Engineering a Cleaner, Healthier World

Second Quarter Fiscal 2024

November 2, 2023

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Engineering a Cleaner, Healthier World

Forward-Looking Statements

This presentation contains statements, including information about future financial performance and market conditions, accompanied by phrases such as “believes,” “estimates,” “expects,” “plans,” “anticipates,” “intends,” “projects,” and other similar “forward-looking” statements, as defined in the Private Securities Litigation Reform Act of 1995. Modine's actual results, performance or achievements may differ materially from those expressed or implied in these statements because of certain risks and uncertainties, including, but not limited to those described under “Risk Factors” in Item 1A of Part I of the Company's Annual Report on Form 10-K for the year ended March 31, 2023 and under Forward-Looking Statements in Item 7 of Part II of that same report and in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023. Other risks and uncertainties include, but are not limited to, the following: the impact of potential adverse developments or disruptions in the global economy and financial markets, including impacts related to inflation, energy costs, supply chain challenges or supplier constraints, tariffs, sanctions and other trade issues or cross-border trade restrictions; the impact of other economic, social and political conditions, changes and challenges in the markets where we operate and compete, including foreign currency exchange rate fluctuations, increases in interest rates or tightening of the credit markets, recession or recovery therefrom, restrictions associated with importing and exporting and foreign ownership, public health crises, and the general uncertainties, including the impact on demand for our products and the markets we serve from regulatory and/or policy changes that have been or may be implemented in the U.S. or abroad, including those related to tax and trade, climate change, COVID-19 or future public health threats, and military conflicts, including the current conflicts in Ukraine and in the Middle East; the overall health and pricing focus of our customers, including impacts associated with the recent United Auto Workers union strikes; our ability to successfully realize anticipated benefits, including improved profit margins and cash flow, from our strategic initiatives and our application of 80/20 principles across our businesses; our ability to accelerate growth organically and through acquisitions and successfully integrate acquired businesses; our ability to effectively and efficiently manage our operations in response to sales volume changes, including maintaining adequate production capacity to meet demand in our growing businesses while also completing restructuring activities and realizing benefits thereof; our ability to fund our global liquidity requirements efficiently and comply with the financial covenants in our credit agreements; operational inefficiencies as a result of product or program launches, unexpected volume increases or decreases, product transfers and warranty claims; the impact on Modine of any significant increases in commodity prices, particularly aluminum, copper, steel and stainless steel (nickel) and other purchased components and related costs, and our ability to adjust product pricing in response to any such increases; our ability to recruit and maintain talent in managerial, leadership, operational and administrative functions and to mitigate increased labor costs; our ability to protect our proprietary information and intellectual property from theft or attack; the impact of any substantial disruption or material breach of our information technology systems; costs and other effects of environmental investigation, remediation or litigation and the increasing emphasis on environmental, social and corporate governance matters; our ability to realize the benefits of deferred tax assets; and other risks and uncertainties identified in our public filings with the U.S. Securities and Exchange Commission. Forward-looking statements are as of the date of this presentation, and we do not assume any obligation to update any forward-looking statements.

Strong Quarter

- **Solid sales growth of 7%, driven by increases in both Climate Solutions and Performance Technologies segments**
- **Adjusted EBITDA increased 59% to $81.2M, resulting in an adjusted EBITDA margin improvement of 430 bps to 13.1%***
- Second quarter results are clearly ahead of our adjusted EBITDA margin targets
  - Using 80/20 principles to guide decision-making throughout the organization
  - Allocating additional resources to targeted higher-margin businesses
  - Focusing on and leveraging the value we bring to our customers
- The team has accomplished a great deal and Modine is rapidly transforming

FY2022 Launch
Revenue: $2.1B
EBITDA Margin: 7.7%

FY2024 Outlook
Revenue Growth: 6-11%
Adj. EBITDA $285M-$300M
EBITDA Margin: 11-12%

FY2025-27 Targets
Revenue: 8-10% CAGR
EBITDA Margin: 13-15%

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* See appendix for the full GAAP income statement and Non-GAAP reconciliations

Climate Solutions

- **Revenue growth of 8%, as strong growth in data centers offset weakness in other markets**
- **Strong earnings growth, with Adjusted EBITDA up 31% resulting in a 330 bps margin improvement to 18.3%***
- Data center sales of $79 million, more than double the prior year
  - Order intake continues to grow, but quarterly revenues may be lumpy due to the timing of shipments
  - Backlog remains strong to support ongoing growth over the next 12-18 months
- Internally developing a Cooling Distribution Unit or CDU, critical for liquid cooling in Data Centers
  - Provides coolant for heat exchangers, direct-to-chip and immersion cooling devices to handle heavier heat loads
- HVAC&R recently announced two new product lines
  - Electric infrared product line for commercial and residential applications
  - Amp Dawg, an electric version of our Hot Dawg line, for garage and workshop heating
- Regulations requiring conversion from natural gas to electric have been delayed in Germany, impacting heat pump demand
  - Adjusting our forecasts and production plans; Serbian plant expansion in phases to match capacity requirements

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Performance Technologies

- **Revenue growth of 7%, primarily driven by higher sales to off-highway, commercial vehicle and specialty vehicle customers**
- **Excellent earnings growth with Adjusted EBITDA up 73%, resulting in a 450 bps margin improvement to 11.9%***
- Top and bottom line benefiting from improving commercial terms in our long-term contracts
- Examples of 80/20 work announced during the quarter
  - Divestiture of German businesses focused on the European automotive market, review of cost structure underway
  - Planned expansions of EV systems business into existing plant in Italy to support European market
- Making great progress on our 80/20 journey; focusing on capitalizing on growth opportunities and optimizing non-strategic product lines

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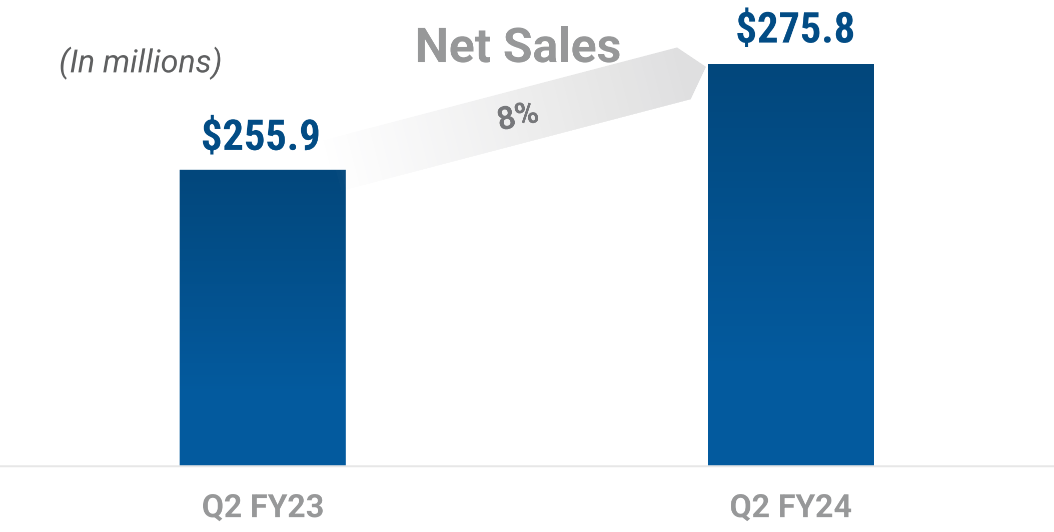
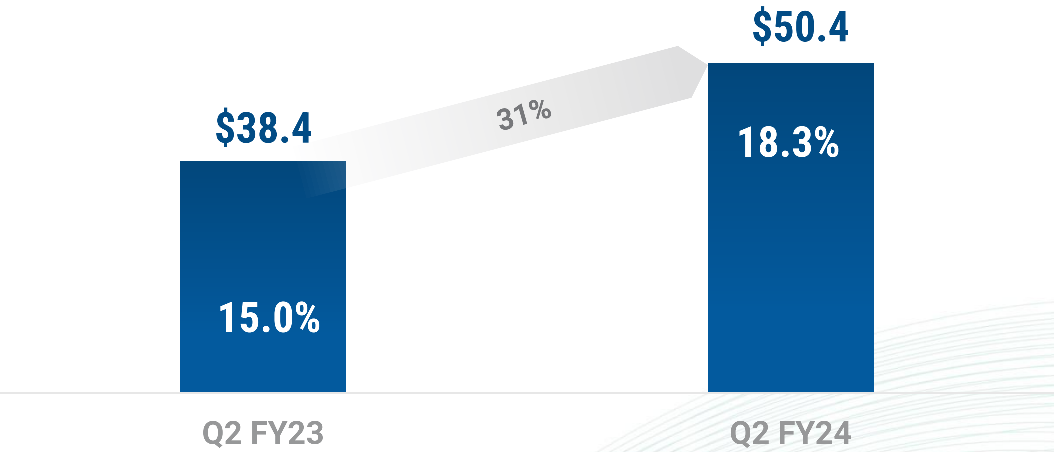
Climate Solutions



- ⬆ **117% Data Centers**
  - Strong demand and growth for products supporting hyperscale and colocation customers
- ⬇ **-2% HVAC&R**
  - Heating market remains soft, but improved sequentially from Q1
  - Expect further improvement, but maintaining a cautious outlook
- ⬇ **-16% Heat Transfer Products**
  - Softening commercial refrigeration and residential markets, along with 80/20 product rationalization

Adjusted EBITDA & EBITDA Margin*



- Strong earnings conversion on higher sales, resulting in a 330 bps margin improvement
- Margins benefiting from ongoing 80/20 initiatives
- Excellent first half financial results; Data Centers sales continue to exceed expectations
- Anticipating year-over-year improvements will continue in 2H, but maintaining a cautious outlook for HVAC&R and Heat Transfer Products

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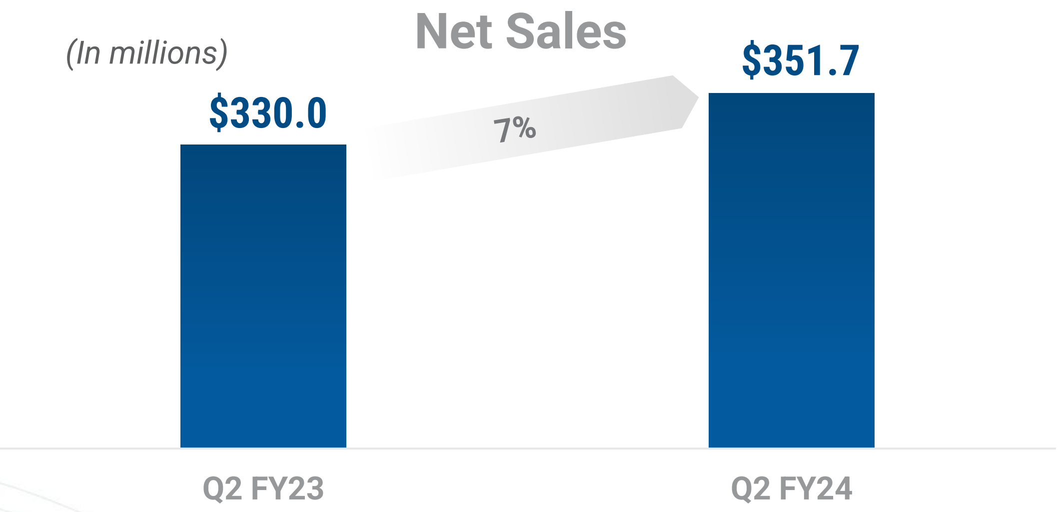
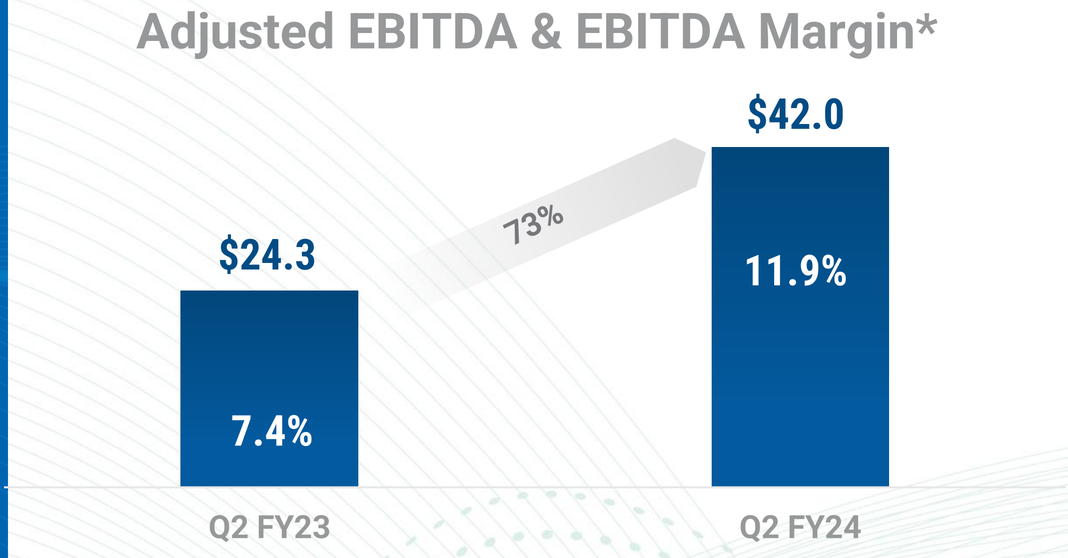
Performance Technologies



- **30% Advanced Solutions**
  - Growth driven by higher sales to specialty vehicle and coatings customers, along with higher sales of EV systems and EV components
- **6% Liquid-Cooled Applications**
  - Higher demand from commercial vehicle customers
- **2% Air-Cooled Applications**
  - Improved sales to off-highway and gen-set customers



- Sales growth from rapid progress in 80/20 initiatives, including targeted growth, and higher average selling prices
- Excellent earnings growth, with a 73% increase in Adjusted EBITDA and 450 bps of margin improvement
- Anticipating a temporary revenue dip in Q3, partly driven by holiday shutdowns along with the recent divestitures and ongoing product rationalization
- Expecting ongoing 80/20 progress to drive further YoY profitability improvements in the second half of FY24

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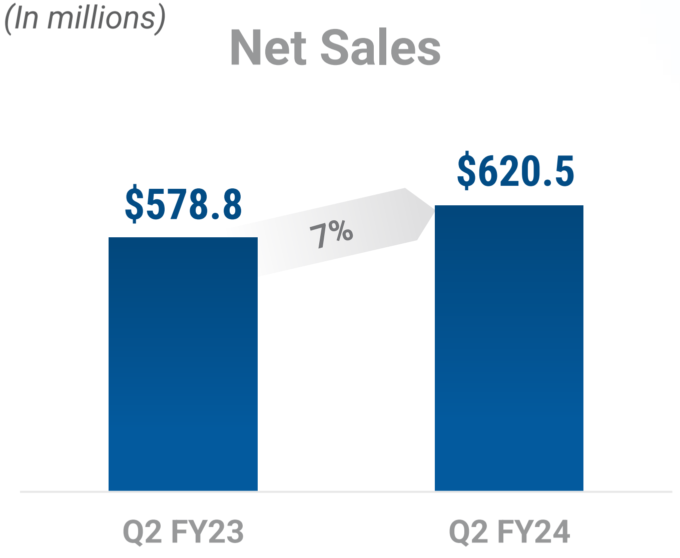
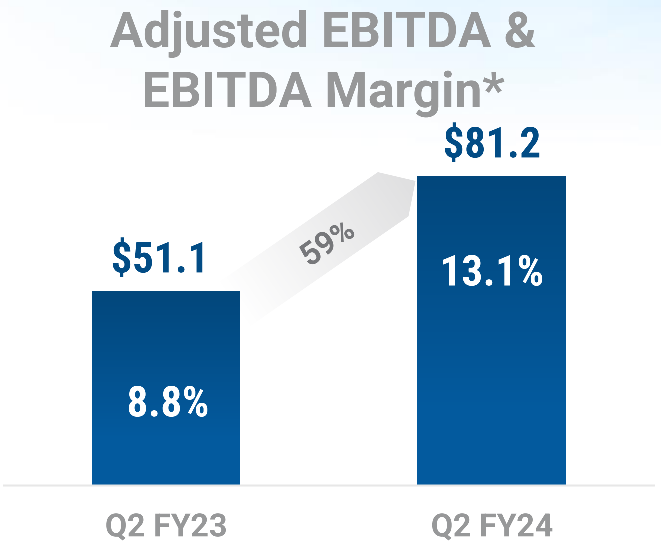
Financial Review

(In millions)	Q2 FY24	Q2 FY23
Net Sales	**$620.5**	**$578.8**
Gross Profit	135.1	96.2
% of net sales	*21.8%*	*16.6%*
SG&A expenses	68.9	58.8
% of net sales	*11.1%*	*10.1%*
Operating Income	**65.7**	**36.8**
% of net sales	*10.6%*	*6.4%*
Adjusted EBITDA*	**81.2**	**51.1**
% of net sales	*13.1%*	*8.8%*
Adjusted EPS*	**$0.89**	**$0.48**

(In millions)





- Sales growth of 7%; driven by volume in Climate Solutions and 80/20 initiatives in Performance Technologies
- Strong earnings conversion resulted in 520 bps gross margin improvement
- Increased SG&A primarily due to employee compensation costs and higher product development costs
- 59% Adjusted EBITDA growth and a 430 bps margin improvement; 7th consecutive quarter of YoY improvement
- Significant Adjusted EPS growth, rising 85% year-over-year

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Cash Flow and Metrics

Cash Flow and Metrics	Q2 FY24 YTD
Free Cash Flow	$85 million
Net Debt (as of September 30)	$222 million
Leverage Ratio (as of September 30)	0.8x
Capital Expenditures	$26 million

Modine Maintains Strong Balance Sheet & Liquidity

- Strong free cash flow in the quarter; $58M, primarily due to higher earnings
- Net debt decreased $63M YTD; decreasing $43M during the quarter
- The corresponding leverage ratio improved from 1.1x to 0.8x during the quarter
- Restarted our anti-dilutive share repurchase program; 200,000 shares repurchased this quarter
- Balance sheet remains strong to support both organic growth and potential acquisitions

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Fiscal 2024 Outlook

Metrics	Guidance	Comments
Net Sales	+6% to +11%	$2.4B to $2.6B
Adjusted EBITDA*	$285M to $300M	+34% to +41%

Raising Adjusted EBITDA Outlook After a Strong First Half

- Increasing our earnings outlook based on a strong first half and accelerated timing of 80/20 benefits in Performance Technologies
- Maintaining a cautious stance on the second half in certain markets and general economic uncertainty, but trending towards the high-end of the Adjusted EBITDA range
- Continuing to project second half average quarterly Adjusted EBITDA to be approximately $70 million
- Anticipating that Q3 will be lower than Q4, primarily due to the timing of data center shipments, some seasonality around the AC markets and holiday shutdowns in the vehicular markets
- Outlook remains strong and in-line with transformation; rapidly moving towards the long-term financial targets
- Anticipating strong free cash flow, within a targeted 3-5% of sales, and capex around $70 million

FY24 Modine Global Sales Outlook	
Climate Solutions	
Data Centers	+60% – 70%
HVAC & Refrigeration	+2% – 5%
Heat Transfer Products	(10%) – (5%)
Performance Technologies	
Advanced Solutions	+25% – 35%
Liquid-Cooled Applications	+1% – 5%
Air-Cooled Applications	+1% – 5%

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APPENDIX

GAAP Income Statement

Modine Manufacturing Company
Consolidated statements of operations (unaudited)
(In millions, except per share amounts)

	Three months ended September 30,		Six months ended September 30,	
	2023	2022	**2023**	2022
Net sales	**$ 620.5**	$ 578.8	**$ 1,242.9**	$ 1,119.8
Cost of sales	**485.4**	482.6	**979.9**	940.2
Gross profit	**135.1**	96.2	**263.0**	179.6
Selling, general & administrative expenses	**68.9**	58.8	**130.3**	115.1
Restructuring expenses	**0.5**	0.6	**0.5**	2.1
Operating income	**65.7**	36.8	**132.2**	62.4
Interest expense	**(6.1)**	(4.7)	**(12.0)**	(8.8)
Other income (expense) – net	**0.1**	(1.4)	**(0.5)**	(3.7)
Earnings before income taxes	**59.7**	30.7	**119.7**	49.9
Provision for income taxes	**(12.8)**	(6.4)	**(27.5)**	(11.3)
Net earnings	**46.9**	24.3	**92.2**	38.6
Net (earnings) loss attributable to noncontrolling interest	**(0.4)**	0.1	**(0.9)**	0.1
Net earnings attributable to Modine	**$ 46.5**	$ 24.4	**$ 91.3**	$ 38.7

Non-GAAP Reconciliations

Modine Manufacturing Company
Adjusted financial results (unaudited)
(In millions, except per share amounts)

	Three months ended September 30,		Six months ended September 30,	
	2023	2022	**2023**	2022
Net earnings	**$ 46.9**	$ 24.3	**$ 92.2**	$ 38.6
Interest expense	**6.1**	4.7	**12.0**	8.8
Provision for income taxes	**12.8**	6.4	**27.5**	11.3
Depreciation and amortization expense	**14.0**	13.4	**27.7**	27.3
Other (income) expense – net	**(0.1)**	1.4	**0.5**	3.7
Restructuring expenses [a]	**0.5**	0.6	**0.5**	2.1
Environmental charges [b]	**1.0**	0.3	**1.2**	1.4
Adjusted EBITDA	**$ 81.2**	$ 51.1	**$ 161.6**	$ 93.2
Net earnings per share attributable to Modine shareholders - diluted	**$ 0.87**	$ 0.46	**$ 1.72**	$ 0.74
Restructuring expenses [a]	**0.01**	0.01	**0.01**	0.03
Environmental charges [b]	**0.01**	0.01	**0.01**	0.03
Adjusted earnings per share	**$ 0.89**	$ 0.48	**$ 1.74**	$ 0.80

[a] Restructuring expenses primarily consist of employee severance expenses related to targeted headcount reductions and equipment transfer costs. The tax benefit related to restructuring expenses during the first six months of fiscal 2024 and fiscal 2023 was $0.1 million and $0.2 million, respectively.

[b] Environmental charges, including related legal costs, are recorded as SG&A expenses at Corporate and relate to a previously-owned U.S. manufacturing facility.

Non-GAAP Reconciliations

Modine Manufacturing Company
Segment adjusted financial results (unaudited)
(In millions)

	Three months ended September 30, 2023				Three months ended September 30, 2022			
	Climate Solutions	Performance Technologies	Corporate and eliminations	Total	Climate Solutions	Performance Technologies	Corporate and eliminations	Total
Operating income	$ 44.6	$ 33.6	$ (12.5)	$ 65.7	$ 32.7	$ 16.3	$ (12.2)	$ 36.8
Depreciation and amortization expense	5.5	8.2	0.3	14.0	5.4	7.7	0.3	13.4
Restructuring expenses [a]	0.3	0.2	-	0.5	0.3	0.3	-	0.6
Environmental charges [a]	-	-	1.0	1.0	-	-	0.3	0.3
Adjusted EBITDA	$ 50.4	$ 42.0	$ (11.2)	$ 81.2	$ 38.4	$ 24.3	$ (11.6)	$ 51.1
Net sales	$ 275.8	$ 351.7	$ (7.0)	$ 620.5	$ 255.9	$ 330.0	$ (7.1)	$ 578.8
Adjusted EBITDA margin	18.3%	11.9%		13.1%	15.0%	7.4%		8.8%

	Six months ended September 30, 2023				Six months ended September 30, 2022			
	Climate Solutions	Performance Technologies	Corporate and eliminations	Total	Climate Solutions	Performance Technologies	Corporate and eliminations	Total
Operating income	$ 88.9	$ 65.6	$ (22.3)	$ 132.2	$ 59.7	$ 23.7	$ (21.0)	$ 62.4
Depreciation and amortization expense	10.9	16.3	0.5	27.7	10.8	15.9	0.6	27.3
Restructuring expenses [a]	0.3	0.2	-	0.5	0.3	1.8	-	2.1
Environmental charges [a]	-	-	1.2	1.2	-	-	1.4	1.4
Adjusted EBITDA	$ 100.1	$ 82.1	$ (20.6)	$ 161.6	$ 70.8	$ 41.4	$ (19.0)	$ 93.2
Net sales	$ 547.6	$ 710.6	$ (15.3)	$ 1,242.9	$ 500.3	$ 634.3	$ (14.8)	$ 1,119.8
Adjusted EBITDA margin	18.3%	11.6%		13.0%	14.2%	6.5%		8.3%

[a] See the adjusted financial results on slide 14 for additional information regarding these adjustments.

Non-GAAP Reconciliations

Modine Manufacturing Company
Free cash flow (unaudited)
(In millions)

	Three months ended September 30,		Six months ended September 30,	
	2023	2022	**2023**	2022
Net cash provided by operating activities	**$ 69.1**	$ 41.6	**$ 110.8**	$ 56.1
Expenditures for property, plant and equipment	**(11.1)**	(12.6)	**(26.2)**	(23.0)
Free cash flow	**$ 58.0**	$ 29.0	**$ 84.6**	$ 33.1

Net debt (unaudited)
(In millions)

	September 30, 2023	June 30, 2023	March 31, 2023
Debt due within one year	**$ 19.7**	$ 27.7	$ 23.4
Long-term debt	**322.9**	330.0	329.3
Total debt	**342.6**	357.7	352.7
Less: cash and cash equivalents	**120.2**	92.5	67.1
Net debt	**$ 222.4**	$ 265.2	$ 285.6

Non-GAAP Reconciliations

The Company's fiscal 2024 guidance includes Adjusted EBITDA, which is a non-GAAP financial measure. The full-year fiscal 2024 guidance for Adjusted EBITDA is based upon the Company's estimates for interest expense of approximately $23 to $25 million, a provision for income taxes of approximately $49 to $55 million, and depreciation and amortization expense of approximately $56 to $60 million. Adjusted EBITDA also excludes certain cash and non-cash expenses or gains. These expenses and gains may be significant and include items such as restructuring expenses (including severance costs and plant consolidation and relocation expenses), impairment charges and certain other items. These expenses for the first six months of fiscal 2024 are presented on slide 14. Estimates of these expenses and gains for the remainder of fiscal 2024 are not available due to the low visibility and unpredictability of these items.