



Modine Manufacturing Company
Investor Presentation
June 2017



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,” 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, 2017 and under Forward-Looking Statements in Item 7 of Part II of that same report. Other risks and uncertainties include, but are not limited to, the following: Modine's ability to integrate the former Luvata HTS operations into Modine, to harness the anticipated synergies associated with the transaction, and to achieve projected cash flows sufficient to enable Modine to maintain a desirable leverage ratio; the overall health and price-down focus of Modine's customers, particularly in light of economic and market-specific challenges; uncertainties regarding the costs and benefits of Modine's restructuring activities; operational inefficiencies as a result of program launches, unexpected volume increases and product transfers; economic, social and political conditions, changes and challenges in the markets where Modine operates and competes, including foreign currency exchange rate fluctuations (particularly the value of the euro, Brazilian real and British pound relative to the U.S. dollar), tariffs, inflation, changes in interest rates, recession, restrictions associated with importing and exporting and foreign ownership, and in particular the economic and market conditions in Brazil and China, the remaining economic uncertainties in certain markets in North America, and the general uncertainties about the impact of potential regulatory and/or policy changes in the U.S. as a result of a change in administration, and continuing uncertainty regarding “Brexit”; the impact on Modine of any significant increases in commodity prices, particularly aluminum and copper, and our ability to pass these prices on to customers; Modine's ability to successfully execute its strategic and operational plans; the nature of and Modine's significant exposure to the vehicular industry and the dependence of this industry on the health of the economy; the concentration of sales within our CIS segment attributed to one customer, and our ability to manage troughs and take advantage of peaks; costs and other effects of environmental investigation, remediation or litigation; and other risks and uncertainties identified by the Company in public filings with the U.S. Securities and Exchange Commission. The Company does not assume any obligation to update any forward-looking statements.



Modine at a Glance

Ticker	MOD (NYSE)
Founded	1916 in Racine, WI
FY 2017 Sales	\$1.5 billion
Employees	11,200 Worldwide
Manufacturing	Locations in 16 Countries

Global Footprint: Racine, WI HQ

- Americas 48% of sales
- EMEA 43% of sales
- Asia 9% of sales

Businesses:

- Vehicular Thermal Solutions (VTS)
- Commercial & Industrial Solutions (CIS)
- Building HVAC (BHVC)

Modine Manufacturing Company has been leading the way in thermal management since 1916. We design, manufacture and test heat transfer products for a wide variety of applications and markets.

We're at work in practically every corner of the world, delivering the solutions our customers need, where they need them.



Investment Overview

Diversified industrial business with product portfolio positioned for global market trends

Focused on strong global trends of reducing vehicle emissions, improving indoor air quality and increasing energy efficiency



Improving profitability through Strengthen, Diversify and Grow initiative

Executed strategic transformation to expand operating margins and diversify customer base and end-markets



Transformational Luvata HTS acquisition

Acquisition of Luvata HTS offers expanded margin profile, growth and synergy opportunities and immediate accretion to earnings



End-Markets and Customer Profile

VTS



NAVISTAR®



DAIMLER



CATERPILLAR



JOHN DEERE

CIS



SUB ZERO

True



THERMO KING

Carrier



ABB

BHVAC



Heating



Ventilation

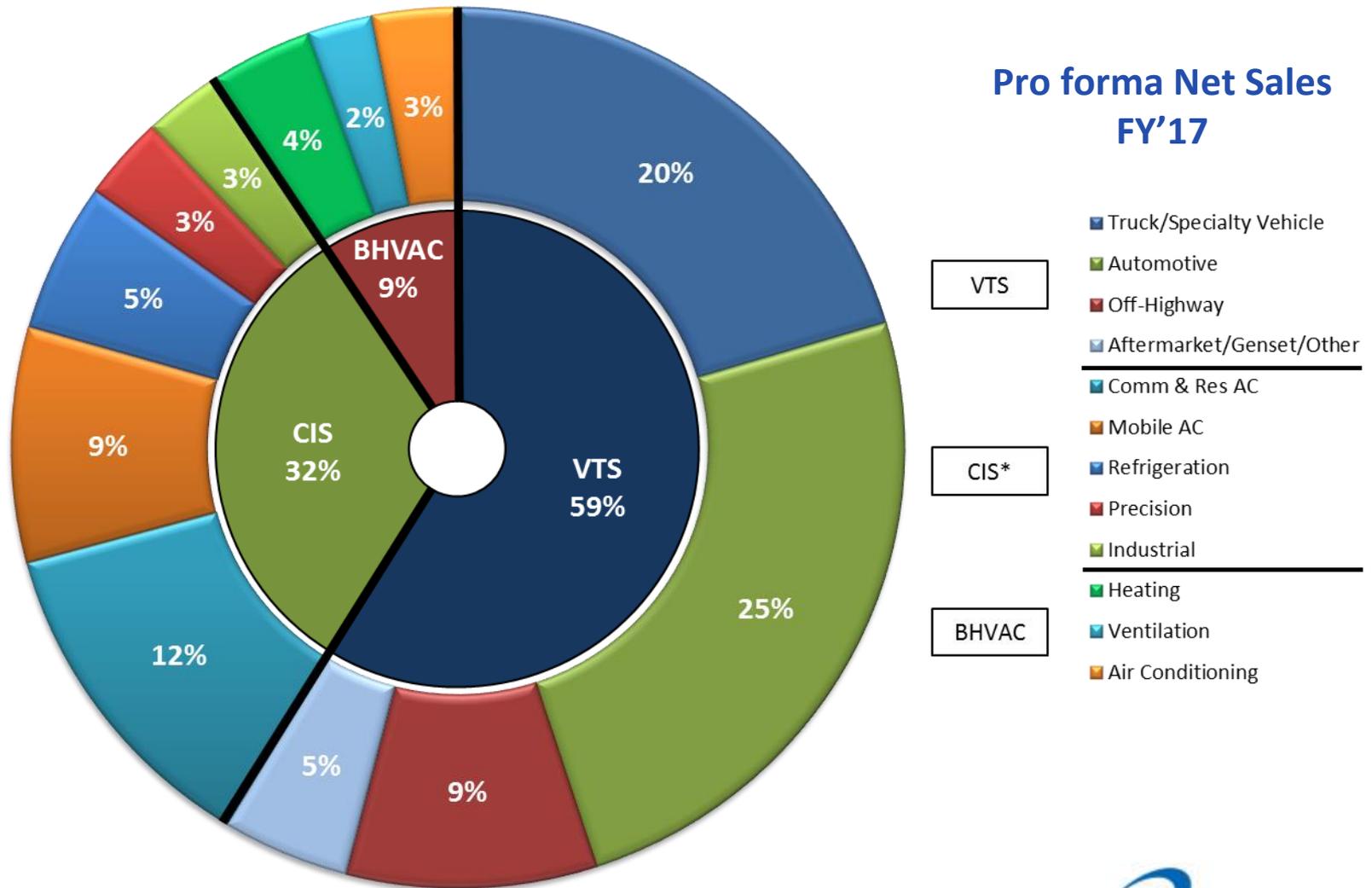


Air Conditioning



MODINE

Diverse End-Markets Profile



* Includes sales from Luvata HTS and coils sales that are reported in the America's segment.

Best-in Class Thermal Management Solutions



Vehicular Thermal Solutions (VTS)

\$1.1B (59%)

FY'17 NET SALES

- Powertrain Cooling (PTC) and Engine Product solutions
- Fuel economy requires higher efficiency and lower weight products
- New heat exchangers needed to meet emissions standards
- Customers demand global support & innovation



Commercial & Industrial Solutions (CIS)

\$604M (32%)

FY'17 PRO FORMA NET SALES*

- Growing global demand across multiple verticals:
 - AC in commercial and residential markets
 - Chilled and frozen food consumption
 - Data storage
- New regulations driving demand for energy efficiency and alternative refrigerants



Building HVAC

\$172M (9%)

FY'17 NET SALES

- Large install base, barrier to entry
- Long-term distributor relationships
- Increased focus on energy efficiency and total cost of ownership
- Demand for free-cooling and full product-line solutions

* Includes sales from Luvata HTS and coils sales that are reported in the America's segment.

Strengthen, Diversify & Grow Transformation

GOALS

- Become more diversified, global thermal management leader
- Better optimize global manufacturing and operational capabilities
- Execute global procurement project and SG&A expense reductions



SDG Transformation

Goal (Launched October 2015)

Achieve \$40-\$50 million of gross cost reductions by FY 2018

Reduce customer concentration & cyclical exposure

Acquire at least \$100 million of incremental industrial sales (Luvata HTS acquired November 2016)



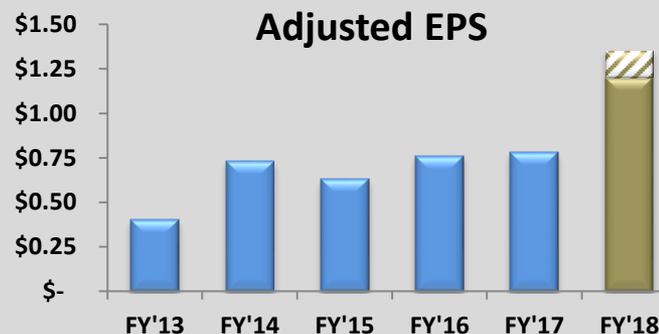
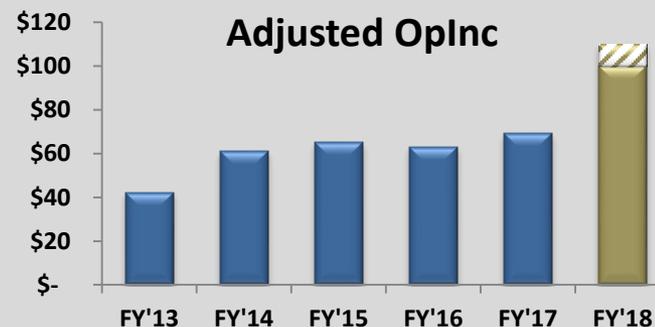
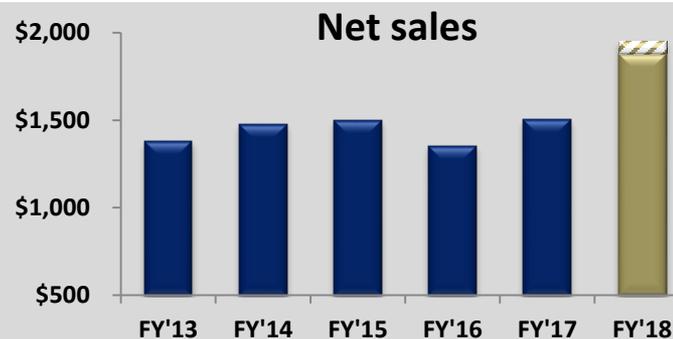
Modine Financial Results and Outlook

FY'17 Results

- Net sales up 11% to \$1.5 billion
- Adjusted operating income up 10% to \$69.3 million
- Adjusted EPS up \$0.02 to \$0.78

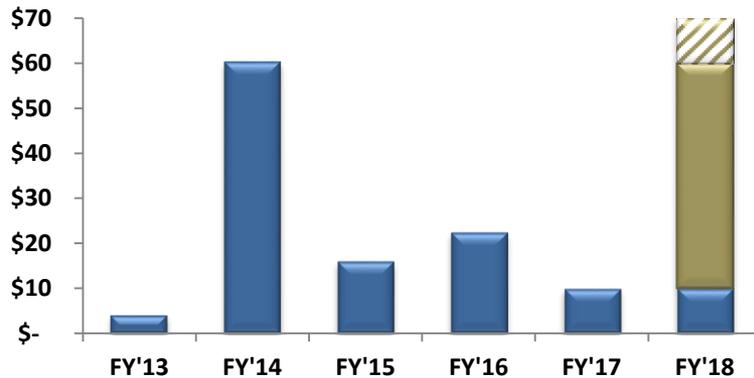
FY'18 Guidance

- Net sales up 25% to 30%
- Adjusted EBITDA of \$175 to \$185 million
- Adjusted operating income of \$100 to \$110 million
- Adjusted EPS of \$1.20 to \$1.35

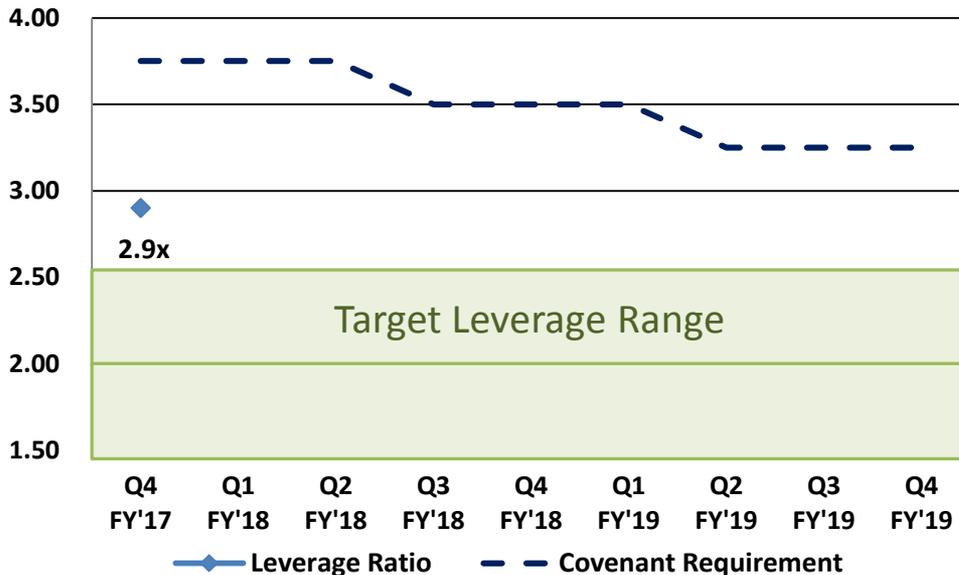


Cash Flow and Balance Sheet Review

Adjusted Free Cash Flow



Debt Leverage Ratio



- FY'18 adjusted free cash flow outlook driven by projected adjusted EBITDA growth

Capital Allocation Priorities

- Maximize free cash flow from operations
- Apply disciplined approach to allocating capital to highest returning areas
- Reduce leverage to target range - below 2.5x debt to adjusted EBITDA by the end of FY'18



* See Appendix for Non-GAAP reconciliations



Appendix

Vehicular (Powertrain & Engine) Overview

Industry Trends and Drivers

Powertrain Cooling (PTC)

- Need for higher-efficiency and lower-weight products to achieve fuel economy
- Global support to meet customer demands

Engine Products

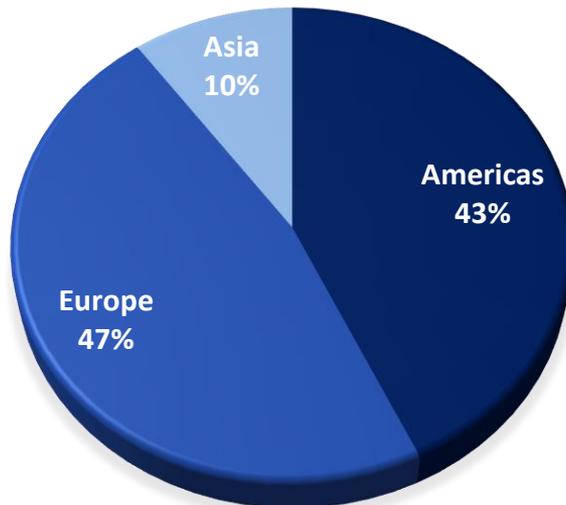
- Fuel economy & emissions standards drive new heat exchangers
- Customers want innovation to create own competitive advantage

Modine Priorities

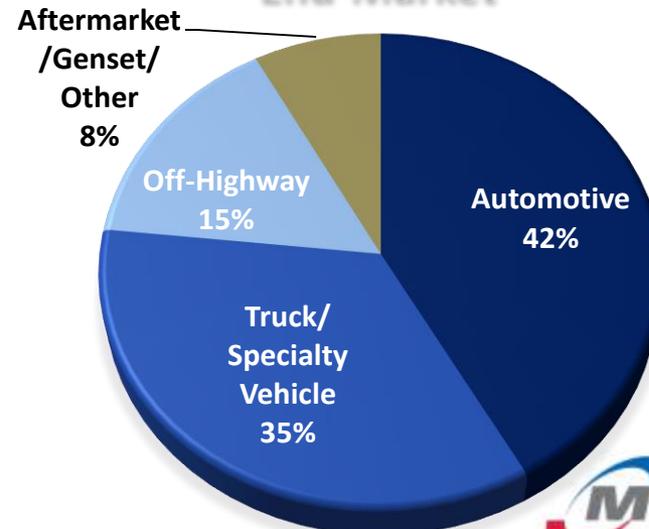
- Accelerate low-cost manufacturing footprint; leverage global production scale
- Focus product development on supporting lower fuel economy standards and emissions targets

Globally Diverse End-Markets (59% of FY'17 Sales*)

Geography



End-Market



* Pro forma fiscal 2017 net sales.

Vehicular Product Portfolio – PTC and Engine

Cooling Modules

- Used for a variety of cooling needs, such as engine, transmission, hydraulic oil, and fuel cooling
- Efficiently cool high-pressure refrigerant vapor by condensing it into a liquid refrigerant
- Controlled atmosphere brazing (CAB) products provide excellent corrosion resistance and flexible design capabilities with low pressure-drop



Oil Coolers

- Engineered to efficiently and economically reduce the high oil and fuel temperatures encountered in modern vehicles
- Designed to permit adjacent installation at the oil filter location on most engines or transmissions
- Compactly constructed to form into custom-designed plate profiles to match customer specifications and integration needs
- Provide lightweight, high-performance and high-value cooling regardless of the design or material



Charge-air Coolers (CACs)

- Used to cool engine intake air after it passes through the compressor, either turbocharger or supercharger, prior to the engine intake manifold for increased power and fuel economy
- Performance and pressure drop characteristics can be optimized to meet any specific application needs through variations in the fin and insert density and type



Liquid-cooled Charge-air Coolers (LCACs)

- Developed to help enable diesel and gasoline engine manufacturers to meet stringent emission regulations and improve fuel economy
- Typically used as an aftercooler to cool the hot charge air to an acceptable level before entering the engine
- Series turbocharging has necessitated intercooling functions to reduce charge air temperatures prior to being directed to the second compressor stage, allowing OEMs to use lower cost materials for the second compressor
- Used as an alternative to an air-to-air charge-air cooler in conjunction with a low-temperature coolant to reduce the temperature of the charge air into the intake manifold to help meet engine emission requirements and achieve enhanced fuel economy



Radiators

- Designed to maximize efficiency in a compact frontal area to meet modern vehicle aero-dynamic and safety specifications
- Aluminum welded construction removes generated heat from various sources on the vehicle in a variety of automotive applications
- Deliver the highest efficiency at the lowest installation cost by integrating complex designs into compact solutions



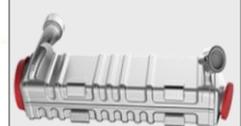
Battery Cooling & Heating

- Regulate the battery's temperature, in order to maximize life and optimize performance, within an optimal operating range in all conditions by transferring heat in the two phase heat transfer process from the battery coolant through a battery chiller
- Control battery temperature through the use of vacuum-brazed Layered-Core (LC) heat exchangers, which ensure dependable temperature regulation and ultimately contribute to battery longevity and expanded driving cycles



Exhaust Gas Recirculation Coolers (EGR-C)

- Critical component in diesel engine systems to reduce NOx (nitrous oxide) emissions by returning cooled exhaust gas back to the engine in order to meet stringent emissions regulations
- Designed to cool recirculated exhaust gas with coolant, thereby reducing its volume and increasing its density
- Vacuum-brazed, stainless steel tube-and-insert design efficiently recirculates exhaust gas to meet durability and performance requirements of the market
- EGR-C can be optimized for performance in addition to being customized for installation with formed or cast housings



Commercial & Industrial Solutions Overview

Industry Trends and Drivers

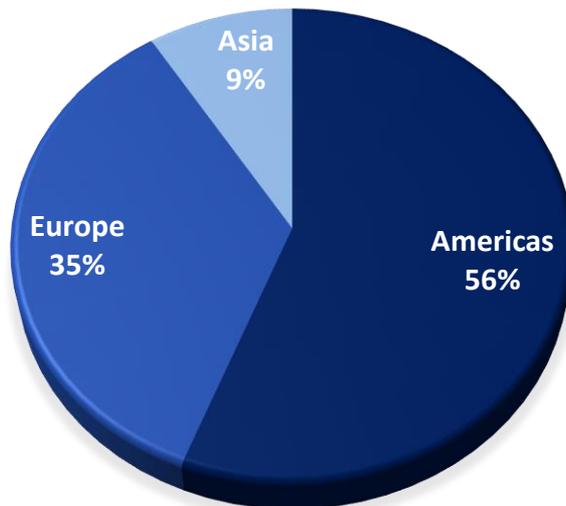
- Increased demand for energy efficiency and alternative refrigerants to meet new regulations
- Growing demand for AC in commercial and residential markets and refrigeration for chilled and frozen food consumption
- Global growth in data storage

Modine Priorities

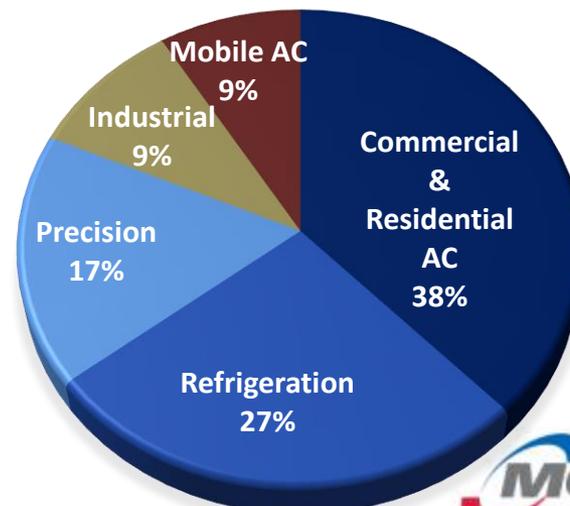
- Integration of Luvata HTS business into Modine
- Identifying and implementing cost savings synergies
- Sustain significant exposure with important players in the market

Globally Diverse End-Markets (32% of FY'17 Sales*)

Geography



End-Market



* Includes sales from Luvata HTS and coils sales that are reported in the America's segment.

Building HVAC Overview

Industry Trends and Drivers

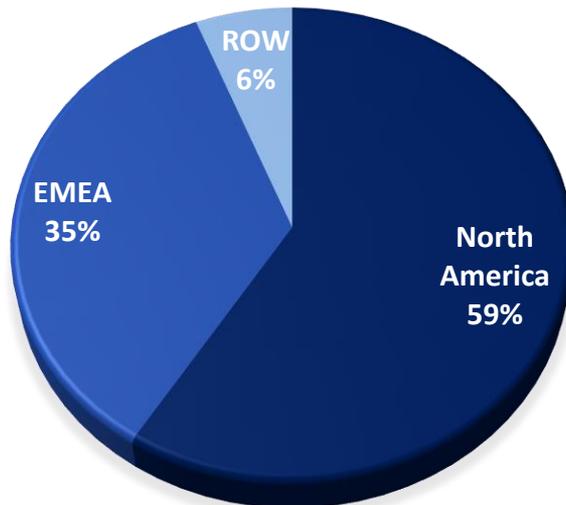
- Increased focus on energy efficiency and total cost of ownership
- Demand for free-cooling and full product line solutions
- Large install base, which creates barrier to entry
- Long-term distributor relationships

Modine Priorities

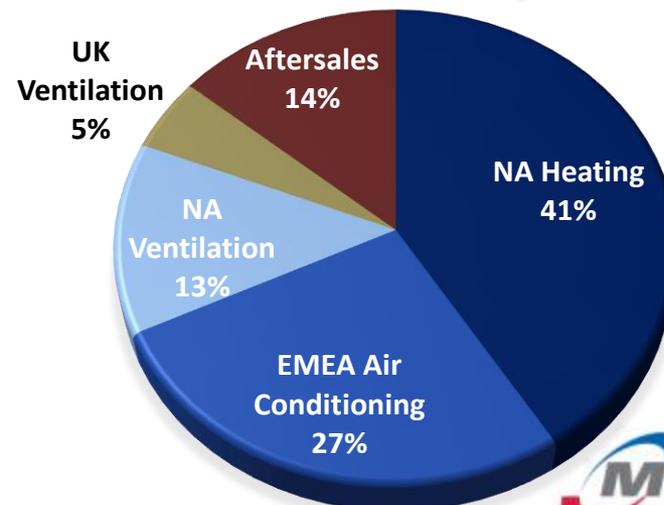
- Drive organic growth through expanded product offering and geographic reach
- Develop and maintain strong relationships
- Achieve and maintain large install base to leverage replacement business

Globally Diverse End-Markets (9% of FY'17 Sales*)

Geography



Product Group



* Pro forma fiscal 2017 net sales.

Building HVAC Product Portfolio

Unit Heaters	<ul style="list-style-type: none"> ■ Designed to operate with maximum efficiency to minimize energy spending ■ Conservicore Technology® mitigates risk of corrosion and extends investment lifespan ■ Maintains uniform wall-to-wall temperatures with consistent air circulation to prevent mold growth ■ Significantly reduce CO2 emissions while safely venting harmful combustion fumes outside 	
Duct Furnaces	<ul style="list-style-type: none"> ■ Constructed for use with a building's heating, heating/cooling and make-up air systems ■ Operate on at least 80% thermal efficiency ■ Separated combustion duct furnaces are specifically designed for buildings with hostile atmosphere conditions, such as high humidity or negative pressures ■ Capable of functioning on natural or propane gas 	
Infrared Heaters	<ul style="list-style-type: none"> ■ Direct radiant heat efficiently to the desired area for increased comfort over wider areas ■ High intensity heaters operate without using fans, eliminating noise and draft distractions 	
Commercial Hydronic Equipment	<ul style="list-style-type: none"> ■ Cabinet unit heaters create independent heating zones so temperature conditions can be varied to suit diverse requirements or activities ■ Fin tube radiation heaters and convectors are ergonomically constructed to maximize heat transfer 	
Make-up Air Units	<ul style="list-style-type: none"> ■ Designed to provide an economical and efficient means of supplying tempered make-up air ■ Natural or propane gas manifolds provide flexible fuel options and reduce field-installation costs 	
Geothermal Energy Heat Pumps	<ul style="list-style-type: none"> ■ Deliver forced-air heating and cooling in addition to hot and chilled water ■ Constructed to offer heating and cooling solutions 400% more efficiently than conventional systems ■ Oversized heat exchangers provide greater cost savings by further increasing operating efficiency 	

Non-GAAP Reconciliations

Adjusted operating income and margin

(In millions)

	Years ended March 31,				
	2013	2014	2015	2016	2017
Operating income (loss)	\$ (0.6)	\$ 37.2	\$ 52.7	\$ (7.5)	\$ 39.4
Restructuring related expenses	17.0	20.4	4.7	16.6	10.9
Impairment charges	25.9	3.2	7.8	9.9	-
Pension settlement losses	-	-	-	42.1	-
Acquisition-related costs and adjustments	-	-	-	0.5	19.1
Gain on sale of facilities	-	-	(3.2)	-	(2.0)
Other adjustments ^(a)	-	0.5	3.2	1.6	1.9
Adjusted operating income	\$ 42.3	\$ 61.3	\$ 65.2	\$ 63.2	\$ 69.3
Net sales	\$ 1,376.0	\$ 1,477.6	\$ 1,496.4	\$ 1,352.5	\$ 1,503.0
Adjusted operating margin	3.1%	4.1%	4.3%	4.7%	4.6%

Adjusted EPS

Years ended March 31,

	Years ended March 31,				
	2013	2014	2015	2016	2017
Earnings (loss) per share attributable to					
Modine shareholders - diluted	\$ (0.52)	\$ 2.72	\$ 0.44	\$ (0.03)	\$ 0.29
U.S. tax valuation allowance reversal	-	(2.50)	-	-	-
Restructuring related expenses	0.36	0.43	0.08	0.27	0.17
Impairment charges	0.56	0.07	0.11	0.21	-
Gain from fire insurance recovery	-	-	-	(0.19)	-
Pension settlement losses	-	-	-	0.54	-
Acquisition-related costs and adjustments	-	-	-	0.01	0.28
Gain on sale of facilities	-	-	(0.07)	-	(0.04)
Other adjustments ^(a)	-	0.01	0.07	(0.04)	0.08
Adjusted EPS - diluted	\$ 0.40	\$ 0.73	\$ 0.63	\$ 0.76	\$ 0.78

^(a) In fiscal 2017, other adjustments consisted of a \$1.6 million legal charge in Brazil and \$0.3 million of environmental charges related to a previously -owned manufacturing facility. In fiscal 2016, other adjustments consisted of \$1.6 million of environmental charges. In fiscal 2015, other adjustments consisted of a \$3.2 million legal charge in Brazil. In fiscal 2014, other adjustments included \$0.5 million of losses and costs incurred as a result of the Airedale fire which were not reimbursed by the Company's insurance provider. In addition, fiscal 2017 adjusted earnings per share excludes a \$2.0 million income tax valuation allowance on deferred tax assets in Brazil and fiscal 2016 adjusted earnings per share excludes the reversal of a \$3.0 million tax valuation allowance in India.



Non-GAAP Reconciliations

Adjusted free cash flow

(In millions)

	Years ended March 31,				
	2013	2014	2015	2016	2017
Net cash provided by operating activities	\$ 48.8	\$ 104.5	\$ 63.5	\$ 72.4	\$ 41.6
Capital expenditures	(49.8)	(53.1)	(58.3)	(62.8)	(64.4)
Payments for restructuring expenses and other adjustments	5.1	8.9	10.8	12.8	32.7
Adjusted free cash flow	\$ 4.1	\$ 60.3	\$ 16.0	\$ 22.4	\$ 9.9

Forward-Looking Non-GAAP Financial Measures

Our fiscal 2018 guidance includes certain non-GAAP measures, such as adjusted operating income, adjusted EBITDA and adjusted EPS. These metrics are not measures that are defined in generally accepted accounting principles (GAAP). We use these non-GAAP measures as performance measures to evaluate our overall performance. We exclude certain cash and non-cash charges or gains to calculate these non-GAAP metrics. These charges and gains may be significant and include items such as restructuring expenses (including severance costs and plant consolidation and relocation expenses), impairment charges, acquisition- and integration-related costs, and certain other items. The adjustments for fiscal 2017 are included on page 18 of this presentation. Estimates of these adjustments for fiscal 2018, on a forward-looking basis, are not available due to the low visibility and unpredictability of these items.

