# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

# FORM 8-K

# **CURRENT REPORT**

#### Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 6, 2018

# **Colfax Corporation**

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

001-34045

(Commission File Number) 54-1887631

(I.R.S. Employer Identification No.)

420 National Business Parkway, 5th Floor Annapolis Junction, MD 20701 (Address of Principal Executive Offices) (Zip Code)

(301) 323-9000

(Registrant's telephone number, including area code)

Not applicable

(Former name or former address, if changed since last report)

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company  $\Box$ 

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.  $\Box$ 

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

□ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

□ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

□ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

□ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

#### Item 2.02. Results of Operations and Financial Condition.

On February 6, 2018, Colfax Corporation issued a press release reporting financial results for the quarter and year ended December 31, 2017. A copy of Colfax Corporation's press release is attached to this report as Exhibit 99.1 and is incorporated in this report by reference. Colfax Corporation has scheduled a conference call for 9:00 a.m. Eastern on February 6, 2018 to discuss its financial results.

# Item 9.01. Financial Statements and Exhibits.

#### (d) Exhibits

99.1 Colfax Corporation press release dated February 6, 2018, reporting financial results for the quarter and year ended December 31, 2017.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 6, 2018

#### **Colfax Corporation**

By:	/s/ Christopher M. Hix
Name:	Christopher M. Hix
Title:	Senior Vice President, Finance,
	Chief Financial Officer and Treasurer

## EXHIBIT INDEX

99.1 Colfax Corporation press release dated February 6, 2018, reporting financial results for the quarter and year ended December 31, 2017.

# COLFAX

#### **Colfax Reports Fourth Quarter 2017 Results**

- Reported loss from continuing operations of \$1.53 per diluted share and adjusted earnings per share of \$0.45
- Fabrication Technology achieved 7% organic sales growth; Air & Gas Handling reported 2% decline in orders
- Completed divestiture of Fluid Handling business with \$308 million pre-tax gain
- Closed two acquisitions in the quarter

ANNAPOLIS JUNCTION, MD - February 6, 2018 - Colfax Corporation (NYSE: CFX), a leading diversified industrial technology company, today announced its financial results for the fourth quarter of 2017.

The Company reported fourth quarter 2017 net income of \$13 million or \$0.10 per diluted share. Income from discontinued operations of \$202 million or \$1.63 per diluted share includes a \$308 million pre-tax gain resulting from the December 2017 sale of its Fluid Handling business to CIRCOR International, Inc. for \$555 million of cash consideration, 3.3 million shares of CIRCOR common shares, and assumption of \$168 million of net retirement liabilities. Net loss from continuing operations of \$184 million or \$1.53 per diluted share includes a \$3 million estimated benefit relating to the recently-enacted U.S. tax legislation, and on a pre-tax basis, \$153 million goodwill and intangible impairment charges in the Air & Gas Handling segment, a \$47 million pension settlement charge, and \$45 million of restructuring charges that included \$27 million of asset impairments. Adjusted net income in the fourth quarter was \$56 million, or \$0.45 per share compared to \$64 million or \$0.52 per share for the same prior year period. These amounts reflect the previously-announced charges to Colfax's definition of Adjusted net income to exclude intangibles amortization and other noncash acquisition-related charges.

Fourth quarter 2017 net sales of \$874 million grew 7.6% versus the comparable period of 2016, including the impact of acquisitions and foreign currency translation effects (FX). Excluding acquisitions and FX, Fabrication Technology segment sales grew 6.9%, and Air & Gas Handling sales decreased 14.9%. Fourth quarter 2017 Air & Gas Handling orders increased 12.1% to \$369 million compared to orders of \$329 million for the fourth quarter of 2016. Excluding acquisitions and FX, orders decreased 2.3%. Air & Gas Handling finished the period with backlog of \$893 million.

"Fabrication Technology sales growth accelerated again in the fourth quarter as we achieved growth in all regions," said Matthew Trerotola, President and Chief Executive Officer. "The business benefited from improving market conditions in North America, as well as new products, higher customer service levels, and deeper application of CBS to improve operational execution. In our Air & Gas Handling business, orders reflect continued growth in General Industrial applications and project wins in Oil & Gas, but these benefits were more than offset by declines in the Power market. Recently-announced restructuring initiatives support the business' strategic pivot to faster-growing regions and applications."

During the fourth quarter, the Company completed its previously-announced acquisition of Siemens Turbomachinery Equipment (STE) into its Air & Gas Handling segment for cash consideration of \$215 million. It also acquired EWAC Alloys Limited (EWAC), the India market leader in hard facing applications, for \$75 million. As part of the Fabrication Technology segment, EWAC provides repair & maintenance products and services that maximize customers' operating uptime, extend life cycles and reduce operating costs.

"Colfax is well-positioned for another year of earnings growth, and we expect \$2.00 to \$2.15 of adjusted earnings per share in 2018," said Mr. Trerotola. "We expect overall organic growth supported by our faster-growing Fabrication Technology business and improving Air & Gas Handling market conditions later in the year. Restructuring actions should deliver at least \$25 million of savings in 2018. Recently-completed acquisitions further strengthen our businesses and will contribute additional profit. The sale of the Fluid Handling business and strong cash flow generation in the fourth quarter increased our financial capacity, and we already closed another complementary acquisition in January. We will continue to strengthen our operating capabilities in 2018 and execute our strategic growth program."

#### **Conference Call and Webcast**

Colfax will host a conference call to provide details about its results today at 9:00 a.m. Eastern. The call will be open to the public through 877-303-7908 (U.S. callers) or +1-678-373-0875 (international callers) and referencing the conference ID number 6555209 or through webcast via Colfax's website at www.colfaxcorp.com under the "Investors" section. Access to a supplemental slide presentation can also be found at the Colfax website under the same heading. Both the audio of this call and the slide presentation will be archived on the website later today and will be available until the next quarterly call.

#### **About Colfax Corporation**

Colfax Corporation is a leading diversified industrial technology company that provides air & gas handling and fabrication technology products and services to customers around the world principally under the Howden and ESAB brands. Colfax believes that its brands are among the most highly recognized in each of the markets that it serves. The Company uses its Colfax Business System (CBS), a comprehensive set of tools, processes and values, to create superior value for customers, shareholders and associates. Colfax is traded on the NYSE under the ticker "CFX." Additional information about Colfax is available at www.colfaxcorp.com.

#### Non-GAAP Financial Measures and Other Adjustments

Colfax has provided in this press release 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, organic sales growth, and organic order decline. Adjusted operating income excludes Restructuring and other related items, Goodwill and intangible asset impairment charge and Pension settlement loss. Adjusted net income, adjusted net income per share and projected adjusted net income per share exclude Restructuring and other related charges, Goodwill and intangible asset impairment charge, Pension settlement loss, acquisition-related intangibles amortization, and other non-cash acquisition related charges. Adjusted net income, adjusted net income per share, and adjusted operating income for the fourth quarter and full year ended December 31, 2016 also exclude the loss recorded on our deconsolidation of our Venezuelan operations. The effective tax rates used to calculate adjusted net income per share are 20.1% and 25.7% for the fourth quarter and full year ended December 31, 2017, respectively. The effective tax rates used to calculate adjusted net income per share are 24.3% and 26.3% for the fourth quarter and full year ended December 31, 2016. Organic sales growth and organic order 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 e

Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information calculated in accordance with GAAP. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures. A reconciliation of non-GAAP financial measures presented above to GAAP results has been provided in the financial tables included in this press release.

#### CAUTIONARY NOTE CONCERNING FORWARD LOOKING STATEMENTS

This press release 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.

The term "Colfax" in reference to the activities described in this press release may mean one or more of Colfax's global operating subsidiaries and/or their internal business divisions and does not necessarily indicate activities engaged in by Colfax Corporation.

# Contact:

Kevin Johnson, Vice President Colfax Corporation +1-302-483-7761 Kevin.Johnson@colfaxcorp.com

# Colfax Corporation Consolidated Statements of Income Dollars in thousands, except per share data (Unaudited)

		<b>Three Months Ended</b>			Year Ended				
	Decer	nber 31, 2017	Ι	December 31, 2016	December 31, 2017		De	cember 31, 2016	
Net sales	\$	874,083	\$	812,408	\$	3,300,184	\$	3,185,753	
Cost of sales	ψ	606,400	ψ	562,418	φ	2,270,709	ψ	2,193,371	
Gross profit		267,683		249,990		1,029,475		992,382	
Selling, general and administrative expense		198,790		169,932		732,340		696,800	
Restructuring and other related charges		45,220		20,498		68,351		58,496	
Goodwill and intangible asset impairment charge		152,700		134		152,700		238	
Pension settlement loss		46,933		48		46,933		48	
Operating (loss) income		(175,960)		59,378		29,151		236,800	
Interest expense		12,031		5,288		41,137		30,276	
(Loss) income from continuing operations before income taxes		(187,991)		54,090		(11,986)		206,524	
Provision for income taxes		(3,574)		10,920		42,554		51,772	
Net (loss) income from continuing operations		(184,417)	_	43,170		(54,540)		154,752	
Income (loss) from discontinued operations, net of taxes		202,257		(351)		224,047		(9,561)	
Net income		17,840		42,819		169,507		145,191	
Less: income attributable to noncontrolling interest, net of taxes		4,550		5,047		18,417		17,080	
Net income attributable to Colfax Corporation		13,290		37,772		151,090		128,111	
Net (loss) income per share - basic			_						
Continuing operations	\$	(1.53)	\$	0.31	\$	(0.59)	\$	1.12	
Discontinued operations	\$	1.64	\$	_	\$	1.82	\$	(0.08)	
Consolidated operations	\$	0.11	\$	0.31	\$	1.23	\$	1.04	
Net (loss) income per share - diluted			_						
Continuing operations	\$	(1.53)	\$	0.31	\$	(0.59)	\$	1.12	
Discontinued operations	\$	1.63	\$	_	\$	1.81	\$	(0.08)	
Consolidated operations	\$	0.10	\$	0.31	\$	1.22	\$	1.04	
-			-						

#### Colfax Corporation Reconciliation of GAAP to Non-GAAP Financial Measures Amounts in thousands, except per share data (Unaudited)

	Three Months Ended			Year Ended				
	Dec	ember 31, 2017		December 31, 2016		December 31, 2017		December 31, 2016
Adjusted Net Income and Adjusted Net Income Per Share								
Net (loss) income from continuing operations attributable to Colfax Corporation <sup>(1)</sup>								
	\$	(188,967)	\$	38,123	\$	(72,957)	\$	137,672
Restructuring and other related charges- pretax		45,220		20,498		68,351		58,496
Goodwill and intangible asset impairment charge- pretax		152,700		134		152,700		238
Pension settlement loss-pretax		46,933		48		46,933		48
Loss on deconsolidation of Venezuelan operations- pretax		_		_		_		495
Acquisition-related amortization- pretax		18,728		16,503		60,091		58,859
Tax adjustment <sup>(2)</sup>		(18,779)		(11,205)		(38,789)		(33,601)
Adjusted net income from continuing operations	\$	55,835	\$	64,101	\$	216,329	\$	222,207
Adjusted net income margin from continuing operations		6.4%		7.9%		6.6%		7.0%
Weighted-average shares outstanding - diluted		124,137		123,102		123,996		123,199
Adjusted net income per share continuing operations	\$	0.45	\$	0.52	\$	1.74	\$	1.80
Net (loss) income per share- diluted from continuing operations (GAAP)	\$	(1.53)	\$	0.31	\$	(0.59)	\$	1.12

<sup>(1)</sup> Net (loss) income from continuing operations attributable to Colfax Corporation for the respective periods is calculated using Net (loss) income from continuing operations less the income attributable to noncontrolling interest, net of taxes.

<sup>(2)</sup> The effective tax rates used to calculate adjusted net income and adjusted net income per share are 20.1% and 25.7% for the fourth quarter and year ended December 31, 2017.

	2	2018 Earnings Per Share Range				
	I	Jow		High		
2018 Guidance						
Projected net income per share continuing operations (GAAP)- diluted	\$	1.36	\$	1.51		
Restructuring and other related charges- pretax		0.28		0.28		
Acquisition-related amortization and other non-cash charges- pretax <sup>(1)</sup>		0.56		0.56		
Tax adjustment		(0.20)		(0.20)		
Projected adjusted net income per share	\$	2.00	\$	2.15		

<sup>(1)</sup> Includes amortization of acquired intangibles and fair value charges on acquired inventory.

#### Colfax Corporation Reconciliation of GAAP to Non-GAAP Financial Measures Dollars in thousands (Unaudited)

	<b>Three Months Ended</b>			Year Ended			
	December 31, 2017	December 31, 2016			December 31, 2017	December 31, 2016	
Continuing Operations							
Operating (loss) income	\$ (175,960)	\$	59,378	\$	29,151	\$	236,800
Operating (loss) income margin	(20.1)%		7.3%		0.9%		7.4%
Restructuring and other related charges	45,220		20,498		68,351		58,496
Goodwill and intangible asset impairment charge	152,700		134		152,700		238
Pension settlement loss	46,933		48		46,933		48
Loss on deconsolidation of Venezuelan operations-							
pretax	—		—		—		495
Adjusted operating income	\$ 68,893	\$	80,058	\$	297,135	\$	296,077
Adjusted operating income margin	7.9 %		9.9%		9.0%		9.3%

#### Colfax Corporation Change in Sales, Orders and Backlog Dollars in millions (Unaudited)

				Air and Gas Handling				
		Net Sales			Orders			
		\$	%		\$	%		
For the three months ended December 31, 2016	\$	812.4		\$	328.8			
Components of Change:								
Existing businesses <sup>(1)</sup>		(25.3)	(3.1)%		(7.7)	(2.3)%		
Acquisitions <sup>(2)</sup>		54.5	6.7 %		34.6	10.5 %		
Foreign currency translation		32.5	4.0 %		12.8	3.9 %		
		61.7	7.6 %		39.7	12.1 %		
For the three months ended December 31, 2017	\$	874.1		\$	368.5			

			Air and Gas Handling				
	Net	Sales	Or	ders	Backlog a	t Period End	
	\$	%	\$	%	\$	%	
As of and for the year ended December 31, 2016	\$ 3,185.8		\$ 1,305.0		\$ 796.1		
Components of Change:							
Existing businesses <sup>(1)</sup>	(15.7)	(0.5)%	(44.1)	(3.4)%	(57.0)	(7.2)%	
Acquisitions <sup>(2)</sup>	85.2	2.7 %	34.7	2.7 %	105.3	13.2 %	
Foreign currency translation	44.9	1.4 %	10.9	0.8 %	49.0	6.2 %	
	114.4	3.6 %	1.5	0.1 %	97.3	12.2 %	
As of and for the year ended December 31, 2017	\$ 3,300.2		\$ 1,306.5		\$ 893.4		

<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 sales, orders and order backlog 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.

# Colfax Corporation Consolidated Balance Sheets Dollars in thousands, except share amounts (Unaudited)

20172016ASSETSCURRENT ASSETS:Cash and cash equivalents\$ 202,019\$ 208,814Short term invostances\$ 202,019\$ 208,814Short term invostances for doubtrul accounts of \$31,488 and \$29,005\$79,1198.83,796Investances, net429,627364,972Other current assets202,027364,972Other current assets2.620,8321.738,578Current orasets held for sale-100,225Toid (current assets)2.538,5442.350,996Intraggible assets, net2.538,5442.350,996Intraggible assets, net543,227550,031Assets held for sale, less current partion-307,057Total assets5 6,721,648\$ 6,338,440Current assets557,129\$ 13,363Current assets5 5,766\$ 5,546Account hypathe587,129\$ 13,363Current partion of long-term debt5 5,766\$ 5,546Account payable587,129\$ 13,363Current partion of long-term debt33,663211,326Current partion of long-term debt33,663211,326Current partion of long-term debt33,663211,326Current partion of long-term debt1,057,33512,237,94Total current tabilities1,097,3801,059,555Current partion of long-term debt1,057,34212,237,946Current partion of long-term debt1,057,34212,237,946Current partion of long-term debt3,204,7483,208,796		December 31,				
CURRENT ASSETS:   S   262,019   S   208,014     Short term investments   149,608   —     Trade receivables, less allowance for doubtful accounts of S31,488 and S29,005   970,199   830,796     Investments   429,627   364,927     Other current assets   238,379   175,721     Current assets   236,379   175,721     Trade receivables, less allowance for doubtful accounts of S31,488 and S29,005   970,199   830,796     Other current assets   236,373   175,721   364,972     Other current assets   2,530,543   2,550,543   196,2473     Other assets   513,267   52,00,013   38,654   2,350,996     Intradigible assets, net   1,017,203   916,5447   0,004,7057   36,0314     Current portion   —   307,057   52,00,013   38,656   5   5,00,013     Assets held for sale, less current portion   —   307,057   53,033   33,032     Current portion of labilities in excess of costs incurred   \$5,7,06   \$5,5,065   \$5,5,065   \$2,6,023   31,326			2017		2016	
Cash and cash equivalents   \$   262.019   \$   208.014     Short term investments   1440,008   —     Tade receivables, less allowance for doubtful accounts of \$31,408 and \$29,005   970,199   838,379     Inverories, net   429,627   364,972     Other current assets   258,379   175,721     Current portion of assets held for sale   —   150,202     Total current assets   2,206,832   1738,378     Goodwill   2,538,544   2,350,996     Inangible assets, net   1,017,203   916,647     Other sale, less current portion   —   307,057     Total current portion of long-term doth   \$   6,721,648   6,338,440     CURRENT LIABILITIES   —   307,057   5   5,406     Accounts payable   \$   5,766   \$   5,406     Accou	ASSETS			·		
Short term investments   149,608   —     Trade receivables, less allowance for doubtful accounts of \$31,488 and \$29,005   970,199   838,796     Inventories, net   429,627   364,972     Other current assets   2363,79   17,57,21     Current portion of assets held for sale   —   190,275     Total current assets   2,069,322   17,38,578     Property, plant and equipment, net   52,802   505,431     Goodwill   2,538,544   2,350,996     Intangible assets, net   1017,203   916,347     Other assets   513,267   52,0031     Current portion of long-term debt   5   5,766   5,406     Accounts payable   145,853   142,377     Current portion of liabilities held for sale   —   93,733     Current portion of liabiliti	CURRENT ASSETS:					
Trade receivables, less allowance for doubtful accounts of \$31,488 and \$29,005   970,199   838,796     Inventories, net   429,627   364,972     Other current assets   258,379   175,721     Current portion of assets held for sale   —   150,275     Total current assets   2,069,382   1,738,578     Property, plant and equipment, net   552,002   505,431     Goodwill   2,538,544   2,230,996     Intrangible assets, net   1,017,203   916,447     Other assets   543,267   520,001     Assets held for sale, less current portion   —   -     CURRENT LIABLITTES   —   -   307,057     CURRENT LIABLITTES   E   E   -     Current portion of long-term debt   \$   5,766   \$   \$,5,006     Accounts payable   513,453   5,42,377   3,43,33   5,42,377     Accurent portion of long-term debt   \$   5,766   \$   \$,5,006     Accounts payable   5,675   \$   \$,5,006   \$,5,006   \$,2,377     C	Cash and cash equivalents	\$	262,019	\$	208,814	
Inventories, net429,627364,972Other current assets258,379175,721Current portion of assets held for sale–150,275Property, plant and equipment, net552,802505,431Goodvill2,538,5442,350,966Intangible assets, net1017,203916,547Other assets543,267520,031Assets held for sale, less current portion–307,057Total assets§6,721,6486Stassets556,633Current portion of long-term debt§5,766\$Current portion of long-term debt\$5,766\$Accounde payable587,129513,363142,377Accruent payable587,129513,363142,377Accruent payable1,097,3801,059,6551,059,655Current portion of liabilities held for sale–8,11,326Current portion of liabilities held for sale, less current portion1,055,3051,286,574Total Lurrent liabilities3,00,000 shares authorized; 123,245,827 and 122,780,251 issued and outstanding3,226,0743,199,662Contront sock, 50,001 par value; 400,000,000 shares authorized; 123,245,827 and 122,780,251 issued and outstanding3,204,0143,245,095Current portion–1,057,3421,236,574<	Short term investments		149,608			
Other current assets   258,379   175,721     Current portion of assets held for sale   —   150,275     Total current assets   2,069,832   1,738,578     Property, plant and equipment, net   552,802   505,431     Goodwill   2,538,544   2,350,996     Intangible assets, net   1,017,203   916,347     Other assets   543,267   520,001     Assets held for sale, less current portion   —   -     Assets held for sale, less current portion   —   -     CURRENT LIABILITIES:   -   -     Current portion of long-term debt   \$   5,766   \$     Accound ballities   358,52   -   -     Current portion of liabilities held for sale   —   -   87,129     Current portion of liabilities held for sale   —   -   87,129     Current portion of liabilities held for sale   —   -   87,133     Total current liabilities   1.097,380   1.096,535   1.286,733     Other liabilities   1.097,380   1.058,655   1.286,733	Trade receivables, less allowance for doubtful accounts of \$31,488 and \$29,005		970,199		838,796	
Current portion of assets held for sale—150,275Toda current assets2,069,8321,738,578Property, plant and equipment, net552,002505,431Goodwill2,538,5442,530,945Intangible assets, net1,017,203916,347Other assets543,267520,001Assets held for sale, less current portion—307,027Total assets56,721,6485CURRENT LIABILITIESS5,7665Current portion of long-term debt55,7665Accounts payable587,129513,363Current portion of long-term debt358,632311,326Current portion of labilities held for sale—87,129Itabilities358,632311,326Current portion of labilities held for sale—87,129Itabilities1,097,3801,059,505Long-term debt, less current portion1,055,3051,286,738Other liabilities2,943,3443,245,096Equiry:—123123Current portion of labilities held for sale, less current portion1,055,3051,286,738Other liabilities2,943,3443,245,096Equiry:—123123Commo stock, 50,001 par value; 400,000,000 shares authorized; 123,245,827 and 122,780,261 issued and outstanding123123Additional paid-in capital3,228,1743,129,682Retained earmings484,6490685,411Accoundiate ober comprehensive loss(574,372) <t< td=""><td>Inventories, net</td><td></td><td>429,627</td><td></td><td>364,972</td></t<>	Inventories, net		429,627		364,972	
Total current assets   2.069.832   1.738.578     Property, plant and equipment, net   552.802   505.431     Goodwill   2,538.544   2,530.966     Intangible assets, net   1.017.203   916.6347     Other assets   543.267   520.031     Assets held for sale, less current portion   -   307.057     Total assets   \$   6,721.648   \$   6,338.440     CURRENT LIABILITIES:   -   307.057   \$   5,366     Accounts payable   \$   5,766   \$   5,40.06     Accounts payable   \$   5,76.6   \$   5,40.06     Accounts payable   \$   5,76.6   \$   5,40	Other current assets		258,379		175,721	
Property, plant and equipment, net552,002505,431Goodwill2,538,5442,350,996Intangible assets, net1,017,203916,347Other assets543,267520,031Assets held for sale, less current portion—307,057Total assets\$ 6,721,648\$ 6,338,440CURRENT LIABILITIES——CURRENT LIABILITIES——CUrrent portion of long-term debt\$ 5,766\$ 5,5406Accounts payable587,129513,363Customer advances and billings in excess of costs incurred145,853144,277Accrued liabilities38,632311,326Current portion of long-term debt for sale—87,183Total current portion of liabilities held for sale—81,699Current liabilities1,097,3801,055,655Long-term labilities1,097,3801,256,758Other labilities2,994,3843,245,096Equip:—165,974165,974Common stock, S0,001 par value; 400,000,000 shares authorized; 123,245,827 and 122,780,261 issued and outstanding3,228,1743,199,682Retained earnings3,204,1143,199,682123133Additional paid-in capital3,204,1143,199,682165,433Total Current oporton equip3,500,4152,896,8713,500,415Additional paid-in capital3,204,1143,500,4152,896,871Additional paid-in capital3,204,1143,500,4152,896,871Additional paid-in capital2,2	Current portion of assets held for sale		_		150,275	
GoodWill   2,538,544   2,330,996     Intangible assets, net   1,017,203   916,347     Other assets   543,267   520,031     Assets held for sale, less current portion   —   307,057     Total assets   \$   6,721,648   \$   6,338,440     VEXENT LIABLITTES   *   *   *   *   *     CURRENT LIABLITTES   *   5   5,766   \$   5,406   \$     Current portion of long-term debt   \$   5,766   \$   5,406   \$   \$   5,406   \$   \$   5,406   \$   \$   \$,406   \$   \$   \$,5,66   \$   \$   \$,406   \$   \$,406   \$   \$   \$,406   \$   \$,406   \$   \$,406   \$   \$,406   \$   \$,406   \$   \$,406   \$   \$,406   \$   \$,406   \$,42,377   \$,406   \$,42,377   \$,406   \$,42,377   \$,406   \$,42,373   \$,42,673   \$,416,69   \$,71,83   \$,10,95,655   \$,096,6	Total current assets		2,069,832		1,738,578	
Intangible assets, net1.017,203916,347Other assets543,267520,031Assets held for sale, less current portion——Total assets\$ 6,721,648\$ 6,338,440LABILITIES AND EQUITYCurrent portion of long-term debt\$ 5,766\$ 5,766Current portion of long-term debt\$ 5,766\$ 5,646Accounts payable587,129513,363Current portion of long-term debt\$ 5,766\$ 5,766Accounts payable358,632311,326Current portion of liabilities in excess of costs incurred145,653142,377Account liabilities358,632311,326Current portion of liabilities held for sale——Total current liabilities1,097,3801,059,655Labilities held for sale, current portion1,055,3051,286,578Other liabilities1,097,3801,059,655Labilities held for sale, less current portion1,055,3051,286,578Other liabilities2,994,3843,245,096Equity:2,994,3843,245,096Common stock, \$0,001 par value; 400,000,000 shares authorized; 123,245,827 and 122,780,261 lissued and outstanding1,213Additional paid-in capital3,228,1743,199,662Retained earnings3,464,09685,411Accoundlate other comprehensive loss(Gr4,372)(988,345)Total Carlotal comportion equity3,500,4152,996,381Additional paid-in capital3,208,6173,500,415Additional pai	Property, plant and equipment, net		552,802		505,431	
Other assets543,267520,031Assets held for sale, less current portion—307,057Total assets\$6,721,648\$6,338,440CURRENT LIABILITIES——Current portion of long-term debt\$5,5766\$5,5406Accounts payable587,129513,363Customer advances and billings in excess of costs incurred145,853142,377Accuel liabilities356,632311,326Current portion of labilities held for sale—67,183Current portion of liabilities held for sale—67,183Current liabilities1,097,3801,059,655Long-term debt, less current portion1,053,0351,286,738Other liabilities2,994,3843,245,096Equity:——165,974Common stock, S0.001 par value; 400,000,000 shares authorized; 123,245,827 and 122,780,261 issued and outstanding1,213Additional paid-in capital3,228,1743,199,682Retained earnings	Goodwill		2,538,544		2,350,996	
Assets held for sale, less current portion—307,057Total assets§6,721,648§6,338,440LIABLITTES AND EQUITYCURRENT LIABLITTES:Current portion of long-term debt\$\$,5,766\$5,5,666Accounts payable587,129513,363Customer advances and billings in excess of costs incurred145,853142,377Accrued liabilities358,632311,326Current portion of liabilities held for sale—81,109Total current liabilities1,007,3801,059,655Long-term debt, less current portion1,055,3051,266,738Other liabilities1,007,3801,059,655Liabilities2,994,3843,245,096Equity:—165,974Common stock, \$0.001 par value; 400,000,000 shares authorized; 123,245,827 and 122,780,261 issued and oustanding123Additional paid-in capital3,228,1743,199,682Retained earnings—165,974Accurulated other comprehensive loss…123Noncontroling interestNoncontoling intere	Intangible assets, net		1,017,203		916,347	
Total assets\$6,721,648\$6,338,440LIABILITIES AND EQUITYCURRENT LIABILITIES:Current portion of long-term debt\$\$,5766\$\$,5,406Accounts payable587,129\$13,363Customer advances and billings in excess of costs incurred145,853142,377Accured liabilities358,632311,326Current portion of liabilities held for sale-87,183Total current liabilities1,097,3001,059,655Long-term debt, less current portion1,055,3051,286,738Other liabilities2,994,3843,227,99Liabilities2,994,3843,224,506Equity:-165,974Common stock, \$0.001 par value; 400,000,000 shares authorized; 123,245,827 and 122,780,261 issued and outstanding123123Additional paid-in capital3,204,7143,199,682Retained earnings665,4113,208,1743,199,682Accumulated other comprehensive loss(574,372)(988,345)Total Carlex Corporation equity3,500,4152,296,671Noncontrolling interest226,649196,673	Other assets		543,267		520,031	
LABILITIES AND EQUITY     CURRENT LIABILITIES:     Current portion of long-term debt   \$   5,766   \$   5,406     Accounts payable   587,129   513,363   142,377     Cursent ortion of labilities in excess of costs incurred   145,853   142,377     Accured liabilities   358,632   311,326     Current portion of liabilities held for sale   —   87,183     Total current liabilities   1,097,380   1,055,305   1,286,738     Other liabilities   1,097,380   1,055,305   1,286,738     Other liabilities   841,699   732,729   1,286,738     Other liabilities   2,994,384   3,245,096   2,994,384   3,245,096     Equity:   —   —   1,055,395   1,286,738   3,228,174   3,199,682   3,228,174   3,199,682   3,228,174   3,199,682   3,228,174   3,199,682   3,228,174   3,199,682   3,228,174   3,199,682   3,228,174   3,199,682   3,228,174   3,199,682   3,228,174   3,199,682   3,228,174   3,199,682   3,228,174 <t< td=""><td>Assets held for sale, less current portion</td><td></td><td>—</td><td></td><td>307,057</td></t<>	Assets held for sale, less current portion		—		307,057	
CURRENT LIABILITIES:     Current portion of long-term debt   \$   5,766   \$   5,406     Accounts payable   587,129   513,363   142,377     Customer advances and billings in excess of costs incurred   145,853   142,377     Accrued liabilities   358,632   311,326     Current portion of liabilities held for sale	Total assets	\$	6,721,648	\$	6,338,440	
CURRENT LIABILITIES:     Current portion of long-term debt   \$   5,766   \$   5,406     Accounts payable   587,129   513,363   142,377     Customer advances and billings in excess of costs incurred   145,853   142,377     Accrued liabilities   358,632   311,326     Current portion of liabilities held for sale						
CURRENT LIABILITIES:     Current portion of long-term debt   \$   5,766   \$   5,406     Accounts payable   587,129   513,363   142,377     Customer advances and billings in excess of costs incurred   145,853   142,377     Accrued liabilities   358,632   311,326     Current portion of liabilities held for sale	LIABILITIES AND EQUITY					
Accounts payable587,129513,363Customer advances and billings in excess of costs incurred145,853142,377Accrued liabilities358,632311,326Current portion of liabilities held for sale—87,183Total current liabilities1,097,3801,059,655Long-term debt, less current portion1,055,3051,286,738Other liabilities841,699732,729Liabilities held for sale, less current portion—165,974Total liabilities2,994,3843,245,096Equity:—123123Additional paid-in capital3,228,1743,199,682Accumulated other comprehensive loss(574,372)(988,345)Total Colfax Corporation equity3,500,4152,896,871Noncontrolling interest—3,202,1243,093,344Total equity3,302,72,2643,093,344						
Accounts payable587,129513,363Customer advances and billings in excess of costs incurred145,853142,377Accrued liabilities358,632311,326Current portion of liabilities held for sale—87,183Total current liabilities1,097,3801,059,655Long-term debt, less current portion1,055,3051,286,738Other liabilities841,699732,729Liabilities held for sale, less current portion—165,974Total liabilities2,994,3843,245,096Equity:—123123Additional paid-in capital3,228,1743,199,682Accumulated other comprehensive loss(574,372)(988,345)Total Colfax Corporation equity3,500,4152,896,871Noncontrolling interest—3,202,1243,093,344Total equity3,302,72,2643,093,344	Current portion of long-term debt	\$	5,766	\$	5,406	
Customer advances and billings in excess of costs incurred   145,853   142,377     Accrued liabilities   358,632   311,326     Current portion of liabilities held for sale   —   87,183     Total current liabilities   1,097,380   1,055,635     Long-term debt, less current portion   1,055,305   1,286,738     Other liabilities   841,699   732,729     Liabilities held for sale, less current portion   —   165,974     Total liabilities   2,994,384   3,245,096     Equity:			587,129		513,363	
Accrued liabilities358,632311,326Current portion of liabilities held for sale—87,183Total current liabilities1,097,3801,055,055Long-term debt, less current portion1,055,3051,286,738Other liabilities841,699732,729Liabilities held for sale, less current portion—165,974Total liabilities2,994,3843,245,096Equity:			145,853		142,377	
Total current liabilities1,097,3801,059,655Long-term debt, less current portion1,055,3051,286,738Other liabilities841,699732,729Liabilities held for sale, less current portion—165,974Total liabilities2,994,3843,245,096Equity:—123123Common stock, \$0.001 par value; 400,000,000 shares authorized; 123,245,827 and 122,780,261 issued and outstanding123123Additional paid-in capital123123123Additional paid-in capital3,228,1743,199,682Accumulated other comprehensive loss(574,372)(988,345)Total Colfax Corporation equity3,500,4152,896,871Noncontrolling interest226,849196,473Total equity3,727,2643,093,344			358,632		311,326	
Long-term debt, less current portion1,055,3051,286,738Other liabilities841,699732,729Liabilities held for sale, less current portion—165,974Total liabilities2,994,3843,245,096Equity:——123Common stock, \$0.001 par value; 400,000,000 shares authorized; 123,245,827 and 122,780,261 issued and outstanding123123Additional paid-in capital3,228,1743,199,682Retained earnings846,490685,411Accumulated other comprehensive loss(574,372)(988,345)Total Colfax Corporation equity3,500,4152,896,871Noncontrolling interest226,849196,473Total equity3,727,2643,093,344	Current portion of liabilities held for sale				87,183	
Other liabilities841,699732,729Liabilities held for sale, less current portion—165,974Total liabilities2,994,3843,245,096Equity:———Common stock, \$0.001 par value; 400,000,000 shares authorized; 123,245,827 and 122,780,261 issued and outstanding——Additional paid-in capital———Additional paid-in capital3,228,1743,199,682Retained earnings———Accumulated other comprehensive loss———Total Colfax Corporation equity3,500,4152,896,871Noncontrolling interest——196,473Total equity—3,727,2643,093,344	Total current liabilities		1,097,380		1,059,655	
Other liabilities841,699732,729Liabilities held for sale, less current portion—165,974Total liabilities2,994,3843,245,096Equity:———Common stock, \$0.001 par value; 400,000,000 shares authorized; 123,245,827 and 122,780,261 issued and outstanding——Additional paid-in capital———Additional paid-in capital3,228,1743,199,682Retained earnings———Accumulated other comprehensive loss———Total Colfax Corporation equity3,500,4152,896,871Noncontrolling interest——196,473Total equity—3,727,2643,093,344	Long-term debt, less current portion		1,055,305		1,286,738	
Total liabilities 2,994,384 3,245,096   Equity: Common stock, \$0.001 par value; 400,000,000 shares authorized; 123,245,827 and 122,780,261 issued and outstanding 123 123   Common stock, \$0.001 par value; 400,000,000 shares authorized; 123,245,827 and 122,780,261 issued and outstanding 123 123   Additional paid-in capital 3,228,174 3,199,682   Retained earnings 846,490 685,411   Accumulated other comprehensive loss (574,372) (988,345)   Total Colfax Corporation equity 3,500,415 2,896,871   Norcontrolling interest 226,849 196,473   Total equity 3,727,264 3,093,344	Other liabilities		841,699		732,729	
E-uity: Common stock, \$0.001 par value; 400,000,000 shares authorized; 123,245,827 and 122,780,261 issued and outstanding 123 123   Additional paid-in capital 123 123   Additional paid-in capital 3,228,174 3,199,682   Retained earnings 846,490 685,411   Accumulated other comprehensive loss (574,372) (988,345)   Total Colfax Corporation equity 3,500,415 2,896,871   Nortor Diling interest 226,849 196,473   Ital equity 3,727,264 3,093,344	Liabilities held for sale, less current portion		_		165,974	
Common stock, \$0.001 par value; 400,000,000 shares authorized; 123,245,827 and 122,780,261 issued and outstanding   123   123     Additional paid-in capital   3,228,174   3,199,682     Additional paid-in capital   3,228,174   3,199,682     Retained earnings   846,490   685,411     Accumulated other comprehensive loss   (574,372)   (988,345)     Total Colfax Corporation equity   3,500,415   2,896,871     Noncontrolling interest   226,849   196,473     Total equity   3,727,264   3,093,344	Total liabilities		2,994,384		3,245,096	
outstanding123123Additional paid-in capital3,228,1743,199,682Retained earnings846,490685,411Accumulated other comprehensive loss(574,372)(988,345)Total Colfax Corporation equity3,500,4152,896,871Noncontrolling interest226,849196,473Total equity3,727,2643,093,344	Equity:					
Retained earnings   846,490   685,411     Accumulated other comprehensive loss   (574,372)   (988,345)     Total Colfax Corporation equity   3,500,415   2,896,871     Noncontrolling interest   226,849   196,473     Total equity   3,727,264   3,093,344			123		123	
Retained earnings   846,490   685,411     Accumulated other comprehensive loss   (574,372)   (988,345)     Total Colfax Corporation equity   3,500,415   2,896,871     Noncontrolling interest   226,849   196,473     Total equity   3,727,264   3,093,344	Additional paid-in capital		3,228,174		3,199,682	
Total Colfax Corporation equity 3,500,415 2,896,871   Noncontrolling interest 226,849 196,473   Total equity 3,727,264 3,093,344			846,490		685,411	
Total Colfax Corporation equity 3,500,415 2,896,871   Noncontrolling interest 226,849 196,473   Total equity 3,727,264 3,093,344	Accumulated other comprehensive loss		(574,372)		(988,345)	
Total equity 3,727,264 3,093,344	Total Colfax Corporation equity		3,500,415			
Total equity 3,727,264 3,093,344						
	-					
	Total liabilities and equity	\$		\$		

#### **Colfax Corporation Consolidated Statements of Cashflows Dollars in thousands** (Unaudited)

		Year Ended December 31,				
		2017		2016		
Cash flows from operating activities:						
Net income	\$	169,507	\$	145,191		
Adjustments to reconcile net income to net cash provided by operating activities:						
Impairment of goodwill, intangibles and property, plant and equipment		181,200		6,082		
Depreciation and amortization		134,754		137,176		
Stock-based compensation expense		21,549		19,020		
Non-cash interest expense		4,519		4,176		
Deferred income tax expense (benefit)		12,066		(1,682)		
Gain on sale of facility		(11,243)		_		
Gain on sale of business		(308,388)		_		
Pension settlement loss		46,933		_		
Changes in operating assets and liabilities:						
Trade receivables, net		(44,345)		(50,958)		
Inventories, net		(34,023)		19,665		
Accounts payable		10,266		37,083		
Customer advances and billings in excess of costs incurred		(24,388)		(37,210)		
Changes in other operating assets and liabilities		60,363		(31,569)		
Net cash provided by operating activities		218,770		246,974		
Cash flows from investing activities:						
Purchases of fixed assets, net		(68,765)		(63,251)		
Acquisitions, net of cash received		(346,764)		(25,992)		
Proceeds from sale of business, net		490,308		_		
Other, net		15,097		7,249		
Net cash provided by (used in) investing activities		89,876		(81,994)		
Cash flows from financing activities:						
Payments under term credit facility		(65,628)		(37,500)		
Proceeds from borrowings on revolving credit facilities and other		1,046,457		896,742		
Repayments of borrowings on revolving credit facilities and other		(1,632,658)		(978,024)		
Proceeds from borrowings on senior unsecured notes		374,450		_		
Proceeds from issuance of common stock, net		6,944		2,206		
Repurchases of common stock		_		(20,812)		
Other		(10,012)		(7,830)		
Net cash used in financing activities		(280,447)		(145,218)		
Effect of foreign exchange rates on Cash and cash equivalents		12,090		4,499		
Increase in Cash and cash equivalents		40,289		24,261		
Cash and cash equivalents, beginning of period		221,730		197,469		
Cash and cash equivalents, end of period	\$	262,019	\$	221,730		
	<u></u>					
Supplemental Disclosure of Cash Flow Information:						
Non-cash consideration received from sale of business	\$	206,415	\$	_		
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