

Chart Industries Acquires Water Treatment Company, AdEdge

2021-08-30

ATLANTA, Aug. 30, 2021 (GLOBE NEWSWIRE) -- Chart Industries, Inc. ("Chart") (NYSE: GTLS) today announced the acquisition of AdEdge Holdings, LLC ("AdEdge"), a water treatment technology and solution provider specializing in the design, development, fabrication and supply of water treatment solutions, specialty medias, legacy and innovative technologies that remove a wide range of contaminants from water. The equity purchase was completed for a purchase price of \$40 million in cash at closing (subject to customary adjustments) and further details are included in the supplemental presentation at the end of this release.

Chart recently announced the formation of ChartWater™, a division within Specialty Products that offers an elite portfolio of proven, innovative water treatment solutions. AdEdge will join BlueInGreen ("BIG"), which Chart acquired in November 2020, in Chart's full solution offering of water treatment and desalination technology options that couple with Chart's water treatment equipment.

In addition to over 20 specific targeted contaminants, AdEdge provides solutions for the removal of perfluorinated alkylated substances (PFAS), perfluorooctane sulfonic acid (PFOS), and other persistent organic compounds which, historically, have been challenging to treat. These organic compounds, commonly referred to as "forever chemicals," are known for their resistance to environmental degradation through chemical, biological, and photolytic processes, which can bioaccumulate with potential adverse impacts on human health and the environment. AdEdge brings complementary technology to BIG's processes, as well as congruency of our brands, culture, and the common focus on sustainably-driven innovation to provide essential solutions to the world's water challenges.

"AdEdge is a perfect fit for ChartWater™," said Chart's CEO and President Jill Evanko. "Its technologies, solutions, and expertise strengthen Chart's position in the growing water treatment space as we continue to invest in sustainable solutions for a wide variety of industries and applications. We intend to offer AdEdge's solutions for PFAS and PFOS removal, in a containerized package, using our Treatment-as-a-Service (TaaS) business model."

The growing water market represents a 2030 total addressable market (TAM) size of \$5.0 billion for Chart technology and products, which doubled as the result of the AdEdge acquisition and the growing regulatory

support for PFAS and PFOS removal. The U.S. Department of Defense alone is spending over \$2 billion on investigation and clean-up of these contaminants in 2021, while the American Water Works Association estimates total capital investments in excess of \$500 billion could be required to mitigate the health concerns over these contaminants in our U.S. drinking water supplies. AdEdge will be immediately accretive to Chart (with gross margins as a percent of sales averaging 32-35%), and we anticipate it will contribute approximately \$35 million to \$40 million of revenue and approximately \$0.11 to \$0.16 of adjusted non-diluted earnings per share to our 2022 outlook.

Finally, in keeping with our inorganic investment philosophy, we only acquire businesses with strong industry management teams. With the AdEdge acquisition comes a strong team of over 50 people, which will continue to be led by the founder of AdEdge, Rich Cavagnaro and supported by Rich's partner and former owner, Greg Gilles, who brings over 30 years of treatment technology, industrial, regulatory and engineering experience.

"AdEdge is excited to be part of the growing ChartWater™ platform. The additional options to provide solutions to our existing and new customers will be appealing and the professional growth opportunities for our team is something I'm thrilled to see unfold," stated Rich Cavagnaro.

Winston & Strawn LLP served as sole legal advisor to Chart on the transaction. Raymond James acted as financial advisor to AdEdge on the transaction, and Morris, Manning & Martin, LLP as legal counsel.

Chart will hold a brief investor call to discuss today's announcement and walk through the supplemental presentation included at the end of this press release on Monday August 30, 2021 at 11:00am eastern time. Participants may join the conference call by dialing (877) 312-9395 in the U.S. or (970) 315-0456 from outside the U.S., entering conference ID 5538278. Please log-in or dial-in at least five minutes prior to the start time. A taped replay of the conference call will be archived on the Company's website, www.chartindustries.com. You may also listen to a recorded replay of the conference call by dialing (855) 859-2056 in the U.S. or (404) 537-3406 outside the U.S. and entering Conference ID 5538278.

About Chart Industries

Chart Industries, Inc. is a leading independent global manufacturer of highly engineered equipment servicing multiple applications in the energy and industrial gas markets. The company's unique product portfolio is used in every phase of the liquid gas supply chain, including upfront engineering, service and repair. Being at the forefront of the clean energy transition, Chart is a leading provider of technology, equipment and services related to liquefied natural gas, hydrogen, biogas and CO₂ capture amongst other applications. Chart is committed to excellence in environmental, social and corporate governance (ESG) issues both for its company as well as its customers. With over 25 global locations from the United States to Asia, Australia, India, Europe and South America, the company maintains accountability and transparency to its team members, suppliers, customers and communities. To learn

more, visit www.chartindustries.com.

FORWARD-LOOKING STATEMENTS

Certain statements made in this press release are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements concerning Chart's business plans, including statements regarding completed acquisitions, cost synergies and efficiency savings, objectives, future orders, revenues, margins, earnings or performance, liquidity and cash flow, capital expenditures, business trends, governmental initiatives (including executive orders) and other information that is not historical in nature. Forward-looking statements may be identified by terminology such as "may," "will," "should," "could," "expects," "anticipates," "believes," "projects," "forecasts," "outlook," "guidance," "continue," "target," or the negative of such terms or comparable terminology.

Forward-looking statements contained in this press release or in other statements made by Chart are made based on management's expectations and beliefs concerning future events impacting Chart and are subject to uncertainties and factors relating to Chart's operations and business environment, all of which are difficult to predict and many of which are beyond Chart's control, that could cause Chart's actual results to differ materially from those matters expressed or implied by forward-looking statements. Factors that could cause Chart's actual results to differ materially from those described in the forward-looking statements include: Chart's ability to successfully integrate recent acquisitions and achieve the anticipated revenue, earnings, accretion and other benefits from these acquisitions; risks relating to the recent outbreak and continued uncertainty associated with the coronavirus (COVID-19) and the other factors discussed in Item 1A (Risk Factors) in Chart's most recent Annual Report on Form 10-K filed with the SEC and Quarterly Reports on Form 10-Q, which should be reviewed carefully. Chart undertakes no obligation to update or revise any forward-looking statement.

For more information, click here:

<http://ir.chartindustries.com/>

A supplemental presentation accompanying this announcement is available at
<http://ml.globenewswire.com/Resource/Download/2ff05d1c-d3e6-4154-a8c6-44d4685489dd>

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