REFINITIV

DELTA REPORT

10-Q

MOD - MODINE MANUFACTURING CO

10-Q - DECEMBER 31, 2023 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	9680
CHANGES	2039
DELETIONS	3663
ADDITIONS	3978

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**

For the quarterly period ended September 30, December 31, 2023

or

☐ **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) 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	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 ☑ 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 ☑ 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 ☐	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 ☑

The number of shares outstanding of the registrant's common stock, $0.625 par value, was 52,242,268 52,207,750 at October 27, 2023January 26, 2024.

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PART I. FINANCIAL INFORMATION

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements.

MODINE MANUFACTURING COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS
For the three and six nine months ended September 30, 2023 December 31, 2023 and 2022
(In millions, except per share amounts)
(Unaudited)

	Three months ended September 30,		Six months ended September 30,		Three months ended December 31,		Nine months ended December 31,	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Net sales	$ 620.5	$ 578.8	$ 1,242.9	$ 1,119.8	$ 561.4	$ 560.0	$ 1,804.3	$ 1,679.8
Cost of sales	485.4	482.6	979.9	940.2	434.1	462.4	1,414.0	1,402.6
Gross profit	135.1	96.2	263.0	179.6	127.3	97.6	390.3	277.2
Selling, general and administrative expenses	68.9	58.8	130.3	115.1	68.0	58.0	198.3	173.1
Restructuring expenses	0.5	0.6	0.5	2.1	1.6	0.1	2.1	2.2
Gain on sale of assets					(4.0)	-	(4.0)	-
Operating income	65.7	36.8	132.2	62.4	61.7	39.5	193.9	101.9
Interest expense	(6.1)	(4.7)	(12.0)	(8.8)	(5.8)	(5.9)	(17.8)	(14.7)
Other income (expense) – net	0.1	(1.4)	(0.5)	(3.7)				
Other expense – net					(0.5)	(0.4)	(1.0)	(4.1)
Earnings before income taxes	59.7	30.7	119.7	49.9	55.4	33.2	175.1	83.1
Provision for income taxes	(12.8)	(6.4)	(27.5)	(11.3)	(10.3)	(8.5)	(37.8)	(19.8)
Net earnings	46.9	24.3	92.2	38.6	45.1	24.7	137.3	63.3
Net (earnings) loss attributable to noncontrolling interest	(0.4)	0.1	(0.9)	0.1				
Net earnings attributable to noncontrolling interest					(0.7)	(0.2)	(1.6)	(0.1)
Net earnings attributable to Modine	$ 46.5	$ 24.4	$ 91.3	$ 38.7	$ 44.4	$ 24.5	$ 135.7	$ 63.2
Net earnings per share attributable to Modine shareholders:								
Basic	$ 0.89	$ 0.47	$ 1.74	$ 0.74	$ 0.85	$ 0.47	$ 2.59	$ 1.21
Diluted	$ 0.87	$ 0.46	$ 1.72	$ 0.74	$ 0.83	$ 0.46	$ 2.55	$ 1.20

Weighted-average shares outstanding:								
Basic	52.4	52.2	52.4	52.2	52.3	52.3	52.4	52.2
Diluted	53.4	52.7	53.2	52.5	53.2	52.9	53.2	52.7

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

MODINE MANUFACTURING COMPANY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three and six nine months ended September 30, 2023 December 31, 2023 and 2022
(In millions)
(Unaudited)

	Three months ended September 30,		Six months ended September 30,		Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022	2023	2022	2023	2022
Net earnings	$ 46.9	$ 24.3	$ 92.2	$ 38.6	$ 45.1	$ 24.7	$ 137.3	$ 63.3
Other comprehensive income (loss), net of income taxes:								
Foreign currency translation	(12.7)	(23.9)	(13.5)	(47.8)	19.4	23.1	5.9	(24.7)
Defined benefit plans, net of income taxes of $0.3, $0, $0.5 and $0 million	0.8	1.4	1.6	2.7				
Cash flow hedges, net of income taxes of ($0.1), $0, ($0.3) and $0 million	(0.2)	-	(0.9)	(1.6)				
Defined benefit plans, net of income taxes of $0.3, $0, $0.8 and $0 million					0.1	1.3	1.7	4.0
Cash flow hedges, net of income taxes of $0.2, $0.2, ($0.1) and $0.2 million					0.5	1.5	(0.4)	(0.1)
Total other comprehensive income (loss)	(12.1)	(22.5)	(12.8)	(46.7)	20.0	25.9	7.2	(20.8)
Comprehensive income (loss)	34.8	1.8	79.4	(8.1)	65.1	50.6	144.5	42.5
Comprehensive (income) loss attributable to noncontrolling interest	(0.4)	0.6	(0.7)	1.0	(0.8)	(0.8)	(1.5)	0.2
Comprehensive income (loss) attributable to Modine	$ 34.4	$ 2.4	$ 78.7	$ (7.1)	$ 64.3	$ 49.8	$ 143.0	$ 42.7

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

MODINE MANUFACTURING COMPANY
CONSOLIDATED BALANCE SHEETS
September 30, December 31, 2023 and March 31, 2023
(In millions, except per share amounts)
(Unaudited)

	September 30, 2023	March 31, 2023	December 31, 2023	March 31, 2023
ASSETS				
Cash and cash equivalents	$ 120.2	$ 67.1	$ 149.7	$ 67.1
Trade accounts receivable – net	377.0	398.0	364.4	398.0
Inventories	321.5	324.9	341.3	324.9
Assets held for sale	18.4	-		
Other current assets	60.9	56.4	62.8	56.4
Total current assets	898.0	846.4	918.2	846.4
Property, plant and equipment – net	303.8	314.5	317.3	314.5
Intangible assets – net	79.3	81.1	78.4	81.1
Goodwill	164.3	165.6	166.7	165.6
Deferred income taxes	77.6	83.7	78.1	83.7
Other noncurrent assets	82.1	74.6	92.7	74.6
Total assets	$ 1,605.1	$ 1,565.9	$ 1,651.4	$ 1,565.9

LIABILITIES AND SHAREHOLDERS' EQUITY				
Short-term debt	$ 0.1	$ 3.7	$ -	$ 3.7
Long-term debt – current portion	19.6	19.7	19.7	19.7
Accounts payable	274.9	332.8	255.3	332.8
Accrued compensation and employee benefits	78.4	89.8	79.6	89.8
Liabilities held for sale	21.1	-		
Other current liabilities	99.0	61.1	120.9	61.1
Total current liabilities	493.1	507.1	475.5	507.1
Long-term debt	322.9	329.3	313.5	329.3
Deferred income taxes	5.2	4.8	5.8	4.8
Pensions	31.3	40.2	31.0	40.2
Other noncurrent liabilities	78.6	84.9	90.4	84.9
Total liabilities	931.1	966.3	916.2	966.3
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 55.7 million and 55.4 million shares	34.8	34.6		
Common stock, $0.625 par value, authorized 80.0 million shares, issued 55.9 million and 55.4 million shares			35.0	34.6
Additional paid-in capital	276.4	270.8	279.6	270.8
Retained earnings	588.8	497.5	633.2	497.5
Accumulated other comprehensive loss	(173.7)	(161.1)	(153.8)	(161.1)
Treasury stock, at cost, 3.6 million and 3.3 million shares	(59.3)	(49.0)		
Treasury stock, at cost, 3.7 million and 3.3 million shares			(66.6)	(49.0)
Total Modine shareholders' equity	667.0	592.8	727.4	592.8
Noncontrolling interest	7.0	6.8	7.8	6.8
Total equity	674.0	599.6	735.2	599.6
Total liabilities and equity	$ 1,605.1	$ 1,565.9	$ 1,651.4	$ 1,565.9

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

MODINE MANUFACTURING COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six nine months ended September 30, 2023 December 31, 2023 and 2022

(In millions)

(Unaudited)

	Six months ended September 30,		Nine months ended December 31,	
	2023	**2022**	**2023**	**2022**
Cash flows from operating activities:				
Net earnings	$ 92.2	$ 38.6	$ 137.3	$ 63.3
Adjustments to reconcile net earnings to net cash provided by operating activities:				
Depreciation and amortization	27.7	27.3	41.1	40.7
Gain on sale of assets			(4.0)	-
Stock-based compensation expense	4.6	3.5	7.7	5.0
Deferred income taxes	5.5	(0.5)	4.7	(0.9)
Other – net	3.8	1.8	4.7	4.0
Changes in operating assets and liabilities:				
Trade accounts receivable	6.7	0.2	26.9	5.4
Inventories	(4.3)	(30.5)	(18.5)	(40.0)
Accounts payable	(43.3)	7.2	(67.8)	(9.3)
Other assets and liabilities	17.9	8.5	42.9	(0.3)
Net cash provided by operating activities	110.8	56.1	175.0	67.9
Cash flows from investing activities:				
Expenditures for property, plant and equipment	(26.2)	(23.0)	(43.8)	(35.2)
Payments for business acquisition	(4.8)	-	(4.8)	-

Proceeds from disposition of assets	1.1	0.1		
Proceeds from (payments for) disposition of assets			(0.6)	0.1
Other – net	(4.5)	-	(5.3)	(0.1)
Net cash used for investing activities	(34.4)	(22.9)	(54.5)	(35.2)
Cash flows from financing activities:				
Borrowings of debt	176.6	141.1	176.6	233.8
Repayments of debt	(182.4)	(149.9)	(193.6)	(226.4)
Borrowings (repayments) on bank overdraft facilities – net	(3.7)	9.2	(3.7)	4.6
Purchases of treasury stock under share repurchase program	(9.0)	(2.6)	(13.3)	(4.7)
Dividend paid to noncontrolling interest	(0.5)	(0.6)	(0.5)	(0.6)
Other – net	0.4	0.3	(2.9)	0.7
Net cash used for financing activities	(18.6)	(2.5)		
Net cash (used for) provided by financing activities			(37.4)	7.4
Effect of exchange rate changes on cash	(1.9)	(5.8)	0.9	(3.1)
Net increase in cash, cash equivalents, restricted cash and cash held for sale	55.9	24.9		
Net increase in cash, cash equivalents, and restricted cash			84.0	37.0
Cash, cash equivalents, restricted cash and cash held for sale – beginning of period	67.2	45.4		
Cash, cash equivalents, restricted cash and cash held for sale – end of period	$ 123.1	$ 70.3		
Cash, cash equivalents and restricted cash – beginning of period			67.2	45.4
Cash, cash equivalents and restricted cash – end of period			$ 151.2	$ 82.4

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

MODINE MANUFACTURING COMPANY
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
For the three and six nine months ended September 30, 2023 December 31, 2023 and 2022
(In millions)
(Unaudited)

	Common stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock, at cost	Non-controlling interest	Total	Common stock	
	Shares	Amount							Shares	Amount
Balance, March 31, 2023	55.4	$ 34.6	$ 270.8	$ 497.5	$ (161.1)	$ (49.0)	$ 6.8	$ 599.6	55.4	$ 34.6
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	0.2	0.1
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	55.6	$ 34.7
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	0.1	0.1
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		
Balance, September 30, 2023									55.7	$ 34.8
Net earnings									-	-
Other comprehensive income										
Stock options and awards									0.2	0.2
Purchase of treasury stock									-	-

Stock-based compensation expense	-	-
Balance, December 31, 2023	55.9	$ 35.0

	Common stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock, at cost	Non-controlling interest	Total	Common stock		Additional paid-in capital
	Shares	Amount							Shares	Amount	
Balance, March 31, 2022	54.8	$ 34.2	$ 261.6	$ 344.4	$ (149.5)	$ (40.0)	$ 7.4	$ 458.1	54.8	$ 34.2	$ 26
Net earnings	-	-	-	14.3	-	-	-	14.3	-	-	
Other comprehensive loss	-	-	-	-	(23.8)	-	(0.4)	(24.2)	-	-	
Stock options and awards	0.1	0.1	-	-	-	-	-	0.1	0.1	0.1	
Purchase of treasury stock	-	-	-	-	-	(1.7)	-	(1.7)	-	-	
Stock-based compensation expense	-	-	1.1	-	-	-	-	1.1	-	-	
Dividend paid to noncontrolling interest	-	-	-	-	-	-	(0.6)	(0.6)	-	-	
Balance, June 30, 2022	54.9	$ 34.3	$ 262.7	$ 358.7	$ (173.3)	$ (41.7)	$ 6.4	$ 447.1	54.9	$ 34.3	$ 26
Net earnings (loss)	-	-	-	24.4	-	-	(0.1)	24.3	-	-	
Other comprehensive loss	-	-	-	-	(22.0)	-	(0.5)	(22.5)	-	-	
Stock options and awards	0.2	0.1	0.9	-	-	-	-	1.0	0.2	0.1	
Purchase of treasury stock	-	-	-	-	-	(1.6)	-	(1.6)	-	-	
Stock-based compensation expense	-	-	2.4	-	-	-	-	2.4	-	-	
Balance, September 30, 2022	55.1	$ 34.4	$ 266.0	$ 383.1	$ (195.3)	$ (43.3)	$ 5.8	$ 450.7			
Balance, September 30, 2022									55.1	$ 34.4	$ 26
Net earnings									-	-	
Other comprehensive income											
Stock options and awards									0.2	0.2	
Purchase of treasury stock									-	-	
Stock-based compensation expense									-	-	
Balance, December 31, 2022									55.3	$ 34.6	$ 26

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

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 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 six nine months of fiscal 2024 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, 2023.

New Accounting Guidance: accounting guidance

Supplier Finance Programs finance programs
In September 2022, the Financial Accounting Standards Board ("FASB") issued new guidance regarding disclosure of supplier finance programs including the key terms, outstanding obligations, and where such obligations are presented within the financial statements. In addition, beginning for fiscal 2025, a roll forward of obligations under such programs will be required annually. The new guidance does not impact the recognition, measurement or financial statement presentation of supplier finance program obligations. The Company adopted this guidance as of April 1, 2023.

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 $20.1 million $16.1 million and $21.2 million at September 30, 2023December 31, 2023 and March 31, 2023,March 31, 2023, respectively.

Segment reporting disclosures
In November 2023, the FASB 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 evaluating potential impacts of the new disclosure requirements, but does not expect the guidance will have a material impact on its consolidated financial statements.

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Note 2: Acquisitions and Dispositions

Acquisition of Napps Technology Corporation
On July 1, 2023, the Company acquired substantially all of the net operating assets of Napps Technology Corporation ("Napps") for consideration totaling $5.8 million. The Company paid $4.8 million during the second quarter of fiscal 2024 and, based upon the terms of the agreement, expects to pay the remaining $1.0 million to the seller one year after closing.

Napps is a Texas-based manufacturer of air- and water-cooled chillers, condensing units and heat pumps. This acquisition expands the Company's indoor air quality product portfolio and supports its growth strategy and mission of improving indoor air quality. Napps has historical annual sales of approximately $5.0 million. Since the date of the acquisition, the Company has reported the financial results of the Napps business within the Climate Solutions segment.

For the September 30, 2023 December 31, 2023 condensed consolidated financial statements, the Company has preliminarily allocated the purchase price to the identifiable tangible and intangible assets acquired and the liabilities assumed based upon their estimated fair values as of the acquisition date. The Company engaged a third-party valuation specialist to assist in determining the fair value of the acquired intangible assets. The valuation analysis considered the expected future cash flows of the acquired business. The Company recorded $2.9 million of intangible assets, including customer relationship and acquired technology assets. The Company is amortizing the acquired intangible assets using a weighted-average life of approximately ten years. The Company allocated the excess of the purchase price over the net assets recognized to goodwill in the amount of $1.0 million, which is deductible for income tax purposes.

The Company's preliminary allocation of the purchase price for its acquisition of Napps was as follows:

(In millions, except per share amounts)

Trade accounts receivable	$	1.2
Inventories		1.3
Property, plant and equipment and other assets		0.1
Intangible assets		2.9
Goodwill		1.0
Accounts payable and other liabilities		(0.7)
Purchase price	$	5.8

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Disposition of two coatings facilities

On September 19, 2023, the Company sold two coatings facilities, located in California and Florida, to Protecall, LLC. These facilities provide aftermarket application services, in which HVAC units are sprayed with an anti-corrosion protective coating. The Company's other coatings businesses will continue to own and license its spray-applied coatings used in aftermarket applications and are strategically pursuing growth through product licensing arrangements. Prior to the disposition, the Company reported the financial results of these businesses within the Performance Technologies segment. In fiscal 2023, the net sales of these two businesses totaled $6.4 million. As a result of this transaction, the Company wrote-off $0.7 million of goodwill attributable to the disposed businesses and recorded a gain on sale of less than $0.1 million during the second quarter of fiscal 2024.

Disposition of three Germany automotive businesses held for sale

On September 6, 2023 October 31, 2023, the Company signed a definitive agreement to sell sold three automotive businesses based in Germany (the "disposal group") to affiliates of Regent, L.P. The Company expects that the sale of these businesses, which produce air- and liquid-cooled products for internal combustion diesel and gasoline engines for the European automotive market, will support its strategic prioritization of resources towards higher-margin technologies. The Company reports financial results of the disposal group within its Performance Technologies segment. During the first six months of fiscal 2024 and 2023, net sales of the disposal group totaled $46.2 million and $36.6 million, respectively.

The Company classified the disposal group as held for sale beginning on September 6, 2023. Upon classification as held for sale, the Company compared the disposal group's carrying value with its fair value, less costs to sell. Through this review, the Company identified an implied gain on sale that is not material to its consolidated financial statements. In addition, the Company determined the disposal group does did not qualify as a discontinued operation for reporting purposes under U.S. GAAP. As part of its evaluation, the Company considered anticipated future sales in Europe to automotive and other vehicular customers with similar product offerings and using similar heat-transfer technology within the Performance Technologies segment. The Company will also continue to operate in Europe as it does today.

For The net transaction price for the September 30, 2023 consolidated balance sheet, the Company separately classified the assets and liabilities sale of the disposal group as held for sale. The major classes of assets and liabilities held for sale were as follows:

		September 30, 2023
ASSETS		
Cash and cash equivalents	$	1.5
Trade accounts receivables – net		8.5
Inventories		5.4
Other current assets		0.8
Property, plant and equipment – net		1.6
Other noncurrent assets		0.6
Total assets held for sale	$	18.4
LIABILITIES		
Accounts payable	$	6.6
Accrued compensation and employee benefits		3.6
Other current liabilities		1.9
Pensions		7.2

(In millions, except per share amounts)

Other noncurrent liabilities	1.8
Total liabilities held for sale	$ 21.1

This sale transaction closed on October 31, 2023 was less than $1.0 million. The determination As a result of the final purchase price is pending and will be adjusted for net working capital and certain other items, as defined by sale, the sale agreement. The Company currently expects that the total net proceeds and the resulting recorded a $4.0 million gain or loss on sale to be recorded during the third quarter of fiscal 2024, will be immaterial primarily driven by the net liability position of the disposal group at the time of sale. In addition, the gain on sale includes the write-off of $0.6 million of net actuarial gains related to the disposal group's pension plans. The Company reported the $4.0 million gain on the gain on sale of assets line within the consolidated statement of operations.

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 financial statements. statements of operations for the first nine months of fiscal 2024 and 2023 totaled $54.2 million and $54.8 million, respectively.

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Note 3: Revenue Recognition

Disaggregation of Revenue revenue

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

Beginning in fiscal 2024 and in connection with the Company's strategic transformation and continued application of 80/20 principles across its businesses, the Company refined its reporting of disaggregated revenue within the Climate Solutions segment to be more consistent with how the segment has aligned its teams around three market-based verticals: i) heat transfer products; ii) HVAC & refrigeration; and iii) data center cooling. For the refined fiscal 2024 presentation, the Company reports revenue based upon the respective product lines and related customer relationships managed by each market-based vertical team. The disaggregated revenue information presented in the tables below for fiscal 2023 has been recast to be comparable with the fiscal 2024 presentation.

	Three months ended September 30, 2023			Three months ended September 30, 2022			Three months ended Decemb	
	ClimateSolutions	PerformanceTechnologies	Segment Total	ClimateSolutions	PerformanceTechnologies	Segment Total	ClimateSolutions	PerformanceTechn
Product groups:								
Heat transfer	$ 105.8	$ -	$ 105.8	$ 126.3	$ -	$ 126.3	$ 90.0	$
HVAC & refrigeration	91.2	-	91.2	93.2	-	93.2	92.0	
Data center cooling	78.8	-	78.8	36.3	-	36.3	60.5	
Air-cooled	-	173.3	173.3	-	169.3	169.3	-	
Liquid-cooled	-	126.4	126.4	-	119.0	119.0	-	
Advanced solutions	-	45.0	45.0	-	34.7	34.7	-	
Inter-segment sales	-	7.0	7.0	0.1	7.0	7.1	-	
Net sales	$ 275.8	$ 351.7	$ 627.5	$ 255.9	$ 330.0	$ 585.9	$ 242.5	$
Geographic location:								
Americas	$ 163.2	$ 189.9	$ 353.1	$ 156.3	$ 182.8	$ 339.1	$ 145.2	$
Europe	106.6	112.9	219.5	90.9	91.3	182.2	89.1	
Asia	6.0	48.9	54.9	8.7	55.9	64.6	8.2	
Net sales	$ 275.8	$ 351.7	$ 627.5	$ 255.9	$ 330.0	$ 585.9	$ 242.5	$

(In millions, except per share amounts)

Timing of revenue recognition:								
Products transferred at a point in time	$ 271.1	$ 335.2	$ 606.3	$ 243.0	$ 309.8	$ 552.8	$ 233.0	$
Products transferred over time	4.7	16.5	21.2	12.9	20.2	33.1	9.5	
Net sales	$ 275.8	$ 351.7	$ 627.5	$ 255.9	$ 330.0	$ 585.9	$ 242.5	$

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	Six months ended September 30, 2023			Six months ended September 30, 2022			Nine months ended December 31, 2023			Nine months ended Dec	
	Climate Solutions	Performance Technologies	Segment Total	Climate Solutions	Performance Technologies	Segment Total	Climate Solutions	Performance Technologies	Segment Total	Climate Solutions	Performan Technologi
Product groups:											
Heat transfer	$ 231.7	$ -	$ 231.7	$ 261.0	$ -	$ 261.0	$ 321.7	$ -	$ 321.7	$ 374.7	$
HVAC & refrigeration	168.9	-	168.9	172.2	-	172.2	260.9	-	260.9	262.0	
Data center cooling	147.0	-	147.0	66.8	-	66.8	207.5	-	207.5	111.9	
Air-cooled	-	346.0	346.0	-	322.3	322.3	-	508.0	508.0	-	48
Liquid-cooled	-	261.1	261.1	-	229.9	229.9	-	373.2	373.2	-	34
Advanced solutions	-	88.2	88.2	-	67.6	67.6	-	133.0	133.0	-	10
Inter-segment sales	-	15.3	15.3	0.3	14.5	14.8	-	19.4	19.4	0.3	2
Net sales	$ 547.6	$ 710.6	$ 1,258.2	$ 500.3	$ 634.3	$ 1,134.6	$ 790.1	$ 1,033.6	$ 1,823.7	$ 748.9	$ 95
Geographic location:											
Americas	$ 304.8	$ 374.9	$ 679.7	$ 295.7	$ 347.1	$ 642.8	$ 450.0	$ 559.8	$ 1,009.8	$ 444.2	$ 51
Europe	230.3	236.4	466.7	189.9	187.4	377.3	319.4	326.3	645.7	284.3	28
Asia	12.5	99.3	111.8	14.7	99.8	114.5	20.7	147.5	168.2	20.4	15
Net sales	$ 547.6	$ 710.6	$ 1,258.2	$ 500.3	$ 634.3	$ 1,134.6	$ 790.1	$ 1,033.6	$ 1,823.7	$ 748.9	$ 95
Timing of revenue recognition:											
Products transferred at a point in time	$ 528.8	$ 676.6	$ 1,205.4	$ 473.8	$ 591.6	$ 1,065.4	$ 761.8	$ 986.0	$ 1,747.8	$ 707.1	$ 89
Products transferred over time	18.8	34.0	52.8	26.5	42.7	69.2	28.3	47.6	75.9	41.8	5
Net sales	$ 547.6	$ 710.6	$ 1,258.2	$ 500.3	$ 634.3	$ 1,134.6	$ 790.1	$ 1,033.6	$ 1,823.7	$ 748.9	$ 95

Contract Balances balances

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

	September 30, 2023	March 31, 2023	December 31, 2023	March 31, 2023

Contract assets	$ 18.2	$ 19.3	$ 14.7	$ 19.3
Contract liabilities	52.5	21.5	79.2	21.5

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 $1.1 million $4.6 million decrease in contract assets during the first six nine months of fiscal 2024 primarily resulted from a decrease in contract assets for revenue recognized over time.

Contract liabilities, included within other current liabilities in the consolidated balance sheets, consist of paymentscustomer deposits and other payments received in advance of satisfying performance obligations under customer contracts, including contracts for data center cooling products and customer-owned tooling. The $31.0 million $57.7 million increase in contract liabilities during the first six nine months of fiscal 2024 primarily resulted from payments received in advance of the Company's satisfaction of performance obligations, largely associated with contracts with long inventory lead times.

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.

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, short-term investments, trade accounts receivable, accounts payable, and short-term debt approximate fair value due to the short-term nature of these instruments. In addition, the Company assesses the fair value of a disposal group for each reporting period it is held for sale. See Note 2 for additional information regarding assets held for sale. The fair value of the Company's long-term debt is disclosed in Note 17.

Note 5: Pensions

Pension cost included the following components:

	Three months ended September 30,		Six months ended September 30,		Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022	2023	2022	2023	2022
Service cost	$ -	$ -	$ 0.1	$ 0.1	$ -	$ 0.1	$ 0.1	$ 0.2
Interest cost	2.4	2.0	4.8	4.0	2.3	2.0	7.1	6.0
Expected return on plan assets	(2.6)	(2.9)	(5.2)	(5.8)	(2.5)	(2.9)	(7.7)	(8.7)
Amortization of unrecognized net loss	1.2	1.5	2.3	2.9	1.1	1.4	3.4	4.3
Net periodic benefit cost	$ 1.0	$ 0.6	$ 2.0	$ 1.2	$ 0.9	$ 0.6	$ 2.9	$ 1.8

The Company's funding policy is to contribute annually, at a minimum, the amount necessary on an actuarial basis to provide for benefits in accordance with applicable laws and regulations. In connection with funding relief provisions within the American Rescue Plan Act of 2021, the Company does did not expect to make cash contributions to its U.S. pension plans during the first nine months of fiscal 2024. The Company expects to contribute $0.9 million to its U.S. pension plans during the fourth quarter of fiscal 2024.

Note 6: Stock-Based Compensation

(In millions, except per share amounts)

The Company's stock-based incentive programs consist of the following: (1) 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, (2) a discretionary equity program for other management and key employees, and (3) 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 $3.1 million and $2.4 million $1.5 million for the three months ended September December 30 31, 2023 and 2022, respectively. The Company recognized stock-based compensation expense of $4.6 million $7.7 million and $3.5 million $5.0 million for the six nine months ended September 30, 2023 December 31, 2023 and 2022, respectively.

During the first six nine months of fiscal 2024, 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-year average cash flow return on invested capital and a target three-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, 2026.

During the first six nine months of fiscal 2023, the Company granted restricted stock awards, stock options, and performance cash awards.

The weighted-average fair value of stock-based compensation awards granted during the six nine months ended September 30, 2023 December 31, 2023 and 2022 were as follows:

	Six months ended September 30,				Nine months ended December 31,			
	2023		2022		2023		2022	
	Shares	Fair Value Per Award	Shares	Fair Value Per Award	Shares	Fair Value Per Award	Shares	Fair Value Per Award
Performance stock awards	0.3	$ 27.29	-	-	0.3	$ 27.52	-	-
Restricted stock awards	0.1	$ 33.19	0.4	$ 12.51	0.2	$ 37.59	0.5	$ 13.49
Stock options	-	-	0.2	$ 6.97	-	-	0.2	$ 6.99

As of September 30, 2023 December 31, 2023, 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	Unrecognized Compensation Expense	Weighted-Average Remaining Service Period in Years
Performance stock awards	$ 13.3	2.5	$ 12.2	2.2
Restricted stock awards	8.0	1.9	8.6	1.7
Stock options	1.6	1.6	1.3	1.4
Total	$ 22.9	2.2	$ 22.1	2.0

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Note 7: Restructuring Activities

During the first six nine months of fiscal 2024, restructuring and repositioning expenses primarily consisted of equipment transfer costs and severance expenses in the Climate Solutions and Performance Technologies segments. These restructuring activities are part of the Company's transformational initiatives supported by 80/20 principles and include product line transfers intended to achieve production efficiency improvements in its manufacturing facilities. facilities and targeted headcount reductions in Europe and Asia.

During the first six nine months of fiscal 2023, restructuring and repositioning expenses primarily consisted of severance expenses related to targeted headcount reductions in Europe within the Performance Technologies segment. In addition, the Company incurred equipment transfer costs and closure costs related to a previously-leased facility in the Performance Technologies and Climate Solutions segments, respectively.

Restructuring and repositioning expenses were as follows:

	Three months ended September 30,		Six months ended September 30,		Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022	2023	2022	2023	2022

Employee severance and related benefits	$ 0.1	$ -	$ 0.1	$ 1.4	$ 0.7	$ -	$ 0.8	$ 1.4
Other restructuring and repositioning expenses	0.4	0.6	0.4	0.7	0.9	0.1	1.3	0.8
Total	$ 0.5	$ 0.6	$ 0.5	$ 2.1	$ 1.6	$ 0.1	$ 2.1	$ 2.2

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

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 September 30,		Three months ended December 31,	
	2023	2022	2023	2022
Beginning balance	$ 8.9	$ 17.4	$ 3.2	$ 12.9
Additions	0.1	-	0.7	-
Payments	(3.1)	(3.4)	(1.0)	(1.9)
Reclassified to held for sale	(2.5)	-		
Effect of exchange rate changes	(0.2)	(1.1)	0.1	1.2
Ending balance	$ 3.2	$ 12.9	$ 3.0	$ 12.2

	Six months ended September 30,		Nine months ended December 31,	
	2023	2022	2023	2022
Beginning balance	$ 10.6	$ 20.2	$ 10.6	$ 20.2
Additions	0.1	1.4	0.8	1.4
Payments	(4.9)	(6.7)	(5.9)	(8.6)
Reclassified to held for sale	(2.5)	-		
Disposition of businesses (a)			(2.5)	-
Effect of exchange rate changes	(0.1)	(2.0)	-	(0.8)
Ending balance	$ 3.2	$ 12.9	$ 3.0	$ 12.2

(a) The Company sold three automotive businesses based in Germany during the third quarter of fiscal 2024. Prior to the sale, the Company reclassified the severance liability related to these businesses as held for sale on the September 30, 2023 consolidated balance sheet. See Note 2 for additional information regarding the sale.

MODINE MANUFACTURING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In millions, except per share amounts)
(unaudited)

Note 8: Other Income and Expense

Other income and expense consisted of the following:

	Three months ended September 30,		Six months ended September 30,		Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022	2023	2022	2023	2022
Interest income	$ 1.2	$ 0.3	$ 1.7	$ 0.4	$ 1.4	$ 0.3	$ 3.1	$ 0.7
Foreign currency transactions (a)	(0.2)	(1.1)	(0.5)	(3.1)	(1.1)	(0.3)	(1.6)	(3.4)
Net periodic benefit cost (b)	(0.9)	(0.6)	(1.7)	(1.0)	(0.8)	(0.4)	(2.5)	(1.4)
Total other income (expense) – net	$ 0.1	$ (1.4)	$ (0.5)	$ (3.7)				
Total expense – net					$ (0.5)	$ (0.4)	$ (1.0)	$ (4.1)

(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.

Note 9: Income Taxes

The Company's effective tax rate for the three months ended September 30, 2023 December 31, 2023 and 2022 was 21.4 18.6 percent and 20.8 25.6 percent, respectively. The Company's effective tax rate for the six nine months ended September 30, 2023 December 31, 2023 and 2022 was 23.0 21.6 percent and 22.6 23.8 percent, respectively. The effective tax rates for fiscal 2024 are higher lower than the prior year, primarily due to changes in the mix and amount of foreign and U.S. earnings. In addition, the The effective tax rates for the fiscal 2024 periods were also favorably impacted by a $3.1 million tax benefit related to the sale of three automotive businesses based in Germany during the third quarter. See Note 2 for additional information regarding the sale. In addition, the effective tax rate for the first nine months of fiscal 2024 was 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.

(In millions, except per share amounts)

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 judgment 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 September 30, 2023 December 31, 2023, valuation allowances against deferred tax assets in the U.S. and in certain foreign jurisdictions totaled $36.6 38.4 million and $26.6 16.3 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 2024.

Note 10: Earnings Per Share

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

	Three months ended September 30,		Six months ended September 30,		Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022	2023	2022	2023	2022
Net earnings attributable to Modine	$ 46.5	$ 24.4	$ 91.3	$ 38.7	$ 44.4	$ 24.5	$ 135.7	$ 63.2
Weighted-average shares outstanding – basic	52.4	52.2	52.4	52.2	52.3	52.3	52.4	52.2
Effect of dilutive securities	1.0	0.5	0.8	0.3	0.9	0.6	0.8	0.5
Weighted-average shares outstanding – diluted	53.4	52.7	53.2	52.5	53.2	52.9	53.2	52.7
Earnings per share:								
Net earnings per share – basic	$ 0.89	$ 0.47	$ 1.74	$ 0.74	$ 0.85	$ 0.47	$ 2.59	$ 1.21
Net earnings per share – diluted	$ 0.87	$ 0.46	$ 1.72	$ 0.74	$ 0.83	$ 0.46	$ 2.55	$ 1.20

There were no anti-dilutive securities that impacted the calculation of diluted earnings per share for the three and nine months ended December 31, 2023. For the six three and nine months ended September 30, 2023 December 31, 2022, the calculation of diluted earnings per share excluded 0.1 million restricted and 0.6 million stock awards options, respectively, because they were anti-dilutive.

For both In addition, the calculation for the three and six nine months ended September 30, 2022, the calculation of diluted earnings per share December 31, 2022 excluded 0.7 million less than 0.1 million and 0.1 million stock options and 0.2 million restricted stock awards, respectively, because they were anti-dilutive.

Note 11: Cash, Cash Equivalents and Restricted Cash

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

	September 30, 2023	March 31, 2023	December 31, 2023	March 31, 2023
Cash and cash equivalents	$ 120.2	$ 67.1	$ 149.7	$ 67.1
Restricted cash	1.4	0.1	1.5	0.1
Cash held for sale	1.5	-		
Total cash, cash equivalents, restricted cash and cash held for sale	$ 123.1	$ 67.2		
Total cash, cash equivalents and restricted cash			$ 151.2	$ 67.2

(In millions, except per share amounts)

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.

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Note 12: Inventories

Inventories consisted of the following:

	September 30, 2023	March 31, 2023
Raw materials	$ 205.7	$ 218.3
Work in process	53.7	49.9
Finished goods	62.1	56.7
Total inventories	$ 321.5	$ 324.9

The September 30, 2023 inventories in the table above exclude amounts classified as held for sale. See Note 2 for additional information.

	December 31, 2023	March 31, 2023
Raw materials	$ 207.7	$ 218.3
Work in process	55.4	49.9
Finished goods	78.2	56.7
Total inventories	$ 341.3	$ 324.9

Note 13: Property, Plant and Equipment

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

	September 30, 2023	March 31, 2023
Land	$ 15.6	$ 16.4
Buildings and improvements (10-40 years)	260.1	264.0
Machinery and equipment (3-15 years)	790.9	853.3
Office equipment (3-10 years)	92.7	93.6
Construction in progress	40.6	47.5
	1,199.9	1,274.8
Less: accumulated depreciation	(896.1)	(960.3)
Net property, plant and equipment	$ 303.8	$ 314.5

The September 30, 2023 property, plant and equipment in the table above exclude amounts classified as held for sale. See Note 2 for additional information.

	December 31, 2023	March 31, 2023
Land	$ 16.3	$ 16.4
Buildings and improvements (10-40 years)	268.4	264.0
Machinery and equipment (3-15 years)	815.7	853.3
Office equipment (3-10 years)	95.1	93.6
Construction in progress	44.4	47.5
	1,239.9	1,274.8
Less: accumulated depreciation	(922.6)	(960.3)
Net property, plant and equipment	$ 317.3	$ 314.5

Note 14: Goodwill and Intangible Assets

The following table presents a roll forward of the carrying value of goodwill from March 31, 2023 to September 30, 2023 December 31, 2023.

	Climate Solutions	Performance Technologies	Total	Climate Solutions	Performance Technologies	Total

Goodwill, March 31, 2023	**$ 105.7**	**$ 59.9**	**$ 165.6**	**$ 105.7**	**$ 59.9**	**$ 165.6**
Acquisition (disposition) (a)	**1.0**	**(0.7)**	**0.3**	**1.0**	**(0.7)**	**0.3**
Effect of exchange rate changes	**(1.5)**	**(0.1)**	**(1.6)**	**0.7**	**0.1**	**0.8**
Goodwill, September 30, 2023	**$ 105.2**	**$ 59.1**	**$ 164.3**			
Goodwill, December 31, 2023				**$ 107.4**	**$ 59.3**	**$ 166.7**

(a) During the second quarter of fiscal 2024, the Company recorded $1.0 million of goodwill in connection with its acquisition of Napps. In addition, the Company wrote-off $0.7 million of goodwill in connection with the sale of two coatings facilities. See Note 2 for additional information.

Intangible assets consisted of the following:

	September 30, 2023			March 31, 2023			December 31, 2023			March 31, 2023	
	Gross Carrying Value	**Accumulated Amortization**	**Net Intangible Assets**	**Gross Carrying Value**	**Accumulated Amortization**	**Net Intangible Assets**	**Gross Carrying Value**	**Accumulated Amortization**	**Net Intangible Assets**	**Gross Carrying Value**	**Accumulated Amortization**
Customer relationships	$ 62.2	$ (24.9)	$ 37.3	$ 60.3	$ (23.4)	$ 36.9	$ 63.3	$ (26.4)	$ 36.9	$ 60.3	$ (23.4)
Trade names	49.8	(17.0)	32.8	50.1	(15.9)	34.2	50.3	(17.8)	32.5	50.1	(15.9)
Acquired technology	22.6	(13.4)	9.2	22.6	(12.6)	10.0	23.2	(14.2)	9.0	22.6	(12.6)
Total intangible assets	$ 134.6	$ (55.3)	$ 79.3	$ 133.0	$ (51.9)	$ 81.1	$ 136.8	$ (58.4)	$ 78.4	$ 133.0	$ (51.9)

During the second quarter of fiscal 2024, the Company recorded customer relationship and acquired technology intangible assets totaling $2.9 million related to the Napps acquisition. See Note 2 for additional information.

The Company recorded amortization expense of $2.1 million and $2.0 million for both the three months ended September 30, 2023 December 31, 2023 and 2022, respectively. The Company recorded amortization expense of $4.0 million $6.1 million and $6.0 million for both the six nine months ended September 30, 2023 December 31, 2023 and 2022. 2022, respectively. The Company estimates that it will record approximately $4.0 million $2.0 million of amortization expense during the remainder of fiscal 2024. The Company estimates that it will record approximately $8.0 million of annual amortization expense in fiscal 2025 through 2028 and approximately $7.0 million in fiscal 2029.

Note 15: Product Warranties

Changes in accrued warranty costs were as follows:

	Three months ended September 30,		Three months ended December 31,	
	2023	**2022**	**2023**	**2022**
Beginning balance	$ 7.9	$ 6.2	$ 10.3	$ 6.2
Warranties recorded at time of sale	1.6	1.9	1.6	0.9
Adjustments to pre-existing warranties	2.5	(0.3)	(0.4)	(0.3)
Settlements	(1.4)	(1.3)	(1.4)	(1.4)
Reclassified to held for sale	(0.2)	-		
Effect of exchange rate changes	(0.1)	(0.3)	0.3	0.3
Ending balance	$ 10.3	$ 6.2	$ 10.4	$ 5.7

	Six months ended September 30,		Nine months ended December 31,	
	2023	**2022**	**2023**	**2022**
Beginning balance	$ 6.9	$ 6.3	$ 6.9	$ 6.3
Warranties recorded at time of sale	3.1	3.3	4.7	4.2
Adjustments to pre-existing warranties	3.1	(0.5)	2.7	(0.8)
Settlements	(2.5)	(2.4)	(3.9)	(3.8)
Reclassified to held for sale	(0.2)	-		
Disposition of businesses (a)			(0.2)	-
Effect of exchange rate changes	(0.1)	(0.5)	0.2	(0.2)
Ending balance	$ 10.3	$ 6.2	$ 10.4	$ 5.7

(In millions, except per share amounts)

(a) The Company sold three automotive businesses based in Germany during the third quarter of fiscal 2024. Prior to the sale, the Company reclassified the warranty liability related to these businesses as held for sale on the September 30, 2023 consolidated balance sheet. See Note 2 for additional information regarding the sale.

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Note 16: Leases

Lease Assets assets and Liabilities liabilities

The following table provides a summary of leases recorded on the consolidated balance sheets. sheets The September 30, 2023 amounts exclude operating lease right of use ("ROU") assets and liabilities, which each totaled $0.6 million, that are classified as held for sale on the Company's consolidated balance sheet. See Note 2 for additional information. .

	Balance Sheet Location	September 30, 2023	March 31, 2023	Balance Sheet Location	December 31, 2023	March 31, 2023
Lease Assets						
Operating lease ROU assets	Other noncurrent assets	$ 58.2	$ 59.1	Other noncurrent assets	$ 71.6	$ 59.1
Finance lease ROU assets (a)	Property, plant and equipment – net	6.7	7.1	Property, plant and equipment – net	6.8	7.1
Lease Liabilities						
Operating lease liabilities	Other current liabilities	$ 11.8	$ 11.8	Other current liabilities	$ 13.0	$ 11.8
Operating lease liabilities	Other noncurrent liabilities	47.4	48.9	Other noncurrent liabilities	59.8	48.9
Finance lease liabilities	Long-term debt – current portion	0.4	0.4	Long-term debt – current portion	0.4	0.4
Finance lease liabilities	Long-term debt	2.0	2.3	Long-term debt	2.0	2.3

(a) ROU Finance right of use ("ROU")assets were recorded net of accumulated amortization of $3.4 3.6 million and $3.2 million as of September 30, 2023 December 31, 2023 and March 31, 2023, respectively.

Components of Lease Expense lease expense

The components of lease expense were as follows:

	Three months ended September 30,		Six months ended September 30,		Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022	2023	2022	2023	2022
Operating lease expense (a)	$ 5.6	$ 5.5	$ 11.5	$ 10.8	$ 6.1	$ 5.2	$ 17.6	$ 16.0
Finance lease expense:								
Depreciation of ROU assets	0.2	0.2	0.3	0.3	0.1	0.1	0.4	0.4
Interest on lease liabilities	0.1	0.1	0.1	0.1	-	-	0.1	0.1
Total lease expense	$ 5.9	$ 5.8	$ 11.9	$ 11.2	$ 6.2	$ 5.3	$ 18.1	$ 16.5

(a) For the three and six nine months ended September 30, 2023 December 31, 2023, operating lease expense included short-term lease expense of $1.4 million and $2.9 million $4.3 million, respectively. For the three and six nine months ended September 30, 2022 December 31, 2022, operating lease expense included short-term lease expense of $1.5 million $1.4 million and $2.8 million $4.2 million, respectively. Variable lease expense was not significant.

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MODINE MANUFACTURING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In millions, except per share amounts)
(unaudited)

Note 17: Indebtedness

Long-term debt consisted of the following:

	Fiscal year of maturity	September 30, 2023	March 31, 2023	Fiscal year of maturity	December 31, 2023	March 31, 2023
Term loans	2028	$ 209.2	$ 215.7	2028	$ 208.2	$ 215.7
5.9% Senior Notes	2029	100.0	100.0	2029	100.0	100.0
5.8% Senior Notes	2027	33.3	33.3	2027	25.0	33.3
Other (a)		2.4	2.7		2.4	2.7
		344.9	351.7		335.6	351.7
Less: current portion		(19.6)	(19.7)		(19.7)	(19.7)
Less: unamortized debt issuance costs		(2.4)	(2.7)		(2.4)	(2.7)
Total long-term debt		$ 322.9	$ 329.3		$ 313.5	$ 329.3

(a) Other long-term debt primarily includes finance lease obligations.

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

Fiscal Year		
Remainder of 2024	$ 14.0	$ 2.8
2025	19.6	19.7
2026	44.6	44.8
2027	44.6	44.8
2028	196.6	198.0
2029 & beyond	25.5	25.5
Total	$ 344.9	$ 335.6

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 September 30, 2023 December 31, 2023, the weighted-average interest rate for the term loans was 6.6 6.5 percent.

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 September 30, 2023 December 31, 2023 and March 31,2023, the Company had no outstanding borrowings under either its revolving credit or swingline facilities. As of September 30, 2023 December 31, 2023, domestic letters of credit totaled $5.6 million and, as a result, available borrowing capacity under the Company's revolving credit facility was $269.4 million.

MODINE MANUFACTURING COMPANY
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(In millions, except per share amounts)
(unaudited)

The Company also maintains credit agreements for its foreign subsidiaries. The outstanding short-term borrowings related to these foreign credit agreements totaled $0.1 million and $3.7 million at September 30, 2023 and March 31, 2023, respectively. . There were no short-term borrowings related to these agreements at December 31, 2023.

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MODINE MANUFACTURING COMPANY
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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 also 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 September 30, 2023 December 31, 2023, 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 September 30, 2023 December 31, 2023 and March 31, 2023, 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 $125.6 million $119.0 million and $125.9 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.

Note 18: Risks, Uncertainties, Contingencies and Litigation

Environmental

The Company has recorded environmental investigation 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 $17.2 million $18.3 million and $17.6 million as of September 30, 2023 December 31, 2023 and March 31, 2023, respectively. During the third quarter of fiscal 2024, the Company increased its remediation accrual related to a former manufacturing facility in the U.S. by $1.0 million. 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.

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MODINE MANUFACTURING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In millions, except per share amounts)
(unaudited)

Other Litigation 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.

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MODINE MANUFACTURING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In millions, except per share amounts)
(unaudited)

Note 19: Accumulated Other Comprehensive Loss

Changes in accumulated other comprehensive loss were as follows:

	Three months ended September 30, 2023				Six months ended September 30, 2023				Three months ended December 31, 2023				Ni
	Foreign Currency Translation	Defined Benefit Plans	Cash Flow Hedges	Total	Foreign Currency Translation	Defined Benefit Plans	Cash Flow Hedges	Total	Foreign Currency Translation	Defined Benefit Plans	Cash Flow Hedges	Total	(Tr
Beginning balance	$ (58.1)	$ (103.6)	$ 0.1	$ (161.6)	$ (57.5)	$ (104.4)	$ 0.8	$ (161.1)	$ (70.8)	$ (102.8)	$ (0.1)	$ (173.7)	$
Other comprehensive income (loss) before reclassifications	(12.7)	-	-	(12.7)	(13.3)	-	(0.4)	(13.7)	19.3	-	0.6	19.9	
Reclassifications:													

(In millions, except per share amounts)

	Foreign Currency Translation	Defined Benefit Plans	Cash Flow Hedges	Total	Foreign Currency Translation	Defined Benefit Plans	Cash Flow Hedges	Total	Foreign Currency Translation	Defined Benefit Plans	Cash Flow Hedges	Total	
Amortization of unrecognized net loss (a)	-	1.1	-	1.1	-	2.1	-	2.1	-	1.0	-	1.0	
Realized gains – net (b)	-	-	(0.3)	(0.3)	-	-	(0.8)	(0.8)					
Unrecognized net pension gain in disposed businesses (b)									-	(0.6)	-	(0.6)	
Realized losses (gains) – net (c)									-	-	0.1	0.1	
Income taxes	-	(0.3)	0.1	(0.2)	-	(0.5)	0.3	(0.2)	-	(0.3)	(0.2)	(0.5)	
Total other comprehensive income (loss)	(12.7)	0.8	(0.2)	(12.1)	(13.3)	1.6	(0.9)	(12.6)	19.3	0.1	0.5	19.9	
Ending balance	$ (70.8)	$ (102.8)	$ (0.1)	$ (173.7)	$ (70.8)	$ (102.8)	$ (0.1)	$ (173.7)	$ (51.5)	$ (102.7)	$ 0.4	$ (153.8)	$

	Three months ended September 30, 2022				Six months ended September 30, 2022				Three months ended December 31, 2022			
	Foreign Currency Translation	Defined Benefit Plans	Cash Flow Hedges	Total	Foreign Currency Translation	Defined Benefit Plans	Cash Flow Hedges	Total	Foreign Currency Translation	Defined Benefit Plans	Cash Flow Hedges	Tota
Beginning balance	$ (62.6)	$ (109.8)	$ (0.9)	$ (173.3)	$ (39.1)	$ (111.1)	$ 0.7	$ (149.5)	$ (86.0)	$ (108.4)	$ (0.9)	$ (195
Other comprehensive income (loss) before reclassifications	(23.4)	-	-	(23.4)	(46.9)	-	(1.2)	(48.1)	22.5	-	1.3	23
Reclassifications:												
Amortization of unrecognized net loss (a)	-	1.4	-	1.4	-	2.7	-	2.7	-	1.3	-	1
Realized gains – net (b)	-	-	-	-	-	-	(0.4)	(0.4)				
Realized losses – net (c)									-	-	0.4	(
Income taxes	-	-	-	-	-	-	-	-	-	-	(0.2)	(0
Total other comprehensive income (loss)	(23.4)	1.4	-	(22.0)	(46.9)	2.7	(1.6)	(45.8)	22.5	1.3	1.5	25
Ending balance	$ (86.0)	$ (108.4)	$ (0.9)	$ (195.3)	$ (86.0)	$ (108.4)	$ (0.9)	$ (195.3)	$ (63.5)	$ (107.1)	$ 0.6	$ (170

(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) As a result of the sale of three automotive businesses based in Germany, the Company wrote-off $0.6 million of net actuarial gains related to the disposal group's pension plans. See Note 2 for additional information regarding the sale.

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

Note 20: Segment Information

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

	Three months ended September 30,						Three months ended December 31,					
	2023			2022			2023			2022		
	External Sales	Inter-segment Sales	Total	External Sales	Inter-segment Sales	Total	External Sales	Inter-segment Sales	Total	External Sales	Inter-segment Sales	Total
Net sales:												
Climate Solutions	$ 275.8	$ -	$ 275.8	$ 255.8	$ 0.1	$ 255.9	$ 242.5	$ -	$ 242.5	$ 248.6	$ -	$ 248.6
Performance Technologies	344.7	7.0	351.7	323.0	7.0	330.0	318.9	4.1	323.0	311.4	6.4	317.8
Segment total	620.5	7.0	627.5	578.8	7.1	585.9	561.4	4.1	565.5	560.0	6.4	566.4
Corporate and eliminations	-	(7.0)	(7.0)	-	(7.1)	(7.1)	-	(4.1)	(4.1)	-	(6.4)	(6.4)
Net sales	$ 620.5	$ -	$ 620.5	$ 578.8	$ -	$ 578.8	$ 561.4	$ -	$ 561.4	$ 560.0	$ -	$ 560.0

Six months ended September 30,	Nine months ended December 31,

	2023			2022			2023			2022		
	External Sales	Inter-segment Sales	Total	External Sales	Inter-segment Sales	Total	External Sales	Inter-segment Sales	Total	External Sales	Inter-segment Sales	Total
Net sales:												
Climate Solutions	$ 547.6	$ -	$ 547.6	$ 500.0	$ 0.3	$ 500.3	$ 790.1	$ -	$ 790.1	$ 748.6	$ 0.3	$ 748.9
Performance Technologies	695.3	15.3	710.6	619.8	14.5	634.3	1,014.2	19.4	1,033.6	931.2	20.9	952.1
Segment total	1,242.9	15.3	1,258.2	1,119.8	14.8	1,134.6	1,804.3	19.4	1,823.7	1,679.8	21.2	1,701.0
Corporate and eliminations	-	(15.3)	(15.3)	-	(14.8)	(14.8)	-	(19.4)	(19.4)	-	(21.2)	(21.2)
Net sales	$ 1,242.9	$ -	$ 1,242.9	$ 1,119.8	$ -	$ 1,119.8	$ 1,804.3	$ -	$ 1,804.3	$ 1,679.8	$ -	$ 1,679.8

	Three months ended September 30,				Six months ended September 30,				Three months ended December 31,				Nine months ended December 31			
	2023		2022		2023		2022		2023		2022		2023			
	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	
Gross profit:																
Climate Solutions	$ 71.8	26.0%	$ 57.3	22.4%	$ 140.8	25.7%	$ 107.7	21.5%	$ 66.1	27.3%	$ 54.8	22.0%	$ 206.9	26.2%	$ 162.5	
Performance Technologies	62.8	17.8%	39.2	11.9%	121.4	17.1%	72.2	11.4%	61.0	18.9%	43.0	13.5%	182.4	17.6%	115.2	
Segment total	134.6	21.4%	96.5	16.5%	262.2	20.8%	179.9	15.9%	127.1	22.5%	97.8	17.3%	389.3	21.3%	277.7	
Corporate and eliminations	0.5	-	(0.3)	-	0.8	-	(0.3)	-	0.2	-	(0.2)	-	1.0	-	(0.5	
Gross profit	$ 135.1	21.8%	$ 96.2	16.6%	$ 263.0	21.2%	$ 179.6	16.0%	$ 127.3	22.7%	$ 97.6	17.4%	$ 390.3	21.6%	$ 277.2	

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	Three months ended September 30,		Six months ended September 30,	
	2023	2022	2023	2022
Operating income:				
Climate Solutions	$ 44.6	$ 32.7	$ 88.9	$ 59.7
Performance Technologies	33.6	16.3	65.6	23.7
Segment total	78.2	49.0	154.5	83.4
Corporate and eliminations	(12.5)	(12.2)	(22.3)	(21.0)
Operating income	$ 65.7	$ 36.8	$ 132.2	$ 62.4

	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022
Operating income:				
Climate Solutions	$ 38.8	$ 30.2	$ 127.7	$ 89.9
Performance Technologies	31.2	17.4	96.8	41.1
Segment total	70.0	47.6	224.5	131.0
Corporate and eliminations	(8.3)	(8.1)	(30.6)	(29.1)
Operating income	$ 61.7	$ 39.5	$ 193.9	$ 101.9

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

	September 30, 2023	March 31, 2023	December 31, 2023	March 31, 2023
Assets:				
Climate Solutions	$ 336.8	$ 334.8	$ 348.0	$ 334.8

Performance Technologies	361.7	388.1	357.7	388.1
Other (a)	906.6	843.0	945.7	843.0
Total assets	$ 1,605.1	$ 1,565.9	$ 1,651.4	$ 1,565.9

(a) Represents cash and cash equivalents,assets held for sale, 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.

Note 21: Subsequent Events

Purchase of TMGcore, Inc. intellectual property

In January 2024, the Company purchased intellectual property and other specific assets from TMGcore, Inc., a specialist in single- and two-phase liquid immersion cooling technology for data centers. The Company expects to utilize the liquid cooling immersion technology to support its growth strategy of expanding its global data center product offerings. The initial purchase price of the assets was $12.0 million. Additional contingent consideration may be payable to the seller in fiscal 2029. The amount of any additional consideration is dependent upon future financial metrics associated with the acquired technology. At this time, the Company cannot estimate the amount or range of additional consideration that may be payable to the seller in fiscal 2029.

Technical service center restructuring

In January 2024, the Company approved a plan to close a technical service center in Europe. The objective of this restructuring initiative is to optimize the Company's utilization of its technical service center capacity and realign its cost structure in light of the recent sale of three automotive businesses in Germany. The Company is targeting to complete the closure during the first half of fiscal 2025. At this time, the Company has not determined the full restructuring plan, however, the Company preliminarily estimates that closure costs will total approximately $8.0 million to $12.0 million. This estimate is subject to change as management completes the restructuring plan. The Company anticipates that severance expenses associated with this restructuring initiative will be recorded during the fourth quarter of fiscal 2024.

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Management's 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 September 30, 2023 December 31, 2023 was the second third quarter of fiscal 2024.

Acquisition of Napps Technology Corporation

On July 1, 2023, we acquired substantially all of the net operating assets of Napps Technology Corporation ("Napps") for consideration totaling $5.8 million. Napps is a Texas-based manufacturer of air- and water-cooled chillers, condensing units and heat pumps. This acquisition expands our indoor air quality product portfolio and supports our growth strategy and mission of improving indoor air quality. Napps has historical annual sales of approximately $5.0 million. Since the date of the acquisition, we have reported the financial results of the Napps business within the Climate Solutions segment.

Disposition of two coatings facilities

On September 19, 2023, we sold two coatings facilities, located in California and Florida, to Protecall, LLC. These facilities provide aftermarket application services, in which HVAC units are sprayed with an anti-corrosion protective coating. Our other coatings businesses will continue to own and license spray-applied coatings used in aftermarket applications and are strategically pursuing growth through product licensing arrangements. Prior to the disposition, we reported the financial results of these businesses within the Performance Technologies segment. In fiscal 2023, the net sales of these two businesses totaled $6.4 million. As a result of this transaction, we recorded a gain on sale of less than $0.1 million during the second quarter of fiscal 2024.

Disposition of Germany Automotive Businesses automotive businesses

On September 6, 2023 October 31, 2023, we signed a definitive agreement to sell sold three automotive businesses based in Germany to affiliates of Regent, L.P. We expect that the sale of these businesses, which produce air- and liquid-cooled products for internal combustion diesel and gasoline engines for the European automotive market, will support our strategic prioritization of resources towards higher-margin technologies. This sale transaction closed on October 31, 2023. The determination Prior to the disposition, we reported the financial results of these businesses within the Performance Technologies segment. During the first nine months of fiscal 2024 and 2023, net sales of these three businesses totaled $54.2 million and $54.8 million, respectively. As a result of the final purchase price is pending and will be adjusted for net working capital and certain other items, as defined by the sale, agreement. We currently expect that the total net proceeds and the resulting we recorded a $4.0 million gain or loss on sale to be recorded during the third quarter of fiscal 2024, will be immaterial to the consolidated financial statements. 2024.

See Note 2 of the Notes to Condensed Consolidated Financial Statements for more information regarding this sale. business acquisitions and dispositions.

Second Quarter Highlights Third quarter highlights

Net sales in the second third quarter of fiscal 2024 increased $41.7 million $1.4 million, or 7 less than 1 percent, from the second third quarter of fiscal 2023, primarily due to higher sales in our Performance Technologies and segment, partially offset by lower sales in our Climate Solutions segments. segment. Cost of sales increased $2.8 million decreased $28.3 million, or 1 6 percent. Gross profit increased $38.9 million $29.7 million and gross margin improved 520 530 basis points to 21.8 22.7 percent. Selling, general and administrative ("SG&A") expenses increased $10.1 million and included $10.0 million, primarily due to higher compensation-related expenses. Operating income of $65.7 million $61.7 million during the second third quarter of fiscal 2024 increased $28.9 million $22.2 million from the prior year, primarily due to higher earnings in our operating segments. segments and a $4.0 million gain on sale of the Germany automotive businesses, partially offset by higher SG&A expenses.

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Year-to-date Highlights highlights

Net sales in the first six nine months of fiscal 2024 increased $123.1 million $124.5 million, or 11 7 percent, from the same period last year, primarily due to higher sales in our Performance Technologies and Climate Solutions segments. Cost of sales increased $39.7 million $11.4 million, or 4 1 percent, from the same period last year, primarily due to higher sales volume. Gross profit increased $83.4 million $113.1 million and gross margin improved 520 510 basis points to 21.2 21.6 percent. SG&A expenses increased $15.2 million $25.2 million, primarily due to higher compensation-related expenses. Operating income of $132.2 million $193.9 million during the first six nine months of fiscal 2024 increased $69.8 million $92.0 million from the prior year, primarily due to higher earnings in our operating segments. segments and the gain on sale of the Germany automotive businesses, partially offset by higher SG&A expenses.

24 Recent events

In January 2024, we purchased intellectual property and other specific assets from TMGcore, Inc., a specialist in single- and two-phase liquid immersion cooling technology for data centers. We expect to utilize the liquid cooling immersion technology to support our growth strategy of expanding our global data center product offerings. The initial purchase price of the assets was $12.0 million. Additional contingent consideration may be payable to the seller in fiscal 2029. The amount of any additional consideration is dependent upon future financial metrics associated with the acquired technology. At this time, we cannot estimate the amount or range of additional consideration that may be payable to the seller in fiscal 2029.

Also in January 2024, we approved a plan to close a technical service center in Europe. The objective of this restructuring initiative is to optimize the utilization of our technical service center capacity and realign our cost structure in light of the recent sale of three automotive businesses in Germany. We are targeting to complete the closure during the first half of fiscal 2025. At this time, we have not determined the full restructuring plan, however, we preliminarily estimate that closure costs will total approximately $8.0 million to $12.0 million. This estimate is subject to change as we complete the restructuring plan. We anticipate that severance expenses associated with this restructuring initiative will be recorded during the fourth quarter of fiscal 2024.

CONSOLIDATED RESULTS OF OPERATIONS

The following table presents our consolidated financial results on a comparative basis for the three and six nine months ended September 30, 2023 December 31, 2023 and 2022:

	Three months ended September 30,				**Six months ended September 30,**			
	2023		**2022**		**2023**		**2022**	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales

Climate Solutions

(in millions)	Three months en	
	2023	
	$'s	% of sales

Net sales	$ 620.5	100.0
Cost of sales	485.4	78.2
Gross profit	135.1	21.8
Selling, general and administrative expenses	68.9	11.1
Restructuring expenses	0.5	0.1
Gain on sale of assets		
Operating income	65.7	10.6
Interest expense	(6.1)	-1.0
Other income (expense) – net	0.1	-
Other expense – net		
Earnings before income taxes	59.7	9.6
Provision for income taxes	(12.8)	-2.1
Net earnings	$ 46.9	7.6

(in millions)	$'s
Net sales	$ 2
Cost of sales	2
Gross profit	
Selling, general and administrative expenses	
Restructuring expenses	
Operating income	$

Climate Solutions

(in millions)	$'s
Net sales	$ 2
Cost of sales	1
Gross profit	
Selling, general and administrative expenses	
Restructuring expenses	
Operating income	$

Performance Technologies

(in millions)		$'s
Net sales	$	3
Cost of sales		2
Gross profit		
Selling, general and administrative expenses		
Restructuring expenses		
Operating income	$	

(in millions)		$'s
Net sales	$	3
Cost of sales		2
Gross profit		
Selling, general and administrative expenses		
Restructuring expenses		
Operating income	$	

Item 3. Quantitative and Qualitative Disclosures About Mark

Item 4. Controls and Procedures.

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

Period	Total Number of Shares Purchased	Aver Price Per S
July 1 – July 31, 2023	————	———
August 1 – August 31, 2023	1,222 (b)	$45
September 1 – September 30, 2023	200,000 (c)	$45
Total	201,222	$45

Period	Total Numl Shares Purc
October 1 – October 31, 2023	56,558
November 1 – November 30, 2023	100,000
December 1 – December 31, 2023	9,683 (
Total	166,24

(a) Effective November 5, 2022, the Company's Board of Dire

(b) Includes shares delivered back to the Company by employ

(c) Includes shares acquired pursuant to the repurchase progr

Item 5. Other Information.

On August 17, 2023 During the three months ended December 31

No other no director or "officer" officer of the Company adopted or

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Item 6. Exhibits.

(a) Exhibits:

Exhibit No.

31.1

31.2

32.1

32.2

101.INS

101.SCH

101.CAL

101.DEF

10.1.LAB

10.1.PRE

104

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 19

MODINE MANUFACTURING COMPANY
(Registrant)
By:
Michael B. Lucareli, Executive Vice President, Chief Financial Offi
Date: January 31, 2024

By: /s/ Michael B. Lucareli
Michael B. Lucareli, Executive Vice President, Chief Financial Offi

Date: November 2, 2023

* * Executing as both the principal financial officer and a duly au

I, Neil D. Brinker, certify that:

1. I have reviewed this quarterly report on Form 1(

2. Based on my knowledge, this report does not c

3. Based on my knowledge, the financial statemer

4. The registrant's other certifying officer and I are

   a. Designed such disclosure controls and

   b. Designed such internal control over fina

   c. Evaluated the effectiveness of the regis

   d. Disclosed in this report any change in t

5. The registrant's other certifying officer and I hav

   a. All significant deficiencies and material

   b. Any fraud, whether or not material, that

Date:

/s/ Neil D. Brinker

Neil D. Brinker
President and Chief Executive Officer

I, Michael B. Lucareli, certify that:

1. I have reviewed this quarterly report on Form 1(

2. Based on my knowledge, this report does not c

3. Based on my knowledge, the financial statemer

4. The registrant's other certifying officer and I are

   a. Designed such disclosure controls and

   b. Designed such internal control over fina

   c. Evaluated the effectiveness of the regis

d. Disclosed in this report any change in th

5. The registrant's other certifying officer and I hav

a. All significant deficiencies and material

b. Any fraud, whether or not material, that

Date:

/s/ Michael B. Lucareli

Michael B. Lucareli
Executive Vice President, Chief Financial Officer

In connection with the quarterly report of Modine Manufac

1. The Report fully complies with the requirements o

2. The information contained in the Report fairly pres

Date:

/s/ Neil D. Brinker

Neil D. Brinker
President and Chief Executive Officer

This certification accompanies the Report pursuant to Section 906

In connection with the quarterly report of Modine Manufac

1. The Report fully complies with the requirements

2. The information contained in the Report fairly pr

Date:

/s/ Michael B. Lucareli

Michael B. Lucareli
Executive Vice President, Chief Financial Officer

This certification accompanies the Report pursuant to Section 906

s

Net sales	$ 620.5	100.0 %	$ 578.8	100.0 %	$ 1,242.9	100.0 %	$ 1,119.8	100.0 %	$
Cost of sales	485.4	78.2 %	482.6	83.4 %	979.9	78.8 %	940.2	84.0 %	
Gross profit	135.1	21.8 %	96.2	16.6 %	263.0	21.2 %	179.6	16.0 %	

Selling, general and administrative expenses	68.9	11.1%	58.8	10.1%	130.3	10.5%	115.1	10.3%	
Restructuring expenses	0.5	0.1%	0.6	0.1%	0.5	-	2.1	0.2%	
Gain on sale of assets									
Operating income	65.7	10.6%	36.8	6.4%	132.2	10.6%	62.4	5.6%	
Interest expense	(6.1)	-1.0%	(4.7)	-0.8%	(12.0)	-1.0%	(8.8)	-0.8%	
Other income (expense) – net	0.1	-	(1.4)	-0.3%	(0.5)	-	(3.7)	-0.3%	
Other expense – net									
Earnings before income taxes	59.7	9.6%	30.7	5.3%	119.7	9.6%	49.9	4.5%	
Provision for income taxes	(12.8)	-2.1%	(6.4)	-1.1%	(27.5)	-2.2%	(11.3)	-1.0%	
Net earnings	$ 46.9	7.6%	$ 24.3	4.2%	$ 92.2	7.4%	$ 38.6	3.4%	$

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Comparison of Three Months three months ended September 30, 2023 December 31, 2023 and 2022

Second Third quarter net sales of $620.5 million $561.4 million were $41.7 million, or 7 percent, $1.4 million higher than the second third quarter of the prior year, primarily due to favorable commercial pricing and a $14.7 million $10.0 million favorable impact of foreign currency exchange rates. These increases were partially offset by lower sales volume, including lower sales from three automotive businesses in the Performance Technologies segment, which we sold on October 31, 2023.

Third quarter cost of sales decreased $28.3 million, or 6 percent, primarily due to lower sales volume, improved operating efficiencies, and lower raw material prices, which decreased approximately $5.0 million. These decreases were partially offset by a $7.6 million unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs. As a percentage of sales, cost of sales decreased 530 basis points to 77.3 percent, primarily due to favorable sales mix, commercial pricing and improved operating efficiencies.

As a result of higher sales and lower cost of sales as a percentage of sales, third quarter gross profit increased $29.7 million and gross margin improved 530 basis points to 22.7 percent.

Third quarter SG&A expenses increased $10.0 million, or 17 percent. As a percentage of sales, SG&A expenses increased by 180 basis points. The increase in SG&A expenses was primarily due to higher compensation-related expenses, which increased approximately $7.0 million, and included higher incentive compensation expenses driven by improved financial results, as compared with the prior year. In addition, environmental charges related to a previously-closed manufacturing facility in the U.S. increased $0.9 million.

Restructuring expenses increased $1.5 million compared with the third quarter of fiscal 2023, primarily due to higher equipment transfer costs and severance expenses in the Climate Solutions segment.

We sold three automotive businesses based in Germany on October 31, 2023. As a result of the sale, we recorded a $4.0 million gain on sale at Corporate during the third quarter of fiscal 2024.

Operating income of $61.7 million in the third quarter of fiscal 2024 increased $22.2 million compared with the third quarter of fiscal 2023, primarily due to higher gross profit in our operating segments and the gain on sale of the Germany automotive businesses, partially offset by higher SG&A expenses.

Interest expense during the third quarter of fiscal 2024 decreased $0.1 million compared with the third quarter of fiscal 2023. Unfavorable changes in interest rates during fiscal 2024, which resulted in higher interest costs, were offset by the absence of $0.7 million of costs recorded as interest expense during the third quarter of fiscal 2023 related to a credit agreement amendment.

The provision for income taxes was $10.3 million and $8.5 million in the third quarter of fiscal 2024 and 2023, respectively. The $1.8 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year, partially offset by a $3.1 million tax benefit related to the sale of the Germany automotive businesses during the third quarter of fiscal 2024.

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Comparison of nine months ended December 31, 2023 and 2022

Fiscal 2024 year-to-date net sales of $1,804.3 million were $124.5 million, or 7 percent, higher than the same period last year, primarily due to favorable commercial pricing, higher sales volume and a $25.1 million favorable impact of foreign currency exchange rates. Sales in the Performance Technologies and Climate Solutions segments increased $21.7 million $81.5 million and $19.9 million $41.2 million, respectively.

Second quarter Fiscal 2024 year-to-date cost of sales of $1,414.0 million increased $2.8 million $11.4 million, or 1 percent, primarily due to an $11.7 million higher sales volume, a $19.8 million unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs and warranty expenses. costs. These increases were partially offset by lower raw material prices, which decreased approximately $11.0 million, $33.0 million and, to a lesser extent, improved operating efficiencies. As a percentage of sales, cost of sales decreased 520 510 basis points to 78.2 78.4 percent, primarily due to the favorable impact of higher sales.

As a result of higher sales and lower cost of sales as a percentage of sales, second quarter gross profit increased $38.9 million $113.1 million and gross margin improved 520 510 basis points to 21.8 21.6 percent.

Second quarter Fiscal 2024 year-to-date SG&A expenses increased $10.1 million $25.2 million, or 17 15 percent. As a percentage of sales, SG&A expenses increased by 100 70 basis points. The increase in SG&A expenses included was primarily driven by higher compensation-related expenses, which increased approximately $3.0 million $14.0 million, and increases across other general and administrative expenses, such as higher product development costs, professional service fees, and employee travel expenses. The compensation-related expenses included higher incentive compensation expenses driven by improved financial results, as compared with the prior year. In addition, environmental charges related to a previously-closed manufacturing facility in the U.S. increased $0.7 million.

Restructuring expenses during the first nine months of fiscal 2024 decreased $0.1 million compared with the second quarter of fiscal 2023, same period last year, primarily due to lower equipment transfer costs severance expenses in the Performance Technologies segment, partially offset by higher severance and equipment transfer expenses in the Climate Solutions segment.

[25] We sold three automotive businesses based in Germany on October 31, 2023. As a result of the sale, we recorded a $4.0 million gain on sale at Corporate during the third quarter of fiscal 2024.

Operating income of $65.7 million in $193.9 million during the second quarter first nine months of fiscal 2024 increased $28.9 million $92.0 million compared with the second quarter of fiscal 2023, same period last year, primarily due to higher gross profit in our operating segments and the gain on sale of the Germany automotive businesses, partially offset by higher SG&A expenses.

Interest expense during the second quarter first nine months of fiscal 2024 increased $1.4 million $3.1 million compared with the second quarter of fiscal 2023, same period last year, primarily due to unfavorable changes in interest rates. rates, partially offset by the absence of $0.7 million of costs recorded in the prior year related to a credit agreement amendment.

The provision for income taxes was $12.8 million $37.8 million and $6.4 million in $19.8 million during the second quarter first nine months of fiscal 2024 and 2023, respectively. The $6.4 million $18.0 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year.

Comparison of Six Months ended September 30, 2023 and 2022

Fiscal 2024 year-to-date net sales of $1,242.9 million were $123.1 million, or 11 percent, higher than the same period last year, primarily due to higher sales volume, favorable commercial pricing and a $15.1 million favorable impact of foreign currency exchange rates. Sales in the Performance Technologies and Climate Solutions segments increased $76.3 million and $47.3 million, respectively.

Fiscal 2024 year-to-date cost of sales of $979.9 million increased $39.7 million, or 4 percent, primarily due to higher sales volume, a $12.1 unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs and warranty expenses. These increases were partially offset by lower raw material prices, which decreased approximately $28.0 million and, to a lesser extent, improved operating efficiencies. As a percentage of sales, cost of sales decreased 520 basis points to 78.8 percent, primarily due $3.1 million tax benefit related to the favorable impact sale of higher sales.

As a result of higher sales and lower cost of sales as a percentage of sales, gross profit increased $83.4 million and gross margin improved 520 basis points to 21.2 percent.

Fiscal 2024 year-to-date SG&A expenses increased $15.2 million, or 13 percent. As a percentage of sales, SG&A expenses increased by 20 basis points. The increase in SG&A expenses was primarily driven by higher compensation-related expenses, which increased approximately $7.0 million, and increases across other general and administrative expenses. The compensation-related expenses included higher incentive compensation expenses driven by improved financial results, as compared with the prior year.

Restructuring expenses Germany automotive businesses during the first six months third quarter of fiscal 2024 decreased $1.6 million compared with the same period last year, primarily due to lower severance expenses in the Performance Technologies segment.

Operating income of $132.2 million during the first six months of fiscal 2024 increased $69.8 million compared with the same period last year, primarily due to higher gross profit in our operating segments, partially offset by higher SG&A expenses.

Interest expense during the first six months of fiscal 2024 increased $3.2 million compared with the same period last year, primarily due to unfavorable changes in interest rates.

The provision for income taxes was $27.5 million and $11.3 million during the first six months of fiscal 2024 and 2023, respectively. The $16.2 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year. 2024.

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SEGMENT RESULTS OF OPERATIONS

The following is a discussion of our segment results of operations for the three and six nine months ended September 30, 2023 December 31, 2023 and 2022:

Climate Solutions

	Three months ended September 30,				Six months ended September 30,			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 275.8	100.0 %	$ 255.9	100.0 %	$ 547.6	100.0 %	$ 500.3	100.0 %
Cost of sales	204.0	74.0 %	198.6	77.6 %	406.8	74.3 %	392.6	78.5 %
Gross profit	71.8	26.0 %	57.3	22.4 %	140.8	25.7 %	107.7	21.5 %
Selling, general and administrative expenses	26.9	9.7 %	24.3	9.5 %	51.6	9.4 %	47.7	9.5 %
Restructuring expenses	0.3	0.1 %	0.3	0.1 %	0.3	0.1 %	0.3	0.1 %
Operating income	$ 44.6	16.2 %	$ 32.7	12.8 %	$ 88.9	16.2 %	$ 59.7	11.9 %

Climate Solutions

	Three months ended December 31, 2023				Nine months ended December 31, 2023			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 242.5	100.0 %	$ 248.6	100.0 %	$ 790.1	100.0 %	$ 748.9	100.0 %
Cost of sales	176.4	72.7 %	193.8	78.0 %	583.2	73.8 %	586.4	78.3 %
Gross profit	66.1	27.3 %	54.8	22.0 %	206.9	26.2 %	162.5	21.7 %
Selling, general and administrative expenses	25.9	10.7 %	24.6	9.9 %	77.5	9.8 %	72.3	9.7 %
Restructuring expenses	1.4	0.6 %	-	-	1.7	0.2 %	0.3	-
Operating income	$ 38.8	16.0 %	$ 30.2	12.2 %	$ 127.7	16.2 %	$ 89.9	12.0 %

Comparison of Three Months three months ended September 30, 2023 December 31, 2023 and 2022

Climate Solutions net sales increased $19.9 million decreased $6.1 million, or 8 2 percent, from the second third quarter of fiscal 2023 to the second third quarter of fiscal 2024, primarily due to higher lower sales volume, and partially offset by a $6.6 million $4.4 million favorable impact of foreign currency exchange rates. Compared with the second third quarter of the prior year, sales of data center cooling products increased $42.5 million $15.4 million, with higher sales to both hyperscale and colocation customers, and sales of HVAC & refrigeration products increased $2.2 million. Sales of heat transfer and HVAC & refrigeration products decreased $20.5 million $23.7 million, largely due to market weakness and $2.0 million, respectively. lower customer demand compared with the prior year and the strategic exit from lower-margin business in connection with 80/20 product rationalization initiatives.

Climate Solutions cost of sales increased $5.4 million decreased $17.4 million, or 3 9 percent, from the second third quarter of fiscal 2023 to the second third quarter of fiscal 2024, primarily due to higher lower sales volume and improved operating efficiencies. In addition, raw material prices decreased approximately $2.0 million. These decreases were partially offset by a $5.0 million $3.1 million unfavorable impact of foreign currency exchange rates and, to a lesser extent higher warranty expenses, which increased approximately $3.0 million, and higher labor and inflationary costs. These increases were partially offset by improved operating efficiencies and lower raw material prices, which decreased approximately $4.0 million. As a percentage of sales, cost of sales decreased 360 530 basis points to 74.0 72.7 percent, primarily due to favorable sales mix and improved operating efficiencies.

As a result of the lower sales and lower cost of sales as a percentage of sales, gross profit increased $11.3 million and gross margin improved 530 basis points to 27.3 percent.

SG&A expenses increased $1.3 million compared with the third quarter of the prior year. As a percentage of sales, SG&A expenses increased by 80 basis points. The increase in SG&A expenses was primarily driven by higher compensation-related expenses.

Restructuring expenses totaled $1.4 million during the third quarter of fiscal 2024 and consist of equipment transfer costs and severance expenses related to targeted headcount reductions in Europe and Asia.

Operating income of $38.8 million increased $8.6 million from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher restructuring and SG&A expenses.

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Comparison of nine months ended December 31, 2023 and 2022

Climate Solutions year-to-date net sales increased $41.2 million, or 6 percent, from the same period last year, primarily due to higher sales volume and an $11.8 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of data center cooling products increased $95.6 million, primarily due to higher sales to both hyperscale and colocation customers. Sales of heat transfer and HVAC & refrigeration products decreased $53.0 million and $1.1 million, respectively. The decrease in sales of heat transfer products was largely due to market weakness and lower customer demand compared with the prior year and the impact of the strategic exit from lower-margin business.

Climate Solutions year-to-date cost of sales decreased $3.2 million, or 1 percent, from the same period last year, primarily due to lower raw material prices, which decreased approximately $16.0 million, and improved operating efficiencies. These decreases were partially offset by increases resulting from higher sales volume, an $8.6 million unfavorable impact of foreign currency exchanges rates, and higher labor and inflationary costs and warranty expenses. As a percentage of sales, cost of sales decreased 450 basis points to 73.8 percent, primarily due to the favorable impact of higher sales and improved operating efficiencies.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $14.5 million $44.4 million and gross margin improved 360 450 basis points to 26.0 26.2 percent.

Climate Solutions year-to-date SG&A expenses increased $2.6 million compared with the second quarter of the prior year. $5.2 million. As a percentage of sales, SG&A expenses increased by 20 10 basis points. The increase in SG&A expenses includes higher compensation-related expenses and increases across other general and administrative expenses.

Restructuring expenses totaled $0.3 million during both increased $1.4 million compared with the second quarter first nine months of fiscal 2024 and 2023. The fiscal 2024 expenses consist of equipment transfer and severance expenses. The fiscal 2023 expenses primarily relate to closure costs associated with a previously-leased facility.

Operating income of $44.6 million increased $11.9 million from $127.7 million during the second quarter of fiscal 2023 to the second quarter first nine months of fiscal 2024 primarily due to higher gross profit.

Comparison of Six Months ended September 30, 2023 and 2022

Climate Solutions year-to-date net sales increased $47.3 million, or 9 percent, $37.8 million from the same period last year, primarily due to higher gross profit, partially offset by higher SG&A and restructuring expenses.

Performance Technologies

	Three months ended December 31, 2023				Nine months ended December 31, 2023			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 323.0	100.0 %	$ 317.8	100.0 %	$ 1,033.6	100.0 %	$ 952.1	100.0 %
Cost of sales	262.0	81.1 %	274.8	86.5 %	851.2	82.4 %	836.9	87.9 %
Gross profit	61.0	18.9 %	43.0	13.5 %	182.4	17.6 %	115.2	12.1 %
Selling, general and administrative expenses	29.6	9.2 %	25.5	8.0 %	85.2	8.2 %	72.2	7.6 %
Restructuring expenses	0.2	-	0.1	-	0.4	-	1.9	0.2 %
Operating income	$ 31.2	9.7 %	$ 17.4	5.5 %	$ 96.8	9.4 %	$ 41.1	4.3 %

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Comparison of three months ended December 31, 2023 and 2022

Performance Technologies net sales volume increased $5.2 million, or 2 percent, from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to favorable commercial pricing and a $7.4 million $5.6 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of data center cooling products increased $80.2 million. Sales of heat transfer and HVAC & refrigeration products decreased $29.3 million and $3.3 million, respectively.

Climate Solutions year-to-date cost of sales increased $14.2 million, or 4 percent, from the same period last year, primarily due to higher sales volume, a $5.5 million unfavorable impact of foreign currency exchanges rates, and higher warranty expenses and labor and inflationary costs. These increases were partially offset by lower sales volume, including $10.2 million of lower sales from the three Germany automotive businesses that we sold on October 31, 2023. Compared with the third quarter of the prior year, sales of advanced solutions, and air-cooled products increased $9.6 million and $3.1 million, respectively. Sales of liquid-cooled products decreased $5.2 million.

Performance Technologies cost of sales decreased $12.8 million, or 5 percent, from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to lower sales volume and, to a lesser extent, lower raw material prices, which decreased approximately $14.0 million $3.0 million. These decreases were partially offset by a $4.6 million unfavorable impact of foreign currency exchange rates and improved operating efficiencies. higher labor and inflationary costs. As a percentage of sales, cost of sales decreased 420 540 basis points to 74.3 81.1 percent, primarily due to the favorable impact of commercial pricing, partially offset by higher sales labor and improved operating efficiencies. inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $33.1 million $18.0 million and gross margin improved 420 540 basis points to 25.7 18.9 percent.

Climate Solutions year-to-date SG&A expenses increased $3.9 million $4.1 million, yet decreased 10 basis points as or 16 percent, compared with the third quarter of the prior year. As a percentage of sales. sales, SG&A expenses increased by 120 basis points. The increase in SG&A expenses includes was primarily due to higher compensation-related expenses, which increased approximately $3.0 million, and increases across other general and administrative expenses.

Restructuring expenses totaled $0.3 million during both the first six months of fiscal 2024 and 2023. The fiscal 2024 expenses consist of equipment transfer and severance expenses. The fiscal 2023 expenses primarily relate to closure costs associated with a previously-leased facility. higher product development costs.

Operating income of $88.9 million during $31.2 million increased $13.8 million from the first six months third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Comparison of nine months ended December 31, 2023 and 2022

Performance Technologies year-to-date net sales increased $29.2 million $81.5 million, or 9 percent, from the same period last year, primarily due to favorable commercial pricing, a $13.4 million favorable impact of foreign currency exchange rates, and, to a lesser extent, higher sales volume. Compared with the same period in the prior year, sales of advanced solutions, air-cooled and liquid-cooled products increased $30.2 million, $26.8 million, and $26.0 million, respectively.

Performance Technologies year-to-date cost of sales increased $14.3 million, or 2 percent, from the same period last year, primarily due to higher gross profit.

Performance Technologies

	Three months ended September 30,				Six months ended September 30,			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 351.7	100.0 %	$ 330.0	100.0 %	$ 710.6	100.0 %	$ 634.3	100.0 %
Cost of sales	288.9	82.2 %	290.8	88.1 %	589.2	82.9 %	562.1	88.6 %
Gross profit	62.8	17.8 %	39.2	11.9 %	121.4	17.1 %	72.2	11.4 %
Selling, general and administrative expenses	29.0	8.2 %	22.6	6.9 %	55.6	7.8 %	46.7	7.4 %
Restructuring expenses	0.2	-	0.3	0.1 %	0.2	-	1.8	0.3 %
Operating income	$ 33.6	9.6 %	$ 16.3	4.9 %	$ 65.6	9.2 %	$ 23.7	3.7 %

Comparison of Three Months ended September 30, 2023 labor and 2022

Performance Technologies net sales increased $21.7 million, or 7 percent, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to favorable commercial pricing and inflationary costs, an $8.0 million favorable impact of foreign currency exchange rates. These increases were partially offset by lower sales volume. Compared with the second quarter of the prior year, sales of advanced solutions, liquid-cooled and air-cooled products increased $10.3 million, $7.4 million, and $4.0 million, respectively.

Performance Technologies cost of sales decreased $1.9 million, or 1 percent, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to lower raw material prices, which decreased approximately $8.0 million and lower sales volume. These decreases were partially offset by a $6.7 million $11.2 million unfavorable impact of foreign currency exchange rates, and higher labor and inflationary costs. sales volume. These increases were partially offset by lower raw material prices, which decreased approximately $17.0 million. As a percentage of sales, cost of sales decreased 590 550 basis points to 82.2 82.4 percent, primarily due to the favorable impact of higher sales, partially offset by higher labor and inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $23.6 million $67.2 million and gross margin improved 590 550 basis points to 17.8 percent.

SG&A expenses increased $6.4 million, or 28 percent, compared with the second quarter of the prior year. As a percentage of sales, 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 $3.0 million, higher product development costs and increases across other general and administrative expenses.

Restructuring expenses decreased $0.1 million compared with the second quarter of fiscal 2023, primarily due to lower equipment transfer costs.

Operating income of $33.6 million increased $17.3 million from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Comparison of Six Months ended September 30, 2023 and 2022

Performance Technologies year-to-date net sales increased $76.3 million, or 12 percent, from the same period last year, primarily due to favorable commercial pricing, higher sales volume, and a $7.8 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of liquid-cooled, air-cooled, and advanced solutions products increased $31.2 million, $23.7 million, and $20.6 million, respectively.

Performance Technologies year-to-date cost of sales increased $27.1 million, or 5 percent, from the same period last year, primarily due to higher sales volume, higher labor and inflationary costs and a $6.7 million unfavorable impact of foreign currency exchange rates. These increases were partially offset by lower raw material prices, which decreased

approximately $14.0 million. As a percentage of sales, cost of sales decreased 570 basis points to 82.9 percent, primarily due to the favorable impact of higher sales, partially offset by higher labor and inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $49.2 million and gross margin improved 570 basis points to 17.1 17.6 percent.

Performance Technologies year-to-date SG&A expenses increased $8.9 million $13.0 million, or 19 18 percent, compared with the same period last year. As a percentage of sales, year-to-date SG&A expenses increased by 40 60 basis points. The increase in SG&A expenses was primarily due to higher compensation-related expenses, which increased approximately $7.0 million, and increases across other general and administrative expenses.

Restructuring expenses during the first six nine months of fiscal 2024 decreased $1.6 million $1.5 million compared with the same period last year, primarily due to lower severance expenses.

Operating income of $65.6 million $96.8 million during the first six nine months of fiscal 2024 increased $41.9 million $55.7 million from the same period last year, primarily due to higher gross profit, partially offset by higher SG&A expenses.

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Liquidity and Capital Resources

Our primary sources of liquidity are cash flow from operating activities, our cash and cash equivalents as of September 30, 2023 December 31, 2023 of $120.2 million $149.7 million, and available borrowing capacity of $269.4 million under our revolving credit facility. Given our extensive international operations, approximately $71.0 million $103.0 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 cash provided by Operating Activities operating activities

Net cash provided by operating activities for the six nine months ended September 30, 2023 December 31, 2023 was $110.8 million $175.0 million, which represents a $54.7 million $107.1 million increase compared with the same period in the prior year. This increase in operating cash flow was primarily due to the favorable impact of higher earnings partially offset by unfavorable and, to a lesser extent, favorable net changes in working capital as compared with the same period in the prior year. The unfavorable favorable net changes in working capital include higher payments for incentive compensation, as compared an increase in customer deposits received in connection with the same period in the prior year. sales contracts with long inventory lead times.

Capital Expenditures expenditures

Capital expenditures of $26.2 million $43.8 million during the first six nine months of fiscal 2024 increased $3.2 million $8.6 million compared with the same period in the prior year. The fiscal 2024 capital expenditures include investments supporting our strategic growth initiatives across several of our business units.

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 September 30, 2023 December 31, 2023, we were in compliance with our debt covenants. We expect to remain in compliance with our debt covenants during the remainder of fiscal 2024 and beyond.

Share Repurchase Program repurchase program

During the first six nine months of fiscal 2024, we repurchased $9.0 million $13.3 million of our common stock. As of September 30, 2023 December 31, 2023, we had $36.4 million $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.

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Forward-Looking Statements 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, 2023. Other risks and uncertainties include, but are not limited to, the following:

Market Risks: 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, 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; East and the recent attacks on shipping vessels 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 increased increases in labor costs and labor shortages;

- The impact of public health threats, such as COVID-19, 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.

Operational Risks: 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 price-reduction 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, including any lingering impacts associated with the recent now settled United Auto Workers union strikes;

- 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 or material breach of our information technology systems, and any related delays, problems or costs;

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

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- Increasing emphasis by 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: 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;
- Our ability to accelerate growth by identifying and executing on organic growth opportunities and acquisitions, and to efficiently and successfully integrate acquired businesses; and
- The potential impacts from actions by activist shareholders, including disruption of our business and related costs.

Financial Risks: 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.

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

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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, 2023. The Company’s market risks have not materially changed since the fiscal 2023 Form 10-K was filed.

Item 4. Controls and Procedures.

Evaluation Regarding Disclosure Controls regarding disclosure controls and Procedures procedures

As of the end of the period covered by this quarterly report on Form 10-Q, management of the Company, under the supervision, and with the participation, of the Company’s President and Chief Executive Officer and Executive Vice President, Chief Financial Officer, evaluated the effectiveness of the Company’s disclosure controls and procedures, at a reasonable assurance level, as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e). Based upon that evaluation, the President and Chief Executive Officer and Executive Vice President, Chief Financial Officer have concluded that the design and operation of the Company’s disclosure controls and procedures were effective, at a reasonable assurance level, as of September 30, 2023 December 31, 2023.

Changes in Internal Control Over Financial Reporting internal control over financial reporting

There have been no changes in internal control over financial reporting during the second third quarter of fiscal 2024 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 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 second third quarter of fiscal 2024:

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, 2023	———	———	———	$45,372,391
August 1 – August 31, 2023	1,222 (b)	$45.91	———	$45,372,391
September 1 – September 30, 2023	200,000 (c)	$45.01	200,000	$36,370,398
Total	201,222	$45.02	200,000	

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)
October 1 – October 31, 2023	56,558 (b)	$43.27	———	$36,370,398
November 1 – November 30, 2023	100,000 (c)	$43.07	100,000	$32,063,074
December 1 – December 31, 2023	9,683 (b)	$54.24	———	$32,063,074
Total	166,241	$43.79	100,000	

(a) Effective November 5, 2022, the 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 November 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.

(c) Includes shares acquired pursuant to the repurchase program described in (a) above.

Item 5. Other Information.

On August 17, 2023 During the three months ended December 31, 2023, Michael B. Lucareli, Executive Vice President and Chief Financial Officer of the Company, adopted a Stock Sale Plan (the "Plan") intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended. The Plan provides for the sale of up to 80,000 shares of Modine common stock during the period beginning on November 20, 2023 and ending on May 20, 2024, subject to a formula and other terms and conditions set forth in the Plan.

No other no director or “officer” 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, during the three months ended September 30, 2023. S-K.

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Item 6. Exhibits.

(a) Exhibits:

Exhibit No.	Description	Incorporated Herein By Reference To	Filed Herewith
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
101.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
101.SCH	Inline XBRL Taxonomy Extension Schema.		X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.		X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.		X
10.1.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.		X
10.1.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.		X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).		X

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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: January 31, 2024

By: /s/ Michael B. Lucareli
Michael B. Lucareli, Executive Vice President, Chief Financial Officer*

Date: November 2, 2023

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

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 September 30, 2023 December 31, 2023;

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 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 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 internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 internal control over financial reporting; and

5. The 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 auditors and the audit committee of the 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 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 internal control over financial reporting.

Date: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023;

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 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 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 internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 internal control over financial reporting; and

5. The 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 auditors and the audit committee of the 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 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 internal control over financial reporting.

Date: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023 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: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023 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: November 2, 2023 January 31, 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.

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s % of sales

Comparison of Three Months three months ended September 30, 2023 December 31, 2023 and 2022

Climate Solutions net sales increased $19.9 million decreased $6.1 million, or 8 2 percent, from the second third quarter of fiscal 2023 to the second third quarter of fiscal 2024, primarily due to higher lower sales volume, and partially offset by a $6.6 million $4.4 million favorable impact of foreign currency exchange rates. Compared with the second third quarter of the prior year, sales of data center cooling products increased $42.5 million $15.4 million, with higher sales to both hyperscale and colocation customers, and sales of HVAC & refrigeration products increased $2.2 million. Sales of heat transfer and HVAC & refrigeration products decreased $20.5 million $23.7 million, largely due to market weakness and $2.0 million, respectively. lower customer demand compared with the prior year and the strategic exit from lower-margin business in connection with 80/20 product rationalization initiatives.

Climate Solutions cost of sales increased $5.4 million decreased $17.4 million, or 3 9 percent, from the second third quarter of fiscal 2023 to the second third quarter of fiscal 2024, primarily due to higher lower sales volume and improved operating efficiencies. In addition, raw material prices decreased approximately $2.0 million. These decreases were partially offset by a $5.0 million $3.1 million unfavorable impact of foreign currency exchange rates and, to a lesser extent higher warranty expenses, which increased approximately $3.0 million, and higher labor and inflationary costs. These increases were partially offset by improved operating efficiencies and lower raw material prices, which decreased approximately $4.0 million. As a percentage of sales, cost of sales decreased 360 530 basis points to 74.0 72.7 percent, primarily due to favorable sales mix and improved operating efficiencies.

As a result of the lower sales and lower cost of sales as a percentage of sales, gross profit increased $11.3 million and gross margin improved 530 basis points to 27.3 percent.

SG&A expenses increased $1.3 million compared with the third quarter of the prior year. As a percentage of sales, SG&A expenses increased by 80 basis points. The increase in SG&A expenses was primarily driven by higher compensation-related expenses.

Restructuring expenses totaled $1.4 million during the third quarter of fiscal 2024 and consist of equipment transfer costs and severance expenses related to targeted headcount reductions in Europe and Asia.

Operating income of $38.8 million increased $8.6 million from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher restructuring and SG&A expenses.

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Comparison of nine months ended December 31, 2023 and 2022

Climate Solutions year-to-date net sales increased $41.2 million, or 6 percent, from the same period last year, primarily due to higher sales volume and an $11.8 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of data center cooling products increased $95.6 million, primarily due to higher sales to both hyperscale and colocation customers. Sales of heat transfer and HVAC & refrigeration products decreased $53.0 million and $1.1 million, respectively. The decrease in sales of heat transfer products was largely due to market weakness and lower customer demand compared with the prior year and the impact of the strategic exit from lower-margin business.

Climate Solutions year-to-date cost of sales decreased $3.2 million, or 1 percent, from the same period last year, primarily due to lower raw material prices, which decreased approximately $16.0 million, and improved operating efficiencies. These decreases were partially offset by increases resulting from higher sales volume, an $8.6 million unfavorable impact of foreign currency exchanges rates, and higher labor and inflationary costs and warranty expenses. As a percentage of sales, cost of sales decreased 450 basis points to 73.8 percent, primarily due to the favorable impact of higher sales and improved operating efficiencies.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $14.5 million $44.4 million and gross margin improved 360 450 basis points to 26.0 26.2 percent.

Climate Solutions year-to-date SG&A expenses increased $2.6 million compared with the second quarter of the prior year. $5.2 million. As a percentage of sales, SG&A expenses increased by 20 10 basis points. The increase in SG&A expenses includes higher compensation-related expenses and increases across other general and administrative expenses.

Restructuring expenses totaled $0.3 million during both increased $1.4 million compared with the second quarter first nine months of fiscal 2024 and 2023. The fiscal 2024 expenses consist of equipment transfer and severance expenses. The fiscal 2023 expenses primarily relate to closure costs associated with a previously-leased facility.

Operating income of $44.6 million increased $11.9 million from $127.7 million during the second quarter of fiscal 2023 to the second quarter first nine months of fiscal 2024 primarily due to higher gross profit.

Comparison of Six Months ended September 30, 2023 and 2022

Climate Solutions year-to-date net sales increased $47.3 million, or 9 percent, $37.8 million from the same period last year, primarily due to higher gross profit, partially offset by higher SG&A and restructuring expenses.

Performance Technologies

	Three months ended December 31, 2023				Nine months ended December 31, 2023			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 323.0	100.0 %	$ 317.8	100.0 %	$ 1,033.6	100.0 %	$ 952.1	100.0 %
Cost of sales	262.0	81.1 %	274.8	86.5 %	851.2	82.4 %	836.9	87.9 %
Gross profit	61.0	18.9 %	43.0	13.5 %	182.4	17.6 %	115.2	12.1 %
Selling, general and administrative expenses	29.6	9.2 %	25.5	8.0 %	85.2	8.2 %	72.2	7.6 %
Restructuring expenses	0.2	-	0.1	-	0.4	-	1.9	0.2 %
Operating income	$ 31.2	9.7 %	$ 17.4	5.5 %	$ 96.8	9.4 %	$ 41.1	4.3 %

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Comparison of three months ended December 31, 2023 and 2022

Performance Technologies net sales volume increased $5.2 million, or 2 percent, from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to favorable commercial pricing and a $7.4 million $5.6 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of data center cooling products increased $80.2 million. Sales of heat transfer and HVAC & refrigeration products decreased $29.3 million and $3.3 million, respectively.

Climate Solutions year-to-date cost of sales increased $14.2 million, or 4 percent, from the same period last year, primarily due to higher sales volume, a $5.5 million unfavorable impact of foreign currency exchanges rates, and higher warranty expenses and labor and inflationary costs. These increases were partially offset by lower sales volume, including $10.2 million of lower sales from the three Germany automotive businesses that we sold on October 31, 2023. Compared with the third quarter of the prior year, sales of advanced solutions, and air-cooled products increased $9.6 million and $3.1 million, respectively. Sales of liquid-cooled products decreased $5.2 million.

Performance Technologies cost of sales decreased $12.8 million, or 5 percent, from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to lower sales volume and, to a lesser extent, lower raw material prices, which decreased approximately $14.0 million $3.0 million. These decreases were partially offset by a $4.6 million unfavorable impact of foreign currency exchange rates and improved operating efficiencies. higher labor and inflationary costs. As a percentage of sales, cost of sales decreased 420 540 basis points to 74.3 81.1 percent, primarily due to the favorable impact of commercial pricing, partially offset by higher sales labor and improved operating efficiencies. inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $33.1 million $18.0 million and gross margin improved 420 540 basis points to 25.7 18.9 percent.

Climate Solutions year-to-date SG&A expenses increased $3.9 million $4.1 million, yet decreased 10 basis points as or 16 percent, compared with the third quarter of the prior year. As a percentage of sales. sales, SG&A expenses increased by 120 basis points. The increase in SG&A expenses includes was primarily due to higher compensation-related expenses, which increased approximately $3.0 million, and increases across other general and administrative expenses.

Restructuring expenses totaled $0.3 million during both the first six months of fiscal 2024 and 2023. The fiscal 2024 expenses consist of equipment transfer and severance expenses. The fiscal 2023 expenses primarily relate to closure costs associated with a previously-leased facility. higher product development costs.

Operating income of $88.9 million during $31.2 million increased $13.8 million from the first six months third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Comparison of nine months ended December 31, 2023 and 2022

Performance Technologies year-to-date net sales increased $29.2 million $81.5 million, or 9 percent, from the same period last year, primarily due to favorable commercial pricing, a $13.4 million favorable impact of foreign currency exchange rates, and, to a lesser extent, higher sales volume. Compared with the same period in the prior year, sales of advanced solutions, air-cooled and liquid-cooled products increased $30.2 million, $26.8 million, and $26.0 million, respectively.

Performance Technologies year-to-date cost of sales increased $14.3 million, or 2 percent, from the same period last year, primarily due to higher gross profit.

Performance Technologies

	Three months ended September 30,				Six months ended September 30,			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 351.7	100.0 %	$ 330.0	100.0 %	$ 710.6	100.0 %	$ 634.3	100.0 %
Cost of sales	288.9	82.2 %	290.8	88.1 %	589.2	82.9 %	562.1	88.6 %
Gross profit	62.8	17.8 %	39.2	11.9 %	121.4	17.1 %	72.2	11.4 %
Selling, general and administrative expenses	29.0	8.2 %	22.6	6.9 %	55.6	7.8 %	46.7	7.4 %
Restructuring expenses	0.2	-	0.3	0.1 %	0.2	-	1.8	0.3 %
Operating income	$ 33.6	9.6 %	$ 16.3	4.9 %	$ 65.6	9.2 %	$ 23.7	3.7 %

Comparison of Three Months ended September 30, 2023 labor and 2022

Performance Technologies net sales increased $21.7 million, or 7 percent, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to favorable commercial pricing and inflationary costs, an $8.0 million favorable impact of foreign currency exchange rates. These increases were partially offset by lower sales volume. Compared with the second quarter of the prior year, sales of advanced solutions, liquid-cooled and air-cooled products increased $10.3 million, $7.4 million, and $4.0 million, respectively.

Performance Technologies cost of sales decreased $1.9 million, or 1 percent, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to lower raw material prices, which decreased approximately $8.0 million and lower sales volume. These decreases were partially offset by a $6.7 million $11.2 million unfavorable impact of foreign currency exchange rates, and higher labor and inflationary costs. sales volume. These increases were partially offset by lower raw material prices, which decreased approximately $17.0 million. As a percentage of sales, cost of sales decreased 590 550 basis points to 82.2 82.4 percent, primarily due to the favorable impact of higher sales, partially offset by higher labor and inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $23.6 million $67.2 million and gross margin improved 590 550 basis points to 17.8 percent.

SG&A expenses increased $6.4 million, or 28 percent, compared with the second quarter of the prior year. As a percentage of sales, 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 $3.0 million, higher product development costs and increases across other general and administrative expenses.

Restructuring expenses decreased $0.1 million compared with the second quarter of fiscal 2023, primarily due to lower equipment transfer costs.

Operating income of $33.6 million increased $17.3 million from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Comparison of Six Months ended September 30, 2023 and 2022

Performance Technologies year-to-date net sales increased $76.3 million, or 12 percent, from the same period last year, primarily due to favorable commercial pricing, higher sales volume, and a $7.8 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of liquid-cooled, air-cooled, and advanced solutions products increased $31.2 million, $23.7 million, and $20.6 million, respectively.

Performance Technologies year-to-date cost of sales increased $27.1 million, or 5 percent, from the same period last year, primarily due to higher sales volume, higher labor and inflationary costs and a $6.7 million unfavorable impact of foreign currency exchange rates. These increases were partially offset by lower raw material prices, which decreased approximately $14.0 million. As a percentage of sales, cost of sales decreased 570 basis points to 82.9 percent, primarily due to the favorable impact of higher sales, partially offset by higher labor and inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $49.2 million and gross margin improved 570 basis points to 17.1 17.6 percent.

Performance Technologies year-to-date SG&A expenses increased $8.9 million $13.0 million, or 19 18 percent, compared with the same period last year. As a percentage of sales, year-to-date SG&A expenses increased by 40 60 basis points. The increase in SG&A expenses was primarily due to higher compensation-related expenses, which increased approximately $7.0 million, and increases across other general and administrative expenses.

Restructuring expenses during the first six nine months of fiscal 2024 decreased $1.6 million $1.5 million compared with the same period last year, primarily due to lower severance expenses.

Operating income of $65.6 million $96.8 million during the first six nine months of fiscal 2024 increased $41.9 million $55.7 million from the same period last year, primarily due to higher gross profit, partially offset by higher SG&A expenses.

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Liquidity and Capital Resources

Our primary sources of liquidity are cash flow from operating activities, our cash and cash equivalents as of September 30, 2023 December 31, 2023 of $120.2 million $149.7 million, and available borrowing capacity of $269.4 million under our revolving credit facility. Given our extensive international operations, approximately $71.0 million $103.0 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 cash provided by Operating Activities operating activities

Net cash provided by operating activities for the six nine months ended September 30, 2023 December 31, 2023 was $110.8 million $175.0 million, which represents a $54.7 million $107.1 million increase compared with the same period in the prior year. This increase in operating cash flow was primarily due to the favorable impact of higher earnings partially offset by unfavorable and, to a lesser extent, favorable net changes in working capital as compared with the same period in the prior year. The unfavorable favorable net changes in working capital include higher payments for incentive compensation, as compared an increase in customer deposits received in connection with the same period in the prior year. sales contracts with long inventory lead times.

Capital Expenditures expenditures

Capital expenditures of $26.2 million $43.8 million during the first six nine months of fiscal 2024 increased $3.2 million $8.6 million compared with the same period in the prior year. The fiscal 2024 capital expenditures include investments supporting our strategic growth initiatives across several of our business units.

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 September 30, 2023 December 31, 2023, we were in compliance with our debt covenants. We expect to remain in compliance with our debt covenants during the remainder of fiscal 2024 and beyond.

Share Repurchase Program repurchase program

During the first six nine months of fiscal 2024, we repurchased $9.0 million $13.3 million of our common stock. As of September 30, 2023 December 31, 2023, we had $36.4 million $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.

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Forward-Looking Statements 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, 2023. Other risks and uncertainties include, but are not limited to, the following:

Market Risks: 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, 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; East and the recent attacks on shipping vessels 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 increased increases in labor costs and labor shortages;

- The impact of public health threats, such as COVID-19, 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.

Operational Risks: 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 price-reduction 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, including any lingering impacts associated with the recent now settled United Auto Workers union strikes;

- 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 or material breach of our information technology systems, and any related delays, problems or costs;

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

- Increasing emphasis by 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: 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;
- Our ability to accelerate growth by identifying and executing on organic growth opportunities and acquisitions, and to efficiently and successfully integrate acquired businesses; and
- The potential impacts from actions by activist shareholders, including disruption of our business and related costs.

Financial Risks: 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.

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

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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, 2023. The Company's market risks have not materially changed since the fiscal 2023 Form 10-K was filed.

Item 4. Controls and Procedures.

Evaluation Regarding Disclosure Controls regarding disclosure controls and Procedures procedures

As of the end of the period covered by this quarterly report on Form 10-Q, management of the Company, under the supervision, and with the participation, of the Company's President and Chief Executive Officer and Executive Vice President, Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures, at a reasonable assurance level, as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e). Based upon that evaluation, the President and Chief Executive Officer and Executive Vice President, Chief Financial Officer have concluded that the design and operation of the Company's disclosure controls and procedures were effective, at a reasonable assurance level, as of September 30, 2023 December 31, 2023.

Changes in Internal Control Over Financial Reporting internal control over financial reporting

There have been no changes in internal control over financial reporting during the second third quarter of fiscal 2024 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 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 second third quarter of fiscal 2024:

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, 2023	———	———	———	$45,372,391
August 1 – August 31, 2023	1,222 (b)	$45.91	———	$45,372,391
September 1 – September 30, 2023	200,000 (c)	$45.01	200,000	$36,370,398
Total	201,222	$45.02	200,000	

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)
October 1 – October 31, 2023	56,558 (b)	$43.27	———	$36,370,398
November 1 – November 30, 2023	100,000 (c)	$43.07	100,000	$32,063,074
December 1 – December 31, 2023	9,683 (b)	$54.24	———	$32,063,074
Total	166,241	$43.79	100,000	

(a) Effective November 5, 2022, the 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 November 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.

(c) Includes shares acquired pursuant to the repurchase program described in (a) above.

Item 5. Other Information.

On August 17, 2023 During the three months ended December 31, 2023, Michael B. Lucareli, Executive Vice President and Chief Financial Officer of the Company, adopted a Stock Sale Plan (the "Plan") intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended. The Plan provides for the sale of up to 80,000 shares of Modine common stock during the period beginning on November 20, 2023 and ending on May 20, 2024, subject to a formula and other terms and conditions set forth in the Plan.

No other no director or "officer" 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, during the three months ended September 30, 2023. S-K.

Item 6. Exhibits.

(a) Exhibits:

Exhibit No.	Description	Incorporated Herein By Reference To	Filed Herewith
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
101.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
101.SCH	Inline XBRL Taxonomy Extension Schema.		X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.		X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.		X
10.1.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.		X
10.1.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.		X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).		X

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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: January 31, 2024

By: /s/ Michael B. Lucareli
Michael B. Lucareli, Executive Vice President, Chief Financial Officer*

Date: November 2, 2023

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

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 September 30, 2023 December 31, 2023;

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 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 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 internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 internal control over financial reporting; and

5. The 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 auditors and the audit committee of the 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 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 internal control over financial reporting.

Date: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023;

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 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 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 internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 internal control over financial reporting; and

5. The 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 auditors and the audit committee of the 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 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 internal control over financial reporting.

Date: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023 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: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023 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: November 2, 2023 January 31, 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.

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s % of sales

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Comparison of Three Months three months ended September 30, 2023 December 31, 2023 and 2022

Second Third quarter net sales of $620.5 million $561.4 million were $41.7 million, or 7 percent, $1.4 million higher than the second third quarter of the prior year, primarily due to favorable commercial pricing and a $14.7 million $10.0 million favorable impact of foreign currency exchange rates. These increases were partially offset by lower sales volume, including lower sales from three automotive businesses in the Performance Technologies segment, which we sold on October 31, 2023.

Third quarter cost of sales decreased $28.3 million, or 6 percent, primarily due to lower sales volume, improved operating efficiencies, and lower raw material prices, which decreased approximately $5.0 million. These decreases were partially offset by a $7.6 million unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs. As a percentage of sales, cost of sales decreased 530 basis points to 77.3 percent, primarily due to favorable sales mix, commercial pricing and improved operating efficiencies.

As a result of higher sales and lower cost of sales as a percentage of sales, third quarter gross profit increased $29.7 million and gross margin improved 530 basis points to 22.7 percent.

Third quarter SG&A expenses increased $10.0 million, or 17 percent. As a percentage of sales, SG&A expenses increased by 180 basis points. The increase in SG&A expenses was primarily due to higher compensation-related expenses, which increased approximately $7.0 million, and included higher incentive compensation expenses driven by improved financial results, as compared with the prior year. In addition, environmental charges related to a previously-closed manufacturing facility in the U.S. increased $0.9 million.

Restructuring expenses increased $1.5 million compared with the third quarter of fiscal 2023, primarily due to higher equipment transfer costs and severance expenses in the Climate Solutions segment.

We sold three automotive businesses based in Germany on October 31, 2023. As a result of the sale, we recorded a $4.0 million gain on sale at Corporate during the third quarter of fiscal 2024.

Operating income of $61.7 million in the third quarter of fiscal 2024 increased $22.2 million compared with the third quarter of fiscal 2023, primarily due to higher gross profit in our operating segments and the gain on sale of the Germany automotive businesses, partially offset by higher SG&A expenses.

Interest expense during the third quarter of fiscal 2024 decreased $0.1 million compared with the third quarter of fiscal 2023. Unfavorable changes in interest rates during fiscal 2024, which resulted in higher interest costs, were offset by the absence of $0.7 million of costs recorded as interest expense during the third quarter of fiscal 2023 related to a credit agreement amendment.

The provision for income taxes was $10.3 million and $8.5 million in the third quarter of fiscal 2024 and 2023, respectively. The $1.8 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year, partially offset by a $3.1 million tax benefit related to the sale of the Germany automotive businesses during the third quarter of fiscal 2024.

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Comparison of nine months ended December 31, 2023 and 2022

Fiscal 2024 year-to-date net sales of $1,804.3 million were $124.5 million, or 7 percent, higher than the same period last year, primarily due to favorable commercial pricing, higher sales volume and a $25.1 million favorable impact of foreign currency exchange rates. Sales in the Performance Technologies and Climate Solutions segments increased $21.7 million $81.5 million and $19.9 million $41.2 million, respectively.

Second quarter Fiscal 2024 year-to-date cost of sales of $1,414.0 million increased $2.8 million $11.4 million, or 1 percent, primarily due to an $11.7 million higher sales volume, a $19.8 million unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs and warranty expenses. costs. These increases were partially offset by lower raw material prices, which decreased approximately $11.0 million, $33.0 million and, to a lesser extent, improved operating efficiencies. As a percentage of sales, cost of sales decreased 520 510 basis points to 78.2 78.4 percent, primarily due to the favorable impact of higher sales.

As a result of higher sales and lower cost of sales as a percentage of sales, second quarter gross profit increased $38.9 million $113.1 million and gross margin improved 520 510 basis points to 21.8 21.6 percent.

Second quarter Fiscal 2024 year-to-date SG&A expenses increased $10.1 million $25.2 million, or 17 15 percent. As a percentage of sales, SG&A expenses increased by 100 70 basis points. The increase in SG&A expenses included was primarily driven by higher compensation-related expenses, which increased approximately $3.0 million $14.0 million, and increases across other general and administrative expenses, such as higher product development costs, professional service fees, and employee travel expenses. The compensation-related expenses included higher incentive compensation expenses driven by improved financial results, as compared with the prior year. In addition, environmental charges related to a previously-closed manufacturing facility in the U.S. increased $0.7 million.

Restructuring expenses during the first nine months of fiscal 2024 decreased $0.1 million compared with the second quarter of fiscal 2023, same period last year, primarily due to lower equipment transfer costs severance expenses in the Performance Technologies segment, partially offset by higher severance and equipment transfer expenses in the Climate Solutions segment.

25 We sold three automotive businesses based in Germany on October 31, 2023. As a result of the sale, we recorded a $4.0 million gain on sale at Corporate during the third quarter of fiscal 2024.

Operating income of $65.7 million in $193.9 million during the second quarter first nine months of fiscal 2024 increased $28.9 million $92.0 million compared with the second quarter of fiscal 2023, same period last year, primarily due to higher gross profit in our operating segments and the gain on sale of the Germany automotive businesses, partially offset by higher SG&A expenses.

Interest expense during the second quarter first nine months of fiscal 2024 increased $1.4 million $3.1 million compared with the second quarter of fiscal 2023, same period last year, primarily due to unfavorable changes in interest rates. rates, partially offset by the absence of $0.7 million of costs recorded in the prior year related to a credit agreement amendment.

The provision for income taxes was $12.8 million $37.8 million and $6.4 million in $19.8 million during the second quarter first nine months of fiscal 2024 and 2023, respectively. The $6.4 million $18.0 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year.

Comparison of Six Months ended September 30, 2023 and 2022

Fiscal 2024 year-to-date net sales of $1,242.9 million were $123.1 million, or 11 percent, higher than the same period last year, primarily due to higher sales volume, favorable commercial pricing and a $15.1 million favorable impact of foreign currency exchange rates. Sales in the Performance Technologies and Climate Solutions segments increased $76.3 million and $47.3 million, respectively.

Fiscal 2024 year-to-date cost of sales of $979.9 million increased $39.7 million, or 4 percent, primarily due to higher sales volume, a $12.1 unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs and warranty expenses. These increases were partially offset by lower raw material prices, which decreased approximately $28.0 million and, to a lesser extent, improved operating efficiencies. As a percentage of sales, cost of sales decreased 520 basis points to 78.8 percent, primarily due $3.1 million tax benefit related to the favorable impact sale of higher sales.

As a result of higher sales and lower cost of sales as a percentage of sales, gross profit increased $83.4 million and gross margin improved 520 basis points to 21.2 percent.

Fiscal 2024 year-to-date SG&A expenses increased $15.2 million, or 13 percent. As a percentage of sales, SG&A expenses increased by 20 basis points. The increase in SG&A expenses was primarily driven by higher compensation-related expenses, which increased approximately $7.0 million, and increases across other general and administrative expenses. The compensation-related expenses included higher incentive compensation expenses driven by improved financial results, as compared with the prior year.

Restructuring expenses Germany automotive businesses during the first six months third quarter of fiscal 2024 decreased $1.6 million compared with the same period last year, primarily due to lower severance expenses in the Performance Technologies segment.

Operating income of $132.2 million during the first six months of fiscal 2024 increased $69.8 million compared with the same period last year, primarily due to higher gross profit in our operating segments, partially offset by higher SG&A expenses.

Interest expense during the first six months of fiscal 2024 increased $3.2 million compared with the same period last year, primarily due to unfavorable changes in interest rates.

The provision for income taxes was $27.5 million and $11.3 million during the first six months of fiscal 2024 and 2023, respectively. The $16.2 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year. 2024.

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SEGMENT RESULTS OF OPERATIONS

The following is a discussion of our segment results of operations for the three and six nine months ended September 30, 2023 December 31, 2023 and 2022:

Climate Solutions

	Three months ended September 30,				Six months ended September 30,			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 275.8	100.0 %	$ 255.9	100.0 %	$ 547.6	100.0 %	$ 500.3	100.0 %
Cost of sales	204.0	74.0 %	198.6	77.6 %	406.8	74.3 %	392.6	78.5 %
Gross profit	71.8	26.0 %	57.3	22.4 %	140.8	25.7 %	107.7	21.5 %
Selling, general and administrative expenses	26.9	9.7 %	24.3	9.5 %	51.6	9.4 %	47.7	9.5 %
Restructuring expenses	0.3	0.1 %	0.3	0.1 %	0.3	0.1 %	0.3	0.1 %
Operating income	$ 44.6	16.2 %	$ 32.7	12.8 %	$ 88.9	16.2 %	$ 59.7	11.9 %

Climate Solutions

	Three months ended December 31, 2023				Nine months ended December 31, 2023			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 242.5	100.0 %	$ 248.6	100.0 %	$ 790.1	100.0 %	$ 748.9	100.0 %
Cost of sales	176.4	72.7 %	193.8	78.0 %	583.2	73.8 %	586.4	78.3 %
Gross profit	66.1	27.3 %	54.8	22.0 %	206.9	26.2 %	162.5	21.7 %
Selling, general and administrative expenses	25.9	10.7 %	24.6	9.9 %	77.5	9.8 %	72.3	9.7 %
Restructuring expenses	1.4	0.6 %	-	-	1.7	0.2 %	0.3	-
Operating income	$ 38.8	16.0 %	$ 30.2	12.2 %	$ 127.7	16.2 %	$ 89.9	12.0 %

Comparison of Three Months three months ended September 30, 2023 December 31, 2023 and 2022

Climate Solutions net sales increased $19.9 million decreased $6.1 million, or 8 2 percent, from the second third quarter of fiscal 2023 to the second third quarter of fiscal 2024, primarily due to higher lower sales volume, and partially offset by a $6.6 million $4.4 million favorable impact of foreign currency exchange rates. Compared with the second third quarter of the prior year, sales of data center cooling products increased $42.5 million $15.4 million, with higher sales to both hyperscale and colocation customers, and sales of HVAC & refrigeration products increased $2.2 million. Sales of heat transfer and HVAC & refrigeration products decreased $20.5 million $23.7 million, largely due to market weakness and $2.0 million, respectively. lower customer demand compared with the prior year and the strategic exit from lower-margin business in connection with 80/20 product rationalization initiatives.

Climate Solutions cost of sales increased $5.4 million decreased $17.4 million, or 3 9 percent, from the second third quarter of fiscal 2023 to the second third quarter of fiscal 2024, primarily due to higher lower sales volume and improved operating efficiencies. In addition, raw material prices decreased approximately $2.0 million. These decreases were partially offset by a $5.0 million $3.1 million unfavorable impact of foreign currency exchange rates and, to a lesser extent higher warranty expenses, which increased approximately $3.0 million, and higher labor and inflationary costs. These increases were partially offset by improved operating efficiencies and lower raw material prices, which decreased approximately $4.0 million. As a percentage of sales, cost of sales decreased 360 530 basis points to 74.0 72.7 percent, primarily due to favorable sales mix and improved operating efficiencies.

As a result of the lower sales and lower cost of sales as a percentage of sales, gross profit increased $11.3 million and gross margin improved 530 basis points to 27.3 percent.

SG&A expenses increased $1.3 million compared with the third quarter of the prior year. As a percentage of sales, SG&A expenses increased by 80 basis points. The increase in SG&A expenses was primarily driven by higher compensation-related expenses.

Restructuring expenses totaled $1.4 million during the third quarter of fiscal 2024 and consist of equipment transfer costs and severance expenses related to targeted headcount reductions in Europe and Asia.

Operating income of $38.8 million increased $8.6 million from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher restructuring and SG&A expenses.

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Comparison of nine months ended December 31, 2023 and 2022

Climate Solutions year-to-date net sales increased $41.2 million, or 6 percent, from the same period last year, primarily due to higher sales volume and an $11.8 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of data center cooling products increased $95.6 million, primarily due to higher sales to both hyperscale and colocation customers. Sales of heat transfer and HVAC & refrigeration products decreased $53.0 million and $1.1 million, respectively. The decrease in sales of heat transfer products was largely due to market weakness and lower customer demand compared with the prior year and the impact of the strategic exit from lower-margin business.

Climate Solutions year-to-date cost of sales decreased $3.2 million, or 1 percent, from the same period last year, primarily due to lower raw material prices, which decreased approximately $16.0 million, and improved operating efficiencies. These decreases were partially offset by increases resulting from higher sales volume, an $8.6 million unfavorable impact of foreign currency exchanges rates, and higher labor and inflationary costs and warranty expenses. As a percentage of sales, cost of sales decreased 450 basis points to 73.8 percent, primarily due to the favorable impact of higher sales and improved operating efficiencies.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $14.5 million $44.4 million and gross margin improved 360 450 basis points to 26.0 26.2 percent.

Climate Solutions year-to-date SG&A expenses increased $2.6 million compared with the second quarter of the prior year. $5.2 million. As a percentage of sales, SG&A expenses increased by 20 10 basis points. The increase in SG&A expenses includes higher compensation-related expenses and increases across other general and administrative expenses.

Restructuring expenses totaled $0.3 million during both increased $1.4 million compared with the second quarter first nine months of fiscal 2024 and 2023. The fiscal 2024 expenses consist of equipment transfer and severance expenses. The fiscal 2023 expenses primarily relate to closure costs associated with a previously-leased facility.

Operating income of $44.6 million increased $11.9 million from $127.7 million during the second quarter of fiscal 2023 to the second quarter first nine months of fiscal 2024 primarily due to higher gross profit.

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Comparison of Six Months ended September 30, 2023 and 2022

Climate Solutions year-to-date net sales increased $47.3 million, or 9 percent, $37.8 million from the same period last year, primarily due to higher gross profit, partially offset by higher SG&A and restructuring expenses.

Performance Technologies

	Three months ended December 31, 2023				Nine months ended December 31, 2023			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 323.0	100.0 %	$ 317.8	100.0 %	$ 1,033.6	100.0 %	$ 952.1	100.0 %
Cost of sales	262.0	81.1 %	274.8	86.5 %	851.2	82.4 %	836.9	87.9 %
Gross profit	61.0	18.9 %	43.0	13.5 %	182.4	17.6 %	115.2	12.1 %
Selling, general and administrative expenses	29.6	9.2 %	25.5	8.0 %	85.2	8.2 %	72.2	7.6 %
Restructuring expenses	0.2	-	0.1	-	0.4	-	1.9	0.2 %
Operating income	$ 31.2	9.7 %	$ 17.4	5.5 %	$ 96.8	9.4 %	$ 41.1	4.3 %

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Comparison of three months ended December 31, 2023 and 2022

Performance Technologies net sales volume increased $5.2 million, or 2 percent, from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to favorable commercial pricing and a $7.4 million $5.6 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of data center cooling products increased $80.2 million. Sales of heat transfer and HVAC & refrigeration products decreased $29.3 million and $3.3 million, respectively.

Climate Solutions year-to-date cost of sales increased $14.2 million, or 4 percent, from the same period last year, primarily due to higher sales volume, a $5.5 million unfavorable impact of foreign currency exchanges rates, and higher warranty expenses and labor and inflationary costs. These increases were partially offset by lower sales volume, including $10.2 million of lower sales from the three Germany automotive businesses that we sold on October 31, 2023. Compared with the third quarter of the prior year, sales of advanced solutions, and air-cooled products increased $9.6 million and $3.1 million, respectively. Sales of liquid-cooled products decreased $5.2 million.

Performance Technologies cost of sales decreased $12.8 million, or 5 percent, from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to lower sales volume and, to a lesser extent, lower raw material prices, which decreased approximately $14.0 million $3.0 million. These decreases were partially offset by a $4.6 million unfavorable impact of foreign currency exchange rates and improved operating efficiencies. higher labor and inflationary costs. As a percentage of sales, cost of sales decreased 420 540 basis points to 74.3 81.1 percent, primarily due to the favorable impact of commercial pricing, partially offset by higher sales labor and improved operating efficiencies. inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $33.1 million $18.0 million and gross margin improved 420 540 basis points to 25.7 18.9 percent.

Climate Solutions year-to-date SG&A expenses increased $3.9 million $4.1 million, yet decreased 10 basis points as or 16 percent, compared with the third quarter of the prior year. As a percentage of sales. sales, SG&A expenses increased by 120 basis points. The increase in SG&A expenses includes was primarily due to higher compensation-related expenses, which increased approximately $3.0 million, and increases across other general and administrative expenses.

Restructuring expenses totaled $0.3 million during both the first six months of fiscal 2024 and 2023. The fiscal 2024 expenses consist of equipment transfer and severance expenses. The fiscal 2023 expenses primarily relate to closure costs associated with a previously-leased facility. higher product development costs.

Operating income of $88.9 million during $31.2 million increased $13.8 million from the first six months third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Comparison of nine months ended December 31, 2023 and 2022

Performance Technologies year-to-date net sales increased $29.2 million $81.5 million, or 9 percent, from the same period last year, primarily due to favorable commercial pricing, a $13.4 million favorable impact of foreign currency exchange rates, and, to a lesser extent, higher sales volume. Compared with the same period in the prior year, sales of advanced solutions, air-cooled and liquid-cooled products increased $30.2 million, $26.8 million, and $26.0 million, respectively.

Performance Technologies year-to-date cost of sales increased $14.3 million, or 2 percent, from the same period last year, primarily due to higher gross profit.

Performance Technologies

	Three months ended September 30,				Six months ended September 30,			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 351.7	100.0 %	$ 330.0	100.0 %	$ 710.6	100.0 %	$ 634.3	100.0 %
Cost of sales	288.9	82.2 %	290.8	88.1 %	589.2	82.9 %	562.1	88.6 %
Gross profit	62.8	17.8 %	39.2	11.9 %	121.4	17.1 %	72.2	11.4 %
Selling, general and administrative expenses	29.0	8.2 %	22.6	6.9 %	55.6	7.8 %	46.7	7.4 %
Restructuring expenses	0.2	-	0.3	0.1 %	0.2	-	1.8	0.3 %
Operating income	$ 33.6	9.6 %	$ 16.3	4.9 %	$ 65.6	9.2 %	$ 23.7	3.7 %

Comparison of Three Months ended September 30, 2023 labor and 2022

Performance Technologies net sales increased $21.7 million, or 7 percent, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to favorable commercial pricing and inflationary costs, an $8.0 million favorable impact of foreign currency exchange rates. These increases were partially offset by lower sales volume. Compared with the second quarter of the prior year, sales of advanced solutions, liquid-cooled and air-cooled products increased $10.3 million, $7.4 million, and $4.0 million, respectively.

Performance Technologies cost of sales decreased $1.9 million, or 1 percent, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to lower raw material prices, which decreased approximately $8.0 million and lower sales volume. These decreases were partially offset by a $6.7 million $11.2 million unfavorable impact of foreign currency exchange rates, and higher labor and inflationary costs. sales volume. These increases were partially offset by lower raw material prices, which decreased approximately $17.0 million. As a percentage of sales, cost of sales decreased 590 550 basis points to 82.2 82.4 percent, primarily due to the favorable impact of higher sales, partially offset by higher labor and inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $23.6 million $67.2 million and gross margin improved 590 550 basis points to 17.8 percent.

SG&A expenses increased $6.4 million, or 28 percent, compared with the second quarter of the prior year. As a percentage of sales, 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 $3.0 million, higher product development costs and increases across other general and administrative expenses.

Restructuring expenses decreased $0.1 million compared with the second quarter of fiscal 2023, primarily due to lower equipment transfer costs.

Operating income of $33.6 million increased $17.3 million from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Comparison of Six Months ended September 30, 2023 and 2022

Performance Technologies year-to-date net sales increased $76.3 million, or 12 percent, from the same period last year, primarily due to favorable commercial pricing, higher sales volume, and a $7.8 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of liquid-cooled, air-cooled, and advanced solutions products increased $31.2 million, $23.7 million, and $20.6 million, respectively.

Performance Technologies year-to-date cost of sales increased $27.1 million, or 5 percent, from the same period last year, primarily due to higher sales volume, higher labor and inflationary costs and a $6.7 million unfavorable impact of foreign currency exchange rates. These increases were partially offset by lower raw material prices, which decreased

approximately $14.0 million. As a percentage of sales, cost of sales decreased 570 basis points to 82.9 percent, primarily due to the favorable impact of higher sales, partially offset by higher labor and inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $49.2 million and gross margin improved 570 basis points to 17.1 17.6 percent.

Performance Technologies year-to-date SG&A expenses increased $8.9 million $13.0 million, or 19 18 percent, compared with the same period last year. As a percentage of sales, year-to-date SG&A expenses increased by 40 60 basis points. The increase in SG&A expenses was primarily due to higher compensation-related expenses, which increased approximately $7.0 million, and increases across other general and administrative expenses.

Restructuring expenses during the first six nine months of fiscal 2024 decreased $1.6 million $1.5 million compared with the same period last year, primarily due to lower severance expenses.

Operating income of $65.6 million $96.8 million during the first six nine months of fiscal 2024 increased $41.9 million $55.7 million from the same period last year, primarily due to higher gross profit, partially offset by higher SG&A expenses.

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Liquidity and Capital Resources

Our primary sources of liquidity are cash flow from operating activities, our cash and cash equivalents as of September 30, 2023 December 31, 2023 of $120.2 million $149.7 million, and available borrowing capacity of $269.4 million under our revolving credit facility. Given our extensive international operations, approximately $71.0 million $103.0 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 cash provided by Operating Activities operating activities

Net cash provided by operating activities for the six nine months ended September 30, 2023 December 31, 2023 was $110.8 million $175.0 million, which represents a $54.7 million $107.1 million increase compared with the same period in the prior year. This increase in operating cash flow was primarily due to the favorable impact of higher earnings partially offset by unfavorable and, to a lesser extent, favorable net changes in working capital as compared with the same period in the prior year. The unfavorable favorable net changes in working capital include higher payments for incentive compensation, as compared an increase in customer deposits received in connection with the same period in the prior year. sales contracts with long inventory lead times.

Capital Expenditures expenditures

Capital expenditures of $26.2 million $43.8 million during the first six nine months of fiscal 2024 increased $3.2 million $8.6 million compared with the same period in the prior year. The fiscal 2024 capital expenditures include investments supporting our strategic growth initiatives across several of our business units.

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 September 30, 2023 December 31, 2023, we were in compliance with our debt covenants. We expect to remain in compliance with our debt covenants during the remainder of fiscal 2024 and beyond.

Share Repurchase Program repurchase program

During the first six nine months of fiscal 2024, we repurchased $9.0 million $13.3 million of our common stock. As of September 30, 2023 December 31, 2023, we had $36.4 million $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.

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Forward-Looking Statements 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, 2023. Other risks and uncertainties include, but are not limited to, the following:

Market Risks: 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, 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; East and the recent attacks on shipping vessels 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 increased increases in labor costs and labor shortages;

- The impact of public health threats, such as COVID-19, 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: 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 price-reduction 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, including any lingering impacts associated with the recent now settled United Auto Workers union strikes;

- 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 or material breach of our information technology systems, and any related delays, problems or costs;

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

- Increasing emphasis by 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: 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;
- Our ability to accelerate growth by identifying and executing on organic growth opportunities and acquisitions, and to efficiently and successfully integrate acquired businesses; and
- The potential impacts from actions by activist shareholders, including disruption of our business and related costs.

Financial Risks: 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.

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

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, 2023. The Company's market risks have not materially changed since the fiscal 2023 Form 10-K was filed.

Item 4. Controls and Procedures.

Evaluation Regarding Disclosure Controls regarding disclosure controls and Procedures procedures

As of the end of the period covered by this quarterly report on Form 10-Q, management of the Company, under the supervision, and with the participation, of the Company's President and Chief Executive Officer and Executive Vice President, Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures, at a reasonable assurance level, as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e). Based upon that evaluation, the President and Chief Executive Officer and Executive Vice President, Chief Financial Officer have concluded that the design and operation of the Company's disclosure controls and procedures were effective, at a reasonable assurance level, as of September 30, 2023 December 31, 2023.

Changes in Internal Control Over Financial Reporting internal control over financial reporting

There have been no changes in internal control over financial reporting during the second third quarter of fiscal 2024 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 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 second third quarter of fiscal 2024:

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, 2023	———	———	———	$45,372,391
August 1 – August 31, 2023	1,222 (b)	$45.91	———	$45,372,391
September 1 – September 30, 2023	200,000 (c)	$45.01	200,000	$36,370,398
Total	201,222	$45.02	200,000	

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)
October 1 – October 31, 2023	56,558 (b)	$43.27	———	$36,370,398
November 1 – November 30, 2023	100,000 (c)	$43.07	100,000	$32,063,074
December 1 – December 31, 2023	9,683 (b)	$54.24	———	$32,063,074
Total	166,241	$43.79	100,000	

(a) Effective November 5, 2022, the 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 November 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.

(c) Includes shares acquired pursuant to the repurchase program described in (a) above.

Item 5. Other Information.

On August 17, 2023 During the three months ended December 31, 2023, Michael B. Lucareli, Executive Vice President and Chief Financial Officer of the Company, adopted a Stock Sale Plan (the "Plan") intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended. The Plan provides for the sale of up to 80,000 shares of Modine common stock during the period beginning on November 20, 2023 and ending on May 20, 2024, subject to a formula and other terms and conditions set forth in the Plan.

No other no director or “officer” 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, during the three months ended September 30, 2023. S-K.

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Item 6. Exhibits.

(a) Exhibits:

Exhibit No.	Description	Incorporated Herein By Reference To	Filed Herewith
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
101.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
101.SCH	Inline XBRL Taxonomy Extension Schema.		X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.		X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.		X
10.1.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.		X
10.1.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.		X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).		X

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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: January 31, 2024

By: /s/ Michael B. Lucareli
Michael B. Lucareli, Executive Vice President, Chief Financial Officer*

Date: November 2, 2023

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

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 September 30, 2023 December 31, 2023;

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 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 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 internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 internal control over financial reporting; and

5. The 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 auditors and the audit committee of the 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 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 internal control over financial reporting.

Date: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023;

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 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 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 internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 internal control over financial reporting; and

5. The 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 auditors and the audit committee of the 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 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 internal control over financial reporting.

Date: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023 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: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023 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: November 2, 2023 January 31, 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.

s % of sales

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Comparison of Three Months three months ended September 30, 2023 December 31, 2023 and 2022

Second Third quarter net sales of $620.5 million $561.4 million were $41.7 million, or 7 percent, $1.4 million higher than the second third quarter of the prior year, primarily due to favorable commercial pricing and a $14.7 million $10.0 million favorable impact of foreign currency exchange rates. These increases were partially offset by lower sales volume, including lower sales from three automotive businesses in the Performance Technologies segment, which we sold on October 31, 2023.

Third quarter cost of sales decreased $28.3 million, or 6 percent, primarily due to lower sales volume, improved operating efficiencies, and lower raw material prices, which decreased approximately $5.0 million. These decreases were partially offset by a $7.6 million unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs. As a percentage of sales, cost of sales decreased 530 basis points to 77.3 percent, primarily due to favorable sales mix, commercial pricing and improved operating efficiencies.

As a result of higher sales and lower cost of sales as a percentage of sales, third quarter gross profit increased $29.7 million and gross margin improved 530 basis points to 22.7 percent.

Third quarter SG&A expenses increased $10.0 million, or 17 percent. As a percentage of sales, SG&A expenses increased by 180 basis points. The increase in SG&A expenses was primarily due to higher compensation-related expenses, which increased approximately $7.0 million, and included higher incentive compensation expenses driven by improved financial results, as compared with the prior year. In addition, environmental charges related to a previously-closed manufacturing facility in the U.S. increased $0.9 million.

Restructuring expenses increased $1.5 million compared with the third quarter of fiscal 2023, primarily due to higher equipment transfer costs and severance expenses in the Climate Solutions segment.

We sold three automotive businesses based in Germany on October 31, 2023. As a result of the sale, we recorded a $4.0 million gain on sale at Corporate during the third quarter of fiscal 2024.

Operating income of $61.7 million in the third quarter of fiscal 2024 increased $22.2 million compared with the third quarter of fiscal 2023, primarily due to higher gross profit in our operating segments and the gain on sale of the Germany automotive businesses, partially offset by higher SG&A expenses.

Interest expense during the third quarter of fiscal 2024 decreased $0.1 million compared with the third quarter of fiscal 2023. Unfavorable changes in interest rates during fiscal 2024, which resulted in higher interest costs, were offset by the absence of $0.7 million of costs recorded as interest expense during the third quarter of fiscal 2023 related to a credit agreement amendment.

The provision for income taxes was $10.3 million and $8.5 million in the third quarter of fiscal 2024 and 2023, respectively. The $1.8 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year, partially offset by a $3.1 million tax benefit related to the sale of the Germany automotive businesses during the third quarter of fiscal 2024.

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Comparison of nine months ended December 31, 2023 and 2022

Fiscal 2024 year-to-date net sales of $1,804.3 million were $124.5 million, or 7 percent, higher than the same period last year, primarily due to favorable commercial pricing, higher sales volume and a $25.1 million favorable impact of foreign currency exchange rates. Sales in the Performance Technologies and Climate Solutions segments increased $21.7 million $81.5 million and $19.9 million $41.2 million, respectively.

Second quarter Fiscal 2024 year-to-date cost of sales of $1,414.0 million increased $2.8 million $11.4 million, or 1 percent, primarily due to an $11.7 million higher sales volume, a $19.8 million unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs and warranty expenses. costs. These increases were partially offset by lower raw material prices, which decreased approximately $11.0 million, $33.0 million and, to a lesser extent, improved operating efficiencies. As a percentage of sales, cost of sales decreased 520 510 basis points to 78.2 78.4 percent, primarily due to the favorable impact of higher sales.

As a result of higher sales and lower cost of sales as a percentage of sales, second quarter gross profit increased $38.9 million $113.1 million and gross margin improved 520 510 basis points to 21.8 21.6 percent.

Second quarter Fiscal 2024 year-to-date SG&A expenses increased $10.1 million $25.2 million, or 17 15 percent. As a percentage of sales, SG&A expenses increased by 100 70 basis points. The increase in SG&A expenses included was primarily driven by higher compensation-related expenses, which increased approximately $3.0 million $14.0 million, and increases across other general and administrative expenses, such as higher product development costs, professional service fees, and employee travel expenses. The compensation-related expenses included higher incentive compensation expenses driven by improved financial results, as compared with the prior year. In addition, environmental charges related to a previously-closed manufacturing facility in the U.S. increased $0.7 million.

Restructuring expenses during the first nine months of fiscal 2024 decreased $0.1 million compared with the second quarter of fiscal 2023, same period last year, primarily due to lower equipment transfer costs severance expenses in the Performance Technologies segment, partially offset by higher severance and equipment transfer expenses in the Climate Solutions segment.

25 We sold three automotive businesses based in Germany on October 31, 2023. As a result of the sale, we recorded a $4.0 million gain on sale at Corporate during the third quarter of fiscal 2024.

Operating income of $65.7 million in $193.9 million during the second quarter first nine months of fiscal 2024 increased $28.9 million $92.0 million compared with the second quarter of fiscal 2023, same period last year, primarily due to higher gross profit in our operating segments and the gain on sale of the Germany automotive businesses, partially offset by higher SG&A expenses.

Interest expense during the second quarter first nine months of fiscal 2024 increased $1.4 million $3.1 million compared with the second quarter of fiscal 2023, same period last year, primarily due to unfavorable changes in interest rates. rates, partially offset by the absence of $0.7 million of costs recorded in the prior year related to a credit agreement amendment.

The provision for income taxes was $12.8 million $37.8 million and $6.4 million in $19.8 million during the second quarter first nine months of fiscal 2024 and 2023, respectively. The $6.4 million $18.0 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year.

Comparison of Six Months ended September 30, 2023 and 2022

Fiscal 2024 year-to-date net sales of $1,242.9 million were $123.1 million, or 11 percent, higher than the same period last year, primarily due to higher sales volume, favorable commercial pricing and a $15.1 million favorable impact of foreign currency exchange rates. Sales in the Performance Technologies and Climate Solutions segments increased $76.3 million and $47.3 million, respectively.

Fiscal 2024 year-to-date cost of sales of $979.9 million increased $39.7 million, or 4 percent, primarily due to higher sales volume, a $12.1 unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs and warranty expenses. These increases were partially offset by lower raw material prices, which decreased approximately $28.0 million and, to a lesser extent, improved operating efficiencies. As a percentage of sales, cost of sales decreased 520 basis points to 78.8 percent, primarily due $3.1 million tax benefit related to the favorable impact sale of higher sales.

As a result of higher sales and lower cost of sales as a percentage of sales, gross profit increased $83.4 million and gross margin improved 520 basis points to 21.2 percent.

Fiscal 2024 year-to-date SG&A expenses increased $15.2 million, or 13 percent. As a percentage of sales, SG&A expenses increased by 20 basis points. The increase in SG&A expenses was primarily driven by higher compensation-related expenses, which increased approximately $7.0 million, and increases across other general and administrative expenses. The compensation-related expenses included higher incentive compensation expenses driven by improved financial results, as compared with the prior year.

Restructuring expenses Germany automotive businesses during the first six months third quarter of fiscal 2024 decreased $1.6 million compared with the same period last year, primarily due to lower severance expenses in the Performance Technologies segment.

Operating income of $132.2 million during the first six months of fiscal 2024 increased $69.8 million compared with the same period last year, primarily due to higher gross profit in our operating segments, partially offset by higher SG&A expenses.

Interest expense during the first six months of fiscal 2024 increased $3.2 million compared with the same period last year, primarily due to unfavorable changes in interest rates.

The provision for income taxes was $27.5 million and $11.3 million during the first six months of fiscal 2024 and 2023, respectively. The $16.2 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year. 2024.

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SEGMENT RESULTS OF OPERATIONS

The following is a discussion of our segment results of operations for the three and six nine months ended September 30, 2023 December 31, 2023 and 2022:

Climate Solutions

	Three months ended September 30,				Six months ended September 30,			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 275.8	100.0 %	$ 255.9	100.0 %	$ 547.6	100.0 %	$ 500.3	100.0 %
Cost of sales	204.0	74.0 %	198.6	77.6 %	406.8	74.3 %	392.6	78.5 %
Gross profit	71.8	26.0 %	57.3	22.4 %	140.8	25.7 %	107.7	21.5 %
Selling, general and administrative expenses	26.9	9.7 %	24.3	9.5 %	51.6	9.4 %	47.7	9.5 %
Restructuring expenses	0.3	0.1 %	0.3	0.1 %	0.3	0.1 %	0.3	0.1 %
Operating income	$ 44.6	16.2 %	$ 32.7	12.8 %	$ 88.9	16.2 %	$ 59.7	11.9 %

Climate Solutions

	Three months ended December 31, 2023				Nine months ended December 31, 2023			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 242.5	100.0 %	$ 248.6	100.0 %	$ 790.1	100.0 %	$ 748.9	100.0 %
Cost of sales	176.4	72.7 %	193.8	78.0 %	583.2	73.8 %	586.4	78.3 %
Gross profit	66.1	27.3 %	54.8	22.0 %	206.9	26.2 %	162.5	21.7 %
Selling, general and administrative expenses	25.9	10.7 %	24.6	9.9 %	77.5	9.8 %	72.3	9.7 %
Restructuring expenses	1.4	0.6 %	-	-	1.7	0.2 %	0.3	-
Operating income	$ 38.8	16.0 %	$ 30.2	12.2 %	$ 127.7	16.2 %	$ 89.9	12.0 %

Comparison of Three Months three months ended September 30, 2023 December 31, 2023 and 2022

Climate Solutions net sales increased $19.9 million decreased $6.1 million, or 8 2 percent, from the second third quarter of fiscal 2023 to the second third quarter of fiscal 2024, primarily due to higher lower sales volume, and partially offset by a $6.6 million $4.4 million favorable impact of foreign currency exchange rates. Compared with the second third quarter of the prior year, sales of data center cooling products increased $42.5 million $15.4 million, with higher sales to both hyperscale and colocation customers, and sales of HVAC & refrigeration products increased $2.2 million. Sales of heat transfer and HVAC & refrigeration products decreased $20.5 million $23.7 million, largely due to market weakness and $2.0 million, respectively. lower customer demand compared with the prior year and the strategic exit from lower-margin business in connection with 80/20 product rationalization initiatives.

Climate Solutions cost of sales increased $5.4 million decreased $17.4 million, or 3 9 percent, from the second third quarter of fiscal 2023 to the second third quarter of fiscal 2024, primarily due to higher lower sales volume and improved operating efficiencies. In addition, raw material prices decreased approximately $2.0 million. These decreases were partially offset by a $5.0 million $3.1 million unfavorable impact of foreign currency exchange rates and, to a lesser extent higher warranty expenses, which increased approximately $3.0 million, and higher labor and inflationary costs. These increases were partially offset by improved operating efficiencies and lower raw material prices, which decreased approximately $4.0 million. As a percentage of sales, cost of sales decreased 360 530 basis points to 74.0 72.7 percent, primarily due to favorable sales mix and improved operating efficiencies.

As a result of the lower sales and lower cost of sales as a percentage of sales, gross profit increased $11.3 million and gross margin improved 530 basis points to 27.3 percent.

SG&A expenses increased $1.3 million compared with the third quarter of the prior year. As a percentage of sales, SG&A expenses increased by 80 basis points. The increase in SG&A expenses was primarily driven by higher compensation-related expenses.

Restructuring expenses totaled $1.4 million during the third quarter of fiscal 2024 and consist of equipment transfer costs and severance expenses related to targeted headcount reductions in Europe and Asia.

Operating income of $38.8 million increased $8.6 million from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher restructuring and SG&A expenses.

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Comparison of nine months ended December 31, 2023 and 2022

Climate Solutions year-to-date net sales increased $41.2 million, or 6 percent, from the same period last year, primarily due to higher sales volume and an $11.8 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of data center cooling products increased $95.6 million, primarily due to higher sales to both hyperscale and colocation customers. Sales of heat transfer and HVAC & refrigeration products decreased $53.0 million and $1.1 million, respectively. The decrease in sales of heat transfer products was largely due to market weakness and lower customer demand compared with the prior year and the impact of the strategic exit from lower-margin business.

Climate Solutions year-to-date cost of sales decreased $3.2 million, or 1 percent, from the same period last year, primarily due to lower raw material prices, which decreased approximately $16.0 million, and improved operating efficiencies. These decreases were partially offset by increases resulting from higher sales volume, an $8.6 million unfavorable impact of foreign currency exchanges rates, and higher labor and inflationary costs and warranty expenses. As a percentage of sales, cost of sales decreased 450 basis points to 73.8 percent, primarily due to the favorable impact of higher sales and improved operating efficiencies.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $14.5 million $44.4 million and gross margin improved 360 450 basis points to 26.0 26.2 percent.

Climate Solutions year-to-date SG&A expenses increased $2.6 million compared with the second quarter of the prior year. $5.2 million. As a percentage of sales, SG&A expenses increased by 20 10 basis points. The increase in SG&A expenses includes higher compensation-related expenses and increases across other general and administrative expenses.

Restructuring expenses totaled $0.3 million during both increased $1.4 million compared with the second quarter first nine months of fiscal 2024 and 2023. The fiscal 2024 expenses consist of equipment transfer and severance expenses. The fiscal 2023 expenses primarily relate to closure costs associated with a previously-leased facility.

Operating income of $44.6 million increased $11.9 million from $127.7 million during the second quarter of fiscal 2023 to the second quarter first nine months of fiscal 2024 primarily due to higher gross profit.

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Comparison of Six Months ended September 30, 2023 and 2022

Climate Solutions year-to-date net sales increased $47.3 million, or 9 percent, $37.8 million from the same period last year, primarily due to higher gross profit, partially offset by higher SG&A and restructuring expenses.

Performance Technologies

	Three months ended December 31, 2023				Nine months ended December 31, 2023			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 323.0	100.0 %	$ 317.8	100.0 %	$ 1,033.6	100.0 %	$ 952.1	100.0 %
Cost of sales	262.0	81.1 %	274.8	86.5 %	851.2	82.4 %	836.9	87.9 %
Gross profit	61.0	18.9 %	43.0	13.5 %	182.4	17.6 %	115.2	12.1 %
Selling, general and administrative expenses	29.6	9.2 %	25.5	8.0 %	85.2	8.2 %	72.2	7.6 %
Restructuring expenses	0.2	-	0.1	-	0.4	-	1.9	0.2 %
Operating income	$ 31.2	9.7 %	$ 17.4	5.5 %	$ 96.8	9.4 %	$ 41.1	4.3 %

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Comparison of three months ended December 31, 2023 and 2022

Performance Technologies net sales volume increased $5.2 million, or 2 percent, from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to favorable commercial pricing and a $7.4 million $5.6 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of data center cooling products increased $80.2 million. Sales of heat transfer and HVAC & refrigeration products decreased $29.3 million and $3.3 million, respectively.

Climate Solutions year-to-date cost of sales increased $14.2 million, or 4 percent, from the same period last year, primarily due to higher sales volume, a $5.5 million unfavorable impact of foreign currency exchanges rates, and higher warranty expenses and labor and inflationary costs. These increases were partially offset by lower sales volume, including $10.2 million of lower sales from the three Germany automotive businesses that we sold on October 31, 2023. Compared with the third quarter of the prior year, sales of advanced solutions, and air-cooled products increased $9.6 million and $3.1 million, respectively. Sales of liquid-cooled products decreased $5.2 million.

Performance Technologies cost of sales decreased $12.8 million, or 5 percent, from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to lower sales volume and, to a lesser extent, lower raw material prices, which decreased approximately $14.0 million $3.0 million. These decreases were partially offset by a $4.6 million unfavorable impact of foreign currency exchange rates and improved operating efficiencies. higher labor and inflationary costs. As a percentage of sales, cost of sales decreased 420 540 basis points to 74.3 81.1 percent, primarily due to the favorable impact of commercial pricing, partially offset by higher sales labor and improved operating efficiencies. inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $33.1 million $18.0 million and gross margin improved 420 540 basis points to 25.7 18.9 percent.

Climate Solutions year-to-date SG&A expenses increased $3.9 million $4.1 million, yet decreased 10 basis points as or 16 percent, compared with the third quarter of the prior year. As a percentage of sales. sales, SG&A expenses increased by 120 basis points. The increase in SG&A expenses includes was primarily due to higher compensation-related expenses, which increased approximately $3.0 million, and increases across other general and administrative expenses.

Restructuring expenses totaled $0.3 million during both the first six months of fiscal 2024 and 2023. The fiscal 2024 expenses consist of equipment transfer and severance expenses. The fiscal 2023 expenses primarily relate to closure costs associated with a previously-leased facility. higher product development costs.

Operating income of $88.9 million during $31.2 million increased $13.8 million from the first six months third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Comparison of nine months ended December 31, 2023 and 2022

Performance Technologies year-to-date net sales increased $29.2 million $81.5 million, or 9 percent, from the same period last year, primarily due to favorable commercial pricing, a $13.4 million favorable impact of foreign currency exchange rates, and, to a lesser extent, higher sales volume. Compared with the same period in the prior year, sales of advanced solutions, air-cooled and liquid-cooled products increased $30.2 million, $26.8 million, and $26.0 million, respectively.

Performance Technologies year-to-date cost of sales increased $14.3 million, or 2 percent, from the same period last year, primarily due to higher gross profit.

Performance Technologies

	Three months ended September 30,				Six months ended September 30,			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 351.7	100.0 %	$ 330.0	100.0 %	$ 710.6	100.0 %	$ 634.3	100.0 %
Cost of sales	288.9	82.2 %	290.8	88.1 %	589.2	82.9 %	562.1	88.6 %
Gross profit	62.8	17.8 %	39.2	11.9 %	121.4	17.1 %	72.2	11.4 %
Selling, general and administrative expenses	29.0	8.2 %	22.6	6.9 %	55.6	7.8 %	46.7	7.4 %
Restructuring expenses	0.2	-	0.3	0.1 %	0.2	-	1.8	0.3 %
Operating income	$ 33.6	9.6 %	$ 16.3	4.9 %	$ 65.6	9.2 %	$ 23.7	3.7 %

Comparison of Three Months ended September 30, 2023 labor and 2022

Performance Technologies net sales increased $21.7 million, or 7 percent, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to favorable commercial pricing and inflationary costs, an $8.0 million favorable impact of foreign currency exchange rates. These increases were partially offset by lower sales volume. Compared with the second quarter of the prior year, sales of advanced solutions, liquid-cooled and air-cooled products increased $10.3 million, $7.4 million, and $4.0 million, respectively.

Performance Technologies cost of sales decreased $1.9 million, or 1 percent, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to lower raw material prices, which decreased approximately $8.0 million and lower sales volume. These decreases were partially offset by a $6.7 million $11.2 million unfavorable impact of foreign currency exchange rates, and higher labor and inflationary costs. sales volume. These increases were partially offset by lower raw material prices, which decreased approximately $17.0 million. As a percentage of sales, cost of sales decreased 590 550 basis points to 82.2 82.4 percent, primarily due to the favorable impact of higher sales, partially offset by higher labor and inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $23.6 million $67.2 million and gross margin improved 590 550 basis points to 17.8 percent.

SG&A expenses increased $6.4 million, or 28 percent, compared with the second quarter of the prior year. As a percentage of sales, 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 $3.0 million, higher product development costs and increases across other general and administrative expenses.

Restructuring expenses decreased $0.1 million compared with the second quarter of fiscal 2023, primarily due to lower equipment transfer costs.

Operating income of $33.6 million increased $17.3 million from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Comparison of Six Months ended September 30, 2023 and 2022

Performance Technologies year-to-date net sales increased $76.3 million, or 12 percent, from the same period last year, primarily due to favorable commercial pricing, higher sales volume, and a $7.8 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of liquid-cooled, air-cooled, and advanced solutions products increased $31.2 million, $23.7 million, and $20.6 million, respectively.

Performance Technologies year-to-date cost of sales increased $27.1 million, or 5 percent, from the same period last year, primarily due to higher sales volume, higher labor and inflationary costs and a $6.7 million unfavorable impact of foreign currency exchange rates. These increases were partially offset by lower raw material prices, which decreased

approximately $14.0 million. As a percentage of sales, cost of sales decreased 570 basis points to 82.9 percent, primarily due to the favorable impact of higher sales, partially offset by higher labor and inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $49.2 million and gross margin improved 570 basis points to 17.1 17.6 percent.

Performance Technologies year-to-date SG&A expenses increased $8.9 million $13.0 million, or 19 18 percent, compared with the same period last year. As a percentage of sales, year-to-date SG&A expenses increased by 40 60 basis points. The increase in SG&A expenses was primarily due to higher compensation-related expenses, which increased approximately $7.0 million, and increases across other general and administrative expenses.

Restructuring expenses during the first six nine months of fiscal 2024 decreased $1.6 million $1.5 million compared with the same period last year, primarily due to lower severance expenses.

Operating income of $65.6 million $96.8 million during the first six nine months of fiscal 2024 increased $41.9 million $55.7 million from the same period last year, primarily due to higher gross profit, partially offset by higher SG&A expenses.

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Liquidity and Capital Resources

Our primary sources of liquidity are cash flow from operating activities, our cash and cash equivalents as of September 30, 2023 December 31, 2023 of $120.2 million $149.7 million, and available borrowing capacity of $269.4 million under our revolving credit facility. Given our extensive international operations, approximately $71.0 million $103.0 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 cash provided by Operating Activities operating activities

Net cash provided by operating activities for the six nine months ended September 30, 2023 December 31, 2023 was $110.8 million $175.0 million, which represents a $54.7 million $107.1 million increase compared with the same period in the prior year. This increase in operating cash flow was primarily due to the favorable impact of higher earnings partially offset by unfavorable and, to a lesser extent, favorable net changes in working capital as compared with the same period in the prior year. The unfavorable favorable net changes in working capital include higher payments for incentive compensation, as compared an increase in customer deposits received in connection with the same period in the prior year. sales contracts with long inventory lead times.

Capital Expenditures expenditures

Capital expenditures of $26.2 million $43.8 million during the first six nine months of fiscal 2024 increased $3.2 million $8.6 million compared with the same period in the prior year. The fiscal 2024 capital expenditures include investments supporting our strategic growth initiatives across several of our business units.

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 September 30, 2023 December 31, 2023, we were in compliance with our debt covenants. We expect to remain in compliance with our debt covenants during the remainder of fiscal 2024 and beyond.

Share Repurchase Program repurchase program

During the first six nine months of fiscal 2024, we repurchased $9.0 million $13.3 million of our common stock. As of September 30, 2023 December 31, 2023, we had $36.4 million $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.

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Forward-Looking Statements 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, 2023. Other risks and uncertainties include, but are not limited to, the following:

Market Risks: 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, 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; East and the recent attacks on shipping vessels 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 increased increases in labor costs and labor shortages;

- The impact of public health threats, such as COVID-19, 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: 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 price-reduction 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, including any lingering impacts associated with the recent now settled United Auto Workers union strikes;

- 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 or material breach of our information technology systems, and any related delays, problems or costs;

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

- Increasing emphasis by 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: 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;

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

- The potential impacts from actions by activist shareholders, including disruption of our business and related costs.

Financial Risks: 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.

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

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, 2023. The Company's market risks have not materially changed since the fiscal 2023 Form 10-K was filed.

Item 4. Controls and Procedures.

Evaluation Regarding Disclosure Controls regarding disclosure controls and Procedures procedures

As of the end of the period covered by this quarterly report on Form 10-Q, management of the Company, under the supervision, and with the participation, of the Company's President and Chief Executive Officer and Executive Vice President, Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures, at a reasonable assurance level, as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e). Based upon that evaluation, the President and Chief Executive Officer and Executive Vice President, Chief Financial Officer have concluded that the design and operation of the Company's disclosure controls and procedures were effective, at a reasonable assurance level, as of September 30, 2023 December 31, 2023.

Changes in Internal Control Over Financial Reporting internal control over financial reporting

There have been no changes in internal control over financial reporting during the second third quarter of fiscal 2024 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 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 second third quarter of fiscal 2024:

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, 2023	———	———	———	$45,372,391
August 1 – August 31, 2023	1,222 (b)	$45.91	———	$45,372,391
September 1 – September 30, 2023	200,000 (c)	$45.01	200,000	$36,370,398
Total	201,222	$45.02	200,000	

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)
October 1 – October 31, 2023	56,558 (b)	$43.27	———	$36,370,398
November 1 – November 30, 2023	100,000 (c)	$43.07	100,000	$32,063,074
December 1 – December 31, 2023	9,683 (b)	$54.24	———	$32,063,074
Total	166,241	$43.79	100,000	

(a) Effective November 5, 2022, the 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 November 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.

(c) Includes shares acquired pursuant to the repurchase program described in (a) above.

Item 5. Other Information.

On August 17, 2023 During the three months ended December 31, 2023, Michael B. Lucareli, Executive Vice President and Chief Financial Officer of the Company, adopted a Stock Sale Plan (the "Plan") intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended. The Plan provides for the sale of up to 80,000 shares of Modine common stock during the period beginning on November 20, 2023 and ending on May 20, 2024, subject to a formula and other terms and conditions set forth in the Plan.

No other no director or “officer” 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, during the three months ended September 30, 2023. S-K.

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Item 6. Exhibits.

(a) Exhibits:

Exhibit No.	Description	Incorporated Herein By Reference To	Filed Herewith
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
101.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
101.SCH	Inline XBRL Taxonomy Extension Schema.		X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.		X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.		X
10.1.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.		X
10.1.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.		X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).		X

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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: January 31, 2024

By: /s/ Michael B. Lucareli
Michael B. Lucareli, Executive Vice President, Chief Financial Officer*

Date: November 2, 2023

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

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 September 30, 2023 December 31, 2023;

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 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 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 internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 internal control over financial reporting; and

5. The 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 auditors and the audit committee of the 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 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 internal control over financial reporting.

Date: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023;

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 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 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 internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 internal control over financial reporting; and

5. The 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 auditors and the audit committee of the 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 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 internal control over financial reporting.

Date: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023 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: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023 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: November 2, 2023 January 31, 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.

s % of sales

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Comparison of Three Months three months ended September 30, 2023 December 31, 2023 and 2022

Second Third quarter net sales of $620.5 million $561.4 million were $41.7 million, or 7 percent, $1.4 million higher than the second third quarter of the prior year, primarily due to favorable commercial pricing and a $14.7 million $10.0 million favorable impact of foreign currency exchange rates. These increases were partially offset by lower sales volume, including lower sales from three automotive businesses in the Performance Technologies segment, which we sold on October 31, 2023.

Third quarter cost of sales decreased $28.3 million, or 6 percent, primarily due to lower sales volume, improved operating efficiencies, and lower raw material prices, which decreased approximately $5.0 million. These decreases were partially offset by a $7.6 million unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs. As a percentage of sales, cost of sales decreased 530 basis points to 77.3 percent, primarily due to favorable sales mix, commercial pricing and improved operating efficiencies.

As a result of higher sales and lower cost of sales as a percentage of sales, third quarter gross profit increased $29.7 million and gross margin improved 530 basis points to 22.7 percent.

Third quarter SG&A expenses increased $10.0 million, or 17 percent. As a percentage of sales, SG&A expenses increased by 180 basis points. The increase in SG&A expenses was primarily due to higher compensation-related expenses, which increased approximately $7.0 million, and included higher incentive compensation expenses driven by improved financial results, as compared with the prior year. In addition, environmental charges related to a previously-closed manufacturing facility in the U.S. increased $0.9 million.

Restructuring expenses increased $1.5 million compared with the third quarter of fiscal 2023, primarily due to higher equipment transfer costs and severance expenses in the Climate Solutions segment.

We sold three automotive businesses based in Germany on October 31, 2023. As a result of the sale, we recorded a $4.0 million gain on sale at Corporate during the third quarter of fiscal 2024.

Operating income of $61.7 million in the third quarter of fiscal 2024 increased $22.2 million compared with the third quarter of fiscal 2023, primarily due to higher gross profit in our operating segments and the gain on sale of the Germany automotive businesses, partially offset by higher SG&A expenses.

Interest expense during the third quarter of fiscal 2024 decreased $0.1 million compared with the third quarter of fiscal 2023. Unfavorable changes in interest rates during fiscal 2024, which resulted in higher interest costs, were offset by the absence of $0.7 million of costs recorded as interest expense during the third quarter of fiscal 2023 related to a credit agreement amendment.

The provision for income taxes was $10.3 million and $8.5 million in the third quarter of fiscal 2024 and 2023, respectively. The $1.8 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year, partially offset by a $3.1 million tax benefit related to the sale of the Germany automotive businesses during the third quarter of fiscal 2024.

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Comparison of nine months ended December 31, 2023 and 2022

Fiscal 2024 year-to-date net sales of $1,804.3 million were $124.5 million, or 7 percent, higher than the same period last year, primarily due to favorable commercial pricing, higher sales volume and a $25.1 million favorable impact of foreign currency exchange rates. Sales in the Performance Technologies and Climate Solutions segments increased $21.7 million $81.5 million and $19.9 million $41.2 million, respectively.

Second quarter Fiscal 2024 year-to-date cost of sales of $1,414.0 million increased $2.8 million $11.4 million, or 1 percent, primarily due to an $11.7 million higher sales volume, a $19.8 million unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs and warranty expenses. costs. These increases were partially offset by lower raw material prices, which decreased approximately $11.0 million, $33.0 million and, to a lesser extent, improved operating efficiencies. As a percentage of sales, cost of sales decreased 520 510 basis points to 78.2 78.4 percent, primarily due to the favorable impact of higher sales.

As a result of higher sales and lower cost of sales as a percentage of sales, second quarter gross profit increased $38.9 million $113.1 million and gross margin improved 520 510 basis points to 21.8 21.6 percent.

Second quarter Fiscal 2024 year-to-date SG&A expenses increased $10.1 million $25.2 million, or 17 15 percent. As a percentage of sales, SG&A expenses increased by 100 70 basis points. The increase in SG&A expenses included was primarily driven by higher compensation-related expenses, which increased approximately $3.0 million $14.0 million, and increases across other general and administrative expenses, such as higher product development costs, professional service fees, and employee travel expenses. The compensation-related expenses included higher incentive compensation expenses driven by improved financial results, as compared with the prior year. In addition, environmental charges related to a previously-closed manufacturing facility in the U.S. increased $0.7 million.

Restructuring expenses during the first nine months of fiscal 2024 decreased $0.1 million compared with the second quarter of fiscal 2023, same period last year, primarily due to lower equipment transfer costs severance expenses in the Performance Technologies segment, partially offset by higher severance and equipment transfer expenses in the Climate Solutions segment.

25 We sold three automotive businesses based in Germany on October 31, 2023. As a result of the sale, we recorded a $4.0 million gain on sale at Corporate during the third quarter of fiscal 2024.

Operating income of $65.7 million in $193.9 million during the second quarter first nine months of fiscal 2024 increased $28.9 million $92.0 million compared with the second quarter of fiscal 2023, same period last year, primarily due to higher gross profit in our operating segments and the gain on sale of the Germany automotive businesses, partially offset by higher SG&A expenses.

Interest expense during the second quarter first nine months of fiscal 2024 increased $1.4 million $3.1 million compared with the second quarter of fiscal 2023, same period last year, primarily due to unfavorable changes in interest rates. rates, partially offset by the absence of $0.7 million of costs recorded in the prior year related to a credit agreement amendment.

The provision for income taxes was $12.8 million $37.8 million and $6.4 million in $19.8 million during the second quarter first nine months of fiscal 2024 and 2023, respectively. The $6.4 million $18.0 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year.

Comparison of Six Months ended September 30, 2023 and 2022

Fiscal 2024 year-to-date net sales of $1,242.9 million were $123.1 million, or 11 percent, higher than the same period last year, primarily due to higher sales volume, favorable commercial pricing and a $15.1 million favorable impact of foreign currency exchange rates. Sales in the Performance Technologies and Climate Solutions segments increased $76.3 million and $47.3 million, respectively.

Fiscal 2024 year-to-date cost of sales of $979.9 million increased $39.7 million, or 4 percent, primarily due to higher sales volume, a $12.1 unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs and warranty expenses. These increases were partially offset by lower raw material prices, which decreased approximately $28.0 million and, to a lesser extent, improved operating efficiencies. As a percentage of sales, cost of sales decreased 520 basis points to 78.8 percent, primarily due $3.1 million tax benefit related to the favorable impact sale of higher sales.

As a result of higher sales and lower cost of sales as a percentage of sales, gross profit increased $83.4 million and gross margin improved 520 basis points to 21.2 percent.

Fiscal 2024 year-to-date SG&A expenses increased $15.2 million, or 13 percent. As a percentage of sales, SG&A expenses increased by 20 basis points. The increase in SG&A expenses was primarily driven by higher compensation-related expenses, which increased approximately $7.0 million, and increases across other general and administrative expenses. The compensation-related expenses included higher incentive compensation expenses driven by improved financial results, as compared with the prior year.

Restructuring expenses Germany automotive businesses during the first six months third quarter of fiscal 2024 decreased $1.6 million compared with the same period last year, primarily due to lower severance expenses in the Performance Technologies segment.

Operating income of $132.2 million during the first six months of fiscal 2024 increased $69.8 million compared with the same period last year, primarily due to higher gross profit in our operating segments, partially offset by higher SG&A expenses.

Interest expense during the first six months of fiscal 2024 increased $3.2 million compared with the same period last year, primarily due to unfavorable changes in interest rates.

The provision for income taxes was $27.5 million and $11.3 million during the first six months of fiscal 2024 and 2023, respectively. The $16.2 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year. 2024.

SEGMENT RESULTS OF OPERATIONS

The following is a discussion of our segment results of operations for the three and six nine months ended September 30, 2023 December 31, 2023 and 2022:

Climate Solutions

	Three months ended September 30,								Six months ended September 30,							
	2023				2022				2023				2022			
(in millions)	$'s		% of sales		$'s		% of sales		$'s		% of sales		$'s		% of sales	
Net sales	$	275.8	100.0	%	$	255.9	100.0	%	$	547.6	100.0	%	$	500.3	100.0	%
Cost of sales		204.0	74.0	%		198.6	77.6	%		406.8	74.3	%		392.6	78.5	%
Gross profit		71.8	26.0	%		57.3	22.4	%		140.8	25.7	%		107.7	21.5	%
Selling, general and administrative expenses		26.9	9.7	%		24.3	9.5	%		51.6	9.4	%		47.7	9.5	%
Restructuring expenses		0.3	0.1	%		0.3	0.1	%		0.3	0.1	%		0.3	0.1	%
Operating income	$	44.6	16.2	%	$	32.7	12.8	%	$	88.9	16.2	%	$	59.7	11.9	%

Climate Solutions

	Three months ended December 31, 2023								Nine months ended December 31, 2023							
	2023				2022				2023				2022			
(in millions)	$'s		% of sales		$'s		% of sales		$'s		% of sales		$'s		% of sales	
Net sales	$	242.5	100.0	%	$	248.6	100.0	%	$	790.1	100.0	%	$	748.9	100.0	%
Cost of sales		176.4	72.7	%		193.8	78.0	%		583.2	73.8	%		586.4	78.3	%
Gross profit		66.1	27.3	%		54.8	22.0	%		206.9	26.2	%		162.5	21.7	%
Selling, general and administrative expenses		25.9	10.7	%		24.6	9.9	%		77.5	9.8	%		72.3	9.7	%
Restructuring expenses		1.4	0.6	%		-	-			1.7	0.2	%		0.3	-	
Operating income	$	38.8	16.0	%	$	30.2	12.2	%	$	127.7	16.2	%	$	89.9	12.0	%

Comparison of Three Months three months ended September 30, 2023 December 31, 2023 and 2022

Climate Solutions net sales increased $19.9 million decreased $6.1 million, or 8 2 percent, from the second third quarter of fiscal 2023 to the second third quarter of fiscal 2024, primarily due to higher lower sales volume, and partially offset by a $6.6 million $4.4 million favorable impact of foreign currency exchange rates. Compared with the second third quarter of the prior year, sales of data center cooling products increased $42.5 million $15.4 million, with higher sales to both hyperscale and colocation customers, and sales of HVAC & refrigeration products increased $2.2 million. Sales of heat transfer and HVAC & refrigeration products decreased $20.5 million $23.7 million, largely due to market weakness and $2.0 million, respectively. lower customer demand compared with the prior year and the strategic exit from lower-margin business in connection with 80/20 product rationalization initiatives.

Climate Solutions cost of sales increased $5.4 million decreased $17.4 million, or 3 9 percent, from the second third quarter of fiscal 2023 to the second third quarter of fiscal 2024, primarily due to higher lower sales volume and improved operating efficiencies. In addition, raw material prices decreased approximately $2.0 million. These decreases were partially offset by a $5.0 million $3.1 million unfavorable impact of foreign currency exchange rates and, to a lesser extent higher warranty expenses, which increased approximately $3.0 million, and higher labor and inflationary costs. These increases were partially offset by improved operating efficiencies and lower raw material prices, which decreased approximately $4.0 million. As a percentage of sales, cost of sales decreased 360 530 basis points to 74.0 72.7 percent, primarily due to favorable sales mix and improved operating efficiencies.

As a result of the lower sales and lower cost of sales as a percentage of sales, gross profit increased $11.3 million and gross margin improved 530 basis points to 27.3 percent.

SG&A expenses increased $1.3 million compared with the third quarter of the prior year. As a percentage of sales, SG&A expenses increased by 80 basis points. The increase in SG&A expenses was primarily driven by higher compensation-related expenses.

Restructuring expenses totaled $1.4 million during the third quarter of fiscal 2024 and consist of equipment transfer costs and severance expenses related to targeted headcount reductions in Europe and Asia.

Operating income of $38.8 million increased $8.6 million from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher restructuring and SG&A expenses.

Comparison of nine months ended December 31, 2023 and 2022

Climate Solutions year-to-date net sales increased $41.2 million, or 6 percent, from the same period last year, primarily due to higher sales volume and an $11.8 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of data center cooling products increased $95.6 million, primarily due to higher sales to both hyperscale and colocation customers. Sales of heat transfer and HVAC & refrigeration products decreased $53.0 million and $1.1 million, respectively. The decrease in sales of heat transfer products was largely due to market weakness and lower customer demand compared with the prior year and the impact of the strategic exit from lower-margin business.

Climate Solutions year-to-date cost of sales decreased $3.2 million, or 1 percent, from the same period last year, primarily due to lower raw material prices, which decreased approximately $16.0 million, and improved operating efficiencies. These decreases were partially offset by increases resulting from higher sales volume, an $8.6 million unfavorable impact of foreign currency exchanges rates, and higher labor and inflationary costs and warranty expenses. As a percentage of sales, cost of sales decreased 450 basis points to 73.8 percent, primarily due to the favorable impact of higher sales and improved operating efficiencies.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $14.5 million $44.4 million and gross margin improved 360 450 basis points to 26.0 26.2 percent.

Climate Solutions year-to-date SG&A expenses increased $2.6 million compared with the second quarter of the prior year. $5.2 million. As a percentage of sales, SG&A expenses increased by 20 10 basis points. The increase in SG&A expenses includes higher compensation-related expenses and increases across other general and administrative expenses.

Restructuring expenses totaled $0.3 million during both increased $1.4 million compared with the second quarter first nine months of fiscal 2024 and 2023. The fiscal 2024 expenses consist of equipment transfer and severance expenses. The fiscal 2023 expenses primarily relate to closure costs associated with a previously-leased facility.

Operating income of $44.6 million increased $11.9 million from $127.7 million during the second quarter of fiscal 2023 to the second quarter first nine months of fiscal 2024 primarily due to higher gross profit.

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Comparison of Six Months ended September 30, 2023 and 2022

Climate Solutions year-to-date net sales increased $47.3 million, or 9 percent, $37.8 million from the same period last year, primarily due to higher gross profit, partially offset by higher SG&A and restructuring expenses.

Performance Technologies

	Three months ended December 31, 2023				Nine months ended December 31, 2023			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 323.0	100.0 %	$ 317.8	100.0 %	$ 1,033.6	100.0 %	$ 952.1	100.0 %
Cost of sales	262.0	81.1 %	274.8	86.5 %	851.2	82.4 %	836.9	87.9 %
Gross profit	61.0	18.9 %	43.0	13.5 %	182.4	17.6 %	115.2	12.1 %
Selling, general and administrative expenses	29.6	9.2 %	25.5	8.0 %	85.2	8.2 %	72.2	7.6 %
Restructuring expenses	0.2	-	0.1	-	0.4	-	1.9	0.2 %
Operating income	$ 31.2	9.7 %	$ 17.4	5.5 %	$ 96.8	9.4 %	$ 41.1	4.3 %

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Comparison of three months ended December 31, 2023 and 2022

Performance Technologies net sales volume increased $5.2 million, or 2 percent, from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to favorable commercial pricing and a $7.4 million $5.6 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of data center cooling products increased $80.2 million. Sales of heat transfer and HVAC & refrigeration products decreased $29.3 million and $3.3 million, respectively.

Climate Solutions year-to-date cost of sales increased $14.2 million, or 4 percent, from the same period last year, primarily due to higher sales volume, a $5.5 million unfavorable impact of foreign currency exchanges rates, and higher warranty expenses and labor and inflationary costs. These increases were partially offset by lower sales volume, including $10.2 million of lower sales from the three Germany automotive businesses that we sold on October 31, 2023. Compared with the third quarter of the prior year, sales of advanced solutions, and air-cooled products increased $9.6 million and $3.1 million, respectively. Sales of liquid-cooled products decreased $5.2 million.

Performance Technologies cost of sales decreased $12.8 million, or 5 percent, from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to lower sales volume and, to a lesser extent, lower raw material prices, which decreased approximately $14.0 million $3.0 million. These decreases were partially offset by a $4.6 million unfavorable impact of foreign currency exchange rates and improved operating efficiencies. higher labor and inflationary costs. As a percentage of sales, cost of sales decreased 420 540 basis points to 74.3 81.1 percent, primarily due to the favorable impact of commercial pricing, partially offset by higher sales labor and improved operating efficiencies. inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $33.1 million $18.0 million and gross margin improved 420 540 basis points to 25.7 18.9 percent.

Climate Solutions year-to-date SG&A expenses increased $3.9 million $4.1 million, yet decreased 10 basis points as or 16 percent, compared with the third quarter of the prior year. As a percentage of sales. sales, SG&A expenses increased by 120 basis points. The increase in SG&A expenses includes was primarily due to higher compensation-related expenses, which increased approximately $3.0 million, and increases across other general and administrative expenses.

Restructuring expenses totaled $0.3 million during both the first six months of fiscal 2024 and 2023. The fiscal 2024 expenses consist of equipment transfer and severance expenses. The fiscal 2023 expenses primarily relate to closure costs associated with a previously-leased facility. higher product development costs.

Operating income of $88.9 million during $31.2 million increased $13.8 million from the first six months third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Comparison of nine months ended December 31, 2023 and 2022

Performance Technologies year-to-date net sales increased $29.2 million $81.5 million, or 9 percent, from the same period last year, primarily due to favorable commercial pricing, a $13.4 million favorable impact of foreign currency exchange rates, and, to a lesser extent, higher sales volume. Compared with the same period in the prior year, sales of advanced solutions, air-cooled and liquid-cooled products increased $30.2 million, $26.8 million, and $26.0 million, respectively.

Performance Technologies year-to-date cost of sales increased $14.3 million, or 2 percent, from the same period last year, primarily due to higher gross profit.

Performance Technologies

	Three months ended September 30,				Six months ended September 30,			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 351.7	100.0 %	$ 330.0	100.0 %	$ 710.6	100.0 %	$ 634.3	100.0 %
Cost of sales	288.9	82.2 %	290.8	88.1 %	589.2	82.9 %	562.1	88.6 %
Gross profit	62.8	17.8 %	39.2	11.9 %	121.4	17.1 %	72.2	11.4 %
Selling, general and administrative expenses	29.0	8.2 %	22.6	6.9 %	55.6	7.8 %	46.7	7.4 %
Restructuring expenses	0.2	-	0.3	0.1 %	0.2	-	1.8	0.3 %
Operating income	$ 33.6	9.6 %	$ 16.3	4.9 %	$ 65.6	9.2 %	$ 23.7	3.7 %

Comparison of Three Months ended September 30, 2023 labor and 2022

Performance Technologies net sales increased $21.7 million, or 7 percent, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to favorable commercial pricing and inflationary costs, an $8.0 million favorable impact of foreign currency exchange rates. These increases were partially offset by lower sales volume. Compared with the second quarter of the prior year, sales of advanced solutions, liquid-cooled and air-cooled products increased $10.3 million, $7.4 million, and $4.0 million, respectively.

Performance Technologies cost of sales decreased $1.9 million, or 1 percent, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to lower raw material prices, which decreased approximately $8.0 million and lower sales volume. These decreases were partially offset by a $6.7 million $11.2 million unfavorable impact of foreign currency exchange rates, and higher labor and inflationary costs. sales volume. These increases were partially offset by lower raw material prices, which decreased approximately $17.0 million. As a percentage of sales, cost of sales decreased 590 550 basis points to 82.2 82.4 percent, primarily due to the favorable impact of higher sales, partially offset by higher labor and inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $23.6 million $67.2 million and gross margin improved 590 550 basis points to 17.8 percent.

SG&A expenses increased $6.4 million, or 28 percent, compared with the second quarter of the prior year. As a percentage of sales, 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 $3.0 million, higher product development costs and increases across other general and administrative expenses.

Restructuring expenses decreased $0.1 million compared with the second quarter of fiscal 2023, primarily due to lower equipment transfer costs.

Operating income of $33.6 million increased $17.3 million from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Comparison of Six Months ended September 30, 2023 and 2022

Performance Technologies year-to-date net sales increased $76.3 million, or 12 percent, from the same period last year, primarily due to favorable commercial pricing, higher sales volume, and a $7.8 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of liquid-cooled, air-cooled, and advanced solutions products increased $31.2 million, $23.7 million, and $20.6 million, respectively.

Performance Technologies year-to-date cost of sales increased $27.1 million, or 5 percent, from the same period last year, primarily due to higher sales volume, higher labor and inflationary costs and a $6.7 million unfavorable impact of foreign currency exchange rates. These increases were partially offset by lower raw material prices, which decreased

approximately $14.0 million. As a percentage of sales, cost of sales decreased 570 basis points to 82.9 percent, primarily due to the favorable impact of higher sales, partially offset by higher labor and inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $49.2 million and gross margin improved 570 basis points to 17.1 17.6 percent.

Performance Technologies year-to-date SG&A expenses increased $8.9 million $13.0 million, or 19 18 percent, compared with the same period last year. As a percentage of sales, year-to-date SG&A expenses increased by 40 60 basis points. The increase in SG&A expenses was primarily due to higher compensation-related expenses, which increased approximately $7.0 million, and increases across other general and administrative expenses.

Restructuring expenses during the first six nine months of fiscal 2024 decreased $1.6 million $1.5 million compared with the same period last year, primarily due to lower severance expenses.

Operating income of $65.6 million $96.8 million during the first six nine months of fiscal 2024 increased $41.9 million $55.7 million from the same period last year, primarily due to higher gross profit, partially offset by higher SG&A expenses.

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Liquidity and Capital Resources

Our primary sources of liquidity are cash flow from operating activities, our cash and cash equivalents as of September 30, 2023 December 31, 2023 of $120.2 million $149.7 million, and available borrowing capacity of $269.4 million under our revolving credit facility. Given our extensive international operations, approximately $71.0 million $103.0 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 cash provided by Operating Activities operating activities

Net cash provided by operating activities for the six nine months ended September 30, 2023 December 31, 2023 was $110.8 million $175.0 million, which represents a $54.7 million $107.1 million increase compared with the same period in the prior year. This increase in operating cash flow was primarily due to the favorable impact of higher earnings partially offset by unfavorable and, to a lesser extent, favorable net changes in working capital as compared with the same period in the prior year. The unfavorable favorable net changes in working capital include higher payments for incentive compensation, as compared an increase in customer deposits received in connection with the same period in the prior year. sales contracts with long inventory lead times.

Capital Expenditures expenditures

Capital expenditures of $26.2 million $43.8 million during the first six nine months of fiscal 2024 increased $3.2 million $8.6 million compared with the same period in the prior year. The fiscal 2024 capital expenditures include investments supporting our strategic growth initiatives across several of our business units.

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 September 30, 2023 December 31, 2023, we were in compliance with our debt covenants. We expect to remain in compliance with our debt covenants during the remainder of fiscal 2024 and beyond.

Share Repurchase Program repurchase program

During the first six nine months of fiscal 2024, we repurchased $9.0 million $13.3 million of our common stock. As of September 30, 2023 December 31, 2023, we had $36.4 million $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.

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Forward-Looking Statements 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, 2023. Other risks and uncertainties include, but are not limited to, the following:

Market Risks: 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, 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; East and the recent attacks on shipping vessels 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 increased increases in labor costs and labor shortages;

- The impact of public health threats, such as COVID-19, 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.

Operational Risks: 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 price-reduction 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, including any lingering impacts associated with the recent now settled United Auto Workers union strikes;

- 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 or material breach of our information technology systems, and any related delays, problems or costs;

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

- Increasing emphasis by 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: 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;
- Our ability to accelerate growth by identifying and executing on organic growth opportunities and acquisitions, and to efficiently and successfully integrate acquired businesses; and
- The potential impacts from actions by activist shareholders, including disruption of our business and related costs.

Financial Risks: 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.

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

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, 2023. The Company’s market risks have not materially changed since the fiscal 2023 Form 10-K was filed.

Item 4. Controls and Procedures.

Evaluation Regarding Disclosure Controls regarding disclosure controls and Procedures procedures

As of the end of the period covered by this quarterly report on Form 10-Q, management of the Company, under the supervision, and with the participation, of the Company’s President and Chief Executive Officer and Executive Vice President, Chief Financial Officer, evaluated the effectiveness of the Company’s disclosure controls and procedures, at a reasonable assurance level, as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e). Based upon that evaluation, the President and Chief Executive Officer and Executive Vice President, Chief Financial Officer have concluded that the design and operation of the Company’s disclosure controls and procedures were effective, at a reasonable assurance level, as of September 30, 2023 December 31, 2023.

Changes in Internal Control Over Financial Reporting internal control over financial reporting

There have been no changes in internal control over financial reporting during the second third quarter of fiscal 2024 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 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 second third quarter of fiscal 2024:

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, 2023	———	———	———	$45,372,391
August 1 – August 31, 2023	1,222 (b)	$45.91	———	$45,372,391
September 1 – September 30, 2023	200,000 (c)	$45.01	200,000	$36,370,398
Total	201,222	$45.02	200,000	

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)
October 1 – October 31, 2023	56,558 (b)	$43.27	———	$36,370,398
November 1 – November 30, 2023	100,000 (c)	$43.07	100,000	$32,063,074
December 1 – December 31, 2023	9,683 (b)	$54.24	———	$32,063,074
Total	166,241	$43.79	100,000	

(a) Effective November 5, 2022, the 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 November 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.

(c) Includes shares acquired pursuant to the repurchase program described in (a) above.

Item 5. Other Information.

On August 17, 2023 During the three months ended December 31, 2023, Michael B. Lucareli, Executive Vice President and Chief Financial Officer of the Company, adopted a Stock Sale Plan (the "Plan") intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended. The Plan provides for the sale of up to 80,000 shares of Modine common stock during the period beginning on November 20, 2023 and ending on May 20, 2024, subject to a formula and other terms and conditions set forth in the Plan.

No other no director or “officer” 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, during the three months ended September 30, 2023. S-K.

Item 6. Exhibits.

(a) Exhibits:

Exhibit No.	Description	Incorporated Herein By Reference To	Filed Herewith
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
101.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
101.SCH	Inline XBRL Taxonomy Extension Schema.		X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.		X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.		X
10.1.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.		X
10.1.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.		X
104	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: January 31, 2024

By: /s/ Michael B. Lucareli
Michael B. Lucareli, Executive Vice President, Chief Financial Officer*

Date: November 2, 2023

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

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 September 30, 2023 December 31, 2023;

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 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 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 internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 internal control over financial reporting; and

5. The 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 auditors and the audit committee of the 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 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 internal control over financial reporting.

Date: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023;

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 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 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 internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 internal control over financial reporting; and

5. The 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 auditors and the audit committee of the 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 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 internal control over financial reporting.

Date: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023 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: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023 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: November 2, 2023 January 31, 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.

---

s % of sales Net sales
$
620.5

100.0
%

$
578.8

100.0
%

$
1,242.9

100.0
%

$
1,119.8

100.0
%

$
561.4

100.0
%

$
560.0

100.0
%

$
1,804.3

100.0
%

$
1,679.8

100.0
%
Cost of sales
485.4

78.2
%

482.6

83.4
%

979.9

78.8
%

940.2

84.0
%

434.1

77.3
%

462.4

82.6
%

1,414.0

78.4
%

1,402.6

83.5
%
Gross profit
135.1

21.8
%

96.2

16.6
%

263.0

21.2
%

179.6

16.0
%

127.3

22.7
%

97.6

17.4
%

390.3

21.6
%

277.2

16.5
%
Selling, general and administrative expenses
68.9

11.1
%

58.8

10.1
%

130.3

10.5
%

115.1

10.3
%

68.0

12.1
%

58.0

10.3
%

198.3

11.0
%

173.1

10.3
%
Restructuring expenses
0.5

0.1
%

0.6

0.1
%

0.5

-

2.1

0.2
%

1.6

0.3
%

0.1

-

2.1

0.1
%

2.2

0.1
%
Gain on sale of assets
(4.0
)

-0.7
%

-

-

(4.0
)

-0.2
%

-

-
Operating income
65.7

10.6
%

36.8

6.4
%

132.2

10.6
%

62.4

5.6
%

61.7

11.0
%

39.5

7.1
%

193.9

10.7
%

101.9

6.1
%
Interest expense
(6.1
)

-1.0
%

(4.7
)

-0.8
%

(12.0
)

-1.0
%

(8.8
)

-0.8
%

(5.8
)

-1.0
%

(5.9
)

-1.1
%

(17.8
)

-0.9
%

(14.7
)

-0.9
%
Other income (expense) – net

0.1

-

(1.4
)

-0.3
%

(0.5
)

-

(3.7
)

-0.3
%
Other expense – net
(0.5
)

-0.1
%

(0.4
)

-0.1
%

(1.0
)

-0.1
%

(4.1
)

-0.2
%
Earnings before income taxes
59.7

9.6
%

30.7

5.3
%

119.7

9.6
%

49.9

4.5
%

55.4

9.9

%

33.2

5.9
%

175.1

9.7
%

83.1

4.9
%
Provision for income taxes
(12.8
)

-2.1
%

(6.4
)

-1.1
%

(27.5
)

-2.2
%

(11.3
)

-1.0
%

(10.3
)

-1.8
%

(8.5
)

-1.5
%

(37.8
)

-2.1
%

(19.8
)

-1.2
%
Net earnings
$
46.9

7.6
%

$
24.3

4.2
%

$
92.2

7.4
%

$
38.6

3.4
%

$
45.1

8.0
%

$
24.7

4.4
%

$
137.3

7.6
%

$
63.3

3.8
%

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Comparison of Three Months three months ended September 30, 2023 December 31, 2023 and 2022

Second Third quarter net sales of $620.5 million $561.4 million were $41.7 million, or 7 percent, $1.4 million higher than the second third quarter of the prior year, primarily due to favorable commercial pricing and a $14.7 million $10.0 million favorable impact of foreign currency exchange rates. These increases were partially offset by lower sales volume, including lower sales from three automotive businesses in the Performance Technologies segment, which we sold on October 31, 2023.

Third quarter cost of sales decreased $28.3 million, or 6 percent, primarily due to lower sales volume, improved operating efficiencies, and lower raw material prices, which decreased approximately $5.0 million. These decreases were partially offset by a $7.6 million unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs. As a percentage of sales, cost of sales decreased 530 basis points to 77.3 percent, primarily due to favorable sales mix, commercial pricing and improved operating efficiencies.

As a result of higher sales and lower cost of sales as a percentage of sales, third quarter gross profit increased $29.7 million and gross margin improved 530 basis points to 22.7 percent.

Third quarter SG&A expenses increased $10.0 million, or 17 percent. As a percentage of sales, SG&A expenses increased by 180 basis points. The increase in SG&A expenses was primarily due to higher compensation-related expenses, which increased approximately $7.0 million, and included higher incentive compensation expenses driven by improved financial results, as compared with the prior year. In addition, environmental charges related to a previously-closed manufacturing facility in the U.S. increased $0.9 million.

Restructuring expenses increased $1.5 million compared with the third quarter of fiscal 2023, primarily due to higher equipment transfer costs and severance expenses in the Climate Solutions segment.

We sold three automotive businesses based in Germany on October 31, 2023. As a result of the sale, we recorded a $4.0 million gain on sale at Corporate during the third quarter of fiscal 2024.

Operating income of $61.7 million in the third quarter of fiscal 2024 increased $22.2 million compared with the third quarter of fiscal 2023, primarily due to higher gross profit in our operating segments and the gain on sale of the Germany automotive businesses, partially offset by higher SG&A expenses.

Interest expense during the third quarter of fiscal 2024 decreased $0.1 million compared with the third quarter of fiscal 2023. Unfavorable changes in interest rates during fiscal 2024, which resulted in higher interest costs, were offset by the absence of $0.7 million of costs recorded as interest expense during the third quarter of fiscal 2023 related to a credit agreement amendment.

The provision for income taxes was $10.3 million and $8.5 million in the third quarter of fiscal 2024 and 2023, respectively. The $1.8 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year, partially offset by a $3.1 million tax benefit related to the sale of the Germany automotive businesses during the third quarter of fiscal 2024.

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Comparison of nine months ended December 31, 2023 and 2022

Fiscal 2024 year-to-date net sales of $1,804.3 million were $124.5 million, or 7 percent, higher than the same period last year, primarily due to favorable commercial pricing, higher sales volume and a $25.1 million favorable impact of foreign currency exchange rates. Sales in the Performance Technologies and Climate Solutions segments increased $21.7 million $81.5 million and $19.9 million $41.2 million, respectively.

Second quarter Fiscal 2024 year-to-date cost of sales of $1,414.0 million increased $2.8 million $11.4 million, or 1 percent, primarily due to an $11.7 million higher sales volume, a $19.8 million unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs and warranty expenses. costs. These increases were partially offset by lower raw material prices, which decreased approximately $11.0 million, $33.0 million and, to a lesser extent, improved operating efficiencies. As a percentage of sales, cost of sales decreased 520 510 basis points to 78.2 78.4 percent, primarily due to the favorable impact of higher sales.

As a result of higher sales and lower cost of sales as a percentage of sales, second quarter gross profit increased $38.9 million $113.1 million and gross margin improved 520 510 basis points to 21.8 21.6 percent.

Second quarter Fiscal 2024 year-to-date SG&A expenses increased $10.1 million $25.2 million, or 17 15 percent. As a percentage of sales, SG&A expenses increased by 100 70 basis points. The increase in SG&A expenses included was primarily driven by higher compensation-related expenses, which increased approximately $3.0 million $14.0 million, and increases across other general and administrative expenses, such as higher product development costs, professional service fees, and employee travel expenses. The compensation-related expenses included higher incentive compensation expenses driven by improved financial results, as compared with the prior year. In addition, environmental charges related to a previously-closed manufacturing facility in the U.S. increased $0.7 million.

Restructuring expenses during the first nine months of fiscal 2024 decreased $0.1 million compared with the second quarter of fiscal 2023, same period last year, primarily due to lower equipment transfer costs severance expenses in the Performance Technologies segment, partially offset by higher severance and equipment transfer expenses in the Climate Solutions segment.

 We sold three automotive businesses based in Germany on October 31, 2023. As a result of the sale, we recorded a $4.0 million gain on sale at Corporate during the third quarter of fiscal 2024.

Operating income of $65.7 million in $193.9 million during the second quarter first nine months of fiscal 2024 increased $28.9 million $92.0 million compared with the second quarter of fiscal 2023, same period last year, primarily due to higher gross profit in our operating segments and the gain on sale of the Germany automotive businesses, partially offset by higher SG&A expenses.

Interest expense during the second quarter first nine months of fiscal 2024 increased $1.4 million $3.1 million compared with the second quarter of fiscal 2023, same period last year, primarily due to unfavorable changes in interest rates. rates, partially offset by the absence of $0.7 million of costs recorded in the prior year related to a credit agreement amendment.

The provision for income taxes was $12.8 million $37.8 million and $6.4 million in $19.8 million during the second quarter first nine months of fiscal 2024 and 2023, respectively. The $6.4 million $18.0 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year.

Comparison of Six Months ended September 30, 2023 and 2022

Fiscal 2024 year-to-date net sales of $1,242.9 million were $123.1 million, or 11 percent, higher than the same period last year, primarily due to higher sales volume, favorable commercial pricing and a $15.1 million favorable impact of foreign currency exchange rates. Sales in the Performance Technologies and Climate Solutions segments increased $76.3 million and $47.3 million, respectively.

Fiscal 2024 year-to-date cost of sales of $979.9 million increased $39.7 million, or 4 percent, primarily due to higher sales volume, a $12.1 unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs and warranty expenses. These increases were partially offset by lower raw material prices, which decreased approximately $28.0 million and, to a lesser extent, improved operating efficiencies. As a percentage of sales, cost of sales decreased 520 basis points to 78.8 percent, primarily due $3.1 million tax benefit related to the favorable impact sale of higher sales.

As a result of higher sales and lower cost of sales as a percentage of sales, gross profit increased $83.4 million and gross margin improved 520 basis points to 21.2 percent.

Fiscal 2024 year-to-date SG&A expenses increased $15.2 million, or 13 percent. As a percentage of sales, SG&A expenses increased by 20 basis points. The increase in SG&A expenses was primarily driven by higher compensation-related expenses, which increased approximately $7.0 million, and increases across other general and administrative expenses. The compensation-related expenses included higher incentive compensation expenses driven by improved financial results, as compared with the prior year.

Restructuring expenses Germany automotive businesses during the first six months third quarter of fiscal 2024 decreased $1.6 million compared with the same period last year, primarily due to lower severance expenses in the Performance Technologies segment.

Operating income of $132.2 million during the first six months of fiscal 2024 increased $69.8 million compared with the same period last year, primarily due to higher gross profit in our operating segments, partially offset by higher SG&A expenses.

Interest expense during the first six months of fiscal 2024 increased $3.2 million compared with the same period last year, primarily due to unfavorable changes in interest rates.

The provision for income taxes was $27.5 million and $11.3 million during the first six months of fiscal 2024 and 2023, respectively. The $16.2 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year. 2024.

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SEGMENT RESULTS OF OPERATIONS

The following is a discussion of our segment results of operations for the three and six nine months ended September 30, 2023 December 31, 2023 and 2022:

Climate Solutions

	Three months ended September 30,				Six months ended September 30,			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 275.8	100.0 %	$ 255.9	100.0 %	$ 547.6	100.0 %	$ 500.3	100.0 %
Cost of sales	204.0	74.0 %	198.6	77.6 %	406.8	74.3 %	392.6	78.5 %
Gross profit	71.8	26.0 %	57.3	22.4 %	140.8	25.7 %	107.7	21.5 %
Selling, general and administrative expenses	26.9	9.7 %	24.3	9.5 %	51.6	9.4 %	47.7	9.5 %
Restructuring expenses	0.3	0.1 %	0.3	0.1 %	0.3	0.1 %	0.3	0.1 %
Operating income	$ 44.6	16.2 %	$ 32.7	12.8 %	$ 88.9	16.2 %	$ 59.7	11.9 %

Climate Solutions

	Three months ended December 31, 2023				Nine months ended December 31, 2023			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 242.5	100.0 %	$ 248.6	100.0 %	$ 790.1	100.0 %	$ 748.9	100.0 %
Cost of sales	176.4	72.7 %	193.8	78.0 %	583.2	73.8 %	586.4	78.3 %
Gross profit	66.1	27.3 %	54.8	22.0 %	206.9	26.2 %	162.5	21.7 %
Selling, general and administrative expenses	25.9	10.7 %	24.6	9.9 %	77.5	9.8 %	72.3	9.7 %
Restructuring expenses	1.4	0.6 %	-	-	1.7	0.2 %	0.3	-
Operating income	$ 38.8	16.0 %	$ 30.2	12.2 %	$ 127.7	16.2 %	$ 89.9	12.0 %

Comparison of Three Months three months ended September 30, 2023 December 31, 2023 and 2022

Climate Solutions net sales increased $19.9 million decreased $6.1 million, or 8 2 percent, from the second third quarter of fiscal 2023 to the second third quarter of fiscal 2024, primarily due to higher lower sales volume, and partially offset by a $6.6 million $4.4 million favorable impact of foreign currency exchange rates. Compared with the second third quarter of the prior year, sales of data center cooling products increased $42.5 million $15.4 million, with higher sales to both hyperscale and colocation customers, and sales of HVAC & refrigeration products increased $2.2 million. Sales of heat transfer and HVAC & refrigeration products decreased $20.5 million $23.7 million, largely due to market weakness and $2.0 million, respectively. lower customer demand compared with the prior year and the strategic exit from lower-margin business in connection with 80/20 product rationalization initiatives.

Climate Solutions cost of sales increased $5.4 million decreased $17.4 million, or 3 9 percent, from the second third quarter of fiscal 2023 to the second third quarter of fiscal 2024, primarily due to higher lower sales volume and improved operating efficiencies. In addition, raw material prices decreased approximately $2.0 million. These decreases were partially offset by a $5.0 million $3.1 million unfavorable impact of foreign currency exchange rates and, to a lesser extent higher warranty expenses, which increased approximately $3.0 million, and higher labor and inflationary costs. These increases were partially offset by improved operating efficiencies and lower raw material prices, which decreased approximately $4.0 million. As a percentage of sales, cost of sales decreased 360 530 basis points to 74.0 72.7 percent, primarily due to favorable sales mix and improved operating efficiencies.

As a result of the lower sales and lower cost of sales as a percentage of sales, gross profit increased $11.3 million and gross margin improved 530 basis points to 27.3 percent.

SG&A expenses increased $1.3 million compared with the third quarter of the prior year. As a percentage of sales, SG&A expenses increased by 80 basis points. The increase in SG&A expenses was primarily driven by higher compensation-related expenses.

Restructuring expenses totaled $1.4 million during the third quarter of fiscal 2024 and consist of equipment transfer costs and severance expenses related to targeted headcount reductions in Europe and Asia.

Operating income of $38.8 million increased $8.6 million from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher restructuring and SG&A expenses.

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Comparison of nine months ended December 31, 2023 and 2022

Climate Solutions year-to-date net sales increased $41.2 million, or 6 percent, from the same period last year, primarily due to higher sales volume and an $11.8 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of data center cooling products increased $95.6 million, primarily due to higher sales to both hyperscale and colocation customers. Sales of heat transfer and HVAC & refrigeration products decreased $53.0 million and $1.1 million, respectively. The decrease in sales of heat transfer products was largely due to market weakness and lower customer demand compared with the prior year and the impact of the strategic exit from lower-margin business.

Climate Solutions year-to-date cost of sales decreased $3.2 million, or 1 percent, from the same period last year, primarily due to lower raw material prices, which decreased approximately $16.0 million, and improved operating efficiencies. These decreases were partially offset by increases resulting from higher sales volume, an $8.6 million unfavorable impact of foreign currency exchanges rates, and higher labor and inflationary costs and warranty expenses. As a percentage of sales, cost of sales decreased 450 basis points to 73.8 percent, primarily due to the favorable impact of higher sales and improved operating efficiencies.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $14.5 million $44.4 million and gross margin improved 360 450 basis points to 26.0 26.2 percent.

Climate Solutions year-to-date SG&A expenses increased $2.6 million compared with the second quarter of the prior year. $5.2 million. As a percentage of sales, SG&A expenses increased by 20 10 basis points. The increase in SG&A expenses includes higher compensation-related expenses and increases across other general and administrative expenses.

Restructuring expenses totaled $0.3 million during both increased $1.4 million compared with the second quarter first nine months of fiscal 2024 and 2023. The fiscal 2024 expenses consist of equipment transfer and severance expenses. The fiscal 2023 expenses primarily relate to closure costs associated with a previously-leased facility.

Operating income of $44.6 million increased $11.9 million from $127.7 million during the second quarter of fiscal 2023 to the second quarter first nine months of fiscal 2024 primarily due to higher gross profit.

Comparison of Six Months ended September 30, 2023 and 2022

Climate Solutions year-to-date net sales increased $47.3 million, or 9 percent, $37.8 million from the same period last year, primarily due to higher gross profit, partially offset by higher SG&A and restructuring expenses.

Performance Technologies

	Three months ended December 31, 2023				Nine months ended December 31, 2023			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 323.0	100.0 %	$ 317.8	100.0 %	$ 1,033.6	100.0 %	$ 952.1	100.0 %
Cost of sales	262.0	81.1 %	274.8	86.5 %	851.2	82.4 %	836.9	87.9 %
Gross profit	61.0	18.9 %	43.0	13.5 %	182.4	17.6 %	115.2	12.1 %
Selling, general and administrative expenses	29.6	9.2 %	25.5	8.0 %	85.2	8.2 %	72.2	7.6 %
Restructuring expenses	0.2	-	0.1	-	0.4	-	1.9	0.2 %
Operating income	$ 31.2	9.7 %	$ 17.4	5.5 %	$ 96.8	9.4 %	$ 41.1	4.3 %

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Comparison of three months ended December 31, 2023 and 2022

Performance Technologies net sales volume increased $5.2 million, or 2 percent, from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to favorable commercial pricing and a $7.4 million $5.6 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of data center cooling products increased $80.2 million. Sales of heat transfer and HVAC & refrigeration products decreased $29.3 million and $3.3 million, respectively.

Climate Solutions year-to-date cost of sales increased $14.2 million, or 4 percent, from the same period last year, primarily due to higher sales volume, a $5.5 million unfavorable impact of foreign currency exchanges rates, and higher warranty expenses and labor and inflationary costs. These increases were partially offset by lower sales volume, including $10.2 million of lower sales from the three Germany automotive businesses that we sold on October 31, 2023. Compared with the third quarter of the prior year, sales of advanced solutions, and air-cooled products increased $9.6 million and $3.1 million, respectively. Sales of liquid-cooled products decreased $5.2 million.

Performance Technologies cost of sales decreased $12.8 million, or 5 percent, from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to lower sales volume and, to a lesser extent, lower raw material prices, which decreased approximately $14.0 million $3.0 million. These decreases were partially offset by a $4.6 million unfavorable impact of foreign currency exchange rates and improved operating efficiencies. higher labor and inflationary costs. As a percentage of sales, cost of sales decreased 420 540 basis points to 74.3 81.1 percent, primarily due to the favorable impact of commercial pricing, partially offset by higher sales labor and improved operating efficiencies. inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $33.1 million $18.0 million and gross margin improved 420 540 basis points to 25.7 18.9 percent.

Climate Solutions year-to-date SG&A expenses increased $3.9 million $4.1 million, yet decreased 10 basis points as or 16 percent, compared with the third quarter of the prior year. As a percentage of sales. sales, SG&A expenses increased by 120 basis points. The increase in SG&A expenses includes was primarily due to higher compensation-related expenses, which increased approximately $3.0 million, and increases across other general and administrative expenses.

Restructuring expenses totaled $0.3 million during both the first six months of fiscal 2024 and 2023. The fiscal 2024 expenses consist of equipment transfer and severance expenses. The fiscal 2023 expenses primarily relate to closure costs associated with a previously-leased facility. higher product development costs.

Operating income of $88.9 million during $31.2 million increased $13.8 million from the first six months third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Comparison of nine months ended December 31, 2023 and 2022

Performance Technologies year-to-date net sales increased $29.2 million $81.5 million, or 9 percent, from the same period last year, primarily due to favorable commercial pricing, a $13.4 million favorable impact of foreign currency exchange rates, and, to a lesser extent, higher sales volume. Compared with the same period in the prior year, sales of advanced solutions, air-cooled and liquid-cooled products increased $30.2 million, $26.8 million, and $26.0 million, respectively.

Performance Technologies year-to-date cost of sales increased $14.3 million, or 2 percent, from the same period last year, primarily due to higher gross profit.

Performance Technologies

	Three months ended September 30,				Six months ended September 30,			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 351.7	100.0 %	$ 330.0	100.0 %	$ 710.6	100.0 %	$ 634.3	100.0 %
Cost of sales	288.9	82.2 %	290.8	88.1 %	589.2	82.9 %	562.1	88.6 %
Gross profit	62.8	17.8 %	39.2	11.9 %	121.4	17.1 %	72.2	11.4 %
Selling, general and administrative expenses	29.0	8.2 %	22.6	6.9 %	55.6	7.8 %	46.7	7.4 %
Restructuring expenses	0.2	-	0.3	0.1 %	0.2	-	1.8	0.3 %
Operating income	$ 33.6	9.6 %	$ 16.3	4.9 %	$ 65.6	9.2 %	$ 23.7	3.7 %

Comparison of Three Months ended September 30, 2023 labor and 2022

Performance Technologies net sales increased $21.7 million, or 7 percent, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to favorable commercial pricing and inflationary costs, an $8.0 million favorable impact of foreign currency exchange rates. These increases were partially offset by lower sales volume. Compared with the second quarter of the prior year, sales of advanced solutions, liquid-cooled and air-cooled products increased $10.3 million, $7.4 million, and $4.0 million, respectively.

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Performance Technologies cost of sales decreased $1.9 million, or 1 percent, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to lower raw material prices, which decreased approximately $8.0 million and lower sales volume. These decreases were partially offset by a $6.7 million $11.2 million unfavorable impact of foreign currency exchange rates, and higher labor and inflationary costs. sales volume. These increases were partially offset by lower raw material prices, which decreased approximately $17.0 million. As a percentage of sales, cost of sales decreased 590 550 basis points to 82.2 82.4 percent, primarily due to the favorable impact of higher sales, partially offset by higher labor and inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $23.6 million $67.2 million and gross margin improved 590 550 basis points to 17.8 percent.

SG&A expenses increased $6.4 million, or 28 percent, compared with the second quarter of the prior year. As a percentage of sales, 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 $3.0 million, higher product development costs and increases across other general and administrative expenses.

Restructuring expenses decreased $0.1 million compared with the second quarter of fiscal 2023, primarily due to lower equipment transfer costs.

Operating income of $33.6 million increased $17.3 million from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Comparison of Six Months ended September 30, 2023 and 2022

Performance Technologies year-to-date net sales increased $76.3 million, or 12 percent, from the same period last year, primarily due to favorable commercial pricing, higher sales volume, and a $7.8 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of liquid-cooled, air-cooled, and advanced solutions products increased $31.2 million, $23.7 million, and $20.6 million, respectively.

Performance Technologies year-to-date cost of sales increased $27.1 million, or 5 percent, from the same period last year, primarily due to higher sales volume, higher labor and inflationary costs and a $6.7 million unfavorable impact of foreign currency exchange rates. These increases were partially offset by lower raw material prices, which decreased approximately $14.0 million. As a percentage of sales, cost of sales decreased 570 basis points to 82.9 percent, primarily due to the favorable impact of higher sales, partially offset by higher labor and inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $49.2 million and gross margin improved 570 basis points to 17.1 17.6 percent.

Performance Technologies year-to-date SG&A expenses increased $8.9 million $13.0 million, or 19 18 percent, compared with the same period last year. As a percentage of sales, year-to-date SG&A expenses increased by 40 60 basis points. The increase in SG&A expenses was primarily due to higher compensation-related expenses, which increased approximately $7.0 million, and increases across other general and administrative expenses.

Restructuring expenses during the first six nine months of fiscal 2024 decreased $1.6 million $1.5 million compared with the same period last year, primarily due to lower severance expenses.

Operating income of $65.6 million $96.8 million during the first six nine months of fiscal 2024 increased $41.9 million $55.7 million from the same period last year, primarily due to higher gross profit, partially offset by higher SG&A expenses.

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Liquidity and Capital Resources

Our primary sources of liquidity are cash flow from operating activities, our cash and cash equivalents as of September 30, 2023 December 31, 2023 of $120.2 million $149.7 million, and available borrowing capacity of $269.4 million under our revolving credit facility. Given our extensive international operations, approximately $71.0 million $103.0 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 cash provided by Operating Activities operating activities

Net cash provided by operating activities for the six nine months ended September 30, 2023 December 31, 2023 was $110.8 million $175.0 million, which represents a $54.7 million $107.1 million increase compared with the same period in the prior year. This increase in operating cash flow was primarily due to the favorable impact of higher earnings partially offset by unfavorable and, to a lesser extent, favorable net changes in working capital as compared with the same period in the prior year. The unfavorable favorable net changes in working capital include higher payments for incentive compensation, as compared an increase in customer deposits received in connection with the same period in the prior year. sales contracts with long inventory lead times.

Capital Expenditures expenditures

Capital expenditures of $26.2 million $43.8 million during the first six nine months of fiscal 2024 increased $3.2 million $8.6 million compared with the same period in the prior year. The fiscal 2024 capital expenditures include investments supporting our strategic growth initiatives across several of our business units.

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 September 30, 2023 December 31, 2023, we were in compliance with our debt covenants. We expect to remain in compliance with our debt covenants during the remainder of fiscal 2024 and beyond.

Share Repurchase Program repurchase program

During the first six nine months of fiscal 2024, we repurchased $9.0 million $13.3 million of our common stock. As of September 30, 2023 December 31, 2023, we had $36.4 million $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.

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Forward-Looking Statements 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, 2023. Other risks and uncertainties include, but are not limited to, the following:

Market Risks: 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, 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; East and the recent attacks on shipping vessels 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 increased increases in labor costs and labor shortages;

- The impact of public health threats, such as COVID-19, 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: 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 price-reduction 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, including any lingering impacts associated with the recent now settled United Auto Workers union strikes;

- 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 or material breach of our information technology systems, and any related delays, problems or costs;

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

- Increasing emphasis by 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: 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;

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

- The potential impacts from actions by activist shareholders, including disruption of our business and related costs.

Financial Risks: 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.

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

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, 2023. The Company's market risks have not materially changed since the fiscal 2023 Form 10-K was filed.

Item 4. Controls and Procedures.

Evaluation Regarding Disclosure Controls regarding disclosure controls and Procedures procedures

As of the end of the period covered by this quarterly report on Form 10-Q, management of the Company, under the supervision, and with the participation, of the Company's President and Chief Executive Officer and Executive Vice President, Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures, at a reasonable assurance level, as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e). Based upon that evaluation, the President and Chief Executive Officer and Executive Vice President, Chief Financial Officer have concluded that the design and operation of the Company's disclosure controls and procedures were effective, at a reasonable assurance level, as of September 30, 2023 December 31, 2023.

Changes in Internal Control Over Financial Reporting internal control over financial reporting

There have been no changes in internal control over financial reporting during the second third quarter of fiscal 2024 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 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 second third quarter of fiscal 2024:

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, 2023	———	———	———	$45,372,391
August 1 – August 31, 2023	1,222 (b)	$45.91	———	$45,372,391
September 1 – September 30, 2023	200,000 (c)	$45.01	200,000	$36,370,398
Total	201,222	$45.02	200,000	

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)
October 1 – October 31, 2023	56,558 (b)	$43.27	———	$36,370,398
November 1 – November 30, 2023	100,000 (c)	$43.07	100,000	$32,063,074
December 1 – December 31, 2023	9,683 (b)	$54.24	———	$32,063,074

Total	166,241	$43.79	100,000	

(a) Effective November 5, 2022, the 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 November 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.

(c) Includes shares acquired pursuant to the repurchase program described in (a) above.

Item 5. Other Information.

On August 17, 2023 During the three months ended December 31, 2023, Michael B. Lucareli, Executive Vice President and Chief Financial Officer of the Company, adopted a Stock Sale Plan (the "Plan") intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended. The Plan provides for the sale of up to 80,000 shares of Modine common stock during the period beginning on November 20, 2023 and ending on May 20, 2024, subject to a formula and other terms and conditions set forth in the Plan.

No other no director or "officer" 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, during the three months ended September 30, 2023. S-K.

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Item 6. Exhibits.

(a) Exhibits:

Exhibit No.	Description	Incorporated Herein By Reference To	Filed Herewith
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
101.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
101.SCH	Inline XBRL Taxonomy Extension Schema.		X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.		X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.		X
10.1.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.		X
10.1.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.		X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).		X

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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: January 31, 2024

By: /s/ Michael B. Lucareli
Michael B. Lucareli, Executive Vice President, Chief Financial Officer*

Date: November 2, 2023

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

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 September 30, 2023 December 31, 2023;

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 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 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 internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 internal control over financial reporting; and

5. The 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 auditors and the audit committee of the 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 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 internal control over financial reporting.

Date: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023;

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 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 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 internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 internal control over financial reporting; and

5. The 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 auditors and the audit committee of the 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 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 internal control over financial reporting.

Date: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023 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: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023 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: November 2, 2023 January 31, 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.

s % of sales

Comparison of Three Months three months ended September 30, 2023 December 31, 2023 and 2022

Climate Solutions net sales increased $19.9 million decreased $6.1 million, or 8 2 percent, from the second third quarter of fiscal 2023 to the second third quarter of fiscal 2024, primarily due to higher lower sales volume, and partially offset by a $6.6 million $4.4 million favorable impact of foreign currency exchange rates. Compared with the second third quarter of the prior year, sales of data center cooling products increased $42.5 million $15.4 million, with higher sales to both hyperscale and colocation customers, and sales of HVAC & refrigeration products increased $2.2 million. Sales of heat transfer and HVAC & refrigeration products decreased $20.5 million $23.7 million, largely due to market weakness and $2.0 million, respectively. lower customer demand compared with the prior year and the strategic exit from lower-margin business in connection with 80/20 product rationalization initiatives.

Climate Solutions cost of sales increased $5.4 million decreased $17.4 million, or 3 9 percent, from the second third quarter of fiscal 2023 to the second third quarter of fiscal 2024, primarily due to higher lower sales volume and improved operating efficiencies. In addition, raw material prices decreased approximately $2.0 million. These decreases were partially offset by a $5.0 million $3.1 million unfavorable impact of foreign currency exchange rates and, to a lesser extent higher warranty expenses, which increased approximately $3.0 million, and higher labor and inflationary costs. These increases were partially offset by improved operating efficiencies and lower raw material prices, which decreased approximately $4.0 million. As a percentage of sales, cost of sales decreased 360 530 basis points to 74.0 72.7 percent, primarily due to favorable sales mix and improved operating efficiencies.

As a result of the lower sales and lower cost of sales as a percentage of sales, gross profit increased $11.3 million and gross margin improved 530 basis points to 27.3 percent.

SG&A expenses increased $1.3 million compared with the third quarter of the prior year. As a percentage of sales, SG&A expenses increased by 80 basis points. The increase in SG&A expenses was primarily driven by higher compensation-related expenses.

Restructuring expenses totaled $1.4 million during the third quarter of fiscal 2024 and consist of equipment transfer costs and severance expenses related to targeted headcount reductions in Europe and Asia.

Operating income of $38.8 million increased $8.6 million from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher restructuring and SG&A expenses.

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Comparison of nine months ended December 31, 2023 and 2022

Climate Solutions year-to-date net sales increased $41.2 million, or 6 percent, from the same period last year, primarily due to higher sales volume and an $11.8 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of data center cooling products increased $95.6 million, primarily due to higher sales to both hyperscale and colocation customers. Sales of heat transfer and HVAC & refrigeration products decreased $53.0 million and $1.1 million, respectively. The decrease in sales of heat transfer products was largely due to market weakness and lower customer demand compared with the prior year and the impact of the strategic exit from lower-margin business.

Climate Solutions year-to-date cost of sales decreased $3.2 million, or 1 percent, from the same period last year, primarily due to lower raw material prices, which decreased approximately $16.0 million, and improved operating efficiencies. These decreases were partially offset by increases resulting from higher sales volume, an $8.6 million unfavorable impact of foreign currency exchanges rates, and higher labor and inflationary costs and warranty expenses. As a percentage of sales, cost of sales decreased 450 basis points to 73.8 percent, primarily due to the favorable impact of higher sales and improved operating efficiencies.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $14.5 million $44.4 million and gross margin improved 360 450 basis points to 26.0 26.2 percent.

Climate Solutions year-to-date SG&A expenses increased $2.6 million compared with the second quarter of the prior year. $5.2 million. As a percentage of sales, SG&A expenses increased by 20 10 basis points. The increase in SG&A expenses includes higher compensation-related expenses and increases across other general and administrative expenses.

Restructuring expenses totaled $0.3 million during both increased $1.4 million compared with the second quarter first nine months of fiscal 2024 and 2023. The fiscal 2024 expenses consist of equipment transfer and severance expenses. The fiscal 2023 expenses primarily relate to closure costs associated with a previously-leased facility.

Operating income of $44.6 million increased $11.9 million from $127.7 million during the second quarter of fiscal 2023 to the second quarter first nine months of fiscal 2024 primarily due to higher gross profit.

Comparison of Six Months ended September 30, 2023 and 2022

Climate Solutions year-to-date net sales increased $47.3 million, or 9 percent, $37.8 million from the same period last year, primarily due to higher gross profit, partially offset by higher SG&A and restructuring expenses.

Performance Technologies

	Three months ended December 31, 2023				Nine months ended December 31, 2023			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 323.0	100.0 %	$ 317.8	100.0 %	$ 1,033.6	100.0 %	$ 952.1	100.0 %
Cost of sales	262.0	81.1 %	274.8	86.5 %	851.2	82.4 %	836.9	87.9 %
Gross profit	61.0	18.9 %	43.0	13.5 %	182.4	17.6 %	115.2	12.1 %
Selling, general and administrative expenses	29.6	9.2 %	25.5	8.0 %	85.2	8.2 %	72.2	7.6 %
Restructuring expenses	0.2	-	0.1	-	0.4	-	1.9	0.2 %
Operating income	$ 31.2	9.7 %	$ 17.4	5.5 %	$ 96.8	9.4 %	$ 41.1	4.3 %

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Comparison of three months ended December 31, 2023 and 2022

Performance Technologies net sales volume increased $5.2 million, or 2 percent, from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to favorable commercial pricing and a $7.4 million $5.6 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of data center cooling products increased $80.2 million. Sales of heat transfer and HVAC & refrigeration products decreased $29.3 million and $3.3 million, respectively.

Climate Solutions year-to-date cost of sales increased $14.2 million, or 4 percent, from the same period last year, primarily due to higher sales volume, a $5.5 million unfavorable impact of foreign currency exchanges rates, and higher warranty expenses and labor and inflationary costs. These increases were partially offset by lower sales volume, including $10.2 million of lower sales from the three Germany automotive businesses that we sold on October 31, 2023. Compared with the third quarter of the prior year, sales of advanced solutions, and air-cooled products increased $9.6 million and $3.1 million, respectively. Sales of liquid-cooled products decreased $5.2 million.

Performance Technologies cost of sales decreased $12.8 million, or 5 percent, from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to lower sales volume and, to a lesser extent, lower raw material prices, which decreased approximately $14.0 million $3.0 million. These decreases were partially offset by a $4.6 million unfavorable impact of foreign currency exchange rates and improved operating efficiencies. higher labor and inflationary costs. As a percentage of sales, cost of sales decreased 420 540 basis points to 74.3 81.1 percent, primarily due to the favorable impact of commercial pricing, partially offset by higher sales labor and improved operating efficiencies. inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $33.1 million $18.0 million and gross margin improved 420 540 basis points to 25.7 18.9 percent.

Climate Solutions year-to-date SG&A expenses increased $3.9 million $4.1 million, yet decreased 10 basis points as or 16 percent, compared with the third quarter of the prior year. As a percentage of sales. sales, SG&A expenses increased by 120 basis points. The increase in SG&A expenses includes was primarily due to higher compensation-related expenses, which increased approximately $3.0 million, and increases across other general and administrative expenses.

Restructuring expenses totaled $0.3 million during both the first six months of fiscal 2024 and 2023. The fiscal 2024 expenses consist of equipment transfer and severance expenses. The fiscal 2023 expenses primarily relate to closure costs associated with a previously-leased facility. higher product development costs.

Operating income of $88.9 million during $31.2 million increased $13.8 million from the first six months third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Comparison of nine months ended December 31, 2023 and 2022

Performance Technologies year-to-date net sales increased $29.2 million $81.5 million, or 9 percent, from the same period last year, primarily due to favorable commercial pricing, a $13.4 million favorable impact of foreign currency exchange rates, and, to a lesser extent, higher sales volume. Compared with the same period in the prior year, sales of advanced solutions, air-cooled and liquid-cooled products increased $30.2 million, $26.8 million, and $26.0 million, respectively.

Performance Technologies year-to-date cost of sales increased $14.3 million, or 2 percent, from the same period last year, primarily due to higher gross profit.

Performance Technologies

	Three months ended September 30,				Six months ended September 30,			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 351.7	100.0 %	$ 330.0	100.0 %	$ 710.6	100.0 %	$ 634.3	100.0 %
Cost of sales	288.9	82.2 %	290.8	88.1 %	589.2	82.9 %	562.1	88.6 %
Gross profit	62.8	17.8 %	39.2	11.9 %	121.4	17.1 %	72.2	11.4 %
Selling, general and administrative expenses	29.0	8.2 %	22.6	6.9 %	55.6	7.8 %	46.7	7.4 %
Restructuring expenses	0.2	-	0.3	0.1 %	0.2	-	1.8	0.3 %
Operating income	$ 33.6	9.6 %	$ 16.3	4.9 %	$ 65.6	9.2 %	$ 23.7	3.7 %

Comparison of Three Months ended September 30, 2023 labor and 2022

Performance Technologies net sales increased $21.7 million, or 7 percent, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to favorable commercial pricing and inflationary costs, an $8.0 million favorable impact of foreign currency exchange rates. These increases were partially offset by lower sales volume. Compared with the second quarter of the prior year, sales of advanced solutions, liquid-cooled and air-cooled products increased $10.3 million, $7.4 million, and $4.0 million, respectively.

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Performance Technologies cost of sales decreased $1.9 million, or 1 percent, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to lower raw material prices, which decreased approximately $8.0 million and lower sales volume. These decreases were partially offset by a $6.7 million $11.2 million unfavorable impact of foreign currency exchange rates, and higher labor and inflationary costs. sales volume. These increases were partially offset by lower raw material prices, which decreased approximately $17.0 million. As a percentage of sales, cost of sales decreased 590 550 basis points to 82.2 82.4 percent, primarily due to the favorable impact of higher sales, partially offset by higher labor and inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $23.6 million $67.2 million and gross margin improved 590 550 basis points to 17.8 percent.

SG&A expenses increased $6.4 million, or 28 percent, compared with the second quarter of the prior year. As a percentage of sales, 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 $3.0 million, higher product development costs and increases across other general and administrative expenses.

Restructuring expenses decreased $0.1 million compared with the second quarter of fiscal 2023, primarily due to lower equipment transfer costs.

Operating income of $33.6 million increased $17.3 million from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Comparison of Six Months ended September 30, 2023 and 2022

Performance Technologies year-to-date net sales increased $76.3 million, or 12 percent, from the same period last year, primarily due to favorable commercial pricing, higher sales volume, and a $7.8 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of liquid-cooled, air-cooled, and advanced solutions products increased $31.2 million, $23.7 million, and $20.6 million, respectively.

Performance Technologies year-to-date cost of sales increased $27.1 million, or 5 percent, from the same period last year, primarily due to higher sales volume, higher labor and inflationary costs and a $6.7 million unfavorable impact of foreign currency exchange rates. These increases were partially offset by lower raw material prices, which decreased approximately $14.0 million. As a percentage of sales, cost of sales decreased 570 basis points to 82.9 percent, primarily due to the favorable impact of higher sales, partially offset by higher labor and inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $49.2 million and gross margin improved 570 basis points to 17.1 17.6 percent.

Performance Technologies year-to-date SG&A expenses increased $8.9 million $13.0 million, or 19 18 percent, compared with the same period last year. As a percentage of sales, year-to-date SG&A expenses increased by 40 60 basis points. The increase in SG&A expenses was primarily due to higher compensation-related expenses, which increased approximately $7.0 million, and increases across other general and administrative expenses.

Restructuring expenses during the first six nine months of fiscal 2024 decreased $1.6 million $1.5 million compared with the same period last year, primarily due to lower severance expenses.

Operating income of $65.6 million $96.8 million during the first six nine months of fiscal 2024 increased $41.9 million $55.7 million from the same period last year, primarily due to higher gross profit, partially offset by higher SG&A expenses.

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Liquidity and Capital Resources

Our primary sources of liquidity are cash flow from operating activities, our cash and cash equivalents as of September 30, 2023 December 31, 2023 of $120.2 million $149.7 million, and available borrowing capacity of $269.4 million under our revolving credit facility. Given our extensive international operations, approximately $71.0 million $103.0 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 cash provided by Operating Activities operating activities
Net cash provided by operating activities for the six nine months ended September 30, 2023 December 31, 2023 was $110.8 million $175.0 million, which represents a $54.7 million $107.1 million increase compared with the same period in the prior year. This increase in operating cash flow was primarily due to the favorable impact of higher earnings partially offset by unfavorable and, to a lesser extent, favorable net changes in working capital as compared with the same period in the prior year. The unfavorable favorable net changes in working capital include higher payments for incentive compensation, as compared an increase in customer deposits received in connection with the same period in the prior year. sales contracts with long inventory lead times.

Capital Expenditures expenditures
Capital expenditures of $26.2 million $43.8 million during the first six nine months of fiscal 2024 increased $3.2 million $8.6 million compared with the same period in the prior year. The fiscal 2024 capital expenditures include investments supporting our strategic growth initiatives across several of our business units.

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 September 30, 2023 December 31, 2023, we were in compliance with our debt covenants. We expect to remain in compliance with our debt covenants during the remainder of fiscal 2024 and beyond.

Share Repurchase Program repurchase program

During the first six nine months of fiscal 2024, we repurchased $9.0 million $13.3 million of our common stock. As of September 30, 2023 December 31, 2023, we had $36.4 million $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 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, 2023. Other risks and uncertainties include, but are not limited to, the following:

Market Risks: 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, 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; East and the recent attacks on shipping vessels 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 increased increases in labor costs and labor shortages;

- The impact of public health threats, such as COVID-19, 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.

Operational Risks: 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 price-reduction 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, including any lingering impacts associated with the recent now settled United Auto Workers union strikes;

- 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 or material breach of our information technology systems, and any related delays, problems or costs;

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

- Increasing emphasis by 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: 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;

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

- The potential impacts from actions by activist shareholders, including disruption of our business and related costs.

Financial Risks: 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.

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

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, 2023. The Company's market risks have not materially changed since the fiscal 2023 Form 10-K was filed.

Item 4. Controls and Procedures.

Evaluation Regarding Disclosure Controls regarding disclosure controls and Procedures procedures

As of the end of the period covered by this quarterly report on Form 10-Q, management of the Company, under the supervision, and with the participation, of the Company's President and Chief Executive Officer and Executive Vice President, Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures, at a reasonable assurance level, as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e). Based upon that evaluation, the President and Chief Executive Officer and Executive Vice President, Chief Financial Officer have concluded that the design and operation of the Company's disclosure controls and procedures were effective, at a reasonable assurance level, as of September 30, 2023 December 31, 2023.

Changes in Internal Control Over Financial Reporting internal control over financial reporting

There have been no changes in internal control over financial reporting during the second third quarter of fiscal 2024 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 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 second third quarter of fiscal 2024:

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, 2023	———	———	———	$45,372,391
August 1 – August 31, 2023	1,222 (b)	$45.91	———	$45,372,391
September 1 – September 30, 2023	200,000 (c)	$45.01	200,000	$36,370,398
Total	201,222	$45.02	200,000	

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)
October 1 – October 31, 2023	56,558 (b)	$43.27	———	$36,370,398
November 1 – November 30, 2023	100,000 (c)	$43.07	100,000	$32,063,074
December 1 – December 31, 2023	9,683 (b)	$54.24	———	$32,063,074
Total	166,241	$43.79	100,000	

(a) Effective November 5, 2022, the 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 November 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.

(c) Includes shares acquired pursuant to the repurchase program described in (a) above.

Item 5. Other Information.

On August 17, 2023 During the three months ended December 31, 2023, Michael B. Lucareli, Executive Vice President and Chief Financial Officer of the Company, adopted a Stock Sale Plan (the "Plan") intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended. The Plan provides for the sale of up to 80,000 shares of Modine common stock during the period beginning on November 20, 2023 and ending on May 20, 2024, subject to a formula and other terms and conditions set forth in the Plan.

No other no director or "officer" 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, during the three months ended September 30, 2023. S-K.

Item 6. Exhibits.

(a) Exhibits:

Exhibit No.	Description	Incorporated Herein By Reference To	Filed Herewith
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
101.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
101.SCH	Inline XBRL Taxonomy Extension Schema.		X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.		X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.		X
10.1.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.		X
10.1.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.		X
104	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: January 31, 2024

By: /s/ Michael B. Lucareli

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

Date: November 2, 2023

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

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 September 30, 2023 December 31, 2023;

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 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 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 internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 internal control over financial reporting; and

5. The 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 auditors and the audit committee of the 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 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 internal control over financial reporting.

Date: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023;

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 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 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 internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 internal control over financial reporting; and

5. The 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 auditors and the audit committee of the 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 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 internal control over financial reporting.

Date: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023 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: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023 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: November 2, 2023 January 31, 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.

s % of sales

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Comparison of Three Months three months ended September 30, 2023 December 31, 2023 and 2022

Second Third quarter net sales of $620.5 million $561.4 million were $41.7 million, or 7 percent, $1.4 million higher than the second third quarter of the prior year, primarily due to favorable commercial pricing and a $14.7 million $10.0 million favorable impact of foreign currency exchange rates. These increases were partially offset by lower sales volume, including lower sales from three automotive businesses in the Performance Technologies segment, which we sold on October 31, 2023.

Third quarter cost of sales decreased $28.3 million, or 6 percent, primarily due to lower sales volume, improved operating efficiencies, and lower raw material prices, which decreased approximately $5.0 million. These decreases were partially offset by a $7.6 million unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs. As a percentage of sales, cost of sales decreased 530 basis points to 77.3 percent, primarily due to favorable sales mix, commercial pricing and improved operating efficiencies.

As a result of higher sales and lower cost of sales as a percentage of sales, third quarter gross profit increased $29.7 million and gross margin improved 530 basis points to 22.7 percent.

Third quarter SG&A expenses increased $10.0 million, or 17 percent. As a percentage of sales, SG&A expenses increased by 180 basis points. The increase in SG&A expenses was primarily due to higher compensation-related expenses, which increased approximately $7.0 million, and included higher incentive compensation expenses driven by improved financial results, as compared with the prior year. In addition, environmental charges related to a previously-closed manufacturing facility in the U.S. increased $0.9 million.

Restructuring expenses increased $1.5 million compared with the third quarter of fiscal 2023, primarily due to higher equipment transfer costs and severance expenses in the Climate Solutions segment.

We sold three automotive businesses based in Germany on October 31, 2023. As a result of the sale, we recorded a $4.0 million gain on sale at Corporate during the third quarter of fiscal 2024.

Operating income of $61.7 million in the third quarter of fiscal 2024 increased $22.2 million compared with the third quarter of fiscal 2023, primarily due to higher gross profit in our operating segments and the gain on sale of the Germany automotive businesses, partially offset by higher SG&A expenses.

Interest expense during the third quarter of fiscal 2024 decreased $0.1 million compared with the third quarter of fiscal 2023. Unfavorable changes in interest rates during fiscal 2024, which resulted in higher interest costs, were offset by the absence of $0.7 million of costs recorded as interest expense during the third quarter of fiscal 2023 related to a credit agreement amendment.

The provision for income taxes was $10.3 million and $8.5 million in the third quarter of fiscal 2024 and 2023, respectively. The $1.8 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year, partially offset by a $3.1 million tax benefit related to the sale of the Germany automotive businesses during the third quarter of fiscal 2024.

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Comparison of nine months ended December 31, 2023 and 2022

Fiscal 2024 year-to-date net sales of $1,804.3 million were $124.5 million, or 7 percent, higher than the same period last year, primarily due to favorable commercial pricing, higher sales volume and a $25.1 million favorable impact of foreign currency exchange rates. Sales in the Performance Technologies and Climate Solutions segments increased $21.7 million $81.5 million and $19.9 million $41.2 million, respectively.

Second quarter Fiscal 2024 year-to-date cost of sales of $1,414.0 million increased $2.8 million $11.4 million, or 1 percent, primarily due to an $11.7 million higher sales volume, a $19.8 million unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs and warranty expenses. costs. These increases were partially offset by lower raw material prices, which decreased approximately $11.0 million, $33.0 million and, to a lesser extent, improved operating efficiencies. As a percentage of sales, cost of sales decreased 520 510 basis points to 78.2 78.4 percent, primarily due to the favorable impact of higher sales.

As a result of higher sales and lower cost of sales as a percentage of sales, second quarter gross profit increased $38.9 million $113.1 million and gross margin improved 520 510 basis points to 21.8 21.6 percent.

Second quarter Fiscal 2024 year-to-date SG&A expenses increased $10.1 million $25.2 million, or 17 15 percent. As a percentage of sales, SG&A expenses increased by 100 70 basis points. The increase in SG&A expenses included was primarily driven by higher compensation-related expenses, which increased approximately $3.0 million $14.0 million, and increases across other general and administrative expenses, such as higher product development costs, professional service fees, and employee travel expenses. The compensation-related expenses included higher incentive compensation expenses driven by improved financial results, as compared with the prior year. In addition, environmental charges related to a previously-closed manufacturing facility in the U.S. increased $0.7 million.

Restructuring expenses during the first nine months of fiscal 2024 decreased $0.1 million compared with the second quarter of fiscal 2023, same period last year, primarily due to lower equipment transfer costs severance expenses in the Performance Technologies segment, partially offset by higher severance and equipment transfer expenses in the Climate Solutions segment.

 We sold three automotive businesses based in Germany on October 31, 2023. As a result of the sale, we recorded a $4.0 million gain on sale at Corporate during the third quarter of fiscal 2024.

Operating income of $65.7 million in $193.9 million during the second quarter first nine months of fiscal 2024 increased $28.9 million $92.0 million compared with the second quarter of fiscal 2023, same period last year, primarily due to higher gross profit in our operating segments and the gain on sale of the Germany automotive businesses, partially offset by higher SG&A expenses.

Interest expense during the second quarter first nine months of fiscal 2024 increased $1.4 million $3.1 million compared with the second quarter of fiscal 2023, same period last year, primarily due to unfavorable changes in interest rates. rates, partially offset by the absence of $0.7 million of costs recorded in the prior year related to a credit agreement amendment.

The provision for income taxes was $12.8 million $37.8 million and $6.4 million in $19.8 million during the second quarter first nine months of fiscal 2024 and 2023, respectively. The $6.4 million $18.0 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year.

Comparison of Six Months ended September 30, 2023 and 2022

Fiscal 2024 year-to-date net sales of $1,242.9 million were $123.1 million, or 11 percent, higher than the same period last year, primarily due to higher sales volume, favorable commercial pricing and a $15.1 million favorable impact of foreign currency exchange rates. Sales in the Performance Technologies and Climate Solutions segments increased $76.3 million and $47.3 million, respectively.

Fiscal 2024 year-to-date cost of sales of $979.9 million increased $39.7 million, or 4 percent, primarily due to higher sales volume, a $12.1 unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs and warranty expenses. These increases were partially offset by lower raw material prices, which decreased approximately $28.0 million and, to a lesser extent, improved operating efficiencies. As a percentage of sales, cost of sales decreased 520 basis points to 78.8 percent, primarily due $3.1 million tax benefit related to the favorable impact sale of higher sales.

As a result of higher sales and lower cost of sales as a percentage of sales, gross profit increased $83.4 million and gross margin improved 520 basis points to 21.2 percent.

Fiscal 2024 year-to-date SG&A expenses increased $15.2 million, or 13 percent. As a percentage of sales, SG&A expenses increased by 20 basis points. The increase in SG&A expenses was primarily driven by higher compensation-related expenses, which increased approximately $7.0 million, and increases across other general and administrative expenses. The compensation-related expenses included higher incentive compensation expenses driven by improved financial results, as compared with the prior year.

Restructuring expenses Germany automotive businesses during the first six months third quarter of fiscal 2024 decreased $1.6 million compared with the same period last year, primarily due to lower severance expenses in the Performance Technologies segment.

Operating income of $132.2 million during the first six months of fiscal 2024 increased $69.8 million compared with the same period last year, primarily due to higher gross profit in our operating segments, partially offset by higher SG&A expenses.

Interest expense during the first six months of fiscal 2024 increased $3.2 million compared with the same period last year, primarily due to unfavorable changes in interest rates.

The provision for income taxes was $27.5 million and $11.3 million during the first six months of fiscal 2024 and 2023, respectively. The $16.2 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year. 2024.

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SEGMENT RESULTS OF OPERATIONS

The following is a discussion of our segment results of operations for the three and six nine months ended September 30, 2023 December 31, 2023 and 2022:

Climate Solutions

	Three months ended September 30,				Six months ended September 30,			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 275.8	100.0 %	$ 255.9	100.0 %	$ 547.6	100.0 %	$ 500.3	100.0 %
Cost of sales	204.0	74.0 %	198.6	77.6 %	406.8	74.3 %	392.6	78.5 %
Gross profit	71.8	26.0 %	57.3	22.4 %	140.8	25.7 %	107.7	21.5 %
Selling, general and administrative expenses	26.9	9.7 %	24.3	9.5 %	51.6	9.4 %	47.7	9.5 %
Restructuring expenses	0.3	0.1 %	0.3	0.1 %	0.3	0.1 %	0.3	0.1 %
Operating income	$ 44.6	16.2 %	$ 32.7	12.8 %	$ 88.9	16.2 %	$ 59.7	11.9 %

Climate Solutions

	Three months ended December 31, 2023				Nine months ended December 31, 2023			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 242.5	100.0 %	$ 248.6	100.0 %	$ 790.1	100.0 %	$ 748.9	100.0 %
Cost of sales	176.4	72.7 %	193.8	78.0 %	583.2	73.8 %	586.4	78.3 %
Gross profit	66.1	27.3 %	54.8	22.0 %	206.9	26.2 %	162.5	21.7 %
Selling, general and administrative expenses	25.9	10.7 %	24.6	9.9 %	77.5	9.8 %	72.3	9.7 %
Restructuring expenses	1.4	0.6 %	-	-	1.7	0.2 %	0.3	-
Operating income	$ 38.8	16.0 %	$ 30.2	12.2 %	$ 127.7	16.2 %	$ 89.9	12.0 %

Comparison of Three Months three months ended September 30, 2023 December 31, 2023 and 2022

Climate Solutions net sales increased $19.9 million decreased $6.1 million, or 8 2 percent, from the second third quarter of fiscal 2023 to the second third quarter of fiscal 2024, primarily due to higher lower sales volume, and partially offset by a $6.6 million $4.4 million favorable impact of foreign currency exchange rates. Compared with the second third quarter of the prior year, sales of data center cooling products increased $42.5 million $15.4 million, with higher sales to both hyperscale and colocation customers, and sales of HVAC & refrigeration products increased $2.2 million. Sales of heat transfer and HVAC & refrigeration products decreased $20.5 million $23.7 million, largely due to market weakness and $2.0 million, respectively. lower customer demand compared with the prior year and the strategic exit from lower-margin business in connection with 80/20 product rationalization initiatives.

Climate Solutions cost of sales increased $5.4 million decreased $17.4 million, or 3 9 percent, from the second third quarter of fiscal 2023 to the second third quarter of fiscal 2024, primarily due to higher lower sales volume and improved operating efficiencies. In addition, raw material prices decreased approximately $2.0 million. These decreases were partially offset by a $5.0 million $3.1 million unfavorable impact of foreign currency exchange rates and, to a lesser extent higher warranty expenses, which increased approximately $3.0 million, and higher labor and inflationary costs. These increases were partially offset by improved operating efficiencies and lower raw material prices, which decreased approximately $4.0 million. As a percentage of sales, cost of sales decreased 360 530 basis points to 74.0 72.7 percent, primarily due to favorable sales mix and improved operating efficiencies.

As a result of the lower sales and lower cost of sales as a percentage of sales, gross profit increased $11.3 million and gross margin improved 530 basis points to 27.3 percent.

SG&A expenses increased $1.3 million compared with the third quarter of the prior year. As a percentage of sales, SG&A expenses increased by 80 basis points. The increase in SG&A expenses was primarily driven by higher compensation-related expenses.

Restructuring expenses totaled $1.4 million during the third quarter of fiscal 2024 and consist of equipment transfer costs and severance expenses related to targeted headcount reductions in Europe and Asia.

Operating income of $38.8 million increased $8.6 million from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher restructuring and SG&A expenses.

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Comparison of nine months ended December 31, 2023 and 2022

Climate Solutions year-to-date net sales increased $41.2 million, or 6 percent, from the same period last year, primarily due to higher sales volume and an $11.8 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of data center cooling products increased $95.6 million, primarily due to higher sales to both hyperscale and colocation customers. Sales of heat transfer and HVAC & refrigeration products decreased $53.0 million and $1.1 million, respectively. The decrease in sales of heat transfer products was largely due to market weakness and lower customer demand compared with the prior year and the impact of the strategic exit from lower-margin business.

Climate Solutions year-to-date cost of sales decreased $3.2 million, or 1 percent, from the same period last year, primarily due to lower raw material prices, which decreased approximately $16.0 million, and improved operating efficiencies. These decreases were partially offset by increases resulting from higher sales volume, an $8.6 million unfavorable impact of foreign currency exchanges rates, and higher labor and inflationary costs and warranty expenses. As a percentage of sales, cost of sales decreased 450 basis points to 73.8 percent, primarily due to the favorable impact of higher sales and improved operating efficiencies.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $14.5 million $44.4 million and gross margin improved 360 450 basis points to 26.0 26.2 percent.

Climate Solutions year-to-date SG&A expenses increased $2.6 million compared with the second quarter of the prior year. $5.2 million. As a percentage of sales, SG&A expenses increased by 20 10 basis points. The increase in SG&A expenses includes higher compensation-related expenses and increases across other general and administrative expenses.

Restructuring expenses totaled $0.3 million during both increased $1.4 million compared with the second quarter first nine months of fiscal 2024 and 2023. The fiscal 2024 expenses consist of equipment transfer and severance expenses. The fiscal 2023 expenses primarily relate to closure costs associated with a previously-leased facility.

Operating income of $44.6 million increased $11.9 million from $127.7 million during the second quarter of fiscal 2023 to the second quarter first nine months of fiscal 2024 primarily due to higher gross profit.

Comparison of Six Months ended September 30, 2023 and 2022

Climate Solutions year-to-date net sales increased $47.3 million, or 9 percent, $37.8 million from the same period last year, primarily due to higher gross profit, partially offset by higher SG&A and restructuring expenses.

Performance Technologies

	Three months ended December 31, 2023				Nine months ended December 31, 2023			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 323.0	100.0 %	$ 317.8	100.0 %	$ 1,033.6	100.0 %	$ 952.1	100.0 %
Cost of sales	262.0	81.1 %	274.8	86.5 %	851.2	82.4 %	836.9	87.9 %
Gross profit	61.0	18.9 %	43.0	13.5 %	182.4	17.6 %	115.2	12.1 %
Selling, general and administrative expenses	29.6	9.2 %	25.5	8.0 %	85.2	8.2 %	72.2	7.6 %
Restructuring expenses	0.2	-	0.1	-	0.4	-	1.9	0.2 %
Operating income	$ 31.2	9.7 %	$ 17.4	5.5 %	$ 96.8	9.4 %	$ 41.1	4.3 %

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Comparison of three months ended December 31, 2023 and 2022

Performance Technologies net sales volume increased $5.2 million, or 2 percent, from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to favorable commercial pricing and a $7.4 million $5.6 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of data center cooling products increased $80.2 million. Sales of heat transfer and HVAC & refrigeration products decreased $29.3 million and $3.3 million, respectively.

Climate Solutions year-to-date cost of sales increased $14.2 million, or 4 percent, from the same period last year, primarily due to higher sales volume, a $5.5 million unfavorable impact of foreign currency exchanges rates, and higher warranty expenses and labor and inflationary costs. These increases were partially offset by lower sales volume, including $10.2 million of lower sales from the three Germany automotive businesses that we sold on October 31, 2023. Compared with the third quarter of the prior year, sales of advanced solutions, and air-cooled products increased $9.6 million and $3.1 million, respectively. Sales of liquid-cooled products decreased $5.2 million.

Performance Technologies cost of sales decreased $12.8 million, or 5 percent, from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to lower sales volume and, to a lesser extent, lower raw material prices, which decreased approximately $14.0 million $3.0 million. These decreases were partially offset by a $4.6 million unfavorable impact of foreign currency exchange rates and improved operating efficiencies. higher labor and inflationary costs. As a percentage of sales, cost of sales decreased 420 540 basis points to 74.3 81.1 percent, primarily due to the favorable impact of commercial pricing, partially offset by higher sales labor and improved operating efficiencies. inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $33.1 million $18.0 million and gross margin improved 420 540 basis points to 25.7 18.9 percent.

Climate Solutions year-to-date SG&A expenses increased $3.9 million $4.1 million, yet decreased 10 basis points as or 16 percent, compared with the third quarter of the prior year. As a percentage of sales. sales, SG&A expenses increased by 120 basis points. The increase in SG&A expenses includes was primarily due to higher compensation-related expenses, which increased approximately $3.0 million, and increases across other general and administrative expenses.

Restructuring expenses totaled $0.3 million during both the first six months of fiscal 2024 and 2023. The fiscal 2024 expenses consist of equipment transfer and severance expenses. The fiscal 2023 expenses primarily relate to closure costs associated with a previously-leased facility. higher product development costs.

Operating income of $88.9 million during $31.2 million increased $13.8 million from the first six months third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Comparison of nine months ended December 31, 2023 and 2022

Performance Technologies year-to-date net sales increased $29.2 million $81.5 million, or 9 percent, from the same period last year, primarily due to favorable commercial pricing, a $13.4 million favorable impact of foreign currency exchange rates, and, to a lesser extent, higher sales volume. Compared with the same period in the prior year, sales of advanced solutions, air-cooled and liquid-cooled products increased $30.2 million, $26.8 million, and $26.0 million, respectively.

Performance Technologies year-to-date cost of sales increased $14.3 million, or 2 percent, from the same period last year, primarily due to higher gross profit.

Performance Technologies

	Three months ended September 30,				Six months ended September 30,			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 351.7	100.0 %	$ 330.0	100.0 %	$ 710.6	100.0 %	$ 634.3	100.0 %
Cost of sales	288.9	82.2 %	290.8	88.1 %	589.2	82.9 %	562.1	88.6 %
Gross profit	62.8	17.8 %	39.2	11.9 %	121.4	17.1 %	72.2	11.4 %
Selling, general and administrative expenses	29.0	8.2 %	22.6	6.9 %	55.6	7.8 %	46.7	7.4 %
Restructuring expenses	0.2	-	0.3	0.1 %	0.2	-	1.8	0.3 %
Operating income	$ 33.6	9.6 %	$ 16.3	4.9 %	$ 65.6	9.2 %	$ 23.7	3.7 %

Comparison of Three Months ended September 30, 2023 labor and 2022

Performance Technologies net sales increased $21.7 million, or 7 percent, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to favorable commercial pricing and inflationary costs, an $8.0 million favorable impact of foreign currency exchange rates. These increases were partially offset by lower sales volume. Compared with the second quarter of the prior year, sales of advanced solutions, liquid-cooled and air-cooled products increased $10.3 million, $7.4 million, and $4.0 million, respectively.

Performance Technologies cost of sales decreased $1.9 million, or 1 percent, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to lower raw material prices, which decreased approximately $8.0 million and lower sales volume. These decreases were partially offset by a $6.7 million $11.2 million unfavorable impact of foreign currency exchange rates, and higher labor and inflationary costs. sales volume. These increases were partially offset by lower raw material prices, which decreased approximately $17.0 million. As a percentage of sales, cost of sales decreased 590 550 basis points to 82.2 82.4 percent, primarily due to the favorable impact of higher sales, partially offset by higher labor and inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $23.6 million $67.2 million and gross margin improved 590 550 basis points to 17.8 percent.

SG&A expenses increased $6.4 million, or 28 percent, compared with the second quarter of the prior year. As a percentage of sales, 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 $3.0 million, higher product development costs and increases across other general and administrative expenses.

Restructuring expenses decreased $0.1 million compared with the second quarter of fiscal 2023, primarily due to lower equipment transfer costs.

Operating income of $33.6 million increased $17.3 million from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Comparison of Six Months ended September 30, 2023 and 2022

Performance Technologies year-to-date net sales increased $76.3 million, or 12 percent, from the same period last year, primarily due to favorable commercial pricing, higher sales volume, and a $7.8 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of liquid-cooled, air-cooled, and advanced solutions products increased $31.2 million, $23.7 million, and $20.6 million, respectively.

Performance Technologies year-to-date cost of sales increased $27.1 million, or 5 percent, from the same period last year, primarily due to higher sales volume, higher labor and inflationary costs and a $6.7 million unfavorable impact of foreign currency exchange rates. These increases were partially offset by lower raw material prices, which decreased approximately $14.0 million. As a percentage of sales, cost of sales decreased 570 basis points to 82.9 percent, primarily due to the favorable impact of higher sales, partially offset by higher labor and inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $49.2 million and gross margin improved 570 basis points to 17.1 17.6 percent.

Performance Technologies year-to-date SG&A expenses increased $8.9 million $13.0 million, or 19 18 percent, compared with the same period last year. As a percentage of sales, year-to-date SG&A expenses increased by 40 60 basis points. The increase in SG&A expenses was primarily due to higher compensation-related expenses, which increased approximately $7.0 million, and increases across other general and administrative expenses.

Restructuring expenses during the first six nine months of fiscal 2024 decreased $1.6 million $1.5 million compared with the same period last year, primarily due to lower severance expenses.

Operating income of $65.6 million $96.8 million during the first six nine months of fiscal 2024 increased $41.9 million $55.7 million from the same period last year, primarily due to higher gross profit, partially offset by higher SG&A expenses.

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Liquidity and Capital Resources

Our primary sources of liquidity are cash flow from operating activities, our cash and cash equivalents as of September 30, 2023 December 31, 2023 of $120.2 million $149.7 million, and available borrowing capacity of $269.4 million under our revolving credit facility. Given our extensive international operations, approximately $71.0 million $103.0 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 cash provided by Operating Activities operating activities

Net cash provided by operating activities for the six nine months ended September 30, 2023 December 31, 2023 was $110.8 million $175.0 million, which represents a $54.7 million $107.1 million increase compared with the same period in the prior year. This increase in operating cash flow was primarily due to the favorable impact of higher earnings partially offset by unfavorable and, to a lesser extent, favorable net changes in working capital as compared with the same period in the prior year. The unfavorable favorable net changes in working capital include higher payments for incentive compensation, as compared an increase in customer deposits received in connection with the same period in the prior year. sales contracts with long inventory lead times.

Capital Expenditures expenditures

Capital expenditures of $26.2 million $43.8 million during the first six nine months of fiscal 2024 increased $3.2 million $8.6 million compared with the same period in the prior year. The fiscal 2024 capital expenditures include investments supporting our strategic growth initiatives across several of our business units.

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 September 30, 2023 December 31, 2023, we were in compliance with our debt covenants. We expect to remain in compliance with our debt covenants during the remainder of fiscal 2024 and beyond.

Share Repurchase Program repurchase program

During the first six nine months of fiscal 2024, we repurchased $9.0 million $13.3 million of our common stock. As of September 30, 2023 December 31, 2023, we had $36.4 million $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 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, 2023. Other risks and uncertainties include, but are not limited to, the following:

Market Risks: 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, 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; East and the recent attacks on shipping vessels 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 increased increases in labor costs and labor shortages;

- The impact of public health threats, such as COVID-19, 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.

Operational Risks: 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 price-reduction 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, including any lingering impacts associated with the recent now settled United Auto Workers union strikes;

- 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 or material breach of our information technology systems, and any related delays, problems or costs;

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

- Increasing emphasis by 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: 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;

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

- The potential impacts from actions by activist shareholders, including disruption of our business and related costs.

Financial Risks: 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.

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

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, 2023. The Company's market risks have not materially changed since the fiscal 2023 Form 10-K was filed.

Item 4. Controls and Procedures.

Evaluation Regarding Disclosure Controls regarding disclosure controls and Procedures procedures

As of the end of the period covered by this quarterly report on Form 10-Q, management of the Company, under the supervision, and with the participation, of the Company's President and Chief Executive Officer and Executive Vice President, Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures, at a reasonable assurance level, as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e). Based upon that evaluation, the President and Chief Executive Officer and Executive Vice President, Chief Financial Officer have concluded that the design and operation of the Company's disclosure controls and procedures were effective, at a reasonable assurance level, as of September 30, 2023 December 31, 2023.

Changes in Internal Control Over Financial Reporting internal control over financial reporting

There have been no changes in internal control over financial reporting during the second third quarter of fiscal 2024 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 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 second third quarter of fiscal 2024:

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, 2023	———	———	———	$45,372,391
August 1 – August 31, 2023	1,222 (b)	$45.91	———	$45,372,391
September 1 – September 30, 2023	200,000 (c)	$45.01	200,000	$36,370,398
Total	201,222	$45.02	200,000	

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)
October 1 – October 31, 2023	56,558 (b)	$43.27	———	$36,370,398
November 1 – November 30, 2023	100,000 (c)	$43.07	100,000	$32,063,074
December 1 – December 31, 2023	9,683 (b)	$54.24	———	$32,063,074

Total	166,241	$43.79	100,000	

(a) Effective November 5, 2022, the 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 November 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.

(c) Includes shares acquired pursuant to the repurchase program described in (a) above.

Item 5. Other Information.

On August 17, 2023 During the three months ended December 31, 2023, Michael B. Lucareli, Executive Vice President and Chief Financial Officer of the Company, adopted a Stock Sale Plan (the "Plan") intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended. The Plan provides for the sale of up to 80,000 shares of Modine common stock during the period beginning on November 20, 2023 and ending on May 20, 2024, subject to a formula and other terms and conditions set forth in the Plan.

No other no director or "officer" 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, during the three months ended September 30, 2023. S-K.

Item 6. Exhibits.

(a) Exhibits:

Exhibit No.	Description	Incorporated Herein By Reference To	Filed Herewith
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
101.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
101.SCH	Inline XBRL Taxonomy Extension Schema.		X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.		X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.		X
10.1.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.		X
10.1.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.		X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).		X

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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: January 31, 2024

By: /s/ Michael B. Lucareli
Michael B. Lucareli, Executive Vice President, Chief Financial Officer*

Date: November 2, 2023

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

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 September 30, 2023 December 31, 2023;

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 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 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 internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 internal control over financial reporting; and

5. The 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 auditors and the audit committee of the 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 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 internal control over financial reporting.

Date: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023;

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 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 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 internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 internal control over financial reporting; and

5. The 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 auditors and the audit committee of the 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 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 internal control over financial reporting.

Date: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023 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: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023 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: November 2, 2023 January 31, 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.

s % of sales

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Comparison of Three Months three months ended September 30, 2023 December 31, 2023 and 2022

Second Third quarter net sales of $620.5 million $561.4 million were $41.7 million, or 7 percent, $1.4 million higher than the second third quarter of the prior year, primarily due to favorable commercial pricing and a $14.7 million $10.0 million favorable impact of foreign currency exchange rates. These increases were partially offset by lower sales volume, including lower sales from three automotive businesses in the Performance Technologies segment, which we sold on October 31, 2023.

Third quarter cost of sales decreased $28.3 million, or 6 percent, primarily due to lower sales volume, improved operating efficiencies, and lower raw material prices, which decreased approximately $5.0 million. These decreases were partially offset by a $7.6 million unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs. As a percentage of sales, cost of sales decreased 530 basis points to 77.3 percent, primarily due to favorable sales mix, commercial pricing and improved operating efficiencies.

As a result of higher sales and lower cost of sales as a percentage of sales, third quarter gross profit increased $29.7 million and gross margin improved 530 basis points to 22.7 percent.

Third quarter SG&A expenses increased $10.0 million, or 17 percent. As a percentage of sales, SG&A expenses increased by 180 basis points. The increase in SG&A expenses was primarily due to higher compensation-related expenses, which increased approximately $7.0 million, and included higher incentive compensation expenses driven by improved financial results, as compared with the prior year. In addition, environmental charges related to a previously-closed manufacturing facility in the U.S. increased $0.9 million.

Restructuring expenses increased $1.5 million compared with the third quarter of fiscal 2023, primarily due to higher equipment transfer costs and severance expenses in the Climate Solutions segment.

We sold three automotive businesses based in Germany on October 31, 2023. As a result of the sale, we recorded a $4.0 million gain on sale at Corporate during the third quarter of fiscal 2024.

Operating income of $61.7 million in the third quarter of fiscal 2024 increased $22.2 million compared with the third quarter of fiscal 2023, primarily due to higher gross profit in our operating segments and the gain on sale of the Germany automotive businesses, partially offset by higher SG&A expenses.

Interest expense during the third quarter of fiscal 2024 decreased $0.1 million compared with the third quarter of fiscal 2023. Unfavorable changes in interest rates during fiscal 2024, which resulted in higher interest costs, were offset by the absence of $0.7 million of costs recorded as interest expense during the third quarter of fiscal 2023 related to a credit agreement amendment.

The provision for income taxes was $10.3 million and $8.5 million in the third quarter of fiscal 2024 and 2023, respectively. The $1.8 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year, partially offset by a $3.1 million tax benefit related to the sale of the Germany automotive businesses during the third quarter of fiscal 2024.

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Comparison of nine months ended December 31, 2023 and 2022

Fiscal 2024 year-to-date net sales of $1,804.3 million were $124.5 million, or 7 percent, higher than the same period last year, primarily due to favorable commercial pricing, higher sales volume and a $25.1 million favorable impact of foreign currency exchange rates. Sales in the Performance Technologies and Climate Solutions segments increased $21.7 million $81.5 million and $19.9 million $41.2 million, respectively.

Second quarter Fiscal 2024 year-to-date cost of sales of $1,414.0 million increased $2.8 million $11.4 million, or 1 percent, primarily due to an $11.7 million higher sales volume, a $19.8 million unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs and warranty expenses. costs. These increases were partially offset by lower raw material prices, which decreased approximately $11.0 million, $33.0 million and, to a lesser extent, improved operating efficiencies. As a percentage of sales, cost of sales decreased 520 510 basis points to 78.2 78.4 percent, primarily due to the favorable impact of higher sales.

As a result of higher sales and lower cost of sales as a percentage of sales, second quarter gross profit increased $38.9 million $113.1 million and gross margin improved 520 510 basis points to 21.8 21.6 percent.

Second quarter Fiscal 2024 year-to-date SG&A expenses increased $10.1 million $25.2 million, or 17 15 percent. As a percentage of sales, SG&A expenses increased by 100 70 basis points. The increase in SG&A expenses included was primarily driven by higher compensation-related expenses, which increased approximately $3.0 million $14.0 million, and increases across other general and administrative expenses, such as higher product development costs, professional service fees, and employee travel expenses. The compensation-related expenses included higher incentive compensation expenses driven by improved financial results, as compared with the prior year. In addition, environmental charges related to a previously-closed manufacturing facility in the U.S. increased $0.7 million.

Restructuring expenses during the first nine months of fiscal 2024 decreased $0.1 million compared with the second quarter of fiscal 2023, same period last year, primarily due to lower equipment transfer costs severance expenses in the Performance Technologies segment, partially offset by higher severance and equipment transfer expenses in the Climate Solutions segment.

25 We sold three automotive businesses based in Germany on October 31, 2023. As a result of the sale, we recorded a $4.0 million gain on sale at Corporate during the third quarter of fiscal 2024.

Operating income of $65.7 million in $193.9 million during the second quarter first nine months of fiscal 2024 increased $28.9 million $92.0 million compared with the second quarter of fiscal 2023, same period last year, primarily due to higher gross profit in our operating segments and the gain on sale of the Germany automotive businesses, partially offset by higher SG&A expenses.

Interest expense during the second quarter first nine months of fiscal 2024 increased $1.4 million $3.1 million compared with the second quarter of fiscal 2023, same period last year, primarily due to unfavorable changes in interest rates. rates, partially offset by the absence of $0.7 million of costs recorded in the prior year related to a credit agreement amendment.

The provision for income taxes was $12.8 million $37.8 million and $6.4 million in $19.8 million during the second quarter first nine months of fiscal 2024 and 2023, respectively. The $6.4 million $18.0 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year.

Comparison of Six Months ended September 30, 2023 and 2022

Fiscal 2024 year-to-date net sales of $1,242.9 million were $123.1 million, or 11 percent, higher than the same period last year, primarily due to higher sales volume, favorable commercial pricing and a $15.1 million favorable impact of foreign currency exchange rates. Sales in the Performance Technologies and Climate Solutions segments increased $76.3 million and $47.3 million, respectively.

Fiscal 2024 year-to-date cost of sales of $979.9 million increased $39.7 million, or 4 percent, primarily due to higher sales volume, a $12.1 unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs and warranty expenses. These increases were partially offset by lower raw material prices, which decreased approximately $28.0 million and, to a lesser extent, improved operating efficiencies. As a percentage of sales, cost of sales decreased 520 basis points to 78.8 percent, primarily due $3.1 million tax benefit related to the favorable impact sale of higher sales.

As a result of higher sales and lower cost of sales as a percentage of sales, gross profit increased $83.4 million and gross margin improved 520 basis points to 21.2 percent.

Fiscal 2024 year-to-date SG&A expenses increased $15.2 million, or 13 percent. As a percentage of sales, SG&A expenses increased by 20 basis points. The increase in SG&A expenses was primarily driven by higher compensation-related expenses, which increased approximately $7.0 million, and increases across other general and administrative expenses. The compensation-related expenses included higher incentive compensation expenses driven by improved financial results, as compared with the prior year.

Restructuring expenses Germany automotive businesses during the first six months third quarter of fiscal 2024 decreased $1.6 million compared with the same period last year, primarily due to lower severance expenses in the Performance Technologies segment.

Operating income of $132.2 million during the first six months of fiscal 2024 increased $69.8 million compared with the same period last year, primarily due to higher gross profit in our operating segments, partially offset by higher SG&A expenses.

Interest expense during the first six months of fiscal 2024 increased $3.2 million compared with the same period last year, primarily due to unfavorable changes in interest rates.

The provision for income taxes was $27.5 million and $11.3 million during the first six months of fiscal 2024 and 2023, respectively. The $16.2 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year. 2024.

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SEGMENT RESULTS OF OPERATIONS

The following is a discussion of our segment results of operations for the three and six nine months ended September 30, 2023 December 31, 2023 and 2022:

Climate Solutions

	Three months ended September 30,				Six months ended September 30,			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 275.8	100.0 %	$ 255.9	100.0 %	$ 547.6	100.0 %	$ 500.3	100.0 %
Cost of sales	204.0	74.0 %	198.6	77.6 %	406.8	74.3 %	392.6	78.5 %
Gross profit	71.8	26.0 %	57.3	22.4 %	140.8	25.7 %	107.7	21.5 %
Selling, general and administrative expenses	26.9	9.7 %	24.3	9.5 %	51.6	9.4 %	47.7	9.5 %
Restructuring expenses	0.3	0.1 %	0.3	0.1 %	0.3	0.1 %	0.3	0.1 %
Operating income	$ 44.6	16.2 %	$ 32.7	12.8 %	$ 88.9	16.2 %	$ 59.7	11.9 %

Climate Solutions

	Three months ended December 31, 2023				Nine months ended December 31, 2023			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 242.5	100.0 %	$ 248.6	100.0 %	$ 790.1	100.0 %	$ 748.9	100.0 %
Cost of sales	176.4	72.7 %	193.8	78.0 %	583.2	73.8 %	586.4	78.3 %
Gross profit	66.1	27.3 %	54.8	22.0 %	206.9	26.2 %	162.5	21.7 %
Selling, general and administrative expenses	25.9	10.7 %	24.6	9.9 %	77.5	9.8 %	72.3	9.7 %
Restructuring expenses	1.4	0.6 %	-	-	1.7	0.2 %	0.3	-
Operating income	$ 38.8	16.0 %	$ 30.2	12.2 %	$ 127.7	16.2 %	$ 89.9	12.0 %

Comparison of Three Months three months ended September 30, 2023 December 31, 2023 and 2022

Climate Solutions net sales increased $19.9 million decreased $6.1 million, or 8 2 percent, from the second third quarter of fiscal 2023 to the second third quarter of fiscal 2024, primarily due to higher lower sales volume, and partially offset by a $6.6 million $4.4 million favorable impact of foreign currency exchange rates. Compared with the second third quarter of the prior year, sales of data center cooling products increased $42.5 million $15.4 million, with higher sales to both hyperscale and colocation customers, and sales of HVAC & refrigeration products increased $2.2 million. Sales of heat transfer and HVAC & refrigeration products decreased $20.5 million $23.7 million, largely due to market weakness and $2.0 million, respectively. lower customer demand compared with the prior year and the strategic exit from lower-margin business in connection with 80/20 product rationalization initiatives.

Climate Solutions cost of sales increased $5.4 million decreased $17.4 million, or 3 9 percent, from the second third quarter of fiscal 2023 to the second third quarter of fiscal 2024, primarily due to higher lower sales volume and improved operating efficiencies. In addition, raw material prices decreased approximately $2.0 million. These decreases were partially offset by a $5.0 million $3.1 million unfavorable impact of foreign currency exchange rates and, to a lesser extent higher warranty expenses, which increased approximately $3.0 million, and higher labor and inflationary costs. These increases were partially offset by improved operating efficiencies and lower raw material prices, which decreased approximately $4.0 million. As a percentage of sales, cost of sales decreased 360 530 basis points to 74.0 72.7 percent, primarily due to favorable sales mix and improved operating efficiencies.

As a result of the lower sales and lower cost of sales as a percentage of sales, gross profit increased $11.3 million and gross margin improved 530 basis points to 27.3 percent.

SG&A expenses increased $1.3 million compared with the third quarter of the prior year. As a percentage of sales, SG&A expenses increased by 80 basis points. The increase in SG&A expenses was primarily driven by higher compensation-related expenses.

Restructuring expenses totaled $1.4 million during the third quarter of fiscal 2024 and consist of equipment transfer costs and severance expenses related to targeted headcount reductions in Europe and Asia.

Operating income of $38.8 million increased $8.6 million from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher restructuring and SG&A expenses.

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Comparison of nine months ended December 31, 2023 and 2022

Climate Solutions year-to-date net sales increased $41.2 million, or 6 percent, from the same period last year, primarily due to higher sales volume and an $11.8 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of data center cooling products increased $95.6 million, primarily due to higher sales to both hyperscale and colocation customers. Sales of heat transfer and HVAC & refrigeration products decreased $53.0 million and $1.1 million, respectively. The decrease in sales of heat transfer products was largely due to market weakness and lower customer demand compared with the prior year and the impact of the strategic exit from lower-margin business.

Climate Solutions year-to-date cost of sales decreased $3.2 million, or 1 percent, from the same period last year, primarily due to lower raw material prices, which decreased approximately $16.0 million, and improved operating efficiencies. These decreases were partially offset by increases resulting from higher sales volume, an $8.6 million unfavorable impact of foreign currency exchanges rates, and higher labor and inflationary costs and warranty expenses. As a percentage of sales, cost of sales decreased 450 basis points to 73.8 percent, primarily due to the favorable impact of higher sales and improved operating efficiencies.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $14.5 million $44.4 million and gross margin improved 360 450 basis points to 26.0 26.2 percent.

Climate Solutions year-to-date SG&A expenses increased $2.6 million compared with the second quarter of the prior year. $5.2 million. As a percentage of sales, SG&A expenses increased by 20 10 basis points. The increase in SG&A expenses includes higher compensation-related expenses and increases across other general and administrative expenses.

Restructuring expenses totaled $0.3 million during both increased $1.4 million compared with the second quarter first nine months of fiscal 2024 and 2023. The fiscal 2024 expenses consist of equipment transfer and severance expenses. The fiscal 2023 expenses primarily relate to closure costs associated with a previously-leased facility.

Operating income of $44.6 million increased $11.9 million from $127.7 million during the second quarter of fiscal 2023 to the second quarter first nine months of fiscal 2024 primarily due to higher gross profit.

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Comparison of Six Months ended September 30, 2023 and 2022

Climate Solutions year-to-date net sales increased $47.3 million, or 9 percent, $37.8 million from the same period last year, primarily due to higher gross profit, partially offset by higher SG&A and restructuring expenses.

Performance Technologies

	Three months ended December 31, 2023				Nine months ended December 31, 2023			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 323.0	100.0 %	$ 317.8	100.0 %	$ 1,033.6	100.0 %	$ 952.1	100.0 %
Cost of sales	262.0	81.1 %	274.8	86.5 %	851.2	82.4 %	836.9	87.9 %
Gross profit	61.0	18.9 %	43.0	13.5 %	182.4	17.6 %	115.2	12.1 %
Selling, general and administrative expenses	29.6	9.2 %	25.5	8.0 %	85.2	8.2 %	72.2	7.6 %

Restructuring expenses	0.2	-	0.1	-	0.4	-	1.9	0.2 %
Operating income	$ 31.2	9.7 %	$ 17.4	5.5 %	$ 96.8	9.4 %	$ 41.1	4.3 %

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Comparison of three months ended December 31, 2023 and 2022

Performance Technologies net sales volume increased $5.2 million, or 2 percent, from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to favorable commercial pricing and a $7.4 million $5.6 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of data center cooling products increased $80.2 million. Sales of heat transfer and HVAC & refrigeration products decreased $29.3 million and $3.3 million, respectively.

Climate Solutions year-to-date cost of sales increased $14.2 million, or 4 percent, from the same period last year, primarily due to higher sales volume, a $5.5 million unfavorable impact of foreign currency exchanges rates, and higher warranty expenses and labor and inflationary costs. These increases were partially offset by lower sales volume, including $10.2 million of lower sales from the three Germany automotive businesses that we sold on October 31, 2023. Compared with the third quarter of the prior year, sales of advanced solutions, and air-cooled products increased $9.6 million and $3.1 million, respectively. Sales of liquid-cooled products decreased $5.2 million.

Performance Technologies cost of sales decreased $12.8 million, or 5 percent, from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to lower sales volume and, to a lesser extent, lower raw material prices, which decreased approximately $14.0 million $3.0 million. These decreases were partially offset by a $4.6 million unfavorable impact of foreign currency exchange rates and improved operating efficiencies. higher labor and inflationary costs. As a percentage of sales, cost of sales decreased 420 540 basis points to 74.3 81.1 percent, primarily due to the favorable impact of commercial pricing, partially offset by higher sales labor and improved operating efficiencies. inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $33.1 million $18.0 million and gross margin improved 420 540 basis points to 25.7 18.9 percent.

Climate Solutions year-to-date SG&A expenses increased $3.9 million $4.1 million, yet decreased 10 basis points as or 16 percent, compared with the third quarter of the prior year. As a percentage of sales. sales, SG&A expenses increased by 120 basis points. The increase in SG&A expenses includes was primarily due to higher compensation-related expenses, which increased approximately $3.0 million, and increases across other general and administrative expenses.

Restructuring expenses totaled $0.3 million during both the first six months of fiscal 2024 and 2023. The fiscal 2024 expenses consist of equipment transfer and severance expenses. The fiscal 2023 expenses primarily relate to closure costs associated with a previously-leased facility. higher product development costs.

Operating income of $88.9 million during $31.2 million increased $13.8 million from the first six months third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Comparison of nine months ended December 31, 2023 and 2022

Performance Technologies year-to-date net sales increased $29.2 million $81.5 million, or 9 percent, from the same period last year, primarily due to favorable commercial pricing, a $13.4 million favorable impact of foreign currency exchange rates, and, to a lesser extent, higher sales volume. Compared with the same period in the prior year, sales of advanced solutions, air-cooled and liquid-cooled products increased $30.2 million, $26.8 million, and $26.0 million, respectively.

Performance Technologies year-to-date cost of sales increased $14.3 million, or 2 percent, from the same period last year, primarily due to higher gross profit.

Performance Technologies

	Three months ended September 30,				Six months ended September 30,			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 351.7	100.0 %	$ 330.0	100.0 %	$ 710.6	100.0 %	$ 634.3	100.0 %
Cost of sales	288.9	82.2 %	290.8	88.1 %	589.2	82.9 %	562.1	88.6 %
Gross profit	62.8	17.8 %	39.2	11.9 %	121.4	17.1 %	72.2	11.4 %
Selling, general and administrative expenses	29.0	8.2 %	22.6	6.9 %	55.6	7.8 %	46.7	7.4 %
Restructuring expenses	0.2	-	0.3	0.1 %	0.2	-	1.8	0.3 %
Operating income	$ 33.6	9.6 %	$ 16.3	4.9 %	$ 65.6	9.2 %	$ 23.7	3.7 %

Comparison of Three Months ended September 30, 2023 labor and 2022

Performance Technologies net sales increased $21.7 million, or 7 percent, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to favorable commercial pricing and inflationary costs, an $8.0 million favorable impact of foreign currency exchange rates. These increases were partially offset by lower sales volume. Compared with the second quarter of the prior year, sales of advanced solutions, liquid-cooled and air-cooled products increased $10.3 million, $7.4 million, and $4.0 million, respectively.

Performance Technologies cost of sales decreased $1.9 million, or 1 percent, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to lower raw material prices, which decreased approximately $8.0 million and lower sales volume. These decreases were partially offset by a $6.7 million $11.2 million unfavorable impact of foreign currency exchange rates, and higher labor and inflationary costs. sales volume. These increases were partially offset by lower raw material prices, which decreased approximately $17.0 million. As a percentage of sales, cost of sales decreased 590 550 basis points to 82.2 82.4 percent, primarily due to the favorable impact of higher sales, partially offset by higher labor and inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $23.6 million $67.2 million and gross margin improved 590 550 basis points to 17.8 percent.

SG&A expenses increased $6.4 million, or 28 percent, compared with the second quarter of the prior year. As a percentage of sales, 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 $3.0 million, higher product development costs and increases across other general and administrative expenses.

Restructuring expenses decreased $0.1 million compared with the second quarter of fiscal 2023, primarily due to lower equipment transfer costs.

Operating income of $33.6 million increased $17.3 million from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Comparison of Six Months ended September 30, 2023 and 2022

Performance Technologies year-to-date net sales increased $76.3 million, or 12 percent, from the same period last year, primarily due to favorable commercial pricing, higher sales volume, and a $7.8 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of liquid-cooled, air-cooled, and advanced solutions products increased $31.2 million, $23.7 million, and $20.6 million, respectively.

Performance Technologies year-to-date cost of sales increased $27.1 million, or 5 percent, from the same period last year, primarily due to higher sales volume, higher labor and inflationary costs and a $6.7 million unfavorable impact of foreign currency exchange rates. These increases were partially offset by lower raw material prices, which decreased approximately $14.0 million. As a percentage of sales, cost of sales decreased 570 basis points to 82.9 percent, primarily due to the favorable impact of higher sales, partially offset by higher labor and inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $49.2 million and gross margin improved 570 basis points to 17.1 17.6 percent.

Performance Technologies year-to-date SG&A expenses increased $8.9 million $13.0 million, or 19 18 percent, compared with the same period last year. As a percentage of sales, year-to-date SG&A expenses increased by 40 60 basis points. The increase in SG&A expenses was primarily due to higher compensation-related expenses, which increased approximately $7.0 million, and increases across other general and administrative expenses.

Restructuring expenses during the first six nine months of fiscal 2024 decreased $1.6 million $1.5 million compared with the same period last year, primarily due to lower severance expenses.

Operating income of $65.6 million $96.8 million during the first six nine months of fiscal 2024 increased $41.9 million $55.7 million from the same period last year, primarily due to higher gross profit, partially offset by higher SG&A expenses.

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Liquidity and Capital Resources

Our primary sources of liquidity are cash flow from operating activities, our cash and cash equivalents as of September 30, 2023 December 31, 2023 of $120.2 million $149.7 million, and available borrowing capacity of $269.4 million under our revolving credit facility. Given our extensive international operations, approximately $71.0 million $103.0 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 cash provided by Operating Activities operating activities

Net cash provided by operating activities for the six nine months ended September 30, 2023 December 31, 2023 was $110.8 million $175.0 million, which represents a $54.7 million $107.1 million increase compared with the same period in the prior year. This increase in operating cash flow was primarily due to the favorable impact of higher earnings partially offset by unfavorable and, to a lesser extent, favorable net changes in working capital as compared with the same period in the prior year. The unfavorable favorable net changes in working capital include higher payments for incentive compensation, as compared an increase in customer deposits received in connection with the same period in the prior year. sales contracts with long inventory lead times.

Capital Expenditures expenditures

Capital expenditures of $26.2 million $43.8 million during the first six nine months of fiscal 2024 increased $3.2 million $8.6 million compared with the same period in the prior year. The fiscal 2024 capital expenditures include investments supporting our strategic growth initiatives across several of our business units.

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 September 30, 2023 December 31, 2023, we were in compliance with our debt covenants. We expect to remain in compliance with our debt covenants during the remainder of fiscal 2024 and beyond.

Share Repurchase Program repurchase program

During the first six nine months of fiscal 2024, we repurchased $9.0 million $13.3 million of our common stock. As of September 30, 2023 December 31, 2023, we had $36.4 million $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 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, 2023. Other risks and uncertainties include, but are not limited to, the following:

Market Risks: 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, 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; East and the recent attacks on shipping vessels 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 increased increases in labor costs and labor shortages;

- The impact of public health threats, such as COVID-19, 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.

Operational Risks: 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 price-reduction 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, including any lingering impacts associated with the recent now settled United Auto Workers union strikes;

- 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 or material breach of our information technology systems, and any related delays, problems or costs;

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

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- Increasing emphasis by 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: 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;

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

- The potential impacts from actions by activist shareholders, including disruption of our business and related costs.

Financial Risks: 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.

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

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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, 2023. The Company's market risks have not materially changed since the fiscal 2023 Form 10-K was filed.

Item 4. Controls and Procedures.

Evaluation Regarding Disclosure Controls regarding disclosure controls and Procedures procedures

As of the end of the period covered by this quarterly report on Form 10-Q, management of the Company, under the supervision, and with the participation, of the Company's President and Chief Executive Officer and Executive Vice President, Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures, at a reasonable assurance level, as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e). Based upon that evaluation, the President and Chief Executive Officer and Executive Vice President, Chief Financial Officer have concluded that the design and operation of the Company's disclosure controls and procedures were effective, at a reasonable assurance level, as of September 30, 2023 December 31, 2023.

Changes in Internal Control Over Financial Reporting internal control over financial reporting

There have been no changes in internal control over financial reporting during the second third quarter of fiscal 2024 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 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 second third quarter of fiscal 2024:

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, 2023	———	———	———	$45,372,391
August 1 – August 31, 2023	1,222 (b)	$45.91	———	$45,372,391
September 1 – September 30, 2023	200,000 (c)	$45.01	200,000	$36,370,398
Total	201,222	$45.02	200,000	

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)
October 1 – October 31, 2023	56,558 (b)	$43.27	———	$36,370,398

November 1 – November 30, 2023	100,000 (c)	$43.07	100,000	$32,063,074
December 1 – December 31, 2023	9,683 (b)	$54.24	———	$32,063,074
Total	166,241	$43.79	100,000	

(a) Effective November 5, 2022, the 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 November 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.

(c) Includes shares acquired pursuant to the repurchase program described in (a) above.

Item 5. Other Information.

On August 17, 2023 During the three months ended December 31, 2023, Michael B. Lucareli, Executive Vice President and Chief Financial Officer of the Company, adopted a Stock Sale Plan (the "Plan") intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended. The Plan provides for the sale of up to 80,000 shares of Modine common stock during the period beginning on November 20, 2023 and ending on May 20, 2024, subject to a formula and other terms and conditions set forth in the Plan.

No other no director or "officer" 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, during the three months ended September 30, 2023. S-K.

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Item 6. Exhibits.

(a) Exhibits:

Exhibit No.	Description	Incorporated Herein By Reference To	Filed Herewith
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
101.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
101.SCH	Inline XBRL Taxonomy Extension Schema.		X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.		X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.		X
10.1.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.		X
10.1.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.		X

104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).	X

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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: January 31, 2024

By: /s/ Michael B. Lucareli
Michael B. Lucareli, Executive Vice President, Chief Financial Officer*

Date: November 2, 2023

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

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 September 30, 2023 December 31, 2023;

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 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 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 internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 internal control over financial reporting; and

5. The 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 auditors and the audit committee of the 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 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 internal control over financial reporting.

Date: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023;

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 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 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 internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 internal control over financial reporting; and

5. The 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 auditors and the audit committee of the 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 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 internal control over financial reporting.

Date: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023 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: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023 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: November 2, 2023 January 31, 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.

s % of sales

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Comparison of Three Months three months ended September 30, 2023 December 31, 2023 and 2022

Second Third quarter net sales of $620.5 million $561.4 million were $41.7 million, or 7 percent, $1.4 million higher than the second third quarter of the prior year, primarily due to favorable commercial pricing and a $14.7 million $10.0 million favorable impact of foreign currency exchange rates. These increases were partially offset by lower sales volume, including lower sales from three automotive businesses in the Performance Technologies segment, which we sold on October 31, 2023.

Third quarter cost of sales decreased $28.3 million, or 6 percent, primarily due to lower sales volume, improved operating efficiencies, and lower raw material prices, which decreased approximately $5.0 million. These decreases were partially offset by a $7.6 million unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs. As a percentage of sales, cost of sales decreased 530 basis points to 77.3 percent, primarily due to favorable sales mix, commercial pricing and improved operating efficiencies.

As a result of higher sales and lower cost of sales as a percentage of sales, third quarter gross profit increased $29.7 million and gross margin improved 530 basis points to 22.7 percent.

Third quarter SG&A expenses increased $10.0 million, or 17 percent. As a percentage of sales, SG&A expenses increased by 180 basis points. The increase in SG&A expenses was primarily due to higher compensation-related expenses, which increased approximately $7.0 million, and included higher incentive compensation expenses driven by improved financial results, as compared with the prior year. In addition, environmental charges related to a previously-closed manufacturing facility in the U.S. increased $0.9 million.

Restructuring expenses increased $1.5 million compared with the third quarter of fiscal 2023, primarily due to higher equipment transfer costs and severance expenses in the Climate Solutions segment.

We sold three automotive businesses based in Germany on October 31, 2023. As a result of the sale, we recorded a $4.0 million gain on sale at Corporate during the third quarter of fiscal 2024.

Operating income of $61.7 million in the third quarter of fiscal 2024 increased $22.2 million compared with the third quarter of fiscal 2023, primarily due to higher gross profit in our operating segments and the gain on sale of the Germany automotive businesses, partially offset by higher SG&A expenses.

Interest expense during the third quarter of fiscal 2024 decreased $0.1 million compared with the third quarter of fiscal 2023. Unfavorable changes in interest rates during fiscal 2024, which resulted in higher interest costs, were offset by the absence of $0.7 million of costs recorded as interest expense during the third quarter of fiscal 2023 related to a credit agreement amendment.

The provision for income taxes was $10.3 million and $8.5 million in the third quarter of fiscal 2024 and 2023, respectively. The $1.8 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year, partially offset by a $3.1 million tax benefit related to the sale of the Germany automotive businesses during the third quarter of fiscal 2024.

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Comparison of nine months ended December 31, 2023 and 2022

Fiscal 2024 year-to-date net sales of $1,804.3 million were $124.5 million, or 7 percent, higher than the same period last year, primarily due to favorable commercial pricing, higher sales volume and a $25.1 million favorable impact of foreign currency exchange rates. Sales in the Performance Technologies and Climate Solutions segments increased $21.7 million $81.5 million and $19.9 million $41.2 million, respectively.

Second quarter Fiscal 2024 year-to-date cost of sales of $1,414.0 million increased $2.8 million $11.4 million, or 1 percent, primarily due to an $11.7 million higher sales volume, a $19.8 million unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs and warranty expenses. costs. These increases were partially offset by lower raw material prices, which decreased approximately $11.0 million, $33.0 million and, to a lesser extent, improved operating efficiencies. As a percentage of sales, cost of sales decreased 520 510 basis points to 78.2 78.4 percent, primarily due to the favorable impact of higher sales.

As a result of higher sales and lower cost of sales as a percentage of sales, second quarter gross profit increased $38.9 million $113.1 million and gross margin improved 520 510 basis points to 21.8 21.6 percent.

Second quarter Fiscal 2024 year-to-date SG&A expenses increased $10.1 million $25.2 million, or 17 15 percent. As a percentage of sales, SG&A expenses increased by 100 70 basis points. The increase in SG&A expenses included was primarily driven by higher compensation-related expenses, which increased approximately $3.0 million $14.0 million, and increases across other general and administrative expenses, such as higher product development costs, professional service fees, and employee travel expenses. The compensation-related expenses included higher incentive compensation expenses driven by improved financial results, as compared with the prior year. In addition, environmental charges related to a previously-closed manufacturing facility in the U.S. increased $0.7 million.

Restructuring expenses during the first nine months of fiscal 2024 decreased $0.1 million compared with the second quarter of fiscal 2023, same period last year, primarily due to lower equipment transfer costs severance expenses in the Performance Technologies segment, partially offset by higher severance and equipment transfer expenses in the Climate Solutions segment.

25 We sold three automotive businesses based in Germany on October 31, 2023. As a result of the sale, we recorded a $4.0 million gain on sale at Corporate during the third quarter of fiscal 2024.

Operating income of $65.7 million in $193.9 million during the second quarter first nine months of fiscal 2024 increased $28.9 million $92.0 million compared with the second quarter of fiscal 2023, same period last year, primarily due to higher gross profit in our operating segments and the gain on sale of the Germany automotive businesses, partially offset by higher SG&A expenses.

Interest expense during the second quarter first nine months of fiscal 2024 increased $1.4 million $3.1 million compared with the second quarter of fiscal 2023, same period last year, primarily due to unfavorable changes in interest rates. rates, partially offset by the absence of $0.7 million of costs recorded in the prior year related to a credit agreement amendment.

The provision for income taxes was $12.8 million $37.8 million and $6.4 million in $19.8 million during the second quarter first nine months of fiscal 2024 and 2023, respectively. The $6.4 million $18.0 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year.

Comparison of Six Months ended September 30, 2023 and 2022

Fiscal 2024 year-to-date net sales of $1,242.9 million were $123.1 million, or 11 percent, higher than the same period last year, primarily due to higher sales volume, favorable commercial pricing and a $15.1 million favorable impact of foreign currency exchange rates. Sales in the Performance Technologies and Climate Solutions segments increased $76.3 million and $47.3 million, respectively.

Fiscal 2024 year-to-date cost of sales of $979.9 million increased $39.7 million, or 4 percent, primarily due to higher sales volume, a $12.1 unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs and warranty expenses. These increases were partially offset by lower raw material prices, which decreased approximately $28.0 million and, to a lesser extent, improved operating efficiencies. As a percentage of sales, cost of sales decreased 520 basis points to 78.8 percent, primarily due $3.1 million tax benefit related to the favorable impact sale of higher sales.

As a result of higher sales and lower cost of sales as a percentage of sales, gross profit increased $83.4 million and gross margin improved 520 basis points to 21.2 percent.

Fiscal 2024 year-to-date SG&A expenses increased $15.2 million, or 13 percent. As a percentage of sales, SG&A expenses increased by 20 basis points. The increase in SG&A expenses was primarily driven by higher compensation-related expenses, which increased approximately $7.0 million, and increases across other general and administrative expenses. The compensation-related expenses included higher incentive compensation expenses driven by improved financial results, as compared with the prior year.

Restructuring expenses Germany automotive businesses during the first six months third quarter of fiscal 2024 decreased $1.6 million compared with the same period last year, primarily due to lower severance expenses in the Performance Technologies segment.

Operating income of $132.2 million during the first six months of fiscal 2024 increased $69.8 million compared with the same period last year, primarily due to higher gross profit in our operating segments, partially offset by higher SG&A expenses.

Interest expense during the first six months of fiscal 2024 increased $3.2 million compared with the same period last year, primarily due to unfavorable changes in interest rates.

The provision for income taxes was $27.5 million and $11.3 million during the first six months of fiscal 2024 and 2023, respectively. The $16.2 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year. 2024.

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SEGMENT RESULTS OF OPERATIONS

The following is a discussion of our segment results of operations for the three and six nine months ended September 30, 2023 December 31, 2023 and 2022:

Climate Solutions

	Three months ended September 30,				Six months ended September 30,			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 275.8	100.0 %	$ 255.9	100.0 %	$ 547.6	100.0 %	$ 500.3	100.0 %
Cost of sales	204.0	74.0 %	198.6	77.6 %	406.8	74.3 %	392.6	78.5 %
Gross profit	71.8	26.0 %	57.3	22.4 %	140.8	25.7 %	107.7	21.5 %
Selling, general and administrative expenses	26.9	9.7 %	24.3	9.5 %	51.6	9.4 %	47.7	9.5 %
Restructuring expenses	0.3	0.1 %	0.3	0.1 %	0.3	0.1 %	0.3	0.1 %
Operating income	$ 44.6	16.2 %	$ 32.7	12.8 %	$ 88.9	16.2 %	$ 59.7	11.9 %

Climate Solutions

	Three months ended December 31, 2023				Nine months ended December 31, 2023			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 242.5	100.0 %	$ 248.6	100.0 %	$ 790.1	100.0 %	$ 748.9	100.0 %
Cost of sales	176.4	72.7 %	193.8	78.0 %	583.2	73.8 %	586.4	78.3 %
Gross profit	66.1	27.3 %	54.8	22.0 %	206.9	26.2 %	162.5	21.7 %
Selling, general and administrative expenses	25.9	10.7 %	24.6	9.9 %	77.5	9.8 %	72.3	9.7 %
Restructuring expenses	1.4	0.6 %	-	-	1.7	0.2 %	0.3	-
Operating income	$ 38.8	16.0 %	$ 30.2	12.2 %	$ 127.7	16.2 %	$ 89.9	12.0 %

Comparison of Three Months three months ended September 30, 2023 December 31, 2023 and 2022

Climate Solutions net sales increased $19.9 million decreased $6.1 million, or 8 2 percent, from the second third quarter of fiscal 2023 to the second third quarter of fiscal 2024, primarily due to higher lower sales volume, and partially offset by a $6.6 million $4.4 million favorable impact of foreign currency exchange rates. Compared with the second third quarter of the prior year, sales of data center cooling products increased $42.5 million $15.4 million, with higher sales to both hyperscale and colocation customers, and sales of HVAC & refrigeration products increased $2.2 million. Sales of heat transfer and HVAC & refrigeration products decreased $20.5 million $23.7 million, largely due to market weakness and $2.0 million, respectively. lower customer demand compared with the prior year and the strategic exit from lower-margin business in connection with 80/20 product rationalization initiatives.

Climate Solutions cost of sales increased $5.4 million decreased $17.4 million, or 3 9 percent, from the second third quarter of fiscal 2023 to the second third quarter of fiscal 2024, primarily due to higher lower sales volume and improved operating efficiencies. In addition, raw material prices decreased approximately $2.0 million. These decreases were partially offset by a $5.0 million $3.1 million unfavorable impact of foreign currency exchange rates and, to a lesser extent higher warranty expenses, which increased approximately $3.0 million, and higher labor and inflationary costs. These increases were partially offset by improved operating efficiencies and lower raw material prices, which decreased approximately $4.0 million. As a percentage of sales, cost of sales decreased 360 530 basis points to 74.0 72.7 percent, primarily due to favorable sales mix and improved operating efficiencies.

As a result of the lower sales and lower cost of sales as a percentage of sales, gross profit increased $11.3 million and gross margin improved 530 basis points to 27.3 percent.

SG&A expenses increased $1.3 million compared with the third quarter of the prior year. As a percentage of sales, SG&A expenses increased by 80 basis points. The increase in SG&A expenses was primarily driven by higher compensation-related expenses.

Restructuring expenses totaled $1.4 million during the third quarter of fiscal 2024 and consist of equipment transfer costs and severance expenses related to targeted headcount reductions in Europe and Asia.

Operating income of $38.8 million increased $8.6 million from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher restructuring and SG&A expenses.

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Comparison of nine months ended December 31, 2023 and 2022

Climate Solutions year-to-date net sales increased $41.2 million, or 6 percent, from the same period last year, primarily due to higher sales volume and an $11.8 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of data center cooling products increased $95.6 million, primarily due to higher sales to both hyperscale and colocation customers. Sales of heat transfer and HVAC & refrigeration products decreased $53.0 million and $1.1 million, respectively. The decrease in sales of heat transfer products was largely due to market weakness and lower customer demand compared with the prior year and the impact of the strategic exit from lower-margin business.

Climate Solutions year-to-date cost of sales decreased $3.2 million, or 1 percent, from the same period last year, primarily due to lower raw material prices, which decreased approximately $16.0 million, and improved operating efficiencies. These decreases were partially offset by increases resulting from higher sales volume, an $8.6 million unfavorable impact of foreign currency exchanges rates, and higher labor and inflationary costs and warranty expenses. As a percentage of sales, cost of sales decreased 450 basis points to 73.8 percent, primarily due to the favorable impact of higher sales and improved operating efficiencies.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $14.5 million $44.4 million and gross margin improved 360 450 basis points to 26.0 26.2 percent.

Climate Solutions year-to-date SG&A expenses increased $2.6 million compared with the second quarter of the prior year. $5.2 million. As a percentage of sales, SG&A expenses increased by 20 10 basis points. The increase in SG&A expenses includes higher compensation-related expenses and increases across other general and administrative expenses.

Restructuring expenses totaled $0.3 million during both increased $1.4 million compared with the second quarter first nine months of fiscal 2024 and 2023. The fiscal 2024 expenses consist of equipment transfer and severance expenses. The fiscal 2023 expenses primarily relate to closure costs associated with a previously-leased facility.

Operating income of $44.6 million increased $11.9 million from $127.7 million during the second quarter of fiscal 2023 to the second quarter first nine months of fiscal 2024 primarily due to higher gross profit.

Comparison of Six Months ended September 30, 2023 and 2022

Climate Solutions year-to-date net sales increased $47.3 million, or 9 percent, $37.8 million from the same period last year, primarily due to higher gross profit, partially offset by higher SG&A and restructuring expenses.

Performance Technologies

	Three months ended December 31, 2023	Nine months ended December 31, 2023

(in millions)	2023 $'s	2023 % of sales	2022 $'s	2022 % of sales	2023 $'s	2023 % of sales	2022 $'s	2022 % of sales
Net sales	$ 323.0	100.0 %	$ 317.8	100.0 %	$ 1,033.6	100.0 %	$ 952.1	100.0 %
Cost of sales	262.0	81.1 %	274.8	86.5 %	851.2	82.4 %	836.9	87.9 %
Gross profit	61.0	18.9 %	43.0	13.5 %	182.4	17.6 %	115.2	12.1 %
Selling, general and administrative expenses	29.6	9.2 %	25.5	8.0 %	85.2	8.2 %	72.2	7.6 %
Restructuring expenses	0.2	-	0.1	-	0.4	-	1.9	0.2 %
Operating income	$ 31.2	9.7 %	$ 17.4	5.5 %	$ 96.8	9.4 %	$ 41.1	4.3 %

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Comparison of three months ended December 31, 2023 and 2022

Performance Technologies net sales volume increased $5.2 million, or 2 percent, from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to favorable commercial pricing and a $7.4 million $5.6 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of data center cooling products increased $80.2 million. Sales of heat transfer and HVAC & refrigeration products decreased $29.3 million and $3.3 million, respectively.

Climate Solutions year-to-date cost of sales increased $14.2 million, or 4 percent, from the same period last year, primarily due to higher sales volume, a $5.5 million unfavorable impact of foreign currency exchanges rates, and higher warranty expenses and labor and inflationary costs. These increases were partially offset by lower sales volume, including $10.2 million of lower sales from the three Germany automotive businesses that we sold on October 31, 2023. Compared with the third quarter of the prior year, sales of advanced solutions, and air-cooled products increased $9.6 million and $3.1 million, respectively. Sales of liquid-cooled products decreased $5.2 million.

Performance Technologies cost of sales decreased $12.8 million, or 5 percent, from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to lower sales volume and, to a lesser extent, lower raw material prices, which decreased approximately $14.0 million $3.0 million. These decreases were partially offset by a $4.6 million unfavorable impact of foreign currency exchange rates and improved operating efficiencies. higher labor and inflationary costs. As a percentage of sales, cost of sales decreased 420 540 basis points to 74.3 81.1 percent, primarily due to the favorable impact of commercial pricing, partially offset by higher sales labor and improved operating efficiencies. inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $33.1 million $18.0 million and gross margin improved 420 540 basis points to 25.7 18.9 percent.

Climate Solutions year-to-date SG&A expenses increased $3.9 million $4.1 million, yet decreased 10 basis points as or 16 percent, compared with the third quarter of the prior year. As a percentage of sales. sales, SG&A expenses increased by 120 basis points. The increase in SG&A expenses includes was primarily due to higher compensation-related expenses, which increased approximately $3.0 million, and increases across other general and administrative expenses.

Restructuring expenses totaled $0.3 million during both the first six months of fiscal 2024 and 2023. The fiscal 2024 expenses consist of equipment transfer and severance expenses. The fiscal 2023 expenses primarily relate to closure costs associated with a previously-leased facility. higher product development costs.

Operating income of $88.9 million during $31.2 million increased $13.8 million from the first six months third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Comparison of nine months ended December 31, 2023 and 2022

Performance Technologies year-to-date net sales increased $29.2 million $81.5 million, or 9 percent, from the same period last year, primarily due to favorable commercial pricing, a $13.4 million favorable impact of foreign currency exchange rates, and, to a lesser extent, higher sales volume. Compared with the same period in the prior year, sales of advanced solutions, air-cooled and liquid-cooled products increased $30.2 million, $26.8 million, and $26.0 million, respectively.

Performance Technologies year-to-date cost of sales increased $14.3 million, or 2 percent, from the same period last year, primarily due to higher gross profit.

Performance Technologies

(in millions)	Three months ended September 30, 2023 $'s	2023 % of sales	2022 $'s	2022 % of sales	Six months ended September 30, 2023 $'s	2023 % of sales	2022 $'s	2022 % of sales
Net sales	$ 351.7	100.0 %	$ 330.0	100.0 %	$ 710.6	100.0 %	$ 634.3	100.0 %
Cost of sales	288.9	82.2 %	290.8	88.1 %	589.2	82.9 %	562.1	88.6 %
Gross profit	62.8	17.8 %	39.2	11.9 %	121.4	17.1 %	72.2	11.4 %
Selling, general and administrative expenses	29.0	8.2 %	22.6	6.9 %	55.6	7.8 %	46.7	7.4 %
Restructuring expenses	0.2	-	0.3	0.1 %	0.2	-	1.8	0.3 %
Operating income	$ 33.6	9.6 %	$ 16.3	4.9 %	$ 65.6	9.2 %	$ 23.7	3.7 %

Comparison of Three Months ended September 30, 2023 labor and 2022

Performance Technologies net sales increased $21.7 million, or 7 percent, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to favorable commercial pricing and inflationary costs, an $8.0 million favorable impact of foreign currency exchange rates. These increases were partially offset by lower sales volume. Compared with the second quarter of the prior year, sales of advanced solutions, liquid-cooled and air-cooled products increased $10.3 million, $7.4 million, and $4.0 million, respectively.

Performance Technologies cost of sales decreased $1.9 million, or 1 percent, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to lower raw material prices, which decreased approximately $8.0 million and lower sales volume. These decreases were partially offset by a $6.7 million $11.2 million unfavorable impact of foreign currency exchange rates, and higher labor and inflationary costs. sales volume. These increases were partially offset by lower raw material prices, which decreased approximately $17.0 million. As a percentage of sales, cost of sales decreased 590 550 basis points to 82.2 82.4 percent, primarily due to the favorable impact of higher sales, partially offset by higher labor and inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $23.6 million $67.2 million and gross margin improved 590 550 basis points to 17.8 percent.

SG&A expenses increased $6.4 million, or 28 percent, compared with the second quarter of the prior year. As a percentage of sales, 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 $3.0 million, higher product development costs and increases across other general and administrative expenses.

Restructuring expenses decreased $0.1 million compared with the second quarter of fiscal 2023, primarily due to lower equipment transfer costs.

Operating income of $33.6 million increased $17.3 million from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Comparison of Six Months ended September 30, 2023 and 2022

Performance Technologies year-to-date net sales increased $76.3 million, or 12 percent, from the same period last year, primarily due to favorable commercial pricing, higher sales volume, and a $7.8 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of liquid-cooled, air-cooled, and advanced solutions products increased $31.2 million, $23.7 million, and $20.6 million, respectively.

Performance Technologies year-to-date cost of sales increased $27.1 million, or 5 percent, from the same period last year, primarily due to higher sales volume, higher labor and inflationary costs and a $6.7 million unfavorable impact of foreign currency exchange rates. These increases were partially offset by lower raw material prices, which decreased approximately $14.0 million. As a percentage of sales, cost of sales decreased 570 basis points to 82.9 percent, primarily due to the favorable impact of higher sales, partially offset by higher labor and inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $49.2 million and gross margin improved 570 basis points to 17.1 17.6 percent.

Performance Technologies year-to-date SG&A expenses increased $8.9 million $13.0 million, or 19 18 percent, compared with the same period last year. As a percentage of sales, year-to-date SG&A expenses increased by 40 60 basis points. The increase in SG&A expenses was primarily due to higher compensation-related expenses, which increased approximately $7.0 million, and increases across other general and administrative expenses.

Restructuring expenses during the first six nine months of fiscal 2024 decreased $1.6 million $1.5 million compared with the same period last year, primarily due to lower severance expenses.

Operating income of $65.6 million $96.8 million during the first six nine months of fiscal 2024 increased $41.9 million $55.7 million from the same period last year, primarily due to higher gross profit, partially offset by higher SG&A expenses.

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Liquidity and Capital Resources

Our primary sources of liquidity are cash flow from operating activities, our cash and cash equivalents as of September 30, 2023 December 31, 2023 of $120.2 million $149.7 million, and available borrowing capacity of $269.4 million under our revolving credit facility. Given our extensive international operations, approximately $71.0 million $103.0 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 cash provided by Operating Activities operating activities

Net cash provided by operating activities for the six nine months ended September 30, 2023 December 31, 2023 was $110.8 million $175.0 million, which represents a $54.7 million $107.1 million increase compared with the same period in the prior year. This increase in operating cash flow was primarily due to the favorable impact of higher earnings partially offset by unfavorable and, to a lesser extent, favorable net changes in working capital as compared with the same period in the prior year. The unfavorable favorable net changes in working capital include higher payments for incentive compensation, as compared an increase in customer deposits received in connection with the same period in the prior year. sales contracts with long inventory lead times.

Capital Expenditures expenditures

Capital expenditures of $26.2 million $43.8 million during the first six nine months of fiscal 2024 increased $3.2 million $8.6 million compared with the same period in the prior year. The fiscal 2024 capital expenditures include investments supporting our strategic growth initiatives across several of our business units.

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 September 30, 2023 December 31, 2023, we were in compliance with our debt covenants. We expect to remain in compliance with our debt covenants during the remainder of fiscal 2024 and beyond.

Share Repurchase Program repurchase program

During the first six nine months of fiscal 2024, we repurchased $9.0 million $13.3 million of our common stock. As of September 30, 2023 December 31, 2023, we had $36.4 million $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 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, 2023. Other risks and uncertainties include, but are not limited to, the following:

Market Risks: 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, 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; East and the recent attacks on shipping vessels 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 increased increases in labor costs and labor shortages;

- The impact of public health threats, such as COVID-19, 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.

Operational Risks: 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 price-reduction 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, including any lingering impacts associated with the recent now settled United Auto Workers union strikes;

- 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 or material breach of our information technology systems, and any related delays, problems or costs;

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

- Increasing emphasis by 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: 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;

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

- The potential impacts from actions by activist shareholders, including disruption of our business and related costs.

Financial Risks: 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.

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

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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, 2023. The Company's market risks have not materially changed since the fiscal 2023 Form 10-K was filed.

Item 4. Controls and Procedures.

Evaluation Regarding Disclosure Controls regarding disclosure controls and Procedures procedures

As of the end of the period covered by this quarterly report on Form 10-Q, management of the Company, under the supervision, and with the participation, of the Company's President and Chief Executive Officer and Executive Vice President, Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures, at a reasonable assurance level, as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e). Based upon that evaluation, the President and Chief Executive Officer and Executive Vice President, Chief Financial Officer have concluded that the design and operation of the Company's disclosure controls and procedures were effective, at a reasonable assurance level, as of September 30, 2023 December 31, 2023.

Changes in Internal Control Over Financial Reporting internal control over financial reporting

There have been no changes in internal control over financial reporting during the second third quarter of fiscal 2024 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 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 second third quarter of fiscal 2024:

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, 2023	———	———	———	$45,372,391
August 1 – August 31, 2023	1,222 (b)	$45.91	———	$45,372,391
September 1 – September 30, 2023	200,000 (c)	$45.01	200,000	$36,370,398
Total	201,222	$45.02	200,000	

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)
October 1 – October 31, 2023	56,558 (b)	$43.27	———	$36,370,398
November 1 – November 30, 2023	100,000 (c)	$43.07	100,000	$32,063,074
December 1 – December 31, 2023	9,683 (b)	$54.24	———	$32,063,074
Total	166,241	$43.79	100,000	

(a) Effective November 5, 2022, the 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 November 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.

(c) Includes shares acquired pursuant to the repurchase program described in (a) above.

Item 5. Other Information.

On August 17, 2023 During the three months ended December 31, 2023, Michael B. Lucareli, Executive Vice President and Chief Financial Officer of the Company, adopted a Stock Sale Plan (the "Plan") intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended. The Plan provides for the sale of up to 80,000 shares of Modine common stock during the period beginning on November 20, 2023 and ending on May 20, 2024, subject to a formula and other terms and conditions set forth in the Plan.

No other no director or "officer" 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, during the three months ended September 30, 2023. S-K.

Item 6. Exhibits.

(a) Exhibits:

Exhibit No.	Description	Incorporated Herein By Reference To	Filed Herewith
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
101.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
101.SCH	Inline XBRL Taxonomy Extension Schema.		X

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

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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: January 31, 2024

By: /s/ Michael B. Lucareli
Michael B. Lucareli, Executive Vice President, Chief Financial Officer*

Date: November 2, 2023

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

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 September 30, 2023 December 31, 2023;

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 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 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 internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 internal control over financial reporting; and

5. The 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 auditors and the audit committee of the 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 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 internal control over financial reporting.

Date: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023;

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 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 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 internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 internal control over financial reporting; and

5. The 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 auditors and the audit committee of the 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 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 internal control over financial reporting.

Date: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023 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: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023 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: November 2, 2023 January 31, 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.

---

s % of sales Net sales
$
620.5

100.0

%

$
578.8

100.0
%

$
1,242.9

100.0
%

$
1,119.8

100.0
%

$
561.4

100.0
%

$
560.0

100.0
%

$
1,804.3

100.0
%

$
1,679.8

100.0
%
Cost of sales
485.4

78.2
%

482.6

83.4
%

979.9

78.8
%

940.2

84.0
%

434.1

77.3
%

462.4

82.6
%

1,414.0

78.4
%

1,402.6

83.5
%
Gross profit
135.1

21.8
%

96.2

16.6
%

263.0

21.2
%

179.6

16.0
%

127.3

22.7
%

97.6

17.4
%

390.3

21.6
%

277.2

16.5
%
Selling, general and administrative expenses
68.9

11.1
%

58.8

10.1
%

130.3

10.5
%

115.1

10.3
%

68.0

12.1
%

58.0

10.3
%

198.3

11.0
%

173.1

10.3
%
Restructuring expenses
0.5

0.1
%

0.6

0.1
%

0.5

-

2.1

0.2
%

1.6

0.3
%

0.1

-

2.1

0.1
%

2.2

0.1
%
Gain on sale of assets
(4.0
)

-0.7
%

-

-

(4.0
)

-0.2
%

-

-
Operating income
65.7

10.6
%

36.8

6.4
%

132.2

10.6
%

62.4

5.6
%

61.7

11.0
%

39.5

7.1
%

193.9

10.7
%

101.9

6.1
%
Interest expense
(6.1
)

-1.0
%

(4.7
)

-0.8

%

(12.0
)

-1.0
%

(8.8
)

-0.8
%

(5.8
)

-1.0
%

(5.9
)

-1.1
%

(17.8
)

-0.9
%

(14.7
)

-0.9
%
Other income (expense) – net
0.1

-

(1.4
)

-0.3
%

(0.5
)

-

(3.7
)

-0.3
%
Other expense – net
(0.5
)

-0.1
%

(0.4
)

-0.1
%

(1.0
)

-0.1
%

(4.1
)

-0.2
%
Earnings before income taxes
59.7

9.6
%

30.7

5.3
%

119.7

9.6
%

49.9

4.5
%

55.4

9.9
%

33.2

5.9
%

175.1

9.7
%

83.1

4.9
%
Provision for income taxes
(12.8
)

-2.1
%

(6.4
)

-1.1
%

(27.5

)

-2.2
%

(11.3
)

-1.0
%

(10.3
)

-1.8
%

(8.5
)

-1.5
%

(37.8
)

-2.1
%

(19.8
)

-1.2
%
Net earnings
$
46.9

7.6
%

$
24.3

4.2
%

$
92.2

7.4
%

$
38.6

3.4
%

$
45.1

8.0
%

$
24.7

4.4
%

$
137.3

7.6
%

$
63.3

3.8
%

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Comparison of Three Months three months ended September 30, 2023 December 31, 2023 and 2022

Second Third quarter net sales of $620.5 million $561.4 million were $41.7 million, or 7 percent, $1.4 million higher than the second third quarter of the prior year, primarily due to favorable commercial pricing and a $14.7 million $10.0 million favorable impact of foreign currency exchange rates. These increases were partially offset by lower sales volume, including lower sales from three automotive businesses in the Performance Technologies segment, which we sold on October 31, 2023.

Third quarter cost of sales decreased $28.3 million, or 6 percent, primarily due to lower sales volume, improved operating efficiencies, and lower raw material prices, which decreased approximately $5.0 million. These decreases were partially offset by a $7.6 million unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs. As a percentage of sales, cost of sales decreased 530 basis points to 77.3 percent, primarily due to favorable sales mix, commercial pricing and improved operating efficiencies.

As a result of higher sales and lower cost of sales as a percentage of sales, third quarter gross profit increased $29.7 million and gross margin improved 530 basis points to 22.7 percent.

Third quarter SG&A expenses increased $10.0 million, or 17 percent. As a percentage of sales, SG&A expenses increased by 180 basis points. The increase in SG&A expenses was primarily due to higher compensation-related expenses, which increased approximately $7.0 million, and included higher incentive compensation expenses driven by improved financial results, as compared with the prior year. In addition, environmental charges related to a previously-closed manufacturing facility in the U.S. increased $0.9 million.

Restructuring expenses increased $1.5 million compared with the third quarter of fiscal 2023, primarily due to higher equipment transfer costs and severance expenses in the Climate Solutions segment.

We sold three automotive businesses based in Germany on October 31, 2023. As a result of the sale, we recorded a $4.0 million gain on sale at Corporate during the third quarter of fiscal 2024.

Operating income of $61.7 million in the third quarter of fiscal 2024 increased $22.2 million compared with the third quarter of fiscal 2023, primarily due to higher gross profit in our operating segments and the gain on sale of the Germany automotive businesses, partially offset by higher SG&A expenses.

Interest expense during the third quarter of fiscal 2024 decreased $0.1 million compared with the third quarter of fiscal 2023. Unfavorable changes in interest rates during fiscal 2024, which resulted in higher interest costs, were offset by the absence of $0.7 million of costs recorded as interest expense during the third quarter of fiscal 2023 related to a credit agreement amendment.

The provision for income taxes was $10.3 million and $8.5 million in the third quarter of fiscal 2024 and 2023, respectively. The $1.8 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year, partially offset by a $3.1 million tax benefit related to the sale of the Germany automotive businesses during the third quarter of fiscal 2024.

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Comparison of nine months ended December 31, 2023 and 2022

Fiscal 2024 year-to-date net sales of $1,804.3 million were $124.5 million, or 7 percent, higher than the same period last year, primarily due to favorable commercial pricing, higher sales volume and a $25.1 million favorable impact of foreign currency exchange rates. Sales in the Performance Technologies and Climate Solutions segments increased $21.7 million $81.5 million and $19.9 million $41.2 million, respectively.

Second quarter Fiscal 2024 year-to-date cost of sales of $1,414.0 million increased $2.8 million $11.4 million, or 1 percent, primarily due to an $11.7 million higher sales volume, a $19.8 million unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs and warranty expenses. costs. These increases were partially offset by lower raw material prices, which decreased approximately $11.0 million, $33.0 million and, to a lesser extent, improved operating efficiencies. As a percentage of sales, cost of sales decreased 520 510 basis points to 78.2 78.4 percent, primarily due to the favorable impact of higher sales.

As a result of higher sales and lower cost of sales as a percentage of sales, second quarter gross profit increased $38.9 million $113.1 million and gross margin improved 520 510 basis points to 21.8 21.6 percent.

Second quarter Fiscal 2024 year-to-date SG&A expenses increased $10.1 million $25.2 million, or 17 15 percent. As a percentage of sales, SG&A expenses increased by 100 70 basis points. The increase in SG&A expenses included was primarily driven by higher compensation-related expenses, which increased approximately $3.0 million $14.0 million, and increases across other general and administrative expenses, such as higher product development costs, professional service fees, and employee travel expenses. The compensation-related expenses included higher incentive compensation expenses driven by improved financial results, as compared with the prior year. In addition, environmental charges related to a previously-closed manufacturing facility in the U.S. increased $0.7 million.

Restructuring expenses during the first nine months of fiscal 2024 decreased $0.1 million compared with the second quarter of fiscal 2023, same period last year, primarily due to lower equipment transfer costs severance expenses in the Performance Technologies segment, partially offset by higher severance and equipment transfer expenses in the Climate Solutions segment.

25 We sold three automotive businesses based in Germany on October 31, 2023. As a result of the sale, we recorded a $4.0 million gain on sale at Corporate during the third quarter of fiscal 2024.

Operating income of $65.7 million in $193.9 million during the second quarter first nine months of fiscal 2024 increased $28.9 million $92.0 million compared with the second quarter of fiscal 2023, same period last year, primarily due to higher gross profit in our operating segments and the gain on sale of the Germany automotive businesses, partially offset by higher SG&A expenses.

Interest expense during the second quarter first nine months of fiscal 2024 increased $1.4 million $3.1 million compared with the second quarter of fiscal 2023, same period last year, primarily due to unfavorable changes in interest rates. rates, partially offset by the absence of $0.7 million of costs recorded in the prior year related to a credit agreement amendment.

The provision for income taxes was $12.8 million $37.8 million and $6.4 million in $19.8 million during the second quarter first nine months of fiscal 2024 and 2023, respectively. The $6.4 million $18.0 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year.

Comparison of Six Months ended September 30, 2023 and 2022

Fiscal 2024 year-to-date net sales of $1,242.9 million were $123.1 million, or 11 percent, higher than the same period last year, primarily due to higher sales volume, favorable commercial pricing and a $15.1 million favorable impact of foreign currency exchange rates. Sales in the Performance Technologies and Climate Solutions segments increased $76.3 million and $47.3 million, respectively.

Fiscal 2024 year-to-date cost of sales of $979.9 million increased $39.7 million, or 4 percent, primarily due to higher sales volume, a $12.1 unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs and warranty expenses. These increases were partially offset by lower raw material prices, which decreased approximately $28.0 million and, to a lesser extent, improved operating efficiencies. As a percentage of sales, cost of sales decreased 520 basis points to 78.8 percent, primarily due $3.1 million tax benefit related to the favorable impact sale of higher sales.

As a result of higher sales and lower cost of sales as a percentage of sales, gross profit increased $83.4 million and gross margin improved 520 basis points to 21.2 percent.

Fiscal 2024 year-to-date SG&A expenses increased $15.2 million, or 13 percent. As a percentage of sales, SG&A expenses increased by 20 basis points. The increase in SG&A expenses was primarily driven by higher compensation-related expenses, which increased approximately $7.0 million, and increases across other general and administrative expenses. The compensation-related expenses included higher incentive compensation expenses driven by improved financial results, as compared with the prior year.

Restructuring expenses Germany automotive businesses during the first six months third quarter of fiscal 2024 decreased $1.6 million compared with the same period last year, primarily due to lower severance expenses in the Performance Technologies segment.

Operating income of $132.2 million during the first six months of fiscal 2024 increased $69.8 million compared with the same period last year, primarily due to higher gross profit in our operating segments, partially offset by higher SG&A expenses.

Interest expense during the first six months of fiscal 2024 increased $3.2 million compared with the same period last year, primarily due to unfavorable changes in interest rates.

The provision for income taxes was $27.5 million and $11.3 million during the first six months of fiscal 2024 and 2023, respectively. The $16.2 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year. 2024.

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SEGMENT RESULTS OF OPERATIONS

The following is a discussion of our segment results of operations for the three and six nine months ended September 30, 2023 December 31, 2023 and 2022:

Climate Solutions

	Three months ended September 30,	Six months ended September 30,

	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 275.8	100.0 %	$ 255.9	100.0 %	$ 547.6	100.0 %	$ 500.3	100.0 %
Cost of sales	204.0	74.0 %	198.6	77.6 %	406.8	74.3 %	392.6	78.5 %
Gross profit	71.8	26.0 %	57.3	22.4 %	140.8	25.7 %	107.7	21.5 %
Selling, general and administrative expenses	26.9	9.7 %	24.3	9.5 %	51.6	9.4 %	47.7	9.5 %
Restructuring expenses	0.3	0.1 %	0.3	0.1 %	0.3	0.1 %	0.3	0.1 %
Operating income	$ 44.6	16.2 %	$ 32.7	12.8 %	$ 88.9	16.2 %	$ 59.7	11.9 %

Climate Solutions

	Three months ended December 31, 2023				Nine months ended December 31, 2023			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 242.5	100.0 %	$ 248.6	100.0 %	$ 790.1	100.0 %	$ 748.9	100.0 %
Cost of sales	176.4	72.7 %	193.8	78.0 %	583.2	73.8 %	586.4	78.3 %
Gross profit	66.1	27.3 %	54.8	22.0 %	206.9	26.2 %	162.5	21.7 %
Selling, general and administrative expenses	25.9	10.7 %	24.6	9.9 %	77.5	9.8 %	72.3	9.7 %
Restructuring expenses	1.4	0.6 %	-	-	1.7	0.2 %	0.3	-
Operating income	$ 38.8	16.0 %	$ 30.2	12.2 %	$ 127.7	16.2 %	$ 89.9	12.0 %

Comparison of Three Months three months ended September 30, 2023 December 31, 2023 and 2022

Climate Solutions net sales increased $19.9 million decreased $6.1 million, or 8 2 percent, from the second third quarter of fiscal 2023 to the second third quarter of fiscal 2024, primarily due to higher lower sales volume, and partially offset by a $6.6 million $4.4 million favorable impact of foreign currency exchange rates. Compared with the second third quarter of the prior year, sales of data center cooling products increased $42.5 million $15.4 million, with higher sales to both hyperscale and colocation customers, and sales of HVAC & refrigeration products increased $2.2 million. Sales of heat transfer and HVAC & refrigeration products decreased $20.5 million $23.7 million, largely due to market weakness and $2.0 million, respectively. lower customer demand compared with the prior year and the strategic exit from lower-margin business in connection with 80/20 product rationalization initiatives.

Climate Solutions cost of sales increased $5.4 million decreased $17.4 million, or 3 9 percent, from the second third quarter of fiscal 2023 to the second third quarter of fiscal 2024, primarily due to higher lower sales volume and improved operating efficiencies. In addition, raw material prices decreased approximately $2.0 million. These decreases were partially offset by a $5.0 million $3.1 million unfavorable impact of foreign currency exchange rates and, to a lesser extent higher warranty expenses, which increased approximately $3.0 million, and higher labor and inflationary costs. These increases were partially offset by improved operating efficiencies and lower raw material prices, which decreased approximately $4.0 million. As a percentage of sales, cost of sales decreased 360 530 basis points to 74.0 72.7 percent, primarily due to favorable sales mix and improved operating efficiencies.

As a result of the lower sales and lower cost of sales as a percentage of sales, gross profit increased $11.3 million and gross margin improved 530 basis points to 27.3 percent.

SG&A expenses increased $1.3 million compared with the third quarter of the prior year. As a percentage of sales, SG&A expenses increased by 80 basis points. The increase in SG&A expenses was primarily driven by higher compensation-related expenses.

Restructuring expenses totaled $1.4 million during the third quarter of fiscal 2024 and consist of equipment transfer costs and severance expenses related to targeted headcount reductions in Europe and Asia.

Operating income of $38.8 million increased $8.6 million from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher restructuring and SG&A expenses.

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Comparison of nine months ended December 31, 2023 and 2022

Climate Solutions year-to-date net sales increased $41.2 million, or 6 percent, from the same period last year, primarily due to higher sales volume and an $11.8 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of data center cooling products increased $95.6 million, primarily due to higher sales to both hyperscale and colocation customers. Sales of heat transfer and HVAC & refrigeration products decreased $53.0 million and $1.1 million, respectively. The decrease in sales of heat transfer products was largely due to market weakness and lower customer demand compared with the prior year and the impact of the strategic exit from lower-margin business.

Climate Solutions year-to-date cost of sales decreased $3.2 million, or 1 percent, from the same period last year, primarily due to lower raw material prices, which decreased approximately $16.0 million, and improved operating efficiencies. These decreases were partially offset by increases resulting from higher sales volume, an $8.6 million unfavorable impact of foreign currency exchanges rates, and higher labor and inflationary costs and warranty expenses. As a percentage of sales, cost of sales decreased 450 basis points to 73.8 percent, primarily due to the favorable impact of higher sales and improved operating efficiencies.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $14.5 million $44.4 million and gross margin improved 360 450 basis points to 26.0 26.2 percent.

Climate Solutions year-to-date SG&A expenses increased $2.6 million compared with the second quarter of the prior year. $5.2 million. As a percentage of sales, SG&A expenses increased by 20 10 basis points. The increase in SG&A expenses includes higher compensation-related expenses and increases across other general and administrative expenses.

Restructuring expenses totaled $0.3 million during both increased $1.4 million compared with the second quarter first nine months of fiscal 2024 and 2023. The fiscal 2024 expenses consist of equipment transfer and severance expenses. The fiscal 2023 expenses primarily relate to closure costs associated with a previously-leased facility.

Operating income of $44.6 million increased $11.9 million from $127.7 million during the second quarter of fiscal 2023 to the second quarter first nine months of fiscal 2024 primarily due to higher gross profit.

Comparison of Six Months ended September 30, 2023 and 2022

Climate Solutions year-to-date net sales increased $47.3 million, or 9 percent, $37.8 million from the same period last year, primarily due to higher gross profit, partially offset by higher SG&A and restructuring expenses.

Performance Technologies

	Three months ended December 31, 2023				Nine months ended December 31, 2023			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 323.0	100.0 %	$ 317.8	100.0 %	$ 1,033.6	100.0 %	$ 952.1	100.0 %
Cost of sales	262.0	81.1 %	274.8	86.5 %	851.2	82.4 %	836.9	87.9 %
Gross profit	61.0	18.9 %	43.0	13.5 %	182.4	17.6 %	115.2	12.1 %
Selling, general and administrative expenses	29.6	9.2 %	25.5	8.0 %	85.2	8.2 %	72.2	7.6 %
Restructuring expenses	0.2	-	0.1	-	0.4	-	1.9	0.2 %
Operating income	$ 31.2	9.7 %	$ 17.4	5.5 %	$ 96.8	9.4 %	$ 41.1	4.3 %

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Comparison of three months ended December 31, 2023 and 2022

Performance Technologies net sales volume increased $5.2 million, or 2 percent, from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to favorable commercial pricing and a $7.4 million $5.6 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of data center cooling products increased $80.2 million. Sales of heat transfer and HVAC & refrigeration products decreased $29.3 million and $3.3 million, respectively.

Climate Solutions year-to-date cost of sales increased $14.2 million, or 4 percent, from the same period last year, primarily due to higher sales volume, a $5.5 million unfavorable impact of foreign currency exchanges rates, and higher warranty expenses and labor and inflationary costs. These increases were partially offset by lower sales volume, including $10.2 million of lower sales from the three Germany automotive businesses that we sold on October 31, 2023. Compared with the third quarter of the prior year, sales of advanced solutions, and air-cooled products increased $9.6 million and $3.1 million, respectively. Sales of liquid-cooled products decreased $5.2 million.

Performance Technologies cost of sales decreased $12.8 million, or 5 percent, from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to lower sales volume and, to a lesser extent, lower raw material prices, which decreased approximately $14.0 million $3.0 million. These decreases were partially offset by a $4.6 million unfavorable impact of foreign currency exchange rates and improved operating efficiencies. higher labor and inflationary costs. As a percentage of sales, cost of sales decreased 420 540 basis points to 74.3 81.1 percent, primarily due to the favorable impact of commercial pricing, partially offset by higher sales labor and improved operating efficiencies. inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $33.1 million $18.0 million and gross margin improved 420 540 basis points to 25.7 18.9 percent.

Climate Solutions year-to-date SG&A expenses increased $3.9 million $4.1 million, yet decreased 10 basis points as or 16 percent, compared with the third quarter of the prior year. As a percentage of sales. sales, SG&A expenses increased by 120 basis points. The increase in SG&A expenses includes was primarily due to higher compensation-related expenses, which increased approximately $3.0 million, and increases across other general and administrative expenses.

Restructuring expenses totaled $0.3 million during both the first six months of fiscal 2024 and 2023. The fiscal 2024 expenses consist of equipment transfer and severance expenses. The fiscal 2023 expenses primarily relate to closure costs associated with a previously-leased facility. higher product development costs.

Operating income of $88.9 million during $31.2 million increased $13.8 million from the first six months third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Comparison of nine months ended December 31, 2023 and 2022

Performance Technologies year-to-date net sales increased $29.2 million $81.5 million, or 9 percent, from the same period last year, primarily due to favorable commercial pricing, a $13.4 million favorable impact of foreign currency exchange rates, and, to a lesser extent, higher sales volume. Compared with the same period in the prior year, sales of advanced solutions, air-cooled and liquid-cooled products increased $30.2 million, $26.8 million, and $26.0 million, respectively.

Performance Technologies year-to-date cost of sales increased $14.3 million, or 2 percent, from the same period last year, primarily due to higher gross profit.

Performance Technologies

	Three months ended September 30,				Six months ended September 30,			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 351.7	100.0 %	$ 330.0	100.0 %	$ 710.6	100.0 %	$ 634.3	100.0 %
Cost of sales	288.9	82.2 %	290.8	88.1 %	589.2	82.9 %	562.1	88.6 %
Gross profit	62.8	17.8 %	39.2	11.9 %	121.4	17.1 %	72.2	11.4 %
Selling, general and administrative expenses	29.0	8.2 %	22.6	6.9 %	55.6	7.8 %	46.7	7.4 %
Restructuring expenses	0.2	-	0.3	0.1 %	0.2	-	1.8	0.3 %
Operating income	$ 33.6	9.6 %	$ 16.3	4.9 %	$ 65.6	9.2 %	$ 23.7	3.7 %

Comparison of Three Months ended September 30, 2023 labor and 2022

Performance Technologies net sales increased $21.7 million, or 7 percent, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to favorable commercial pricing and inflationary costs, an $8.0 million favorable impact of foreign currency exchange rates. These increases were partially offset by lower sales volume. Compared with the second quarter of the prior year, sales of advanced solutions, liquid-cooled and air-cooled products increased $10.3 million, $7.4 million, and $4.0 million, respectively.

Performance Technologies cost of sales decreased $1.9 million, or 1 percent, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to lower raw material prices, which decreased approximately $8.0 million and lower sales volume. These decreases were partially offset by a $6.7 million $11.2 million unfavorable impact of foreign currency exchange rates, and higher labor and inflationary costs. sales volume. These increases were partially offset by lower raw material prices, which decreased approximately $17.0 million. As a percentage of sales, cost of sales decreased 590 550 basis points to 82.2 82.4 percent, primarily due to the favorable impact of higher sales, partially offset by higher labor and inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $23.6 million $67.2 million and gross margin improved 590 550 basis points to 17.8 percent.

SG&A expenses increased $6.4 million, or 28 percent, compared with the second quarter of the prior year. As a percentage of sales, 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 $3.0 million, higher product development costs and increases across other general and administrative expenses.

Restructuring expenses decreased $0.1 million compared with the second quarter of fiscal 2023, primarily due to lower equipment transfer costs.

Operating income of $33.6 million increased $17.3 million from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Comparison of Six Months ended September 30, 2023 and 2022

Performance Technologies year-to-date net sales increased $76.3 million, or 12 percent, from the same period last year, primarily due to favorable commercial pricing, higher sales volume, and a $7.8 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of liquid-cooled, air-cooled, and advanced solutions products increased $31.2 million, $23.7 million, and $20.6 million, respectively.

Performance Technologies year-to-date cost of sales increased $27.1 million, or 5 percent, from the same period last year, primarily due to higher sales volume, higher labor and inflationary costs and a $6.7 million unfavorable impact of foreign currency exchange rates. These increases were partially offset by lower raw material prices, which decreased approximately $14.0 million. As a percentage of sales, cost of sales decreased 570 basis points to 82.9 percent, primarily due to the favorable impact of higher sales, partially offset by higher labor and inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $49.2 million and gross margin improved 570 basis points to 17.1 17.6 percent.

Performance Technologies year-to-date SG&A expenses increased $8.9 million $13.0 million, or 19 18 percent, compared with the same period last year. As a percentage of sales, year-to-date SG&A expenses increased by 40 60 basis points. The increase in SG&A expenses was primarily due to higher compensation-related expenses, which increased approximately $7.0 million, and increases across other general and administrative expenses.

Restructuring expenses during the first six nine months of fiscal 2024 decreased $1.6 million $1.5 million compared with the same period last year, primarily due to lower severance expenses.

Operating income of $65.6 million $96.8 million during the first six nine months of fiscal 2024 increased $41.9 million $55.7 million from the same period last year, primarily due to higher gross profit, partially offset by higher SG&A expenses.

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Liquidity and Capital Resources

Our primary sources of liquidity are cash flow from operating activities, our cash and cash equivalents as of September 30, 2023 December 31, 2023 of $120.2 million $149.7 million, and available borrowing capacity of $269.4 million under our revolving credit facility. Given our extensive international operations, approximately $71.0 million $103.0 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 cash provided by Operating Activities operating activities

Net cash provided by operating activities for the six nine months ended September 30, 2023 December 31, 2023 was $110.8 million $175.0 million, which represents a $54.7 million $107.1 million increase compared with the same period in the prior year. This increase in operating cash flow was primarily due to the favorable impact of higher earnings partially offset by unfavorable and, to a lesser extent, favorable net changes in working capital as compared with the same period in the prior year. The unfavorable favorable net changes in working capital include higher payments for incentive compensation, as compared an increase in customer deposits received in connection with the same period in the prior year. sales contracts with long inventory lead times.

Capital Expenditures expenditures

Capital expenditures of $26.2 million $43.8 million during the first six nine months of fiscal 2024 increased $3.2 million $8.6 million compared with the same period in the prior year. The fiscal 2024 capital expenditures include investments supporting our strategic growth initiatives across several of our business units.

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 September 30, 2023 December 31, 2023, we were in compliance with our debt covenants. We expect to remain in compliance with our debt covenants during the remainder of fiscal 2024 and beyond.

Share Repurchase Program repurchase program

During the first six nine months of fiscal 2024, we repurchased $9.0 million $13.3 million of our common stock. As of September 30, 2023 December 31, 2023, we had $36.4 million $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.

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Forward-Looking Statements 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, 2023. Other risks and uncertainties include, but are not limited to, the following:

Market Risks: 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, 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; East and the recent attacks on shipping vessels 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 increased increases in labor costs and labor shortages;

- The impact of public health threats, such as COVID-19, 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.

Operational Risks: 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 price-reduction 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, including any lingering impacts associated with the recent now settled United Auto Workers union strikes;

- 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 or material breach of our information technology systems, and any related delays, problems or costs;

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

- Increasing emphasis by 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: 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;
- Our ability to accelerate growth by identifying and executing on organic growth opportunities and acquisitions, and to efficiently and successfully integrate acquired businesses; and
- The potential impacts from actions by activist shareholders, including disruption of our business and related costs.

Financial Risks: 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.

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

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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, 2023. The Company's market risks have not materially changed since the fiscal 2023 Form 10-K was filed.

Item 4. Controls and Procedures.

Evaluation Regarding Disclosure Controls regarding disclosure controls and Procedures procedures

As of the end of the period covered by this quarterly report on Form 10-Q, management of the Company, under the supervision, and with the participation, of the Company's President and Chief Executive Officer and Executive Vice President, Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures, at a reasonable assurance level, as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e). Based upon that evaluation, the President and Chief Executive Officer and Executive Vice President, Chief Financial Officer have concluded that the design and operation of the Company's disclosure controls and procedures were effective, at a reasonable assurance level, as of September 30, 2023 December 31, 2023.

Changes in Internal Control Over Financial Reporting internal control over financial reporting

There have been no changes in internal control over financial reporting during the second third quarter of fiscal 2024 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 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 second third quarter of fiscal 2024:

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, 2023	———	———	———	$45,372,391
August 1 – August 31, 2023	1,222 (b)	$45.91	———	$45,372,391
September 1 – September 30, 2023	200,000 (c)	$45.01	200,000	$36,370,398
Total	201,222	$45.02	200,000	

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)
October 1 – October 31, 2023	56,558 (b)	$43.27	———	$36,370,398
November 1 – November 30, 2023	100,000 (c)	$43.07	100,000	$32,063,074
December 1 – December 31, 2023	9,683 (b)	$54.24	———	$32,063,074
Total	166,241	$43.79	100,000	

(a) Effective November 5, 2022, the 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 November 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.

(c) Includes shares acquired pursuant to the repurchase program described in (a) above.

Item 5. Other Information.

On August 17, 2023 During the three months ended December 31, 2023, Michael B. Lucareli, Executive Vice President and Chief Financial Officer of the Company, adopted a Stock Sale Plan (the "Plan") intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended. The Plan provides for the sale of up to 80,000 shares of Modine common stock during the period beginning on November 20, 2023 and ending on May 20, 2024, subject to a formula and other terms and conditions set forth in the Plan.

No other no director or "officer" 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, during the three months ended September 30, 2023. S-K.

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Item 6. Exhibits.

(a) Exhibits:

Exhibit No.	Description	Incorporated Herein By Reference To	Filed Herewith
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
101.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
101.SCH	Inline XBRL Taxonomy Extension Schema.		X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.		X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.		X
10.1.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.		X
10.1.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.		X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).		X

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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: January 31, 2024

By: /s/ Michael B. Lucareli
Michael B. Lucareli, Executive Vice President, Chief Financial Officer*

Date: November 2, 2023

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

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 September 30, 2023 December 31, 2023;

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 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 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 internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 internal control over financial reporting; and

5. The 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 auditors and the audit committee of the 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 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 internal control over financial reporting.

Date: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023;

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 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 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 internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 internal control over financial reporting; and

5. The 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 auditors and the audit committee of the 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 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 internal control over financial reporting.

Date: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023 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: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023 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: November 2, 2023 January 31, 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.

---

s % of sales Net sales
$
275.8

100.0
%

$
255.9

100.0
%

$
547.6

100.0
%

$
500.3

100.0
%

$
242.5

100.0
%

$
248.6

100.0
%

$
790.1

100.0
%

$
748.9

100.0
%
Cost of sales
204.0

74.0
%

198.6

77.6
%

406.8

74.3
%

392.6

78.5
%

176.4

72.7
%

193.8

78.0
%

583.2

73.8
%

586.4

78.3
%
Gross profit
71.8

26.0
%

57.3

22.4
%

140.8

25.7
%

107.7

21.5
%

66.1

27.3
%

54.8

22.0
%

206.9

26.2
%

162.5

21.7
%
Selling, general and administrative expenses
26.9

9.7
%

24.3

9.5
%

51.6

9.4
%

47.7

9.5
%

25.9

10.7
%

24.6

9.9
%

77.5

9.8
%

72.3

9.7
%
Restructuring expenses
0.3

0.1
%

0.3

0.1
%

0.3

0.1

%

0.3

0.1
%

1.4

0.6
%

-

-

1.7

0.2
%

0.3

-
Operating income
$
44.6

16.2
%

$
32.7

12.8
%

$
88.9

16.2
%

$
59.7

11.9
%

$
38.8

16.0
%

$
30.2

12.2
%

$
127.7

16.2
%

$

89.9

12.0
%

Comparison of Three Months three months ended September 30, 2023 December 31, 2023 and 2022

Climate Solutions net sales increased $19.9 million decreased $6.1 million, or 8 2 percent, from the second third quarter of fiscal 2023 to the second third quarter of fiscal 2024, primarily due to higher lower sales volume, and partially offset by a $6.6 million $4.4 million favorable impact of foreign currency exchange rates. Compared with the second third quarter of the prior year, sales of data center cooling products increased $42.5 million $15.4 million, with higher sales to both hyperscale and colocation customers, and sales of HVAC & refrigeration products increased $2.2 million. Sales of heat transfer and HVAC & refrigeration products decreased $20.5 million $23.7 million, largely due to market weakness and $2.0 million, respectively. lower customer demand compared with the prior year and the strategic exit from lower-margin business in connection with 80/20 product rationalization initiatives.

Climate Solutions cost of sales increased $5.4 million decreased $17.4 million, or 3 9 percent, from the second third quarter of fiscal 2023 to the second third quarter of fiscal 2024, primarily due to higher lower sales volume and improved operating efficiencies. In addition, raw material prices decreased approximately $2.0 million. These decreases were partially offset by a $5.0 million $3.1 million unfavorable impact of foreign currency exchange rates and, to a lesser extent higher warranty expenses, which increased approximately $3.0 million, and higher labor and inflationary costs. These increases were partially offset by improved operating efficiencies and lower raw material prices, which decreased approximately $4.0 million. As a percentage of sales, cost of sales decreased 360 530 basis points to 74.0 72.7 percent, primarily due to favorable sales mix and improved operating efficiencies.

As a result of the lower sales and lower cost of sales as a percentage of sales, gross profit increased $11.3 million and gross margin improved 530 basis points to 27.3 percent.

SG&A expenses increased $1.3 million compared with the third quarter of the prior year. As a percentage of sales, SG&A expenses increased by 80 basis points. The increase in SG&A expenses was primarily driven by higher compensation-related expenses.

Restructuring expenses totaled $1.4 million during the third quarter of fiscal 2024 and consist of equipment transfer costs and severance expenses related to targeted headcount reductions in Europe and Asia.

Operating income of $38.8 million increased $8.6 million from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher restructuring and SG&A expenses.

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Comparison of nine months ended December 31, 2023 and 2022

Climate Solutions year-to-date net sales increased $41.2 million, or 6 percent, from the same period last year, primarily due to higher sales volume and an $11.8 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of data center cooling products increased $95.6 million, primarily due to higher sales to both hyperscale and colocation customers. Sales of heat transfer and HVAC & refrigeration products decreased $53.0 million and $1.1 million, respectively. The decrease in sales of heat transfer products was largely due to market weakness and lower customer demand compared with the prior year and the impact of the strategic exit from lower-margin business.

Climate Solutions year-to-date cost of sales decreased $3.2 million, or 1 percent, from the same period last year, primarily due to lower raw material prices, which decreased approximately $16.0 million, and improved operating efficiencies. These decreases were partially offset by increases resulting from higher sales volume, an $8.6 million unfavorable impact of foreign currency exchanges rates, and higher labor and inflationary costs and warranty expenses. As a percentage of sales, cost of sales decreased 450 basis points to 73.8 percent, primarily due to the favorable impact of higher sales and improved operating efficiencies.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $14.5 million $44.4 million and gross margin improved 360 450 basis points to 26.0 26.2 percent.

Climate Solutions year-to-date SG&A expenses increased $2.6 million compared with the second quarter of the prior year. $5.2 million. As a percentage of sales, SG&A expenses increased by 20 10 basis points. The increase in SG&A expenses includes higher compensation-related expenses and increases across other general and administrative expenses.

Restructuring expenses totaled $0.3 million during both increased $1.4 million compared with the second quarter first nine months of fiscal 2024 and 2023. The fiscal 2024 expenses consist of equipment transfer and severance expenses. The fiscal 2023 expenses primarily relate to closure costs associated with a previously-leased facility.

Operating income of $44.6 million increased $11.9 million from $127.7 million during the second quarter of fiscal 2023 to the second quarter first nine months of fiscal 2024 primarily due to higher gross profit.

Comparison of Six Months ended September 30, 2023 and 2022

Climate Solutions year-to-date net sales increased $47.3 million, or 9 percent, $37.8 million from the same period last year, primarily due to higher gross profit, partially offset by higher SG&A and restructuring expenses.

Performance Technologies

	Three months ended December 31, 2023				Nine months ended December 31, 2023			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 323.0	100.0 %	$ 317.8	100.0 %	$ 1,033.6	100.0 %	$ 952.1	100.0 %
Cost of sales	262.0	81.1 %	274.8	86.5 %	851.2	82.4 %	836.9	87.9 %
Gross profit	61.0	18.9 %	43.0	13.5 %	182.4	17.6 %	115.2	12.1 %
Selling, general and administrative expenses	29.6	9.2 %	25.5	8.0 %	85.2	8.2 %	72.2	7.6 %
Restructuring expenses	0.2	-	0.1	-	0.4	-	1.9	0.2 %
Operating income	$ 31.2	9.7 %	$ 17.4	5.5 %	$ 96.8	9.4 %	$ 41.1	4.3 %

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Comparison of three months ended December 31, 2023 and 2022

Performance Technologies net sales volume increased $5.2 million, or 2 percent, from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to favorable commercial pricing and a $7.4 million $5.6 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of data center cooling products increased $80.2 million. Sales of heat transfer and HVAC & refrigeration products decreased $29.3 million and $3.3 million, respectively.

Climate Solutions year-to-date cost of sales increased $14.2 million, or 4 percent, from the same period last year, primarily due to higher sales volume, a $5.5 million unfavorable impact of foreign currency exchanges rates, and higher warranty expenses and labor and inflationary costs. These increases were partially offset by lower sales volume, including $10.2 million of lower sales from the three Germany automotive businesses that we sold on October 31, 2023. Compared with the third quarter of the prior year, sales of advanced solutions, and air-cooled products increased $9.6 million and $3.1 million, respectively. Sales of liquid-cooled products decreased $5.2 million.

Performance Technologies cost of sales decreased $12.8 million, or 5 percent, from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to lower sales volume and, to a lesser extent, lower raw material prices, which decreased approximately $14.0 million $3.0 million. These decreases were partially offset by a $4.6 million unfavorable impact of foreign currency exchange rates and improved operating efficiencies. higher labor and inflationary costs. As a percentage of sales, cost of sales decreased 420 540 basis points to 74.3 81.1 percent, primarily due to the favorable impact of commercial pricing, partially offset by higher sales labor and improved operating efficiencies. inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $33.1 million $18.0 million and gross margin improved 420 540 basis points to 25.7 18.9 percent.

Climate Solutions year-to-date SG&A expenses increased $3.9 million $4.1 million, yet decreased 10 basis points as or 16 percent, compared with the third quarter of the prior year. As a percentage of sales. sales, SG&A expenses increased by 120 basis points. The increase in SG&A expenses includes was primarily due to higher compensation-related expenses, which increased approximately $3.0 million, and increases across other general and administrative expenses.

Restructuring expenses totaled $0.3 million during both the first six months of fiscal 2024 and 2023. The fiscal 2024 expenses consist of equipment transfer and severance expenses. The fiscal 2023 expenses primarily relate to closure costs associated with a previously-leased facility. higher product development costs.

Operating income of $88.9 million during $31.2 million increased $13.8 million from the first six months third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Comparison of nine months ended December 31, 2023 and 2022

Performance Technologies year-to-date net sales increased $29.2 million $81.5 million, or 9 percent, from the same period last year, primarily due to favorable commercial pricing, a $13.4 million favorable impact of foreign currency exchange rates, and, to a lesser extent, higher sales volume. Compared with the same period in the prior year, sales of advanced solutions, air-cooled and liquid-cooled products increased $30.2 million, $26.8 million, and $26.0 million, respectively.

Performance Technologies year-to-date cost of sales increased $14.3 million, or 2 percent, from the same period last year, primarily due to higher gross profit.

Performance Technologies

	Three months ended September 30,				Six months ended September 30,			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 351.7	100.0 %	$ 330.0	100.0 %	$ 710.6	100.0 %	$ 634.3	100.0 %
Cost of sales	288.9	82.2 %	290.8	88.1 %	589.2	82.9 %	562.1	88.6 %
Gross profit	62.8	17.8 %	39.2	11.9 %	121.4	17.1 %	72.2	11.4 %
Selling, general and administrative expenses	29.0	8.2 %	22.6	6.9 %	55.6	7.8 %	46.7	7.4 %

Restructuring expenses	0.2	-	0.3	0.1 %	0.2	-	1.8	0.3 %
Operating income	$ 33.6	9.6 %	$ 16.3	4.9 %	$ 65.6	9.2 %	$ 23.7	3.7 %

Comparison of Three Months ended September 30, 2023 labor and 2022

Performance Technologies net sales increased $21.7 million, or 7 percent, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to favorable commercial pricing and inflationary costs, an $8.0 million favorable impact of foreign currency exchange rates. These increases were partially offset by lower sales volume. Compared with the second quarter of the prior year, sales of advanced solutions, liquid-cooled and air-cooled products increased $10.3 million, $7.4 million, and $4.0 million, respectively.

Performance Technologies cost of sales decreased $1.9 million, or 1 percent, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to lower raw material prices, which decreased approximately $8.0 million and lower sales volume. These decreases were partially offset by a $6.7 million $11.2 million unfavorable impact of foreign currency exchange rates, and higher labor and inflationary costs. sales volume. These increases were partially offset by lower raw material prices, which decreased approximately $17.0 million. As a percentage of sales, cost of sales decreased 590 550 basis points to 82.2 82.4 percent, primarily due to the favorable impact of higher sales, partially offset by higher labor and inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $23.6 million $67.2 million and gross margin improved 590 550 basis points to 17.8 percent.

SG&A expenses increased $6.4 million, or 28 percent, compared with the second quarter of the prior year. As a percentage of sales, 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 $3.0 million, higher product development costs and increases across other general and administrative expenses.

Restructuring expenses decreased $0.1 million compared with the second quarter of fiscal 2023, primarily due to lower equipment transfer costs.

Operating income of $33.6 million increased $17.3 million from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Comparison of Six Months ended September 30, 2023 and 2022

Performance Technologies year-to-date net sales increased $76.3 million, or 12 percent, from the same period last year, primarily due to favorable commercial pricing, higher sales volume, and a $7.8 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of liquid-cooled, air-cooled, and advanced solutions products increased $31.2 million, $23.7 million, and $20.6 million, respectively.

Performance Technologies year-to-date cost of sales increased $27.1 million, or 5 percent, from the same period last year, primarily due to higher sales volume, higher labor and inflationary costs and a $6.7 million unfavorable impact of foreign currency exchange rates. These increases were partially offset by lower raw material prices, which decreased approximately $14.0 million. As a percentage of sales, cost of sales decreased 570 basis points to 82.9 percent, primarily due to the favorable impact of higher sales, partially offset by higher labor and inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $49.2 million and gross margin improved 570 basis points to 17.1 17.6 percent.

Performance Technologies year-to-date SG&A expenses increased $8.9 million $13.0 million, or 19 18 percent, compared with the same period last year. As a percentage of sales, year-to-date SG&A expenses increased by 40 60 basis points. The increase in SG&A expenses was primarily due to higher compensation-related expenses, which increased approximately $7.0 million, and increases across other general and administrative expenses.

Restructuring expenses during the first six nine months of fiscal 2024 decreased $1.6 million $1.5 million compared with the same period last year, primarily due to lower severance expenses.

Operating income of $65.6 million $96.8 million during the first six nine months of fiscal 2024 increased $41.9 million $55.7 million from the same period last year, primarily due to higher gross profit, partially offset by higher SG&A expenses.

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Liquidity and Capital Resources

Our primary sources of liquidity are cash flow from operating activities, our cash and cash equivalents as of September 30, 2023 December 31, 2023 of $120.2 million $149.7 million, and available borrowing capacity of $269.4 million under our revolving credit facility. Given our extensive international operations, approximately $71.0 million $103.0 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 cash provided by Operating Activities operating activities

Net cash provided by operating activities for the six nine months ended September 30, 2023 December 31, 2023 was $110.8 million $175.0 million, which represents a $54.7 million $107.1 million increase compared with the same period in the prior year. This increase in operating cash flow was primarily due to the favorable impact of higher earnings partially offset by unfavorable and, to a lesser extent, favorable net changes in working capital as compared with the same period in the prior year. The unfavorable favorable net changes in working capital include higher payments for incentive compensation, as compared an increase in customer deposits received in connection with the same period in the prior year. sales contracts with long inventory lead times.

Capital Expenditures expenditures

Capital expenditures of $26.2 million $43.8 million during the first six nine months of fiscal 2024 increased $3.2 million $8.6 million compared with the same period in the prior year. The fiscal 2024 capital expenditures include investments supporting our strategic growth initiatives across several of our business units.

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 September 30, 2023 December 31, 2023, we were in compliance with our debt covenants. We expect to remain in compliance with our debt covenants during the remainder of fiscal 2024 and beyond.

Share Repurchase Program repurchase program

During the first six nine months of fiscal 2024, we repurchased $9.0 million $13.3 million of our common stock. As of September 30, 2023 December 31, 2023, we had $36.4 million $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.

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Forward-Looking Statements 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, 2023. Other risks and uncertainties include, but are not limited to, the following:

Market Risks: 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, 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; East and the recent attacks on shipping vessels 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 increased increases in labor costs and labor shortages;

- The impact of public health threats, such as COVID-19, 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.

Operational Risks: 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 price-reduction 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, including any lingering impacts associated with the recent now settled United Auto Workers union strikes;
- 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 or material breach of our information technology systems, and any related delays, problems or costs;
- Increasingly complex and restrictive laws and regulations and the costs associated with compliance therewith, including those state and federal labor regulations, laws and regulations associated with being a U.S. public company, and others other laws and regulations present in various jurisdictions in which we operate, and the costs associated with compliance therewith; operate;

- Increasing emphasis by 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: 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;
- Our ability to accelerate growth by identifying and executing on organic growth opportunities and acquisitions, and to efficiently and successfully integrate acquired businesses; and
- The potential impacts from actions by activist shareholders, including disruption of our business and related costs.

Financial Risks: 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.

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

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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, 2023. The Company's market risks have not materially changed since the fiscal 2023 Form 10-K was filed.

Item 4. Controls and Procedures.

Evaluation Regarding Disclosure Controls regarding disclosure controls and Procedures procedures

As of the end of the period covered by this quarterly report on Form 10-Q, management of the Company, under the supervision, and with the participation, of the Company's President and Chief Executive Officer and Executive Vice President, Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures, at a reasonable assurance level, as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e). Based upon that evaluation, the President and Chief Executive Officer and Executive Vice President, Chief Financial Officer have concluded that the design and operation of the Company's disclosure controls and procedures were effective, at a reasonable assurance level, as of September 30, 2023 December 31, 2023.

Changes in Internal Control Over Financial Reporting internal control over financial reporting

There have been no changes in internal control over financial reporting during the second third quarter of fiscal 2024 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 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 second third quarter of fiscal 2024:

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, 2023	———	———	———	$45,372,391
August 1 – August 31, 2023	1,222 (b)	$45.91	———	$45,372,391
September 1 – September 30, 2023	200,000 (c)	$45.01	200,000	$36,370,398

Total	201,222	$45.02	200,000	

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)
October 1 – October 31, 2023	56,558 (b)	$43.27	———	$36,370,398
November 1 – November 30, 2023	100,000 (c)	$43.07	100,000	$32,063,074
December 1 – December 31, 2023	9,683 (b)	$54.24	———	$32,063,074
Total	166,241	$43.79	100,000	

(a) Effective November 5, 2022, the 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 November 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.

(c) Includes shares acquired pursuant to the repurchase program described in (a) above.

Item 5. Other Information.

On August 17, 2023 During the three months ended December 31, 2023, Michael B. Lucareli, Executive Vice President and Chief Financial Officer of the Company, adopted a Stock Sale Plan (the "Plan") intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended. The Plan provides for the sale of up to 80,000 shares of Modine common stock during the period beginning on November 20, 2023 and ending on May 20, 2024, subject to a formula and other terms and conditions set forth in the Plan.

No other no director or "officer" 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, during the three months ended September 30, 2023. S-K.

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Item 6. Exhibits.

(a) Exhibits:

Exhibit No.	Description	Incorporated Herein By Reference To	Filed Herewith
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
101.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

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

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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: January 31, 2024

By: /s/ Michael B. Lucareli
Michael B. Lucareli, Executive Vice President, Chief Financial Officer*

Date: November 2, 2023

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

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 September 30, 2023 December 31, 2023;

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 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 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 internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 internal control over financial reporting; and

5. The 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 auditors and the audit committee of the 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 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 internal control over financial reporting.

Date: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023;

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 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 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 internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 internal control over financial reporting; and

5. The 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 auditors and the audit committee of the 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 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 internal control over financial reporting.

Date: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023 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: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023 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: November 2, 2023 January 31, 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.

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s % of sales

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Comparison of Three Months three months ended September 30, 2023 December 31, 2023 and 2022

Second Third quarter net sales of $620.5 million $561.4 million were $41.7 million, or 7 percent, $1.4 million higher than the second third quarter of the prior year, primarily due to favorable commercial pricing and a $14.7 million $10.0 million favorable impact of foreign currency exchange rates. These increases were partially offset by lower sales volume, including lower sales from three automotive businesses in the Performance Technologies segment, which we sold on October 31, 2023.

Third quarter cost of sales decreased $28.3 million, or 6 percent, primarily due to lower sales volume, improved operating efficiencies, and lower raw material prices, which decreased approximately $5.0 million. These decreases were partially offset by a $7.6 million unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs. As a percentage of sales, cost of sales decreased 530 basis points to 77.3 percent, primarily due to favorable sales mix, commercial pricing and improved operating efficiencies.

As a result of higher sales and lower cost of sales as a percentage of sales, third quarter gross profit increased $29.7 million and gross margin improved 530 basis points to 22.7 percent.

Third quarter SG&A expenses increased $10.0 million, or 17 percent. As a percentage of sales, SG&A expenses increased by 180 basis points. The increase in SG&A expenses was primarily due to higher compensation-related expenses, which increased approximately $7.0 million, and included higher incentive compensation expenses driven by improved financial results, as compared with the prior year. In addition, environmental charges related to a previously-closed manufacturing facility in the U.S. increased $0.9 million.

Restructuring expenses increased $1.5 million compared with the third quarter of fiscal 2023, primarily due to higher equipment transfer costs and severance expenses in the Climate Solutions segment.

We sold three automotive businesses based in Germany on October 31, 2023. As a result of the sale, we recorded a $4.0 million gain on sale at Corporate during the third quarter of fiscal 2024.

Operating income of $61.7 million in the third quarter of fiscal 2024 increased $22.2 million compared with the third quarter of fiscal 2023, primarily due to higher gross profit in our operating segments and the gain on sale of the Germany automotive businesses, partially offset by higher SG&A expenses.

Interest expense during the third quarter of fiscal 2024 decreased $0.1 million compared with the third quarter of fiscal 2023. Unfavorable changes in interest rates during fiscal 2024, which resulted in higher interest costs, were offset by the absence of $0.7 million of costs recorded as interest expense during the third quarter of fiscal 2023 related to a credit agreement amendment.

The provision for income taxes was $10.3 million and $8.5 million in the third quarter of fiscal 2024 and 2023, respectively. The $1.8 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year, partially offset by a $3.1 million tax benefit related to the sale of the Germany automotive businesses during the third quarter of fiscal 2024.

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Comparison of nine months ended December 31, 2023 and 2022

Fiscal 2024 year-to-date net sales of $1,804.3 million were $124.5 million, or 7 percent, higher than the same period last year, primarily due to favorable commercial pricing, higher sales volume and a $25.1 million favorable impact of foreign currency exchange rates. Sales in the Performance Technologies and Climate Solutions segments increased $21.7 million $81.5 million and $19.9 million $41.2 million, respectively.

Second quarter Fiscal 2024 year-to-date cost of sales of $1,414.0 million increased $2.8 million $11.4 million, or 1 percent, primarily due to an $11.7 million higher sales volume, a $19.8 million unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs and warranty expenses. costs. These increases were partially offset by lower raw material prices, which decreased approximately $11.0 million, $33.0 million and, to a lesser extent, improved operating efficiencies. As a percentage of sales, cost of sales decreased 520 510 basis points to 78.2 78.4 percent, primarily due to the favorable impact of higher sales.

As a result of higher sales and lower cost of sales as a percentage of sales, second quarter gross profit increased $38.9 million $113.1 million and gross margin improved 520 510 basis points to 21.8 21.6 percent.

Second quarter Fiscal 2024 year-to-date SG&A expenses increased $10.1 million $25.2 million, or 17 15 percent. As a percentage of sales, SG&A expenses increased by 100 70 basis points. The increase in SG&A expenses included was primarily driven by higher compensation-related expenses, which increased approximately $3.0 million $14.0 million, and increases across other general and administrative expenses, such as higher product development costs, professional service fees, and employee travel expenses. The compensation-related expenses included higher incentive compensation expenses driven by improved financial results, as compared with the prior year. In addition, environmental charges related to a previously-closed manufacturing facility in the U.S. increased $0.7 million.

Restructuring expenses during the first nine months of fiscal 2024 decreased $0.1 million compared with the second quarter of fiscal 2023, same period last year, primarily due to lower equipment transfer costs severance expenses in the Performance Technologies segment, partially offset by higher severance and equipment transfer expenses in the Climate Solutions segment.

25 We sold three automotive businesses based in Germany on October 31, 2023. As a result of the sale, we recorded a $4.0 million gain on sale at Corporate during the third quarter of fiscal 2024.

Operating income of $65.7 million in $193.9 million during the second quarter first nine months of fiscal 2024 increased $28.9 million $92.0 million compared with the second quarter of fiscal 2023, same period last year, primarily due to higher gross profit in our operating segments and the gain on sale of the Germany automotive businesses, partially offset by higher SG&A expenses.

Interest expense during the second quarter first nine months of fiscal 2024 increased $1.4 million $3.1 million compared with the second quarter of fiscal 2023, same period last year, primarily due to unfavorable changes in interest rates. rates, partially offset by the absence of $0.7 million of costs recorded in the prior year related to a credit agreement amendment.

The provision for income taxes was $12.8 million $37.8 million and $6.4 million in $19.8 million during the second quarter first nine months of fiscal 2024 and 2023, respectively. The $6.4 million $18.0 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year.

Comparison of Six Months ended September 30, 2023 and 2022

Fiscal 2024 year-to-date net sales of $1,242.9 million were $123.1 million, or 11 percent, higher than the same period last year, primarily due to higher sales volume, favorable commercial pricing and a $15.1 million favorable impact of foreign currency exchange rates. Sales in the Performance Technologies and Climate Solutions segments increased $76.3 million and $47.3 million, respectively.

Fiscal 2024 year-to-date cost of sales of $979.9 million increased $39.7 million, or 4 percent, primarily due to higher sales volume, a $12.1 unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs and warranty expenses. These increases were partially offset by lower raw material prices, which decreased approximately $28.0 million and, to a lesser extent, improved operating efficiencies. As a percentage of sales, cost of sales decreased 520 basis points to 78.8 percent, primarily due $3.1 million tax benefit related to the favorable impact sale of higher sales.

As a result of higher sales and lower cost of sales as a percentage of sales, gross profit increased $83.4 million and gross margin improved 520 basis points to 21.2 percent.

Fiscal 2024 year-to-date SG&A expenses increased $15.2 million, or 13 percent. As a percentage of sales, SG&A expenses increased by 20 basis points. The increase in SG&A expenses was primarily driven by higher compensation-related expenses, which increased approximately $7.0 million, and increases across other general and administrative expenses. The compensation-related expenses included higher incentive compensation expenses driven by improved financial results, as compared with the prior year.

Restructuring expenses Germany automotive businesses during the first six months third quarter of fiscal 2024 decreased $1.6 million compared with the same period last year, primarily due to lower severance expenses in the Performance Technologies segment.

Operating income of $132.2 million during the first six months of fiscal 2024 increased $69.8 million compared with the same period last year, primarily due to higher gross profit in our operating segments, partially offset by higher SG&A expenses.

Interest expense during the first six months of fiscal 2024 increased $3.2 million compared with the same period last year, primarily due to unfavorable changes in interest rates.

The provision for income taxes was $27.5 million and $11.3 million during the first six months of fiscal 2024 and 2023, respectively. The $16.2 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year. 2024.

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SEGMENT RESULTS OF OPERATIONS

The following is a discussion of our segment results of operations for the three and six nine months ended September 30, 2023 December 31, 2023 and 2022:

Climate Solutions

	Three months ended September 30,				Six months ended September 30,			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 275.8	100.0 %	$ 255.9	100.0 %	$ 547.6	100.0 %	$ 500.3	100.0 %
Cost of sales	204.0	74.0 %	198.6	77.6 %	406.8	74.3 %	392.6	78.5 %
Gross profit	71.8	26.0 %	57.3	22.4 %	140.8	25.7 %	107.7	21.5 %
Selling, general and administrative expenses	26.9	9.7 %	24.3	9.5 %	51.6	9.4 %	47.7	9.5 %
Restructuring expenses	0.3	0.1 %	0.3	0.1 %	0.3	0.1 %	0.3	0.1 %
Operating income	$ 44.6	16.2 %	$ 32.7	12.8 %	$ 88.9	16.2 %	$ 59.7	11.9 %

Climate Solutions

	Three months ended December 31, 2023		Nine months ended December 31, 2023	
	2023	2022	2023	2022

(in millions)		$'s	% of sales		$'s	% of sales		$'s	% of sales		$'s	% of sales
Net sales	$	242.5	100.0 %	$	248.6	100.0 %	$	790.1	100.0 %	$	748.9	100.0 %
Cost of sales		176.4	72.7 %		193.8	78.0 %		583.2	73.8 %		586.4	78.3 %
Gross profit		66.1	27.3 %		54.8	22.0 %		206.9	26.2 %		162.5	21.7 %
Selling, general and administrative expenses		25.9	10.7 %		24.6	9.9 %		77.5	9.8 %		72.3	9.7 %
Restructuring expenses		1.4	0.6 %		-	-		1.7	0.2 %		0.3	-
Operating income	$	38.8	16.0 %	$	30.2	12.2 %	$	127.7	16.2 %	$	89.9	12.0 %

Comparison of Three Months three months ended September 30, 2023 December 31, 2023 and 2022

Climate Solutions net sales increased $19.9 million decreased $6.1 million, or 8 2 percent, from the second third quarter of fiscal 2023 to the second third quarter of fiscal 2024, primarily due to higher lower sales volume, and partially offset by a $6.6 million $4.4 million favorable impact of foreign currency exchange rates. Compared with the second third quarter of the prior year, sales of data center cooling products increased $42.5 million $15.4 million, with higher sales to both hyperscale and colocation customers, and sales of HVAC & refrigeration products increased $2.2 million. Sales of heat transfer and HVAC & refrigeration products decreased $20.5 million $23.7 million, largely due to market weakness and $2.0 million, respectively. lower customer demand compared with the prior year and the strategic exit from lower-margin business in connection with 80/20 product rationalization initiatives.

Climate Solutions cost of sales increased $5.4 million decreased $17.4 million, or 3 9 percent, from the second third quarter of fiscal 2023 to the second third quarter of fiscal 2024, primarily due to higher lower sales volume and improved operating efficiencies. In addition, raw material prices decreased approximately $2.0 million. These decreases were partially offset by a $5.0 million $3.1 million unfavorable impact of foreign currency exchange rates and, to a lesser extent higher warranty expenses, which increased approximately $3.0 million, and higher labor and inflationary costs. These increases were partially offset by improved operating efficiencies and lower raw material prices, which decreased approximately $4.0 million. As a percentage of sales, cost of sales decreased 360 530 basis points to 74.0 72.7 percent, primarily due to favorable sales mix and improved operating efficiencies.

As a result of the lower sales and lower cost of sales as a percentage of sales, gross profit increased $11.3 million and gross margin improved 530 basis points to 27.3 percent.

SG&A expenses increased $1.3 million compared with the third quarter of the prior year. As a percentage of sales, SG&A expenses increased by 80 basis points. The increase in SG&A expenses was primarily driven by higher compensation-related expenses.

Restructuring expenses totaled $1.4 million during the third quarter of fiscal 2024 and consist of equipment transfer costs and severance expenses related to targeted headcount reductions in Europe and Asia.

Operating income of $38.8 million increased $8.6 million from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher restructuring and SG&A expenses.

Comparison of nine months ended December 31, 2023 and 2022

Climate Solutions year-to-date net sales increased $41.2 million, or 6 percent, from the same period last year, primarily due to higher sales volume and an $11.8 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of data center cooling products increased $95.6 million, primarily due to higher sales to both hyperscale and colocation customers. Sales of heat transfer and HVAC & refrigeration products decreased $53.0 million and $1.1 million, respectively. The decrease in sales of heat transfer products was largely due to market weakness and lower customer demand compared with the prior year and the impact of the strategic exit from lower-margin business.

Climate Solutions year-to-date cost of sales decreased $3.2 million, or 1 percent, from the same period last year, primarily due to lower raw material prices, which decreased approximately $16.0 million, and improved operating efficiencies. These decreases were partially offset by increases resulting from higher sales volume, an $8.6 million unfavorable impact of foreign currency exchanges rates, and higher labor and inflationary costs and warranty expenses. As a percentage of sales, cost of sales decreased 450 basis points to 73.8 percent, primarily due to the favorable impact of higher sales and improved operating efficiencies.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $14.5 million $44.4 million and gross margin improved 360 450 basis points to 26.0 26.2 percent.

Climate Solutions year-to-date SG&A expenses increased $2.6 million compared with the second quarter of the prior year. $5.2 million. As a percentage of sales, SG&A expenses increased by 20 10 basis points. The increase in SG&A expenses includes higher compensation-related expenses and increases across other general and administrative expenses.

Restructuring expenses totaled $0.3 million during both increased $1.4 million compared with the second quarter first nine months of fiscal 2024 and 2023. The fiscal 2024 expenses consist of equipment transfer and severance expenses. The fiscal 2023 expenses primarily relate to closure costs associated with a previously-leased facility.

Operating income of $44.6 million increased $11.9 million from $127.7 million during the second quarter of fiscal 2023 to the second quarter first nine months of fiscal 2024 primarily due to higher gross profit.

Comparison of Six Months ended September 30, 2023 and 2022

Climate Solutions year-to-date net sales increased $47.3 million, or 9 percent, $37.8 million from the same period last year, primarily due to higher gross profit, partially offset by higher SG&A and restructuring expenses.

Performance Technologies

	Three months ended December 31, 2023				Nine months ended December 31, 2023			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 323.0	100.0 %	$ 317.8	100.0 %	$ 1,033.6	100.0 %	$ 952.1	100.0 %
Cost of sales	262.0	81.1 %	274.8	86.5 %	851.2	82.4 %	836.9	87.9 %
Gross profit	61.0	18.9 %	43.0	13.5 %	182.4	17.6 %	115.2	12.1 %
Selling, general and administrative expenses	29.6	9.2 %	25.5	8.0 %	85.2	8.2 %	72.2	7.6 %
Restructuring expenses	0.2	-	0.1	-	0.4	-	1.9	0.2 %
Operating income	$ 31.2	9.7 %	$ 17.4	5.5 %	$ 96.8	9.4 %	$ 41.1	4.3 %

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Comparison of three months ended December 31, 2023 and 2022

Performance Technologies net sales volume increased $5.2 million, or 2 percent, from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to favorable commercial pricing and a $7.4 million $5.6 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of data center cooling products increased $80.2 million. Sales of heat transfer and HVAC & refrigeration products decreased $29.3 million and $3.3 million, respectively.

Climate Solutions year-to-date cost of sales increased $14.2 million, or 4 percent, from the same period last year, primarily due to higher sales volume, a $5.5 million unfavorable impact of foreign currency exchanges rates, and higher warranty expenses and labor and inflationary costs. These increases were partially offset by lower sales volume, including $10.2 million of lower sales from the three Germany automotive businesses that we sold on October 31, 2023. Compared with the third quarter of the prior year, sales of advanced solutions, and air-cooled products increased $9.6 million and $3.1 million, respectively. Sales of liquid-cooled products decreased $5.2 million.

Performance Technologies cost of sales decreased $12.8 million, or 5 percent, from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to lower sales volume and, to a lesser extent, lower raw material prices, which decreased approximately $14.0 million $3.0 million. These decreases were partially offset by a $4.6 million unfavorable impact of foreign currency exchange rates and improved operating efficiencies. higher labor and inflationary costs. As a percentage of sales, cost of sales decreased 420 540 basis points to 74.3 81.1 percent, primarily due to the favorable impact of commercial pricing, partially offset by higher sales labor and improved operating efficiencies. inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $33.1 million $18.0 million and gross margin improved 420 540 basis points to 25.7 18.9 percent.

Climate Solutions year-to-date SG&A expenses increased $3.9 million $4.1 million, yet decreased 10 basis points as or 16 percent, compared with the third quarter of the prior year. As a percentage of sales. sales, SG&A expenses increased by 120 basis points. The increase in SG&A expenses includes was primarily due to higher compensation-related expenses, which increased approximately $3.0 million, and increases across other general and administrative expenses.

Restructuring expenses totaled $0.3 million during both the first six months of fiscal 2024 and 2023. The fiscal 2024 expenses consist of equipment transfer and severance expenses. The fiscal 2023 expenses primarily relate to closure costs associated with a previously-leased facility. higher product development costs.

Operating income of $88.9 million during $31.2 million increased $13.8 million from the first six months third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Comparison of nine months ended December 31, 2023 and 2022

Performance Technologies year-to-date net sales increased $29.2 million $81.5 million, or 9 percent, from the same period last year, primarily due to favorable commercial pricing, a $13.4 million favorable impact of foreign currency exchange rates, and, to a lesser extent, higher sales volume. Compared with the same period in the prior year, sales of advanced solutions, air-cooled and liquid-cooled products increased $30.2 million, $26.8 million, and $26.0 million, respectively.

Performance Technologies year-to-date cost of sales increased $14.3 million, or 2 percent, from the same period last year, primarily due to higher gross profit.

Performance Technologies

	Three months ended September 30,		Six months ended September 30,	
	2023	2022	2023	2022

(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 351.7	100.0 %	$ 330.0	100.0 %	$ 710.6	100.0 %	$ 634.3	100.0 %
Cost of sales	288.9	82.2 %	290.8	88.1 %	589.2	82.9 %	562.1	88.6 %
Gross profit	62.8	17.8 %	39.2	11.9 %	121.4	17.1 %	72.2	11.4 %
Selling, general and administrative expenses	29.0	8.2 %	22.6	6.9 %	55.6	7.8 %	46.7	7.4 %
Restructuring expenses	0.2	-	0.3	0.1 %	0.2	-	1.8	0.3 %
Operating income	$ 33.6	9.6 %	$ 16.3	4.9 %	$ 65.6	9.2 %	$ 23.7	3.7 %

Comparison of Three Months ended September 30, 2023 labor and 2022

Performance Technologies net sales increased $21.7 million, or 7 percent, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to favorable commercial pricing and inflationary costs, an $8.0 million favorable impact of foreign currency exchange rates. These increases were partially offset by lower sales volume. Compared with the second quarter of the prior year, sales of advanced solutions, liquid-cooled and air-cooled products increased $10.3 million, $7.4 million, and $4.0 million, respectively.

Performance Technologies cost of sales decreased $1.9 million, or 1 percent, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to lower raw material prices, which decreased approximately $8.0 million and lower sales volume. These decreases were partially offset by a $6.7 million $11.2 million unfavorable impact of foreign currency exchange rates, and higher labor and inflationary costs. sales volume. These increases were partially offset by lower raw material prices, which decreased approximately $17.0 million. As a percentage of sales, cost of sales decreased 590 550 basis points to 82.2 82.4 percent, primarily due to the favorable impact of higher sales, partially offset by higher labor and inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $23.6 million $67.2 million and gross margin improved 590 550 basis points to 17.8 percent.

SG&A expenses increased $6.4 million, or 28 percent, compared with the second quarter of the prior year. As a percentage of sales, 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 $3.0 million, higher product development costs and increases across other general and administrative expenses.

Restructuring expenses decreased $0.1 million compared with the second quarter of fiscal 2023, primarily due to lower equipment transfer costs.

Operating income of $33.6 million increased $17.3 million from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Comparison of Six Months ended September 30, 2023 and 2022

Performance Technologies year-to-date net sales increased $76.3 million, or 12 percent, from the same period last year, primarily due to favorable commercial pricing, higher sales volume, and a $7.8 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of liquid-cooled, air-cooled, and advanced solutions products increased $31.2 million, $23.7 million, and $20.6 million, respectively.

Performance Technologies year-to-date cost of sales increased $27.1 million, or 5 percent, from the same period last year, primarily due to higher sales volume, higher labor and inflationary costs and a $6.7 million unfavorable impact of foreign currency exchange rates. These increases were partially offset by lower raw material prices, which decreased approximately $14.0 million. As a percentage of sales, cost of sales decreased 570 basis points to 82.9 percent, primarily due to the favorable impact of higher sales, partially offset by higher labor and inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $49.2 million and gross margin improved 570 basis points to 17.1 17.6 percent.

Performance Technologies year-to-date SG&A expenses increased $8.9 million $13.0 million, or 19 18 percent, compared with the same period last year. As a percentage of sales, year-to-date SG&A expenses increased by 40 60 basis points. The increase in SG&A expenses was primarily due to higher compensation-related expenses, which increased approximately $7.0 million, and increases across other general and administrative expenses.

Restructuring expenses during the first six nine months of fiscal 2024 decreased $1.6 million $1.5 million compared with the same period last year, primarily due to lower severance expenses.

Operating income of $65.6 million $96.8 million during the first six nine months of fiscal 2024 increased $41.9 million $55.7 million from the same period last year, primarily due to higher gross profit, partially offset by higher SG&A expenses.

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Liquidity and Capital Resources

Our primary sources of liquidity are cash flow from operating activities, our cash and cash equivalents as of September 30, 2023 December 31, 2023 of $120.2 million $149.7 million, and available borrowing capacity of $269.4 million under our revolving credit facility. Given our extensive international operations, approximately $71.0 million $103.0 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 cash provided by Operating Activities operating activities

Net cash provided by operating activities for the six nine months ended September 30, 2023 December 31, 2023 was $110.8 million $175.0 million, which represents a $54.7 million $107.1 million increase compared with the same period in the prior year. This increase in operating cash flow was primarily due to the favorable impact of higher earnings partially offset by unfavorable and, to a lesser extent, favorable net changes in working capital as compared with the same period in the prior year. The unfavorable favorable net changes in working capital include higher payments for incentive compensation, as compared an increase in customer deposits received in connection with the same period in the prior year. sales contracts with long inventory lead times.

Capital Expenditures expenditures

Capital expenditures of $26.2 million $43.8 million during the first six nine months of fiscal 2024 increased $3.2 million $8.6 million compared with the same period in the prior year. The fiscal 2024 capital expenditures include investments supporting our strategic growth initiatives across several of our business units.

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 September 30, 2023 December 31, 2023, we were in compliance with our debt covenants. We expect to remain in compliance with our debt covenants during the remainder of fiscal 2024 and beyond.

Share Repurchase Program repurchase program

During the first six nine months of fiscal 2024, we repurchased $9.0 million $13.3 million of our common stock. As of September 30, 2023 December 31, 2023, we had $36.4 million $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.

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Forward-Looking Statements 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, 2023. Other risks and uncertainties include, but are not limited to, the following:

Market Risks: 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, 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; East and the recent attacks on shipping vessels 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 increased increases in labor costs and labor shortages;

- The impact of public health threats, such as COVID-19, 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.

Operational Risks: 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 price-reduction 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, including any lingering impacts associated with the recent now settled United Auto Workers union strikes;

- 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 or material breach of our information technology systems, and any related delays, problems or costs;

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

- Increasing emphasis by 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: 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;

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

- The potential impacts from actions by activist shareholders, including disruption of our business and related costs.

Financial Risks: 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.

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

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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, 2023. The Company's market risks have not materially changed since the fiscal 2023 Form 10-K was filed.

Item 4. Controls and Procedures.

Evaluation Regarding Disclosure Controls regarding disclosure controls and Procedures procedures

As of the end of the period covered by this quarterly report on Form 10-Q, management of the Company, under the supervision, and with the participation, of the Company's President and Chief Executive Officer and Executive Vice President, Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures, at a reasonable assurance level, as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e). Based upon that evaluation, the President and Chief Executive Officer and Executive Vice President, Chief Financial Officer have concluded that the design and operation of the Company's disclosure controls and procedures were effective, at a reasonable assurance level, as of September 30, 2023 December 31, 2023.

Changes in Internal Control Over Financial Reporting internal control over financial reporting

There have been no changes in internal control over financial reporting during the second third quarter of fiscal 2024 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 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 second third quarter of fiscal 2024:

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, 2023	———	———	———	$45,372,391

August 1 – August 31, 2023	1,222 (b)	$45.91	———	$45,372,391
September 1 – September 30, 2023	200,000 (c)	$45.01	200,000	$36,370,398
Total	201,222	$45.02	200,000	

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)
October 1 – October 31, 2023	56,558 (b)	$43.27	———	$36,370,398
November 1 – November 30, 2023	100,000 (c)	$43.07	100,000	$32,063,074
December 1 – December 31, 2023	9,683 (b)	$54.24	———	$32,063,074
Total	166,241	$43.79	100,000	

(a) Effective November 5, 2022, the 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 November 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.

(c) Includes shares acquired pursuant to the repurchase program described in (a) above.

Item 5. Other Information.

On August 17, 2023 During the three months ended December 31, 2023, Michael B. Lucareli, Executive Vice President and Chief Financial Officer of the Company, adopted a Stock Sale Plan (the "Plan") intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended. The Plan provides for the sale of up to 80,000 shares of Modine common stock during the period beginning on November 20, 2023 and ending on May 20, 2024, subject to a formula and other terms and conditions set forth in the Plan.

No other no director or "officer" 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, during the three months ended September 30, 2023. S-K.

Item 6. Exhibits.

(a) Exhibits:

Exhibit No.	Description	Incorporated Herein By Reference To	Filed Herewith
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
101.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
101.SCH	Inline XBRL Taxonomy Extension Schema.	X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.	X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.	X
10.1.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.	X
10.1.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.	X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).	X

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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: January 31, 2024

By: /s/ Michael B. Lucareli
Michael B. Lucareli, Executive Vice President, Chief Financial Officer*

Date: November 2, 2023

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

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 September 30, 2023 December 31, 2023;

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 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 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 internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 internal control over financial reporting; and

5. The 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 auditors and the audit committee of the 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 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 internal control over financial reporting.

Date: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023;

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 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 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 internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 internal control over financial reporting; and

5. The 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 auditors and the audit committee of the 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 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 internal control over financial reporting.

Date: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023 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: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023 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: November 2, 2023 January 31, 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.

s % of sales

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Comparison of Three Months three months ended September 30, 2023 December 31, 2023 and 2022

Second Third quarter net sales of $620.5 million $561.4 million were $41.7 million, or 7 percent, $1.4 million higher than the second third quarter of the prior year, primarily due to favorable commercial pricing and a $14.7 million $10.0 million favorable impact of foreign currency exchange rates. These increases were partially offset by lower sales volume, including lower sales from three automotive businesses in the Performance Technologies segment, which we sold on October 31, 2023.

Third quarter cost of sales decreased $28.3 million, or 6 percent, primarily due to lower sales volume, improved operating efficiencies, and lower raw material prices, which decreased approximately $5.0 million. These decreases were partially offset by a $7.6 million unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs. As a percentage of sales, cost of sales decreased 530 basis points to 77.3 percent, primarily due to favorable sales mix, commercial pricing and improved operating efficiencies.

As a result of higher sales and lower cost of sales as a percentage of sales, third quarter gross profit increased $29.7 million and gross margin improved 530 basis points to 22.7 percent.

Third quarter SG&A expenses increased $10.0 million, or 17 percent. As a percentage of sales, SG&A expenses increased by 180 basis points. The increase in SG&A expenses was primarily due to higher compensation-related expenses, which increased approximately $7.0 million, and included higher incentive compensation expenses driven by improved financial results, as compared with the prior year. In addition, environmental charges related to a previously-closed manufacturing facility in the U.S. increased $0.9 million.

Restructuring expenses increased $1.5 million compared with the third quarter of fiscal 2023, primarily due to higher equipment transfer costs and severance expenses in the Climate Solutions segment.

We sold three automotive businesses based in Germany on October 31, 2023. As a result of the sale, we recorded a $4.0 million gain on sale at Corporate during the third quarter of fiscal 2024.

Operating income of $61.7 million in the third quarter of fiscal 2024 increased $22.2 million compared with the third quarter of fiscal 2023, primarily due to higher gross profit in our operating segments and the gain on sale of the Germany automotive businesses, partially offset by higher SG&A expenses.

Interest expense during the third quarter of fiscal 2024 decreased $0.1 million compared with the third quarter of fiscal 2023. Unfavorable changes in interest rates during fiscal 2024, which resulted in higher interest costs, were offset by the absence of $0.7 million of costs recorded as interest expense during the third quarter of fiscal 2023 related to a credit agreement amendment.

The provision for income taxes was $10.3 million and $8.5 million in the third quarter of fiscal 2024 and 2023, respectively. The $1.8 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year, partially offset by a $3.1 million tax benefit related to the sale of the Germany automotive businesses during the third quarter of fiscal 2024.

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Comparison of nine months ended December 31, 2023 and 2022

Fiscal 2024 year-to-date net sales of $1,804.3 million were $124.5 million, or 7 percent, higher than the same period last year, primarily due to favorable commercial pricing, higher sales volume and a $25.1 million favorable impact of foreign currency exchange rates. Sales in the Performance Technologies and Climate Solutions segments increased $21.7 million $81.5 million and $19.9 million $41.2 million, respectively.

Second quarter Fiscal 2024 year-to-date cost of sales of $1,414.0 million increased $2.8 million $11.4 million, or 1 percent, primarily due to an $11.7 million higher sales volume, a $19.8 million unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs and warranty expenses. costs. These increases were partially offset by lower raw material prices, which decreased approximately $11.0 million, $33.0 million and, to a lesser extent, improved operating efficiencies. As a percentage of sales, cost of sales decreased 520 510 basis points to 78.2 78.4 percent, primarily due to the favorable impact of higher sales.

As a result of higher sales and lower cost of sales as a percentage of sales, second quarter gross profit increased $38.9 million $113.1 million and gross margin improved 520 510 basis points to 21.8 21.6 percent.

Second quarter Fiscal 2024 year-to-date SG&A expenses increased $10.1 million $25.2 million, or 17 15 percent. As a percentage of sales, SG&A expenses increased by 100 70 basis points. The increase in SG&A expenses included was primarily driven by higher compensation-related expenses, which increased approximately $3.0 million $14.0 million, and increases across other general and administrative expenses, such as higher product development costs, professional service fees, and employee travel expenses. The compensation-related expenses included higher incentive compensation expenses driven by improved financial results, as compared with the prior year. In addition, environmental charges related to a previously-closed manufacturing facility in the U.S. increased $0.7 million.

Restructuring expenses during the first nine months of fiscal 2024 decreased $0.1 million compared with the second quarter of fiscal 2023, same period last year, primarily due to lower equipment transfer costs severance expenses in the Performance Technologies segment, partially offset by higher severance and equipment transfer expenses in the Climate Solutions segment.

25 We sold three automotive businesses based in Germany on October 31, 2023. As a result of the sale, we recorded a $4.0 million gain on sale at Corporate during the third quarter of fiscal 2024.

Operating income of $65.7 million in $193.9 million during the second quarter first nine months of fiscal 2024 increased $28.9 million $92.0 million compared with the second quarter of fiscal 2023, same period last year, primarily due to higher gross profit in our operating segments and the gain on sale of the Germany automotive businesses, partially offset by higher SG&A expenses.

Interest expense during the second quarter first nine months of fiscal 2024 increased $1.4 million $3.1 million compared with the second quarter of fiscal 2023, same period last year, primarily due to unfavorable changes in interest rates. rates, partially offset by the absence of $0.7 million of costs recorded in the prior year related to a credit agreement amendment.

The provision for income taxes was $12.8 million $37.8 million and $6.4 million in $19.8 million during the second quarter first nine months of fiscal 2024 and 2023, respectively. The $6.4 million $18.0 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year.

Comparison of Six Months ended September 30, 2023 and 2022

Fiscal 2024 year-to-date net sales of $1,242.9 million were $123.1 million, or 11 percent, higher than the same period last year, primarily due to higher sales volume, favorable commercial pricing and a $15.1 million favorable impact of foreign currency exchange rates. Sales in the Performance Technologies and Climate Solutions segments increased $76.3 million and $47.3 million, respectively.

Fiscal 2024 year-to-date cost of sales of $979.9 million increased $39.7 million, or 4 percent, primarily due to higher sales volume, a $12.1 unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs and warranty expenses. These increases were partially offset by lower raw material prices, which decreased approximately $28.0 million and, to a lesser extent, improved operating efficiencies. As a percentage of sales, cost of sales decreased 520 basis points to 78.8 percent, primarily due $3.1 million tax benefit related to the favorable impact sale of higher sales.

As a result of higher sales and lower cost of sales as a percentage of sales, gross profit increased $83.4 million and gross margin improved 520 basis points to 21.2 percent.

Fiscal 2024 year-to-date SG&A expenses increased $15.2 million, or 13 percent. As a percentage of sales, SG&A expenses increased by 20 basis points. The increase in SG&A expenses was primarily driven by higher compensation-related expenses, which increased approximately $7.0 million, and increases across other general and administrative expenses. The compensation-related expenses included higher incentive compensation expenses driven by improved financial results, as compared with the prior year.

Restructuring expenses Germany automotive businesses during the first six months third quarter of fiscal 2024 decreased $1.6 million compared with the same period last year, primarily due to lower severance expenses in the Performance Technologies segment.

Operating income of $132.2 million during the first six months of fiscal 2024 increased $69.8 million compared with the same period last year, primarily due to higher gross profit in our operating segments, partially offset by higher SG&A expenses.

Interest expense during the first six months of fiscal 2024 increased $3.2 million compared with the same period last year, primarily due to unfavorable changes in interest rates.

The provision for income taxes was $27.5 million and $11.3 million during the first six months of fiscal 2024 and 2023, respectively. The $16.2 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year. 2024.

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SEGMENT RESULTS OF OPERATIONS

The following is a discussion of our segment results of operations for the three and six nine months ended September 30, 2023 December 31, 2023 and 2022:

Climate Solutions

	Three months ended September 30,				Six months ended September 30,			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 275.8	100.0 %	$ 255.9	100.0 %	$ 547.6	100.0 %	$ 500.3	100.0 %
Cost of sales	204.0	74.0 %	198.6	77.6 %	406.8	74.3 %	392.6	78.5 %
Gross profit	71.8	26.0 %	57.3	22.4 %	140.8	25.7 %	107.7	21.5 %
Selling, general and administrative expenses	26.9	9.7 %	24.3	9.5 %	51.6	9.4 %	47.7	9.5 %

Restructuring expenses	0.3	0.1 %	0.3	0.1 %	0.3	0.1 %	0.3	0.1 %
Operating income	$ 44.6	16.2 %	$ 32.7	12.8 %	$ 88.9	16.2 %	$ 59.7	11.9 %

Climate Solutions

	Three months ended December 31, 2023				Nine months ended December 31, 2023			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 242.5	100.0 %	$ 248.6	100.0 %	$ 790.1	100.0 %	$ 748.9	100.0 %
Cost of sales	176.4	72.7 %	193.8	78.0 %	583.2	73.8 %	586.4	78.3 %
Gross profit	66.1	27.3 %	54.8	22.0 %	206.9	26.2 %	162.5	21.7 %
Selling, general and administrative expenses	25.9	10.7 %	24.6	9.9 %	77.5	9.8 %	72.3	9.7 %
Restructuring expenses	1.4	0.6 %	-	-	1.7	0.2 %	0.3	-
Operating income	$ 38.8	16.0 %	$ 30.2	12.2 %	$ 127.7	16.2 %	$ 89.9	12.0 %

Comparison of Three Months three months ended September 30, 2023 December 31, 2023 and 2022

Climate Solutions net sales increased $19.9 million decreased $6.1 million, or 8 2 percent, from the second third quarter of fiscal 2023 to the second third quarter of fiscal 2024, primarily due to higher lower sales volume, and partially offset by a $6.6 million $4.4 million favorable impact of foreign currency exchange rates. Compared with the second third quarter of the prior year, sales of data center cooling products increased $42.5 million $15.4 million, with higher sales to both hyperscale and colocation customers, and sales of HVAC & refrigeration products increased $2.2 million. Sales of heat transfer and HVAC & refrigeration products decreased $20.5 million $23.7 million, largely due to market weakness and $2.0 million, respectively. lower customer demand compared with the prior year and the strategic exit from lower-margin business in connection with 80/20 product rationalization initiatives.

Climate Solutions cost of sales increased $5.4 million decreased $17.4 million, or 3 9 percent, from the second third quarter of fiscal 2023 to the second third quarter of fiscal 2024, primarily due to higher lower sales volume and improved operating efficiencies. In addition, raw material prices decreased approximately $2.0 million. These decreases were partially offset by a $5.0 million $3.1 million unfavorable impact of foreign currency exchange rates and, to a lesser extent higher warranty expenses, which increased approximately $3.0 million, and higher labor and inflationary costs. These increases were partially offset by improved operating efficiencies and lower raw material prices, which decreased approximately $4.0 million. As a percentage of sales, cost of sales decreased 360 530 basis points to 74.0 72.7 percent, primarily due to favorable sales mix and improved operating efficiencies.

As a result of the lower sales and lower cost of sales as a percentage of sales, gross profit increased $11.3 million and gross margin improved 530 basis points to 27.3 percent.

SG&A expenses increased $1.3 million compared with the third quarter of the prior year. As a percentage of sales, SG&A expenses increased by 80 basis points. The increase in SG&A expenses was primarily driven by higher compensation-related expenses.

Restructuring expenses totaled $1.4 million during the third quarter of fiscal 2024 and consist of equipment transfer costs and severance expenses related to targeted headcount reductions in Europe and Asia.

Operating income of $38.8 million increased $8.6 million from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher restructuring and SG&A expenses.

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Comparison of nine months ended December 31, 2023 and 2022

Climate Solutions year-to-date net sales increased $41.2 million, or 6 percent, from the same period last year, primarily due to higher sales volume and an $11.8 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of data center cooling products increased $95.6 million, primarily due to higher sales to both hyperscale and colocation customers. Sales of heat transfer and HVAC & refrigeration products decreased $53.0 million and $1.1 million, respectively. The decrease in sales of heat transfer products was largely due to market weakness and lower customer demand compared with the prior year and the impact of the strategic exit from lower-margin business.

Climate Solutions year-to-date cost of sales decreased $3.2 million, or 1 percent, from the same period last year, primarily due to lower raw material prices, which decreased approximately $16.0 million, and improved operating efficiencies. These decreases were partially offset by increases resulting from higher sales volume, an $8.6 million unfavorable impact of foreign currency exchanges rates, and higher labor and inflationary costs and warranty expenses. As a percentage of sales, cost of sales decreased 450 basis points to 73.8 percent, primarily due to the favorable impact of higher sales and improved operating efficiencies.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $14.5 million $44.4 million and gross margin improved 360 450 basis points to 26.0 26.2 percent.

Climate Solutions year-to-date SG&A expenses increased $2.6 million compared with the second quarter of the prior year. $5.2 million. As a percentage of sales, SG&A expenses increased by 20 10 basis points. The increase in SG&A expenses includes higher compensation-related expenses and increases across other general and administrative expenses.

Restructuring expenses totaled $0.3 million during both increased $1.4 million compared with the second quarter first nine months of fiscal 2024 and 2023. The fiscal 2024 expenses consist of equipment transfer and severance expenses. The fiscal 2023 expenses primarily relate to closure costs associated with a previously-leased facility.

Operating income of $44.6 million increased $11.9 million from $127.7 million during the second quarter of fiscal 2023 to the second quarter first nine months of fiscal 2024 primarily due to higher gross profit.

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Comparison of Six Months ended September 30, 2023 and 2022

Climate Solutions year-to-date net sales increased $47.3 million, or 9 percent, $37.8 million from the same period last year, primarily due to higher gross profit, partially offset by higher SG&A and restructuring expenses.

Performance Technologies

	Three months ended December 31, 2023				Nine months ended December 31, 2023			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 323.0	100.0 %	$ 317.8	100.0 %	$ 1,033.6	100.0 %	$ 952.1	100.0 %
Cost of sales	262.0	81.1 %	274.8	86.5 %	851.2	82.4 %	836.9	87.9 %
Gross profit	61.0	18.9 %	43.0	13.5 %	182.4	17.6 %	115.2	12.1 %
Selling, general and administrative expenses	29.6	9.2 %	25.5	8.0 %	85.2	8.2 %	72.2	7.6 %
Restructuring expenses	0.2	-	0.1	-	0.4	-	1.9	0.2 %
Operating income	$ 31.2	9.7 %	$ 17.4	5.5 %	$ 96.8	9.4 %	$ 41.1	4.3 %

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Comparison of three months ended December 31, 2023 and 2022

Performance Technologies net sales volume increased $5.2 million, or 2 percent, from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to favorable commercial pricing and a $7.4 million $5.6 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of data center cooling products increased $80.2 million. Sales of heat transfer and HVAC & refrigeration products decreased $29.3 million and $3.3 million, respectively.

Climate Solutions year-to-date cost of sales increased $14.2 million, or 4 percent, from the same period last year, primarily due to higher sales volume, a $5.5 million unfavorable impact of foreign currency exchanges rates, and higher warranty expenses and labor and inflationary costs. These increases were partially offset by lower sales volume, including $10.2 million of lower sales from the three Germany automotive businesses that we sold on October 31, 2023. Compared with the third quarter of the prior year, sales of advanced solutions, and air-cooled products increased $9.6 million and $3.1 million, respectively. Sales of liquid-cooled products decreased $5.2 million.

Performance Technologies cost of sales decreased $12.8 million, or 5 percent, from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to lower sales volume and, to a lesser extent, lower raw material prices, which decreased approximately $14.0 million $3.0 million. These decreases were partially offset by a $4.6 million unfavorable impact of foreign currency exchange rates and improved operating efficiencies. higher labor and inflationary costs. As a percentage of sales, cost of sales decreased 420 540 basis points to 74.3 81.1 percent, primarily due to the favorable impact of commercial pricing, partially offset by higher sales labor and improved operating efficiencies. inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $33.1 million $18.0 million and gross margin improved 420 540 basis points to 25.7 18.9 percent.

Climate Solutions year-to-date SG&A expenses increased $3.9 million $4.1 million, yet decreased 10 basis points as or 16 percent, compared with the third quarter of the prior year. As a percentage of sales. sales, SG&A expenses increased by 120 basis points. The increase in SG&A expenses includes was primarily due to higher compensation-related expenses, which increased approximately $3.0 million, and increases across other general and administrative expenses.

Restructuring expenses totaled $0.3 million during both the first six months of fiscal 2024 and 2023. The fiscal 2024 expenses consist of equipment transfer and severance expenses. The fiscal 2023 expenses primarily relate to closure costs associated with a previously-leased facility. higher product development costs.

Operating income of $88.9 million during $31.2 million increased $13.8 million from the first six months third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Comparison of nine months ended December 31, 2023 and 2022

Performance Technologies year-to-date net sales increased $29.2 million $81.5 million, or 9 percent, from the same period last year, primarily due to favorable commercial pricing, a $13.4 million favorable impact of foreign currency exchange rates, and, to a lesser extent, higher sales volume. Compared with the same period in the prior year, sales of advanced solutions, air-cooled and liquid-cooled products increased $30.2 million, $26.8 million, and $26.0 million, respectively.

Performance Technologies year-to-date cost of sales increased $14.3 million, or 2 percent, from the same period last year, primarily due to higher gross profit.

Performance Technologies

	Three months ended September 30,				Six months ended September 30,			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 351.7	100.0 %	$ 330.0	100.0 %	$ 710.6	100.0 %	$ 634.3	100.0 %
Cost of sales	288.9	82.2 %	290.8	88.1 %	589.2	82.9 %	562.1	88.6 %
Gross profit	62.8	17.8 %	39.2	11.9 %	121.4	17.1 %	72.2	11.4 %
Selling, general and administrative expenses	29.0	8.2 %	22.6	6.9 %	55.6	7.8 %	46.7	7.4 %
Restructuring expenses	0.2	-	0.3	0.1 %	0.2	-	1.8	0.3 %
Operating income	$ 33.6	9.6 %	$ 16.3	4.9 %	$ 65.6	9.2 %	$ 23.7	3.7 %

Comparison of Three Months ended September 30, 2023 labor and 2022

Performance Technologies net sales increased $21.7 million, or 7 percent, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to favorable commercial pricing and inflationary costs, an $8.0 million favorable impact of foreign currency exchange rates. These increases were partially offset by lower sales volume. Compared with the second quarter of the prior year, sales of advanced solutions, liquid-cooled and air-cooled products increased $10.3 million, $7.4 million, and $4.0 million, respectively.

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Performance Technologies cost of sales decreased $1.9 million, or 1 percent, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to lower raw material prices, which decreased approximately $8.0 million and lower sales volume. These decreases were partially offset by a $6.7 million $11.2 million unfavorable impact of foreign currency exchange rates, and higher labor and inflationary costs. sales volume. These increases were partially offset by lower raw material prices, which decreased approximately $17.0 million. As a percentage of sales, cost of sales decreased 590 550 basis points to 82.2 82.4 percent, primarily due to the favorable impact of higher sales, partially offset by higher labor and inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $23.6 million $67.2 million and gross margin improved 590 550 basis points to 17.8 percent.

SG&A expenses increased $6.4 million, or 28 percent, compared with the second quarter of the prior year. As a percentage of sales, 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 $3.0 million, higher product development costs and increases across other general and administrative expenses.

Restructuring expenses decreased $0.1 million compared with the second quarter of fiscal 2023, primarily due to lower equipment transfer costs.

Operating income of $33.6 million increased $17.3 million from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Comparison of Six Months ended September 30, 2023 and 2022

Performance Technologies year-to-date net sales increased $76.3 million, or 12 percent, from the same period last year, primarily due to favorable commercial pricing, higher sales volume, and a $7.8 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of liquid-cooled, air-cooled, and advanced solutions products increased $31.2 million, $23.7 million, and $20.6 million, respectively.

Performance Technologies year-to-date cost of sales increased $27.1 million, or 5 percent, from the same period last year, primarily due to higher sales volume, higher labor and inflationary costs and a $6.7 million unfavorable impact of foreign currency exchange rates. These increases were partially offset by lower raw material prices, which decreased approximately $14.0 million. As a percentage of sales, cost of sales decreased 570 basis points to 82.9 percent, primarily due to the favorable impact of higher sales, partially offset by higher labor and inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $49.2 million and gross margin improved 570 basis points to 17.1 17.6 percent.

Performance Technologies year-to-date SG&A expenses increased $8.9 million $13.0 million, or 19 18 percent, compared with the same period last year. As a percentage of sales, year-to-date SG&A expenses increased by 40 60 basis points. The increase in SG&A expenses was primarily due to higher compensation-related expenses, which increased approximately $7.0 million, and increases across other general and administrative expenses.

Restructuring expenses during the first six nine months of fiscal 2024 decreased $1.6 million $1.5 million compared with the same period last year, primarily due to lower severance expenses.

Operating income of $65.6 million $96.8 million during the first six nine months of fiscal 2024 increased $41.9 million $55.7 million from the same period last year, primarily due to higher gross profit, partially offset by higher 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 September 30, 2023 December 31, 2023 of $120.2 million $149.7 million, and available borrowing capacity of $269.4 million under our revolving credit facility. Given our extensive international operations, approximately $71.0 million $103.0 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 cash provided by Operating Activities operating activities

Net cash provided by operating activities for the six nine months ended September 30, 2023 December 31, 2023 was $110.8 million $175.0 million, which represents a $54.7 million $107.1 million increase compared with the same period in the prior year. This increase in operating cash flow was primarily due to the favorable impact of higher earnings partially offset by unfavorable and, to a lesser extent, favorable net changes in working capital as compared with the same period in the prior year. The unfavorable favorable net changes in working capital include higher payments for incentive compensation, as compared an increase in customer deposits received in connection with the same period in the prior year. sales contracts with long inventory lead times.

Capital Expenditures expenditures

Capital expenditures of $26.2 million $43.8 million during the first six nine months of fiscal 2024 increased $3.2 million $8.6 million compared with the same period in the prior year. The fiscal 2024 capital expenditures include investments supporting our strategic growth initiatives across several of our business units.

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 September 30, 2023 December 31, 2023, we were in compliance with our debt covenants. We expect to remain in compliance with our debt covenants during the remainder of fiscal 2024 and beyond.

Share Repurchase Program repurchase program

During the first six nine months of fiscal 2024, we repurchased $9.0 million $13.3 million of our common stock. As of September 30, 2023 December 31, 2023, we had $36.4 million $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 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, 2023. Other risks and uncertainties include, but are not limited to, the following:

Market Risks: 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, 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; East and the recent attacks on shipping vessels 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 increased increases in labor costs and labor shortages;

- The impact of public health threats, such as COVID-19, 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: 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 price-reduction 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, including any lingering impacts associated with the recent now settled United Auto Workers union strikes;

- 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 or material breach of our information technology systems, and any related delays, problems or costs;

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

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- Increasing emphasis by 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: 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;

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

- The potential impacts from actions by activist shareholders, including disruption of our business and related costs.

Financial Risks: 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.

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

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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, 2023. The Company's market risks have not materially changed since the fiscal 2023 Form 10-K was filed.

Item 4. Controls and Procedures.

Evaluation Regarding Disclosure Controls regarding disclosure controls and Procedures procedures

As of the end of the period covered by this quarterly report on Form 10-Q, management of the Company, under the supervision, and with the participation, of the Company's President and Chief Executive Officer and Executive Vice President, Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures, at a reasonable assurance level, as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e). Based upon that evaluation, the President and Chief Executive Officer and Executive Vice President, Chief Financial Officer have concluded that the design and operation of the Company's disclosure controls and procedures were effective, at a reasonable assurance level, as of September 30, 2023 December 31, 2023.

Changes in Internal Control Over Financial Reporting internal control over financial reporting

There have been no changes in internal control over financial reporting during the second third quarter of fiscal 2024 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 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 second third quarter of fiscal 2024:

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, 2023	———	———	———	$45,372,391
August 1 – August 31, 2023	1,222 (b)	$45.91	———	$45,372,391
September 1 – September 30, 2023	200,000 (c)	$45.01	200,000	$36,370,398
Total	201,222	$45.02	200,000	

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)
October 1 – October 31, 2023	56,558 (b)	$43.27	———	$36,370,398
November 1 – November 30, 2023	100,000 (c)	$43.07	100,000	$32,063,074
December 1 – December 31, 2023	9,683 (b)	$54.24	———	$32,063,074
Total	166,241	$43.79	100,000	

(a) Effective November 5, 2022, the 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 November 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.

(c) Includes shares acquired pursuant to the repurchase program described in (a) above.

Item 5. Other Information.

On August 17, 2023 During the three months ended December 31, 2023, Michael B. Lucareli, Executive Vice President and Chief Financial Officer of the Company, adopted a Stock Sale Plan (the "Plan") intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended. The Plan provides for the sale of up to 80,000 shares of Modine common stock during the period beginning on November 20, 2023 and ending on May 20, 2024, subject to a formula and other terms and conditions set forth in the Plan.

No other no director or "officer" 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, during the three months ended September 30, 2023. S-K.

Item 6. Exhibits.

(a) Exhibits:

Exhibit No.	Description	Incorporated Herein By Reference To	Filed Herewith
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
101.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
101.SCH	Inline XBRL Taxonomy Extension Schema.	X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.	X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.	X
10.1.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.	X
10.1.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.	X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).	X

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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: January 31, 2024

By: /s/ Michael B. Lucareli
Michael B. Lucareli, Executive Vice President, Chief Financial Officer*

Date: November 2, 2023

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

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 September 30, 2023 December 31, 2023;

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 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 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 internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 internal control over financial reporting; and

5. The 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 auditors and the audit committee of the 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 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 internal control over financial reporting.

Date: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023;

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 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 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 internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 internal control over financial reporting; and

5. The 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 auditors and the audit committee of the 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 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 internal control over financial reporting.

Date: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023 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: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023 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: November 2, 2023 January 31, 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.

s % of sales

Comparison of Three Months three months ended September 30, 2023 December 31, 2023 and 2022

Second Third quarter net sales of $620.5 million $561.4 million were $41.7 million, or 7 percent, $1.4 million higher than the second third quarter of the prior year, primarily due to favorable commercial pricing and a $14.7 million $10.0 million favorable impact of foreign currency exchange rates. These increases were partially offset by lower sales volume, including lower sales from three automotive businesses in the Performance Technologies segment, which we sold on October 31, 2023.

Third quarter cost of sales decreased $28.3 million, or 6 percent, primarily due to lower sales volume, improved operating efficiencies, and lower raw material prices, which decreased approximately $5.0 million. These decreases were partially offset by a $7.6 million unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs. As a percentage of sales, cost of sales decreased 530 basis points to 77.3 percent, primarily due to favorable sales mix, commercial pricing and improved operating efficiencies.

As a result of higher sales and lower cost of sales as a percentage of sales, third quarter gross profit increased $29.7 million and gross margin improved 530 basis points to 22.7 percent.

Third quarter SG&A expenses increased $10.0 million, or 17 percent. As a percentage of sales, SG&A expenses increased by 180 basis points. The increase in SG&A expenses was primarily due to higher compensation-related expenses, which increased approximately $7.0 million, and included higher incentive compensation expenses driven by improved financial results, as compared with the prior year. In addition, environmental charges related to a previously-closed manufacturing facility in the U.S. increased $0.9 million.

Restructuring expenses increased $1.5 million compared with the third quarter of fiscal 2023, primarily due to higher equipment transfer costs and severance expenses in the Climate Solutions segment.

We sold three automotive businesses based in Germany on October 31, 2023. As a result of the sale, we recorded a $4.0 million gain on sale at Corporate during the third quarter of fiscal 2024.

Operating income of $61.7 million in the third quarter of fiscal 2024 increased $22.2 million compared with the third quarter of fiscal 2023, primarily due to higher gross profit in our operating segments and the gain on sale of the Germany automotive businesses, partially offset by higher SG&A expenses.

Interest expense during the third quarter of fiscal 2024 decreased $0.1 million compared with the third quarter of fiscal 2023. Unfavorable changes in interest rates during fiscal 2024, which resulted in higher interest costs, were offset by the absence of $0.7 million of costs recorded as interest expense during the third quarter of fiscal 2023 related to a credit agreement amendment.

The provision for income taxes was $10.3 million and $8.5 million in the third quarter of fiscal 2024 and 2023, respectively. The $1.8 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year, partially offset by a $3.1 million tax benefit related to the sale of the Germany automotive businesses during the third quarter of fiscal 2024.

Comparison of nine months ended December 31, 2023 and 2022

Fiscal 2024 year-to-date net sales of $1,804.3 million were $124.5 million, or 7 percent, higher than the same period last year, primarily due to favorable commercial pricing, higher sales volume and a $25.1 million favorable impact of foreign currency exchange rates. Sales in the Performance Technologies and Climate Solutions segments increased $21.7 million $81.5 million and $19.9 million $41.2 million, respectively.

Second quarter Fiscal 2024 year-to-date cost of sales of $1,414.0 million increased $2.8 million $11.4 million, or 1 percent, primarily due to an $11.7 million higher sales volume, a $19.8 million unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs and warranty expenses. costs. These increases were partially offset by lower raw material prices, which decreased approximately $11.0 million, $33.0 million and, to a lesser extent, improved operating efficiencies. As a percentage of sales, cost of sales decreased 520 510 basis points to 78.2 78.4 percent, primarily due to the favorable impact of higher sales.

As a result of higher sales and lower cost of sales as a percentage of sales, second quarter gross profit increased $38.9 million $113.1 million and gross margin improved 520 510 basis points to 21.8 21.6 percent.

Second quarter Fiscal 2024 year-to-date SG&A expenses increased $10.1 million $25.2 million, or 17 15 percent. As a percentage of sales, SG&A expenses increased by 100 70 basis points. The increase in SG&A expenses included was primarily driven by higher compensation-related expenses, which increased approximately $3.0 million $14.0 million, and increases across other general and administrative expenses, such as higher product development costs, professional service fees, and employee travel expenses. The compensation-related expenses included higher incentive compensation expenses driven by improved financial results, as compared with the prior year. In addition, environmental charges related to a previously-closed manufacturing facility in the U.S. increased $0.7 million.

Restructuring expenses during the first nine months of fiscal 2024 decreased $0.1 million compared with the second quarter of fiscal 2023, same period last year, primarily due to lower equipment transfer costs severance expenses in the Performance Technologies segment, partially offset by higher severance and equipment transfer expenses in the Climate Solutions segment.

25 We sold three automotive businesses based in Germany on October 31, 2023. As a result of the sale, we recorded a $4.0 million gain on sale at Corporate during the third quarter of fiscal 2024.

Operating income of $65.7 million in $193.9 million during the second quarter first nine months of fiscal 2024 increased $28.9 million $92.0 million compared with the second quarter of fiscal 2023, same period last year, primarily due to higher gross profit in our operating segments and the gain on sale of the Germany automotive businesses, partially offset by higher SG&A expenses.

Interest expense during the second quarter first nine months of fiscal 2024 increased $1.4 million $3.1 million compared with the second quarter of fiscal 2023, same period last year, primarily due to unfavorable changes in interest rates. rates, partially offset by the absence of $0.7 million of costs recorded in the prior year related to a credit agreement amendment.

The provision for income taxes was $12.8 million $37.8 million and $6.4 million in $19.8 million during the second quarter first nine months of fiscal 2024 and 2023, respectively. The $6.4 million $18.0 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year.

Comparison of Six Months ended September 30, 2023 and 2022

Fiscal 2024 year-to-date net sales of $1,242.9 million were $123.1 million, or 11 percent, higher than the same period last year, primarily due to higher sales volume, favorable commercial pricing and a $15.1 million favorable impact of foreign currency exchange rates. Sales in the Performance Technologies and Climate Solutions segments increased $76.3 million and $47.3 million, respectively.

Fiscal 2024 year-to-date cost of sales of $979.9 million increased $39.7 million, or 4 percent, primarily due to higher sales volume, a $12.1 unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs and warranty expenses. These increases were partially offset by lower raw material prices, which decreased approximately $28.0 million and, to a lesser extent, improved operating efficiencies. As a percentage of sales, cost of sales decreased 520 basis points to 78.8 percent, primarily due $3.1 million tax benefit related to the favorable impact sale of higher sales.

As a result of higher sales and lower cost of sales as a percentage of sales, gross profit increased $83.4 million and gross margin improved 520 basis points to 21.2 percent.

Fiscal 2024 year-to-date SG&A expenses increased $15.2 million, or 13 percent. As a percentage of sales, SG&A expenses increased by 20 basis points. The increase in SG&A expenses was primarily driven by higher compensation-related expenses, which increased approximately $7.0 million, and increases across other general and administrative expenses. The compensation-related expenses included higher incentive compensation expenses driven by improved financial results, as compared with the prior year.

Restructuring expenses Germany automotive businesses during the first six months third quarter of fiscal 2024 decreased $1.6 million compared with the same period last year, primarily due to lower severance expenses in the Performance Technologies segment.

Operating income of $132.2 million during the first six months of fiscal 2024 increased $69.8 million compared with the same period last year, primarily due to higher gross profit in our operating segments, partially offset by higher SG&A expenses.

Interest expense during the first six months of fiscal 2024 increased $3.2 million compared with the same period last year, primarily due to unfavorable changes in interest rates.

The provision for income taxes was $27.5 million and $11.3 million during the first six months of fiscal 2024 and 2023, respectively. The $16.2 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year. 2024.

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SEGMENT RESULTS OF OPERATIONS

The following is a discussion of our segment results of operations for the three and six nine months ended September 30, 2023 December 31, 2023 and 2022:

Climate Solutions

	Three months ended September 30,				Six months ended September 30,			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 275.8	100.0 %	$ 255.9	100.0 %	$ 547.6	100.0 %	$ 500.3	100.0 %

Cost of sales	204.0	74.0 %	198.6	77.6 %	406.8	74.3 %	392.6	78.5 %
Gross profit	71.8	26.0 %	57.3	22.4 %	140.8	25.7 %	107.7	21.5 %
Selling, general and administrative expenses	26.9	9.7 %	24.3	9.5 %	51.6	9.4 %	47.7	9.5 %
Restructuring expenses	0.3	0.1 %	0.3	0.1 %	0.3	0.1 %	0.3	0.1 %
Operating income	$ 44.6	16.2 %	$ 32.7	12.8 %	$ 88.9	16.2 %	$ 59.7	11.9 %

Climate Solutions

	Three months ended December 31, 2023				Nine months ended December 31, 2023			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 242.5	100.0 %	$ 248.6	100.0 %	$ 790.1	100.0 %	$ 748.9	100.0 %
Cost of sales	176.4	72.7 %	193.8	78.0 %	583.2	73.8 %	586.4	78.3 %
Gross profit	66.1	27.3 %	54.8	22.0 %	206.9	26.2 %	162.5	21.7 %
Selling, general and administrative expenses	25.9	10.7 %	24.6	9.9 %	77.5	9.8 %	72.3	9.7 %
Restructuring expenses	1.4	0.6 %	-	-	1.7	0.2 %	0.3	-
Operating income	$ 38.8	16.0 %	$ 30.2	12.2 %	$ 127.7	16.2 %	$ 89.9	12.0 %

Comparison of Three Months three months ended September 30, 2023 December 31, 2023 and 2022

Climate Solutions net sales increased $19.9 million decreased $6.1 million, or 8 2 percent, from the second third quarter of fiscal 2023 to the second third quarter of fiscal 2024, primarily due to higher lower sales volume, and partially offset by a $6.6 million $4.4 million favorable impact of foreign currency exchange rates. Compared with the second third quarter of the prior year, sales of data center cooling products increased $42.5 million $15.4 million, with higher sales to both hyperscale and colocation customers, and sales of HVAC & refrigeration products increased $2.2 million. Sales of heat transfer and HVAC & refrigeration products decreased $20.5 million $23.7 million, largely due to market weakness and $2.0 million, respectively. lower customer demand compared with the prior year and the strategic exit from lower-margin business in connection with 80/20 product rationalization initiatives.

Climate Solutions cost of sales increased $5.4 million decreased $17.4 million, or 3 9 percent, from the second third quarter of fiscal 2023 to the second third quarter of fiscal 2024, primarily due to higher lower sales volume and improved operating efficiencies. In addition, raw material prices decreased approximately $2.0 million. These decreases were partially offset by a $5.0 million $3.1 million unfavorable impact of foreign currency exchange rates and, to a lesser extent higher warranty expenses, which increased approximately $3.0 million, and higher labor and inflationary costs. These increases were partially offset by improved operating efficiencies and lower raw material prices, which decreased approximately $4.0 million. As a percentage of sales, cost of sales decreased 360 530 basis points to 74.0 72.7 percent, primarily due to favorable sales mix and improved operating efficiencies.

As a result of the lower sales and lower cost of sales as a percentage of sales, gross profit increased $11.3 million and gross margin improved 530 basis points to 27.3 percent.

SG&A expenses increased $1.3 million compared with the third quarter of the prior year. As a percentage of sales, SG&A expenses increased by 80 basis points. The increase in SG&A expenses was primarily driven by higher compensation-related expenses.

Restructuring expenses totaled $1.4 million during the third quarter of fiscal 2024 and consist of equipment transfer costs and severance expenses related to targeted headcount reductions in Europe and Asia.

Operating income of $38.8 million increased $8.6 million from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher restructuring and SG&A expenses.

Comparison of nine months ended December 31, 2023 and 2022

Climate Solutions year-to-date net sales increased $41.2 million, or 6 percent, from the same period last year, primarily due to higher sales volume and an $11.8 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of data center cooling products increased $95.6 million, primarily due to higher sales to both hyperscale and colocation customers. Sales of heat transfer and HVAC & refrigeration products decreased $53.0 million and $1.1 million, respectively. The decrease in sales of heat transfer products was largely due to market weakness and lower customer demand compared with the prior year and the impact of the strategic exit from lower-margin business.

Climate Solutions year-to-date cost of sales decreased $3.2 million, or 1 percent, from the same period last year, primarily due to lower raw material prices, which decreased approximately $16.0 million, and improved operating efficiencies. These decreases were partially offset by increases resulting from higher sales volume, an $8.6 million unfavorable impact of foreign currency exchanges rates, and higher labor and inflationary costs and warranty expenses. As a percentage of sales, cost of sales decreased 450 basis points to 73.8 percent, primarily due to the favorable impact of higher sales and improved operating efficiencies.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $14.5 million $44.4 million and gross margin improved 360 450 basis points to 26.0 26.2 percent.

Climate Solutions year-to-date SG&A expenses increased $2.6 million compared with the second quarter of the prior year. $5.2 million. As a percentage of sales, SG&A expenses increased by 20 10 basis points. The increase in SG&A expenses includes higher compensation-related expenses and increases across other general and administrative expenses.

Restructuring expenses totaled $0.3 million during both increased $1.4 million compared with the second quarter first nine months of fiscal 2024 and 2023. The fiscal 2024 expenses consist of equipment transfer and severance expenses. The fiscal 2023 expenses primarily relate to closure costs associated with a previously-leased facility.

Operating income of $44.6 million increased $11.9 million from $127.7 million during the second quarter of fiscal 2023 to the second quarter first nine months of fiscal 2024 primarily due to higher gross profit.

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Comparison of Six Months ended September 30, 2023 and 2022

Climate Solutions year-to-date net sales increased $47.3 million, or 9 percent, $37.8 million from the same period last year, primarily due to higher gross profit, partially offset by higher SG&A and restructuring expenses.

Performance Technologies

	Three months ended December 31, 2023				Nine months ended December 31, 2023			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 323.0	100.0 %	$ 317.8	100.0 %	$ 1,033.6	100.0 %	$ 952.1	100.0 %
Cost of sales	262.0	81.1 %	274.8	86.5 %	851.2	82.4 %	836.9	87.9 %
Gross profit	61.0	18.9 %	43.0	13.5 %	182.4	17.6 %	115.2	12.1 %
Selling, general and administrative expenses	29.6	9.2 %	25.5	8.0 %	85.2	8.2 %	72.2	7.6 %
Restructuring expenses	0.2	-	0.1	-	0.4	-	1.9	0.2 %
Operating income	$ 31.2	9.7 %	$ 17.4	5.5 %	$ 96.8	9.4 %	$ 41.1	4.3 %

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Comparison of three months ended December 31, 2023 and 2022

Performance Technologies net sales volume increased $5.2 million, or 2 percent, from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to favorable commercial pricing and a $7.4 million $5.6 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of data center cooling products increased $80.2 million. Sales of heat transfer and HVAC & refrigeration products decreased $29.3 million and $3.3 million, respectively.

Climate Solutions year-to-date cost of sales increased $14.2 million, or 4 percent, from the same period last year, primarily due to higher sales volume, a $5.5 million unfavorable impact of foreign currency exchanges rates, and higher warranty expenses and labor and inflationary costs. These increases were partially offset by lower sales volume, including $10.2 million of lower sales from the three Germany automotive businesses that we sold on October 31, 2023. Compared with the third quarter of the prior year, sales of advanced solutions, and air-cooled products increased $9.6 million and $3.1 million, respectively. Sales of liquid-cooled products decreased $5.2 million.

Performance Technologies cost of sales decreased $12.8 million, or 5 percent, from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to lower sales volume and, to a lesser extent, lower raw material prices, which decreased approximately $14.0 million $3.0 million. These decreases were partially offset by a $4.6 million unfavorable impact of foreign currency exchange rates and improved operating efficiencies. higher labor and inflationary costs. As a percentage of sales, cost of sales decreased 420 540 basis points to 74.3 81.1 percent, primarily due to the favorable impact of commercial pricing, partially offset by higher sales labor and improved operating efficiencies. inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $33.1 million $18.0 million and gross margin improved 420 540 basis points to 25.7 18.9 percent.

Climate Solutions year-to-date SG&A expenses increased $3.9 million $4.1 million, yet decreased 10 basis points as or 16 percent, compared with the third quarter of the prior year. As a percentage of sales. sales, SG&A expenses increased by 120 basis points. The increase in SG&A expenses includes was primarily due to higher compensation-related expenses, which increased approximately $3.0 million, and increases across other general and administrative expenses.

Restructuring expenses totaled $0.3 million during both the first six months of fiscal 2024 and 2023. The fiscal 2024 expenses consist of equipment transfer and severance expenses. The fiscal 2023 expenses primarily relate to closure costs associated with a previously-leased facility. higher product development costs.

Operating income of $88.9 million during $31.2 million increased $13.8 million from the first six months third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Comparison of nine months ended December 31, 2023 and 2022

Performance Technologies year-to-date net sales increased $29.2 million $81.5 million, or 9 percent, from the same period last year, primarily due to favorable commercial pricing, a $13.4 million favorable impact of foreign currency exchange rates, and, to a lesser extent, higher sales volume. Compared with the same period in the prior year, sales of advanced solutions, air-cooled and liquid-cooled products increased $30.2 million, $26.8 million, and $26.0 million, respectively.

Performance Technologies year-to-date cost of sales increased $14.3 million, or 2 percent, from the same period last year, primarily due to higher gross profit.

Performance Technologies

	Three months ended September 30,				Six months ended September 30,			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 351.7	100.0 %	$ 330.0	100.0 %	$ 710.6	100.0 %	$ 634.3	100.0 %
Cost of sales	288.9	82.2 %	290.8	88.1 %	589.2	82.9 %	562.1	88.6 %
Gross profit	62.8	17.8 %	39.2	11.9 %	121.4	17.1 %	72.2	11.4 %
Selling, general and administrative expenses	29.0	8.2 %	22.6	6.9 %	55.6	7.8 %	46.7	7.4 %
Restructuring expenses	0.2	-	0.3	0.1 %	0.2	-	1.8	0.3 %
Operating income	$ 33.6	9.6 %	$ 16.3	4.9 %	$ 65.6	9.2 %	$ 23.7	3.7 %

Comparison of Three Months ended September 30, 2023 labor and 2022

Performance Technologies net sales increased $21.7 million, or 7 percent, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to favorable commercial pricing and inflationary costs, an $8.0 million favorable impact of foreign currency exchange rates. These increases were partially offset by lower sales volume. Compared with the second quarter of the prior year, sales of advanced solutions, liquid-cooled and air-cooled products increased $10.3 million, $7.4 million, and $4.0 million, respectively.

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Performance Technologies cost of sales decreased $1.9 million, or 1 percent, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to lower raw material prices, which decreased approximately $8.0 million and lower sales volume. These decreases were partially offset by a $6.7 million $11.2 million unfavorable impact of foreign currency exchange rates, and higher labor and inflationary costs. sales volume. These increases were partially offset by lower raw material prices, which decreased approximately $17.0 million. As a percentage of sales, cost of sales decreased 590 550 basis points to 82.2 82.4 percent, primarily due to the favorable impact of higher sales, partially offset by higher labor and inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $23.6 million $67.2 million and gross margin improved 590 550 basis points to 17.8 percent.

SG&A expenses increased $6.4 million, or 28 percent, compared with the second quarter of the prior year. As a percentage of sales, 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 $3.0 million, higher product development costs and increases across other general and administrative expenses.

Restructuring expenses decreased $0.1 million compared with the second quarter of fiscal 2023, primarily due to lower equipment transfer costs.

Operating income of $33.6 million increased $17.3 million from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Comparison of Six Months ended September 30, 2023 and 2022

Performance Technologies year-to-date net sales increased $76.3 million, or 12 percent, from the same period last year, primarily due to favorable commercial pricing, higher sales volume, and a $7.8 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of liquid-cooled, air-cooled, and advanced solutions products increased $31.2 million, $23.7 million, and $20.6 million, respectively.

Performance Technologies year-to-date cost of sales increased $27.1 million, or 5 percent, from the same period last year, primarily due to higher sales volume, higher labor and inflationary costs and a $6.7 million unfavorable impact of foreign currency exchange rates. These increases were partially offset by lower raw material prices, which decreased approximately $14.0 million. As a percentage of sales, cost of sales decreased 570 basis points to 82.9 percent, primarily due to the favorable impact of higher sales, partially offset by higher labor and inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $49.2 million and gross margin improved 570 basis points to 17.1 17.6 percent.

Performance Technologies year-to-date SG&A expenses increased $8.9 million $13.0 million, or 19 18 percent, compared with the same period last year. As a percentage of sales, year-to-date SG&A expenses increased by 40 60 basis points. The increase in SG&A expenses was primarily due to higher compensation-related expenses, which increased approximately $7.0 million, and increases across other general and administrative expenses.

Restructuring expenses during the first six nine months of fiscal 2024 decreased $1.6 million $1.5 million compared with the same period last year, primarily due to lower severance expenses.

Operating income of $65.6 million $96.8 million during the first six nine months of fiscal 2024 increased $41.9 million $55.7 million from the same period last year, primarily due to higher gross profit, partially offset by higher SG&A expenses.

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Liquidity and Capital Resources

Our primary sources of liquidity are cash flow from operating activities, our cash and cash equivalents as of September 30, 2023 December 31, 2023 of $120.2 million $149.7 million, and available borrowing capacity of $269.4 million under our revolving credit facility. Given our extensive international operations, approximately $71.0 million $103.0 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 cash provided by Operating Activities operating activities

Net cash provided by operating activities for the six nine months ended September 30, 2023 December 31, 2023 was $110.8 million $175.0 million, which represents a $54.7 million $107.1 million increase compared with the same period in the prior year. This increase in operating cash flow was primarily due to the favorable impact of higher earnings partially offset by unfavorable and, to a lesser extent, favorable net changes in working capital as compared with the same period in the prior year. The unfavorable favorable net changes in working capital include higher payments for incentive compensation, as compared an increase in customer deposits received in connection with the same period in the prior year. sales contracts with long inventory lead times.

Capital Expenditures expenditures

Capital expenditures of $26.2 million $43.8 million during the first six nine months of fiscal 2024 increased $3.2 million $8.6 million compared with the same period in the prior year. The fiscal 2024 capital expenditures include investments supporting our strategic growth initiatives across several of our business units.

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 September 30, 2023 December 31, 2023, we were in compliance with our debt covenants. We expect to remain in compliance with our debt covenants during the remainder of fiscal 2024 and beyond.

Share Repurchase Program repurchase program

During the first six nine months of fiscal 2024, we repurchased $9.0 million $13.3 million of our common stock. As of September 30, 2023 December 31, 2023, we had $36.4 million $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.

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Forward-Looking Statements 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, 2023. Other risks and uncertainties include, but are not limited to, the following:

Market Risks: 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, 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; East and the recent attacks on shipping vessels 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 increased increases in labor costs and labor shortages;
- The impact of public health threats, such as COVID-19, 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.

Operational Risks: 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 price-reduction 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, including any lingering impacts associated with the recent now settled United Auto Workers union strikes;
- 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 or material breach of our information technology systems, and any related delays, problems or costs;
- Increasingly complex and restrictive laws and regulations and the costs associated with compliance therewith, including those state and federal labor regulations, laws and regulations associated with being a U.S. public company, and others other laws and regulations present in various jurisdictions in which we operate, and the costs associated with compliance therewith; operate;

- Increasing emphasis by 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: 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;
- Our ability to accelerate growth by identifying and executing on organic growth opportunities and acquisitions, and to efficiently and successfully integrate acquired businesses; and
- The potential impacts from actions by activist shareholders, including disruption of our business and related costs.

Financial Risks: 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.

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

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, 2023. The Company's market risks have not materially changed since the fiscal 2023 Form 10-K was filed.

Item 4. Controls and Procedures.

Evaluation Regarding Disclosure Controls regarding disclosure controls and Procedures procedures

As of the end of the period covered by this quarterly report on Form 10-Q, management of the Company, under the supervision, and with the participation, of the Company's President and Chief Executive Officer and Executive Vice President, Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures, at a reasonable assurance level, as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e). Based upon that evaluation, the President and Chief Executive Officer and Executive Vice President, Chief Financial Officer have concluded that the design and operation of the Company's disclosure controls and procedures were effective, at a reasonable assurance level, as of September 30, 2023 December 31, 2023.

Changes in Internal Control Over Financial Reporting internal control over financial reporting

There have been no changes in internal control over financial reporting during the second third quarter of fiscal 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

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 second third quarter of fiscal 2024:

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, 2023	———	———	———	$45,372,391
August 1 – August 31, 2023	1,222 (b)	$45.91	———	$45,372,391
September 1 – September 30, 2023	200,000 (c)	$45.01	200,000	$36,370,398
Total	201,222	$45.02	200,000	

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)
October 1 – October 31, 2023	56,558 (b)	$43.27	———	$36,370,398
November 1 – November 30, 2023	100,000 (c)	$43.07	100,000	$32,063,074
December 1 – December 31, 2023	9,683 (b)	$54.24	———	$32,063,074
Total	166,241	$43.79	100,000	

(a) Effective November 5, 2022, the 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 November 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.

(c) Includes shares acquired pursuant to the repurchase program described in (a) above.

Item 5. Other Information.

On August 17, 2023 During the three months ended December 31, 2023, Michael B. Lucareli, Executive Vice President and Chief Financial Officer of the Company, adopted a Stock Sale Plan (the "Plan") intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended. The Plan provides for the sale of up to 80,000 shares of Modine common stock during the period beginning on November 20, 2023 and ending on May 20, 2024, subject to a formula and other terms and conditions set forth in the Plan.

No other no director or "officer" 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, during the three months ended September 30, 2023. S-K.

Item 6. Exhibits.

(a) Exhibits:

Exhibit No.	Description	Incorporated Herein By Reference To	Filed Herewith
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
101.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
101.SCH	Inline XBRL Taxonomy Extension Schema.		X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.		X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.		X
10.1.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.		X
10.1.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.		X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).		X

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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: January 31, 2024

By: /s/ Michael B. Lucareli
Michael B. Lucareli, Executive Vice President, Chief Financial Officer*

Date: November 2, 2023

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

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 September 30, 2023 December 31, 2023;

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 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 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 internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 internal control over financial reporting; and

5. The 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 auditors and the audit committee of the 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 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 internal control over financial reporting.

Date: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023;

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 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 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 internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 internal control over financial reporting; and

5. The 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 auditors and the audit committee of the 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 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 internal control over financial reporting.

Date: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023 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: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023 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: November 2, 2023 January 31, 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.

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s % of sales Net sales
$
620.5

100.0
%

$
578.8

100.0
%

$
1,242.9

100.0
%

$
1,119.8

100.0
%

$
561.4

100.0
%

$
560.0

100.0
%

$
1,804.3

100.0
%

$
1,679.8

100.0
%
Cost of sales
485.4

78.2
%

482.6

83.4
%

979.9

78.8
%

940.2

84.0
%

434.1

77.3
%

462.4

82.6
%

1,414.0

78.4
%

1,402.6

83.5
%
Gross profit
135.1

21.8
%

96.2

16.6
%

263.0

21.2
%

179.6

16.0
%

127.3

22.7
%

97.6

17.4
%

390.3

21.6
%

277.2

16.5
%
Selling, general and administrative expenses
68.9

11.1
%

58.8

10.1
%

130.3

10.5
%

115.1

10.3
%

68.0

12.1
%

58.0

10.3
%

198.3

11.0
%

173.1

10.3
%
Restructuring expenses
0.5

0.1
%

0.6

0.1
%

0.5

-

2.1

0.2

%

1.6

0.3
%

0.1

-

2.1

0.1
%

2.2

0.1
%
Gain on sale of assets
(4.0
)

-0.7
%

-

-

(4.0
)

-0.2
%

-

-
Operating income
65.7

10.6
%

36.8

6.4
%

132.2

10.6
%

62.4

5.6
%

61.7

11.0
%

39.5

7.1
%

193.9

10.7
%

101.9

6.1
%
Interest expense
(6.1
)

-1.0
%

(4.7
)

-0.8
%

(12.0
)

-1.0
%

(8.8
)

-0.8
%

(5.8
)

-1.0
%

(5.9
)

-1.1
%

(17.8
)

-0.9
%

(14.7
)

-0.9
%
Other income (expense) – net
0.1

-

(1.4
)

-0.3
%

(0.5
)

-

(3.7
)

-0.3
%
Other expense – net
(0.5
)

-0.1
%

(0.4
)

-0.1
%

(1.0
)

-0.1
%

(4.1
)

-0.2
%
Earnings before income taxes
59.7

9.6
%

30.7

5.3
%

119.7

9.6
%

49.9

4.5
%

55.4

9.9
%

33.2

5.9
%

175.1

9.7
%

83.1

4.9
%
Provision for income taxes
(12.8
)

-2.1
%

(6.4
)

-1.1
%

(27.5
)

-2.2
%

(11.3
)

-1.0
%

(10.3
)

-1.8
%

(8.5
)

-1.5
%

(37.8
)

-2.1
%

(19.8
)

-1.2
%
Net earnings
$
46.9

7.6
%

$
24.3

4.2

%

$
92.2

7.4
%

$
38.6

3.4
%

$
45.1

8.0
%

$
24.7

4.4
%

$
137.3

7.6
%

$
63.3

3.8
%

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Comparison of Three Months three months ended September 30, 2023 December 31, 2023 and 2022

Second Third quarter net sales of $620.5 million $561.4 million were $41.7 million, or 7 percent, $1.4 million higher than the second third quarter of the prior year, primarily due to favorable commercial pricing and a $14.7 million $10.0 million favorable impact of foreign currency exchange rates. These increases were partially offset by lower sales volume, including lower sales from three automotive businesses in the Performance Technologies segment, which we sold on October 31, 2023.

Third quarter cost of sales decreased $28.3 million, or 6 percent, primarily due to lower sales volume, improved operating efficiencies, and lower raw material prices, which decreased approximately $5.0 million. These decreases were partially offset by a $7.6 million unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs. As a percentage of sales, cost of sales decreased 530 basis points to 77.3 percent, primarily due to favorable sales mix, commercial pricing and improved operating efficiencies.

As a result of higher sales and lower cost of sales as a percentage of sales, third quarter gross profit increased $29.7 million and gross margin improved 530 basis points to 22.7 percent.

Third quarter SG&A expenses increased $10.0 million, or 17 percent. As a percentage of sales, SG&A expenses increased by 180 basis points. The increase in SG&A expenses was primarily due to higher compensation-related expenses, which increased approximately $7.0 million, and included higher incentive compensation expenses driven by improved financial results, as compared with the prior year. In addition, environmental charges related to a previously-closed manufacturing facility in the U.S. increased $0.9 million.

Restructuring expenses increased $1.5 million compared with the third quarter of fiscal 2023, primarily due to higher equipment transfer costs and severance expenses in the Climate Solutions segment.

We sold three automotive businesses based in Germany on October 31, 2023. As a result of the sale, we recorded a $4.0 million gain on sale at Corporate during the third quarter of fiscal 2024.

Operating income of $61.7 million in the third quarter of fiscal 2024 increased $22.2 million compared with the third quarter of fiscal 2023, primarily due to higher gross profit in our operating segments and the gain on sale of the Germany automotive businesses, partially offset by higher SG&A expenses.

Interest expense during the third quarter of fiscal 2024 decreased $0.1 million compared with the third quarter of fiscal 2023. Unfavorable changes in interest rates during fiscal 2024, which resulted in higher interest costs, were offset by the absence of $0.7 million of costs recorded as interest expense during the third quarter of fiscal 2023 related to a credit agreement amendment.

The provision for income taxes was $10.3 million and $8.5 million in the third quarter of fiscal 2024 and 2023, respectively. The $1.8 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year, partially offset by a $3.1 million tax benefit related to the sale of the Germany automotive businesses during the third quarter of fiscal 2024.

Comparison of nine months ended December 31, 2023 and 2022

Fiscal 2024 year-to-date net sales of $1,804.3 million were $124.5 million, or 7 percent, higher than the same period last year, primarily due to favorable commercial pricing, higher sales volume and a $25.1 million favorable impact of foreign currency exchange rates. Sales in the Performance Technologies and Climate Solutions segments increased $21.7 million $81.5 million and $19.9 million $41.2 million, respectively.

Second quarter Fiscal 2024 year-to-date cost of sales of $1,414.0 million increased $2.8 million $11.4 million, or 1 percent, primarily due to an $11.7 million higher sales volume, a $19.8 million unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs and warranty expenses. costs. These increases were partially offset by lower raw material prices, which decreased approximately $11.0 million, $33.0 million and, to a lesser extent, improved operating efficiencies. As a percentage of sales, cost of sales decreased 520 510 basis points to 78.2 78.4 percent, primarily due to the favorable impact of higher sales.

As a result of higher sales and lower cost of sales as a percentage of sales, second quarter gross profit increased $38.9 million $113.1 million and gross margin improved 520 510 basis points to 21.8 21.6 percent.

Second quarter Fiscal 2024 year-to-date SG&A expenses increased $10.1 million $25.2 million, or 17 15 percent. As a percentage of sales, SG&A expenses increased by 100 70 basis points. The increase in SG&A expenses included was primarily driven by higher compensation-related expenses, which increased approximately $3.0 million $14.0 million, and increases across other general and administrative expenses, such as higher product development costs, professional service fees, and employee travel expenses. The compensation-related expenses included higher incentive compensation expenses driven by improved financial results, as compared with the prior year. In addition, environmental charges related to a previously-closed manufacturing facility in the U.S. increased $0.7 million.

Restructuring expenses during the first nine months of fiscal 2024 decreased $0.1 million compared with the second quarter of fiscal 2023, same period last year, primarily due to lower equipment transfer costs severance expenses in the Performance Technologies segment, partially offset by higher severance and equipment transfer expenses in the Climate Solutions segment.

[25] We sold three automotive businesses based in Germany on October 31, 2023. As a result of the sale, we recorded a $4.0 million gain on sale at Corporate during the third quarter of fiscal 2024.

Operating income of $65.7 million in $193.9 million during the second quarter first nine months of fiscal 2024 increased $28.9 million $92.0 million compared with the second quarter of fiscal 2023, same period last year, primarily due to higher gross profit in our operating segments and the gain on sale of the Germany automotive businesses, partially offset by higher SG&A expenses.

Interest expense during the second quarter first nine months of fiscal 2024 increased $1.4 million $3.1 million compared with the second quarter of fiscal 2023, same period last year, primarily due to unfavorable changes in interest rates. rates, partially offset by the absence of $0.7 million of costs recorded in the prior year related to a credit agreement amendment.

The provision for income taxes was $12.8 million $37.8 million and $6.4 million in $19.8 million during the second quarter first nine months of fiscal 2024 and 2023, respectively. The $6.4 million $18.0 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year.

Comparison of Six Months ended September 30, 2023 and 2022

Fiscal 2024 year-to-date net sales of $1,242.9 million were $123.1 million, or 11 percent, higher than the same period last year, primarily due to higher sales volume, favorable commercial pricing and a $15.1 million favorable impact of foreign currency exchange rates. Sales in the Performance Technologies and Climate Solutions segments increased $76.3 million and $47.3 million, respectively.

Fiscal 2024 year-to-date cost of sales of $979.9 million increased $39.7 million, or 4 percent, primarily due to higher sales volume, a $12.1 unfavorable impact of foreign currency exchange rates and, to a lesser extent, higher labor and inflationary costs and warranty expenses. These increases were partially offset by lower raw material prices, which decreased approximately $28.0 million and, to a lesser extent, improved operating efficiencies. As a percentage of sales, cost of sales decreased 520 basis points to 78.8 percent, primarily due $3.1 million tax benefit related to the favorable impact sale of higher sales.

As a result of higher sales and lower cost of sales as a percentage of sales, gross profit increased $83.4 million and gross margin improved 520 basis points to 21.2 percent.

Fiscal 2024 year-to-date SG&A expenses increased $15.2 million, or 13 percent. As a percentage of sales, SG&A expenses increased by 20 basis points. The increase in SG&A expenses was primarily driven by higher compensation-related expenses, which increased approximately $7.0 million, and increases across other general and administrative expenses. The compensation-related expenses included higher incentive compensation expenses driven by improved financial results, as compared with the prior year.

Restructuring expenses Germany automotive businesses during the first six months third quarter of fiscal 2024 decreased $1.6 million compared with the same period last year, primarily due to lower severance expenses in the Performance Technologies segment.

Operating income of $132.2 million during the first six months of fiscal 2024 increased $69.8 million compared with the same period last year, primarily due to higher gross profit in our operating segments, partially offset by higher SG&A expenses.

Interest expense during the first six months of fiscal 2024 increased $3.2 million compared with the same period last year, primarily due to unfavorable changes in interest rates.

The provision for income taxes was $27.5 million and $11.3 million during the first six months of fiscal 2024 and 2023, respectively. The $16.2 million increase was primarily due to higher earnings in the current year as compared with the same period in the prior year. 2024.

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SEGMENT RESULTS OF OPERATIONS

The following is a discussion of our segment results of operations for the three and six nine months ended September 30, 2023 December 31, 2023 and 2022:

Climate Solutions

	Three months ended September 30,				Six months ended September 30,			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 275.8	100.0 %	$ 255.9	100.0 %	$ 547.6	100.0 %	$ 500.3	100.0 %
Cost of sales	204.0	74.0 %	198.6	77.6 %	406.8	74.3 %	392.6	78.5 %
Gross profit	71.8	26.0 %	57.3	22.4 %	140.8	25.7 %	107.7	21.5 %
Selling, general and administrative expenses	26.9	9.7 %	24.3	9.5 %	51.6	9.4 %	47.7	9.5 %
Restructuring expenses	0.3	0.1 %	0.3	0.1 %	0.3	0.1 %	0.3	0.1 %
Operating income	$ 44.6	16.2 %	$ 32.7	12.8 %	$ 88.9	16.2 %	$ 59.7	11.9 %

Climate Solutions

	Three months ended December 31, 2023				Nine months ended December 31, 2023			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 242.5	100.0 %	$ 248.6	100.0 %	$ 790.1	100.0 %	$ 748.9	100.0 %
Cost of sales	176.4	72.7 %	193.8	78.0 %	583.2	73.8 %	586.4	78.3 %
Gross profit	66.1	27.3 %	54.8	22.0 %	206.9	26.2 %	162.5	21.7 %
Selling, general and administrative expenses	25.9	10.7 %	24.6	9.9 %	77.5	9.8 %	72.3	9.7 %
Restructuring expenses	1.4	0.6 %	-	-	1.7	0.2 %	0.3	-
Operating income	$ 38.8	16.0 %	$ 30.2	12.2 %	$ 127.7	16.2 %	$ 89.9	12.0 %

Comparison of Three Months three months ended September 30, 2023 December 31, 2023 and 2022

Climate Solutions net sales increased $19.9 million decreased $6.1 million, or 8 2 percent, from the second third quarter of fiscal 2023 to the second third quarter of fiscal 2024, primarily due to higher lower sales volume, and partially offset by a $6.6 million $4.4 million favorable impact of foreign currency exchange rates. Compared with the second third quarter of the prior year, sales of data center cooling products increased $42.5 million $15.4 million, with higher sales to both hyperscale and colocation customers, and sales of HVAC & refrigeration products increased $2.2 million. Sales of heat transfer and HVAC & refrigeration products decreased $20.5 million $23.7 million, largely due to market weakness and $2.0 million, respectively. lower customer demand compared with the prior year and the strategic exit from lower-margin business in connection with 80/20 product rationalization initiatives.

Climate Solutions cost of sales increased $5.4 million decreased $17.4 million, or 3 9 percent, from the second third quarter of fiscal 2023 to the second third quarter of fiscal 2024, primarily due to higher lower sales volume and improved operating efficiencies. In addition, raw material prices decreased approximately $2.0 million. These decreases were partially offset by a $5.0 million $3.1 million unfavorable impact of foreign currency exchange rates and, to a lesser extent higher warranty expenses, which increased approximately $3.0 million, and higher labor and inflationary costs. These increases were partially offset by improved operating efficiencies and lower raw material prices, which decreased approximately $4.0 million. As a percentage of sales, cost of sales decreased 360 530 basis points to 74.0 72.7 percent, primarily due to favorable sales mix and improved operating efficiencies.

As a result of the lower sales and lower cost of sales as a percentage of sales, gross profit increased $11.3 million and gross margin improved 530 basis points to 27.3 percent.

SG&A expenses increased $1.3 million compared with the third quarter of the prior year. As a percentage of sales, SG&A expenses increased by 80 basis points. The increase in SG&A expenses was primarily driven by higher compensation-related expenses.

Restructuring expenses totaled $1.4 million during the third quarter of fiscal 2024 and consist of equipment transfer costs and severance expenses related to targeted headcount reductions in Europe and Asia.

Operating income of $38.8 million increased $8.6 million from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher restructuring and SG&A expenses.

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Comparison of nine months ended December 31, 2023 and 2022

Climate Solutions year-to-date net sales increased $41.2 million, or 6 percent, from the same period last year, primarily due to higher sales volume and an $11.8 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of data center cooling products increased $95.6 million, primarily due to higher sales to both hyperscale and colocation customers. Sales of heat transfer and HVAC & refrigeration products decreased $53.0 million and $1.1 million, respectively. The decrease in sales of heat transfer products was largely due to market weakness and lower customer demand compared with the prior year and the impact of the strategic exit from lower-margin business.

Climate Solutions year-to-date cost of sales decreased $3.2 million, or 1 percent, from the same period last year, primarily due to lower raw material prices, which decreased approximately $16.0 million, and improved operating efficiencies. These decreases were partially offset by increases resulting from higher sales volume, an $8.6 million unfavorable impact of foreign currency exchanges rates, and higher labor and inflationary costs and warranty expenses. As a percentage of sales, cost of sales decreased 450 basis points to 73.8 percent, primarily due to the favorable impact of higher sales and improved operating efficiencies.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $14.5 million $44.4 million and gross margin improved 360 450 basis points to 26.0 26.2 percent.

Climate Solutions year-to-date SG&A expenses increased $2.6 million compared with the second quarter of the prior year. $5.2 million. As a percentage of sales, SG&A expenses increased by 20 10 basis points. The increase in SG&A expenses includes higher compensation-related expenses and increases across other general and administrative expenses.

Restructuring expenses totaled $0.3 million during both increased $1.4 million compared with the second quarter first nine months of fiscal 2024 and 2023. The fiscal 2024 expenses consist of equipment transfer and severance expenses. The fiscal 2023 expenses primarily relate to closure costs associated with a previously-leased facility.

Operating income of $44.6 million increased $11.9 million from $127.7 million during the second quarter of fiscal 2023 to the second quarter first nine months of fiscal 2024 primarily due to higher gross profit.

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Comparison of Six Months ended September 30, 2023 and 2022

Climate Solutions year-to-date net sales increased $47.3 million, or 9 percent, $37.8 million from the same period last year, primarily due to higher gross profit, partially offset by higher SG&A and restructuring expenses.

Performance Technologies

	Three months ended December 31, 2023				Nine months ended December 31, 2023			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 323.0	100.0 %	$ 317.8	100.0 %	$ 1,033.6	100.0 %	$ 952.1	100.0 %
Cost of sales	262.0	81.1 %	274.8	86.5 %	851.2	82.4 %	836.9	87.9 %
Gross profit	61.0	18.9 %	43.0	13.5 %	182.4	17.6 %	115.2	12.1 %
Selling, general and administrative expenses	29.6	9.2 %	25.5	8.0 %	85.2	8.2 %	72.2	7.6 %
Restructuring expenses	0.2	-	0.1	-	0.4	-	1.9	0.2 %
Operating income	$ 31.2	9.7 %	$ 17.4	5.5 %	$ 96.8	9.4 %	$ 41.1	4.3 %

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Comparison of three months ended December 31, 2023 and 2022

Performance Technologies net sales volume increased $5.2 million, or 2 percent, from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to favorable commercial pricing and a $7.4 million $5.6 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of data center cooling products increased $80.2 million. Sales of heat transfer and HVAC & refrigeration products decreased $29.3 million and $3.3 million, respectively.

Climate Solutions year-to-date cost of sales increased $14.2 million, or 4 percent, from the same period last year, primarily due to higher sales volume, a $5.5 million unfavorable impact of foreign currency exchanges rates, and higher warranty expenses and labor and inflationary costs. These increases were partially offset by lower sales volume, including $10.2 million of lower sales from the three Germany automotive businesses that we sold on October 31, 2023. Compared with the third quarter of the prior year, sales of advanced solutions, and air-cooled products increased $9.6 million and $3.1 million, respectively. Sales of liquid-cooled products decreased $5.2 million.

Performance Technologies cost of sales decreased $12.8 million, or 5 percent, from the third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to lower sales volume and, to a lesser extent, lower raw material prices, which decreased approximately $14.0 million $3.0 million. These decreases were partially offset by a $4.6 million unfavorable impact of foreign currency exchange rates and improved operating efficiencies. higher labor and inflationary costs. As a percentage of sales, cost of sales decreased 420 540 basis points to 74.3 81.1 percent, primarily due to the favorable impact of commercial pricing, partially offset by higher sales labor and improved operating efficiencies. inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $33.1 million $18.0 million and gross margin improved 420 540 basis points to 25.7 18.9 percent.

Climate Solutions year-to-date SG&A expenses increased $3.9 million $4.1 million, yet decreased 10 basis points as or 16 percent, compared with the third quarter of the prior year. As a percentage of sales. sales, SG&A expenses increased by 120 basis points. The increase in SG&A expenses includes was primarily due to higher compensation-related expenses, which increased approximately $3.0 million, and increases across other general and administrative expenses.

Restructuring expenses totaled $0.3 million during both the first six months of fiscal 2024 and 2023. The fiscal 2024 expenses consist of equipment transfer and severance expenses. The fiscal 2023 expenses primarily relate to closure costs associated with a previously-leased facility. higher product development costs.

Operating income of $88.9 million during $31.2 million increased $13.8 million from the first six months third quarter of fiscal 2023 to the third quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Comparison of nine months ended December 31, 2023 and 2022

Performance Technologies year-to-date net sales increased $29.2 million $81.5 million, or 9 percent, from the same period last year, primarily due to favorable commercial pricing, a $13.4 million favorable impact of foreign currency exchange rates, and, to a lesser extent, higher sales volume. Compared with the same period in the prior year, sales of advanced solutions, air-cooled and liquid-cooled products increased $30.2 million, $26.8 million, and $26.0 million, respectively.

Performance Technologies year-to-date cost of sales increased $14.3 million, or 2 percent, from the same period last year, primarily due to higher gross profit.

Performance Technologies

	Three months ended September 30,				Six months ended September 30,			
	2023		2022		2023		2022	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 351.7	100.0 %	$ 330.0	100.0 %	$ 710.6	100.0 %	$ 634.3	100.0 %
Cost of sales	288.9	82.2 %	290.8	88.1 %	589.2	82.9 %	562.1	88.6 %
Gross profit	62.8	17.8 %	39.2	11.9 %	121.4	17.1 %	72.2	11.4 %
Selling, general and administrative expenses	29.0	8.2 %	22.6	6.9 %	55.6	7.8 %	46.7	7.4 %
Restructuring expenses	0.2	-	0.3	0.1 %	0.2	-	1.8	0.3 %
Operating income	$ 33.6	9.6 %	$ 16.3	4.9 %	$ 65.6	9.2 %	$ 23.7	3.7 %

Comparison of Three Months ended September 30, 2023 labor and 2022

Performance Technologies net sales increased $21.7 million, or 7 percent, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to favorable commercial pricing and inflationary costs, an $8.0 million favorable impact of foreign currency exchange rates. These increases were partially offset by lower sales volume. Compared with the second quarter of the prior year, sales of advanced solutions, liquid-cooled and air-cooled products increased $10.3 million, $7.4 million, and $4.0 million, respectively.

Performance Technologies cost of sales decreased $1.9 million, or 1 percent, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to lower raw material prices, which decreased approximately $8.0 million and lower sales volume. These decreases were partially offset by a $6.7 million $11.2 million unfavorable impact of foreign currency exchange rates, and higher labor and inflationary costs. sales volume. These increases were partially offset by lower raw material prices, which decreased approximately $17.0 million. As a percentage of sales, cost of sales decreased 590 550 basis points to 82.2 82.4 percent, primarily due to the favorable impact of higher sales, partially offset by higher labor and inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $23.6 million $67.2 million and gross margin improved 590 550 basis points to 17.8 percent.

SG&A expenses increased $6.4 million, or 28 percent, compared with the second quarter of the prior year. As a percentage of sales, 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 $3.0 million, higher product development costs and increases across other general and administrative expenses.

Restructuring expenses decreased $0.1 million compared with the second quarter of fiscal 2023, primarily due to lower equipment transfer costs.

Operating income of $33.6 million increased $17.3 million from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily due to higher gross profit, partially offset by higher SG&A expenses.

Comparison of Six Months ended September 30, 2023 and 2022

Performance Technologies year-to-date net sales increased $76.3 million, or 12 percent, from the same period last year, primarily due to favorable commercial pricing, higher sales volume, and a $7.8 million favorable impact of foreign currency exchange rates. Compared with the same period in the prior year, sales of liquid-cooled, air-cooled, and advanced solutions products increased $31.2 million, $23.7 million, and $20.6 million, respectively.

Performance Technologies year-to-date cost of sales increased $27.1 million, or 5 percent, from the same period last year, primarily due to higher sales volume, higher labor and inflationary costs and a $6.7 million unfavorable impact of foreign currency exchange rates. These increases were partially offset by lower raw material prices, which decreased approximately $14.0 million. As a percentage of sales, cost of sales decreased 570 basis points to 82.9 percent, primarily due to the favorable impact of higher sales, partially offset by higher labor and inflationary costs.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $49.2 million and gross margin improved 570 basis points to 17.1 17.6 percent.

Performance Technologies year-to-date SG&A expenses increased $8.9 million $13.0 million, or 19 18 percent, compared with the same period last year. As a percentage of sales, year-to-date SG&A expenses increased by 40 60 basis points. The increase in SG&A expenses was primarily due to higher compensation-related expenses, which increased approximately $7.0 million, and increases across other general and administrative expenses.

Restructuring expenses during the first six nine months of fiscal 2024 decreased $1.6 million $1.5 million compared with the same period last year, primarily due to lower severance expenses.

Operating income of $65.6 million $96.8 million during the first six nine months of fiscal 2024 increased $41.9 million $55.7 million from the same period last year, primarily due to higher gross profit, partially offset by higher SG&A expenses.

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Liquidity and Capital Resources

Our primary sources of liquidity are cash flow from operating activities, our cash and cash equivalents as of September 30, 2023 December 31, 2023 of $120.2 million $149.7 million, and available borrowing capacity of $269.4 million under our revolving credit facility. Given our extensive international operations, approximately $71.0 million $103.0 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 cash provided by Operating Activities operating activities

Net cash provided by operating activities for the six nine months ended September 30, 2023 December 31, 2023 was $110.8 million $175.0 million, which represents a $54.7 million $107.1 million increase compared with the same period in the prior year. This increase in operating cash flow was primarily due to the favorable impact of higher earnings partially offset by unfavorable and, to a lesser extent, favorable net changes in working capital as compared with the same period in the prior year. The unfavorable favorable net changes in working capital include higher payments for incentive compensation, as compared an increase in customer deposits received in connection with the same period in the prior year. sales contracts with long inventory lead times.

Capital Expenditures expenditures

Capital expenditures of $26.2 million $43.8 million during the first six nine months of fiscal 2024 increased $3.2 million $8.6 million compared with the same period in the prior year. The fiscal 2024 capital expenditures include investments supporting our strategic growth initiatives across several of our business units.

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 September 30, 2023 December 31, 2023, we were in compliance with our debt covenants. We expect to remain in compliance with our debt covenants during the remainder of fiscal 2024 and beyond.

Share Repurchase Program repurchase program

During the first six nine months of fiscal 2024, we repurchased $9.0 million $13.3 million of our common stock. As of September 30, 2023 December 31, 2023, we had $36.4 million $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 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, 2023. Other risks and uncertainties include, but are not limited to, the following:

Market Risks: 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, 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; East and the recent attacks on shipping vessels 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 increased increases in labor costs and labor shortages;
- The impact of public health threats, such as COVID-19, 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.

Operational Risks: 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 price-reduction 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, including any lingering impacts associated with the recent now settled United Auto Workers union strikes;
- 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 or material breach of our information technology systems, and any related delays, problems or costs;
- Increasingly complex and restrictive laws and regulations and the costs associated with compliance therewith, including those state and federal labor regulations, laws and regulations associated with being a U.S. public company, and others other laws and regulations present in various jurisdictions in which we operate, and the costs associated with compliance therewith; operate;

- Increasing emphasis by 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: 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;
- Our ability to accelerate growth by identifying and executing on organic growth opportunities and acquisitions, and to efficiently and successfully integrate acquired businesses; and
- The potential impacts from actions by activist shareholders, including disruption of our business and related costs.

Financial Risks: 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.

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

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, 2023. The Company’s market risks have not materially changed since the fiscal 2023 Form 10-K was filed.

Item 4. Controls and Procedures.

Evaluation Regarding Disclosure Controls regarding disclosure controls and Procedures procedures

As of the end of the period covered by this quarterly report on Form 10-Q, management of the Company, under the supervision, and with the participation, of the Company's President and Chief Executive Officer and Executive Vice President, Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures, at a reasonable assurance level, as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e). Based upon that evaluation, the President and Chief Executive Officer and Executive Vice President, Chief Financial Officer have concluded that the design and operation of the Company's disclosure controls and procedures were effective, at a reasonable assurance level, as of September 30, 2023 December 31, 2023.

Changes in Internal Control Over Financial Reporting internal control over financial reporting

There have been no changes in internal control over financial reporting during the second third quarter of fiscal 2024 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 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 second third quarter of fiscal 2024:

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, 2023	———	———	———	$45,372,391
August 1 – August 31, 2023	1,222 (b)	$45.91	———	$45,372,391
September 1 – September 30, 2023	200,000 (c)	$45.01	200,000	$36,370,398
Total	201,222	$45.02	200,000	

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)
October 1 – October 31, 2023	56,558 (b)	$43.27	———	$36,370,398
November 1 – November 30, 2023	100,000 (c)	$43.07	100,000	$32,063,074
December 1 – December 31, 2023	9,683 (b)	$54.24	———	$32,063,074
Total	166,241	$43.79	100,000	

(a) Effective November 5, 2022, the 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 November 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.

(c) Includes shares acquired pursuant to the repurchase program described in (a) above.

Item 5. Other Information.

On August 17, 2023 During the three months ended December 31, 2023, Michael B. Lucareli, Executive Vice President and Chief Financial Officer of the Company, adopted a Stock Sale Plan (the "Plan") intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended. The Plan provides for the sale of up to 80,000 shares of Modine common stock during the period beginning on November 20, 2023 and ending on May 20, 2024, subject to a formula and other terms and conditions set forth in the Plan.

No other no director or "officer" 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, during the three months ended September 30, 2023. S-K.

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Item 6. Exhibits.

(a) Exhibits:

Exhibit No.	Description	Incorporated Herein By Reference To	Filed Herewith
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
101.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
101.SCH	Inline XBRL Taxonomy Extension Schema.		X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.		X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.		X
10.1.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.		X
10.1.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.		X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).		X

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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: January 31, 2024

By: /s/ Michael B. Lucareli

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

Date: November 2, 2023

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

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 September 30, 2023 December 31, 2023;

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 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 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 internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 internal control over financial reporting; and

5. The 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 auditors and the audit committee of the 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 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 internal control over financial reporting.

Date: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023;

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 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 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 internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 internal control over financial reporting; and

5. The 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 auditors and the audit committee of the 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 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 internal control over financial reporting.

Date: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023 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: November 2, 2023
January 31, 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 September 30, 2023 December 31, 2023 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: November 2, 2023 January 31, 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

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.