EnerSys®

Investor Presentation

SEPTEMBER 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.

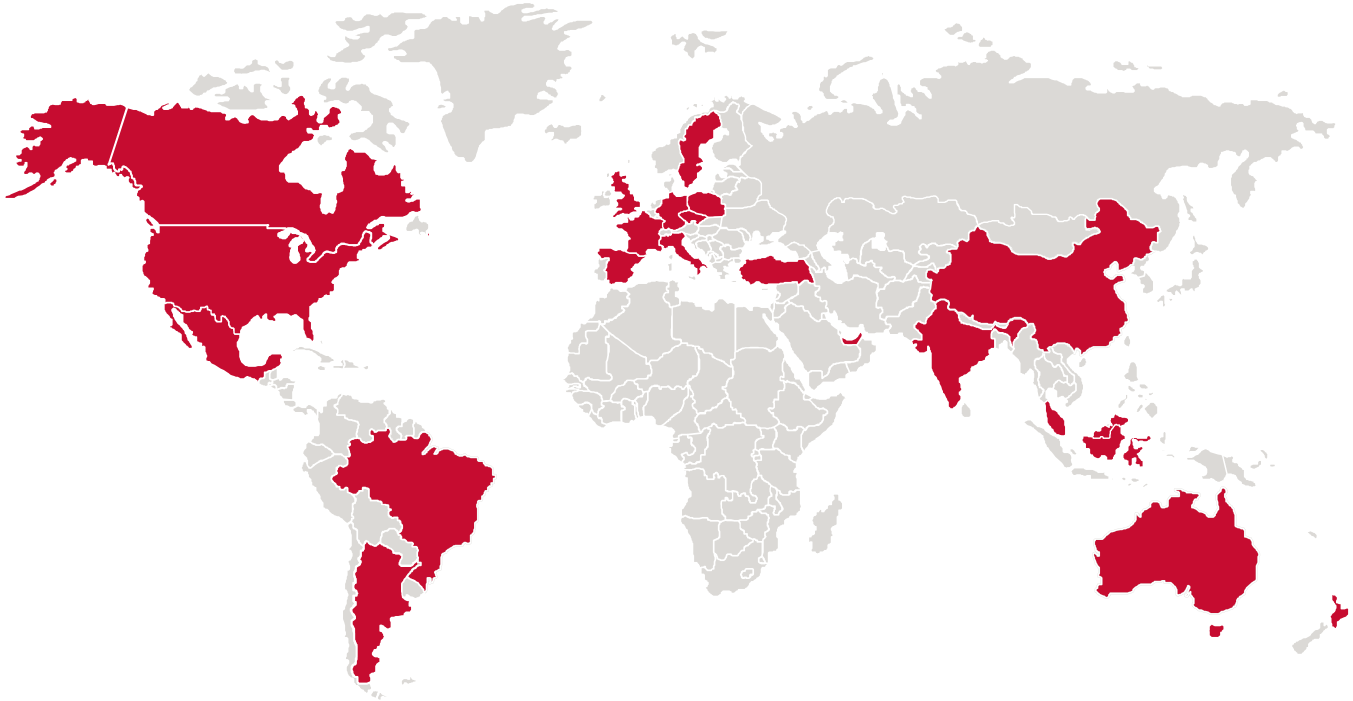
In addition, we will also be presenting certain non-GAAP financial measures. For an explanation of the differences between the comparable GAAP financial information and the non-GAAP information, please see our company’s Form 8-K which includes our press release dated August 7, 2024, which is located on our website at www.enersys.com.

EnerSys at a Glance

FY 2024 KEY STATISTICS[1]

$4.1B	$450M	$507M	$8.35	10K+
Market Cap[2]	Adj. Operating Earnings[3]	Adj. EBITDA[3]	Adj. Diluted EPS[3]	Customers

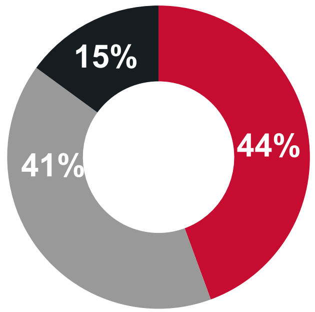
GLOBAL FACILITY BASE[4]



FY 2024 NET SALES

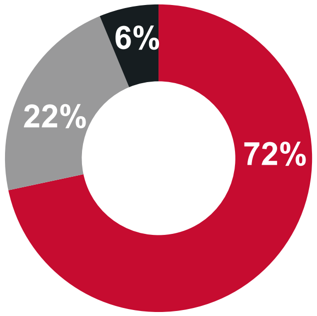
$3.6B

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

Energized Leadership Team Focused on Execution and Accountability

Dave Shaffer
President and CEO
Joined: **2005**
CEO: **2016**

Patrice Baumann
Chief Integrated Supply Chain Officer
2018

Andi Funk
EVP and CFO
2018

Jamie Gebbia
VP Corporate and Business Development
2023

Joe Lewis
Chief Legal and Compliance Officer
2005

Mark Matthews
President, Specialty, Global
2016

Philipp Michalsky
Chief Information Officer
2016

Shawn O'Connell
President, Energy Systems, Global
2011

Shannon Thomas
Chief Human Resources Officer
2023

Joern Tinnemeyer
SVP and CTO
2016

Chad Uplinger
President, Motive Power, Global
1999

HIGHLIGHTS

- ✓ Cultivating a high-performance culture
- ✓ Strengthening capabilities that align with strategic priorities
- ✓ Leading with diversity and inclusion

Inspiring and Empowering Our Employees to Drive Value for All Stakeholders

Experienced and Diversified Board of Directors

Paul Tufano
Non-Executive Chair of the Board of Directors, EnerSys
Joined: **2015**

Caroline Chan
VP and General Manager Network Business Incubator Division, Intel
Joined: **2020**

Steven Fludder
Former CEO, LS Energy Solutions LLC
Joined: **2020**

David Habiger
CEO and President, J.D. Power
Joined: **2024**

Howard Hoffen
Chairman, CEO, and Managing Director, Metalmark Capital LLC
Joined: **2004**

Lauren Knausenberger
EVP and CIO, Science Applications International Corporation
Joined: **2024**

Tamara (Tammi) Morytko
SVP & President, MTS Segment, Hillenbrand
Joined: **2022**

Dave Shaffer
President and CEO, EnerSys
Joined: **2016**

Ronald Vargo
Former EVP and CFO, ICF International
Joined: **2017**

Rudolph (Rudy) Wynter
President, National Grid PLC New York Business
Joined: **2022**

SKILLS MATRIX

Executive Leadership	100%
Character / Integrity	100%
International Business	80%
Accounting / Finance	80%
Scientific / Technology	70%
Industry / Manufacturing	60%
Environ	20%
Cyber	20%

BOARD ATTRIBUTES

~59 Years - Average Age

40% Gender / Racial / Ethnic Diversity

~6 Years - Average Board Tenure

EnerSys welcomes David Habiger and Lauren Knausenberger to board of directors

September 2024

Elected within last 3 years

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

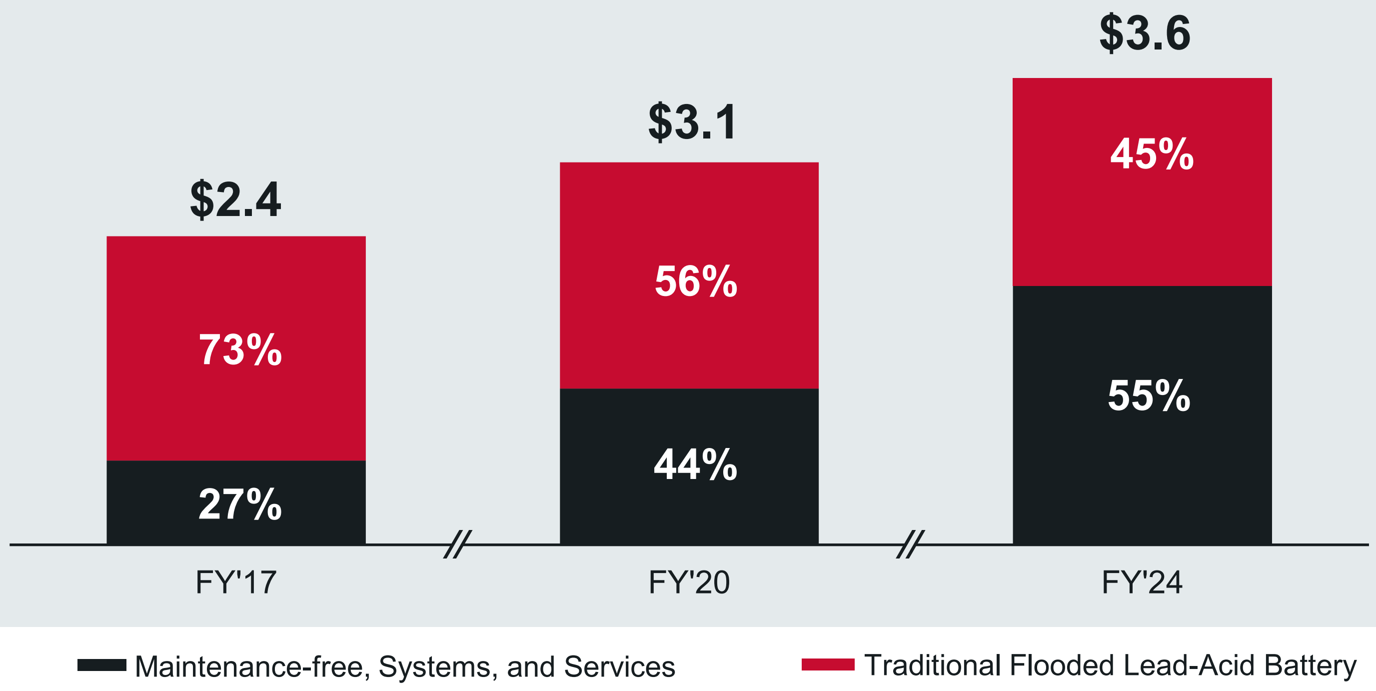
Compounding growth through differentiated end-to-end solutions

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[1]

110 New Product Introductions

3.5x Faster New Product Development Time

75 UL Approvals

Executed Clear Strategy — Ready to Accelerate

September 2024

UL: Underwriters Laboratory

[1] FY'17 to FY'23

Business Segments

ENERGY SYSTEMS

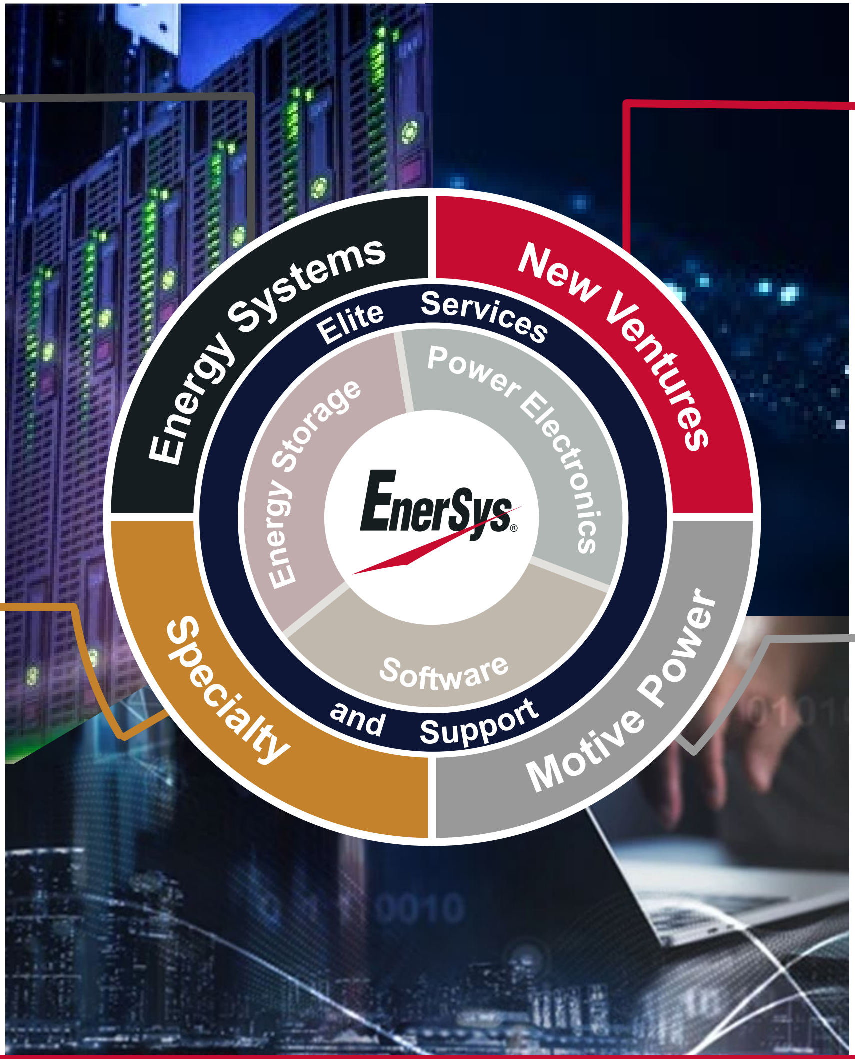
Power conversion, power distribution, and energy storage solutions

- 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
- Energy management

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]

$3.6B
EnerSys FY'24 Net Sales

Diverse End Markets

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

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

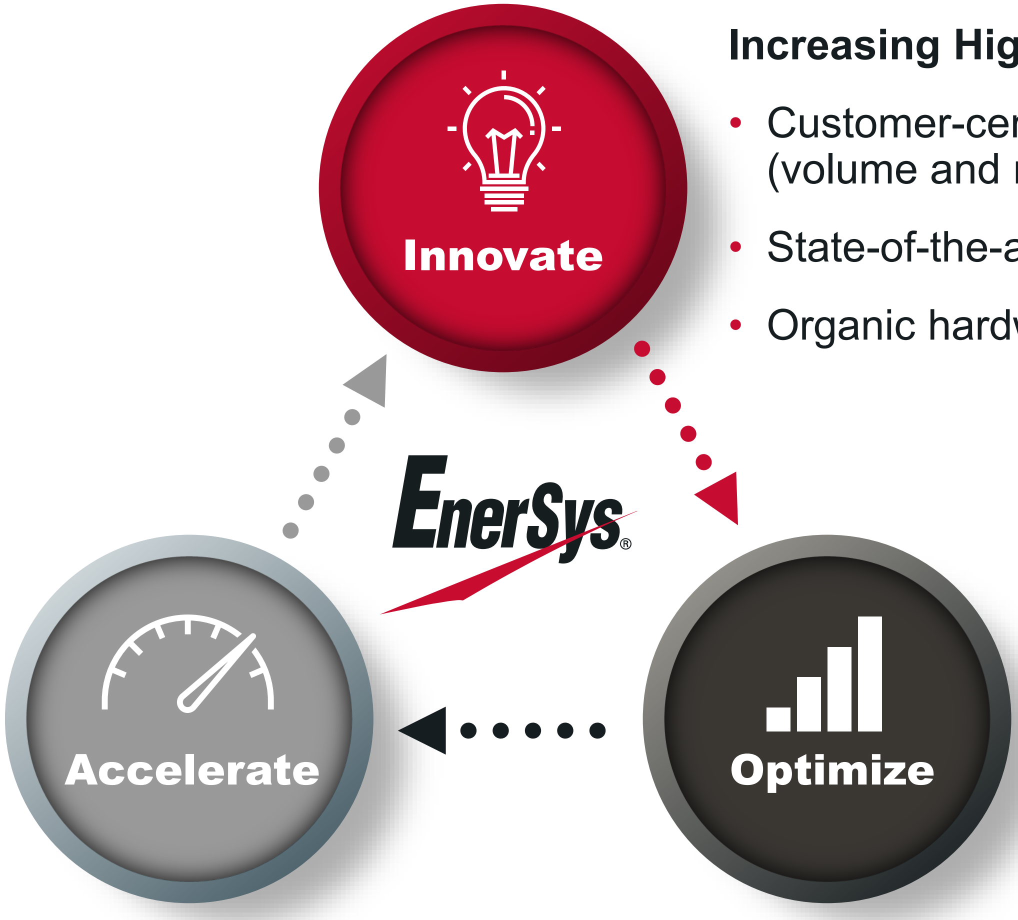
Operational Excellence

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

2021 — 2022 — 2023 — 2024 — 2030

July 2021
Published Initial Sustainability Update

August 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

December 2022
Published first TCFD report

February 2023
Awarded with a silver medal from EcoVadis

May 2023
Published 2022 Sustainability Update

August 2023
Scope 3 Inventory Published

January 2024
Published second TCFD report

April 2024
Won the Department of Energy's Better Project Award and Better Practice Award

May 2024
Published 2023 Sustainability Report

2024
Target date for climate goal detail road map

2030
Target date for energy and water intensity reduction goals

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**
    4% GhG reduction since 2022
    25% GhG reduction since 2019
  - **Scope 2 goal: neutral by 2050**
    2% increase since 2022*
    3% GhG reduction since 2021
  - Published **Scope 3 value chain emissions data** for 2022 and 2023
- Disclosing water withdrawal volumes at manufacturing sites
  - **Goal: reduce water intensity per kWh 25% by 2030**
  - 6% reduction in water usage intensity vs. 2020

OUR PEOPLE AND COMMUNITY

- **Committed to embedding DEI** in business strategy
  - Female representation in leadership up to 15% in 2023 from 9% in 2020
- 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 and 2024)

SUSTAINABILITY GOVERNANCE

- Assigned **Board-level oversight** on sustainability
- Created Steering Committee and **dedicated sustainability team** (2021)
- Awarded **EcoVadis silver medal** for sustainability governance (2023 and 2024)
- Embedded sustainability considerations **across supply chain**
- Published 2022 and 2023 **TCFD-aligned report**

Helping Customers Meet their Goals While Simultaneously Achieving Ours

*Due to increased electrification and fluctuations in the grid emissions factors
GhG: Greenhouse Gas; TCFD: Task-Force on Climate-Related Financial Disclosures; kWh: Kilowatt-hour

Energy Systems at a Glance

FY 2024 KEY STATISTICS[1]

Net Sales	Adj. Operating Earnings[2]	Global Installed Base	Customers	Market Share
$1.6B	**$87M**	**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 AND UTILITIES

POWER SYSTEMS

BATTERIES

ENCLOSURES

SERVICES

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

[1] FY 2024, year end March 31, 2024
[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]

$1.6B
Energy Systems FY'24 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 2024 KEY STATISTICS[1]

Net Sales	Adj. Operating Earnings[2]	Installed Base Global Charge Points	Countries	Global Market Share
$1.5B	$215M	~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 2024, year end March 31, 2024
[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'24 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

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

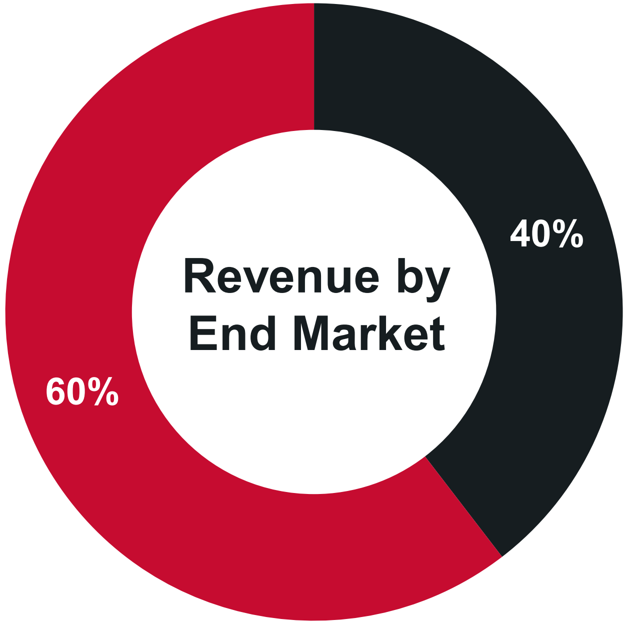
FY 2024 KEY STATISTICS[1]

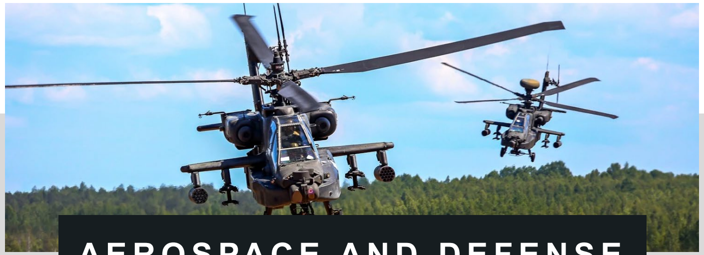
Net Sales	Adj. Operating Earnings[2]	Transportation Installed Base[3]	Customers Served	Market Share[3]
$536M	$31M	1.8M Trucks	700+	30% U.S. OEM Truck Market

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 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 2024, year end March 31, 2024

[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

$536M

Specialty FY'24 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

Bren-Tronics Acquisition Closed July 26, 2024

EXPANDS PRESENCE IN CRITICAL DEFENSE APPLICATIONS

Bren-Tronics, Inc.

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

$208M
Transaction Value

~$100M
CY 2023 Sales

Commack, NY
HQ

~280
Employees

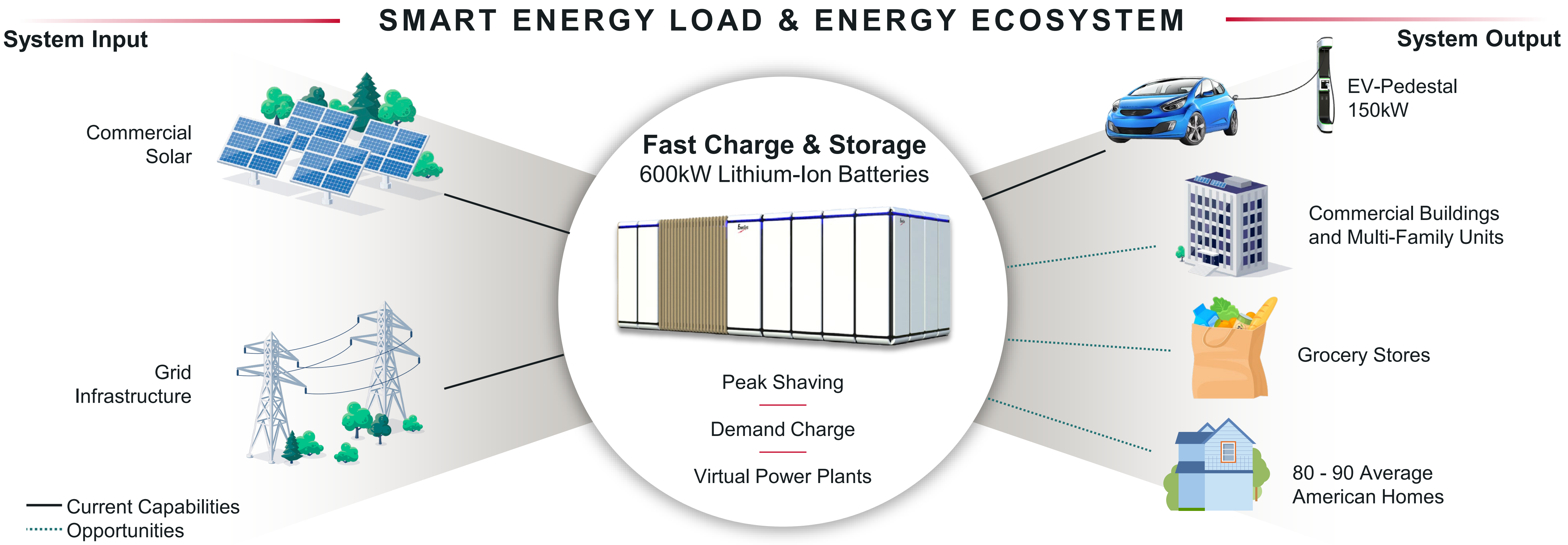
HIGHLIGHTS

- 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 add ~$60M revenue and $0.25 EPS to EnerSys FY'25 results**
- **Integration underway - ensuring minimal disruption while quickly executing corporate and back-office integration**

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

Powering the Future through Energy Management Capabilities



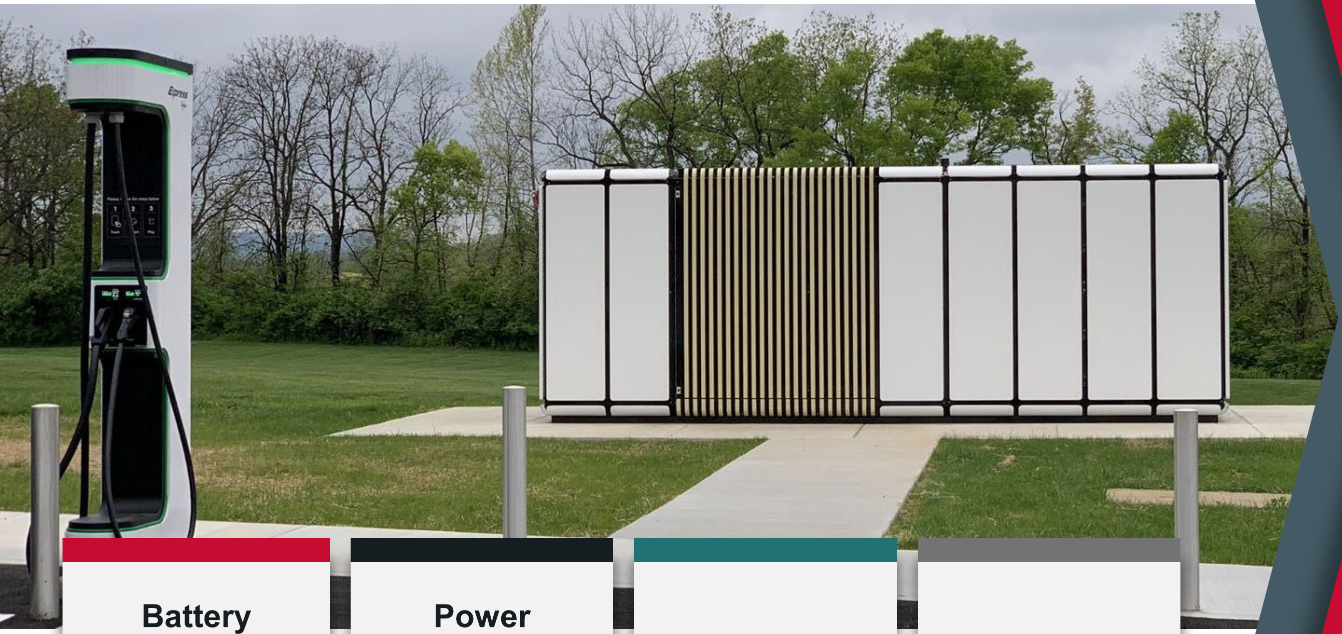
CLEAN | **DECENTRALIZED** | **RESILIENT** | **OPTIMIZED**

September 2024

kW: Kilowatt

Accelerating Innovation with Fast Charge and Storage

END-TO-END SOLUTION



Battery Energy Storage System (BESS)	Power Conversion System	DC Pedestal	Software

KEY BENEFITS

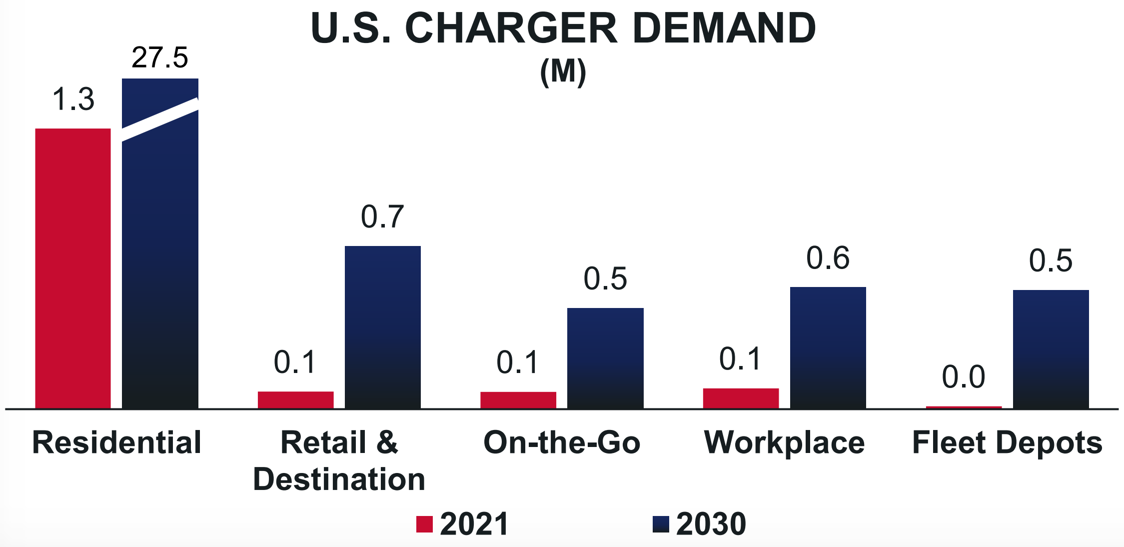
- Smart energy and load management ecosystem for reliable fast charging solutions
- Solar panel integration in decentralized system enables power in rural areas
- Modularity allows growth with the market
- Storage technologies boost energy load capabilities and increase cost savings
- Reliable customer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

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

DC: Direct Current
* Dependent on customer location and local municipalities

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

Disciplined Capital Allocation Strategy

	PRIORITIES		FY'21 – FY'24 ($M, cumulative)
1	Invest in Organic Growth (CapEx)		~$320
2	Strategic M&A		~$10
3	Net Leverage[1]		1.0x – 2.5x
4	Return of Capital	*Dividends* *Buybacks*	~$120 ~$275

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 that grows with earnings over time (excluding IRA funds)
- Offset share dilution

Investments Support Significant Shareholder Value Creation

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)

Looking Ahead: Q2'25 and FY'25 Guidance

	Q2'25	FY'25
Net Sales	**$880M – $920M**	**$3,735M – $3,885M**
Adj. EPS[1]	**$2.05 – $2.15**	**$8.80 – $9.20**
CapEx		**$100M – $120M**
Tax Rate *(pre-IRA)*		**20% – 21%**
IRA Benefit		**$120M – $160M**

ASSUMPTIONS

Q2'25

- Incremental revenue and EPS from Bren-Tronics
- Modest QoQ improvement in ES N.A. Communications spend
- Modest Transportation aftermarket volume growth in Specialty
- Continued benefits from operational efficiencies

FY'25

- ES Communications steady improvements but not at normalized levels
- MP healthy demand and continued maintenance free conversions
- SP incremental benefit from Bren-Tronics, healthy A&D demand, premium auto and Class 8 OEM rebound 2H'25
- Margin expansion from ES FY'24 profit actions
- Fast Charge & Storage first revenue
- OpEx discipline with incremental FC&S spend

Increasing FY'25 guidance mid-point $60M for net sales and $0.25 for Adj EPS[1] on Bren-Tronics acquisition

[1] EnerSys does not provide a quantitative reconciliation for forward-looking statements. Please see our latest Form 8-K which includes our press release dated August 7, 2024, for more details.

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

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

~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

[1] Awaiting IRS administrative clarification. The expected figures are long term expectations for future periods and should not be viewed as a guarantee of future performance or guidance. Actual results may differ and such differences may be material.
[2] Using 50% of annual range of $120-160M, based on phase out of 75%, 50%, and 25% for years 8-10, respectively

Financial Update

Q1'25 Performance

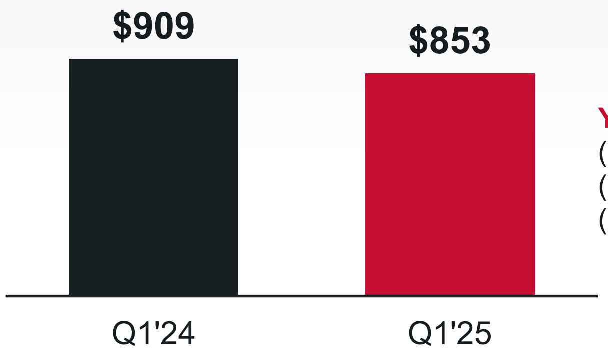
$853M	$106M	$121M	$1.98	($26M)
Net Sales	Adj Op Earnings[1]	Adj EBITDA[1]	Adj EPS[1]	Free Cash Flow[1]
(6%) Y/Y	(1%) Y/Y	(1%) Y/Y	+5% Y/Y	($85M) Y/Y
	Adj Op Earnings[1] Margin of 12.4%	Adj EBITDA[1] Margin of 14.2%		

Adjusted Gross Profit[1] Margin of 28.0% up +120bps vs prior year

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

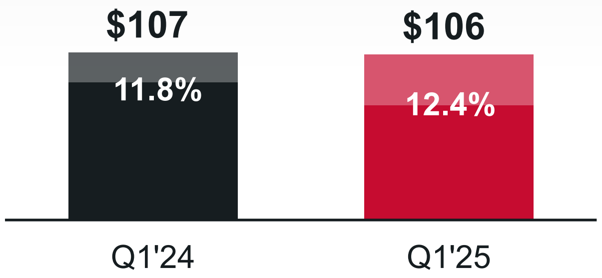
Q1’25 Results

NET SALES

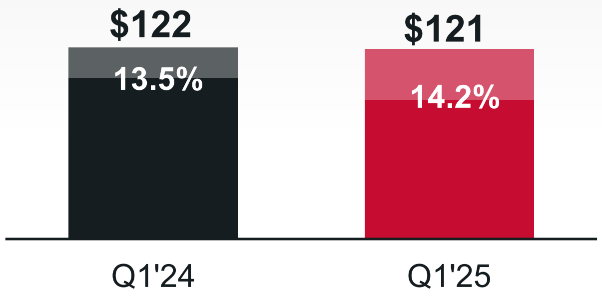


Y/Y Change
(3%) volume
(2%) price
(1%) FX

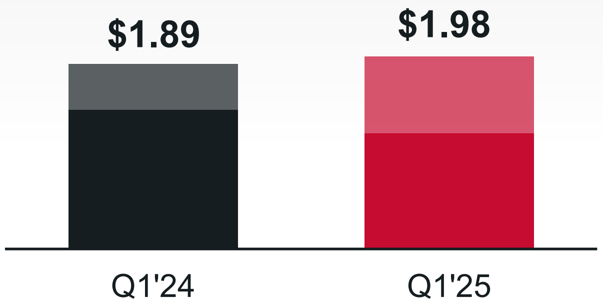
ADJ OP EARNINGS[1] & MARGIN



ADJ EBITDA[1] & MARGIN



ADJ DILUTED EPS[1]



Delivered Adj. EPS[1] in line with guidance despite soft Communication and Transportation markets

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

($M, except EPS)

Prior Year IRA
Prior Year Base
Current Year IRA
Current Year Base

Balance Sheet, Cash Flow and Leverage

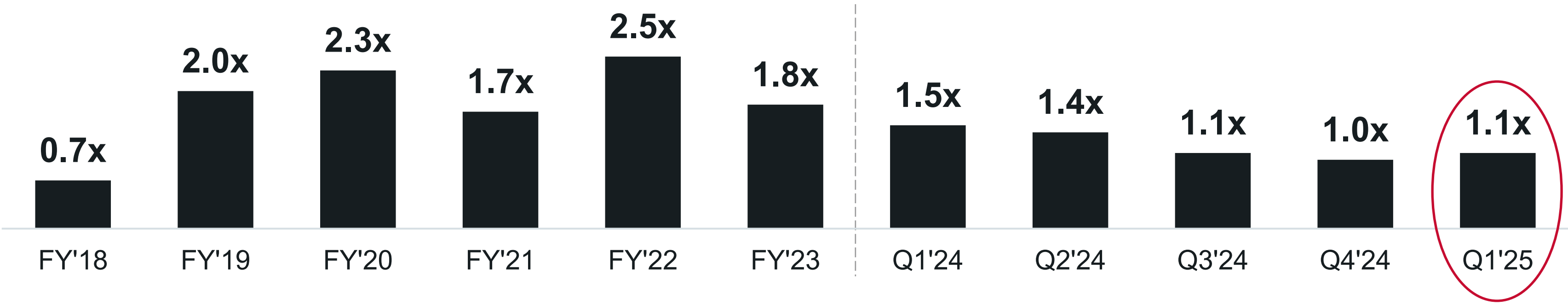
SELECTED BALANCE SHEET METRICS[1]

($M)	Q4'24	Q1'25
Cash and Cash Equivalents	$333	$344
Net Debt[3]	$511	$565
Net Leverage Ratio[3]	1.0x	1.1x
Primary Operating Capital[4]	$853	$867

SELECTED CASH FLOW METRICS[2]

($M)	Q1'24	Q1'25
Cash Flow from Operations	$75	$10
CapEx	($16)	($36)
Free Cash Flow[4]	$59	($26)

NET LEVERAGE RATIO[3]



Lower operating cash flow from typical year-end payouts; CapEx investments include ~$9M land for Li plant

1) Balances as of periods ending March 31, 2024, and June 30, 2024
2) Periods ending July 2, 2023, and June 30, 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

Q1 FY'25 ADJUSTED OPERATING EARNINGS

($ in millions)	Quarter ended June 30, 2024									
		Energy Systems		Motive Power		Specialty		Corporate and other		Total
Net Sales	$	361.0	$	366.2	$	125.7	$	—	$	852.9
Operating Earnings	$	9.0	$	54.4	$	2.1	$	25.8	$	91.3
Inventory step up to fair value relating to recent acquisitions		—		—		—		—	$	0.0
Inventory adjustment relating to exit activities		—		—		—		—	$	0.0
Restructuring and other exit charges		3.8		1.4		0.7		—		5.9
Impairment of indefinite-lived intangibles		—		—		—		—		—
Loss on assets held for sale		—		—		—		—		—
Amortization of intangible assets		6.0		0.2		0.7		—		6.9
Legal proceedings charge, net		—		—		—		—		—
		—		—		—		—		—
Acquisition activity expense		—		—		1.4		—		1.4
Other		0.2		—		—		—		0.2
Adjusted Operating Earnings	$	19.0	$	56.0	$	4.9	$	25.8	$	105.7

($ in millions)	Quarter ended 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
Acquisition activity expense		—		0.1		—		—		0.1
Other		0.8		0.4		0.1		—		1.3
Adjusted Operating Earnings	$	29.7	$	50.3	$	9.8	$	17.4	$	107.2

Increase (Decrease) as a % from prior year quarter	Energy Systems	Motive Power	Specialty	Corporate and other	Total
Net Sales	(15.0)%	4.4 %	(5.7)%	NM	(6.1)%
Operating Earnings	(59.2)	12.8	28.6	48.4	2.1
Adjusted Operating Earnings	(35.9)	11.1	(50.1)	48.4	(1.4)

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

Increase (Decrease) as a % from prior year	Energy Systems	Motive Power	Specialty	Corporate and other	Total
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

Q1 FY'25 ADJUSTED EBITDA

($ in millions)	Quarter ended			
	June 30, 2024		July 2, 2023	
Net Earnings		70.1	$	66.8
Depreciation		16.7		15.6
Amortization		6.9		7.1
Interest		11.0		15.2
Income Taxes		9.2		6.7
EBITDA		113.9		111.4
Non-GAAP adjustments		7.5		10.8
Adjusted EBITDA	$	121.4	$	122.2

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

($ in millions)	Quarter ended			
	June 30, 2024		July 2, 2023	
Inventory adjustment relating to exit activities	$	—	$	3.1
Restructuring and other exit charges		5.9		6.3
Acquisition expense		1.4		0.1
Other		0.2		1.3
Non-GAAP adjustments	$	7.5	$	10.8

Non-GAAP Reconciliation

FY'24 ADJUSTED EBITDA

($ in millions)	Twelve months ended March 31, 2024	Twelve months ended March 31, 2023
Net Earnings	$ 269.1	$ 175.8
Depreciation	64.0	60.4
Amortization	28.0	30.8
Interest	49.9	59.5
Income Taxes	23.1	34.8
EBITDA	434.1	361.3
Non-GAAP adjustments	72.7	26.2
Adjusted EBITDA	$ 506.8	$ 387.5

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

($ in millions)	Twelve months ended March 31, 2024	Twelve months ended March 31, 2023
Inventory adjustment relating to exit activities	$ 20.2	$ 0.6
Restructuring and other exit charges	28.1	16.4
Impairment of indefinite-lived intangibles	13.6	0.5
Legal proceedings charge, net	3.7	—
Other	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	—	0.6
Cost of funding to terminate net investment hedges	—	1.4
Non-GAAP adjustments	$ 72.7	$ 26.2

Non-GAAP Reconciliation

Q1 FY'25 ADJUSTED DILUTED EPS

(in millions, except share and per share amounts)	Quarter ended			
	June 30, 2024		July 2, 2023	
Net earnings reconciliation				
As reported Net Earnings	$ 70.1		$ 66.8	
Non-GAAP adjustments:				
Inventory adjustment relating to exit activities	—		3.1	(1)
Restructuring and other exit charges	5.9	(1)	6.3	(1)
Amortization of identified intangible assets	6.9	(3)	7.0	(3)
Acquisition expense	1.4	(4)	0.1	(4)
Other	0.2	(4)	1.3	(4)
Income tax effect of above non-GAAP adjustments	(3.5)		(6.0)	
Non-GAAP adjusted Net earnings	$ 81.0		$ 78.6	
Outstanding shares used in per share calculations				
Basic	40,204,013		40,937,334	
Diluted	40,986,116		41,698,324	
Non-GAAP adjusted Net earnings per share:				
Basic	$ 2.01		$ 1.92	
Diluted	$ 1.98		$ 1.89	
Reported Net earnings (Loss) per share:				
Basic	$ 1.74		$ 1.63	
Diluted	$ 1.71		$ 1.60	
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	
	June 30, 2024	July 2, 2023
	Pre-tax	Pre-tax
(1) Inventory adjustment relating to exit activities - Specialty	—	3.1
(1) Restructuring and other exit charges - Energy Systems	3.8	0.5
(1) Restructuring and other exit charges - Motive Power	1.4	1.5
(1) Restructuring and other exit charges - Specialty	0.7	4.3
(3) Amortization of identified intangible assets - Energy Systems	6.0	6.2
(3) Amortization of identified intangible assets - Motive Power	0.2	0.1
(3) Amortization of identified intangible assets - Specialty	0.7	0.7
(4) Acquisition expense - Motive Power	—	0.1
(4) Acquisition expense - Specialty	1.4	—
(4) Other - Energy Systems	0.2	0.8
(4) Other - Motive Power	—	0.4
(4) Other - Specialty	—	0.1
Total Non-GAAP adjustments	$ 14.4	$ 17.8

Non-GAAP Reconciliation

FY'24 ADJUSTED DILUTED EPS

(in millions, except share and per share amounts)	Twelve months ended March 31, 2024			Twelve months ended March 31, 2023		
Net Earnings reconciliation						
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	

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		Twelve months ended 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 June 30, 2024	March 31, 2024	December 31, 2023	October 1, 2023	July 2, 2023
Net earnings as reported	$272.4	$269.1	$274.1	$242.4	$211.6
Add back:					
Depreciation and amortization	92.9	92.0	90.5	90.0	90.2
Interest expense	45.2	49.9	54.1	59.9	63.3
Income tax expense	26.1	23.1	27.3	38.2	35.7
EBITDA (non GAAP)	$436.6	$434.1	$446.0	$430.5	$400.8
Adjustments per credit agreement definitions(1)	81.5	85.8	78.6	48.9	50.1
Adjusted EBITDA (non-GAAP) per credit agreement(1)	$518.1	$519.9	$524.6	$479.4	$450.9
Total net debt(2)	$564.8	$511.1	$586.9	$662.0	$690.1
Leverage ratios:					
Total net debt/credit adjusted EBITDA ratio	1.1x	1.0x	1.1x	1.4x	1.5x

(1) The $81.5 million adjustment to EBITDA in the last twelve months ending June 30, 2024 primarily related to $29.7 million of non-cash stock compensation, $40.4 million of restructuring and other exit charges, impairment of indefinite-lived intangibles and write-down of other current assets of $10.5 million. 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 $48.9 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.
(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 June 30, 2024 and July 2, 2023, the amounts deducted in the calculation of net debt were U.S. cash and cash equivalents and foreign cash investments of $344.1 million. In Q4 Fiscal 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			
	June 30, 2024		July 2, 2023	
Net cash provided by (used in) operating activities	$	10.4	$	74.9
Less Capital Expenditures		(36.1)		(16.1)
Free Cash Flow		(25.7)		58.8

($ in millions)	Quarter ended			
	June 30, 2024		July 2, 2023	
Net cash provided by (used in) operating activities	$	10.4	$	74.9
Net earnings		70.1		66.8
Operating cash flow conversion %		14.8 %		112.1 %
Free cash flow		(25.7)		58.8
Adjusted net earnings		81.0		78.6
Adjusted free cash flow conversion %		(31.7)%		74.8 %

Non-GAAP Reconciliation

ADJUSTED GROSS PROFIT AND GROSS MARGIN

($ in millions)	Quarter ended	
	June 30, 2024	July 2, 2023
Gross Profit as reported	$ 238.4	$ 240.3
Inventory adjustment relating to exit activities	0.0	3.1
Adjusted Gross Profit	238.4	243.4
Gross Margin	28.0 %	26.4 %
Adjusted Gross Margin	28.0 %	26.8 %

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 $866.9 million (yielding a primary operating capital percentage of 25.4%) at June 30, 2024, $852.9 million (yielding a primary operating capital percentage of 23.4%) at March 31, 2024 and $1,032.6 million at July 2, 2023 (yielding a primary operating capital percentage of 28.4%). The primary operating capital percentage of 25.4% at June 30, 2024 increased by 200 basis points compared to March 31, 2024 and decreased 300 basis points compared to July 2, 2023. The increase in primary operating capital percentage at June 30, 2024 compared to March 31, 2024 was primarily due to consistent inventory and accounts payable levels maintained this quarter in anticipation for future sales. Accounts receivable amounts were decreased comparatively mainly due to improved collection compared to the fourth fiscal quarter of the prior fiscal year. The decrease in primary operating capital percentage at June 30, 2024 compared to July 2, 2023 was primarily from a reduction in accounts receivable due to higher collections and inventory due to improved inventory management actions and easing of supply chain constraints compared to the first quarter of fiscal 2024.

($ in Millions)	June 30, 2024	March 31, 2024	July 2, 2023
Accounts receivable, net	$507.9	$524.7	$566.5
Inventory, net	713.7	697.7	809.4
Accounts payable	(354.7)	(369.5)	(343.3)
Total primary operating capital	866.9	852.9	1,032.6
Trailing 3 months net sales	852.9	910.7	908.6
Trailing 3 months net sales annualized	3,411.6	3,642.8	3,634.4
Primary operating capital as a % of annualized net sales	25.4 %	23.4 %	28.4 %

Thank you.

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