

CHART INDUSTRIES INC

Form 424B4

June 07, 2007

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**Filed Pursuant to Rule 424(B)(4)
Registration No. 333-141730
PROSPECTUS**

12,612,513 Shares

Chart Industries, Inc.

Common Stock

The selling stockholders, consisting of FR X Chart Holdings LLC and certain of our executive officers, including our Chief Executive Officer, and other employees are selling 12,612,513 shares of our common stock. We will grant the underwriters an option to purchase up to 1,891,876 additional shares of newly issued common stock to cover over-allotments. We will not receive any proceeds from the sale of shares by the selling stockholders. We intend to use the proceeds we receive from any shares sold pursuant to the underwriters' over-allotment option for general corporate purposes, including reduction of our indebtedness.

Our common stock is listed on the Nasdaq Global Market under the symbol GTLS. On June 6, 2007, the last reported sale price of our common stock was \$21.25 per share.

Investing in the common stock involves risks. See Risk Factors beginning on page 11.

	Public Offering Price	Underwriting Discount	Proceeds, Before Expenses, to the Selling Stockholders
Per Share	\$21.25	\$1.0094	\$20.2406
Total	\$268,015,901.25	\$12,731,070.62	\$255,284,830.63

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares to purchasers on or about June 12, 2007.

Morgan Stanley

Lehman Brothers

Goldman, Sachs & Co.

Natexis Bleichroeder Inc.

Simmons & Company

June 6, 2007

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**Darwin LNG liquefaction facility in Northern Territory, Australia,
including Chart vacuum-insulated pipe and
vacuum-insulated pipe riser modules for large storage tanks**

**Chart brazed aluminum heat exchanger core
for use in an air separation cold box**

**Atlantic LNG Company plant, Point Fortin, Trinidad & Tobago, including Chart liquefaction
cold boxes and vacuum-insulated pipe for jetty cool-down lines
(Photo courtesy Atlantic LNG Company, Point Fortin, Trinidad & Tobago)**

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You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with information different from that contained in this prospectus. We are offering to sell shares of common stock and seeking offers to buy shares of common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of the shares of common stock.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus, but it may not contain all of the information that is important to you. We urge you to read this entire prospectus including the section entitled Risk Factors and the financial statements and related notes, before investing in our common stock.

Unless the context otherwise requires, as used in this prospectus, (i) the terms we, our, us, the Company, Chart Industries and similar terms refer to Chart Industries, Inc. and its consolidated subsidiaries, (ii) the term issuer refers to Chart Industries, Inc. and not any of its subsidiaries and (iii) the term initial public offering refers to our initial public offering of common stock which was completed on July 31, 2006.

Chart Industries, Inc.

Our Company

We are a leading independent global manufacturer of highly engineered equipment used in the production, storage and end-use of hydrocarbon and industrial gases, based on our sales and the estimated sales of our competitors. We supply engineered equipment used throughout the global liquid gas supply chain. The largest portion of end-use applications for our products is energy-related, accounting for 56% of sales and 58% of orders in 2006, and 79% of backlog at December 31, 2006. We are a leading manufacturer of standard and engineered equipment primarily used for low-temperature and cryogenic, or very low temperature, applications. We have developed an expertise in cryogenic systems and equipment, which operate at low temperatures sometimes approaching absolute zero (0 kelvin; -273° Centigrade; -459° Fahrenheit). The majority of our products, including vacuum-insulated containment vessels, heat exchangers, cold boxes and other cryogenic components, are used throughout the liquid gas supply chain for the purification, liquefaction, distribution, storage and end-use of hydrocarbon and industrial gases.

We have attained this position by capitalizing on our low-cost global manufacturing footprint, technical expertise and know-how, broad product offering, reputation for quality, and by focusing on attractive, growing markets. We have an established sales and customer support presence across the globe and low-cost manufacturing operations in the United States, Central Europe and China. We believe we are the number one or two equipment supplier in all of our primary end-use markets. For the three months ended March 31, 2007 and 2006, we generated sales of \$152.5 million and \$120.8 million, respectively. For the year ended December 31, 2006, the combined year ended December 31, 2005 and the year ended December 31, 2004, we generated sales of \$537.5 million, \$403.1 million and \$305.6 million, respectively.

We believe that we are well-positioned to benefit from a variety of long-term trends driving demand in our industry, including:

increasing demand for natural gas and the geographic dislocation of supply and consumption, which is resulting in the need for a global network for liquefied natural gas, or LNG;

increasing demand for natural gas processing, particularly in the Middle East, as crude oil producers look to utilize the gas portions of their reserves; and

increased demand for natural and industrial gases resulting from rapid economic growth in developing areas, particularly Central and Eastern Europe and China.

We operate in three segments: (i) Energy and Chemicals, or E&C, (ii) Distribution and Storage, or D&S, and (iii) BioMedical. While each segment manufactures and markets different cryogenic equipment and systems to distinct end-users, they all share a reliance on our heat transfer and low temperature storage know-how and expertise. The E&C and D&S segments manufacture products used in energy-related and other applications, such as the separation, liquefaction, distribution and storage of hydrocarbon and industrial gases. Through our BioMedical segment, we supply cryogenic equipment used in the storage and distribution of biological materials and oxygen, used primarily in the medical, biological research and animal breeding industries.

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Competitive Strengths

We believe that the following competitive strengths position us to enhance our growth and profitability:

Focus on Attractive Growing End Markets. We anticipate growing demand in the end markets we serve, with particularly strong growth in LNG, natural gas processing, specific international markets across all segments, and biomedical equipment. Rapid economic development in developing areas, particularly Central and Eastern Europe and China, has caused a significant increase in the demand for natural and industrial gases.

Substantial Revenue Visibility. We have a large and growing backlog, which provides us with a high degree of visibility in our forecasted revenue. Our backlog as of March 31, 2007, December 31, 2006, December 31, 2005 and December 31, 2004 was \$342.2 million, \$319.2 million, \$233.6 million and \$129.3 million, respectively. Projects for energy-related applications totaled approximately \$251.0 million in backlog as of December 31, 2006.

Leading Market Positions. We believe we are the #1 or #2 equipment supplier in each of our primary end markets both domestically and internationally. We believe that our strong industry positioning makes us typically one of only two or three suppliers qualified to provide certain products to key customers.

Diverse, Long-Standing Customer Base. We currently serve over 2,000 customers worldwide. Our primary customers are large, multinational producers and distributors of hydrocarbon and industrial gases that provide us with revenue stability. Customers and end-users also include high growth LNG processors, petrochemical processors and biomedical companies. We have developed strong, long-standing relationships with these customers.

Highly Flexible and Low-Cost Manufacturing Base. Given our long-term investment in global manufacturing facilities and specialized equipment, we have developed a substantial comparative scale and geographic advantage within the markets for the cryogenic products that we manufacture with more than 1.9 million square feet of manufacturing space across 12 primary facilities and three continents. This scale and the related substantial operational flexibility enable us to be a low-cost producer for our products.

Product Expertise, Quality, Reliability and Know-How. Within our end markets, we have established a reputation for quality, reliability and technical innovation. We believe that the main drivers of our target customers' purchasing decisions are a supplier's product expertise, quality, reliability and know-how rather than pricing and terms, giving us an advantage based on our reputation and consequent brand recognition. We believe it would be difficult for a new entrant to duplicate our capabilities.

Experienced Management Team. We have assembled a strong senior management team with over 250 combined years of related experience and complementary skills. This team is largely responsible for our strong performance since 2003.

Business Strategy

We believe that we are well-positioned to maintain our leadership in providing highly engineered equipment for use in low-temperature and cryogenic applications and to meet the world's growing demand for hydrocarbon and industrial gases with more economical, reliable and environmentally friendly systems. The principal elements of our strategy are as follows:

Continue to develop innovative, high-growth, energy-specific products. We plan to continue to focus on extending our cryogenic technological leadership, both to capitalize on increasing demand for energy and to create new

applications.

Leverage our global platform to capitalize on growing international demand. We expect growth in hydrocarbon and industrial gas demand and investment over the next five years in the Middle East, Central and Eastern Europe, Russia and China. We believe that our investment in manufacturing, sales and marketing capabilities positions us to increase our market share in these growing international markets.

Capitalize on our position as a market leader. We plan to continue to grow our long-standing relationships with the leading users of cryogenic equipment and expand our customer base.

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Maintain our position as a low-cost producer while continuing to improve operating performance. We believe we are the lowest cost manufacturer for most of our products and we intend to continue to leverage our scale, scope, technical expertise and know-how to deliver to our customers higher quality and more reliable products and services at lower cost. Our disciplined approach to capital expenditures is intended to enhance capacity where we expect to realize significant and timely returns.

Recent Developments

On March 19, 2007, Mr. Ben A. Guill announced his resignation from our board of directors effective March 19, 2007. Mr. Guill's resignation from the board of directors, where he served as our Chairman, did not involve any disagreement with us on any matter relating to our operations, policies or practices. Mr. Guill resigned from the board of directors in connection with his resignation from First Reserve Corporation, or First Reserve, to explore new challenges which may include deal sourcing and/or another affiliation with First Reserve while allowing him more time with his family and to pursue other personal interests. On March 27, 2007, the board of directors designated Mr. Samuel F. Thomas, our Chief Executive Officer and President, to serve as Chairman.

In the first quarter of 2007, Mr. John T. Romain resigned as President of our E&C segment and left our company in the second quarter of 2007. On May 14, 2007, Michael T. Bright joined our company as President of our E&C segment.

Primarily as a result of the vesting of the performance-based options based on First Reserve achieving a specified investment return upon completion of this offering, we estimate that we will incur a pre-tax, non-cash stock-based compensation expense of approximately \$7.0 million in the period in which this offering is consummated. Upon completion of this offering, 82% of such performance-based options will vest.

Mr. Thomas established a Rule 10b5-1 stock sale plan in late 2006. Under the plan, Mr. Thomas sold 60,000 shares of our common stock between March 22, 2007 and March 28, 2007 at prices ranging from \$17.11 to \$18.61 per share in accordance with the plan.

Risk Factors

Investing in our common stock involves substantial risk. You should carefully consider all the information in this prospectus prior to investing in our common stock. Our ability to execute our strategy is subject to the risks that are generally associated with the production, storage and end-use of hydrocarbon and industrial gases. We are also subject to a number of risks related to our competitive position, operations and business strategies. For example, our strategy relating to potential acquisitions exposes us to the risks involved in consummating and integrating acquisitions, including the risk that in a future acquisition we could incur additional debt and contingent liabilities which could adversely affect our operating results. For additional risks relating to our business and the offering, see Risk Factors beginning on page 11 of this prospectus.

Company Information

Chart Industries, Inc. is a Delaware corporation incorporated in 1992. Our principal executive offices are located at One Infinity Corporate Centre Drive, Suite 300, Garfield Heights, Ohio, 44125 and our telephone number is (440) 753-1490. On July 8, 2003, we and all of our then majority-owned U.S. subsidiaries filed voluntary petitions for reorganization relief under Chapter 11 of the U.S. Bankruptcy Code. On September 15, 2003, we and those subsidiaries emerged from Chapter 11 proceedings. On August 2, 2005, we entered into an agreement and plan of merger with certain of our stockholders, First Reserve, and CI Acquisition, Inc., which provided for the sale of shares

of common stock of Chart Industries, Inc. by certain of its stockholders to CI Acquisition and the merger of CI Acquisition with and into Chart Industries, with Chart Industries surviving the merger as an indirect, wholly-owned subsidiary of First Reserve. We refer to the stock purchase, the merger and the related financing thereof collectively as the Acquisition.

Before the closing of the Acquisition by First Reserve on October 17, 2005, we filed periodic and other reports with the Securities and Exchange Commission. We ceased filing those reports upon the closing of the Acquisition

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when our pre-Acquisition securities were cancelled and ceased to be outstanding. Since the completion of our initial public offering on July 31, 2006, we have filed periodic and other reports with the Securities and Exchange Commission. The financial statements and other financial data presented in this prospectus are of Chart Industries, Inc. and its direct and indirect subsidiaries.

Equity Sponsor

First Reserve is the oldest and largest private equity firm specializing in the energy industry. Founded in 1983, First Reserve was the first private equity investment firm to actively pursue building a broadly diversified global investment portfolio of companies involved in the various sectors of the energy industry. Since 1992, First Reserve has raised over \$12.7 billion for its buyout-focused funds and made more than 65 principal transactions. In addition, First Reserve portfolio companies have completed 230 add-on transactions. Past and present public First Reserve portfolio companies include Chicago Bridge and Iron N.V., Weatherford International, Dresser-Rand Group Inc., Pride International, Inc., Alpha Natural Resources, Foundation Coal, China Coal Energy Company Limited, T-3 Energy Services Inc. and Quintana Maritime Limited. Upon completion of this offering, affiliates of First Reserve will no longer own any shares in our company.

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The Offering

Selling Stockholders	FR X Chart Holdings LLC, certain of our executive officers, including Messrs. Thomas and Biehl, and other employees. Our executive officers and other employees are selling 236,299 shares in the aggregate.
Shares of common stock offered by the selling stockholders	12,612,513 shares.
Shares of common stock outstanding after this offering	25,647,656 shares (including shares currently subject to options that are expected to be exercised in connection with this offering).
Over-allotment option	1,891,876 shares.
Use of proceeds	<p>We will not receive any of the proceeds from the sale of shares by the selling stockholders. The selling stockholders will receive all the net proceeds from the sale of shares of common stock offered by this prospectus.</p> <p>In the event the underwriters exercise any part of their over-allotment option, we intend to use the proceeds for general corporate purposes, including reduction of our indebtedness. See Use of Proceeds.</p>
Nasdaq Global Market	GTLS

Unless we specifically state otherwise, all information in this prospectus:

assumes no exercise by the underwriters of their option to purchase additional shares; and

excludes 2,391,995 shares of common stock reserved for issuance under stock options granted before the date of this prospectus that we expect to continue to be outstanding under our plans after this offering, which options would be exercisable at a weighted average exercise price of \$7.43.

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Summary Historical Financial Information

The financial statements referred to as the Predecessor Company financial statements include the consolidated audited financial statements of Chart Industries, Inc. and its subsidiaries prior to the Acquisition. The financial statements referred to as the Company financial statements include the consolidated audited financial statements of Chart Industries, Inc. and its subsidiaries after the Acquisition.

The following table sets forth our summary historical consolidated financial and other data as of the dates and for the periods indicated. The Predecessor Company summary historical financial statements and other data for the year ended December 31, 2004 and the period from January 1, 2005 to October 16, 2005 are derived from our audited financial statements for such periods included elsewhere in this prospectus, which have been audited by Ernst & Young LLP. The Company summary historical financial statements and other data as of and for the period from October 17, 2005 to December 31, 2005 and the year ended December 31, 2006 are derived from our audited financial statements for such periods included elsewhere in this prospectus, which have been audited by Ernst & Young LLP. The Company unaudited summary historical financial information and other data for the three months ended March 31, 2006 and as of and for the three months ended March 31, 2007, respectively, have been derived from the unaudited condensed consolidated financial statements and related notes which are included elsewhere in this prospectus, and reflect all adjustments, consisting of normal, recurring adjustments which are, in the opinion of management, necessary for a fair presentation of the Company's financial position, results of operation and cash flows for the three months ended March 31, 2006 and as of and for the three months ended March 31, 2007 and are not necessarily indicative of our results of operations for the full year. The data should be read in conjunction with the consolidated financial statements, related notes and other financial information included herein.

The historical consolidated financial data presented below is not necessarily indicative of our future performance. This information is only a summary and should be read in conjunction with Selected Historical Consolidated Financial Data, Management's Discussion and Analysis of Financial Condition and Results of Operations and our audited consolidated financial statements and related notes included elsewhere in this prospectus.

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	Predecessor Company			Company		
	Year Ended December 31, 2004	January 1, 2005 to October 16, 2005	October 17, 2005 to December 31, 2005	Year Ended December 31, 2006	Three Months Ended March 31, 2006	Three Months Ended March 31, 2007
	(Dollars and shares in thousands, except per share data)			(Unaudited)		
Statement of Operations Data:						
Sales	\$ 305,576	\$ 305,497	\$ 97,652	\$ 537,454	\$ 120,840	\$ 152,463
Cost of sales(1)	211,770	217,284	75,733	382,535	83,853	112,604
Gross Profit	93,806	88,213	21,919	154,919	36,987	39,859
Selling, general and administrative expenses(2)	53,374	59,826	16,632	87,652	21,039	22,473
Restructuring and other operating expenses, net(3)	3,353	7,528	217	396	162	99
	56,727	67,354	16,849	88,048	21,201	22,572
Operating income	37,079	20,859	5,070	66,871	15,786	17,287
Interest expense, net(4)	4,712	4,164	5,556	25,461	6,545	6,346
Other expense (income)	(465)	659	409	1,003	222	50
	4,247	4,823	5,965	26,464	6,767	6,396
Income (loss) from operations before income taxes and minority interest	32,832	16,036	(895)	40,407	9,019	10,891
Income tax expense (benefit)	10,134	7,159	(441)	13,044	2,980	3,713
Income (loss) from operations before minority interest	22,698	8,877	(454)	27,363	6,039	7,178
Minority interest, net of taxes and other	(98)	(19)	(52)	(468)	(6)	
Net income (loss)	\$ 22,600	\$ 8,858	\$ (506)	\$ 26,895	\$ 6,045	\$ 7,178
Earnings (loss) per share data:						
Basic earnings (loss) per share	\$ 4.22	\$ 1.65	\$ (0.06)	\$ 1.70	\$ 0.76	\$ 0.28
Diluted earnings (loss) per share(5)(6)	\$ 4.10	\$ 1.57	\$ (0.06)	\$ 1.65	\$ 0.73	\$ 0.28

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Weighted average shares basic	5,351	5,366	7,952	15,835	7,952	25,604
Weighted average shares diluted	5,516	5,649	7,952	16,269	8,285	25,810
Cash flow data:						
Net cash provided by operating activities	\$ 35,059	\$ 15,641	\$ 14,635	\$ 36,398	\$ 11,895	\$ 1,037
Net cash (used in) investing activities	\$ (3,317)	\$ (20,799)	\$ (362,250)	\$ (38,664)	\$ (2,566)	\$ (6,646)
Net cash (used in) provided by financing activities	\$ (35,744)	\$ 1,708	\$ 348,489	\$ 9,235	\$ (5,839)	\$ (928)
Other financial data:						
Depreciation and amortization(7)	\$ 8,490	\$ 6,808	\$ 4,396	\$ 22,449	\$ 5,194	\$ 4,991
EBITDA(8)	\$ 45,936	\$ 26,989	\$ 9,005	\$ 87,849	\$ 20,764	\$ 22,228
Capital expenditures	\$ 9,379	\$ 11,038	\$ 5,601	\$ 22,253	\$ 2,566	\$ 5,024
Backlog	\$ 129,278	\$ 206,215	\$ 233,639	\$ 319,153	\$ 237,033	\$ 342,182

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	As of December 31, 2006 (In thousands)	As of March 31, 2007 (Unaudited)
Balance Sheet Data:		
Cash and cash equivalents	\$ 18,854	\$ 12,359
Working capital(9)	\$ 73,290	\$ 84,286
Total assets(10)	\$ 724,875	\$ 736,316
Debt:		
Short-term debt	\$ 750	\$
Long-term debt	\$ 290,000	
Total debt	\$ 290,750	