
(2) Fixed asset write-off relating to exit activities and other - Energy Systems	0.1
(2) Fixed asset write-off relating to exit activities and other - Motive Power	5.4
(3) Impairment of goodwill - Energy Systems	27.9
(3) Impairment of goodwill - Motive	11.8
(3) Impairment of indefinite-lived intangibles - Energy Systems	1.3
(3) Impairment of indefinite-lived intangibles - Motive	2.8
(3) Impairment of indefinite-lived intangibles - Specialty	0.4
(4) Amortization of identified intangible assets from recent acquisitions - Energy Systems	22.2
(4) Amortization of identified intangible assets from recent acquisitions - Specialty	0.9
(5) ERP system implementation and other - Energy Systems	3.1
(5) ERP system implementation and other - Motive Power	2.1
(5) ERP system implementation and other - Specialty	0.1
(6) Acquisition activity expense - Energy Systems	1.1
(6) Acquisition activity expense - Specialty	0.7
Total Non-GAAP adjustments	$97.1

Thank you.

For more information visit us at www.enersys.com

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

EnerSys EMEA
EH Europe GmbH
Baarerstrasse 18
6300 Zug
Switzerland

EnerSys Asia
152 Beach Road
Gateway East Building #11- 08
Singapore
189721
Tel: +65 6416-4800

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