Third Quarter
Fiscal 2017
February 7, 2017
8:00 a.m. CDT

Agenda

Introduction	Kathy Powers VP, Treasurer and Investor Relations
Third Quarter Highlights and Segment Review	Tom Burke President and Chief Executive Officer
Financial Overview and Outlook	Mick Lucareli VP, Finance and Chief Financial Officer
Summary	Tom Burke
Q & A	Tom Burke and Mick Lucareli

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 quarters ended June 30, 2016 and September 30, 2016. 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; 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, 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 general uncertainties about the impact of potential regulatory and/or policy changes in the U.S. 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; 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.

Third Quarter Highlights and Segment Review

Tom Burke
President and Chief Executive Officer

FY2017 – Third Quarter Highlights

- Completed Luvata HTS acquisition on November 30, 2016
  - Now operating as Modine's Commercial and Industrial Solutions ("CIS") business
- Achieving savings targets through SDG strategic initiative
- Third quarter sales up 8% on a constant-currency basis
  - Includes $35 million of sales from CIS business in December
  - Non-CIS ("base") business down 3% on a constant-currency basis
  - Americas and Europe sales weaker than anticipated
- Adjusted operating income of $17.7 million, up 3% from the prior year
  - Significant improvement on the operational issues identified during the second quarter
  - Remaining inefficiencies in Americas and BHVAC segments being resolved in Q4
  - Pleased with strong performance in Asia and Europe segments
- Adjusted earnings per share of $0.21, down $0.01 from the prior year
  - Improvement in operating earnings offset by higher interest expense
  - The quarter included only one month of CIS; no material financial impact
- Initiating calendar 2017 market outlook; fiscal 2018 projections will be provided in Q4

* See Appendix for Non-GAAP reconciliations

Q3 FY2017 – Americas

Americas ($ in millions)	Q3 2017	Q3 2016	Better / (Worse)
Net sales	$ 123.4	$ 137.1	$ (13.7)
Gross profit	18.3	22.7	(4.4)
% of net sales	*14.8%*	*16.5%*	*(170 bp)*
SG&A expenses	11.5	13.6	2.1
% of net sales	*9.3%*	*9.9%*	*60 bp*
Adjusted operating income*	$ 6.8	$ 9.6	$ (2.8)
% of net sales	*5.5%*	*7.0%*	*(150 bp)*

Market Outlook (Calendar 2017)	YOY Change
North America	
Automotive	Flat
Medium Duty Truck	-5%
Heavy Duty Truck	-10%
Construction/Mining	Flat
Agriculture	-5% to -10%
Brazil	
Aftermarket	+5%
Commercial Vehicle	+5%
Agriculture	+10%

- Sales down 10%; significantly impacted by lower sales to heavy duty truck customers (down 42%)
  - Markets were down more than anticipated and expect weak conditions to continue into the fourth quarter
  - Brazil aftermarket also lower than expected with 20% year-over-year decline
- Gross margin down 170 basis points primarily driven by lower sales
- Continuing to drive cost basis improvements, including the closure of the Washington, Iowa plant; accelerating procurement savings
- Adjusted operating income down due to lower gross profit partially offset by lower SG&A expenses
- Expect to see additional market declines in North America in 2017, with some improvements expected in Brazil

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* See Appendix for Non-GAAP reconciliations

Q3 FY2017 – Europe

Europe ($ in millions)	Q3 2017	Q3 2016	Better / (Worse)
Net sales	$ 119.8	$ 126.1	$ (6.3)
Gross profit	18.5	17.2	1.3
% of net sales	*15.4%*	*13.7%*	*170 bp*
SG&A expenses	10.1	9.7	(0.4)
% of net sales	*8.4%*	*7.7%*	*(70 bp)*
Adjusted operating income*	$ 8.4	$ 7.5	$ 0.9
% of net sales	*7.0%*	*6.0%*	*100 bp*

Market Outlook (Calendar 2017)	YOY Change
Automotive	Flat
Commercial Vehicle	-1%
Off-Highway	-5%

- Sales decreased 4% excluding unfavorable FX impact of $1.6M
  - Driven by planned program wind-downs, including $5M commercial vehicle and $2M BMW
  - Lower sales to off-highway customers
  - Partially offset by higher automotive sales
- Gross margin improved by 170 basis points due to favorable operating performance and positive sales mix
- Adjusted operating income up 12%, driven by higher gross profit
- Expect automotive market to be stable in 2017
- Plan on additional automotive program launches along with further wind-downs of certain commercial vehicle programs

* See Appendix for Non-GAAP reconciliations

Q3 FY2017 – Asia

Asia ($ in millions)	Q3 2017	Q3 2016	Better / (Worse)
Net sales	$ 28.6	$ 18.7	$ 9.9
Gross profit	5.0	2.6	2.4
% of net sales	*17.6%*	*13.9%*	*370 bp*
SG&A expenses	2.4	2.7	0.3
% of net sales	*8.4%*	*14.2%*	*580 bp*
Adjusted operating income*	$ 2.6	$ 0.2	$ 2.4
% of net sales	*9.2%*	*1.3%*	*790 bp*

Market Outlook (Calendar 2017)	YOY Change
China Automotive	Flat
Asia Excavator	Flat to +5%
India Automotive	+5%
India Commercial Vehicle	+5%

- Sales increased 60% excluding unfavorable FX impact of $1.3M
  - Increased sales to automotive and off-highway customers
  - Incremental sales from Puxin joint venture
- Gross margin improved by 370 basis points, driven by the higher sales volume
- Very strong improvement in adjusted operating income due to higher volume and lower SG&A expenses
- Anticipate growth trends to continue in 2017
  - Continued improvement in the construction market in China and Korea
  - Higher volume of automotive oil coolers as programs continue to launch
  - Growing markets in India

* See Appendix for Non-GAAP reconciliations

Q3 FY2017 – Building HVAC

Building HVAC ($ in millions)	Q3 2017	Q3 2016	Better / (Worse)
Net sales	$ 47.2	$ 50.9	$ (3.7)
Gross profit	15.3	17.3	(2.0)
% of net sales	*32.4%*	*34.0%*	*(160 bp)*
SG&A expenses	8.5	10.4	1.9
% of net sales	*18.1%*	*20.5%*	*240 bp*
Adjusted operating income*	$ 6.8	$ 6.9	$ (0.1)
% of net sales	*14.3%*	*13.5%*	*80 bp*

Market Outlook (Calendar 2017)	YOY Change
Commercial Heating - NA	Flat to +2%
Air Conditioning - EMEA	+2% to +4%
Commercial Ventilation - NA	+2% to +4%
Commercial Ventilation - UK	+2%

- Sales flat excluding unfavorable FX impact of $3.4M
  - Lower sales of heating and ventilation products in North America
  - Partially offset by increased sales of precision air conditioning products in the UK
- Gross margin down over the prior year, but significantly better than the second quarter
  - Improvement from second quarter due to seasonally higher heating sales and benefits from cost reduction efforts
  - Year-over-year decrease primarily due to unfavorable product mix in the UK
- Adjusted operating income down slightly, improved as a percentage of sales
- Lowering our expectations for Q4 due to weaker sales of heating products due to warm weather

* See Appendix for Non-GAAP reconciliations

Strengthen, Diversify and Grow

- Acquisition of Luvata HTS
  - Actively working on integration; see many opportunities to create future value
  - Driving cost synergies throughout the organization, with confidence in initial target of $15 million of savings over 3 to 4 years
  - Cost synergies will come from procurement savings, operational improvements and organizational efficiencies
  - Addressing known challenges from a large data center customer that has impacted volumes and margins
  - Using Modine Operating System ("MOS") to create culture of continuous improvement throughout CIS
- Actions taken to strengthen our business have led to the identification of over $50 million in annual run-rate savings
  - Of this amount, approximately $20 million of savings will be achieved in fiscal 2018, including benefit from the closure of the Washington, Iowa plant
  - Absent market recoveries, the cost savings are critical to offset increased costs from wage inflation, material costs and contractual price-down commitments

Financial Overview and Outlook

Mick Lucareli
Vice President, Finance and Chief Financial Officer

Q3 FY2017 vs. Prior Year

(In millions, except per share amounts)	Q3 2017	Q3 2016	Better (Worse)
Net sales	**$ 349.8**	**$ 328.7**	**$ 21.1**
Gross profit	**58.7**	**58.6**	**0.1**
% of net sales	*16.8%*	*17.8%*	*(100 bp)*
SG&A expenses	**51.1**	**43.3**	**(7.8)**
% of net sales	*14.6%*	*13.2%*	*(140 bp)*
Adjusted operating income *	**17.7**	**17.2**	**0.5**
% of net sales	*5.0%*	*5.2%*	*(20 bp)*
Adjusted earnings per share *	**$ 0.21**	**$ 0.22**	**$ (0.01)**
Operating income	**$ 6.0**	**$ 13.7**	**$ (7.7)**
Acquisition-related costs *(incl. in SG&A)*	7.2	0.3	
Inventory adjustment *(incl. in COS)*	2.9	-	
Restructuring expenses	1.6	1.6	
Pension settlement losses	-	1.1	
Other adjustments*	-	0.5	
Adjusted operating income*	**$ 17.7**	**$ 17.2**	**$ 0.5**

- Sales up $25.2M or 8% constant-currency
  - Includes CIS sales of $34.7M
  - Base sales down $9.5M or 3%
- Gross profit up slightly, negatively impacted by a $2.9M inventory purchase accounting adjustment
  - Negative (80 bps) impact from inventory step-up due to purchase accounting
  - Gross margin on the base business improved 30 bps to 18.1%
- SG&A benefitting from strong cost control
  - Includes $7.2M of acquisition-related costs
  - Also includes $4.7M from CIS segment
  - Balance of SG&A is down $4.1M or 9%
- $1.6M of restructuring expenses mostly due to the Washington closure
- Interest expense up $1.8M due primarily to the additional acquisition-related debt
- Adjusted operating income up $0.5M or 3% and Adjusted EPS down $0.01

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

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Cash Flow

(In millions)	Q3 YTD 2017	Q3 YTD 2016
Operating cash flow	$ 35.0	$ 65.4
Restructuring payments and other adjustments	21.8	8.0
Adjusted Operating Cash Flow	56.8	73.4
Capital expenditures	(46.0)	(42.3)
Adjusted Free Cash Flow	$ 10.8	$ 31.1

- Adjusted free cash flow of $16.6M for the quarter
- Year-to-date operating cash flow temporarily impacted by cash restructuring and acquisition-related costs
- Year-over-year change driven by the combination of several items
  - Slightly lower cash earnings
  - Temporarily higher working capital and the timing of capital expenditures
- Restructuring payments of $12.1M, primarily related to plant consolidation and severance
- Remaining adjustments primarily for acquisition-related activities

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Capital Structure

Debt Instrument (In millions)	Current Balance
Revolving credit facility	$37.5
Other short term borrowings	33.1
Total short-term debt	70.6
Term loans	271.1
Senior notes	171.0
Other	1.1
Total long-term debt	443.2
Total debt	$513.8

(In millions)	12/31/16	3/31/16
Cash	$ 50.0	$ 68.9
Total debt	513.8	162.6
Net Debt	$ 463.8	$ 93.7
Leverage Ratio	2.8x	1.2x
Covenant Ratio	3.75x	3.25x

- Increased leverage resulted from new debt raised to finance Luvata HTS acquisition
  - $175 million 5-year revolving credit facility
  - $275 million 5-year term loan facility with borrowings in US dollars ($175 million) and euros (€91 million)
  - $50 million 10-year private placement note
- Debt agreements allow for leverage ratio to be raised temporarily after an acquisition
  - Leverage ratio of 3.75x through the Q2 of fiscal 2018
  - Leverage ratio of 3.50x through Q1 of fiscal 2019, reverting to 3.25x thereafter

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Acquisition – CIS Update

- Early in the integration process, but implementation is going smoothly
  - Integration team is focused on synergy evaluation and execution
  - Purchase accounting is complex and estimates are likely to change through Q4
- December sales of $35M and flat adjusted operating income included in our Q3 results
  - Includes initial estimates of $1M for intangible amortization and asset depreciation expense
- CIS Q4 projections are in-line with our pre-close expectations
  - Sales in the $125M-$135M range
  - Adjusted operating income of $4M-$5M
  - Estimated incremental $3M of amortization/depreciation expense
- Fiscal 2018 guidance will be provided next quarter, but we expect CIS to be accretive in the first full fiscal year
  - Prior to the acquisition, sales were approximately $500M with an operating margin of 8-9%
  - We estimate that purchase accounting will have an annual impact of $13M-$14M through increased depreciation and amortization expense
  - We also anticipate an initial incremental annual interest expense of $14M-$15M
- Previously stated targeted cost savings of $15 million over a 3-4 year timeframe
  - We will provide more information on the costs, benefits, and timing next quarter

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FY2017 Guidance

	FY 2017 Guidance	Assumptions
Net Sales	+9% to +11% increase from prior year	• EUR = 1.07 USD; USD = 3.15 BRL • Includes approximately $16M of negative currency impact
Adjusted Operating Income	$65 to $71 million	• Excludes acquisition costs, restructuring and other adjustments
Adjusted EPS	$0.74 to $0.80	• Estimated full-year adjusted tax expense of $11M to $13M

- Updating guidance for the CIS acquisition, metals prices, exchange rates and market outlook in Americas and BHVAC
- Net sales are higher due to the inclusion of CIS and partially offset by changes in the base business
  - Includes 4 months of CIS or approximately $160M-$170M
  - Negatively impacted by a stronger USD since our October call
  - Lower full-year net sales outlook in our base business (down 1% to 3%), mostly in Americas and BHVAC
- Maintained adjusted operating income guidance; up 3% to 12%
  - Also adjusting for the rise in metals since mid-September
  - Volume impact in Americas and BHVAC, offset by $4M-$5M from CIS
- Adjusted EPS lowered to $0.74 to $0.80, versus $0.76 in the prior year
  - Driven primarily by $5M incremental interest expense due to acquisition debt

Q3 FY2017 – Conclusion

- On track to deliver stronger second half, as discussed last quarter
  - Addressed majority of Q2 operational issues
  - Anticipating further improvements in Q4
- Challenging market conditions continue
  - Market-driven volume challenges in the Americas and BHVAC segments
  - Negative impact of higher metals prices and FX
  - Offset by earnings contributed by CIS business
- Building a stronger, more diversified industrial company
  - Delivering on cost-savings objectives from SDG strategy
  - Great opportunities with addition of CIS business

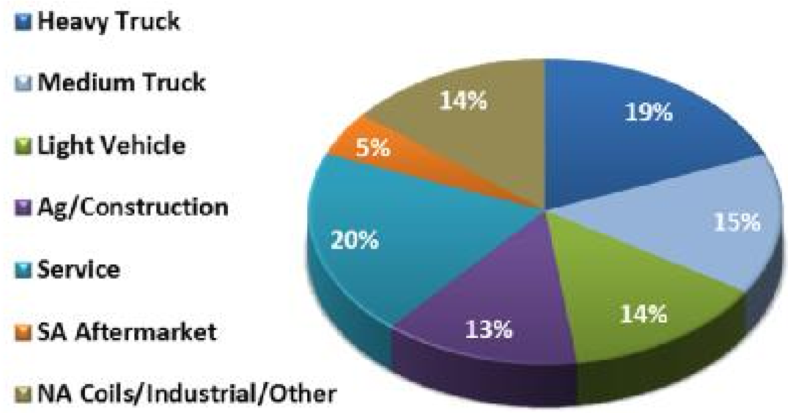
Q&A

Appendix

Americas (43% of Net Sales)

- Six manufacturing facilities – executed our plan to close Washington, Iowa plant
- Diversified revenue mix across major end-markets
- Segment well positioned for future success based on improved manufacturing footprint and cost structure
- New growth opportunities with off-highway and automotive customers
- Key customers: CAT, Deere, Navistar, Daimler Trucks North America (DTNA), MAN, AGCO, CNH, FCA, GM, Tesla

FY 2016 Sales Mix



(In millions)

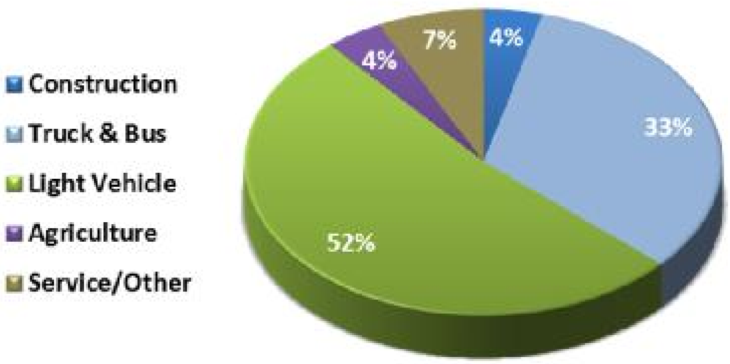
FY Ended March 31,	2014	2015	2016
Net sales	$688.3	$666.9	**$585.5**
Adjusted operating income*	52.0	47.1	**46.6**
Adjusted operating margin*	7.6%	7.1%	**8.0%**

* See Non-GAAP reconciliations

Europe (38% of Net Sales)

- Seven manufacturing facilities in Europe
- Consolidated manufacturing operations in Germany
- Expanding capacity in Hungary, moving production from Western Europe
- Managing launch activity mainly in oil cooler and liquid charge air cooler (LCAC) products
- Key customers: VW Group, Daimler, BMW, ZF, John Deere

FY 2016 Sales Mix



(In millions)

FY Ended March 31,	2014	2015	2016
Net sales	$584.4	$578.2	**$524.1**
Adjusted operating income*	30.8	24.5	**29.4**
Adjusted operating margin*	5.3%	4.2%	**5.6%**

* See Non-GAAP reconciliations

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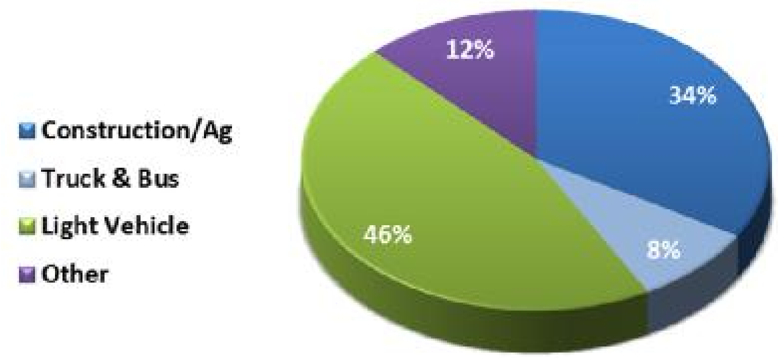
Asia (6% of Net Sales)

- Six manufacturing facilities in China, India, Japan and Korea (3 Joint Ventures)
- Strategic focus on creating new business opportunities with local customers
- Diversifying our business model; reducing exposure to excavator market
- Shifting longer-term focus to local commercial vehicle customers due to more stringent emissions standards in China
- Key customers: Volvo CE, CAT, Hyundai Heavy Industries, Ashok Leyland, Renault

FY 2016 Sales Mix



(In millions)

FY Ended March 31,	2014	2015	2016
Net sales	$71.5	$81.2	**$79.0**
Adjusted operating (loss) income*	(3.3)	0.3	**1.3**
Adjusted operating margin*	(4.7%)	0.3%	**1.5%**

*** See Non-GAAP reconciliations**

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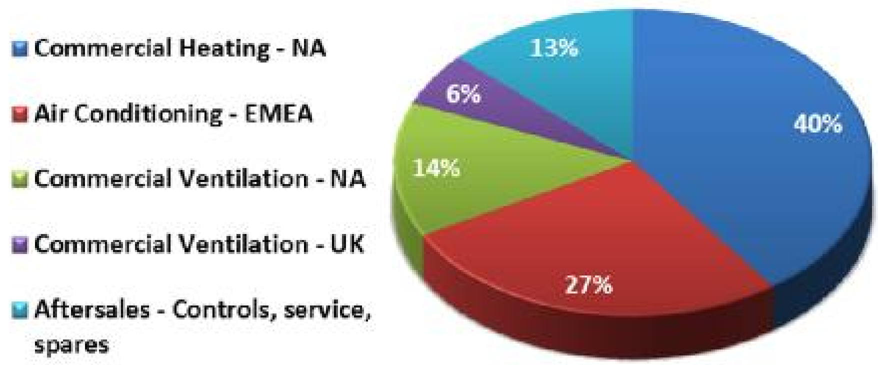
Building HVAC (13% of Net Sales)

- Five facilities in North America, United Kingdom and Africa
- Complementary business that provides diversification to Modine's vehicular segments
- Strong financials due to product differentiation, manufacturing efficiencies and brand strength
- Pursuing growth opportunities based on energy efficiency and other "green" initiatives
  - Ventilation and data center cooling

FY 2016 Sales Mix



(In millions)

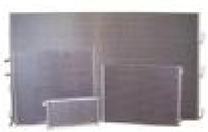
FY Ended March 31,	2014	2015	2016
Net sales	$146.5	$186.3	**$181.4**
Adjusted operating income*	9.9	19.1	**15.0**
Adjusted operating margin*	6.8%	10.2%	**8.3%**

*** See Non-GAAP reconciliations**

CIS Product and End-market overview

Commercial and Industrial Solutions (CIS)

Coils



- A coil is a finned pack heat exchanger made up by continuous fins and tubes. The coil is utilized to transfer heat to or from air to a second fluid, or refrigerant, in order to reduce or increase air temperature
- Coils sold to OEMS for assembly
- Many OEMs have their own coil production – captive part of coil market

Coating

- A coating is a protective covering of a coil using a specific paint that is applied by a specialized technique, generally to improve its corrosion resistance
- Coils are coated for specific applications
- CIS also provides coating services for competitor's coils

Coolers

- A cooler is a value added coil, that is provided also with a fan motor mounted on a specific frame. Air coolers also include other electrical devices, such as electrical heaters
- Coolers assembled by CIS

Sales Channels

- Commercial Equipment OEMs
- Industrial Equipment OEMs
- Distributors
- Contractors

End-Markets

Commercial AC

Mobile AC

Refrigeration

Precision cooling

Industrial cooling

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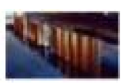
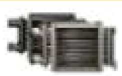
CIS Products and solutions offering

	Products	Description and application	Key brands	% of 2015 sales[1]
Coils	**Heat-exchanger coils** 	• 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 • CIS is a pioneer in bringing microchannel technology to the HVAC&R industry, a technology that has been used in the auto industry for more than 20 years. In microchannel coils the tubes are flat and instead of one large port, they contain multiple micro ports thereby improving energy efficiency	Heatcraft®	**71%**
	Microchannel 			
Coolers	**Unit coolers** 	• 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 • CIS designs and manufactures cleanable coolers for electrical motors and generator cooling where untreated sea or lake water is used • **Key brand:** ECO™ heat transfer coolers, Coiltech® industrial heat transfer	ECO™ heat transfer coolers Coiltech®	**23%**
	Remote condensers 			
	Fluid coolers 			
	Transformer oil coolers 			
	Brine coolers 			
Coatings	**ElectroFin® coating solutions** 	• ElectroFin® is a proprietary coating solution for CIS 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	ElectroFin® Insitu®	**6%**
	Insitu® spray coating solutions 			

[1] **Reflects Luvata HTS 2015 results.**

Q3 GAAP Income Statement

(In millions, except per share amounts)

	Q3 2017	Q3 2016	Better (Worse)
Net sales	**$ 349.8**	**$ 328.7**	**$ 21.1**
Cost of sales	291.1	270.1	(21.0)
Gross profit	**58.7**	**58.6**	**0.1**
SG&A expenses	51.1	43.3	(7.8)
Restructuring expenses	1.6	1.6	-
Operating income	**6.0**	**13.7**	**(7.7)**
Interest expense	(4.5)	(2.7)	(1.8)
Other expense - net	(0.3)	(0.4)	0.1
Earnings before income taxes	**1.2**	**10.6**	**(9.4)**
Benefit (provision) for income taxes	0.7	(2.4)	3.1
Net earnings	**1.9**	**8.2**	**(6.3)**
Net earnings attributable to noncontrolling interest	(0.2)	-	(0.2)
Net earnings attributable to Modine	**$ 1.7**	**$ 8.2**	**$ (6.5)**
Earnings per share - diluted	**$ 0.04**	**$ 0.17**	**$ (0.13)**

Non-GAAP Reconciliations

Modine Manufacturing Company

Adjusted operating income and earnings per share (unaudited)

(In millions, except per share amounts)

	Three months ended December 31, 2016	Three months ended December 31, 2015	Nine months ended December 31, 2016	Nine months ended December 31, 2015
Operating income (loss)	$ 6.0	$ 13.7	$ 19.2	$ (6.8)
Acquisition-related costs and adjustments [a]	10.1	0.3	14.5	0.3
Restructuring expenses - Americas [b]	1.4	1.4	5.2	5.0
Restructuring expenses - other [b]	0.2	0.2	0.8	0.2
Gain on sale of facility [c]	-	-	(1.2)	-
Brazil legal reserve [d]	-	-	1.6	-
Pension settlement losses [e]	-	1.1	-	40.3
Environmental charge [f]	-	0.5	-	0.5
Adjusted operating income	$ 17.7	$ 17.2	$ 40.1	$ 39.5
Net earnings (loss) per share attributable to Modine shareholders - diluted	$ 0.04	$ 0.17	$ 0.13	$ (0.19)
Acquisition-related costs and adjustments [a]	0.15	-	0.21	-
Restructuring expenses [b]	0.02	0.03	0.08	0.07
Gain on sale of facility [c]	-	-	(0.03)	-
Brazil legal reserve [d]	-	-	0.04	-
Pension settlement losses [e]	-	0.01	-	0.51
Environmental charge [f]	-	0.01	-	0.01
Adjusted earnings per share	$ 0.21	$ 0.22	$ 0.43	$ 0.40

[a] On November 30, 2016, the Company acquired Luvata HTS. Acquisition-related costs in fiscal 2017, recorded as SG&A expenses at Corporate, primarily included costs for i) transaction advisors, ii) legal, accounting, and other professional services, and iii) incremental costs directly associated with integration activities, including third-party consulting fees. Additionally, the adjustments include $2.9 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. Certain acquisition-related costs are non-deductible for income tax purposes. The tax benefit related to acquisition-related costs and adjustments for the three and nine months ended December 31, 2016 was $2.7 million and $4.4 million, respectively.

[b] Restructuring amounts primarily relate to equipment transfer and plant consolidation costs and employee severance expenses, and include activities under the Company's Strengthen, Diversify and Grow strategic platform. For the three and nine months ended December 31, 2016, restructuring expenses within the Building HVAC segment totaled $0.1 million and $0.7 million, respectively.

[c] During the second quarter of fiscal 2017, the Company sold a facility within its Europe segment for cash proceeds of $4.3 million, and as a result, recorded a gain of $1.2 million.

[d] During the second quarter of fiscal 2017, the Company increased the legal reserve recorded in Brazil (within SG&A expenses in the Americas segment) associated with a formal administrative investigation under Brazil's antitrust laws.

[e] Pension settlement losses, recorded at Corporate, related to lump-sum payouts to certain U.S. pension plan participants in fiscal 2016. The income tax benefit related to pension settlement losses for the three and nine months ended December 31, 2015 was $0.5 million and $15.7 million, respectively.

[f] During the third quarter of fiscal 2016, the Company increased an environmental reserve recorded in the Americas segment (within cost of sales) related to a previously-owned manufacturing facility.

Non-GAAP Reconciliations

Segment adjusted operating income and margin

(In millions)	Three months ended December 31,	
Americas	2016	2015
Operating income	$ 5.4	$ 7.7
Restructuring expenses	1.4	1.4
Environmental reserve	-	0.5
Adjusted operating income	$ 6.8	$ 9.6
Net sales	$ 123.4	$ 137.1
Adjusted operating margin	5.5%	7.0%

	Three months ended December 31,	
Europe	2016	2015
Operating income	$ 8.3	$ 7.6
Restructuring expenses	0.1	(0.1)
Adjusted operating income	$ 8.4	$ 7.5
Net sales	$ 119.8	$ 126.1
Adjusted operating margin	7.0%	6.0%

MODINE

Non-GAAP Reconciliations

Segment adjusted operating income and margin

(In millions)	Three months ended December 31,	
Asia	2016	2015
Operating income (loss)	$ 2.6	$ (0.1)
JV legal and due diligence costs	-	0.3
Adjusted operating income	$ 2.6	$ 0.2
Net sales	$ 28.6	$ 18.7
Adjusted operating margin	9.2%	1.3%

	Three months ended December 31,	
Building HVAC	2016	2015
Operating income	$ 6.7	$ 6.7
Restructuring expenses	0.1	0.2
Adjusted operating income	$ 6.8	$ 6.9
Net sales	$ 47.2	$ 50.9
Adjusted operating margin	14.3%	13.5%

Non-GAAP Reconciliations

FY 2017 Guidance

(In millions, except per share amounts)	FY 2017 Guidance
Net sales	$1,470 to $1,500
Operating income - GAAP	$38 to $44
Restructuring expenses	8
Acquisition-related costs	18
Brazil legal reserve	2
Gain on sale of facility	(1)
Adjusted operating income	$65 to $71
Tax Expense - GAAP	$3 to $5
Restructuring expenses	2
Acquisition-related costs	6
Brazil legal reserve	-
Gain on sale of facility	-
Adjusted Tax Expense	$11 to $13
Earnings per share - GAAP	$0.37 to $0.43
Restructuring expenses	0.11
Acquisition-related costs	0.25
Brazil legal reserve	0.04
Gain on sale of facility	(0.03)
Adjusted earnings per share	$0.74 to $0.80

See slide 27 for information on restructuring expenses and other adjustments.

Non-GAAP Reconciliations

Segment adjusted operating income and margin
(In millions)

Americas	Years ended March 31, 2014	2015	2016
Operating income	$ 49.6	$ 33.4	$ 36.2
Restructuring expenses	1.2	2.7	8.8
Impairment charges	1.2	7.8	-
Brazil legal reserve	-	3.2	-
Environmental charges	-	-	1.6
Adjusted operating income	$ 52.0	$ 47.1	$ 46.6
Net sales	$ 688.3	$ 666.9	$ 585.5
Adjusted operating margin	7.6%	7.1%	8.0%

Europe	Years ended March 31, 2014	2015	2016
Operating income	$ 9.6	$ 25.7	$ 13.3
Restructuring expenses	19.2	2.0	6.2
Impairment charges	2.0	-	9.9
Gain on sale of wind tunnel	-	(3.2)	-
Adjusted operating income	$ 30.8	$ 24.5	$ 29.4
Net sales	$ 584.4	$ 578.2	$ 524.1
Adjusted operating margin	5.3%	4.2%	5.6%

Non-GAAP Reconciliations

Segment adjusted operating income and margin
(In millions)

Asia	Years ended March 31, 2014	2015	2016
Operating (loss) income	$ (3.3)	$ 0.3	$ 0.8
JV legal and due diligence costs	-	-	0.5
Adjusted operating (loss) income	$ (3.3)	$ 0.3	$ 1.3
Net sales	$ 71.5	$ 81.2	$ 79.0
Adjusted operating margin	(4.7%)	0.3%	1.5%

Building HVAC	Years ended March 31, 2014	2015	2016
Operating income	$ 9.4	$ 19.1	$ 13.9
Loss from Airedale fire	0.5	-	-
Restructuring expenses	-	-	1.1
Adjusted operating income	$ 9.9	$ 19.1	$ 15.0
Net sales	$ 146.5	$ 186.3	$ 181.4
Adjusted operating margin	6.8%	10.2%	8.3%