



Q3 FY'26 Earnings

FEBRUARY 4, 2026



Forward Looking Statements

As a reminder, we will be presenting certain forward-looking statements on this call that are based on Management's current expectations and views regarding future events and operating performance and are subject to uncertainties and changes in circumstances. Our actual results may differ materially from the forward-looking statements for a number of reasons. Our forward-looking statements are applicable only as of the date of this presentation. For a list of the factors which could affect our future results, including our earnings estimates, see forward-looking statements included in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," set forth in our Annual Report on Form 10-K for the fiscal year ended March 31, 2025, and the "Caution Concerning Forward-Looking Statements" section of our press release and 8-K dated February 4, 2026, 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 4, 2026, which is located on our website at www.enersys.com.





Q3 FY'26 Overview

SHAWN O'CONNELL

PRESIDENT AND
CHIEF EXECUTIVE OFFICER

Q3'26 Call Highlights

Q3 net sales +1% Y/Y; adjusted EPS¹ ex 45X benefits +50% Y/Y, a record Q3

Capturing realignment savings and progressing on key growth verticals

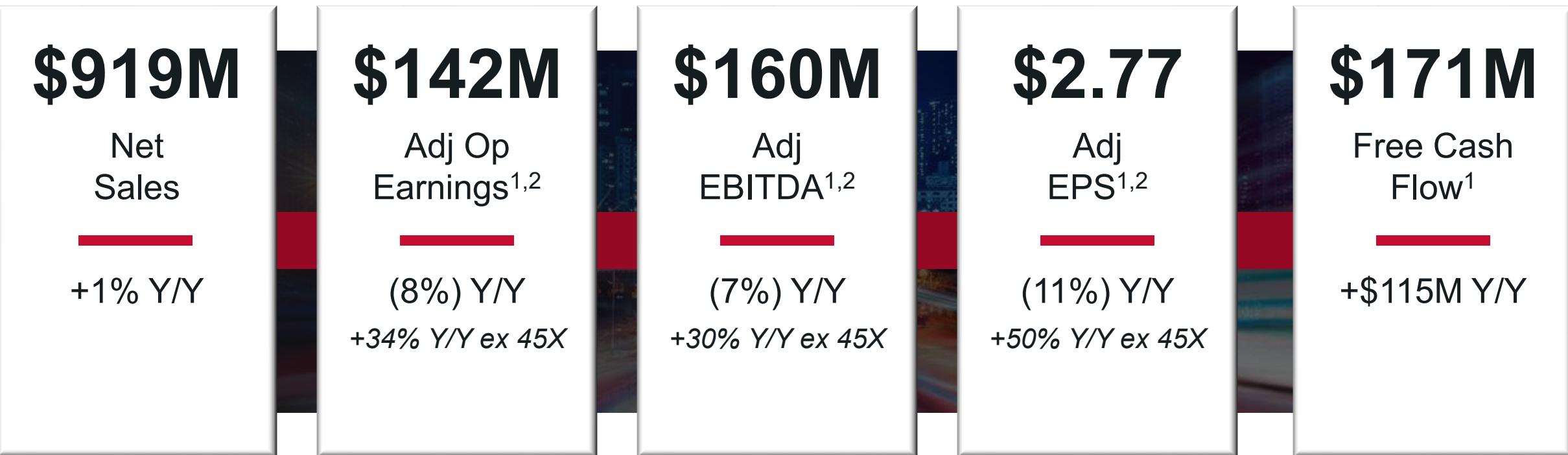
Resilient diversified business model balancing end market variability while delivering record results

Returned \$94M to shareholders through buybacks and dividends

Q4 guidance² net sales +1% Y/Y, with adjusted EPS³ ex 45X +10% *at midpoint of range*

Q3'26 Performance

ADJUSTED EPS¹ EX 45X \$1.84 UP +50% Y/Y



Adj Gross Margin^{1,2} of 30.2% (280)bps Y/Y; ex 45X Adj Gross Margin^{1,2} of 26.4%, +170 bps Y/Y

EnerGize Progress Update

OPTIMIZE

Our Core

INVIGORATE

Our Operating Model

ACCELERATE

Our Growth

- **Realizing Cost Savings** | Reduction in force actions largely complete; realized ~\$15M in Q3'26, anticipate similar savings Q4'26
- **Improving Execution Speed** | Monterrey, MX manufacturing transitioned to Richmond, KY facility ahead of plan
- **Progressing Key Verticals** | Scaling Services business resulting in two quarters of sequential revenue and margin growth

EnerGize Strategic Framework Enabling Early Wins

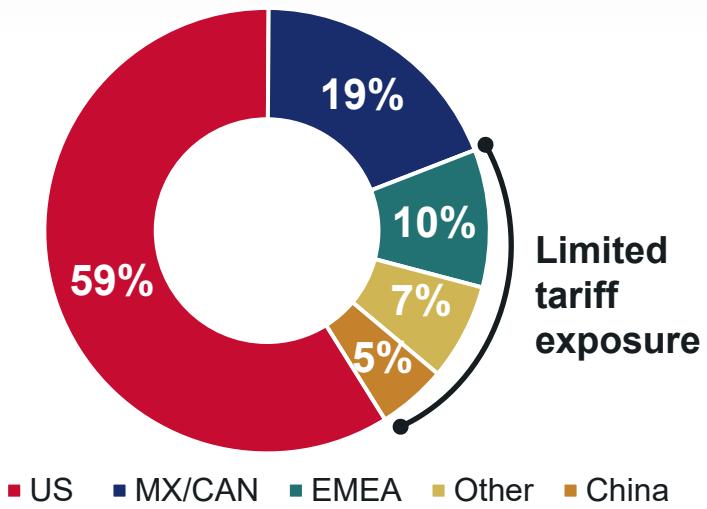
Tariff Landscape & Mitigation

TARIFF EXPOSURE¹

ORIGIN OF US SUPPLY SOURCES

~\$70M Current Annualized Tariff Exposure

- ~65% global revenue in US
- US supply sourced from:
 - 78% US or USMCA compliant
 - 22% limited tariff exposure
 - EMEA exposure primarily EU and UK
 - Other exposure primarily Southeast Asia



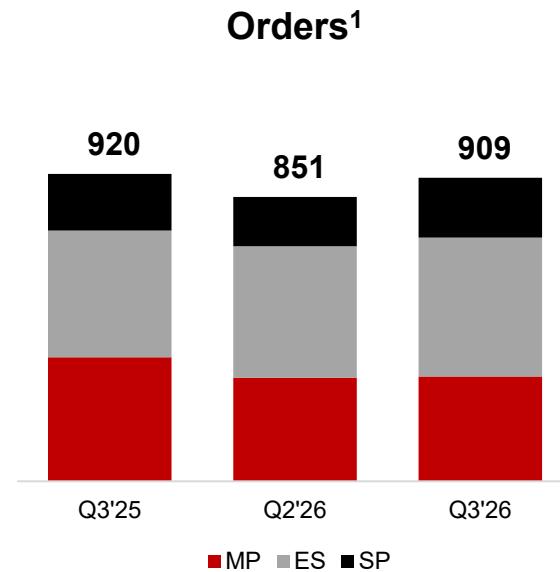
MITIGATION & ACTIONS

- Dedicated Tariff Task Force in place
- Proactively assessing and mitigating:
 - Direct tariff and inflation pressures
 - Market dynamics, including headwinds and opportunities
- Actioning supply chain and pricing mitigations
- Structural buffers in place from our longstanding practices
 - Producing in region for region
 - Onshoring from China
 - Dual sourcing
 - Footprint rationalization

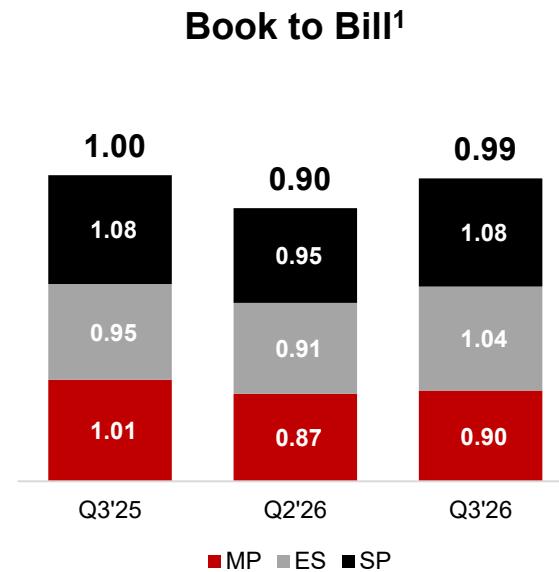
Committed to Fully Mitigating Financial Impact of Tariffs

Demand Trends

ORDER PATTERNS FLUCTUATING ON MIXED MARKET DYNAMICS

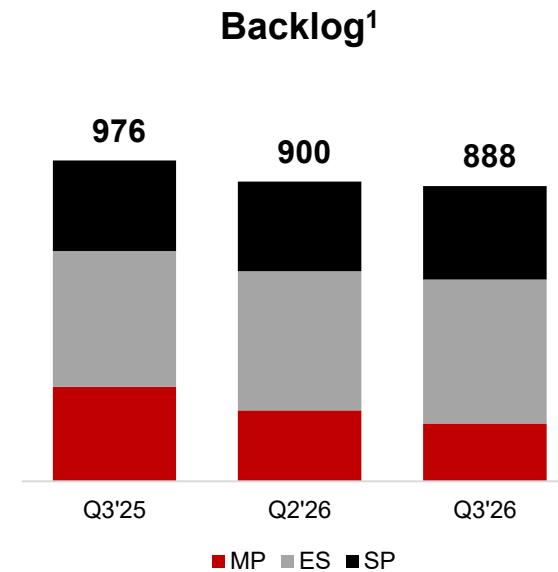


Q3'26 orders (1%) Y/Y on MP and +7% Q/Q on SP and ES



Q3'26 book to bill .99 down slightly Y/Y but up Q/Q illustrating dynamic conditions from current economic climate

MP .90, ES 1.04, SP 1.08 (1.23 A&D, .93 Trans)



Q3'26 backlog (9%) Y/Y and (1%) Q/Q on MP partially offset by ES and SP

Positive Demand Signals in Most Markets Balancing Softness in Motive Power & Transportation



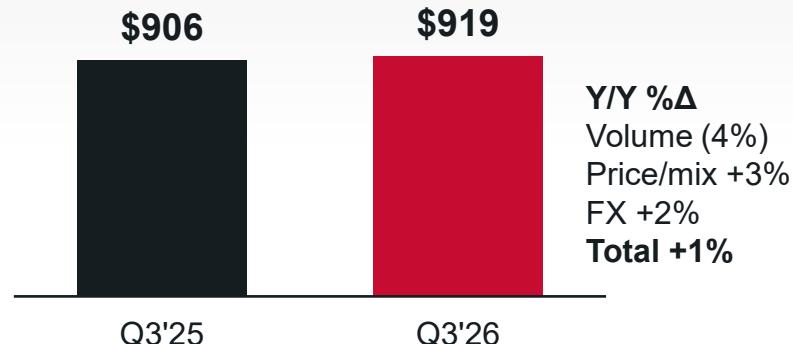
Q3'26 Financial Results Q4'26 Outlook

ANDI FUNK

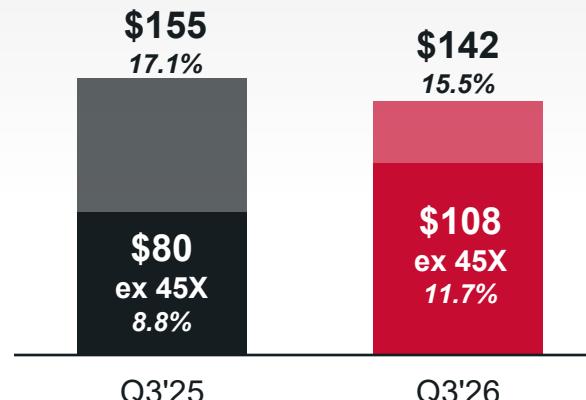
EXECUTIVE VICE PRESIDENT AND
CHIEF FINANCIAL OFFICER

Q3'26 Results

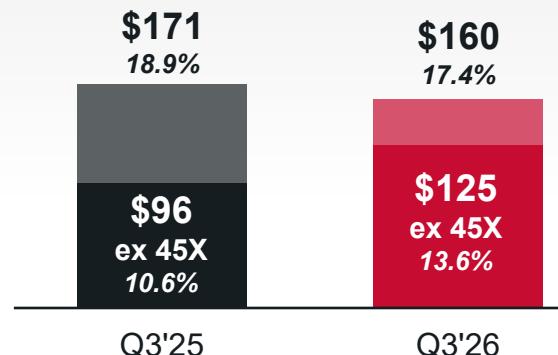
NET SALES



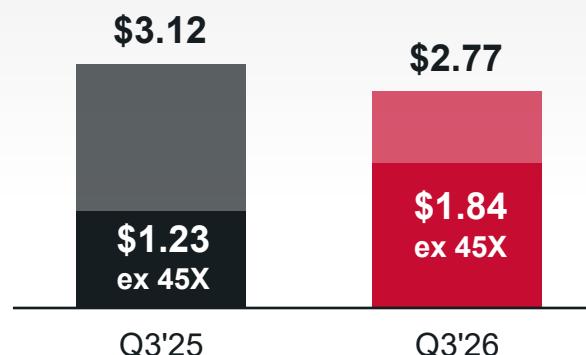
ADJ OP EARNINGS¹ & MARGIN



ADJ EBITDA¹ & MARGIN



ADJ DILUTED EPS¹



Adjusted EPS ex 45X +50% Y/Y on +1% Net Sales Growth

Q3'26 Business Segment Financials

(\$M and Y/Y %)	Net Sales	Adj Op Earnings ¹	Adj OE Margin ¹
Energy Systems	\$400 +3% Volume (3%) Price/mix +4% FX +2%	\$42.1 +67%	10.5% +400 bps
Motive Power	\$352 (2%) Volume (7%) Price/mix +2% FX +3%	\$52.6 (0.3%)	14.9% +20 bps
Specialty	\$168 +8% Volume +2% Price/mix +4% Acquisition +1% FX +1%	\$19.7 +106%	11.8% +560 bps
Total ²	\$919 +1% Volume (4%) Price/mix +3% FX +2%	\$107.6 +34% ex 45X	11.7% +290 bps ex 45X
		\$142.3 (8%)	15.5% (160) bps

Energy Systems

- Volumes muted and mix bolstered by Q-to-Q shifts of lower margin products
- Realizing cost optimization benefits supporting margin expansion

Motive Power

- Lower volumes as market softness persists
- Maintenance-free product sales +5%; 29.0% of sales Q3'26 vs 27.0% Q3'25

Specialty

- Ongoing A&D strength and Transportation aftermarket growth offset Class 8 OEM softness
- Richer mix and improving mfg performance driving earnings and margin expansion

Balance Sheet, Cash Flow and Leverage

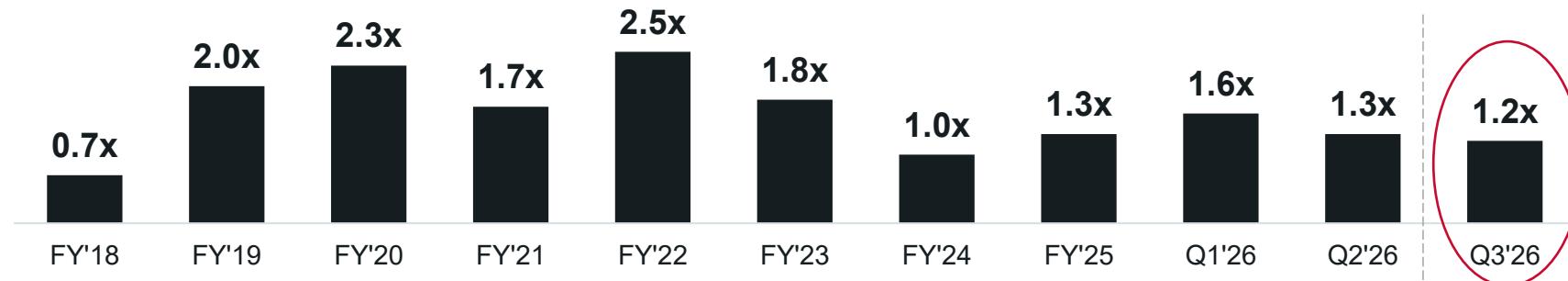
SELECTED BALANCE SHEET METRICS¹

(\$M)	Q4'25	Q3'26
Cash and Cash Equivalents	\$343	\$450
Net Debt³	\$781	\$743
Net Leverage Ratio³	1.3x	1.2x
Primary Operating Capital⁴	\$932	\$934

SELECTED CASH FLOW METRICS²

(\$M)	Q3'25	Q3'26
Cash Flow from Operations	\$81	\$185
CapEx	(\$24)	(\$13)
Free Cash Flow⁴	\$57	\$171
Free Cash Flow⁴ Conversion	46%	190%

NET LEVERAGE RATIO³



Strong Balance Sheet Enabling Disciplined Capital Allocation Choices

¹ Balances as of periods ending March 31, 2025, and December 28, 2025

² Periods ending December 29, 2024, and December 28, 2025

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).

⁴ Primary Operating Capital (POC) is a key performance indicator. Free Cash Flow is a non-GAAP measure. Please refer to appendix for reconciliations.

Disciplined Capital Allocation Strategy

Priorities	Q3'26	Future Priorities
Invest in Organic Growth (CapEx)	\$13M	<ul style="list-style-type: none"> Enhance disciplined ROIC thresholds Drive incremental operational efficiencies Progress domestic-sourced lithium strategy
Strategic M&A	Pipeline remains active	<ul style="list-style-type: none"> Focused on opportunities to: <ul style="list-style-type: none"> ➤ Strengthen customer intimacy ➤ Expand wallet share, leveraging leading positions in growing end markets ➤ Progress transformation journey
Return of Capital	<div style="display: flex; justify-content: space-between;"> <div><i>Dividends</i></div> <div>\$10M</div> </div> <div style="display: flex; justify-content: space-between;"> <div><i>Buybacks</i></div> <div>\$84M</div> </div>	<ul style="list-style-type: none"> Committed to competitive dividend that grows with earnings over time (excluding IRC 45X funds) ~\$930M outstanding repurchase authorization²
Net Leverage¹	1.2x EBITDA	<ul style="list-style-type: none"> Target below low end of 2x – 3x long-term net leverage range during volatile macro for optionality Ample dry powder for opportunistic tuck-in acquisitions and other choices

Balancing Innovation and Growth Investments while Returning Capital to Shareholders

Looking Ahead: Q4'26 Guidance

FULL YEAR EARNINGS GROWTH OUTPACING REVENUE GROWTH

Q4'26 GUIDANCE ¹		Y/Y CHANGE (AT MIDPOINT OF GUIDANCE)
Net Sales	\$960M – \$1,000M	+1%
IRC 45X Benefit to Cost of Sales	\$37M – \$42M	(11%)
Adj. EPS²	\$2.95 – \$3.05	+4%
Adj. EPS² ex 45X (base business)	\$1.91 - \$2.01	+10%

FY'26 GUIDANCE	
Adj Tax Rate ex 45X	20% - 22%
CapEx	~\$80M

ASSUMPTIONS

Q4'26

- ES: Healthy Data Center demand and steady Communications growth with normalized margin improvement trajectory
- MP: Q4 seasonal volume lift with customer enthusiasm for maintenance-free solutions, tempered by continued market softness and margin math of tariff realization
- SP: Robust A&D demand, Transportation aftermarket growth and manufacturing cost improvements offsetting soft Class 8 OEM market conditions
- Disciplined OpEx and CapEx across the business

Committed to Ongoing Shareholder Value Creation



Q&A





Appendix





Non-GAAP Reconciliations



Non-GAAP Reconciliation

QUARTERLY ADJUSTED OPERATING EARNINGS

(\$ in millions)	Quarter ended					Total
	December 28, 2025					
	Energy Systems	Motive Power	Specialty	Corporate Other		
Net Sales	\$ 399.5	\$ 352.1	\$ 167.5	\$ —	\$ 919.1	
Operating Earnings	\$ 33.3	\$ 47.0	\$ 16.0	\$ 27.9	\$ 124.2	
Inventory adjustment relating to exit activities and step up to fair value relating to recent acquisitions	—	1.2	—	—	\$ 1.2	
Restructuring and other exit charges	0.9	3.2	0.2	—	—	4.3
Amortization of intangible assets	5.9	0.1	2.4	—	—	8.4
Other	2.0	1.1	1.1	—	—	4.2
Adjusted Operating Earnings	\$ 42.1	\$ 52.6	\$ 19.7	\$ 27.9	\$ 142.3	
Operating Margin	8.3 %	13.3 %	9.6 %	3.0 %	13.5 %	
Adjusted Operating Margin	10.5 %	14.9 %	11.8 %	NM	15.5 %	
Quarter ended						
December 29, 2024						
	Energy Systems	Motive Power	Specialty	Corporate Other	Total	
Net Sales	\$ 389.2	\$ 358.9	\$ 155.2	\$ 2.90	\$ 906.2	
Operating Earnings	\$ 19.2	\$ 51.5	\$ 4.2	\$ 67.8	\$ 142.7	
Inventory step up to fair value relating to recent acquisitions	—	—	1.1	—	1.1	
Restructuring and other exit charges	0.1	1.0	0.1	—	—	1.2
Amortization of intangible assets	5.8	0.2	2.4	—	—	8.4
Other	0.2	—	1.7	—	—	1.9
Adjusted Operating Earnings	\$ 25.3	\$ 52.7	\$ 9.5	\$ 67.8	\$ 155.3	
Operating Margin	4.9 %	14.3 %	2.7 %	NM	15.7 %	
Adjusted Operating Margin	6.5 %	14.7 %	6.1 %	NM	17.1 %	
Increase (Decrease) as a % from prior year quarter	Energy Systems	Motive Power	Specialty	Corporate and other	Total	
Net Sales	2.6 %	(1.9)%	8.0 %	(98.6)%	1.4 %	
Operating Earnings	73.8	(8.8)	NM	(58.8)	(12.9)	
Adjusted Operating Earnings	66.9	(0.3)	NM	(58.8)	(8.4)	

NM = Not Meaningful

February 2026

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Non-GAAP Reconciliation

ADJUSTED EBITDA

(\$ in millions)

	Quarter ended	
	December 28, 2025	December 29, 2024
Net Earnings	90.4	\$ 114.8
Depreciation	21.3	17.2
Amortization	8.4	8.4
Interest	14.1	14.9
Income Taxes	15.8	11.9
EBITDA	150.0	167.2
Non-GAAP adjustments	9.7	4.2
Adjusted EBITDA	\$ 159.7	\$ 171.4

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

(\$ in millions)

	Quarter ended	
	December 28, 2025	December 29, 2024
Inventory adjustment relating to exit activities and step up to fair value relating to recent acquisitions	1.2	1.1
Restructuring and other exit charges	4.3	1.2
Other	4.2	1.9
Non-GAAP adjustments	\$ 9.7	\$ 4.2

Non-GAAP Reconciliation

QUARTERLY ADJUSTED DILUTED EPS

(in millions, except share and per share amounts)

	Quarter ended	
	December 28, 2025	December 29, 2024
Net earnings reconciliation		
As reported Net Earnings	\$ 90.4	\$ 114.8
Non-GAAP adjustments:		
Inventory adjustment relating to exit activities and step up to fair value relating to recent acquisitions	1.2 (1)	1.1 (1)
Restructuring and other exit charges	4.3 (2)	1.2 (2)
Amortization of identified intangible assets	8.4 (3)	8.4 (3)
Other	4.2	1.9
Income tax adjustment of benefit from tax law changes and litigation	—	—
Income tax effect of above non-GAAP adjustments	(4.3)	(3.1)
Non-GAAP adjusted Net earnings	\$ 104.2	\$ 124.3
Net Earnings excluding (ex) IRC 45X benefit		
As Reported Net Earnings	90.4	114.8
IRC 45X Benefit	34.7	75.2
Reported Net Earnings excluding (ex) IRC 45X benefit	\$ 55.7	\$ 39.6
Non-GAAP adjusted Net Earnings excluding (ex) IRC 45X benefit		
Non-GAAP Adjusted Net Earnings	104.2	124.3
IRC 45X Benefit	34.7	75.2
Non-GAAP adjusted Net Earnings excluding (ex) IRC 45X benefit	\$ 69.5	\$ 49.1
Outstanding shares used in per share calculations		
Basic	36,864,078	39,305,035
Diluted	37,660,696	39,922,913

Reported Net earnings (Loss) per share:

Basic	\$ 2.45	\$ 2.92
Diluted	\$ 2.40	\$ 2.88
Dividends per common share		
	\$ 0.2625	\$ 0.24
Non-GAAP adjusted Net earnings per share:		
Basic	\$ 2.83	\$ 3.16
Diluted	\$ 2.77	\$ 3.12

Reported Net Earnings (Loss) per share excluding (ex) IRC 45X benefit

Basic	\$ 1.51	\$ 1.01
Diluted	\$ 1.48	\$ 0.99

Non-GAAP adjusted Net Earnings (Loss) per share excluding (ex) IRC 45X benefit

Basic	\$ 1.88	\$ 1.25
Diluted	\$ 1.84	\$ 1.23

Non-GAAP Reconciliation

QUARTERLY ADJUSTED DILUTED EPS CONTINUED

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 prior:

(\$ millions)	Quarter ended	
	December 28, 2025	December 29, 2024
	Pre-tax	Pre-tax
(1) Inventory adjustment relating to exit activities - Motive Power	1.2	\$ —
(1) Inventory step up to fair value relating to recent acquisitions - Specialty	—	1.1
(2) Restructuring and other exit charges - Energy Systems	0.9	0.1
(2) Restructuring and other exit charges - Motive Power	3.2	1.0
(2) Restructuring and other exit charges - Specialty	0.2	0.1
(3) Amortization of identified intangible assets - Energy Systems	5.9	5.8
(3) Amortization of identified intangible assets - Motive Power	0.1	0.2
(3) Amortization of identified intangible assets - Specialty	2.4	2.4
Total Non-GAAP adjustments	\$ 13.9	\$ 10.7

Non-GAAP Reconciliation

LEVERAGE RATIO BY YEAR

(\$ in millions, except ratios)	Fiscal year ended March 31,							
	2025	2024	2023	2022	2021	2020	2019	2018
Net earnings as reported	\$363.7	\$269.1	\$175.8	\$143.9	\$143.3	\$137.1	\$160.5	\$119.8
Add back:								
Depreciation and amortization	100.9	92.0	91.2	95.9	94.1	87.3	63.3	54.3
Interest expense	51.1	49.9	59.5	37.8	38.5	43.7	30.9	25
Income tax expense	42.8	23.1	34.8	30	26.8	9.9	21.6	118.5
EBITDA (non GAAP)	\$558.5	\$434.1	\$361.3	\$307.5	\$302.7	\$278.0	\$276.3	\$317.6
Adjustments per credit agreement definitions ⁽¹⁾	56.2	85.8	51.7	51.5	56.3	123.6	139	23.2
Adjusted EBITDA (non-GAAP) per credit agreement ⁽¹⁾	\$614.7	\$519.9	\$413.0	\$359.1	\$359.0	\$401.6	\$415.3	\$340.8
Total net debt ⁽²⁾	\$781.1	\$511.1	\$736.0	\$905.9	\$615.0	\$905.6	\$835.8	\$234.7
Leverage ratios:								
Total net debt/credit adjusted EBITDA ratio	1.3 X	1.0 X	1.8 X	2.5 X	1.7 X	2.3 X	2.0 X	0.7 X

(1) The \$56.2 million adjustment to EBITDA in the last twelve months ending March 31, 2025 primarily related to \$27.8 million of non-cash stock compensation, \$22.0 million of restructuring and other exit charges, impairment of indefinite-lived intangibles and write-down of other current assets of \$5.5 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 \$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 2025, the amounts deducted in the calculation of net debt were U.S. cash and cash equivalents and foreign cash investments of \$343.1 million; in fiscal 2024, were 333.3 million, in fiscal 2023, were \$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 28, 2025	December 29, 2024
Net earnings as reported	\$312.8	\$328.1
Add back:		
Depreciation and amortization	111.4	98.1
Interest expense	46.4	46.4
Income tax expense	55.9	31.4
EBITDA (non-GAAP)	<u>\$526.5</u>	<u>\$504.0</u>
Adjustments per credit agreement definitions ⁽¹⁾	<u>84.7</u>	<u>52.6</u>
Adjusted EBITDA (non-GAAP) per credit agreement ⁽¹⁾	<u>\$611.2</u>	<u>\$556.6</u>
Total net debt ⁽²⁾	<u>\$743.3</u>	<u>\$852.1</u>
Leverage ratios:		
Total net debt/credit adjusted EBITDA ratio	1.2 X	1.5 X

1. The \$84.7 million adjustment to EBITDA in the last twelve months ending December 28, 2025 primarily related to \$37.0 million of non-cash stock compensation, \$40.6 million of restructuring and other exit charges, impairment of indefinite-lived intangibles and write-down of other current assets of \$5.5 million. The \$52.6 million adjustment to EBITDA in the last twelve months ending December 29, 2024 primarily related to \$28.0 million of non-cash stock compensation, \$19.8 million of restructuring and other exit charges, impairment of indefinite-lived intangibles and write-down of other current assets of \$4.5 million.
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 December 28, 2025 and December 29, 2024, the amounts deducted in the calculation of net debt were U.S. cash and cash equivalents and foreign cash investments of \$450.1 million, and in fiscal 2024, were \$463.2 million.

Non-GAAP Reconciliation

FREE CASH FLOW

(\$ in millions)

	Quarter ended	
	December 28, 2025	December 29, 2024
Net cash provided by (used in) operating activities	\$ 184.6	\$ 81.1
Less Capital Expenditures	(13.3)	(24.3)
Free Cash Flow	171.3	56.8

(\$ in millions)

	Quarter ended	
	December 28, 2025	December 29, 2024
Net cash provided by (used in) operating activities	\$ 184.6	\$ 81.1
Net earnings	90.4	114.8
Operating cash flow conversion %	204.2 %	70.6 %
Free cash flow	171.3	56.8
Net earnings	90.4	114.8
Free cash flow conversion %	189.5 %	49.5 %

Non-GAAP Reconciliation

GROSS PROFIT AND GROSS MARGIN EX 45X

(\$ in millions)

	Quarter ended	
	December 28, 2025	December 29, 2024
Gross Profit	\$ 276.3	\$ 298.2
IRC 45X Benefit	34.7	75.2
<u>Gross Profit ex 45X</u>	<u>241.6</u>	<u>223.0</u>
 Gross Margin	 30.1 %	 32.9 %
IRC 45X Benefit	3.8 %	8.3 %
<u>Gross Margin ex 45X</u>	<u>26.3 %</u>	<u>24.6 %</u>

Non-GAAP Reconciliation

ADJUSTED GROSS PROFIT AND GROSS MARGIN

(\$ in millions)

	Quarter ended	
	December 28, 2025	December 29, 2024
Gross Profit as reported	\$ 276.3	298.2
Inventory adjustment relating to exit activities and step up to fair value relating to recent acquisitions	1.2	1.1
Adjusted Gross Profit	277.5	299.3
Gross Margin	30.1 %	32.9 %
Inventory adjustment relating to exit activities and step up to fair value relating to recent acquisitions	0.1 %	0.1 %
Adjusted Gross Margin	30.2 %	33.0 %

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 \$933.6 million (yielding a primary operating capital percentage of 25.4%) at December 28, 2025, \$932.2 million (yielding a primary operating capital percentage of 23.9%) at March 31, 2025 and \$947.4 million at December 29, 2024 (yielding a primary operating capital percentage of 26.1%). The primary operating capital percentage of 25.4% at December 28, 2025 increased by 150 basis points compared to March 31, 2025 and decreased 70 basis points compared to December 29, 2024. The increase in primary operating capital percentage at December 28, 2025 compared to March 31, 2025 was primarily due to increases to inventory for strategic build up and decreases to accounts payable levels due to timing of payments. The increase in primary operating capital percentage at December 28, 2025 compared to March 31, 2025 was due to strategic inventory building and timing of accounts payable payments not fully offset by impacts from additional contributions from the Amended RPA. The decrease in primary operating capital percentage at December 28, 2025 compared to December 29, 2024 was due to impacts from the additional contributions from the Amended RPA in the third quarter of fiscal 2026.

Primary operating capital and primary operating capital percentages at December 28, 2025, March 31, 2025 and December 29, 2024 are computed as follows:

(\$ in Millions)	December 28, 2025	March 31, 2025	December 29, 2024
Accounts receivable, net	\$474.7	\$597.9	\$545.2
Inventory, net	795.4	740.0	753.4
Accounts payable	(336.5)	(405.7)	(351.2)
Total primary operating capital	933.6	932.2	947.4
Trailing 3 months net sales	919.1	974.8	906.2
Trailing 3 months net sales annualized	3,676.4	3,899.2	3,624.8
Primary operating capital as a % of annualized net sales	25.4 %	23.9 %	26.1 %



Thank you.

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