

EnerSys[®]

Investor Presentation

FEBRUARY 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, 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 February 7, 2024, which is located on our website at www.enersys.com.

EnerSys at a Glance

FY 2023 KEY STATISTICS¹

\$4.3B

Market Cap²

\$322M

Adj. Operating Earnings³

\$388M

Adj. EBITDA³

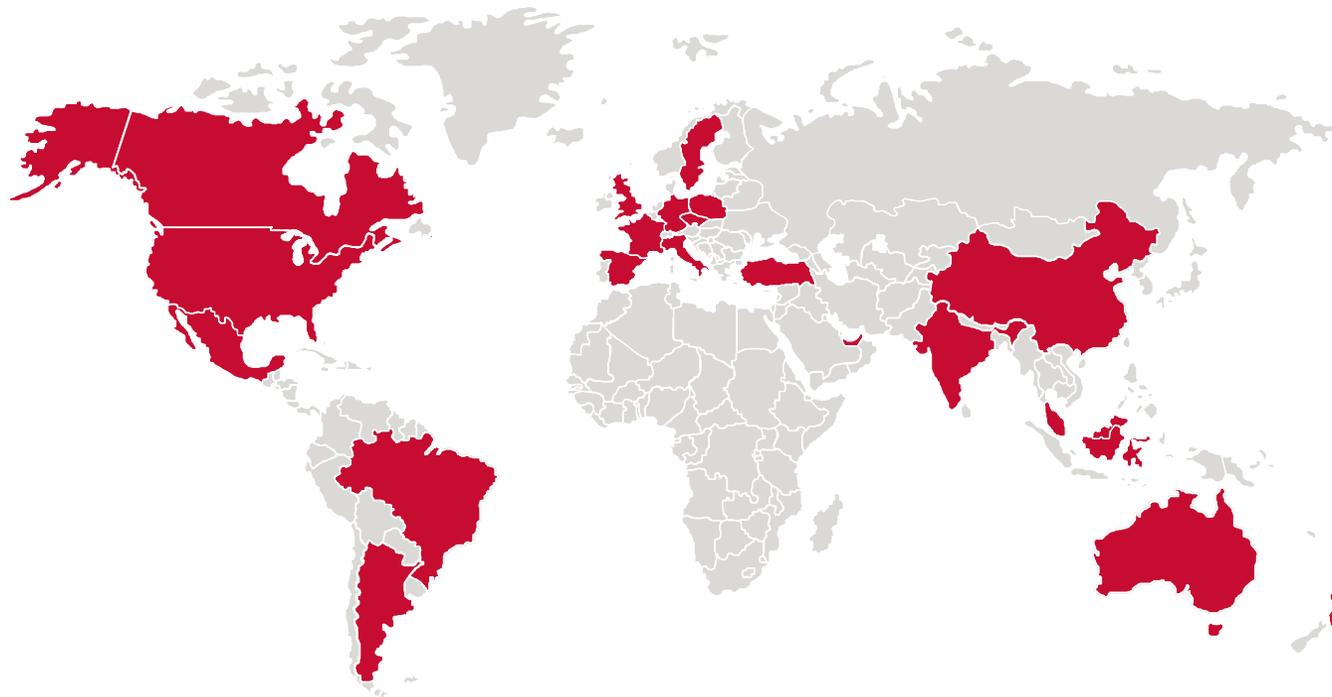
\$5.34

Adj. Diluted EPS³

10K+

Customers

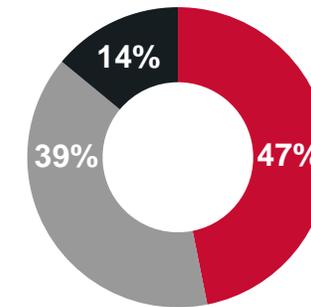
GLOBAL FACILITY BASE⁴



FY 2023 NET SALES

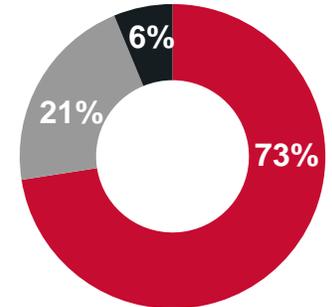
\$3.7B

Business Segments



■ Energy Systems
■ Motive Power
■ Specialty

Geography



■ Americas
■ EMEA
■ Asia

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



VISION

Serving the global community with mission-critical stored energy solutions

VALUES-DRIVEN CULTURE

Safety & Our Environment

Ensuring well-being of our employees and communities

Engagement

Rewarding talent who exhibit enthusiasm, inspiration, commitment, and pride

Continuous Improvement

Driving operational excellence through EnerSys Operating System (EOS)

Customer Experience

Focusing on innovation and adaptability to deliver exceptional value

Teamwork

Fostering an environment of collaboration and mutual respect

Ethics

Demonstrating our integrity by being personally accountable for our actions

Accountability

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

- Integrated Alpha and NorthStar acquisitions
- Deepened capabilities

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

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

- Developed EOS
- Reinforced continuous improvement mindset

TODAY

Innovating, Optimizing, and Accelerating integrated energy solutions offerings

Enhancing modular technology for additional scalability

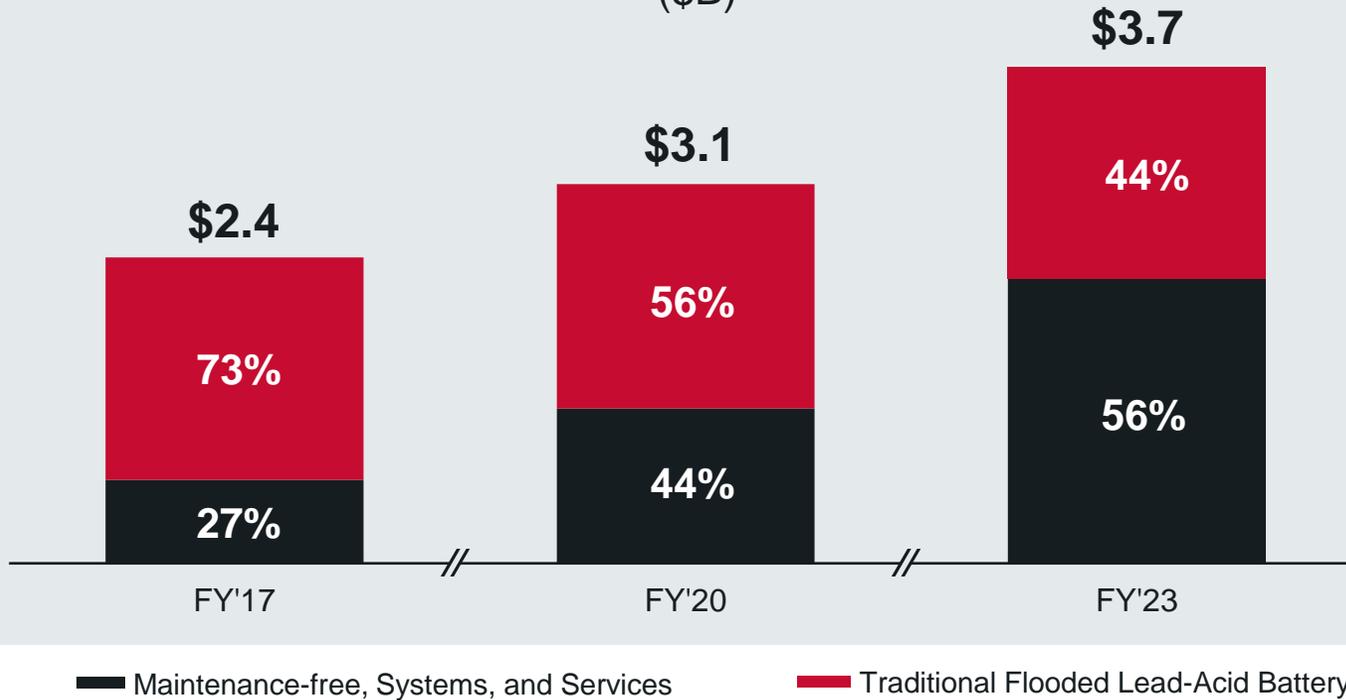
Providing tailored energy solutions to critical end markets

Compounding growth through differentiated end-to-end solutions

Putting the “Sys” in EnerSys

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

Foundational Core Modular Platforms

ENERGY STORAGE

Lithium-ion

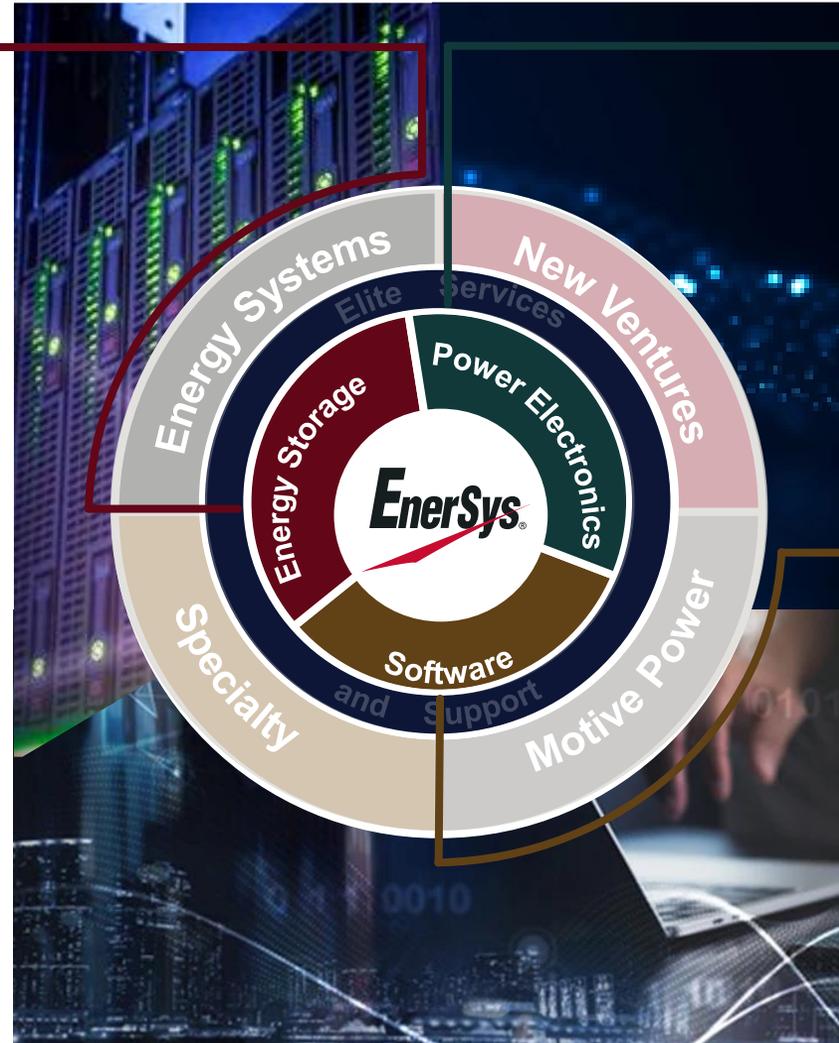
- Maintenance-free
- Longer cycle life
- Fastest charge rate
- Innovative safety technology
- High power density / heavy duty applications

TPPL

- Maintenance-free
- Light / medium applications

Flooded

- Industrial / harsh environment applications



POWER ELECTRONICS

- Advanced, high-efficiency power conversion
- High voltage power transfer with power line communication for 5G small cells
- Wireless power transfer for automated warehouses
- Fast chargers for EVs

SOFTWARE

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

Differentiated Platforms with Enhanced Vertical Capabilities and Tailored Solutions

Business Segments

ENERGY SYSTEMS

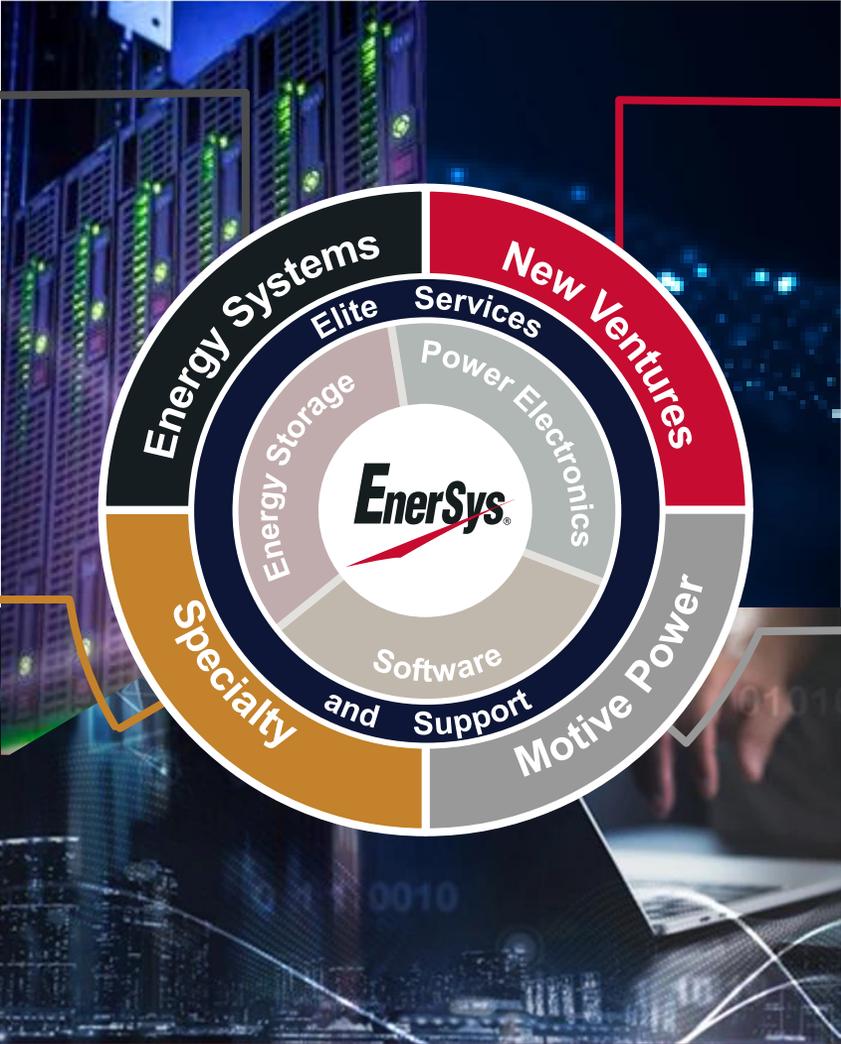
Power conversion, power distribution, and energy storage solutions

- 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

MOTIVE POWER

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

- Logistics and Warehousing

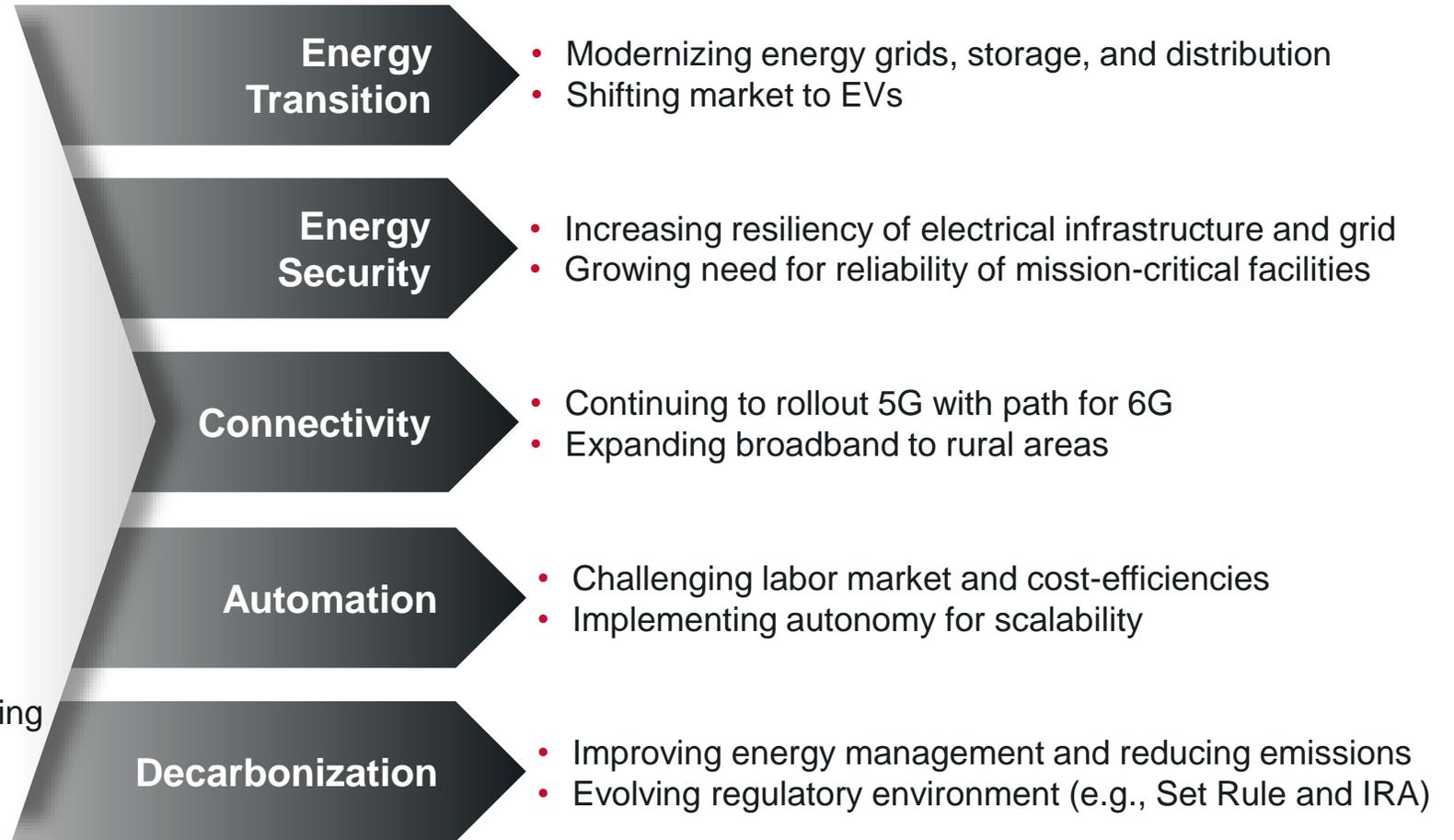
Premium Energy Solutions and Elite Services Powering 6 Diverse End Markets

Addressing Global Megatrends in Attractive and Diverse End Markets



Diverse End Markets

- Communication Networks
- Data Centers
- Industrial Power and Utilities
- Logistics and Warehousing
- Transportation
- Aerospace and Defense



Megatrends Increasing Demand for Energy Solutions

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

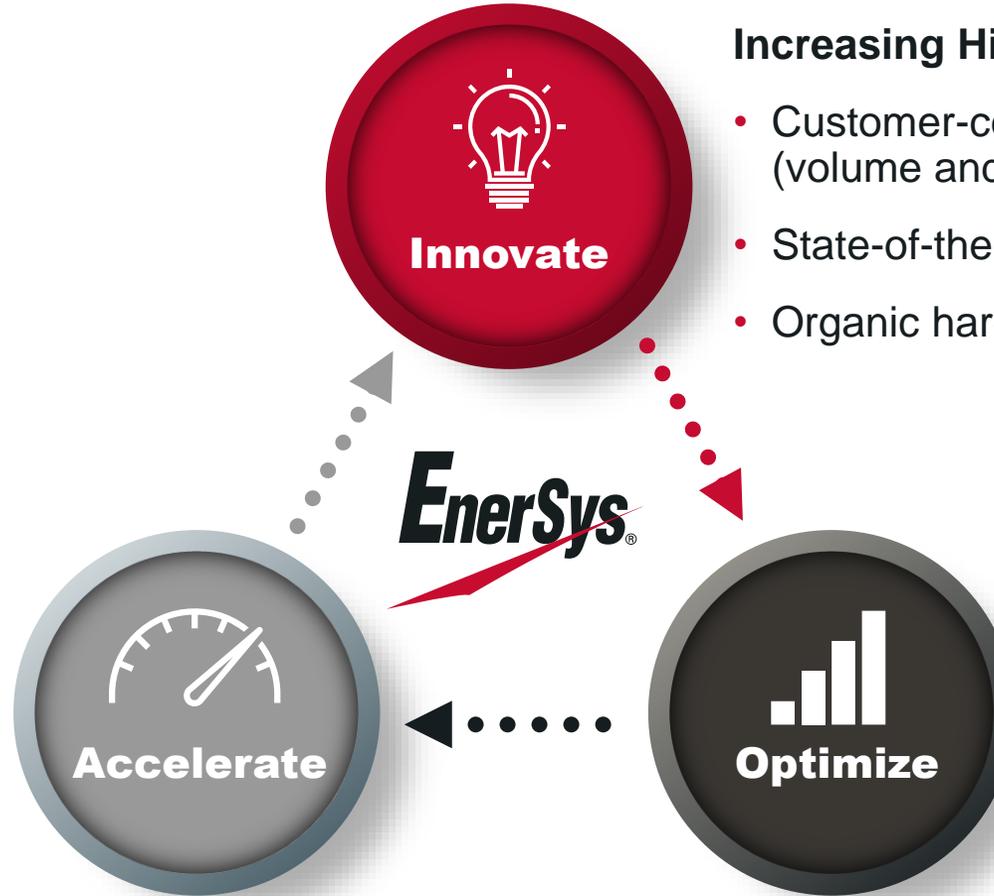
Continuous improvement driven by EOS enabling **margin expansion opportunities**

Maturity Plus Advanced Growth are Key Differentiators

Strategic Priorities Driving Long Term Growth

Compounding Value Creation

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



Increasing Higher Value Solutions

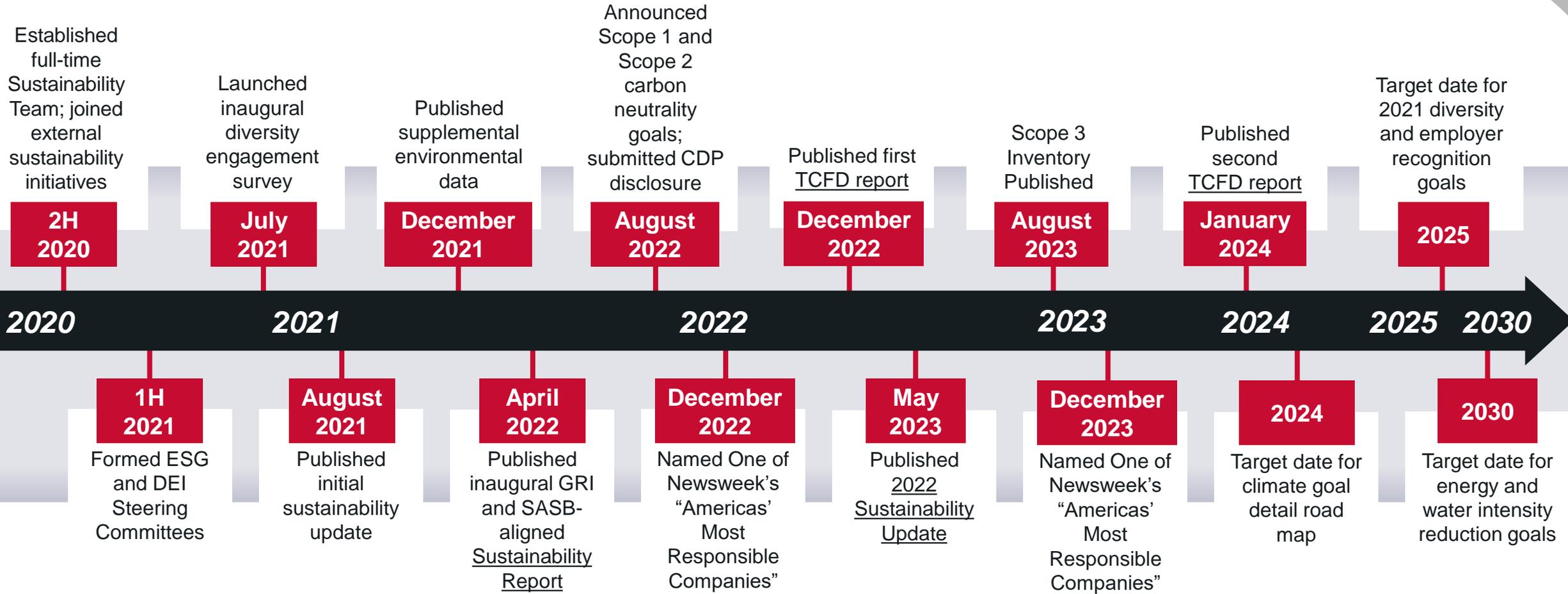
- Customer-centric NPIs (volume and mix)
- State-of-the-art technology
- Organic hardware and software

Expanding Margins

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

Clear and Consistent Strategy with Sustainable Competitive Advantages

Our Sustainability Journey



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

Committed to a Sustainable Future



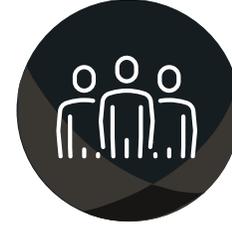
SUSTAINABILITY OF PRODUCTS AND SERVICES

- 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**



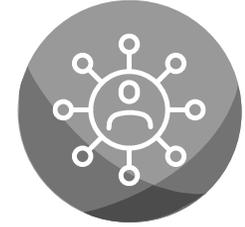
ENVIRONMENTAL STEWARDSHIP

- 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 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

Energy Systems at a Glance

FY 2023 KEY STATISTICS¹

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 AND UTILITIES

POWER SYSTEMS



BATTERIES



ENCLOSURES



SERVICES

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

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 Market¹

\$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

Motive Power at a Glance

FY 2023 KEY STATISTICS¹

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



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

Specialty at a Glance

FY 2023 KEY STATISTICS¹

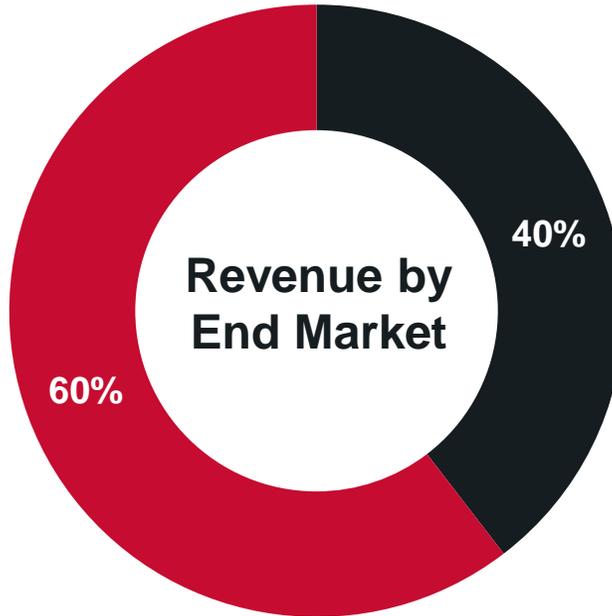
Net Sales	Adj. Operating Earnings ²	Transportation Installed Base ³	Customers Served	Market Share ³
\$519M	\$39M	1.8M Trucks	700+	30% U.S. OEM Truck Market



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 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

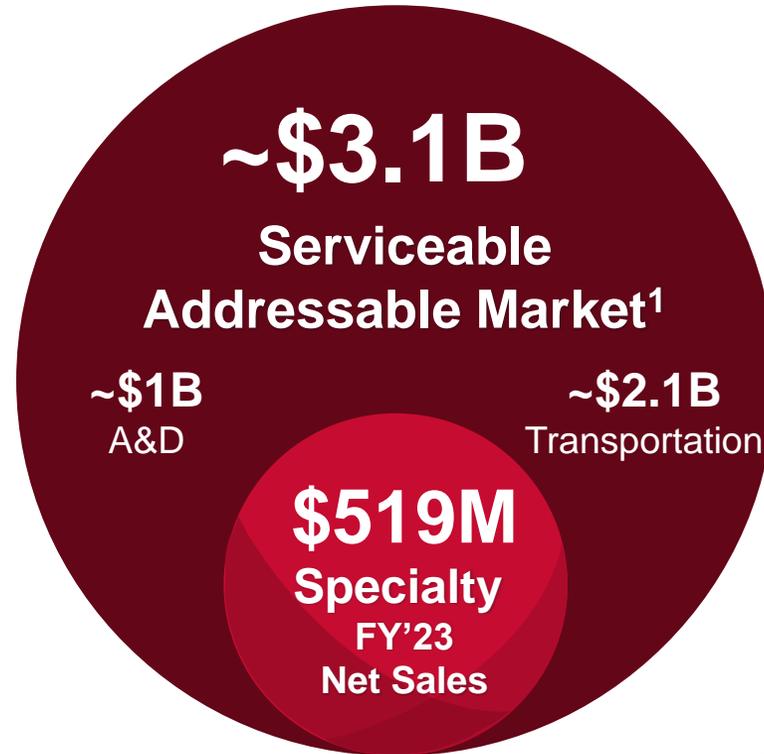
² Non-GAAP financial measure. Please refer to appendix for reconciliation

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



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

Powering the Future through Energy Management Capabilities

SMART ENERGY LOAD & ENERGY ECOSYSTEM

System Input

Commercial Solar



Grid Infrastructure



— Current Capabilities
..... Opportunities

Fast Charge & Storage
600kW Lithium-Ion Batteries



Peak Shaving
Demand Charge
Virtual Power Plants

System Output

EV-Pedestal
150kW



Commercial Buildings
and Multi-Family Units



Grocery Stores



80 - 90 Average
American Homes



✓ CLEAN

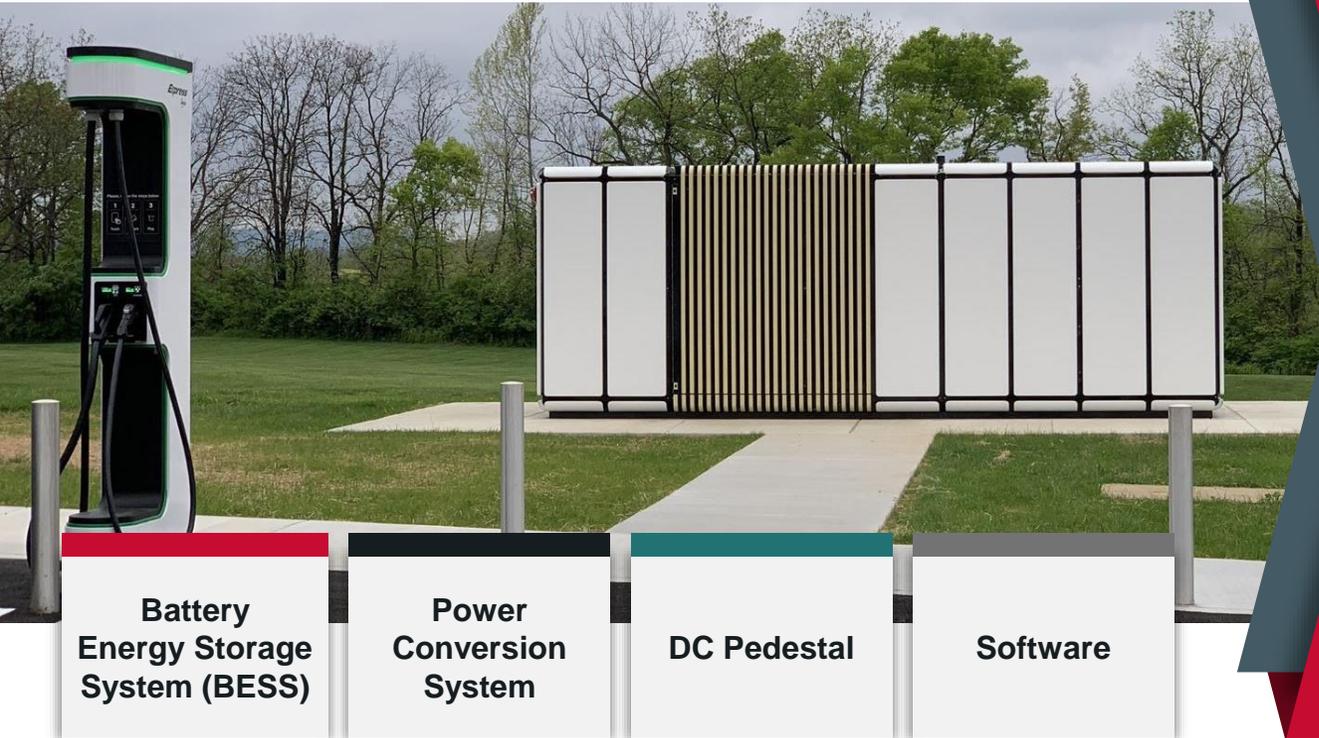
✓ DECENTRALIZED

✓ RESILIENT

✓ OPTIMIZED

Accelerating Innovation with Fast Charge and Storage

END-TO-END SOLUTION



KEY BENEFITS

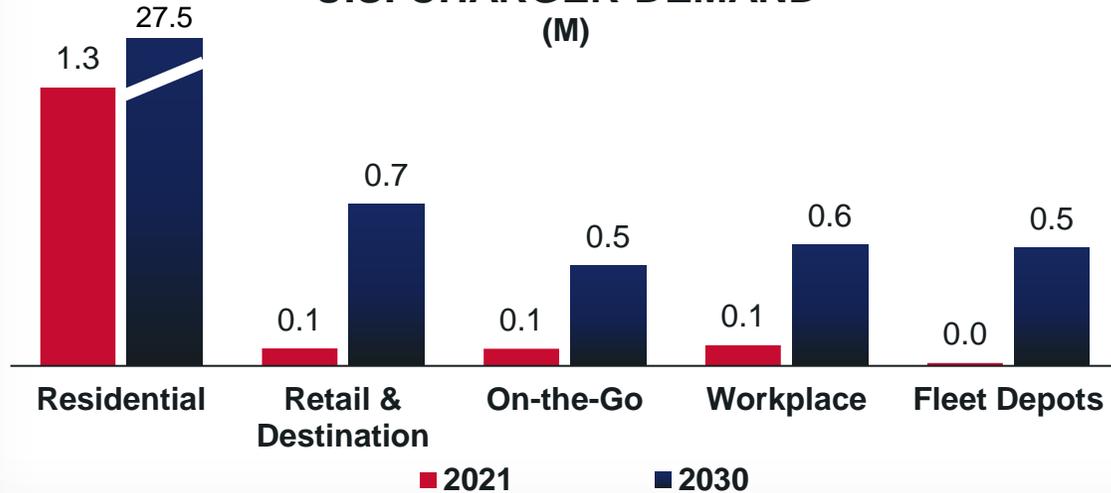
- Smart energy and load management ecosystem for reliable fast charging solutions
- Solar panel integration in decentralized system enables power in rural areas
- Modularity allows growth with the market
- Storage technologies boost energy load capabilities and increase cost savings
- Reliable customer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

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

Significant Opportunity in Attractive and Growing Market

TARGET MARKET PUBLIC DC CHARGERS¹

U.S. CHARGER DEMAND (M)



MARKET OPPORTUNITY

\$217B²

Global Public DCFC Hardware Spend Estimate 2022 – 2030

\$7.5B+

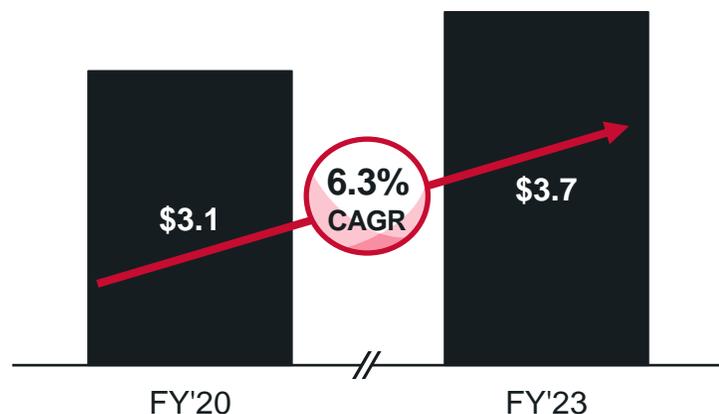
Bipartisan Infrastructure Law DCFC Spend

Well-Positioned to Capture Share of Future Opportunity

FY'20 to FY'23 Financial Performance

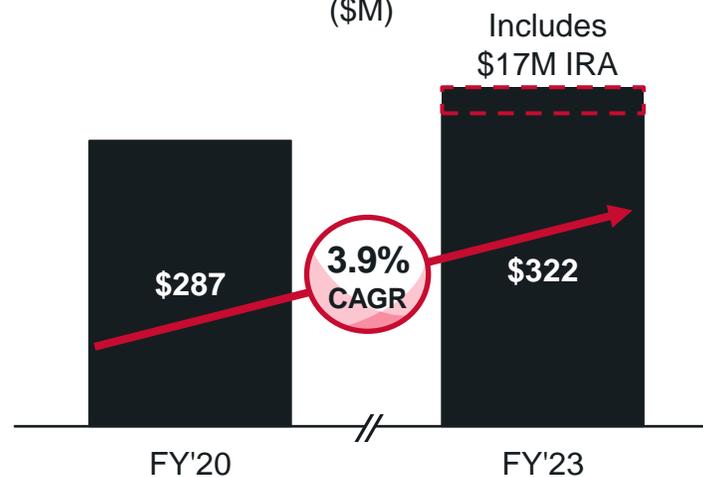
NET SALES

(\$B)

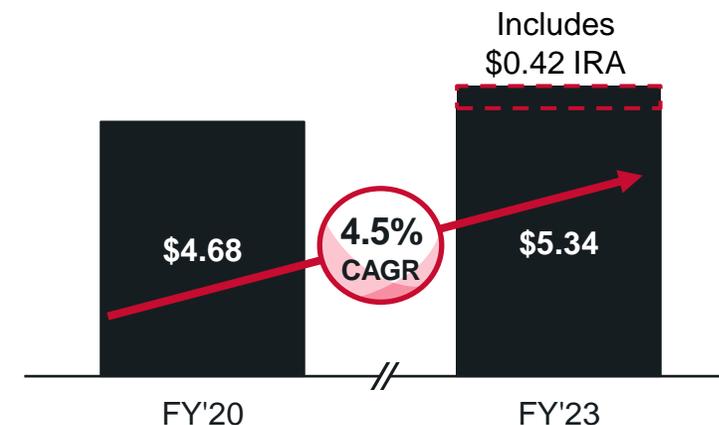


ADJ. OP EARNINGS¹

(\$M)



ADJ. DILUTED EPS¹



KEY DRIVERS

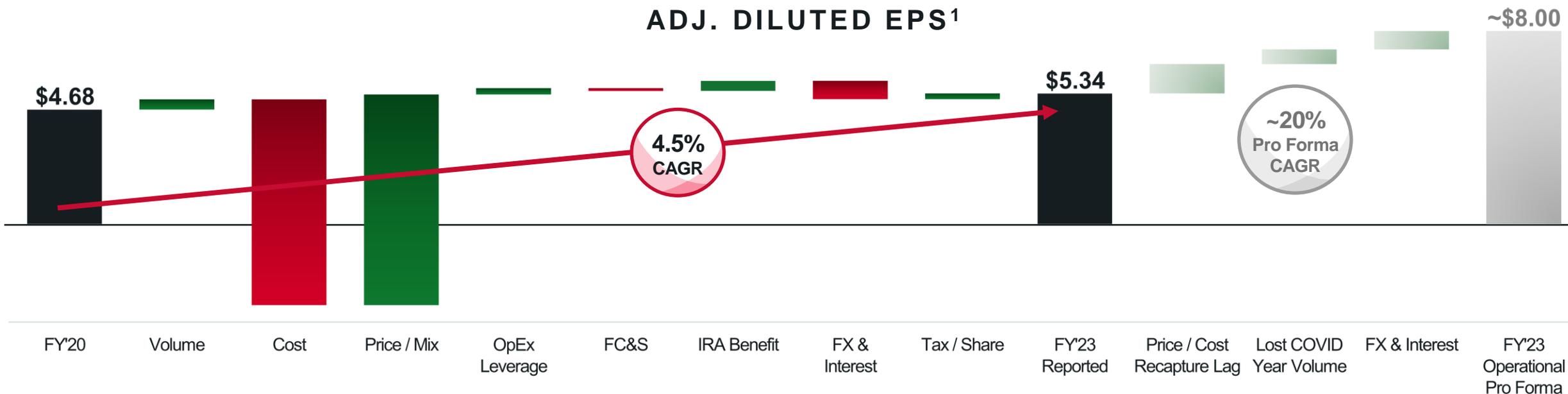
- Robust demand from growing markets, richer product mix, and price / cost recapture (~\$450M of 0-margin cost recapture)
- \$475M from TPPL expansion from FY'20 to FY'23

- 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

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

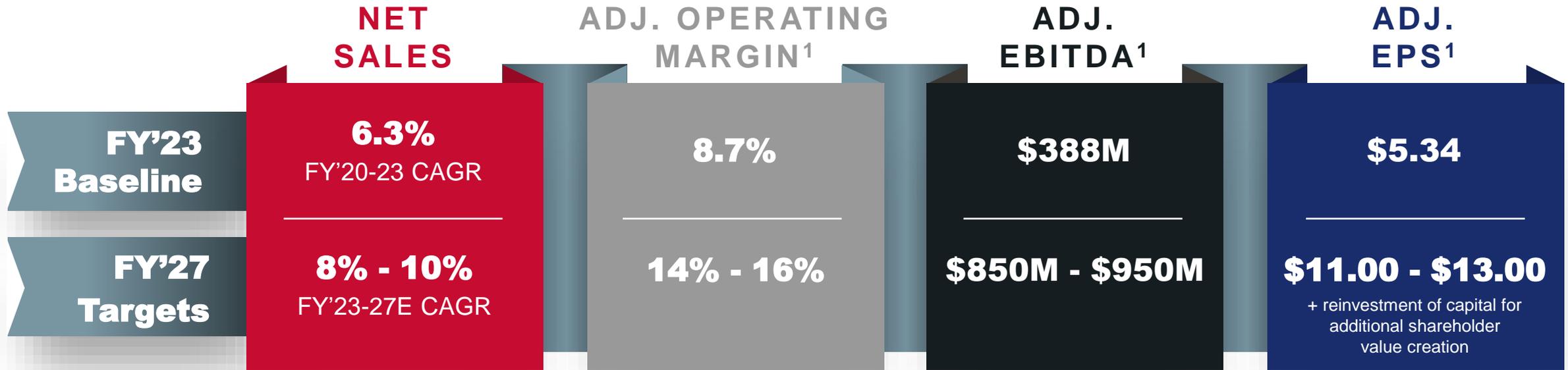
- EOS waste elimination and footprint optimization
- Leverage from OpEx growing slower than Sales
- IRA funding
- Stock buybacks

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

Clear Path to Achieving FY'27 Targets



- 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

Accelerating Growth in Diverse End Markets

Total EnerSys: 8% – 10%

Net Sales

FY'23 – 27E CAGR

CAGR

Energy Systems
6% – 8%

Motive Power
5% – 7%

Specialty
10% – 12%

Fast Charge & Storage
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

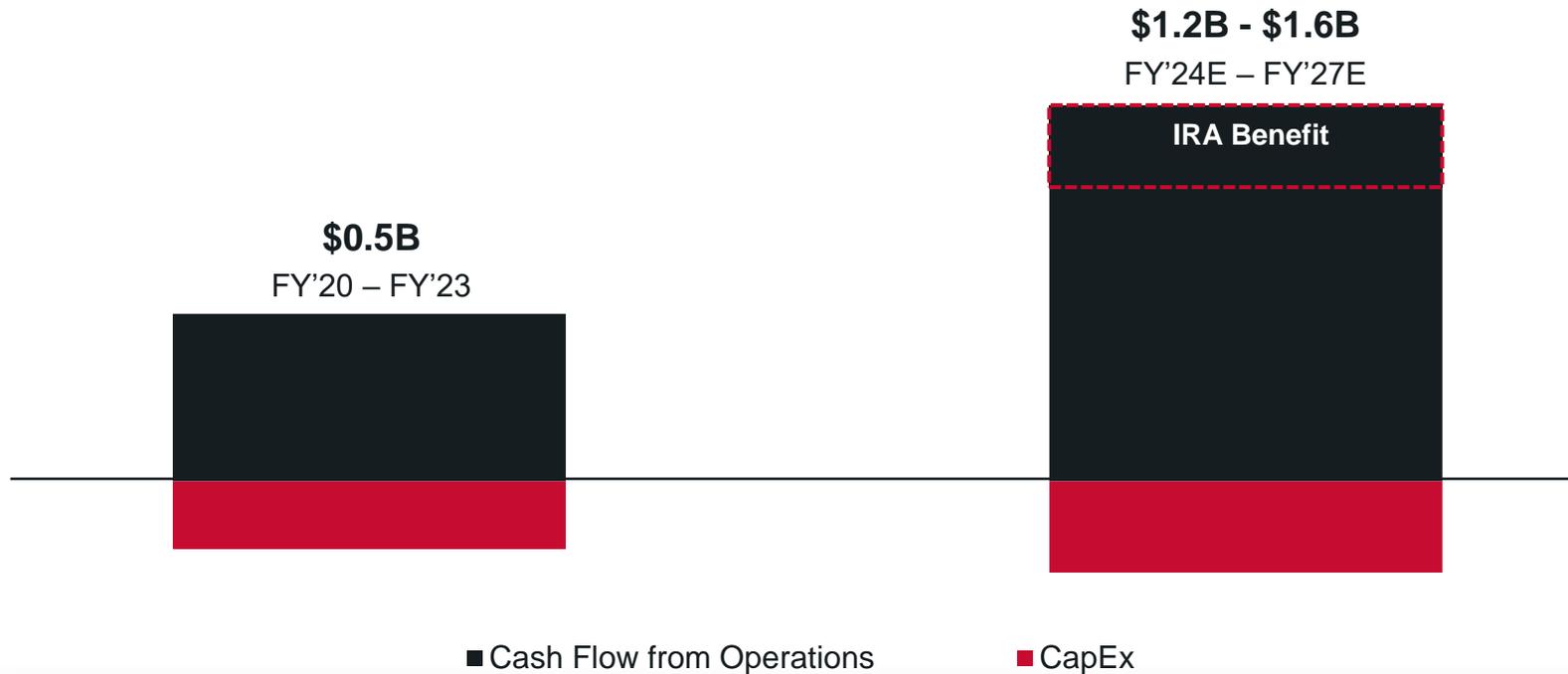
- Capturing market share with capacity expansion
- Increasing aftermarket penetration
- Supplying critical A&D solutions

- Demonstrates ability to leverage core modular platforms into new high growth markets

Clear Path to Compounding Growth

Significant Free Cash Flow Generation

FREE CASH FLOW¹



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

Disciplined Capital Allocation Strategy

PRIORITIES		FY'20 – FY'23 (\$M, cumulative)	FUTURE PRIORITIES
1	Invest in Organic Growth (CapEx)	~\$330	<ul style="list-style-type: none"> Continue TPPL capacity investments & end-to-end solutions Optimize EOS to drive additional operational efficiencies
2	Strategic M&A	~\$180	<ul style="list-style-type: none"> Accelerate domestic-sourced lithium strategy Innovate with incremental systems solutions Execute opportunistic tuck-in acquisitions
3	Net Leverage ¹	1.7x – 2.5x	<ul style="list-style-type: none"> Target low end of 2x – 3x long-term net leverage range
4	Return of Capital	<i>Dividends</i> ~\$110 <i>Buybacks</i> ~\$220	<ul style="list-style-type: none"> Committed to competitive dividend yield Offset share dilution

Investments Support Significant Shareholder Value Creation

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 leverage¹ ratio

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

Inflation Reduction Act (IRA) Enables...

BACKGROUND

\$369B in New Tax Credits

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

ENERSYS COMMITMENT

Accelerating Lithium Strategy

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

ANNUAL BENEFITS¹

Recorded as reduction to COGS

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

Expected Annual Value to EnerSys:

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

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

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

Compelling Investment Thesis

1

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

2

Strategically positioned in expanding markets driven by global megatrends

3

Invigorated leadership team executing a clear strategy for accelerated earnings growth

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

EnerSys[®]

Playing a Critical Role in Accelerating Energy Transition



Appendix



Financial Update

Q3'24 Performance

\$862M

Net Sales

(7%) Y/Y

\$130M

Adj Op Earnings¹

+53% Y/Y

Adj Op Earnings¹
Margin of 15.1%

\$144M

Adj EBITDA¹

+47% Y/Y

Adj EBITDA¹
Margin of 16.7%

\$2.56

Adj EPS¹

+102% Y/Y

\$111M

Free Cash Flow¹

(\$77M) Y/Y

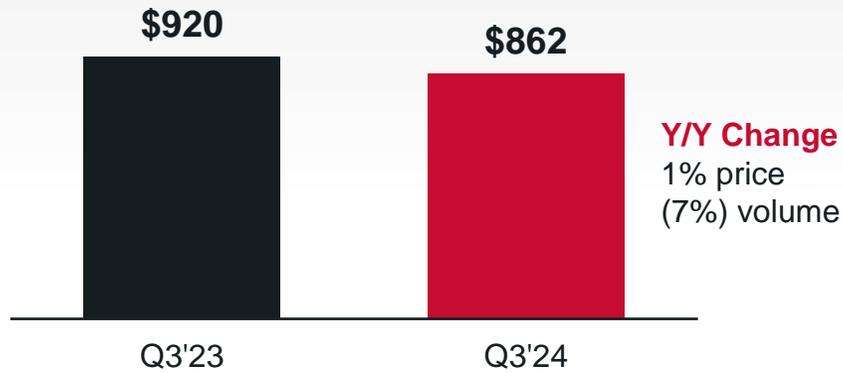
+73M Y/Y excluding Asset
Securitization in Q3'23

Delivered Adjusted Gross Profit¹ Margin of 30.7%; up 760 bps Y/Y

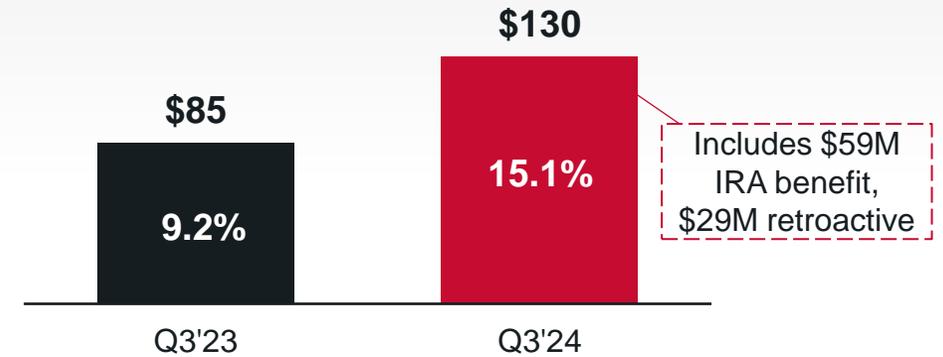
Q3'24 Results

(\$M, except EPS)

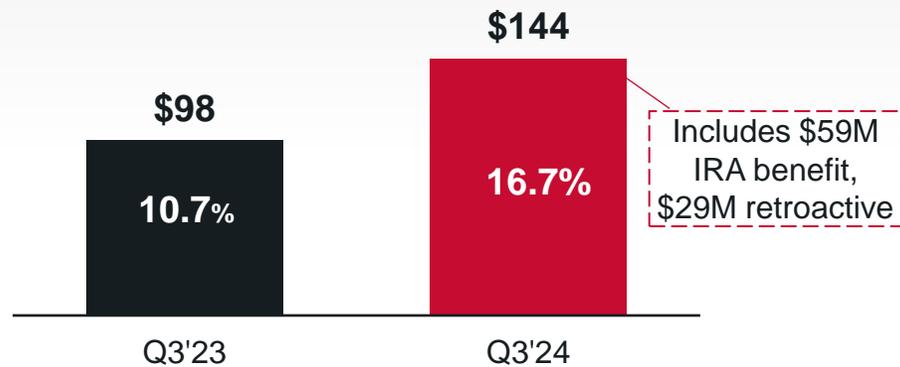
NET SALES



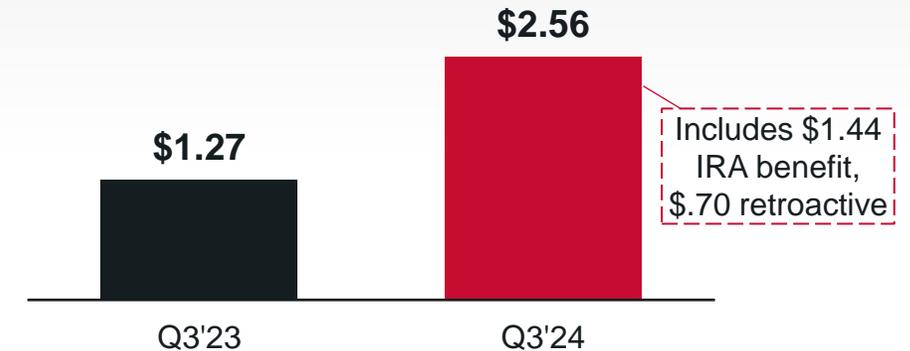
ADJ OPERATING EARNINGS¹ & MARGIN



ADJ EBITDA¹ & MARGIN

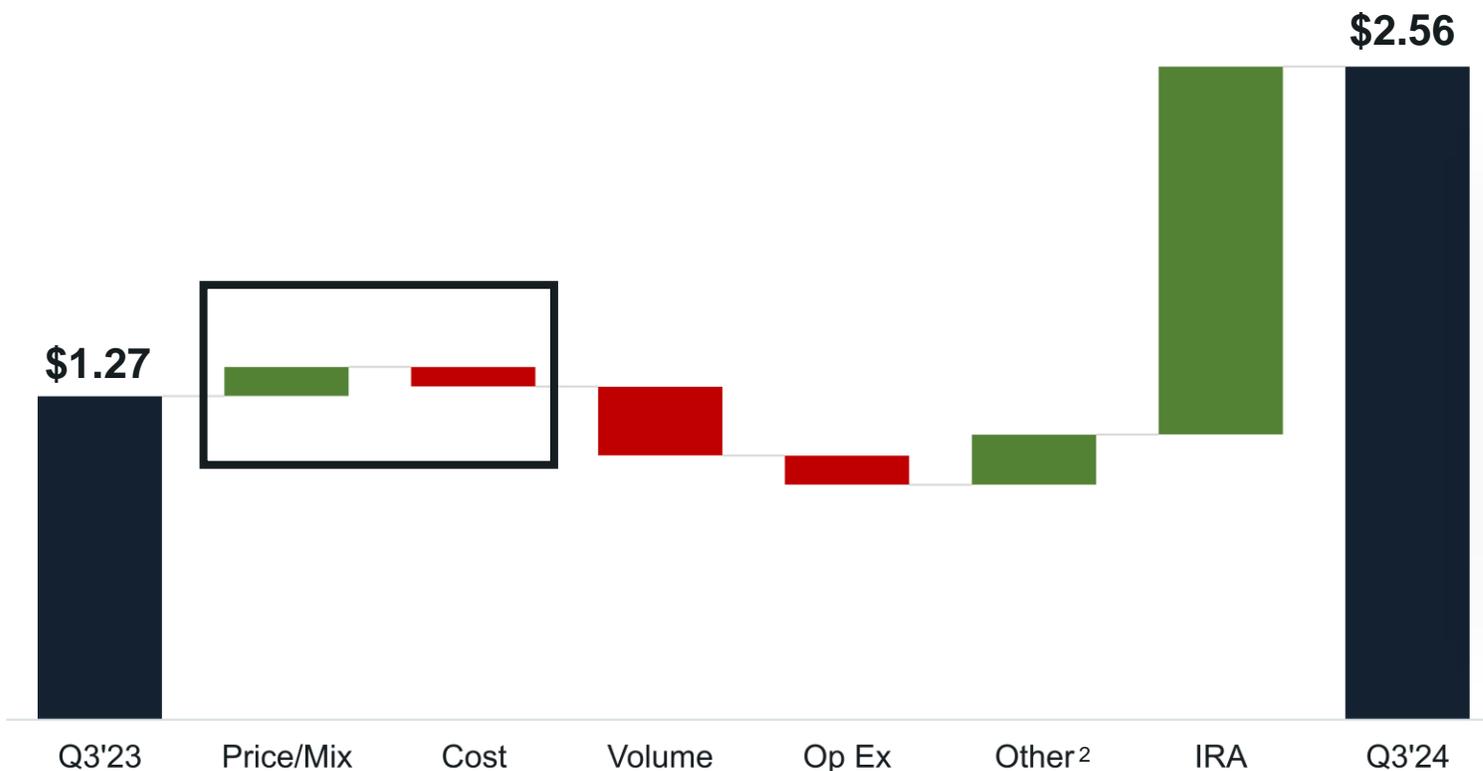


ADJ DILUTED EPS¹



Adj EPS¹ Bridge & Adj Op Earnings¹

Q3'24 YEAR-OVER-YEAR



(\$M)	Net Sales	AOE ¹
Energy Systems	\$373.5	\$14.3
Motive Power	\$355.4	\$52.8
Specialty	\$132.6	\$7.5
Corporate/Other	-	\$55.7
Total	\$861.5	\$130.3

**Sales and Earnings in Line with Expectations; Estimated IRA Benefits Increased Significantly
Volume Temporarily Suppressed by Telco/Broadband Spending Pauses**

Balance Sheet, Cash Flow and Leverage

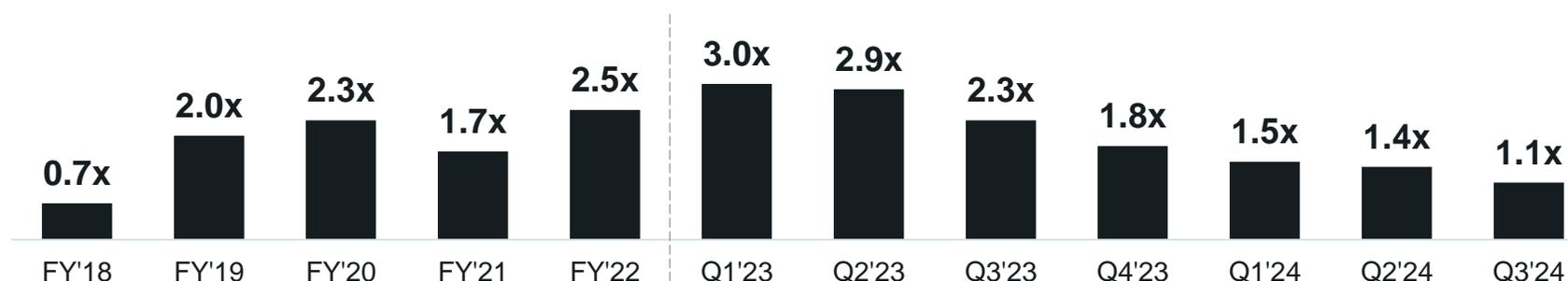
SELECTED BALANCE SHEET METRICS¹

(\$M)	Q4'23	Q3'24
Cash and Cash Equivalents	\$347	\$333
Net Debt ³	\$736	\$587
Net Leverage Ratio ³	1.8x	1.1x
Primary Operating Capital ⁴	\$1,057	\$912

SELECTED QUARTERLY CASH FLOW METRICS²

(\$M)	Q3'23	Q3'24
Cash Flow from Operations	\$206	\$135
CapEx	(\$18)	(\$23)
Free Cash Flow ⁴	\$188	\$111

NET LEVERAGE RATIO³



Maintaining Strong Free Cash Flow Generation and Healthy Balance Sheet

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

2) Quarters ending January 1, 2023 and December 31, 2023

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. 38

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

Q3'24 & Q3'23 ADJUSTED OPERATING EARNINGS

(\$ in millions)	Quarter Ended December 31, 2023				
	Energy Systems	Motive Power	Specialty	Corporate and other	Total
Net Sales	\$373.5	\$355.4	\$132.6	\$ —	\$861.5
Operating Earnings	(\$18.6)	\$49.5	\$6.0	\$55.7	\$92.6
Inventory adjustment relating to exit activities	16.1	—	—	—	16.1
Restructuring and other exit charges	2.4	2.9	0.8	—	6.1
Impairment of indefinite-lived intangibles	6.0	—	—	—	6.0
Amortization of intangible assets	6.0	0.2	0.7	—	6.9
Other	2.4	0.2	—	—	2.6
Adjusted Operating Earnings	\$14.3	\$52.8	\$7.5	\$55.7	\$130.3

(\$ in millions)	Quarter Ended January 1, 2023				
	Energy Systems	Motive Power	Specialty	Corporate and other	Total
Net Sales	\$434.3	\$361.8	\$124.1	\$ —	\$920.2
Operating Earnings	\$20.5	\$47.1	\$10.9	\$ —	\$78.5
Inventory adjustment relating to exit activities	(0.2)	(0.7)	—	—	(0.9)
Restructuring and other exit charges	0.2	0.6	—	—	0.8
Amortization of intangible assets	5.9	—	0.4	—	6.3
Other	0.1	0.1	—	—	0.2
Adjusted Operating Earnings	\$26.5	\$47.1	\$11.3	\$ —	\$84.9

	Increase (Decrease) as a % from prior year quarter				
	Energy Systems	Motive Power	Specialty	Corporate and other	Total
Net Sales	(14.0%)	(1.8%)	6.8%	NM	(6.4%)
Operating Earnings	(190.1%)	5.4%	(45.3%)	NM	17.9%
Adjusted Operating Earnings	(46.0%)	11.9%	(33.7%)	NM	53.4%

NM = Not Meaningful
February 2024

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Non-GAAP Reconciliation

Q3'24 & Q3'23 ADJUSTED EBITDA

(\$ in millions)	Quarter ended	
	December 31, 2023	January 1, 2023
Net Earnings	\$76.2	\$44.4
Depreciation	16.2	14.8
Amortization	6.9	7.8
Interest	11.7	17.5
Income Taxes	2.5	13.4
EBITDA	113.5	97.9
Non-GAAP adjustments	30.8	0.2
Adjusted EBITDA	\$144.3	\$98.1

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

(\$ in millions)	Quarter ended	
	December 31, 2023	January 1, 2023
Inventory adjustment relating to exit activities	\$16.1	(\$0.9)
Restructuring and other exit charges	6.1	0.8
Impairment of indefinite-lived intangibles	6.0	—
Other	2.6	0.4
Remeasurement of monetary assets included in other (income) expense relating to exit from Russia operations	—	(0.6)
Asset Securitization Transaction Fees	—	0.5
Cost of funding to terminate net investment hedges	—	—
Non-GAAP adjustments	\$30.8	\$0.2

Non-GAAP Reconciliation

Q3'24 & Q3'23 ADJUSTED DILUTED EPS

(\$ in millions, except share and per share amounts)

	Quarter ended	
	December 31, 2023	January 1, 2023
Net earnings reconciliation		
As reported Net Earnings	\$76.2	\$44.4
Non-GAAP adjustments:		
Inventory adjustment relating to exit activities	16.1 ⁽¹⁾	(0.9) ⁽¹⁾
Restructuring and other exit charges	6.1 ⁽¹⁾	0.8 ⁽¹⁾
Impairment of indefinite-lived intangibles	6.0 ⁽²⁾	— ⁽²⁾
Amortization of identified intangible assets	6.9 ⁽³⁾	6.3 ⁽³⁾
Remeasurement of monetary assets included in other (income) expense relating to exit from Russia operations	—	(0.6)
Asset Securitization Transaction Fees	—	0.5
Other	2.6 ⁽⁴⁾	0.4
Income tax effect of above non-GAAP adjustments	(8.9)	1.4
Non-GAAP adjusted Net earnings	\$105.0	\$52.3
Outstanding shares used in per share calculations		
Basic	40,451,279	40,835,636
Diluted	41,047,893	41,281,693
Non-GAAP adjusted Net earnings per share:		
Basic	\$2.59	\$1.28
Diluted	\$2.56	\$1.27
Reported Net earnings (Loss) per share:		
Basic	\$1.88	\$1.09
Diluted	\$1.86	\$1.08
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:

	Quarter ended	
	December 31, 2023	January 1, 2023
	Pre-tax	Pre-tax
(1) Inventory adjustment relating to exit activities - Energy Systems	\$16.1	(\$0.2)
(1) Inventory adjustment relating to exit activities – Motive Power	—	(0.7)
(1) Restructuring and other exit charges – Energy Systems	2.4	0.2
(1) Restructuring and other exit charges - Motive Power	2.9	0.6
(1) Restructuring and other exit charges - Specialty	0.8	—
(2) Impairment of indefinite-lived intangibles - Energy Systems	6.0	—
(3) Amortization of identified intangible assets - Energy Systems	6.0	5.9
(3) Amortization of identified intangible assets – Motive	0.2	—
(3) Amortization of identified intangible assets acquisitions – Specialty	0.7	0.4
(4) Other – Energy Systems	2.4	—
(4) Other – Motive	0.2	—
Total Non-GAAP adjustments	\$37.7	\$6.2

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

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

(2) Debt includes finance lease obligations and letters of credit and is net of all cash and cash equivalents, as defined in the Fourth Amended Credit Facility. In the last twelve months ending December 31, 2023, 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 \$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. 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	
	December 31, 2023	January 1, 2023
Net cash provided by (used in) operating activities	\$134.5	\$206.1
Less Capital Expenditures	(23.2)	(17.9)
Free Cash Flow	\$111.4	\$188.3
Non-GAAP adjusted Net earnings	\$105.0	\$52.3
Adjusted Free Cash Flow Conversion	106%	360%

Non-GAAP Reconciliation

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 \$911.6 million (yielding a primary operating capital percentage of 26.5%) at December 31, 2023, \$1,057.0 million (yielding a primary operating capital percentage of 26.7%) at March 31, 2023 and \$1,071.7 million at January 1, 2023 (yielding a primary operating capital percentage of 29.1%). The primary operating capital percentage of 26.5% at December 31, 2023 improved by 20 basis points compared to March 31, 2023 and improved 260 basis points compared to January 1, 2023. The decrease in primary operating capital percentage at December 31, 2023 compared to March 31, 2023 was primarily due to a reduction in accounts receivable as a result of lower sales compared to the fourth fiscal quarter of the prior fiscal year. The decrease in primary operating capital percentage at December 31, 2023 compared to January 1, 2023 was primarily from a reduction in accounts receivable and inventory as a result of lower sales compared to the third quarter of fiscal 2023.

(\$ in millions)

	December 31, 2023	March 31, 2023	January 1, 2023
Accounts receivable, net	\$498.5	637.8	\$581.8
Inventory, net	755.2	797.8	835.2
Accounts payable	(342.1)	(378.6)	(345.3)
Total primary operating capital	911.6	1,057.0	1,071.7
Trailing 3 months net sales	861.6	989.9	920.2
Trailing 3 months net sales annualized	3,446.4	3,959.6	3,680.8
Primary operating capital as a % of annualized net sales	26.5%	26.7%	29.1%

Non-GAAP Reconciliation

ADJUSTED GROSS PROFIT AND GROSS MARGIN

(\$ in millions)	Quarter ended	
	December 31, 2023	January 1, 2023
Net Sales	\$861.5	\$920.2
Gross Profit	248.6	213.7
Inventory adjustment relating to exit activities	16.1	(0.9)
Adjusted Gross Profit	\$264.7	\$212.8
Adjusted Gross Margin	30.7%	23.1%

Non-GAAP Reconciliation

FY'23 & FY'22 ADJUSTED OPERATING EARNINGS

(\$ in millions)	Twelve months ended 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

(\$ in millions)	Twelve months ended 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

(\$ in millions)	Twelve months ended 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

(\$ in millions)	Twelve months ended	
	March 31, 2023	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:

(\$ in millions)	Twelve months ended	
	March 31, 2023	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

(\$ in millions, except share and per share amounts)

	Twelve months ended	
	March 31, 2023	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

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

	Twelve months ended	
	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 Power	—	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 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 (Loss) 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 of items relating operating earnings (that are allocated to lines of business) shown in the reconciliation at left:

	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 Power	11.8
(3) Impairment of indefinite-lived intangibles - Energy Systems	1.3
(3) Impairment of indefinite-lived intangibles - Motive Power	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.

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