



# INVESTOR PRESENTATION

November 2024



# Forward-Looking Statements

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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, 2024 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 quarters ended June 30, 2024 and September 30, 2024. 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, logistical disruptions, 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, changes in interest rates, 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, public health threats, and military conflicts, including the current conflicts in Ukraine and in the Middle East and heightened tensions in the Red Sea; the overall health and pricing focus of our customers; 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 be at the forefront of technological advances and the impacts of any changes in the adoption rate of technologies that we expect to drive sales growth; 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 (“IT”) systems; the impact of a material weakness identified in our internal controls related to IT system access in Europe on our financial reporting process; 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.

## OUR VISION

Always evolving our portfolio of products in pursuit of highly engineered, mission-critical thermal solutions

## OUR PURPOSE

Engineering A Cleaner, Healthier World™

## OUR MISSION



Reduce Water & Energy Consumption



Lower Harmful Emissions



Enable Cleaner Running Vehicles



Use Environmentally Friendly Refrigerants



Improve Indoor Air Quality

## OUR VALUES

Integrity Committed

People Centric

Technology Driven

Results Oriented

Team Focused

# Modine At-a-Glance

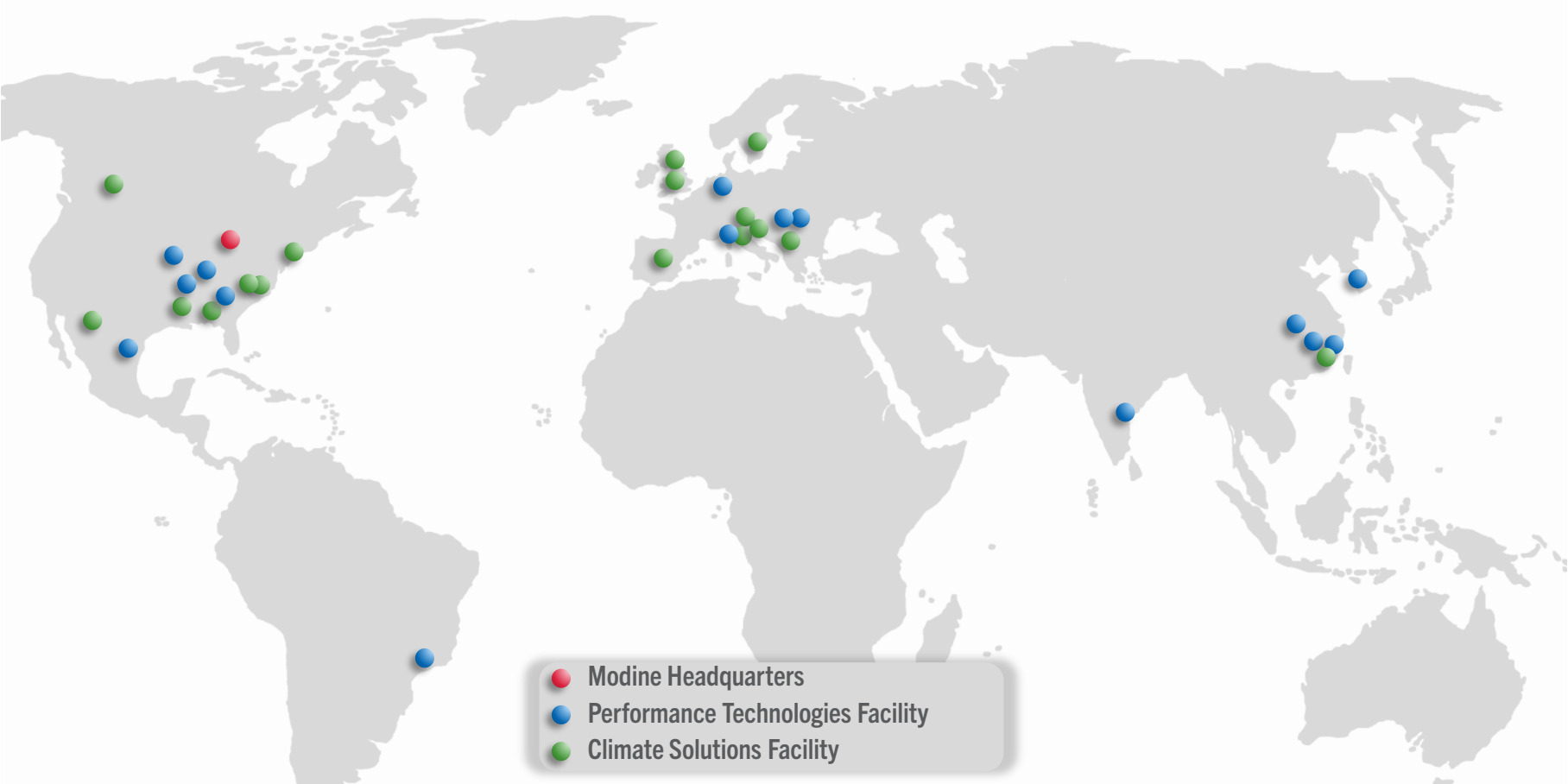
**\$2.4B** FY2024 Sales

**\$314M** FY2024 Adjusted EBITDA

**38** Manufacturing Facilities in 14 Countries<sup>1</sup>

Americas: 16  
Europe: 15  
Asia: 7

**~11,400** Employees



Positioned for Growth with Strong Product Portfolio and Global Footprint



<sup>1</sup>As of March 31, 2024, excludes Coatings locations  
See appendix for Non-GAAP reconciliations

# Business Segments and Product Groups

## PERFORMANCE TECHNOLOGIES



 **Air-Cooled Applications**

Air-cooled heat exchangers for vehicular, stationary power and industrial applications



 **Liquid-Cooled Applications**

Liquid-cooled heat exchangers for engine, stationary power, industrial and residential applications



 **Advanced Solutions**

Thermal systems and components for electric vehicles designed to fit any chassis

## CLIMATE SOLUTIONS



 **Heat Transfer Products**

Heat exchangers for a variety of HVAC&R applications and anti-corrosive coatings



 **HVAC&R**

Heating, ventilation, air conditioning and refrigeration systems for commercial, education, industrial and select residential applications



 **Data Centers**

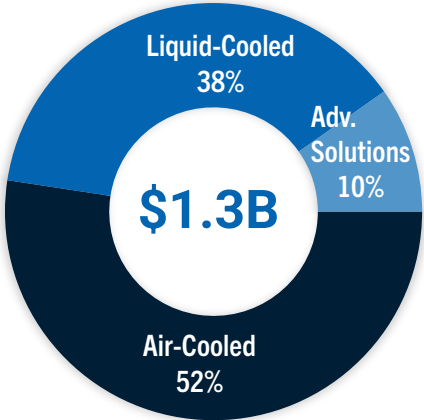
Software-optimized free cooling solutions that help save water and energy through intelligent controls, and use environmentally friendly refrigerants

# Performance Technologies

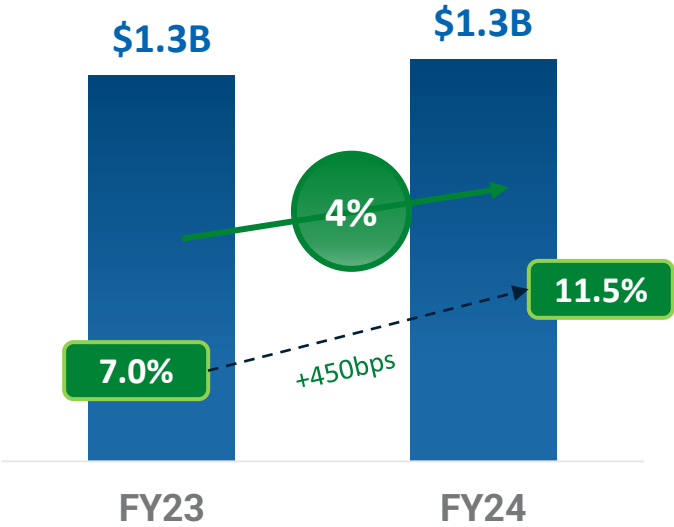
Performance Technologies provides engineered products and solutions that enhance fuel economy, minimize harmful emissions and increase reliability in harsh environments

## Performance Technologies' Product Groups

FY2024 Sales



Sales & Adjusted EBITDA Margin



**Air-Cooled Applications**

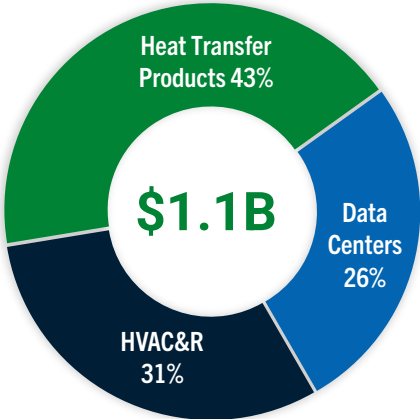
**Liquid-Cooled Applications**

**Advanced Solutions**

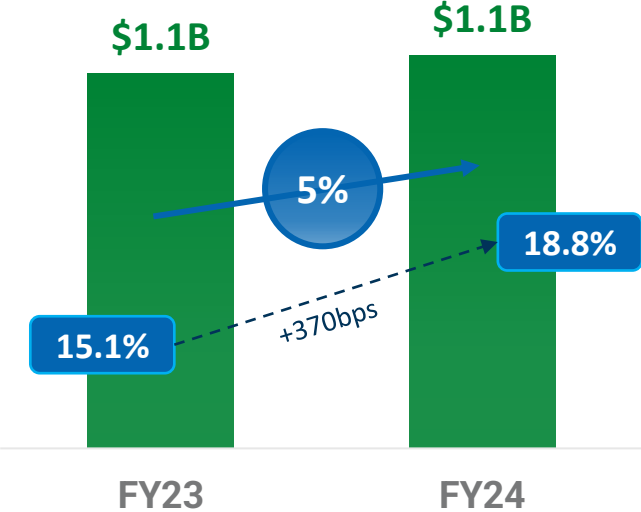
# Climate Solutions

Climate Solutions provides energy-efficient, safe, climate-controlled solutions, and components for a wide range of critical applications


FY2024 Sales



Sales & Adjusted EBITDA Margin




Climate Solutions' Product Groups





*Heat Transfer Products*






*HVAC&R*





*Data Centers*

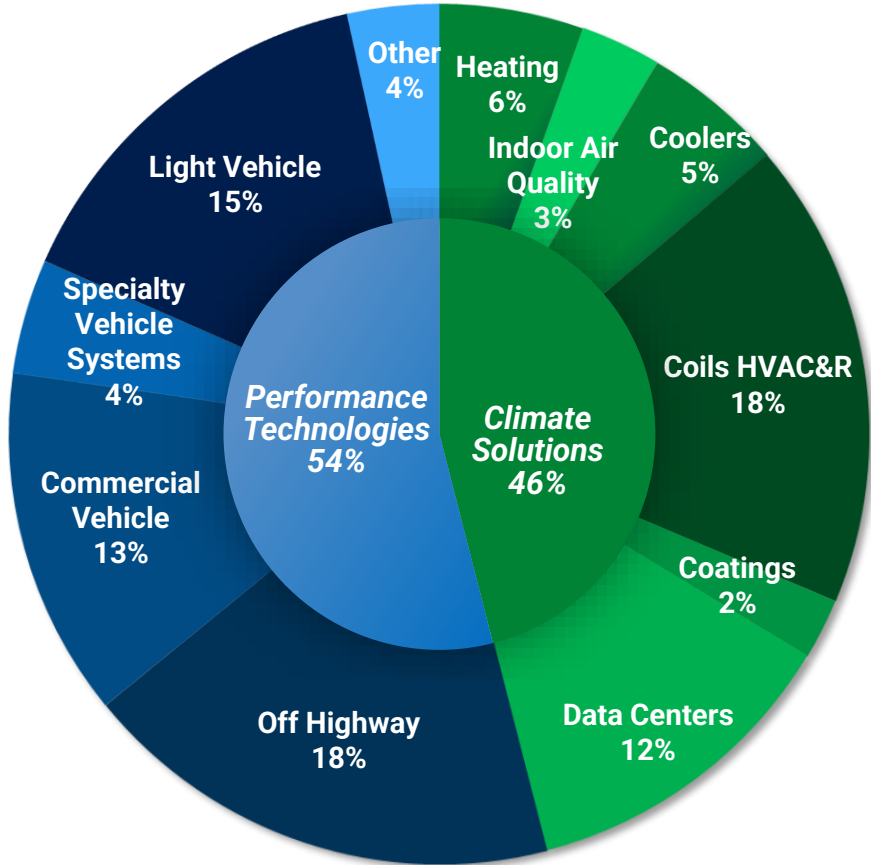
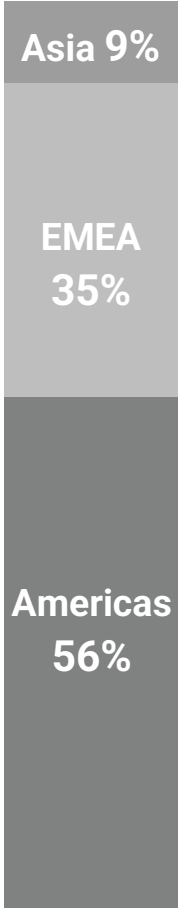
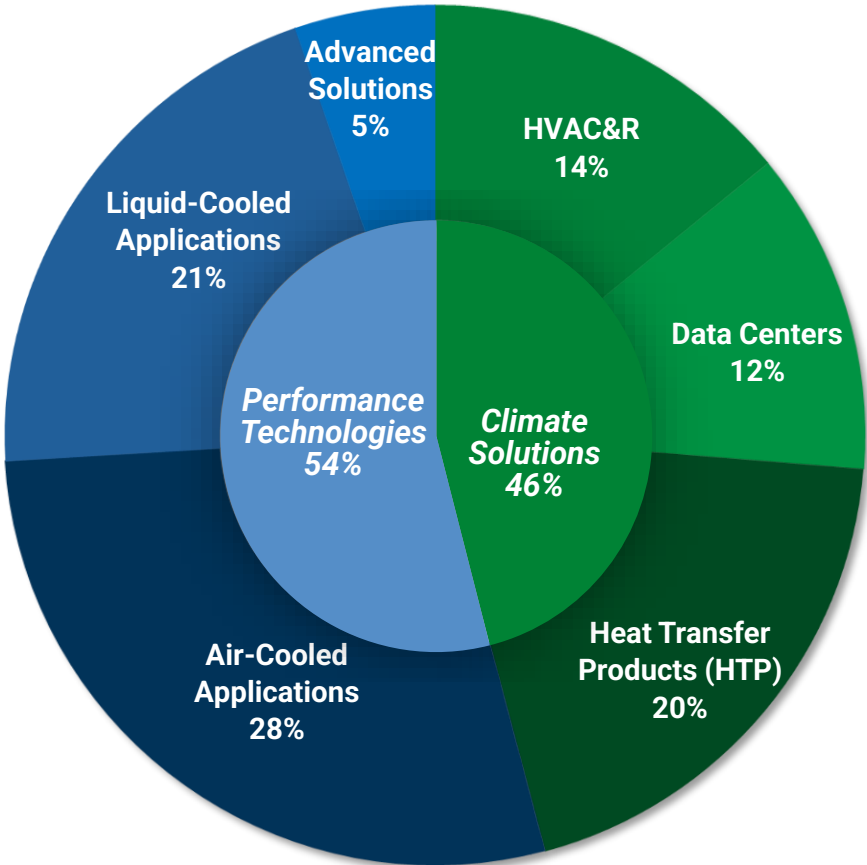


# Modine Revenue Breakdown FY2024

Segment and Product Group Revenue

Revenue by Geography

Revenue by End Market





# Strategic Pillars Driving Value Creation



Capitalizing on our **deep expertise in thermal management** to deliver differentiated solutions and sustained market leadership



Leveraging our portfolio of **highly engineered, mission-critical thermal solutions** to accelerate growth



Entering a **multi-year growth cycle** powered by **multiple secular mega-trends**



**Elevating our 80/20 discipline** by influencing daily decision-making and strategic resource and capital allocation



**Evolving our portfolio to compound shareholder value** by focusing on high-growth, high-margin businesses for sustainable growth and returns



# Secular Mega-Trends Driving Long-Term Growth



## High-Performance Computing

Rapid expansion of AI fueling explosive data center growth, with commensurate need for cooling solutions



## Global Emission Standard Regulations

Provide thermal components and systems to shift to low-carbon energy solutions driving demand for cleaner, more efficient thermal management



## Electrification

Solving the critical thermal transition to zero-emission mobility with smart electric components and technology



## Low Global Warming Potential Refrigerant Regulations

Tighter regulation of refrigerants driving demand for new, higher performing equipment



## Clean, Healthy Indoor Air Quality

Growing emphasis on health and safety in schools, and public buildings driving demand for clean air solutions

# Elevating Our 80/20 Discipline – From Strategy to Operations



## Decentralized Segmented Businesses

Segmented portfolio enables greater agility and improved responsiveness to customer needs



## Customer Centric Innovation

Ongoing product innovation to provide a positive experience and build long-term relationships



## Entrepreneurial Spirit

Fostering an entrepreneurial spirit to enhance accountability, agility, and responsiveness

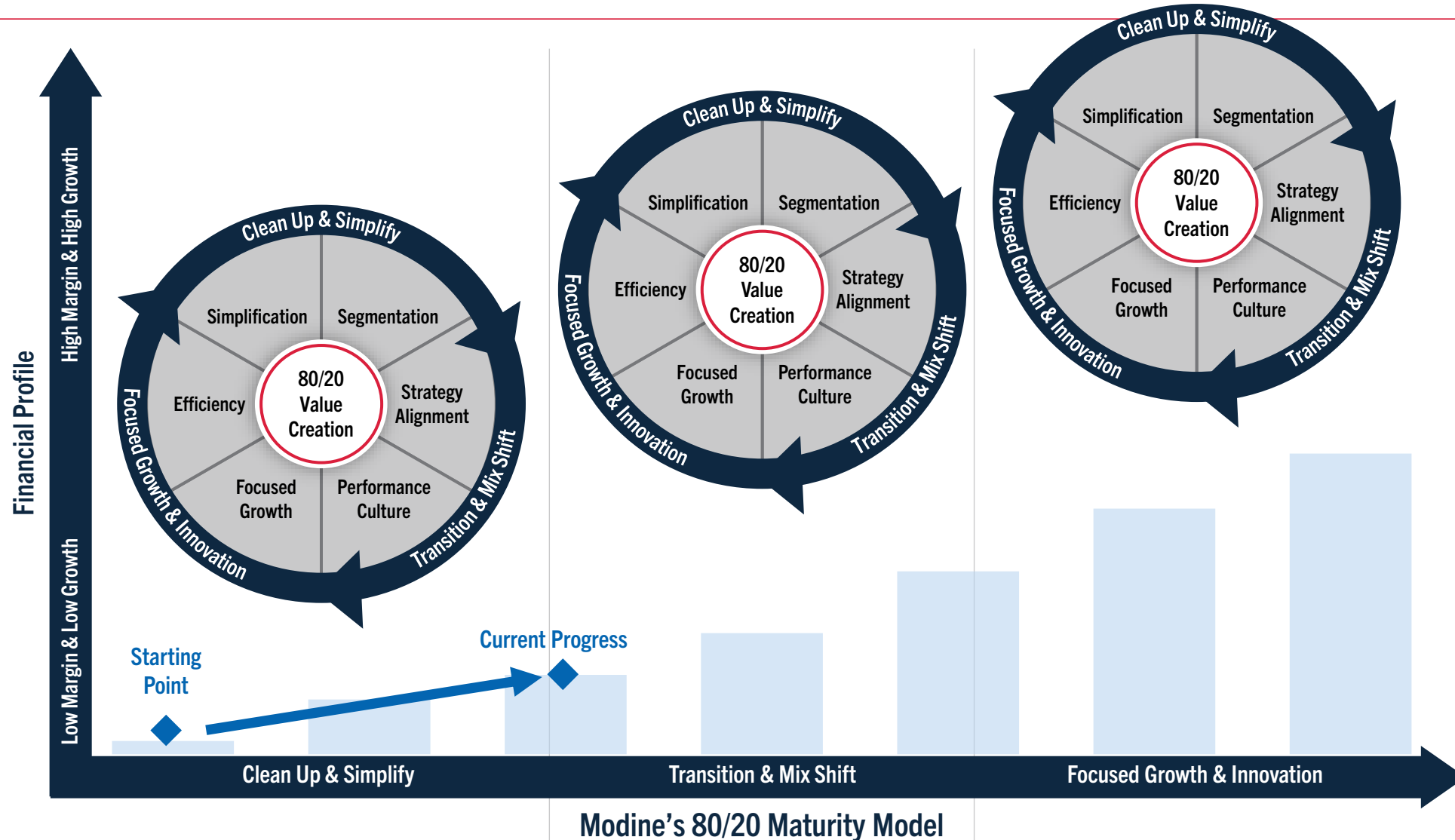


## Capital Allocation

Shifting business mix to higher-growth, higher-margin opportunities

**80/20 – The Foundation of our Transformation**

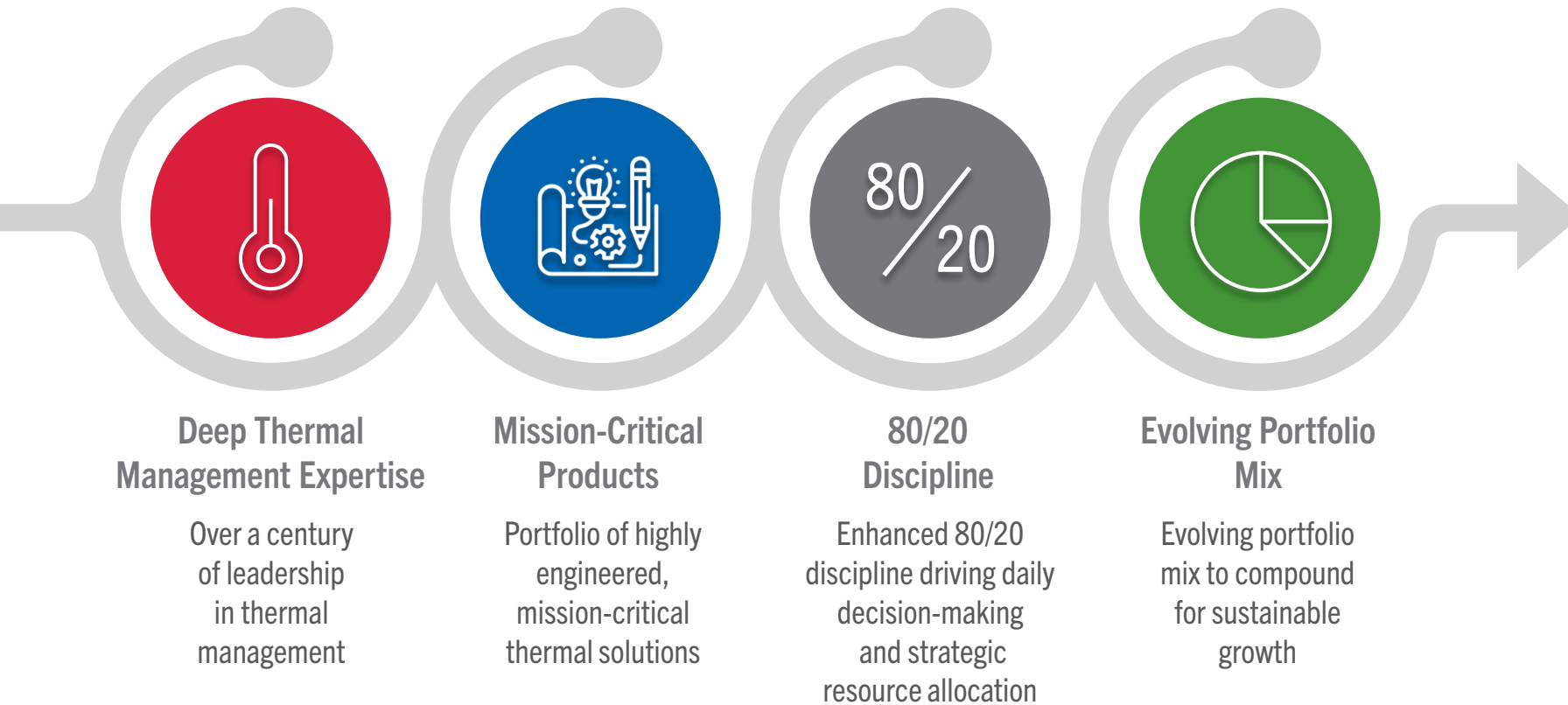
# 80/20 Drives Long-Term Improvement and Compounding



- Business portfolio will continually evolve over time, while transforming Modine's financial profile
- In early phases of 80/20 journey, with rapid improvements already achieved
- It is an evergreen process, which will increase shareholder value over an extended time horizon

# Leveraging Core Competency of Thermal Management Across High-Growth End Markets

Strategic framework drives success in all market environments...

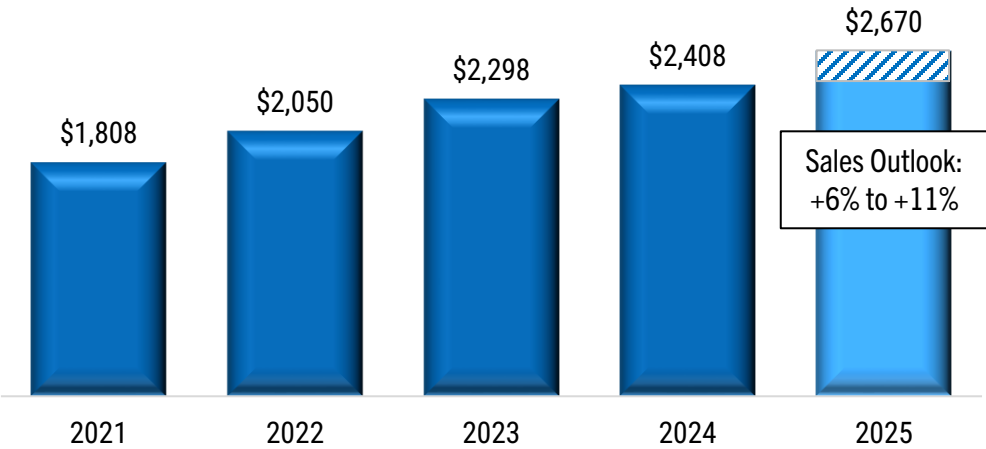


...and delivers multi-year growth powered by strong secular Mega-Trends

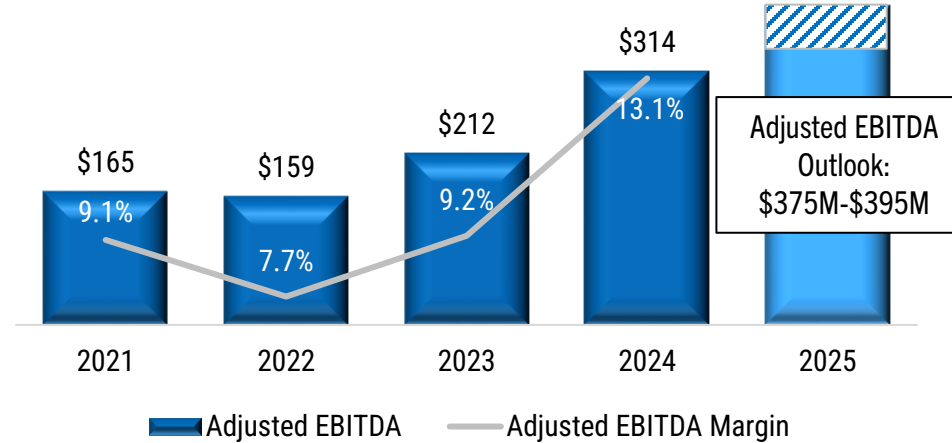
- ✓ Energy Transition
- ✓ High-Performance Computing
- ✓ Clean, Healthy Indoor Air Quality
- ✓ Zero Failure Power Needs
- ✓ Electrification

# Financial Trends

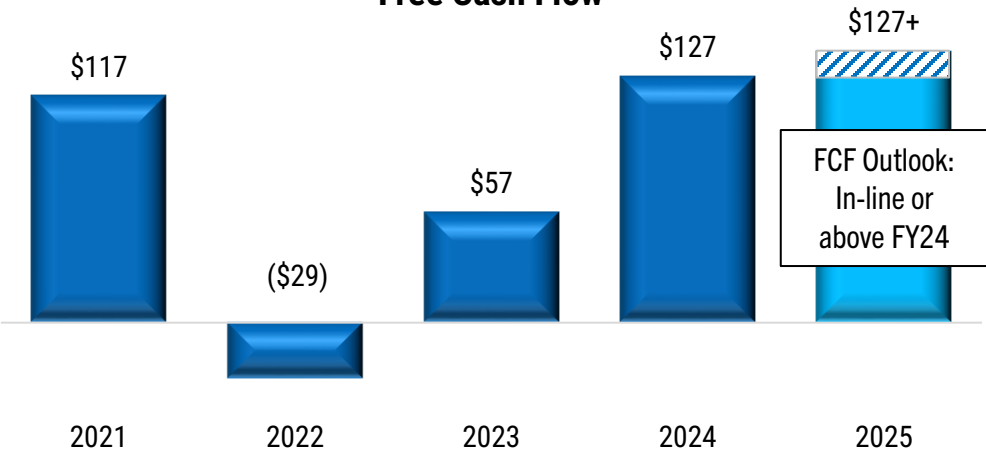
(In millions) **Revenue**



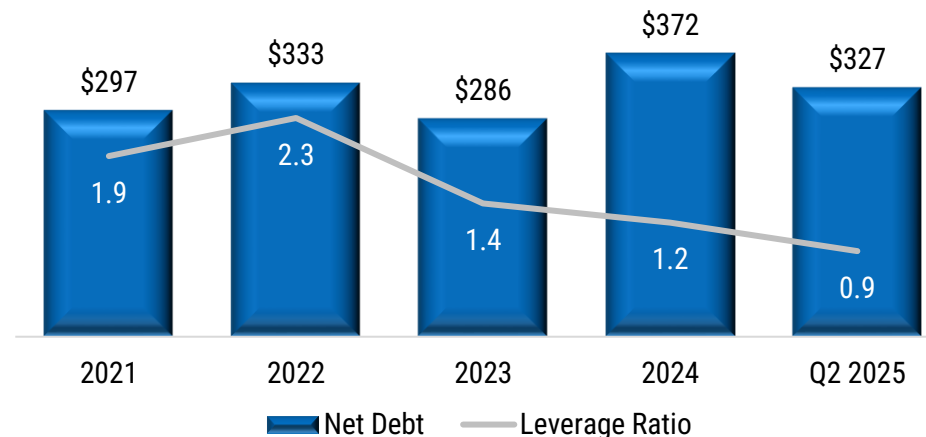
**Adjusted EBITDA and Adjusted EBITDA Margin**



**Free Cash Flow**



**Net Debt and Leverage Ratio**



- Exceeded previous financial targets and nearly doubled adjusted EBITDA since FY2022 80/20 launch
- Strong record of financial performance with 540 bps improvement in adjusted EBITDA margin since FY2022
- Current year outlook indicates another record year of revenue and adjusted EBITDA
- Improving free cash flow drives strong balance sheet with ample liquidity for organic and inorganic investment

# New FY27 Financial Targets

**10% – 13%**

FY24 – FY27  
Revenue CAGR

**16% – 18%\***

Adjusted EBITDA  
Margin

- ▶ Accelerate targeted growth through strategic resource and capital allocation
- ▶ Complete exit of non-strategic businesses
- ▶ Pursue new market opportunities
- ▶ Continue mix shift with product line management powered by 80/20



# Acquisition & Divestiture Targets<sup>1</sup>

Acquired Revenue: **\$200M-\$400M**

Margin & Earnings: **Year one accretive**

Business Exits/Divestitures: **~ \$300M**

Target Leverage Range: **1.0x-2.5x**

Fiscal 2027 financial targets do not include incremental acquisitions

#### Maximum Leverage

Flexible debt covenants support post-acquisition leverage of 3.00-3.25x, would plan to de-leverage to the target range within the first year



# Compelling Long-Term Investment Opportunity



Capitalizing on our **deep expertise in thermal management** to deliver differentiated solutions and sustained market leadership



Leveraging our portfolio of **highly engineered, mission-critical thermal solutions** to accelerate growth



Entering a **multi-year growth cycle** powered by **multiple secular mega-trends**

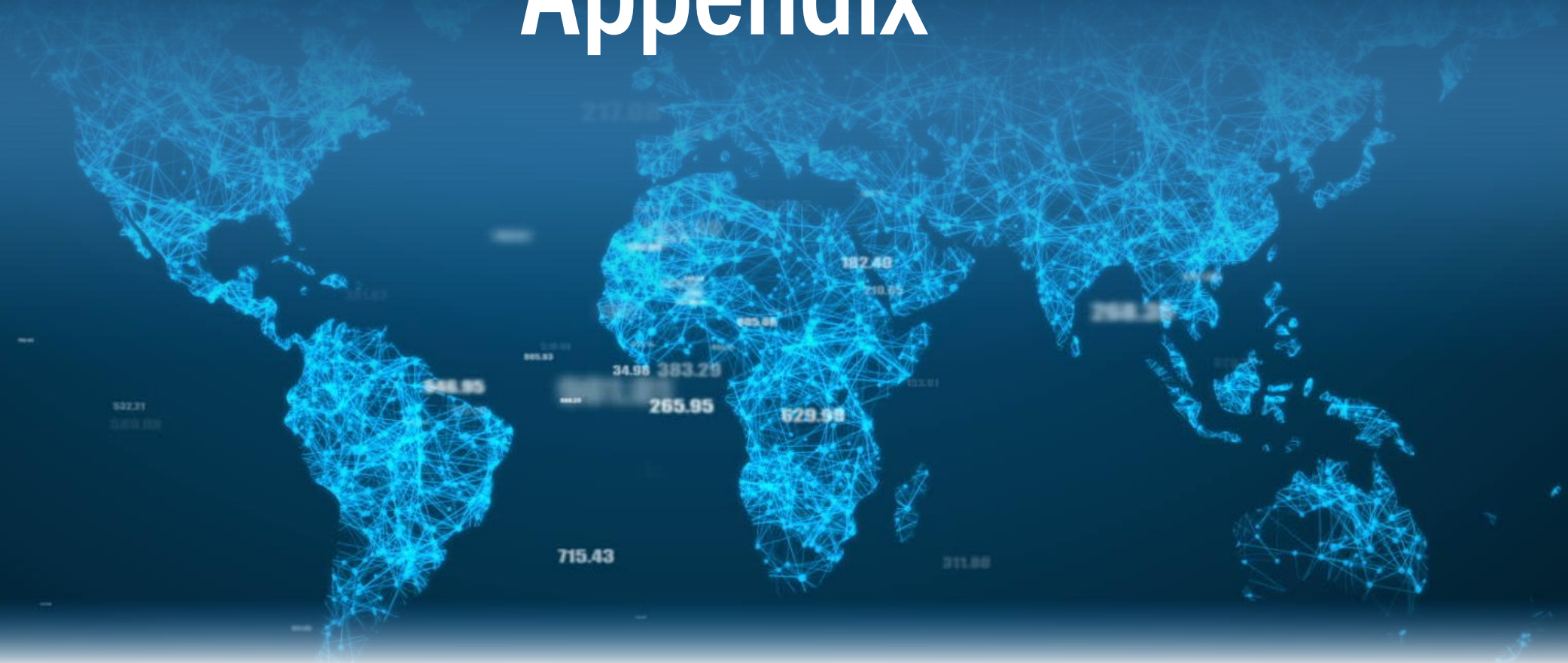
80/20

**Elevating our 80/20 discipline** by influencing daily decision-making and strategic resource and capital allocation



**Evolving our portfolio to compound shareholder value** by focusing on high-growth, high-margin businesses for sustainable growth and returns

# Appendix



# Performance Technologies Re-segmentation Effective FY26

## CURRENT PRODUCT GROUPS

### AIR-COOLED PRODUCTS

**\$702M FY24 Sales**

- AC- Auto
- AC- Commercial Vehicle
- AC- Off-Highway
- AC- GenSets

### LIQUID-COOLED PRODUCTS

**\$492M FY24 Sales**

- LC- Auto
- LC- Commercial Vehicle
- LC- Off-Highway

### ADVANCED SOLUTIONS

**\$127M FY24 Sales**

- EV Systems
- EV Auto
- Specialty Vehicle Systems

## NEW PRODUCT GROUPS

### HEAVY-DUTY EQUIPMENT

**\$546M FY24 Sales**

- Off-Highway
- GenSets

### ON-HIGHWAY APPLICATIONS

**\$705M FY24 Sales**

- Automotive (ICE and EV)
- Commercial Vehicle

### E-MOBILITY

**\$70M FY24 Sales**

- EV Systems (Specialty and Commercial Vehicles)
- Specialty Vehicle Systems (ICE)

# Climate Solutions Re-segmentation Effective FY26

CURRENT PRODUCT GROUPS	<b>HEAT TRANSFER PRODUCTS</b> <b>\$473M FY24 Sales</b> <ul style="list-style-type: none"> <li>• OE and Aftermarket Coils</li> <li>• Anti-Corrosive Coatings</li> </ul>	<b>HVAC&amp;R</b> <b>\$341M FY24 Sales</b> <ul style="list-style-type: none"> <li>• Heating Products</li> <li>• Refrigeration Coolers</li> <li>• School IAQ</li> <li>• Commercial IAQ</li> </ul>	<b>DATA CENTERS</b> <b>\$294M FY24 Sales</b> <ul style="list-style-type: none"> <li>• Data Center Cooling Products</li> <li>• Edge &amp; Telecom</li> </ul>
NEW PRODUCT GROUPS	<b>COILS, COOLERS &amp; COATINGS</b> <b>\$606M FY24 Sales</b> <ul style="list-style-type: none"> <li>• OE and Aftermarket Coils</li> <li>• Refrigeration Coolers</li> <li>• Anti-Corrosive Coatings</li> </ul>	<b>HEATING &amp; SCHOOL IAQ</b> <b>\$200M FY24 Sales</b> <ul style="list-style-type: none"> <li>• Heating Products</li> <li>• School IAQ</li> </ul>	<b>DATA CENTERS &amp; COMMERCIAL IAQ</b> <b>\$302M FY24 Sales</b> <ul style="list-style-type: none"> <li>• Data Center Cooling Products</li> <li>• Edge &amp; Telecom</li> <li>• Commercial IAQ</li> </ul>

# Non-GAAP Reconciliations

## Modine Manufacturing Company Adjusted EBITDA

(In millions)

	Twelve months ended March 31,			
	2024	2023	2022	2021
Net earnings (loss)	\$ 163.4	\$ 153.6	\$ 86.3	\$ (209.5)
Interest expense	24.1	20.7	15.6	19.4
Provision (benefit) from income taxes	51.2	(28.3)	15.2	90.2
Depreciation and amortization expense	56.1	54.5	54.8	68.6
Other expense - net	2.0	4.4	2.1	2.2
Restructuring expenses <sup>(a)</sup>	15.0	5.0	24.1	13.4
Impairment charges (reversals) - net <sup>(b)</sup>	-	-	(55.7)	166.8
(Gain) loss on sale of assets <sup>(c)</sup>	(4.0)	-	6.6	-
Acquisition and integration costs <sup>(d)</sup>	4.1	-	-	-
Environmental charges <sup>(e)</sup>	2.4	2.2	3.8	0.4
Strategic reorganization costs <sup>(f)</sup>	-	-	3.4	6.7
Automotive separation and exit strategy costs <sup>(g)</sup>	-	-	2.6	6.6
<b>Adjusted EBITDA</b>	<b>\$ 314.3</b>	<b>\$ 212.1</b>	<b>\$ 158.8</b>	<b>\$ 164.8</b>
Net Sales	\$ 2,407.8	\$ 2,297.9	\$ 2,050.1	\$ 1,808.4
<b>Adjusted EBITDA margin</b>	<b>13.1%</b>	<b>9.2%</b>	<b>7.7%</b>	<b>9.1%</b>

# Non-GAAP Reconciliations

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- (a) Restructuring expenses primarily consist of employee severance expenses related to targeted headcount reductions and plant consolidation activities and equipment transfer costs.
- (b) The net impairment reversal during fiscal 2022 primarily relates to the Company's liquid-cooled automotive business. In connection with the termination of an agreement to sell the business, the Company remeasured its previously impaired long-lived assets to the lower of (i) carrying value, had held for sale classification never been met, or (ii) fair value. As a result, the Company recorded a net impairment reversal of \$56.0 million during fiscal 2022. The fiscal 2021 impairment charges also primarily relate to the liquid-cooled automotive business in connection with it being classified as held for sale in fiscal 2021.
- (c) The Company sold three automotive businesses based in Germany during fiscal 2024 and, as a result, recorded a \$4.0 million gain on sale. During fiscal 2022, the Company sold its Austrian air-cooled automotive business and recorded a \$6.6 million loss on sale as a result.
- (d) On March 1, 2024, the Company acquired Scott Springfield Manufacturing, a leading provider of air handling units for the data center, telecommunications, healthcare, and aerospace markets. In addition, the Company purchased liquid immersion cooling technology from TMGcore, Inc. in January 2024. Acquisition and integration costs in fiscal 2024, recorded as SG&A expenses at Corporate, primarily include fees for i) transaction advisors, ii) legal, accounting, and other professional services, and iii) incremental costs directly associated with integration activities. In addition, the adjustment includes \$1.6 million, also recorded at Corporate, for the impact of an inventory purchase accounting adjustment. The Company wrote up acquired inventory to its estimated fair value and is charging the write-up to cost of sales as the underlying inventory is sold.
- (e) Environmental charges, including related legal costs, are recorded as SG&A expenses and relate to previously-owned U.S. manufacturing facilities.
- (f) Strategic reorganization costs, recorded as SG&A expenses at Corporate, primarily consist of severance-related expenses and professional service fees for recruiting key senior management positions and the Company's implementation of 80/20. The fiscal 2022 costs include recruiting fees for new segment vice presidents and business unit general managers and severance-related expenses for the outgoing executives as part of the transition. The fiscal 2021 costs include severance and benefit-related expenses associated with our previous CEO's separation agreement and costs directly associated with the search for his successor.
- (g) Automotive separation and exit strategy costs consist of costs directly associated with the Company's review of strategic alternatives for its automotive businesses, including costs to prepare the businesses for sale. These costs were recorded at Corporate and are primarily related to accounting, legal, and IT professional services.

# Non-GAAP Reconciliations

## Modine Manufacturing Company

### Segment adjusted financial results (unaudited)

(In millions)

	Twelve months ended March 31, 2024				Twelve months ended March 31, 2023			
	Climate Solutions	Performance Technologies	Corporate and eliminations	Total	Climate Solutions	Performance Technologies	Corporate and eliminations	Total
Operating income	\$ 178.6	\$ 111.7	\$ (49.6)	\$ 240.7	\$ 132.2	\$ 57.6	\$ (39.4)	\$ 150.4
Depreciation and amortization expense	26.5	28.7	0.9	56.1	24.7	28.8	1.0	54.5
Restructuring expenses <sup>(a)</sup>	3.0	12.0	-	15.0	2.2	2.8	-	5.0
Gain on sale of assets <sup>(a)</sup>	-	-	(4.0)	(4.0)	-	-	-	-
Acquisition and integration costs <sup>(a)</sup>	-	-	4.1	4.1	-	-	-	-
Environmental charges <sup>(a)</sup>	-	-	2.4	2.4	-	-	2.2	2.2
<b>Adjusted EBITDA</b>	<b>\$ 208.1</b>	<b>\$ 152.4</b>	<b>\$ (46.2)</b>	<b>\$ 314.3</b>	<b>\$ 159.1</b>	<b>\$ 89.2</b>	<b>\$ (36.2)</b>	<b>\$ 212.1</b>
<b>Net sales</b>	<b>\$ 1,108.1</b>	<b>\$ 1,321.3</b>	<b>\$ (21.6)</b>	<b>\$ 2,407.8</b>	<b>\$ 1,056.7</b>	<b>\$ 1,267.5</b>	<b>\$ (26.3)</b>	<b>\$ 2,297.9</b>
<b>Adjusted EBITDA margin</b>	<b>18.8%</b>	<b>11.5%</b>		<b>13.1%</b>	<b>15.1%</b>	<b>7.0%</b>		<b>9.2%</b>

<sup>(a)</sup> See the Adjusted EBITDA reconciliation on the previous two slides for information on restructuring expenses and other adjustments.

# Non-GAAP Reconciliations

## Free cash flow

(In millions)

	Twelve months ended March 31,			
	2024	2023	2022	2021
Net cash provided by operating activities	\$ 214.6	\$ 107.5	\$ 11.5	\$ 149.8
Expenditures for property, plant and equipment	(87.7)	(50.7)	(40.3)	(32.7)
<b>Free cash flow</b>	<b>\$ 126.9</b>	<b>\$ 56.8</b>	<b>\$ (28.8)</b>	<b>\$ 117.1</b>
Net Sales	\$ 2,407.8	\$ 2,297.9	\$ 2,050.1	\$ 1,808.4
<b>FCF % of Net Sales</b>	<b>5.3%</b>	<b>2.5%</b>	<b>-1.4%</b>	<b>6.5%</b>

## Net debt

(In millions)

	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021
Debt due within one year	\$ 46.3	\$ 31.7	\$ 23.4	\$ 29.4	\$ 23.3
Long-term debt	359.1	399.9	329.3	348.4	311.2
Total debt	405.4	431.6	352.7	377.8	334.5
Less: cash and cash equivalents	78.6	60.1	67.1	45.2	37.8
<b>Net debt</b>	<b>\$ 326.8</b>	<b>\$ 371.5</b>	<b>\$ 285.6</b>	<b>\$ 332.6</b>	<b>\$ 296.7</b>



# Forward-Looking Non-GAAP Financial Measures

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This presentation includes forward-looking projections of non-GAAP financial measures, including adjusted EBITDA, adjusted EBITDA margin, and free cash flow. The projections are based on management's expectations of future financial results. For example, the Company's fiscal 2025 guidance for adjusted EBITDA includes the Company's estimates for interest expense of approximately \$28 to \$30 million, a provision for income taxes of approximately \$68 to \$74 million, and depreciation and amortization expense of approximately \$78 to \$82 million. The non-GAAP financial measures also exclude certain cash and non-cash expenses or gains. These expenses and gains may be significant and include items such as restructuring expenses (including severance and equipment transfer costs), acquisition and integration costs, impairment charges and certain other items. Estimates of these expenses and gains for the remainder of fiscal 2025 and beyond are not available due to the low visibility and unpredictability of these items.