



Modine Manufacturing Company
Luvata HTS
September 7, 2016



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, 2016 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, 2016. Other risks and uncertainties include, but are not limited to, the following: Modine's ability to complete the acquisition of Luvata HTS in a reasonable manner and timeframe, to integrate the business successfully into Modine thereafter, 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; the ability of the company to successfully implement its Strengthen, Diversify and Grow strategic transformation; uncertainties regarding the costs and benefits of Modine's restructuring activities in our Americas and Europe segments, including the activities associated with the closure of Modine's facility in Washington, Iowa; 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 continuing uncertainty regarding the recent “Brexit” vote in Great Britain; 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; 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.



Introduction to Luvata HTS

- Global leader in coils, coolers and coatings for commercial and industrial applications
 - Largest global manufacturer of coils
 - Top 5 global manufacturer of coolers
 - Exciting and growing anti-corrosion coating solutions
 - Significant player in European power generation and transformer cooler markets
- Industry pioneer and thermal technology innovator
- Global manufacturing footprint with production facilities in North America, Europe and Asia
- Leading market share positions in North America and Europe
- Supported by best-in-class sales and engineering teams
- Learn more at www.luvata.com



Next Step in Strengthen, Diversify & Grow Strategy

- Transforms Modine into a more diversified, thermal management global leader
- Acquisition of Luvata HTS will accomplish our goals to Diversify and Grow the Company



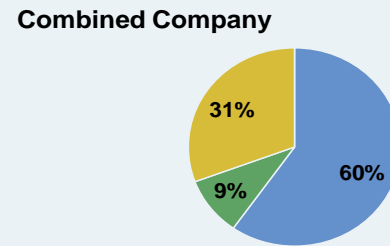
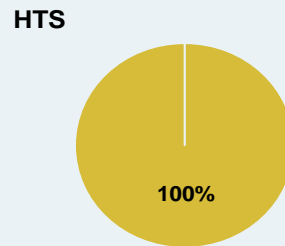
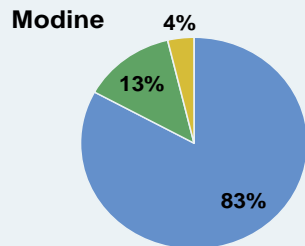
✓ Diversify

- Pro forma, ~40% of Modine's sales will be to broad industrial end-markets
- Creates a more diverse customer base
- Reduces exposure to cyclical markets

✓ Grow

- Adds over \$500 million of revenue with higher margins
- Raises long-term, sustainable growth potential

Pro forma product mix (FYE 2016)



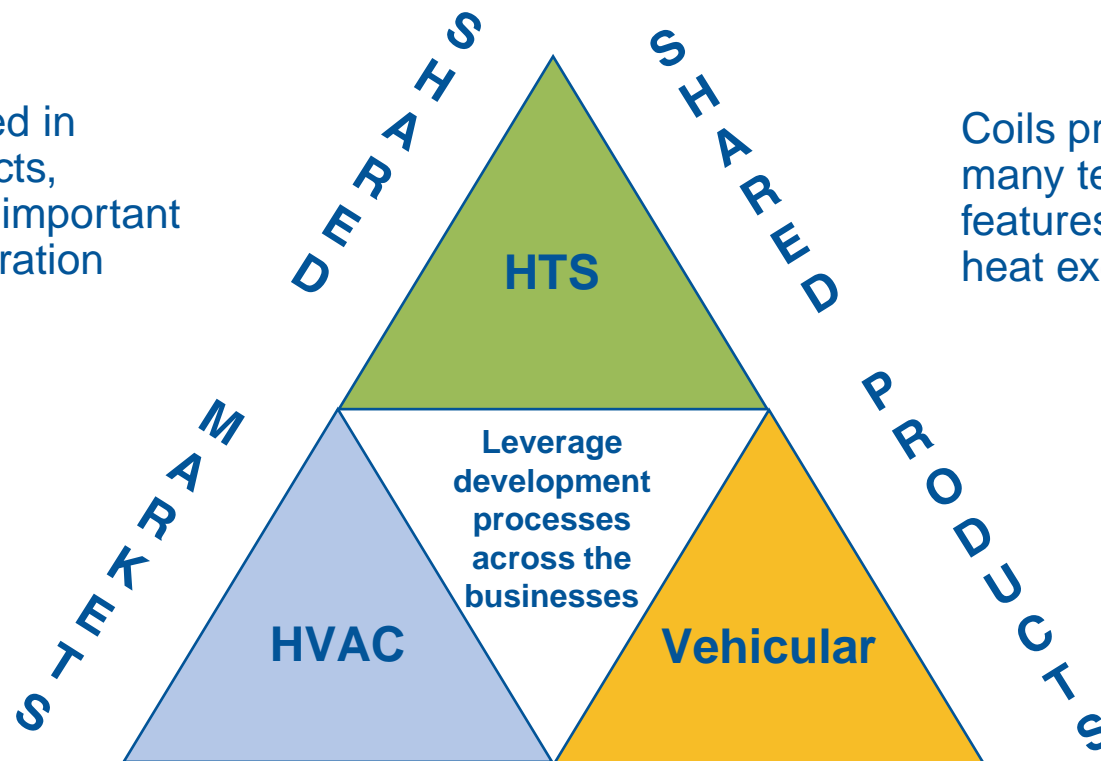
■ Vehicular ■ Building HVAC ■ Coils, coolers and coatings



Complementary Product Portfolio

- Luvata HTS's product portfolio fits between Modine's vehicular and HVAC&R businesses
- Business lines leverage similar technology and innovation capabilities
- Provides for natural synergies and avenues for future growth

Coils are used in HVAC products, providing an important vertical integration advantage



Coils products share many technology features with vehicular heat exchangers

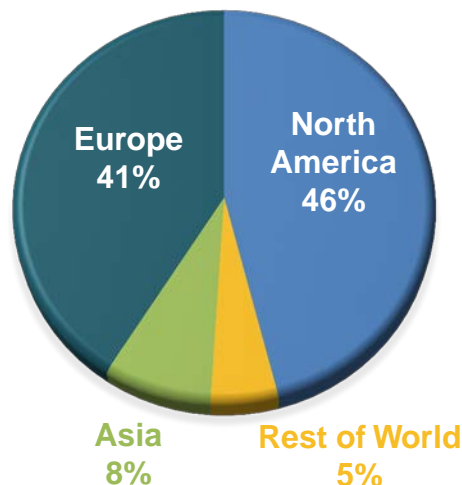
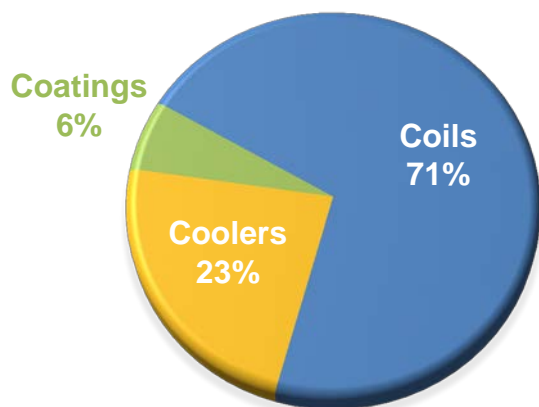
Overview of Luvata HTS – The Right Transaction

- 2015 sales of \$530 million and EBITDA of \$59 million (11.2% margin)
- Complementary product portfolio and geographic footprint
- Broad customer base with strong relationships
- Luvata HTS averaged 11-12% EBITDA margins over last five years, with strong ROACE & cash flow
- Increases Modine's margin profile and provides immediate EPS accretion for shareholders

2015 Sales Breakdown (%)

By Product

By Geography



Blue-Chip Customers

ABB



 **FRIEDRICH**

TRUE®

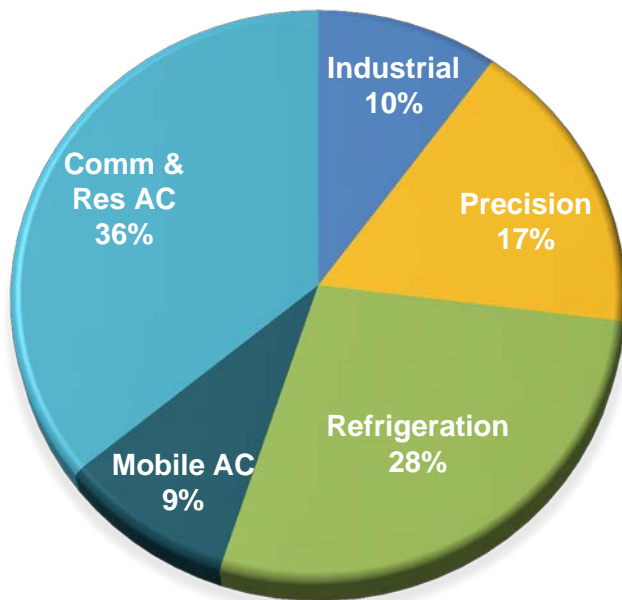
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 **MODINE**

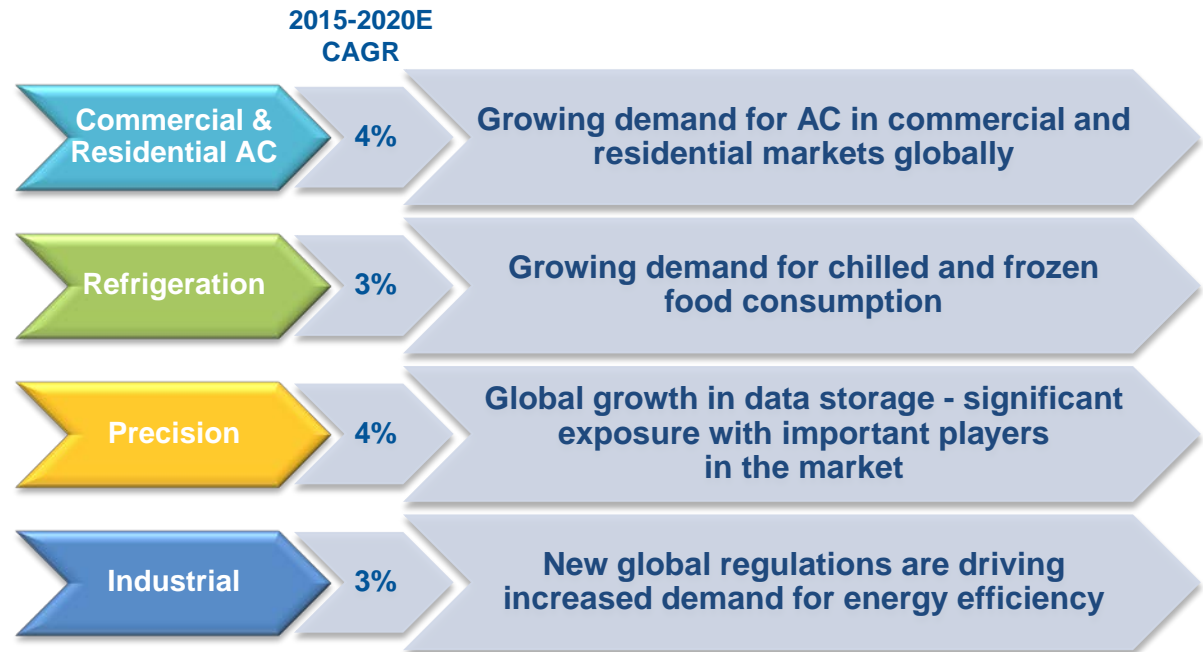
Growth Driven by Macro Market Alignment

- Luvata HTS core business drivers are directly in-line with Modine's, providing an ideal fit
- New global regulations driving/requiring increased energy efficiency

2015 Sales Breakdown (%)



End Market Trends



Transaction Highlights and Financing

Transactional Highlights

- \$422 million purchase price, implies approximately 7x EBITDA multiple on a last-twelve-months (“LTM”) basis
- Funded with cash, debt and \$25 million of Modine common stock
- Expect pro forma net leverage of 2.8x, plan to quickly de-lever to target range
- Highly accretive to earnings per share (before synergies)
- Targeting annual cost savings of approximately \$15 million, over 3-4 years
- Expect additional revenue synergies

Financing

- Financing for cash consideration will consist of excess balance sheet cash and committed financing
 - Balance sheet cash and short-term borrowing
 - 5-year term loan A facility
 - Privately placed senior secured notes
 - Modine common stock

Key Conditions and Closing

- Customary closing conditions, including U.S. and European antitrust approvals
- Expect to close by the end of the calendar year



Transforming Modine - Strengthen, Diversify and Grow














































- ✓ Major step in the Strengthen, Diversify and Grow strategy
- ✓ Transforms Modine into a more diversified, thermal management global leader with an industrial business comprising approximately 40% of the revenue base
- ✓ Provides Modine with global leadership position in the coils and coatings markets, with exciting opportunities in coolers
- ✓ Diversifies Modine's customer base and reduce exposure to highly cyclical end-markets
- ✓ Highly complementary product portfolio, geographic footprint and history of technological innovation
- ✓ Delivers immediate growth opportunities and accretive value for our employees and shareholders, resulting in a stronger Modine





Appendix

Luvata HTS Products and Solutions Offering

	Products	Description and application	Key brands	% of 2015 sales															
Coils	Heat-exchanger coils 	<ul style="list-style-type: none"> Air-to-liquid fin packed heat exchangers, including custom-designed condensers, evaporators, round-tube solutions, as well as steam and water/fluid coils for various HVAC&R applications Luvata HTS is a pioneer in bringing micro-channel technology to the HVAC&R industry, a technology that has been used in the auto industry for more than 20 years. In micro channel coils the tubes are flat and instead of one large port, they contain multiple micro ports thereby improving energy efficiency 		71%															
	Microchannel 				Coolers	Unit coolers 	<ul style="list-style-type: none"> Commercial refrigeration coolers, used across the food supply chain as well as for precision climate control for other applications, such as data centers Unit coolers, brine coolers and CO2 coolers to suit various kinds of cooling requirements Air-cooled condensers to meet the needs of any size of installation Dry coolers (utilize air as a secondary fluid) for the cooling of processing liquids, generally pure or brine water, particularly in refrigeration applications, air-conditioning or industrial processes such as free-cooling and the cooling of liquids that circulate inside industrial moulding dies Transformer oil coolers for transformer projects (power generation and distribution) offering a wide range of capacity variants with different installation arrangements Luvata HTS designs and manufactures cleanable coolers for electrical motors and generator cooling where untreated sea or lake water is used 		23%	Remote condensers 	Fluid coolers 	Transformer oil coolers 	Brine coolers 		Coatings	ElectroFin® coating solutions 	<ul style="list-style-type: none"> ElectroFin® is a proprietary coating solution for Luvata HTS products (10% of finished coated coils) and third-party equipment, prolonging the life of heat-transfer equipment Insitu® is a spray-applied corrosion resistant coating solution with a growing market and a business model that could be rolled out globally 		6%
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