UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 28, 2025

☐ **TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____
Commission File Number: 001-32253

EnerSys
(Exact name of registrant as specified in its charter)

Delaware	**23-3058564**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

2366 Bernville Road
Reading, Pennsylvania 19605
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code: 610-208-1991

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol**	**Name of each exchange on which registered**
Common Stock, $0.01 par value per share	ENS	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No.

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Securities Exchange Act of 1934.

Large Accelerated Filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). ☐ Yes ☒ No.

Common Stock outstanding at October 31, 2025: 36,909,135 shares

EnerSys
INDEX – FORM 10-Q

		Page
PART I – FINANCIAL INFORMATION		
Item 1.	Financial Statements	
	Consolidated Condensed Balance Sheets (Unaudited) as of September 28, 2025 and March 31, 2025	3
	Consolidated Condensed Statements of Income (Unaudited) for the Quarters Ended September 28, 2025 and September 29, 2024	4
	Consolidated Condensed Statements of Income (Unaudited) for the Six Months Ended September 28, 2025 and September 29, 2024	5
	Consolidated Condensed Statements of Comprehensive Income (Unaudited) for the Quarters and Six Months Ended September 28, 2025 and September 29, 2024	6
	Consolidated Condensed Statements of Cash Flows (Unaudited) for the Six Months Ended September 28, 2025 and September 29, 2024	7
	Notes to Consolidated Condensed Financial Statements (Unaudited)	8
	1 Basis of Presentation	8
	2 Acquisition	9
	3 Revenue Recognition	9
	4 Accounts Receivable	10
	5 Inventories	11
	6 Fair Value of Financial Instruments	11
	7 Derivative Financial Instruments	12
	8 Income Taxes	16
	9 Warranty	17
	10 Commitments, Contingencies and Litigation	17
	11 Restructuring and Other Exit Charges	17
	12 Debt	21
	13 Retirement Plans	23
	14 Stock-Based Compensation	24
	15 Stockholders' Equity and Noncontrolling Interests	24
	16 Earnings Per Share	30
	17 Business Segments	30
	18 Subsequent Events	33
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	34
Item 3.	Quantitative and Qualitative Disclosures about Market Risk	51
Item 4.	Controls and Procedures	52
PART II – OTHER INFORMATION		
Item 1.	Legal Proceedings	53
Item 1A.	Risk Factors	53
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	54
Item 4.	Mine Safety Disclosures	54
Item 5.	Other Information	54
Item 6.	Exhibits	55
SIGNATURES		56

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

EnerSys
Consolidated Condensed Balance Sheets (Unaudited)
(In Thousands, Except Share and Per Share Data)

	September 28, 2025	March 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 388,606	$ 343,131
Accounts receivable, net of allowance for doubtful accounts: September 28, 2025 - $8,981; March 31, 2025 - $8,675	570,623	597,942
Inventories, net	804,922	739,994
Prepaid and other current assets	379,811	408,747
Total current assets	2,143,962	2,089,814
Property, plant, and equipment, net	607,601	592,433
Goodwill	754,318	721,073
Other intangible assets, net	359,912	375,430
Deferred taxes	89,074	74,793
Other assets	117,283	117,705
Total assets	$ 4,072,150	$ 3,971,248
Liabilities and Equity		
Current liabilities:		
Short-term debt	$ 29,253	$ 28,502
Accounts payable	368,156	405,694
Accrued expenses	377,472	340,872
Total current liabilities	774,881	775,068
Long-term debt, net of unamortized debt issuance costs	1,184,040	1,083,541
Deferred taxes	15,972	17,641
Other liabilities	230,287	175,510
Total liabilities	2,205,180	2,051,760
Commitments and contingencies		
Equity:		
Preferred Stock, $0.01 par value, 1,000,000 shares authorized, no shares issued or outstanding at September 28, 2025 and at March 31, 2025	—	—
Common Stock, $0.01 par value per share, 135,000,000 shares authorized, 57,214,875 shares issued and 37,200,154 shares outstanding at September 28, 2025; 56,839,590 shares issued and 39,192,061 shares outstanding at March 31, 2025	572	568
Additional paid-in capital	694,098	662,725
Treasury stock at cost, 20,014,721 shares held as of September 28, 2025 and 17,647,529 shares held as of March 31, 2025	(1,206,205)	(988,936)
Retained earnings	2,595,689	2,489,200
Accumulated other comprehensive loss	(220,653)	(247,479)
Total EnerSys stockholders' equity	1,863,501	1,916,078
Nonredeemable noncontrolling interests	3,469	3,410
Total equity	1,866,970	1,919,488
Total liabilities and equity	$ 4,072,150	$ 3,971,248

See accompanying notes.

EnerSys
Consolidated Condensed Statements of Income (Unaudited)
(In Thousands, Except Share and Per Share Data)

	Quarter ended	
	September 28, 2025	**September 29, 2024**
Sales from products	$ 861,194	$ 789,967
Sales from services	90,092	93,702
Net sales	951,286	883,669
Cost of goods sold	599,700	553,764
Cost of services	74,442	75,876
Inventory step up to fair value relating to recent acquisitions	—	1,883
Gross profit	277,144	252,146
Operating expenses	164,026	150,535
Restructuring and other exit charges	21,086	2,224
Operating earnings	92,032	99,387
Interest expense	12,176	12,491
Other expense (income), net	3,380	2,706
Earnings before income taxes	76,476	84,190
Income tax expense	8,050	1,924
Net earnings attributable to EnerSys stockholders	$ 68,426	$ 82,266
Net earnings per common share attributable to EnerSys stockholders:		
Basic	$ 1.83	$ 2.05
Diluted	$ 1.80	$ 2.01
Dividends per common share	$ 0.2625	$ 0.24
Weighted-average number of common shares outstanding:		
Basic	37,436,456	40,165,080
Diluted	37,977,855	40,863,205

See accompanying notes.

EnerSys
Consolidated Condensed Statements of Income (Unaudited)
(In Thousands, Except Share and Per Share Data)

	Six months ended	
	September 28, 2025	**September 29, 2024**
Sales from products	$ 1,667,006	$ 1,548,498
Sales from services	177,304	188,087
Net sales	1,844,310	1,736,585
Cost of goods sold	1,165,747	1,089,530
Cost of services	148,191	154,655
Inventory step up to fair value relating to recent acquisitions	—	1,883
Gross profit	530,372	490,517
Operating expenses	324,912	291,637
Restructuring and other exit charges	26,948	8,162
Operating earnings	178,512	190,718
Interest expense	23,488	23,478
Other expense (income), net	12,890	3,721
Earnings before income taxes	142,134	163,519
Income tax expense	16,250	11,142
Net earnings attributable to EnerSys stockholders	$ 125,884	$ 152,377
Net earnings per common share attributable to EnerSys stockholders:		
Basic	$ 3.30	$ 3.79
Diluted	$ 3.26	$ 3.72
Dividends per common share	$ 0.5025	$ 0.465
Weighted-average number of common shares outstanding:		
Basic	38,113,597	40,184,546
Diluted	38,645,031	40,924,660

See accompanying notes.

EnerSys
Consolidated Condensed Statements of Income (Unaudited)
(In Thousands, Except Share and Per Share Data)

	Quarter ended		Six months ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
Net earnings	$ 68,426	$ 82,266	$ 125,884	$ 152,377
Other comprehensive income (loss):				
Net unrealized gain (loss) on derivative instruments, net of tax	(948)	(7,842)	(486)	(4,180)
Pension funded status adjustment, net of tax	122	87	245	197
Foreign currency translation adjustment	(2,703)	28,809	27,126	15,493
Total other comprehensive income (loss), net of tax	(3,529)	21,054	26,885	11,510
Total comprehensive income (loss)	64,897	103,320	152,769	163,887
Comprehensive income (loss) attributable to noncontrolling interests	19	124	59	102
Comprehensive income (loss) attributable to EnerSys stockholders	$ 64,878	$ 103,196	$ 152,710	$ 163,785

See accompanying notes.

EnerSys
Consolidated Condensed Statements of Cash Flows (Unaudited)
(In Thousands)

	Six months ended	
	September 28, 2025	**September 29, 2024**
Cash flows from operating activities		
Net earnings	$ 125,884	$ 152,377
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	54,889	48,757
Write-off of assets relating to exit activities	(619)	244
Derivatives not designated in hedging relationships:		
Net losses (gains)	(498)	(1,783)
Cash (settlements) proceeds	2,070	1,320
Provision for doubtful accounts	404	1,124
Deferred income taxes	(68)	114
Non-cash interest expense	1,212	969
Stock-based compensation	22,036	12,187
(Gain) loss on disposal of property, plant, and equipment	284	64
Changes in assets and liabilities:		
Accounts receivable	43,652	(9,323)
Inventories	(48,664)	(12,401)
Prepaid and other current assets	69,493	(26,201)
Other assets	560	968
Accounts payable	(34,650)	(40,104)
Accrued expenses	(21,393)	(83,963)
Other liabilities	4,423	(303)
Net cash provided by (used in) operating activities	219,015	44,046
Cash flows from investing activities		
Capital expenditures	(53,922)	(66,486)
Purchase of business	(12,662)	(205,276)
Proceeds from disposal of property, plant, and equipment	4,189	89
Investment in Equity Securities	—	(10,852)
Net cash (used in) provided by investing activities	(62,395)	(282,525)
Cash flows from financing activities		
Net (repayments) borrowings on short-term debt	(143)	(434)
Proceeds from Second Amended Revolver borrowings	467,563	476,600
Repayments of Second Amended Revolver borrowings	(155,000)	(76,600)
Repayments of Term Loans	(210,000)	—
Option proceeds, net	16,948	7,445
Payment of taxes related to net share settlement of equity awards	(8,192)	(7,984)
Purchase of treasury stock	(217,784)	(75,187)
Dividends paid to stockholders	(18,917)	(18,598)
Debt Issuance Costs Sixth Amended Credit Facility	(3,276)	—
Other	588	12
Net cash provided by (used in) financing activities	(128,213)	305,254
Effect of exchange rate changes on cash and cash equivalents	17,068	7,820
Net increase (decrease) in cash and cash equivalents	45,475	74,595
Cash and cash equivalents at beginning of period	343,131	333,324
Cash and cash equivalents at end of period	$ 388,606	$ 407,919

See accompanying notes.

EnerSys
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited)
(In Thousands, Except Share and Per Share Data)

1. Basis of Presentation

The accompanying unaudited consolidated condensed financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments except those otherwise described herein) considered necessary for a fair presentation have been included, unless otherwise disclosed. Operating results for the three and six months ended September 28, 2025 are not necessarily indicative of the results that may be expected for the fiscal year ending March 31, 2026.

The Consolidated Condensed Balance Sheet at March 31, 2025 has been derived from the audited Consolidated Financial Statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

The financial statements should be read in conjunction with the Consolidated Financial Statements and Notes thereto included in the Company's 2025 Annual Report on Form 10-K (SEC File No. 001-32253), which was filed on May 21, 2025 (the "2025 Annual Report").

EnerSys (the "Company") reports interim financial information for 13-week periods, except for the first quarter, which always begins on April 1, and the fourth quarter, which always ends on March 31. The four quarters in fiscal 2026 end on June 29, 2025, September 28, 2025, December 28, 2025, and March 31, 2026, respectively. The four quarters in fiscal 2025 ended on June 30, 2024, September 29, 2024, December 29, 2024, and March 31, 2025, respectively.

The Consolidated Condensed Financial Statements include the accounts of the Company and its wholly-owned subsidiaries and any partially owned subsidiaries that the Company has the ability to control. All intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates and assumptions take into account historical and forward looking factors that the Company believes are reasonable, and the Company's estimates and assumptions may evolve as conditions change. Actual results could differ from those estimates.

Examples of significant estimates include the allowance for credit losses, the recoverability of property, plant and equipment, the incremental borrowing rate for lease liabilities, the recoverability of intangible assets and other long-lived assets, fair value measurements, including those related to financial instruments, fair value of goodwill and intangible assets, valuation allowances on tax assets, production tax credits under the Inflation Reduction Act, pension and postretirement benefit obligations, contingencies and the identification and valuation of assets acquired and liabilities assumed in connection with business combinations.

Recently Issued Accounting Standards

In December 2023, the Financial Accounting Standards Board issued a final standard on improvements to income tax disclosures. The standard requires disclosure of specific categories within the effective tax rate reconciliation and details about significant reconciling items, subject to a quantitative threshold. The standard also requires information on income taxes paid disaggregated by federal, state and foreign based on a quantitative threshold. The standard is effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. The standard is applied prospectively with an option for retrospective adoption. The Company is currently evaluating the impact of adopting this standard on its disclosures.

In November 2024, the Financial Accounting Standards Board issued a final standard on disaggregation of income statement expenses. The standard requires disclosure of more detailed information about certain costs and expenses in the notes to the financial statements. The standard is effective for fiscal years beginning after December 15, 2026 and for interim periods

beginning after December 15, 2027. Early adoption is permitted. The standard is applied prospectively with an option for retrospective adoption. The Company is currently evaluating the impact of adopting this standard on its disclosures.

2. Acquisition

Bren-Tronics

On July 26, 2024, the Company completed the acquisition of all of the equity of Bren-Tronics Defense LLC for the aggregate purchase price consideration of $206,374 net of cash and restricted cash acquired. Bren-Tronics Defense LLC, headquartered in Commack, New York, is a leading manufacturer of highly reliable portable power solutions, including small and large format lithium batteries and charging solutions, for military and defense applications. The transaction was accounted for as a business combination by applying the acquisition method of accounting.

The following table summarizes the fair values of the assets acquired and liabilities assumed at the date of the acquisition:

Trade Receivables	$	10,325
Inventory		48,362
Prepaid and other current assets		1,392
Property, plant and equipment		14,701
Other intangible assets		90,500
Deferred Taxes		1,069
Other assets		2,003
Total assets acquired	$	168,352
Accounts payable		2,485
Accrued liabilities		8,078
Other liabilities		2,236
Total liabilities assumed	$	12,799
Net assets acquired	$	155,553

Consideration transferred:		
Cash consideration, net of cash and restricted cash acquired	$	206,374
Total consideration transferred		206,374
Less: Fair value of acquired identifiable assets and liabilities		155,553
Goodwill	$	50,821

The amounts above represent the Company's fair value estimates related to the acquisition as of July 26, 2024. The purchase price was allocated to the tangible assets and identifiable intangible assets acquired and liabilities assumed based on their acquisition date estimated fair values. The fair value of trade receivables acquired is $10,325, with gross contractual amounts being $10,325. The Company currently expects all to be collectible. The identifiable intangible assets consist of trademarks, customer relationships, and developed technology which were assigned fair values of $4,200, $63,100 and $23,200, respectively. The trade names and trademarks, customer relationships and developed technology are being amortized on a straight-line basis over weighted average useful lives of 6, 13, and 12 years, respectively.

Goodwill represents the excess of the purchase price over the net identifiable tangible and intangible assets acquired. The Company believes the goodwill related to the acquisition was attributable to the value of the assembled workforce as well as the collective experience of the management team with regards to its operations, customers, and industry. All acquired goodwill is deductible for tax purposes.

The results of the Bren-Tronics acquisition have been included in the Company’s results of operations in the Specialty operating segment from the date of acquisition. Pro forma earnings and earnings per share computations have not been presented as this acquisition is not considered material.

3. Revenue Recognition

The Company's revenues by reportable segments are presented in Note 17 and are consistent with how we organize and manage our operations, as well as product line net sales information.

Service revenues related to the work performed for the Company's customers by its maintenance technicians generally represent a separate and distinct performance obligation. Control for these services passes to the customer as the services are performed.

A portion of the Company's customer arrangements oblige the Company to create customized products for its customers that require combining both products and services into a single performance obligation because the individual products and services that are required to fulfill the customer requirements do not meet the definition for a distinct performance obligation. These customized products generally have no alternative use to the Company and the terms and conditions of these arrangements give the Company the enforceable right to payment for performance completed to date, including a reasonable profit margin. For these arrangements, control transfers over time and the Company measures progress towards completion by selecting the input or output method that best depicts the transfer of control of the underlying goods and services to the customer for each respective arrangement. Methods used by the Company to measure progress toward completion include labor hours, costs incurred and units of production. Revenues recognized over time for the second quarter of fiscal 2026 and 2025 amounted to $38,786 and $49,520, respectively. Revenues recognized over time for the six months of fiscal 2026 and 2025 amounted to $76,282 and $101,852.

On September 28, 2025, the aggregate transaction price allocated to unsatisfied (or partially unsatisfied) performance obligations was approximately $175,173, of which, the Company estimates that approximately $78,169 will be recognized as revenue in fiscal 2026, $70,791 in fiscal 2027, $25,864 in fiscal 2028, and $349 in fiscal 2029.

Any payments that are received from a customer in advance, prior to the satisfaction of a related performance obligation and billings in excess of revenue recognized, are deferred and treated as a contract liability. Advance payments and billings in excess of revenue recognized are classified as current or non-current based on the timing of when recognition of revenue is expected. As of September 28, 2025, the current and non-current portion of contract liabilities were $30,124 and $632, respectively. As of March 31, 2025, the current and non-current portion of contract liabilities were $28,820 and $488, respectively. Revenues recognized during the second quarter of fiscal 2026 and 2025 that were included in the contract liability at the beginning of the quarter, amounted to $4,630 and $7,096, respectively. Revenues recognized during the six months of fiscal 2026 and 2025 that were included in the contract liability at the beginning of the year, amounted to $3,737 and $7,928, respectively.

Amounts representing work completed and not billed to customers represent contract assets and were $88,575 and $71,774 as of September 28, 2025 and March 31, 2025, respectively.

The Company uses historic customer product return data as a basis of estimation for customer returns and records the reduction of sales at the time revenue is recognized. At September 28, 2025, the right of return asset related to the value of inventory anticipated to be returned from customers was $4,270 and refund liability representing amounts estimated to be refunded to customers was $7,010.

4. Accounts Receivable

	September 28, 2025	March 31, 2025
Accounts receivable	$ 579,604	$ 606,617
Allowance for doubtful accounts	8,981	8,675
Accounts receivable, net	$ 570,623	$ 597,942

During the third quarter of fiscal 2023, the Company entered into a Receivables Purchase Agreement ("RPA"), under which the Company continuously sells its interest in designated pools of trade accounts receivables, at a discount, to a special purpose entity, which in turn sells certain of the receivables to an unaffiliated financial institution ("unaffiliated financial institution") on a monthly basis. The Company may sell certain US-originated accounts receivable balances up to a maximum amount of $150,000. In return for these sales, the Company receives a cash payment equal to the face value of the receivables and is charged a fee of Secured Overnight Financing Rate ("SOFR") plus 85 basis points against the sold receivable balance. The program is conducted through EnerSys Finance LLC ("EnerSys Finance"), an entity structured to be bankruptcy remote, and matures in December 2025. The Company is deemed the primary beneficiary of EnerSys Finance as the Company has both the power to direct the activities that most significantly impact the entity's economic performance and the obligation to absorb losses or the right to receive the benefits that could potentially be significant to the entity from the transfer of the trade accounts

receivables into the special purpose entity. Accordingly, EnerSys Finance is included in the Company's Consolidated Condensed Financial Statements.

Receivables sold to unaffiliated financial institutions under the program are excluded from "Accounts receivable, net" on the Company's Consolidated Condensed Balance Sheets, and cash receipts are reflected as cash provided by operating activities on the Consolidated Condensed Statements of Cash Flows. The purchase price is received in cash when the receivables are sold, and fees charged relating to this balance are recorded to other (income) expense. Certain unsold receivables held by EnerSys Finance serve as collateral to unaffiliated financial institutions. These unsold receivables are included in "Accounts receivable, net" in the Company's Consolidated Condensed Balance Sheets. The Company continues servicing the receivables which were sold and in exchange receives a servicing fee from EnerSys Finance under the program.

During the second quarter and the six months of fiscal 2026, the Company sold $209,805 and $399,697, respectively, of accounts receivables for approximately $209,805 and $399,697, respectively, in proceeds to an unaffiliated financial institution, of which $209,805 and $399,697, respectively, were collected as of September 28, 2025. During the second quarter and the six months of fiscal 2025, the Company sold $192,479 and $382,216, respectively, of accounts receivables for approximately $192,479 and $382,216, respectively, in net proceeds to an unaffiliated financial institution, of which $192,479 and $382,216, respectively, were collected as of September 29, 2024. Total collateralized accounts receivables of approximately $343,155 were held by EnerSys Finance at September 28, 2025.

Any accounts receivables held by EnerSys Finance would likely not be available to other creditors of the Company in the event of bankruptcy or insolvency proceedings relating to the Company until the outstanding balances under the RPA are satisfied. Additionally, the financial obligations of EnerSys Finance to the unaffiliated financial institutions under the program are limited to the assets it owns and there is no recourse to the Company for receivables that are uncollectible as a result of the insolvency of EnerSys Finance or its inability to pay the account debtors.

5. Inventories

	September 28, 2025	March 31, 2025
Raw materials	$ 312,765	$ 296,365
Work-in-process	132,601	125,459
Finished goods	359,556	318,170
Total	$ 804,922	$ 739,994

6. Fair Value of Financial Instruments

Recurring Fair Value Measurements

The following tables represent the financial assets and (liabilities) measured at fair value on a recurring basis as of September 28, 2025 and March 31, 2025, and the basis for that measurement:

	Total Fair Value Measurement September 28, 2025	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Lead forward contracts	$ (855)	$ —	$ (855)	$ —
Foreign currency forward contracts	183	—	183	—
Interest Rate Swaps	(208)	—	(208)	—
Net investment hedges	(84,432)	—	(84,432)	—
Total derivatives	$ (85,312)	$ —	$ (85,312)	$ —

	Total Fair Value Measurement March 31, 2025	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Lead forward contracts	$ (225)	$ —	$ (225)	$ —
Foreign currency forward contracts	1,629	—	1,629	—
Interest Rate Swaps	5	—	5	—
Net investment hedges	(33,002)	—	(33,002)	—
Total derivatives	$ (31,593)	$ —	$ (31,593)	$ —

The fair values of lead forward contracts are calculated using observable prices for lead as quoted on the London Metal Exchange ("LME") and, therefore, were classified as Level 2 within the fair value hierarchy, as described in Note 1- *Summary of Significant Accounting Policies* to the Company's Consolidated Financial Statements included in the 2025 Annual Report.

The fair values for foreign currency forward contracts and net investment hedges are based upon current quoted market prices and are classified as Level 2 based on the nature of the underlying market in which these derivatives are traded.

The fair value of interest rate swap agreements are based on observable prices as quoted for receiving the variable one-month term SOFR and paying fixed interest rates and, therefore, were classified as Level 2.

Financial Instruments

The fair values of the Company's cash and cash equivalents approximate carrying value due to their short maturities.

The fair value of the Company's short-term debt and borrowings under the credit facilities as included in Note 12, approximate their respective carrying value, as they are variable rate debt and the terms are comparable to market terms as of the balance sheet dates and are classified as Level 2.

The fair value of the Company's 2032 Notes and 2027 Notes (each as defined in Note 12 and collectively, the "Senior Notes"), represent the trading values based upon quoted market prices and are classified as Level 2. The 2032 Notes were trading at approximately 103% and 101% of face value on September 28, 2025 and March 31, 2025, respectively. The 2027 Notes were trading at approximately 98% and 96% of the face value on September 28, 2025 and March 31, 2025, respectively.

The carrying amounts and estimated fair values of the Company's derivatives and Senior Notes at September 28, 2025 and March 31, 2025 were as follows:

	September 28, 2025		March 31, 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities:				
Senior Notes [2]	$ 600,000	$ 603,900	$ 600,000	$ 591,420
Derivatives [1]	$ 85,312	$ 85,312	$ (31,593)	$ (31,593)

(1) Represents lead, foreign currency forward contracts, interest rate swaps, and net investment hedges (see Note 7 for asset and liability positions of the lead, foreign currency forward contracts, interest rate swaps, and net investment hedges at September 28, 2025 and March 31, 2025).
(2) The fair value amount of the Senior Notes at September 28, 2025 and March 31, 2025 represent the trading value of the instruments.

7. Derivative Financial Instruments

The Company utilizes derivative instruments to reduce its exposure to fluctuations in commodity prices, foreign exchange rates and interest, under established procedures and controls. The Company does not enter into derivative contracts for speculative purposes. The Company's agreements are with creditworthy financial institutions and the Company anticipates performance by counterparties to these contracts and therefore no material loss is expected.

Derivatives in Cash Flow Hedging Relationships

Lead Forward Contracts

The Company enters into lead forward contracts to fix the price for a portion of its lead purchases. Management considers the lead forward contracts to be effective against changes in the cash flows of the underlying lead purchases. The vast majority of such contracts are for a period not extending beyond one year. At September 28, 2025 and March 31, 2025, the Company has hedged the price to purchase approximately 104.4 million pounds and 70.0 million pounds of lead, respectively, for a total purchase price of $95,187 and $63,841, respectively.

Foreign Currency Forward Contracts

The Company uses foreign currency forward contracts and options to hedge a portion of the Company's foreign currency exposures for lead, as well as other foreign currency exposures so that gains and losses on these contracts offset changes in the underlying foreign currency denominated exposures. The vast majority of such contracts are for a period not extending beyond one year. As of September 28, 2025 and March 31, 2025, the Company had entered into a total of $54,666 and $39,196, respectively, of such contracts.

Interest Rate Swap Agreements

The Company is exposed to changes in variable interest rates on borrowings under our credit agreement. On a selective basis, from time to time, it enters into interest rate swap agreements to reduce the negative impact that increases in interest rates could have on our outstanding variable rate debt. At September 28, 2025 and March 31, 2025, such agreements effectively convert $200,000 of our variable-rate debt to a fixed-rate basis, utilizing the one-month term SOFR, as a floating rate reference. Fluctuations in SOFR and fixed rates affect both our net financial investment position and the amount of cash to be paid or received by us under these agreements.

Derivatives in Net Investment Hedging Relationships

Net Investment Hedges

The Company uses cross currency fixed interest rate swaps to hedge its net investments in foreign operations against future volatility in the exchange rates between the U.S. Dollar and Euro.

On September 29, 2022, the Company entered into cross-currency fixed interest rate swap contracts with an aggregate notional amount of $150,000, maturing on December 15, 2027. On July 2, 2024, the Company entered into cross-currency fixed interest rate swap contracts with an aggregate notional amount of $150,000, maturing on January 15, 2029. Additionally, on December 23, 2024 and December 24, 2024 , the Company entered into cross-currency fixed interest rate swap contracts each with an aggregate notional amount of $150,000, maturing on June 15, 2028 and December 15, 2026, respectively. The cross-currency fixed interest rate swap contracts qualify for hedge accounting as a net investment hedging instrument, which allows for them to be remeasured to foreign currency translation adjustment within AOCI ("Accumulated Other Comprehensive Income") to offset the translation risk from those investments. Balances in the foreign currency translation adjustment accounts remain until the sale or substantially complete liquidation of the foreign entity, upon which they are recognized as a component of other income (expense).

Impact of Hedging Instruments on AOCI

In the coming twelve months, the Company anticipates that $5,680 of pretax gain relating to lead, foreign currency forward contracts, interest rate swaps, and net investment hedges will be reclassified from AOCI as part of cost of goods sold and interest expense. This amount represents the current net unrealized impact of hedging lead, foreign exchange rates and interest rates, which will change as market rates change in the future. This amount will ultimately be realized in the Consolidated Condensed Statements of Income as an offset to the corresponding actual changes in lead, foreign exchange rates and interest costs resulting from variable lead cost, foreign exchange and interest rates hedged.

Derivatives not Designated in Hedging Relationships

Foreign Currency Forward Contracts

The Company also enters into foreign currency forward contracts to economically hedge foreign currency fluctuations on intercompany loans and foreign currency denominated receivables and payables. These are not designated as hedging instruments and changes in fair value of these instruments are recorded directly in the Consolidated Condensed Statements of

Income. As of September 28, 2025 and March 31, 2025, the notional amount of these contracts was $59,774 and $63,146, respectively.

Presented below in tabular form is information on the location and amounts of derivative fair values in the Consolidated Condensed Balance Sheets and derivative gains and losses in the Consolidated Condensed Statements of Income:

Fair Value of Derivative Instruments
September 28, 2025 and March 31, 2025

	Derivatives and Hedging Activities Designated as Cash Flow Hedges		Derivatives and Hedging Activities Designated as Net Investment Hedges		Derivatives and Hedging Activities Not Designated as Hedging Instruments	
	September 28, 2025	March 31, 2025	September 28, 2025	March 31, 2025	September 28, 2025	March 31, 2025
Prepaid and other current assets:						
Lead forward contracts	$ —	$ —	$ —	$ —	$ —	$ —
Foreign currency forward contracts	—	—	—	—	348	1,919
Net investment hedges	—	—	—	—	—	—
Other assets:						
Interest rate swaps	—	5	—	—	—	—
Net investment hedges	—	—	—	—	—	—
Total assets	$ —	$ 5	$ —	$ —	$ 348	$ 1,919
Accrued expenses:						
Lead forward contracts	$ 855	$ 225	$ —	$ —	$ —	$ —
Foreign currency forward contracts	165	290	—	—	—	—
Other liabilities:						
Interest rate swaps	208	—	—	—	—	—
Net investment hedges	—	—	84,432	33,002	—	—
Total liabilities	$ 1,228	$ 515	$ 84,432	$ 33,002	$ —	$ —

The Effect of Derivative Instruments on the Consolidated Condensed Statements of Income
For the quarter ended September 28, 2025

Derivatives Designated as Cash Flow Hedges	Pretax Gain (Loss) Recognized in AOCI on Derivative (Effective Portion)	Location of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Pretax Gain (Loss) Reclassified from AOCI into Income (Effective Portion)
Lead forward contracts	$ (3,498)	Cost of goods sold	$ (1,211)
Foreign currency forward contracts	120	Cost of goods sold	(1,066)
Interest rate swaps	163	Interest expense	299
Total	$ (3,215)		$ (1,978)

Derivatives Designated as Net Investment Hedges	Pretax Gain (Loss) Recognized in AOCI on Derivative (Effective Portion)	Location of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Pretax Gain (Loss) Reclassified from AOCI into Income (Effective Portion)
Cross currency fixed interest rate swaps	$ 7,467	Interest expense	$ 4,076
Total	$ 7,467		$ 4,076

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivatives	Pretax Gain (Loss)
Foreign currency forward contracts	Other (income) expense, net	$ (620)
Total		$ (620)

The Effect of Derivative Instruments on the Consolidated Condensed Statements of Income
For the quarter ended September 29, 2024

Derivatives Designated as Cash Flow Hedges	Pretax Gain (Loss) Recognized in AOCI on Derivative (Effective Portion)	Location of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Pretax Gain (Loss) Reclassified from AOCI into Income (Effective Portion)
Lead forward contracts	$ (3,123)	Cost of goods sold	$ 1,783
Foreign currency forward contracts	(539)	Cost of goods sold	227
Interest rate swaps	(4,313)	Interest expense	248
Total	$ (7,975)		$ 2,258

Derivatives Designated as Net Investment Hedges	Pretax Gain (Loss) Recognized in AOCI on Derivative (Effective Portion)	Location of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Pretax Gain (Loss) Reclassified from AOCI into Income (Effective Portion)
Cross currency fixed interest rate swaps	$ (12,375)	Interest expense	$ 711
Total	$ (12,375)		$ 711

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivatives	Pretax Gain (Loss)
Foreign currency forward contracts	Other (income) expense, net	$ 1,429
Total		$ 1,429

The Effect of Derivative Instruments on the Consolidated Condensed Statements of Income
For the six months ended September 28, 2025

Derivatives Designated as Cash Flow Hedges	Pretax Gain (Loss) Recognized in AOCI on Derivative (Effective Portion)	Location of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Pretax Gain (Loss) Reclassified from AOCI into Income (Effective Portion)
Lead forward contracts	$ (2,009)	Cost of goods sold	$ (2,475)
Foreign currency forward contracts	(1,728)	Cost of goods sold	(842)
Interest rate swaps	383	Interest expense	596
Total	$ (3,354)		$ (2,721)

Derivatives Designated as Net Investment Hedges	Pretax Gain (Loss) Recognized in AOCI on Derivative (Effective Portion)	Location of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Pretax Gain (Loss) Reclassified from AOCI into Income (Effective Portion)
Cross currency fixed interest rate swaps	$ (48,527)	Interest expense	$ 2,903
Total	$ (48,527)		$ 2,903

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivative	Pretax Gain (Loss)
Foreign currency forward contracts	Other (income) expense, net	$ 499
Total		$ 499

The Effect of Derivative Instruments on the Consolidated Condensed Statements of Income
For the six months ended September 29, 2024

Derivatives Designated as Cash Flow Hedges	Pretax Gain (Loss) Recognized in AOCI on Derivative (Effective Portion)	Location of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Pretax Gain (Loss) Reclassified from AOCI into Income (Effective Portion)
Lead forward contracts	$ (392)	Cost of goods sold	$ 297
Foreign currency forward contracts	(191)	Cost of goods sold	276
Interest rate swaps	(3,231)	Interest expense	1,066
Total	$ (3,814)		$ 1,639

Derivatives Designated as Net Investment Hedges	Pretax Gain (Loss) Recognized in AOCI on Derivative (Effective Portion)	Location of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Pretax Gain (Loss) Reclassified from AOCI into Income (Effective Portion)
Cross currency fixed interest rate swaps	$ (10,116)	Interest expense	$ 975
Total	$ (10,116)		$ 975

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivative	Pretax Gain (Loss)
Foreign currency forward contracts	Other (income) expense, net	$ 1,783
Total		$ 1,783

8. Income Taxes

The Company's income tax provision consists of federal, state and foreign income taxes. The tax provision for the second quarter of fiscal 2026 and 2025 was based on the estimated effective tax rates applicable for the full years ending March 31, 2026 and March 31, 2025, respectively, after giving effect to items specifically related to the interim periods. The Company's effective income tax rate with respect to any period may be volatile based on the mix of income in the tax jurisdictions, in which the Company operates, changes in tax laws and the amount of the Company's consolidated earnings before taxes.

The Organization for Economic Co-operation and Development (OECD) has a global minimum corporate tax of 15% for companies with global revenues and profits above certain thresholds (referred to as Pillar 2), with certain aspects of Pillar 2 effective for taxable years beginning after December 31, 2023. While it is uncertain whether the U.S. will enact legislation to adopt Pillar 2, certain countries in which we operate have adopted legislation, and other countries are in the process of introducing legislation to implement Pillar 2.

On July 4, 2025, the "One Big Beautiful Bill Act" ("OBBBA") was enacted into law. The law included permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework, and changes to the tax treatment for certain business provisions and energy credits.

The impact of the enacted legislation is included in our estimated effective tax rate. The Company will continue to monitor and evaluate as new legislation and guidance is issued.

On August 26, 2024, the U.S. Tax Court issued a ruling in *Varian Medical Systems, Inc. v. Commissioner ("Varian")*. The ruling related to the U.S. taxation of deemed foreign dividends in the transition tax of the Tax Cuts and Jobs Act ("Tax Act") which was originally recorded in fiscal 2018. The impact of the ruling was included in our fiscal 2025 results.

The consolidated effective income tax rates for the second quarter of fiscal 2026 and 2025 were 10.5% and 2.3% and for the six months of fiscal 2026 and 2025 were 11.4% and 6.8%. The rate increase in the second quarter and six months of fiscal 2026 compared to the prior year periods are primarily due to a discrete tax benefit for *Varian* in fiscal 2025, impact of Pillar 2 and mix of earnings among tax jurisdictions.

Foreign income as a percentage of worldwide income is estimated to be 53% for fiscal 2026 and fiscal 2025. The foreign effective tax rates for the six months of fiscal 2026 and 2025 were 17% and 15%, respectively. The foreign effective tax rate increase is primarily due to the impact of Pillar 2. Income from the Company's Swiss subsidiary comprised a substantial portion of the Company's overall foreign mix of income for both fiscal 2026 and fiscal 2025 and were taxed at an effective income tax rate of approximately 14% and 11%, respectively.

9. Warranty

The Company provides for estimated product warranty expenses when products are sold, with related liabilities included within accrued expenses and other liabilities. As warranty estimates are forecasts that are based on the best available information, primarily historical claims experience, costs of claims may ultimately differ from amounts provided. An analysis of changes in the liability for product warranties is as follows:

	Quarter ended		Six months ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
Balance at beginning of period	$ 68,425	$ 61,733	$ 66,421	$ 60,819
Current period provisions	6,860	7,027	13,878	14,174
Costs incurred	(5,423)	(6,887)	(11,449)	(12,752)
Foreign currency translation adjustment	(372)	670	640	302
Balance at end of period	$ 69,490	$ 62,543	$ 69,490	$ 62,543

10. Commitments, Contingencies and Litigation

Litigation and Other Legal Matters

In the ordinary course of business, the Company and its subsidiaries are routinely defendants in or parties to pending and threatened legal actions and proceedings, including actions brought on behalf of various classes of claimants. These actions and proceedings are generally based on alleged violations of environmental, anticompetition, employment, contract and other laws. In some of these actions and proceedings, claims for substantial monetary damages are asserted against the Company and its subsidiaries. In the ordinary course of business, the Company and its subsidiaries are also subject to regulatory and governmental examinations, information gathering requests, inquiries, investigations, and threatened legal actions and proceedings. In connection with formal and informal inquiries by federal, state, local and foreign agencies, the Company and its subsidiaries receive numerous requests, subpoenas and orders for documents, testimony and information in connection with various aspects of their activities.

Environmental Issues

As a result of its operations, the Company is subject to various federal, state, and local, as well as international environmental laws and regulations and is exposed to the costs and risks of registering, handling, processing, storing, transporting, and disposing of hazardous substances, especially lead and acid. The Company's operations are also subject to federal, state, local and international occupational safety and health regulations, including laws and regulations relating to exposure to lead in the workplace. The Company believes that it has adequate reserves to satisfy its environmental liabilities.

Lead, Foreign Currency Forward Contracts and Swaps

To stabilize its lead costs and reduce volatility from currency and interest rate movements, the Company entered into contracts with financial institutions. The vast majority of lead and foreign currency contracts are for a period not extending beyond one year. The Company also entered into a cross currency fixed interest rate swap agreements, maturing on December 15, 2026, December 15, 2027, June 15, 2028, and January 15, 2029, to hedge its net investments in foreign operations against future volatility in the exchange rates between the U.S. Dollar and Euro. The Company also entered into floating to fixed interest rate swap agreements maturing on September 30, 2026, to hedge its exposure to variable interest rates. Please refer to Note 7 - *Derivative Financial Instruments* for more details.

11. Restructuring and Other Exit Charges

Restructuring Programs

As disclosed in the 2025 Annual Report, the Company committed to restructuring plans aimed at improving operational efficiencies across its lines of business.

On July 22, 2025, the Company announced a reduction in force plan (the "Plan") as part of the Company's strategic restructuring plan under its new leadership to better align resources with current business priorities and long-term objectives. The Plan is expected to reduce non-production global workforce by approximately 11%, or approximately 575 employees, and

is focused primarily on corporate and management positions. The Company estimates one-time cash charges related to the Plan to be $20,000 consisting of severance payments, notice period payments in applicable jurisdictions, employee benefits and related costs. The Company expects to incur these expenses primarily in the second and third quarter of fiscal 2026. During the six months of fiscal 2026, the Company recorded a $19,619 in severance costs relating to the plan.

Restructuring and exit charges for the second quarter of fiscal 2026 by reportable segments are as follows:

	Quarter ended September 28, 2025				
	Energy Systems	Motive Power	Specialty	Corporate Other	Total
Restructuring charges	$ 9,145	$ 9,132	$ 1,648	$ 129	$ 20,054
Exit charges	116	199	717	—	1,032
Restructuring and other exit charges	$ 9,261	$ 9,331	$ 2,365	$ 129	$ 21,086

	Six months ended September 28, 2025				
	Energy Systems	Motive Power	Specialty	Corporate Other	Total
Restructuring charges	$ 9,908	$ 9,620	$ 1,649	$ 129	$ 21,306
Exit charges	407	4,518	717	—	5,642
Restructuring and other exit charges	$ 10,315	$ 14,138	$ 2,366	$ 129	$ 26,948

A roll-forward of the restructuring reserve, excluding exit charges, is as follows:

Balance as of March 31, 2025	$ 1,079
Accrued	21,306
Costs incurred	(8,739)
Foreign currency impact	52
Balance as of September 28, 2025	$ 13,698

Exit Charges

Fiscal 2026 Program

On April 1, 2025, the Company's Board of Directors approved a plan to close its facility in Monterrey, Mexico, which focused on manufacturing flooded motive power batteries. Management determined that future demand for traditional motive power flooded cells will decrease as customers transition to maintenance free product solutions in lithium and Thin Plate Pure Lead (TPPL). Production of products being manufactured in Monterrey, Mexico will be moved to EnerSys' existing facility in Richmond, Kentucky. The Company expects to incur a pre-tax charge of approximately $13,700 under this restructuring plan when completed, the majority of which is expected to be recorded by the end of the 2025 calendar year, of which $1,500 is expected to be a non-cash charge from fixed asset and inventory charges. Cash charges of approximately $12,200, include severance and employee retention costs, environmental related expenses and equipment decommissioning, along with contractual releases and legal expenses.

During the six months of fiscal 2026, the Company recorded a $3,927 in severance costs.

Fiscal 2024 Programs

Renewables

On November 8, 2023, the Company's Board of Directors approved a plan to stop production and operations of residential renewable energy products, which include our OutBack and Mojave brands. Management determined that residential renewable energy products no longer fit with the company's core strategy and resources will be better allocated toward commercial energy solutions for enterprise customers. The Company currently estimates that the total charges for these actions will amount to approximately $24,500. Non-cash charges for inventory and fixed assets write-offs, and impairment of an indefinite-lived intangible asset are estimated to be $23,600, and cash charges for employee severance and retention payments are estimated to be $900. The plan was completed as of the end of fiscal 2025.

During fiscal 2024, the Company recorded non-cash charges totaling $551 primarily related to fixed assets and cash charges of $689 related to severance costs. The Company also recorded non-cash write-offs relating to inventories of $17,075, which was reported in cost of goods sold, and impairment of indefinite lived intangible asset of $6,020.

During fiscal 2025, the Company recorded non-cash charges totaling $333 related to fixed asset write offs and inventories of $275.

Spokane

On November 8, 2023, the Company committed to a plan to close its facility in Spokane, Washington, which primarily manufactures enclosure systems for telecommunications and related end markets. Management determined that existing manufacturing locations have the capacity to satisfy demand for these products and will execute more efficient distribution to customers. The Company currently estimates that the total charges for these actions will amount to approximately $3,600 relating to $1,400 in cash charges for employee severance, and non-cash charges of $2,200 relating to fixed assets, facility lease, and inventory. The plan was completed as of the end of fiscal 2025.

During fiscal 2024, the Company recorded cash charges of $1,343 primarily related to severance costs and non-cash charges totaling $2,066 related to lease right of use asset and fixed asset write-offs.

During fiscal 2025, the Company recorded cash charges of $669 primarily related to manufacturing variances.

Fiscal 2023 Programs

Sylmar

In November 2022, the Company committed to a plan to close its facility in Sylmar, California, which manufactures specialty lithium batteries for aerospace and medical applications. Management determined to close the site upon the expiration of its lease on the property and to redirect production through consolidation into existing locations. The Company currently estimates total charges in the exit to amount to $13,661. Cash charges are estimated to total $9,769 primarily relating to severance and other costs to leave the site. Non-cash charges are estimated to be $3,892 relating to fixed assets, inventory, and contract assets. The plan was completed as of the end of fiscal 2025.

During fiscal 2023, the Company recorded cash charges of $1,682 related primarily related to severance costs and non-cash charges totaling $417 primarily relating to contract assets.

During fiscal 2024, the Company recorded cash charges of $7,155 related primarily related to severance costs, relocation expenses, and manufacturing variances, and non-cash charges totaling $377. The Company also recorded a non-cash write-off relating to inventories of $3,098, which was reported in cost of goods sold.

During fiscal 2025, The Company recorded cash charges of $931 primarily related to relocation costs.

Ooltewah

On June 29, 2022, the Company committed to a plan to close its facility in Ooltewah, Tennessee, which produced flooded motive power batteries for electric forklifts. Management determined that future demand for traditional motive power flooded cells will decrease as customers transition to maintenance free product solutions in lithium and TPPL. The Company currently estimates that the total charges for these actions will amount to approximately $18,500. Cash charges for employee severance related payments, cleanup related to the facility, contractual releases and legal expenses are estimated to be $9,200 and non-cash charges from inventory and fixed asset write-offs are estimated to be $9,300. These actions will result in the reduction of approximately 165 employees. The plan was completed as of the first quarter of fiscal 2026.

During fiscal 2023, the Company recorded cash charges relating to severance and manufacturing variances of $2,735 and non-cash charges of $7,261 relating to fixed asset write-offs. The Company also recorded a non-cash write-off relating to inventories of $1,613, which was reported in cost of goods sold.

During fiscal 2024, the Company recorded cash charges relating to site cleanup and decommissioning equipment of $4,399.

During fiscal 2025, the Company recorded $474 cash charges relating to site cleanup.

During the six months of fiscal 2026, the Company recorded a $1,142 gain of the sale of the building.

Fiscal 2021 Program

Hagen, Germany

In fiscal 2021, the Company's Board of Directors approved a plan to close substantially all of its facility in Hagen, Germany, which produced flooded motive power batteries for electric forklifts. Management determined that future demand for the motive power batteries produced at this facility was not sufficient, given the conversion from flooded to maintenance free batteries by customers, the existing number of competitors in the market, as well as the near term decline in demand and increased uncertainty from the pandemic. The Company plans to retain the facility with limited sales, service and administrative functions along with related personnel for the foreseeable future.

The Company currently estimates that the total charges for these actions will amount to approximately $60,000, of which cash charges for employee severance related payments, cleanup related to the facility, contractual releases and legal expenses were estimated to be $40,000 and non-cash charges from inventory and equipment write-offs were estimated to be $20,000. The majority of these charges were recorded as of January 1, 2023. These actions resulted in the reduction of approximately 200 employees.

During fiscal 2021, the Company recorded cash charges relating to severance of $23,331 and non-cash charges of $7,946 primarily relating to fixed asset write-offs.

During fiscal 2022, the Company recorded cash charges primarily relating to severance of $8,069 and non-cash charges of $3,522 primarily relating to fixed asset write-offs. The Company also recorded a non-cash write-off relating to inventories of $960, which was reported in cost of goods sold.

During fiscal 2023, the Company recorded cash charges of $2,207 relating to primarily to site cleanup and $562 of non-cash charges relating to accelerated depreciation of fixed assets.

During fiscal 2024, the Company recorded cash charges of $2,118 relating primarily to site cleanup and $526 of non-cash charges relating to accelerated depreciation of fixed assets.
During fiscal 2025, the Company recorded cash charges of $3,625 relating primarily to site cleanup and $598 of non-cash charges relating to accelerated depreciation of fixed assets.

During the six months of fiscal 2026, the Company recorded cash charges of $775 relating primarily to site cleanup and $16 of non-cash charges relating to accelerated depreciation of fixed assets.

12. Debt

The following summarizes the Company's long-term debt as of September 28, 2025 and March 31, 2025:

	September 28, 2025		March 31, 2025	
	Principal	Unamortized Issuance Costs	Principal	Unamortized Issuance Costs
Senior Notes	$ 600,000	$ 4,713	$ 600,000	$ 5,276
Sixth Amended Credit Facility, due 2026	592,563	3,810	490,000	1,183
	$ 1,192,563	$ 8,523	$ 1,090,000	$ 6,459
Less: Unamortized issuance costs	8,523		6,459	
Long-term debt, net of unamortized issuance costs	$ 1,184,040		$ 1,083,541	

The Company's Senior Notes comprise the following:

4.375% Senior Notes due 2027

On December 11, 2019, the Company issued $300,000 in aggregate principal amount of its 4.375% Senior Notes due December 15, 2027 (the "2027 Notes"). Proceeds from this offering, net of debt issuance costs were $296,250 and were utilized to pay down the Amended 2017 Revolver (defined below). The 2027 Notes bear interest at a rate of 4.375% per annum accruing from December 11, 2019. Interest is payable semiannually in arrears on June 15 and December 15 of each year, commencing on June 15, 2020. The 2027 Notes mature on December 15, 2027, unless earlier redeemed or repurchased in full and are unsecured and unsubordinated obligations of the Company. They are fully and unconditionally guaranteed, jointly and severally, by certain of its subsidiaries that are guarantors under the Sixth Amended Credit Facility (defined below). These guarantees are unsecured and unsubordinated obligations of such guarantors.

The Company may redeem, prior to September 15, 2027, all or a portion of the 2027 Notes at a price equal to 100% of the principal amount of the 2027 Notes to be redeemed, plus accrued and unpaid interest and a "make whole" premium to, but excluding, the redemption date. The Company may redeem, on or after September 15, 2027, all or a portion of the 2027 Notes at a price equal to 100% of the principal amount of the 2027 Notes, plus accrued and unpaid interest to, but excluding, the redemption date. If a change of control triggering event occurs, the Company will be required to offer to repurchase the 2027 Notes at a price in cash equal to 101% of the aggregate principal amount of the 2027 Notes, plus accrued and unpaid interest to, but excluding, the date of repurchase.

6.625% Senior Notes due 2032

On January 11, 2024, the Company issued $300,000 in aggregate principal amount of its 6.625% Senior Notes due January 15, 2032 (the "2032 Notes"). Proceeds from this offering, net of debt issuance costs were $297,000 and were utilized to pay down the Fourth Amended Credit Facility. The 2032 Notes bear interest at a rate of 6.625% per annum accruing from January 11, 2024. Interest is payable semiannually in arrears on January 15 and July 15 of each year, commencing on July 15, 2024. The 2032 Notes mature on January 15, 2032, unless earlier redeemed or repurchased in full and are unsecured and unsubordinated obligations of the Company. They are fully and unconditionally guaranteed, jointly and severally, by certain of its subsidiaries that are guarantors under the Sixth Amended Credit Facility (defined below). These guarantees are unsecured and unsubordinated obligations of such guarantors.

The Company may redeem, prior to January 15, 2027, all or a portion of the 2032 Notes at a price equal to 100% of the aggregate principal amount of the 2032 Notes to be redeemed, plus accrued and unpaid interest and a "make whole" premium to, but excluding, the redemption date. The Company may redeem, on or after January 15, 2027, all or a portion of the 2032 Notes at a price equal to 100% of the principal amount of the 2032 Notes, plus accrued and unpaid interest and a redemption premium to, but excluding, the redemption date. The Company may, in compliance with certain conditions, on any one or more occasions redeem up to 40% of the original aggregate principal amount of the 2032 Notes, with the net cash proceeds of one or more equity offerings at a price equal to 106.625% of the aggregate principal amount of the 2032 Notes, plus accrued and unpaid interest to, but excluding, the redemption date. If a change of control triggering event occurs, the Company will be required to offer to repurchase the 2032 Notes at a price in cash equal to 101% of the aggregate principal amount of the 2032 Notes, plus accrued and unpaid interest to, but excluding, the date of repurchase.

2017 Credit Facility and Subsequent Amendments

In fiscal 2018, the Company entered into a credit facility (the "2017 Credit Facility"). The 2017 Credit Facility was scheduled to mature on September 30, 2022, initially comprised a $600,000 senior secured revolving credit facility ("2017 Revolver") and a $150,000 senior secured term loan ("2017 Term Loan"). The Company utilized the borrowings from the 2017 Credit Facility to repay its pre-existing credit facility.

In fiscal 2019, the Company amended the 2017 Credit Facility (as amended, the "Amended Credit Facility") to fund the Alpha acquisition. The Amended Credit Facility consisted of $449,105 senior secured term loans (the "Amended Term Loan"), including a CAD 133,050 ($99,105) senior secured term loan and a $700,000 senior secured revolving credit facility (the "Amended Revolver"). The amendment resulted in an increase of the 2017 Term Loan and the 2017 Revolver by $299,105 and $100,000, respectively.

During the second quarter of fiscal 2022, the Company entered into a second amendment to the 2017 Credit Facility (as amended, the "Second Amended Credit Facility"). The Second Amended Credit Facility, scheduled to mature on September 30, 2026, consists of a $130,000 senior secured term loan (the "Second Amended Term Loan"), a CAD 106,440 ($84,229) senior secured term loan and an $850,000 senior secured revolving credit facility (the "Second Amended Revolver"). The second amendment resulted in a decrease of the Amended Term Loan by $150,000 and an increase of the Amended Revolver by $150,000.

During the second quarter of fiscal 2023, the Company entered into a third amendment to the 2017 Credit Facility (as amended, the "Third Amended Credit Facility"). The Third Amended Credit Facility provides a new incremental delayed-draw senior secured term loan up to $300,000 (the "Third Amended Term Loan"), which shall be available to draw at any time until March 15, 2023. Once drawn, the funds will mature on September 30, 2026, the same as the Company's Second Amended Term Loan and Second Amended Revolver. In connection with the agreement, the Company incurred $1,161 in third party administrative and legal fees recognized in interest expense and capitalized $1,096 in charges from existing lenders as a deferred asset. During the fourth quarter of fiscal 2023, the Company drew $300,000 in the form of the Third Amended Term Loan. Additionally, the Company derecognized the capitalized deferred asset and recognized the $1,096 as deferred financing costs.

During the fourth quarter of fiscal 2023, the Company entered into a fourth amendment to the 2017 Credit Facility (as amended, the "Fourth Amended Credit Facility"). The Fourth Amended Credit Facility replaces the London Interbank Offered Rate ("LIBOR") with the Secured Overnight Financing Rate ("SOFR") in the calculation of interest for both the Second Amended Revolver and the Second Amended Term Loan.

In the fourth quarter of fiscal year 2024, we received proceeds from the issuance of the 2032 Notes and paid down $86,488 and $188,750 towards the Second and Third Amended Term loans and wrote off $753 in deferred finance costs.

In the first quarter of fiscal year 2025, the Company entered into a fifth amendment to the 2017 Credit Facility (as amended, the "Fifth Amended Credit Facility"). The Fifth Amended Credit Facility replaces the Canadian Dollar Offered Rate ("CODR") with term CORRA in the calculation of interest for borrowings denominated in Canadian Dollars.

During the second quarter of fiscal 2026, the Company entered into the sixth amendment to the 2017 Credit Facility (as amended, the "Sixth Amended Credit Facility"). The Sixth Amended Credit Facility provides (i) an upsized revolving credit facility in an aggregate committed amount of $1.0 billion (the " Third Amended Revolver"), which represents an increase of $150 million from the existing revolving credit facility and which matures on September 30, 2030 and (ii) certain other modifications to the existing credit agreement as further set forth in the Sixth Amended Credit Facility. In connection with the Sixth Amended Credit Facility, (i) all of the outstanding term loans (including accrued and unpaid interest thereon) and (ii) all accrued and unpaid interest and fees on the outstanding revolving loans, in each case, under the existing credit agreement were repaid in full.

The Sixth Amended Credit Facility may be increased by an aggregate amount of $615,000 in revolving commitments and /or one or more new tranches of term loans, under certain conditions. The Third Amended Revolver bear interest, at the Company's option, at a rate per annum equal to either (i) the SOFR, CORRA, Euribor or SONIA Base rate as applicable according to credit extended, plus (i) between 1.250% and 2.25% (currently 1.375% and based on the Company's consolidated net leverage ratio) or (ii) the U.S. Dollar Base Rate plus between 0.25% and 1.25%, which equals, for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Effective Rate plus 0.50%, (b) Bank of America "Prime Rate" and (c) Term SOFR plus 1%; provided that, if the Base Rate shall be less than zero, such rate shall be deemed zero)

Obligations under the Sixth Amended Credit Facility are secured by substantially all of the Company's existing and future acquired assets, including substantially all of the capital stock of the Company's United States subsidiaries that are guarantors under the Sixth Amended Credit Facility and up to 65% of the capital stock of certain of the Company's foreign subsidiaries that are owned by the Company's United States subsidiaries.

The Sixth Amended Credit Facility allows for up to two temporary increases in the maximum leverage ratio to 4.50x from 4.00x for a four quarter period following an acquisition larger than $250,000. Effective with the Sixth Amended Credit Facility, the leverage ratio remains at 4.00x.

As of September 28, 2025, the Company had $592,563 outstanding under the Second Amended Revolver.

Short-Term Debt

As of September 28, 2025 and March 31, 2025, the Company had $29,253 and $28,502, respectively, of short-term borrowings. The weighted average interest rate on these borrowings was approximately 4.3% and 4.7%, respectively, at September 28, 2025 and March 31, 2025.

Letters of Credit

As of September 28, 2025 and March 31, 2025, the Company had $8,661 and $5,584 of standby letters of credit, respectively.

Debt Issuance Costs

The Company capitalized $3,277 in debt issuance costs in connection with the Sixth Amendment of the 2017 Credit Facility and wrote off $255 in deferred financing costs related to the Second and Third Amended Term Loans. Amortization expense, relating to debt issuance costs, included in interest expense was $479 and $479, respectively, for the second quarter ended September 28, 2025 and September 29, 2024 and $958 and $969, respectively, for the six months of fiscal 2026 and 2025. Debt issuance costs, net of accumulated amortization, totaled $8,523 and $6,459, respectively, at September 28, 2025 and March 31, 2025.

Available Lines of Credit

As of September 28, 2025 and March 31, 2025, the Company had available and undrawn, under all its lines of credit, $489,323 and $652,552, respectively, including $90,183 and $87,982, respectively, of uncommitted lines of credit.

13. Retirement Plans

The following tables present the components of the Company's net periodic benefit cost related to its defined benefit pension plans:

	United States Plans Quarter ended		International Plans Quarter ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
Service cost	$ —	$ —	$ 272	$ 246
Interest cost	—	166	695	643
Expected return on plan assets	(10)	(47)	(375)	(365)
Amortization and deferral	—	(17)	159	150
Net periodic benefit cost	$ (10)	$ 102	$ 751	$ 674

	United States Plans Six months ended		International Plans Six months ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
Service cost	$ —	$ —	$ 538	$ 485
Interest cost	—	332	1,385	1,264
Expected return on plan assets	(20)	(94)	(752)	(716)
Amortization and deferral	—	(34)	319	294
Net periodic benefit cost	$ (20)	$ 204	$ 1,490	$ 1,327

14. Stock-Based Compensation

As of September 28, 2025, the Company maintains the 2023 Equity Incentive Plan ("2023 EIP"). The 2023 EIP reserved 3,614,500 shares of common stock for the grant of various classes of nonqualified stock options, restricted stock units, market condition-based on total shareholder return ("TSR") and performance condition-based share units ("PSU") and other forms of equity-based compensation.

The Company recognized stock-based compensation expense associated with its equity incentive plans of $4,435 for the second quarter of fiscal 2026 and $5,125 for the second quarter of fiscal 2025. Stock-based compensation expense was $22,036 and $12,187 for the six months of fiscal 2026 and fiscal 2025, respectively. The Company recognizes compensation expense using the straight-line method over the vesting period of the awards.

During the six months of fiscal 2026, the Company granted to non-employee directors 25,062 restricted stock units, under the deferred compensation plan for non-employee directors. The awards vest immediately upon the date of grant and are settled in shares of common stock.

During the six months of fiscal 2026, the Company granted to management and other key employees 201,989 non-qualified stock options that vest ratably over three years from the date of the grant and 327,387 restricted stock units that vest ratably over four years from the date of grant.

Common stock activity during the six months of fiscal 2026 included the exercise of 210,989 stock options and the vesting or release of 251,334 restricted stock units including non-employee director restricted stock units

As of September 28, 2025, there were 1,267,842 non-qualified stock options, 979,595 restricted stock units including non-employee director restricted stock units and 1,149 TSRs outstanding.

15. Stockholders' Equity and Noncontrolling Interests

Common Stock

The following demonstrates the change in the number of shares of common stock outstanding during the six months ended September 28, 2025:

Shares outstanding as of March 31, 2025	39,192,061
Purchase of treasury stock	(2,375,741)
Shares issued under equity-based compensation plans, net of equity awards surrendered for option price and taxes	383,834
Shares outstanding as of September 28, 2025	37,200,154

Treasury Stock

During the six months ended September 28, 2025, the Company purchased 2,375,741 shares for $217,784 and purchased 780,849 shares for $75,187 during the six months ended September 29, 2024. At September 28, 2025 and March 31, 2025, the Company held 20,014,721 and 17,647,529 shares as treasury stock, respectively. During the six months ended September 28, 2025, the Company also issued 8,549 shares out of its treasury stock, valued at $62.55 per share to participants under the Company's Employee Stock Purchase Plan. During the six months ended September 29, 2024, the Company issued 6,173 shares out of its treasury stock, valued at $62.55 per share, to participants under the Company's Employee Stock Purchase Plan.

Accumulated Other Comprehensive Income ("AOCI")

The components of AOCI, net of tax, as of September 28, 2025 and March 31, 2025, are as follows:

	March 31, 2025	Before Reclassifications	Amounts Reclassified from AOCI	September 28, 2025
Pension funded status adjustment	$ (10,374)	$ —	$ 245	$ (10,129)
Net unrealized gain (loss) on derivative instruments	(269)	(2,570)	2,084	(755)
Foreign currency translation adjustment [1]	(236,836)	27,067	—	(209,769)
Accumulated other comprehensive (loss) income	$ (247,479)	$ 24,497	$ 2,329	$ (220,653)

[1] Foreign currency translation adjustment for the six months ended September 28, 2025 includes a $39,411 loss (net of taxes of $12,020) related to the Company's $600,000 cross-currency fixed interest rate swap contracts.

The following table presents reclassifications from AOCI during the second quarter ended September 28, 2025:

Components of AOCI	Amounts Reclassified from AOCI	Location of (Gain) Loss Recognized on Income Statement
Derivatives in cash flow hedging relationships:		
Net unrealized loss on derivative instruments	$ 1,978	Cost of goods sold
Tax benefit	(462)	
Net unrealized loss on derivative instruments, net of tax	$ 1,516	
Derivatives in net investment hedging relationships:		
Net unrealized gain on derivative instruments	$ (4,076)	Interest expense
Tax expense	953	
Net unrealized gain on derivative instruments, net of tax	$ (3,123)	
Defined benefit pension costs:		
Prior service costs and deferrals	$ 159	Net periodic benefit cost, included in other (income) expense, net - See Note 14
Tax benefit	(37)	
Net periodic benefit cost, net of tax	$ 122	

The following table presents reclassifications from AOCI during the six months ended September 28, 2025:

Components of AOCI	Amounts Reclassified from AOCI	Location of (Gain) Loss Recognized on Income Statement
Derivatives in cash flow hedging relationships:		
Net unrealized loss on derivative instruments	$ 2,721	Cost of goods sold
Tax benefit	(637)	
Net unrealized loss on derivative instruments, net of tax	$ 2,084	
Derivatives in net investment hedging relationships:		
Net unrealized gain on derivative instruments	$ (2,903)	Interest expense
Tax expense	679	
Net unrealized gain on derivative instruments, net of tax	$ (2,224)	
Defined benefit pension costs:		
Prior service costs and deferrals	$ 319	Net periodic benefit cost, included in other (income) expense, net - See Note 14
Tax benefit	(74)	
Net periodic benefit cost, net of tax	$ 245	

The following table presents reclassifications from AOCI during the second quarter ended September 29, 2024:

Components of AOCI	Amounts Reclassified from AOCI	Location of (Gain) Loss Recognized on Income Statement
Derivatives in cash flow hedging relationships:		
Net unrealized gain on derivative instruments	$ (2,258)	Cost of goods sold
Tax expense	527	
Net unrealized gain on derivative instruments, net of tax	$ (1,731)	
Derivatives in net investment hedging relationships:		
Net unrealized gain on derivative instruments	$ (711)	Interest expense
Tax expense	166	
Net unrealized gain on derivative instruments, net of tax	$ (545)	
Defined benefit pension costs:		
Prior service costs and deferrals	$ 133	Net periodic benefit cost, included in other (income) expense, net - See Note 14
Tax benefit	(32)	
Net periodic benefit cost, net of tax	$ 101	

The following table presents reclassifications from AOCI during the six months ended September 29, 2024:

Components of AOCI	Amounts Reclassified from AOCI	Location of (Gain) Loss Recognized on Income Statement
Derivatives in cash flow hedging relationships:		
Net unrealized gain on derivative instruments	$ (1,639)	Cost of goods sold
Tax expense	382	
Net unrealized gain on derivative instruments, net of tax	$ (1,257)	
Derivatives in net investment hedging relationships:		
Net unrealized gain on derivative instruments	$ (975)	Interest expense
Tax expense	229	
Net unrealized gain on derivative instruments, net of tax	$ (746)	
Defined benefit pension costs:		
Prior service costs and deferrals	$ 260	Net periodic benefit cost, included in other (income) expense, net - See Note 14
Tax benefit	(63)	
Net periodic benefit cost, net of tax	$ 197	

The following demonstrates the change in equity attributable to EnerSys stockholders and nonredeemable noncontrolling interests during the second quarter and six months ended September 28, 2025:

(In Thousands, Except Per Share Data)	Preferred Stock	Common Stock	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total EnerSys Stockholders' Equity	Non-redeemable Non-Controlling Interests	Total Equity
Balance at March 31, 2025	**$ —**	**$ 568**	**$ 662,725**	**$ (988,936)**	**$ 2,489,200**	**$ (247,479)**	**$ 1,916,078**	**$ 3,410**	**$ 1,919,488**
Stock-based compensation	—	—	17,601	—	—	—	17,601	—	17,601
Purchase of common stock	—	—	—	(150,034)	—	—	(150,034)	—	(150,034)
Other	—	—	63	266	—	—	329	—	329
Net earnings	—	—	—	—	57,458	—	57,458	—	57,458
Dividends ($0.24 per common share)	—	—	221	—	(9,328)	—	(9,107)	—	(9,107)
Other comprehensive income:							—		
Pension funded status adjustment (net of tax benefit of $37)	—	—	—	—	—	123	123	—	123
Net unrealized gain (loss) on derivative instruments (net of tax gain of $142)	—	—	—	—	—	462	462	—	462
Foreign currency translation adjustment	—	—	—	—	—	29,789	29,789	40	29,829
Balance at June 29, 2025	**$ —**	**$ 568**	**$ 680,610**	**$ (1,138,704)**	**$ 2,537,330**	**$ (217,105)**	**$ 1,862,699**	**$ 3,450**	**$ 1,866,149**
Stock-based compensation	—	—	4,435	—	—	—	4,435	—	4,435
Exercise of stock options	—	4	16,944	—	—	—	16,948	—	16,948
Shares issued under equity awards (taxes paid related to net share settlement of equity awards), net	—	—	(8,174)	—	—	—	(8,174)	—	(8,174)
Purchase of common stock	—	—	—	(67,750)	—	—	(67,750)	—	(67,750)
Other	—	—	26	249	—	—	275	—	275
Net earnings	—	—	—	—	68,426	—	68,426	—	68,426
Dividends ($0.2625 per common share)	—	—	257	—	(10,067)	—	(9,810)	—	(9,810)
Other comprehensive income:							—		
Pension funded status adjustment (net of tax benefit of $37)	—	—	—	—	—	122	122	—	122
Net unrealized gain (loss) on derivative instruments (net of tax of $289)	—	—	—	—	—	(948)	(948)	—	(948)
Foreign currency translation adjustment	—	—	—	—	—	(2,722)	(2,722)	19	(2,703)
Balance at September 28, 2025	**$ —**	**$ 572**	**$ 694,098**	**$ (1,206,205)**	**$ 2,595,689**	**$ (220,653)**	**$ 1,863,501**	**$ 3,469**	**$ 1,866,970**

The following demonstrates the change in equity attributable to EnerSys stockholders and nonredeemable noncontrolling interests during the second quarter and six months ended September 29, 2024:

(In Thousands, Except Per Share Data)	Preferred Stock	Common Stock	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total EnerSys Stockholders' Equity	Non-redeemable Non-Controlling Interests	Total Equity
Balance at March 31, 2024	**$ —**	**$ 564**	**$ 629,879**	**$ (835,827)**	**$ 2,163,880**	**$ (204,851)**	**$ 1,753,645**	**$ 3,427**	**$ 1,757,072**
Stock-based compensation	—	—	7,062	—	—	—	7,062	—	7,062
Exercise of stock options	—	1	6,963	—	—	—	6,964	—	6,964
Shares issued under equity awards (taxes paid related to net share settlement of equity awards), net	—	—	—	—	—	—	—	—	—
Purchase of common stock	—	—	—	(11,641)	—	—	(11,641)	—	(11,641)
Other	—	—	24	185	—	—	209	—	209
Net earnings	—	—	—	—	70,111	—	70,111	—	70,111
Dividends ($0.225 per common share)	—	—	227	—	(9,271)	—	(9,044)	—	(9,044)
Dissolution of joint venture	—	—	—	—	—	—	—	—	—
Other comprehensive income:							0		
Pension funded status adjustment (net of tax benefit of $17)	—	—	—	—	—	110	110	—	110
Net unrealized gain (loss) on derivative instruments (net of tax expense of $1,117)	—	—	—	—	—	3,662	3,662	—	3,662
Foreign currency translation adjustment	—	—	—	—	—	(13,294)	(13,294)	(22)	(13,316)
Balance at June 30, 2024	**$ —**	**$ 565**	**$ 644,155**	**$ (847,283)**	**$ 2,224,720**	**$ (214,373)**	**$ 1,807,784**	**$ 3,405**	**$ 1,811,189**
Stock-based compensation	—	—	5,125	—	—	—	5,125	—	5,125
Exercise of stock options	—	—	479	—	—	—	479	—	479
Shares issued under equity awards (taxes paid related to net share settlement of equity awards), net	—	—	(7,934)	—	—	—	(7,934)	—	(7,934)
Shares released under deferred compensation for directors	—	—	2,404	—	—	—	2,404	—	2,404
Purchase of common stock	—	—	—	(63,546)	—	—	(63,546)	—	(63,546)
Other	—	2	(67)	179	—	—	114	—	114
Net earnings	—	—	—	—	82,266	—	82,266	—	82,266
Dividends ($0.24 per common share)	—	—	—	—	(9,555)	—	(9,555)	—	(9,555)
Other comprehensive income:							—		
Pension funded status adjustment (net of tax benefit of $32)	—	—	—	—	—	87	87	—	87
Net unrealized gain (loss) on derivative instruments (net of tax of $2,392)	—	—	—	—	—	(7,842)	(7,842)	—	(7,842)
Foreign currency translation adjustment	—	—	—	—	—	28,685	28,685	124	28,809
Balance at September 29, 2024	**$ —**	**$ 567**	**$ 644,162**	**$ (910,650)**	**$ 2,297,431**	**$ (193,443)**	**$ 1,838,067**	**$ 3,529**	**$ 1,841,596**

16. Earnings Per Share

The following table sets forth the reconciliation from basic to diluted weighted-average number of common shares outstanding and the calculations of net earnings per common share attributable to EnerSys stockholders.

	Quarter ended		Six months ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
Net earnings attributable to EnerSys stockholders	$ 68,426	$ 82,266	$ 125,884	$ 152,377
Weighted-average number of common shares outstanding:				
Basic	37,436,456	40,165,080	38,113,597	40,184,546
Dilutive effect of:				
Common shares from exercise and lapse of equity awards, net of shares assumed reacquired	541,399	698,125	531,434	740,114
Diluted weighted-average number of common shares outstanding	37,977,855	40,863,205	38,645,031	40,924,660
Basic earnings per common share attributable to EnerSys stockholders	$ 1.83	$ 2.05	$ 3.30	$ 3.79
Diluted earnings per common share attributable to EnerSys stockholders	$ 1.80	$ 2.01	$ 3.26	$ 3.72
Anti-dilutive equity awards not included in diluted weighted-average common shares	870,913	659,451	735,961	503,275

17. Business Segments

The Company's chief operating decision maker, or CODM (the Company's Chief Executive Officer), reviews financial information for purposes of assessing business performance and allocating resources, by focusing on the lines of business on a global basis. The Company identifies the following as its four operating segments, based on lines of business:

- **Energy Systems -** uninterruptible power systems, or "UPS" applications for computer and computer-controlled systems, as well as telecommunications systems, switchgear and electrical control systems used in industrial facilities and electric utilities, large-scale energy storage and energy pipelines. Energy Systems also includes highly integrated power solutions and services to broadband, telecom, data center, and industrial customers, as well as thermally managed cabinets and enclosures for electronic equipment and batteries.
- **Motive Power -** power for electric industrial forklifts, AGVs other material handling equipment used in manufacturing, and warehousing operations, as well as equipment used in floor care, mining, rail and airport ground support applications.
- **Specialty -** premium starting, lighting and ignition applications in transportation, energy solutions for satellites, spacecraft, commercial aircraft, military, aircraft, submarines, ships, other tactical vehicles, defense applications and portable power solutions for soldiers in the field, as well as medical devices and equipment.
- **New Ventures** - energy storage and management systems for demand charge reduction, utility back-up power, and dynamic fast charging for electric vehicles.

The operating segments of Energy Systems, Motive Power, and Specialty also represent the Company's reportable segments under ASC 280, *Segment Reporting*. The results of New Ventures include start-up and operating expenses captured within the "Corporate and other" category of operating earnings.

Summarized financial information related to the Company's reportable segments at September 28, 2025 and September 29, 2024.

	Quarter ended September 28, 2025			
	Energy Systems	Motive Power	Specialty	Total
Net Sales by segment to unaffiliated customers [1]	$ 434,642	$ 359,741	$ 156,872	$ 951,255
Net sales from corporate and other				31
Total Net Sales				$ 951,286
Less:				
Other segment items[4]	$ 401,065	$ 311,786	$ 142,364	$ 855,246
Segment income	$ 33,577	$ 47,955	$ 14,508	$ 96,040
Less:				
Restructuring and other exit charges	9,262	9,331	2,365	20,958
Amortization of intangible assets	5,836	122	2,401	8,359
Other	4,051	2,221	1,760	8,032
Total operating earnings by segment	$ 14,428	$ 36,281	$ 7,982	$ 58,691
Corporate and other[3]				$ 33,341
Operating earnings[2]				$ 92,032

(1) Reportable segments do not record inter-segment revenues and accordingly there are none to report.
(2) The Company does not allocate interest expense or other (income) expense, net, to the reportable segments.
(3) Corporate and other includes amounts managed on a company-wide basis and not directly allocated to any reportable segments, primarily relating to IRC 45X production tax credits. Also, included are start-up costs for exploration of a new lithium plant as well as start-up operating expenses from the New Ventures operating segment.
(4) Primarily includes cost of sales and operating expenses

	Quarter ended September 28, 2024			
	Energy Systems	Motive Power	Specialty	Total
Net Sales by segment to unaffiliated customers [1]	$ 382,091	$ 366,744	$ 134,834	$ 883,669
Net sales from corporate and other				
Total Net Sales				$ 883,669
Less:				
Other segment items[4]	$ 357,730	$ 309,154	$ 127,496	$ 794,380
Segment income	$ 24,361	$ 57,590	$ 7,338	$ 89,289
Less:				
Inventory restructuring and acquisitions	—	—	1,883	1,883
Restructuring and other exit charges	747	1,088	389	2,224
Amortization of intangible assets	6,013	187	1,952	8,152
Other	60	3	2,861	2,924
Total operating earnings by segment	$ 17,541	$ 56,312	$ 253	$ 74,106
Corporate and other[3]				$ 25,281
Operating earnings[2]				$ 99,387

(1) Reportable segments do not record inter-segment revenues and accordingly there are none to report.
(2) The Company does not allocate interest expense or other (income) expense, net, to the reportable segments.
(3) Corporate and other includes amounts managed on a company-wide basis and not directly allocated to any reportable segments, primarily relating to IRC 45X production tax credits. Also, included are start-up costs for exploration of a new lithium plant as well as start-up operating expenses from the New Ventures operating segment.
(4) Primarily includes cost of sales and operating expenses

	Six months ended September 28, 2025			
	Energy Systems	Motive Power	Specialty	Total
Net Sales by segment to unaffiliated customers (1)	$ 826,013	$ 708,819	$ 305,383	$ 1,840,215
Net sales from corporate and other				4,095
Total Net Sales				$ 1,844,310
Less:				
Other segment items(4)	$ 765,097	$ 614,196	$ 281,235	$ 1,664,623
Segment income	$ 60,916	$ 94,623	$ 24,148	$ 179,687
Less:				
Restructuring and other exit charges	10,316	14,138	2,366	26,820
Amortization of intangible assets	11,679	243	4,794	16,716
Accelerated stock compensation expense	5,374	3,367	1,457	10,198
Other	5,237	2,828	3,305	11,370
Total operating earnings by segment	$ 28,310	$ 74,047	$ 12,226	$ 114,583
Corporate and other(3)				$ 63,929
Operating earnings(2)				$ 178,512

(1) Reportable segments do not record inter-segment revenues and accordingly there are none to report.
(2) The Company does not allocate interest expense or other (income) expense, net, to the reportable segments.
(3) Corporate and other includes amounts managed on a company-wide basis and not directly allocated to any reportable segments, primarily relating to IRC 45X production tax credits. Also, included are start-up costs for exploration of a new lithium plant as well as start-up operating expenses from the New Ventures operating segment.
(4) Primarily includes cost of sales and operating expenses

	Six months ended September 28, 2024			
	Energy Systems	Motive Power	Specialty	Total
Net Sales by segment to unaffiliated customers (1)	$ 743,142	$ 732,899	$ 260,544	$ 1,736,585
Net sales from corporate and other				—
Total Net Sales				$ 1,736,585
Less:				
Other segment items(4)	$ 699,781	$ 619,343	$ 248,306	$ 1,567,430
Segment income	$ 43,361	$ 113,556	$ 12,238	$ 169,155
Less:				
Inventory restructuring and acquisitions	—	—	1,883	1,883
Restructuring and other exit charges	4,524	2,483	1,155	8,162
Amortization of intangible assets	12,014	370	2,654	15,038
Other	236	11	4,213	4,460
Total operating earnings by segment	$ 26,587	$ 110,692	$ 2,333	$ 139,612
Corporate and other(3)				$ 51,106
Operating earnings(2)				$ 190,718

(1) Reportable segments do not record inter-segment revenues and accordingly there are none to report.
(2) The Company does not allocate interest expense or other (income) expense, net, to the reportable segments.
(3) Corporate and other includes amounts managed on a company-wide basis and not directly allocated to any reportable segments, primarily relating to IRC 45X production tax credits. Also, included are start-up costs for exploration of a new lithium plant as well as start-up operating expenses from the New Ventures operating segment.
(4) Primarily includes cost of sales and operating expenses

	Six months ended September 28, 2025	Six months ended September 29, 2024
Capital Expenditures		
Energy Systems	$ 21,737	$ 18,587
Motive Power	13,181	10,770
Specialty	17,175	27,775
Other	1,829	9,354
Total	$ 53,922	$ 66,486
Depreciation and Amortization		
Energy Systems	$ 26,583	$ 25,147
Motive Power	13,203	11,693
Specialty	15,050	11,904
Other	53	13
Total	$ 54,889	$ 48,757

The Company's property, plant and equipment by reportable segments as of September 28, 2025 and September 29, 2024 are as follows:

	September 28, 2025	March 31, 2025
Property, plant and equipment, net		
Energy Systems	$ 203,863	$ 198,841
Motive Power	132,211	144,076
Specialty	257,104	236,861
Other	14,423	12,655
Total	$ 607,601	$ 592,433

18. Subsequent Events

Between September 28, 2025 through November 5, 2025, the Company repurchased 324,542 shares for approximately $36,661.

On November 5, 2025, the Board of Directors approved a quarterly cash dividend of $0.2625 per share of common stock to be paid on December 26, 2025 to stockholders of record as of December 12, 2025.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 (the "Reform Act") provides a safe harbor for forward-looking statements made by or on behalf of EnerSys. EnerSys and its representatives may, from time to time, make written or verbal forward-looking statements, including statements contained in EnerSys' filings with the Securities and Exchange Commission ("SEC") and its reports to stockholders. Generally, the inclusion of the words "anticipate," "believe," "expect," "future," "intend," "estimate," "will," "plans," or the negative of such terms and similar expressions identify statements that constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 and that are intended to come within the safe harbor protection provided by those sections. All statements addressing operating performance, events, or developments that EnerSys expects or anticipates will occur in the future, including statements relating to sales growth, earnings or earnings per share growth, and market share, as well as statements expressing optimism or pessimism about future operating results, are forward-looking statements within the meaning of the Reform Act. The forward-looking statements are and will be based on management's then-current beliefs and assumptions regarding future events and operating performance, on information currently available to management, and are applicable only as of the dates of such statements.

Forward-looking statements involve risks, uncertainties and assumptions. Although we do not make forward-looking statements unless we believe we have a reasonable basis for doing so, we cannot guarantee their accuracy. Actual results may differ materially from those expressed in these forward-looking statements due to a number of uncertainties and risks, including the risks described in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2025 (our "2025 Annual Report") and other unforeseen risks. You should not put undue reliance on any forward-looking statements. These statements speak only as of the date of this Quarterly Report on Form 10-Q, even if subsequently made available by us on our website or otherwise, and we undertake no obligation to update or revise these statements to reflect events or circumstances occurring after the date of this Quarterly Report on Form 10-Q.

Our actual results may differ materially from those contemplated by the forward-looking statements for a number of reasons, including the following factors:

- economic, financial and other impacts of the pandemic, including global supply chain disruptions;
- general cyclical patterns of the industries in which our customers operate;
- global economic trends, competition and geopolitical risks, including impacts from the ongoing conflict between Russia and Ukraine and the related sanctions and other measures, tensions across the Middle East, changes in the rates of investment or economic growth in key markets we serve, or an escalation of sanctions, tariffs or other trade tensions between the U.S. and China or other countries, and related impacts on our global supply chains and strategies;
- the extent to which we cannot control our fixed and variable costs;
- the raw materials in our products may experience significant fluctuations in market price and availability;
- certain raw materials constitute hazardous materials that may give rise to costly environmental and safety claims;
- legislation, regulation, or policy regarding the restriction of the use of energy or certain hazardous substances in our products;
- risks involved in our operations such as supply chain issues, disruption of markets, changes in government priorities or budgets, and changes in import and export laws, environmental regulations, currency restrictions and local currency exchange rate fluctuations;
- our ability to raise our selling prices to our customers when our product costs increase;
- the extent to which we are able to efficiently utilize our global manufacturing facilities and optimize our capacity;
- changes in macroeconomic and market conditions and market volatility, including inflation, interest rates, the value of securities and other financial assets, transportation costs, costs and availability of electronic components, lead, plastic resins, steel, copper and other commodities used by us, and the impact of such changes and volatility on our financial position and business;
- competitiveness of the battery markets and other energy solutions for industrial applications throughout the world;
- our timely development of competitive new products and product enhancements in a changing environment and the acceptance of such products and product enhancements by customers;
- our ability to adequately protect our proprietary intellectual property, technology and brand names;
- litigation and regulatory proceedings to which we might be subject;
- our expectations concerning indemnification obligations;
- changes in our market share in the business segments where we operate;
- our ability to implement our cost reduction initiatives successfully and improve our profitability;

- quality problems associated with our products;
- our ability to implement business strategies, including our acquisition strategy, manufacturing expansion and restructuring plans;
- our acquisition strategy may not be successful in identifying advantageous targets;
- our ability to successfully integrate any assets, liabilities, customers, systems and management personnel we acquire into our operations and our ability to realize related revenue synergies, strategic gains, and cost savings may be significantly harder to achieve, if at all, or may take longer to achieve;
- our effective income tax rate with respect to any period may fluctuate based on the mix of income in the tax jurisdictions, in which we operate, changes in tax laws and the amount of our consolidated earnings before taxes;
- potential goodwill impairment charges, future impairment charges and fluctuations in the fair values of reporting units or of assets in the event projected financial results are not achieved within expected time frames;
- our debt and debt service requirements which may restrict our operational and financial flexibility, as well as imposing unfavorable interest and financing costs;
- our ability to maintain our existing credit facilities or obtain satisfactory new credit facilities or other borrowings;
- adverse changes in our short and long-term debt levels under our credit facilities;
- our exposure to fluctuations in interest rates on our variable-rate debt;
- our ability to attract and retain qualified management and personnel;
- our ability to maintain good relations with labor unions;
- credit risk associated with our customers, including risk of insolvency and bankruptcy;
- our ability to successfully recover in the event of a disaster affecting our infrastructure, supply chain, or our facilities;
- delays or cancellations in shipments;
- occurrence of natural or man-made disasters or calamities, including health emergencies, the spread of infectious diseases, pandemics, vaccine mandates, outbreaks of hostilities or terrorist acts, or the effects of climate change, and our ability to deal effectively with damages or disruptions caused by the foregoing; and
- the operation, capacity and security of our information systems and infrastructure.

This list of factors that may affect future performance is illustrative, but by no means exhaustive. Accordingly, all forward-looking statements should be evaluated with the understanding of their inherent uncertainty.

Overview

EnerSys (the “Company,” “we,” or “us”) is a world leader in stored energy solutions for industrial applications. We design, manufacture, and distribute energy systems solutions and motive power batteries, specialty batteries, battery chargers, power equipment, battery accessories and outdoor equipment enclosure solutions to customers worldwide. Energy Systems, which combine power conversion, power distribution, energy storage, and enclosures, are used in the telecommunication, broadband, data center and utility industries, uninterruptible power supplies, and numerous applications requiring stored energy solutions. Motive Power batteries and chargers are utilized in electric forklifts, automated guided vehicles ("AGVs"), and other industrial electric powered vehicles. Specialty batteries are used in aerospace and defense applications, large over-the-road trucks, premium automotive, portable power solutions for soldiers in the field, medical and security systems applications. New Ventures provides energy storage and management systems for demand charge reduction, utility back-up power, and dynamic fast charging for electric vehicles. We also provide aftermarket and customer support services to over 10,000 customers in more than 100 countries through a network of distributors, independent representatives and our internal sales force around the world.

The Company's four operating segments, based on lines of business, are as follows:

- **Energy Systems -** uninterruptible power systems, or “UPS” applications for computer and computer-controlled systems, as well as telecommunications systems, switchgear and electrical control systems used in industrial facilities and electric utilities, large-scale energy storage and energy pipelines. Energy Systems also includes highly integrated power solutions and services to broadband, telecom, data center, and industrial customers, as well as thermally managed cabinets and enclosures for electronic equipment and batteries.
- **Motive Power -** power for electric industrial forklifts, AGVs other material handling equipment used in manufacturing and warehousing operations, as well as equipment used in floor care, mining, rail and airport ground support applications.
- **Specialty -** premium starting, lighting and ignition applications in transportation, energy solutions for satellites, spacecraft, commercial aircraft, military aircraft, submarines, ships, other tactical vehicles, defense applications and portable power solutions for soldiers in the field, as well as medical devices and equipment.
- **New Ventures** - energy storage and management systems for demand charge reduction, utility back-up power, and dynamic fast charging for electric vehicles.

On July 22, 2025, we announced a reduction in force plan (the "Plan") as part of our strategic restructuring plan under our new leadership to better align resources with current business priorities and long-term objectives. The Plan is expected to reduce non-production global workforce by approximately 11%, or approximately 575 employees, and is focused primarily on corporate and management positions. We estimate one-time cash charges related to the Plan to be in the range of $15.0 million to $20.0 million consisting of severance payments, notice period payments in applicable jurisdictions, employee benefits and related costs. The Company expects to incur these expenses primarily in the second and third quarter of fiscal 2026. Combined with other non-headcount related actions, these changes are expected to result in approximately $80 million in annualized savings beginning in fiscal 2026. This estimate is comprised of approximately $70 million in savings, representing a reduction of over 10% of our fiscal 2025 operating expenses as well as an estimated $10 million in reduction in cost of goods sold. We expect to realize approximately $30 million to $35 million in savings in fiscal 2026, with material benefits beginning in the third quarter of fiscal 2026. Estimated savings exclude the previously discussed one-time cash charges.

Bren-Tronics Acquisition

On July 26, 2024, the Company completed the acquisition of all of the equity of Bren-Tronics Defense LLC for $206.4 million in cash consideration, subject to adjustments as set forth in the stock purchase agreement. Bren-Tronics Defense LLC, headquartered in Commack, New York, is a leading manufacturer of highly reliable portable power solutions, including small and large format lithium batteries and charging solutions, for military and defense applications. The financial results contributed from this business are reported within our Specialty line of business.

Economic Climate

Global economic conditions are mixed with the impacts from the uncertainty surrounding U.S. tariffs, elevated interest rates and heightened geopolitical tensions having various levels of impacts in North America, China and EMEA. On February 1, 2025, the U.S. signed an executive order, effective February 3, 2025, whereby the U.S. will apply additional tariffs on imported goods from Canada, Mexico, and China. Since that announcement, the tariffs to be applied to these three countries, and others, were suspended and/or renegotiated several times with varying results and some new negotiations delayed to take effect until later dates. The impact of the U.S. tariffs and retaliatory actions by other countries could be substantial. We are currently

assessing the impacts these tariffs could have on the organization, and we believe that the international nature of our organizational structure will allow us to mitigate some of the financial impact of these potential tariffs.

The war in Ukraine continues to have widespread economic repercussions, particularly in Europe. The ongoing Israel-Hamas conflict is disrupting stability in the Middle East, raising significant concerns about the potential for further escalation across the region.

Inflation in North America, China and EMEA, while somewhat more controlled compared to the sharp increases in 2023, remains a challenge with some signs of cooling in the U.S. and Europe. Both the Federal Reserve and the European Central Bank (ECB) cut their main interest rates by 25 basis points in December, marking the third consecutive reduction in calendar year 2024 in both regions. While these are incrementally positive actions toward deflation, both economies continue to face uncertainties such as potential tariffs and policy changes from a new presidential administration in the U.S. and potential global trade frictions, macroeconomic fragmentation and geopolitical tensions the euro area. Recent policy actions in China signal a shift towards more proactive fiscal measures to stabilize consumption and support economic growth. While increasing travel and consumer spending due to relaxed COVID policies have provided some bright spots in 2024, China's economy continues to face challenges from a weakened real estate market and declining exports.

The supply chain is generally stable, however, the ongoing Israel-Hamas conflict has periodically disrupted some shipments in the Red Sea. As a result, some ocean freight costs and transit times may temporarily increase until shipping in the region returns to normal. Generally, our mitigation efforts and ongoing lean initiatives have tempered the impact of broad market challenges.

The market demand in the forklift truck and Class 8 truck markets have been impacted by tariff policy uncertainty, causing some customers to pause larger projects and general spending activity until there is more clarity on global tariff impacts to their supply chains. The data center and communications markets tend to be less sensitive to tariff policy, with budget and spending plans based on their unique capital spending needs. The data center market is in the midst of a growth cycle driven by AI and increasing digitization. The communications market is currently in a modest, but slow spending recovery as investments in maintenance and network build outs are necessary to support the increased data required to be moved through their infrastructure. Global defense budgets are increasing in response to rising geopolitical tensions. Spending in EMEA has increased at a higher rate than in the US, as large program spending has outpaced sustainment spending with the U.S. Department of War.

Volatility of Commodities and Foreign Currencies

Our most significant commodity and foreign currency exposures are related to lead and the Euro, respectively. Historically, volatility of commodity costs and foreign currency exchange rates have caused large swings in our production costs. In the fiscal year 2025, we have experienced a range in lead prices from approximately $1.00 per pound to $0.90 per pound. Costs in some of our other raw materials such as steel, acid, separator paper and electronics have moderated since the middle of fiscal year 2024, but we have seen some price increases in other raw materials such as copper since the beginning of fiscal year 2025.

Customer Pricing

Our selling prices fluctuated during the last several years to offset the volatile cost of commodities. Approximately 25% of our revenue is now subject to agreements that adjust pricing to a market-based index for lead. Customer pricing changes generally lag movements in lead prices and other costs by approximately six to nine months. In fiscal 2024 and 2025, customer pricing has increased due to certain commodity prices and other costs having increased throughout the year.

Based on current commodity markets, it is difficult to predict with certainty whether commodity prices will be higher or lower in fiscal 2025 versus fiscal 2024. However, given the lag related to increasing our selling prices for inflationary cost increase, on average our selling prices should be higher in fiscal 2025 versus fiscal 2024. As we concentrate more on energy systems and non-lead chemistries, the emphasis on lead is expected to continue to decline.

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 $1,007.3 million (yielding a primary operating capital percentage of 26.5%) at September 28, 2025, $932.2 million (yielding a primary operating capital percentage of 23.9%) at March 31, 2025 and $978.8 million at September 29, 2024 (yielding a primary operating capital percentage of 27.7%). The primary operating capital percentage of 26.5% at September 28, 2025 increased by 260 basis points compared to March 31, 2025 and decreased 120 basis points compared to September 29, 2024. The increase in primary operating capital percentage at September 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 decrease in primary operating capital percentage at September 28, 2025 compared to September 29, 2024 was due to improved collections and increases to accounts payable due to timing of payments.

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

($ in Millions)	September 28, 2025	March 31, 2025	September 29, 2024
Accounts receivable, net	$ 570.6	$ 597.9	$ 549.0
Inventory, net	804.9	740.0	763.5
Accounts payable	(368.2)	(405.7)	(333.7)
Total primary operating capital	$ 1,007.3	$ 932.2	$ 978.8
Trailing 3 months net sales	$ 951.3	$ 974.8	$ 883.7
Trailing 3 months net sales annualized	$ 3,805.2	$ 3,899.2	$ 3,534.8
Primary operating capital as a % of annualized net sales	26.5 %	23.9 %	27.7 %

Liquidity and Capital Resources

We believe that our financial position is strong, and we have substantial liquidity to cover short-term liquidity requirements and anticipated growth in the foreseeable future, with $388.6 million of available cash and cash equivalents and available and undrawn committed credit lines of approximately $489.3 million at September 28, 2025, availability subject to credit agreement financial covenants.

A substantial majority of the Company’s cash and investments are held by foreign subsidiaries and are considered to be indefinitely reinvested and expected to be utilized to fund local operating activities, capital expenditure requirements and acquisitions. The Company believes that it has sufficient sources of domestic and foreign liquidity.

During the second quarter of fiscal 2022, we entered into a second amendment to the Amended Credit Facility (as amended, the “Second Amended Credit Facility”). As a result, the Second Amended Credit Facility, now scheduled to mature on September 30, 2026, consists of a $130.0 million senior secured term loan and a CAD 106.4 million ($84.2 million) term loan (the “Second Amended Term Loan”) and an $850.0 million senior secured revolving credit facility (the “Second Amended Revolver”). This amendment resulted in a decrease of the Amended Term Loan by $150.0 million and an increase of the Amended Revolver by $150.0 million.

During the second quarter of fiscal 2023, the Company entered into a third amendment to the 2017 Credit Facility (as amended, the “Third Amended Credit Facility”). The Third Amended Credit Facility provided a new incremental delayed-draw senior secured term loan up to $300 million (the “Third Amended Term Loan”), which was available to draw until March 15, 2023. During the fourth quarter of fiscal 2023, the Company drew $300 million in the form of the Third Amended Term Loan. The funds will mature on September 30, 2026, the same as the Company's Second Amended Term Loan and Second Amended Revolver. In connection with the agreement, the Company incurred $1.2 million in third party administrative and legal fees recognized in interest expense and capitalized $1.1 million in charges from existing lenders as a deferred asset. Additionally, the Company derecognized the capitalized deferred asset and recognized the $1.1 million as deferred financing costs.

During the fourth quarter of fiscal 2023, the Company entered into a fourth amendment to the 2017 Credit Facility (as amended, the “Fourth Amended Credit Facility”). The Fourth Amended Credit Facility replaces the London Interbank Offered Rate

("LIBOR") with the Secured Overnight Financing Rate ("SOFR") in the calculation of interest for both the Second Amended Revolver and the Second Amended Term Loan.

On January 11, 2024, we issued $300 million in aggregate principal amount of our 6.625% Senior Notes due 2032 (the "2032 Notes"). Proceeds from this offering, net of debt issuance costs, were $297.0 million and were utilized to pay down the Fourth Amended Credit Facility.

In the first quarter of fiscal year 2025, the Company entered into a fifth amendment to the 2017 Credit Facility (as amended, the "Fifth Amended Credit Facility"). The Fifth Amended Credit Facility replaces the Canadian Dollar Offered Rate ("CODR") with term CORRA in the calculation of interest for borrowings denominated in Canadian Dollars.

During the second quarter of fiscal 2026, the Company entered into the sixth amendment to the 2017 Credit Facility (as amended, the "Sixth Amended Credit Facility"). The Sixth Amended Credit Facility provides (i) an upsized revolving credit facility in an aggregate committed amount of $1.0 billion (the " Third Amended Revolver"), which represents an increase of $150 million from the existing revolving credit facility and which matures on September 30, 2030 and (ii) certain other modifications to the existing credit agreement as further set forth in the Sixth Amended Credit Facility. In connection with the Sixth Amended Credit Facility, (i) all of the outstanding term loans (including accrued and unpaid interest thereon) and (ii) all accrued and unpaid interest and fees on the outstanding revolving loans, in each case, under the existing credit agreement were repaid in full.

On December 23, 2024 and December 24, 2024 , the Company entered into cross-currency fixed interest rate swap contracts each with an aggregate notional amount of $150 million, maturing on June 15, 2028 and December 15, 2026, respectively.

During the six months of fiscal 2026, we purchased 2,375,741 shares for $217.8 million.

We believe that our strong capital structure and liquidity affords us access to capital for future acquisitions, capital investments, stock repurchase opportunities and continued dividend payments.

Results of Operations

Net Sales

Net sales increased $67.6 million or 7.7% in the second quarter of fiscal 2026 as compared to the second quarter of fiscal 2025. This increase was the result of a 3% increase in organic volume, a 3% increase in pricing, a 1% increase in acquisitions, and a 1% increase from foreign currency translation.

Net sales increased $107.7 million or 6.2% in the six months of fiscal 2026 as compared to the six months of fiscal 2025. This increase was due to a 2% increase in acquisitions, a 2% increase in pricing, 1% increase in organic volume, and a 1% increase from foreign currency translation.

Segment sales

	Quarter ended September 28, 2025		Quarter ended September 29, 2024		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Energy Systems	$ 434.7	45.7 %	382.1	43.2 %	$ 52.6	13.8 %
Motive Power	359.7	37.8	366.7	41.5	(7.0)	(1.9)
Specialty	156.9	16.5	134.9	15.3	22.0	16.3
Total net sales	$ 951.3	100.0 %	$ 883.7	100.0 %	$ 67.6	7.7 %

	Six months ended September 28, 2025		Six months ended September 29, 2024		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Energy Systems	$ 826.1	44.8 %	$ 743.1	42.8 %	$ 83.0	11.2 %
Motive Power	708.8	38.4	732.9	42.2	(24.1)	(3.3)
Specialty	305.4	16.6	260.6	15.0	44.8	17.2
Other	4.0	0.2	—	—	4.0	NM
Total net sales	$ 1,844.3	100.0 %	$ 1,736.6	100.0 %	$ 107.7	6.2 %

Net sales of our Energy Systems segment in the second quarter of fiscal 2026 increased $52.6 million or 13.8% compared to the second quarter of fiscal 2025. This increase was due to an 10% increase in organic volume, a 3% increase in pricing, and a 1% increase from foreign currency translation. Net sales of our Energy Systems segment in the six months of fiscal 2026 increased $83.0 million or 11.2% compared to the six months of fiscal 2025. This increase was due to a 8% increase in organic volume, a 2% increase in pricing, and a 1% increase from foreign currency translation. This increase in sales for the quarter and six months is primarily a result of continuing robust demand from data center and industrial customers and recovering demand in communications.

Net sales of our Motive Power segment in the second quarter of fiscal 2026 decreased by $7.0 million or 1.9% compared to the second quarter of fiscal 2025. This decrease was primarily due to a 6% decrease in organic volume, partially offset by a 2% increase in pricing and a 2% increase from foreign currency translation. Net sales of our Motive Power segment in the six months of fiscal 2026 decreased by $24.1 million or 3.3% compared to the six months of fiscal 2025. This decrease was primarily due to a 6% decrease in organic volume, partially offset by a 2% increase in pricing and a 1% increase from foreign currency translation. This decrease in sales for the quarter and six months is primarily a result of lower volumes due to macro uncertainty.

Net sales of our Specialty segment in the second quarter of fiscal 2026 increased by $22.0 million or 16.3% compared to the second quarter of fiscal 2025. The increase was primarily due to a 7% increase from acquisitions, a 7% increase in organic volume, a 1% increase in pricing, and a 1% increase from foreign currency translation. Net sales of our Specialty segment in the six months of fiscal 2026 increased by $44.8 million or 17.2% compared to the six months of fiscal 2025. The increase was primarily due to a 15% increase from acquisitions, a 1% increase in organic volume, and a 1% increase from foreign currency translation. This increase in sales for the quarter and six months was primarily driven by increased volumes in Aerospace and Defense including impacts from the Bren-Tronics acquisition.

Gross Profit

	Quarter ended September 28, 2025		Quarter ended September 29, 2024		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Gross Profit	$ 277.2	29.1 %	$ 252.1	28.5 %	$ 25.1	9.9 %

	Six months ended September 28, 2025		Six months ended September 29, 2024		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Gross Profit	$ 530.4	28.8 %	$ 490.5	28.2 %	$ 39.9	8.1 %

Gross profit increased $25.1 million or 9.9% in the second quarter and increased $39.9 million or 8.1% in the six months of fiscal 2026 compared to the comparable periods of fiscal 2025. Gross profit, as a percentage of net sales, increased 60 basis points in the second quarter and six months of fiscal 2026, compared to the second quarter and six months of fiscal 2025. The increase in the gross profit margin in the current quarter and six months reflects greater impact of 45x benefits and favorable price/mix offset by higher freight and materials costs compared to the same periods in fiscal year 2025.

Operating Items

	Quarter ended September 28, 2025		Quarter ended September 29, 2024		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Operating expenses	$ 164.1	17.2 %	$ 150.5	17.0 %	$ 13.6	9.0 %
Restructuring and other exit charges	$ 21.1	2.2 %	$ 2.2	0.3 %	$ 18.9	NM

	Six months ended September 28, 2025		Six months ended September 29, 2024		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Operating expenses	$ 324.9	17.7 %	$ 291.7	16.8 %	$ 33.2	11.4 %
Restructuring and other exit charges	$ 27.0	1.4 %	$ 8.1	0.5 %	$ 18.9	NM

Operating expenses, as a percentage of sales, increased 20 basis points in the second quarter and 90 basis points six months of fiscal 2026, compared to the comparable periods of fiscal 2025. While our operating expenses for the second quarter remained flat, we experienced higher operating expenses as a percentage of sales year to date is primarily due to additional accelerated stock compensation expense of $10.2 million in the six months of fiscal 2026.

Selling expenses, a main component of operating expenses, increased $2.6 million or 4.6% in the second quarter of fiscal 2026 compared to the second quarter of fiscal 2025, and decreased 18 basis points as a percentage of net sales. In the six months of fiscal 2026, selling expenses increased by $6.1 million or 5.6% compared to the six months of fiscal 2025 and decreased 3 basis points as a percentage of net sales.

Restructuring and Other Exit Charges

Restructuring Programs

Included in our second quarter and six months of fiscal 2026 operating results of Energy Systems were restructuring charges of $9.1 million and $9.9 million respectively. Included in our second quarter and six months of fiscal 2026 operating results of Motive Power were restructuring charges of $9.1 million and $9.6 million, respectively. Included in our second quarter and six months of fiscal 2026 operating results of Specialty were restructuring charges of $1.6 million and $1.6 million, respectively.

Included in our second quarter and six months of fiscal 2025 operating results of Energy Systems were restructuring charges of $0.9 million and $3.8 million, respectively. Included in our second quarter and six months of fiscal 2025 operating results of Motive Power were restructuring charges of $0.0 million and $0.8 million, respectively. Included in our second quarter and six months of fiscal 2025 operating results of Specialty were restructuring charges of $0.1 million and $0.4 million, respectively.

On July 22, 2025, the Company announced a reduction in force plan (the "Plan") as part of the Company's strategic restructuring plan under its new leadership to better align resources with current business priorities and long-term objectives. The Plan is expected to reduce non-production global workforce by approximately 11%, or approximately 575 employees, and is focused primarily on corporate and management positions. The Company estimates one-time cash charges related to the Plan to be $20.0 million consisting of severance payments, notice period payments in applicable jurisdictions, employee benefits and related costs. The Company expects to incur these expenses primarily in the second and third quarter of fiscal 2026. During the six months of fiscal 2026, the Company recorded a $19.6 million in severance costs relating to the plan.

Exit Charges

Fiscal 2026 Program

On April 1, 2025, the Company's Board of Directors approved a plan to close its facility in Monterrey, Mexico, which focused on manufacturing flooded motive power batteries. Management determined that future demand for traditional motive power flooded cells will decrease as customers transition to maintenance free product solutions in lithium and Thin Plate Pure Lead (TPPL). Production of products being manufactured in Monterrey, Mexico will be moved to EnerSys' existing facility in Richmond, Kentucky. The Company expects to incur a pre-tax charge of approximately $13.7 million under this restructuring plan when completed, the majority of which is expected to be recorded by the end of the 2025 calendar year, of which $1.5 million is expected to be a non-cash charge from fixed asset and inventory charges. Cash charges of approximately $12.2 million, include severance and employee retention costs, environmental related expenses and equipment decommissioning, along with contractual releases and legal expenses.

During the six months of fiscal 2026, the Company recorded a $3.9 million in severance costs.

Fiscal 2024 Programs

Renewables

On November 8, 2023, the Company's Board of Directors approved a plan to stop production and operations of residential renewable energy products, which include our OutBack and Mojave brands. Management determined that residential renewable energy products no longer fit with the company's core strategy and resources will be better allocated toward commercial energy solutions for enterprise customers. The Company currently estimates that the total charges for these actions will amount to $24.5 million relating primarily to $23.6 million in non-cash charges primarily including inventory and an indefinite-lived intangible asset write-offs and $0.9 million in cash charges including employee severance and retention payments. The plan was substantially complete as the end of fiscal 2025.

During fiscal 2024, the Company recorded non-cash charges totaling $0.5 million primarily related to fixed assets and cash charges of $0.7 million related to severance costs. The Company also recorded a non-cash write-offs relating to inventories of $17.1 million, which was reported in cost of goods sold, and impairment of indefinite lived intangible asset of $6.0 million.

During fiscal 2025, the Company recorded non-cash charges totaling $0.3 million related to fixed asset write offs and inventories of $0.3 million.

Spokane

On November 8, 2023, the Company committed to a plan to close its facility in Spokane, Washington, which primarily manufactures enclosure systems for telecommunications and related end markets. Management determined that existing manufacturing locations have the capacity to satisfy demand for these products and will execute more efficient distribution to customers. The Company currently estimates that the total charges for these actions will amount to approximately $3.6 million relating to $1.4 million in cash charges for employee severance, and non-cash charges of $2.2 million fixed assets, facility lease, and inventory. The majority of the charges were incurred in fiscal 2025.

During fiscal 2024, the Company recorded cash charges of $1.3 million primarily related to severance costs and non-cash charges totaling $2.1 million related to lease right of use asset and fixed asset write-offs.

During fiscal 2025, the Company recorded cash charges of $0.7 million primarily related to manufacturing variances.

Fiscal 2023 Programs

Sylmar

In November 2022, the Company committed to a plan to close its facility in Sylmar, California, which manufactures specialty lithium batteries for aerospace and medical applications. Management determined to close the site upon the expiration of its lease on the property and to redirect production through consolidation into existing locations. The Company currently estimates total charges in the exit to amount to $13.7 million. Cash charges are estimated to total $9.7 million primarily relating to severance and other costs to leave the site. Non-cash charges are estimated to be $3.9 million relating to fixed assets, inventory, and contract assets. The plan was substantially complete as the end of fiscal 2025.

During fiscal 2023, the Company recorded $1.7 million primarily related to severance costs and non-cash charges totaling $0.4 million primarily relating to contract assets.

During fiscal 2024, the Company recorded cash charges of $7.2 million related primarily related to severance costs, relocation expenses, and manufacturing variances, and non-cash charges totaling $0.4 million. The Company also recorded a non-cash write-off relating to inventories of $3.1 million, which was reported in cost of goods sold.

During fiscal 2025, the Company recorded cash charges of $0.9 million primarily related to relocation costs.

Ooltewah

On June 29, 2022, the Company committed to a plan to close its facility in Ooltewah, Tennessee, which produced flooded motive power batteries for electric forklifts. Management determined that future demand for traditional motive power flooded cells will decrease as customers transition to maintenance free product solutions in lithium and TPPL. The Company currently estimates that the total charges for these actions will amount to approximately $18.5 million. Cash charges for employee severance related payments, cleanup related to the facility, contractual releases and legal expenses are estimated to be $9.2 million and non-cash charges from inventory and fixed asset write-offs are estimated to be $9.3 million. These actions will result in the reduction of approximately 165 employees. The plan was completed as of the first quarter of fiscal 2026.

During fiscal 2023, the Company recorded cash charges relating primarily to severance and manufacturing variances of $2.8 million and non-cash charges of $7.3 million relating to fixed asset write-offs. The Company also recorded a non-cash write-off relating to inventories of $1.6 million, which was reported in cost of goods sold.

During fiscal 2024, the Company recorded cash charges relating to site cleanup and decommissioning equipment of $4.4 million.

During fiscal 2025, the Company recorded $0.5 million cash charges relating to site cleanup.

During the six months of fiscal 2026, the Company recorded a $1.1 gain of the sale of the building.

Fiscal 2021 Programs

Hagen, Germany

In fiscal 2021, we committed to a plan to close substantially all of our facility in Hagen, Germany, which produced flooded motive power batteries for electric forklifts. Management determined that future demand for the motive power batteries produced at this facility was not sufficient, given the conversion from flooded to maintenance free batteries by customers, the existing number of competitors in the market, as well as the near term decline in demand and increased uncertainty from the pandemic. The Company plans to retain the facility with limited sales, service and administrative functions along with related personnel for the foreseeable future.

The Company currently estimates that the total charges for these actions will amount to approximately $60.0 million of which cash charges for employee severance related payments, cleanup related to the facility, contractual releases and legal expenses were estimated to be $40.0 million and non-cash charges from inventory and equipment write-offs were estimated to be $20.0 million. The majority of these charges have been recorded as of January 1, 2023. These actions resulted in the reduction of approximately 200 employees.

During fiscal 2021, the Company recorded cash charges relating to severance of $23.3 million and non-cash charges of $7.9 million primarily relating to fixed asset write-offs.

During fiscal 2022, the Company recorded cash charges, primarily relating to severance of $8.1 million and non-cash charges of $3.5 million primarily relating to fixed asset write-offs. The Company also recorded a non-cash write-off relating to inventories of $1.0 million, which was reported in cost of goods sold.

During fiscal 2023, the Company recorded cash charges of $2.2 million relating primarily to site cleanup and $0.6 million of non-cash charges relating to accelerated depreciation of fixed assets.

During fiscal 2024, the Company recorded cash charges of $2.1 million relating primarily to site cleanup and $0.5 million of non-cash charges relating to accelerated depreciation of fixed assets.

During fiscal 2025, the Company recorded cash charges of $3.6 million relating primarily to site cleanup and $0.6 million of non-cash charges relating to accelerated depreciation of fixed assets.

During the six months of fiscal 2026, the Company recorded cash charges of $0.8 million relating primarily to site cleanup.

Operating Earnings

	Quarter ended September 28, 2025		Quarter ended September 29, 2024		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales (1)	In Millions	Percentage of Total Net Sales (1)	In Millions	%
Energy Systems	$ 33.6	7.7 %	$ 24.2	6.4 %	$ 9.4	37.8 %
Motive Power	47.9	13.3	57.6	15.7	(9.7)	(16.7)
Specialty	14.6	9.2	7.5	5.4	7.1	97.7
Corporate and other (2)	33.4	3.5	25.3	2.9	8.1	32.4
Subtotal	129.5	13.6	114.6	13.0	14.9	13.0
Inventory adjustment related to recent acquisitions - Specialty	—	—	(1.9)	(1.4)	1.9	—
Restructuring and other exit charges - Energy Systems	(9.3)	(2.1)	(0.7)	(0.2)	(8.6)	NM
Restructuring and other exit charges - Motive Power	(9.3)	(2.6)	(1.1)	(0.3)	(8.2)	NM
Restructuring and other exit charges - Specialty	(2.4)	(1.5)	(0.4)	(0.3)	(2.0)	NM
Restructuring and other exit charges - Corporate Other	(0.1)	NM	—	—	(0.1)	NM
Amortization of intangible assets - Energy Systems	(5.8)	(1.3)	(6.0)	(1.6)	0.2	(2.9)
Amortization of intangible assets - Motive Power	(0.1)	—	(0.2)	(0.1)	0.1	(34.8)
Amortization of intangible assets - Specialty	(2.4)	(1.5)	(2.0)	(1.4)	(0.4)	23.0
Other - Energy Systems	(4.1)	(0.9)	—	—	(4.1)	—
Other - Motive Power	(2.2)	(0.6)	—	—	(2.2)	—
Other - Specialty	(1.8)	(1.1)	(2.9)	(2.1)	1.1	NM
Total operating earnings	$ 92.0	9.7 %	$ 99.4	11.2 %	$ (7.4)	(7.4)%

NM = not meaningful
(1) The percentages shown for the segments are computed as a percentage of the applicable segment's net sales; Corporate and other is computed based on total consolidated net sales

(2) Corporate and other includes amounts managed on a company-wide basis and not directly allocated to any reportable segments, primarily relating to IRA production tax credits. Also, included are start-up costs for exploration and construction of a new lithium plant as well as sales and expenses from the New Ventures operating segment.

	Six months ended September 28, 2025		Six months ended September 29, 2024		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales (1)	In Millions	Percentage of Total Net Sales (1)	In Millions	%
Energy Systems	$ 61.0	7.4 %	$ 43.2	5.8 %	$ 17.8	40.5 %
Motive Power	$ 94.6	13.3	113.6	15.5	(19.0)	(16.7)
Specialty	$ 24.2	7.9	12.4	4.7	11.8	97.3
Corporate and other (2)	$ 64.0	3.5	51.1	2.9	12.9	25.3
Subtotal	$ 243.8	13.2	220.3	12.7	23.5	10.7
Inventory adjustment related to recent acquisitions- Specialty	$ —	—	(1.9)	(0.7)	1.9	—
Accelerated stock compensation expense - Energy Systems	$ (5.4)	(0.7)	—	—	(5.4)	—
Accelerated stock compensation expense - Motive	$ (3.4)	(0.5)	—	—	(3.4)	—
Accelerated stock compensation expense - Specialty	$ (1.4)	(0.5)	—	—	(1.4)	—
Restructuring and other exit charges - Energy Systems	$ (10.4)	(1.2)	(4.5)	(0.6)	(5.9)	NM
Restructuring and other exit charges - Motive Power	$ (14.1)	(2.0)	(2.5)	(0.3)	(11.6)	NM
Restructuring and other exit charges - Specialty	$ (2.4)	(0.8)	(1.1)	(0.4)	(1.3)	NM
Restructuring and other exit charges - Corporate Other	$ (0.1)	NM	—	—	(0.1)	NM
Amortization of intangible assets - Energy Systems	$ (11.7)	(0.6)	(12.0)	(0.7)	0.3	(4.4)
Amortization of intangible assets - Motive Power	$ (0.2)	(0.1)	(0.4)	(0.1)	0.2	16.5
Amortization of intangible assets - Specialty	$ (4.8)	(1.6)	(2.7)	(1.0)	(2.1)	80.6
Other - Energy Systems	$ (5.2)	(0.6)	(0.2)	—	(5.0)	NM
Other - Motive Power	$ (2.8)	(0.4)	—	—	(2.8)	—
Other - Specialty	$ (3.4)	(1.1)	(4.3)	(1.6)	0.9	NM
Total operating earnings	$ 178.5	9.7 %	$ 190.7	11.0 %	$ (12.2)	(6.4)%

NM = not meaningful
(1) The percentages shown for the segments are computed as a percentage of the applicable segment's net sales; Corporate and other is computed based on total consolidated net sales
(2) Corporate and other includes amounts managed on a company-wide basis and not directly allocated to any reportable segments, primarily relating to IRA production tax credits. Also, included are start-up costs for exploration and construction of a new lithium plant as well as sales and expenses from the New Ventures operating segment.

Operating earnings decreased $7.4 million or 7.4% and decreased 12.2 million or 6.4% in the second quarter and six months of fiscal 2026, respectively, compared to the second quarter and six months of fiscal 2025. Operating earnings, as a percentage of net sales, decreased 150 basis points and 130 basis points in the second quarter and six months of fiscal 2026, respectively, compared to the second quarter and six months of fiscal 2025.

The Energy Systems operating earnings, as a percentage of sales, increased 130 basis points and 160 basis points in the second quarter and six months of fiscal 2026, respectfully, compared to the second quarter and six months of fiscal 2025. This increase was driven by improved price/mix combined with higher volumes of data center and industrial customers. We also continue to benefit from lower operating costs from tight cost controls and restructuring initiatives.

The Motive Power operating earnings, as a percentage of sales, decreased 240 basis points and 220 basis points in the second quarter and six months of fiscal 2026, respectively, compared to the second quarter and six months of fiscal 2025. This decrease was driven primarily by higher costs passed through to customers and lost leverage on lower volumes

The Specialty operating earnings, as a percentage of sales, increased 380 basis points and increased 320 basis points in the second quarter and six months of fiscal 2026, respectively, compared to the second quarter and six months of fiscal 2025. The increase for the quarter is a result of accretive mix benefit of strong demand in Aerospace and Defense including contributions from the Bren-Tronics acquisition, as well as improved price/mix in both Transportation and Aerospace and Defense and lower manufacturing costs and operating expenses

Interest Expense

	Quarter ended September 28, 2025		Quarter ended September 29, 2024		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Interest expense	$ 12.2	1.3 %	$ 12.5	1.4 %	$ (0.3)	(2.5) %

	Six months ended September 28, 2025		Six months ended September 29, 2024		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Interest expense	$ 23.5	1.3 %	$ 23.5	1.4 %	$ —	— %

Interest expense of $12.2 million in the second quarter of fiscal 2026 (net of interest income of 3.3 million) was $0.3 million lower than the interest expense of $12.5 million in the second quarter of fiscal 2025 (net of interest income of $0.7 million).

Interest expense of $23.5 million in the six months of fiscal 2026 (net of interest income of $6.4 million) was flat compared to interest expense of $23.5 million in the six months of fiscal 2025 (net of interest income of $1.8 million).

The decrease in interest expense in the second quarter of fiscal 2026 and the consistent interest expense in the six months of fiscal 2026 is primarily due to higher interest income from interest rate swaps offsetting higher interest expense costs in fiscal 2026. Our average debt outstanding was $1,314.0 million and $1,234.7 million in the second quarter and six months of fiscal 2026, compared to $1,126.9 million and $1,009.2 million in the second quarter and six months of fiscal 2025.

Included in interest expense are non-cash charges for deferred financing fees of $0.5 million and $1.0 million for the second quarter and six months of fiscal 2026 and $0.5 million and $1.0 million in the second quarter and six months of fiscal 2025.

Other (Income) Expense, Net

	Quarter ended September 28, 2025		Quarter ended September 29, 2024		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Other (income) expense, net	$ 3.4	0.4 %	$ 2.7	0.3 %	$ 0.7	24.9%

NM = not meaningful

	Six months ended September 28, 2025		Six months ended September 29, 2024		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Other (income) expense, net	$ 12.9	0.7 %	$ 3.7	0.2 %	$ 9.2	NM

NM = not meaningful

Other (income) expense, net in the second quarter of fiscal 2026 was expense of $3.4 million compared to expense of $2.7 million in the second quarter of fiscal 2025. Other (income) expense, net in the six months of fiscal 2026 was expense of $12.9 million compared to expense of $3.7 million in the six months of fiscal 2025. Foreign currency impact resulted in a loss of $1.0 million and a loss of $7.2 million in the second quarter and six months of fiscal 2026, respectively, compared to a foreign currency of $0.8 million and a gain of $2.1 million in the second quarter and six months of fiscal 2025, respectively.

Earnings Before Income Taxes

	Quarter ended September 28, 2025		Quarter ended September 29, 2024		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Earnings before income taxes	$ 76.4	8.0 %	$ 84.2	9.5 %	$ (7.8)	(9.2)%

	Six months ended September 28, 2025		Six months ended September 29, 2024		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Earnings before income taxes	$ 142.1	7.7 %	$ 163.5	9.4 %	$ (21.4)	(13.1)%

As a result of the above, earnings before income taxes in the second quarter of fiscal 2026 decreased $7.8 million, or 9.2%, compared to the second quarter of fiscal 2025 and decreased $21.4 million, or 13.1% in the six months of fiscal 2026 compared to the six months of fiscal 2025.

Income Tax Expense

	Quarter ended September 28, 2025		Quarter ended September 29, 2024		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Income tax expense	$ 8.0	0.9 %	$ 1.9	0.2 %	$ 6.1	NM
Effective tax rate	10.5%		2.3%		8.2%	

	Six months ended September 28, 2025		Six months ended September 29, 2024		Increase (Decrease)	
	In Millions	Percentage of Total Net Sales	In Millions	Percentage of Total Net Sales	In Millions	%
Income tax expense	$ 16.2	0.9 %	$ 11.1	0.6 %	$ 5.1	45.8 %
Effective tax rate	11.4%		6.8%		4.6%	

The Company's income tax provision consists of federal, state and foreign income taxes. The tax provision for the second quarter of fiscal 2026 and 2025 was based on the estimated effective tax rates applicable for the full years ending March 31, 2026 and March 31, 2025, respectively, after giving effect to items specifically related to the interim periods. The Company's effective income tax rate with respect to any period may be volatile based on the mix of income in the tax jurisdictions, in which the Company operates, changes in tax laws and the amount of the Company's consolidated earnings before taxes.

The Organization for Economic Co-operation and Development (OECD) has a global minimum corporate tax of 15% for companies with global revenues and profits above certain thresholds (referred to as Pillar 2), with certain aspects of Pillar 2 effective for taxable years beginning after December 31, 2023. While it is uncertain whether the U.S. will enact legislation to adopt Pillar 2, certain countries in which we operate have adopted legislation, and other countries are in the process of introducing legislation to implement Pillar 2.

On July 4, 2025, the "One Big Beautiful Bill Act" ("OBBBA") was enacted into law. The law included permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework , and changes to the tax treatment for certain business provisions and energy credits.

The impact of the enacted legislation is included in our estimated effective tax rate. The Company will continue to monitor and evaluate as new legislation and guidance is issued.

On August 26, 2024, the U.S. Tax Court issued a ruling in *Varian Medical Systems, Inc. v. Commissioner ("Varian")*. The ruling related to the U.S. taxation of deemed foreign dividends in the transition tax of the Tax Cuts and Jobs Act ("Tax Act") which was originally recorded in fiscal 2018. The impact of the ruling was included in our fiscal 2025 results.

The consolidated effective income tax rates for the second quarter of fiscal 2026 and 2025 were 10.5% and 2.3% and for the six months of fiscal 2026 and 2025 were 11.4% and 6.8%. The rate increase in the second quarter and six months of fiscal 2026 compared to the prior year periods are primarily due to a discrete tax benefit for *Varian* in fiscal 2025, impact of Pillar 2 and mix of earnings among tax jurisdictions.

Foreign income as a percentage of worldwide income is estimated to be 53% for fiscal 2026 and for fiscal 2025. The foreign effective tax rates for the six months of fiscal 2026 and 2025 were 17% and 15%, respectively. The foreign effective tax rate increase is primarily due to the impact of Pillar 2. Income from the Company's Swiss subsidiary comprised a substantial portion of the Company's overall foreign mix of income for both fiscal 2026 and fiscal 2025 and were taxed at an effective income tax rate of approximately 14% and 11%, respectively.

Critical Accounting Policies and Estimates

There have been no material changes to our critical accounting policies from those discussed under the caption "Critical Accounting Policies and Estimates" in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in our 2025 Annual Report.

Liquidity and Capital Resources

Cash Flow and Financing Activities

Operating activities provided cash of $219.0 million in the six months of fiscal 2026 compared to $44.0 million of cash provided in the six months of fiscal 2025, Inventory increased or used cash of $48.7 million, and accounts receivable decreased or provided cash of $43.7 million. Additionally, accounts payable decreased or used cash of $34.7 million. In the six months of fiscal 2026, net earnings were $125.9 million, depreciation and amortization $54.9 million, stock-based compensation $22.0 million, and $2.1 million in cash proceeds from derivatives not designated in hedging relationships. Prepaid and other current assets provided funds of $69.5 million, primarily from a decreases of $81.4 million in prepaid taxes included $137.0 million payment from the IRS relating to prior year tax return refund, and $16.4 million in contract assets, partially offset by a decrease of $3.1 million in other prepaid expenses and $3.0 million in non trade receivables. Accrued expenses were a use of funds of $21.4 million primarily from an decrease in tax accruals of $34.7 million and sales related accruals of $5.3 million, partially offset by increases of $12.6 million to restructuring accruals, $5.6 million to miscellaneous other accruals, and $3.9 million in freight.
In the six of fiscal 2025, operating activities provided cash of $44.0 million. Inventory increased or used cash of $12.4 million, and accounts receivable increased or used cash of $9.3 million. Additionally, accounts payable decreased or used cash of $40.1 million. In the six months of fiscal 2025, net earnings were $152.4 million, depreciation and amortization $48.8 million, stock-based compensation $12.2 million, allowance for doubtful debts of $1.1 million, non-cash interest of $1.0 million and, non-cash charges relating to exit charges $0.2 million. Prepaid and other current assets were a use of funds of $26.2 million, primarily from an increase of $19.4 million in contract assets, $7.6 million in other prepaid expenses, and $1.6 million in prepaid insurance, partially offset by a decrease of $2.4 million in prepaid taxes. Accrued expenses were a use of funds of $83.9 million primarily from decrease in tax accruals of $81.8 million, interest payments net of accruals of $31.6 million, other miscellaneous accruals of $3.9 million, sales related accruals of $5.0 million, and payroll related payments of $0.5 million net of accruals, partially offset by $36.4 million in accrued interest, warranty accruals of $1.6 million, and $0.9 million in contract liabilities.

Investing activities used cash of $62.4 million in the six months of fiscal 2026, which primarily consisted of acquisitions of $12.7 million and capital expenditures of $53.9 million relating to plant improvements, partially offset by $4.2 million in proceeds from disposal of property, plants, and equipment.

Investing activities used cash of $282.5 million in the six months of fiscal 2025, which primarily consisted of the Bren-Tronics acquisition of $205.3 million, capital expenditures of $66.5 million relating to plant improvements and $10.9 million relating to investment in equity securities.

Financing activities used cash of $128.2 million in the six months of fiscal 2026. During the six months of fiscal 2026, we borrowed $467.6 million under the Second and Third Amended Revolver and repaid $155.0 million of the Second Amended Revolver and $210.0 million of Term Loans. Net repayments on short-term debt were $0.1 million. We purchased treasury stock totaling $217.8 million and paid cash dividends to our stockholders totaling $18.9 million. Additionally in the six months, we received options proceeds of $16.9 million and paid $8.2 million relating to taxes for net share settlement of equity awards. We paid $3.3 million in debt issuance costs as well relating to our sixth amendment to the Credit Facility.

Financing activities provided cash of $305.3 million in the six months of fiscal 2025. During the six months of fiscal 2025, we borrowed $476.6 million under the Second Amended Revolver and repaid $76.7 million of the Second Amended Revolver. Net repayments on short-term debt were $0.4 million. We purchased treasury stock totaling $75.2 million, paid cash dividends to our stockholders totaling $18.6 million, and received proceeds from stock options of $7.4 million. Payments for financing costs for debt modification were $0.4 million. We paid $8.0 million for taxes related to net share settlement of equity awards.
Currency translation had a positive impact of $17.1 million on our cash balance in the six months of fiscal 2026 compared to the positive impact of $7.8 million on our cash balance in the six months of fiscal 2025. In the six months of fiscal 2026, principal currencies in which we do business such as the Euro, Polish zloty, Swiss Franc and British pound strengthened versus the U.S. dollar.

As a result of the above, total cash and cash equivalents increased by $45.5 million to $388.6 million, in the six months of fiscal 2026 compared to an increase of $74.6 million to $407.9 million, in the six months of fiscal 2025.

Compliance with Debt Covenants

During the second quarter of fiscal 2022, we entered into a second amendment to the Amended Credit Facility (as amended, the “Second Amended Credit Facility”). As a result, the Second Amended Credit Facility, now scheduled to mature on September

30, 2026, consists of a $130.0 million senior secured term loan (the “Second Amended Term Loan”), a CAD 106.4 million ($84.2 million) term loan and an $850.0 million senior secured revolving credit facility (the “Second Amended Revolver”). This amendment resulted in a decrease of the Amended Term Loan by $150.0 million and an increase of the Amended Revolver by $150.0 million.

During the second quarter of fiscal 2023, the Company entered into a third amendment to the 2017 Credit Facility (as amended, the “Third Amended Credit Facility”). The Third Amended Credit Facility provided a new incremental delayed-draw senior secured term loan up to $300 million (the “Third Amended Term Loan”), which was available to draw until March 15, 2023. During the fourth quarter, the Company drew $300 million in the form of the Third Amended Term Loan. The funds will mature on September 30, 2026, the same as the Company's Second Amended Term Loan and Second Amended Revolver. In connection with the agreement, the Company incurred $1.2 million in third party administrative and legal fees recognized in interest expense and capitalized $1.1 million in charges from existing lenders as a deferred asset. Additionally, the Company derecognized the capitalized deferred asset and recognized the $1.1 million as deferred financing costs.

During the fourth quarter of fiscal 2023, the Company entered into a fourth amendment to the 2017 Credit Facility (as amended, the “Fourth Amended Credit Facility”). The Fourth Amended Credit Facility replaces the London Interbank Offered Rate (“LIBOR”) with the Secured Overnight Financing Rate (“SOFR”) in the calculation of interest for both the Second Amended Revolver and the Second Amended Term Loan.

In the first quarter of fiscal year 2025, the Company entered into a fifth amendment to the 2017 Credit Facility (as amended, the “Fifth Amended Credit Facility”). The Fifth Amended Credit Facility replaces the Canadian Dollar Offered Rate ("CODR”) with term CORRA in the calculation of interest for borrowings denominated in Canadian Dollars.

During the second quarter of fiscal 2026, the Company entered into the sixth amendment to the 2017 Credit Facility (as amended, the “Sixth Amended Credit Facility”). The Sixth Amended Credit Facility provides (i) an upsized revolving credit facility in an aggregate committed amount of $1.0 billion (the “ Third Amended Revolver”), which represents an increase of $150 million from the existing revolving credit facility and which matures on September 30, 2030 and (ii) certain other modifications to the existing credit agreement as further set forth in the Sixth Amended Credit Facility. In connection with the Sixth Amended Credit Facility, (i) all of the outstanding term loans (including accrued and unpaid interest thereon) and (ii) all accrued and unpaid interest and fees on the outstanding revolving loans, in each case, under the existing credit agreement were repaid in full.

All obligations under our Sixth Amended Credit Facility are secured by, among other things, substantially all of our U.S. assets. The Sixth Amended Credit Facility contains various covenants which, absent prepayment in full of the indebtedness and other obligations, or the receipt of waivers, limit our ability to conduct certain specified business transactions, buy or sell assets out of the ordinary course of business, engage in sale and leaseback transactions, pay dividends and take certain other actions. There are no prepayment penalties on loans under this credit facility.

We are in compliance with all covenants and conditions under our Sixth Amended Credit Facility and Senior Notes. We believe that we will continue to comply with the financial covenants and conditions, and that we have the financial resources and the capital available to fund the foreseeable organic growth in our business and to remain active in pursuing further acquisition opportunities. See Note 11 to the Consolidated Financial Statements included in our 2025 Annual Report and Note 12 to the Consolidated Condensed Financial Statements included in this Quarterly Report on Form 10-Q for a detailed description of our debt.

Contractual Obligations and Commercial Commitments

A table of our obligations is contained in Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations — Contractual Obligations of our 2025 Annual Report. As of September 28, 2025, we had no significant changes to our contractual obligations table contained in our 2025 Annual Report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risks

Our cash flows and earnings are subject to fluctuations resulting from changes in raw material costs, foreign currency exchange rates and interest rates. We manage our exposure to these market risks through internally established policies and procedures and, when deemed appropriate, through the use of derivative financial instruments. Our policy does not allow speculation in derivative instruments for profit or execution of derivative instrument contracts for which there are no underlying exposures. We do not use financial instruments for trading purposes and are not a party to any leveraged derivatives. We monitor our underlying market risk exposures on an ongoing basis and believe that we can modify or adapt our hedging strategies as needed.

Counterparty Risks

We have entered into lead forward purchase contracts, foreign exchange forward and purchased option contracts, interest rate swaps, and cross currency fixed interest rate swaps to manage the risk associated with our exposures to fluctuations resulting from changes in raw material costs, foreign currency exchange rates and interest rates. The Company's agreements are with creditworthy financial institutions. Those contracts that result in a liability position at September 28, 2025 are $86.1 million (pre-tax). Those contracts that result in an asset position at September 28, 2025 are $0.8 million (pre-tax). The impact on the Company due to nonperformance by the counterparties has been evaluated and not deemed material.

We hedge our net investments in foreign operations against future volatility in the exchange rates between the U.S. dollar and Euro. On September 29, 2022, we executed cross-currency fixed interest rate swap contracts with an aggregate notional amount of $150 million, maturing on December 15, 2027. On July 2, 2024, the Company entered into cross-currency fixed interest rate swap contracts with an aggregate notional amount of $150 million, maturing on January 15, 2029. Additionally, on December 23, 2024 and December 24, 2024 , the Company entered into cross-currency fixed interest rate swap contracts each with an aggregate notional amount of $150 million, maturing on June 15, 2028 and December 15, 2026, respectively. Depending on the movement in the exchange rates between the U.S. dollar and Euro at maturity, the Company may owe the counterparties an amount that is different from the notional amount of $600 million.

Excluding our cross currency fixed interest rate swap agreements, the vast majority of these contracts will settle within one year.

Interest Rate Risks

We are exposed to changes in variable U.S. interest rates on borrowings under our credit agreements, as well as short-term borrowings in our foreign subsidiaries. On a selective basis, from time to time, we enter into interest rate swap agreements to reduce the negative impact that increases in interest rates could have on our outstanding variable rate debt. At September 28, 2025 and March 31, 2025 such agreements effectively convert $200.0 million of our variable-rate debt to a fixed-rate basis, utilizing the one-month Term SOFR, as a floating rate reference.

A 100 basis point increase in interest rates would have increased annual interest expense by approximately $4.2 million on the variable rate portions of our debt.

Commodity Cost Risks – Lead Contracts

We have a significant risk in our exposure to certain raw materials. Our largest single raw material cost is for lead, for which the cost remains volatile. In order to hedge against increases in our lead cost, we have entered into forward contracts with financial institutions to fix the price of lead. The vast majority of such contracts are for a period not extending beyond one year. We had the following contracts outstanding at the dates shown below:

Date	$'s Under Contract (in millions)	# Pounds Purchased (in millions)	Average Cost/Pound	Approximate % of Lead Requirements (1)
September 28, 2025	$ 95.2	104.4	$ 0.91	18 %
March 31, 2025	63.8	70.0	0.91	8
September 29, 2024	59.4	62.5	0.95	8

(1) Based on the fiscal year lead requirements for the periods then ended.

For the remaining quarter of this fiscal year, we believe approximately 93% of the cost of our lead requirements is known. This takes into account the hedge contracts in place at September 28, 2025, lead purchased by September 28, 2025 that will be reflected in future costs under our FIFO accounting policy, and the benefit from our lead tolling program.

We estimate that a 10% increase in our cost of lead would have increased our cost of goods sold by approximately $18.0 million in the three months of fiscal 2026.

Foreign Currency Exchange Rate Risks

We manufacture and assemble our products globally in the Americas, EMEA and Asia. Approximately 40% of our sales and related expenses are transacted in foreign currencies. Our sales revenue, production costs, profit margins and competitive position are affected by the strength of the currencies in countries where we manufacture or purchase goods relative to the strength of the currencies in countries where our products are sold. Additionally, as we report our financial statements in U.S. dollars, our financial results are affected by the strength of the currencies in countries where we have operations relative to the strength of the U.S. dollar. The principal foreign currencies in which we conduct business are the Euro, Swiss franc, British pound, Polish zloty, Chinese renminbi, Canadian dollar, Brazilian real and Mexican peso.

We quantify and monitor our global foreign currency exposures. Our largest foreign currency exposure is from the purchase and conversion of U.S. dollar-based lead costs into local currencies in Europe. Additionally, we have currency exposures from intercompany financing and intercompany and third-party trade transactions. On a selective basis, we enter into foreign currency forward contracts and purchase option contracts to reduce the impact from the volatility of currency movements; however, we cannot be certain that foreign currency fluctuations will not impact our operations in the future.

At a point in time, we hedge approximately 5% - 10% of the nominal amount of our known annual foreign exchange transactional exposures. We primarily enter into foreign currency exchange contracts to reduce the earnings and cash flow impact of the variation of non-functional currency denominated receivables and payables. The vast majority of such contracts are for a period not extending beyond one year.

Gains and losses resulting from hedging instruments offset the foreign exchange gains or losses on the underlying assets and liabilities being hedged. The maturities of the forward exchange contracts generally coincide with the settlement dates of the related transactions. Realized and unrealized gains and losses on these contracts are recognized in the same period as gains and losses on the hedged items. We also selectively hedge anticipated transactions that are subject to foreign exchange exposure, primarily with foreign currency exchange contracts, which are designated as cash flow hedges in accordance with Topic 815 - Derivatives and Hedging. We also entered into cross-currency fixed interest rate swap agreements, to hedge our net investments in foreign operations against future volatility in the exchange rates between the U.S. dollar and Euro.

At September 28, 2025 and September 29, 2024, we estimate that an unfavorable 10% movement in the exchange rates would have adversely changed our hedge valuations by approximately $81.0 million and $48.8 million, respectively.

ITEM 4. CONTROLS AND PROCEDURES

(a) Disclosure Controls and Procedures. Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of the end of the period covered by this report. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, our disclosure controls and procedures are effective.

(b) Internal Control Over Financial Reporting. The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, evaluated any change in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) and determined that there was no change in our internal control over financial reporting during the quarter to which this report relates that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. We completed the Bren-Tronics acquisition on July 26, 2024 and are in the process, but have not yet concluded our assessment of the effectiveness of our internal control over financial reporting including this recent acquisition. Accordingly, pursuant to the SEC's general guidance that an assessment of a recently acquired business may be omitted from the scope of an assessment in the year of acquisition, the scope of our assessment of the effectiveness of our disclosure controls and procedures does not include Bren-Tronics. For both the second quarter and six months of fiscal 2026, Bren-Tronics accounted for approximately 3% of sales and as of September 28, 2025 approximately 5% of total assets.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we are involved in litigation incidental to the conduct of our business. See Litigation and Other Legal Matters in Note 10 - *Commitments, Contingencies and Litigation* to the Consolidated Condensed Financial Statements, which is incorporated herein by reference.

Item 1A. Risk Factors

In addition to the other information set forth in this Form 10-Q, you should carefully consider the factors discussed in Part I, Item 1A. Risk Factors in our 2025 Annual Report, which could materially affect our business, financial condition or future results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table summarizes the number of shares of common stock we purchased from participants in our equity incentive plans, as well as repurchases of common stock authorized by the Board of Directors. As provided by the Company's equity incentive plans, (a) vested options outstanding may be exercised through surrender to the Company of option shares or vested options outstanding under the Company's equity incentive plans to satisfy the applicable aggregate exercise price (and any withholding tax) required to be paid upon such exercise and (b) the withholding tax requirements related to the vesting and settlement of restricted stock units and market and performance condition-based share units may be satisfied by the surrender of shares of the Company's common stock.

Purchases of Equity Securities

Period	(a) Total number of shares (or units) purchased	(b) Average price paid per share (or unit)	(c) Total number of shares (or units) purchased as part of publicly announced plans or programs	(d) Maximum number (or approximate dollar value) of shares (or units) that may be purchased under the plans or programs (1) (2)
June 30- July 31, 2025	413	$ 89.76	—	$ 63,520,613
August 1 - August 31, 2025	228,018	100.25	136,761	1,049,452,449
September 1 - September 28, 2025	695,717	109.57	491,719	995,771,041
Total	924,148	$ 107.26	628,480	

(1) The Company's Board of Directors has authorized the Company to repurchase up to such number of shares as shall equal the dilutive effects of any equity-based awards issued during such fiscal year under the 2023 Equity Incentive Plan and the number of shares exercised through stock option awards during such fiscal year, approximately $40.0 million.

(2) On August 6, 2025, the Company announced the establishment of a $1.0 billion stock repurchase authorization, with an expiration date of five years from the time of adoption unless otherwise modified or terminated by the Board.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the quarter ended September 28, 2025, none of our directors or officers (as defined in Section 16 of the Securities Exchange Act of 1934, as amended) adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement" (each as defined in Item 408(a) and (c) of Regulation S-K).

ITEM 6. EXHIBITS

Exhibit Number	Description of Exhibit
3.1	Fifth Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to Amendment No. 3 to the Company's Registration Statement on Form S-1 (File No. 333-115553) filed on July 13, 2004).
3.2	Fifth Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the period ended December 29, 2024 (File No. 001-32253) filed on February 5, 2025).
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) Under the Securities Exchange Act of 1934 (filed herewith).
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) Under the Securities Exchange Act of 1934 (filed herewith).
32.1	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
101.INS	XBRL Instance Document - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ENERSYS (Registrant)

By /s/ Andrea J. Funk
Andrea J. Funk
Chief Financial Officer

Date: November 5, 2025