

TRANSPRO INC

Form S-4

May 02, 2005

As filed with the Securities and Exchange Commission on May 2, 2005

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM S-4

REGISTRATION STATEMENT

Under The Securities Act of 1933

TRANSPRO, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

3714
(Primary Standard
Industrial
Classification Code
Number)

34-1807383
(I.R.S. Employer
Identification Number)

100 Gando Drive
New Haven, Connecticut 06513
(203) 562-5121

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Transpro, Inc.
100 Gando Drive
New Haven, Connecticut 06513
Richard A. Wisot, Secretary
(203) 562-5121

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

With copies to:

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Approximate date of commencement of the proposed sale of the securities to the public: As soon as practicable after this registration statement becomes effective and upon completion of the merger described in the enclosed proxy statement/prospectus-information statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered (1)	Proposed Maximum Aggregate Offering Price (2)	Amount of Registration Fee
Common Stock, par value \$0.01 per share	8,155,209	\$ 99,703,000	\$ 11,736

(1)Maximum number of shares of common stock that Transpro expects to issue upon the completion of the merger of Modine Aftermarket Holdings, Inc. with and into Transpro, based on (a) Modine Manufacturing Company shareholders beneficially owning 52% of the combined company on a fully diluted basis immediately following the merger and (b) approximately 7,529,138 shares of Transpro common stock expected to be outstanding immediately prior to the merger (assuming all options and other rights to acquire common stock are exercised, without regard to vesting requirements and calculated using the treasury method, and assuming the conversion of all outstanding shares of Transpro's Series B convertible preferred stock using \$6.60, the closing share price of Transpro common stock on April 29, 2005, as the "current market value" for purposes thereof).

(2)Based on the book value of the aftermarket business of Modine Manufacturing Company on December 26, 2004 in accordance with Rule 457(f)(2), and calculated solely for the purpose of calculating the registration fee in accordance with Rule 457 under the Securities Act.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this document is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary document is not an offer to sell and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, dated May 2, 2005

Transpro Shareholders:

We have agreed, subject to shareholder approval and satisfaction of other customary conditions, to combine Modine Manufacturing Company's aftermarket business with Transpro through two principal steps:

- Modine will spin off its aftermarket business to its shareholders; and
- Immediately after the spin off, Modine's aftermarket business will be merged into Transpro to form " " Inc., which is referred to in the enclosed document as "the combined company."

In the combination, Transpro shareholders will own 48% of the combined company on a fully diluted basis, while Modine shareholders will receive the other 52%. Based on share and other information available to us at the date of the enclosed document, Modine shareholders will receive a total of shares of the combined company, or shares for each outstanding Modine common share. The combination has been structured to be generally tax free under the U.S. federal income tax laws to Modine's and Transpro's shareholders, as well as the companies themselves. The majority ownership by Modine shareholders results primarily from Modine contributing its aftermarket business to the combined company on a debt free basis along with \$6.3 million in cash. Transpro's common stock is traded on the American Stock Exchange under the symbol "TPR." On , 2005, the last sale price of Transpro's common stock was \$ per share.

Transpro and Modine shareholders are encouraged to carefully review this document, including the "Risk Factors" section beginning on page 18.

The combined company's board of directors will be comprised of five of Transpro's independent directors as well as two outside directors and two senior executives from Modine. I will also remain on the board of the combined company and continue as its chief executive officer.

The proposed combination is the result of intensive efforts over many months to create an efficient, market-driven "aftermarket" company out of the separate aftermarket businesses Transpro and Modine now operate. As those of you who have followed our progress carefully over the last few years know, we operate in a highly competitive and fast changing global automotive aftermarket. In recent years, while we have retained and grown our market position, our margins have been challenged by downward price pressures, including from offshore sources. We do not expect this trend to stop as a result of the combination, but do anticipate that the transaction will afford the combined company a number of opportunities that we believe are most compelling:

- **Stronger Balance Sheet and Financial Flexibility:** In connection with the combination, Transpro sold its heavy duty original equipment manufacturing, or OEM, business to Modine earlier this year for \$17 million in cash. Modine's aftermarket business will contain \$6.3 million in cash and be debt free when it is merged with Transpro. Therefore, the combined company will be substantially de-leveraged when compared to Transpro's balance sheet on a stand-alone basis prior to the transactions, with its debt-to-capital ratio reduced from roughly

50% to 20%, subject to seasonal fluctuations of debt levels.

(continued on following page)

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SECURITIES TO BE ISSUED UNDER THIS PROXY STATEMENT/PROSPECTUS-INFORMATION STATEMENT OR DETERMINED IF IT IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This proxy statement/prospectus-information statement is dated _____, 2005 and is first being mailed to the shareholders of Transpro and Modine on or about that date.

As a result, the combined company will be positioned to more effectively respond to changes in the marketplace, deal with the competitive environment, support product development and address a broader range of growth alternatives, including through potential acquisitions.

- **Better Financial Prospects:** The transaction will enable the combined company to operate more effectively than either business could on a stand-alone basis, even when considering the favorable past performance and near-term prospects of the OEM business. As a result of the combined company's expected synergies, following restructuring/implementation charges of \$10 million to \$14 million over a 12- to 18-month integration period, the combined company expects recurring full-year cost savings of at least \$20 million, with additional upside possible, which could not be achieved by either business on a stand-alone basis. The synergies are expected to result from facility rationalization, manufacturing efficiencies and improved material sourcing. Although it is possible that the combined company could report an operating loss in 2005 due to integration costs, the timing of the merger, the loss of contribution from the OEM business and continued competitive pricing pressures, the combined company expects to have net profits in 2005 due to the one-time effects of the approximate \$6.0 million pre-tax gain from the sale of the OEM business and the effect of "negative goodwill" from the merger. As reflected in Transpro's pro forma financial information included in the enclosed document, we currently anticipate that the effect of "negative goodwill" will be approximately \$21 million. The "negative goodwill," which will be recalculated at the time of the merger, results from the fact that the "current fair value" of the net assets being acquired, as calculated under generally accepted accounting principles, exceeds the consideration that Transpro will be paying in the merger. This will be used first to write down the acquired fixed assets to zero value, with the remainder going to profit in the period of the closing. Commencing in 2006, we expect the synergies described above to have a substantial positive impact on our cash flow and results of operations. The combined company is also expected to have enhanced credit quality, stock market liquidity and public company profile. In sum, not completing the merger would require Transpro to face the difficult and highly competitive aftermarket marketplace on its own, without the benefit of the financial strength that results from the combination.
- **Increased Scale:** The combined company is expected to have annual revenues in excess of \$400 million, with an expanded product and brand presence. The combined company's comprehensive product offering will initially focus on aftermarket heat transfer and air conditioning products for the automotive, truck and industrial markets, marketed under recognized brands such as Ready-Rad®, Ready-Aire®, Modine®, NRF™, MexPar™ and AirPro Quality Parts®. As a result of its increased size, the combined company will have increased distribution and customer reach, increased brand and product breadth and increased

manufacturing and sourcing efficiencies. A strengthened balance sheet will also allow the combined company to provide the innovative products our customers expect, to further enhance our reputation for outstanding customer service, and to allow us to move into new product categories.

- **Broader Geographic Scope:** The combined company will be positioned to compete internationally in the heat transfer and temperature control aftermarkets for automobiles, heavy duty applications and industrial equipment with enhanced capacity utilization at manufacturing and distribution facilities across North and Central America and in Europe. Our offshore sourcing strengths will also be enhanced by the combined company's increased size and scope.
- **Focus:** As a result of the sale of the OEM business, the combined company will be focused exclusively on the aftermarket segment of the vehicle components industry. The OEM business currently benefits from and depends on strong sales under a major heavy duty truck customer contract, which is due to expire in June 2006. While the near term profits of the OEM business will be missed, we expect that our increased attention to the aftermarket as a result of the merger will more than offset the loss in the longer term.

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- **Experienced Management Team:** The combined company will have an experienced and talented management team representing the extensive experiences of two companies in the aftermarket business. Transpro's senior executives and operating managers have accomplished significant improvements in operating results over the last four years in the base business, and these experiences will help the combined company unlock the synergies we expect from this combination. When combined with the experienced team from Modine's aftermarket business, we believe that we will have a highly talented team serving the heat transfer aftermarket in North America, Central America and Europe.

We are excited by the combined company's prospects, and our board unanimously recommends that our shareholders vote in favor of the merger proposal. The enclosed document contains important information about the proposed combination, including its detailed terms and background, as well as pro forma historical financial information. We encourage you to read it carefully.

We hope you are able to attend our annual shareholders meeting on _____, 2005. However, whether you can attend or not, we ask that you submit your votes by one of the means outlined in the accompanying proxy materials.

/s/ Charles E. Johnson
Charles E. Johnson
President and Chief Executive Officer

The enclosed document constitutes Transpro's proxy statement for its annual shareholder meeting at which Transpro's shareholders will vote on, among other things, the combination. It also constitutes a prospectus for the issuance of shares in the transaction, as well as Modine's information statement for the spin off. Information relating to Transpro, including its historical and pro forma financial statements included or incorporated into the enclosed document, has been furnished by Transpro; information relating to Modine and its aftermarket business, including the historical financial statements of the aftermarket business, has been furnished by Modine.

TRANSPRO, INC.
100 GANDO DRIVE
NEW HAVEN, CONNECTICUT 06513

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD _____, 2005

To the Shareholders of Transpro, Inc.:

Transpro's annual meeting of shareholders will be held at _____ :00 a.m., Eastern Time, on _____, 2005, at _____ . At the annual meeting you will be asked to vote on the following matters:

1. Election of seven directors.
2. Ratification of the appointment of BDO Seidman, LLP as Transpro's independent registered public accounting firm for the year ending December 31, 2005.
3. Approval of the Transpro, Inc. Equity Incentive Plan, a copy of which is attached as Annex H.
4. Approval of the merger of Modine Aftermarket Holdings, Inc. into Transpro by adopting the merger agreement among Transpro, Modine Manufacturing Company and Modine Aftermarket Holdings, a copy of which is attached as Annex A.
5. Approval of an adjournment of the annual meeting to another time or place to permit further solicitation of proxies if necessary to obtain additional votes in favor of the merger proposal.
6. Approval of the increase in the number of authorized shares of the combined company's common stock from 17.5 million to 47.5 million.
7. Any other matter that may properly be brought before the annual meeting.

If the merger agreement is adopted, pursuant to the merger agreement two Modine Manufacturing Company outside directors and two Modine Manufacturing Company executives will be added to the combined company's board of directors and one current Transpro director will resign, and the combined company's board of directors will be divided into three classes, with one class of directors being elected at the combined company's annual shareholders meetings in 2006, 2007 and 2008. All of the combined company's directors will be elected for one-year terms beginning with the 2009 annual shareholders meeting, including directors whose terms otherwise would have expired after that meeting.

In addition, if the merger agreement is not adopted, the increase in the proposed authorized number of shares will not become effective regardless of the vote thereon, directors elected under proposal 1 will continue to serve on the Transpro board and, if approved by a majority of the votes cast at the meeting, actions taken under proposals 2 (ratification of BDO Seidman) and 3 (new equity incentive plan) will be effective, except that as described in the enclosed document the number of shares under the new equity incentive plan will be reduced.

The enclosed document, including the annexes, contains further information with respect to the business to be transacted at the annual meeting, and we urge you to read it carefully. Transpro common shareholders of record at the close of business on _____, 2005 are entitled to notice of the annual meeting and to vote at the meeting, whether in person or by proxy. **The Transpro board of directors unanimously recommends that Transpro common shareholders vote for proposals 1 through 6 above.**

Holders of Transpro Series B convertible preferred stock are not entitled to vote at the annual meeting, but holders of such preferred stock who submit a written demand for appraisal of their shares in connection with the proposed merger and who perfect their appraisal rights by complying with the applicable statutory procedures under Delaware law will be entitled to receive a cash payment for the fair value of their shares as determined by the Delaware Chancery Court. A summary of the applicable requirements of Delaware law is contained in this document under the caption "The Transactions—Dissenters' Rights" (page 41). In addition, the text of the applicable provisions of Delaware law is attached as Annex D to this document.

/s/ Richard A. Wisot
Richard A. Wisot
Secretary

, 2005

Your vote is very important. The merger cannot proceed unless the holders of a majority of the outstanding shares of Transpro common stock entitled to vote upon the merger proposal vote in favor of the adoption of the merger agreement. Whether or not you plan to attend the annual meeting, please vote your shares as promptly as possible by (1) completing, signing, dating and returning your proxy card in the enclosed envelope, (2) calling the toll-free telephone number specified on your proxy card, or (3) accessing the internet website specified on your proxy card.

ADDITIONAL INFORMATION

This proxy statement/prospectus-information statement includes in the annexes hereto a copy of Transpro's annual report on Form 10-K for its fiscal year ended December 31, 2004 as filed with the Securities and Exchange Commission, which is referred to as the SEC.

In addition, this proxy statement/prospectus-information statement incorporates other important business and financial information about Transpro from other documents that are not included in or delivered with this document. This information is available to you without charge upon your written or oral request. You can obtain the documents incorporated by reference in this document through the SEC website at <http://www.sec.gov> or by requesting them in writing, by e-mail or by telephone at the appropriate address below:

Transpro, Inc.
100 Gando Drive
New Haven, CT 06513
Attention: Secretary
By telephone: (203) 401-6450

You may also obtain documents incorporated by reference into this document by requesting them in writing or by telephone from Morrow & Co., Inc., Transpro's proxy solicitor, at the following address and telephone numbers:

Morrow & Co., Inc.
445 Park Avenue, 5th Floor
New York, New York 10022

Banks and Brokerage Firms: (800) 654-2468

Shareholders: (800) 607-0088

All others call collect: (212) 754-8000

If you would like to request any additional information, please do so by _____, 2005 in order to receive such information before the annual meeting. The documents you request will be mailed to you by first class mail, or another equally prompt means, by the next business day after your request is received.

See "Where You Can Find More Information" (page 132).

Transpro's shareholders who receive this proxy statement/prospectus-information statement will also receive a copy of Transpro's annual report to shareholders. While the annual report will be included with this proxy statement/prospectus-information statement, it is not an annex or exhibit to this proxy statement/prospectus-information statement and is not incorporated herein by reference.

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