

Investor Day

December 2019



Forward Looking Statements & Non-GAAP Disclaimer

The following 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 2018 Annual Report on Form 10-K and Quarterly Report on Form 10-Q for the period ended September 27, 2019 under the caption "Risk Factors." In addition, these statements are based on a number of assumptions that are subject to change. These materials speak only as of the date hereof. Colfax disclaims any duty to update the information herein, except as required by law.

Colfax has provided in this presentation 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, adjusted EBITA, (earnings before interest, taxes and amortization), adjusted EBITDA, and core or organic sales growth (decline). Colfax also provides adjusted EBITA and EBITDA and core or organic sales growth (decline) on a segment basis.

- Adjusted net income from continuing operations represents net income (loss) from continuing operations attributable to Colfax excluding restructuring and other related charges, pension settlement loss, debt extinguishment charges, acquisition-related amortization and other non-cash charges, and strategic transaction costs. The effective tax rates used to calculate adjusted net income and adjusted net income per share were 26.2% for the three months ended September 27, 2019 and 32.5% for the three months ended September 28, 2018. Adjusted net income per share represents adjusted net income as defined above divided by the weighted-average diluted shares outstanding.
- Adjusted EBITA represents net income (loss) from continuing operations excluding restructuring and other related charges, pension settlement loss, acquisition-related amortization and other non-cash charges, and strategic transaction costs, as well as provision (benefit) for income taxes, and interest expense, net. Adjusted EBITDA incrementally excludes depreciation and other amortization. We also present Adjusted EBITA margin and Adjusted EBITDA margin, which are subject to the same adjustments as Adjusted EBITA and Adjusted EBITDA. Further, Colfax presents adjusted EBITA (and adjusted EBITA margin) and adjusted EBITDA (and adjusted EBITDA margin) on a segment basis, where it excludes the impact of strategic transaction costs, and acquisition-related amortization and other non-cash charges. Adjusted EBITDA (and adjusted EBITDA margin) on a segment basis is subject to the same adjustments as Adjusted EBITA and also excludes depreciation and other amortization.
- Core or organic sales growth (decline) excludes 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 Colfax. Colfax management also believes that presenting these measures allows investors to view its performance using the same measures that Colfax uses in evaluating its financial and business performance and trends. 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 provided in the appendix to this presentation.

In this presentation, Colfax presents forward-looking guidance regarding adjusted net income per share, adjusted EBITA margin, core and organic sales growth (decline) and free cash flow. Colfax does not provide such outlook on a GAAP basis because changes in the items that Colfax excludes from GAAP to calculate these measures can be dependent on future events that are less capable of being controlled or reliably predicted by management and are not part of Colfax's routine operating activities. Additionally, management does not forecast many of the excluded items for internal use and therefore cannot create or rely on outlook done on a GAAP basis.

Agenda

9:00 AM Colfax Portfolio Progress & Strategy Matt Trerotola

9:25 AM ESAB Overview, Strategy and Platform Progress Shyam Kambeyanda

9:50 AM DJO Overview, Strategy and Platform Progress Brady Shirley

10:25 AM Colfax Financial Update & Guidance Chris Hix

10:40 AM Q&A

11:00 AM DJO Breakout Sessions DJO Team

12:15 PM Lunch



Colfax Portfolio Progress and Strategy

Matt Trerotola | President & CEO

What You'll Hear Today

Powerful strategy, proven capabilities

- ESAB journey evidence of successful strategy over time
- DJO early progress encouraging

Portfolio transformation complete

- Reshaped portfolio with higher margins, faster growth, less cyclicity
- Broader set of investment paths, significant bolt-on runway

Exciting outlook for next year and beyond

- Top-tier performance in Fab Tech
- Path to market-leading growth in Med Tech



Strategy to Create Shareholder Value

What we are

Multi-platform enterprise of market-leading businesses

What we do

Compound value by continuously improving our businesses and investing in acquisitions & innovation to build-out our platforms

Leverage our business system to drive sustainable process improvements in everything we do

Shape our portfolio to further improve organic growth and gross margins

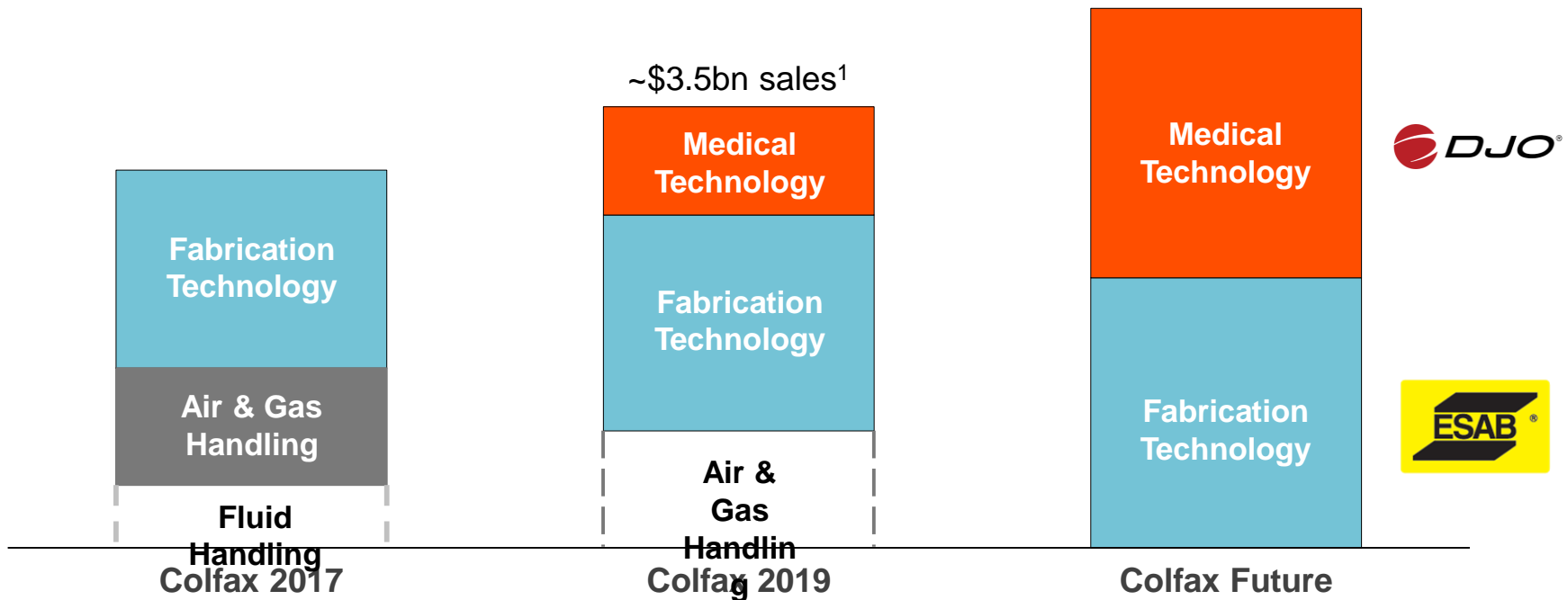
Transforming The Colfax Portfolio

2017-2019: Transformation

- DJO Global acquired, \$1.2B revenue
- Divested Fluid Handling and Air & Gas Handling (~\$2B revenue)

2020+: Diversified Tech Growth

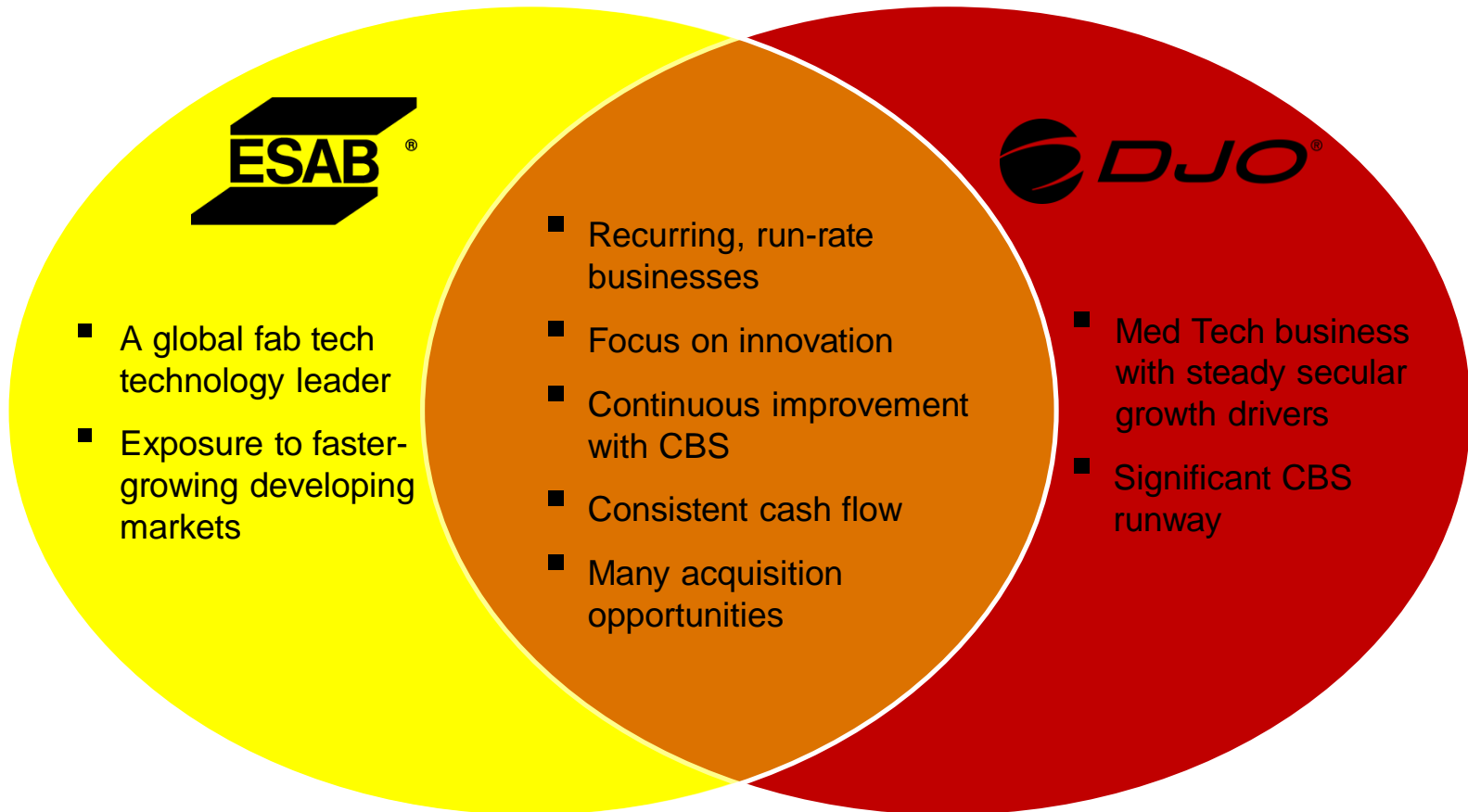
- Grow existing businesses
- Accelerate growth with strategic add-ons



Transformation complete; moving to aggressively grow Med Tech and Fab Tech

(1) Estimate for Continuing Operations full year 2019 pro forma for acquisition of DJO; does not include Air & Gas Handling in the period

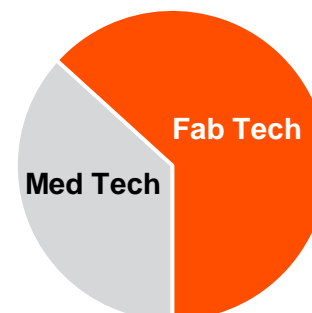
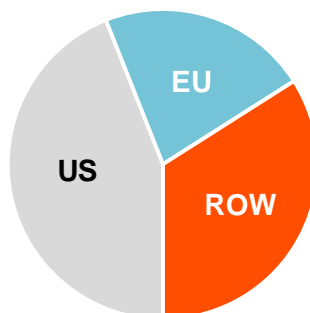
Stronger Portfolio With Greater Upside



Two businesses with significant opportunities for profitable growth

The Power Of The New Colfax Portfolio

Market-leading positions in diverse & attractive markets / applications



Better organic growth with lower cyclicality (revenues and cash flow)

> 90%
Sales from recurring, run-rate products

> 90%
Expected FCF conversion in 2020

Structurally higher margins with meaningful upside

> 40%
Gross margins with industry-defining products and brands

> 55%
Gross margins in Med Tech

Proven Corporate Value Proposition



**Attract, Focus,
Develop, and
Empower Talent**



**Deploy CBS
Values,
Processes, and
Capabilities**



**Shape and Invest
in Winning
Strategies and
Innovation**



**Disciplined
Capital
Allocation and
Deployment**

A proven, repeatable approach to driving strong, consistent results

Strong Focus On Talent Development

Our Culture

PURPOSE

What we do for the world

Creating better together.

VALUES

What we believe

Continuous improvement is our way of life.

BEHAVIORS

How we work

- Thoughtful Speed
- Transparent Accountability
- Focused Curiosity
- Collaborative Empowerment
- Positive Competition

Our Talent Imperatives

1

Outstanding Talent

CBS-capable GMs and ops leaders; business-minded functional leads

2

Full Bench

Depth & breadth for growth as well as deployment into acquisitions

3

Right Organization

Aligned for optimal performance & appropriately incentivized

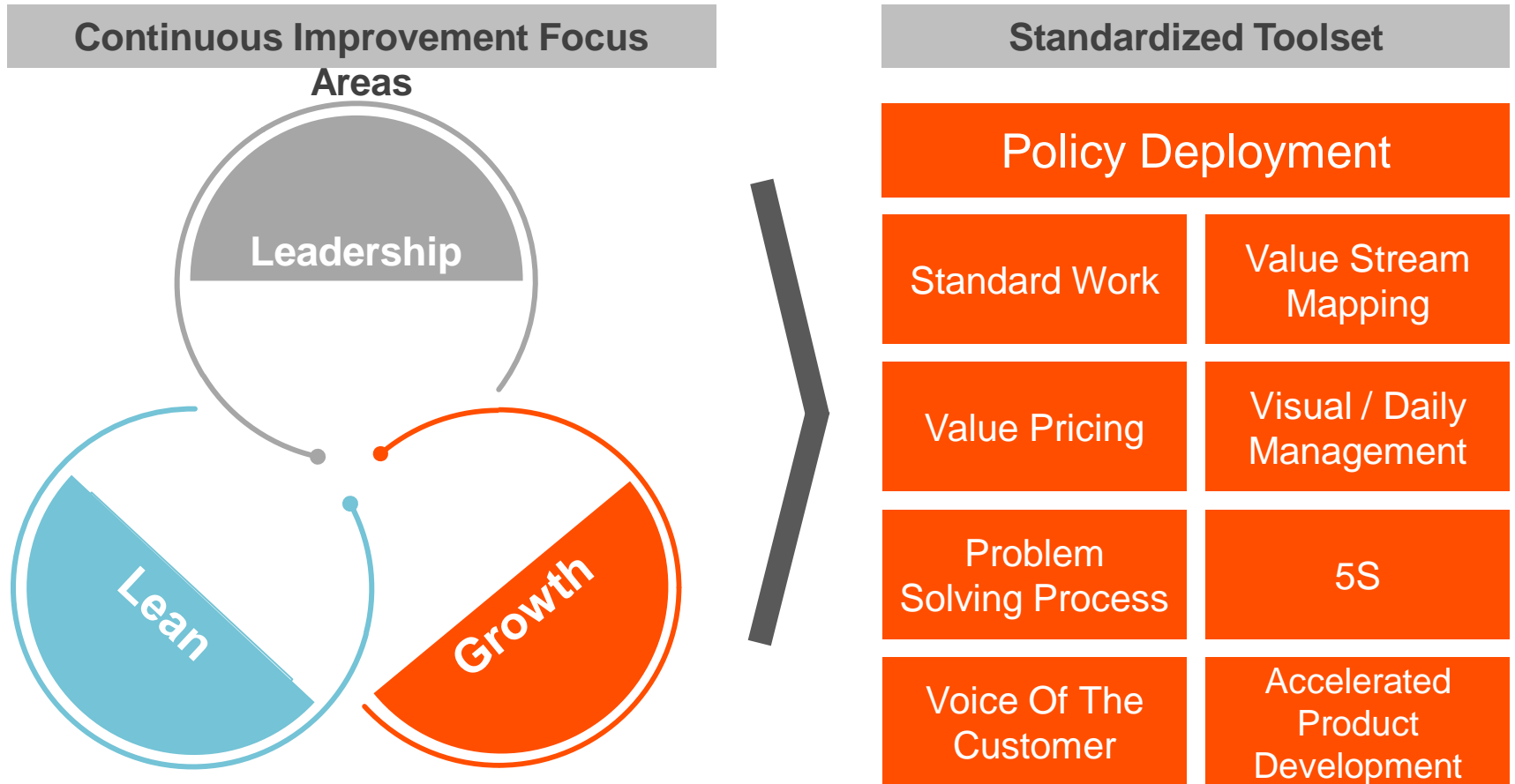
4

Engaged

Motivated, developed, challenged, and supported

Culture & associate development are critical to our corporate value proposition

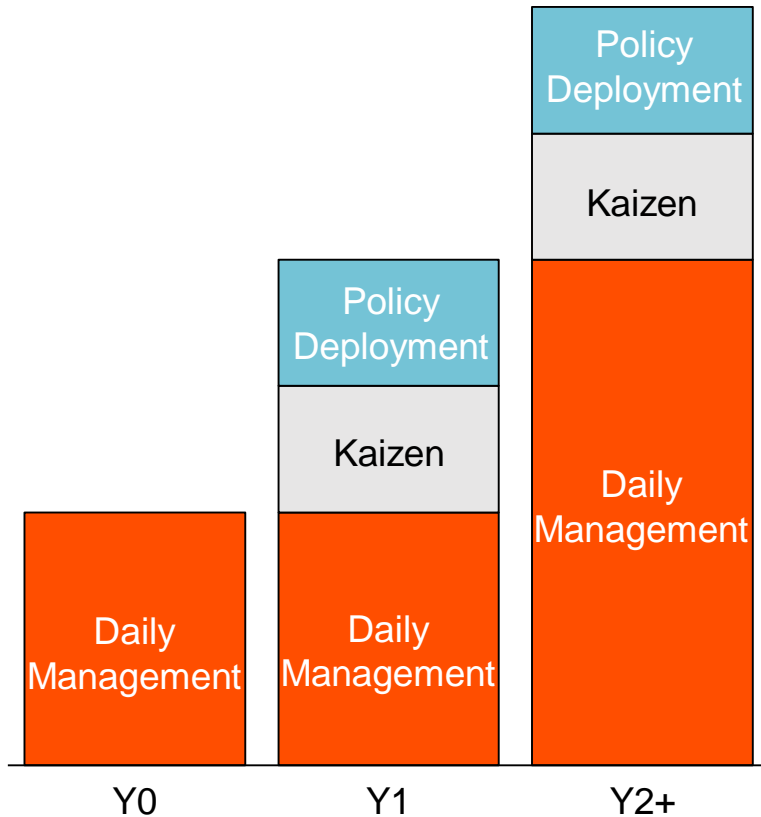
CBS Impacts Multiple Areas Of Our Business...



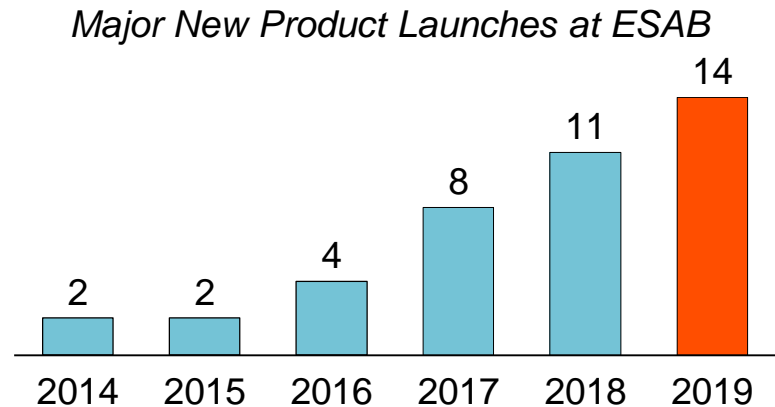
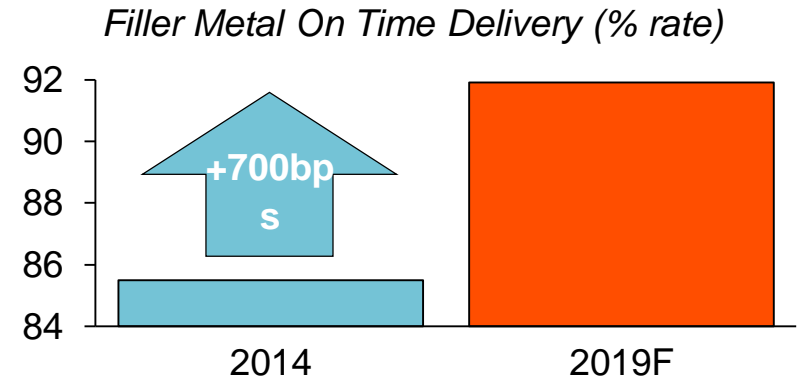
A standardized toolset applied to talent development, operations, and product

...With Compounding Results

Improvement Journey – Concept



Improvement Journey – In Practice



CBS drives measurable, sustainable growth and operating results

Investing In Winning Strategies & Innovation

Strategy Shaping Process



Process Results at ESAB

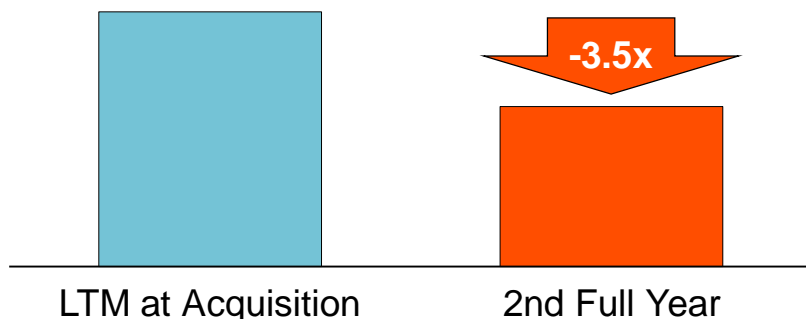
- **CFX provocation / ESAB aspiration:**
 - Expand and leverage global reach
 - Create step change in N. American position
 - Develop innovative, leading full solution for market
 - Digitalize / diversify the business
- **Results:**
 - Truly global leader with strong local positions
 - Large improvement in ESAB brand & channel position in N. America
 - Continuous innovation engine
 - Automation & DDA solutions

Investing for competitive advantage in partnership with our platforms

Disciplined Capital Deployment

Colfax Bolt-on M&A Performance

Acquisition EV / EBITDA¹



- 12 bolt-on deals successfully closed over last three years
- Disciplined process for strong early traction
- All acquisitions achieving or exceeding plans

Disciplined Process

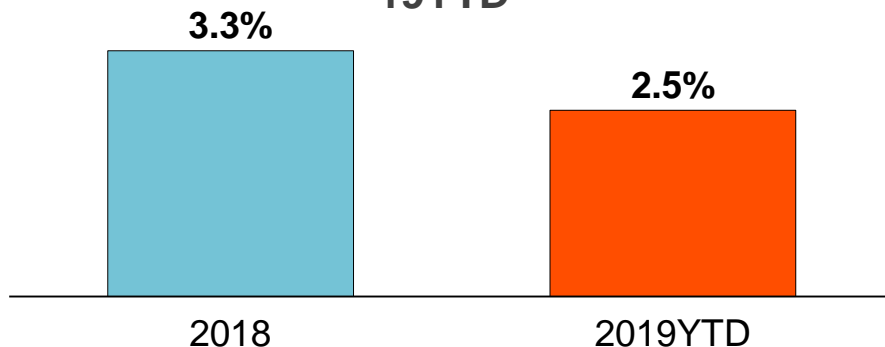
- Proactive approach rooted in business strategy
- Clear view of value creation thesis, synergy requirements
- Intense focus on commercial diligence pre- and post-offer
- Disciplined assessment; willing to walk away
- Detailed integration plans; regular follow up / review

Organic growth and margin expansion accelerated by acquisitions

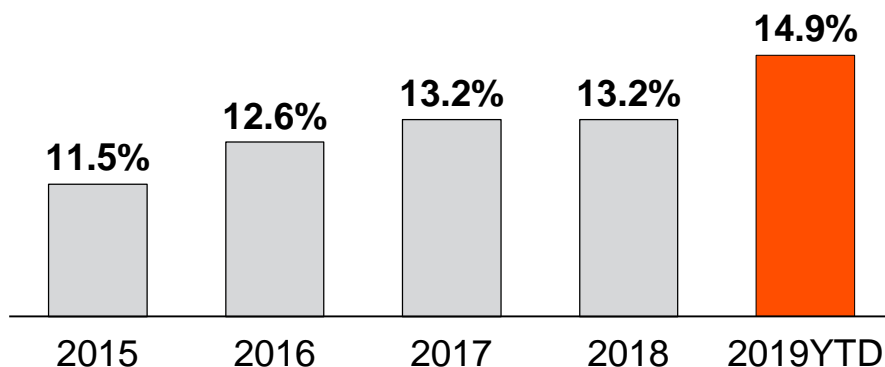
(1) Average of Colfax bolt-on acquisitions from 2016 through 2018; 2nd Full Year includes the most recent forecast as applicable

Building A Better ESAB

Core Growth Outperformance¹ FY18 & 19YTD²



Fab Tech Adjusted EBITA Margin Growth



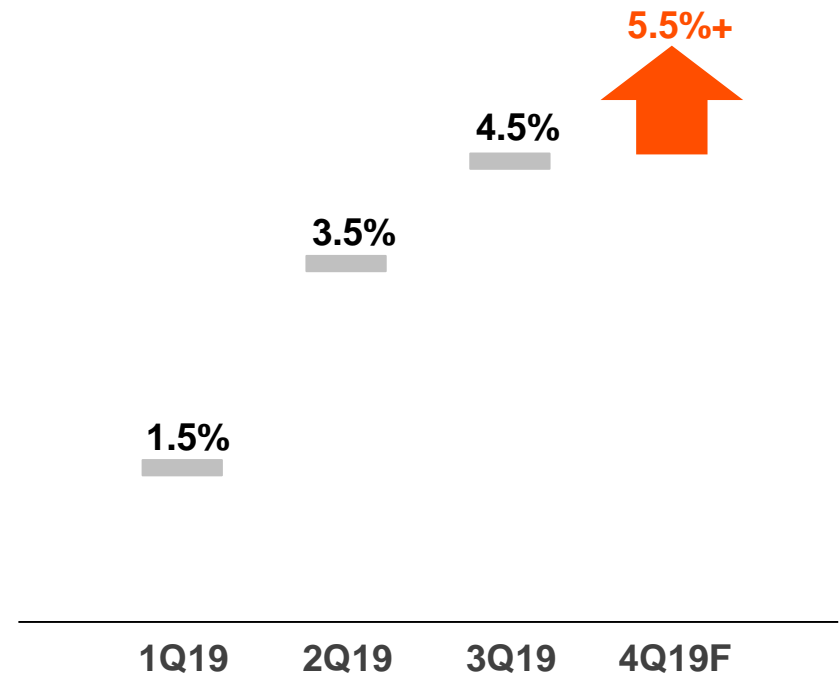
- Strong relative performance globally
- Commercial and operating execution support continued strength
- ~340 bps of margin improvement
- Demonstrated ability to expand margins throughout a range market conditions
- Path for continued margin expansion

Growing top-line and operating performance, driven by CBS and innovation

Successful DJO Integration

- Positive customer response to improved delivery and new product launches
- Early CBS results encouraging:
 - Past dues down > 70%
 - Fill rate up from mid-70s to 90%
- Focus areas:
 - Prevention and Rehabilitation supply chain improvement
 - Procurement and value engineering
 - Reimbursement process – growth acceleration and cash cycle
 - Product innovation processes

Med Tech Quarterly YoY Core Growth, FY19



Successful 2019 integration builds momentum for 2020

Strong Momentum In Our Businesses...



Strong Performance

- Winning with CBS, plenty of improvement headroom left
- Accelerating the pace of innovation and growth
- Capitalizing on automation and digital solutions
- Executing acquisitions that accelerate strategy



Strong Potential

- Beginning with CBS, focusing on operational transformation
- Re-invigorating vitality in Prevention & Rehabilitation
- Growing Reconstructive aggressively with winning commercial model and innovation
- Expanding platform through M&A and connected medicine

...And An Exciting Future For Colfax

- 1 Build a \$3 billion Med Tech platform with MSD+ growth capability**
- 2 Continue to outperform industry growth in Fab Tech**
- 3 Pursue continuous improvement in operating margin across portfolio**
- 4 Realize strong cash conversion to support proactive investment in acquisitions**
- 5 Diversify & strengthen portfolio through innovation & bolt-on acquisitions**



ESAB Overview, Strategy and Progress

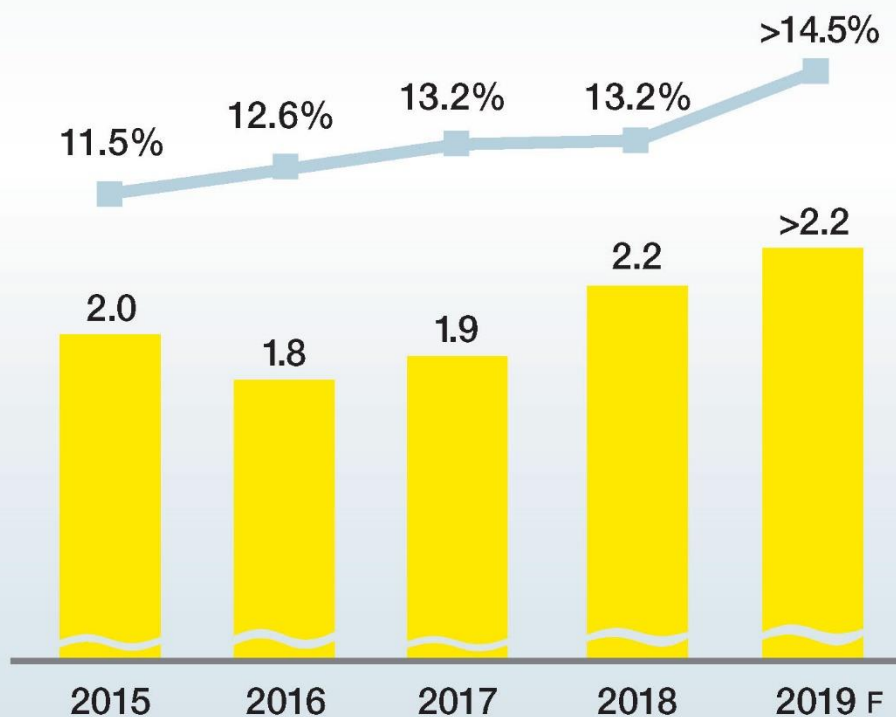
Shyam Kambeyanda | EVP & CEO, ESAB



WE SHAPE THE FUTURE

STRONG FINANCIAL PERFORMANCE.

SALES & aEBITA (\$ Billion, %)



- Accelerated product development process
- Sales force effectiveness
- Price management
- Acquisitions performance

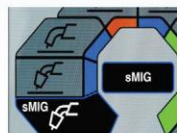
DEMONSTRATED ABILITY TO EXPAND MARGINS THROUGHOUT A RANGE OF MARKET CONDITIONS

TECHNOLOGICAL LEADERSHIP.

Coated welding electrode invented by founder Oscar Kjellberg

Plasma arc cutting is invented.

The first **Friction Stir Welding** machine, SuperStir,[™] is supplied to Marine Aluminum of Norway.



Smart MIG // Advanced arc technology



Velocity // The longest lasting MIG consumables on the market



RobustFeed // The most durable wire feeder yet



VacPac // Factory-fresh electrodes, straight from the package



WeldCloud // Software and connectivity



Rebel AC/DC // True all-process welding

1904 – 2015

2016 – 2019

Revolutionary **TIG welding** technology (Heliarc) is introduced.

Marathon PAC for solid and cored wire is introduced.

High-speed Submerged Arc welding is developed.



Sentinel // The best hood on the market



EDGE 2.0 // The safest regulator on the market



Versotrac // The most versatile welding tractor on the market



Renegade // The new definition of a field machine

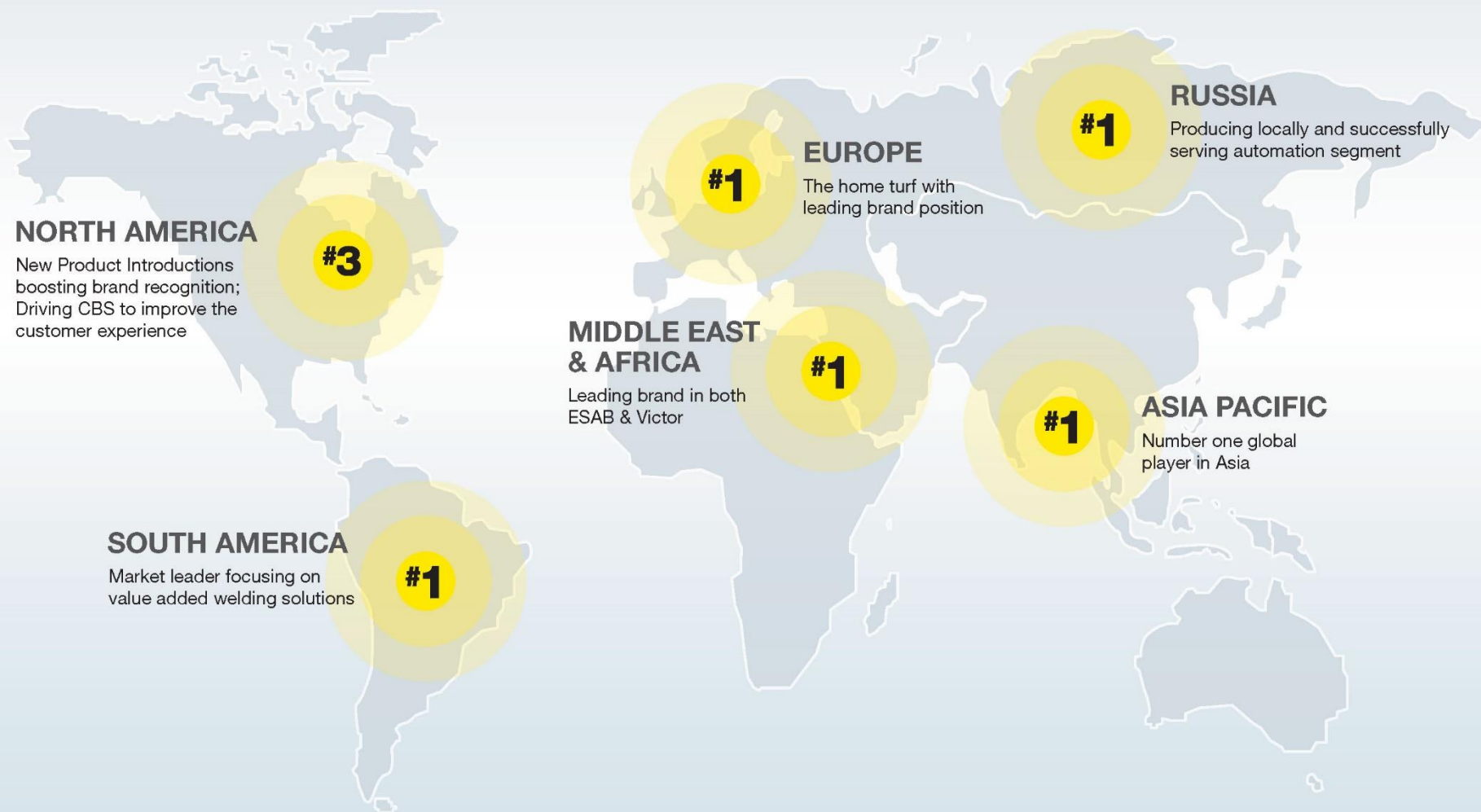


Fit+ 3 // The first electronically controlled cutting torch



CM40 // The highest power-to-weight plasma

TRULY GLOBAL PRESENCE.



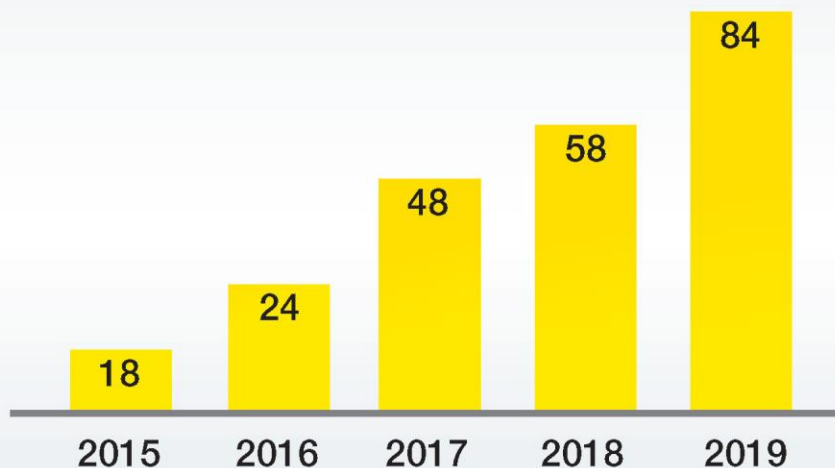
PROGRESS IN NORTH AMERICA; BUILDING ON MARKET LEADING POSITIONS IN OTHER MARKETS

WINNING WITH CBS.

- Innovation and Growth
- Operational Excellence and Margin Expansion
- Investing in Talent

ACCELERATING PACE OF INNOVATION.

Product introductions (#)



- Voice of Customer driving innovation
- Executing product roadmaps
- Leveraging open innovation

Filler Metals



Equipment



Automation & Digital

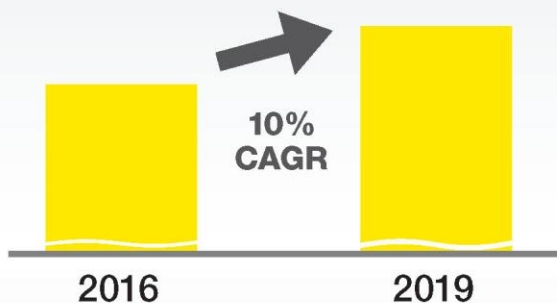





Gas Equipment



CAPITALIZING ON AUTOMATION TREND.

ESAB Automation Growth



		Motion	Process Package	Filler Metals	Software/ Analytics
Robotics		Partner	✓	✓	✓
Hard Automation (C&B ¹⁾ , Gantry)		Partner	✓	✓	✓
Mech Motion (Tractor/Orbital)		✓	✓	✓	✓

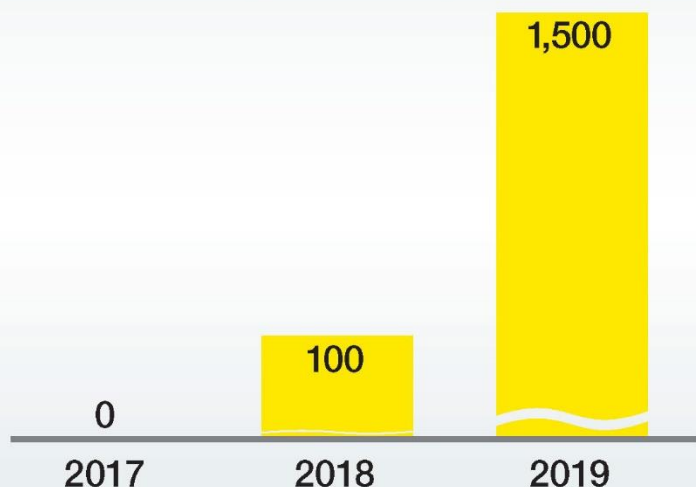
- Process technology leader
- Partnering with integrators
- Best-in-class Filler Metals
- WeldCloud-enabled analytics

1) Column and boom for sub arc welding

TRANSFORMING THROUGH DIGITAL SOLUTIONS.

Weld Sessions Shared

(# Thousands)



- Comprehensive digital solution
- Solving customer pain points
- Creating pull thru for all ESAB products
- Acquisitions accelerating growth strategies

CONNECTED SOLUTIONS

PLATE OPTIMIZATION



Columbus® III

CUTTING PRODUCTIVITY



CutCloud™
Digitally Enhanced Services

WELDING PRODUCTIVITY



WeldCloud™ + WeldCloud
Universal Connector

QUALITY ASSURANCE



WeldQAS
WeldScanner + WeldScanner
Validator

REMOTE POC MONITORING



Clarity

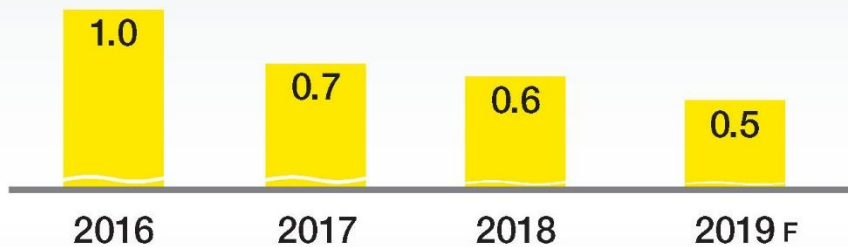
ACQUIRING INTO ATTRACTIVE SPACES.

	Lower Cyclicality	Accretive Margins	Secular Trends	Digital Capability	Products
	✓	✓	✓	✓	
	✓	✓	✓		
	✓	✓	✓		
	✓	✓	✓	✓	
	✓	✓	✓	✓	

ACQUISITIONS DRIVING GROWTH AND MARGIN EXPANSION

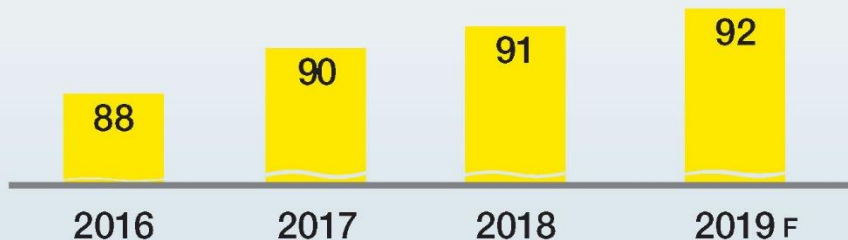
DRIVING CONTINUOUS IMPROVEMENT THROUGH CBS.

Safety (TRIR)



- 80% below industrial benchmark¹
- Focusing on leading indicators and safe behaviors

On Time Shipment (%)



- Driving continuous improvement culture
- Reducing supply chain complexity

1) 2018 US Bureau of Labor Statistics, Welding and Soldering Equipmt Mfg

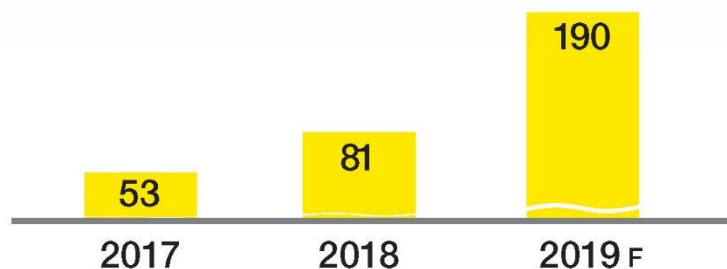
EXPANDING MARGINS.

Price (%)



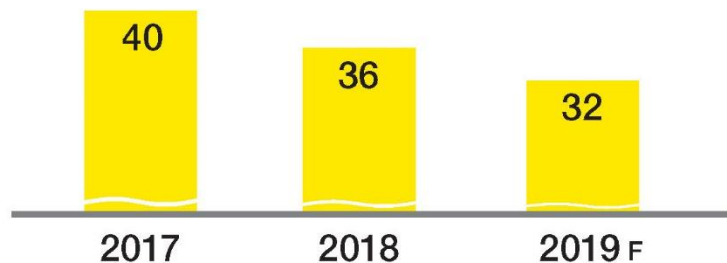
- Dynamic price management
- Offsetting inflation and metal costs

Productivity/Sourcing (# kaizens)



- Kaizen momentum delivering results
- Improved labor efficiency
- Created space for plant consolidation

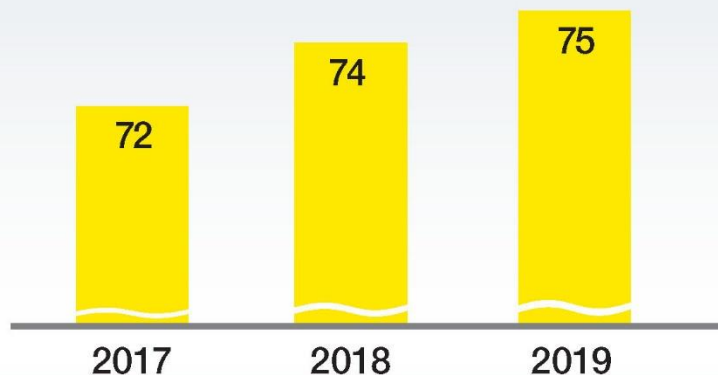
Plant Consolidation (# plants)



- Creating centers of excellence
- Improvement in cost structure

INVESTING IN **TALENT.**

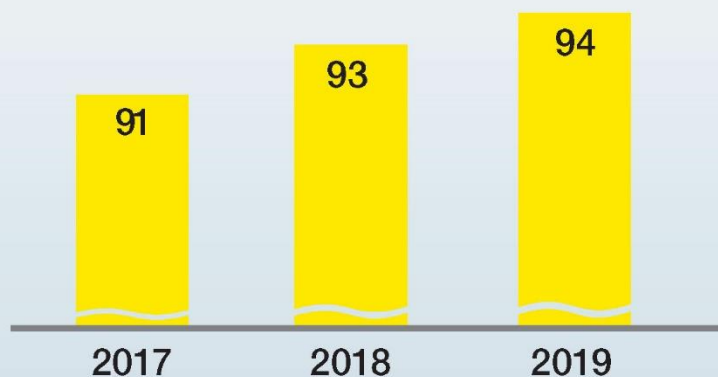
Engagement Score (%)



■ Talented team

■ Engaged workforce

Participation Rate (%)



■ Investing in our people

■ Pathways GM program delivering

EXCITING **FUTURE.**

- Innovation Delivering Share Gain
- Continuing our Digital Journey
- Using CBS for Impact
- Investing in Talent
- Acquiring Great Companies

A composite image featuring a man's face and a suspension bridge over water, all in a yellow monochrome palette. The man's face is in the foreground, looking slightly to the right. The suspension bridge is superimposed over his face and extends into the background. The water is at the bottom of the frame.

THE FUTURE BEGINS NOW.



DJO Overview, Strategy and Progress

Brady Shirley | EVP & CEO, DJO

A male athlete is captured in a dynamic running pose on a green artificial turf field. He is wearing a grey t-shirt, dark shorts, white socks, and white athletic shoes with blue accents. He has visible tattoos on his arms and is wearing a brace on his right knee. The background is a blurred stadium setting with a red track and a grey wall.

WE BELIEVE IN POWERING MOTION:

We exist to get and keep people moving

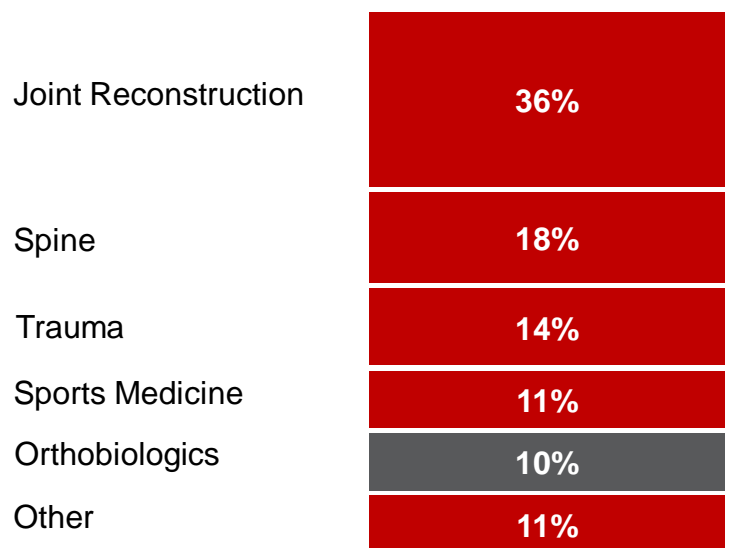
DJO: POWERING MOTION!



- 7th largest in attractive \$50B Orthopedic market
- Global leader in Bracing, returned to growth
- Fast-growing surgical implants business, leader in reverse shoulder in US
- Integration on track, starting CBS journey
- Strong opportunities for margin improvement and innovation-driven growth
- Many strategic acquisition vectors

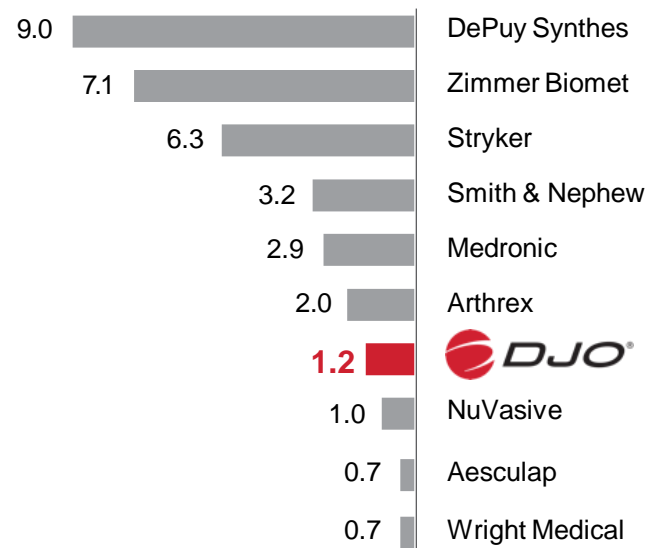
DJO A LEADER IN THE ATTRACTIVE, GROWING \$50 BILLION ORTHOPEDIC CARE MARKET

ORTHOPEDIC MARKET, ~\$50 Billion



Segments DJO participates in

TOP ORTHO PLAYERS (\$ Billions)



ORTHOPEDIC GROWTH DRIVEN BY AN AGING POPULATION AND SUSTAINABLE SECULAR TRENDS

MARKET MEGATRENDS & GROWTH



POPULATION

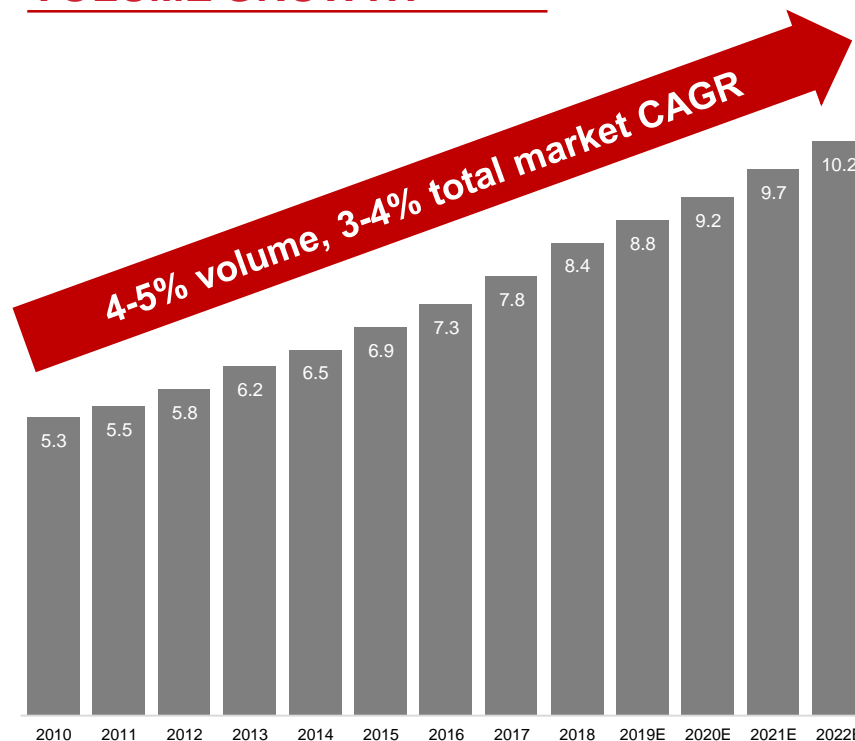
- 65+ population from 600M to 1.0B in 2030
- 30% of global population is obese or overweight
- Increasing incidence of lifestyle diseases



HEALTH CARE

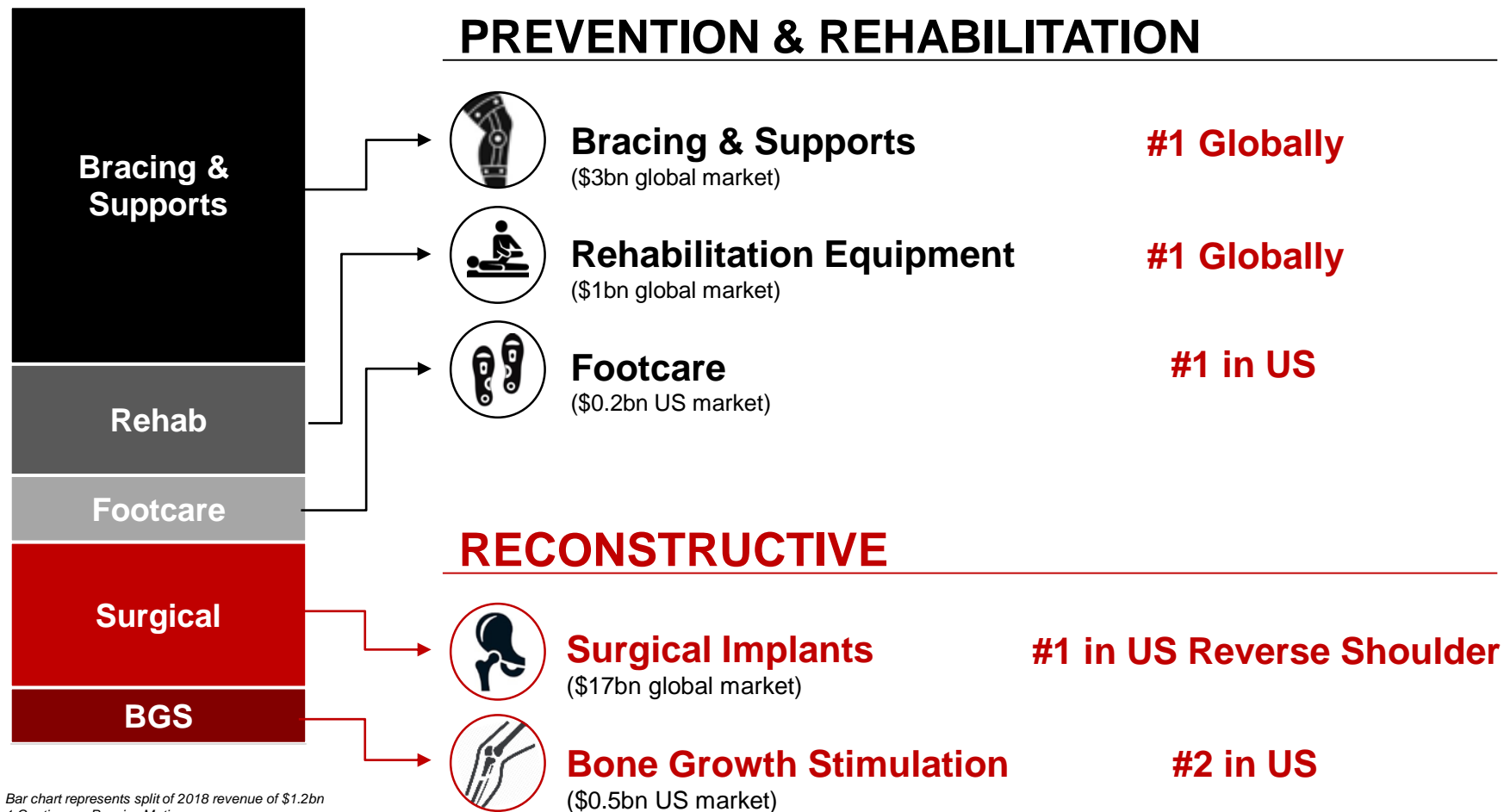
- Outcome vs. fee-driven reimbursement
- Total Joint Reconstruction **shift to outpatient/ASC**
- **Opioid crisis** driving pain mgt. alternatives
- Connected Medicine

VOLUME GROWTH¹



¹ Assumes orthopedic patient volume roughly tracks orthopedic surgery volume
Source: U.S. Census Bureau, Global Data on Orthopedic Procedures, AAP, Expert Interviews, BCG analysis

DJO BUSINESS UNITS UNIQUELY ADVANTAGED IN \$22 BILLION SERVED MARKET



DJO UNIQUELY POSITIONED ALONG FULL ORTHOPEDIC CONTINUUM OF CARE

Prevention



PERFORMANCE

- Athletic braces
- Muscle stimulation



PREVENTION

- Pre-op braces
- Slings
- Protective solutions
- Orthotic shoes

Repair



SURGICAL

- Shoulders
- Knees
- Hips
- Bone growth stimulators



RECOVERY

- Post-op braces
- Bone growth stimulators
- DVT
- Cold therapy

Recovery



REHAB

- Traction devices
- Electrotherapy
- Heat/cold therapy



Purpose-built SaaS platform



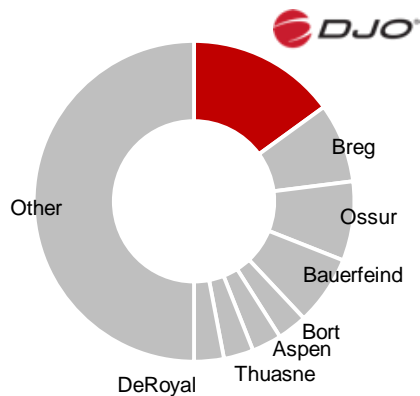
Connected medicine



***BUILDING ON
#1 POSITION IN BRACING***

#1 IN BRACING & SUPPORT

~\$3B GLOBAL MARKET



DONJOY®

Iconic brand is #1 in performance and clinic channels

AIRCAST®

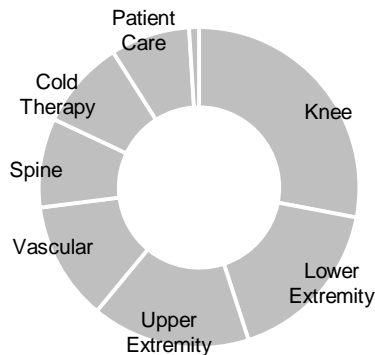
Synonymous with walking boots, leader in foot/ankle

PROCARE®

#1 in hospitals and acute care settings

- **Strong #1** in the three largest segments
- DJO stock & bill at **almost 40%** of US orthopedic clinics

PRODUCT CATEGORIES

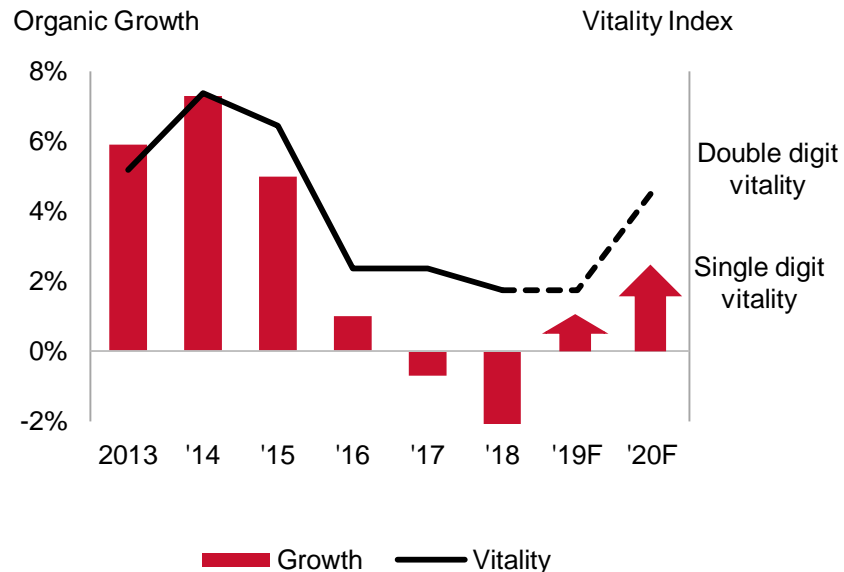


Returned to growth in 2019 with path to market+ growth by 2021

1. Significantly improving operational execution and service levels
2. Revitalizing product vitality
3. Leveraging MotionMD and Connected Medicine

INNOVATION DRIVES GROWTH IN BRACING

US BRACING SALES GROWTH vs VITALITY INDEX



- Brand reputation still very strong
- Returned to growth in 2019
- Improving innovation process with CBS
- Executing pipeline for sustained double digit vitality
 - Refresh core products
 - Fill product gaps with market leading performance
 - Lead the future of connected medicine

RECENT PRODUCT LAUNCHES WITH CATEGORY LEADING TECHNOLOGY

REFRESHING CORE PRODUCT LINES



ICEMAN CLASSIC 3

- Lowers cost by 25%
- Innovative dual motor system for improved reliability
- Industry standard continuous flow to maintain constant temperature

FILLING PRODUCT GAPS



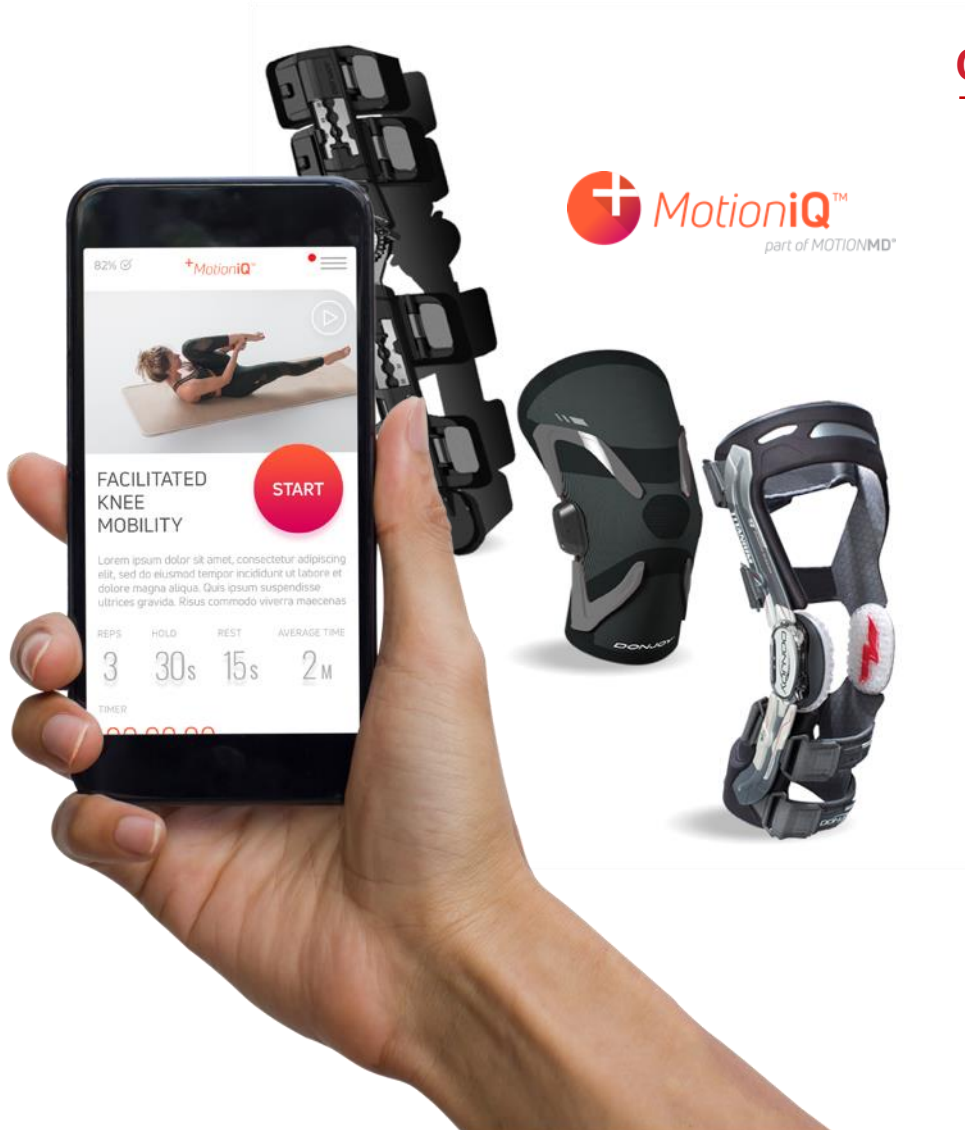
ProCare XTEND 173

- Improves position in higher growth spine segment
- Motion controlled flexion, extension and rotation
- Reduces Occipital Pressure Ulcers

LEADING CONNECTED MEDICINE IN BRACING

CONNECTED MEDICINE

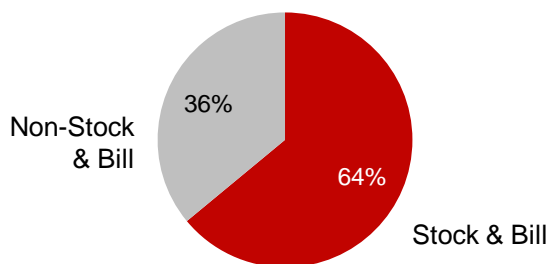
- Expansion of post operative outpatient rehab through digital protocol delivery and monitoring
- Improved outcomes through real time compliance tracking
- Early discovery of critical factors to mitigate return to inpatient setting
- Data collection capability to drive therapy improvements
- Improved patient engagement via guided therapy and milestone targets



DJO BUILDING ON LEADERSHIP POSITION IN WORKFLOW MANAGEMENT AND AUTOMATION

NEARLY 2/3RD OF 6750 CLINICS UTILIZE STOCK & BILL PROGRAMS

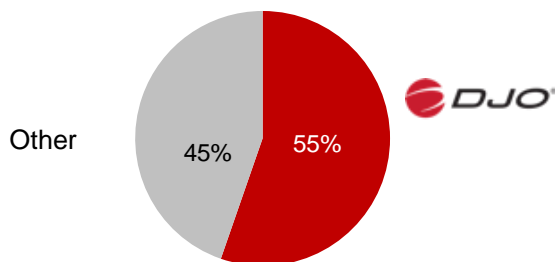
Orthopedic Clinics Workflow



- Orthopedic clinics have significant stocking, fitting, and billing workflow
- Most clinics use a “stock and bill” solution to outsource workflow to bracing suppliers
- Creates efficiency and supports focus on patients

DJO IS THE WINNING SOLUTION PROVIDER

Of Stock & Bill



- ~2400 US clinics use DJO workflow solutions - OfficeCare® and MotionMD®
- Increases stickiness and share of wallet for DJO

MotionMD® – A PURPOSE BUILT SaaS PLATFORM TO STREAMLINE ORTHOPEDIC CLINIC WORKFLOW



Workflow Apps



Surgeon/Patient Apps



MOTIONMD® OFFICECARE BENEFIT

- Higher reimbursement rate, faster collections
- >40% reduction in inventory volume
- >30% improvement in time to place brace on patient
- Streamlines workflow and integrates to practice management systems

BREAKTHROUGH APPLICATION

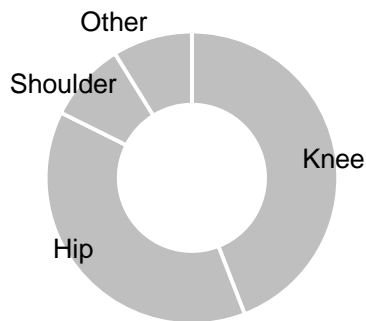
- VeriPro® benefits verification
- OaraScore® implant outpatient selection tool
- eCare® Hospital based DME management
- MotionIQ® Patient remote monitoring & engagement
- JointRegistry Patient outcome tracking



DRIVING GROWTH AT DJO SURGICAL

DRIVING DOUBLE DIGIT GROWTH IN SURGICAL

~\$17B GLOBAL MARKET

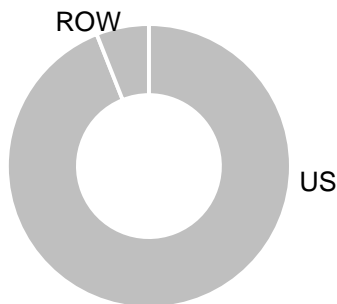


- Pioneer and **leader** in Reverse Shoulder
- **Rapid growth** in \$16B Knee / Hip segment
- Industry leading KOL (Key Opinion Leader) teams

Sustaining double-digit organic growth:

1. Build on demonstrated outcome performance of Altivate® Reverse Shoulder and Empowr® Knee
2. Continue bag expansion to fill out product offering
3. Expand Shoulder franchise to “surround the doc”
4. Capitalize on ASC transition
5. Expand to key global markets

DJO BY GEOGRAPHY

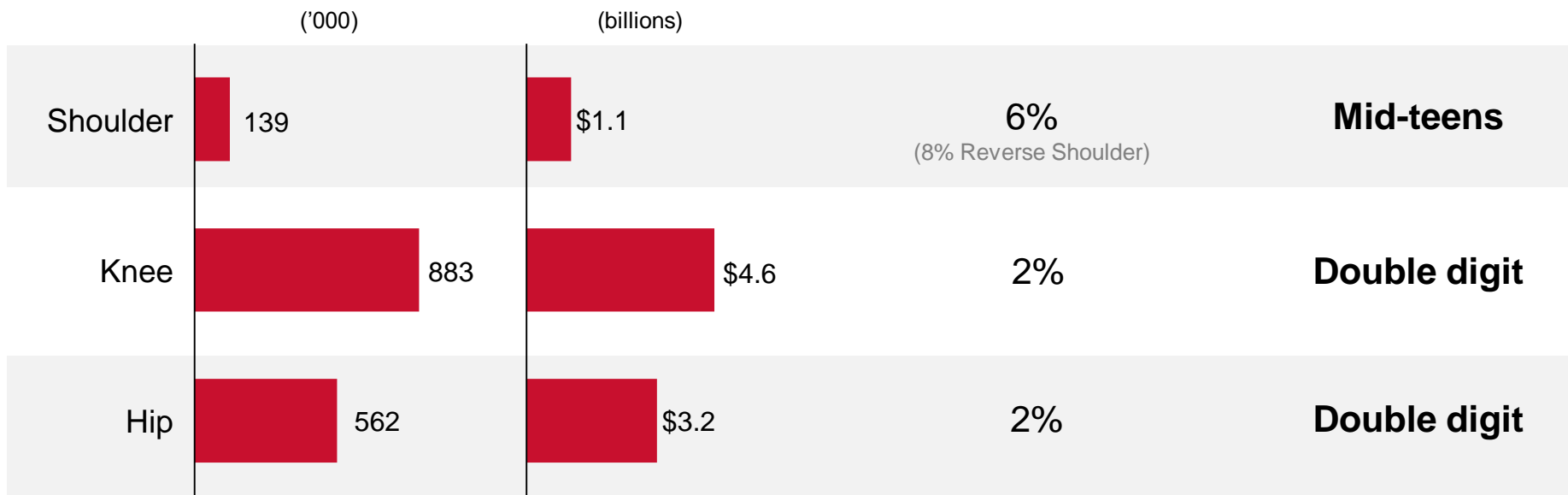


US ORTHOPEDIC IMPLANT MARKET OVERVIEW

~1.6 MILLION JOINT REPLACEMENT PROCEDURES (2018)

MARKET CAGR TO 2022

DJO 2018 & 2019 GROWTH



Source: SmartTRAK®

BETTER DEMONSTRATED OUTCOMES LEAD TO SURGEON PREFERENCE

ALTIVATE® REVERSE® SHOULDER

Design recognized by top Key Opinion Leaders, including lead designer of another major player:

“Glenoid lateralization and inferiorization, as well as a 135° shaft angle, promoted initially by Mark Frankle, are the best options to improve impingement free range of motion, to limit notching, and are not harmful for long-term longevity.” - Professor Gilles Walch, M.D



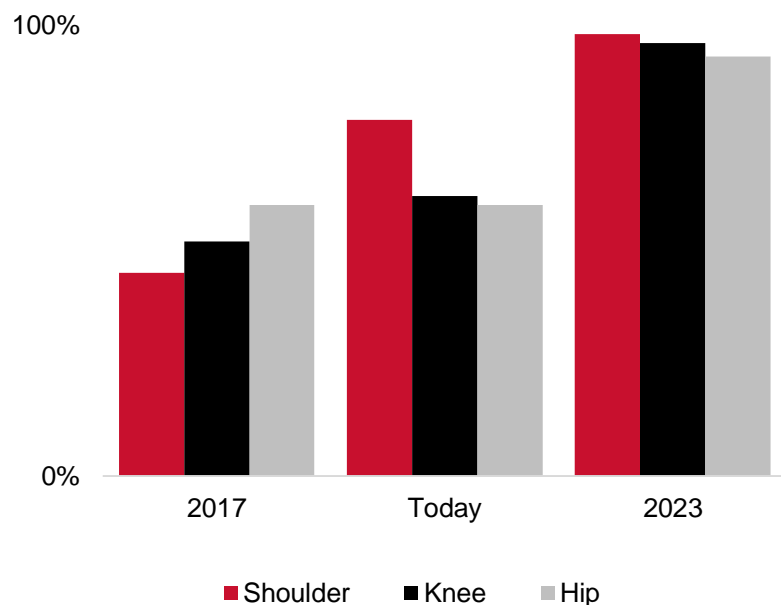
EMPOWR® KNEE SYSTEM

- Dual pivot design results in 50% lower patient dissatisfaction
- Modern implant and instrument designs with 10+ years of clinical data
- Double digit organic growth for 4 consecutive years



DEEPEN AND EXPAND MARKET COVERAGE IN CORE SEGMENTS

COMPLETENESS OF PRODUCT PORTFOLIO



Current Portfolio Breadth

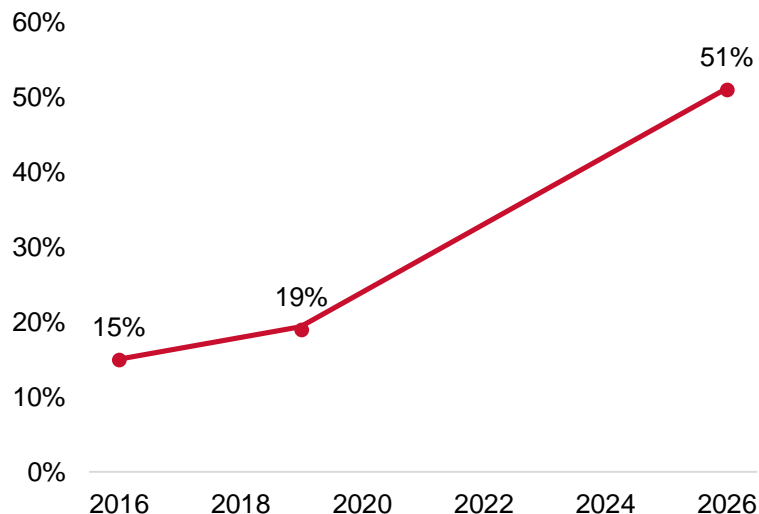
- Shoulder 79%
- Knee 62%
- Hip 60%

2020-2023

- Expands “same surgeon” sales from ~65% to 90%+ of procedure coverage
- Improving asset efficiency (instruments)
- Accelerating return on new product development

SHIFT TO OUTPATIENT TOTAL JOINT REPLACEMENT PROVIDES SIGNIFICANT GROWTH OPPORTUNITY

PROJECTED TJR VOLUME IN OUTPATIENT SETTING¹



1. CMS, 2018; company estimates
ASC = Ambulatory Surgery Center. TJR = Total Joint Replacement.
2. Management estimates

Drivers:

- Medicare/Medicaid rule change 1/1/2020
- Bundled “Episode of Care”
- Physician ownership

DJO Opportunity:

- Empowr® Knee patient profile
- Sports medicine physicians capturing TKA (Total Knee Arthroplasty)
- Lack of “installed base” for larger players
- DJO continuum of care coverage
 - OARA
 - OA Bracing
 - X4 Connected Medicine



DJO AND COLFAX CREATING VALUE

COLFAX BUSINESS SYSTEM INTEGRATION

Strengthening DJO

- Efficiency and margin expansion through proven business management system (CBS)
- Early focus tied to strategic needs
 - Distribution and supply chain
 - Business unit level operating and strategic processes
 - New product development process
 - Revenue Cycle Management (Billing)
- DJO driving with Colfax support and training
- **Early results** → stabilized Prevention & Rehab supply chain



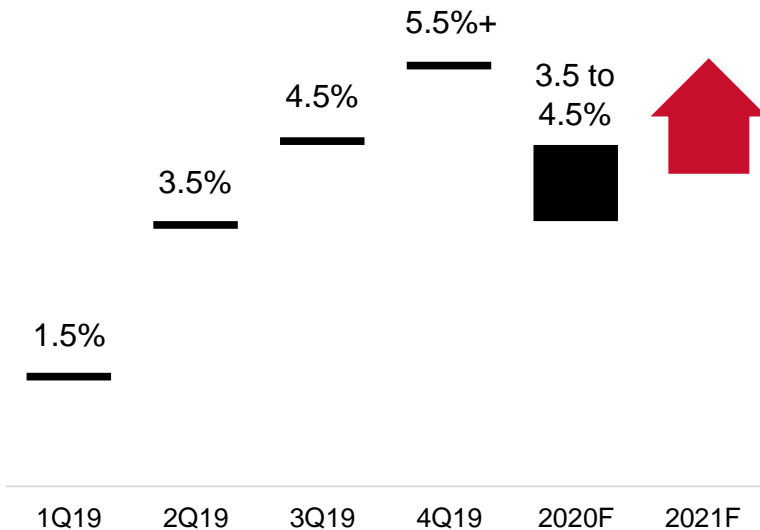
DJO EMBRACING “THE BEST TEAM WINS”



- Retention stable, team excited about Colfax future
- Great Place to Work survey revealed:
 - Strong alignment to mission
 - Positive view of Colfax future
 - Opportunity around individual development
- DJO “Leading for Growth” kickoff in 2019
- Colfax talent processes, tools, and programs will accelerate in 2020

INVESTING IN GROWTH

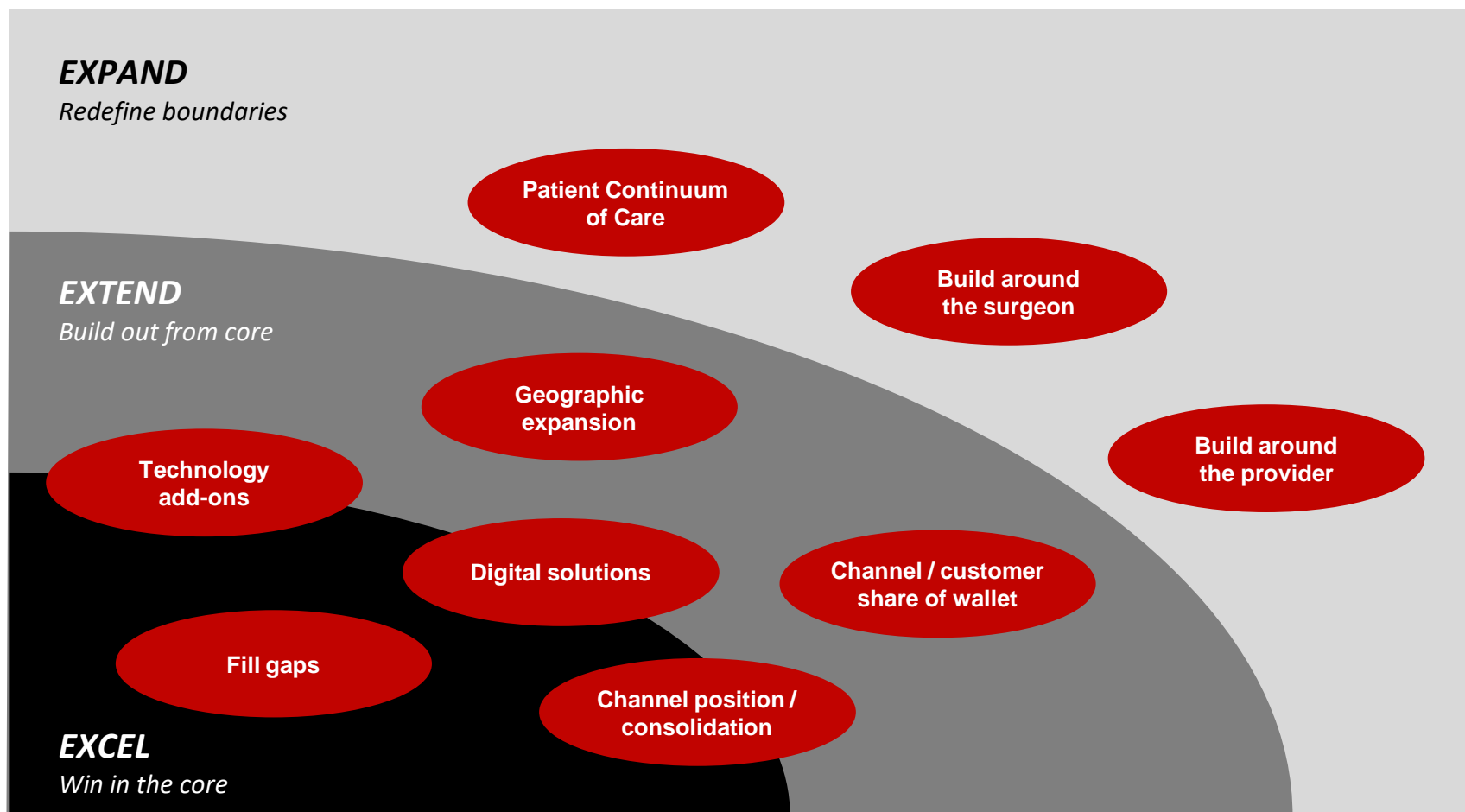
ORGANIC GROWTH



Growth drivers:

- Sustaining customer experience in P&R
- Significant vitality improvement in bracing through strategic NPI
- Continuing strong growth in Surgical through bag expansion and ASC transition leadership
- Leading the future of orthopedic connected medicine
- Expanding geographic presence

BROAD RANGE OF OPPORTUNITIES TO ACCELERATE BY ACQUISITION



DJO VALUE CREATION STRATEGY

**Ramp to
4-5%+ annual growth**

**Improve EBITDA
margins >50 bps per
year**

**Increase unlevered FCF to
\$200+ million p.a. by year 3**

**Achieve Colfax 10%
ROIC target by year 5**



Colfax Financial Update

Chris Hix | EVP & CFO

What You've Heard Today

- **Colfax strategy proven over time;** DJO integration a solid first step & ESAB now delivering top-tier performance
- **Portfolio transformation complete;** exiting 2019 with a better business & stronger growth options
- **Exciting opportunities for next year & beyond;** CBS accelerating Fab Tech innovation and margin expansion; aggressive build-out of Med Tech platform

Levers For Long-Term Value Creation

Sales

- Med Tech core growth improving to 4-5% over next 2 years
- Fab Tech returns to volume growth in 2H 2020, continues to outperform market over course of business cycle

Margins

- New portfolio with higher margins
- Long-term average of 50 bps per year margin improvement supported by growth, cost management, portfolio tilt to higher-margin product lines

Cash Flow

- FCF conversion of 90% or more
- Significant capacity for acquisitions

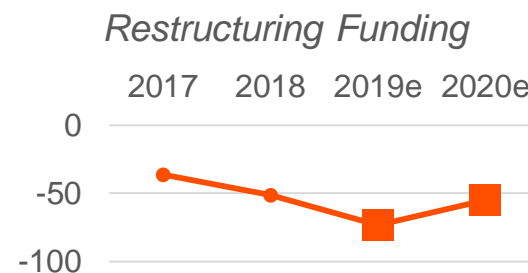
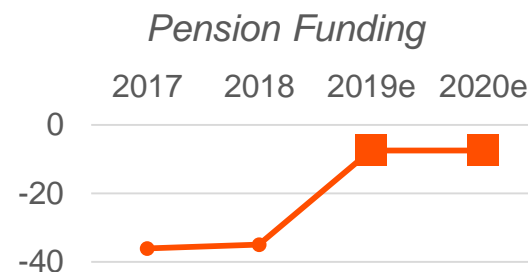
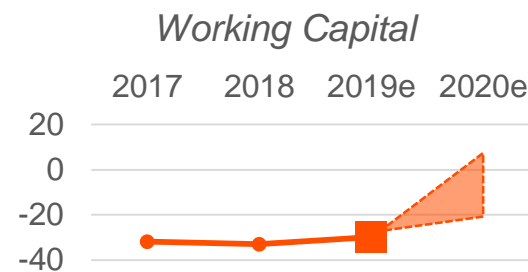
Multiple paths to create sustainable, long-term shareholder value

Improved Cash Flow Capability

2020 free cash flow ■ **> \$250mm**
■ **90%+ conversion**

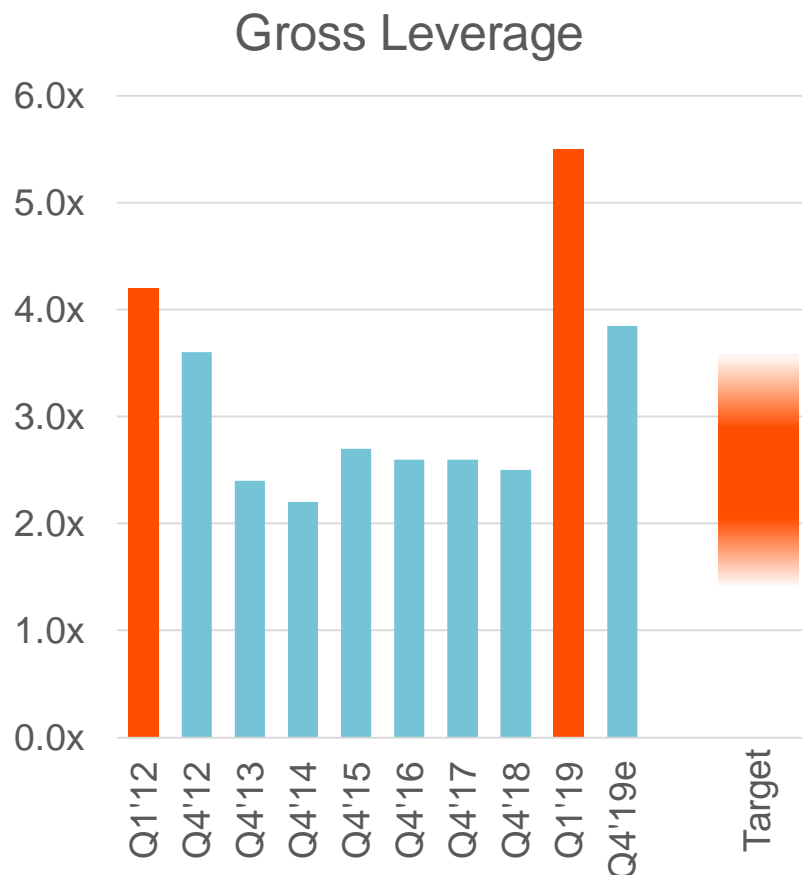
- Higher / more consistent cash flow
- Growing profits
- Lower structural friction from working capital, pensions, restructuring
- Significant US NOLs from DJO acquisition

\$mm



Greater and more consistent cash generation

Demonstrated Track Record of Deleveraging

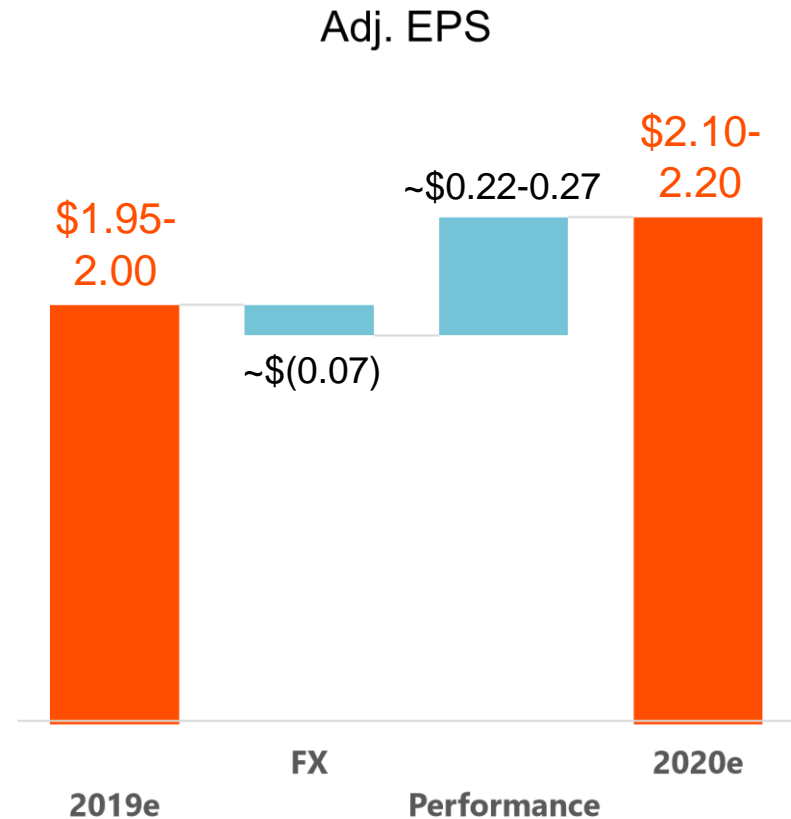


- Amended credit agreement supports near-term flexibility, deleveraging plan
- Improved portfolio cash flow capability provides dual path of deleveraging and investment
- Expect to have >\$1B acquisition capacity over next few years

Ample capacity for acquisitions; balanced approach to capital allocation

2020 Outlook

- DJO organic sales growth 3.5-4.5%
- ESAB core sales growth 0-2%, positive in 2H; ~1.5% FX headwind
- CFX quarterly sales seasonality profile: approximately 24%, 25-26%, 24-25%, 26%
- Adj. EBITA margins: 14.25-14.75%



Expect core earnings growth of 10% or more in 2020

An Exciting Future For Colfax

- 1 Build a \$3 billion Med Tech platform with MSD+ growth capability**
- 2 Continue to outperform industry growth in Fab Tech**
- 3 Pursue continuous improvement in operating margin across portfolio**
- 4 Realize strong cash conversion to support proactive investment in acquisitions**
- 5 Diversify & strengthen portfolio through innovation & bolt-on acquisitions**



Appendix

Non-GAAP Reconciliation

	Fabrication Technology											
	Years Ended December 31,									Nine Months Ended September 27,		
	2015		2016		2017		2018		2019			
Net sales	\$	1,985.2	\$	1,800.5	\$	1,937.3	\$	2,193.1	\$	1,692.3		
Segment operating income		199.8	10.1%	195.4	10.9%	224.4	11.6%	249.9	11.4%	224.6	13.3%	
Strategic transaction costs		-		0.5		0.0		0.0		0.0		
Adjusted operating profit	\$	199.8	10.1%	\$	195.9	10.9%	\$	224.4	11.6%	\$	224.6	13.3%
Acquisition-related amortization and other non-cash charges ⁽¹⁾		29.4	1.5%		30.4	1.7%		31.9	1.6%		26.9	1.6%
Adjusted EBITA	\$	229.2	11.5%	\$	226.3	12.6%	\$	256.3	13.2%	\$	251.4	14.9%

(1) Includes amortization of acquired intangibles and fair value charges on acquired inventory.
Note: Dollars in millions.