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 December 31, 2020

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 (State or other jurisdiction of incorporation or organization)	39-0482000 (I.R.S. Employer Identification No.)
1500 DeKoven Avenue, Racine, Wisconsin (Address of principal executive offices)	53403 (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 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 checkmark if the registrant has not elected 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 51,421,276 at January 29, 2021.

MODINE MANUFACTURING COMPANY

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements.

MODINE MANUFACTURING COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS
For the three and nine months ended December 31, 2020 and 2019
(In millions, except per share amounts)
(Unaudited)

	Three months ended December 31,		Nine months ended December 31,	
	2020	2019	2020	2019
Net sales	$ 484.3	$ 473.4	$ 1,293.5	$ 1,502.6
Cost of sales	401.6	399.9	1,083.9	1,270.0
Gross profit	82.7	73.5	209.6	232.6
Selling, general and administrative expenses	56.1	63.5	151.6	194.4
Restructuring expenses	0.9	2.6	7.0	6.7
Impairment charges	134.4	-	134.4	-
Gain on sale of assets	-	(0.8)	-	(0.8)
Operating (loss) income	(108.7)	8.2	(83.4)	32.3
Interest expense	(4.6)	(5.6)	(15.2)	(17.3)
Other (expense) income – net	(0.5)	0.1	(1.0)	(2.3)
(Loss) earnings before income taxes	(113.8)	2.7	(99.6)	12.7
Provision for income taxes	(81.6)	(1.7)	(95.3)	(8.3)
Net (loss) earnings	(195.4)	1.0	(194.9)	4.4
Net (earnings) loss attributable to noncontrolling interest	(0.3)	0.2	(0.8)	0.1
Net (loss) earnings attributable to Modine	$ (195.7)	$ 1.2	$ (195.7)	$ 4.5
Net (loss) earnings per share attributable to Modine				
Basic	$ (3.81)	$ 0.02	$ (3.82)	$ 0.09
Diluted	$ (3.81)	$ 0.02	$ (3.82)	$ 0.09
Weighted-average shares outstanding:				
Basic	51.3	50.8	51.2	50.8
Diluted	51.3	51.1	51.2	51.1

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 nine months ended December 31, 2020 and 2019
(In millions)
(Unaudited)

	Three months ended December 31, 2020	Three months ended December 31, 2019	Nine months ended December 31, 2020	Nine months ended December 31, 2019
Net (loss) earnings	$ (195.4)	$ 1.0	$ (194.9)	$ 4.4
Other comprehensive income (loss):				
Foreign currency translation	18.4	14.0	41.2	(3.7)
Defined benefit plans, net of income taxes of $0.3, $0.4, $1.1 and $1.0 million	1.3	1.0	3.8	3.2
Cash flow hedges, net of income taxes of $0, $0.2, $0.5 and ($0.2) million	-	0.6	1.4	(0.4)
Total other comprehensive income (loss)	19.7	15.6	46.4	(0.9)
Comprehensive income (loss)	(175.7)	16.6	(148.5)	3.5
Comprehensive (income) loss attributable to noncontrolling interest	(0.7)	-	(1.4)	0.2
Comprehensive income (loss) attributable to Modine	$ (176.4)	$ 16.6	$ (149.9)	$ 3.7

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

MODINE MANUFACTURING COMPANY
CONSOLIDATED BALANCE SHEETS
December 31, 2020 and March 31, 2020
(In millions, except per share amounts)
(Unaudited)

	December 31, 2020	March 31, 2020
ASSETS		
Cash and cash equivalents	$ 72.9	$ 70.9
Trade accounts receivable – net	233.5	292.5
Inventories	190.6	207.4
Assets held for sale	92.9	-
Other current assets	39.5	62.5
Total current assets	629.4	633.3
Property, plant and equipment – net	305.2	448.0
Intangible assets – net	104.5	106.3
Goodwill	172.4	166.1
Deferred income taxes	25.2	104.8
Other noncurrent assets	70.0	77.6
Total assets	$ 1,306.7	$ 1,536.1
LIABILITIES AND SHAREHOLDERS' EQUITY		
Short-term debt	$ 0.6	$ 14.8
Long-term debt – current portion	22.0	15.6
Accounts payable	200.6	227.4
Accrued compensation and employee benefits	64.9	65.0
Liabilities held for sale	83.2	-
Other current liabilities	49.7	49.2
Total current liabilities	421.0	372.0
Long-term debt	342.0	452.0
Deferred income taxes	6.1	8.1
Pensions	109.1	130.9
Other noncurrent liabilities	79.9	79.5
Total liabilities	958.1	1,042.5
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 53.8 million and 53.4 million shares	33.6	33.3
Additional paid-in capital	249.1	245.1
Retained earnings	274.2	469.9
Accumulated other comprehensive loss	(177.5)	(223.3)
Treasury stock, at cost, 2.7 million and 2.5 million shares	(37.9)	(37.1)
Total Modine shareholders' equity	341.5	487.9
Noncontrolling interest	7.1	5.7
Total equity	348.6	493.6
Total liabilities and equity	$ 1,306.7	$ 1,536.1

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 nine months ended December 31, 2020 and 2019
(In millions)
(Unaudited)

	Nine months ended December 31, 2020	Nine months ended December 31, 2019
Cash flows from operating activities:		
Net (loss) earnings	$ (194.9)	$ 4.4
Adjustments to reconcile net (loss) earnings to net cash provided by operating activities:		
Depreciation and amortization	54.2	57.8
Impairment charges	134.4	-
Gain on sale of assets	-	(0.8)
Stock-based compensation expense	4.2	5.2
Deferred income taxes	77.5	0.2
Other – net	4.7	3.5
Changes in operating assets and liabilities:		
Trade accounts receivable	24.5	52.6
Inventories	9.9	(23.6)
Accounts payable	1.1	(32.4)
Other assets and liabilities	30.9	(21.0)
Net cash provided by operating activities	146.5	45.9
Cash flows from investing activities:		
Expenditures for property, plant and equipment	(23.7)	(58.2)
Proceeds from disposition of assets	0.7	6.5
Proceeds from sale of investment in affiliate	-	3.8
Other – net	0.6	0.8
Net cash used for investing activities	(22.4)	(47.1)
Cash flows from financing activities:		
Borrowings of debt	12.0	600.1
Repayments of debt	(134.5)	(601.3)
Borrowings on bank overdraft facilities – net	3.5	5.0
Financing fees paid	(0.8)	(1.1)
Purchases of treasury stock under share repurchase program	-	(2.4)
Dividend paid to noncontrolling interest	-	(1.3)
Other – net	(0.8)	(2.9)
Net cash used for financing activities	(120.6)	(3.9)
Effect of exchange rate changes on cash	3.6	(0.5)
Net increase (decrease) in cash, cash equivalents, restricted cash and cash held for sale	7.1	(5.6)
Cash, cash equivalents, restricted cash and cash held for sale – beginning of period	71.3	42.2
Cash, cash equivalents, restricted cash and cash held for sale – end of period	$ 78.4	$ 36.6

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 nine months ended December 31, 2020 and 2019
(In millions)
(Unaudited)

	Common stock Shares	Common stock Amount	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock, at cost	Non-controlling interest	Total
Balance, March 31, 2020	53.4	$ 33.3	$ 245.1	$ 469.9	$ (223.3)	$ (37.1)	$ 5.7	$ 493.6
Net loss attributable to Modine	-	-	-	(8.6)	-	-	-	(8.6)
Other comprehensive income	-	-	-	-	7.5	-	0.1	7.6
Stock options and awards	0.3	0.2	(0.2)	-	-	-	-	-
Purchase of treasury stock	-	-	-	-	-	(0.8)	-	(0.8)
Stock-based compensation expense	-	-	0.7	-	-	-	-	0.7
Net earnings attributable to noncontrolling interest	-	-	-	-	-	-	0.2	0.2
Balance, June 30, 2020	53.7	$ 33.5	$ 245.6	$ 461.3	$ (215.8)	$ (37.9)	$ 6.0	$ 492.7
Net earnings attributable to Modine	-	-	-	8.6	-	-	-	8.6
Other comprehensive income	-	-	-	-	19.0	-	0.1	19.1
Stock options and awards	0.1	0.1	-	-	-	-	-	0.1
Stock-based compensation expense	-	-	1.4	-	-	-	-	1.4
Net earnings attributable to noncontrolling interest	-	-	-	-	-	-	0.3	0.3
Balance, September 30, 2020	53.8	$ 33.6	$ 247.0	$ 469.9	$ (196.8)	$ (37.9)	$ 6.4	$ 522.2
Net loss attributable to Modine	-	-	-	(195.7)	-	-	-	(195.7)
Other comprehensive income	-	-	-	-	19.3	-	0.4	19.7
Stock-based compensation expense	-	-	2.1	-	-	-	-	2.1
Net earnings attributable to noncontrolling interest	-	-	-	-	-	-	0.3	0.3
Balance, December 31, 2020	53.8	$ 33.6	$ 249.1	$ 274.2	$ (177.5)	$ (37.9)	$ 7.1	$ 348.6

	Common stock Shares	Common stock Amount	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock, at cost	Non-controlling interest	Total
Balance, March 31, 2019	52.8	$ 33.0	$ 238.6	$ 472.1	$ (178.4)	$ (31.4)	$ 7.2	$ 541.1
Net earnings attributable to Modine	-	-	-	8.0	-	-	-	8.0
Other comprehensive income (loss)	-	-	-	-	2.2	-	(0.1)	2.1
Stock options and awards	0.5	0.2	(0.1)	-	-	-	-	0.1
Purchase of treasury stock	-	-	-	-	-	(5.6)	-	(5.6)
Stock-based compensation expense	-	-	1.7	-	-	-	-	1.7
Dividend paid to noncontrolling interest	-	-	-	-	-	-	(1.3)	(1.3)
Net earnings attributable to noncontrolling interest	-	-	-	-	-	-	0.2	0.2
Balance, June 30, 2019	53.3	$ 33.2	$ 240.2	$ 480.1	$ (176.2)	$ (37.0)	$ 6.0	$ 546.3
Net loss attributable to Modine	-	-	-	(4.7)	-	-	-	(4.7)
Other comprehensive loss	-	-	-	-	(18.4)	-	(0.2)	(18.6)
Stock-based compensation								

expense	-	-	2.7	-	-	-	-	2.7
Net loss attributable to noncontrolling interest	-	-	-	-	-	-	(0.1)	(0.1)
Balance, September 30, 2019	53.3	$ 33.2	$ 242.9	$ 475.4	$ (194.6)	$ (37.0)	$ 5.7	$ 525.6
Net earnings attributable to Modine	-	-	-	1.2	-	-	-	1.2
Other comprehensive income	-	-	-	-	15.4	-	0.2	15.6
Stock-based compensation expense	-	-	0.8	-	-	-	-	0.8
Net loss attributable to noncontrolling interest	-	-	-	-	-	-	(0.2)	(0.2)
Balance, December 31, 2019	53.3	$ 33.2	$ 243.7	$ 476.6	$ (179.2)	$ (37.0)	$ 5.7	$ 543.0

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

Note 1: General

The accompanying 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 nine months of fiscal 2021 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, 2020.

COVID-19
In March 2020, the World Health Organization declared the outbreak of the novel coronavirus, COVID-19, a pandemic. See Note 18 for additional information regarding the risks and uncertainties to the Company resulting from this pandemic.

Pending Disposition of Liquid-cooled Automotive Business
On November 2, 2020, the Company signed a definitive agreement to sell its liquid-cooled automotive business to Dana Incorporated. In connection with the pending sale, the Company classified the liquid-cooled automotive business as held for sale and, accordingly, is reporting the assets and liabilities of this business as held for sale on the December 31, 2020 consolidated balance sheet. See Note 2 for additional information.

Chief Executive Officer ("CEO") Transition
In August 2020, Thomas A. Burke stepped down from his position as President and CEO. The Board of Directors subsequently conducted a search for his successor and, effective December 1, 2020, appointed Neil D. Brinker as President and CEO.

As a result of Mr. Burke's departure and in connection with the search for his successor, the Company recorded costs totaling $5.9 million during the nine months ended December 31, 2020. These costs, which were recorded as selling, general and administrative ("SG&A") expenses at Corporate, primarily consisted of severance and benefit-related expenses based upon the terms of Mr. Burke's transition and separation agreement and costs directly associated with the CEO search, partially offset by the impact of Mr. Burke's forfeited stock-based compensation awards.

Sale of facility in Germany
During the third quarter of fiscal 2020, the Company completed the sale of a previously-closed manufacturing facility in Germany for a selling price of $6.0 million. As a result of this transaction, the Company recorded a gain of $0.8 million within the Automotive segment. The Company reported this gain within the gain on sale of assets line on the consolidated statements of operations.

Sale of Nikkei Heat Exchanger Company, Ltd. ("NEX")
During the second quarter of fiscal 2020, the Company completed the sale of its 50 percent ownership interest in NEX for a selling price of $3.8 million. Prior to the sale, the Company accounted for its investment in this non-consolidated affiliate using the equity method. As a result of this sale, the Company recorded a gain of $0.1 million, which included the write-off of accumulated foreign currency translation gains of $0.6 million, within other income and expense on the consolidated statements of operations.

New Accounting Guidance
In June 2016, the Financial Accounting Standards Board issued new guidance related to the accounting for credit losses for certain financial assets, including trade accounts receivable and contract assets. The new guidance modifies the credit loss model to measure and recognize credit losses based upon expected losses rather than incurred losses. The Company adopted this guidance as of April 1, 2020. The adoption did not have a material impact on the Company's consolidated balance sheets, statements of operations or statements of cash flows.

Note 2: Assets Held for Sale

On November 2, 2020, the Company signed a definitive agreement to sell its liquid-cooled automotive business to Dana Incorporated. The Company expects this transaction will close during the first quarter of fiscal 2022, subject to regulatory approvals and other customary closing conditions. The Company does not expect significant net cash proceeds from this transaction based upon the one dollar selling price and adjustments for cash, debt, and working capital, as defined within the definitive agreement. The Company reports financial results of the liquid-cooled automotive business within its Automotive segment.

In connection with the pending sale, the Company classified the liquid-cooled automotive business (the "disposal group") as held for sale beginning on November 2, 2020 and ceased depreciating long-lived assets in the disposal group. The Company evaluated the disposal group and determined that it 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 to automotive and light vehicle customers as well as sales to other vehicular customers with similar product offerings and using similar heat-transfer technology within the Automotive and Heavy Duty Equipment segments. In addition, the Company will continue to operate in the same major geographical areas as it does today.

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 and based upon the selling price, the Company identified an implied loss in excess of the carrying value of the disposal group's long-lived assets, which consist entirely of property, plant and equipment and right of use lease assets. As a result, the Company recorded a non-cash impairment charge of $132.7 million during the third quarter of fiscal 2021 to reduce the net carrying value of the disposal group's long-lived assets to zero. Also during the third quarter of fiscal 2021, the Company recorded an impairment charge of $1.7 million within the Automotive segment related to equipment that will not convey to the buyer as part of the sale transaction and is not expected to be used within the Company's other businesses. These charges are reported within the impairment charges line on the consolidated statements of operations.

The Company separately classified the assets and liabilities of the liquid-cooled automotive business as held for sale on the December 31, 2020 consolidated balance sheet. The assets and liabilities held for sale are classified as current as the transaction is expected to close during the first quarter of fiscal 2022. The major classes of assets and liabilities held for sale were as follows:

	December 31, 2020
ASSETS	
Cash and cash equivalents	$ 5.3
Trade accounts receivables - net	51.7
Inventories	17.7
Other current assets	11.6
Property, plant and equipment - net	132.0
Other noncurrent assets	7.3
Impairment of carrying value	(132.7)
Total assets held for sale	$ 92.9
LIABILITIES	
Short-term debt	$ 6.0
Accounts payable	36.9
Accrued compensation and employee benefits	10.2
Other current liabilities	12.7
Pensions	12.4
Other noncurrent liabilities	5.0
Total liabilities held for sale	$ 83.2

The Company will reassess the disposal group's fair value less costs to sell at each reporting period until the transaction is completed. The Company expects to record an additional loss on sale of approximately $15.0 million to $25.0 million upon transaction completion. The loss on sale recorded will be impacted by changes in working capital, costs to sell, and net actuarial losses in accumulated other comprehensive loss related to the disposal group's pension plans. It is possible that the loss on sale recorded could differ materially from the Company's estimate.

Note 3: Revenue Recognition

Disaggregation of Revenue

The table below presents revenue for each of the Company's business segments, Commercial and Industrial Solutions ("CIS"), Building HVAC Systems ("BHVAC"), Heavy Duty Equipment ("HDE") and Automotive. Each segment's revenue is disaggregated by primary end market, by geographic location and based upon the timing of revenue recognition, and includes inter-segment sales.

Effective April 1, 2020, the Company realigned its segment structure. The segment revenue information presented in the table below for fiscal 2020 has been recast to conform to the fiscal 2021 presentation. See Note 20 for additional information regarding the Company's operating segments.

	Three months ended December 31, 2020					Three months ended December 31, 2019				
	CIS	BHVAC	HDE	Automotive	Segment Total	CIS	BHVAC	HDE	Automotive	Segment Total
Primary end market:										
Commercial HVAC&R	$ 103.8	$ 56.5	$ -	$ -	$ 160.3	$ 104.3	$ 53.1	$ -	$ -	$ 157.4
Data center cooling	11.8	12.2	-	-	24.0	30.2	11.2	-	-	41.4
Industrial cooling	12.0	-	-	-	12.0	10.4	-	-	-	10.4
Commercial vehicle	-	-	67.0	5.5	72.5	-	-	63.2	5.1	68.3
Off-highway	-	-	68.3	0.8	69.1	-	-	51.6	3.5	55.1
Automotive and light vehicle	-	-	28.8	105.4	134.2	-	-	27.8	98.5	126.3
Other	1.4	-	21.5	2.2	25.1	2.6	0.6	22.3	3.4	28.9
Net sales	$ 129.0	$ 68.7	$ 185.6	$ 113.9	$ 497.2	$ 147.5	$ 64.9	$ 164.9	$ 110.5	$ 487.8
Geographic location:										
Americas	$ 66.4	$ 45.0	$ 107.9	$ 14.8	$ 234.1	$ 78.1	$ 43.2	$ 106.2	$ 17.2	$ 244.7
Europe	52.4	23.7	35.0	80.9	192.0	57.6	21.7	29.2	77.1	185.6
Asia	10.2	-	42.7	18.2	71.1	11.8	-	29.5	16.2	57.5
Net sales	$ 129.0	$ 68.7	$ 185.6	$ 113.9	$ 497.2	$ 147.5	$ 64.9	$ 164.9	$ 110.5	$ 487.8
Timing of revenue recognition:										
Products transferred at a point in time	$ 119.5	$ 68.7	$ 177.6	$ 113.9	$ 479.7	$ 119.3	$ 64.9	$ 156.8	$ 110.5	$ 451.5
Products transferred over time	9.5	-	8.0	-	17.5	28.2	-	8.1	-	36.3
Net sales	$ 129.0	$ 68.7	$ 185.6	$ 113.9	$ 497.2	$ 147.5	$ 64.9	$ 164.9	$ 110.5	$ 487.8

	Nine months ended December 31, 2020					Nine months ended December 31, 2019				
	CIS	BHVAC	HDE	Automotive	Segment Total	CIS	BHVAC	HDE	Automotive	Segment Total
Primary end market:										
Commercial HVAC&R	$ 303.0	$ 137.1	$ -	$ -	$ 440.1	$ 351.1	$ 137.2	$ -	$ -	$ 488.3
Data center cooling	40.0	40.8	-	-	80.8	81.1	31.3	-	-	112.4
Industrial cooling	36.6	-	-	-	36.6	33.5	-	-	-	33.5
Commercial vehicle	-	-	174.8	11.4	186.2	-	-	232.0	16.8	248.8
Off-highway	-	-	179.8	2.3	182.1	-	-	178.5	10.1	188.6
Automotive and light vehicle	-	-	69.8	257.4	327.2	-	-	85.0	305.6	390.6
Other	6.0	0.3	50.3	14.8	71.4	7.3	1.4	73.0	7.3	89.0
Net sales	$ 385.6	$ 178.2	$ 474.7	$ 285.9	$ 1,324.4	$ 473.0	$ 169.9	$ 568.5	$ 339.8	$ 1,551.2
Geographic location:										
Americas	$ 193.9	$ 109.5	$ 274.4	$ 39.2	$ 617.0	$ 261.2	$ 110.4	$ 369.7	$ 52.2	$ 793.5
Europe	156.3	68.7	91.2	195.9	512.1	173.7	59.5	107.3	242.7	583.2
Asia	35.4	-	109.1	50.8	195.3	38.1	-	91.5	44.9	174.5
Net sales	$ 385.6	$ 178.2	$ 474.7	$ 285.9	$ 1,324.4	$ 473.0	$ 169.9	$ 568.5	$ 339.8	$ 1,551.2
Timing of revenue recognition:										
Products transferred at a point in time	$ 351.7	$ 178.2	$ 456.3	$ 285.9	$ 1,272.1	$ 395.6	$ 169.9	$ 544.4	$ 339.8	$ 1,449.7
Products transferred over time	33.9	-	18.4	-	52.3	77.4	-	24.1	-	101.5

Net sales	$ 385.6	$ 178.2	$ 474.7	$ 285.9	$ 1,324.4	$ 473.0	$ 169.9	$ 568.5	$ 339.8	$ 1,551.2

Contract Balances

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

	December 31, 2020	March 31, 2020
Contract assets	$ 5.1	$ 21.7
Contract liabilities	6.0	5.6

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 $16.6 million decrease in contract assets during the first nine months of fiscal 2021 primarily resulted from a decrease in contract assets for revenue recognized over time. In addition, the March 31, 2020 balance included $7.2 million of contract assets of the liquid-cooled automotive business, which have since been classified as held for sale. See Note 2 for additional information regarding assets and liabilities held for sale as of December 31, 2020.

Contract liabilities, included within other current liabilities in the consolidated balance sheets, consist of payments received in advance of satisfying performance obligations under customer contracts, including contracts for customer-owned tooling. The $0.4 million increase in contract liabilities during the first nine months of fiscal 2021 was primarily related to customer contracts for which payment was received in advance of the Company's satisfaction of performance obligations. The March 31, 2020 balance included $1.3 million of contract liabilities of the liquid-cooled automotive business, which have since been classified as held for sale.

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 Company holds investments in deferred compensation trusts to fund obligations under certain non-qualified deferred compensation plans. The Company records the fair value of these investments within other noncurrent assets on its consolidated balance sheets. The Company classifies money market investments held by the trusts within Level 2 of the valuation hierarchy. The Company classifies all other investments held by the trusts within Level 1 of the valuation hierarchy, as it uses quoted market prices to determine the investments' fair value. The Company's deferred compensation obligations, which are recorded as other noncurrent liabilities, are recorded at the fair values of the investments held by the trust. At both December 31, 2020 and March 31, 2020, the fair values of the investments and obligations for the Company's deferred compensation plans each totaled $3.8 million. 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 December 31,		Nine months ended December 31,	
	2020	2019	2020	2019
Service cost	$ 0.1	$ 0.1	$ 0.3	$ 0.3
Interest cost	2.0	2.3	5.9	6.8
Expected return on plan assets	(2.9)	(3.0)	(8.6)	(8.9)
Amortization of unrecognized net loss	1.7	1.5	5.2	4.5
Net periodic benefit cost	$ 0.9	$ 0.9	$ 2.8	$ 2.7

During the nine months ended December 31, 2020 and 2019, the Company contributed $8.8 million and $2.6 million, respectively, to its U.S. pension plans. The Company has deferred certain contributions to its U.S. pension plans during fiscal 2021, as permitted by the Coronavirus Aid, Relief and Economic Security Act. The Company expects to contribute approximately $10.0 million to its U.S. pension plans during the fourth quarter of fiscal 2021.

Note 6: Stock-Based Compensation

The Company's stock-based incentive programs consist of the following: (1) a long-term incentive plan ("LTIP") for officers and other executives that consists of stock awards, stock options, and performance-based stock awards granted 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 instruments 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 $2.1 million and $0.8 million for the three months ended December 31,2020 and 2019, respectively. The Company recognized stock-based compensation expense of $4.2 million and $5.2 million for the nine months ended December 31, 2020 and 2019, respectively.

The fair value of stock-based compensation awards granted during the nine months ended December 31, 2020 and 2019 were as follows:

	Nine months ended December 31,			
	2020		2019	
	Shares	Fair Value Per Award	Shares	Fair Value Per Award
Stock options	0.4	$ 3.46	0.3	$ 5.56
Restricted stock awards	0.6	$ 8.34	0.3	$ 13.26
Performance stock awards (a)	-	-	0.3	$ 13.26
Unrestricted stock awards	0.2	$ 5.21	0.1	$ 14.50

(a) In lieu of performance-based stock awards, the Company granted performance cash awards to the LTIP participants in fiscal 2021. The performance metrics for the cash awards are based upon a target three-year average cash flow return on invested capital and a target three-year average revenue growth at the end of the three-year performance period ending March 31, 2023. These performance metrics are the same as the metrics for the fiscal 2020 and 2019 performance-based stock awards.

The Company used the following assumptions in determining fair value for stock options:

	Nine months ended December 31,	
	2020	2019
Expected life of awards in years	6.1	6.3
Risk-free interest rate	0.4%	2.2%
Expected volatility of the Company's stock	54.1%	39.2%
Expected dividend yield on the Company's stock	0.0%	0.0%

As of December 31, 2020, unrecognized compensation expense related to non-vested stock-based compensation awards, which will be amortized over the remaining service periods, was as follows:

	Unrecognized Compensation Expense	Weighted-Average Remaining Service Period in Years
Stock options	$ 2.3	3.0
Restricted stock awards	8.1	2.9
Performance stock awards	0.6	1.2
Total	$ 11.0	2.8

Note 7: Restructuring Activities

During fiscal 2021, the Company transferred production from its manufacturing facility in Zhongshan, China to another CIS segment manufacturing facility in China. As a result of this plant consolidation, the Company recorded $3.1 million of severance expenses during the nine months ended December 31, 2020. In addition, the Company is in the process of transferring product lines to its CIS manufacturing facility in Mexico.

The Company also implemented targeted headcount reductions in fiscal 2021, the most significant of which were in North America in the HDE and CIS segments. The headcount reductions were in response to lower market demand and supported the Company's objective of reducing operational and SG&A cost structures.

The Company's restructuring actions during the first nine months of fiscal 2020 consisted primarily of targeted headcount reductions and plant consolidation activities. The fiscal 2020 headcount reductions were primarily in Europe within the Automotive segment and in the Americas within the HDE segment.

Restructuring and repositioning expenses were as follows:

	Three months ended December 31,		Nine months ended December 31,	
	2020	2019	2020	2019
Employee severance and related benefits	$ 0.5	$ 2.2	$ 6.2	$ 5.5
Other restructuring and repositioning expenses	0.4	0.4	0.8	1.2
Total	$ 0.9	$ 2.6	$ 7.0	$ 6.7

Other restructuring and repositioning expenses primarily consist of equipment transfers 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 December 31,	
	2020	2019
Beginning balance	$ 5.8	$ 7.4
Additions	0.5	2.2
Payments	(2.5)	(5.0)
Reclassified as held for sale	(0.8)	-
Effect of exchange rate changes	0.2	0.1
Ending balance	$ 3.2	$ 4.7

	Nine months ended December 31,	
	2020	2019
Beginning balance	$ 5.0	$ 10.0
Additions	6.2	5.5
Payments	(7.7)	(10.7)
Reclassified as held for sale	(0.8)	-
Effect of exchange rate changes	0.5	(0.1)
Ending balance	$ 3.2	$ 4.7

In January 2021, the Company eliminated the Vice President, CIS and Chief Operating Officer senior executive position. As a result, the Company expects to record approximately $1.0 million of severance-related expenses during the fourth quarter of fiscal 2021.

Note 8: Other Income and Expense

Other income and expense consisted of the following:

	Three months ended December 31,		Nine months ended December 31,	
	2020	2019	2020	2019
Interest income	$ 0.1	$ 0.1	$ 0.4	$ 0.3
Foreign currency transactions (a)	0.2	0.7	0.9	(0.7)
Net periodic benefit cost (b)	(0.8)	(0.7)	(2.3)	(2.1)
Equity in earnings of non-consolidated affiliate (c)	-	-	-	0.2
Total other (expense) income - net	$ (0.5)	$ 0.1	$ (1.0)	$ (2.3)

(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.

(c) The Company sold its ownership interest in NEX during the second quarter of fiscal 2020. See Note 1 for additional information.

Note 9: Income Taxes

The Company's effective tax rate for the three months ended December 31, 2020 and 2019 was (71.7) percent and 63.0 percent, respectively. The Company's effective tax rate for the nine months ended December 31, 2020 and 2019 was (95.7) percent and 65.4 percent, respectively. The effective tax rates for the fiscal 2021 periods were largely driven by both significant impairment charges and income tax charges related to valuation allowances. See Note 2 for information regarding the $134.4 million of impairment charges recorded during the third quarter of fiscal 2021. The income tax benefits associated with these impairment charges totaled $24.4 million and $13.3 million in the U.S. and in certain foreign jurisdictions, respectively, and increased the deferred tax assets in the applicable jurisdictions. The deferred tax assets, in turn, were evaluated for realizability as of December 31, 2020, as further described below.

In the fiscal 2020 periods, the effective tax rates were negatively impacted by income tax charges recorded during the third quarter of fiscal 2020. A $3.0 million income tax charge was recorded related to a valuation allowance on deferred tax assets in the U.S. and a net income tax charge totaling $2.7 million was recorded in connection with legal entity restructuring completed in preparation of the potential sale of the liquid-cooled automotive business. Partially offsetting the negative impacts of the income tax charges, the effective tax rates for the fiscal 2020 periods were favorably impacted by the recognition of a tax incentive in Italy during the third quarter and by the release of an unrecognized tax benefit during the second quarter.

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

Based upon its analysis as of December 31, 2020, the Company determined it was more likely than not that its deferred tax assets in the U.S. and in certain foreign jurisdictions will not be realized in the future. As a result, the Company recorded income tax charges totaling $116.5 million in the third quarter of fiscal 2021 to increase the valuation allowance on deferred tax assets in the U.S. ($103.3 million) and in certain foreign jurisdictions ($13.2 million). Combined with the $6.6 million income tax charge recorded during the second quarter of fiscal 2021, the Company has now established a full valuation allowance on its U.S. deferred tax assets. Based upon the Company's projections of future taxable income at the time, the Company previously believed it was more likely than not that these deferred tax assets would be realized in the future. The Company's analysis for the third quarter of fiscal 2021 included consideration of the impairment charges recorded during the quarter in connection with the pending sale of the liquid-cooled automotive business; see Note 2 for additional information. These impairment charges contributed to the Company entering into a three-year cumulative loss position in the U.S. and in certain foreign jurisdictions as of December 31, 2020. The Company also considered year-to-date taxable income, which has been negatively impacted by the COVID-19 pandemic and lower sales to data center cooling customers, and current future projections of taxable income in the relevant jurisdictions. After considering both the positive and negative evidence, the Company determined it is more likely than not that these deferred tax assets will not be realized.

As of December 31, 2020, valuation allowances against deferred tax assets in the U.S. and in certain foreign jurisdictions totaled $121.7 million and $55.5 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.

As further discussed in Note 18, the COVID-19 pandemic has resulted in risks and uncertainties to our business. Future events or circumstances, such as lower taxable income or unfavorable changes in the financial outlook of the Company's operations in 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. The Company excluded the impact of its operations in certain foreign locations from the overall effective tax rate methodology and recorded them discretely based upon year-to-date results because the Company anticipates net operating losses for the full fiscal year in these jurisdictions. The Company does not anticipate a significant change in unrecognized tax benefits during the remainder of fiscal 2021.

Note 10: Earnings Per Share

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

	Three months ended December 31,		Nine months ended December 31,	
	2020	**2019**	**2020**	**2019**
Net (loss) earnings attributable to Modine	$ (195.7)	$ 1.2	$ (195.7)	$ 4.5
Weighted-average shares outstanding - basic	51.3	50.8	51.2	50.8
Effect of dilutive securities	-	0.3	-	0.3
Weighted-average shares outstanding - diluted	51.3	51.1	51.2	51.1
(Loss) earnings per share:				
Net (loss) earnings per share - basic	$ (3.81)	$ 0.02	$ (3.82)	$ 0.09
Net (loss) earnings per share - diluted	$ (3.81)	$ 0.02	$ (3.82)	$ 0.09

For the three and nine months ended December 31, 2020, the calculation of diluted earnings per share excluded 1.4 million and 1.5 million stock options, respectively, because they were anti-dilutive. In addition, the calculation for the three and nine months ended December 31, 2020 excluded 0.5 million and 0.6 million restricted stock awards, respectively, because they were anti-dilutive. For the three months and nine months ended December 31, 2020, the total number of potentially-dilutive securities was 0.2 million and 0.1 million, respectively. However, these securities were not included in the computation of diluted net loss per share since to do so would have decreased the loss per share.

For the three and nine months ended December 31, 2019, the calculation of diluted earnings per share excluded 1.2 million and 0.8 million stock options, respectively, because they were anti-dilutive. In addition, the calculation for both the three and nine months ended December 31, 2019 excluded 0.5 million restricted stock awards because they were anti-dilutive.

Note 11: Cash, Cash Equivalents and Restricted Cash

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

	December 31, 2020	March 31, 2020
Cash and cash equivalents	$ 72.9	$ 70.9
Restricted cash	0.1	0.4
Cash and restricted cash held for sale	5.4	-
Total cash, cash equivalents, restricted cash and cash held for sale	$ 78.4	$ 71.3

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

Note 12: Inventories

Inventories consisted of the following:

	December 31, 2020	March 31, 2020
Raw materials	$ 115.3	$ 123.6
Work in process	35.5	34.6
Finished goods	39.8	49.2
Total inventories	$ 190.6	$ 207.4

Note 13: Property, Plant and Equipment

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

	December 31, 2020	March 31, 2020
Land	$ 20.1	$ 19.7
Buildings and improvements (10-40 years)	227.4	276.7
Machinery and equipment (3-15 years)	689.2	870.3
Office equipment (3-10 years)	83.1	95.2
Construction in progress	15.7	40.5
	1,035.5	1,302.4
Less: accumulated depreciation	(730.3)	(854.4)
Net property, plant and equipment	$ 305.2	$ 448.0

Note 14: Goodwill and Intangible Assets

Changes in the carrying amount of goodwill were as follows:

	CIS	BHVAC	Total
Goodwill, March 31, 2020	$ 152.6	$ 13.5	$ 166.1
Effect of exchange rate changes	5.2	1.1	6.3
Goodwill, December 31, 2020	$ 157.8	$ 14.6	$ 172.4

Intangible assets consisted of the following:

	December 31, 2020			March 31, 2020		
	Gross Carrying Value	Accumulated Amortization	Net Intangible Assets	Gross Carrying Value	Accumulated Amortization	Net Intangible Assets
Customer relationships	$ 64.0	$ (16.2)	$ 47.8	$ 60.8	$ (12.6)	$ 48.2
Trade names	60.3	(19.0)	41.3	58.3	(16.2)	42.1
Acquired technology	25.1	(9.7)	15.4	23.6	(7.6)	16.0
Total intangible assets	$ 149.4	$ (44.9)	$ 104.5	$ 142.7	$ (36.4)	$ 106.3

The Company recorded amortization expense of $2.2 million and $2.3 million for the three months ended December 31, 2020 and 2019, respectively. The Company recorded amortization expense of $6.4 million and $6.7 million for the nine months ended December 31, 2020 and 2019, respectively. The Company estimates that it will record $2.1 million of amortization expense during the remainder of fiscal 2021 and approximately $8.0 million of annual amortization expense in fiscal 2022 through 2026.

Note 15: Product Warranties

Changes in accrued warranty costs were as follows:

	Three months ended December 31,	
	2020	2019
Beginning balance	$ 9.0	$ 8.1
Warranties recorded at time of sale	1.8	1.3
Adjustments to pre-existing warranties	(0.4)	(0.4)
Settlements	(1.1)	(1.0)
Reclassified as held for sale	(1.5)	-
Effect of exchange rate changes	0.1	0.2
Ending balance	$ 7.9	$ 8.2

	Nine months ended December 31,	
	2020	2019
Beginning balance	$ 7.9	$ 9.2
Warranties recorded at time of sale	4.3	3.9
Adjustments to pre-existing warranties	(0.3)	(1.3)
Settlements	(2.8)	(3.6)
Reclassified as held for sale	(1.5)	-
Effect of exchange rate changes	0.3	-
Ending balance	$ 7.9	$ 8.2

Note 16: Leases

Lease Assets and Liabilities

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

	Balance Sheet Location	December 31, 2020	March 31, 2020
Lease Assets			
Operating lease ROU assets	Other noncurrent assets	$ 56.2	$ 61.4
Finance lease ROU assets (a)	Property, plant and equipment - net	8.6	8.5
Lease Liabilities			
Operating lease liabilities	Other current liabilities	$ 10.4	$ 10.9
Operating lease liabilities	Other noncurrent liabilities	46.9	50.3
Finance lease liabilities	Long-term debt - current portion	0.4	0.4
Finance lease liabilities	Long-term debt	3.4	3.3

(a) Finance lease right of use ("ROU") assets were recorded net of accumulated amortization of $2.3 million and $1.8 million as of December 31, 2020 and March 31, 2020, respectively.

Components of Lease Expense

The components of lease expense were as follows:

	Three months ended December 31,		Nine months ended December 31,	
	2020	2019	2020	2019
Operating lease expense (a)	$ 4.8	$ 5.4	$ 14.9	$ 15.8
Finance lease expense:				
Depreciation of ROU assets	0.2	0.2	0.4	0.4
Interest on lease liabilities	-	-	0.1	0.1
Total lease expense	$ 5.0	$ 5.6	$ 15.4	$ 16.3

(a) For the three and nine months ended December 31, 2020, operating lease expense included short-term lease expense of $0.9 million and $2.7 million, respectively. For the three and nine months ended December 31, 2019, operating lease expense included short-term lease expense of $1.0 million and $2.9 million, respectively. Variable lease expense was not significant.

Note 17: Indebtedness

Long-term debt consisted of the following:

	Fiscal year of maturity	December 31, 2020	March 31, 2020
Term loans	2025	$ 184.1	$ 189.4
Revolving credit facility	2025	30.7	127.2
5.9% Senior Notes	2029	100.0	100.0
5.8% Senior Notes	2027	50.0	50.0
Other (a)		3.8	6.0
		368.6	472.6
Less: current portion		(22.0)	(15.6)
Less: unamortized debt issuance costs		(4.6)	(5.0)
Total long-term debt		$ 342.0	$ 452.0

(a) Other long-term debt primarily includes finance lease obligations and borrowings by foreign subsidiaries.

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

Fiscal Year	
Remainder of 2021	$ 3.4
2022	22.0
2023	22.0
2024	22.0
2025	180.5
2026 & beyond	118.7
Total	$ 368.6

Borrowings under both the revolving credit 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 December 31, 2020, the weighted-average interest rates for revolving credit facility borrowings and the term loans were both 2.5 percent. At December 31, 2020, the Company's revolving credit facility borrowings totaled $30.7 million and domestic letters of credit totaled $5.7 million, resulting in available borrowings under the revolving credit facility of $213.6 million.

The Company also maintains credit agreements for its foreign subsidiaries, with outstanding short-term borrowings of $0.6 million and $14.8 million at December 31, 2020 and March 31, 2020, respectively. See Note 2 for information regarding short-term borrowings classified as held for sale at December 31, 2020.

Provisions in the Company's credit agreement, Senior Note agreements, and various foreign credit agreements require the Company to maintain compliance with various covenants and include certain cross-default clauses. Under its primary debt agreements in the U.S., the Company has provided liens on substantially all domestic assets. Also, as specified in the credit agreement, the term loans may require prepayments in the event of certain asset sales. In addition, at the time of each incremental borrowing under the revolving credit facility, the Company is required to represent to the lenders that there has been no material adverse effect, as defined in the credit agreement, on its business, property, or results of operations.

In May 2020, the Company executed amendments to its primary credit agreements in the U.S. Under the amended agreements, the leverage ratio covenant limit has been temporarily raised. The leverage ratio covenant requires the Company to limit the ratio of its consolidated indebtedness, less a portion of its cash balance, both as defined by the credit agreements, to its consolidated net earnings before interest, taxes, depreciation, amortization, and certain other adjustments ("Adjusted EBITDA"). The leverage ratio covenant limit for the third quarter of fiscal 2021 was 5.25 to 1. The leverage ratio covenant limit is 5.75 to 1 for the fourth quarter of fiscal 2021. In fiscal 2022, the leverage ratio covenant limit is 4.75 to 1, 3.75 to 1, and 3.50 to 1 for the first, second and third quarters, respectively, and subsequently returns to 3.25 to 1 for the fourth quarter of fiscal 2022. The Company is also subject to an interest expense coverage ratio covenant, which requires the Company to maintain Adjusted EBITDA of at least three times consolidated interest expense. The Company was in compliance with its debt covenants as of December 31, 2020.

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 December 31, 2020 and March 31, 2020, 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 $140.4 million and $131.3 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

COVID-19

In March 2020, the World Health Organization declared the outbreak of the novel coronavirus, COVID-19, a pandemic. The spread of COVID-19 and the resulting work and travel restrictions, including international border closings, have disrupted, and may continue to disrupt, global supply chains and have negatively impacted the global economy. As a result of this pandemic, the Company experienced significant impacts on its operations. Local government requirements or customer shutdowns caused the Company to suspend production at many of its manufacturing facilities in March and April 2020. All of the temporarily-closed facilities reopened in the first or second quarter and have generally returned to more normal production levels. However, since reopening, production at certain of our plants has been negatively affected at times by employee absences due to COVID-19. The Company is continuing to focus on protecting the health and wellbeing of its employees and the communities in which it operates, while also ensuring the continuity of its business operations and timely delivery of quality products and services to its customers. Beginning largely in April 2020 and to mitigate the negative impacts of COVID-19, the Company took actions including, but not limited to, production staffing adjustments, furloughs, shortened work weeks, and temporary salary reductions at all levels of the organization. As production has generally returned to more normal levels, the Company reduced the extent of furloughs, shortened work weeks and salary reductions during the third quarter of fiscal 2021, yet remains focused on controlling operating and administrative expenses. Based upon its current expectations, the Company believes that its sources of liquidity will generate sufficient cash flow to meet its obligations during the next twelve months.

The Company's consolidated financial statements reflect estimates and assumptions made by management, including assumptions regarding the future impacts of the COVID-19 pandemic, that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting periods presented. For example, assets particularly sensitive to assumptions that could be adversely impacted by the COVID-19 pandemic include goodwill and deferred tax assets. While the Company believes it used appropriate estimates and assumptions to prepare the consolidated financial statements, actual amounts could differ materially and future events or circumstances could have a potential negative effect on the assumptions used. If the Company, its suppliers, or its customers experience further shutdowns or other significant business disruptions associated with the COVID-19 pandemic, its ability to conduct business in the manner and on the timelines presently planned could be materially and negatively impacted, which could have a material adverse effect on the Company's business, financial position, results of operations and cash flows.

Environmental

The Company has recorded environmental investigation and remediation accruals related to soil and groundwater contamination at manufacturing facilities in the U.S., one of which the Company currently owns and operates, and at its former manufacturing facility in the Netherlands, along with accruals for lesser environmental matters at certain other facilities in the U.S. These accruals generally relate to 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. The accruals for these environmental matters totaled $18.4 million and $18.2 million as of December 31, 2020 and March 31, 2020, respectively. As additional information becomes available, the Company will re-assess the liabilities related to these matters and revise the estimated accruals, if necessary. Based upon currently available information, the Company believes the ultimate outcome of these matters, individually and in the aggregate, will not have a material adverse effect on its financial position. However, these matters are subject to inherent uncertainties, and unfavorable outcomes could occur, including significant monetary damages.

Other Litigation

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

Note 19: Accumulated Other Comprehensive Loss

Changes in accumulated other comprehensive loss were as follows:

	Three months ended December 31, 2020				Nine months ended December 31, 2020			
	Foreign Currency Translation	Defined Benefit Plans	Cash Flow Hedges	Total	Foreign Currency Translation	Defined Benefit Plans	Cash Flow Hedges	Total
Beginning balance	$ (38.8)	$ (158.4)	$ 0.4	$ (196.8)	$ (61.4)	$ (160.9)	$ (1.0)	$ (223.3)
Other comprehensive income before reclassifications	18.0	-	0.4	18.4	40.6	-	1.5	42.1
Reclassifications:								
Amortization of unrecognized net loss (a)	-	1.6	-	1.6	-	4.9	-	4.9
Realized (gains) losses - net (b)	-	-	(0.4)	(0.4)	-	-	0.4	0.4
Income taxes	-	(0.3)	-	(0.3)	-	(1.1)	(0.5)	(1.6)
Total other comprehensive income	18.0	1.3	-	19.3	40.6	3.8	1.4	45.8
Ending balance	$ (20.8)	$ (157.1)	$ 0.4	$ (177.5)	$ (20.8)	$ (157.1)	$ 0.4	$ (177.5)

	Three months ended December 31, 2019				Nine months ended December 31, 2019			
	Foreign Currency Translation	Defined Benefit Plans	Cash Flow Hedges	Total	Foreign Currency Translation	Defined Benefit Plans	Cash Flow Hedges	Total
Beginning balance	$ (60.0)	$ (134.1)	$ (0.5)	$ (194.6)	$ (42.6)	$ (136.3)	$ 0.5	$ (178.4)
Other comprehensive income (loss) before reclassifications	13.8	-	0.3	14.1	(3.0)	-	(1.3)	(4.3)
Reclassifications:								
Amortization of unrecognized net loss (a)	-	1.4	-	1.4	-	4.2	-	4.2
Realized losses - net (b)	-	-	0.5	0.5	-	-	0.7	0.7
Foreign currency translation gains (c)	-	-	-	-	(0.6)	-	-	(0.6)
Income taxes	-	(0.4)	(0.2)	(0.6)	-	(1.0)	0.2	(0.8)
Total other comprehensive income (loss)	13.8	1.0	0.6	15.4	(3.6)	3.2	(0.4)	(0.8)
Ending balance	$ (46.2)	$ (133.1)	$ 0.1	$ (179.2)	$ (46.2)	$ (133.1)	$ 0.1	$ (179.2)

(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. Refer to Note 5 for additional information about the Company's pension plans.
(b) Amounts represent net gains and losses associated with cash flow hedges that were reclassified to net earnings.
(c) As a result of the sale of its investment in NEX during the second quarter of fiscal 2020, the Company wrote off $0.6 million of accumulated foreign currency translation gains.

Note 20: Segment Information

Effective April 1, 2020, the Company began managing its global automotive business separate from the other businesses within the previously-reported Vehicular Thermal Solutions ("VTS") segment. The Company is managing the automotive business as the Automotive segment as it targets the sale or eventual exit of its underlying automotive business operations. The other businesses of the VTS segment, including the commercial vehicle and off-highway businesses, are being managed as the Heavy Duty Equipment segment. The segment realignment had no impact on the CIS and BHVAC segments or on the Company's consolidated financial position, results of operations, and cash flows. Segment financial information for fiscal 2020 has been recast to conform to the fiscal 2021 presentation.

Each operating segment is managed by a vice president and has separate financial results reviewed by the Company's chief operating decision maker. These results are used by management in evaluating the performance of each segment and in making decisions on the allocation of resources among the Company's various businesses.

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

	Three months ended December 31,					
	2020			2019		
	External Sales	Inter-segment Sales	Total	External Sales	Inter-segment Sales	Total
Net sales:						
CIS	$ 128.3	$ 0.7	$ 129.0	$ 146.3	$ 1.2	$ 147.5
BHVAC	68.7	-	68.7	64.3	0.6	64.9
HDE	173.7	11.9	185.6	152.8	12.1	164.9
Automotive	113.6	0.3	113.9	110.0	0.5	110.5
Segment total	484.3	12.9	497.2	473.4	14.4	487.8
Corporate and eliminations	-	(12.9)	(12.9)	-	(14.4)	(14.4)
Net sales	$ 484.3	$ -	$ 484.3	$ 473.4	$ -	$ 473.4

	Nine months ended December 31,					
	2020			2019		
	External Sales	Inter-segment Sales	Total	External Sales	Inter-segment Sales	Total
Net sales:						
CIS	$ 382.8	$ 2.8	$ 385.6	$ 469.9	$ 3.1	$ 473.0
BHVAC	178.0	0.2	178.2	168.5	1.4	169.9
HDE	449.6	25.1	474.7	526.4	42.1	568.5
Automotive	283.1	2.8	285.9	337.8	2.0	339.8
Segment total	1,293.5	30.9	1,324.4	1,502.6	48.6	1,551.2
Corporate and eliminations	-	(30.9)	(30.9)	-	(48.6)	(48.6)
Net sales	$ 1,293.5	$ -	$ 1,293.5	$ 1,502.6	$ -	$ 1,502.6

	Three months ended December 31,				Nine months ended December 31,			
	2020		2019		2020		2019	
	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Gross profit:								
CIS	$ 12.6	9.8%	$ 22.7	15.4%	$ 47.4	12.3%	$ 69.9	14.8%
BHVAC	25.7	37.3%	23.1	35.5%	61.9	34.7%	54.5	32.1%
HDE	26.0	14.0%	16.8	10.2%	60.9	12.8%	71.7	12.6%
Automotive	18.4	16.1%	12.2	11.0%	39.8	13.9%	37.7	11.1%
Segment total	82.7	16.6%	74.8	15.3%	210.0	15.9%	233.8	15.1%
Corporate and eliminations	-	-	(1.3)	-	(0.4)	-	(1.2)	-
Gross profit	$ 82.7	17.1%	$ 73.5	15.5%	$ 209.6	16.2%	$ 232.6	15.5%

	Three months ended December 31,		Nine months ended December 31,	
	2020	2019	2020	2019
Operating income:				
CIS	$ (1.7)	$ 8.3	$ 3.9	$ 25.8
BHVAC	15.8	13.5	36.0	27.6
HDE	12.8	2.8	23.6	27.2
Automotive	(124.9)	1.6	(120.7)	2.0
Segment total	(98.0)	26.2	(57.2)	82.6
Corporate and eliminations	(10.7)	(18.0)	(26.2)	(50.3)
Operating (loss) income	$ (108.7)	$ 8.2	$ (83.4)	$ 32.3

	December 31, 2020	March 31, 2020
Total assets:		
CIS	$ 601.8	$ 617.7
BHVAC	106.7	102.3
HDE	428.3	417.4
Automotive (a)	161.2	272.5
Corporate and eliminations (b)	8.7	126.2
Total assets	$ 1,306.7	$ 1,536.1

(a) During the third quarter of fiscal 2021, the Company recorded impairment charges totaling $134.4 million within the Automotive segment, primarily related to the property, plant and equipment of the liquid-cooled automotive business, the sale of which is pending. See Note 2 for additional information.

(b) During the nine months ended December 31, 2020, the Company recorded income tax charges totaling $109.9 million to increase the valuation allowance on deferred tax assets in the U.S, which are recorded at Corporate. See Note 9 for additional information.

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

When we use the terms “Modine,” “we,” “us,” the “Company,” or “our” in this report, we are referring to Modine Manufacturing Company. Our fiscal year ends on March 31 and, accordingly, all references to quarters refer to our fiscal quarters. The quarter ended December 31, 2020 was the third quarter of fiscal 2021.

Pending Disposition of Liquid-cooled Automotive Business
On November 2, 2020, we entered into a definitive agreement to sell our liquid-cooled automotive business to Dana Incorporated. We expect this transaction will close during the first quarter of fiscal 2022, subject to regulatory approvals and other customary closing conditions. We do not expect significant net cash proceeds from this transaction based upon the selling price of one dollar and adjustments for cash, debt, and working capital, as defined within the definitive agreement. We report financial results of the liquid-cooled automotive business within the Automotive segment.

We recorded a non-cash impairment charge of $132.7 million during the third quarter of fiscal 2021 related to the liquid-cooled automotive business’s long-lived assets. We expect to record an additional loss on sale of approximately $15.0 million to $25.0 million when the sale is completed. It is possible that the loss on sale could differ materially from this estimate. See Note 2 of the Notes to Condensed Consolidated Financial Statements for information regarding the accounting impacts of this pending sale.

We are also evaluating strategic alternatives for the other businesses in the Automotive segment and are committed to exiting these businesses in a manner that is in the best interest of our shareholders.

COVID-19
As the COVID-19 pandemic continues, both the health and overall well-being of our employees and delivering quality products and services to our customers remain our top priorities.

The COVID-19 pandemic has broadly impacted the global economy and our key end markets, which were most severely impacted during the first quarter of fiscal 2021. Beginning largely in April 2020 and in an effort to mitigate the negative impacts of COVID-19 on our financial results, we implemented actions, including, but not limited to, production staffing adjustments, furloughs, shortened work weeks, and temporary salary reductions at all levels of our organization. In addition, we reduced operating and administrative expenses, including travel and entertainment expenditures. We have also focused on limiting capital expenditures and, where possible, have delayed certain projects and the purchase of some program-related equipment and tooling. Our swift cost-saving actions, coupled with a slow but steady recovery in most of our key end markets, have favorably impacted our financial results. As production has generally returned to more normal levels, we reduced the extent of furloughs, shortened work weeks and salary reductions. As a result, the benefit of the cost-saving actions, primarily on selling, general and administrative (“SG&A”) expenses, was less significant during the third quarter of fiscal 2021 compared with the first and second quarters of fiscal 2021.

The full extent of the impacts of COVID-19, which will largely depend on the length and severity of the pandemic, could have a material adverse effect on our business, results of operations, and cash flows.

Third Quarter Highlights
Net sales in the third quarter of fiscal 2021 increased $10.9 million, or 2 percent, from the third quarter of fiscal 2020, primarily due to higher sales volume in the Heavy Duty Equipment ("HDE") segment and a favorable impact of foreign currency exchange rate changes, partially offset by lower sales volume in our Commercial and Industrial Solutions ("CIS") segment. Cost of sales increased $1.7 million compared with the third quarter of fiscal 2020. Gross profit increased $9.2 million and gross margin improved 160 basis points to 17.1 percent. SG&A expenses decreased $7.4 million, primarily due to lower project costs associated with our review of strategic alternatives for the automotive segment businesses and preparing the liquid-cooled automotive business for sale. We recorded $134.4 million of impairment charges during the third quarter in our Automotive segment, primarily related to the pending sale of the liquid-cooled automotive business. The operating loss of $108.7 million during the third quarter of fiscal 2021 represents a decline of $116.9 million from the prior-year operating income of $8.2 million, primarily due to the impairment charges in our Automotive segment and lower earnings in our CIS segment, partially offset by higher earnings in our HDE and Building HVAC Systems ("BHVAC") segments.

Year-to-date Highlights
Net sales in the first nine months of fiscal 2021 decreased $209.1 million, or 14 percent, from the same period last year, primarily due to lower sales in our HDE, CIS and Automotive segments. Cost of sales decreased $186.1 million, or 15 percent, from the same period last year, primarily due to lower sales volume. Gross profit decreased $23.0 million and gross margin improved 70 basis points to 16.2 percent. SG&A expenses decreased $42.8 million, primarily due to lower project costs associated with our review of strategic alternatives for the automotive segment businesses and preparing the liquid-cooled automotive business for sale. In addition, SG&A expenses benefitted from cost-reduction initiatives implemented earlier in the fiscal year in response to the negative impacts of COVID-19. The operating loss of $83.4 million during the first nine months of fiscal 2021 represents a decline of $115.7 million from the prior-year operating income of $32.3 million, primarily due to the $134.4 million of impairment charges recorded during the third quarter of fiscal 2021, partially offset by lower SG&A expenses.

CONSOLIDATED RESULTS OF OPERATIONS

The following table presents our consolidated financial results on a comparative basis for the three and nine months ended December 31, 2020 and 2019:

	Three months ended December 31,				**Nine months ended December 31,**			
	2020		**2019**		**2020**		**2019**	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 484.3	100.0%	$ 473.4	100.0%	$ 1,293.5	100.0%	$ 1,502.6	100.0%
Cost of sales	401.6	82.9%	399.9	84.5%	1,083.9	83.8%	1,270.0	84.5%
Gross profit	82.7	17.1%	73.5	15.5%	209.6	16.2%	232.6	15.5%
Selling, general and administrative expenses	56.1	11.6%	63.5	13.4%	151.6	11.7%	194.4	12.9%
Restructuring expenses	0.9	0.2%	2.6	0.6%	7.0	0.5%	6.7	0.4%
Impairment charges	134.4	27.8%	-	-	134.4	10.4%	-	-
Gain on sale of assets	-	-	(0.8)	-0.2%	-	-	(0.8)	-
Operating (loss) income	(108.7)	-22.5%	8.2	1.7%	(83.4)	-6.5%	32.3	2.1%
Interest expense	(4.6)	-0.9%	(5.6)	-1.2%	(15.2)	-1.2%	(17.3)	-1.2%
Other (expense) income – net	(0.5)	-0.1%	0.1	-	(1.0)	-0.1%	(2.3)	-0.2%
(Loss) earnings before income taxes	(113.8)	-23.5%	2.7	0.6%	(99.6)	-7.7%	12.7	0.8%
Provision for income taxes	(81.6)	-16.8%	(1.7)	-0.4%	(95.3)	-7.4%	(8.3)	-0.5%
Net (loss) earnings	$ (195.4)	-40.3%	$ 1.0	0.2%	$ (194.9)	-15.1%	$ 4.4	0.3%

Comparison of Three Months ended December 31, 2020 and 2019

Third quarter net sales of $484.3 million were $10.9 million, or 2 percent, higher than the third quarter of the prior year, primarily due to higher sales volume in the HDE and BHVAC segments and an $11.2 million favorable impact of foreign currency exchange rate changes, partially offset by lower sales volume in the CIS and Automotive segments. Sales in the HDE, BHVAC, and Automotive segments increased $20.7 million, $3.8 million, and $3.4 million, respectively. CIS segment sales decreased $18.5 million.

Third quarter cost of sales increased $1.7 million. As a percentage of sales, cost of sales decreased 160 basis points to 82.9 percent. The increase in cost of sales was primarily due to a $9.7 million unfavorable impact of foreign currency exchange rate changes, partially offset by the favorable impacts of procurement and other cost-reduction initiatives and a $3.0 million decrease in depreciation expense in the Automotive segment. In addition, program and equipment transfer costs to prepare the liquid-cooled automotive business for sale decreased approximately $1.0 million compared with the prior year.

As a result of higher sales and lower cost of sales as a percentage of sales, third quarter gross profit increased $9.2 million and gross margin improved 160 basis points to 17.1 percent.

Third quarter SG&A expenses decreased $7.4 million. The decrease in SG&A expenses was primarily due to lower costs recorded at Corporate associated with our review of strategic alternatives for the Automotive segment's business operations, which decreased approximately $10.0 million. This favorable driver was partially offset by a $1.0 million unfavorable impact of foreign currency exchange rate changes and higher environmental charges in the HDE segment.

Restructuring expenses of $0.9 million during the third quarter of fiscal 2021 decreased $1.7 million, primarily due to lower restructuring expenses in the HDE segment.

Impairment charges of $134.4 million in the third quarter of fiscal 2021 primarily related to the write-down of the long-lived assets in the Automotive segment's liquid-cooled automotive business in connection with the pending sale of that business.

The operating loss of $108.7 million represents a $116.9 million decline from the prior-year operating income of $8.2 million. The decline was primarily due to the $134.4 million of impairment charges recorded in the Automotive segment and lower earnings in the CIS segment. These negative drivers were partially offset by higher earnings in our HDE and BHVAC segments.

Interest expense decreased $1.0 million, or 18 percent, during the third quarter of fiscal 2021, primarily due to lower outstanding long-term debt and, to a lesser extent, favorable changes in interest rates.

The provision for income taxes was $81.6 million and $1.7 million in the third quarter of fiscal 2021 and 2020, respectively. The $79.9 million increase was primarily due to income tax charges totaling $116.5 million recorded in the third quarter of fiscal 2021 to increase the valuation allowances on deferred tax assets in the U.S. and in certain foreign jurisdictions, partially offset by income tax benefits totaling $37.7 million related to the impairment charges recorded earlier in the third quarter of fiscal 2021.

Comparison of Nine Months ended December 31, 2020 and 2019

Fiscal 2021 year-to-date net sales of $1,293.5 million were $209.1 million, or 14 percent, lower than the same period last year, primarily due to lower sales in our HDE, CIS and Automotive segments. Sales in these segments decreased $93.8 million, $87.4 million, and $53.9 million, respectively, and were significantly impacted by market-driven volume declines and temporary plant closures earlier in the fiscal year due to the COVID-19 pandemic. BHVAC segment sales increased $8.3 million.

Fiscal 2021 year-to-date cost of sales of $1,083.9 million decreased $186.1 million, or 15 percent, primarily due to lower sales volume. As a percentage of sales, cost of sales improved 70 basis points to 83.8 percent. The unfavorable impact of lower sales volume was more than offset by the benefits of cost-reduction initiatives implemented earlier in the fiscal year in response to lower end market demand and procurement initiatives.

As a result of lower sales and lower cost of sales as a percentage of sales, fiscal 2021 year-to-date gross profit decreased $23.0 million and gross margin improved 70 basis points to 16.2 percent.

Fiscal 2021 year-to-date SG&A expenses decreased $42.8 million. The decrease in SG&A expenses was primarily due to lower costs recorded at Corporate associated with our review of strategic alternatives for the Automotive segment's business operations, which decreased approximately $29.0 million, and lower compensation-related expenses, which decreased approximately $18.0 million. These favorable drivers were partially offset by $5.9 million of costs recorded at Corporate in connection with Mr. Burke stepping down from his position as President and CEO and the search for his successor.

Restructuring expenses of $7.0 million during the first nine months of fiscal 2021 increased $0.3 million compared with the same period last year, primarily due to higher restructuring expenses in the CIS segment, partially offset by lower restructuring expenses in the Automotive segment.

The fiscal 2021 year-to-date operating loss of $83.4 million represents a $115.7 million decline from the prior-year operating income of $32.3 million. The decline was primarily due to the $134.4 million of impairment charges recorded in the Automotive segment and lower earnings in our CIS and HDE segments. These negative drivers were partially offset by lower SG&A expenses at Corporate and higher earnings in our BHVAC segment.

Interest expense decreased $2.1 million, or 12 percent, during the first nine months of fiscal 2021, primarily due to lower outstanding long-term debt and favorable changes in interest rates.

The provision for income taxes was $95.3 million and $8.3 million during the first nine months of fiscal 2021 and 2020, respectively. The $87.0 million increase was primarily due to income tax charges totaling $123.1 million recorded during the first nine months of fiscal 2021 to increase the valuation allowances on deferred tax assets in the U.S. and in certain foreign jurisdictions, partially offset by income tax benefits totaling $37.7 million related to the impairment charges recorded during fiscal 2021.

SEGMENT RESULTS OF OPERATIONS

Effective April 1, 2020, we began managing our global automotive business separate from the other businesses within the previously-reported Vehicular Thermal Solutions ("VTS") segment. We have been managing the automotive business as the Automotive segment as we target the sale or eventual exit of its underlying automotive business operations. We are managing the other businesses of the VTS segment, including the commercial vehicle and off-highway businesses, as the Heavy Duty Equipment segment. We began reporting financial results for our new segment structure beginning for fiscal 2021. Segment financial information for fiscal 2020 has been recast to conform to the fiscal 2021 presentation. The segment realignment had no impact on the CIS and BHVAC segments.

The following is a discussion of our segment results of operations for the three and nine months ended December 31, 2020 and 2019:

Commercial and Industrial Solutions

	Three months ended December 31,				Nine months ended December 31,			
	2020		2019		2020		2019	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 129.0	100.0%	$ 147.5	100.0%	$ 385.6	100.0%	$ 473.0	100.0%
Cost of sales	116.4	90.2%	124.8	84.6%	338.2	87.7%	403.1	85.2%
Gross profit	12.6	9.8%	22.7	15.4%	47.4	12.3%	69.9	14.8%
Selling, general and administrative expenses	13.8	10.7%	13.7	9.3%	39.1	10.2%	42.8	9.1%
Restructuring expenses	0.5	0.4%	0.7	0.5%	4.4	1.1%	1.3	0.3%
Operating (loss) income	$ (1.7)	-1.3%	$ 8.3	5.6%	$ 3.9	1.0%	$ 25.8	5.4%

Comparison of Three Months ended December 31, 2020 and 2019

CIS net sales decreased $18.5 million, or 13 percent, from the third quarter of fiscal 2020 to the third quarter of fiscal 2021, primarily due to lower sales volume of data center cooling products, partially offset by a $4.5 million favorable impact of foreign currency exchange rate changes. Sales to data center cooling customers decreased $18.4 million, primarily due to lower sales to one individual customer.

CIS cost of sales decreased $8.4 million, or 7 percent, from the third quarter of fiscal 2020 to the third quarter of fiscal 2021, primarily due to lower sales volume, partially offset by a $4.2 million unfavorable impact of foreign currency exchange rate changes. As a percentage of sales, cost of sales increased 560 basis points to 90.2 percent, primarily due to the impact of lower sales volume, unfavorable sales mix, and to a lesser extent, temporary operating inefficiencies associated with plant consolidation activities in China. These negative impacts were partially offset by benefits from procurement and other cost-reduction initiatives.

As a result of the lower sales and higher cost of sales as a percentage of sales, gross profit decreased $10.1 million and gross margin declined 560 basis points to 9.8 percent.

SG&A expenses increased $0.1 million, or 140 basis points as a percentage of sales, compared with the third quarter of the prior year. The increase in SG&A expenses was primarily due to a $0.5 million unfavorable impact of foreign currency exchange rate changes, partially offset by lower compensation-related expenses.

Restructuring expenses during the third quarter of fiscal 2021 totaled $0.5 million, a decrease of $0.2 million compared with the third quarter of fiscal 2020, and primarily consisted of equipment transfer and plant consolidation costs in China.

The CIS operating loss of $1.7 million represents a $10.0 million decline from the prior-year operating income of $8.3 million and was primarily due to lower gross profit.

Comparison of Nine Months ended December 31, 2020 and 2019

CIS year-to-date net sales decreased $87.4 million, or 18 percent, from the same period last year, primarily due to lower sales volume associated with the impacts of the COVID-19 pandemic. In addition, sales in fiscal 2021 have been negatively impacted by lower sales to a significant data center customer. Sales to commercial HVAC&R and data center cooling customers decreased $48.1 million and $41.1 million, respectively.

CIS year-to-date cost of sales decreased $64.9 million, or 16 percent, from the same period last year, primarily due to lower sales volume. As a percentage of sales, cost of sales increased 250 basis points to 87.7 percent, primarily due to the impact of lower sales volume and unfavorable sales mix, partially offset by cost-reduction and procurement initiatives.

As a result of the lower sales and higher cost of sales as a percentage of sales, gross profit decreased $22.5 million and gross margin declined 250 basis points to 12.3 percent.

CIS year-to-date SG&A expenses decreased $3.7 million compared with the prior year. The decrease in SG&A expenses was primarily due to lower compensation-related expenses, which decreased approximately $5.0 million, partially offset by a $0.6 million unfavorable impact of foreign currency exchange rate changes.

Restructuring expenses during the first nine months of fiscal 2021 increased $3.1 million compared with the prior year and primarily consisted of severance expenses and equipment transfer costs related to plant consolidation activities in China and targeted headcount reductions in North America.

Operating income decreased $21.9 million to $3.9 million, primarily due to lower gross profit and higher restructuring expenses, partially offset by lower SG&A expenses.

Building HVAC Systems

	Three months ended December 31,				Nine months ended December 31,			
	2020		2019		2020		2019	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 68.7	100.0%	$ 64.9	100.0%	$ 178.2	100.0%	$ 169.9	100.0%
Cost of sales	43.0	62.7%	41.8	64.5%	116.3	65.3%	115.4	67.9%
Gross profit	25.7	37.3%	23.1	35.5%	61.9	34.7%	54.5	32.1%
Selling, general and administrative expenses	9.9	14.3%	9.6	14.7%	25.9	14.5%	26.9	15.8%
Operating income	$ 15.8	23.1%	$ 13.5	20.8%	$ 36.0	20.2%	$ 27.6	16.2%

Comparison of Three Months ended December 31, 2020 and 2019

BHVAC net sales increased $3.8 million, or 6 percent, from the third quarter of fiscal 2020 to the third quarter of fiscal 2021, primarily due to higher sales in the U.S. and the U.K., which both increased approximately $2.0 million. The higher sales in the U.S. were primarily due to higher sales of heating products, partially offset by lower sales of ventilation products. The higher sales in the U.K. were primarily due to higher sales of air conditioning and data center cooling products.

BHVAC cost of sales increased $1.2 million, or 3 percent, from the third quarter of fiscal 2020 to the third quarter of fiscal 2021, primarily due to higher sales volume. As a percentage of sales, cost of sales decreased 180 basis points to 62.7 percent and was positively impacted by favorable customer pricing and sales mix.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $2.6 million and gross margin improved 180 basis points to 37.3 percent.

SG&A expenses increased $0.3 million from the prior year, yet decreased 40 basis points as a percentage of sales. The increase in SG&A expenses was primarily due to higher compensation-related expenses, including commission expenses.

Operating income of $15.8 million increased $2.3 million during the quarter, primarily due to higher gross profit.

Comparison of Nine Months ended December 31, 2020 and 2019

BHVAC year-to-date net sales increased $8.3 million, or 5 percent, from the same period last year, primarily due to higher sales volume. Compared with the first nine months of the prior year, sales increased $9.2 million in the U.K. and decreased $0.9 million in the U.S. The higher sales in the U.K. were primarily due to higher sales of data center products. The lower sales in the U.S. resulted primarily from the negative impacts of the COVID-19 pandemic and decreased sales of ventilation products, partially offset by higher sales of heating products.

BHVAC year-to-date cost of sales increased $0.9 million from the same period last year. As a percentage of sales, cost of sales decreased 260 basis points to 65.3 percent and was positively impacted by favorable customer pricing, sales mix and cost-reduction initiatives.

As a result of higher sales and lower cost of sales as a percentage of sales, gross profit increased $7.4 million and gross margin improved 260 basis points to 34.7 percent.

BHVAC year-to-date SG&A expenses decreased $1.0 million, or 130 basis points as a percentage of sales, from the prior year. The decrease in SG&A expenses was primary due to lower travel expenses.

Operating income of $36.0 million increased $8.4 million compared with the same period last year, primarily due to higher gross profit and lower SG&A expenses.

Heavy Duty Equipment

	Three months ended December 31,				Nine months ended December 31,			
	2020		2019		2020		2019	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 185.6	100.0%	$ 164.9	100.0%	$ 474.7	100.0%	$ 568.5	100.0%
Cost of sales	159.6	86.0%	148.1	89.8%	413.8	87.2%	496.8	87.4%
Gross profit	26.0	14.0%	16.8	10.2%	60.9	12.8%	71.7	12.6%
Selling, general and administrative expenses	13.2	7.1%	12.6	7.7%	35.4	7.4%	42.3	7.4%
Restructuring expenses	-	-	1.4	0.8%	1.9	0.4%	2.2	0.4%
Operating income	$ 12.8	6.8%	$ 2.8	1.7%	$ 23.6	5.0%	$ 27.2	4.8%

Comparison of Three Months ended December 31, 2020 and 2019

HDE net sales increased $20.7 million, or 13 percent, from the third quarter of fiscal 2020 to the third quarter of fiscal 2021, primarily due to higher sales volume to global off-highway customers. Sales to off-highway and commercial vehicle customers increased $16.7 million and $3.8 million, respectively. Geographically, sales increased most significantly in Asia.

HDE cost of sales increased $11.5 million, or 8 percent, from the third quarter of fiscal 2020 to the third quarter of fiscal 2021, primarily due to higher sales volume. As a percentage of sales, cost of sales decreased 380 basis points to 86.0 percent and was favorably impacted by the higher sales volume, cost savings from procurement and other cost-reduction initiatives, and, to a lesser extent, improved operating efficiencies.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $9.2 million and gross margin improved 380 basis points to 14.0 percent.

SG&A expenses increased $0.6 million, yet decreased 60 basis points as a percentage of sales, compared with the third quarter of the prior year. The increase in SG&A expenses was primarily due to environmental charges related to a previously-owned U.S. manufacturing facility, which increased $0.4 million.

Restructuring expenses decreased $1.4 million compared with the third quarter of fiscal 2020, primarily due to lower severance expenses related to targeted headcount reductions.

Operating income of $12.8 million increased $10.0 million during the quarter, primarily due to higher gross profit and lower restructuring expenses.

Comparison of Nine Months ended September 30, 2020 and 2019

HDE year-to-date net sales decreased $93.8 million, or 16 percent, from the same period last year, primarily due to lower sales volume resulting from the impacts of the COVID-19 pandemic, which were most severe in the Americas and Europe during the first half of the fiscal year. Sales to commercial vehicle and automotive and light vehicle customers decreased $57.2 million and $15.2 million, respectively.

HDE year-to-date cost of sales decreased $83.0 million, or 17 percent, primarily due to lower sales volume. As a percentage of sales, cost of sales decreased 20 basis points to 87.2 percent. The significant unfavorable impact of the lower sales volume was more than offset by favorable impacts from improved operating efficiencies and cost savings from procurement and other cost-reduction initiatives.

As a result of the lower sales and lower cost of sales as a percentage of sales, gross profit decreased $10.8 million and gross margin improved 20 basis points to 12.8 percent.

HDE year-to-date SG&A expenses decreased $6.9 million from the prior year. The decrease in SG&A expenses was primarily due to lower compensation-related expenses, which decreased approximately $6.0 million, and cost-reduction initiatives, including lower travel expenses.

Restructuring expenses during the first nine months of fiscal 2021 totaled $1.9 million, a decrease of $0.3 million compared with the same period last year, and primarily consisted of severance expenses resulting from targeted headcount reductions in North America.

Operating income of $23.6 million decreased $3.6 million compared with the same period last year, primarily due to lower gross profit, partially offset by lower SG&A expenses.

Automotive

	Three months ended December 31,				Nine months ended December 31,			
	2020		2019		2020		2019	
(in millions)	$'s	% of sales	$'s	% of sales	$'s	% of sales	$'s	% of sales
Net sales	$ 113.9	100.0%	$ 110.5	100.0%	$ 285.9	100.0%	$ 339.8	100.0%
Cost of sales	95.5	83.9%	98.3	89.0%	246.1	86.1%	302.1	88.9%
Gross profit	18.4	16.1%	12.2	11.0%	39.8	13.9%	37.7	11.1%
Selling, general and administrative expenses	8.5	7.4%	11.2	10.2%	25.5	8.9%	33.6	9.9%
Restructuring expenses	0.4	0.4%	0.2	0.2%	0.6	0.2%	2.9	0.8%
Impairment charges	134.4	118.0%	-	-	134.4	47.0%	-	-
Gain on sale of assets	-	-	(0.8)	-0.8%	-	-	(0.8)	-0.2%
Operating (loss) income	$ (124.9)	-109.7%	$ 1.6	1.4%	$ (120.7)	-42.2%	$ 2.0	0.6%

Comparison of Three Months ended December 31, 2020 and 2019

Automotive net sales increased $3.4 million, or 3 percent, from the third quarter of fiscal 2020 to the third quarter of fiscal 2021, primarily due to a $6.7 million favorable impact of foreign currency exchange rate changes, partially offset by lower sales volume. Compared with the prior year, sales increased $3.8 million and $2.0 million in Europe and Asia, respectively, and decreased $2.4 million in the Americas.

Automotive cost of sales decreased $2.8 million, or 3 percent, from the third quarter of fiscal 2020 to the third quarter of fiscal 2021. As a percentage of sales, cost of sales decreased 510 basis points to 83.9 percent. Compared with the prior year, cost of sales was favorably impacted by lower depreciation expenses, which decreased approximately $3.0 million, cost savings from procurement and other cost-reduction initiatives, and improved operating efficiencies. The lower depreciation expenses resulted from the Company ceasing depreciation of the long-lived assets within the liquid-cooled automotive business when it was classified as held for sale in November 2020. Foreign currency exchange rate changes negatively impacted cost of sales by $5.7 million.

As a result of the higher sales and lower cost of sales as a percentage of sales, gross profit increased $6.2 million and gross margin improved 510 basis points to 16.1 percent.

SG&A expenses decreased $2.7 million compared with the third quarter of the prior year. The decrease in SG&A expenses was primarily due to lower compensation-related expenses, which decreased approximately $2.0 million.

Restructuring expenses during the third quarter of fiscal 2021 totaled $0.4 million and primarily consisted of severance expenses resulting from targeted headcount reductions in Europe.

Impairment charges during the third quarter of fiscal 2021 totaled $134.4 million and primarily related to assets in the liquid-cooled automotive business. Upon classifying this business as held for sale during the third quarter, we identified an implied loss in excess of the carrying value of its long-lived assets. Accordingly, we reduced the liquid-cooled automotive business's long-lived assets, primarily property, plant and equipment, to zero.

During the third quarter of fiscal 2020, we completed the sale of a previously-closed manufacturing facility in Germany and, as a result, recorded a gain of $0.8 million.

The Automotive operating loss of $124.9 million in the third quarter of fiscal 2021, as compared with operating income of $1.6 million in the third quarter of the prior year, was significantly impacted by the large impairment charges associated with the liquid-cooled automotive business and, to a much lesser extent, higher gross profit and lower SG&A expenses.

Comparison of Nine Months ended December 31, 2020 and 2019

Automotive year-to-date net sales decreased $53.9 million, or 16 percent, from the same period last year, primarily due to lower sales volume largely resulting from the impacts of the COVID-19 pandemic, partially offset by a $9.7 million favorable impact of foreign currency exchange rate changes. Sales in Europe and North America decreased $46.8 million and $13.0 million, respectively. Sales in Asia increased $5.9 million.

Automotive year-to-date cost of sales decreased $56.0 million, or 19 percent, from the prior year, primarily due to lower sales volume, partially offset by an $8.2 million unfavorable impact of foreign currency exchange rate changes. As a percentage of sales, cost of sales decreased 280 basis points to 86.1 percent and was favorably impacted by improved operating efficiencies, cost savings from procurement initiatives, and lower depreciation expenses of approximately $4.0 million, partially offset by the unfavorable impact of lower sales volume.

As a result of the lower sales and lower cost of sales as a percentage of sales, gross profit increased $2.1 million and gross margin improved 280 basis points to 13.9 percent.

Automotive year-to-date SG&A expenses decreased $8.1 million compared with the prior year. The decrease in SG&A expenses was primarily due to lower compensation-related expenses, which decreased approximately $8.0 million.

Restructuring expenses during the first nine months of fiscal 2021 totaled $0.6 million, a decrease of $2.3 million compared with the same period in the prior year. The decrease was primarily driven by lower severance expenses in Europe resulting from fewer targeted headcount reductions.

The Automotive operating loss of $120.7 million during the first nine months of fiscal 2021, as compared with operating income of $2.0 million during the same period last year, was significantly impacted by the large impairment charges associated with the liquid-cooled automotive business during the third quarter of fiscal 2021 and, to a much lesser extent, higher gross profit and lower SG&A expenses and restructuring charges.

Liquidity and Capital Resources

Our primary sources of liquidity are cash flow from operating activities, our cash and cash equivalents of $72.9 million as of December 31, 2020, and an available borrowing capacity of $213.6 million under our revolving credit facility. Given our extensive international operations, approximately $59.0 million of our cash and cash equivalents is 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.

In response to the COVID-19 pandemic, we have taken actions to reduce operating and administrative expenses, conserve cash and maximize liquidity. In addition, as described below, we have focused on reducing our capital expenditures and executed amendments to our primary credit agreements to provide financial covenant flexibility during fiscal 2021 and 2022. We believe our sources of liquidity, including cash flow from operations, our cash and cash equivalents, and access to both committed and uncommitted credit facilities, will provide sufficient cash flow to meet our obligations during the next twelve months and beyond. However, we are continuing to monitor the impacts of COVID-19 on our business and the credit and financial markets.

Net Cash Provided by Operating Activities
Net cash provided by operating activities for the nine months ended December 31, 2020 was $146.5 million, which represents a $100.6 million increase compared with the same period in the prior year. This increase in operating cash flow was primarily due to favorable net changes in working capital and lower payments for separation and project costs associated with our review of strategic alternatives for the automotive businesses. The favorable changes in working capital during the first nine months of fiscal 2021, compared with the same period in the prior year, included lower inventory levels and lower payments for incentive compensation, employee benefits, income taxes and payroll taxes. In addition, we have deferred payments of U.S. payroll taxes, as permitted by the Coronavirus Aid, Relief and Economic Security Act. We plan to resume payment of these payroll taxes during the fourth quarter of fiscal 2021.

Capital Expenditures
In response to the economic impacts of the COVID-19 pandemic, we have been focused on reducing our capital expenditures and, where possible, have delayed certain projects and the purchase of certain program-related equipment and tooling in our vehicular businesses. Capital expenditures of $23.7 million during the first nine months of fiscal 2021 decreased $34.5 million compared with the same period in the prior year.

Debt
Our credit agreements require us to maintain compliance with various covenants, including a leverage ratio covenant and an interest expense coverage ratio covenant discussed further below. Also, as specified in the credit agreement, the term loans may require prepayments in the event of certain asset sales. In addition, at the time of each incremental borrowing under the revolving credit facility, we must represent to the lenders that there has been no material adverse effect, as defined in the credit agreement, on our business, property, or results of operations.

In May 2020, we executed amendments to our primary credit agreements in the U.S. to provide additional covenant flexibility in light of the risks and uncertainties associated with the COVID-19 pandemic. Under the amended agreements, the leverage ratio covenant limit has been temporarily raised. 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, in relation to our consolidated net earnings before interest, taxes, depreciation, amortization, and certain other adjustments ("Adjusted EBITDA"). The leverage ratio covenant limit is 5.75 to 1 for the fourth quarter of fiscal 2021. In fiscal 2022, the leverage ratio covenant limit is 4.75 to 1, 3.75 to 1, and 3.50 to 1 for the first, second and third quarters, respectively, and subsequently returns to 3.25 to 1 for the fourth quarter of fiscal 2022. 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 December 31, 2020, we were in compliance with our debt covenants; our leverage ratio and interest coverage ratio were 1.9 and 8.7, respectively. We expect to remain in compliance with our debt covenants during fiscal 2021, fiscal 2022 and beyond.

Share Repurchase Program
On November 5, 2020, we announced our Board of Directors approved a two-year, $50.0 million share repurchase program, which allows us to repurchase shares of our common stock through solicited and unsolicited transactions in the open market or in privately-negotiated or other transactions, at such times and prices and upon such other terms as we deem appropriate. To date, we have not repurchased shares under this program. Our decision whether and to what extent to repurchase shares under this program will depend on a number of factors, including business conditions, other cash priorities, and stock price.

Forward-Looking Statements

This report, including, but not limited to, the discussion under Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, contains statements, including information about future financial performance, accompanied by phrases such as "believes," "estimates," "expects," "plans," "anticipates," "intends," and other similar "forward-looking" statements, as defined in the Private Securities Litigation Reform Act of 1995. Modine's actual results, performance or achievements may differ materially from those expressed or implied in these statements, because of certain risks and uncertainties, including, but not limited to, those described under "Risk Factors" in Item 1A. in Part I. of the Company's Annual Report on Form 10-K for the year ended March 31, 2020. Other risks and uncertainties include, but are not limited to, the following:

Market Risks:

- The impact of the COVID-19 pandemic on the national and global economy, our business, suppliers, customers, and employees;

- 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, in particular, foreign currency exchange rate fluctuations; tariffs (and any potential trade war resulting from tariffs or retaliatory actions); inflation; changes in interest rates; recession and recovery therefrom; restrictions and uncertainty associated with cross-border trade, public health crises, such as pandemics and epidemics, including the ongoing COVID-19 pandemic; and the general uncertainties about the impact of regulatory and/or policy changes, including those related to tax and trade, the COVID-19 pandemic and other matters, that have been or may be implemented in the U.S. or abroad, as well as continuing uncertainty regarding the short- and long-term implications of "Brexit";

- The impact of potential price increases associated with raw materials, including aluminum, copper, steel and stainless steel (nickel), and other purchased components 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, whether through our quotation process or through contract provisions for prospective price adjustments, as well as the inherent lag in timing of such contract provisions; and

- The impact of current and future environmental laws and regulations on our business and the businesses of our customers, including our ability to take advantage of opportunities to supply alternative new technologies to meet environmental and/or energy standards and objectives.

Operational Risks:

- The overall health and continually increasing price-down focus of our vehicular customers in light of economic and market-specific factors, the concentration of sales within our CIS segment attributable to one customer, and the potential impact on us from any deterioration in the stability or performance of any of our major customers;

- The impact of any problems with suppliers meeting our time, quantity, quality and price demands, and the overall health of our suppliers, including their ability and willingness to supply our volume demands if their production capacity becomes constrained;
- Our ability to maintain current customer programs and compete effectively for new business, including our ability to offset or otherwise address increasing pricing pressures from competitors and price reduction and overall service pressures from customers, particularly in the face of macro-economic instability;
- The impact of product or manufacturing difficulties or operating inefficiencies, including any program launch and product transfer challenges and warranty claims and delays or inefficiencies resulting from restrictions imposed in response to the COVID-19 pandemic;
- The impact of any delays or modifications initiated by major customers with respect to 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 reduce our cost structure in response to sales volume declines and to complete restructuring activities and realize the anticipated benefits of those activities;
- Costs and other effects of the investigation and remediation of environmental contamination, particularly 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 and administrative functions, in light of tight global labor markets;
- Our ability to protect our proprietary information and intellectual property from theft or attack by internal or external sources;
- The impact of any substantial disruption or material breach of our information technology systems, and any related delays, problems or costs;
- Increasingly complex and restrictive laws and regulations, including those associated with being a U.S. public company and others present in various jurisdictions in which we operate, and the costs associated with compliance therewith;
- 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.

Strategic Risks:

- Our ability to successfully complete the pending sale of our liquid-cooled automotive business, including the receipt of governmental and third-party approvals and satisfaction of other closing conditions, and our ability to successfully exit our other automotive businesses in a manner that is in the best interest of our shareholders;

- Our ability to successfully realize anticipated benefits from our increased “industrial” market presence, with our CIS and BHVAC businesses, while maintaining appropriate focus on the market opportunities presented by our HDE and Automotive businesses;

- Our ability to identify and execute growth and diversification opportunities in order to position us for long-term success; and

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

Financial Risks:

- Our ability to fund our global liquidity requirements efficiently for Modine’s 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 potential increases in interest rates, particularly in LIBOR and the Euro Interbank Offered Rate (“EURIBOR”) in relation to our variable-rate debt obligations, and of the continued uncertainty around the utilization of LIBOR or alternative reference rates;

- Our ability to comply with the financial covenants, as amended, 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, 2020. The Company's market risks have not materially changed since the fiscal 2020 Form 10-K was filed.

Item 4. Controls and Procedures.

Evaluation Regarding Disclosure Controls and 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 Vice President, Finance and 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 Vice President, Finance and 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 December 31, 2020.

Changes in Internal Control Over Financial Reporting

There have been no changes in internal control over financial reporting during the third quarter of fiscal 2021 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 6. Exhibits.

(a) Exhibits:

Exhibit No.	Description	Incorporated Herein By Reference To	Filed Herewith
*2.1	Securities and Asset Purchase Agreement, dated as of November 2, 2020, by and between the Company and Dana Incorporated	Exhibit 2.1 to Registrant's Current Report on Form 8-K dated November 2, 2020	
10.1	[Corrected] Offer Letter dated as of November 10, 2020, by and between the Company and Mr. Brinker		X
10.2	Form of Make-Whole RSU Award Agreement with Neil Brinker		X
10.3	Form of Make-Whole Performance Cash Award Agreement with Neil Brinker		X
31.1	Rule 13a-14(a)/15d-14(a) Certification of Neil D. Brinker, President and Chief Executive Officer.		X
31.2	Rule 13a-14(a)/15d-14(a) Certification of Michael B. Lucareli, Vice President, Finance and 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, Vice President, Finance and 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
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document		X
101.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

* Schedules and similar attachments have been omitted pursuant to Item 601(b)(2) of Regulation S-K because they are not material and would likely cause competitive harm to the Company if publicly disclosed.

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, Vice President, Finance and
Chief Financial Officer*

Date: February 5, 2021

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

Exhibit 10.1

Modine Manufacturing Company
1500 DeKoven Avenue
Racine, Wisconsin 53403-2552
Tel. 262.636.1200
Fax 262.631.7720

November 10, 2020

Neil Brinker
[address]

Dear Neil:

On behalf of Modine Manufacturing Company ("Modine" or the "Company"), I am pleased to offer you the position of President and Chief Executive Officer ("CEO"), reporting to the Company's Board of Directors (the "Board"), working at the Company's headquarters at 1500 DeKoven Ave., Racine, Wisconsin.

Outlined below are the terms and conditions of your position with Modine. In developing this offer, our goal has been to provide you with an attractive and competitive compensation package as you undertake your new position with Modine on or about December 1, 2020 (the "Employment Start Date"). The agreement will be effective on the date you sign it (the "Effective Date"). When you accept this offer and commence work on the Employment Start Date, the following will apply to you:

1. **Board Appointment.** You will be appointed to the Board upon your Employment Start Date.

2. **Base Salary.** Your starting base salary will be $800,000.00 (or as paid bi-weekly by Modine $30,769.23), less applicable taxes, deductions and withholdings . Your annual base salary will be reviewed annually, and may be changed at the discretion of the Board and the Officer Nomination and Compensation Committee (the "Committee").

3. **Incentive Compensation.** You are eligible to participate in Modine's annual management incentive program. Bonus awards are based on attainment of specified Company operating and financial goals. For fiscal year 2021 (for clarity, the fiscal year ending 3/31/2021), your targeted annual management incentive opportunity is 100% of base annual salary, with upside potential to 200% of this target (effectively 200% of base salary), where your eligibility for such bonus shall be based upon results and performance in FY21, with any payout earned being pro-rated by the number of months you are employed in FY21, rounded to the nearest full month. The terms and conditions of Modine's annual management incentive program are subject to the discretion of the Committee and the Board.

4. **Equity Awards.** Your targeted annual long-term incentive (LTI) opportunity for fiscal year 2021 is 250% of base salary in the form of 40% Restricted Stock Units, 20% Stock Options and 40% Performance Cash. The terms and conditions of these grants will be subject to the Modine Manufacturing Company 2020 Incentive Compensation Plan (the "2020 ICP"), as applicable, and will be similar to the long-term incentive awards granted to other senior executive officers of the Company for FY21. Your FY21 LTI target will be pro-rated based on the number of months you are employed in FY21, rounded to the nearest full month. Commencing with the fiscal year beginning April 1, 2021, you will be eligible for annual equity or long-term incentive awards under the 2020 ICP or any subsequent or similar plan adopted by Modine. The terms and conditions of these grants (including, without limitation, the form of award(s), vesting schedule, performance objectives, restrictive provisions, etc.) will be on terms and conditions similar to the annual long-term incentive awards granted to other senior executive officers of the Company at the time of such grants. Following FY21, the actual grant date value and form of any equity awards during your employment with Modine shall be determined in the discretion of the Committee and the Board. All of such annual grants/vestings shall be subject to any applicable tax withholding or deductions.

5. **Sign-on Payment and other Make-Whole Arrangements.** You will be entitled to receive:

   a. To replace unvested cash incentive compensation that will be forfeited upon your resignation from your prior employer, a Make Whole Cash award of Five Hundred and Seventy Four Thousand Dollars ($574,000) payable on the same date as any FY21 Modine Management Incentive Plan payment (estimated to be June, 2021), but in all cases payable in 2021, subject to normal payroll and income tax withholdings. In the event of your death prior to receiving such payment, payment shall be made to your surviving spouse, or if none, your estate.
   b. To replace unvested equity incentive compensation that will be forfeited upon your resignation from your prior employer, Make Whole Equity awards off-setting unvested/forfeited Restricted Shares and Performance Shares from your current employer equity plans. Details on these Make Whole Restricted Stock Unit and Performance Cash grants are outlined in Exhibit A attached to this agreement.

If within twelve (12) months of your Employment Start Date, you voluntarily terminate your employment with Modine without Good Reason (as defined in paragraph 13 below) and not due to your death or disability, or your employment is terminated by Modine for Cause (as defined in paragraph 13 below), you shall not be entitled to receive any unpaid portion of the Make Whole cash award, shall be required to repay Modine the full amount of any portion of the Make Whole cash award paid to you prior to such termination, and shall be required to repay Modine for any monies paid to you for relocation expenses, as provided under paragraph 10.

6. **Clawbacks.** All bonuses and equity grants are subject to Modine "clawback" policies as in effect from time to time, including any established under the Dodd-Frank Wall Street Reform.

7. **Stock Ownership.** On the fifth anniversary of your Employment Start Date, you will be expected to hold shares of Modine stock with a value equal to five times your base salary. For this purpose, share ownership shall be determined in accordance with Modine's share ownership guidelines, and may be modified by the Committee.

8. **Benefits.** Modine offers an excellent package of employee benefits, which includes, medical, dental, vision, life insurance, and other programs. In addition, you will be eligible to participate in the benefit plans available to Modine's executive officers, including Modine's 401(k) Retirement Savings Plan (please note: As a result of the impact that COVID-19 has had on our company, we have suspended the Modine Safe Harbor matching contributions to the 401(k) retirement savings plan until further notice), and the Modine Deferred Compensation Plan. Please refer to benefit plan documents for eligibility.

You will be expected to travel in connection with your employment. Modine will provide you with a corporate credit card to which these travel charges will be applied and will reimburse you for any additional reasonable business expenses incurred in connection with your employment, upon presentation of appropriate documentation in accordance with Modine's expense reimbursement policies.

9. **Vacation and Holidays.** You are eligible for vacation and holidays in accordance with Modine's policy. You will receive four (4) documented weeks of vacation each fiscal year. Your FY21 vacation eligibility will be pro-rated based on the number of months you are employed in FY21. In addition, Racine-based employees enjoy thirteen (13) paid holidays annually.

10. **Relocation.** This position shall be held in Racine, Wisconsin and it is understood that you will be relocating to the general Racine area at or near the time of your start date although the relocation of other members of your family may not occur for an extended period of time (currently expected to be June, 2021). Modine will provide you with up to Three Hundred Thousand Dollars ($300,000) in relocation expense support, with relocation services coordinated and administered by NEI, our relocation partner, as directed by you. This support will include temporary executive-style accommodation proximate to the Modine office in Racine, travel between Racine and Erie, for you and your family, commissions and other expenses for the disposition of your residence in Erie, CO, packing, shipping, and installing your household effects in your new residence, and miscellaneous fees related to the acquisition of your new residence in the area of Racine. Excluded from the foregoing would be renovations deemed desirable to either residence, purchases of new household effects, and personal expenses incurred in the process of relocating beyond normally reimbursable travel expenses for lodging, meals, and ground transportation.

11. **No Conflict with Prior Agreements.** As a condition of Modine's obligations under this agreement, you must provide a written waiver of the terms of any applicable restrictive covenants with your former employer or any entity affiliated with your former employer that may be triggered by your employment by Modine. The parties acknowledge that such waiver, in a form agreeable to Modine, has been received. By signing this agreement, you represent that your employment with Modine shall not breach any agreement you have with any third party.

12. **Obligations.** During your employment, you shall devote your full business efforts and time to Modine. This obligation, however, shall not preclude you from engaging in appropriate civic, charitable or religious activities or, with the consent of the Board, from serving on the boards of directors of companies that are not competitors to Modine, as long as the activities do not materially interfere or conflict with your responsibilities to or your ability to perform your duties of employment at Modine. Any outside activities must be in compliance with and approved if required by Modine 's Code of Conduct or Corporate Governance Guidelines.

13. **Employment At-Will.** Please understand that this letter does not constitute a contract of employment for any specific period of time, but will create an employment at-will relationship that may be terminated at any time by you or Modine, with or without cause and with or without advance notice. The at-will nature of the employment relationship may not be modified or amended except by written agreement signed by Modine’s Lead Independent Director (or Chairperson, as the case may be) and you. Notwithstanding the foregoing, if your employment is terminated by Modine without Cause or you resign for Good Reason, Modine will pay you a severance benefit equal to two times the sum of your base salary in effect at the time of the termination, payable in normal payroll period installments over a two year period following your termination of employment, starting on the 60th day following such termination and ending on the two-year anniversary of the first payment, subject to any delays required pursuant to paragraph 20 below. For this purpose, "Cause" means (i) your willful and continued failure to substantially perform your duties with the Company (other than any such failure resulting from physical or mental incapacity) after written demand for performance is given to you by the Company which specifically identifies the manner in which the Company believes you have not substantially performed and a reasonable time to cure has transpired, (ii) your conviction of a crime, the circumstances of which substantially relate to your job duties, (iii) your material breach of this agreement; or (iv) your commission of an act of dishonesty or of any willful act of misconduct which results in or could reasonably be expected to result in significant injury (monetarily or otherwise) to the Company, as determined in good faith by the Committee. "Good Reason" shall be deemed to exist only if the Company shall fail to correct within 60 days after receipt of written notice from you specifying in reasonable detail the reasons you believe one of the following events or conditions has occurred (provided such notice is delivered by you no later than 30 days after the initial existence of the occurrence): (1) a material diminution of your then current aggregate base salary and target annual incentive amount (other than pro rata reductions that also affect substantially all other similarly situated employees) without your prior written agreement; (2) the material diminution of your authority, duties or responsibilities as President and CEO of the Company without your prior written agreement; or (3) the relocation of your position with the Company to a location that is greater than 50 miles from Racine, Wisconsin and that is also further from your principal place of residence, without your prior written agreement, provided that in all events the termination of your service with the Company shall not be treated as a termination for "Good Reason" unless such termination occurs not more than six (6) months following the initial existence of the occurrence of the event or condition claimed to constitute "Good Reason." In addition, Modine will provide you with a separate change in control agreement promptly following the Employment Start Date providing that in the event of a qualifying termination within twenty-four (24) months following a change in control of Modine, you will receive two and one-half times your annual base salary and two and one-half times your annual incentive target bonus. The terms of that benefit shall be subject to the terms and conditions of the Change in Control Agreement as approved by the Board and the Committee and any severance benefits provided upon such a qualifying termination under the Change in Control Agreement shall be in lieu of the severance benefits under this paragraph 13 . All severance benefits are conditioned on your signing a full release of any and all claims against Modine in a release form acceptable to Modine after the termination of your employment and your not revoking such release pursuant to any revocation rights afforded by applicable law (all within 60 days after your termination of employment or such shorter period as may be specified by the Company). Upon termination of your employment, you hereby resign as of the date of such termination as a director and officer of Modine and its affiliates and subsidiaries and as a fiduciary of any of its or their benefit plans, and you agree to promptly execute and deliver upon such termination any document reasonably required by Modine to evidence the foregoing.

14. **Code of Conduct and Modine Policies.** Modine is committed to creating a positive work environment and conducting business ethically. As an employee of Modine, you will be expected to abide by the Company's policies and procedures including Modine's Code of Conduct and Modine's Corporate Governance Guidelines. Modine requests that you review, sign and bring with you on your Employment Start Date, the enclosed Code of Conduct Acknowledgment Form.

15. **Confidentiality.** During your employment with the Company, the Company will provide you with Confidential Information relating to the Company, its business and clients, the disclosure or misuse of which would cause severe and irreparable harm to the Company. You agree that all Confidential Information is and shall remain the sole and absolute property of the Company. Upon the termination of your employment with the Company for any reason, you agree to immediately return to the Company all documents and materials that contain or constitute Confidential Information, in any form whatsoever, including but not limited to, all copies, abstracts, electronic versions, and summaries thereof. You further agree that, without the written consent of the Board of Directors, you will not disclose, use, copy or duplicate, or otherwise permit the use, disclosure, copying or duplication of any Confidential Information of the Company, other than in connection with the authorized activities conducted in the course of your employment with the Company. You agree to take all reasonable steps and precautions to prevent any unauthorized disclosure, use, copying or duplication of Confidential Information. For purposes of this Agreement, Confidential Information means any and all financial, technical, commercial or other information concerning the business and affairs of the Company that is confidential and proprietary to the Company.

16. **Noncompetition; Nonsolicitation.**

    a. **During Employment.** You agree that during the time of your employment with Company, you will not, directly or indirectly, perform duties as or for a Competitor, or participate in the inducement of or otherwise encourage Company clients, or vendors to currently and/or prospectively breach, modify, or terminate any agreement or relationship they have or had with Company.

    b. **Post-Employment Non-Competition**. For a period of 24 months following the termination of your employment with Company, you will not, directly or indirectly, perform duties as or for a Competitor that are the same as or similar to the duties performed by you for the Company at any time during any part of the 24 month period preceding the termination of your employment with Company anywhere in the Territory. The term "Competitor" shall mean any corporation, person, firm or organization (or division or part thereof) engaged in or about to become engaged in research and development work on, or the production and/or sale of, any product or service which is directly competitive with any product or service of the Company about which you acquired Confidential Information by reason of your work with the Company. The term "Territory" shall mean the geographic territory in which the Company conducted business during any part of the 24 month period preceding the termination of your employment with the Company.

c. **Post-Employment Non-Solicitation of Clients.** For a period of 24 months following the termination of your employment with Company, you will not, directly or indirectly, market, sell or provide, or attempt to market, sell or provide, to any Restricted Client any products or services of the type marketed, sold or provided by you (or your direct reports) on behalf of the Company at any time during any part of the 24 month period preceding the termination of your employment with Company. The term "Restricted Client" means any individual or entity (i) for whom/which the Company sold or provided products or services; and (ii) with whom/which you, or a Company employee or agent acting under your direct supervision, had contact on behalf of the Company, or about whom/which you acquired non-public or proprietary information as a result of your employment by the Company, in the case of both (i) and (ii), above, during any part of the 24 month period preceding the termination of your employment with Company.

d. **Post-Employment Non-Solicitation of Restricted Persons.** For a period of 24 months following the termination of your employment with Company, you will not, directly or indirectly, solicit any Restricted Person to provide services to or on behalf of a person or entity in a manner reasonably likely to pose a competitive threat to the Company. The term "Restricted Person" means an employee of the Company at the time of the solicitation who is (i) a top-level employee of the Company, has special skills or knowledge important to the Company, or has skills that are difficult for the Company to replace; and (ii) is an employee with whom Employee had a working relationship or about whom Employee acquired or possessed specialized knowledge in connection with Employee's employment with the Company, during the 24 month period preceding the termination of your employment with the Company.

17. **Non-Disparagement.** You agree, other than with regard to employees in the good faith performance of your duties with the Company while employed by the Company, both during and for five (5) years after your employment with the Company terminates, not to knowingly disparage the Company or its officers, directors, employees or agents in any manner likely to be harmful to it or them or its or their business, business reputation or personal reputation. This paragraph shall not be violated by statements by you which are truthful, complete and made in good faith in response to legal process or governmental inquiry or as allowed by applicable law. You also agree that any breach of this non-disparagement provision by you shall be deemed a material breach of this agreement.

18. **Entire Agreement.** This agreement and the referenced documents and agreements constitute the entire agreement between you and Modine with respect to the subject matter hereof and supersede any and all prior or contemporaneous oral or written representations, understandings, agreements or communications between you and Modine concerning those subject matters.

19. **Eligibility to Work in the United States.** In order for Modine to comply with United States law, we ask that on your Employment Start Date you bring to Modine appropriate documentation to verify your authorization to work in the United States. Modine may not employ anyone who cannot provide documentation showing that they are legally authorized to work in the United States.

20. **IRC 409A.** This agreement is intended to comply with or be exempt from the provisions of Section 409A of the Internal Revenue Code (the "Code") and shall be interpreted and administered accordingly. If any provision or term of this Agreement would be prohibited by or inconsistent with the requirements of Section 409A of the Code, then such provision or term shall be deemed to be reformed to comply with Section 409A of the Code. Each severance payment shall be treated as a separate and distinct "payment" for purposes of Code Section 409A. Accordingly, any such payments that would otherwise be payable (i) within 2-½ months after the end of Modine's taxable year in which the right to payment is no longer subject to a substantial risk of forfeiture, or (ii) within 2-½ months after your taxable year in which the right to payment is no longer subject to a substantial risk of forfeiture, whichever occurs later (the "Short Term Deferral Period"), are exempt from Code Section 409A. Furthermore, any such payments paid after the Short-Term Deferral Period which meet the conditions for the severance pay exception under Section 409A shall also be exempt from Section 409A. A termination of employment shall not be deemed to have occurred for purposes of any provision of this letter agreement providing for the payment of any amounts or benefits upon or following a termination of employment that are considered "nonqualified deferred compensation" under Section 409A of the Code unless such termination is also a "separation from service" within the meaning of Section 409A of the Code and, for purposes of any such provision of this letter agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." If you are deemed on the date of termination to be a "specified employee" within the meaning of that term under Section 409A(a)(2)(B) of the Code, then with regard to any payment that is considered non-qualified deferred compensation under Section 409A of the Code payable on account of a "separation from service," such payment or benefit shall be made or provided at the date which is the earlier of (A) the date that is immediately following the expiration of the six (6)-month period measured from the date of such "separation from service" of you, and (B) the date of your death (the "Delay Period"). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this paragraph (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to you in a lump sum, and any remaining payments and benefits due under this letter agreement shall be paid or provided in accordance with the normal payment dates specified for them herein. Further, any reimbursements to be provided by the Company pursuant to this agreement shall be paid to you pursuant to the applicable Company reimbursement policy, but in no event later than the calendar year following the calendar year in which you incur the expense.

21. **Background Check.** You represent that all information provided by you to Modine or its agents with regard to your background is true and correct.

22. **Pre-Employment Drug Screen**. Please be aware that this offer is contingent upon your ability to successfully complete a pre-employment drug screen. The drug screen will be scheduled following your acceptance of our offer.

23. **Choice of Law, Jurisdiction, Venue.** This letter and all disputes arising hereunder or relating hereto shall be governed by the internal laws of the state of Wisconsin, without regard to its conflict of laws principles. EACH OF THE PARTIES HERETO (A) SUBMITS TO THE JURISDICTION OF THE STATE COURTS LOCATED IN THE COUNTY OF RACINE, WISCONSIN, U.S.A., OR THE U.S. FEDERAL DISTRICT COURT FOR THE EASTERN DISTRICT OF WISCONSIN WITH RESPECT TO ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS LETTER; (B) AGREES THAT ANY CLAIMS WITH RESPECT TO SUCH ACTION OR PROCEEDING SHALL BE HEARD OR DETERMINED ONLY IN SUCH COURT; (C) AGREES NOT TO BRING ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS LETTER IN ANY OTHER COURT UNLESS OR UNTIL SUCH COURT HAS FINALLY REFUSED TO EXERCISE JURISDICTION; AND (D) WAIVES ANY DEFENSE OF INCONVENIENT FORUM TO THE MAINTENANCE OF ANY ACTION OR PROCEEDING SO BROUGHT.

24. **Notices.** All notices and other communications under this letter shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

    If to Brinker:

    Neil Brinker
    [address]

    If to Modine:

    Modine Manufacturing Company
    1500 DeKoven Avenue
    Racine, WI 53403
    Attn: Sylvia Stein – General Counsel

25. **Consistency with Applicable Law.** You acknowledge and agree that nothing in this agreement prohibits you from reporting possible violations of law to any governmental agency, regulatory body or entity, from making other disclosures that are protected under any law or regulation, or from filing a charge with or participating in any investigation or proceeding conducted by a governmental agency or regulatory body. You do not need the prior authorization of the Company's legal department to make any such reports or disclosures and you are not required to notify the Company that you have made such reports or disclosures; however, the Company encourages you to do so.

26. **Severability**. The obligations imposed by, and the provisions of, this agreement are severable and should be construed independently of each other. If any court of competent jurisdiction determines that any provision of this agreement is invalid or unenforceable, then such invalidity or unenforceability shall have no effect on the other provisions hereof, which shall remain valid, binding and enforceable and in full force and effect, and such invalid or unenforceable provision shall not affect the validity of any other provision.

We look forward to your joining Modine. Please indicate your acceptance of this offer by signing where indicated below and returning an executed copy of this offer to me at your earliest convenience.

Sincerely,

/s/Marsha Williams

Modine Manufacturing Company
Marsha Williams - Chairperson

I accept this offer of employment with Modine Manufacturing Company and agree to the terms and conditions outlined in this letter.

/s/Neil Brinker	20 November 2020
Neil Brinker	Date

Enclosures
Cc: HR file

Exhibit A – Make Whole Equity Awards

Outlined below are details related to the Make Whole equity awards Modine agrees to provide upon the commencement of employment.

Valuation of Unvested/Forfeited Equity: To determine the value of unvested/forfeited equity, Modine will use the average closing share price of the prior employer for the 20 trading days preceding the Effective Date. The value of the unvested/forfeited prior employer equity will then be translated into like kind an equivalent value of Modine restricted stock units (RSUs) or Performance Cash with the number of RSUs determined by the average closing Modine share price for the 20 trading days preceding the Effective Date and, for Performance Cash, the dollar value equivalent.

Make Whole RSU Grants: Upon the Employment Start Date, Modine will make four (4) equity awards, granting Modine RSUs in equivalent value and vesting schedules to the prior employer's unvested and forfeited 2018, 2019, and 2020 RSU grants.

- A Modine RSU grant with equivalent value to replace the prior employer's unvested RSUs granted on 6/18/18, that will vest fully on 6/18/21.
- A Modine RSU grant with equivalent value to replace the prior employer's unvested RSUs granted on 2/22/19, with 50% vesting on 2/22/21 and 50% vesting on 2/22/22.
- A Modine RSU grant with equivalent value to replace the prior employer's unvested RSUs granted on 3/3/20, with 33% vesting on 3/3/21, 33% vesting on 3/3/22, and 33% vesting on 3/3/23.
- A Modine RSU grant with equivalent value to replace the prior employer's unvested RSUs granted on 5/20/2020, with 33% vesting on 5/20/2021, 33% vesting on 5/20/2022, and 33% vesting on 5/20/2023.

Vesting shall be contingent on your continued employment with Modine and all other terms and conditions of the Make Whole RSU Grants shall follow the standard Modine RSU form of award agreement used for RSU grants under the 2020 ICP, with the only differences being the vesting dates.

Make Whole Performance Cash Grants: Upon the Employment Start Date, Modine will make a Performance Cash award in equivalent target value to the forfeited target value of the 2020 performance share unit grants granted to you by your prior employer. This Performance Cash Award will be subject to the current (FY21-23) Modine Performance Cash award terms and provisions approved by the Committee, including performance period, financial metrics and a maximum 200% of target performance opportunity.

Exhibit 10.2

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

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

Full name of Grantee: Neil D. Brinker

Date of Award: December 1, 2020

Total number of
Restricted Stock Units:

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

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

Number of RSUs that Vest	Restricted Period Expiration

Except as otherwise provided in Section 8.02(f) or Section 12.02 of the Plan, in the event of your termination of employment with the Company or a Subsidiary for any reason (other than due to Disability (as defined below), death, or (with Committee approval) your retirement) prior to the expiration of the Restricted Period for any RSUs, you shall forfeit to the Company all RSUs for which the Restricted Period has not expired and the right to receive any Common Stock with respect to such RSUs. If you separate from service with the Company or a Subsidiary due to Disability, death, or (with Committee approval) your retirement prior to the end of the Restricted Period for any RSUs, your Restricted Stock Unit Award shall vest in full. For purposes of this Award Agreement, "Disability" shall mean "permanent and total disability" as defined in Section 22 (e)(3) of the Code.

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

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

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

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

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

8. Change in Control. The vesting of the Award in the event of a Change in Control is governed by Section 12.02 of the Plan. Involuntary termination of your employment by the Company would be termination of your employment by the Company without Cause or termination by you of your employment for Good Reason. "Good Reason" means a material diminution in your base salary; material diminution in your annual target bonus opportunity; material diminution in your authority, duties or responsibilities; material diminution in authority, duties or responsibilities of the supervisor to whom you report; material diminution in the budget over which you retain authority; or material change in the geographic location at which you must perform services.

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

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

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

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

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

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

IN WITNESS WHEREOF, the Company has caused this Award Agreement to be executed as of December 1, 2020.

MODINE MANUFACTURING COMPANY

By: /s/ Michael B. Lucareli
Michael B. Lucareli
Interim President and Chief Executive Officer

The undersigned hereby accepts the foregoing Restricted Stock Unit Award and agrees to the terms and conditions of this Award Agreement and of the Plan.

/s/ Neil D. Brinker
Neil D. Brinker

MODINE MANUFACTURING COMPANY
PERFORMANCE CASH AWARD
AWARD AGREEMENT

We are pleased to inform you that you have been granted an opportunity to earn a Performance Cash Award of Modine Manufacturing Company (the "Company"), subject to the terms and conditions of this Award Agreement. This Award Agreement is not subject to the Modine Manufacturing Company 2020 Incentive Compensation Plan (the "Plan"), but all terms used in this Award Agreement and not otherwise defined herein shall have the same meanings as set forth in the Plan.

Full name of Grantee:	Neil D. Brinker
Date of Award:	December 1, 2020
Target amount of Performance Cash:	
Performance Period:	April 1, 2020 to March 31, 2023

1. Performance Cash Award. You are hereby granted a Performance Cash Award, subject to the terms and conditions of this Award Agreement. "Performance Cash" means a cash award that is conditioned upon the satisfaction of one or more pre-established Performance Goals. The amount of Performance Cash that will be earned hereunder if the Target Performance Goals are achieved is set forth above.

2. Terms of Performance Cash Award and Performance Goals. You have been granted an opportunity to earn a cash payment under this Performance Cash Award. The actual amount of Performance Cash that would be earned by you will be determined as described below, based upon the actual results for the Performance Period set forth above compared to the Performance Goals set forth below, provided that you remain an employee of the Company or a Subsidiary for the entire Performance Period (subject to the provisions below regarding death, Disability or retirement) and the achievement of the Performance Goals is greater than the Threshold amount specified below (the "Conditions"). If either of these Conditions is not satisfied, then except as otherwise provided in this Award Agreement, no Performance Cash shall be earned. The Performance Goals for this Performance Cash Award are: Cash Flow Return on Invested Capital ("CFROIC") and Average Annual Revenue Growth ("Revenue Growth"), with each having a 50% weight. The Threshold Performance Goals are the minimum Performance Goals necessary for the Performance Period that must be achieved by the Company in order for you to qualify for any Performance Cash and the Maximum Performance Goals are the minimum Performance Goals for the Performance Period in order for you to qualify for the maximum amount of Performance Cash earned under this Performance Cash Award.

Performance Goal: CFROIC	Performance Cash Award Earned Based on Achievement of Performance Goal
Threshold: 7.0%	5% of Target amount of Performance Cash
Target: 10.5%	50% of Target amount of Performance Cash
Maximum: ≥14.0%	100% of Target amount of Performance Cash

Performance Goal: Average Annual Revenue Growth	Performance Cash Award Earned Based on Achievement of Performance Goal
Threshold: 3.0%	5% of Target amount of Performance Cash
Target: 8.0%	50% of Target amount of Performance Cash
Maximum: ≥13.0%	100% of Target amount of Performance Cash

"CFROIC" or "Cash Flow Return on Invested Capital" means Cash Flow Conversion divided by Average Capital Employed. Cash Flow Conversion equals Adjusted Free Cash Flow, which equals "net cash provided by operating activities", less "expenditures for property, plant and equipment" (both as reported externally in the Company's consolidated statement of cash flows), plus or minus Permitted Adjustments (defined below) plus Cash Interest, which is cash interest expense paid on outstanding debt. Average Capital Employed for each fiscal year equals total debt plus shareholders' equity averaged over five points (i.e., the last day of each fiscal quarter and prior fiscal year-end); and where shareholder's equity excludes shareholder equity attributable to minority shareholders. Permitted Adjustments include:

Restructuring Charges

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

Acquisition and Divestiture Charges

- Fees and expenses for transaction advisors
- Integration expenses
- Other incremental costs and charges that are non-recurring and directly related to the transaction

Other

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

Adoption of New Accounting Standards

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

Divestitures

- The impact of significant divestitures, such that annual metrics will be calculated on a "continuing operations" basis for the periods following divestiture.

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

"Average Annual Revenue Growth" means the simple three-year arithmetic average of the Company's annual change in revenue over the Performance Period, as reported externally in the Company's audited financial statements.

If actual CFROIC or Revenue Growth for the Performance Period is between Threshold and Target and/or between Target and Maximum, the amount of Performance Cash earned shall be determined on a linear basis. In the event that the Company's actual CFROIC or Revenue Growth does not meet the Threshold for the Performance Period, no Performance Cash shall be earned relative to such metric under this Performance Cash Award. In the event that the Company's actual CFROIC or Revenue Growth exceeds the Maximum for the Performance Period, only the Maximum percentage of the Target amount of Performance Cash set forth above shall be earned relative to such metric.

3. Payment of Performance Cash. Performance Cash earned shall be paid after the end of the Performance Period as soon as administratively practicable after the Committee has approved and certified the amount of Performance Cash that has been earned hereunder or, in the event of payment covered under Paragraph 4 below, within thirty (30) days of the date of your termination of employment.

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

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

6. Retirement. Notwithstanding anything in this Agreement to the contrary, upon your retirement (with Committee approval), the Committee may, in its sole discretion, vest some or all of the Performance Cash granted to you hereunder and payment shall be made on such terms and conditions as the Committee may deem appropriate; provided, however, such payment shall be made in a manner that is exempt from or complies with Section 409A of the Code.

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

8. Transfer. This Performance Cash Award shall be nontransferable. Notwithstanding the foregoing, you shall have the right to transfer this Performance Cash Award upon your death, either by the terms of your will or under the laws of descent and distribution.

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

10. Controlling Provisions. In the event of a conflict between the terms of this Award Agreement and any employment agreement or change in control agreement between you and the Company, this Award Agreement shall control.

11. Forfeiture Under Recoupment Policy. The Company shall have the power and the right to require you to forfeit and return the Performance Cash paid hereunder consistent with any recoupment policy maintained by the Company under applicable law, as such policy is amended from time to time.

12. Amendment. The Committee may from time to time amend, modify, suspend or terminate this Award Agreement; provided, however, that no such action shall adversely affect the Grantee without the Grantee's consent.

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

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

15. Taxes. The Company may require payment of or withhold any tax which it believes is required as a result of this Performance Cash Award, and the Company may defer making payment with respect to Performance Cash earned hereunder until arrangements satisfactory to the Company have been made with respect to such tax withholding obligations.

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

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

By your signature and the signature of the Company's representative below, you and the Company agree that this Performance Cash Award awarded to you under this Award Agreement is subject to the terms and conditions hereof. You hereby agree to accept as binding any decision of the Committee with respect to the interpretation of this Award Agreement, or any other matters associated therewith.

IN WITNESS WHEREOF, the Company has caused this Award Agreement to be executed as of December 1, 2020.

MODINE MANUFACTURING COMPANY

By: /s/ Michael B. Lucareli
Michael B. Lucareli
Interim President and Chief Executive Officer

The undersigned hereby accepts the foregoing Performance Cash Award and agrees to the terms and conditions of this Award Agreement and of the Plan.

/s/ Neil D. Brinker
Neil D. Brinker

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 December 31, 2020;

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: February 5, 2021

/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 December 31, 2020;

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: February 5, 2021

/s/ Michael B. Lucareli

Michael B. Lucareli
Vice President, Finance and 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 December 31, 2020 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: February 5, 2021

/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 December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael B. Lucareli, Vice President, Finance and 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: February 5, 2021

/s/ Michael B. Lucareli
Michael B. Lucareli
Vice President, Finance and 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.