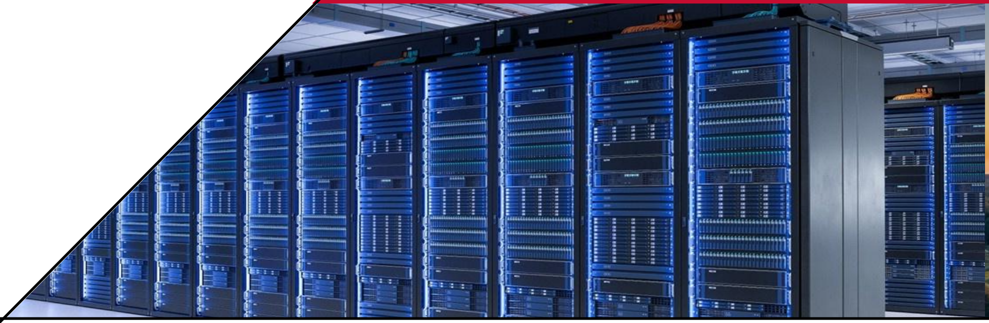
Q1 FY’27 Earnings

August 12, 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 August 12, 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 August 12, 2026, which is located on our website at www.enersys.com.

Q1 FY'27 Overview

Shawn O'Connell

President and CEO

EnerSys

Q1'27 Call Highlights

1. Achieved record net sales and adj EPS[1];
expanding margins on strength of diversified business

2. Delivered exceptional Q1 free cash flow conversion;
0.8x net leverage enables capital allocation flexibility

3. Was awarded DOE grant and Board approval for planned defense-focused U.S. lithium cell manufacturing campus

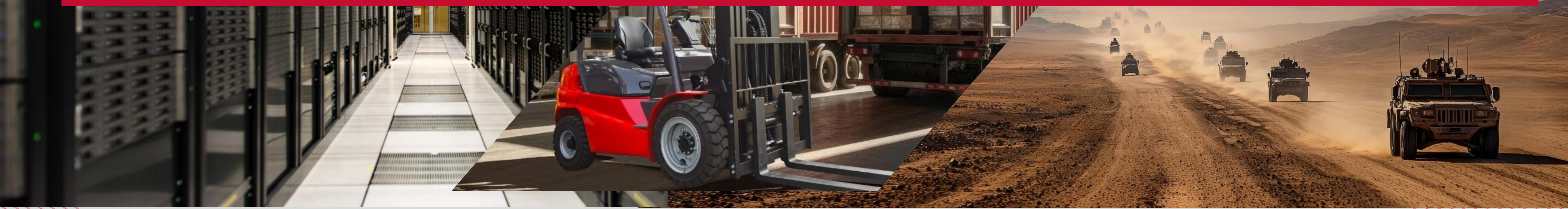
4. Returned $60M to shareholders through buybacks and dividends

5. Guiding[2] Q2 Y/Y Rev +2% and adj EPS[3] ex 45X +25% at midpoint

[1] Non-GAAP measure. Please refer to appendix for reconciliation.
[2] Q2'27 guidance assumes tariff rates as of August 12, 2026, and excludes potential future IEEPA tariff refunds.
[3] EnerSys does not provide a quantitative reconciliation for forward-looking statements. Please see our latest Form 8-K which includes our press release dated August 12, 2026, for more details.

Q1’27 Performance

$936M	$179M	$196M	$3.66	$218M
NET SALES	ADJ OP EARNINGS[1,2]	ADJ EBITDA[1,2]	ADJ EPS[1,2]	FREE CASH FLOW[1]
+5% Y/Y	+47% Y/Y *+21% Y/Y ex 45X & tariff refunds*	+50% Y/Y *+27% Y/Y ex 45X & tariff refunds*	+65% Y/Y *+42% Y/Y ex 45X & tariff refunds*	+$250M Y/Y *140% FCF conversion ex 45X*



Q1 GROSS MARGIN[1] EX 45X & TARIFF REFUNDS UP 110 BPS Y/Y

[1] Non-GAAP measure. Please refer to appendix for reconciliation.
[2] Includes $47M of IRC 45X tax credit recorded in Cost of Sales (COS) in Q1’27 and $38M in Q1’26; Q1’27 includes one-time benefit of $30.9M / $.63 /sh from IEEPA tariff refunds.
Note: Effective Q1’27, non-cash stock-based compensation expense excluded from adjusted metrics with prior year recast; Q1’27 was $7.6M / $.16 /sh and Q1’26 was $7.2M / $.15 /sh

Target Growth Proof Points

Focused Priorities Supporting Long-Term Value Creation Framework

Key Focus Areas To Accelerate Growth

1	**Battery Energy Storage Systems**	Fortix™ 172 kWh BESS received UL and NFPA 855 approval
2	**Lithium Data Center Offering**	NIS services and Data Center TPPL ongoing momentum; DataSafe Noir™ lithium launched in June
3	**Aerospace and Defense**	DOE grant awarded to support U.S. lithium cell manufacturing

LONG-TERM VALUE CREATION FRAMEWORK

Aggregate Market Growth	**+3-5%**
Incremental Target Growth	**+1-3%**
AOE[1] Margin Leverage	**+50-100bps** Per year ex 45X
FCF[1] Conversion	**+80-100%** Ex-Li Plant Invest

CONSISTENT EARNINGS GROWTH AND SHAREHOLDER RETURNS

[1] Adjusted Operating Earnings (AOE) and Free Cash Flow (FCF) are non-GAAP measures. EnerSys does not provide a quantitative reconciliation for forward-looking metrics.

Aerospace & Defense Demand Trends

Insufficient Market Capacity Available to Meet Increasing Demand for Defense Platforms

Structural Demand Tailwinds

Defense electrification is increasing the need for mobility, mission duration, power density and operational capability

Differentiation beyond Battery Chemistry

Combining integrated systems, application engineering, reliability, lifecycle support and trusted domestic manufacturing

Exposure to High-Priority Applications

Drones, counter-drone munitions, missile defense, soldier power and other mission-critical platforms

More Durable Demand Model

The shift toward higher-volume, lower-cost, battery-reliant defense technologies driving incremental demand

ENERSYS IS THE LEADING BATTERY PROVIDER TO THE US GOVERNMENT WITH OUR 9 CHEMISTRIES OF LITHIUM BATTERIES TODAY

Lithium Plant Update

TOTAL CAPITAL INVESTMENT		DOE[1] REVISED GRANT AWARDED[2]		NET CAPITAL INVESTMENT
~$650 MILLION	–	~$150 MILLION	=	~$500 MILLION

~$200M local and state short-term and long-term incentives awarded to support ongoing operations

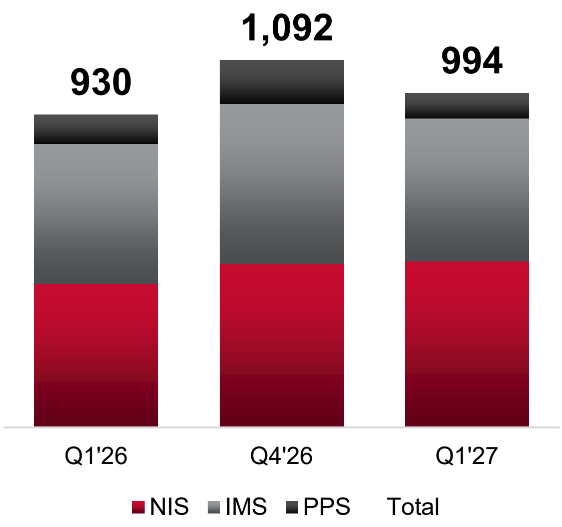
- ~1 GWh initial production capacity, revised scope purpose built to meet specialized requirements of defense applications
- Higher quantity of smaller batteries vs quantity of larger batteries in original scope
- Supports increasing demand for FEOC-compliant and allied battery supply chain, increasing wallet share within existing customer portfolio
- Will serve as campus for company-wide lithium and advanced technologies CoE
- Expect construction to begin 1H FY'28; full production <3 years after construction starts
- CapEx investment ramp expected FY 28-29; mid-20s% IRR

PURPOSE-BUILT U.S. FACILITY FOR DEFENSE-CRITICAL APPLICATIONS

1) U.S. Department of Energy
2) Subject to final documentation and customary conditions

Demand Trends

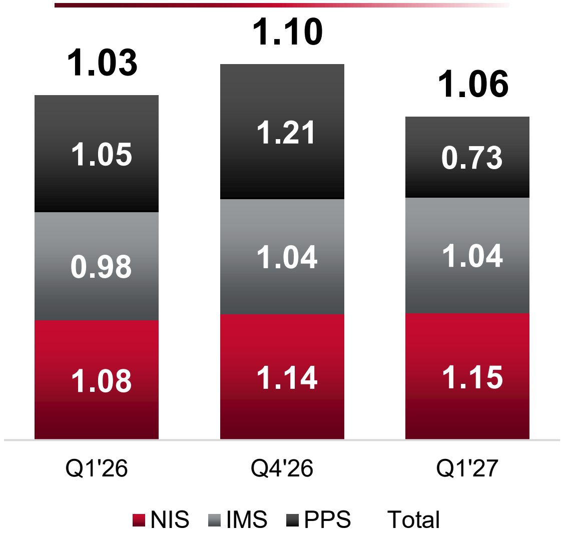
Orders[1]



Q1’27 orders +7% Y/Y on NIS

(9%) Q/Q on seasonality

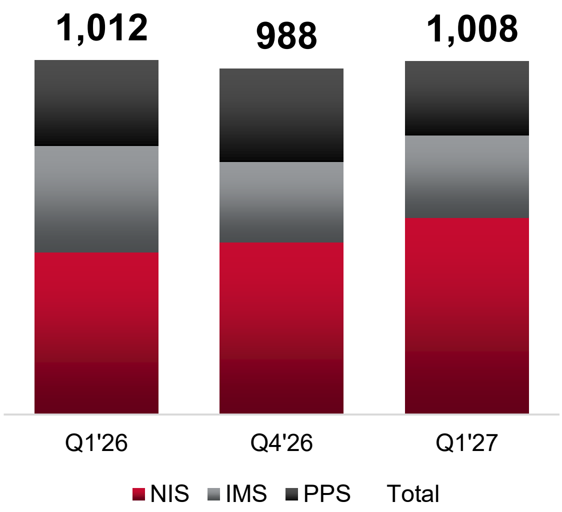
Book to Bill[1]



Q1’27 book to bill 1.06 up Y/Y and down Q/Q on seasonality & proj nature of PPS

IMS 1.04, NIS 1.15, PPS 0.73

Backlog[1]



Q1’27 backlog flat Y/Y
NIS up, IMS & PPS down

+2% Q/Q on NIS

DEMAND BUILDING ACROSS ALL MARKETS; ECONOMIC CONDITIONS REMAIN DYNAMIC

[1] Stated in a constant currency at a static budgeted exchange rate
NIS – Network & Infrastructure Solutions
IMS – Industrial Mobility Solutions
PPS – Precision Power Solutions

Q1’27 Financial Results & Q2’27 Outlook

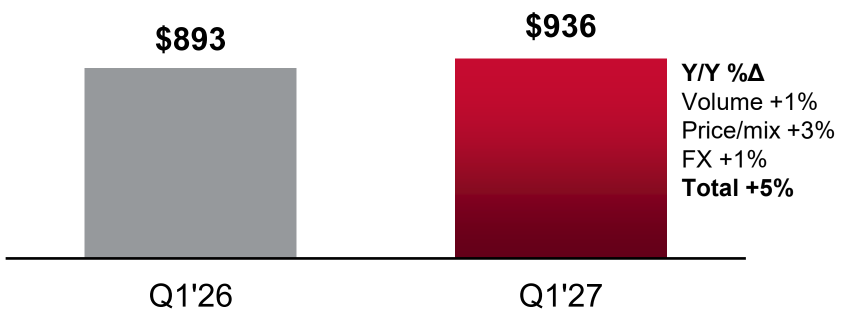
Andi Funk

Executive Vice President and CFO

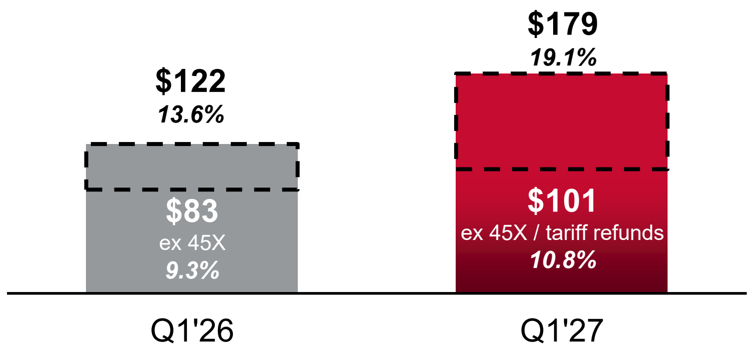
EnerSys®

Q1'27 Results

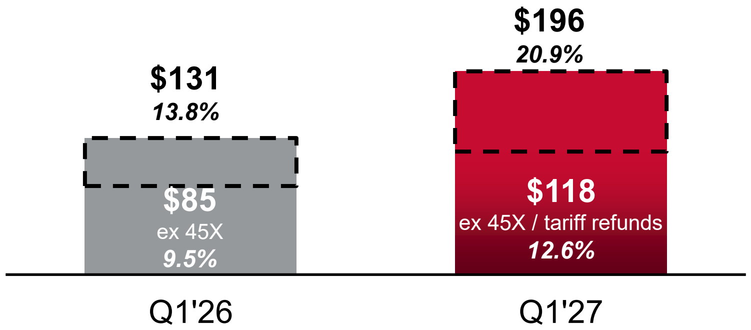
Net Sales



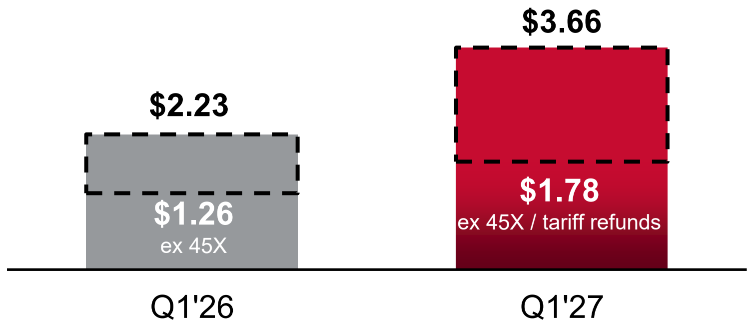
Adj Op Earnings[1] & Margin



Adj EBITDA[1] & Margin



Adj Diluted EPS[1]



Prior Year 45X
Prior Year Base
Current Year 45X & Refunds
Current Year Base

($M, except EPS)

FY ADJUSTED EPS EX 45X / TARIFF REFUNDS +42% Y/Y ON +5% NET SALES GROWTH

[1] Non-GAAP measure. Please refer to appendix for reconciliation. Includes $47M of IRC 45X tax credit recorded in Cost of Sales (COS) in Q1'27 and $38M in Q1'26. Q1'27 includes one-time benefit of $30.9M / $.63 /sh from realized IEEPA tariff refunds.
Note: Effective Q1'27, non-cash stock-based compensation expense is excluded from adjusted metrics with prior year recasted; Q1'27 was $7.6M / $.16 /sh and Q1'26 was $7.2M / $.15 /sh

Current Policies and Global Impacts

45X Tax Credits

- Generated $47M of credits in Q1’27; realizing benefits of production transfer from Monterrey, MX into U.S. plant
- Received $115M U.S. federal tax refund in Q1’27

Tariffs & Geopolitical Pressures

- ~22% tariff exposure to US sourcing remains stable
- Annualized tariff exposure remains fully mitigated by supply chain and pricing actions
- Realized $31M in IEEPA tariff refunds[2] in Q1’27
- Received $16M of cash refunds in Q1’27, remaining refunds expected in coming quarters
- Elevated freight and inflationary pressures from geopolitical conflict
- Indirect impact of macro on customer buying behaviors

Actions Taken

- ✓ Prioritizing in U.S. domestic energy production
  - Closed Monterrey and Tijuana plants to further optimize business, transferring production into U.S. plants
  - U.S. battery production estimated at 50% of total versus 40% in FY’23 upon completion of closures
  - Awarded DOE grant and Board approval for planned defense-focused U.S. lithium cell manufacturing
- ✓ Established Tariff Task Force and structural buffers in place from longstanding practices:
  - Producing in region for region
  - Offshoring from China
  - Dual sourcing
  - Footprint rationalization

[1] Tariff exposure as of August 12, 2026. Annualized amount.
[2] IEEPA refunds not presented in line of business earnings
IEEPA – International Emergency Economic Powers Act
CAPE – Consolidated Administration and Processing of Entries

Q1’27 Business Segment Financials

($M and Y/Y %)	Net Sales		Adj Op Earnings[1]	Adj OE Margin[1]
NIS	$428 +9%	Volume +5% Price/mix +4% FX +1%	$45.0 +51%	10.5% +280 bps
IMS	$407 (3%)	Volume (5%) Price/mix +1% FX +1%	$37.7 (11%)	9.3% (70) bps
PPS	$101 +24%	Volume +16% Price/mix +7% Acquisition +1% FX flat	$18.3 +48%	18.2% +300 bps
Total[2]	$936 +5%	Volume +1% Price/mix +3% FX +1%	$100.8 +21% *ex 45X and tariff refunds* $178.8 +47%	10.8% +140 bps *ex 45X and tariff refunds* 19.1% +550 bps

Network & Infrastructure Solutions (NIS)

- Favorable volumes and mix bolstered by growth in power electronics and strong data center demand

Industrial Mobility Solutions (IMS)

- Lower volumes on ongoing Material Handling market softness, partially offset by volume recovery in Transportation and improved price/mix

Precision Power Solutions (PPS)

- Strong volumes and price/mix driven by increases across A&D, particularly counter-drone and missile defense

[1] Non-GAAP measure. Please refer to appendix for reconciliation.
[2] Total includes Corporate Other – $78M for Q1’27 Adjusted Operating Earnings, which includes IRC 45X tax credit recorded in Cost of Sales (COS) of $47M and includes one-time benefit of $30.9M from realized IEEPA tariff refunds.
Note: Effective Q1’27, non-cash stock-based compensation expense is excluded from adjusted metrics with prior year recasted; in Q1’27 this was $7.6M and in Q1’26 this was $7.2M
Please refer to appendix for reconciliations for segment level detail.

Balance Sheet, Cash Flow and Leverage

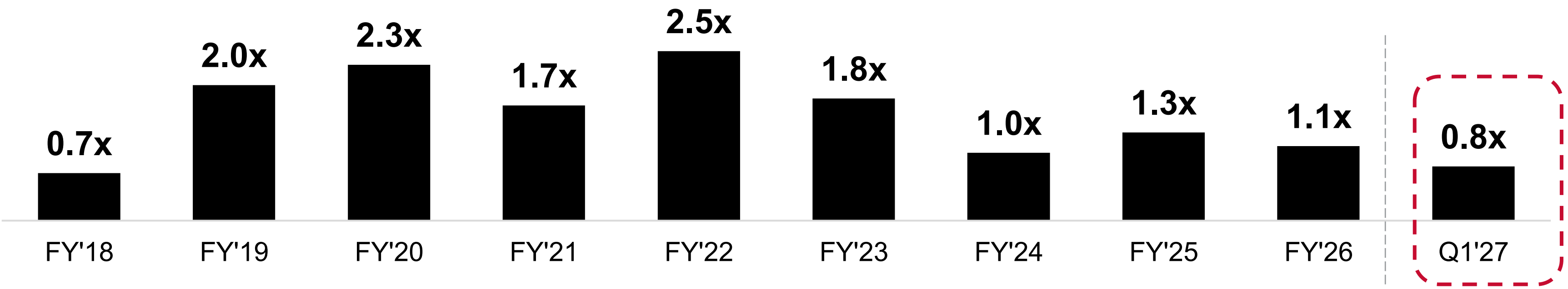
Selected Balance Sheet Metrics[1]

($M)	Q4'26	Q1'27
Cash and Cash Equivalents	$439	$531
Net Debt[3]	$684	$522
Net Leverage Ratio[3]	1.1x	0.8x
Primary Operating Capital[4]	$877	$858

Selected Cash Flow Metrics[2]

($M)	Q1'26	Q1'27
Cash Flow from Ops	$1	$230
CapEx	($33)	($12)
Free Cash Flow[4] (FCF)	($32)	$218
FCF[4] Conversion	(56%)	187%

Net Leverage Ratio[3]



STRONG BALANCE SHEET ENABLING DISCIPLINED CAPITAL ALLOCATION OPTIONALITY

[1] Balances as of periods ending March 31, 2026, and July 5, 2026
[2] Periods ending June 29, 2025, and July 5, 2026
[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

Q1 FY'27		Go Forward Priorities	
✓ $12M on CapEx	1	Invest in Organic Growth	• Planned lithium-Ion battery facility increases FEOC-compliant capacity, investment spread across 2-3 years • Enhanced financial rigor with greater focus on right to win
✓ $10M in dividends	2	Dividend that Grows with Earnings	• Earnings excluding 45X benefits
✓ Pipeline remains active	3	Strategic M&A	• Selective M&A for strategic business growth • Target 1 or 2 acquisitions per year if opportunities satisfy strategic and financial filters
✓ 0.8x Net Leverage Ratio[1]	4	Maintain Balance Sheet Strength & Flexibility	• Target 2 – 3x long-term net leverage range • Provide cushion for volatility, optionality, and 45X timing
✓ $50M of share repurchases	5	Share Repurchases	• Committed to returning capital to shareholders • $1B current authorization, ~$900M outstanding[2]

[1] Non-GAAP financial measure. Please refer to appendix for reconciliation; Net leverage = Net Debt / Adj EBITDA (per credit agreement).
[2] As of July 5, 2026; includes the 2025 stock repurchase authorization as well as estimated anti-dilution repurchases.

Looking Ahead: Q2'27 Guidance

1H Earnings Growth on Margin Expansion, 2H on Topline Growth

	Q2'27 Guidance[1]	Y/Y Change (at midpoint of guidance)
Net Sales	**$955M – $995M**	*+2%*
IRC 45X Benefit to Cost of Sales	**$42M – $47M**	*+12%*
Adj. EPS[2]	**$3.15 – $3.25**	*+21%*
Adj. EPS[2] ex 45X (base business)	**$1.95 – $2.05**	*+25%*

	FY'27 Guidance[1]
Adj Tax Rate ex 45X	**21.5% - 23.5%**
CapEx	**~$70M**

ASSUMPTIONS

Q2'27

- Continued strength in Data Centers, Communications, and A&D, recovery in Class 8 Transportation, Material Handling market softness
- Y/Y comparison impacted by unusually high concentration of sales in Q2'26

FY'27

- Ongoing demand in Data Centers, Communications, A&D, and Transportation
- Recovery in Material Handling, with return to growth by year-end
- Preparing for FY'28 impact of targeted growth initiatives
- Disciplined OpEx and CapEx across the business
- Ongoing judicious stock buybacks

COMMITTED TO ONGOING SHAREHOLDER VALUE CREATION

[1] Q2'27 guidance assumes tariff rates as of August 12, 2026, and excludes potential future IEEPA tariff refunds.
[2] EnerSys does not provide a quantitative reconciliation for forward-looking statements. Please see our latest Form 8-K which includes our press release dated August 12, 2026, for more details.

Q&A

Appendix

Non-GAAP Reconciliations

Non-GAAP Reconciliation

Quarterly Adjusted Operating Earnings

($ in millions)	Quarter ended July 5, 2026				
	NIS	IMS	PPS	Corporate Other	Total
Net Sales	$ 428.3	$ 406.8	$ 100.5	$ —	$ 935.6
Operating Earnings	$ 30.2	$ 29.0	$ 14.4	$ 77.8	$ 151.4
Restructuring and other exit charges	6.2	4.5	—	—	10.7
Amortization of intangible assets	5.8	0.4	2.1	—	8.3
Stock based compensation	2.8	3.8	1.2	—	7.8
Other	—	—	0.6	—	0.6
Adjusted Operating Earnings	$ 45.0	$ 37.7	$ 18.3	$ 77.8	$ 178.8
Operating Margin	7.0 %	7.1 %	14.3 %	NM	16.2 %
Adjusted Operating Margin	10.5 %	9.3 %	18.2 %	NM	19.1 %

	Quarter ended June 29, 2025				
	NIS	IMS	PPS	Corporate Other	Total
Net Sales	$ 391.4	$ 420.4	$ 81.2	$ —	$ 893.0
Operating Earnings	$ 14.0	$ 27.4	$ 8.0	$ 37.1	$ 86.5
Restructuring and other exit charges	1.1	4.8	—	—	5.9
Stock based compensation	8.0	8.7	0.9	—	17.6
Amortization of intangible assets	5.9	0.4	2.1	—	8.4
Other	0.9	0.8	1.4	—	3.1
Adjusted Operating Earnings	$ 29.9	$ 42.1	$ 12.4	$ 37.1	$ 121.5
Operating Margin	3.6 %	6.5 %	9.9 %	NM	9.7 %
Adjusted Operating Margin	7.7 %	10.0 %	15.2 %	NM	13.6 %

Increase (Decrease) as a % from prior year quarter	NIS	IMS	PPS	Corporate Other	Total
Net Sales	9.4 %	(3.2)%	23.6 %	NM	4.8 %
Operating Earnings	NM	6.1	80.5	NM	75.1
Adjusted Operating Earnings	50.5	(10.3)	46.0 %	NM	47.2 %

NM = Not Meaningful

Non-GAAP Reconciliation

Adjusted EBITDA

($ in millions)	Quarter ended			
		July 5, 2026		June 29, 2025
Net Earnings		116.5	$	57.5
Depreciation		22.2		18.2
Amortization		8.3		8.4
Interest		10.6		11.3
Income Taxes		18.5		8.2
EBITDA		176.1		103.9
Non-GAAP adjustments		19.7		26.6
Adjusted EBITDA	$	195.8	$	130.5

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

($ in millions)	Quarter ended			
		July 5, 2026		June 29, 2025
Restructuring and other exit charges		10.7		5.9
Stock based compensation		7.8		17.6
Other		1.2		3.1
Non-GAAP adjustments	$	19.7	$	26.6

Non-GAAP Reconciliation

Quarterly Adjusted Diluted EPS

(in millions, except share and per share amounts)	Quarter ended					
	July 5, 2026			June 29, 2025		
Net earnings reconciliation						
As reported Net Earnings	$	116.5		$	57.5	
Non-GAAP adjustments:						
Restructuring and other exit charges		10.7	(1)		5.9	(1)
Amortization of identified intangible assets		8.3	(2)		8.4	(2)
Stock based compensation		7.8	(3)		17.6	(3)
Other		0.6	(4)		3.1	(4)
Other income tax and expense items		0.6			—	
Income tax effect of above non-GAAP adjustments		(6.7)			(4.9)	
Non-GAAP adjusted Net earnings	$	137.7		$	87.6	
Net Earnings excluding (ex) IRC 45X benefit						
As Reported Net Earnings		116.5			57.5	
IRC 45X Benefit		47.2			38.1	
Reported Net Earnings excluding (ex) IRC 45X benefit	$	69.3		$	19.4	
Non-GAAP adjusted Net Earnings excluding (ex) IRC 45X benefit						
Non-GAAP Adjusted Net Earnings		137.7			87.6	
IRC 45X Benefit		47.2			38.1	
Non-GAAP adjusted Net Earnings excluding (ex) IRC 45X benefit	$	90.5		$	49.5	
Outstanding shares used in per share calculations						
Basic		36,467,526			38,798,263	
Diluted		37,626,671			39,295,773	
Reported Net earnings (Loss) per share:						
Basic	$	3.19		$	1.48	
Diluted	$	3.09		$	1.46	
Dividends per common share	$	0.2625		$	0.24	

Non-GAAP adjusted Net earnings per share:				
Basic	$	3.78	$	2.26
Diluted	$	3.66	$	2.23
Reported Net Earnings (Loss) per share excluding (ex) IRC 45X benefit				
Basic	$	1.90	$	0.50
Diluted	$	1.84	$	0.49
Non-GAAP adjusted Net Earnings (Loss) per share excluding (ex) IRC 45X benefit				
Basic	$	2.48	$	1.28
Diluted	$	2.41	$	1.26

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			
	July 5, 2026		June 29, 2025	
	Pre-tax		Pre-tax	
(1) Restructuring and other exit charges - Network & Infrastructure Solutions		6.2		1.1
(1) Restructuring and other exit charges - Industrial Mobility Solutions		4.5		4.8
(2) Amortization of identified intangible assets - Network & Infrastructure Solutions		5.8		5.9
(2) Amortization of identified intangible assets - Industrial Mobility Solutions		0.4		0.4
(2) Amortization of identified intangible assets - Precision Power Solutions		2.1		2.1
(3) Stock Compensation Expense - Network & Infrastructure Solutions		2.8		4.6
(3) Stock Compensation Expense - Industrial Mobility Solutions		3.8		0.8
(3) Stock Compensation Expense - Precision Power Solutions		1.2		8.7
(4) Other - Network & Infrastructure Solutions		—		0.9
(4) Other - Industrial Mobility Solutions		—		0.8
(4) Other - Precision Power Solutions		0.6		1.4
Total Non-GAAP adjustments	$	27.4	$	35.0

Non-GAAP Reconciliation

Leverage ratio by Year

	Fiscal year ended March 31,								
($ in millions, except ratios)	2026	2025	2024	2023	2022	2021	2020	2019	2018
Net earnings as reported	$293.6	$363.7	$269.1	$175.8	$143.9	$143.3	$137.1	$160.5	$119.8
Add back:									
Depreciation and amortization	113.6	100.9	92.0	91.2	95.9	94.1	87.3	63.3	54.3
Interest expense	50.5	51.1	49.9	59.5	37.8	38.5	43.7	30.9	25
Income tax expense	53.8	42.8	23.1	34.8	30	26.8	9.9	21.6	118.5
EBITDA (non GAAP)	$511.5	$558.5	$434.1	$361.3	$307.5	$302.7	$278.0	$276.3	$317.6
Adjustments per credit agreement definitions(1)	91.9	56.2	85.8	51.7	51.5	56.3	123.6	139	23.2
Adjusted EBITDA (non-GAAP) per credit agreement(1)	$603.4	$614.7	$519.9	$413.0	$359.1	$359.0	$401.6	$415.3	$340.8
Total net debt(2)	$684.1	$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	1.1 X	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 $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. 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 2026, the amounts deducted in the calculation of net debt were U.S. cash and cash equivalents and foreign cash investments of $438.7 million; in fiscal 2025, were 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 July 5, 2026	Last twelve months ended June 29, 2025
Net earnings as reported	$352.5	$351.1
Add back:		
Depreciation and amortization	117.2	104.2
Interest expense	47.6	49.5
Income tax expense	66.4	43.8
EBITDA (non-GAAP)	$583.7	$548.6
Adjustments per credit agreement definitions(1)	87.9	67.4
Adjusted EBITDA (non-GAAP) per credit agreement(1)	$671.6	$616.0
Total net debt(2)	$521.5	$963.7
Leverage ratios:		
Total net debt/credit adjusted EBITDA ratio	0.8 X	1.6 X

(1) The $87.9 million adjustment to EBITDA in the last twelve months ending **July 5, 2026** primarily related to $27.8 million of non-cash stock compensation, $57.9 million of restructuring and other exit charges. The $67.4 million adjustment to EBITDA in the last twelve months ending **June 29, 2025** primarily related to $22.7 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 **July 5, 2026** and **June 29, 2025**, the amounts deducted in the calculation of net debt were U.S. cash and cash equivalents and foreign cash investments of $530.7 million, and in fiscal 2024, were $343.1 million.

Non-GAAP Reconciliation

Free Cash Flow

($ in millions)	Quarter ended	
	July 5, 2026	June 29, 2025
Net cash provided by (used in) operating activities	$ 230.2	$ 1.0
Less Capital Expenditures	(12.4)	(33.0)
Free Cash Flow	217.8	(32.1)

($ in millions)	Quarter ended	
	July 5, 2026	June 29, 2025
Net cash provided by (used in) operating activities	$ 230.2	$ 1.0
Net earnings	116.5	57.5
Operating cash flow conversion %	197.6 %	1.7 %
Free cash flow	217.8	(32.1)
Net earnings	116.5	57.5
Free cash flow conversion %	187.0 %	(55.8)%

Non-GAAP Reconciliation

Gross Profit and Gross Margin ex 45X

($ in millions)	Quarter ended	
	July 5, 2026	June 29, 2025
Gross Profit	$ 313.4	$ 253.2
IRC 45X Benefit	47.2	38.1
Gross Profit ex 45X	266.2	215.1
Gross Margin	33.5 %	28.4 %
IRC 45X Benefit	5.0 %	4.3 %
Gross Margin ex 45X	28.5 %	24.1 %

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 $858.3 million (yielding a primary operating capital percentage of 22.9%) at July 5, 2026, $876.6 million (yielding a primary operating capital percentage of 22.2%) at March 31, 2026 and $993.0 million at June 29, 2025 (yielding a primary operating capital percentage of 27.8%). The primary operating capital percentage of 22.9% at July 5, 2026 increased by 70 basis points compared to March 31, 2026 and decreased 490 basis points compared to June 29, 2025. The increase in primary operating capital percentage at July 5, 2026 compared to March 31, 2026 was primarily due to strategic inventory building and timing of accounts payable payments. The decrease in primary operating capital percentage at July 5, 2026 compared to June 29, 2025 was primarily due to higher amounts of receivables securitized from the Amended Receivables Purchase Agreement (Amended RPA).

Primary operating capital and primary operating capital percentages at July 5, 2026, March 31, 2026 and June 29, 2025 are computed as follows:

($ in Millions)	July 5, 2026	March 31, 2026	June 29, 2025
Accounts receivable, net	$454.8	$506.1	$566.8
Inventory, net	738.7	724.7	789.3
Accounts payable	(335.2)	(354.2)	(363.1)
Total primary operating capital	858.3	876.6	993.0
Trailing 3 months net sales	935.6	987.9	893.0
Trailing 3 months net sales annualized	3,742.4	3,951.6	3,572.0
Primary operating capital as a % of annualized net sales	22.9 %	22.2 %	27.8 %

Stock Based Compensation Non-GAAP Adjustment

Beginning in FY'27, the Company excludes all stock-based compensation expense from adjusted metrics. The schedule below shows the quarterly impact to FY'26 reporting periods.

($ in millions, except per share amounts)	Quarter ended			
Stock Based Compensation Expense	**June 29, 2025**	**September 28, 2025**	**December 28, 2025**	**March 31, 2026**
Network & Infrastructure Solutions	2.4	1.4	2.4	2.5
Industrial Mobility Solutions	3.9	2.3	4.0	4.0
Precision Power Solutions	0.9	0.5	0.9	0.9
EnerSys Total	7.2	4.3	7.3	7.4
Adjusted diluted EPS impact	$0.15	$0.09	$0.16	$0.17

Thank You

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