

The COLFAX logo is rendered in a bold, black, sans-serif font. The letters are thick and blocky, with a distinctive design where the 'F' and 'A' have a small square cutout in their upper right corners. The logo is centered horizontally within a light gray rectangular box.

**COLFAX**

**THIRD QUARTER 2017 | EARNINGS CONFERENCE CALL**

# Forward Looking Statements & Non-GAAP Disclaimer

This information may contain forward-looking statements, including forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, but are not limited to, statements concerning Colfax's plans, objectives, expectations and intentions and other statements that are not historical or current fact. Forward-looking statements are based on Colfax's current expectations and involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such forward-looking statements. Factors that could cause Colfax's results to differ materially from current expectations include, but are not limited to factors detailed in Colfax's reports filed with the U.S. Securities and Exchange Commission including its 2016 Annual Report on Form 10-K and Quarterly Report on Form 10-Q for the period ended September 29, 2017 under the caption "Risk Factors." In addition, these statements are based on a number of assumptions that are subject to change. This press release speaks only as of the date hereof. Colfax disclaims any duty to update the information herein.

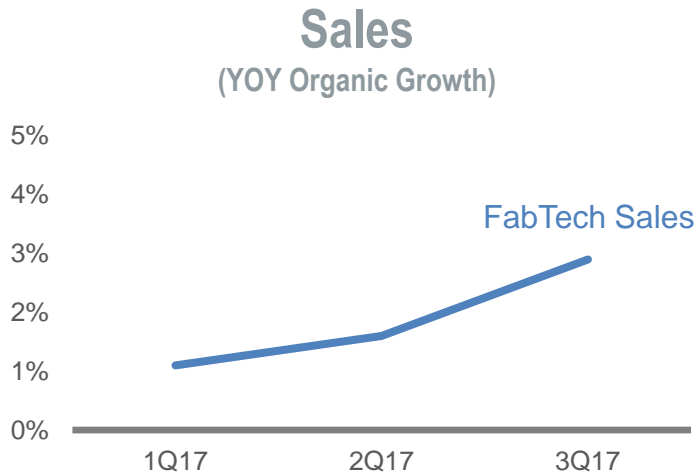
Colfax has provided in this information financial information that has not been prepared in accordance with GAAP. These non-GAAP financial measures are adjusted net income, adjusted net income per share, projected adjusted net income per share, adjusted operating income, adjusted EBITDA, adjusted EBITDA margin, organic sales growth (decline), and organic order growth (decline). Adjusted net income, adjusted net income per share, projected adjusted net income per share, adjusted operating income, and adjusted EBITDA exclude Restructuring and other related items and divestiture-related expense associated with the sale of our Fluid Handling business to the extent they impact the periods presented. Adjust net income, adjusted net income per share, adjusted operating income, and adjusted EBITDA for the three and nine months ended September 30, 2016 also exclude the loss recorded on our deconsolidation of our Venezuelan operations and the asbestos coverage adjustment. Adjusted EBITDA excludes depreciation and amortization expense. The effective tax rates used to calculate adjusted net income and adjusted net income per share are 26.3% and 28.0% for the three and nine months ended September 29, 2017, respectively. The effective tax rates used to calculate adjusted net income and adjusted net income per share are 27.2% and 29.1% for the three and nine months ended September 30, 2016. Organic sales growth (decline) and organic order growth (decline) exclude the impact of acquisitions and foreign exchange rate fluctuations. These non-GAAP financial measures assist Colfax management in comparing its operating performance over time because certain items may obscure underlying business trends and make comparisons of long-term performance difficult, as they are of a nature and/or size that occur with inconsistent frequency or relate to discrete restructuring plans that are fundamentally different from the ongoing productivity improvements of the Company. Colfax management also believes that presenting these measures allows investors to view its performance using the same measures that the Company uses in evaluating its financial and business performance and trends.

Sales and order information by end market are estimates. We periodically update our customer groupings order to refine these estimates.

# Q3 2017 Highlights

- Achieved financial performance expectations
- Improving growth across most regions of the Fabrication Technology segment
- Continued growth in Air & Gas Handling industrial applications, O&G delays, power market pressures
- Significant progress shaping Colfax for the future

# FabTech Growth



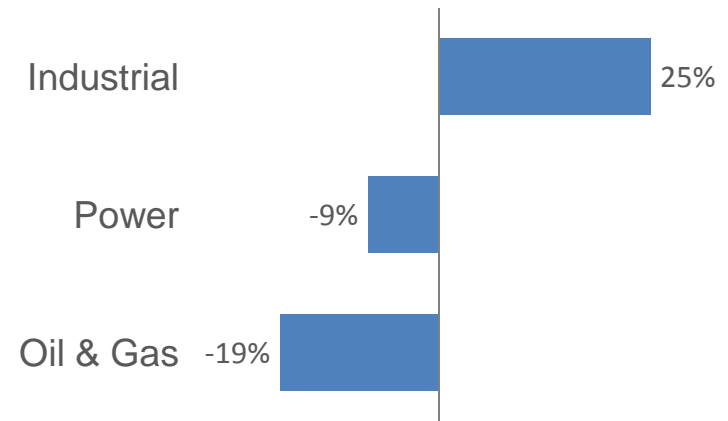
- 3% organic growth – steady improvement on a YOY and seasonal sequential basis
- Solid growth across regions
  - Strong sequential progression in NA
  - Building momentum in South America
- New product launches at Essen and FabTech

Delivering growth on the strength of internal initiatives and improving market conditions

# Air & Gas Handling Orders

- Success driving General Industrial strategy
  - China up 70%, ME & Asia up 39% YTD YOY
  - STE will further diversify market mix
- Timing of project awards pushed out of the quarter
  - Oil & Gas funnels still growing in a fundamentally improving market
  - Power remains weak, driven by continued China action

YTD Orders Growth  
(Organic YOY)



Additional cost structure actions to deliver future profit in a less certain growth environment

# Acquisitions to Accelerate Growth Strategy

- 7 complementary acquisitions announced since December
- Closed STE in early October adding market leadership positions in wastewater, metals processing, waste-to-energy, and heat recovery
- Announced 3 acquisitions with approximately \$85M of annual revenue



	Description	Growth Enabler
	<ul style="list-style-type: none"> <li>Global leader in mining ventilation design and simulation software</li> <li>Used by over 1000 mining ventilation engineers</li> </ul>	<ul style="list-style-type: none"> <li>Combines with Simsmart to expand ventilation software and connectivity solutions</li> </ul>
	<ul style="list-style-type: none"> <li>#1 hard-facing repair and maintenance player in India</li> </ul>	<ul style="list-style-type: none"> <li>Strengthens ESAB's leading position in India</li> <li>Increases exposure to faster growing, less cyclical market</li> </ul>
	<ul style="list-style-type: none"> <li>A leading provider of stainless steel and nickel alloy filler metals</li> <li>Facilities in the US and Europe</li> </ul>	<ul style="list-style-type: none"> <li>Extends ESAB's portfolio in the fastest growing filler metal segment</li> <li>Strategic agreement for continued development of advanced materials</li> </ul>



**Sandvik**  
Welding  
Consumables

# Q3 2017 Financial Highlights

Continuing Operations except as noted (Millions, except EPS)

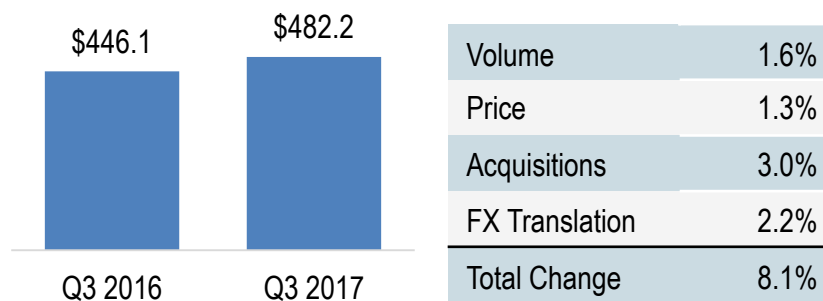
	<u>Q3 2016</u>	<u>Q3 2017</u>
Air & Gas Orders	\$360.9	\$262.6
Total Sales	\$766.5	\$844.5
Gross Profit	\$238.3	\$263.9
% of sales	31.1%	31.2%
SG&A Expense	\$167.9	\$181.8
% of sales	21.9%	21.5%
Adjusted Operating Profit	\$71.0	\$82.1
% of sales	9.3%	9.7%
Adjusted Net Income per Share (incl. discontinued operations)	\$0.39	\$0.42

- Industrial growth, power decline, oil & gas delays; elevated prior year comparison
- Sequential and year-over-year sales growth improvement
- 40 bps AOP improvement as improvement in segment margins partially offset by higher M&A related corporate expenses

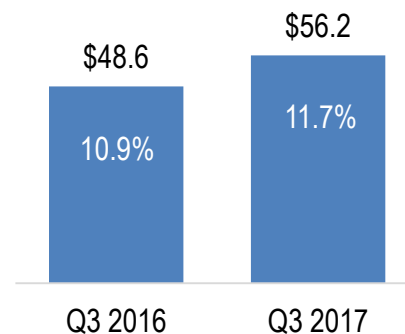
# Fabrication Technology

## Q3 2017 Results

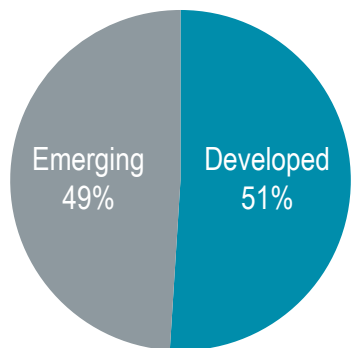
### Sales



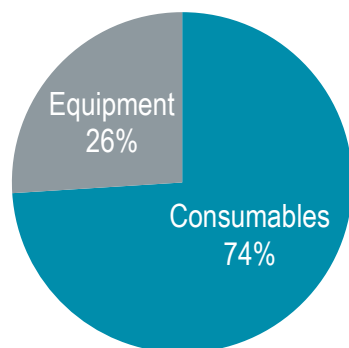
### Adjusted Operating Profit & Margin



### Geographic Exposure YTD



### Consumable Mix YTD



- Seasonally adjusted sequential growth
- Most regions growing
- Price realization addressing material cost inflation
- Read-through on volume and cost actions partially offset by purchase accounting and integration costs

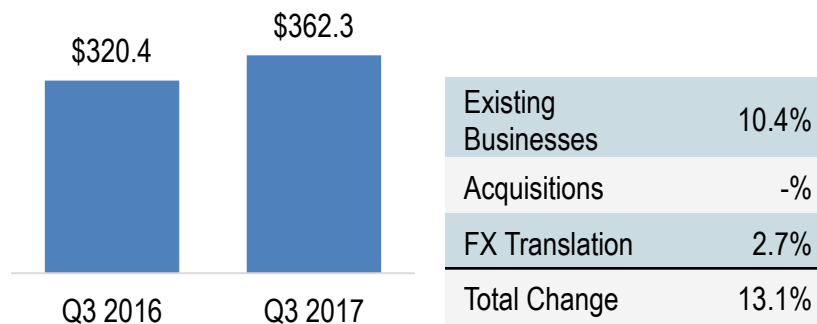
Dollars in millions (unaudited)

Price metric updated to better measure price change

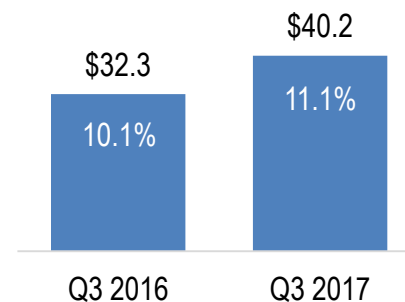


# Air & Gas Handling Q3 2017 Results

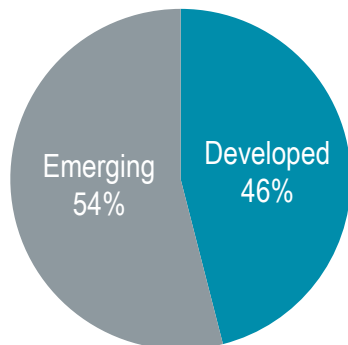
## Sales



## Adjusted Operating Profit & Margin



## Geographic Exposure YTD



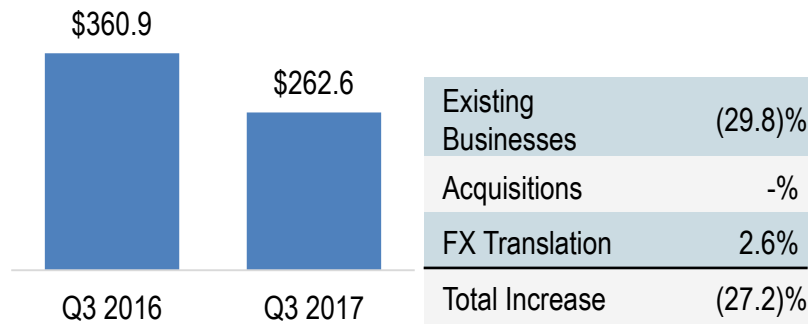
- Turned to sales growth on conversion of order growth from previous 4 quarters
- Volume flow-through and cost reductions partially offset by lower margins on new build projects

Note: Dollars in millions (unaudited).

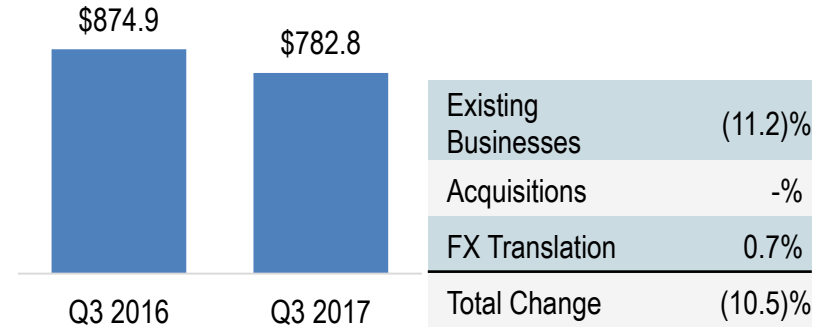
# Air & Gas Handling

## Q3 2017 Results (continued)

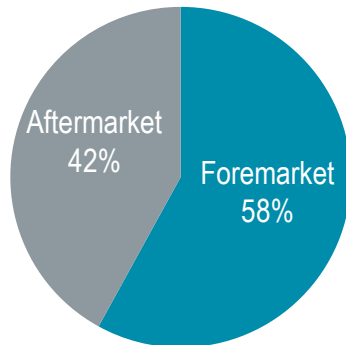
### Orders



### Backlog



### Revenue Profile YTD



- Continued strong performance on initiatives to grow General Industrial market sales
- Project funnels continue to strengthen in O&G and Mining
- Lower than expected orders on push-out of O&G projects, further weakness in Power

Dollars in millions (unaudited).

Backlog measured as of the end of the quarter.

# Outlook & Reporting Changes

- Reaffirming 2017 Adjusted EPS guidance range of \$1.65 to \$1.75
- Reporting Fluid Handling as Discontinued Ops and will continue to include in 2017 guidance until the divestiture is completed
  - Represents \$0.25-\$0.28 of Adjusted EPS for 2017

# Summary

- FabTech continues to gain traction with new products and initiatives in an improving market
- Driving cost actions to protect Air & Gas Handling profit in a less certain orders environment
- Delivering on our commitments in 2017
- Shaping the portfolio through bolt-on acquisitions and developing our pipeline of potential platforms

The logo for COLFAX is displayed in a bold, black, sans-serif font. The letters are thick and blocky, with a slight shadow effect. The 'X' is particularly prominent, with a small white square at its center. The logo is set against a light gray rectangular background.

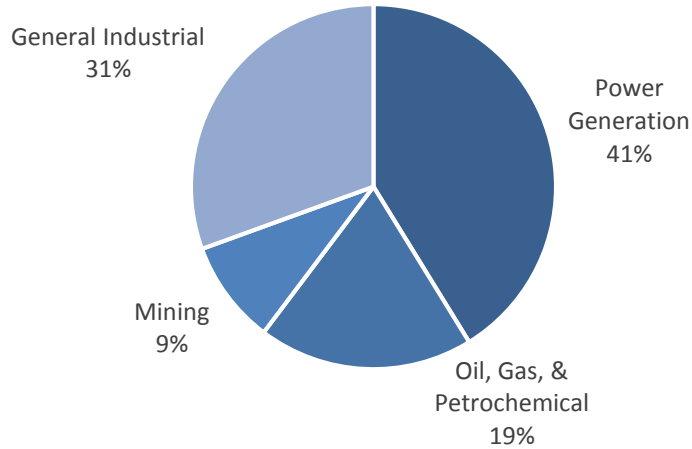
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The word 'APPENDIX' is written in a white, sans-serif font. It is positioned on a dark gray rectangular background that is slightly offset to the right and bottom from the logo's background.

**APPENDIX**

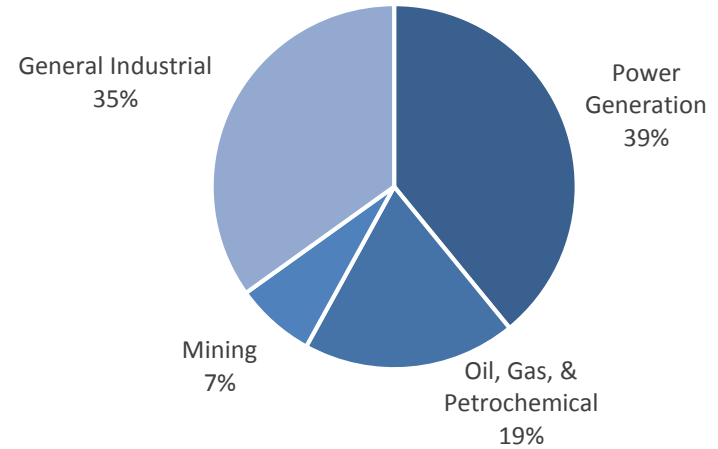
# YTD 2017 Air & Gas Handling Sales and Orders by End Market

Sales: \$989.0 million



	Total (Decline) Growth	Organic (Decline) Growth
Power Generation	(5.8)%	(5.7)%
Oil, Gas & Petrochemical	(23.3)%	(21.7)%
Mining	65.3%	60.1%
General Industrial & Other	9.6%	9.7%
<b>Total</b>	<b>(2.2)%</b>	<b>(1.9)%</b>

Orders: \$938.0 million



	Total (Decline) Growth	Organic (Decline) Growth
Power Generation	(9.2)%	(8.5)%
Oil, Gas & Petrochemical	(19.5)%	(18.9)%
Mining	(24.8)%	(30.4)%
General Industrial & Other	24.3%	25.2%
<b>Total</b>	<b>(3.9)%</b>	<b>(3.7)%</b>

# Change in Sales, Orders and Backlog

(unaudited)

	Net Sales		Air and Gas Handling	
			Orders	
	\$	%	\$	%
<b>For the three months ended September 30, 2016</b>	\$ 766.5		\$ 360.9	
<i>Components of Change:</i>				
Existing Businesses <sup>(1)</sup>	46.7	6.1%	(107.6)	(29.8)%
Acquisitions <sup>(2)</sup>	13.4	1.7%	0.1	—%
Foreign Currency Translation	17.9	2.4%	9.2	2.6%
	<u>78.0</u>	<u>10.2%</u>	<u>(98.3)</u>	<u>(27.2)%</u>
<b>For the three months ended September 29, 2017</b>	<b>\$ 844.5</b>		<b>\$ 262.6</b>	

	Net Sales		Air and Gas Handling		Backlog at Period End	
			Orders			
	\$	%	\$	%	\$	%
<b>As of and for the nine months ended September 30, 2016</b>	\$ 2,373.3		\$ 976.2		\$ 874.9	
<i>Components of Change:</i>						
Existing Businesses <sup>(1)</sup>	9.6	0.4%	(36.4)	(3.7)%	(98.3)	(11.2)%
Acquisitions <sup>(2)</sup>	30.7	1.3%	0.1	—%	—	—%
Foreign Currency Translation	12.5	0.5%	(1.9)	(0.2)%	6.2	0.7%
	<u>52.8</u>	<u>2.2%</u>	<u>(38.2)</u>	<u>(3.9)%</u>	<u>(92.1)</u>	<u>(10.5)%</u>
<b>As of and for the nine months ended September 29, 2017</b>	<b>\$ 2,426.1</b>		<b>\$ 938.0</b>		<b>\$ 782.8</b>	

<sup>(1)</sup> Excludes the impact of foreign exchange rate fluctuations and acquisitions, thus providing a measure of growth due to factors such as price, product mix and volume.

<sup>(2)</sup> Represents the incremental orders and sales as a result of the acquisition completed in our Air and Gas Handling segment, and incremental sales for acquisitions completed in our Fabrication Technology segment.

Note: Dollars in millions.

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# Non-GAAP Reconciliation

(unaudited)

## Three Months Ended September 29, 2017

## Three Months Ended September 30, 2016

	Three Months Ended September 29, 2017				Three Months Ended September 30, 2016			
	Air and Gas Handling	Fabrication Technology	Corporate and Other	Total Colfax Corporation	Air and Gas Handling	Fabrication Technology	Corporate and Other	Total Colfax Corporation
Net sales	\$ 362,310	\$ 482,199	\$ —	\$ 844,509	\$ 320,437	\$ 446,085	\$ —	\$ 766,522
Operating income (loss)	36,173 10.0%	52,995 11.0%	(14,402)	74,766 8.9%	27,476 8.6%	41,178 9.2%	(9,943)	58,711 7.7%
Restructuring and other related charges	4,061	3,237	—	7,298	4,856	6,896	—	11,752
Loss on deconsolidation of Venezuelan operations	—	—	—	—	—	495	—	495
Adjusted operating income (loss)	\$ 40,234 11.1%	\$ 56,232 11.7%	\$ (14,402)	\$ 82,064 9.7%	\$ 32,332 10.1%	\$ 48,569 10.9%	\$ (9,943)	\$ 70,958 9.3%

## Nine Months Ended September 29, 2017

## Nine Months Ended September 30, 2016

	Nine Months Ended September 29, 2017				Nine Months Ended September 30, 2016			
	Air and Gas Handling	Fabrication Technology	Corporate and Other	Total Colfax Corporation	Air and Gas Handling	Fabrication Technology	Corporate and Other	Total Colfax Corporation
Net sales	\$989,044	\$1,437,057	\$ —	\$ 2,426,101	1,009,599	1,363,746	—	2,373,345
Operating income (loss)	88,285 8.9%	158,850 11.1%	(42,024)	205,111 8.5%	85,945 8.5%	127,065 9.3%	(35,588)	177,422 7.5%
Restructuring and other related charges	9,285	13,846	—	23,131	16,633	21,365	—	37,998
Loss on deconsolidation of Venezuelan operations	—	—	—	—	—	495	—	495
Adjusted operating income (loss)	\$ 97,570 9.9%	\$ 172,696 11.7%	\$ (42,024)	\$ 228,242 9.4%	\$ 102,578 10.2%	\$ 148,925 10.9%	\$ (35,588)	\$ 215,915 9.1%

Note: Dollars in thousands.

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# Non-GAAP Reconciliation

(unaudited)

	Three Months Ended		Nine Months Ended	
	September 29, 2017	September 30, 2016	September 29, 2017	September 30, 2016
<b>Adjusted Net Income and Adjusted Net Income Per Share</b>				
Net income attributable to Colfax Corporation	\$ 45,863	\$ 27,970	\$ 137,800	\$ 90,339
Restructuring and other related charges- pretax	7,932	17,159	15,503	49,317
Loss on deconsolidation of Venezuelan operations- pretax	—	2,369	—	2,369
Asbestos coverage adjustment- pretax	—	8,226	—	8,226
Divestiture-related expense, net- pretax	5,675	—	7,275	—
Tax adjustment	(7,359)	(7,914)	(9,926)	(15,282)
Adjusted net income	\$ 52,111	\$ 47,810	\$ 150,652	\$ 134,969
Weighted-average shares outstanding - diluted	124,081	123,102	123,948	123,130
Adjusted net income per share	\$ 0.42	\$ 0.39	\$ 1.22	\$ 1.10
Consolidated net income per share- diluted (GAAP)	\$ 0.37	\$ 0.23	\$ 1.11	\$ 0.73

(1) The effective tax rates used to calculate adjusted net income and adjusted net income per share are 26.3% and 28.0% for the third quarter and nine months ended September 29, 2017. The effective tax rate used to calculate adjusted net income and adjusted net income per share for the third quarter and nine months ended September 30, 2016 are 27.2% and 29.1%, respectively.

Note: In thousands, except per share amounts.

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# Non-GAAP Reconciliation

(unaudited)

	Three Months Ended	
	September 29, 2017	September 30, 2016
Net income from continuing operations	\$ 49,622	\$ 40,548
Interest expense	11,328	6,892
Provision for income taxes	13,816	11,271
Depreciation and amortization	30,411	30,560
Restructuring and other related charges	7,298	11,752
Loss on deconsolidation of Venezuelan operations	—	495
Adjusted EBITDA	\$ 112,475	\$ 101,518
Adjusted EBITDA margin	13.3%	13.2%

*Note: Dollars in thousands.*

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# Non-GAAP Reconciliation

(unaudited)

	2017 Earnings Per Share Range	
	Low	High
<b>Colfax Corporation</b>		
Projected net income per share - diluted	\$ 1.34	\$ 1.44
Restructuring costs- pretax <sup>(1)</sup>	0.30	0.30
Divestiture-related expense, net- pretax	0.13	0.13
Tax adjustment	(0.12)	(0.12)
Projected adjusted net income per share	\$ 1.65	\$ 1.75
<b>Discontinued Operations</b>		
Projected net income per share - diluted	\$ 0.19	\$ 0.22
Restructuring costs- pretax <sup>(1)</sup>	(0.04)	(0.04)
Divestiture-related expense, net- pretax	0.13	0.13
Tax adjustment	(0.03)	(0.03)
Projected adjusted net income per share	\$ 0.25	\$ 0.28

<sup>(1)</sup> Restructuring costs include a \$12 million gain on disposal and a \$4 million non-cash impairment charge for two facilities that were previously closed as part of restructuring activities. The gain on disposal is associated with a discontinued operation.