



Second Quarter Fiscal 2025

October 30, 2024





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President and Chief Executive Officer

MICK LUCARELI

Executive Vice President and Chief Financial Officer

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Vice President, Treasurer, and Investor Relations

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, 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 quarter ended June 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.

Investor Day Recap

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

FY27 Financial Targets

10% – 13%

FY24 – FY27
Revenue CAGR

16% – 18%*

Adjusted EBITDA
Margin

Climate Solutions

- Data Center revenue growth continues to exceed management expectations
 - More than doubled from prior year, including impact of the Scott Springfield Manufacturing (SSM) acquisition
- Announced launch of Modine's Cooling Distribution Unit (CDU)
 - Designed to integrate with Modine systems and controls to improve energy efficiency
 - Receiving inquiries from both colocation and hyperscale customers
- Expect initial purchase order from a third hyperscaler this quarter
- All hyperscale customers are expressing interest in our high-performance chillers, in addition to custom air handlers
- Production underway in expanded data center facilities in the UK and Canada; announcing future expansion in Chennai, India

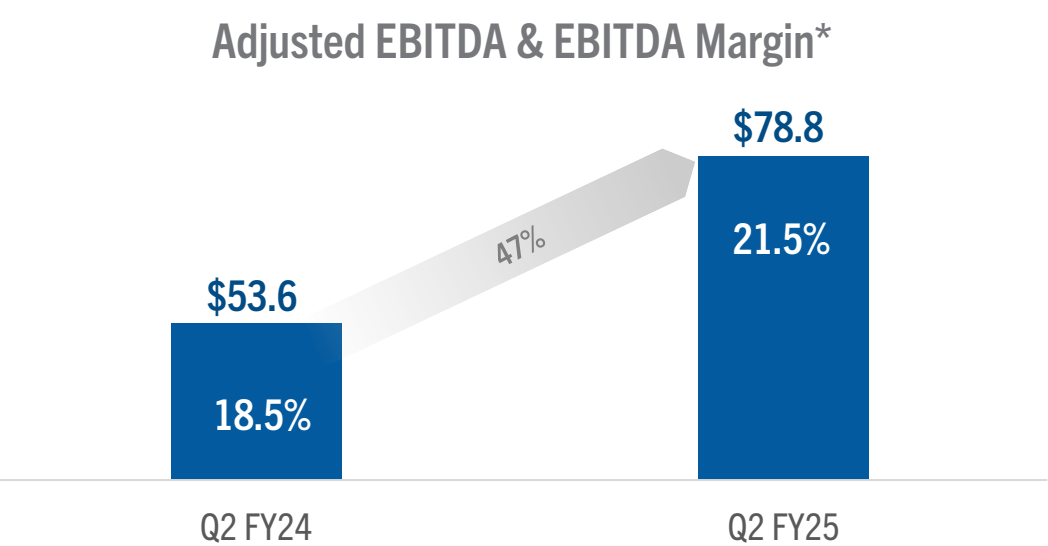
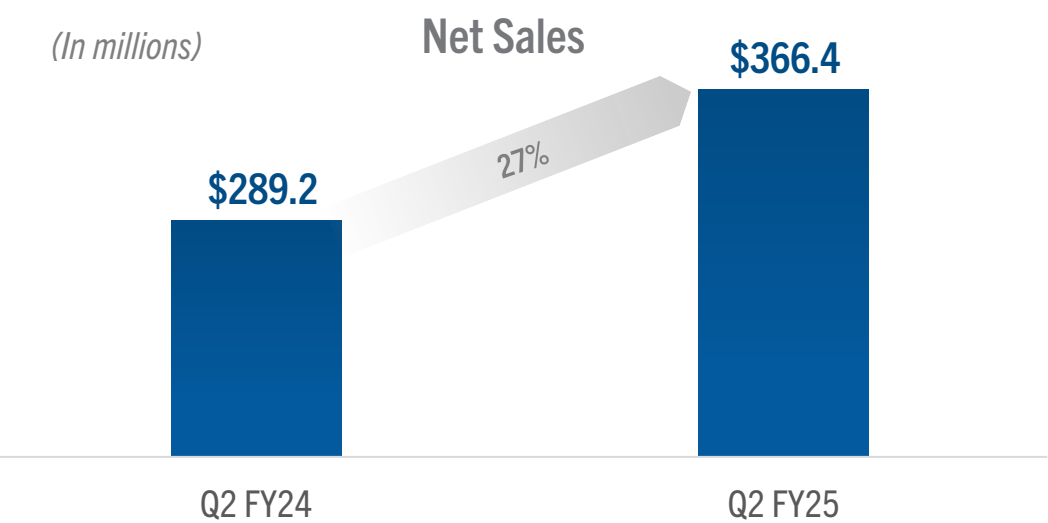


Performance Technologies

- 80/20 portfolio evolution driving another quarter of good earnings and strong margin growth
- Growth in power generation (Gensets) partially offset market-related volume declines with legacy vehicular customers
- Good sales growth in Advanced Solutions
 - Announced partnership with Gillig for battery thermal management systems and inverter cooling modules for hybrid transit buses
 - Customer engagements for EV Systems products remain strong, with increased inquiries from European customers
- 80/20 culture helping to mitigate impact of volume challenges, implementing countermeasures to manage costs and improve mix



Climate Solutions



- ↑ 102% Data Centers**
 - Strong growth from the SSM acquisition and organic DC growth driven by NA hyperscale and colocation customers
- ↑ 14% HVAC&R**
 - Growth driven by Indoor Air Quality sales from the SSM acquisition and refrigeration coolers
- ↓ -13% Heat Transfer Products**
 - Lower sales to heat pump customers in Europe, along with commercial and residential HVAC customers

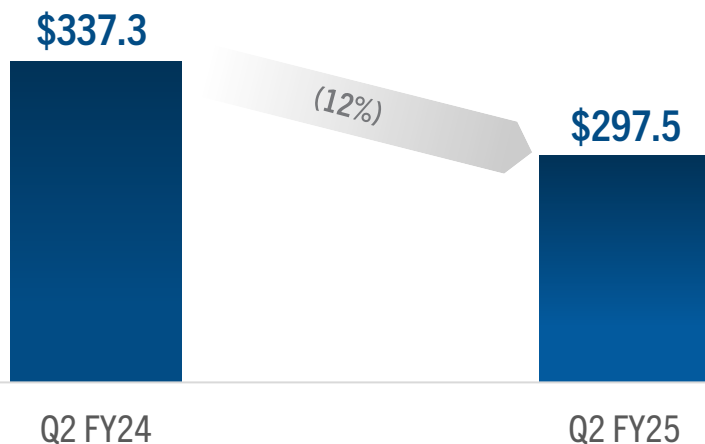
- Strong earnings conversion from an improved sales mix and commercial settlements, resulting in a 300 bps Adjusted EBITDA margin improvement
- 80/20 discipline remains at the heart of margin improvement
- Acquisitions performing well; \$53 million of revenue contributed by SSM
- Outlook remains strong in targeted markets, particularly for data centers

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

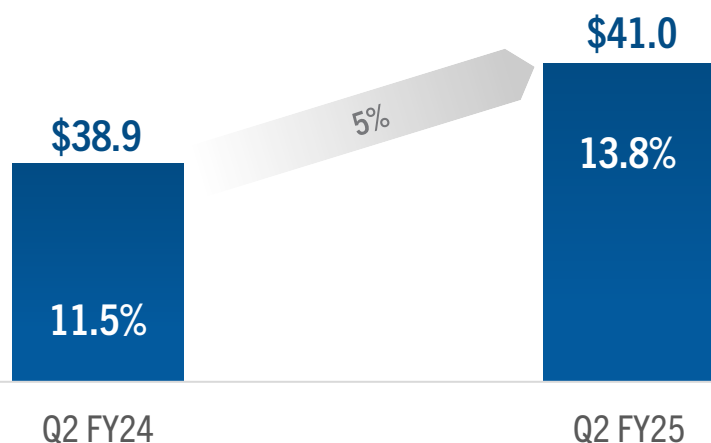
Performance Technologies

(In millions)

Net Sales



Adjusted EBITDA & EBITDA Margin*



18%

Advanced Solutions

- Higher sales of EV systems to specialty vehicle and bus customers



-22%

Liquid-Cooled Applications

- Prior year divestitures and lower demand across auto, commercial vehicle (CV) and off-highway (OH) markets



-10%

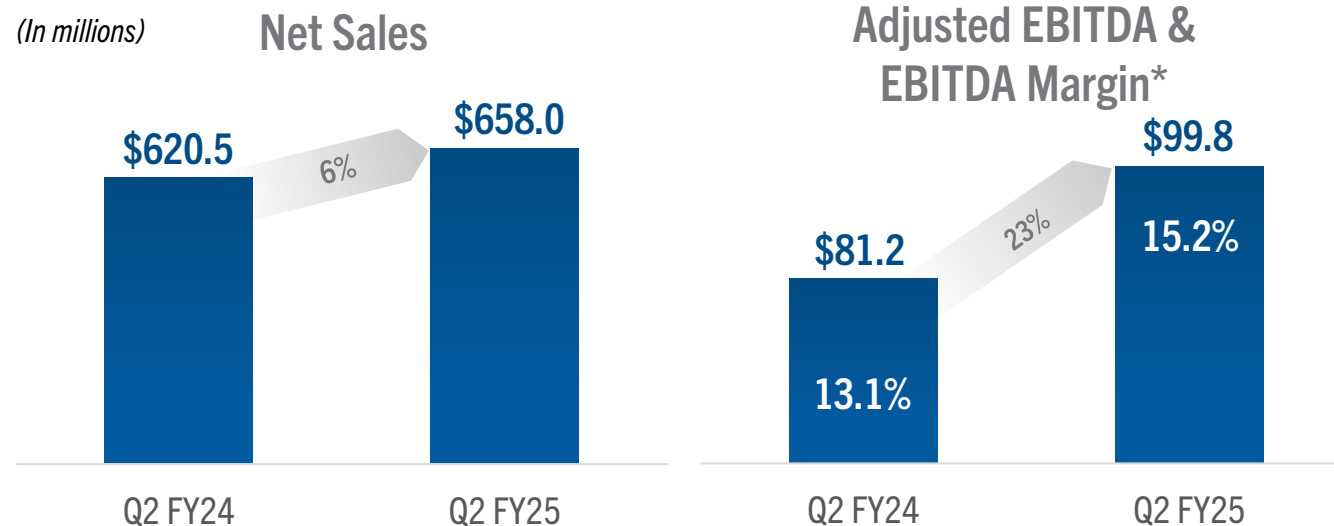
Air-Cooled Applications

- 29% increase in Genset sales, offset by prior year divestitures and lower CV and OH market demand

- Revenue impacted by prior year divestitures, along with general market weakness; organic sales decreased 5%
- Segment driving higher earnings and margins despite soft market conditions
- Excellent earnings conversion on revenue challenges, with 230 bps improvement in Adjusted EBITDA margin; further validating the benefit of our 80/20 discipline

Financial Review

(In millions)	Q2 FY25	Q2 FY24
Net Sales	\$658.0	\$620.5
Gross Profit	165.6	135.1
% of net sales	25.2%	21.8%
SG&A expenses	85.8	68.9
% of net sales	13.0%	11.1%
Operating Income	75.3	65.7
% of net sales	11.4%	10.6%
Adjusted EBITDA*	99.8	81.2
% of net sales	15.2%	13.1%
Adjusted EPS*	\$0.97	\$0.89



- Sales improvement driven by data center growth and acquisitions; partially offset by \$22M of divestitures, lower demand in PT markets, and planned 80/20 initiatives
- Strong conversion with 340 bps gross margin improvement driven by favorable sales mix, including the SSM acquisition, and numerous 80/20 initiatives
- Increased SG&A from the SSM acquisition, including higher amortization expense, and increased compensation expenses
- Excellent Adjusted EBITDA growth of 23%, along with a 210 bps margin improvement

Cash Flow and Metrics

Cash Flow and Metrics	Q2 FY25 YTD
Free Cash Flow	\$58 million
Net Debt (as of September 30)	\$327 million
Leverage Ratio (as of September 30)	0.9x
Capital Expenditures	\$40 million

Modine Maintains Strong Balance Sheet & Liquidity

- Strong free cash flow in the quarter; \$44M
- Net debt decreased \$45M YTD; decreased \$36M during the quarter
- Leverage ratio decreased from 1.1x to 0.9x
- Balance sheet remains strong to support both organic growth and acquisition initiatives

Fiscal 2025 Outlook

Metrics	Guidance	Comments
Net Sales	+6% to +11%	\$2.55B to \$2.67B
Adjusted EBITDA*	\$375M to \$395M	+19% to +26%
Adjusted EPS*	\$3.65 to \$3.95	+12% to +22%

Holding the Financial Outlook After a Strong First Half

- Holding the full year sales and earnings outlook, including approximately \$5 million of net benefits in Q2 that were previously forecasted in the 2H25
- Overall revenue outlook for Climate Solutions improving for Data Centers and HVAC&R; offsetting lower expectations for Heat Transfer Products
- Adjusting Performance Technologies revenue outlook to reflect on-going weakness in commercial vehicle, off-highway and automotive markets
- Forecasting another year of rapid Adjusted EBITDA growth and record results following a strong 1H25
- Anticipating strong free cash flow, in-line with or above fiscal 2024

FY25 Modine Global Sales Outlook	
Climate Solutions	
Data Centers	+100% – 110%
HVAC & Refrigeration	+15% – 25%
Heat Transfer Products	(15%) – (5%)
Performance Technologies	
Advanced Solutions	+10% – 15%
Liquid-Cooled Applications	(20%) – (10%)
Air-Cooled Applications	(10%) – Flat

Appendix

GAAP Income Statement

Modine Manufacturing Company
Consolidated statements of operations (unaudited)
(In millions)

	Three months ended September 30,		Six months ended September 30,	
	2024	2023	2024	2023
Net sales	\$ 658.0	\$ 620.5	\$ 1,319.5	\$ 1,242.9
Cost of sales	492.4	485.4	991.3	979.9
Gross profit	165.6	135.1	328.2	263.0
Selling, general & administrative expenses	85.8	68.9	168.6	130.3
Restructuring expenses	4.5	0.5	9.9	0.5
Operating income	75.3	65.7	149.7	132.2
Interest expense	(7.4)	(6.1)	(14.9)	(12.0)
Other (expense) income – net	(1.5)	0.1	(1.8)	(0.5)
Earnings before income taxes	66.4	59.7	133.0	119.7
Provision for income taxes	(20.0)	(12.8)	(38.8)	(27.5)
Net earnings	46.4	46.9	94.2	92.2
Net earnings attributable to noncontrolling interest	(0.3)	(0.4)	(0.8)	(0.9)
Net earnings attributable to Modine	\$ 46.1	\$ 46.5	\$ 93.4	\$ 91.3

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,	
	2024	2023	2024	2023
Net earnings	\$ 46.4	\$ 46.9	\$ 94.2	\$ 92.2
Interest expense	7.4	6.1	14.9	12.0
Provision for income taxes	20.0	12.8	38.8	27.5
Depreciation and amortization expense	20.0	14.0	39.1	27.7
Other expense (income) – net	1.5	(0.1)	1.8	0.5
Restructuring expenses ^(a)	4.5	0.5	9.9	0.5
Acquisition and integration costs ^(b)	—	—	1.9	—
Environmental charges ^(c)	—	1.0	0.1	1.2
Adjusted EBITDA	\$ 99.8	\$ 81.2	\$ 200.7	\$ 161.6
Net earnings per share attributable to Modine shareholders - diluted	\$ 0.86	\$ 0.87	\$ 1.73	\$ 1.72
Restructuring expenses ^(a)	0.07	0.01	0.17	0.01
Acquisition and integration costs ^(b)	0.04	—	0.11	—
Environmental charges ^(c)	—	0.01	—	0.01
Adjusted earnings per share	\$ 0.97	\$ 0.89	\$ 2.01	\$ 1.74

Non-GAAP Reconciliations

- (a) Restructuring expenses primarily consist of employee severance expenses in Europe within the Performance Technologies segment and equipment transfer costs. The tax benefit related to restructuring expenses during the second quarter of fiscal 2025 and fiscal 2024 was \$0.4 million and \$0.1 million, respectively. The tax benefit related to restructuring expenses during the first six months of fiscal 2025 and fiscal 2024 was \$0.8 million and \$0.1 million, respectively.
- (b) 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. The adjustment in fiscal 2025 includes \$1.6 million recorded at Corporate for the impact of an inventory purchase accounting adjustment. The Company wrote up acquired inventory to its estimated fair value and charged the write-up to cost of sales as the underlying inventory was sold. The fiscal 2025 costs also include fees for accounting and legal professional services and incremental costs directly associated with integration activities. In addition, for purposes of calculating adjusted EPS, the Company also adjusted for \$5.3 million of incremental amortization expense recorded in the Climate Solutions segment during the first six months of fiscal 2025 associated with an acquired order backlog intangible asset, which will be substantially amortized by the end of fiscal 2025. The tax benefit related to the acquisition related costs and adjustments for the second quarter and first six months of fiscal 2025 was \$0.6 million and \$1.6 million, respectively.
- (c) Environmental charges, including related legal costs, are recorded as SG&A expenses at Corporate and relate to previously-owned facilities.

Non-GAAP Reconciliations

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

	Three months ended September 30, 2024				Three months ended September 30, 2023			
	Climate Solutions	Performance Technologies	Corporate and eliminations	Total	Climate Solutions	Performance Technologies	Corporate and eliminations	Total
Operating income	\$ 64.7	\$ 30.8	\$ (20.2)	\$ 75.3	\$ 47.1	\$ 31.2	\$ (12.6)	\$ 65.7
Depreciation and amortization expense	12.6	7.2	0.2	20.0	6.2	7.5	0.3	14.0
Restructuring expenses ^(a)	1.5	3.0	—	4.5	0.3	0.2	—	0.5
Environmental charges ^(a)	—	—	—	—	—	—	1.0	1.0
Adjusted EBITDA	\$ 78.8	\$ 41.0	\$ (20.0)	\$ 99.8	\$ 53.6	\$ 38.9	\$ (11.3)	\$ 81.2
Net sales	\$ 366.4	\$ 297.5	\$ (5.9)	\$ 658.0	\$ 289.2	\$ 337.3	\$ (6.0)	\$ 620.5
Adjusted EBITDA margin	21.5 %	13.8 %		15.2 %	18.5 %	11.5 %		13.1 %

	Six months ended September 30, 2024				Six months ended September 30, 2023			
	Climate Solutions	Performance Technologies	Corporate and eliminations	Total	Climate Solutions	Performance Technologies	Corporate and eliminations	Total
Operating income	\$ 124.5	\$ 62.3	\$ (37.1)	\$ 149.7	\$ 95.7	\$ 58.8	\$ (22.3)	\$ 132.2
Depreciation and amortization expense	24.5	14.2	0.4	39.1	12.3	14.9	0.5	27.7
Restructuring expenses ^(a)	1.7	8.2	—	9.9	0.3	0.2	—	0.5
Acquisition and integration costs ^(a)	—	—	1.9	1.9	—	—	—	—
Environmental charges ^(a)	—	—	0.1	0.1	—	—	1.2	1.2
Adjusted EBITDA	\$ 150.7	\$ 84.7	\$ (34.7)	\$ 200.7	\$ 108.3	\$ 73.9	\$ (20.6)	\$ 161.6
Net sales	\$ 723.7	\$ 606.5	\$ (10.7)	\$ 1,319.5	\$ 575.9	\$ 680.4	\$ (13.4)	\$ 1,242.9
Adjusted EBITDA margin	20.8 %	14.0 %		15.2 %	18.8 %	10.9 %		13.0 %

^(a) See the adjusted financial results on slide 14 and related footnotes on slide 15 for additional information regarding these adjustments.

Non-GAAP Reconciliations

Modine Manufacturing Company

Net debt (unaudited)

(In millions)

	September 30, 2024	June 30, 2024	March 31, 2024
Debt due within one year	\$ 46.3	\$ 30.2	\$ 31.7
Long-term debt	359.1	405.7	399.9
Total debt	405.4	435.9	431.6
Less: cash and cash equivalents	78.6	72.9	60.1
Net debt	\$ 326.8	\$ 363.0	\$ 371.5

Free cash flow (unaudited)

(In millions)

	Three months ended September 30,		Six months ended September 30,	
	2024	2023	2024	2023
Net cash provided by operating activities	\$ 57.3	\$ 69.1	\$ 97.8	\$ 110.8
Expenditures for property, plant and equipment	(13.5)	(11.1)	(40.3)	(26.2)
Free cash flow	\$ 43.8	\$ 58.0	\$ 57.5	\$ 84.6

Non-GAAP Reconciliations

Organic sales and organic sales growth (unaudited) (In millions)

	Three months ended September 30, 2024				Three months ended September 30, 2023			
	External Sales	Effect of Exchange Rate Changes	Effect of Acquisitions	Organic Sales	External Sales	Effect of Dispositions	Sales Excluding Dispositions	Organic Sales Growth
Net sales:								
Climate Solutions	\$ 366.4	\$ (2.4)	\$ (53.4)	\$ 310.6	\$ 289.2	\$ —	\$ 289.2	7 %
Performance Technologies	291.6	2.6	—	294.2	331.3	(21.9)	309.4	(5)%
Net Sales	<u>\$ 658.0</u>	<u>\$ 0.2</u>	<u>\$ (53.4)</u>	<u>\$ 604.8</u>	<u>\$ 620.5</u>	<u>\$ (21.9)</u>	<u>\$ 598.6</u>	<u>1 %</u>
	Six months ended September 30, 2024				Six months ended September 30, 2023			
	External Sales	Effect of Exchange Rate Changes	Effect of Acquisitions	Organic Sales	External Sales	Effect of Dispositions	Sales Excluding Dispositions	Organic Sales Growth
Net sales:								
Climate Solutions	\$ 723.6	\$ (1.7)	\$ (94.5)	\$ 627.4	\$ 575.9	\$ —	\$ 575.9	9 %
Performance Technologies	595.9	6.0	—	601.9	667.0	(46.2)	620.8	(3)%
Net Sales	<u>\$ 1,319.5</u>	<u>\$ 4.3</u>	<u>\$ (94.5)</u>	<u>\$ 1,229.3</u>	<u>\$ 1,242.9</u>	<u>\$ (46.2)</u>	<u>\$ 1,196.7</u>	<u>3 %</u>

Forward-Looking Non-GAAP Financial Measures

The Company's fiscal 2025 guidance includes adjusted EBITDA and adjusted earnings per share, which are non-GAAP financial measures. The full-year fiscal 2025 guidance 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. These expenses for the first six months of fiscal 2025 are presented on slide 14. Beyond approximately \$5 million of incremental amortization expense expected to be recorded in the Climate Solutions segment for acquired order backlog intangible assets, which the Company will adjust for to calculate adjusted earnings per share, estimates of these expenses and gains for the remainder of fiscal 2025 are not available due to the low visibility and unpredictability of these items.

In addition, the Company's presentation includes a fiscal 2027 adjusted EBITDA margin target. Estimates of fiscal 2027 expenses and gains that will be adjusted for purposes of calculating this non-GAAP financial measure, such as restructuring expenses and acquisition and integration costs, are not available due to the low visibility and unpredictability of these items.