

CHART INDUSTRIES INC  
Form 10-Q  
July 31, 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 June 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 July 29, 2014, there were 30,475,362 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)

	June 30, 2014 (Unaudited)	December 31, 2013
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 142,674	\$ 137,345
Accounts receivable, less allowances of \$6,119 and \$5,654	199,478	224,114
Inventories, net	226,956	213,004
Unbilled contract revenue	40,692	31,976
Prepaid expenses	11,859	12,257
Deferred income taxes	17,642	14,675
Other current assets	14,060	16,072
Total Current Assets	653,361	649,443
Property, plant and equipment, net	238,772	224,205
Goodwill	407,360	398,905
Identifiable intangible assets, net	164,443	172,142
Other assets	24,057	16,935
<b>TOTAL ASSETS</b>	<b>\$ 1,487,993</b>	<b>\$ 1,461,630</b>
<b>LIABILITIES AND EQUITY</b>		
Current Liabilities		
Accounts payable	\$ 109,699	\$ 101,805
Customer advances and billings in excess of contract revenue	89,548	102,048
Accrued salaries, wages and benefits	32,826	39,961
Current portion of warranty reserve	15,910	19,567
Short-term debt	7,898	3,280
Current convertible notes	—	193,437
Current portion of long-term debt	4,687	3,750
Other current liabilities	33,666	35,456
Total Current Liabilities	294,234	499,304
Long-term debt	260,538	64,688
Long-term deferred tax liabilities	51,705	47,716
Long-term portion of warranty reserve	12,350	14,260
Accrued pension liabilities	6,782	7,719
Other long-term liabilities	9,480	9,360
Total Liabilities	635,089	643,047
Convertible notes conversion feature	—	56,563
Equity		
Common stock, par value \$.01 per share – 150,000,000 shares authorized, 30,473,772 and 30,378,502 shares issued and outstanding at June 30, 2014 and December 31, 2013, respectively	305	304
Additional paid-in capital	373,478	311,972

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Retained earnings	461,253	429,187
Accumulated other comprehensive income	11,325	13,322
Total Chart Industries, Inc. Shareholders' Equity	846,361	754,785
Noncontrolling interests	6,543	7,235
Total Equity	852,904	762,020
TOTAL LIABILITIES AND EQUITY	\$1,487,993	\$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 June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Sales	\$306,810	\$298,266	\$573,050	\$571,914
Cost of sales	214,629	208,460	403,323	402,658
Gross profit	92,181	89,806	169,727	169,256
Selling, general and administrative expenses	53,662	51,905	104,573	99,109
Amortization expense	4,475	4,922	8,964	9,817
Operating expenses	58,137	56,827	113,537	108,926
Operating income	34,044	32,979	56,190	60,330
Other expenses:				
Interest expense, net	4,137	3,977	8,286	7,968
Financing costs amortization	327	327	653	653
Foreign currency loss	391	91		