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EDITED TRANSCRIPT

MOD - Modine Manufacturing Co Conference Call regarding Luvata Heat Transfer Solutions Acquisition

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CORPORATE PARTICIPANTS

Kathy Powers *Modine Manufacturing Company - VP, Treasurer and IR*

Tom Burke *Modine Manufacturing Company - President & CEO*

Mick Lucareli *Modine Manufacturing Company - VP, Finance & CFO*

CONFERENCE CALL PARTICIPANTS

Mike Shlisky *Seaport Global Securities - Analyst*

Adam Schmitz *Robert W. Baird & Company - Analyst*

Brian Sponheimer *Gabelli & Company - Analyst*

PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to the Modine conference call.

(Operator Instructions)

As a reminder this call may be recorded. I would now like to introduce your host for today's conference, Ms. Kathy Powers, Vice President, Treasurer, and Investor Relations. Please go ahead, ma'am.

Kathy Powers - *Modine Manufacturing Company - VP, Treasurer and IR*

Thank you. Thank you for joining us today to discuss Modine's acquisition of Luvata Heat Transfer Solutions. With me today are Modine's President and CEO, Tom Burke, and Mick Lucareli, our Vice President, Finance, Chief Financial Officer. We will be using slides for today's presentation. Those links are available through both the webcast link, as well as the PDF files posted on the Investor Relations section of our company website, Modine.com. Also, should you need to exit the call prior to its conclusion, a replay will be available through our website beginning approximately two hours after the call concludes.

Before beginning today's call, I want to remind you that this call may contain forward-looking statements as outlined in our press release, as well as in our Company's filings with the Securities and Exchange Commission. With that, it is my pleasure to turn the call over to Tom Burke.

Tom Burke - *Modine Manufacturing Company - President & CEO*

Thank you, Kathy. And thank you to all for joining us today. We are very excited to announce that Modine has entered into an agreement to acquire Luvata HTS, a leading manufacturer of commercial and industrial coils, coolers and related products, primarily for the heating, ventilation and air-conditioning and refrigeration markets, or HVAC&R.

This acquisition brings together all of the key attributes of our Strengthen, Diversify and Grow strategy which we unveiled to you last fall. With this transaction, we have now put in place all the necessary pieces for us to successfully execute and complete the transformation strategy we have underway at Modine. Subject to customary closing conditions, including the receipt of regulatory approvals, we expect the Luvata HTS acquisition and related financing to close by the end of this calendar year.

On today's call, I will provide a high-level overview of Luvata HTS' business, as well as the strategic rationale for this transaction. Then Mick will address the transaction highlights, the expected sources of financing, as well as the anticipated financial impact of the Luvata HTS acquisition on Modine. We'll then open up the lines for your questions.

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While we're very excited to share this news with you, please note that there still may be two or three months before the transaction closes. Mick and I will answer basic questions about Luvata and the transaction, but we will not be providing detailed financing information or projections until after the deal closes.

Please turn to page 3. First, let me give you a brief overview of Luvata HTS. Luvata HTS is the world's largest independent supplier of coils and coatings to the HVAC&R industry, with a product offering that covers a broad range of heat exchanger coils and commercial refrigeration industrial coolers, complemented by anti-corrosion coating solutions and recognized name brands, including Heatcraft, ECO, CoilTech and ElectroFin.

In addition, Luvata HTS is a significant player in the power generation and transformer cooler markets, due to strong relationships with European OEMs. They have a long history as an industry pioneer, with a proven strong track record of innovation that will complement Modine's own dedication to thermal technology advancement.

Luvata HTS has a global manufacturing footprint, with production facilities spread over three continents, North America, Europe and Asia. Luvata HTS holds leading market share positions in North America and Europe and has an attractive niche position in China that complements our own. Luvata HTS' global footprint is also supported by best-in-class sales and engineering teams. We invite you to learn more about Luvata HTS by visiting the Heat Transfer Solutions portion of Luvata's website, at www.luvata.com.

Please turn to page 4. Let me spend a few minutes reviewing the strategic rationale for this transaction. When we unveiled our Strengthen, Diversify and Grow transformational strategy just under a year ago, the most important aspect of the strategy was the one we had the least control over, the timing and nature of our ability to find an acquisition, or set of acquisitions, that would enable us to transform Modine into a more diversified thermal management global leader, raise Modine's long-term sustainable growth potential, and do so on the right terms for Modine and our shareholders.

With the acquisition of Luvata HTS, we are not only able to achieve a number of goals we set out ahead of our original schedule, but to do so in one transaction, which is significantly more efficient from a time and cost perspective relative to other alternatives.

We have already Strengthened our organization significantly over the past year through the execution of our global procurement strategy; reduction of SG&A costs throughout the organization; and the optimization of our global manufacturing capabilities. We have kept your apprised of our progress, and this continues to be an area of significant focus at Modine.

With the addition of Luvata HTS to the Modine family, we will fundamentally alter the overall profile of Modine. After the acquisition is completed, approximately 40% of Modine's revenue will be from sales to industrial end markets. In our definition of industrials, we are including our building HVAC business, as well as the sale of coils to HVAC&R and other industrial customers. This is directly in line with the goals laid out in conjunction with our SDG framework.

Luvata HTS will diversify our customer base, which is currently relatively concentrated in the vehicular segment, and we'll also reduce our exposure to cyclical markets. For example, in FY16, sales to our top 10 customers accounted for 63% of our revenues. This would have fallen to 47%, if the businesses had been combined.

We will also increase the share of higher margin business within Modine, as Luvata HTS' EBITDA margins average several hundred basis points above Modine's overall average over the past several years. This transaction will enable us to raise the long-term growth potential of Modine, which was another component of our Strengthen, Diversify and Grow strategy.

Please turn to page 5. Luvata HTS' product portfolio strategically fits between our vehicular and our HVAC&R businesses, with the three business lines leveraging similar technology and innovation capabilities, providing for natural synergies and avenues for growth. Our Coils products share many technology features with the heat exchangers we produce for our Vehicular customers. Luvata HTS' coils portfolio will give us the natural ability to leverage our development process across separate businesses, providing great growth opportunities. The expanded product portfolio of the combined Modine in coolers, coils and coatings will provide greater vertical integration advantage to our HVAC products and sales channels.

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Now turn to page 6. While Modine is currently a solid player in the coils business in North America, this acquisition will elevate us to a global leading position. In 2015, Luvata HTS had sales of $530 million and EBITDA of $59 million, which was 11.2% margin. Modine and Luvata HTS have complementary product portfolios and geographic footprints. In addition, Luvata HTS has a broad customer base, with strong relationships, many of which rely on Luvata HTS for mission critical solutions. Luvata HTS is well-positioned for future growth and we are excited that Luvata HTS' management team will be joining Modine to drive our success as a world leader in these markets.

Although we have already identified a number of important revenue synergies for our combined businesses going forward, we expect there will be more in the future, given the complementary product lines and expanded sales and distribution platform we'll possess.

Luvata HTS has generated consistently high EBITDA margins, between 11% and 12% average over the last five years, as well as high return on capital and cash conversion levels. Luvata HTS has made recent investments in expanding its low-cost manufacturing footprint, and we believe Modine will be in position to take advantage and build upon this going forward. Taken all together, we expect this deal will deliver immediate earnings accretion for our shareholders.

Please turn to page 7. In further support of Modine's Strengthen, Diversify and Grow initiatives, Luvata HTS participates in markets in which we expect to continue to experience solid end market growth of about 3%, supported by important trends in the underlying market segments. Many of these trends are the exact same ones that have supported and continue to drive Modine's vehicular product portfolio, as well.

First, the growing demand for air conditioning in commercial and residential markets globally is being driven by urbanization and construction growth. Next, growth in refrigeration markets is being driven by increased demand for chilled and frozen food consumption. The precision cooling market is being driven by global growth in data storage, where Luvata HTS has significant exposure with important players in the market. And finally, in the industrial market, new global regulations are driving increased demand for energy efficiency, which favors our products. I will now turn it over to Mick, who will provide some financial overview of the transaction. Mick?

Mick Lucareli - *Modine Manufacturing Company - VP, Finance & CFO*

Thank you, Tom, and good morning to everybody on the call. Turn to slide 8. The total purchase price for Luvata HTS will be approximately $422 million, which equates to roughly 7 times EBITDA on a trailing 12-month basis. We will finance the transaction using cash, debt, and approximately $25 million of Modine common stock. Following the completion of the acquisition, we anticipate that our net leverage ratio will increase to approximately 2.8 on a pro forma basis. As we have talked about in the past, our net leverage ratio goal is 1.5x to 2.5x over the long term, and we fully expect to bring our leverage back into our long-term target within two years or less.

As Tom mentioned, Luvata HTS generated 2015 sales of approximately $530 million and adjusted EBITDA of approximately $59 million. We will provide updated guidance for FY17 after the transaction closes, but using those numbers and our historical results, we would have had approximately $1.9 billion in sales and $175 million of adjusted EBITDA in FY16.

We expect this transaction will be accretive immediately, with targeted annual cost savings of approximately $15 million anticipated over a three- to four-year timeframe. These will come from savings in procurement, SG&A, operations, and a focus on continuous improvement using our Modine operating system methodology.

We expect to achieve important revenue synergies in the future, as well. These will come from two primary areas, first, increased sales of aluminum products, including tube and fin, along with multiple micro channel designs; and second, leveraging Modine's existing global manufacturing footprint in markets in which Luvata HTS does not have a presence, including Brazil. We will continue to refine our targets and we expect that these opportunities will expand once we complete the acquisition and our teams are able to work side-by-side to develop and execute these plans.

As I said, we expect to finance this transaction with a combination of cash, debt, and a small component of equity. More specifically, we expect to use existing cash in the revolver, plus a new $275 million five-year term loan A facility and a $50 million privately placed senior secured note, along with the $25 million of Modine common stock.

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The closing conditions on the transaction are fairly customary and include a limited number of antitrust approvals in the US and Europe. We expect this deal will close by the end of the calendar year. Now I'll turn the call back to you, Tom.

Tom Burke - *Modine Manufacturing Company - President & CEO*

Thank you, Mick. Please turn to page 9. Before we open the line to your questions, I would like to summarize the key points of our announcement today. Put simply, this is the right transaction at the right time for Modine. With the acquisition of Luvata HTS, we are taking a major step in the implementation of our Strengthen, Diversify and Grow strategy we announced last October.

We are transforming Modine into a more diversified thermal management global leader, with a stronger margin and growth profile based upon an industrials business that will now comprise approximately 40% of Modine's revenue base. Luvata HTS will provide Modine with the global leadership position in coils and coatings markets, with exciting opportunities in coolers, as well as the cost and revenue synergies that will only add to the accretive nature of this deal. It's also worth pointing out again that this transaction will serve to diversify our customer base and reduce our exposure to highly cyclical end markets.

Modine and Luvata HTS' business are influenced by the same macroeconomic drivers and our product portfolios, geographic footprints, and histories of technological innovation are highly complementary. Put simply, this transaction makes us a stronger company in all aspects of our business and will open up new and exciting growth opportunities for our shareholders and for our employees.

And with that, we'll open the line for your questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions)

Mike Shlisky, Seaport Global.

Mike Shlisky - *Seaport Global Securities - Analyst*

Good morning, guys, and congrats.

Tom Burke - *Modine Manufacturing Company - President & CEO*

Thank you, Mike.

Mick Lucareli - *Modine Manufacturing Company - VP, Finance & CFO*

Thank you, Mike.

Mike Shlisky - *Seaport Global Securities - Analyst*

A couple questions here. First, can you give us any kind of feel for whether Luvata HTS is currently a company that's in growth mode right now? I know you put out some historical numbers, but how are things going this year? Also, is the company in operating margin expansion mode or are things somewhat stable for EBITDA, which means 11% to 12% right now?

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Mick Lucareli - *Modine Manufacturing Company - VP, Finance & CFO*

Mike, it's Mick. The last couple years, the growth rate has averaged 2.5% or so on a top line basis. We've been pleased with the historical results we've analyzed to see some margin improvement, as well.

Within their broad mix of business, there's been some ups and downs within their end mix. In Europe the last year and a half or so, it's been a little slower on the industrial side. And then they've had some really good progress in the last year on the precision cooling side.

And then more recently in the Americas business, we've seen some nice uptick in revenue. And then last but not least, there's a very nice niche coating business, and when we look back at the last few years of history, that's had a very nice top line growth rate.

Mike Shlisky - *Seaport Global Securities - Analyst*

Okay. Great. That's great color. Thank you. Also, within Luvata, as you know today, I know you've been looking at reducing and altering your footprint. You mentioned some progress there made at Luvata. But are there any footprint changes that have to be made here, or is it just hand over the keys and maybe integrate some of the admin for most of the cost synergies?

Tom Burke - *Modine Manufacturing Company - President & CEO*

It's too early to give any detail on that yet. We have a lot of work to get through before it gets to closure. But obviously, there's things we'll be looking at, as Mick pointed out, in our synergy opportunities that we're looking at. So we've got a good base plan. We're being conservative with those numbers, and we think that can grow as we get to know the company better.

Mike Shlisky - *Seaport Global Securities - Analyst*

Okay. Are there any vehicular uses for Luvata's products, like perhaps some kind of truck or something where it's beyond just the engine?

Tom Burke - *Modine Manufacturing Company - President & CEO*

They have a smallish portion of their revenue in what we call the vehicular business. It's mostly related to the off-highway markets. So that's single digit type numbers percentage of their business.

Mike Shlisky - *Seaport Global Securities - Analyst*

Okay. And maybe one last one for me. How long has this company been on your radar screen? And could you give us a little bit of insight into what the sale process was like? Was it an auction? Were you up against other private equity firms or other industrial companies?

Tom Burke - *Modine Manufacturing Company - President & CEO*

We've been formally engaged in a multi-stage auction process, starting about in January timeframe. But I will tell you, they were on our radar screen much earlier than that, as we've been going through the strategic filtering of looking at opportunities, as we've been talking to you with our approach towards our diversifying and growing the Company.

Many different things we've looked at. We've told you that we've passed on some, looked at some. But this one really was the first on our list from a strategic fit, size, and growth potential that really put it to the top of the list. But the auction process has been formally going since about January, Mike.

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Mike Shlisky - *Seaport Global Securities - Analyst*

Okay. Great. I'm going to hop back in queue. Thank you so much.

Operator

David Leiker, Baird.

Adam Schmitz - *Robert W. Baird & Company - Analyst*

Hello, guys. This is Adam Schmitz on the line for David.

Tom Burke - *Modine Manufacturing Company - President & CEO*

Hello, Adam.

Mick Lucareli - *Modine Manufacturing Company - VP, Finance & CFO*

Hello, Adam.

Adam Schmitz - *Robert W. Baird & Company - Analyst*

Starting on the cost synergies. Of the $15 million, is there any way you could break that down and maybe some of the low hanging fruit that's going to be seen early on versus some of the actions that will likely take a little more time?

Mick Lucareli - *Modine Manufacturing Company - VP, Finance & CFO*

Yes, I would give you a general answer. And that's to say that it's fairly evenly split among the baskets that I laid out, and that doesn't include revenue synergies, so that would only be costs. The major components of there would be we see an opportunity in procurement, both sides, in some cases potentially them helping us with components we buy in our HVAC side, and then also obviously the combined entities from a scale.

Then the SG&A, there's clearly going to be some synergies and scale from back-office functions. And last but not least, those that have followed Modine's journey over the last few years and what we've been able to do on the Modine operating system, continuous improvement on the manufacturing floor, that would be the third component. And I would say those are fairly equally distributed.

Adam Schmitz - *Robert W. Baird & Company - Analyst*

Thank you. And then is there any feedback you can share from your customers, maybe specifically as it relates to some of the revenue cross-selling opportunities?

Tom Burke - *Modine Manufacturing Company - President & CEO*

I didn't hear all that.

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Mick Lucareli - *Modine Manufacturing Company - VP, Finance & CFO*

Could you repeat that? You broke up for a second.

Adam Schmitz - *Robert W. Baird & Company - Analyst*

Is there any feedback you can share from your customers, specifically as it relates to some of the revenue cross-selling opportunities?

Tom Burke - *Modine Manufacturing Company - President & CEO*

Not at this time, Adam. It's a great question. And clearly, we think there's going to be some opportunity, but that's one of those things we'll define closer over the next several months and be able to come forward with more detail on that after close, of course.

Adam Schmitz - *Robert W. Baird & Company - Analyst*

Makes sense.

Mick Lucareli - *Modine Manufacturing Company - VP, Finance & CFO*

And on that, too, I guess I would say that, just to add to Tom's comment, that clearly Modine's current HVAC business and our business is going to give entree and exposure for Luvata HTS to some of our customers, and then their current book of business and customer base will give us an entree and exposure with our current product line.

So without getting into the names, as Tom said, that's one of the benefits. And then as we talked about on top of it, there's a major shift in focus in the industry on aluminum product and micro channel. So there's that combination of product synergy, but also a really fairly low level of customer overlap, which is going to be synergistic in itself.

Adam Schmitz - *Robert W. Baird & Company - Analyst*

Okay. That makes sense. And then last one for me, just on your leverage target. And you were initially targeting around $100 million, at least, of non-vehicular revenue. With this acquisition coming in meaningfully above that level, does that change your target of 1.5 to 2.5 times, maybe you look to go at the high end? Just wondering if that changes your outlook.

Mick Lucareli - *Modine Manufacturing Company - VP, Finance & CFO*

Great question. And that was part of, in my remarks, I wanted to comment that we're holding to our 1.5 to 2.5 times. Throughout the last year, we have debated, as Tom mentioned, lots of acquisitions, and we're holding to that. There's no change in our philosophy and culture of having a conservative balance sheet.

This acquisition, Tom said, we've been aware and monitored Luvata HTS well before it came for sale; and with the opportunity to pursue it and the fit, we really felt it was critical to proceed with the process.

The closing leverage ratio we estimate to be about 2.8. So we'll be a little bit above the high end of our range. But I mention our goal is two years or less to get it back within our range. And those that know Modine, the last few years, we've been generating $30 million or so of cash free cash flow per year, and Luvata HTS without synergies on its own has been a free cash flow generator, as well. So we're confident in our ability to get our leverage ratio back where we want it.

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Adam Schmitz - *Robert W. Baird & Company - Analyst*

Great. Thank you, guys. I'll leave it there.

Mick Lucareli - *Modine Manufacturing Company - VP, Finance & CFO*

Thank you.

Tom Burke - *Modine Manufacturing Company - President & CEO*

Thank you, Adam.

Operator

Brian Sponheimer, Gabelli.

Brian Sponheimer - *Gabelli & Company - Analyst*

Hello. Good morning, Tom. Good morning, Mick. Congratulations.

Tom Burke - *Modine Manufacturing Company - President & CEO*

Thank you, Brian. Good morning.

Brian Sponheimer - *Gabelli & Company - Analyst*

Just a question, I'm sorry, I hopped on late. About the initial process of identifying Luvata as a target. How long or can you comment on how long this courtship has taken place? Was the business up for sale before you approached the parent, et cetera?

Tom Burke - *Modine Manufacturing Company - President & CEO*

As I mentioned earlier, Brian, before you got on, we've been engaged formally in a multi-stage auction process since January. However, we were very much earlier than that, as we were filtering through the opportunities for acquisition, as we've been guiding our shareholders and driving our organization, Luvata was top of the list as far as opportunities way back last summer.

So I would say that since we started really formally addressing and looking at our Strengthen, Diversify and Grow initiative of formalizing on inorganic side, clearly they were in our sites at that time. And so the seller elected to go through an auction process, as we've been engaged with them from the beginning, formally, since January.

Brian Sponheimer - *Gabelli & Company - Analyst*

Okay. That's helpful. And if I'm thinking about where you want to take this business and diversify, this does go a long way, or this gets you going a long way towards that. Would there ever be any circumstances where the OE commercial vehicle side would be deemphasized, as well, where that could be potentially up for some sort of portfolio realignment?

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Tom Burke - *Modine Manufacturing Company - President & CEO*

Not at all. Right now our focus is our core business is vehicular and we're adding a complementary industrial segment to our business, growing on the percentage of that right now. So we feel, as that one slide clearly depicted, that these three businesses, these are aligned together, that would be our vehicular, our building HVAC, and our now pursuing the business with the coils products and such, coolers with Luvata HTS really has a lot of synergistic value that will really be complementary going forward. So I want to make sure that you know, as shareholders, that our focus on driving sustainable advantaged product position growth in our vehicular business is a priority and will remain one.

Brian Sponheimer - *Gabelli & Company - Analyst*

All right. Terrific. Congratulations.

Tom Burke - *Modine Manufacturing Company - President & CEO*

Thank you.

Mick Lucareli - *Modine Manufacturing Company - VP, Finance & CFO*

Thank you.

Operator

Mike Shlisky, Seaport Global.

Mike Shlisky - *Seaport Global Securities - Analyst*

Hello, guys. Thank you for taking my follow-up. This deal looks like it pretty much ticks off every box of your long-term strategy plan, almost, with the exception of maybe the operating margin, depending on how the synergies roll out. So with that in mind, it gets almost everything, do you think you need to actually do some more M&A to get your mix up to the 7% to 8% margin range, or do you feel like what you're doing now with your core business, the footprint reductions, procurement changes, et cetera, is enough to get you over the hump by 2018?

Mick Lucareli - *Modine Manufacturing Company - VP, Finance & CFO*

Yes, great question, Mike. I would say we think that the work we've been doing on SDG before this, we talked in the last earnings call about how far we were on the targeted cost reductions and how much progress we made. And then you bolt on something the size and scale of Luvata HTS, to me, we have the pieces we need to get to our goals.

We need to get to the close and really get in side by side with the management team and figure out the exact ramp rate of the integration and some of those synergies. But I think just Luvata HTS and Modine alone is going to really have a nice combined margin and return profile to get us to our targets.

Mike Shlisky - *Seaport Global Securities - Analyst*

Okay. Also, the HTS management team, I'm not sure where they're actually located. It seems like there's a whole bunch of different global offices. But where are most of the people located and the headquarters? And also, will most of them be staying after the deal is closed?

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Tom Burke - *Modine Manufacturing Company - President & CEO*

Firstly, they're located in the Memphis office, Memphis, Tennessee office. So their main operations in North America are in Grenada, Mississippi. Clearly, their management team is a key part of this acquisition. They've fine-tuned their machine to run their business and we look forward to bringing them into the Modine family. But that's where they're located and clearly, they have very astute business leaders, engineering leaders that are going to be a key part of the organization going forward.

Mick Lucareli - *Modine Manufacturing Company - VP, Finance & CFO*

And Mike, I would add, too, that we've had several questions on that. And when Luvata HTS is one portion of a parent company, Luvata, which is out of Finland. So we're very clear, you can tell today, talking about Luvata HTS. But it's important to keep clear, there is a parent Luvata out of Finland, as well, and as Tom said, this headquarters is out of Memphis.

Tom Burke - *Modine Manufacturing Company - President & CEO*

That's a good point. Think of Luvata HTS as a division of Luvata. And the Luvata division, Luvata HTS, is headquartered in Memphis, Tennessee.

Mike Shlisky - *Seaport Global Securities - Analyst*

Luvata Group is the one over in Europe?

Tom Burke - *Modine Manufacturing Company - President & CEO*

Right. Exactly.

Mike Shlisky - *Seaport Global Securities - Analyst*

Okay. Great. Also, wanted to ask a little bit about what you know about what they've told you or what you think the drivers are of their business. Is it really, what drives sales here? Is it industrial production levels? Is it capacity utilization levels in all the key markets? Clearly, it's not Class A truck drivers, the way the rest of your business is. So just some thoughts as to how you would measure the outlook for this business.

Tom Burke - *Modine Manufacturing Company - President & CEO*

If you look at page 7, we tried to highlight that. And again, they go to market through, let's say, four, well, several channels, but four key industries they're focused on. The commercial residential AC market, which is supplying just about everybody you know in the residential and commercial AC market. And so that's direct sales as an OE fashion to typical OE customers that you know.

The refrigeration is also a very key market for them. And again, that's the growing need for cooling and chilling of food and so forth globally is really driving that.

Precision cooling, which is, think of it as a computer room or what we call data center type cooling market. They've established a very nice position with key players in that market. And we know the drivers for that growth are the whole digitalization going on across the globe.

And finally, they have a nice, healthy industrial segment, which is driven by the industrial type things that go on, some things such as power generation and transformer cooling and things along those lines, which they have a very deep relationship starting out of Europe, with key OEs that are very global in nature there.

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So those four drivers, or those four ways to market, driven by the macroeconomic drivers, are very much part of what's growing with them. And again, a lot less cyclical in nature than some of our end markets. We're very pleased. That's a key thing that's going to make us a more stable company going forward.

Mike Shlisky - *Seaport Global Securities - Analyst*

Got it. If I can squeeze in one last one here, I wanted to also ask about the cost of borrowing for the term loan A and the senior note. Perhaps I missed it. There's been a few different mergers announced this week so far. It there's an 8-K on this, I apologize. But have you given any details as to the cost of borrowing or at least the spread, or could you at least give us whether you think your rates you're going to be getting today are lower than your existing senior note rates?

Mick Lucareli - *Modine Manufacturing Company - VP, Finance & CFO*

We're definitely looking at a favorable market conditions for us as we go out. Kathy's got a lot of work to do. But we've already engaged the lenders and feel very confident about that. We're looking at a weighted average cost going forward in the 4.5% to 4.7%. There will be an 8-K coming out shortly that will have a lot of the information.

Mike Shlisky - *Seaport Global Securities - Analyst*

I guess when you say weighted average, you mean the weighted average of just this deal, or your overall weighted average, including the 6.875% bonds -- notes?

Mick Lucareli - *Modine Manufacturing Company - VP, Finance & CFO*

Could you say that one more time, Mike?

Mike Shlisky - *Seaport Global Securities - Analyst*

When you say weighted average interest rate, do you mean just for this deal, or do you mean the total company, including your current debt?

Mick Lucareli - *Modine Manufacturing Company - VP, Finance & CFO*

No, on the financing, the combined between the $50 million private placement and then the $275 million term loan A, we're looking at a weighted average there of about 4.6%, plus or minus.

Mike Shlisky - *Seaport Global Securities - Analyst*

Super. Thank you so much, guys. Congrats.

Tom Burke - *Modine Manufacturing Company - President & CEO*

Thank you, Mike.

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Operator

Thank you. And that concludes our question-and-answer session for today. I'd like to turn the call back over to Kathy Powers for any further remarks.

Kathy Powers - *Modine Manufacturing Company - VP, Treasurer and IR*

Thank you. Thank you for joining us today and for your continued support of Modine. Good-bye.

Operator

Ladies and gentlemen, thank you for participating in today's conference. This does conclude today's program. You may all disconnect. Everyone, have a great day.

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