



# Q4'26 & FY'26 Earnings

MAY 20, 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 our filings with the U.S. Securities and Exchange Commission, including, but not limited to, 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, 2026, and the "Caution Concerning Forward-Looking Statements" section of our press release and 8-K dated May 20, 2026.

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 May 20, 2026, which is located on our website at [www.enersys.com](http://www.enersys.com).



# Q4'26 & FY'26 Overview

SHAWN O'CONNELL

PRESIDENT AND  
CHIEF EXECUTIVE OFFICER

# Q4'26 & FY'26 Call Highlights

Highest quarterly adj EPS<sup>1</sup> ex 45X benefits on second highest quarterly revenue

Record FY'26 net sales, adj operating earnings<sup>1</sup>, and adj EPS<sup>1</sup> - both with and w/o 45X

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

Returned \$409M to shareholders in FY'26 through buybacks and dividends

Q1 guidance<sup>2</sup> net sales +5% Y/Y, with adj EPS<sup>3</sup> ex 45X +50% *at midpoint of range*

# Q4'26 & FY'26 Performance

RECORD ADJ EPS<sup>1</sup> WITH AND W/O 45X FOR QUARTER AND YEAR

Q4'26

FY'26

	<u>Net Sales</u>	<u>Adj Op Earnings<sup>1,2</sup></u>	<u>Adj EBITDA<sup>1,2</sup></u>	<u>Adj EPS<sup>1,2</sup></u>	<u>Free Cash Flow<sup>1</sup></u>
Q4'26	<b>\$988M</b> +1% Y/Y	<b>\$154M</b> +1% Y/Y <i>flat Y/Y ex 45X</i>	<b>\$173M</b> +3% Y/Y +3% Y/Y ex 45X	<b>\$3.19</b> +7% Y/Y +5% Y/Y ex 45X	<b>\$131M</b> +\$26M Y/Y
FY'26	<b>\$3.8B</b> +4% Y/Y	<b>\$540M</b> +2% Y/Y +11% Y/Y ex 45X	<b>\$602M</b> +2% Y/Y +10% Y/Y ex 45X	<b>\$10.56</b> +4% Y/Y +15% Y/Y ex 45X	<b>\$468M</b> +\$328M Y/Y

Q4 Adj Gross Margin<sup>1</sup> ex 45X down (190)bps Y/Y; FY Adj Gross Margin<sup>1</sup> ex 45X flat Y/Y

# EnerGize Progress Update

***OPTIMIZE***  
Our Core

***INVIGORATE***  
Our Operating Model

***ACCELERATE***  
Our Growth

- **Optimizing Our Footprint** | Announced Tijuana facility closure and production shift to US; seeing early realization of incremental 45X benefits from completed Monterrey closure and production shift to US
- **Strengthening Alignment** | Delivered working capital improvements through coordination of our supply chain and purchasing teams
- **Progressing New Products** | New lithium data center solution and BESS for warehouse operators both advanced into customer commissioning phase

**EnerGize Strategic Framework Enabling Early Wins**

# Proactively Mitigating Tariff and Geopolitical Pressures

## DIRECT & INDIRECT EXPOSURES

- ~22% tariff exposure to US sourcing remains stable
- Annualized tariff exposure remains ~\$70M<sup>1</sup>
  - Reversed IEEPA tariffs replaced by additional section 122 tariffs
  - Submitted for CAPE Phase I IEEPA tariff refunds<sup>2</sup>
  - CAPE Phase II process not yet released
- Elevated freight and inflationary pressures from geopolitical conflict
- Indirect impact of macro on customer buying behaviors

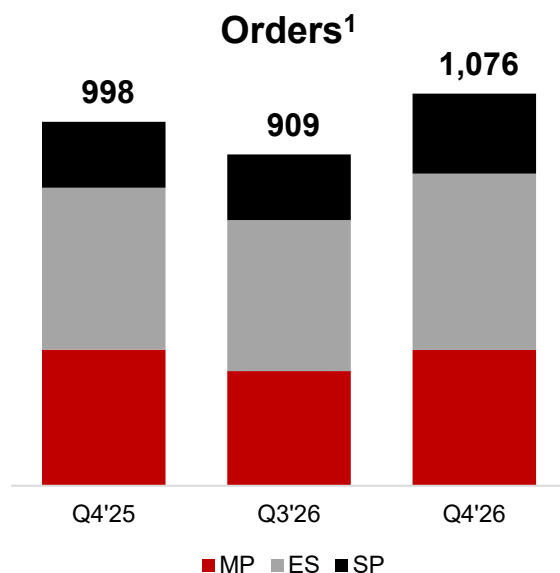
## MITIGATION & ACTIONS

- Dedicated task force in place proactively and effectively assessing and mitigating exposures
- Actioning supply chain and pricing mitigations
- Structural buffers in place from our longstanding practices
  - Producing in region for region
  - Dual sourcing
  - Footprint rationalization
  - Onshoring from China

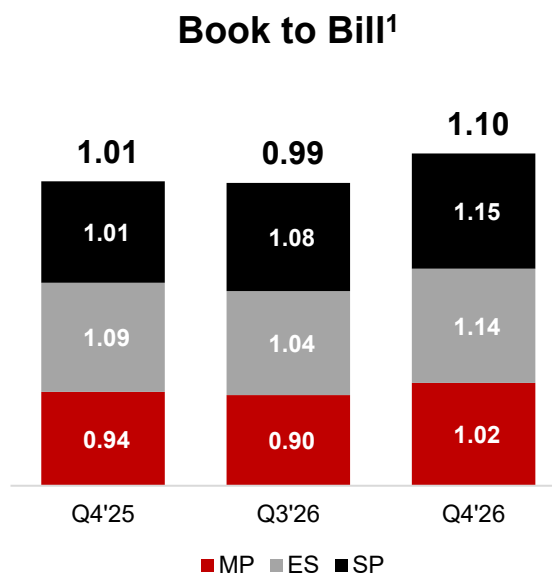
**Proven Track Record and Established Play Book to Successfully Mitigate**

# Demand Trends

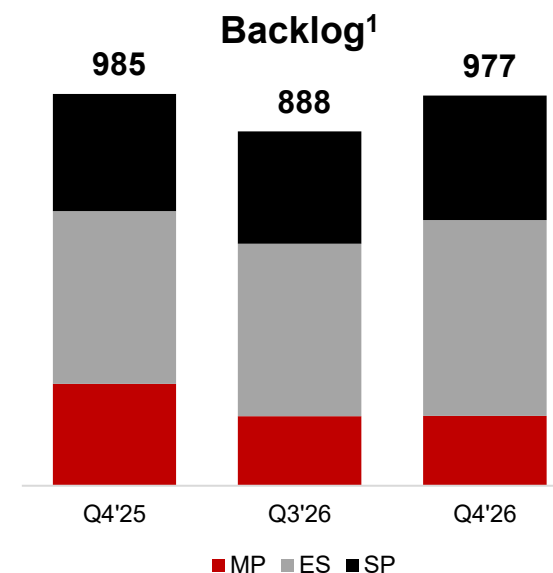
ORDERS OUTPACING REVENUE IN ALL MARKETS



Q4'26 orders +8% Y/Y on SP and ES  
+18% Q/Q across all LOBs



Q4'26 book to bill 1.1 up Y/Y and Q/Q illustrating improvements though dynamic market conditions  
MP 1.02, ES 1.14, SP 1.15 (1.21 A&D, 1.07 Trans)



Q4'26 backlog (1%) Y/Y on MP and SP (Trans)  
+10% Q/Q on ES and SP

**Positive Demand Signals Across All Markets; Economic Conditions Remain Dynamic**



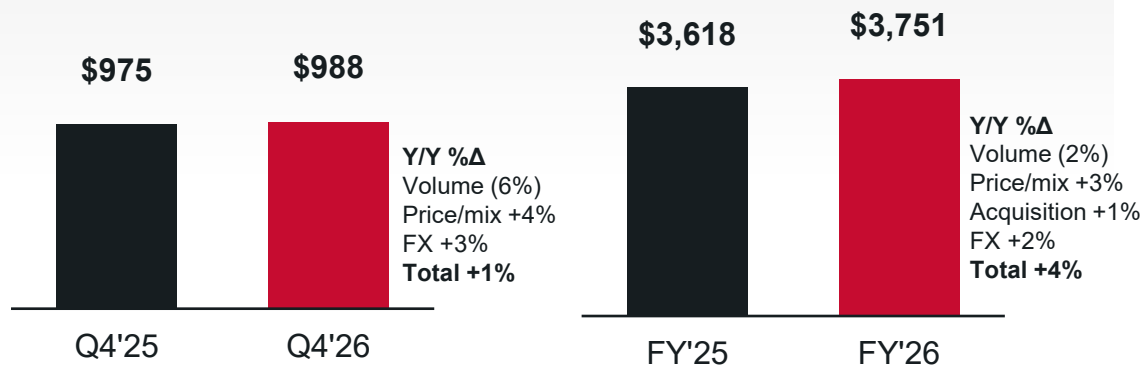
# Q4'26 & FY'26 Financial Results Q1'27 Outlook

**ANDI FUNK**

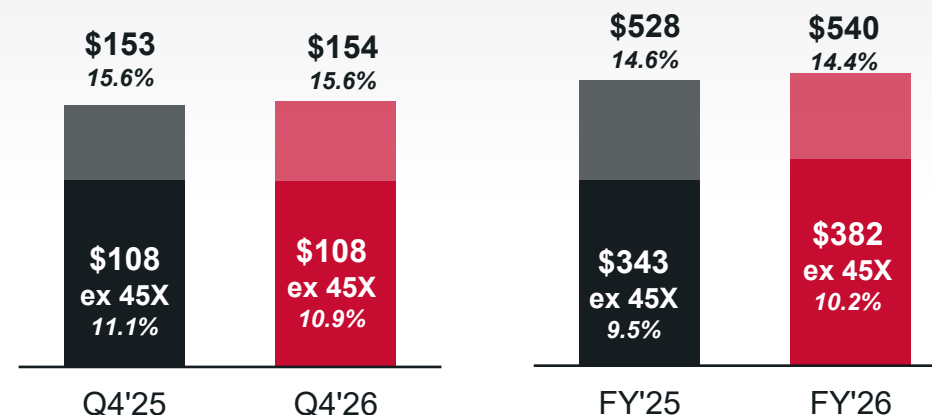
EXECUTIVE VICE PRESIDENT AND  
CHIEF FINANCIAL OFFICER

# Q4'26 & FY'26 Results

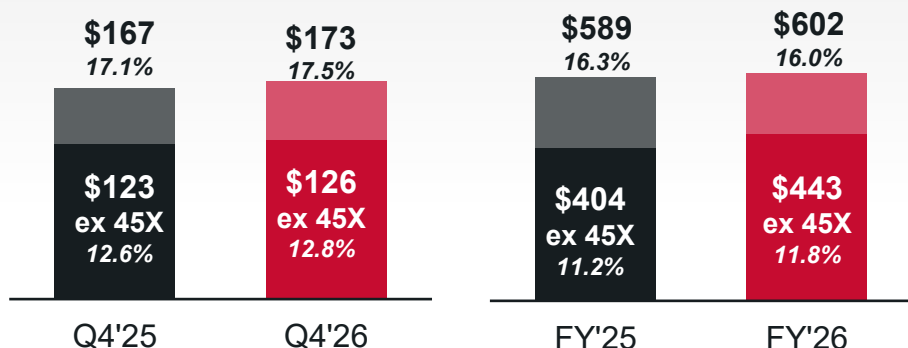
## NET SALES



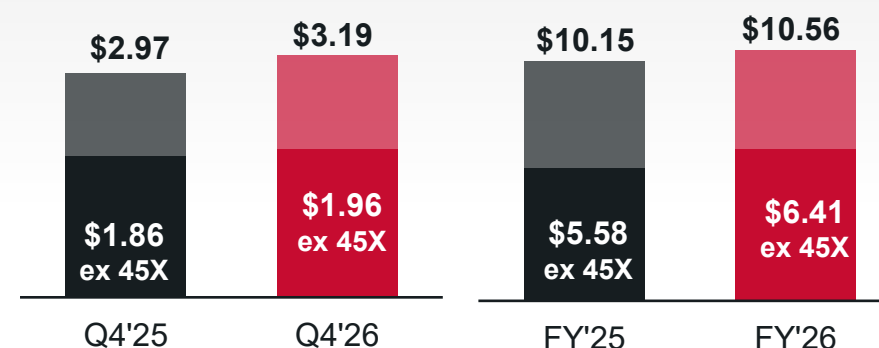
## ADJ OP EARNINGS<sup>1</sup> & MARGIN



## ADJ EBITDA<sup>1</sup> & MARGIN



## ADJ DILUTED EPS<sup>1</sup>



**FY Adjusted EPS ex 45X +15% Y/Y on +4% Net Sales Growth**



<sup>1</sup> Non-GAAP measure. Please refer to appendix for reconciliation. Includes IRC 45X tax credit recorded in Cost of Sales (COS): \$46M in Q4'26, \$159M in FY'26, \$44M in Q4'25, and \$185M in FY'25.

# Q4'26 Business Segment Financials

(\$M and Y/Y %)	Net Sales	Adj Op Earnings <sup>1</sup>	Adj OE Margin <sup>1</sup>
Energy Systems	<b>\$426</b> +7% Volume flat Price/mix +4% FX +3%	<b>\$42.4</b> +23%	<b>10.0%</b> +130 bps
Motive Power	<b>\$370</b> (6%) Volume (10%) Price/mix +1% FX +3%	<b>\$52.6</b> (21%)	<b>14.2%</b> (280) bps
Specialty	<b>\$192</b> +8% Volume (6%) Price/mix +11% Acquisition +2% FX +1%	<b>\$18.2</b> +20%	<b>9.4%</b> +90 bps
Total <sup>2</sup>	<b>\$988</b> +1% Volume (6%) Price/mix +4% FX +3%	<b>\$107.9</b> flat ex 45X  <b>\$154.1</b> +1%	<b>10.9%</b> (20) bps ex 45X  <b>15.6%</b> flat

## Energy Systems

- Volumes and mix bolstered by growth in power electronics
- Cost optimization supporting margin expansion

## Motive Power

- Lower volumes on market softness and higher freight and tariff costs
- Maintenance-free product sales 30.4% of sales Q4'26 vs 29.3% Q4'25

## Specialty

- Ongoing A&D strength partially offset by Transportation volume softness
- Richer mix, particularly in A&D, driving earnings and margin expansion

# Balance Sheet, Cash Flow and Leverage

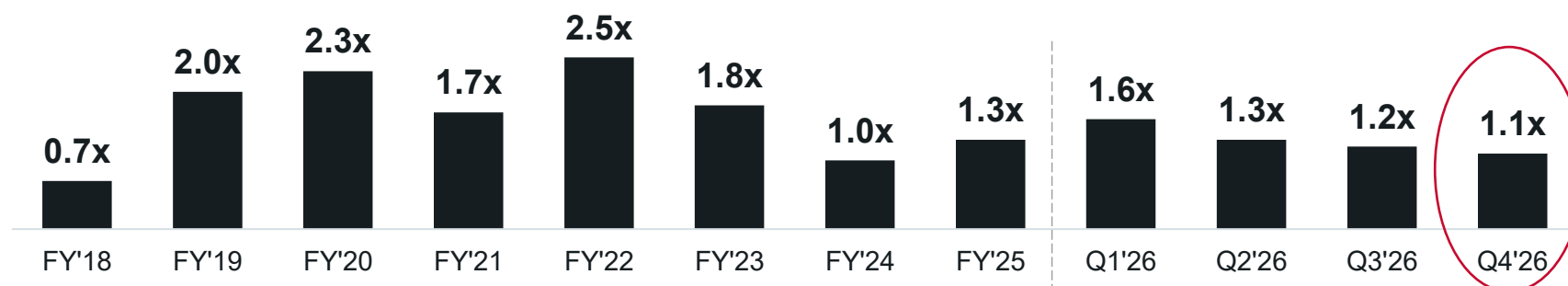
## SELECTED BALANCE SHEET METRICS<sup>1</sup>

(\$M)	Q4'25	Q4'26
Cash and Cash Equivalents	\$343	\$439
Net Debt <sup>3</sup>	\$781	\$684
Net Leverage Ratio <sup>3</sup>	1.3x	1.1x
Primary Operating Capital <sup>4</sup>	\$932	\$877

## SELECTED CASH FLOW METRICS<sup>2</sup>

(\$M)	Q4'25	Q4'26	FY'25	FY'26
Cash Flow from Ops	\$135	\$144	\$260	\$548
CapEx	(\$30)	(\$13)	(\$121)	(\$80)
Free Cash Flow <sup>4</sup> (FCF)	\$105	\$131	\$139	\$468
FCF <sup>4</sup> Conversion	89%	170%	34%	159%

## NET LEVERAGE RATIO<sup>3</sup>



**Strong Balance Sheet Enabling Disciplined Capital Allocation Choices**

<sup>1</sup> Balances as of periods ending March 31, 2025, and March 31, 2026

<sup>2</sup> Periods ending March 31, 2025, and March 31, 2026

<sup>3</sup> 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).

<sup>4</sup> 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		Q4'26	FY'26	Future Priorities
<b>Invest in Organic Growth (CapEx)</b>		\$13M	\$80M	<ul style="list-style-type: none"> <li>• Maintain disciplined ROIC thresholds</li> <li>• Drive incremental operational efficiencies</li> <li>• Progress domestic-sourced lithium strategy</li> </ul>
<b>Strategic M&amp;A</b>		Pipeline remains active		<ul style="list-style-type: none"> <li>• Focus on opportunities to:               <ul style="list-style-type: none"> <li>➤ Strengthen customer intimacy</li> <li>➤ Expand wallet share, leveraging leading positions in growing end markets</li> <li>➤ Progress transformation journey</li> </ul> </li> </ul>
<b>Return of Capital</b>	<i>Dividends</i>	\$10M	\$38M	<ul style="list-style-type: none"> <li>• Committed to competitive dividend that grows with earnings over time (ex IRC 45X funds)</li> <li>• ~\$876M outstanding repurchase authorization<sup>2</sup></li> </ul>
	<i>Buybacks</i>	\$69M	\$371M	
<b>Net Leverage<sup>1</sup></b>		1.1x EBITDA		<ul style="list-style-type: none"> <li>• Target below low end of 2x – 3x long-term net leverage range during volatile macro for optionality</li> <li>• Ample dry powder for opportunistic tuck-in acquisitions and other choices</li> </ul>

**Balancing Innovation and Growth Investments while Returning Capital to Shareholders**

# Looking Ahead: Q1'27 Guidance

FULL YEAR EARNINGS GROWTH TO OUTPACE REVENUE GROWTH

## ASSUMPTIONS

### Q1'27 GUIDANCE<sup>1</sup>

Y/Y CHANGE  
(AT MIDPOINT  
OF GUIDANCE)

<b>Net Sales</b>	<b>\$915M – \$955M</b>	<b>+5%</b>
<b>IRC 45X Benefit to Cost of Sales</b>	<b>\$42M – \$47M</b>	<b>+17%</b>
<b>Adj. EPS<sup>2</sup></b>	<b>\$2.80 – \$2.90</b>	<b>+37%</b>
<b>Adj. EPS<sup>2</sup> ex 45X (base business)</b>	<b>\$1.61 – \$1.71</b>	<b>+50%</b>

### FY'27 GUIDANCE

<b>Adj Tax Rate ex 45X</b>	<b>21.5% – 23.5%</b>
<b>CapEx</b>	<b>~\$70M</b>

### Q1'27

- Typical seasonality, with price/mix strength and OpEx discipline
- Strength in Data Centers, Communications, and A&D
- Cautious optimism in Forklifts and Class 8 Transportation
- Mitigation of ongoing geopolitical conflict headwinds
- IEEPA tariff refunds excluded from guidance

### FY'27

- Ongoing demand in Data Centers, Communications, and A&D
- Improving demand in Forklifts and Class 8 Transportation; return to growth by year-end
- Early impact of targeted growth initiatives
- Disciplined OpEx and CapEx across the business
- Ongoing judicious stock buybacks

**Committed to Ongoing Shareholder Value Creation**



May 2026

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<sup>1</sup> Q1'27 guidance assumes tariff rates as of May 20, 2026.

<sup>2</sup> EnerSys does not provide a quantitative reconciliation for forward-looking statements. Please see our latest Form 8-K which includes our press release dated May 20, 2026, for more details.

# Investor Day 2026

## ENERSYS INVESTOR DAY 2026 JUNE 11 | 8 AM - 1 PM | NYSE



**Shawn O'Connell**  
PRESIDENT & CEO

**Andrea Funk**  
EVP & CFO

**Mark Matthews**  
CTO & PRESIDENT,  
SPECIALTY

**Keith Fisher**  
PRESIDENT, ENERGY  
SYSTEMS

**Chad Uplinger**  
PRESIDENT,  
MOTIVE POWER

**John Benetti**  
VP, ENERSYS  
ADVANCED SYSTEMS





Q&A





# Appendix





# Non-GAAP Reconciliations



# Non-GAAP Reconciliation

## QUARTERLY ADJUSTED OPERATING EARNINGS

(\$ in millions)

	Quarter ended March 31, 2026				
	Energy Systems	Motive Power	Specialty	Corporate Other	Total
<b>Net Sales</b>	\$ 425.7	\$ 370.1	\$ 192.2	\$ —	\$ 988.0
<b>Operating Earnings</b>	\$ 23.7	\$ 45.9	\$ 13.2	\$ 40.9	\$ 123.7
Inventory adjustment relating to exit activities and step up to fair value relating to recent acquisitions	—	1.1	—	—	\$ 1.1
Restructuring and other exit charges	12.1	6.7	0.9	—	19.7
Impairment of indefinite-lived intangibles	0.4	—	—	—	0.4
(Gain) Loss on assets held for sale	—	(1.2)	—	—	(1.2)
Amortization of intangible assets	5.9	0.1	2.4	—	8.4
Accelerated Stock Compensation Expense	0.2	—	0.4	—	0.6
Other	0.1	—	1.3	—	1.4
<b>Adjusted Operating Earnings</b>	\$ 42.4	\$ 52.6	\$ 18.2	\$ 40.9	\$ 154.1
Operating Margin	5.6 %	12.4 %	6.8 %	NM	12.5 %
Adjusted Operating Margin	10.0 %	14.2 %	9.4 %	NM	15.6 %

	Quarter ended March 31, 2025				
	Energy Systems	Motive Power	Specialty	Corporate Other	Total
<b>Net Sales</b>	\$ 398.8	\$ 392.3	\$ 177.8	\$ 5.9	\$ 974.8
<b>Operating Earnings</b>	\$ 27.0	\$ 57.9	\$ 10.2	\$ 36.2	\$ 131.3
Inventory adjustment relating to exit activities	0.3	—	0.3	—	0.6
Restructuring and other exit charges	1.4	2.2	1.5	—	5.1
(Gain) Loss on assets held for sale	—	4.6	—	—	4.6
Amortization of intangible assets	5.8	0.1	2.4	—	8.3
Other	0.2	1.7	0.7	—	2.6
<b>Adjusted Operating Earnings</b>	\$ 34.7	\$ 66.5	\$ 15.1	\$ 36.2	\$ 152.5
Operating Margin	6.8 %	14.8 %	5.7 %	NM	13.5 %
Adjusted Operating Margin	8.7 %	17.0 %	8.5 %	NM	15.6 %

	Energy Systems	Motive Power	Specialty	Corporate and other	Total
<b>Increase (Decrease) as a % from prior year quarter</b>					
Net Sales	6.7 %	(5.7)%	8.1 %	(99.4)%	1.3 %
Operating Earnings	(12.0)	(20.8)	28.9	13.0	(5.8)
Adjusted Operating Earnings	22.5	(20.9)	19.8	13.0	1.1

NM = Not Meaningful

# Non-GAAP Reconciliation

## YEARLY ADJUSTED OPERATING EARNINGS

(\$ in millions)

	Twelve months ended March 31, 2026				
	Energy Systems	Motive Power	Specialty	Corporate Other	Total
<b>Net Sales</b>	\$ 1,651.3	\$ 1,431.0	\$ 665.1	\$ 4.0	\$ 3,751.4
<b>Operating Earnings</b>	\$ 85.3	\$ 167.0	\$ 41.4	\$ 132.7	\$ 426.4
Inventory restructuring and acquisitions	—	2.3	—	—	2.3
Restructuring and other exit charges	23.4	24.0	3.5	0.1	51.0
Impairment of indefinite-lived intangibles	0.4	—	—	—	0.4
(Gain)Loss on assets held for sale	—	(1.2)	—	—	(1.2)
Amortization	23.5	0.4	9.6	—	33.5
Accelerated stock compensation expense	5.6	3.4	1.8	—	10.8
Other	7.3	3.9	5.8	—	17.0
<b>Adjusted Operating Earnings</b>	\$ 145.5	\$ 199.8	\$ 62.1	\$ 132.8	\$ 540.2
Operating Margin	5.2 %	11.7 %	6.2 %	NM	11.4 %
Adjusted Operating Margin	8.8 %	14.0 %	9.3 %	NM	14.4 %

	Twelve months ended March 31, 2025				
	Energy Systems	Motive Power	Specialty	Corporate Other	Total
<b>Net Sales</b>	\$ 1,531.1	\$ 1,484.1	\$ 593.6	\$ 8.8	\$ 3,617.6
<b>Operating Earnings</b>	\$ 72.7	\$ 220.1	\$ 16.8	\$ 155.1	\$ 464.7
Inventory Restructuring and Acquisitions	0.3	—	3.3	—	3.6
Restructuring and other exit charges	6.0	5.7	2.7	—	14.4
Impairment of indefinite-lived intangibles	—	—	—	—	—
Loss on assets held for sale	—	4.6	—	—	4.6
Amortization	23.6	0.7	7.5	—	31.8
Legal proceeding charge, net	—	—	—	—	—
Other	0.6	1.7	6.7	—	9.0
<b>Adjusted Operating Earnings</b>	\$ 103.2	\$ 232.8	\$ 37.0	\$ 155.1	\$ 528.1
Operating Margin	4.7 %	14.8 %	2.8 %	2.9 %	12.8 %
Adjusted Operating Margin	6.7 %	15.7 %	4.7 %	2.9 %	14.6 %

Increase (Decrease) as a % from prior year quarter	Energy Systems	Motive Power	Specialty	Corporate and other	Total
Net Sales	7.8 %	(3.6)%	12.1 %	(52.6)%	3.7 %
Operating Earnings	17.4 %	(24.2)%	NM	(14.4)%	(8.2)%
Adjusted Operating Earnings	40.9 %	(14.2)%	(67.8)%	(14.3)%	2.3 %

NM = Not Meaningful

# Non-GAAP Reconciliation

## ADJUSTED EBITDA

(\$ in millions)

	Quarter ended		Twelve months ended	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Net Earnings	77.3	\$ 96.5	293.6	\$ 363.7
Depreciation	20.6	18.2	80.1	69.1
Amortization	8.4	8.3	33.5	31.8
Interest	12.9	12.8	50.5	51.2
Income Taxes	21.8	19.8	53.8	42.8
EBITDA	141.0	155.6	511.5	558.6
Non-GAAP adjustments	31.6	11.3	90.1	30.0
Adjusted EBITDA	\$ 172.6	\$ 166.9	\$ 601.6	\$ 588.6

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

(\$ in millions)

	Quarter ended		Twelve months ended	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Inventory step up to fair value relating to recent acquisitions	\$ 1.1	\$ 0.6	\$ 2.3	\$ 3.6
Restructuring and other exit charges	19.7	5.1	51.0	14.4
Impairment of indefinite-lived intangibles	0.4	—	0.4	—
Loss on assets held for sale	(1.2)	4.6	(1.2)	4.6
Loss(Gain) on Pension Settlement	9.6	(1.6)	9.6	(1.6)
Accelerated Stock Compensation Expense	0.6	—	10.8	—
Other	1.4	2.6	17.2	9.0
Non-GAAP adjustments	\$ 31.6	\$ 11.3	\$ 90.1	\$ 30.0

# Non-GAAP Reconciliation

## QUARTERLY ADJUSTED DILUTED EPS

(in millions, except share and per share amounts)

	Quarter ended	
	March 31, 2026	March 31, 2025
<b>Net earnings reconciliation</b>		
As reported Net Earnings	\$ 77.3	\$ 96.5
Non-GAAP adjustments:		
Inventory adjustment relating to exit activities	1.1 (1)	0.6 (1)
Impairment of indefinite-lived intangibles	0.4	—
Restructuring and other exit charges	19.7 (2)	5.1 (2)
Loss(gain) on assets held for sale	(1.2) (4)	4.6 (4)
Amortization of identified intangible assets	8.4 (3)	8.3 (3)
Accelerated Stock Compensation Expense	0.6 (5)	— (5)
Other	1.4 (6)	2.6 (6)
Income tax adjustment of benefit from tax law changes and litigation	—	(1.6)
Loss(gain) on pension settlement	9.6	2.2
Swiss income tax goodwill expiration	—	2.2
Valuation allowance from exit activities	4.2	—
Income tax expense on intercompany sale of IP	5.9	2.5
Other income tax expense items	1.8	—
Income tax effect of above non-GAAP adjustments	(9.0)	(4.4)
<b>Non-GAAP adjusted Net earnings</b>	<b>\$ 120.2</b>	<b>\$ 118.6</b>

### Net Earnings excluding (ex) IRC 45X benefit

As Reported Net Earnings	77.3	96.5
IRC 45X Benefit	46.2	44.1
<b>Reported Net Earnings excluding (ex) IRC 45X benefit</b>	<b>\$ 31.1</b>	<b>\$ 52.4</b>

### Non-GAAP adjusted Net Earnings excluding (ex) IRC 45X benefit

Non-GAAP Adjusted Net Earnings	120.2	118.6
IRC 45X Benefit	46.2	44.1
<b>Non-GAAP adjusted Net Earnings excluding (ex) IRC 45X benefit</b>	<b>\$ 74.0</b>	<b>\$ 74.5</b>

### Outstanding shares used in per share calculations

Basic	36,691,484	39,369,190
Diluted	37,673,890	39,982,082

### Reported Net earnings (Loss) per share:

Basic	\$ 2.11	\$ 2.45
Diluted	\$ 2.05	\$ 2.41

<b>Dividends per common share</b>	<b>\$ 0.2625</b>	<b>\$ 0.24</b>
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### Non-GAAP adjusted Net earnings per share:

Basic	\$ 3.27	\$ 3.01
Diluted	\$ 3.19	\$ 2.97

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

Basic	\$ 0.85	\$ 1.33
Diluted	\$ 0.83	\$ 1.31

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

Basic	\$ 2.02	\$ 1.89
Diluted	\$ 1.96	\$ 1.86

# 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	
	March 31, 2026	March 31, 2025
	Pre-tax	Pre-tax
(1) Inventory adjustment relating to exit activities - Energy Systems	\$ —	\$ 0.3
(1) Inventory adjustment relating to exit activities - Motive Power	1.1	—
(1) Inventory adjustment relating to exit activities - Specialty	—	0.3
(2) Restructuring and other exit charges - Energy Systems	12.1	1.4
(2) Restructuring and other exit charges - Motive Power	6.7	2.2
(2) Restructuring and other exit charges - Specialty	0.9	1.5
(2) Restructuring and other exit charges - Corporate Other	—	—
(3) Amortization of identified intangible assets - Energy Systems	5.9	5.8
(3) Amortization of identified intangible assets - Motive Power	0.1	0.1
(3) Amortization of identified intangible assets - Specialty	2.4	2.4
(4) Loss(gain) on asset held for sale - Motive	(1.2)	4.6
(5) Accelerated Stock Compensation Expense - Energy Systems	0.2	—
(5) Accelerated Stock Compensation Expense - Specialty	0.4	—
(6) Other - Energy Systems	0.1	0.2
(6) Other - Motive	—	2.4
(6) Other - Specialty	1.3	—
<b>Total Non-GAAP adjustments</b>	<b>\$ 30.0</b>	<b>\$ 21.2</b>

# Non-GAAP Reconciliation

## YEARLY ADJUSTED DILUTED EPS

(in millions, except share and per share amounts)

	Twelve months ended	
	March 31, 2026	March 31, 2025
<b>Net Earnings reconciliation</b>		
As reported Net Earnings	\$ 293.6	\$ 363.7
Non-GAAP adjustments:		
Inventory adjustment relating to exit activities and step up to fair value relating to recent acquisitions	2.3 (1)	3.6 (1)
Impairment of indefinite-lived intangibles	0.4	—
Restructuring and other exit charges	51.0 (2)	14.4 (2)
Amortization of identified intangible assets	33.5 (3)	31.8 (3)
Accelerated Stock Compensation Expense	10.8 (4)	— (4)
Loss(gain) on assets held for sale	(1.2) (5)	4.6 (5)
Other	17.2 (6)	9.0 (6)
Loss(gain) on pension settlement	9.6	(1.6)
Income tax adjustment of benefit from tax law changes and litigation	—	(4.6)
Swiss income tax goodwill expiration	—	2.2
Valuation allowance from exit activities	4.2	—
Income tax expense on intercompany sale of IP	5.9	2.5
Other income tax expense items	1.8	—
Income tax effect of above non-GAAP adjustments	(26.1)	(15.2)
<b>Non-GAAP adjusted Net Earnings</b>	<b>\$ 403.0</b>	<b>\$ 410.4</b>

### Net Earnings without IRC 45X

As Reported Net Earnings	\$ 293.6	\$ 363.7
IRC 45X Benefit	158.6	184.6
<b>Reported Net Earnings without IRC 45X Benefit</b>	<b>\$ 135.0</b>	<b>\$ 179.1</b>

### Non-GAAP adjusted Net Earnings without IRC 45X

Non-GAAP Adjusted Net Earnings	\$ 403.0	\$ 410.4
IRC 45X Benefit	158.6	184.6
<b>Non-GAAP adjusted Net Earnings without IRC 45X Benefit</b>	<b>\$ 244.4</b>	<b>\$ 225.8</b>

### Outstanding shares used in per share calculations

Basic	37,439,727	39,760,829
Diluted	38,144,210	40,438,579

### Reported Net Earnings (Loss) per share:

Basic	\$ 7.84	\$ 9.15
Diluted	\$ 7.70	\$ 8.99

### Dividends per common share

	\$ 1.028	\$ 0.945
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### Non-GAAP adjusted Net Earnings per share:

Basic	\$ 10.76	\$ 10.32
Diluted	\$ 10.56	\$ 10.15

### Reported Net Earnings (Loss) per share without IRC 45X benefit

Basic	\$ 3.60	\$ 4.50
Diluted	\$ 3.54	\$ 4.43

### Non-GAAP adjusted Net Earnings (Loss) per share without IRC 45X benefit

Basic	\$ 6.53	\$ 5.68
Diluted	\$ 6.41	\$ 5.58

# Non-GAAP Reconciliation

## YEARLY 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)	Twelve months ended	
	March 31, 2026	March 31, 2025
	Pre-tax	Pre-tax
(1) Inventory adjustment relating to exit activities - Energy Systems	\$ 2.3	\$ 0.3
(1) Inventory adjustment relating to exit activities and step up to fair value relating to recent acquisitions - Specialty	\$ —	\$ 3.3
(2) Restructuring and other exit charges - Energy Systems	23.4	6.0
(2) Restructuring and other exit charges - Motive Power	24.0	5.7
(2) Restructuring and other exit charges - Specialty	3.5	2.7
(2) Restructuring and other exit charges - Corporate Other	0.1	—
(3) Amortization of identified intangible assets - Energy Systems	23.5	23.6
(3) Amortization of identified intangible assets - Motive Power	0.4	0.7
(3) Amortization of identified intangible assets - Specialty	9.6	7.5
(4) Accelerated stock compensation expense - Energy Systems	5.6	—
(4) Accelerated stock compensation expense - Motive Power	3.4	—
(4) Accelerated stock compensation expense - Specialty	1.8	—
(5) Losses (gains) on assets held for sale	(1.2)	4.6
(4) Other - Energy Systems	7.3	0.6
(4) Other - Motive Power	3.9	1.7
(4) Other - Specialty	5.8	6.7
(4) Other - N/A	0.2	—
<b>Total Non-GAAP adjustments</b>	<b>\$ 113.6</b>	<b>\$ 63.4</b>

# 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 <sup>(1)</sup>	56.2	85.8	51.7	51.5	56.3	123.6	139	23.2
Adjusted EBITDA (non-GAAP) per credit agreement <sup>(1)</sup>	\$614.7	\$519.9	\$413.0	\$359.1	\$359.0	\$401.6	\$415.3	\$340.8
Total net debt <sup>(2)</sup>	\$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	
	March 31, 2026	March 31, 2025
Net earnings as reported	\$293.6	\$363.7
Add back:		
Depreciation and amortization	113.6	100.9
Interest expense	50.5	51.1
Income tax expense	53.8	42.8
EBITDA (non-GAAP)	\$511.5	\$558.5
Adjustments per credit agreement definitions <sup>(1)</sup>	91.9	56.2
Adjusted EBITDA (non-GAAP) per credit agreement <sup>(1)</sup>	\$603.4	\$614.7
Total net debt <sup>(2)</sup>	\$684.1	\$781.1
Leverage ratios:		
Total net debt/credit adjusted EBITDA ratio	1.1 X	1.3 X

- (1) The \$91.9 million adjustment to EBITDA in the last twelve months ending **March 31, 2026** primarily related to \$37.6 million of non-cash stock compensation, \$53.2 million of restructuring and other exit charges. 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.
- (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 **March 31, 2026** and **March 31, 2025**, the amounts deducted in the calculation of net debt were U.S. cash and cash equivalents and foreign cash investments of \$438.7 million, and in fiscal 2024, were \$343.1 million.

# Non-GAAP Reconciliation

## FREE CASH FLOW

(\$ in millions)

	Quarter ended		Twelve months ended	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Net cash provided by (used in) operating activities	\$ 144.0	\$ 135.2	\$ 547.6	\$ 260.3
Less Capital Expenditures	(12.8)	(30.2)	(80.0)	(121.0)
Free Cash Flow	131.2	105.0	467.6	139.3

(\$ in millions)

	Quarter ended		Twelve months ended	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Net cash provided by (used in) operating activities	\$ 144.0	\$ 135.2	\$ 547.6	\$ 260.3
Net earnings	77.3	96.5	293.6	363.7
Operating cash flow conversion %	186.3 %	140.1 %	186.5 %	71.6 %

Free cash flow	131.2	105.0	467.6	139.3
Net earnings	77.3	96.5	293.6	363.7
Free cash flow conversion %	169.7 %	108.8 %	159.3 %	38.3 %

# Non-GAAP Reconciliation

## GROSS PROFIT AND GROSS MARGIN EX 45X

(\$ in millions)

	Quarter ended		Twelve months ended	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Gross Profit	\$ 290.9	\$ 303.7	\$ 1,097.6	\$ 1,092.4
IRC 45X Benefit	46.2	44.1	158.6	184.6
<b>Gross Profit ex 45X</b>	<b>244.7</b>	<b>259.6</b>	<b>939.0</b>	<b>907.8</b>
Gross Margin	29.4 %	31.2 %	29.3 %	30.2 %
IRC 45X Benefit	4.7 %	4.5 %	4.2 %	5.1 %
<b>Gross Margin ex 45X</b>	<b>24.7 %</b>	<b>26.7 %</b>	<b>25.1 %</b>	<b>25.1 %</b>

# Non-GAAP Reconciliation

## ADJUSTED GROSS PROFIT AND GROSS MARGIN

(\$ in millions)

	Quarter ended		Twelve months ended	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Gross Profit as reported	\$ 290.9	\$ 303.7	\$ 1,097.6	\$ 1,092.4
Inventory adjustment relating to exit activities and step up to fair value relating to recent acquisitions	1.1	0.7	2.3	3.7
<b>Adjusted Gross Profit</b>	<b>292.0</b>	<b>304.4</b>	<b>1,099.8</b>	<b>1096.1</b>
Gross Margin	29.4 %	31.2 %	29.3 %	30.2 %
Adjustment	0.1 %	— %	0.1 %	0.1 %
<b>Adjusted Gross Margin</b>	<b>29.5 %</b>	<b>31.2 %</b>	<b>29.4 %</b>	<b>30.3 %</b>

# 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 \$876.6 million (yielding a primary operating capital percentage of 22.2%) at March 31, 2026 and \$932.2 million (yielding a primary operating capital percentage of 23.9%) at March 31, 2025. The primary operating capital percentage of 22.2% at March 31, 2026 is 170 basis points lower than that for March 31, 2025, and 120 basis points lower than that for March 31, 2024. The change in the ratio is primarily due to improved collections and asset securitization and decrease in inventory due to the release of our strategic build up in prior periods.

Primary Operating Capital and Primary Operating Capital percentages at March 31, 2026, 2025 and 2024 are computed as follows:

(\$ in Millions)	March 31, 2026	March 31, 2025	March 31, 2024
Accounts receivable, net	\$506.1	\$597.9	\$524.7
Inventory, net	724.7	740.0	697.7
Accounts payable	(354.2)	(405.7)	(369.5)
<b>Total primary operating capital</b>	<b>876.6</b>	<b>932.2</b>	<b>852.9</b>
Trailing 3 months net sales	987.9	974.8	910.7
Trailing 3 months net sales annualized	3,951.6	3,899.2	3,642.8
 Primary operating capital as a % of annualized net sales	 22.2 %	 23.9 %	 23.4 %



**Thank you.**

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