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Chart Industries Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question is from the line of James West with Lehman Brothers.

James C. West – Lehman Brothers

Sam, you made some interesting comments earlier about your exposure to the clean coal technology. How big is that a piece of your business currently and how big I guess is the market, what kind of growth do you expect there?

Samuel F. Thomas

I would estimate that in 2007 our sales for those markets were in the \$20 to \$30 million range. The size of the market depending in 2008, 2009 should be at that level to roughly double that level. The potential market is really very much dependent on carbon capture legislation both US, Europe and potentially China going forward. If there is in fact legislation related to carbon capture the market could be many times that size.

James C. West – Lehman Brothers

On the E&C side of the business or really the LNG business, we've talked about some of the smaller orders coming through this year. As we look at in 2008 could you possibly handicap your expectations for some of the more high profile contracts being awarded?

Samuel F. Thomas

For smaller scale or very large scale LNG?

James C. West – Lehman Brothers

For the large scale.

Samuel F. Thomas

Up until very recently I would say that the outlook for award of orders in 2008 was uncertain. There has been some recent press releases last week and this week which adds some hope for receipt of orders in 2008. There was a press release from Equatorial Guinea that they were going to proceed with the second and potentially the third train in terms of an agreement with ConocoPhillips and then

just late last night there was a press release that ConocoPhillips and Bechtel had been awarded at least one and potentially two trains in Papua, New Guinea.

James C. West – Lehman Brothers

And then a quick question for Michael as we think about the earnings guidance for 2008 obviously the first quarter will be down but what kind of a sequential decline, rough ballpark, would you expect first quarter versus the fourth quarter?

Michael F. Biehl

Well first quarter is typically historically has been our lower quarter and roughly about 19 to 20% of our operating income and I think the analysts have, the group I think currently has a range of 43 to 49 out there and so starting in that range is not really out of the ballpark and then we would build from there and really the second quarter would ratchet up quite a bit and then really our strongest quarters would be the third and the fourth quarters. But not any of them in particular, really the third and the fourth quarter are typically the two highest and will continue to be that way and the second quarter will ratchet up quite a bit from the first quarter. Which again if you look at our historical trends and play it out to where our range currently is it isn't going to be that much different than the current year.

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