

# ***EnerSys***®

The logo features the word "EnerSys" in a bold, italicized, black sans-serif font. A red diagonal slash cuts through the text from the bottom left to the top right. Below the main text, the tagline "Power/Full Solutions" is written in a smaller, italicized, black sans-serif font.

*Power/Full Solutions*

***3<sup>rd</sup> Quarter Earnings Conference Call***

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***February 10, 2022***

**David M. Shaffer**, Director, President and Chief Executive Officer

**Michael J. Schmidlein**, Executive Vice President and Chief Financial Officer

**Andrea J. Funk**, VP Finance Americas

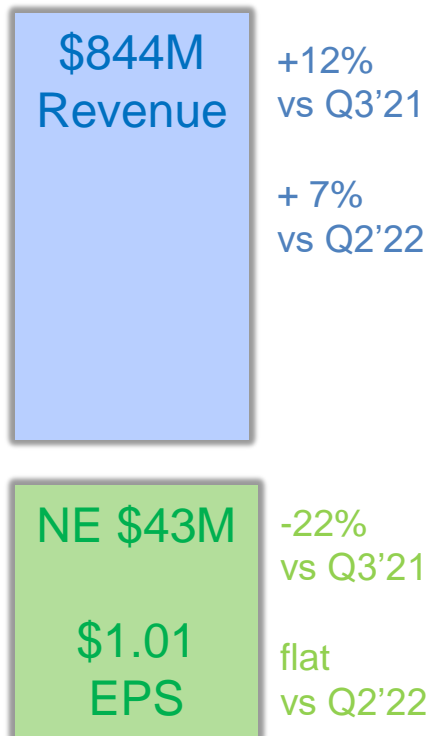
## ***Forward-Looking Information***

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 2. Management's Discussion and Analysis of Financial Condition and Results of Operations," set forth in our Quarterly Report on Form 10-Q for the fiscal quarter ended January 2, 2022, which was filed with the U.S. Securities and Exchange Commission.

In addition, we will also be presenting certain non-GAAP financial measures. For an explanation of the differences between the comparable GAAP financial information and the non-GAAP information, please see our company's Form 8-K which includes our press release dated February 9, 2022, which is located on our website at [www.enersys.com](http://www.enersys.com).

# Q3'22 Record Revenue

Robust demand across all segments  
Aggressive pricing offset record inflation



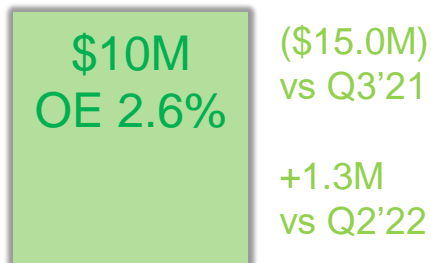
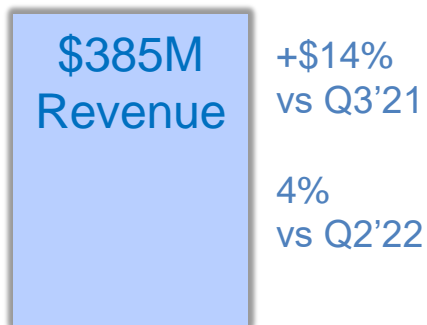
Presented on an as adjusted basis.

- Record sales from volume growth & pricing offset ~\$30M of sequential cost increases
- Orders +30% vs Q3'21; +33% vs pre-COVID Q3'20
- Record backlog \$1.2B, +\$160M; >2X historical levels
- Global TPPL output +10%
- Maintaining / growing market share
- \$148M stock buybacks FY'22 to date

***Actions to offset cost pressures & supply are becoming visible***

# Energy Systems

Robust demand, improving price recapture,  
navigating complex supply chain



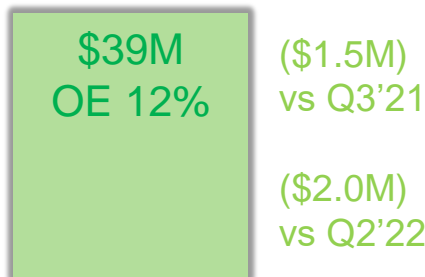
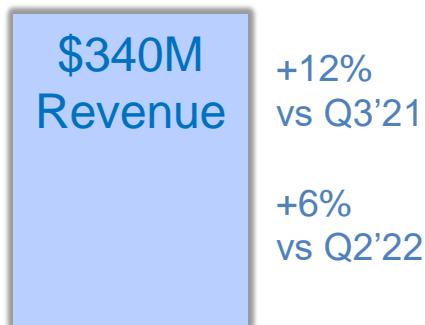
Presented on an as adjusted basis.

- Order rates +54% vs pre-COVID Q3'20
- Modest margin improvement with aggressive price offsetting record inflation; sequential improvements to come despite lingering supply chain headwinds
- 5G demand continues to ramp
- Corning small cell deployment collaboration gaining customer interest
- CA-PUC grid resilience program incorporating lithium; accelerating into Q4 and beyond
- Mojave lithium home energy storage system launched
- EV Fast Charge & Storage initiative progressing

***Price recapture + multiple growth opportunities reinforce positive long-term outlook***

# Motive Power

Another strong quarter despite sequential cost increases



Presented on an as adjusted basis.

- \$39M OE absorbed \$15M sequential cost increases, partially offset by price & favorable mix
- Higher margin NexSys<sup>®</sup> maintenance-free products continue to grow; ENS is the only provider of Li, TPPL and traditional flooded technology offerings
- LoB is implementing key business transformation initiatives
- Further upside for volume growth as OEM customers continue to recover

***Strong market dynamics and product differentiation expected to drive growth***

# Specialty

Strong revenue despite labor and supply constraints muting potential

**\$119M**  
Revenue

+9%  
vs Q3'21

+18%  
vs Q2'22

**\$12M**  
OE 10%

(\$1.6M)  
vs Q3'21

(\$.4M)  
vs Q2'22

Presented on an as adjusted basis.

- \$12M OE; cost and capacity improvements underway
- \$1.2B/yr TPPL production capacity achieved
- A&D performed well; exciting project pipeline
  - ASBL Li-ion batteries embedded in the NASA James Webb Space telescope, the most powerful space science telescope ever built; launched Christmas day
- Continued strong Trans & A&D demand

***Record backlog / demand & supply improvements should drive positive results***

# Infrastructure Law

Legislation accelerates US lithium-ion cell manufacturing

## Energy Systems

- Public & private broadband communication network build-outs & upgrades
- Critical power & back-up for industrial & utility systems operations
- Rural Digital Opportunity Funds for broadband coverage in under-served regions

## Motive Power

- >\$65B to improve the electrical grid; should accelerate electrification of fork trucks & material handling equipment

## Specialty

- Advanced battery manufacturing and recycling
- Road infrastructure, expected to increase trucking profitability & fleet investments
- New US lithium-ion cell production capacity a priority for US Gov't

Fast Charge & Storage buoyed by funding for EV charging infrastructure

***Major funding allocations align well with EnerSys core technologies***

## Near-term:

- Strong market opportunities across all segments
- Continuing to mitigate macro headwinds and offset cost pressures
  - Incremental pricing increases, alternate sourcing, redesigns & hiring actions
  - Expect pace of cost increases to decelerate while price increases catch up
- Optimistic Q3'22 begins the margin recovery path, particularly for Energy Systems

## Long-term - Immense opportunities driven by megatrends:

- Massive 5G buildout
- Rural broadband
- High frequency small cell deployment
- Home energy storage
- EV charging
- Transportation market & share growth
- Material handling OEMs electrification & returning to normalized levels
- Increased defense allocations



# 3<sup>rd</sup> Quarter Fiscal 2022 Results

(\$ Millions)

	Q3 F'22	Q2 F'22	Q3 F'21
SALES	\$844.0	\$791.4	\$751.1
GROSS PROFIT	\$184.3 (22%)	\$178.8 (23%)	\$189.3 (25%)
OP EARNINGS \$	\$60.4	\$61.4	\$78.4
OP EARNINGS %	7.2%	7.8%	10.4%
EPS	\$1.01	\$1.01	\$1.27

Presented on an as adjusted basis.

# F'22 3<sup>rd</sup> Qtr. YoY Sales

## By Line of Business & Region

(\$ Millions)

	F'22 Q3	F'21 Q3	Fav/(Unfav)					
			\$	%	Volume	Price	M&A	Fx
<b>Energy Systems</b>	\$385	\$337	\$48	14%	14%	1%	-	-1%
<b>Motive Power</b>	\$340	\$304	\$35	12%	9%	5%	-	-2%
<b>Specialty</b>	\$119	\$109	\$10	9%	3%	6%	-	-
<b>Total Net Sales</b>	\$844	\$751	\$93	12%	10%	3%	-	-1%
	F'22 Q3	F'21 Q3	Fav/(Unfav)					
			\$	%	Volume	Price	M&A	Fx
<b>Americas</b>	\$578	\$499	\$79	16%	13%	3%	-	-
<b>EMEA</b>	\$203	\$194	\$10	5%	5%	5%	-	-5%
<b>Asia</b>	\$63	\$58	\$5	8%	7%	-	-	-
<b>Total Net Sales</b>	\$844	\$751	\$93	12%	10%	3%	-	-1%

Rounding may cause minor differences.

Highlighted items are referenced in management presentation.

# F'22 3<sup>rd</sup> Qtr. Sequential Sales By Line of Business & Region

(\$ Millions)

	F'22 Q3		F'22 Q2		Fav/(Unfav)	
					\$	%
<b>Energy Systems</b>	\$385	\$370	\$15	4%		
<b>Motive Power</b>	\$340	\$321	\$19	6%		
<b>Specialty</b>	\$119	\$101	\$18	18%		
<b>Total Net Sales</b>	<u>\$844</u>	<u>\$791</u>	<u>\$53</u>	<u>7%</u>		
			[ 5% Organic, 3% Price, 0% Acquisitions, -1% Fx ]			
	F'22 Q3		F'22 Q2		Fav/(Unfav)	
					\$	%
<b>Americas</b>	\$578	\$550	\$28	5%		
<b>EMEA</b>	\$203	\$180	\$23	13%		
<b>Asia</b>	\$63	\$61	\$2	3%		
<b>Total Net Sales</b>	<u>\$844</u>	<u>\$791</u>	<u>\$53</u>	<u>7%</u>		
			[ 5% Organic, 3% Price, 0% Acquisitions, -1% Fx ]			

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# F'22 3<sup>rd</sup> Qtr. Operating Earnings by LoB

(\$ Millions)

Year Over Year	F'22 Q3	F'21 Q3	Fav/(Unfav)	
			\$	%
<b>Operating Earnings</b>				
Energy Systems	\$9.8 2.6%	\$24.8 7.4%	(\$15.0)	-60%
Motive Power	39.0 11.5%	40.5 13.3%	(\$1.5)	-4%
Specialty	11.5 9.6%	13.1 11.9%	(\$1.6)	-12%
Total Operating Earnings	\$60.3	\$78.4	(\$18.1)	-23%
As % Net Sales	7.1%	10.4%		
Sequential	F'22 Q3	F'22 Q2	Fav/(Unfav)	
			\$	%
<b>Operating Earnings</b>				
Energy Systems	\$9.8 2.6%	\$8.5 2.3%	\$1.3	15%
Motive Power	39.0 11.5%	41.0 12.8%	(\$2.0)	-5%
Specialty	11.5 9.6%	11.9 11.8%	(\$0.4)	-3%
Total Operating Earnings	\$60.3	\$61.4	(\$1.1)	-2%
As % Net Sales	7.1%	7.8%		

Rounding may cause minor differences. Presented on an as adjusted basis.

Highlighted items are referenced in management presentation.

# F'22 3<sup>rd</sup> Qtr. Net Earnings and EPS

(\$ Millions, Except Per Share Amounts)

	F'22 Q3	F'21 Q3	Fav/(Unfav)	
			\$	%
<b>Operating Earnings</b>	\$60.3	\$78.4	(\$18.1)	-23%
As % Net Sales	7.1%	10.4%		(3.2)Pts.
<b>Book Tax Rate</b>	18%	17%		
<b>Net Earnings</b>	\$43.0	\$55.0	(\$12.0)	-22%
As % Net Sales	5.1%	7.3%		(2.2)Pts.
<b>EPS diluted</b>	\$1.01	\$1.27	(\$0.26)	-20%
<b>Avg. Diluted Shares Outstanding</b> <i>(Millions)</i>	42.497	43.290	.793	2%

Rounding may cause minor differences. Presented on an as adjusted basis.

Highlighted items are referenced in management presentation.

# F'22 YTD Sales

## By Line of Business & Region

(\$ Millions)

	F'22	F'21	Fav/(Unfav)					
			\$	%	Volume	Price	M&A	Fx
<b>Energy Systems</b>	\$1,126	\$1,031	\$95	9%	9%	-1%	-	1%
<b>Motive Power</b>	\$996	\$831	\$165	20%	17%	2%	-	1%
<b>Specialty</b>	\$328	\$302	\$26	9%	4%	4%	-	1%
<b>Total Net Sales</b>	<u>\$2,450</u>	<u>\$2,164</u>	<u>\$286</u>	<u>13%</u>	<u>11%</u>	<u>1%</u>	<u>-</u>	<u>1%</u>
	F'22	F'21	Fav/(Unfav)					
			\$	%	Volume	Price	M&A	Fx
<b>Americas</b>	\$1,684	\$1,470	\$214	15%	13%	1%	-	1%
<b>EMEA</b>	\$585	\$525	\$60	11%	8%	2%	-	1%
<b>Asia</b>	\$181	\$169	\$12	7%	3%	-	-	4%
<b>Total Net Sales</b>	<u>\$2,450</u>	<u>\$2,164</u>	<u>\$286</u>	<u>13%</u>	<u>11%</u>	<u>1%</u>	<u>-</u>	<u>1%</u>

Rounding may cause minor differences.

Highlighted items are referenced in management presentation.

# F'22 YTD Net Earnings and EPS

(\$ Millions, Except Per Share Amounts)

	F'22	F'21	Fav/(Unfav)	
			\$	%
<b>Operating Earnings</b>	\$196.8	\$205.8	(\$9.0)	-4%
As % Net Sales	8.0%	9.5%		(1.5)Pts.
<b>Book Tax Rate</b>	17%	18%		
<b>Net Earnings</b>	\$140.9	\$137.6	\$3.3	2%
As % Net Sales	5.8%	6.4%		(0.6)Pts.
<b>EPS diluted</b>	<b>\$3.27</b>	<b>\$3.19</b>	<b>\$0.08</b>	3%
<b>Avg. Diluted Shares Outstanding</b> <i>(Millions)</i>	<b>43.097</b>	<b>43.103</b>	<b>.007</b>	0%

Rounding may cause minor differences. Presented on an as adjusted basis.

 Highlighted items are referenced in management presentation.

# Financial Position Highlights

(\$ Millions)

	Q3 YTD 2022	Fiscal Year 2021
Cash & Cash Equivalents	\$397.1	\$451.8
Net Debt (Gross Debt – Investments)	\$951.6	\$684.3
Net Cash from Operations YTD	(\$78.0)	\$358.4
Capital Expenditures YTD	\$52.4	\$70.0
Leverage Ratio (per US Credit Agreement)	2.4X	1.7X
Primary Working Capital as a % of Sales	29.3%	24.5%

 Highlighted items are referenced in management presentation.