

NEXUS

OF

CLEAN™



NYSE: GTLS

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Acquisition of Howden | November 9, 2022

# Forward-Looking Statements



## Forward-Looking Statements

Certain statements made in this investor presentation 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 objectives, future orders, revenues, margins, earnings, performance or outlook, business or industry trends 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," "indicators," "outlook," "guidance," "continue," "target," or the negative of such terms or comparable terminology.

Forward-looking statements contained in this presentation 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: the conditions to the completion of the acquisition may not be satisfied or the regulatory approvals required for the acquisition may not be obtained on the terms expected, on the anticipated schedule, or at all; long-term financing may not be available on favorable terms, or at all; closing of the acquisition may not occur or may be delayed; Chart may be unable to achieve the anticipated benefits of the acquisition (including with respect to synergies); revenues following the acquisition may be lower than expected; operating costs, customer losses, and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers and suppliers) resulting from the acquisition may be greater than expected; slower than anticipated growth and market acceptance of new clean energy product offerings; inability to achieve expected pricing increases or continued supply chain challenges including volatility in raw materials and supply; risks relating to the outbreak and continued uncertainty associated with the coronavirus (COVID-19) and the conflict between Russia and Ukraine, including potential energy shortages in Europe and elsewhere and the other factors discussed in Item 1A (Risk Factors) in the Company's most recent Annual Report on Form 10-K filed with the SEC, which should be reviewed carefully. Chart undertakes no obligation to update or revise any forward-looking statement.

## Use of Non-GAAP Financial Information

This presentation contains non-GAAP financial information, including estimated future cost synergies, revenue synergies, free cash flow, adjusted EBITDA and adjusted EBITDA margins attributable to Chart as a result of the anticipated acquisition. Chart believes these forward-looking non-GAAP measures are of interest to investors and facilitate useful illustrations of Chart's estimated future financial results if the acquisition is completed, and this information is used by the Company in evaluating internal performance. With respect to Chart's estimated future financial results if the acquisition is completed, Chart is not able to provide a reconciliation of each non-GAAP financial measure presented because certain items may have not yet occurred or are out of the Company's control and/or cannot be reasonably predicted.

Chart is a leading diversified global manufacturer of highly engineered equipment servicing multiple market applications in Energy and Industrial Gas. The majority of Chart's products are used throughout the liquid gas supply chain for purification, liquefaction, distribution, storage and end-use applications, a large portion of which are energy-related. Chart has domestic operations located across the United States and an international presence in Asia, Australia, Europe and the Americas. For more information, visit: <http://www.chartindustries.com>

# Chart's Acquisition of Howden



- Expands Chart's equipment portfolio and process technology offering for multiple molecules and applications across high growth areas, and in particular in the Nexus of Clean™ and energy
- Strong synergies, scale and innovation potential in priority areas including hydrogen, carbon capture and storage, decarbonization of industries, water treatment, petrochemical, LNG, air separation, marine, cement and natural gas processing
- Strategically enhances Chart's business mix by adding new core capabilities in small-scale compression, increasing aftermarket capabilities and expanding global footprint
- Approximately doubles Chart's revenue and EBITDA
- Accretive to margins, Cash EPS and Free Cash Flow<sup>(1)</sup> in first full year
- Identified >500bps of margin expansion opportunity in the first three years of ownership

(1) Free cash flow is not a measure of financial performance under U.S. GAAP and should not be considered as an alternative to net cash provided by (used in) operating activities in accordance with U.S. GAAP. Management believes that free cash flow facilitates useful period-to-period comparisons of our financial results and this information is used by us in evaluating internal performance. The Company's calculation of these non-GAAP measures may not be comparable to the calculations of similarly titled measures reported by other companies.

# Howden Overview



**~\$1.8B**  
LTM Revenue<sup>(1)</sup>

**18** Manufacturing Locations  
**41** Service Centers

**Global Leader** in Core Compressor Applications

**~\$340M**  
LTM Adjusted EBITDA<sup>(1)(2)</sup>

**~210k**  
Units Installed Base

**Global Leader** in Core Blower Applications

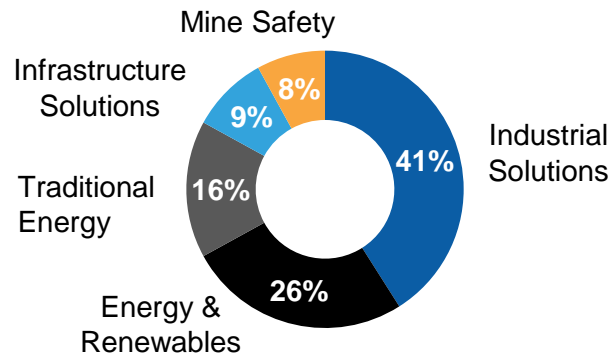
**~19%**  
LTM Adjusted EBITDA Margin<sup>(1)</sup>

**~6,500**  
Employees

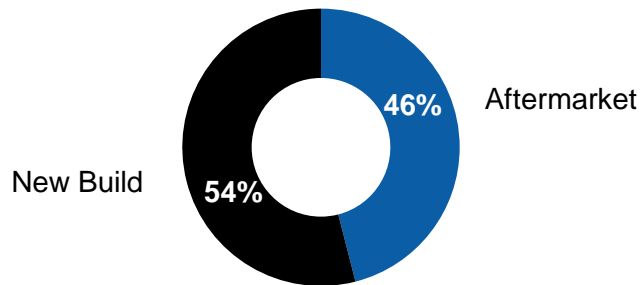
**Global Leader** in Industrial, Heavy Duty and Mine Ventilation

## Orders Breakdown<sup>(3)</sup>

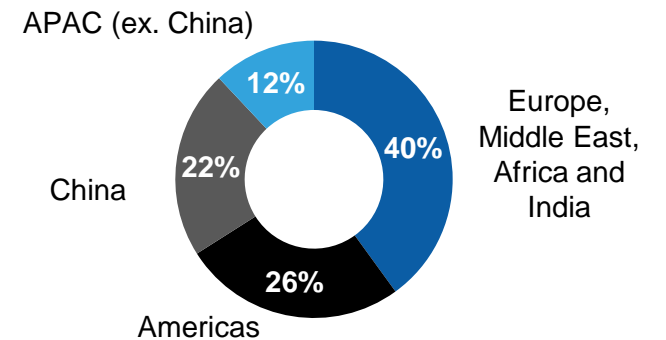
### End-Market



### Aftermarket vs. New Build



### Geography



(1) As of August 2022.  
(2) See appendix for more detail.  
(3) Based on 2022E orders.

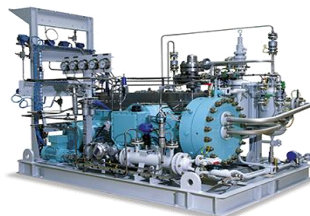
# Howden Product Portfolio

## Compressors

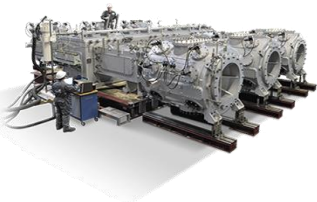
Screw



Diaphragm



Reciprocating



Centrifugal



## Blowers & Fans

Turbo Blowers



Centrifugal Fans



Rotary Blowers



Cooling Fans



## Rotary Heaters

Air Preheater



Gas-Gas Heater



## Steam Turbines

Single-Stage



Multi-Stage



## Software & Digital

Uptime

VentSim™ Design

# Howden Drives Aftermarket Opportunity Across the Combined Business



~40% of Installed Base Entitlement Achieved Currently



Aftermarket Agreements Covering >2K Assets



~200 Assets Connected to Uptime



~6,000 New Build Additions to Installed Base per Year

## Howden's Aftermarket Business

Global Installed Base



~210K Units Installed Base



169 Countries with Installed Assets



Additional Entitlement Opportunities with Remaining 60% of Installed Base

Complete Aftermarket Capabilities



Spare Parts



Retrofits & Performance Upgrades



Service & Maintenance

Best-in-class Digital Offerings



Howden Uptime



Remote Assistance & Augmented Realty

## Significant Go-Forward Aftermarket Opportunity

- ✓ Strengthen visibility and increase coverage of existing Howden installed base
- ✓ Accelerate customer attachment via Howden Uptime adoption, long-term service and framework agreements
- ✓ Increase coverage of non-Howden assets through targeted campaigns and differentiated offerings
- ✓ Drive margin expansion with pricing initiatives

# Howden's Diverse Customer Base of Industry Leaders



# Howden is Focused on High Growth End-Markets Supported by Strong Macro Tailwinds

	Macro Trends	Subsegments	How Howden Plays
	<b>Energy Transition</b> Global shift from fossil fuels to renewables	<b>Hydrogen</b> <b>Biofuels / Synfuels</b> <b>Biomass Power</b> <b>Nuclear Power</b> <b>Energy Recovery</b>	<ul style="list-style-type: none"> <li>✓ Compression solutions across hydrogen value chain</li> <li>✓ Traditional nuclear industry provides credibility in Small Modular Reactor applications</li> <li>✓ Leading range of steam turbines, industrial heat recovery and biomass power generation</li> </ul>
	<b>Decarbonization and Sustainability</b> Accelerated climate action, leading to increased drive for sustainable solutions across Industries	<b>CCUS</b> <b>Marine</b> <b>Metals</b>	<ul style="list-style-type: none"> <li>✓ Air lubrication systems for fuel efficiency and exhaust gas recirculation to reduce emissions</li> <li>✓ 'Green Metals' applications via hydrogen-based decarbonization</li> </ul>
	<b>Urbanization &amp; Infrastructure</b> Investments in new infrastructure in emerging markets and replacement in developed markets	<b>Wastewater</b> <b>Tunnel / Metro</b> <b>Transportation</b> <b>Petrochemicals</b> <b>Refrigeration</b>	<ul style="list-style-type: none"> <li>✓ Aeration applications in wastewater treatment processes</li> <li>✓ Ventilation and safety applications</li> <li>✓ Blowers for vacuum trucks</li> <li>✓ Plastics, medicines, cosmetics, furniture, appliances, electronics and other applications</li> <li>✓ Large-scale refrigeration for cold chain applications, including food and pharma</li> </ul>
	<b>Electrification</b> Increased demand for electrification metals	<b>Copper, Lithium, Nickel, Platinum, Zinc</b>	<ul style="list-style-type: none"> <li>✓ Key ventilation, cooling and heating applications that enhance mine safety</li> </ul>

# Combined Solutions Across the Nexus of Clean™

Integrated Digital Offering	Clean End Market	Solution	Chart Process Technologies		CHART Cooler By Design.®		Howden
			Wholly-Owned	Minority Ownership			
Integrated Digital Offering	Clean Power	<ul style="list-style-type: none"> <li>Hydrogen</li> <li>Helium</li> <li>LNG</li> <li>Biogas</li> <li><b>Nuclear</b></li> <li><b>Energy recovery</b></li> <li><b>Biofuel / synfuels</b></li> <li><b>Biomass</b></li> </ul>			<ul style="list-style-type: none"> <li>BAHX</li> <li>ACHX</li> <li>Bulk &amp; Microbulk</li> <li>Fans</li> <li>Transports</li> </ul>	<ul style="list-style-type: none"> <li>Valves / Vaporizers</li> <li>Expanders</li> <li>Liquefiers</li> <li>Cold Boxes</li> </ul>	<ul style="list-style-type: none"> <li>Fans</li> <li>Compressors</li> <li>Blowers</li> <li>Heaters</li> <li>Steam Turbines</li> <li>SaaS</li> </ul>
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Howden additions

# Compelling Strategic Transaction

## Highly Complementary Offering

- Expands Chart's equipment portfolio and process technology offering for multiple molecules and applications across high growth areas
- Strong synergies, scale and innovation potential in areas including hydrogen, carbon capture and storage, decarbonization of industries, water treatment, petrochemical, LNG, air separation and natural gas processing

## Doubles Chart's Scale and Expands Global Reach

- Approximately doubles Chart's revenue and further enhances our differentiated position in energy transition
- Strategically enhances Chart's business mix by adding new core capabilities in gas compression, increasing aftermarket capabilities and expanding global footprint
- Enhances Chart's alignment with secular mega trends

## Expect Significant Value to Chart Shareholders

- Accretive to EBITDA margins, Cash EPS and Free Cash Flow in first full year
- Identified >500bps of pro forma margin expansion opportunity in the first three years of ownership
- Estimated \$175M of annual cost synergies in the first 12 months; \$250M by year three
- Significant commercial synergy opportunity, \$350M identified by year three

# Transaction Overview

## Consideration

- Chart to acquire Howden from affiliates of KPS Capital Partners for \$4.4B
  - 12.9x LTM Adjusted EBITDA<sup>(1)</sup> excluding synergies
  - 8.5x LTM Adjusted EBITDA<sup>(1)</sup> including year one cost synergies<sup>(2)</sup>
  - 7.4x LTM Adjusted EBITDA<sup>(1)</sup> including year three cost synergies<sup>(3)</sup>

## Financing

- Consideration to be paid with a combination of cash and preferred stock
  - J.P. Morgan and Morgan Stanley Senior Funding, Inc. providing committed bridge financing for the cash portion of the consideration
  - Approximately \$1.1B preferred stock issued to KPS

## Pro Forma Balance Sheet

- Estimated net leverage at closing of ~4.25x<sup>(4)</sup>
- Committed to reduce net leverage to high-2x by 2024E with an ongoing target of 2.0-2.5x

## Financial Benefit for Shareholders

- Accretive to margins, Cash EPS and Free Cash Flow in the first full year

## Timing

- Expected close in 1H 2023 subject to regulatory approvals and customary closing conditions

(1) As of August 2022.

(2) Includes \$175M in expected year one cost synergies.

(3) Includes \$250M in expected annual cost synergies by year three.

(4) Net leverage before preferred stock, includes synergies.

# Combined Company Financial Metrics



## Enhanced Scale and Margin

### 2023E Pro Forma<sup>(1)</sup>

**~\$4.3B**  
Revenue Including Commercial Synergies

**~\$1.0B**  
Adj. EBITDA Including Synergies

**~23%**  
Adj. EBITDA Margin

**>90%**  
Free Cash Flow Conversion

## Pro Forma Business Profile

**~30%**  
Aftermarket with  
**~42% Gross Margins**

**\$3.7B**  
Backlog<sup>(2)</sup>

**>500bps of EBITDA Margin  
Expansion Opportunity<sup>(3)</sup>**

## Compelling Value Proposition

**Significant incremental commercial opportunities with ~\$150M of synergies expected in the first year of ownership**

**~\$175M cost synergies expected in the first year of ownership**

**Accretive in first full year to margins, Cash EPS and Free Cash Flow**

(1) Reflects full year contribution of Howden and includes commercial and cost synergies.

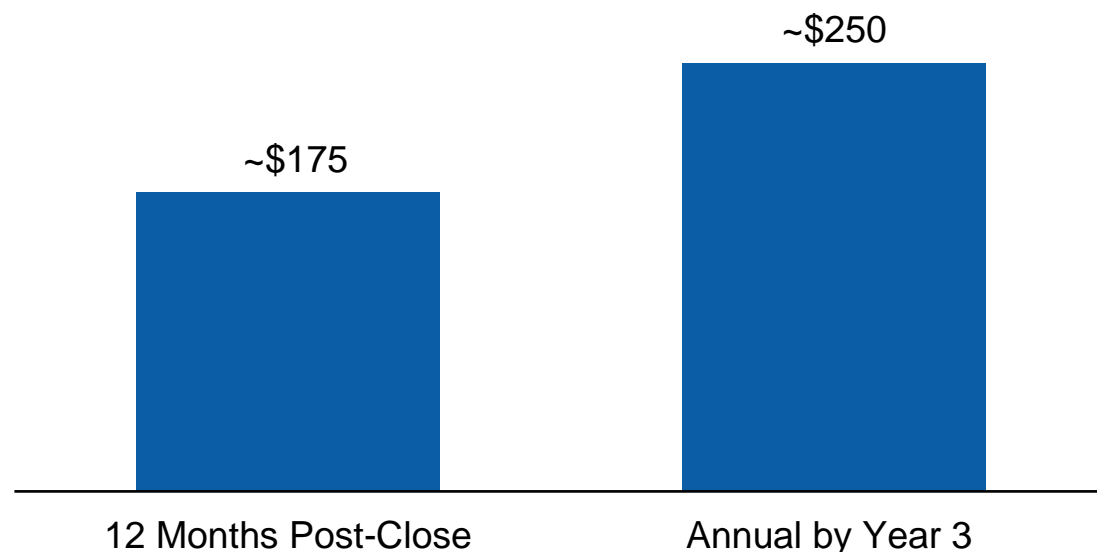
(2) Presented on a constant currency basis.

(3) Over the next three years.

# Significant Synergy Opportunities

## Expected Annual Cost Synergies

(\$M)



## Key Sources of Synergies

**Procurement**  
Volume Leverage  
on Indirect Spend

**Manufacturing**  
Leverage Combined  
Manufacturing Footprint

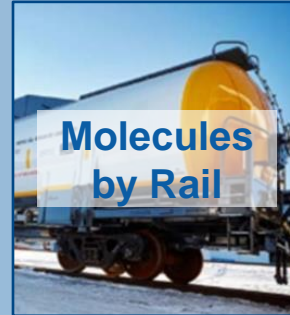
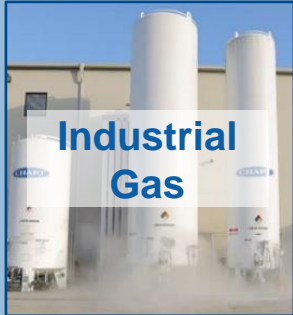
**Resource  
Rationalization**

**Leverage Combined  
Equipment Offering vs.  
Sourcing from Competition**

## Overview of Expected Synergy Opportunities

- Meaningful upside from cross-selling with ~\$350M identified annual commercial synergies by year three
- Additionally, ~\$250M identified annual cost synergies by year three
- Strong culture of continuous improvement at each organization to support synergy realization
- Few common customers today
- Serve a broader set of end markets with a more fulsome, highly complementary portfolio
- Apply Chart market leadership position through demonstrated profitable First of a Kind (“FOAK”) projects, global commercial and engineering teams
- Focus on aftermarket strength and serving large global installed base

# Expanding Exposure to Additional Markets



**Howden**

**Nuclear**

**Energy Recovery**

**Biomass**

**Tunnel & Metro**

**Metal**

**Mining**

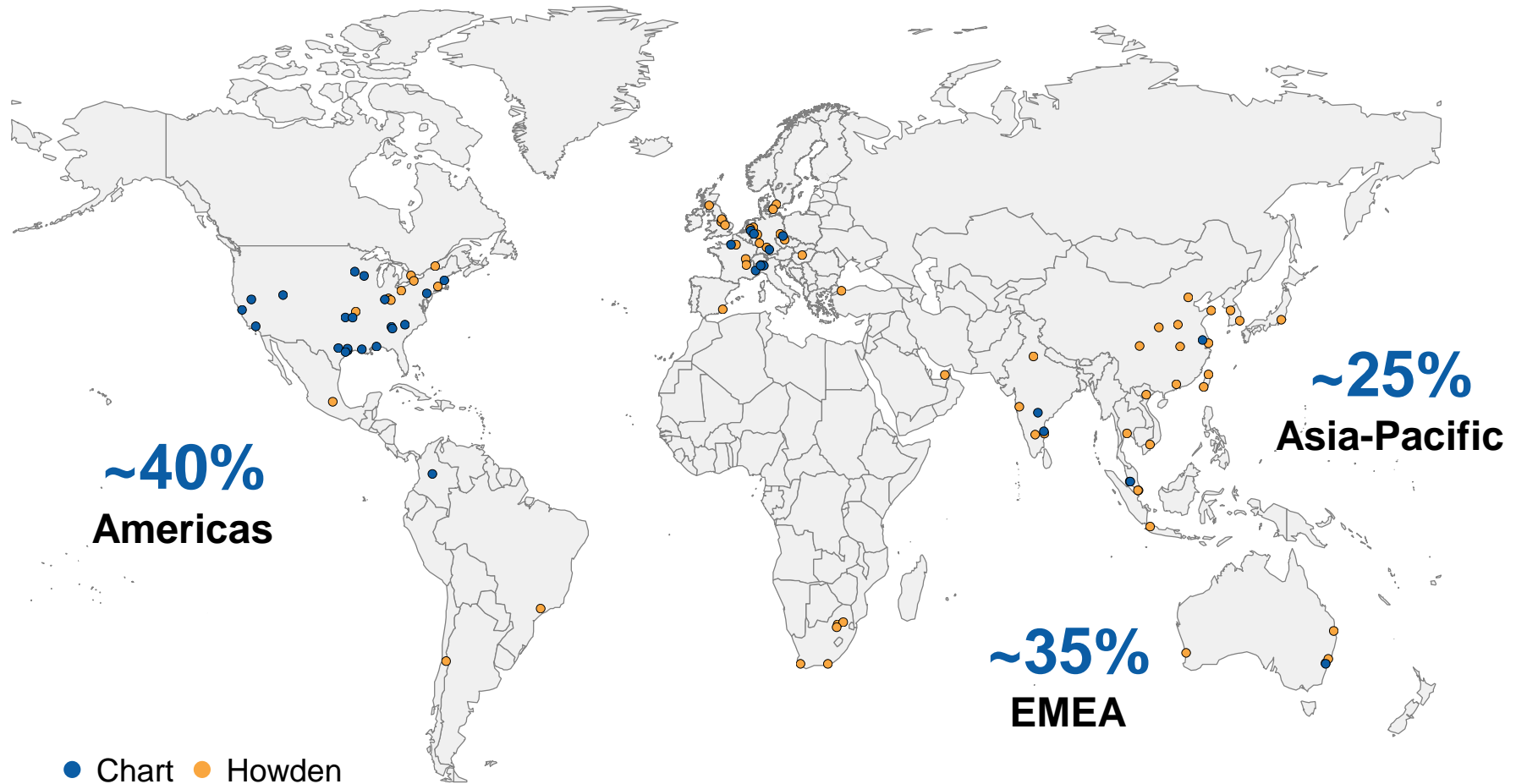
# A Global Footprint to Serve Customers Locally

Global presence,  
engineering-led  
organization

Local footprint in all major  
markets with locations in  
35 countries

Ability to deliver any  
solution to any customer,  
globally

Global network of 50+  
service centers to drive  
aftermarket



Global Leader Supported by 50+ Service Centers and 40+ Manufacturing Plants Across 35 Countries

# Together, a Stronger ESG Leader

“Chart’s vision is to be the **global leader in the design, engineering and manufacturing of highly engineered technologies and equipment for the Nexus of Clean™** - clean power, clean water, clean food and clean industrials, regardless of molecule.”



Jillian Evanko,  
*President and  
CEO Chart*



Greater exposure to aggressive GHG and CO<sub>2</sub> Reduction goals being established globally in the private and public sectors

Expanded equipment portfolio to serve Nexus of Clean™ end markets

- Clean Power
- Clean Water
- Clean Food, Beverage & Agriculture
- Clean Industries

Reaffirm Chart’s previously stated commitment to reduce carbon intensity by 30% compared to 2020 baseline by 2030 for the pro forma company (~2x in size)

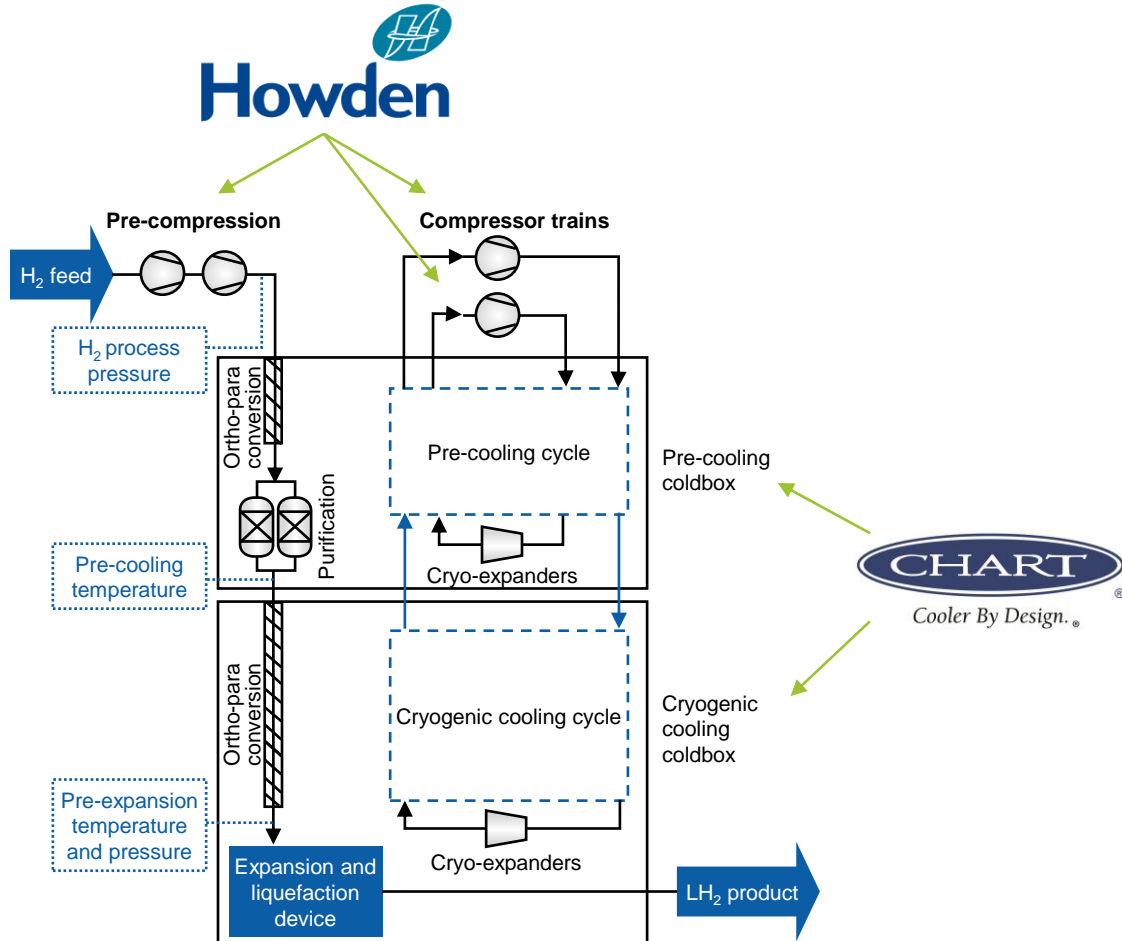
“Chart’s Nexus of Clean™ approach focuses on the drive for clean power, clean water, clean food and clean industrials which is clearly aligned to our **purpose of enabling vital processes which advance a more sustainable world.**”



Ross Shuster,  
*CEO, Howden*

# Combining Complementary Capabilities to Deliver More Complete Customer Solutions

## Illustrative Hydrogen Liquefaction Process



- Howden's reciprocating and centrifugal compressors are an ideal fit for Chart's hydrogen and helium liquefaction + small scale LNG processes
- Howden equipment is complementary to key Chart equipment including BAHX, cold boxes, expanders, coolers and storage and loading systems
  - Enhances Chart's ability to offer full scope solutions for liquefaction
- Howden high equipment efficiency + Chart process efficiency = highest customer value
- Aftermarket capabilities extend across the entire scope of supply

# Combined Solutions Across the Nexus of Clean™

Integrated Digital Offering	Clean End Market	Solution	Chart Process Technologies		CHART Cooler By Design.®	Howden	
			Wholly-Owned	Minority Ownership			
Integrated Digital Offering	Clean Power	<ul style="list-style-type: none"> <li>Hydrogen</li> <li>Helium</li> <li>LNG</li> <li>Biogas</li> <li><b>Nuclear</b></li> <li><b>Energy recovery</b></li> <li><b>Biofuel / synfuels</b></li> <li><b>Biomass</b></li> </ul>			<ul style="list-style-type: none"> <li>BAHX</li> <li>ACHX</li> <li>Bulk &amp; Microbulk</li> <li>Fans</li> <li>Transports</li> </ul>	<ul style="list-style-type: none"> <li>Valves / Vaporizers</li> <li>Expanders</li> <li>Liquefiers</li> <li>Cold Boxes</li> </ul>	<ul style="list-style-type: none"> <li>Fans</li> <li>Compressors</li> <li>Blowers</li> <li>Heaters</li> <li>Steam Turbines</li> <li>SaaS</li> </ul>
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Howden additions

# Overview of Deal Financing and Capital Allocation

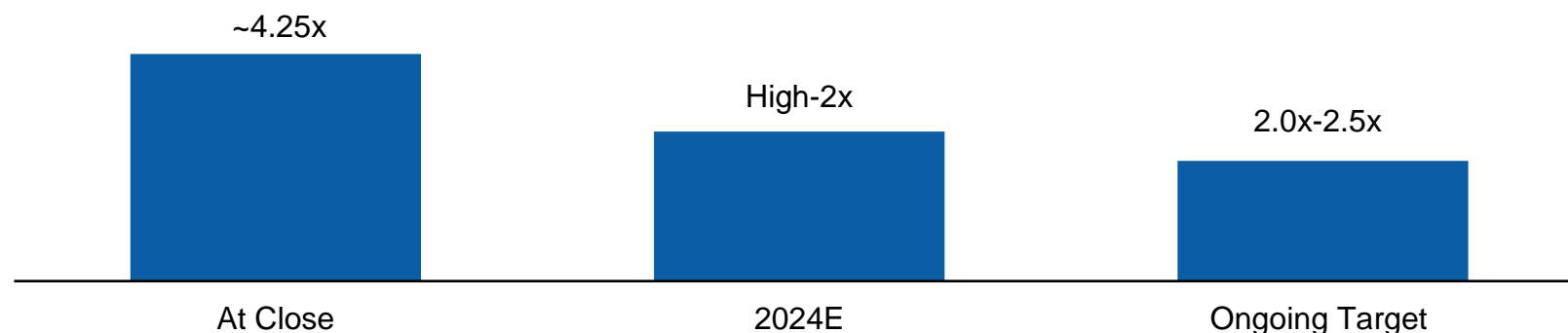
## Overview of Deal Financing

- \$4.4B purchase price through a combination of cash and shares
  - \$3.375B in cash
  - Approximately \$1.1B preferred stock issued to KPS
- \$3.375 billion fully committed bridge facility provided by J.P. Morgan and Morgan Stanley Senior Funding, Inc.
- Existing Convertible Notes, due November 2024, to remain in place
- Commitment to rapid deleveraging within first 18-24 months after closing

## Capital Allocation Priorities

- Deleveraging with all excess Free Cash Flow focused on reducing debt
- Expected liquidity with backstopped revolver will allow Chart to maintain balance sheet strength and flexibility
- Inorganic investments – no large M&A until deleveraged to target range

## Pro Forma Net Leverage <sup>(1)</sup>



(1) Pro forma net leverage before preferred stock and pro forma for applicable synergies.

# Compelling Value Creation for Chart Shareholders



**Delivering the Nexus of Clean™ at scale**



**Global leader in air and gas handling, ~2x in scale**



**Highly strategic, focused on core energy transition and high value end market offerings**



**Highly accretive transaction on margins, Cash EPS and Free Cash Flow**



# Appendix

# Reconciliation of Howden LTM EBITDA

<i>\$M</i>	<b>LTM (Aug-22)</b>
<i>Net sales</i>	\$1,763
<i>Net income</i>	\$64
<i>Income tax expense</i>	43
<i>Interest expense, net</i>	113
<i>Depreciation and amortization</i>	77
<b><i>EBITDA</i></b>	<b>\$297</b>
<i>Acquisition, pro forma and non-recurring cost adjustments</i>	46
<b><i>Adjusted EBITDA</i></b>	<b>\$342</b>