REFINITIV

DELTA REPORT

10-Q

MOD - MODINE MANUFACTURING CO

10-Q - SEPTEMBER 30, 2024 COMPARED TO 10-Q - JUNE 30, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	1992
CHANGES	151
DELETIONS	774
ADDITIONS	1067

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

þ QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June September 30, 2024

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ____________ to ____________

Commission file number 1-1373

MODINE MANUFACTURING COMPANY

(Exact name of registrant as specified in its charter)

Wisconsin	39-0482000
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1500 DeKoven Avenue,, Racine,, Wisconsin	53403
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (262) (262) 636-1200

Securities registered pursuant to Section 12(b) of the Act:

Title of each class		Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.625 par value	MOD	MOD	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☑ þ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☑ þ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer☑ þ

Accelerated Filer ☐

Non-accelerated Filer ☐

Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☑ þ

The number of shares outstanding of the registrant's common stock, $0.625 par value, was 52,413,58052,503,083 at October 25, 2024.

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MODINE MANUFACTURING COMPANY

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

MODINE MANUFACTURING COMPANY

CONSOLIDATED STATEMENTS OF OPERATIONS

For the three and six months ended June 30, 2024 September 30, 2024 and 2023

(In millions, except per share amounts)

(Unaudited)

	Three months ended June 30,			
	2024		2023	
Net sales	$	661.5	$	622.4
Cost of sales		498.9		494.5
Gross profit		162.6		127.9
Selling, general and administrative expenses		82.8		61.4
Restructuring expenses		5.4		-
Operating income		74.4		66.5
Interest expense		(7.5)		(5.9)
Other expense – net		(0.3)		(0.6)

Earnings before income taxes	66.6	60.0
Provision for income taxes	(18.8)	(14.7)
Net earnings	47.8	45.3
et earnings attributable to noncontrolling interest	(0.5)	(0.5)
Net earnings attributable to Modine	$ 47.3	$ 44.8
Net earnings per share attributable to Modine shareholders:		
asic	$ 0.90	$ 0.86
luted	$ 0.88	$ 0.85
eighted-average shares outstanding:		
asic	52.5	52.3
luted	53.9	53.0

	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 and 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
nterest 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
Net earnings per share attributable to Modine shareholders:				
Basic	$ 0.88	$ 0.89	$ 1.78	$ 1.74
Diluted	$ 0.86	$ 0.87	$ 1.73	$ 1.72
Weighted-average shares outstanding:				
Basic	52.6	52.4	52.5	52.4
Diluted	53.9	53.4	53.9	53.2

The notes to condensed consolidated financial statements are an integral part of these statements.

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MODINE MANUFACTURING COMPANY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three and six months ended June 30, 2024 September 30, 2024 and 2023

(In millions)

(Unaudited)

	Three months ended June 30,	
	2024	2023
et earnings	$ 47.8	$ 45.3
ther comprehensive income (loss), net of income taxes:		
reign currency translation	(7.0)	(0.8)
Defined benefit plans, net of income taxes of $0.3 and $0.2 million	0.8	0.8
Cash flow hedges, net of income taxes of $0 and ($0.2) million	-	(0.7)
tal other comprehensive income (loss)	(6.2)	(0.7)
mprehensive income	41.6	44.6
mprehensive income attributable to noncontrolling interest	(0.4)	(0.3)
mprehensive income attributable to Modine	$ 41.2	$ 44.3

	Three months ended September 30,		Six months ended September 30,	
	2024	2023	2024	2023
let earnings	$ 46.4	$ 46.9	$ 94.2	$ 92.2
)ther comprehensive income (loss), net of income taxes:				
Foreign currency translation	21.1	(12.7)	14.1	(13.5)
Defined benefit plans, net of income taxes of $0.2, $0.3, $0.5 and $0.5 million	0.8	0.8	1.6	1.6
Cash flow hedges, net of income taxes of $0.1, ($0.1), $0.1 and ($0.3) million	0.2	(0.2)	0.2	(0.9)
'otal other comprehensive income (loss)	22.1	(12.1)	15.9	(12.8)
Comprehensive income	68.5	34.8	110.1	79.4

Comprehensive income attributable to noncontrolling interest	(0.7)	(0.4)	(1.1)	(0.7)
Comprehensive income attributable to Modine	$ 67.8	$ 34.4	$ 109.0	$ 78.7

The notes to condensed consolidated financial statements are an integral part of these statements.

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MODINE MANUFACTURING COMPANY

CONSOLIDATED BALANCE SHEETS
June

September 30, 2024 and March 31, 2024

(In millions, except per share amounts)

(Unaudited)

	June 30, 2024	March 31, 2024
ASSETS		
Cash and cash equivalents	$ 72.9	$ 60.1
Trade accounts receivable – net	438.1	422.9
Inventories	350.0	357.9
Other current assets	52.8	53.1
Total current assets	913.8	894.0
Property, plant and equipment – net	363.7	365.7
Intangible assets – net	170.7	188.3
Goodwill	237.4	230.9
Deferred income taxes	67.0	75.1
Other noncurrent assets	113.8	97.5
Total assets	$ 1,866.4	$ 1,851.5
LIABILITIES AND SHAREHOLDERS' EQUITY		
Short-term debt	$ 4.3	$ 12.0
Long-term debt – current portion	25.9	19.7
Accounts payable	274.3	283.4

ccrued compensation and employee benefits	85.0	101.6
ther current liabilities	118.8	129.1
tal current liabilities	508.3	545.8
ong-term debt	405.7	399.9
eferred income taxes	26.4	30.0
ensions	26.0	27.7
ther noncurrent liabilities	103.7	92.6
tal liabilities	1,070.1	1,096.0
ommitments and contingencies (see Note 18)		
hareholders' equity:		
Preferred stock, $0.025 par value, authorized 16.0 million shares, issued - none	-	-
Common stock, $0.625 par value, authorized 80.0 million shares, issued 56.2 million and 56.1 million shares	35.1	35.0
dditional paid-in capital	287.9	283.7
etained earnings	706.3	659.0
ccumulated other comprehensive loss	(169.5)	(163.4)
Treasury stock, at cost, 3.8 million and 3.7 million shares	(71.4)	(66.7)
otal Modine shareholders' equity	788.4	747.6
oncontrolling interest	7.9	7.9
tal equity	796.3	755.5
tal liabilities and equity	$ 1,866.4	$ 1,851.5

	September 30, 2024	March 31, 2024
ASSETS		
Cash and cash equivalents	$ 78.6	$ 60.1
Trade accounts receivable – net	452.9	422.9
nventories	366.5	357.9
Other current assets	54.6	53.1
Total current assets	952.6	894.0
Property, plant and equipment – net	373.9	365.7
ntangible assets – net	165.8	188.3
Goodwill	240.7	230.9
Deferred income taxes	63.3	75.1
Other noncurrent assets	119.3	97.5
Total assets	$ 1,915.6	$ 1,851.5
LIABILITIES AND SHAREHOLDERS' EQUITY		
Short-term debt	$ 14.0	$ 12.0
Long-term debt – current portion	32.3	19.7
Accounts payable	295.1	283.4
Accrued compensation and employee benefits	91.7	101.6
Other current liabilities	103.8	129.1
Total current liabilities	536.9	545.8
Long-term debt	359.1	399.9

Deferred income taxes	26.3	30.0
Pensions	21.2	27.7
Other noncurrent liabilities	104.7	92.6
Total liabilities	1,048.2	1,096.0
Commitments and contingencies (see Note 18)		
Shareholders' equity:		
Preferred stock, $0.025 par value, authorized 16.0 million shares, issued – none	—	—
Common stock, $0.625 par value, authorized 80.0 million shares, issued 56.3 million and 56.1 million shares	35.2	35.0
Additional paid-in capital	293.5	283.7
Retained earnings	752.4	659.0
Accumulated other comprehensive loss	(147.8)	(163.4)
Treasury stock, at cost, 3.8 million and 3.7 million shares	(74.5)	(66.7)
Total Modine shareholders' equity	858.8	747.6
Noncontrolling interest	8.6	7.9
Total equity	867.4	755.5
Total liabilities and equity	$ 1,915.6	$ 1,851.5

The notes to condensed consolidated financial statements are an integral part of these statements.

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MODINE MANUFACTURING COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three six months ended June 30, 2024 September 30, 2024 and 2023

(In millions)

(Unaudited)

	Three months ended June 30,	
	2024	2023
Cash flows from operating activities:		
Net earnings	$ 47.8	$ 45.3

ljustments to reconcile net earnings to net cash provided by operating activities:		
epreciation and amortization	19.1	13.7
ock-based compensation expense	4.2	1.5
eferred income taxes	6.1	3.1
her – net	1.5	1.4
nanges in operating assets and liabilities:		
ade accounts receivable	(18.1)	(2.7)
ventories	6.0	(7.9)
counts payable	6.5	(9.5)
her assets and liabilities	(32.6)	(3.2)
et cash provided by operating activities	40.5	41.7
ash flows from investing activities:		
xpenditures for property, plant and equipment	(26.8)	(15.1)
ther – net	0.3	(3.3)
et cash used for investing activities	(26.5)	(18.4)
ash flows from financing activities:		
orrowings of debt	174.0	116.1
epayments of debt	(163.8)	(107.8)
epayments on bank overdraft facilities – net	(5.7)	(3.8)
urchases of treasury stock	(4.7)	(1.2)
vidend paid to noncontrolling interest	(0.4)	(0.5)
ther – net	0.6	0.9
Net cash provided by financing activities	-	3.7
fect of exchange rate changes on cash	(1.1)	(0.2)
Net increase in cash, cash equivalents and restricted cash	12.9	26.8
Cash, cash equivalents and restricted cash – beginning of period	60.3	67.2
Cash, cash equivalents and restricted cash – end of period	$ 73.2	$ 94.0

	Six months ended September 30,	
	2024	2023
Cash flows from operating activities:		
Net earnings	$ 94.2	$ 92.2
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	39.1	27.7
Stock-based compensation expense	9.8	4.6
Deferred income taxes	9.8	5.5
Other – net	3.4	3.8
Changes in operating assets and liabilities:		
Trade accounts receivable	(25.5)	6.7
Inventories	(5.2)	(4.3)

Accounts payable	21.8	(43.3)
Other assets and liabilities	(49.6)	17.9
Net cash provided by operating activities	97.8	110.8
Cash flows from investing activities:		
Expenditures for property, plant and equipment	(40.3)	(26.2)
Payments for business acquisitions	(3.4)	(4.8)
Proceeds from disposition of assets	0.5	1.1
Other – net	—	(4.5)
Net cash used for investing activities	(43.2)	(34.4)
Cash flows from financing activities:		
Borrowings of debt	282.0	176.6
Repayments of debt	(301.8)	(182.4)
Repayments on bank overdraft facilities – net	(9.0)	(3.7)
Purchases of treasury stock	(7.8)	(10.3)
Dividend paid to noncontrolling interest	(0.4)	(0.5)
Other – net	0.3	1.7
Net cash used for financing activities	(36.7)	(18.6)
Effect of exchange rate changes on cash	0.7	(1.9)
Net increase in cash, cash equivalents and restricted cash	18.6	55.9
Cash, cash equivalents and restricted cash – beginning of period	60.3	67.2
Cash, cash equivalents and restricted cash – end of period	$ 78.9	$ 123.1

The notes to condensed consolidated financial statements are an integral part of these statements.

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MODINE MANUFACTURING COMPANY

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

SHAREHOLDERS’ EQUITY
For the three and six months ended June 30, 2024 and 2023
September 30, 2024

(In millions)

(Unaudited)

	Common stock		Additional	Retained	Accumulated other	Treasury	Non-	
	Shares	Amount	paid-in capital	earnings	comprehensive loss	stock, at cost	controlling interest	Total
Balance, March 31, 2024	56.1	$ 35.0	$ 283.7	$ 659.0	$ (163.4)	$ (66.7)	$ 7.9	$ 755.5
et earnings	-	-	-	47.3	-	-	0.5	47.8
ther comprehensive loss	-	-	-	-	(6.1)	-	(0.1)	(6.2)
ock options and awards	0.1	0.1	-	-	-	-	-	0.1
urchase of treasury stock	-	-	-	-	-	(4.7)	-	(4.7)
ock-based compensation expense	-	-	4.2	-	-	-	-	4.2
vidend paid to noncontrolling interest	-	-	-	-	-	-	(0.4)	(0.4)
Balance, June 30, 2024	56.2	$ 35.1	$ 287.9	$ 706.3	$ (169.5)	$ (71.4)	$ 7.9	$ 796.3

	Common stock		Additional	Retained	Accumulated other	Treasury	Non-	
	Shares	Amount	paid-in capital	earnings	comprehensive loss	stock, at cost	controlling interest	Total
Balance, March 31, 2023	55.4	$ 34.6	$ 270.8	$ 497.5	$ (161.1)	$ (49.0)	$ 6.8	$ 599.6
et earnings	-	-	-	44.8	-	-	0.5	45.3
ther comprehensive loss	-	-	-	-	(0.5)	-	(0.2)	(0.7)
ock options and awards	0.2	0.1	0.4	-	-	-	-	0.5
urchase of treasury stock	-	-	-	-	-	(1.2)	-	(1.2)
ock-based compensation expense	-	-	1.5	-	-	-	-	1.5
vidend paid to noncontrolling interest	-	-	-	-	-	-	(0.5)	(0.5)
Balance, June 30, 2023	55.6	$ 34.7	$ 272.7	$ 542.3	$ (161.6)	$ (50.2)	$ 6.6	$ 644.5

	Common stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock, at cost	Non-controlling interest	Total
	Shares	Amount						
Balance, March 31, 2024	56.1	$ 35.0	$ 283.7	$ 659.0	$ (163.4)	$ (66.7)	$ 7.9	$ 755.5
Net earnings	—	—	—	47.3	—	—	0.5	47.8
Other comprehensive loss	—	—	—	—	(6.1)	—	(0.1)	(6.2)
Stock options and awards	0.1	0.1	—	—	—	—	—	0.1
Purchase of treasury stock	—	—	—	—	—	(4.7)	—	(4.7)
Stock-based compensation expense	—	—	4.2	—	—	—	—	4.2
Dividend paid to noncontrolling interest	—	—	—	—	—	—	(0.4)	(0.4)
Balance, June 30, 2024	56.2	$ 35.1	$ 287.9	$ 706.3	$ (169.5)	$ (71.4)	$ 7.9	$ 796.3
Net earnings	—	—	—	46.1	—	—	0.3	46.4
Other comprehensive income	—	—	—	—	21.7	—	0.4	22.1
Stock options and awards	0.1	0.1	—	—	—	—	—	0.1
Purchase of treasury stock	—	—	—	—	—	(3.1)	—	(3.1)
Stock-based compensation expense	—	—	5.6	—	—	—	—	5.6
Balance, September 30, 2024	56.3	$ 35.2	$ 293.5	$ 752.4	$ (147.8)	$ (74.5)	$ 8.6	$ 867.4

The notes to condensed consolidated financial statements are an integral part of these statements.

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MODINE MANUFACTURING COMPANY

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

For the three and six months ended September 30, 2023

(In millions)

(Unaudited)

	Additional	Accumulated other	Treasury	Non-

	Common stock		paid-in	Retained	comprehensive	stock, at	controlling	
	Shares	Amount	capital	earnings	loss	cost	interest	Total
Balance, March 31, 2023	55.4	$ 34.6	$ 270.8	$ 497.5	$ (161.1)	$ (49.0)	$ 6.8	$ 599.6
Net earnings	—	—	—	44.8	—	—	0.5	45.3
Other comprehensive loss	—	—	—	—	(0.5)	—	(0.2)	(0.7)
Stock options and awards	0.2	0.1	0.4	—	—	—	—	0.5
Purchase of treasury stock	—	—	—	—	—	(1.2)	—	(1.2)
Stock-based compensation expense	—	—	1.5	—	—	—	—	1.5
Dividend paid to noncontrolling interest	—	—	—	—	—	—	(0.5)	(0.5)
Balance, June 30, 2023	55.6	$ 34.7	$ 272.7	$ 542.3	$ (161.6)	$ (50.2)	$ 6.6	$ 644.5
Net earnings	—	—	—	46.5	—	—	0.4	46.9
Other comprehensive loss	—	—	—	—	(12.1)	—	—	(12.1)
Stock options and awards	0.1	0.1	0.6	—	—	—	—	0.7
Purchase of treasury stock	—	—	—	—	—	(9.1)	—	(9.1)
Stock-based compensation expense	—	—	3.1	—	—	—	—	3.1
Balance, September 30, 2023	55.7	$ 34.8	$ 276.4	$ 588.8	$ (173.7)	$ (59.3)	$ 7.0	$ 674.0

The notes to condensed consolidated financial statements are an integral part of these statements.

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MODINE MANUFACTURING COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(In millions, except per share amounts)

(unaudited)

Note 1: General

The accompanying unaudited condensed consolidated financial statements of Modine Manufacturing Company ("Modine" or the "Company") were prepared in conformity with accounting principles generally accepted in the United States ("GAAP") for interim financial information and with the instructions to Form 10-Q and Rule 10-01 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes necessary for a comprehensive presentation of financial position, results of operations and cash flows required by GAAP for complete financial statements. The financial statements include all normal recurring adjustments that are, in the opinion of management, necessary for a fair statement of results for the interim periods. Results for the first three six months of fiscal 2025 are not necessarily indicative of the results to be expected for the full year. These financial statements should be read in conjunction with the consolidated financial statements and related notes in Modine's Annual Report on Form 10-K for the year ended March 31, 2024.

Supplier finance programs

The Company facilitates a voluntary supplier finance program through a financial institution that allows certain suppliers in the U.S. and Europe to request early payment for invoices, at a discount, from the financial institution. The Company or the financial institution may terminate the supplier finance program upon 90 days' notice. The Company's obligations to its suppliers, including amounts due and payment terms, are consistent, irrespective of whether a supplier participates in the program. The Company is not party to the arrangements between the participating suppliers and the financial institution. Under this program, the Company confirms the validity of supplier invoices to the financial institution and remits payments to it based on the original payment terms, which typically range from 60 to 120 days. The outstanding obligations under this program, included within accounts payable in the consolidated balance sheets, totaled $18.2 million $17.8 million and $23.6 million at June 30September 30, 2024 and March 31, 2024, 2024 and March 31, 2024, respectively.

New accounting guidance

Segment reporting disclosures

In November 2023, the Financial Accounting Standards Board issued new disclosure guidance for reportable segments. The new guidance will require disclosure of significant segment expenses, which are expenses that are (i) significant to the segment, (ii) regularly provided to the chief operating decision maker ("CODM") and (iii) included in the reported measure of segment profit or loss. In addition, the new guidance will require companies to disclose the title and position of their CODM and expand interim disclosures to include the majority of the annual segment disclosures. The definition of and method for determining reportable segments is unchanged. The new disclosure requirements will become effective for the Company's fiscal 2025 annual financial statements. The Company is currently evaluatingthe new disclosures,, but does not expect the guidance will have a material impact on its consolidated financial statements.

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(In millions, except per share amounts)
(unaudited)

(In millions, except per share amounts)

Note 2: Acquisitions and Dispositions

Acquisition of Scott Springfield Mfg. Inc.

On March 1, 2024, the Company acquired all of the issued and outstanding shares in the capital of Scott Springfield Manufacturing") for consideration totaling $184.1 million. $184.1 million. In July 2024 and upon finalization of the working capital adjustment, the Company paid $2.4 million $2.4 million to the seller.

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Based in Calgary, Canada, Scott Springfield Manufacturing is a leading manufacturer of air handling units to customers in the data center, telecommunications, healthcare, and aerospace markets. This acquisition expanded the Company's product offerings and customer base in the high-growth data center and indoor air quality markets in the U.S. and Canada. Since the date of the acquisition, the Company has reported the financial results of the Scott Springfield Manufacturing business within the Climate Solutions segment. For the three and six months ended June 30, 2024 September 30, 2024, the Company included $39.7 million $53.4 million and $93.1 million of net sales, and $6.5 million of operating income respectively, within its consolidated statement statements of operations attributable to Scott Springfield Manufacturing. The $6.5 million of operating income for the first quarter of fiscal 2025 included a $1.6 million charge to cost of sales, recorded at Corporate, related to an inventory purchase accounting adjustment.

The Company has preliminarily allocated completed the purchase price allocation for its acquisition of Scott Springfield Manufacturing to the identifiable tangible and intangible assets acquired and the liabilities assumed based upon their estimated fair values as of the acquisition date. Manufacturing. During the first quarter of fiscal 2025, the Company completed its market and trade name analyses and reduced recorded a measurement period adjustment to reduce the preliminary fair value of the trade name intangible asset by $9.6 million. $9.6 million. This measurement period adjustment resulted in a corresponding decrease in the deferred income tax liability of $2.2 million $2.2 million and an increase in goodwill of $7.4 million.

The preliminary Company's purchase price allocation as of June 30, 2024, was as follows:

Cash and cash equivalents	$	0.3
Trade accounts receivable		27.5
Inventories		20.9
Property, plant and equipment		6.0
Intangible assets		92.7
Goodwill		72.6
Other assets		4.0
Accounts payable		(8.6)
Accrued compensation and employee benefits		(1.3)

(In millions, except per share amounts)

Deferred income taxes		(22.2)
Other liabilities		(7.8)
Purchase price	$	184.1

At the time the June 30, 2024 financial statements were finalized, the Company was continuing for its review of the fair value estimates for certain assets acquired, including intangible assets, and liabilities assumed. As part of its purchase accounting and integration activities, the Company is in the process of assessing, refining and harmonizing the internal controls and accounting processes of the acquired business with those of the Company. As part of this process, the Company is continuing to review the appropriateness of accruals and reserves, including those related to accounts receivable, inventory, and product warranties. As such, the allocation of purchase price above is considered preliminary. The Company expects to complete its accounting for the acquisition of Scott Springfield Manufacturing during the second quarter of fiscal 2025.

s as follows:

Cash and cash equivalents	$	0.3
Trade accounts receivable		27.5
Inventories		20.9
Property, plant and equipment		6.0
Intangible assets		92.7
Goodwill		72.6
Other assets		4.0
Accounts payable		(8.6)
Accrued compensation and employee benefits		(1.3)
Deferred income taxes		(22.2)
Other liabilities		(7.8)
Purchase price	$	184.1

The following unaudited supplemental pro forma information presents the Company's consolidated results of operations as though the acquisition of Scott Springfield Manufacturing had occurred at the beginning of fiscal 2023. This pro forma financial information is presented for illustrative purposes only and is not considered to be indicative of the operating results that would have been achieved had the acquisition been completed as of the date indicated or the operating results that may be obtained in the future.

	Three months ended September 30, 2023	Six months ended September 30, 2023
Net sales	$ 647.5	$ 1,299.2
Net earnings attributable to Modine	46.6	91.1

	Three months ended June 30, 2023
Net sales	$ 651.7
Net earnings attributable to Modine	44.5

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The supplemental pro forma financial information above is based upon the Company's historical results and the historical results of Scott Springfield Manufacturing, which have been translated from Canadian dollars to U.S. dollars using the historical average foreign exchange rates. The pro forma information for the first quarter of fiscal 2024 includes adjustments for: (i) i) amortization and depreciation expense totaling $3.0 million approximately $2.0 million and $5.0 million for the three and six months ended September 30, 2023, respectively, for acquired tangible and intangible assets, (ii) estimated quarterly interest expense of $1.5 million resulting from acquisition-related borrowings, and (iii) the estimated income tax impacts related to the pro forma adjustments, considering the statutory tax rates within Canada. The pro forma financial information does not reflect any expected revenue or cost synergies.

Acquisition of Napps Technology Corporation

On July 1, 2023, the Company acquired substantially all of the net operating assets of Napps Technology Corporation ("Napps"), a Texas-based manufacturer of air- and water-cooled chillers, condensing units and heat pumps, for consideration totaling $5.8 million. $5.8 million. The Company paid $4.8 million$4.8 million during the second quarter of fiscal 2024 and paid the remaining $1.0 million to the seller in July 2024. The Company has reported the financial results of the Napps business within the Climate Solutions segment since the date of the acquisition. For the first quarter of fiscal 2025, the Company included $1.4 million of net sales within its consolidated statement of operations attributable to Napps.

Disposition of Germany automotive businesses

In October 2023, the Company sold three automotive businesses based in Germany (the "disposal group") to affiliates of Regent, L.P. Prior to the disposition, the Company reported the financial results of the disposal group within its Performance Technologies segment. Net sales of the disposal group included within the Company's consolidated statement of operations for the first quarter three and six months ended September 30, 2023 totaled $21.9 million and $46.2 million, respectively.

Table of fiscal 2024 totaled $24.3 million.

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Note 3: Revenue Recognition

Disaggregation of revenue

The tables below present revenue for each of the Company’s operating segments. Each segment’s revenue is disaggregated by product group, b geographic location and based upon the timing of revenue recognition.

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Effective April 1, 2024, April 1, 2024, the Company moved its Coatings business, which was previously managed by and reported within th Performance Technologies segment, under the leadership of the Climate Solutions segment. See Note 20 for additional segment financial information The disaggregated revenue information presented in the table tables below for fiscal 2024 has been recast to be comparable with the fiscal 202 presentation.

	Three months ended September 30, 2024			Three months ended September 30, 2023		
	Climate Solutions	Performance Technologies	Segment Total	Climate Solutions	Performance Technologies	Segment Total
Product groups:						
Data center cooling	$ 158.9	$ —	$ 158.9	$ 78.8	$ —	$ 78.8
Heat transfer	103.4	—	103.4	119.2	—	119.2
HVAC&R	104.1	—	104.1	91.2	—	91.2
Air-cooled	—	155.2	155.2	—	173.3	173.3
Liquid-cooled	—	99.1	99.1	—	126.4	126.4
Advanced solutions	—	37.3	37.3	—	31.6	31.6
Inter-segment sales	—	5.9	5.9	—	6.0	6.0
Net sales	$ 366.4	$ 297.5	$ 663.9	$ 289.2	$ 337.3	$ 626.5
Geographic location:						
Americas	$ 252.6	$ 182.7	$ 435.3	$ 174.1	$ 178.4	$ 352.5

Europe	105.9	72.5	178.4	109.1	110.0	219.1
Asia	7.9	42.3	50.2	6.0	48.9	54.9
Net sales	$ 366.4	$ 297.5	$ 663.9	$ 289.2	$ 337.3	$ 626.5
Timing of revenue recognition:						
Products transferred at a point in time	$ 350.9	$ 294.6	$ 645.5	$ 271.6	$ 333.7	$ 605.3
Products transferred over time	15.5	2.9	18.4	17.6	3.6	21.2
Net sales	$ 366.4	$ 297.5	$ 663.9	$ 289.2	$ 337.3	$ 626.5

	Three months ended June 30, 2024			Three months ended June 30, 2023		
	ClimateSolutions	PerformanceTechnologies	Segment Total	ClimateSolutions	PerformanceTechnologies	Segment Total
Product groups:						
Data center cooling	$ 162.6	$ -	$ 162.6	$ 68.2	$ -	$ 68.2
Heat transfer	111.8	-	111.8	140.8	-	140.8
HVAC&R	82.8	-	82.8	77.7	-	77.7
Air-cooled	-	168.6	168.6	-	172.7	172.7
Liquid-cooled	-	104.0	104.0	-	134.7	134.7
Advanced solutions	-	31.7	31.7	-	28.3	28.3
Inter-segment sales	0.1	4.7	4.8	-	7.4	7.4
Net sales	$ 357.3	$ 309.0	$ 666.3	$ 286.7	$ 343.1	$ 629.8
Geographic location:						
Americas	$ 240.0	$ 184.7	$ 424.7	$ 153.3	$ 172.7	$ 326.0
Europe	111.5	80.1	191.6	126.9	120.0	246.9
Asia	5.8	44.2	50.0	6.5	50.4	56.9
Net sales	$ 357.3	$ 309.0	$ 666.3	$ 286.7	$ 343.1	$ 629.8
Timing of revenue recognition:						
Products transferred at a point in time	$ 340.7	$ 305.8	$ 646.5	$ 258.2	$ 340.0	$ 598.2

(In millions, except per share amounts)

Products transferred over time	16.6	3.2	19.8	28.5	3.1	31.6
Net sales	$ 357.3	$ 309.0	$ 666.3	$ 286.7	$ 343.1	$ 629.8

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	Six months ended September 30, 2024			Six months ended September 30, 2023		
	Climate Solutions	Performance Technologies	Segment Total	Climate Solutions	Performance Technologies	Segment Total
Product groups:						
Data center cooling	$ 321.5	$ —	$ 321.5	$ 147.0	$ —	$ 147.0
Heat transfer	215.2	—	215.2	260.0	—	260.0
HVAC&R	186.9	—	186.9	168.9	—	168.9
Air-cooled	—	323.8	323.8	—	346.0	346.0
Liquid-cooled	—	203.1	203.1	—	261.1	261.1
Advanced solutions	—	69.0	69.0	—	59.9	59.9
Inter-segment sales	0.1	10.6	10.7	—	13.4	13.4
Net sales	$ 723.7	$ 606.5	$ 1,330.2	$ 575.9	$ 680.4	$ 1,256.3
Geographic location:						
Americas	$ 492.6	$ 367.4	$ 860.0	$ 327.4	$ 351.1	$ 678.5
Europe	217.4	152.6	370.0	236.0	230.0	466.0
Asia	13.7	86.5	100.2	12.5	99.3	111.8
Net sales	$ 723.7	$ 606.5	$ 1,330.2	$ 575.9	$ 680.4	$ 1,256.3
Timing of revenue recognition:						
Products transferred at a point in time	$ 691.6	$ 600.4	$ 1,292.0	$ 529.8	$ 673.7	$ 1,203.5
Products transferred over time	32.1	6.1	38.2	46.1	6.7	52.8
Net sales	$ 723.7	$ 606.5	$ 1,330.2	$ 575.9	$ 680.4	$ 1,256.3

Contract balances

Contract assets and contract liabilities from contracts with customers were as follows:

	June 30, 2024	March 31, 2024

Contract assets	$	10.8	$	12.9
Contract liabilities		66.4		79.4

	September 30, 2024		March 31, 2024	
Contract assets	$	14.5	$	12.9
Contract liabilities		51.9		79.4

Contract assets, included within other current assets in the consolidated balance sheets, primarily consist of capitalized costs related to customer-owned tooling contracts, wherein the customer has guaranteed reimbursement, and assets recorded for revenue recognized over time, which represent the Company's rights to consideration for work completed but not yet billed. The $2.1 million decrease$1.6 million increase in contract assets during the first three six months of fiscal 2025 primarily resulted from decreases increases in contract assets for revenue recognized over time and in capitalized costs related to customer-owned tooling contracts.

the Company's fulfillment of its performance obligations.

Contract liabilities, included within other current liabilities in the consolidated balance sheets, consist of payments received in advance of satisfying performance obligations under customer contracts, including contracts for data center cooling products and customer-owned tooling. The $13.0 million$27.5 million decrease in contract liabilities during the first three six months of fiscal 2025 primarily resulted from the Company's satisfaction of performance obligations under contracts that had required advanced payments, largely associated with long inventory lead times.

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Note 4: Fair Value Measurements

Fair value is defined as the price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. Fair value measurements are classified under the following hierarchy:

- Level 1 – Quoted prices for identical instruments in active markets.
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable in active markets.
- Level 3 – Model-derived valuations in which one or more significant inputs are not observable.

- Level 1 – Quoted prices for identical instruments in active markets.
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable in active markets.
- Level 3 – Model-derived valuations in which one or more significant inputs are not observable.

When available, the Company uses quoted market prices to determine fair value and classifies such measurements as Level 1. In some cases, where market prices are not available, the Company uses observable market-based inputs to calculate fair value, in which case the measurements are classified as Level 2. If quoted or observable market prices are not available, the Company determines fair value based upon valuation models that use, where possible, market-based data such as interest rates, yield curves or currency rates. These measurements are classified as Level 3.

The carrying values of cash, cash equivalents, restricted cash, trade accounts receivable, accounts payable, and short-term debt approximate fai value due to the short-term nature of these instruments. The fair value of the Company's long-term debt is disclosed in Note 17. 17.

Note 5: Pensions

Pension cost included the following components:

	Three months ended June 30,	
	2024	2023
Service cost	$ -	$ 0.1
Interest cost	2.3	2.4
Expected return on plan assets	(2.2)	(2.6)
Amortization of unrecognized net loss	1.2	1.1
Net periodic benefit cost	$ 1.3	$ 1.0

	Three months ended September 30,		Six months ended September 30,	
	2024	2023	2024	2023
Service cost	$ 0.1	$ —	$ 0.1	$ 0.1
Interest cost	2.2	2.4	4.5	4.8
Expected return on plan assets	(2.1)	(2.6)	(4.3)	(5.2
Amortization of unrecognized net loss	1.1	1.2	2.3	2.3
Net periodic benefit cost	$ 1.3	$ 1.0	$ 2.6	$ 2.0

During the three six months ended June 30, 2024 September 30, 2024, the Company contributed $1.5 million $6.5 million to its U.S. pension plan.

In June 2024, the Company approved the termination of its U.S. pension plan, subject to approvals from the Internal Revenue Service and the Pension Benefit Guaranty Corporation. The Company intends to offer certain participants the option to receive their pension benefits in the form of a lump-sum distribution prior to purchasing annuity contracts to transfer its remaining obligations under the plan. In connection with the plan termination the Company expects to make a additional cash contribution contributions in the range of $15.0 million$10.0 million to $30.0 million $25.0 million to fully fund the plan, on a plan termination basis, and to record non-cash pension settlement charges totaling approximately $120.0 million to $130.0 million $130.0 million during fiscal 2026. The timing and amount of the final cash contribution and settlement charges could materially differ from the Company's estimates due to the nature and timing of participant settlements, prevailing market and economic conditions, the duration of the termination process, or other factors.

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Note 6: Stock-Based Compensation

The Company's stock-based incentive programs consist of the following: (i) a long-term incentive plan ("LTIP") for officers and other executives that authorizes grants of stock awards, stock options, and performance-based awards for retention and performance, (ii) a discretionary equity program for other management and key employees, and (iii) stock awards for non-employee directors.

The Company calculates compensation expense based upon the fair value of the awards at the time of grant and subsequently recognizes expense ratably over the respective vesting periods of the stock-based awards. The Company recognized stock-based compensation expense of $4.2 million$5.6 million and $1.5 million for$3.1 million for the three months ended June 30, 2024September 30, 2024 and 2023, respectively. The Company recognized stock-based compensation expense of

$9.8 million and $4.6 million for the six months ended September 30, 2024 and 2023, respectively.

During the first quarter six months of fiscal 2025, the Company granted performance-based stock awards and restricted stock awards. The performance metrics for the performance-based stock awards are based upon a target three-yearthree-year average cash flow return on invested capital and a target three-yearthree-year average growth in consolidated net earnings before interest, taxes, depreciation, amortization, and certain other adjustments ("Adjusted EBITDA") at the end of the performance period ending March 31, 2027.

(In millions, except per share amounts)

The weighted-average fair value of stock-based compensation awards granted during the three six months ended June 30, 2024 September 30, 2024 and 2023 were as follows:

	Three months ended June 30,			
	2024		2023	
	Shares	Fair Value Per Award	Shares	Fair Value Per Award
Performance stock awards	0.1	$ 103.77	0.3	$ 27.29
Restricted stock awards	-	$ 103.77	0.1	$ 27.29

	Six months ended September 30,			
	2024		2023	
	Shares	Fair Value Per Award	Shares	Fair Value Per Award
Performance stock awards	0.1	$ 103.77	0.3	$ 27.29
Restricted stock awards	—	$ 105.40	0.1	$ 33.19

As of June 30, 2024 September 30, 2024, unrecognized compensation expense related to non-vested stock-based compensation awards, which will be recognized as expense over the remaining service periods, was as follows:

	Unrecognized Compensation Expense	Weighted-Average Remaining Service Period in Years
Performance stock awards	$ 34.1	2.5
Restricted stock awards	8.2	1.9
Stock options	0.8	0.9
Total	$ 43.1	2.4

	Unrecognized Compensation Expense	Weighted-Average Remaining Service Period in Years
Performance stock awards	$ 30.6	2.2
Restricted stock awards	8.2	1.6
Stock options	0.9	0.5
Total	$ 39.7	2.0

(In millions, except per share amounts)

Note 7: Restructuring Activities

During the first three six months of fiscal 2025, restructuring and repositioning expenses primarily consisted of severance expenses recorded in the Performance Technologies segment. These severance charges were primarily recorded in Europe and include severance related to the closure of a technical service center and other targeted headcount reductions in Europe. reductions. In addition, the Company incurred equipment transfer costs within the Performance Technologies and Climate Solutions segments. These restructuring activities are as part of the Company's its transformational initiatives supported by 80/20 principles, the Company is taking steps to optimize the efficiency of its supply chain and include manufacturing processes in order to improve profit margins in the Climate Solutions and Performance Technologies segments. These restructuring activities have included transferring the production and warehousing for certain product line transfers intended to achieve production efficiency improvements lines among its facilities.

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During the first six months of fiscal 2024, restructuring and repositioning expenses primarily consisted of equipment transfer costs in its manufacturing facilities.

the Climate Solutions and Performance Technologies segments.

Restructuring and repositioning expenses were as follows:

	Three months ended June 30,	
	2024	2023
Employee severance and related benefits	$ 4.8	$ -
Other restructuring and repositioning expenses	0.6	-
Total	$ 5.4	$ -

	Three months ended September 30,		Six months ended September 30,	
	2024	2023	2024	2023
Employee severance and related benefits	$ 3.2	$ 0.1	$ 8.0	$ 0.1

Other restructuring and repositioning expenses	1.3	0.4	1.9	0.4
Total	$ 4.5	$ 0.5	$ 9.9	$ 0.5

Other restructuring and repositioning expenses primarily consist of equipment transfer costs.

costs related to product line transfers.

The Company accrues severance in accordance with its written plans, procedures, and relevant statutory requirements. Changes in accrued severance were as follows:

	Three months ended June 30,	
	2024	2023
Beginning balance	$ 13.0	$ 10.6
Additions	4.8	-
Payments	(9.2)	(1.8)
Effect of exchange rate changes	-	0.1
Ending balance	$ 8.6	$ 8.9

	Three months ended September 30,	
	2024	2023
Beginning balance	$ 8.6	$ 8.9
Additions	3.2	0.1
Payments	(4.1)	(3.1)
Reclassified as held for sale (a)	—	(2.5)
Effect of exchange rate changes	0.2	(0.2)
Ending balance	$ 7.9	$ 3.2

	Six months ended September 30,	
	2024	2023
Beginning balance	$ 13.0	$ 10.6
Additions	8.0	0.1
Payments	(13.3)	(4.9)
Reclassified as held for sale (a)	—	(2.5)
Effect of exchange rate changes	0.2	(0.1)
Ending balance	$ 7.9	$ 3.2

(a) The Company reclassified the assets and liabilities of three businesses based in Germany as held for sale on the September 30, 2023 balance sheet. These businesses were subsequently sold in October 2023. See Note 2 for additional information regarding the sale.

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Note 8: Other Income and Expense

Other income and expense consisted of the following:

	Three months ended June 30,	
	2024	2023
Interest income	$ 0.7	$ 0.5
Foreign currency transactions (a)	0.2	(0.3)
Net periodic benefit cost (b)	(1.2)	(0.8)
Total other expense – net	$ (0.3)	$ (0.6)

	Three months ended September 30,		Six months ended September 30,	
	2024	2023	2024	2023
Interest income	$ 0.8	$ 1.2	$ 1.5	$ 1.7
Foreign currency transactions (a)	(1.2)	(0.2)	(1.0)	(0.5)
Net periodic benefit cost (b)	(1.1)	(0.9)	(2.3)	(1.7)
Total other (expense) income - net	$ (1.5)	$ 0.1	$ (1.8)	$ (0.5)

(a) Foreign currency transactions primarily consist of foreign currency transaction gains and losses on the re-measurement or settlement of foreign currency-denominated assets and liabilities, including intercompany loans and transactions denominated in a foreign currency, along with gains and losses on certain foreign currency exchange contracts.
(b) Net periodic benefit cost for the Company’s pension and postretirement plans is exclusive of service cost.

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Note 9: Income Taxes

The Company's effective tax rate for the three months ended June 30, 2024 September 30, 2024 and 2023 was 28.2 30.1 percent and 24.5 21.4 percent, respectively. The Company's effective tax rate for the six months ended September 30, 2024 and 2023 was 29.2 percent and 23.0 percent, respectively. The effective tax rate rates for the first quarter of fiscal 2025 is are higher than the first quarter of the prior year, primarily due to changes in the mix and amount of foreign and U.S. earnings.

In addition, the effective tax rates for the prior-year periods were favorably impacted by the release of a $1.8 million unrecognized tax benefit during the second quarter of fiscal 2024, due to a lapse in statute of limitations.

The Company records valuation allowances against its net deferred tax assets to the extent it determines it is more likely than not that such assets will not be realized in the future. Each quarter, the Company evaluates the probability that its deferred tax assets will be realized and determines whether valuation allowances or adjustments thereto are needed. This determination involves judgement and the use of significant estimates and assumptions, including expectations of future taxable income and tax planning strategies. In addition, the Company considers the duration of statutory carryforward periods and historical financial results.

At June 30, 2024 September 30, 2024, valuation allowances against deferred tax assets in the U.S. and in certain foreign jurisdictions totaled $44.2 million $46.3 million and $22.8 million $23.8 million, respectively. The Company will maintain the valuation allowances in each applicable tax jurisdiction until it determines it is more likely than not the deferred tax assets will be realized, thereby eliminating the need for a valuation allowance. Future events or circumstances, such as lower taxable income or unfavorable changes in the financial outlook of the Company's operations in the U.S. and certain foreign jurisdictions, could necessitate the establishment of further valuation allowances.

Accounting policies for interim reporting require the Company to adjust its effective tax rate each quarter to be consistent with its estimated annual effective tax rate. Under this methodology, the Company applies its estimated annual income tax rate to its year-to-date ordinary earnings to derive its income tax provision each quarter. The Company records the tax impacts of certain significant, unusual or infrequently occurring items in the period in which they occur. In addition, the Company excludes the impact of operations anticipated to generate net operating losses for the full fiscal year from the overall effective tax rate calculation and instead records them discretely based upon year-to-date results. The Company does not anticipate a significant change in unrecognized tax benefits during the remainder of fiscal 2025.

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Note 10: Earnings Per Share

The components of basic and diluted earnings per share were as follows:

	Three months ended June 30,	
	2024	2023
Net earnings attributable to Modine	$ 47.3	$ 44.8
Weighted-average shares outstanding – basic	52.5	52.3
Effect of dilutive securities	1.4	0.7
Weighted-average shares outstanding – diluted	53.9	53.0
Earnings per share:		
Net earnings per share – basic	$ 0.90	$ 0.86
Net earnings per share – diluted	$ 0.88	$ 0.85

For

	Three months ended September 30,		Six months ended September 30,	
	2024	2023	2024	2023
Net earnings attributable to Modine	$ 46.1	$ 46.5	$ 93.4	$ 91.3
Weighted-average shares outstanding – basic	52.6	52.4	52.5	52.4
Effect of dilutive securities	1.3	1.0	1.4	0.8
Weighted-average shares outstanding – diluted	53.9	53.4	53.9	53.2
Earnings per share:				
Net earnings per share – basic	$ 0.88	$ 0.89	$ 1.78	$ 1.74
Net earnings per share – diluted	$ 0.86	$ 0.87	$ 1.73	$ 1.72

There were no anti-dilutive securities outstanding for the three and six months ended September 30, 2024 and the three months ended June 30, 2024, there were no anti-dilutive securities that impacted the calculation of diluted earnings per share. September 30, 2023. For the three six months ended June 30, 2023 September 30, 2023, the Company excluded 0.1 million of restricted stock awards for the calculation of diluted earnings per share excluded 0.1 million restricted stock awards because they were anti-dilutive.

(In millions, except per share amounts)

Note 11: Cash, Cash Equivalents and Restricted Cash

Cash, cash equivalents and restricted cash consisted of the following:

	June 30, 2024	March 31, 2024
Cash and cash equivalents	$ 72.9	$ 60.1
Restricted cash	0.3	0.2
Total cash, cash equivalents and restricted cash	$ 73.2	$ 60.3

	September 30, 2024	March 31, 2024
Cash and cash equivalents	$ 78.6	$ 60.1
Restricted cash	0.3	0.2
Total cash, cash equivalents and restricted cash	$ 78.9	$ 60.3

Restricted cash, which is reported within other current assets and other noncurrent assets in the consolidated balance sheets, consists primarily of deposits for contractual guarantees or commitments required for rents, import and export duties, and commercial agreements.

Note 12: Inventories

Inventories consisted of the following:

	September 30, 2024	March 31, 2024
Raw materials	$ 224.0	$ 207.8
Work in process	69.6	64.5
Finished goods	72.9	85.6
Total inventories	$ 366.5	$ 357.9

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	June 30, 2024	March 31, 2024
Raw materials	$ 203.0	$ 207.8
Work in process	66.9	64.5
Finished goods	80.1	85.6
Total inventories	$ 350.0	$ 357.9

Note 13: Property, Plant and Equipment

Property, plant and equipment, including depreciable lives, consisted of the following:

	June 30, 2024	March 31, 2024
Land	$ 16.2	$ 16.3
Buildings and improvements (10-40 years)	280.9	280.7
Machinery and equipment (3-15 years)	833.3	824.4
Office equipment (3-10 years)	92.6	97.0
Construction in progress	61.2	67.6
	1,284.2	1,286.0
Less: accumulated depreciation	(920.5)	(920.3)
Net property, plant and equipment	$ 363.7	$ 365.7

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	September 30, 2024	March 31, 2024
Land	$ 16.8	$ 16.3
Buildings and improvements (10-40 years)	289.3	280.7
Machinery and equipment (3-15 years)	858.4	824.4
Office equipment (3-10 years)	95.8	97.0
Construction in progress	57.6	67.6
	1,317.9	1,286.0
Less: accumulated depreciation	(944.0)	(920.3)
Net property, plant and equipment	$ 373.9	$ 365.7

Note 14: Goodwill and Intangible Assets

During the first quarter of fiscal 2025, the Company recorded a measurement period adjustment to reduce the fair value of the acquired Scott Springfield Manufacturing trade name by $9.6 million.$9.6 million. This purchase accounting adjustment resulted in a $7.4 million$7.4 million increase in goodwill. See Note 2 for additional information.

As a result of the segment realignment during the first quarter of fiscal 2025, the Company's Company's goodwill now resides entirely within the Climate Solutions segment. The following table presents a roll forward of the carrying value of goodwill from March 31, 2024 to June 30, 2024 under the Company September 30, 2024.

	Climate Solutions
Goodwill, March 31, 2024	$ 230.9
Acquisition adjustment	7.4
Effect of exchange rate changes	2.4
Goodwill, September 30, 2024	$ 240.7

s current segment structure.

	Climate Solutions
Goodwill, March 31, 2024	**$ 230.9**
Acquisition adjustment	**7.4**
Effect of exchange rate changes	**(0.9)**
Goodwill, June 30, 2024	**$ 237.4**

Intangible assets consisted of the following:

	June 30, 2024			March 31, 2024		
	Gross Carrying Value	Accumulated Amortization	Net Intangible Assets	Gross Carrying Value	Accumulated Amortization	Net Intangible Assets
Customer relationships	$ 149.4	$ (31.7)	$ 117.7	$ 150.5	$ (26.3)	$ 124.2
Trade names	53.1	(19.1)	34.0	62.8	(18.5)	44.3
Acquired technology	32.4	(13.4)	19.0	32.5	(12.7)	19.8
Total intangible assets	$ 234.9	$ (64.2)	$ 170.7	$ 245.8	$ (57.5)	$ 188.3

	September 30, 2024			March 31, 2024		
	Gross Carrying Value	Accumulated Amortization	Net Intangible Assets	Gross Carrying Value	Accumulated Amortization	Net Intangible Assets

(In millions, except per share amounts)

Customer relationships	$ 151.5	$ (37.8)	$ 113.7	$ 150.5	$ (26.3)	$ 124.2
Trade names	53.6	(19.9)	33.7	62.8	(18.5)	44.3
Acquired technology	32.8	(14.4)	18.4	32.5	(12.7)	19.8
Total intangible assets	$ 237.9	$ (72.1)	$ 165.8	$ 245.8	$ (57.5)	$ 188.3

The Company recorded amortization expense of $6.9 million and $2.0 million for the three months ended June 30, 2024 September 30, 2024 and 2023, respectively respectively. The Company recorded amortization expense of $13.8 million and $4.0 million for the six months ended September 30, .2024 and 2023, respectively. The Company estimates that it will record approximately $21.0 million$14.0 million of amortization expense during the remainder of fiscal 2025. The Company estimates that it will record approximately $17.0$18.0 million, $16.0 million, $16.0 million, and $15.0 million of annual amortization expense in fiscal 2026 through 2029, respectively.

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Note 15: Product Warranties

Changes in accrued warranty costs were as follows:

	Three months ended June 30,	
	2024	2023
Beginning balance	$ 10.7	$ 6.9
Warranties recorded at time of sale	1.9	1.5
Adjustments to pre-existing warranties	(0.1)	0.6
Settlements	(1.7)	(1.1)
Effect of exchange rate changes	-	-
Ending balance	$ 10.8	$ 7.9

(In millions, except per share amounts)

	Three months ended September 30,	
	2024	2023
Beginning balance	$ 10.8	$ 7.9
Warranties recorded at time of sale	1.9	1.6
Adjustments to pre-existing warranties	(0.3)	2.5
Settlements	(1.6)	(1.4)
Reclassified as held for sale (a)	—	(0.2)
Effect of exchange rate changes	0.3	(0.1)
Ending balance	$ 11.1	$ 10.3

	Six months ended September 30,	
	2024	2023
Beginning balance	$ 10.7	$ 6.9
Warranties recorded at time of sale	3.8	3.1
Adjustments to pre-existing warranties	(0.4)	3.1
Settlements	(3.3)	(2.5)
Reclassified as held for sale (a)	—	(0.2)
Effect of exchange rate changes	0.3	(0.1)
Ending balance	$ 11.1	$ 10.3

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(a) The Company reclassified the assets and liabilities of three businesses based in Germany as held for sale on the September 30, 2023 balance sheet. These businesses were subsequently sold in October 2023. See Note 2 for additional information regarding the sale.

Note 16: Leases

Lease assets and liabilities

The following table provides a summary of leases recorded on the consolidated balance sheets.

	Balance Sheet Location	June 30, 2024		March 31, 2024	
Lease Assets					
Operating lease ROU assets	Other noncurrent assets	$	91.4	$	76.0
Finance lease ROU assets (a)	Property, plant and equipment – net		6.4		6.5
Lease Liabilities					
Operating lease liabilities	Other current liabilities	$	17.7	$	15.3
Operating lease liabilities	Other noncurrent liabilities		75.2		62.1
Finance lease liabilities	Long-term debt – current portion		0.4		0.4
Finance lease liabilities	Long-term debt		1.7		1.9

	Balance Sheet Location	September 30, 2024		March 31, 2024	
Lease Assets					
Operating lease ROU assets	Other noncurrent assets	$	91.4	$	76.0
Finance lease ROU assets (a)	Property, plant and equipment - net		7.3		6.5
Lease Liabilities					
Operating lease liabilities	Other current liabilities	$	17.4	$	15.3
Operating lease liabilities	Other noncurrent liabilities		75.4		62.1
Finance lease liabilities	Long-term debt - current portion		0.5		0.4
Finance lease liabilities	Long-term debt		2.5		1.9

(a) Finance right of use ("ROU" ("ROU") assets were recorded net of accumulated amortization of $3.8 million $4.0 million and $3.7 million $3.7 million as of June 30, 2024 September30,2024 and March 31, 2024, March31,2024, respectively.

The increases in operating lease ROU assets and liabilities from March 31, 2024 to June 30, 2024 September 30, 2024 primarily resulted from the commencement of a 10-year 10-year manufacturing facility lease within the Climate Solutions segment. The Company entered into this new lease to increase production capacity for data center products.

Components of lease expense

The components of lease expense were as follows:

	Three months ended June 30,			
	2024		2023	
Operating lease expense (a)	$	6.9	$	5.9
Finance lease expense:				
Depreciation of ROU assets		0.1		0.1
Interest on lease liabilities		-		-

Total lease expense	$	7.0	$	6.0

	Three months ended September 30,		Six months ended September 30,	
	2024	2023	2024	2023
Operating lease expense (a)	$ 7.7	$ 5.6	$ 14.6	$ 11.5
Finance lease expense:				
Depreciation of ROU assets	0.2	0.2	0.3	0.3
Interest on lease liabilities	0.1	0.1	0.1	0.1
Total lease expense	$ 8.0	$ 5.9	$ 15.0	$ 11.9

(a) For the three and six months ended June 30, 2024 and 2023, September30,2024, operating lease expense included short-term lease expense of $1.8 million and $3.1$1.3 million, respectively. For three and $1.5 million six months ended September 30, 2023, operating lease expense included short-term lease expense of $1.4 million and $2.9 million, respectively.Variable lease expense was not significant.

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During July 2024, the Company signed a 10-year operating lease of a manufacturing facility with future lease payments totaling approximately $12.0 million.
which is expected to commence in the third quarter of fiscal 2025.

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Note 17: Indebtedness

Long-term debt consisted of the following:

	Fiscal year of maturity	June 30, 2024	March 31, 2024
Term loans	2028	$ 201.5	$ 204.5
Revolving credit facility	2028	105.0	90.0
5.9% Senior Notes	2029	100.0	100.0
5.8% Senior Notes	2027	25.0	25.0
Finance lease obligations		2.1	2.3
		433.6	421.8
Less: current portion		(25.9)	(19.7)
Less: unamortized debt issuance costs		(2.0)	(2.2)
Total long-term debt		$ 405.7	$ 399.9

	Fiscal year of maturity	September 30, 2024	March 31, 2024
Term loans	2028	$ 200.3	$ 204.5
5.9% Senior Notes	2029	100.0	100.0
Revolving credit facility	2028	65.0	90.0
5.8% Senior Notes	2027	25.0	25.0
Finance lease obligations		3.0	2.3
		393.3	421.8
Less: current portion		(32.3)	(19.7)
Less: unamortized debt issuance costs		(1.9)	(2.2)
Total long-term debt		$ 359.1	$ 399.9

Long-term debt, including the current portion of long-term debt, matures as follows:

Fiscal Year	
Remainder of 2025	$ 16.8
2026	44.7
2027	44.7
2028	302.0
2029	25.4
Total	$ 433.6

Fiscal Year	
Remainder of 2025	$ 14.1
2026	44.8
2027	44.8
2028	263.4

(In millions, except per share amounts)

2029	25.5
2030 & beyond	0.7
Total	$ 393.3

The Company maintains a credit agreement with a syndicate of banks that provides for a multi-currency $275.0 million revolving credit facility and U.S. dollar- and euro-denominated term loan facilities maturing in October 2027. In addition, the credit agreement provides for shorter-duration swingline loans. Borrowings under the revolving credit, swingline and term loan facilities bear interest at a variable rate, based upon the applicable reference rate and including a margin percentage dependent upon the Company's leverage ratio, as described below. At June 30, 2024 September 30, 2024, the weighted-average interest rate for revolving credit facility borrowings and the term loans was 6.86.3 and 6.5 5.8 percent, respectively.

Based upon the terms of the credit agreement, the Company classifies borrowings under its revolving credit and swingline facilities as long-term and short-term debt, respectively, on its consolidated balance sheets. At June 30, 2024 September 30, 2024, the Company's Company's borrowings under its revolving credit facility and swingline facilities totaled $105.0 million$65.0 million and $13.0 million, respectively, and domestic letters of credit totaled $6.2 million. $6.2 million. As a result, available borrowing capacity under the Company's revolving credit facility was $163.8 million$190.8 million as of June 30, 2024. September 30, 2024. At March 31, 2024, the Company's Company's borrowings under its revolving credit and swingline facilities totaled $90.0 million$90.0 million and $2.0 million, respectively.

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The Company also maintains credit agreements for its foreign subsidiaries. The outstanding short-term borrowings related to these foreign credit agreements totaled $4.3 million $1.0 million and $10.0 million at June 30, 2024 September 30, 2024 and March 31, 2024, respectively.

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Indebtedness under the Company's credit agreement and Senior Note agreements is secured by liens on substantially all domestic assets. These agreements further require compliance with various covenants that may limit the Company's ability to incur additional indebtedness; grant liens; make investments, loans, or guarantees; engage in certain transactions with affiliates; and make restricted payments, including dividends. In addition, the agreements may require prepayment in the event of certain asset sales.

Financial covenants within its credit agreements include a leverage ratio covenant, which requires the Company to limit its consolidated indebtedness, less a portion of its cash balances, both as defined by the credit agreements, to no more than three and one-quarter times consolidated net earnings before interest, taxes, depreciation, amortization, and certain other adjustments ("Adjusted EBITDA"). The Company must also maintain a ratio of Adjusted EBITDA of at least three times consolidated interest expense. As of June 30, 2024 September 30, 2024, the Company was in compliance with its debt covenants.

The Company estimates the fair value of long-term debt using discounted future cash flows at rates offered to the Company for similar debt instruments of comparable maturities. As of June 30, 2024 September 30, 2024 and March 31, 2024, the carrying value of the Company's long-term debt approximated fair value, with the exception of the Senior Notes, which had an aggregate fair value of $122.0 million$124.9 million and $120.9 million, $120.9 million, respectively. The fair value of the Company's long-term debt is categorized as Level 2 within the fair value hierarchy. Refer to Note 4 for the definition of a Level 2 fair value measurement measurement..

Note 18: Risks, Uncertainties, Contingencies and Litigation

Environmental

The The Company has recorded environmental monitoring and remediation accruals related to manufacturing facilities in the U.S., one of which the Company currently owns and operates, and at its former manufacturing facility in the Netherlands. These accruals primarily relate to soil and groundwater contamination at facilities where past operations followed practices and procedures that were considered acceptable under then-existing regulations, or where the Company is a successor to the obligations of prior owners, and current laws and regulations require investigative and/or remedial work to ensure sufficient environmental compliance. In instances where a range of loss can be reasonably estimated for a probable environmental liability, but no amount within the range is a better estimate than any other amount, the

Company accrues the minimum of the range. The Company's accruals for environmental matters totaled $17.5 million $17.4 million and $17.6 million as of June 30, 2024 September 30, 2024 and March 31, 2024, March 31, 2024, respectively. As additional information becomes available regarding environmental matters, the Company will re-assess the liabilities and revise the estimated accruals, if necessary. While it is possible that the ultimate environmental remediation costs may be in excess of amounts accrued, the Company believes, based upon currently available information, that the ultimate outcome of these matters, individually and in the aggregate, will not have a material adverse effect on its financial position. However, these matters are subject to inherent uncertainties, and unfavorable outcomes could occur, including significant monetary damages.

Other litigation

In the normal course of business, the Company and its subsidiaries are named as defendants in various lawsuits and enforcement proceedings by private parties, governmental agencies and/or others in which claims are asserted against Modine. The Company believes that any additional loss in excess of amounts already accrued would not have a material effect on the Company's consolidated balance sheet, results of operations, and cash flows. In addition, management expects that the liabilities which may ultimately result from such lawsuits or proceedings, if any, would not have a material adverse effect on the Company's financial position. position.

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Note 19: Accumulated Other Comprehensive Loss

Changes in accumulated other comprehensive loss were as follows:

	Three months ended June 30, 2024			
	Foreign Currency Translation	Defined Benefit Plans	Cash Flow Hedges	Total
Beginning balance	$ (62.8)	$ (100.7)	$ 0.1	$ (163.4)
Other comprehensive income (loss) before reclassifications	(6.9)	-	-	(6.9)
Reclassifications:				
Amortization of unrecognized net loss (a)	-	1.1	-	1.1
Income taxes	-	(0.3)	-	(0.3)
Total other comprehensive income (loss)	(6.9)	0.8	-	(6.1)
Ending balance	$ (69.7)	$ (99.9)	$ 0.1	$ (169.5)

	Three months ended June 30, 2023			
	Foreign Currency Translation	Defined Benefit Plans	Cash Flow Hedges	Total
Beginning balance	$ (57.5)	$ (104.4)	$ 0.8	$ (161.1)
Other comprehensive income (loss) before reclassifications	(0.6)	-	(0.4)	(1.0)
Reclassifications:				
Amortization of unrecognized net loss (a)	-	1.0	-	1.0
Realized gains – net (b)	-	-	(0.5)	(0.5)
Income taxes	-	(0.2)	0.2	-
Total other comprehensive income (loss)	(0.6)	0.8	(0.7)	(0.5)
Ending balance	$ (58.1)	$ (103.6)	$ 0.1	$ (161.6)

	Three months ended September 30, 2024				Six months ended September 30, 2024			
	Foreign Currency Translation	**Defined Benefit Plans**	**Cash Flow Hedges**	**Total**	**Foreign Currency Translation**	**Defined Benefit Plans**	**Cash Flow Hedges**	**Total**
Beginning balance	$ (69.7)	$ (99.9)	$ 0.1	$ (169.5)	$ (62.8)	$ (100.7)	$ 0.1	$ (163.4)
Other comprehensive income before reclassifications	20.7	—	0.4	21.1	13.8	—	0.4	14.2
Reclassifications:								
Amortization of unrecognized net loss (a)	—	1.0	—	1.0	—	2.1	—	2.1

Realized gains - net (b)	—	—	(0.1)	(0.1)	—	—	(0.1)	(0.1)
Income taxes	—	(0.2)	(0.1)	(0.3)	—	(0.5)	(0.1)	(0.6)
Total other comprehensive income	20.7	0.8	0.2	21.7	13.8	1.6	0.2	15.6
Ending balance	$ (49.0)	$ (99.1)	$ 0.3	$ (147.8)	$ (49.0)	$ (99.1)	$ 0.3	$ (147.8)

	Three months ended September 30, 2023				Six months ended September 30, 2023			
	Foreign Currency Translation	Defined Benefit Plans	Cash Flow Hedges	Total	Foreign Currency Translation	Defined Benefit Plans	Cash Flow Hedges	Total
Beginning balance	$ (58.1)	$ (103.6)	$ 0.1	$ (161.6)	$ (57.5)	$ (104.4)	$ 0.8	$ (161.1)
Other comprehensive income (loss) before reclassifications	(12.7)	—	—	(12.7)	(13.3)	—	(0.4)	(13.7)
Reclassifications:								
Amortization of unrecognized net loss (a)	—	1.1	—	1.1	—	2.1	—	2.1
Realized gains - net (b)	—	—	(0.3)	(0.3)	—	—	(0.8)	(0.8)
Income taxes	—	(0.3)	0.1	(0.2)	—	(0.5)	0.3	(0.2)
Total other comprehensive income (loss)	(12.7)	0.8	(0.2)	(12.1)	(13.3)	1.6	(0.9)	(12.6)
Ending balance	$ (70.8)	$ (102.8)	$ (0.1)	$ (173.7)	$ (70.8)	$ (102.8)	$ (0.1)	$ (173.7)

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(a) Amounts are included in the calculation of net periodic benefit cost for the Company's defined benefit plans, which include pension and other postretirement plans. See Note 5 for additional information about the Company's pension plans.

(b) Amounts Amounts represent net gains and losses associated with cash flow hedges that were reclassified to net earnings earnings..

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(In millions, except per share amounts)

(unaudited)

Note 20: Segment Information

Effective April 1, 2024, April 1, 2024, the Company moved its Coatings business, which was previously managed by and reported within the Performance Technologies segment, under the leadership of the Climate Solutions segment. Under this refined organizational structure, the Coatings business is better aligned with the Climate Solution's Heat Transfer Products business, which serves similar heating, ventilating, air conditioning, and refrigeration markets and customers. The Company believes that unifying these complementary businesses allows is allowing it to better focus resources on targeted growth opportunities and allow for a more efficient application of efficiently apply 80/20 principles to optimize profit margins and cash flow. Segment financial information for the prior periods has been recast to conform to the current presentation.

The following is a summary of net sales, gross profit and operating income by segment:

	Three months ended September 30,					
	2024			2023		
	External Sales	Inter-segment Sales	Total	External Sales	Inter-segment Sales	Total
Net sales:						
Climate Solutions	$ 366.4	$ —	$ 366.4	$ 289.2	$ —	$ 289.2
Performance Technologies	291.6	5.9	297.5	331.3	6.0	337.3
Segment total	658.0	5.9	663.9	620.5	6.0	626.5
Corporate and eliminations	—	(5.9)	(5.9)	—	(6.0)	(6.0)
Net sales	$ 658.0	$ —	$ 658.0	$ 620.5	$ —	$ 620.5

	Six months ended September 30,					
	2024			2023		
	External Sales	Inter-segment Sales	Total	External Sales	Inter-segment Sales	Total
Net sales:						
Climate Solutions	$ 723.6	$ 0.1	$ 723.7	$ 575.9	$ —	$ 575.9
Performance Technologies	595.9	10.6	606.5	667.0	13.4	680.4
Segment total	1,319.5	10.7	1,330.2	1,242.9	13.4	1,256.3
Corporate and eliminations	—	(10.7)	(10.7)	—	(13.4)	(13.4)

Net sales	$ 1,319.5	$ —	$ 1,319.5	$ 1,242.9	$ —	$ 1,242.9

	Three months ended September 30,				Six months ended September 30,			
	2024		2023		2024		2023	
	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Gross profit:								
Climate Solutions	$ 106.3	29.0 %	$ 76.9	26.6 %	$ 207.1	28.6 %	$ 152.7	26.5 %
Performance Technologies	60.1	20.2 %	57.6	17.1 %	123.6	20.4 %	109.5	16.1 %
Segment total	166.4	25.1 %	134.5	21.5 %	330.7	24.9 %	262.2	20.9 %
Corporate and eliminations	(0.8)	—	0.6	—	(2.5)	—	0.8	—
Gross profit	$ 165.6	25.2 %	$ 135.1	21.8 %	$ 328.2	24.9 %	$ 263.0	21.2 %

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	Three months ended June 30,					
	2024			2023		
	External Sales	Inter-segment Sales	Total	External Sales	Inter-segment Sales	Total
Net sales:						
Climate Solutions	$ 357.2	$ 0.1	$ 357.3	$ 286.7	$ -	$ 286.7
Performance Technologies	304.3	4.7	309.0	335.7	7.4	343.1
Segment total	661.5	4.8	666.3	622.4	7.4	629.8
Corporate and eliminations	-	(4.8)	(4.8)	-	(7.4)	(7.4)
Net sales	$ 661.5	$ -	$ 661.5	$ 622.4	$ -	$ 622.4

	Three months ended June 30,			
	2024		2023	
	$'s	% of sales	$'s	% of sales
Gross profit:				
Climate Solutions	$ 100.8	28.2 %	$ 75.8	26.4 %
Performance Technologies	63.5	20.6 %	51.9	15.1 %
Segment total	164.3	24.7 %	127.7	20.3 %
Corporate and eliminations	(1.7)	-	0.2	-

(In millions, except per share amounts)

Gross profit	$ 162.6	24.6 %	$ 127.9	20.6 %

	Three months ended June 30,	
	2024	2023
Operating income:		
Climate Solutions	$ 59.8	$ 48.6
Performance Technologies	31.5	27.6
Segment total	91.3	76.2
Corporate and eliminations	(16.9)	(9.7)
Operating income	$ 74.4	$ 66.5

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	Three months ended September 30,		Six months ended September 30,	
	2024	2023	2024	2023
Operating income:				
Climate Solutions	$ 64.7	$ 47.1	$ 124.5	$ 95.7
Performance Technologies	30.8	31.2	62.3	58.8
Segment total	95.5	78.3	186.8	154.5
Corporate and eliminations	(20.2)	(12.6)	(37.1)	(22.3)
Operating income	$ 75.3	$ 65.7	$ 149.7	$ 132.2

The following is a summary of segment assets, comprised entirely of trade accounts receivable and inventories, and other assets:

	June 30, 2024	March 31, 2024
Assets:		
Climate Solutions	$ 411.5	$ 412.7
Performance Technologies	376.6	368.1
Other (a)	1,078.3	1,070.7
Total assets	$ 1,866.4	$ 1,851.5

	September 30, 2024	March 31, 2024
Assets:		
Climate Solutions	$ 433.0	$ 412.7
Performance Technologies	386.4	368.1

Other (a)	1,096.2	1,070.7
Total assets	$ 1,915.6	$ 1,851.5

(a) Represents cash and cash equivalents, other current assets, property plant and equipment, intangible assets, goodwill, deferred income taxes, and other noncurrent assets for the Climate Solutions and Performance Technologies segments and Corporate.

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Management's Discussion and Analysis of Financial Condition and Results of Operations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

When we use the terms "Modine," "we," "us," the "Company," or "our" in this report, we are referring to Modine Manufacturing Company. Our fiscal year ends on March 31 and, accordingly, all references to quarters refer to our fiscal quarters. The quarter ended June 30, 2024 September 30, 2024 was the first second quarter of fiscal 2025.

Fiscal 2024 acquisitions and dispositions

On March 1, 2024, we acquired Scott Springfield Mfg. Inc. ("Scott Springfield Manufacturing"), a Canadian-based manufacturer of air handling units, for consideration totaling $184.1 million. On July 1, 2023, we acquired Napps Technology Corporation ("Napps"), a Texas-based manufacturer of air- and water-cooled chillers, condensing units and heat pumps, for consideration totaling $5.8 million. These acquisitions expanded our data center and indoor air quality product portfolios and support our growth strategy and mission of improving indoor air quality. We have reported the financial results of these businesses within the Climate Solutions segment since the acquisition dates.

In October 2023, we sold three automotive businesses based in Germany. The sale of these businesses, which produce air- and liquid-cooled products for internal combustion, diesel and gasoline engines for the European automotive market, supports our strategic prioritization of resources towards higher-margin technologies.

See Note 2 of the Notes to Consolidated Financial Statements for further information.

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Second quarter highlights

Net sales in the firstsecond quarter of fiscal 2025 increased $39.1 million$37.5 million, or 6 percent, from the firstsecond quarter of fiscal 2024, primarily due to higher sales in our Climate Solutions segment, partially offset by lower sales in our Performance Technologies segment. The higher Climate Solutions segment sales included $41.1 million$53.4 million of incremental sales from the acquired Scott Springfield Manufacturing business. The lower Performance Technologies segment sales included a $21.9 million impact of the disposition of three automotive businesses in Germany during the third quarter of fiscal 2024. Cost of sales increased $7.0 million, or 1 percent. Gross profit increased $30.5 million and gross margin improved 340 basis points to 25.2 percent. Selling, general and administrative ("SG&A") expenses increased $16.9 million and included higher compensation-related expenses and incremental expenses from Scott Springfield Manufacturing, including amortization expense for acquired intangible assets. Operating income of $75.3 million during the second quarter of fiscal 2025 increased $9.6 million from the prior year, primarily due to higher earnings in our operating segments, partially offset by higher SG&A and restructuring expenses.

Year-to-date highlights

Net sales in the first six months of fiscal 2025 increased $76.6 million, or 6 percent, from the same period last year, primarily due to higher sales in our Climate Solutions segment, partially offset by lower sales in our Performance Technologies segment. The higher Climate Solutions segment sales included $94.5 million of incremental sales from the acquired Scott Springfield Manufacturing and Napps businesses. The lower Performance Technologies segment sales were largely driven by the $24.3 million$46.2 million impact of the disposition of three automotive businesses in Germany during the third quarter of fiscal 2024. Cost of sales increased $4.4 million$11.4 million, or 1 percent.percent, from the same period last year. Gross profit increased $34.7 million$65.2 million and gross margin improved 400370 basis points to 24.624.9 percent. Selling, general and administrative ("SG&A")&A expenses increased $21.4 million$38.3 million and included higher compensation-related expenses and incremental expenses from Scott Springfield Manufacturing, including amortization expense offor acquired intangible assets. Operating income of $74.4 million$149.7 million during the first quartersix months of fiscal 2025 increased $7.9 million$17.5 million from the prior year, primarily due to higher earnings in our operating segments, partially offset by higher SG&A and restructuring expenses.

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CONSOLIDATED RESULTS OF OPERATIONS

The following table presents our consolidated financial results on a comparative basis for the three and six months ended June 30, 2024September 30, 2024 and 2023:

	Three months ended June 30,			
	2024		2023	
(in millions)	$'s	% of sales	$'s	% of sales
Net sales	$ 661.5	100.0 %	$ 622.4	100.0 %

ɔst of sales	498.9	75.4 %	494.5	79.4 %
ross profit	162.6	24.6 %	127.9	20.6 %
elling, general and administrative expenses	82.8	12.5 %	61.4	9.9 %
estructuring expenses	5.4	0.8 %	-	-
perating income	74.4	11.2 %	66.5	10.7 %
terest expense	(7.5)	-1.1 %	(5.9)	-1.0 %
ther expense – net	(0.3)	-	(0.6)	-0.1 %
arnings before income taxes	66.6	10.1 %	60.0	9.6 %
ovision for income taxes	(18.8)	-2.8 %	(14.7)	-2.4 %
et earnings	$ 47.8	7.2 %	$ 45.3	7.3 %

	Three months ended September 30,				*Six months ended September 30,*			
	2024		***2023***		***2024***		***2023***	
in millions)	*$'s*	*% of sales*	*$'s*	*% of sales*	*$'s*	*% of sales*	*$'s*	*% of sales*
Jet sales	*$ 658.0*	*100.0 %*	*$ 620.5*	*100.0 %*	*$ 1,319.5*	*100.0 %*	*$ 1,242.9*	*100.0 %*
Cost of sales	*492.4*	*74.8 %*	*485.4*	*78.2 %*	*991.3*	*75.1 %*	*979.9*	*78.8 %*
Gross profit	*165.6*	*25.2 %*	*135.1*	*21.8 %*	*328.2*	*24.9 %*	*263.0*	*21.2 %*
Selling, general and administrative expenses	*85.8*	*13.0 %*	*68.9*	*11.1 %*	*168.6*	*12.8 %*	*130.3*	*10.5 %*
Restructuring expenses	*4.5*	*0.7 %*	*0.5*	*0.1 %*	*9.9*	*0.8 %*	*0.5*	*—*
Operating income	*75.3*	*11.4 %*	*65.7*	*10.6 %*	*149.7*	*11.3 %*	*132.2*	*10.6 %*
nterest expense	*(7.4)*	*(1.1)%*	*(6.1)*	*(1.0)%*	*(14.9)*	*(1.1)%*	*(12.0)*	*(1.0)%*
Other (expense) income – net	*(1.5)*	*(0.2)%*	*0.1*	*—*	*(1.8)*	*(0.1)%*	*(0.5)*	*—*
Earnings before income taxes	*66.4*	*10.1 %*	*59.7*	*9.6 %*	*133.0*	*10.1 %*	*119.7*	*9.6 %*
Provision for income taxes	*(20.0)*	*(3.0)%*	*(12.8)*	*(2.1)%*	*(38.8)*	*(2.9)%*	*(27.5)*	*(2.2)%*
Net earnings	*$ 46.4*	*7.1 %*	*$ 46.9*	*7.6 %*	*$ 94.2*	*7.1 %*	*$ 92.2*	*7.4 %*

Comparison ofthe three months ended June 30, 2024 September 30, 2024 and 2023

First

Second quarter net sales of $661.5 million $658.0 million were $39.1 million $37.5 million, or 6 percent, higher than the first second quarter of the prior year, primarily due to $70.6 million $77.2 million of higher sales in our Climate Solutions segment, including $41.1 million driven by $53.4 million of incremental sales from the acquired Scott Springfield Manufacturing business and Napps businesses, organic sales growth to hyperscale and colocation data center customers. The higher sales in Climate Solutions were partially offset by $34.1 million of lower sales in our Performance Technologies segment, largely driven by the $24.3 million which decreased $39.8 million, including a $21.9 million impact of from the disposition of three automotive businesses in Germany during the third quarter of fiscal 2024. From a product group perspective, compared with the first quarter of the prior year, sales of data center cooling products increased $94.4 million, while sales of liquid-cooled and heat transfer products decreased $30.7 million and $29.0 million, respectively.

First

Second quarter cost of sales increased $4.4 million $7.0 million, or 1 percent, yet decreased 400 basis points as primarily due to higher labor and inflationary costs, higher sales volume, and higher raw material costs, which increased approximately $3.0 million, partially offset by improved operating efficiencies. As a percentage of sales, cost of sales decreased 340 basis points to 75.4 74.8 percent, primarily due to favorable sales mix, higher average selling prices, lower raw material costs, which decreased approximately $9.0 million, and improved operating efficiencies. These the favorable drivers were partially offset by higher labor impact of commercial pricing settlements and inflationary costs the recognition of sales tax credits in Brazil within the Climate Solutions and a $1.6 million inventory purchase accounting adjustment recorded at Corporate related to the acquisition of Scott Springfield Manufacturing.

Performance Technologies segments, respectively.

As a result of higher sales and lower cost of sales as a percentage of sales, first second quarter gross profit increased $34.7 million $30.5 million and gross margin improved 400 340 basis points to 24.6 25.2 percent.

First

Second quarter SG&A expenses increased $21.4 million $16.9 million, or 35 25 percent. As a percentage of sales, SG&A expenses increased by 260 190 basis points. The increase in SG&A expenses includes higher compensation-related expenses, which increased approximately $13.0 million and included incremental expenses from the acquired businesses. The higher compensation-related expenses include higher Scott Springfield Manufacturing business and increased incentive compensation expenses driven by resulting from improved financial results. In addition, SG&A expenses in the first second quarter of fiscal 2025 included $4.6 million $4.7 million of incremental amortization expense of for acquired intangible assets.

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These increases were partially offset by lower environmental charges related to previously-owned facilities in the U.S., which decreased $1.0 million.

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Restructuring expenses of $5.4 million in increased $4.0 million compared with the first second quarter of fiscal 2025 2024, primarily consisted of due to higher severance expenses and product line transfer costs in the Performance Technologies segment.

and Climate Solutions segments, respectively.

Operating income of $74.4 million $75.3 million in the first second quarter of fiscal 2025 increased $7.9 million $9.6 million compared with the first second quarter of fiscal 2024, primarily due to higher gross profit, in our operating segments, partially offset by higher SG&A and restructuring expenses.

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Interest expense during the first second quarter of fiscal 2025 increased $1.6 million $1.3 million compared with the first second quarter of fiscal 2024, primarily due to higher borrowings on our revolving credit facility, which we used to fund a portion of the purchase price for the acquisition of Scott Springfield Manufacturing.

The provision for income taxes was $18.8 million $20.0 million and $14.7 million $12.8 million in the first second quarter of fiscal 2025 and 2024, respectively. The $4.1 million $7.2 million increase was primarily due to higher earnings in the current year, partially offset by and changes in the mix and amount of foreign and U.S. earnings in the current year, as compared with the same period in the prior year. In addition, the provision for income taxes in the prior year was favorably impacted by the release of a $1.8 million unrecognized tax benefit during the second quarter of fiscal 2024.

Comparison of six months ended September 30, 2024 and 2023

Fiscal 2025 year-to-date net sales of $1,319.5 million were $76.6 million, or 6 percent, higher than the same period last year, primarily due to $147.8 million of higher sales in our Climate Solutions segment, including $94.5 million of incremental sales from the acquired Scott Springfield Manufacturing and Napps businesses, partially offset by $73.9 million of lower sales in our Performance Technologies segment, including a $46.2 million impact from the disposition of three automotive businesses in Germany during the third quarter of fiscal 2024. From a product group perspective, compared with the same period last year, sales of data center cooling products increased $174.5 million, while sales of liquid-cooled and heat transfer products decreased $58.0 million and $44.8 million, respectively.

Fiscal 2025 year-to-date cost of sales of $991.3 million increased $11.4 million, or 1 percent, primarily due to higher sales volume, higher labor and inflationary costs, partially offset by lower raw material costs, which decreased approximately $6.0 million, and improved operating efficiencies. In addition, we recorded $1.6 million of cost of sales at Corporate during the first quarter of fiscal 2025 related to an inventory purchase accounting adjustment for the acquisition of Scott Springfield Manufacturing. As a percentage of sales, cost of salesdecreased 370 basis points to 75.1 percent, primarily due to favorable sales mix, higher average selling prices, improved operating efficiencies, and the favorable impact of commercial pricing settlements and the recognition of sales tax credits in Brazil within the Climate Solutions and Performance Technologies segments, respectively.

As a result of higher sales and lower cost of sales as a percentage of sales, gross profit increased $65.2 million and gross margin improved 370 basis points to 24.9 percent.

Fiscal 2025 year-to-date SG&A expenses increased $38.3 million, or 29 percent. As a percentage of sales, SG&A expenses increased by 230 basis points. The increase in SG&A expenses includes higher compensation-related expenses, which increased approximately $26.0 million and included incremental expenses from the acquired businesses and increased incentive compensation resulting from improved financial results. In addition, SG&A expenses in the first six months of fiscal 2025 included $9.3 million of incremental amortization expense for acquired intangible assets.

Restructuring expenses during the first six months of fiscal 2025 increased $9.4 million compared with the same period last year, primarily due to higher severance expenses and product line transfer costs in the Performance Technologies and Climate Solutions segments, respectively.

Operating income of $149.7 million in the first six months of fiscal 2025 increased $17.5 million compared with the same period last year, primarily due to higher gross profit, partially offset by higher SG&A and restructuring expenses.

Interest expense during the first six months of fiscal 2025 increased $2.9 million compared with the same period last year, primarily due to higher borrowings on our revolving credit facility, which we used to fund a portion of the purchase price for the acquisition of Scott Springfield Manufacturing.

The provision for income taxes was $38.8 million and $27.5 million during the first six months of fiscal 2025 and 2024, respectively. The $11.3 million increase was primarily due to higher earnings and changes in the mix and amount of foreign and U.S. earnings in the current year, as compared with the same period in the prior year. In addition, the provision for income taxes in the prior year was favorably impacted by the release of a $1.8 million unrecognized tax benefit during the second quarter of fiscal 2024.

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SEGMENT RESULTS OF OPERATIONS

Effective April 1, 2024, April 1, 2024, we moved our Coatings business, which was previously managed by and reported within the Performance Technologies segment, under the leadership of the Climate Solutions segment. Under this refined organizational structure, the Coatings business is better aligned with the Climate Solution's Heat Transfer Products business, which serves similar heating, ventilating, air conditioning, and refrigeration ("HVAC&R") markets and customers. We believe that unifying these complementary businesses will allow for is allowing us to better focus resources on targeted growth opportunities and allow for a more efficient application of efficiently apply 80/20 principles to optimize profit margins and cash flow. Segment financial information for fiscal 2024 has been recast to conform to the current presentation.

The following is a discussion of our segment results of operations for the three and six months ended June 30, 2024 September 30, 2024 and 2023:

Climate Solutions

	Three months ended June 30,			
	2024		2023	
(in millions)	$'s	% of sales	$'s	% of sales
Net sales	$ 357.3	100.0 %	$ 286.7	100.0 %
Cost of sales	256.5	71.8 %	210.9	73.6 %
Gross profit	100.8	28.2 %	75.8	26.4 %
Selling, general and administrative expenses	40.8	11.4 %	27.2	9.5 %

Restructuring expenses	0.2	0.1 %	-	-
Operating income	$ 59.8	16.7 %	$ 48.6	17.0 %

Climate Solutions

	Three months ended September 30,				Six months ended September 30,			
	2024		2023		2024		2023	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 366.4	100.0 %	$ 289.2	100.0 %	$ 723.7	100.0 %	$ 575.9	100.0 %
Cost of sales	260.1	71.0 %	212.3	73.4 %	516.6	71.4 %	423.2	73.5 %
Gross profit	106.3	29.0 %	76.9	26.6 %	207.1	28.6 %	152.7	26.5 %
Selling, general and administrative expenses	40.1	11.0 %	29.5	10.2 %	80.9	11.2 %	56.7	9.8 %
Restructuring expenses	1.5	0.4 %	0.3	0.1 %	1.7	0.2 %	0.3	0.1 %
Operating income	$ 64.7	17.6 %	$ 47.1	16.3 %	$ 124.5	17.2 %	$ 95.7	16.6 %

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Comparison of the three months ended June 30, 2024 September 30, 2024 and 2023

Climate Solutions net sales increased $70.6 million $77.2 million, or 25 27 percent, from the first second quarter of fiscal 2024 to the first second quarter of fiscal 2025, primarily due to higher sales volume, including $41.1 million and, to a lesser extent, higher average selling prices. The higher sales volume includes $53.4 million of incremental sales from the acquired Scott Springfield Manufacturing and Napps businesses. business. Compared with the first second quarter of the prior year, sales of data center cooling and HVAC&R products increased $94.4 million $80.1 million and $5.1 million $12.9 million, respectively. The increase in sales of data center products includes sales from the acquired Scott Springfield Manufacturing business and organic sales growth to hyperscale and colocation customers. Sales of heat transfer products decreased $29.0 million, $15.8 million. The decrease in heat transfer products largely due to resulted from lower sales to of heat transfer coils for heat pumps and other commercial and residential applications, partially offset by commercial pricing settlements with heat pump customers in Europe.

Climate Solutions cost of sales increased $45.6 million $47.8 million, or 22 23 percent, from the first second quarter of fiscal 2024 to the first second quarter of fiscal 2025, primarily due to higher sales volume, higher raw material costs, which increased approximately $5.0 million, and, to a lesser extent, higher labor and inflationary costs. These increases were partially offset by improved operating efficiencies and lower raw material costs, warranty expense, which decreased approximately $2.0 million $3.0 million. As a percentage of sales, cost of sales decreased 180 240 basis points to 71.8 71.0 percent, primarily due to favorable sales mix.

mix and the favorable impact of the commercial pricing settlements during the quarter.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $25.0 million $29.4 million and gross margin improved 180 240 basis points to 28.2 29.0 percent.

Climate Solutions SG&A expenses increased $13.6 million $10.6 million compared with the first second quarter of the prior year. As a percentage of sales, SG&A expenses increased by 190 80 basis points. The increase in SG&A expenses includes higher compensation-related expenses, which increased approximately $5.0 million and included expenses from the acquired businesses,Scott Springfield Manufacturing business, and $4.6 million $4.7 million of incremental amortization expense of related to acquired intangible assets.

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Restructuring expenses of $1.5 million during the second quarter of fiscal 2025 primarily consisted of costs related to transferring production and warehousing for certain product lines among the Climate Solutions segment's facilities.

Operating income of $59.8 million $64.7 million increased $11.2 million $17.6 million from the first second quarter of fiscal 2024 to the first second quarter of fiscal 2025, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Performance Technologies

	Three months ended June 30,			
	2024		2023	
(in millions)	$'s	% of sales	$'s	% of sales
Net sales	$ 309.0	100.0 %	$ 343.1	100.0 %
Cost of sales	245.5	79.4 %	291.2	84.9 %
Gross profit	63.5	20.6 %	51.9	15.1 %
Selling, general and administrative expenses	26.8	8.7 %	24.3	7.1 %
Restructuring expenses	5.2	1.7 %	-	-
Operating income	$ 31.5	10.2 %	$ 27.6	8.0 %

Comparison of six months ended September 30, 2024 and 2023

Climate Solutions year-to-date net sales increased $147.8 million, or 26 percent, from the same period last year, primarily due to higher sales volume,including $94.5 million of incremental sales from the acquired Scott Springfield Manufacturing and Napps businesses. Compared with the same period in the prior year, sales of data center cooling and HVAC&R products increased $174.5 million and $18.0 million, respectively. The increase in sales of data center *products includes sales from the acquired Scott Springfield Manufacturing business and organic sales growth to hyperscale and colocation customers. Sales of heat transfer products decreased $44.8 million,largely due to lower sales of heat transfer coils for heat pumps and other commercial and residential applications, partially offset by commercial pricing settlements with heat pump customers in Europe.*

Climate Solutions year-to-date cost of sales increased $93.4 million, or 22 percent, from the same period last year, primarily due to higher sales volume, and, to a lesser extent, higher raw material costs, which increased approximately $3.0 million and higher labor and inflationary costs. These increases were partially offset by lower warranty expense, which decreased approximately $3.0 million, and improved operating efficiencies. As a percentage of sales, cost of sales decreased 210 basis points to 71.4 percent, primarily due to favorable sales mix and the favorable impact of the commercial pricing settlements during the second quarter.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $54.4 million and gross margin improved 210 basis points to 28.6 percent.

Climate Solutions year-to-date SG&A expenses increased $24.2 million and increased 140 basis points as a percentage of sales. The increase in SG&A expenses includes higher compensation-related expenses, which increased approximately $10.0 million, and $9.3 million of incremental amortization expense related to acquired intangibles assets.

Restructuring expenses during the first six months of fiscal 2025 increased $1.4 million compared with the same period last year, primarily due to higher costs related to transferring production and warehousing for certain product lines.

Operating income of $124.5 million during the first six months of fiscal 2025 increased $28.8 million from the same period last year, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Performance Technologies

	Three months ended September 30,				Six months ended September 30,			
	2024		2023		2024		2023	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 297.5	100.0 %	$ 337.3	100.0 %	$ 606.5	100.0 %	$ 680.4	100.0 %
Cost of sales	237.4	79.8 %	279.7	82.9 %	482.9	79.6 %	570.9	83.9 %
Gross profit	60.1	20.2 %	57.6	17.1 %	123.6	20.4 %	109.5	16.1 %
Selling, general and administrative expenses	26.3	8.8 %	26.2	7.8 %	53.1	8.7 %	50.5	7.4 %
Restructuring expenses	3.0	1.0 %	0.2	0.1 %	8.2	1.4 %	0.2	—
Operating income	$ 30.8	10.4 %	$ 31.2	9.2 %	$ 62.3	10.3 %	$ 58.8	8.6 %

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Comparison of the three months ended June 30, 2024 September 30, 2024 and 2023

Performance Technologies net sales decreased $34.1 million $39.8 million, or 10 12 percent, from the first second quarter of fiscal 2024 to the first second quarter of fiscal 2025, primarily due to lower sales volume, including $24.3 million $21.9 million of lower sales from three automotive businesses in Germany that we sold during the third quarter of fiscal 2024. These decreases were partially offset by higher average selling prices. prices and, to a lesser extent, the recognition of sales tax credits in Brazil. Compared with the first second quarter of the prior year, sales of liquid-cooled and air-cooled products decreased $30.7 million $27.3 million and $4.1 million $18.1 million, respectively. Sales of advanced solutions products increased $3.4 million $5.7 million.

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Performance Technologies cost of sales decreased $45.7 million $42.3 million, or 16 15 percent, from the first second quarter of fiscal 2024 to the first second quarter of fiscal 2025, primarily due to lower sales volume and, to a lesser extent, improved operating efficiencies and lower raw material costs, which decreased approximately $7.0 million, and improved operating efficiencies. $2.0 million. These favorable drivers were partially offset by higher labor and inflationary costs. As a percentage of sales, cost of sales decreased 550 310 basis points to 79.4 79.8 percent, primarily due to higher average selling prices, lower material costs the favorable impact of the sales tax credits recognized in Brazil, and improved operating efficiencies, partially offset by higher labor and inflationary costs.

efficiencies.

As a result of the lower sales and lower cost of sales as a percentage of sales, gross profit increased $11.6 million $2.5 million and gross margin improved 550 310 basis points to 20.6 20.2 percent.

Performance Technologies SG&A expenses increased $2.5 million, or 10 percent, $0.1 million compared with the first second quarter of the prior year. As a percentage of sales, SG&A expenses increased by 160 100 basis points. The increase in SG&A expenses was primarily due to higher compensation-related expenses, which increased approximately $3.0 million.

$2.0 million, partially offset by decreases across other general and administrative expenses.

Restructuring expenses of $5.2 million during increased $2.8 million compared with the first second quarter of fiscal 2025 the prior year, primarily consisted of severance-related due to higher severance expenses associated with the closure of a technical service center in Europe, and equipment transfer costs.

Europe.

Operating income of $31.5 million increased $3.9 million $30.8 million decreased $0.4 million from the first second quarter of fiscal 2024 to the first second quarter of fiscal 2025, primarily due to higher restructuring expenses, partially offset by higher gross profit.

Comparison of six months ended September 30, 2024 and 2023

Performance Technologies year-to-date net sales decreased $73.9 million, or 11 percent, from the same period last year, primarily due to lower sales volume, including $46.2 million of lower sales from three automotive businesses in Germany that we sold during the third quarter of fiscal 2024. These decreases were partially offset by higher average selling prices and, to a lesser extent, the recognition of sales tax credits in Brazil. Compared with the same period in the prior year, sales of liquid-cooled and air-cooled products decreased $58.0 million and $22.2 million, respectively. Sales of advanced solutions products increased $9.1 million.

Performance Technologies year-to-date cost of sales decreased $88.0 million, or 15 percent, from the same period last year, primarily due to lower sales volume and, to a lesser extent, improved operating efficiencies and lower raw material costs, which decreased approximately $9.0 million. These favorable drivers were partially offset by higher labor and inflationary costs. As a percentage of sales, cost of sales decreased 430 basis points to 79.6 percent, primarily due to higher average selling prices, improved operating efficiencies, lower material costs, and the favorable impact of the sales tax credits recognized in Brazil, partially offset by higher labor and inflationary costs.

As a result of the lower sales and lower cost of sales as a percentage of sales, gross profit increased $14.1 million and gross margin improved 430 basis points to 20.4 percent.

Performance Technologies year-to-date SG&A expenses increased $2.6 million, or 5 percent, compared with the same period last year. As a percentage of sales, year-to-date SG&A expenses increased by 130 basis points. The increase in SG&A expenses was primarily due to higher compensation-related expenses, which increased approximately $5.0 million. This increase was partially offset by decreases across other general and administrative expenses.

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Restructuring expenses during the first six months of fiscal 2025 increased $8.0 million compared with the same period last year, primarily due to higher severance expenses in Europe and product line transfer costs.

Operating income of $62.3 million during the first six months of fiscal 2025 increased $3.5 million from the same period last year, primarily due to higher gross profit, partially offset by higher restructuring and SG&A expenses.

Liquidity and Capital Resources

Our primary sources of liquidity are cash flow from operating activities, our cash and cash equivalents as of June 30, 2024 September 30, 2024 of $72.9 million $78.6 million, and available borrowing capacity of $163.8 million $190.8 million under our revolving credit facility. Given our extensive international operations, approximately $69.0 million $74.0 million of our cash and cash equivalents are held by our non-U.S. subsidiaries. Amounts held by non-U.S. subsidiaries are available for general corporate use; however, these funds may be subject to foreign withholding taxes if repatriated. We believe our sources of liquidity will provide sufficient cash flow to adequately cover our funding needs on both a short-term and long-term basis.

Net cash provided by operating activities

Net cash provided by operating activities for the three six months ended June 30, 2024 September 30, 2024 was $40.5 million $97.8 million, which represents a $1.2 million $13.0 million decrease compared with the same period in the prior year. This decrease in operating cash flow was primarily due to unfavorable net changes in working capital, as compared with the same period in the prior year, partially offset by the favorable impact of higher earnings. The unfavorable changes in working capital include a decrease in customer deposits associated with sales contracts with long inventory lead times and higher payments for incentive compensation, as compared with the same period in the prior year.

Capital expenditures

Capital expenditures of $26.8 million $40.3 million during the first three six months of fiscal 2025 increased $11.7 million $14.1 million compared with the same period in the prior year. The fiscal 2025 capital expenditures include investments supporting several of our strategic growth initiatives, including increasing production capacity for data center products.

Debt

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Debt

Our credit agreements require us to maintain compliance with various covenants, including a leverage ratio covenant and an interest expense coverage ratio covenant, which are discussed further below. Indebtedness under our credit agreements is secured by liens on substantially all domestic assets. These agreements further require compliance with various covenants that may limit our ability to incur additional indebtedness; grant liens; make investments, loans, or guarantees; engage in certain transactions with affiliates; or make restricted payments, including dividends. Also, the credit agreements may require prepayments in the event of certain asset sales.

The leverage ratio covenant within our primary credit agreements requires us to limit our consolidated indebtedness, less a portion of our cash balance, both as defined by the credit agreements, to no more than three and one-quarter times consolidated net earnings before interest, taxes, depreciation, amortization, and certain other adjustments ("Adjusted EBITDA"). We are also subject to an interest expense coverage ratio covenant, which requires us to maintain Adjusted EBITDA of at least three times consolidated interest expense. As of June 30, 2024 September 30, 2024, we were in compliance with our debt covenants. We expect to remain in compliance with our debt covenants during the remainder of fiscal 2025 and beyond.

U.S. pension plan termination

In June 2024, we approved the termination of our U.S. pension plan, subject to approvals from the Internal Revenue Service and the Pension Benefit Guaranty Corporation. We intend to offer certain participants the option to receive their pension benefits in the form of a lump-sum distribution prior to purchasing annuity contracts to transfer our remaining obligations under the plan. In connection with the plan termination, we expect to make a additional cash contribution contributions in the range of $15.0 million $10.0 million to $30.0 million $25.0 million to fully fund the plan, on a plan termination basis, and to record non-cash pension settlement charges totaling approximately $120.0 million to $130.0 million during fiscal 2026. The timing and amount of the final cash contribution and settlement charges could materially differ from our estimates due to the nature and timing of participant settlements, prevailing market and economic conditions, the duration of the termination process, or other factors.

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Share repurchase program

During the first six months of fiscal 2025, we did not repurchase any of our common stock under our share repurchase program. During the first six months of fiscal 2024, we repurchased $9.0 million of our common stock under our share repurchase program. As of June 30, 2024 September 30, 2024, we had $32.1 million of share repurchase authorization remaining under the current repurchase program, which expires in November 2024. Our decision whether and to what extent to repurchase additional shares will depend on a number of factors, including business conditions, other cash priorities, and stock price.

Forward-looking statements

This report, including, but not limited to, the discussion under Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, contains statements, including information about future financial performance, 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. in Part I. of the Company’s Annual Report on Form 10-K for the year ended March 31, 2024. Other risks and uncertainties include, but are not limited to, the following:

Market risks:

- 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, logistical disruptions, including those related to sea, land or air freight, tariffs, sanctions and other trade issues or cross-border trade restrictions (and any potential resulting trade war), and military conflicts, including the current conflicts in Ukraine and in the Middle East and heightened tension in the Red Sea;

- The impact of other economic, social and political conditions, changes, challenges and unrest, particularly in the geographic, product and financial markets where we and our customers operate and compete, including foreign currency exchange rate fluctuations; changes in interest rates; recession and recovery therefrom; and the general uncertainties about the impact of regulatory and/or policy changes, including those related to tax and trade that have been or may be implemented in the U.S. or abroad;

- The impact of potential price increases associated with raw materials, including aluminum, copper, steel and stainless steel (nickel), and other purchased component inventory including, but not limited to, increases in the underlying material cost based upon the London Metal Exchange and related premiums or fabrication costs. These prices may be impacted by a variety of factors, including changes in trade laws and tariffs, the behavior of our suppliers and significant fluctuations in demand. This risk includes our ability to successfully manage our exposure and our ability to adjust product pricing in response to price increases, including through our quotation process or through contract provisions for prospective price adjustments, as well as the inherent lag in timing of such contract provisions;

- Our ability to be at the forefront of technological advances in order to differentiate ourselves from our competitors and provide innovative products and services to our customers, and the impacts of any changes in or the adoption rate of technologies that we expect to drive sales growth, including those related to data center cooling and electric vehicles;

- Our ability to mitigate increases in labor costs and labor shortages;

- The impact of public health threats on the national and global economy, our business, suppliers (and the supply chain), customers, and employees; and

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- The impact of legislation, regulations, and government incentive programs, including those addressing climate change, on demand for our products and the markets we serve, including our ability to take advantage of opportunities to supply alternative new technologies to meet environmental and/or energy standards and objectives.

Operational risks:

- The impact of problems, including logistic and transportation challenges, associated with suppliers meeting our quantity, quality, price and timing demands, and the overall health of our suppliers, including their ability and willingness to supply our volume demands if their production capacity becomes constrained;
- The overall health of and pricing pressure from our customers in light of economic and market-specific factors and the potential impact on us from any deterioration in the stability or performance of any of our major customers;
- Our ability to maintain current customer relationships and compete effectively for new business, including our ability to achieve profit margins acceptable to us by offsetting or otherwise addressing any cost increases associated with supply chain challenges and inflationary market conditions;
- The impact of product or manufacturing difficulties or operating inefficiencies, including any product or program launches, product transfer challenges and warranty claims;
- The impact of delays or modifications initiated by major customers with respect to product or program launches, product applications or requirements;
- Our ability to consistently structure our operations in order to develop and maintain a competitive cost base with appropriately skilled and stable labor, while also positioning ourselves geographically, so that we can continue to support our customers with the technical expertise and market-leading products they demand and expect from Modine;
- 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 the anticipated benefits thereof;
- Costs and other effects of the investigation and remediation of environmental contamination; including when related to the actions or inactions of others and/or facilities over which we have no control;
- Our ability to recruit and maintain talent, including personnel in managerial, leadership, operational and administrative functions;
- Our ability to protect our proprietary information and intellectual property from theft or attack by internal or external sources;
- The impact of a substantial disruption, including any prolonged service outage, or material breach of our information technology (“IT”) systems, and any related delays, problems or costs;
- The impact of the material weakness identified in our internal control over financial reporting related to IT system access in Europe on our financial reporting process;
- Increasingly complex and restrictive laws and regulations and the costs associated with compliance therewith, including state and federal labor regulations, laws and regulations associated with being a U.S. public company, and other laws and regulations present in various jurisdictions in which we operate;

Market risks:

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, logistical disruptions, including those related to sea, land or air freight, tariffs, sanctions and other trade issues or cross-border trade restrictions (and any potential resulting trade war), and military conflicts, including the current conflicts in Ukraine and in the Middle East and heightened tension in the Red Sea;

- The impact of other economic, social and political conditions, changes, challenges and unrest, particularly in the geographic, product and financial markets where we and our customers operate and compete, including foreign currency exchange rate fluctuations; increases in interest rates; recession and recovery therefrom; and the general uncertainties about the impact of regulatory and/or policy changes, including those related to tax and trade that have been or may be implemented in the U.S. or abroad;

- The impact of potential price increases associated with raw materials, including aluminum, copper, steel and stainless steel (nickel), and other purchased component inventory including, but not limited to, increases in the underlying material cost based upon the London Metal Exchange and related premiums or fabrication costs. These prices may be impacted by a variety of factors, including changes in trade laws and tariffs, the behavior of our suppliers and significant fluctuations in demand. This risk includes our ability to successfully manage our exposure and our ability to adjust product pricing in response to price increases, including through our quotation process or through contract provisions for prospective price adjustments, as well as the inherent lag in timing of such contract provisions;

- Our ability to be at the forefront of technological advances in order to differentiate ourselves from our competitors and provide innovative products and services to our customers, and the impacts of any changes in or the adoption rate of technologies that we expect to drive sales growth, including those related to data center cooling and electric vehicles;

- Our ability to mitigate increases in labor costs and labor shortages;

- The impact of public health threats on the national and global economy, our business, suppliers (and the supply chain), customers, and employees; and

- The impact of legislation, regulations, and government incentive programs, including those addressing climate change, on demand for our products and the markets we serve, including our ability to take advantage of opportunities to supply alternative new technologies to meet environmental and/or energy standards and objectives.

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Operational risks:

The impact of problems, including logistic and transportation challenges, associated with suppliers meeting our quantity, quality, price and timing demands, and the overall health of our suppliers, including their ability and willingness to supply our volume demands if their production capacity becomes constrained;

- Increasing emphasis by global regulatory bodies, customers, investors, and employees on environmental, social and corporate governance matters may impose additional costs on us, adversely affect our reputation, or expose us to new risks;

- Work stoppages or interference at our facilities or those of our major customers and/or suppliers;

- The constant and increasing pressures associated with healthcare and associated insurance costs; and

- Costs and other effects of litigation, claims, or other obligations, including those that may be asserted against us in connection with divested businesses.

- The overall health of and pricing pressure from our customers in light of economic and market-specific factors and the potential impact on us from any deterioration in the stability or performance of any of our major customers;

- Our ability to maintain current customer relationships and compete effectively for new business, including our ability to achieve profit margins acceptable to us by offsetting or otherwise addressing any cost increases associated with supply chain challenges and inflationary market conditions;

- The impact of product or manufacturing difficulties or operating inefficiencies, including any product or program launches, product transfer challenges and warranty claims;

- The impact of delays or modifications initiated by major customers with respect to product or program launches, product applications or requirements;

- Our ability to consistently structure our operations in order to develop and maintain a competitive cost base with appropriately skilled and stable labor, while also positioning ourselves geographically, so that we can continue to support our customers with the technical expertise and market-leading products they demand and expect from Modine;

- 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 the anticipated benefits thereof;

- Costs and other effects of the investigation and remediation of environmental contamination; including when related to the actions or inactions of others and/or facilities over which we have no control;

- Our ability to recruit and maintain talent, including personnel in managerial, leadership, operational and administrative functions;

- Our ability to protect our proprietary information and intellectual property from theft or attack by internal or external sources;

- The impact of a substantial disruption, including any prolonged service outage, or material breach of our information technology systems, and any related delays, problems or costs;

- The impact of the material weakness identified in our internal control over financial reporting related to IT system access in Europe on our financial reporting process;

- Increasingly complex and restrictive laws and regulations and the costs associated with compliance therewith, including state and federal labor regulations, laws and regulations associated with being a U.S. public company, and other laws and regulations present in various jurisdictions in which we operate;

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- Increasing emphasis by global regulatory bodies, customers, investors, and employees on environmental, social and corporate governance matters may impose additional costs on us, adversely affect our reputation, or expose us to new risks;

- Work stoppages or interference at our facilities or those of our major customers and/or suppliers;

- The constant and increasing pressures associated with healthcare and associated insurance costs; and

- Costs and other effects of litigation, claims, or other obligations, including those that may be asserted against us in connection with divested businesses.

Strategic risks:

- Our ability to successfully realize anticipated benefits, including improved profit margins and cash flow, from strategic initiatives and our continued application of 80/20 principles across our businesses; and

- Our ability to accelerate growth by identifying and executing on organic growth opportunities and acquisitions, and to efficiently and successfully integrate acquired businesses.

- *Our ability to successfully realize anticipated benefits, including improved profit margins and cash flow, from strategic initiatives and our continued application of 80/20 principles across our businesses; and*

- *Our ability to accelerate growth by identifying and executing on organic growth opportunities and acquisitions, and to efficiently and successfully integrate acquired businesses.*

Financial risks:

- Our ability to fund our global liquidity requirements efficiently for our current operations and meet our long-term commitments in the event of disruption in or tightening of the credit markets or extended recessionary conditions in the global economy;

- The impact of increases in interest rates in relation to our variable-rate debt obligations;

- The impact of changes in federal, state or local taxes that could have the effect of increasing our income tax expense;

- Our ability to comply with the financial covenants in our credit agreements, including our leverage ratio (net debt divided by Adjusted EBITDA, as defined in our credit agreements) and our interest coverage ratio (Adjusted EBITDA divided by interest expense, as defined in our credit agreements);

- The potential unfavorable impact of foreign currency exchange rate fluctuations on our financial results; and

- Our ability to effectively realize the benefits of deferred tax assets in various jurisdictions in which we operate.

- *Our ability to fund our global liquidity requirements efficiently for our current operations and meet our long-term commitments in the event of disruption in or tightening of the credit markets or extended recessionary conditions in the global economy;*

- *The impact of increases in interest rates in relation to our variable-rate debt obligations;*

- *The impact of changes in federal, state or local taxes that could have the effect of increasing our income tax expense;*

- *Our ability to comply with the financial covenants in our credit agreements, including our leverage ratio (net debt divided by Adjusted EBITDA, as defined in our credit agreements) and our interest coverage ratio (Adjusted EBITDA divided by interest expense, as defined in our credit agreements);*

- *The potential unfavorable impact of foreign currency exchange rate fluctuations on our financial results; and*

- *Our ability to effectively realize the benefits of deferred tax assets in various jurisdictions in which we operate.*

Forward-looking statements are as of the date of this report; we do not assume any obligation to update any forward-looking statements.

Item Quantitative and Qualitative Disclosures About Market Risk.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

The Company's quantitative and qualitative disclosures about market risk are incorporated by reference from Part II, Item 7A. of the Company's Annual Report on Form 10-K for the year ended March 31, 2024. March 31, 2024. The Company's market risks have not materially changed since the fiscal 2024 Form 10-K was filed.

Item Controls and Procedures.

Item 4. Controls and Procedures.

Evaluation of disclosure controls and procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, management of the Company, with the participation of the Company's President and Chief Executive Officer and Executive Vice President, Chief Financial Officer, and under the oversight of the Audit Committee of the Board of Directors, evaluated the effectiveness of the Company's disclosure controls and procedures, at a reasonable assurance level, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended. As described below, management previously identified a material weakness in the Company's internal control over financial reporting. This material weakness will not be considered remediated until the applicable new and enhanced controls operate for a sufficient period of time and management can conclude, through testing, that the controls are designed and operating effectively. As remediation of the material weakness is not yet complete, the President and Chief Executive Officer and Executive Vice President, Chief Financial Officer have concluded that the design and operation of the Company's Company's disclosure controls and procedures continue to be ineffective as of June 30, 2024 September 30, 2024.

Notwithstanding the material weakness, management performed additional analysis and other post-closing procedures to ensure that the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q are fairly presented in all material respects in accordance with accounting principles generally accepted in the United States of America.

Previously-identified material weakness

As reported in Part II, Item 9A. "Controls and Procedures" of the Company's Annual Report on Form 10-K for the year ended March 31, 2024, March 31, 2024, management identified a material weakness in the Company's internal control over financial reporting related to information technology ("IT") IT general controls in Europe for systems supporting the Company's accounting and financial reporting processes. Specifically, the Company did not appropriately restrict access to certain systems. As a result, automated process-level controls and manual controls that are dependent upon the accuracy and completeness of information derived from those IT systems were also ineffective since they could have been adversely impacted. The material weakness resulted from an insufficient number of trained resources with the IT expertise necessary to appropriately assess and be accountable for IT-related risks or effectively design, implement, and operate controls to monitor and restrict access to systems that support the Company's accounting and financial reporting processes.

Management's remediation activities

Management is currently substantially complete or in the process or substantially complete with the following steps, which it believes will fully address the underlying causes of the material weakness:

- Engaging resources, including current team members, new hires, and external consultants with appropriate expertise to be held accountable for effectively assessing IT-related risks and designing, implementing and operating controls needed to mitigate those risks; and
- Designing and implementing controls to effectively restrict and monitor access to systems that support the Company's accounting and financial reporting processes.

- Engaging resources, including current team members, new hires, and external consultants with appropriate expertise to be held accountable for effectively assessing IT-related risks and designing, implementing and operating controls needed to mitigate those risks; and

- Designing and implementing controls to effectively restrict and monitor access to systems that support the Company's accounting and financial reporting processes.

Management believes that these actions and control improvements, when fully implemented and tested, will strengthen the Company's internal control over financial reporting and remediate the material weakness identified.

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Changes in internal control over financial reporting

The Company acquired Scott Springfield Manufacturing during the fourth quarter of fiscal 2024 and is currently in the process of evaluating and integrating the operations, processes and internal controls of the acquired company. See Note 2 of the Notes to the Condensed Consolidated Financial Statements included in this report for additional information regarding the acquisition.

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Except for the remediation steps described above and the integration activities underway for the Scott Springfield Manufacturing acquisition, there have been no changes in internal control over financial reporting during the first second quarter of fiscal 2025 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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PART II. OTHER INFORMATION

Item Unregistered Sales of Equity Securities and Use of Proceeds.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

ISSUER PURCHASES OF EQUITY SECURITIES

The following describes the Company's purchases of common stock during the first second quarter of fiscal 2025:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs (a)
April 1 – April 30, 2024	_______	_______	_______	$32,063,074
May 1 – May 31, 2024	10,878 (b)	$100.92	_______	$32,063,074
June 1 – June 30, 2024	39,441 (b)	$91.41	_______	$32,063,074
Total	50,319	$93.47		

Period	**Total Number of Shares Purchased**	**Average Price Paid Per Share**	**Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs**	**Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs (a)**
July 1 – July 31, 2024	2,031 (b)	$ 106.10	—	$ 32,063,074

August 1 – August 31, 2024	28,643 (b)	$ 100.80	—	$	32,063,074
September 1 – September 30, 2024	—	—	—	$	32,063,074
Total	30,674	$ 101.15	—		

(a) Effective November 5, 2022, November5, 2022, the Company's Company's Board of Directors authorized the Company to repurchase up to $50.0 million of Modine common stock at such times and prices that it deems to be appropriate. This authorization expires in on November 5,2024.

(b) Includes shares delivered back to the Company by employees and/or directors to satisfy tax withholding obligations that arise upon the vesting of stock awards. The Company, pursuant to its equity compensation plans, gives participants the opportunity to turn back to the Company the number of shares from the award sufficient to satisfy tax withholding obligations that arise upon the termination of restrictions. These shares are held as treasury shares.

Item Other Information.

Item 5. Other Information.

During the three months ended June 30, 2024 September 30, 2024, no director or "officer" of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Exhibits.

tem 6. Exhibits.

a) Exhibits:

Description

Incorporated Herein By Reference To

Exhibit No.	Description	Incorporated Herein By Reference To	Filed Herewith
10.1	Form of Fiscal 2025 Performance Stock Award Agreement.		X
10.2 31.1	Form of Fiscal 2025 Restricted Stock Unit Award Agreement.		X
10.3	Form of Fiscal 2025 Performance Conditioned Restricted Stock Unit Award Agreement.		X
31.1	Rule 13a-14(a)/15d-14(a) Certification of Neil D. Brinker, President and Chief Executive Officer.		X
31.2	Rule 13a-14(a)/15d-14(a) Certification of Michael B. Lucareli, Executive Vice President, Chief Financial Officer.		X
32.1	Section 1350 Certification of Neil D. Brinker, President and Chief Executive Officer.		X
32.2	Section 1350 Certification of Michael B. Lucareli, Executive Vice President, Chief Financial Officer.		X
.01.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).		X
.01.SCH	Inline XBRL Taxonomy Extension Schema.		X

REFINITIV

.01.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.	X
.01.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.	X
.0.1.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.	X
.0.1.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.	X
.04	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).	X

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MODINE MANUFACTURING COMPANY
(Registrant)

By: /s/ Michael B. Lucareli

Michael B. Lucareli, Executive Vice President, Chief Financial Officer*

Date: July 31, 2024

Date: October 30, 2024

Executing as both the principal financial officer and a duly authorized officer of the Company

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Exhibit 10.1

MODINE MANUFACTURING COMPANY
PERFORMANCE STOCK AWARD
AWARD AGREEMENT

We are pleased to inform you that you have been granted an opportunity to earn a Performance Stock Award of Modine Manufacturing Company (the "Company"), subject to the terms and conditions of the Modine Manufacturing Company 2020 Incentive Compensation Plan (the "Plan") and of this Award Agreement. Unless otherwise defined herein, all terms used in this Award Agreement shall have the same meanings as set forth in the Plan.

Full name of Grantee:	
Date of Award:	
Target number of Common Stock:	
Performance Period:	April 1, 2024 to March 31, 2027

1. Performance Stock Award. Pursuant to the Plan, you are hereby granted a Performance Stock Award, subject to the terms and conditions of this Award Agreement and the Plan. The number of shares of Common Stock to be issued hereunder if the Target Performance Goals are achieved is set forth above.

2. Terms of Performance Stock Award and Performance Goals. You have been granted an opportunity to earn shares of Common Stock under this Performance Stock Award. The actual number of shares of Common Stock earned by you will be determined as described below, based upon the actual results for the Performance Period set forth above compared to the Performance Goals set forth below, provided that you remain an employee of the Company or a Subsidiary for the entire Performance Period (subject to the provisions below regarding death, Disability or retirement) and the achievement of the Performance Goals is greater than the Threshold amount specified below (the "Conditions"). If either of these Conditions is not satisfied, then except as otherwise provided in this Award Agreement and the Plan, no Common Stock shall be earned.

The Performance Goals for this Performance Stock Award are:

- Cash Flow Return on Invested Capital ("Cash Flow ROI") (50% weight)
- Average Annual Adjusted EBITDA Growth (50% weight)

The Threshold Performance Goals are the minimum Performance Goals that must be achieved by the Company during the Performance Period for you to earn any Common Stock under this Performance Stock Award. The Maximum Performance Goals are the minimum Performance Goals that must be achieved by the Company during the Performance Period for you to earn the "Maximum" number of shares of Common Stock earned under this Performance Stock Award.

	Performance Goal: Cash Flow ROI (50% weight)	Performance Goal:Average Annual Adjusted EBITDA Growth (50% weight)	Performance Stock Award Earned Based on Achievement of Performance Goals
Threshold:	8.0%	4.0%	25% of Target amount of Performance Stock
Target:	12.0%	13.0%	100% of Target amount of Performance Stock
Maximum:	17.0%	22.0%	250% of Target amount of Performance Stock

Definitions

- "Cash Flow ROI" or "Cash Flow Return on Invested Capital" means the sum of Adjusted Free Cash Flow plus Cash Interest, all divided by Average Capital Employed.
  - Adjusted Free Cash Flow equals "Net cash provided by operating activities", less "Expenditures for property, plant and equipment" (both as reported externally for the Company's audited financial statements), plus or minus Permitted Adjustments (defined below) and Cash Interest equals cash paid for interest expense related to outstanding debt.
  - Average Capital Employed for each fiscal year equals total debt plus shareholders' equity averaged over five points (i.e., the last day of each fiscal quarter and prior fiscal year-end); and where shareholder's equity excludes shareholder equity attributable to noncontrolling interests.
- "Average Annual Adjusted EBITDA Growth" means the simple three-year arithmetic average of the Company's Adjusted EBITDA Growth during the Performance Period, as reported externally for the Company's audited financial statements. Adjusted EBITDA Growth equals current-year Adjusted EBITDA minus prior-year Adjusted EBITDA, with that total divided by prior-year Adjusted EBITDA. Adjusted EBITDA equals "Operating Income" plus "Depreciation and Amortization Expenses", both as reported externally for the Company's audited financial statements, plus or minus Permitted Adjustments (defined below).

Permitted Adjustments:

- Restructuring Charges
  - Fees and expenses for restructuring consultants or financial advisors
  - Employee severance, outplacement and related benefits
  - Employee insurance and benefits continuation
  - Contractual salary continuation for terminated employees
  - Equipment transfers and facility preparation
  - Environmental services (e.g., plant clean-up prior to sale)
- Acquisition and Divestiture Charges
  - Fees and expenses for transaction advisors (i.e., financial advisors, consultants, lawyers and accountants)
  - Integration expenses
  - Other incremental costs and charges that are non-recurring and directly related to the transaction

- Other

- Fees and expenses for strategy advisory services associated with a specific transaction or unique project
- Unusual, non-recurring or extraordinary cash and non-cash charges or income

o Adoption of New Accounting Standards

- The impact of the adoption of new U.S. GAAP accounting standards and significant changes in the Company's accounting methods.

o Acquisitions & Divestitures

- The Committee has discretion to take into consideration the impact that a significant acquisition or divestiture may have on these Plan financial measures and apply appropriate treatment.

o Notwithstanding the foregoing, the Committee may disregard all or part of any Permitted Adjustment as separately applicable to each performance metric if doing so would decrease the amount payable under this Performance Stock Award.

If actual Cash Flow ROI or EBITDA Growth for the Performance Period is between Threshold and Target and/or between Target and Maximum, the number of shares of Common Stock earned shall be determined on a linear basis.

In the event that the Company's actual Cash Flow ROI or EBITDA Growth does not meet the Threshold for the Performance Period, no Common Stock shall be earned relative to such metric under this Performance Stock Award.

In the event that the Company's actual Cash Flow ROI or EBITDA Growth exceeds the Maximum for the Performance Period, only the Maximum percentage of the Target number of shares of Common Stock set forth above shall be earned relative to such metric.

3. Delivery of Shares of Common Stock. Performance Stock earned shall be paid in shares of Common Stock delivered to you after the end of the Performance Period as soon as administratively practicable after the Committee has approved and certified the number of shares of Performance Stock that have been earned hereunder or, in the event of vesting covered under Paragraph 4 below, within thirty (30) days of the date of your termination of employment.

4. Change in Control. The vesting of the Award in the event of a Change in Control is governed by Section 11.02 of the Plan. Notwithstanding anything in this Agreement to the contrary, upon a Change in Control, all outstanding Performance Stock shall be deemed to have satisfied the Target Performance Goals and shall vest pro-rata based upon the period worked during the Performance Period as of the date of an involuntary termination of your employment with the Company or a Subsidiary by the Company without Cause or by you for Good Reason within one (1) year following a Change in Control. "Good Reason" means a material diminution in your base salary; material diminution in your annual target bonus opportunity; material diminution in your authority, duties or responsibilities; material diminution in authority, duties or responsibilities of the supervisor to whom you report; material diminution in the budget over which you retain authority; or material change in the geographic location at which you must perform services.

5. Death or Disability. Notwithstanding anything in this Agreement to the contrary, upon your termination of employment due to death or Disability (as defined herein), a prorated portion (based on the period working during the Performance Period) of the Performance Stock granted to you hereunder shall vest based on the Company's actual achievement of the Performance Goals at the end of the Performance Period as certified by the Committee, and shares will be delivered to you after the Committee has approved and certified the number of shares of Performance Stock that have been earned hereunder. For purposes of this Award Agreement, "Disability" shall mean "permanent and total disability" as defined in Section 22 (e)(3) of the Internal Revenue Code.

6. Forfeiture. Other than as described above in Paragraph 4 regarding a Change in Control or Paragraph 5 regarding death or Disability, upon your termination of employment with the Company or a Subsidiary for any reason during the Performance Period, you will forfeit all Performance Stock covered by this Agreement.

7. Shareholder Status. While this Performance Stock Award is outstanding and until Common Stock is issued hereunder, you shall not have any rights as a shareholder of the Company, including the right to vote and the right to receive dividends on any

Common Stock potentially earned under this Performance Stock Award.

8. Transfer. This Performance Stock Award shall be nontransferable. Notwithstanding the foregoing, you shall have the right to transfer the Performance Stock Award or Common Stock otherwise issued hereunder upon your death, either by the terms of your will or under the laws of descent and distribution. This provision shall not prevent you from transferring any shares of Common Stock issued hereunder after the end of the Performance Period.

9. No Obligation of Employment. This Performance Stock Award shall not impose any obligation on the Company to continue your employment with the Company or any Subsidiary.

10. Controlling Provisions; Plan Controls. In the event of a conflict between the terms of this Award Agreement and any employment agreement or change in control agreement between you and the Company, this Award Agreement shall control. This Performance Stock Award is qualified in its entirety by reference to the terms and conditions of the Plan under which it is granted, a copy of which you may request from the Company. The Plan empowers the Committee to make interpretations, rules and regulations thereunder and, in general, provides that the determinations of such Committee with respect to the Plan shall be binding upon you. The Plan is incorporated herein by reference.

11. Forfeiture Under Recoupment Policy. The Company shall have the power and the right to require you to forfeit and return the shares of Common Stock issued hereunder or any proceeds therefrom consistent with any recoupment policy maintained by the Company under applicable law, as such policy is amended from time to time.

12. Personal Information. Solium Capital LLC and Equiniti Trust Company assist the Company in the operation of the Plan and the administration of the Performance Stock Award granted pursuant to this Award Agreement. If you choose to participate in the Plan, you acknowledge and consent to the Company sharing your name, email, and information regarding the grant of the Performance Stock Award under this Award Agreement with both Solium Capital LLC and Equiniti Trust Company.

13. Use of Words. The use of words of the masculine gender in this Award Agreement is intended to include, wherever appropriate, the feminine or neuter gender and vice versa.

14. Successors. This Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company.

15. Taxes. The Company may require payment of or withhold any tax which it believes is required as a result of the Award and/or the issuance of Common Stock resulting from this Award, and the Company may defer making delivery with respect to shares issuable hereunder until arrangements satisfactory to the Company have been made with respect to such tax withholding obligations.

16. Committee Discretion. Notwithstanding anything in this Agreement, the Committee retains the discretion to make negative adjustments to the final determination of the achievement of any Performance Goals.

17. No Legal or Tax Advice. Notwithstanding anything stated in this Award Agreement, the Company is not providing any legal or tax advice related to this Performance Stock Award or any Common Stock issued hereunder. Nothing stated in this Award Agreement is intended to cover any legal or tax situation. You are encouraged to consult your own legal and/or tax advisors to address any questions or concerns you may have regarding this Award Agreement or any Common Stock issued hereunder.

18. Controlling Law. The law of the State of Wisconsin, except its law with respect to choice of law, shall be controlling in all matters relating to this Agreement.

By your electronic agreement and the signature of the Company's representative below, you and the Company agree that this Performance Stock Award awarded to you under this Award Agreement is subject to the terms and conditions of the Plan, a copy of which is available to you upon request. As provided in the Plan, you hereby agree to accept as binding any decision of the Committee with respect to the interpretation of this Award Agreement, or any other matters associated therewith.

IN WITNESS WHEREOF, the Company has caused this Award Agreement to be executed as of __________________, 2024.

MODINE MANUFACTURING COMPANY

By: /s/Neil D. Brinker
Neil D. Brinker
President and Chief Executive Officer

Exhibit 10.2

MODINE MANUFACTURING COMPANY
2020 INCENTIVE COMPENSATION PLAN
RESTRICTED STOCK UNIT AWARD
AWARD AGREEMENT

We are pleased to inform you that you have been granted a Restricted Stock Unit Award subject to the terms and conditions of the Modine Manufacturing Company 2020 Incentive Compensation Plan (the "Plan") and of this Award Agreement. Unless otherwise defined herein, all terms used in this Award Agreement shall have the same meanings as set forth in the Plan.

Full name of Grantee:

Date of Award:

Total number of Restricted Stock Units:

1. Restricted Stock Unit Award. Pursuant to the Plan, you are hereby granted a Restricted Stock Unit Award ("Award"), subject to the terms and conditions of this Award Agreement and the Plan. Accordingly, you are hereby granted the aggregate number of Restricted Stock Units ("RSUs") set forth above, subject to the restrictions and conditions set forth in this Award Agreement.

2. Restricted Period. Upon the expiration of the Restricted Period (as described in the chart below) applicable to the number of RSUs specified in the chart below, you shall receive one share of Common Stock for each RSU for which the Restricted Period has expired. For purposes of this Award Agreement, the Restricted Period shall mean the period beginning on the date of this Award set forth above and ending as set forth below:

Number of RSUs that Vest	Restricted Period Expiration
33% of the total number of RSUs	
33% of the total number of RSUs	
34% of the total number of RSUs	

3. Shareholder Status. You shall not have any voting or other ownership rights in the Company arising from the grant of RSUs under this Agreement, unless and until such RSUs are settled pursuant to Section 4, below. Further, you shall not be entitled to dividend equivalents during the period you hold RSUs.

4. Settlement and Delivery. As soon as administratively practicable after the expiration of the Restricted Period, the Company shall ascribe to you (or, in the event of your death, your beneficiary) a share of Common Stock for each RSU that vests as a result of the expiration of the Restricted Period in a book entry on the records kept by the Company's transfer agent or such other method of delivering shares of Common Stock subject to this Award, as determined by the Committee.

Except as otherwise provided in Section 8.02(f) or Section 11.02 of the Plan, in the event of your termination of employment with the Company or a Subsidiary for any reason (other than due to Disability (as defined below), death, or with Committee approval, your retirement) prior to the expiration of the Restricted Period for any RSUs, you shall forfeit to the Company all RSUs for which the Restricted Period has not expired and the right to receive any Common Stock with respect to such RSUs. If you separate from service with the Company or a Subsidiary due to Disability, death, or, with Committee approval, your retirement prior to the end of the Restricted Period for any RSUs, your Restricted Stock Unit Award shall vest in full. For purposes of this Award Agreement, "Disability" shall mean "permanent and total disability" as defined in Section 22 (e)(3) of the Internal Revenue Code.

5. Transfer. This Restricted Stock Unit Award shall not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by you other than in the event of your death. Except for the designation of your beneficiary in the event of your death, the purported assignment, alienation, pledge, attachment, transfer or encumbrance of the Award or this Award Agreement shall be void and unenforceable against the Company. This provision shall not prevent you from transferring the shares of Common Stock issued hereunder after the expiration of the Restricted Period.

6. No Obligation of Employment. This Restricted Stock Unit Award shall not impose any obligation on the Company to continue your employment with the Company or any Subsidiary.

7. ControllingProvisions; Plan Controls. In the event of a conflict between the terms of this Award Agreement and any employment agreement or change in control agreement between you and the Company, this Award Agreement shall control. This Award Agreement is qualified in its entirety by reference to the terms and conditions of the Plan under which it is granted, a copy of which you may request from the Company. The Plan empowers the Committee to make interpretations, rules and regulations thereunder and, in general, provides that the determinations of such Committee with respect to the Plan shall be binding upon you. The Plan is incorporated herein by reference.

8. Change in Control. The vesting of the Award in the event of a Change in Control is governed by Section 11.02 of the Plan. Involuntary termination of your employment by the Company would be termination of your employment by the Company without Cause or termination by you of your employment for Good Reason within one (1) year following a Change in Control. "Good Reason" means a material diminution in your base salary; material diminution in your annual target bonus opportunity; material diminution in your authority, duties or responsibilities; material diminution in authority, duties or responsibilities of the supervisor to whom you report; material diminution in the budget over which you retain authority; or material change in the geographic location at which you must perform services.

9. Forfeiture; Forfeiture Under Recoupment Policy. Other than as described above in Paragraph 8 regarding a Change in Control or Paragraph 4 regarding death, Disability, or retirement, upon your termination of employment with the Company or a Subsidiary for any reason during the Restricted Period, you will forfeit all RSUs covered by this Agreement.

Additionally, the Company shall have the power and the right to require you to forfeit and return the shares of Common Stock issued as a result of the vesting of any Award or any proceeds therefrom consistent with any recoupment policy maintained by the Company under applicable law, as such policy is amended from time to time.

10. Use of Words. The use of words of the masculine gender in this Award Agreement is intended to include, wherever appropriate, the feminine or neuter gender and vice versa.

11. Successors. This Award Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company.

12. Taxes. The Company may require payment of or withhold any tax which it believes is required as a result of the Award and/or the issuance of Common Stock resulting from the vesting of the RSUs that are the subject of this Award, and the Company

may defer making delivery with respect to shares issuable hereunder until arrangements satisfactory to the Company have been made with respect to such tax withholding obligations.

13. No Legal or Tax Advice. Notwithstanding anything stated in this Award Agreement, the Company is not providing any legal or tax advice related to this Award or any Common Stock that may be obtained upon vesting of this Award. Nothing stated in this Award is intended to cover any legal or tax situation. You are encouraged to consult your own legal and/or tax advisors to address any questions or concerns you may have regarding this Award or any Common Stock that may be obtained upon vesting of this Award.

14. Personal Information. Solium Capital LLC and Equiniti Trust Company assist the Company in the operation of the Plan and the administration of the Restricted Stock Unit Award granted pursuant to this Award Agreement. If you choose to participate in the Plan, you acknowledge and consent to the Company sharing your name, email, and information regarding the grant of the Restricted Stock Unit Award under this Award Agreement with both Solium Capital LLC and Equiniti Trust Company.

15. Controlling Law. The law of the State of Wisconsin, except its law with respect to choice of law, shall be controlling in all matters relating to this Agreement.

By your electronic agreement and the signature of the Company's representative below, you and the Company agree that the Restricted Stock Unit Award awarded to you under this Award Agreement are subject to the terms and conditions of the Plan, a copy of which is available to you upon request. As provided in the Plan, you hereby agree to accept as binding any decision of the Committee with respect to the interpretation of the Plan and this Award Agreement, or any other matters associated therewith.

IN WITNESS WHEREOF, the Company has caused this Award Agreement to be executed as of ____________________, 2024.

MODINE MANUFACTURING COMPANY

By: /s/Neil D. Brinker

Neil D. Brinker

President and Chief Executive Officer

Exhibit 10.3

MODINE MANUFACTURING COMPANY
PERFORMANCE CONDITIONED RESTRICTED STOCK UNIT AWARD
AWARD AGREEMENT

We are pleased to inform you that you have been granted a Restricted Stock Unit Award subject to the terms and conditions of the Modine Manufacturing Company 2020 Incentive Compensation Plan (the "Plan") and of this Award Agreement. Unless otherwise defined herein, all terms used in this Award Agreement shall have the same meanings as set forth in the Plan.

Full name of Grantee:

Date of Award:

Total number of Restricted Stock Units ("RSUs"):

1. Restricted Stock Unit Award. Pursuant to the Plan, you are hereby granted a Restricted Stock Unit Award ("Award"), subject to the terms and conditions of this Award Agreement and the Plan. The number of shares of Common Stock to be issued hereunder if the Performance Conditions are achieved is set forth above.

2. Restricted Period and Performance Conditions. Upon the expiration of the Restricted Period (as defined below), you shall receive one share of Common Stock for each RSU for which the Restricted Period has expired, if and only if all Performance Conditions (as defined below) have been achieved during such Restricted Period. Except as otherwise provided in Section 8.02(f) or

Section 11.02 of the Plan, in the event of your termination of employment with the Company or a Subsidiary for any reason prior to the expiration of the Restricted Period, you shall forfeit to the Company all RSUs for which the Restricted Period has not expired and the right to receive any Common Stock with respect to such RSUs.

For purposes of this Award Agreement, the "Restricted Period" shall mean the period beginning on May 16, 2024 and ending on May 16, 2027.

For purposes of this Award Agreement, achievement of the "Performance Conditions" shall include the following:

- o Achieve a FY26 company-wide 12-month trailing Gross Margin ≥ 23.55% (175bps improvement over FY24 12-month trailing Gross Margin 21.8%).

For purposes of calculating Gross Margin pursuant to this Award Agreement, the following Permitted Adjustments may added or subtracted from the financial measurements underlying the Company's GAAP Gross Margin calculation:

- Restructuring Charges
  - o Fees and expenses for restructuring consultants or financial advisors
  - o Employee severance, outplacement and related benefits
  - o Employee insurance and benefits continuation
  - o Contractual salary continuation for terminated employees
  - o Equipment transfers and facility preparation
  - o Environmental services (e.g., plant clean-up prior to sale)

- Acquisition and Divestiture Charges
  - o Fees and expenses for transaction advisors (i.e., financial advisors, consultants, lawyers and accountants)
  - o Integration expenses
  - o Other incremental costs and charges that are non-recurring and directly related to the transaction
- Other
  - o Fees and expenses for strategy advisory services associated with a specific transaction or unique project
  - o Unusual, non-recurring or extraordinary cash and non-cash charges or income

- Adoption of New Accounting Standards
  - o The impact of the adoption of new U.S. GAAP accounting standards and significant changes in the Company's accounting methods.
- Acquisitions & Divestitures
  - o The Committee has discretion to take into consideration the impact that a significant acquisition or divestiture may have on these Plan financial measures and apply appropriate treatment.
- Notwithstanding the foregoing, the Committee may disregard all or part of any Permitted Adjustment as applicable to the Performance Conditions if doing so would decrease the amount payable under this Award.

The determination of whether the Performance Conditions have been achieved during the Restricted Period shall be made in the sole discretion of the Committee, after consultation with the Company's CEO.

If the Performance Conditions are not achieved during the Restricted Period, all RSUs granted hereunder shall be forfeited to the Company immediately.

3. Shareholder Status. You shall not have any voting or other ownership rights in the Company arising from the grant of RSUs under this Agreement, unless and until such RSUs are settled pursuant to Section 4, below. Further, you shall not be entitled to dividend equivalents during the period you hold RSUs.

4. Settlement and Delivery. If the Committee determines the Performance Conditions were achieved during the Restricted Period, the RSUs earned shall be paid in shares of Common Stock delivered to you after the end of the Restricted Period, as soon as

administratively practicable or, in the event of vesting covered under Paragraph 9 below, within thirty (30) days of the date of your termination of employment , or in the event of your death or Disability (as defined in Section 5 below), as set forth in Section 5 below.

5. Death or Disability. Notwithstanding anything in this Award Agreement to the contrary, upon your termination of employment due to death or Disability (as defined herein), if the Committee determines the Performance Conditions were achieved during the Restricted Period, the RSUs earned shall be paid in shares of Common Stock delivered to you or your beneficiary after the end of the Restricted Period, as soon as administratively practicable. For purposes of this Award Agreement, "Disability" shall mean "permanent and total disability" as defined in Section 22 (e)(3) of the Internal Revenue Code.

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6. Transfer. This Restricted Stock Unit Award shall not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by you other than in the event of your death. Except for the designation of your beneficiary in the event of your death, the purported assignment, alienation, pledge, attachment, transfer or encumbrance of the Award or this Award Agreement shall be void and unenforceable against the Company. This provision shall not prevent you from transferring the shares of Common Stock issued hereunder after the expiration of the Restricted Period.

7. No Obligation of Employment. This Restricted Stock Unit Award shall not impose any obligation on the Company to continue your employment with the Company or any Subsidiary.

8. ControllingProvisions; Plan Controls. In the event of a conflict between the terms of this Award Agreement and any employment agreement or change in control agreement between you and the Company, this Award Agreement shall control. This Award Agreement is qualified in its entirety by reference to the terms and conditions of the Plan under which it is granted, a copy of which you may request from the Company. The Plan empowers the Committee to make interpretations, rules and regulations thereunder and, in general, provides that the determinations of such Committee with respect to the Plan shall be binding upon you. The Plan is incorporated herein by reference.

9. Change in Control. The vesting of the Award in the event of a Change in Control is governed by Section 11.02 of the Plan. Involuntary termination of your employment by the Company would be termination of your employment by the Company without Cause or termination by you of your employment for Good Reason within one (1) year following a Change in Control. "Good Reason" means a material diminution in your base salary; material diminution in your annual target bonus opportunity; material diminution in your authority, duties or responsibilities; material diminution in authority, duties or responsibilities of the supervisor to whom you report; material diminution in the budget over which you retain authority; or material change in the geographic location at which you must perform services.

10. Forfeiture; Forfeiture Under Recoupment Policy. Other than as described above in Paragraph 9 regarding a Change in Control or Paragraph 5 regarding death or Disability, upon your termination of employment with the Company or a Subsidiary for any reason during the Restricted Period, you will forfeit all RSUs covered by this Agreement.

Additionally, the Company shall have the power and the right to require you to forfeit and return the shares of Common Stock issued as a result of the vesting of any Award or any proceeds therefrom consistent with any recoupment policy maintained by the Company under applicable law, as such policy is amended from time to time.

11. Use of Words. The use of words of the masculine gender in this Award Agreement is intended to include, wherever appropriate, the feminine or neuter gender and vice versa.

12. Successors. This Award Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company.

13. Taxes. The Company may require payment of or withhold any tax which it believes is required as a result of the Award and/or the issuance of Common Stock resulting from the vesting of the RSUs that are the subject of this Award, and the Company may defer making delivery with respect to shares issuable hereunder until arrangements satisfactory to the Company have been made with respect to such tax withholding obligations.

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14. No Legal or Tax Advice. Notwithstanding anything stated in this Award Agreement, the Company is not providing any legal or tax advice related to this Award or any Common Stock that may be obtained upon vesting of this Award. Nothing stated in this Award is intended to cover any legal or tax situation. You are encouraged to consult your own legal and/or tax advisors to address any questions or concerns you may have regarding this Award or any Common Stock that may be obtained upon vesting of this Award.

15. Personal Information. Solium Capital LLC and Equiniti Trust Company assist the Company in the operation of the Plan and the administration of the Restricted Stock Unit Award granted pursuant to this Award Agreement. If you choose to participate in

the Plan, you acknowledge and consent to the Company sharing your name, email, and information regarding the grant of the Restricted Stock Unit Award under this Award Agreement with both Solium Capital LLC and Equiniti Trust Company.

16. Committee Discretion. Notwithstanding anything in this Agreement, the Committee retains the discretion to make negative adjustments to the final determination of the achievement of any Performance Conditions.

17. Controlling Law. The law of the State of Wisconsin, except its law with respect to choice of law, shall be controlling in all matters relating to this Agreement.

By your electronic agreement and the signature of the Company's representative below, you and the Company agree that the Restricted Stock Unit Award awarded to you under this Award Agreement are subject to the terms and conditions of the Plan, a copy of which is available to you upon request. As provided in the Plan, you hereby agree to accept as binding any decision of the Committee with respect to the interpretation of the Plan and this Award Agreement, or any other matters associated therewith.

IN WITNESS WHEREOF, the Company has caused this Award Agreement to be executed as of ___________________, 2024.

MODINE MANUFACTURING COMPANY

By: /s/Neil D. Brinker
Neil D. Brinker
President and Chief Executive Officer

Exhibit 31.1

Certification

I, Neil D. Brinker, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Modine Manufacturing Company for the quarter ended June 30, 2024 September 30, 2024;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's registrant's internal control over financial reporting that occurred during the registrant's registrant's most recent fiscal quarter (the registrant's registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's registrant's internal control over financial reporting; and

5. The registrant's registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's registrant's auditors and the audit committee of the registrant's registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's registrant's internal control over financial reporting.

July 31, 2024

Date: October 30, 2024

/s/ Neil D. Brinker

Neil D. Brinker

President and Chief Executive Officer

Exhibit 31.2

Certification

I, Michael B. Lucareli, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Modine Manufacturing Company for the quarter ended June 30, 2024 September 30, 2024;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's registrant's internal control over financial reporting that occurred during the registrant's registrant's most recent fiscal quarter (the registrant's registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's registrant's internal control over financial reporting; and

5. The registrant's registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's registrant's auditors and the audit committee of the registrant's registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's registrant's internal control over financial reporting.

July 31, 2024

Date: October 30, 2024

/s/ Michael B. Lucareli

Michael B. Lucareli

Executive Vice President, Chief Financial Officer

Exhibit 32.1

Certification

Pursuant to 18 United States Code § 1350

In connection with the quarterly report of Modine Manufacturing Company (the "Company") on Form 10-Q for the fiscal quarter ended June 30, 2024 September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Neil D. Brinker, President and Chief Executive Officer of the Company certify, pursuant to 18 U.S.C. § 1350, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 30, 2024

/s/ Neil D. Brinker

Neil D. Brinker

President and Chief Executive Officer

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed "filed" by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

Exhibit 32.2

Certification

Pursuant to 18 United States Code § 1350

In connection with the quarterly report of Modine Manufacturing Company (the "Company") on Form 10-Q for the fiscal quarter ended June 30, 2024 September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael B. Lucareli, Executive Vice President, Chief Financial Officer of the Company certify, pursuant to 18 U.S.C. § 1350, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 30, 2024

/s/ Michael B. Lucareli

Michael B. Lucareli

Executive Vice President, Chief Financial Officer

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed "filed" by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

DISCLAIMER