

CHART INDUSTRIES INC  
Form 10-Q  
October 30, 2014

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2014  
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 1-11442

CHART INDUSTRIES, INC.  
(Exact Name of Registrant as Specified in its Charter)

Delaware 34-1712937  
(State or Other Jurisdiction of (I.R.S. Employer  
Incorporation or Organization) Identification No.)  
One Infinity Corporate Centre Drive, Suite 300, Garfield Heights, Ohio 44125  
(Address of Principal Executive Offices) (ZIP Code)

Registrant's Telephone Number, Including Area Code: (440) 753-1490

NOT APPLICABLE

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes  No

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

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

At October 28, 2014, there were 30,481,331 outstanding shares of the Company's Common Stock, par value \$0.01 per share.

CHART INDUSTRIES, INC.  
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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

**CHART INDUSTRIES, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Dollars in thousands, except per share amounts)

	September 30, 2014 (Unaudited)	December 31, 2013
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 140,422	\$ 137,345
Accounts receivable, less allowances of \$5,954 and \$5,654	182,307	224,114
Inventories, net	227,527	213,004
Unbilled contract revenue	56,709	31,976
Prepaid expenses	15,086	12,257
Deferred income taxes	17,252	14,675
Other current assets	13,937	16,072
Total Current Assets	653,240	649,443
Property, plant and equipment, net	246,840	224,205
Goodwill	406,345	398,905
Identifiable intangible assets, net	158,385	172,142
Other assets	30,795	16,935
<b>TOTAL ASSETS</b>	<b>\$ 1,495,605</b>	<b>\$ 1,461,630</b>
<b>LIABILITIES AND EQUITY</b>		
Current Liabilities		
Accounts payable	\$ 104,269	\$ 101,805
Customer advances and billings in excess of contract revenue	91,840	102,048
Accrued salaries, wages and benefits	35,007	39,961
Current portion of warranty reserve	15,005	19,567
Short-term debt	7,984	3,280
Current convertible notes	—	193,437
Current portion of long-term debt	—	3,750
Other current liabilities	27,023	35,456
Total Current Liabilities	281,128	499,304
Long-term debt	266,979	64,688
Long-term deferred tax liabilities	51,613	47,716
Long-term portion of warranty reserve	10,856	14,260
Accrued pension liabilities	5,222	7,719
Other long-term liabilities	10,270	9,360
Total Liabilities	626,068	643,047
Convertible notes conversion feature	—	56,563
Equity		
Common stock, par value \$.01 per share – 150,000,000 shares authorized, 30,479,152 and 30,378,502 shares issued and outstanding at September 30, 2014 and December 31, 2013, respectively	305	304
Additional paid-in capital	374,999	311,972

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Retained earnings	484,104	429,187
Accumulated other comprehensive income	3,212	13,322
Total Chart Industries, Inc. Shareholders' Equity	862,620	754,785
Noncontrolling interests	6,917	7,235
Total Equity	869,537	762,020
TOTAL LIABILITIES AND EQUITY	\$1,495,605	\$1,461,630

The balance sheet at December 31, 2013 has been derived from the audited financial statements at that date, but does not include all of the information and notes required by U.S. generally accepted accounting principles for complete financial statements.

See accompanying notes to these unaudited condensed consolidated financial statements.

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CHART INDUSTRIES, INC. AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME  
 (UNAUDITED)

(Dollars and shares in thousands, except per share amounts)

	Three Months Ended September		Nine Months Ended September	
	30,		30,	
	2014	2013	2014	2013
Sales	\$293,841	\$301,757	\$866,891	\$873,671
Cost of sales	202,608	213,112	605,931	615,770
Gross profit	91,233	88,645	260,960	257,901
Selling, general and administrative expenses	46,377	47,934	150,950	147,043
Amortization expense	4,501	4,825	13,465	14,642
Operating expenses	50,878	52,759	164,415	161,685
Operating income	40,355	35,886	96,545	96,216
Other expenses:				
Interest expense, net	4,234	4,143	12,520	12,111
Financing costs amortization	326	326	979	979
Foreign currency loss (gain)	507	(393)	)	