

CHART INDUSTRIES INC
Form 10-Q
April 30, 2015

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 March 31, 2015

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 April 28, 2015, there were 30,542,764 outstanding shares of the Company's Common Stock, par value \$0.01 per share.

CHART INDUSTRIES, INC.
INDEX

Part I. Financial Information

<u>Item 1. Financial Statements</u>	<u>Page</u>
<u>Condensed Consolidated Balance Sheets as of March 31, 2015 and December 31, 2014</u>	<u>3</u>
<u>Condensed Consolidated Statements of Income and Comprehensive (Loss) Income for the Three Months Ended March 31, 2015 and 2014</u>	<u>4</u>
<u>Condensed Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2015 and 2014</u>	<u>5</u>
<u>Notes to Unaudited Condensed Consolidated Financial Statements</u>	<u>6</u>
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>16</u>
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	<u>23</u>
<u>Item 4. Controls and Procedures</u>	<u>24</u>
<u>Part II. Other Information</u>	
<u>Item 1. Legal Proceedings</u>	<u>25</u>
<u>Item 1A. Risk Factors</u>	<u>25</u>
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>25</u>
<u>Item 4. Mine Safety Disclosures</u>	<u>26</u>
<u>Item 6. Exhibits</u>	<u>26</u>
<u>Signatures</u>	<u>27</u>

Table of Contents

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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

	March 31, 2015 (Unaudited)	December 31, 2014
ASSETS		
Current Assets		
Cash and cash equivalents	\$83,367	\$103,656
Accounts receivable, less allowances of \$7,211 and \$6,475	193,228	189,115
Inventories, net	231,235	215,725
Unbilled contract revenue	55,533	58,645
Prepaid expenses	14,198	15,708
Deferred income taxes	17,080	17,248
Other current assets	16,018	15,009
Total Current Assets	610,659	615,106
Property, plant and equipment, net	261,409	257,645
Goodwill	403,260	405,522
Identifiable intangible assets, net	148,483	153,666
Other assets	30,081	30,124
TOTAL ASSETS	\$1,453,892	\$1,462,063
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	\$105,468	\$114,252
Customer advances and billings in excess of contract revenue	86,555	82,158
Accrued salaries, wages and benefits	31,459	35,655
Current portion of warranty reserve	13,323	14,325
Short-term debt	4,884	4,903
Other current liabilities	32,899	36,466
Total Current Liabilities	274,588	287,759
Long-term debt	206,898	204,099
Long-term deferred tax liabilities	47,842	46,888
Long-term portion of warranty reserve	9,007	9,921
Accrued pension liabilities	16,693	16,920
Other long-term liabilities	9,471	9,396
Total Liabilities	564,499	574,983
Equity		
Common stock, par value \$0.01 per share – 150,000,000 shares authorized, 30,539,182 and 30,482,252 shares issued and outstanding at March 31, 2015 and 305 December 31, 2014, respectively		305
Additional paid-in capital	382,092	377,209
Retained earnings	516,297	511,051
Accumulated other comprehensive loss	(16,502	) (8,686
Total Chart Industries, Inc. Shareholders' Equity	882,192	879,879

Edgar Filing: CHART INDUSTRIES INC - Form 10-Q

Noncontrolling interests	7,201	7,201
Total Equity	889,393	887,080
TOTAL LIABILITIES AND EQUITY	\$1,453,892	\$1,462,063

The balance sheet at December 31, 2014 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.

3

Table of Contents

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

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

	Three Months Ended March 31,	
	2015	2014
Sales	\$245,105	\$266,240
Cost of sales	172,582	188,694
Gross profit	72,523	77,546
Selling, general and administrative expenses	53,162	50,911
Amortization expense	4,404	4,489
Operating expenses	57,566	55,400
Operating income	14,957	22,146
Other expenses:		
Interest expense, net	3,922	4,149
Financing costs amortization	326	326
Foreign currency loss	3,064	118
Other expenses, net	7,312	4,593
Income before income taxes	7,645	17,553
Income tax expense	2,370	5,214
Net income	5,275	12,339
Noncontrolling interests, net of taxes	29	342
Net income attributable to Chart Industries, Inc.	\$5,246	\$11,997
Net income attributable to Chart Industries, Inc. per common share:		
Basic	\$0.17	\$0.40
Diluted	\$0.17	\$0.38
Weighted-average number of common shares outstanding:		
Basic	30,466	30,346
Diluted	30,652	31,427
Comprehensive (loss) income, net of taxes	\$(2,570)	) \$10,314
Less: Comprehensive income attributable to noncontrolling interests, net of taxes	—	196
Comprehensive (loss) income attributable to Chart Industries, Inc., net of taxes	\$(2,570)	) \$10,118

See accompanying notes to these unaudited condensed consolidated financial statements.

Table of Contents

CHART INDUSTRIES, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
 (Dollars in thousands)

	Three Months Ended March 31,	
	2015	2014
OPERATING ACTIVITIES		
Net income	\$5,275	\$12,339
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	11,376	10,172
Interest accretion of convertible notes discount	2,799	2,587
Employee share-based compensation expense	5,752	3,957
Financing costs amortization	326	326
Unrealized foreign currency transaction (gain) loss	(60	) 1,072
Other non-cash operating activities	642	118
Changes in asset and liabilities, net of acquisitions:		
Accounts receivable	(6,875	) 44,543
Inventory	(18,761	) (12,144
Unbilled contract revenues and other assets	3,442	(28,844
Accounts payable and other liabilities	(8,008	) (20,392
Customer advances and billings in excess of contract revenue	5,592	7,127
Net Cash Provided By Operating Activities	1,500	20,861
INVESTING ACTIVITIES		
Capital expenditures	(14,828	) (10,417
Advance payment on acquisition	—	(4,624
Proceeds from sale of assets	8	34
Acquisition of business	(320) —
Net Cash Used In Investing Activities	(15,140	) (15,007
FINANCING ACTIVITIES		
Borrowings on revolving credit facilities	—	3,283
Repayments on revolving credit facilities	—	(3,252
Payments on long-term debt	—	(938
Proceeds from exercise of stock options	422	516
Excess tax (deficiency) benefit from share-based compensation	(482	) 1,564
Common stock repurchases	(808	) (3,174
Other financing activities	(157) —
Net Cash Used In By Financing Activities	(1,025	) (2,001
Effect of exchange rate changes on cash	(5,624	) (779
Net (decrease) increase in cash and cash equivalents	(20,289	) 3,074
Cash and cash equivalents at beginning of period	103,656	137,345
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$83,367	\$140,419

See accompanying notes to these unaudited condensed consolidated financial statements.

Table of Contents

CHART INDUSTRIES, INC. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements – March 31, 2015

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

NOTE 1 — Basis of Preparation

The accompanying unaudited condensed consolidated financial statements of Chart Industries, Inc. and its consolidated subsidiaries (the “Company” or “Chart”) have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles for annual financial statements. These financial statements should be read in conjunction with the audited financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2014. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2015 are not necessarily indicative of the results that may be expected for the year ending December 31, 2015.

Nature of Operations: The Company is a leading diversified global manufacturer of highly engineered equipment for the industrial gas, energy, and biomedical industries. Chart’s equipment and engineered systems are primarily used for low-temperature and cryogenic applications utilizing our expertise in cryogenic systems and equipment, which operate at low temperatures sometimes approaching absolute zero (0 kelvin; -273° Centigrade; -459° Fahrenheit). The Company has domestic operations located across the United States, including principal executive offices located in Ohio, and an international presence in Asia, Australia and Europe.

Principles of Consolidation: The unaudited condensed consolidated financial statements include the accounts of the Company and its subsidiaries. Intercompany accounts and transactions are eliminated in consolidation.

Reclassifications: Certain reclassifications have been made to the 2014 condensed consolidated balance sheet to conform to the 2015 presentation.

Use of Estimates: The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. These estimates may also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

Recently Issued Accounting Standards: In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2014-09, “Revenue from Contracts with Customers.” The amendment requires entities to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU was effective for fiscal years beginning after December 15, 2016, including interim periods within that reporting period, however, in April 2015, the FASB proposed a one-year deferral of this standard, with a new effective date of December 15, 2017. The ASU allows full retrospective or modified retrospective adoption. Early adoption is not permitted. The Company is currently assessing the transition method and effect that the ASU will have on the Company’s financial position, results of operations, cash flows and disclosures.

In April 2015, the FASB issued ASU 2015-03, “Interest–Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs.” The amendment requires an entity to present debt issuance costs in the balance sheet as a direct deduction from the related debt liability rather than as an asset. Amortization of debt issuance costs will continue to be reported as interest expense. This ASU is effective for fiscal years beginning after December 15, 2015 and interim periods within those fiscal years. Early adoption is permitted. The new guidance will be applied retrospectively to each prior period presented. The Company is currently assessing the effect that the ASU will have its consolidated financial statements.

Table of Contents

CHART INDUSTRIES, INC. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements – March 31, 2015

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

NOTE 2 — Inventories

The following table summarizes the components of inventory:

	March 31, 2015	December 31, 2014
Raw materials and supplies	\$94,521	\$94,437
Work in process	43,628	35,631
Finished goods	93,086	85,657
Total inventories, net	\$231,235	\$215,725

The allowance for excess and obsolete inventory was \$4,788 and \$5,233 at March 31, 2015 and December 31, 2014, respectively.

NOTE 3 — Goodwill and Intangible Assets

Goodwill

The following table represents the changes in goodwill by segment:

	Energy & Chemicals	Distribution & Storage	BioMedical	Total
Balance at December 31, 2014	\$92,638	\$157,248	\$155,636	\$405,522
Foreign currency translation adjustments and other	(36	) (2,407	) —	(2,443
Goodwill acquired during the year	—	181	—	181
Balance at March 31, 2015	\$92,602	\$155,022	\$155,636	\$403,260

Intangible Assets

The following table displays the gross carrying amount and accumulated amortization for finite-lived intangible assets and indefinite-lived intangible assets (exclusive of goodwill)⁽¹⁾:

	March 31, 2015		December 31, 2014	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Finite-lived intangible assets:				
Unpatented technology	\$33,915	\$(5,648	\$35,933	\$(6,979
Patents	7,766	(6,377	7,809	(6,213
Trademarks and trade names	8,870	(6,479	8,981	(6,206
Non-compete agreements	419	(168	421	(88
Customer relations	157,051	(88,343	157,533	(85,187
Total finite-lived intangible assets	\$208,021	\$(107,015	\$210,677	\$(104,673
Indefinite-lived intangible assets:				
Trademarks and trade names	\$47,477		\$47,662	

⁽¹⁾Amounts include the impact of foreign currency translation. Fully amortized amounts are written off.

Table of Contents

CHART INDUSTRIES, INC. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements – March 31, 2015

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

Amortization expense for intangible assets subject to amortization was \$4,404 and \$4,489 for the three months ended March 31, 2015 and 2014, respectively. The Company estimates amortization expense to be recognized during the next five years as follows:

For the Year Ending December 31,

2015	\$ 16,100
2016	14,200
2017	13,300
2018	12,500
2019	12,400

NOTE 4 — Debt and Credit Arrangements

Convertible Notes

The outstanding aggregate principal amount of the Company's 2.0% Convertible Senior Subordinated Notes due 2018 (the "Convertible Notes") is \$250,000. The Convertible Notes bear interest at a fixed rate of 2.0% per year, payable semiannually in arrears on February 1 and August 1 of each year, and will mature on August 1, 2018. The effective interest rate at issuance was 7.9%.

The Convertible Notes are senior subordinated unsecured obligations of the Company and are not guaranteed by any of the Company's subsidiaries. The Convertible Notes are senior in right of payment to the Company's future subordinated debt, equal in right of payment with the Company's future senior subordinated debt and are subordinated in right of payment to the Company's existing and future senior indebtedness, including indebtedness under the Company's existing credit agreement.

In connection with the issuance of the Convertible Notes, the Company entered into privately-negotiated convertible note hedge and capped call transactions with affiliates of certain of the underwriters (the "Option Counterparties"). The convertible note hedge and capped call transactions relate to, collectively, 3,622 shares, which represents the number of shares of the Company's common stock underlying the Convertible Notes, subject to anti-dilution adjustments substantially similar to those applicable to the Convertible Notes. These convertible note hedge and capped call transactions are expected to reduce the potential dilution with respect to the Company's common stock upon conversion of the Convertible Notes and/or reduce the Company's exposure to potential cash or stock payments that may be required upon conversion of the Convertible Notes, except, in the case of the capped call transactions, to the extent that the market price per share of the Company's common stock exceeds the cap price of the capped call transactions. The Company also entered into separate warrant transactions with the Option Counterparties initially relating to the number of shares of the Company's common stock underlying the convertible note hedge transactions, subject to customary anti-dilution adjustments. The warrant transactions will have a dilutive effect with respect to the Company's common stock to the extent that the price per share of the Company's common stock exceeds the strike price of the warrants unless the Company elects, subject to certain conditions, to settle the warrants in cash. These warrants were exercisable as of the issuance date of the Convertible Notes. The cap price of the capped call transactions and the strike price of the warrant transactions was initially \$84.96 per share. Proceeds received from the issuance of the warrants totaled approximately \$48,848 and were recorded as an addition to additional paid-in-capital. The net cost of the convertible note hedge and capped call transactions, taking into account the proceeds from the issuance of the warrants, was approximately \$17,638.

In accordance with Accounting Standards Codification ("ASC") 815, contracts are initially classified as equity if (1) the contract requires physical settlement or net-share settlement, or (2) the contract gives the entity a choice of net-cash settlement in its own shares (physical settlement or net-share settlement). The Company concluded that the settlement terms of the convertible note hedge, capped call and warrant transactions permit net-share settlement. As such, the convertible note hedge, capped call and warrant transactions were recorded in equity.

Upon issuance of the Convertible Notes, the Company bifurcated the \$250,000 principal balance of the Convertible Notes into a liability component of \$170,885, which was recorded as long-term debt, and an equity component of

\$79,115, which was initially recorded as additional paid-in-capital. The liability component was recognized at the present value of its associated cash flows using a 7.9% straight-debt rate which represented the Company's interest rate for similar debt instruments at that time without a conversion feature and is being accreted to interest expense over the term of the Convertible Notes. At

8

Table of Contents

CHART INDUSTRIES, INC. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements – March 31, 2015

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

March 31, 2015 and December 31, 2014, the carrying amount of the liability component was \$206,898 and \$204,099, respectively, and the unamortized debt discount of the Convertible Notes was \$43,102 and \$45,901, respectively. For the three months ended March 31, 2015 and 2014, interest expense for the Convertible Notes was \$4,049 and \$3,837, respectively, which included \$2,799 and \$2,587 of non-cash interest accretion expense related to the carrying amount of the Convertible Notes, respectively, and \$1,250 of 2.0% cash interest for both periods. In accordance with ASC 470-20, which requires issuers to separately account for the liability and equity components of convertible debt instruments that may be settled in cash upon conversion, the Company allocated debt issuance costs to the liability and equity components in proportion to their allocated value. Debt issuance costs were \$7,277, with \$2,303 recorded as a reduction in additional paid-in-capital. The remaining balance of \$4,974 is being amortized over the term of the Convertible Notes. For the three months ended March 31, 2015 and 2014, total expense associated with the amortization of these debt issuance costs was \$178 for both periods.

Prior to May 1, 2018, the Convertible Notes will be convertible at the option of the holders thereof only under the following circumstances: (1) during any fiscal quarter commencing after September 30, 2011 (and only during such fiscal quarter), if the last reported sale price of the Company's common stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on the last trading day of the immediately preceding fiscal quarter is greater than or equal to 130% of the applicable conversion price (currently \$69.03) for the Convertible Notes on each applicable trading day; (2) during the five business day period after any five consecutive trading day period (the "Measurement Period") in which, as determined following a request by a holder of Convertible Notes as provided in the bond indenture (the "Indenture"), the trading price per \$1,000 principal amount of Convertible Notes for each trading day of such Measurement Period was less than 97% of the product of the last reported sale price of the Company's common stock and the applicable conversion rate for the Convertible Notes on each such trading day; or (3) upon the occurrence of specified corporate events pursuant to the terms of the Indenture. On or after May 1, 2018, until the close of business on the second scheduled trading day immediately preceding the maturity date of the Convertible Notes, holders of the Convertible Notes may convert their Convertible Notes at any time, regardless of the foregoing circumstances. Upon conversion, the Company will pay cash up to the aggregate principal amount of the Convertible Notes to be converted and pay or deliver, as the case may be, cash, shares of the Company's common stock or a combination of cash and shares of the Company's common stock, at the Company's election, in respect of the remainder, if any, of the Company's conversion obligation in excess of the aggregate principal amount of the Convertible Notes being converted. It is the Company's intention to settle any excess conversion value in shares of the Company's common stock.

The conversion rate on the Convertible Notes will be subject to adjustment upon the occurrence of certain events, but will not be adjusted for any accrued and unpaid interest. In addition, following the occurrence of a make-whole fundamental change, the Company will, in certain circumstances, increase the conversion rate for a holder that converts its Convertible Notes in connection with such make-whole fundamental change. The Company may not redeem the Convertible Notes prior to maturity. If the Company undergoes a fundamental change, subject to certain conditions, holders may require the Company to purchase the Convertible Notes in whole or in part for cash at a fundamental change purchase price equal to 100% of the principal amount of the Convertible Notes to be purchased, plus accrued and unpaid interest, if any, to, but excluding, the fundamental change purchase date. For purposes of calculating earnings per share, if the average market price of the Company's common stock exceeds the applicable conversion price during the periods reported, as was the case during the three months ended March 31, 2014, shares contingently issuable under the Convertible Notes will have a dilutive effect with respect to the Company's common stock.

The Company reassesses the convertibility of the Convertible Notes and the related balance sheet classification on a quarterly basis. At the end of the first quarter of 2015, events for early conversion were not met, and thus the Convertible Notes were not convertible as of and for the fiscal quarter beginning April 1, 2015.

Senior Secured Revolving Credit Facility

The Company has a five-year \$450,000 senior secured revolving credit facility (the “SSRCF”) which matures on October 29, 2019. The SSRCF includes a \$25,000 sub-limit for the issuance of swingline loans and a \$100,000 sub-limit to be used for letters of credit. There is a foreign currency limit of \$100,000 under the SSRCF which can be used for foreign currency denominated letters of credit and borrowings in a foreign currency, in each case in currencies agreed upon with the lenders. In addition, the facility permits borrowings up to \$100,000 made by the Company’s wholly-owned subsidiaries, Chart Industries Luxembourg S.à r.l. (“Chart Luxembourg”) and Chart Asia Investment Company Limited (“Chart Asia”). The SSRCF also includes an expansion option permitting the Company to add up to an aggregate \$200,000 in term loans or revolving credit commitments from its lenders.

Table of Contents

CHART INDUSTRIES, INC. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements – March 31, 2015

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

The Company recorded \$2,869 in deferred debt issuance costs associated with the SSRCF which are being amortized over the five-year term of the SSRCF. For the three months ended March 31, 2015 and 2014 the related financing costs amortization was \$148 for both periods.

Revolving loans under the SSRCF bear interest, at the applicable Borrower's election, at either LIBOR or the greatest of (a) the JPMorgan prime rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1% or (c) the Adjusted LIBOR Rate (as defined in the SSRCF) for a one month interest period on such day (or if such day is not a business day, the immediately preceding business day) plus 1% (the "Adjusted Base Rate"), plus a margin that varies with the Company's leverage ratio. In addition, the Company is required to pay a commitment fee of between 0.25% and 0.40% of the unused revolver balance and a letter of credit participation fee equal to the daily aggregate letter of credit exposure at the rate per annum equal to the Applicable Margin for Eurocurrency Revolving Facility Borrowings (ranging from 1.5% to 2.75%, depending on the leverage ratio calculated at each fiscal quarter end). A fronting fee must be paid on each letter of credit that is issued equal to 0.125% per annum of the stated dollar amount of the letter of credit.

Significant financial covenants for the SSRCF include a minimum liquidity requirement equal to the principal amount of the Convertible Notes outstanding six months prior to the maturity date of the Convertible Notes and when holders of the Convertible Notes have the option to require the Company to repurchase the Convertible Notes, a maximum leverage ratio of 3.25 and a minimum interest coverage to EBITDA ratio of 3.0. The required leverage ratio can be relaxed on up to two occasions, upon notification to the lenders, to 3.75 for up to four consecutive fiscal quarters, for acquisitions and plant expansions of \$100,000 or greater. The SSRCF contains a number of other customary covenants, including but not limited to restrictions on the Company's ability to incur additional indebtedness, create liens or other encumbrances, sell assets, enter into sale and lease-back transactions, make certain payments, investments, loans, advances or guarantees, make acquisitions and engage in mergers or consolidations and pay dividends or distributions. At March 31, 2015, the Company was in compliance with all covenants.

At March 31, 2015, availability under the SSRCF was \$418,327, which considers \$31,673 in letters of credit issued. The obligations under the SSRCF are guaranteed by the Company and substantially all of its U.S. subsidiaries and secured by substantially all of the assets of the Company and its U.S. subsidiaries and 65% of the capital stock of the Company's material non-U.S. subsidiaries (as defined by the SSRCF) that are owned by U.S. subsidiaries.

Foreign Facilities – China

Chart Cryogenic Engineering Systems (Changzhou) Company Limited ("CCESC"), Chart Energy & Chemicals Wuxi Co., Ltd. ("Wuxi") and Chart Biomedical (Chengdu) Co. Ltd. ("Chengdu"), wholly-owned subsidiaries of the Company, and Chart Cryogenic Distribution Equipment (Changzhou) Company Limited ("CCDEC"), a joint venture of the Company, maintain joint banking facilities (the "China Facilities") which include a revolving line with 50.0 million Chinese yuan (equivalent to \$8,140) in borrowing capacity, a bonding/guarantee facility with up to 30.0 million Chinese yuan (equivalent to \$4,884) in borrowing capacity, and an overdraft facility with 10.0 million Chinese yuan (equivalent to \$1,628) in borrowing capacity. Any borrowings made by CCESC, CCDEC, Chengdu or Wuxi under the China Facilities are guaranteed by the Company. At March 31, 2015, there was 20.0 million Chinese yuan (equivalent to \$3,256) outstanding under the revolving line, bearing interest at 5.6% on a weighted-average basis.

CCDEC maintains a credit facility with Bank of China whereby CCDEC may borrow up to 50.0 million Chinese yuan (equivalent to \$8,140) for working capital purposes, and 30.0 million Chinese yuan (equivalent to \$4,884) for non-financing bank guarantee purposes. This credit facility is effective until August 7, 2015. At March 31, 2015 there was 10.0 million Chinese yuan (equivalent to \$1,628) outstanding under this facility, bearing interest at 6.6%.

CCESC maintains a credit facility with Bank of China whereby CCESC may borrow up to 100.0 million Chinese yuan (equivalent to \$16,281) for working capital purposes. This credit facility is effective until July 8, 2015. There were no borrowings under this facility as of March 31, 2015.

As of March 31, 2015, CCESC and Wuxi had 7.6 million Chinese yuan (equivalent to \$1,235) and 1.0 million Chinese yuan (equivalent to \$157) in bank guarantees, respectively.

Foreign Facilities – Europe

Chart Ferox, a.s. (“Ferox”), a wholly-owned subsidiary of the Company, maintains two secured credit facilities with capacity of up to 175.0 million Czech koruna (equivalent to \$6,838). Both of the facilities allow Ferox to request bank guarantees and letters of credit. Neither of the facilities allows revolving credit borrowings. Under both facilities, Ferox must pay letter of credit and guarantee fees equal to 0.70% per annum on the face amount of each guarantee or letter of credit.

Table of Contents

CHART INDUSTRIES, INC. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements – March 31, 2015

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

Ferox's land, buildings and accounts receivable secure the credit facilities. As of March 31, 2015, there were bank guarantees of 61.2 million Czech koruna (equivalent to \$2,392) supported by the Ferox credit facilities.

Chart Luxembourg, maintains an overdraft facility with \$5,000 in borrowing capacity. There were no borrowings under the Chart Luxembourg facility as of March 31, 2015.

Fair Value Disclosures

The fair value of the Convertible Notes was approximately 97% of their par value as of March 31, 2015 and approximately 95% of their par value as of December 31, 2014. The Convertible Notes are actively quoted instruments and, accordingly, the fair value of the Convertible Notes was determined using Level 1 inputs as defined in Note 8.

NOTE 5 — Derivative Financial Instruments

The Company utilizes certain derivative financial instruments to enhance its ability to manage foreign currency risk that exists as part of its ongoing business operations. Derivative instruments are entered into for periods consistent with related underlying exposures and do not constitute positions independent of those exposures. The Company does not enter into contracts for speculative purposes, nor is it a party to any leveraged derivative instruments. The Company is exposed to foreign currency exchange risk as a result of transactions in currencies other than the functional currency of certain subsidiaries. The Company utilizes foreign currency forward purchase and sale contracts to manage the volatility associated with foreign currency purchases and certain intercompany transactions in the normal course of business. Contracts typically have maturities of less than one year. Principal currencies include the U.S. dollar, the euro, the Japanese yen, the Czech koruna, and the Chinese yuan. The Company's foreign currency forward contracts do not qualify as hedges as defined by accounting guidance. Foreign currency forward contracts are measured at fair value and recorded in the condensed consolidated balance sheets as other current liabilities or assets. Changes in their fair value are recorded in the condensed consolidated statements of income and comprehensive income as foreign currency gains or losses. The Company's foreign currency forward contracts are not exchange traded instruments and, accordingly, the valuation is performed using Level 2 inputs as defined in Note 8. Gains or losses on settled or expired contracts are recorded in the condensed consolidated statements of income and comprehensive income as foreign currency gains or losses.

The changes in fair value with respect to the Company's foreign currency forward contracts generated a net gain of \$2,495 and a net loss of \$125 for the three months ended March 31, 2015 and 2014, respectively.

NOTE 6 — Product Warranties

The Company provides product warranties with varying terms and durations for the majority of its products. The Company estimates its warranty reserve by considering historical and projected warranty claims, historical and projected cost-per-claim and knowledge of specific product issues that are outside its typical experience. The Company records warranty expense in cost of sales. Product warranty claims not expected to occur within one year are recorded in the long-term portion of the warranty reserve in the condensed consolidated balance sheets.

The following table represents changes in the Company's consolidated warranty reserve:

Balance at December 31, 2014	\$24,246	
Warranty expense	3,457	
Warranty usage	(5,373)
Balance at March 31, 2015	\$22,330	

NOTE 7 — Business CombinationsWuxi Acquisition

On May 27, 2014, Chart Asia finalized the acquisition of 100% of the equity of Wuxi Zhongbo Gas and Air Equipment Manufacturing Co. Ltd., which changed its name to Chart Energy & Chemicals Wuxi Co., Ltd., for an aggregate cash purchase price of 73.3 million Chinese yuan (equivalent to \$11,943), net of cash acquired. The fair value of the net assets acquired and goodwill at the date of acquisition was 15.6 million Chinese yuan and 57.7 million Chinese yuan, respectively. Wuxi, located in Wuxi, Jiangsu Province, China, designs, manufactures and sells

low-pressure brazed aluminum heat exchangers. In addition, cold box fabrication operations were relocated from Changzhou, China to the Wuxi facility. Wuxi's results are included in the Company's Energy & Chemicals business segment as of the date of acquisition.

Table of Contents

CHART INDUSTRIES, INC. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements – March 31, 2015

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

Contingent Consideration

The estimated fair value of total contingent consideration relating to a prior acquisition was valued using a discounted cash flow approach, which includes assumptions for the probabilities of achieving gross sales targets and the discount rate applied to the projected payments. The valuation is performed using Level 3 inputs as defined in Note 8. Changes in fair value of contingent consideration are recorded as selling, general and administrative expenses in the condensed consolidated statements of income and comprehensive (loss) income.

Potential payments may be paid between April 1, 2015 and March 31, 2016 based on the attainment of certain revenue targets. The remaining maximum potential payout related to total contingent consideration is \$2,259.

Balance at December 31, 2014	\$ 1,074	
Decrease in fair value of contingent consideration liabilities	(463)
Balance at March 31, 2015	\$ 611	

For the three months ended March 31, 2015 and 2014, the fair value of contingent consideration related to the BioMedical segment decreased by \$463 and increased by \$63, respectively.

NOTE 8 — Fair Value Measurements

The Company measures its financial assets and liabilities at fair value on a recurring basis using a three-tier fair value hierarchy, which prioritizes the inputs used in the valuation methodologies. The three levels of inputs used to measure fair value are as follows:

Level 1 — Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2 — Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 — Valuations based on unobservable inputs reflecting our own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

Financial assets and liabilities measured at fair value on a recurring basis and presented in the Company's condensed consolidated balance sheets are as follows:

	March 31, 2015		
	Total	Level 2	Level 3
Foreign currency forward contracts	\$24	\$24	\$—
Total financial assets	\$24	\$24	\$—
Foreign currency forward contracts	\$20	\$20	\$—
Contingent consideration liabilities	611	—	611
Total financial liabilities	\$631	\$20	\$611
	December 31, 2014		
	Total	Level 2	Level 3
Foreign currency forward contracts	\$49	\$49	\$—
Contingent consideration liabilities	1,074	—	1,074
Total financial liabilities	\$1,123	\$49	\$1,074

Refer to Note 5 for further information regarding derivative financial instruments and Note 7 for further information regarding contingent consideration liabilities.

Table of Contents

CHART INDUSTRIES, INC. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements – March 31, 2015

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

NOTE 9 — Equity

Accumulated Other Comprehensive (Loss) Income

The following tables represent changes in accumulated other comprehensive (loss) income by component:

	Foreign currency translation adjustments	Pension liability adjustments, net of taxes	Accumulated other comprehensive (loss) income
Balance at December 31, 2014	\$3,808	\$(12,494)	\$(8,686)
Other comprehensive loss	(8,048)	—	(8,048)
Amounts reclassified from accumulated other comprehensive (loss) income, net of income taxes of \$125 ⁽¹⁾	—	232	232
Net current-period other comprehensive (loss) income, net of taxes	(8,048)	232	(7,816)
Balance at March 31, 2015	\$(4,240)	\$(12,262)	\$(16,502)
	Foreign currency translation adjustments	Pension liability adjustments, net of taxes	Accumulated other comprehensive income (loss)
Balance at December 31, 2013	\$18,425	\$(5,103)	\$13,322
Other comprehensive loss	(1,930)	—	(1,930)
Amounts reclassified from accumulated other comprehensive (loss) income, net of income taxes of \$29 ⁽¹⁾	—	51	51
Net current-period other comprehensive (loss) income, net of taxes	(1,930)	51	(1,879)
Balance at March 31, 2014	\$16,495	\$(5,052)	\$11,443

Amounts reclassified from accumulated other comprehensive (loss) income were expensed and included in cost of sales (\$140 and \$31 for the three months ended March 31, 2015 and 2014, respectively) and selling, general and administrative expenses (\$217 and \$49 for the three months ended March 31, 2015 and 2014, respectively) in the condensed consolidated statements of income and comprehensive (loss) income. The components in accumulated other comprehensive (loss) income are included in the computation of net periodic pension expense (income) as reported in Note 11.

Earnings Per Share

The following table presents calculations of net income per share of common stock:

	Three Months Ended March 31,	
	2015	2014
Net income attributable to Chart Industries, Inc.	\$5,246	\$11,997
Net income attributable to Chart Industries, Inc. per common share:		
Basic	\$0.17	\$0.40
Diluted	\$0.17	\$0.38
Weighted average number of common shares outstanding — basic	30,466	30,346
Incremental shares issuable upon assumed conversion and exercise of share-based awards	186	318
Incremental shares issuable due to dilutive effect of the Convertible Notes	—	718
Incremental shares issuable due to dilutive effect of warrants	—	45

Weighted average number of common shares outstanding — diluted	30,652	31,427
--	--------	--------

13

Table of Contents

CHART INDUSTRIES, INC. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements – March 31, 2015

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

Diluted earnings per share does not reflect the following potential common shares as the effect would be anti-dilutive:

	Three Months Ended March 31,	
	2015	2014
Share-based awards	220	23
Convertible note hedge and capped call transactions ⁽¹⁾	—	715
Warrants	3,368	—
Total anti-dilutive securities	3,588	738

(1) The convertible note hedge and capped call transactions offset any dilution upon actual conversion of the Convertible Notes up to a common stock price of \$84.96. See Note 4 for further information.

NOTE 10 — Income Taxes

The effective income tax rate of 31.0% for the three months ended March 31, 2015, respectively, differed from the U.S. federal statutory rate of 35% primarily due to the effect of income earned by certain of the Company's foreign entities being taxed at lower rates than the federal statutory rate. The effective income tax rate of 29.7% for the three months ended March 31, 2014, respectively, differed from the U.S. federal statutory rate of 35% primarily due to the effect of income earned by certain of the Company's foreign entities being taxed at lower rates than the federal statutory rate.

As of March 31, 2015, the Company has recorded a \$948 liability for gross unrecognized tax benefits. This amount includes \$462 of unrecognized tax benefits which, if ultimately recognized, will reduce the Company's annual effective income tax rate. The Company recognizes interest and penalties related to uncertain tax positions in income tax expense. As of March 31, 2015, the Company had accrued approximately \$100 for the payment of interest and penalties.

NOTE 11 — Employee Benefit Plans

The Company has a defined benefit pension plan which is frozen, that covers certain U.S. hourly and salaried employees. The defined benefit plan provides benefits based primarily on the participants' years of service and compensation. The following table represents the components of net periodic pension expense (income):

	Three Months Ended March 31,	
	2015	2014
Interest cost	\$572	\$590
Expected return on plan assets	(799)	(776)
Amortization of net loss	357	80
Total net periodic pension expense (income)	\$130	\$(106)

NOTE 12 — Share-based Compensation

During the three months ended March 31, 2015, the Company granted 221 stock options, 116 restricted stock units and 24 performance units. Non-employee directors received 5 stock awards with a fair value of \$171. During the three months ended March 31, 2015, participants in the Company's stock option plans exercised options to purchase 37 shares of the Company's common stock while 4 stock options were forfeited.

Stock options generally have a four-year graded vesting period. Restricted stock and restricted stock units generally vest ratably over a three-year period, and performance units and leveraged restricted share units generally vest at the end of a three-year performance period based on the achievement of certain performance conditions. During the three months ended March 31, 2015, 34 restricted stock and restricted stock units vested while 2 shares of restricted stock and restricted stock units were forfeited. Also, during the three months ended March 31, 2015, 27 and 11 performance units and leveraged restricted share units vested, respectively.

Share-based compensation expense was \$5,752 and \$3,957 for the three months ended March 31, 2015 and 2014, respectively, and is included in selling, general and administrative expenses in the condensed consolidated statements of income

Table of Contents

CHART INDUSTRIES, INC. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements – March 31, 2015

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

and comprehensive (loss) income. As of March 31, 2015, total share-based compensation of \$12,682 is expected to be recognized over the weighted-average period of approximately 2.2 years.

NOTE 13 — Contingencies

In November 2012, Chart Energy & Chemicals, Inc. (“CEC”), a subsidiary of the Company, filed a declaratory judgment action in the United States District Court for the Western District of Oklahoma (the “Federal Court”) seeking a judgment that certain claims for damages alleged by Enogex Holdings LLC, Enogex Gathering & Processing, LLC and affiliated companies with respect to a December 2010 fire at the Enogex natural gas processing plant in Cox City, Oklahoma were barred based on multiple defenses, including Oklahoma’s statute of repose. This action was precipitated by the receipt of a letter from Enogex alleging that CEC was responsible for damages in excess of \$75,000 with respect to the fire as a result of the alleged failure of CEC’s equipment that was a component of the unit involved in the fire. Subsequent to the filing of CEC’s declaratory judgment action, in December 2012, Enogex filed suit in the District Court of Tulsa County, State of Oklahoma (the “State Court”) against the Company, CEC and its predecessors, a former employee of a predecessor of CEC, as well as other entities and an individual not affiliated with the Company, formalizing the allegations and claims contained in the November demand letter. Each party filed one or more motions to dismiss the other’s lawsuit. Enogex’s motion to dismiss initially was denied by the Federal Court, but Enogex moved for rehearing on its motion to dismiss, which the Federal Court granted based on a lack of jurisdictional diversity. The Company’s and CEC’s motions to dismiss were denied by the State Court. The Company, CEC and their affiliates filed multiple motions for summary judgment with the State Court, and the State Court granted a motion for partial summary judgment dismissing Enogex’s breach of contract and warranty claims, but denied other motions for summary judgment. Accordingly, litigation continues in the State Court on Enogex’s other claims, and Enogex has asserted damages of approximately \$105,000, including investigation and repair costs and business interruption losses, some of which may be offset by Enogex’s saved costs and mitigation efforts. This matter is set for trial beginning in late September 2015. The Company continues to believe that the allegations against the Company, CEC and their affiliates lack merit. The Company believes that it, CEC and their affiliates have strong factual and legal defenses to Enogex’s claims and intends to vigorously assert such defenses. Accordingly, an accrual related to any damages that may result from the lawsuit has not been recorded because a potential loss is not currently probable. Furthermore, the Company believes that its existing product liability insurance is adequate for potential losses associated with these claims. While the Company cannot predict with certainty the ultimate result of these proceedings, the Company does not believe that the final outcome of these proceedings will have a material adverse effect on the Company’s financial position, results of operations, or cash flows.

NOTE 14 — Reportable Segments

The structure of the Company’s internal organization is divided into the following reportable segments, which are also the Company’s operating segments: Energy & Chemicals (“E&C”), Distribution & Storage (“D&S”) and BioMedical. Corporate includes operating expenses for executive management, accounting, tax, treasury, human resources, information technology, legal, internal audit, risk management and share-based compensation expenses that are not allocated to the reportable segments.

The following table represents information for the Company’s reportable segments and its corporate function:

	Three Months Ended March 31,	
	2015	2014
Sales		
Energy & Chemicals	\$87,470	\$86,146
Distribution & Storage	105,071	129,522
BioMedical	52,564	50,572
Consolidated	\$245,105	\$266,240
Operating Income (Loss)		
Energy & Chemicals	\$15,982	\$16,607

Edgar Filing: CHART INDUSTRIES INC - Form 10-Q

Distribution & Storage	11,275	18,087	
BioMedical	3,653	2,395	
Corporate	(15,953)	(14,943))
Consolidated	\$ 14,957	\$ 22,146)

15

Table of Contents

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

Overview

Chart Industries, Inc. (the "Company," "Chart," or "we") is a leading diversified global manufacturer of highly engineered equipment for the industrial gas, energy and biomedical industries. The largest portion of end-use applications for our products is energy-related. Our equipment and engineered systems are primarily used for low-temperature and cryogenic applications utilizing our expertise in cryogenic systems and equipment, which operate at low temperatures sometimes approaching absolute zero (0 kelvin; -273° Centigrade; -459° Fahrenheit).

Sales for the three months ended March 31, 2015 were \$245.1 million compared to sales of \$266.2 million for the three months ended March 31, 2014, reflecting a decrease of \$21.1 million, or 7.9%. This decrease was mainly attributable to a shortfall in liquefied natural gas applications within our D&S segment and the strength of the U.S. dollar, which had a significant negative impact on the results of our European operations when translated to U.S. dollars. Gross profit for the three months ended March 31, 2015 was \$72.5 million, or 29.6% of sales, as compared to \$77.5 million, or 29.1% of sales, for the three months ended March 31, 2014. Gross profit decreased during the period mainly as a result of decreased volume related to liquefied natural gas applications within our D&S segment and the negative currency impact while the related margin percentage increased mainly due to improved product mix within our D&S and BioMedical segments. Operating income for the three months ended March 31, 2015 was \$15.0 million compared to \$22.1 million for the three months ended March 31, 2014.

As previously disclosed, low oil prices continue to delay LNG conversions and LNG-related opportunities, which negatively impacted our sales level on a quarter-over-quarter basis. In addition, the strength of the U.S. dollar continues to negatively impact us. Due to the uncertainty surrounding the price of oil and its impact on natural gas projects and our business, we continue to face challenges in the timing of orders. We remain encouraged by the long-term opportunities in low-cost small to mid-scale LNG liquefaction and larger multi-train LNG liquefaction, including potential opportunities with Venture Global LNG and Parallax Energy for which we are currently executing advance engineering for multi-train export facilities. We implemented a number of cost reduction actions during the quarter in response to lower orders and the strong U.S. dollar, including the planned closure of a manufacturing facility in Owatonna, Minnesota within our D&S segment. We expect additional costs of approximately \$3.0 million, primarily related to lease exit costs, which will likely be incurred during the second quarter of 2015 as we close and vacate this facility. We continue to closely monitor our end markets and order rates and will continue to take appropriate and timely actions as necessary.

Table of Contents

The following table represents selected financial data for our operating segments for the three months ended March 31, 2015 and 2014 (dollars in thousands):

	Three Months Ended March 31,		
	2015	2014	
Sales			
Energy & Chemicals	\$87,470	\$86,146	
Distribution & Storage	105,071	129,522	
BioMedical	52,564	50,572	
Consolidated	\$245,105	\$266,240	
Gross Profit			
Energy & Chemicals	\$24,863	\$24,723	
Distribution & Storage	30,048	36,342	
BioMedical	17,612	16,481	
Consolidated	\$72,523	\$77,546	
Gross Profit Margin			
Energy & Chemicals	28.4	%	28.7 %
Distribution & Storage	28.6	%	28.1 %
BioMedical	33.5	%	32.6 %
Consolidated	29.6	%	29.1 %
SG&A Expenses			
Energy & Chemicals	\$8,182	\$7,510	
Distribution & Storage	17,469	16,951	
BioMedical	11,577	11,507	
Corporate	15,934	14,943	
Consolidated	\$53,162	\$50,911	
SG&A Expenses (% of Sales)			
Energy & Chemicals	9.4	%	8.7 %
Distribution & Storage	16.6	%	13.1 %
BioMedical	22.0	%	22.8 %
Consolidated	21.7	%	19.1 %
Operating Income			
Energy & Chemicals	\$15,982	\$16,607	
Distribution & Storage	11,275	18,087	
BioMedical	3,653	2,395	
Corporate	(15,953	)	(14,943
Consolidated	\$14,957	)	\$22,146
Operating Margin			
Energy & Chemicals	18.3	%	19.3 %
Distribution & Storage	10.7	%	14.0 %
BioMedical	6.9	%	4.7 %
Consolidated	6.1	%	8.3 %

Table of Contents

Results of Operations for the Three Months Ended March 31, 2015 Compared to the Three Months Ended March 31, 2014

Sales

Sales for the three months ended March 31, 2015 were \$245.1 million compared to \$266.2 million for the three months ended March 31, 2014, reflecting a decrease of \$21.1 million, or 7.9%. E&C segment sales increased by \$1.3 million, or 1.5%, compared to the prior year period. The increase in E&C segment sales was primarily due to improved volume in process systems related to small to mid-scale LNG liquefaction and petrochemical projects, partially offset by a shortfall in volume related to brazed aluminum heat exchangers within industrial gas and natural gas processing applications. D&S segment sales decreased by \$24.4 million, or 18.9%, compared to the prior year period. This decrease in D&S segment sales was mainly attributable to lower volume related to LNG applications which was partially offset by improved volume in bulk and packaged industrial gas applications. From a geographic standpoint, sales volume declined based on weaker order trends in China and the negative currency impact in Europe. This was partially offset by improved volume in the U.S. BioMedical segment sales increased by \$2.0 million, or 3.9%, compared to the prior year period. This increase in BioMedical segment sales was mainly due to improved volume in commercial oxygen generation systems, partially offset by a decline in sales related to respiratory therapy equipment driven by the negative currency impact in Europe.

Gross Profit and Margin

Gross profit for the three months ended March 31, 2015 was \$72.5 million, or 29.6% of sales, versus \$77.5 million, or 29.1% of sales, for the three months ended March 31, 2014, which reflected a decrease of \$5.0 million, while the related margin percentage increased by 0.5 percentage points. E&C segment gross profit increased by \$0.1 million mainly due to improved project mix and execution in process systems related to LNG liquefaction and petrochemical projects offset by decreased volume in brazed aluminum heat exchangers within industrial gas and natural gas processing applications while the related margin decreased by 0.3 percentage points due to product mix. Gross profit for the D&S segment decreased by \$6.3 million mainly due to decreased volume related to LNG applications, while the related margin increased by 0.5 percentage points mainly due to improved product mix and lower material prices. BioMedical segment gross profit increased by \$1.2 million mainly due to commercial oxygen generation systems, while the related margin increased by 0.9 percentage points compared to the prior year period mainly due to improved volume, product mix, and reduced warranty costs associated with respiratory therapy products. The BioMedical segment's warranty expense as a percent of sales was 4.0% during the three months ended March 31, 2015, compared to 5.8% in the prior year quarter. In the first quarter of 2014, we experienced a higher rate of warranty claims in our BioMedical segment within product lines associated with AirSep Corporation, a wholly-owned subsidiary of the Company. The increased claims and revisions to the estimated cost of warranty claims resulted in an adjustment to our estimated warranty reserve in the first quarter of 2014, which led to an increase in the BioMedical segment's warranty expense as a percent of sales.

Selling, General & Administrative ("SG&A") Expenses

SG&A expenses for the three months ended March 31, 2015 were \$53.2 million, or 21.7% of sales, compared to \$50.9 million, or 19.1% of sales, for the three months ended March 31, 2014, representing an increase of \$2.3 million. SG&A expenses for the E&C segment increased by \$0.7 million compared to the prior year period mainly due to increased bid and proposal marketing costs and consulting expense. D&S segment SG&A expenses increased by \$0.5 million compared to the prior year period mainly due to restructuring costs associated with the planned Owatonna shutdown. SG&A expenses for the BioMedical segment increased by \$0.1 million compared to the prior year period. Corporate SG&A expenses, which include share-based compensation expense, increased by \$1.0 million compared to the prior year period. Share-based compensation expense increased by approximately \$1.8 million, mainly due to acceleration of expense based on retirement eligibility provisions as a greater mix of share-based awards satisfied these provisions during the first quarter of 2015. This was partially offset by a reduction in an earn-out related to a prior acquisition and lower employee-related costs.

Amortization Expense

Amortization expense for the three months ended March 31, 2015 was \$4.4 million, or 1.8% of sales compared to \$4.5 million, or 1.7% of sales, for the three months ended March 31, 2014.

Operating Income

As a result of the foregoing, operating income for the three months ended March 31, 2015 was \$15.0 million, or 6.1% of sales, a decrease of \$7.1 million compared to operating income of \$22.1 million, or 8.3% of sales, for the same period in 2014.

Table of Contents

Interest Expense, Net and Financing Costs Amortization

Net interest expense for the three months ended March 31, 2015 and 2014 was \$3.9 million and \$4.1 million, respectively. Interest expense for the three months ended March 31, 2015 included \$1.3 million of 2.0% cash interest and \$2.8 million of non-cash interest accretion expense related to the carrying value of the Convertible Notes. For each of the three months ended March 31, 2015 and 2014, financing costs amortization was \$0.3 million.

Foreign Currency Loss

For the three months ended March 31, 2015 and 2014, foreign currency losses were \$3.1 million and \$0.1 million, respectively. Losses increased by \$3.0 million during the three months ended March 31, 2015 due to exchange rate volatility, especially with respect to the euro.

Income Tax Expense

Income tax expense of \$2.4 million and \$5.2 million for the three months ended March 31, 2015 and 2014, respectively, represents taxes on both U.S. and foreign earnings at a combined effective income tax rate of 31.0% and 29.7%, respectively. The increase in the effective income tax rate was primarily due to a higher mix of U.S. compared to foreign earnings which are taxed at a higher rate.

Net Income

As a result of the foregoing, net income attributable to the Company for the three months ended March 31, 2015 and 2014 was \$5.2 million and \$12.0 million, respectively.

Liquidity and Capital Resources

Debt Instruments and Related Covenants

Convertible Notes: The outstanding aggregate principal amount of the Company's Convertible Notes is \$250.0 million. The Convertible Notes bear interest at a fixed rate of 2.0% per year, payable semiannually in arrears on February 1 and August 1 of each year, and will mature on August 1, 2018. The effective interest rate at issuance, under generally accepted accounting principles, was 7.9%. Upon conversion, holders of the Convertible Notes will receive cash up to the principal amount of the Convertible Notes, and it is the Company's intention to settle any excess conversion value in shares of the Company's common stock. However, the Company may elect to settle, at its discretion, any such excess value in cash, shares of the Company's common stock or a combination of cash and shares. The initial conversion price of \$69.03 per share represents a conversion premium of 30% over the last reported sale price of the Company's common stock on July 28, 2011, the date of the Convertible Notes offering, which was \$53.10 per share. At the end of the first quarter of 2015, events for early conversion were not met, and thus the Convertible Notes were not convertible as of, and for the fiscal quarter beginning April 1, 2015. There have been no conversions as of the date of this filing. In the event that holders of Convertible Notes elect to convert, the Company expects to fund any cash settlement of any such conversion from cash balances or borrowings under its senior secured revolving credit facility.

Senior Secured Revolving Credit Facility: The Company has a five-year \$450.0 million senior secured revolving credit facility (the "SSRCF") which matures on October 29, 2019. The SSRCF includes a \$25.0 million sub-limit for the issuance of swingline loans and a \$100.0 million sub-limit to be used for letters of credit. There is a foreign currency limit of \$100.0 million under the SSRCF which can be used for foreign currency denominated letters of credit and borrowings in a foreign currency, in each case in currencies agreed upon with the lenders. In addition, the facility permits borrowings up to \$100.0 million made by the Company's wholly-owned subsidiaries, Chart Industries Luxembourg S.à r.l. ("Chart Luxembourg") and Chart Asia Investment Company Limited. The SSRCF also includes an expansion option permitting the Company to add up to an aggregate \$200.0 million in term loans or revolving credit commitments from its lenders. Loans under the SSRCF bear interest at LIBOR or the Adjusted Base Rate as defined in the Debt and Credit Arrangements note (Note 4) to our condensed consolidated financial statements included elsewhere in this report, plus a margin that varies with the Company's leverage ratio. Significant financial covenants for the SSRCF include a leverage ratio and an interest ratio. The Company had \$31.7 million in letters of credit and bank guarantees supported by the SSRCF, which had availability of \$418.3 million, at March 31, 2015. The Company was in compliance with all covenants, including its financial covenants, at March 31, 2015.

Foreign Facilities – China: Chart Cryogenic Engineering Systems (Changzhou) Company Limited (“CCESC”), Chart Energy & Chemicals Wuxi Co., Ltd. (“Wuxi”) and Chart Biomedical (Chengdu) Co. Ltd. (“Chengdu”), wholly-owned subsidiaries of the Company, and Chart Cryogenic Distribution Equipment (Changzhou) Company Limited (“CCDEC”), a joint venture of the Company, maintain joint banking facilities (the “China Facilities”) which include a revolving line with 50.0

19

Table of Contents

million Chinese yuan (equivalent to \$8.1 million) in borrowing capacity, a bonding/guarantee facility with up to 30.0 million Chinese yuan (equivalent to \$4.9 million) in borrowing capacity, and an overdraft facility with 10.0 million Chinese yuan (equivalent to \$1.6 million) in borrowing capacity. Any borrowings made by CCESEC, CCDEC, Chengdu or Wuxi under the China Facilities are guaranteed by the Company. At March 31, 2015, there was 20.0 million Chinese yuan (equivalent to \$3.3 million) outstanding under the revolving line, bearing interest at 5.6% on a weighted-average basis.

CCDEC maintains a credit facility with Bank of China whereby CCDEC may borrow up to 50.0 million Chinese yuan (equivalent to \$8.1 million) for working capital purposes, and 30.0 million Chinese yuan (equivalent to \$4.9 million) for non-financing bank guarantee purposes. This credit facility is effective until August 7, 2015. At March 31, 2015 there was 10.0 million Chinese yuan (equivalent to \$1.6 million) outstanding under this facility, bearing interest at 6.6%.

CCESEC maintains a credit facility with Bank of China whereby CCESEC may borrow up to 100.0 million Chinese yuan (equivalent to \$16.3 million) for working capital purposes. This credit facility is effective until July 8, 2015. There were no borrowings under this facility as of March 31, 2015.

As of March 31, 2015, CCESEC and Wuxi had 7.6 million Chinese yuan (equivalent to \$1.2 million) and 1.0 million Chinese yuan (equivalent to \$0.2 million) in bank guarantees, respectively.

Foreign Facilities – Europe: Chart Ferox, a.s. (“Ferox”), a wholly-owned subsidiary of the Company, maintains two secured revolving credit facilities with capacity of up to 175.0 million Czech koruna (equivalent to \$6.8 million). Both of the facilities allow Ferox to request bank guarantees and letters of credit. Neither of the facilities allows revolving credit borrowings. Under both facilities, Ferox must pay letter of credit and guarantee fees equal to 0.70% per annum on the face amount of each guarantee or letter of credit. Ferox’s land, buildings and accounts receivable secure the credit facilities. At March 31, 2015, there were 61.2 million Czech koruna (equivalent to \$2.4 million) of bank guarantees supported by such facilities.

Chart Luxembourg maintains an overdraft facility with \$5.0 million in borrowing capacity. There were no borrowings under the Chart Luxembourg facility as of March 31, 2015.

Our debt and related covenants are further described in the Debt and Credit Arrangements note (Note 4) to our condensed consolidated financial statements included elsewhere in this report.

Sources and Use of Cash

Our cash and cash equivalents totaled \$83.4 million at March 31, 2015, a decrease of \$20.3 million from the balance at December 31, 2014. Our foreign subsidiaries held cash of approximately \$70.7 million and \$82.9 million at March 31, 2015 and December 31, 2014, respectively, to meet their liquidity needs. No material restrictions exist to accessing cash held by our foreign subsidiaries. We expect to meet our U.S. funding needs without repatriating non-U.S. cash and incurring incremental U.S. taxes. Cash equivalents are invested in money market funds that invest in high quality, short-term instruments, such as U.S. government obligations, certificates of deposit, repurchase obligations and commercial paper issued by corporations that have been highly rated by at least one nationally recognized rating organization. We believe that our existing cash and cash equivalents, funds available under our SSRCF and cash provided by operations will be sufficient to finance our normal working capital needs, acquisitions, and investments in properties, facilities and equipment for the foreseeable future.

Cash provided by operating activities was \$1.5 million and \$20.9 million for the three months ended March 31, 2015 and 2014, respectively. The decrease of \$19.4 million in cash provided by operations was primarily due to a decrease in net income and an increase in working capital. Timing of cash payments from large customers resulted in greater cash collections during the first quarter of 2014 as compared to the first quarter of 2015. Furthermore, inventory increased during the three months ended March 31, 2015 mainly as a result of lower sales volume within the D&S segment.

Cash used in investing activities was \$15.1 million and \$15.0 million for the three months ended March 31, 2015 and 2014, respectively. Capital expenditures were \$14.8 million for the three months ended March 31, 2015, primarily for a capacity expansion project in D&S in response to expected growth in the energy industry in China. Also during the three months ended March 31, 2015, we used \$0.3 million of cash to fund an acquisition of a business related to the

D&S segment.

Cash used in financing activities for the three months ended March 31, 2015 was \$1.0 million compared to \$2.0 million of cash used in financing activities for the three months ended March 31, 2014. During the three months ended March 31, 2015, we received \$0.4 million in proceeds from stock option exercises. We used \$0.8 million for the purchase of common stock which was surrendered to cover tax withholding elections during the three months ended March 31, 2015. The excess tax deficiency from share-based compensation was \$0.5 million during the three months ended March 31, 2015.

20

Table of Contents

Cash Requirements

We do not currently anticipate any unusual cash requirements for working capital needs for the year ending December 31, 2015. Management anticipates we will be able to satisfy cash requirements for our ongoing business for the foreseeable future with cash generated by operations, existing cash balances and available borrowings under our credit facilities. We expect capital expenditures for the remaining nine months of 2015 to be in the range of \$50.0 to \$55.0 million, which will be deployed primarily within our D&S segment primarily for a capacity expansion project in D&S in response to expected growth in the energy industry in China. For the remaining nine months of 2015, we contemplate the use of approximately \$18.0 to \$21.0 million of cash to pay U.S. and foreign income taxes. In April 2015, we paid \$0.6 million related to a contingent consideration agreement.

Orders and Backlog

We consider orders to be those for which we have received a firm signed purchase order or other written contractual commitment from the customer. Backlog is comprised of the portion of firm signed purchase orders or other written contractual commitments received from customers that we have not recognized as revenue upon shipment or under the percentage of completion method. Backlog can be significantly affected by the timing of orders for large projects, particularly in the E&C segment, and is not necessarily indicative of future backlog levels or the rate at which backlog will be recognized as sales. Orders included in our backlog may include customary cancellation provisions under which the customer could cancel part or all of the order, potentially subject to the payment of certain costs and/or fees. Our backlog as of March 31, 2015 was \$608.7 million compared to \$640.1 million as of December 31, 2014. The table below represents orders (net of cancellations) and backlog by segment for the periods indicated (dollar amounts in thousands):

	Three Months Ended	
	March 31, 2015	December 31, 2014
Orders		
Energy & Chemicals	\$42,649	\$70,897
Distribution & Storage	124,031	96,002
BioMedical	52,867	51,638
Total	\$219,547	\$218,537
Backlog		
Energy & Chemicals	\$249,778	\$294,204
Distribution & Storage	340,477	328,350
BioMedical	18,436	17,509
Total	\$608,691	\$640,063

E&C orders for the three months ended March 31, 2015 were \$42.6 million compared to \$70.9 million for the three months ended December 31, 2014. E&C backlog totaled \$249.8 million at March 31, 2015, compared to \$294.2 million as of December 31, 2014. We experienced lower order activity in our E&C segment mainly related to ethane and LNG applications. Additionally, E&C first quarter orders are net of approximately \$4.5 million in cancellations. Order flow in the E&C segment is historically volatile due to project size and it is not unusual to see order intake change significantly quarter to quarter.

D&S orders for the three months ended March 31, 2015 were \$124.0 million compared to \$96.0 million for the three months ended December 31, 2014, which included approximately \$33 million in order cancellations. Excluding order cancellations, D&S segment orders remained relatively flat during the first quarter of 2015. D&S backlog totaled \$340.5 million at March 31, 2015 compared to \$328.4 million as of December 31, 2014. Approximately 28% of D&S backlog as of March 31, 2015 was related to PetroChina.

BioMedical orders for the three months ended March 31, 2015 were \$52.9 million compared to \$51.6 million for the three months ended December 31, 2014. The increase in BioMedical orders was mainly attributable to commercial oxygen generation systems. BioMedical backlog at March 31, 2015 totaled \$18.4 million compared to \$17.5 million as of December 31, 2014.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

21

- the impairment of our goodwill or other intangible assets;
- our ability to manage our fixed-price contract exposure;
- our reliance on the availability of key supplies and services;
- changes in government health care regulations and reimbursement policies;
- litigation and disputes involving us, including the extent of product liability, warranty, contract, employment, intellectual property and environmental claims asserted against us;
- general economic, political, business and market risks associated with our global operations;

Table of Contents

our warranty reserves may not adequately cover our warranty obligations;

the loss of key employees;

fluctuations in foreign currency exchange rates and interest rates;

financial distress of third parties;

our ability to control our costs while maintaining customer relationships and core business resources;

our ability to protect our intellectual property and know-how;

United States Food and Drug Administration and comparable foreign regulation of our products;

the pricing and availability of raw materials;

technological security threats and our reliance on information systems;

the cost of compliance with environmental, health and safety laws and responding to potential liabilities under these laws;

claims that our products or processes infringe intellectual property rights of others;

additional liabilities related to taxes;

our ability to continue our technical innovation in our product lines;

labor costs and disputes and the deterioration of our relations with our employees;

increased government regulation;

the underfunded status of our pension plan;

the risk of potential violations of the Foreign Corrupt Practices Act;

disruptions in our operations due to severe weather;

regulations governing the export of our products and other regulations applicable to us as a supplier of products to the U.S. government;

risks associated with our indebtedness, leverage and liquidity;

potential dilution to existing holders of our common stock as a result of the conversion of our Convertible Notes, and the need to utilize our cash balances and/or credit facility to fund any cash settlement related to such conversions;

fluctuations in the price of our stock; and

other factors described herein.

There may be other factors that may cause our actual results to differ materially from the forward-looking statements. All forward-looking statements attributable to us or persons acting on our behalf apply only as of the date of this Quarterly Report and are expressly qualified in their entirety by the cautionary statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, as the same may be updated from time to time. We undertake no obligation to update or revise forward-looking statements which may be made to reflect events or circumstances that arise after the filing date of this document or to reflect the occurrence of unanticipated events.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

In the normal course of business, the Company's operations are exposed to fluctuations in interest rates and foreign currency values that can affect the cost of operating and financing. Accordingly, the Company addresses a portion of these risks through a program of risk management.

Interest Rate Risk: The Company's primary interest rate risk exposure results from the SSRCF's various floating rate pricing mechanisms. As of March 31, 2015, there were no borrowings outstanding under the SSRCF. Based on zero borrowings at year-end, as well as historical borrowing practice under the SSRCF, the Company believes that interest rate exposure is not a material risk to the Company.

Foreign Currency Exchange Rate Risk: The Company operates in the United States, Asia, Australia and Europe, creating exposure to foreign currency exchange fluctuations in the normal course of business which can impact our financial position, results of operations, cash flow and competitive position. The financial statements of foreign subsidiaries are translated into their U.S. dollar equivalents at end-of-period exchange rates for assets and liabilities, while income and expenses are translated at average monthly exchange rates. Translation gains and losses are components of other comprehensive income (loss) as reported in the consolidated statements of comprehensive income. Translation exposure is primarily with the euro, the Chinese yuan, and the Japanese yen. During the first quarter of 2015, the euro decreased in relation to the U.S. dollar by 11% while the Chinese yuan and the Japanese yen

remained flat in relation to the U.S. dollar. At March 31, 2015, a hypothetical further 10% strengthening of the U.S. dollar would not materially affect the Company's financial statements.

Table of Contents

Market Price Sensitive Instruments

In connection with the issuance of the Convertible Notes, the Company entered into privately-negotiated convertible note hedge and capped call transactions with affiliates of certain of the underwriters (the "Option Counterparties"). The convertible note hedge and capped call transactions relate to, collectively, 3.6 million shares, which represents the number of shares of the Company's common stock underlying the Convertible Notes, subject to anti-dilution adjustments substantially similar to those applicable to the Convertible Notes. These convertible note hedge and capped call transactions are expected to reduce the potential dilution with respect to the Company's common stock upon conversion of the Convertible Notes and/or reduce the Company's exposure to potential cash or stock payments that may be required upon conversion of the Convertible Notes, except, in the case of the capped call transactions, to the extent that the market price per share of the Company's common stock exceeds the cap price of the capped call transactions.

The Company also entered into separate warrant transactions with the Option Counterparties initially relating to the number of shares of the Company's common stock underlying the convertible note hedge transactions, subject to customary anti-dilution adjustments. The warrant transactions will have a dilutive effect with respect to the Company's common stock to the extent that the price per share of the Company's common stock exceeds the strike price of the warrants unless the Company elects, subject to certain conditions, to settle the warrants in cash. The cap price of the capped call transactions and the strike price of the warrant transactions was initially \$84.96 per share. Further information is located in the Debt and Credit Arrangements note to the Company's condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

Item 4. Controls and Procedures

As of March 31, 2015, an evaluation was performed, under the supervision and with the participation of the Company's management including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Rule 13a-15 under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"). Based upon that evaluation, such officers concluded that the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act (1) is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms and (2) is accumulated and communicated to the Company's management including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow for timely decisions regarding required disclosure.

There were no changes in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Table of Contents

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

In November 2012, Chart Energy & Chemicals, Inc. (“CEC”), a subsidiary of the Company, filed a declaratory judgment action in the United States District Court for the Western District of Oklahoma (the “Federal Court”) seeking a judgment that certain claims for damages alleged by Enogex Holdings LLC, Enogex Gathering & Processing, LLC and affiliated companies with respect to a December 2010 fire at the Enogex natural gas processing plant in Cox City, Oklahoma were barred based on multiple defenses, including Oklahoma’s statute of repose. This action was precipitated by the receipt of a letter from Enogex alleging that CEC was responsible for damages in excess of \$75 million with respect to the fire as a result of the alleged failure of CEC’s equipment that was a component of the unit involved in the fire. Subsequent to the filing of CEC’s declaratory judgment action, in December 2012, Enogex filed suit in the District Court of Tulsa County, State of Oklahoma (the “State Court”) against the Company, CEC and its predecessors, a former employee of a predecessor of CEC, as well as other entities and an individual not affiliated with the Company, formalizing the allegations and claims contained in the November demand letter. Each party filed one or more motions to dismiss the other’s lawsuit. Enogex’s motion to dismiss initially was denied by the Federal Court, but Enogex moved for rehearing on its motion to dismiss, which the Federal Court granted based on a lack of jurisdictional diversity. The Company’s and CEC’s motions to dismiss were denied by the State Court. The Company, CEC and their affiliates filed multiple motions for summary judgment with the State Court, and the State Court granted a motion for partial summary judgment dismissing Enogex’s breach of contract and warranty claims, but denied other motions for summary judgment. Accordingly, litigation continues in the State Court on Enogex’s other claims, and Enogex has asserted damages of approximately \$105 million, including investigation and repair costs and business interruption losses, some of which may be offset by Enogex’s saved costs and mitigation efforts. This matter is set for trial beginning in late September 2015. The Company continues to believe that the allegations against the Company, CEC and their affiliates lack merit. The Company believes that it, CEC and their affiliates have strong factual and legal defenses to Enogex’s claims and intends to vigorously assert such defenses. Accordingly, an accrual related to any damages that may result from the lawsuit has not been recorded because a potential loss is not currently probable. Furthermore, the Company believes that its existing product liability insurance is adequate for potential losses associated with these claims. While the Company cannot predict with certainty the ultimate result of these proceedings, the Company does not believe that the final outcome of these proceedings will have a material adverse effect on the Company’s financial position, results of operations, or cash flows.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the risk factors disclosed in Item 1A, “Risk Factors,” of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

a.) None.

b.) None.

c.) During the first quarter of 2015, 24,951 shares of common stock were surrendered to us by participants under our share-based compensation plans to satisfy tax withholding obligations relating to the vesting or payment of equity awards for an aggregate purchase price of approximately \$808,200. The total number of shares repurchased represents the net shares issued to satisfy tax withholding. All such repurchased shares were subsequently retired during the three months ended March 31, 2015.

Period	Issuer Purchases of Equity Securities			Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased As Part of Publicly Announced Plans or Programs	

Edgar Filing: CHART INDUSTRIES INC - Form 10-Q

January 1 – 31, 2015	15,351	\$ 32.75	—	\$ —
February 1 – 28, 2015	9,517	31.77	—	—
March 1 – 31, 2015	83	35.65	—	—
Total	24,951	\$ 32.39	—	\$ —

25

Table of Contents

Item 4. Mine Safety Disclosures

Not applicable.

Item 6. Exhibits

The following exhibits are included with this report:

- Form of Nonqualified Stock Option Agreement (2015 grants) under the Chart Industries, Inc. Amended and Restated 2009 Omnibus Equity Plan (incorporated by reference to Exhibit 10.3.16 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2014 (File No. 001-11442)).
- 10.1 Form of Performance Unit Agreement (2015 grants) under the Chart Industries, Inc. Amended and Restated 2009 Omnibus Equity Plan (incorporated by reference to Exhibit 10.3.17 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2014 (File No. 001-11442)).
- 10.2 Form of Restricted Stock Unit Agreement (2015 grants) under the Chart Industries, Inc. Amended and Restated 2009 Omnibus Equity Plan (incorporated by reference to Exhibit 10.3.18 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2014 (File No. 001-11442)).
- 10.3
- 31.1 Rule 13a-14(a) Certification of Chief Executive Officer (x)
- 31.2 Rule 13a-14(a) Certification of Chief Financial Officer (x)
- 32.1 Section 1350 Certification of Chief Executive Officer (xx)
- 32.2 Section 1350 Certification of Chief Financial Officer (xx)
- 101.INS XBRL Instance Document (xxx)
- 101.SCHXBRL Taxonomy Extension Schema Document (xxx)
- 101.CALXBRL Taxonomy Extension Calculation Linkbase Document (xxx)
- 101.DEF XBRL Taxonomy Extension Definition Linkbase Document (xxx)
- 101.LAB XBRL Taxonomy Extension Label Linkbase Document (xxx)
- 101.PREXBRL Taxonomy Extension Presentation Linkbase Document (xxx)

(x) Filed herewith.

(xx) Furnished herewith.

In accordance with Rule 406T of Regulation S-T, the XBRL related information in Exhibit 101 to this Form 10-Q shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or (xxx) otherwise subject to the liability of that section, and shall not be part of any registration statement or other document filed under the Securities Act of 1933 or Securities Exchange Act of 1934, except as shall be expressly set forth by specific reference in such filing.

SIGNATURES

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.

Chart Industries, Inc.
(Registrant)

Date: April 30, 2015

By: /s/ Michael F. Biehl
Michael F. Biehl
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)
(Duly Authorized Officer)