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.
<table>
<thead>
<tr>
<th>Time</th>
<th>Agenda Item</th>
<th>Presenter(s)</th>
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<tbody>
<tr>
<td>9:00 AM</td>
<td>Colfax Portfolio Progress &amp; Strategy</td>
<td>Matt Trerotola</td>
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<tr>
<td>9:25 AM</td>
<td>ESAB Overview, Strategy and Platform Progress</td>
<td>Shyam Kambeyanda</td>
</tr>
<tr>
<td>9:50 AM</td>
<td>DJO Overview, Strategy and Platform Progress</td>
<td>Brady Shirley</td>
</tr>
<tr>
<td>10:25 AM</td>
<td>Colfax Financial Update &amp; Guidance</td>
<td>Chris Hix</td>
</tr>
<tr>
<td>10:40 AM</td>
<td>Q&amp;A</td>
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<tr>
<td>11:00 AM</td>
<td>DJO Breakout Sessions</td>
<td>DJO Team</td>
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<tr>
<td>12:15 PM</td>
<td>Lunch</td>
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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 cyclicality
- 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

- A global fab tech technology leader
- Exposure to faster-growing developing markets
- Recurring, run-rate businesses
- Focus on innovation
- Continuous improvement with CBS
- Consistent cash flow
- Many acquisition opportunities
- Med Tech business with steady secular growth drivers
- Significant CBS runway

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)

Structurally higher margins with meaningful upside

> 90% Sales from recurring, run-rate products

> 90% Expected FCF conversion in 2020

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

> 55% Gross margins in Med Tech

Note: Top charts represent geographic & platform revenue estimates for 2019 pro forma for acquisition of DJO
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

VALUES
What we believe

BEHAVIORS
How we work

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

Creating better together.

Continuous improvement is our way of life.

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...

Continuous Improvement Focus Areas
- Leadership
- Lean
- Growth

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

Standardized Toolset
- Policy Deployment
  - Standard Work
  - Value Pricing
  - Value Stream Mapping

- Problem Solving Process
- Visual / Daily Management
- 5S
- Voice Of The Customer
- Accelerated Product Development
...With Compounding Results

**Improvement Journey – Concept**

- **Y0**
  - Daily Management
  - Policy Deployment
  - Kaizen

- **Y1**
  - Daily Management
  - Policy Deployment
  - Kaizen

- **Y2+**
  - Daily Management
  - Policy Deployment
  - Kaizen

**Improvement Journey – In Practice**

*Filler Metal On Time Delivery (% rate)*

- 2014: 84%
- 2019F: 92%

*Major New Product Launches at ESAB*

- 2014: 2
- 2015: 2
- 2016: 4
- 2017: 8
- 2018: 11
- 2019: 14

**CBS drives measurable, sustainable growth and operating results**
Investing In Winning Strategies & Innovation

Strategy Shaping Process

- **Executio**
  - CFX role: Coach & Guide

- **Provocatio**
  - CFX role: Challenge & Vet

- **Formulatio**
  - CFX role: Support & Focus

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 / EBITDA*¹

- **LTM at Acquisition**
- **2nd Full Year**

- 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**

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(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 Outperformance\(^1\) FY18 & 19YTD\(^2\)

- 3.3%
- 2.5%

2018 | 2019YTD

Fab Tech Adjusted EBITA Margin Growth

- 11.5%
- 12.6%
- 13.2%
- 13.2%
- 14.9%

2015 | 2016 | 2017 | 2018 | 2019YTD

- 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

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\(^1\) Defined as ESAB growth above market; growth rates weighted by size of market, ex-China
\(^2\) Through 19Q3

Note: Refer to Appendix for non-GAAP reconciliation and footnotes.
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

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, %)

11.5%  12.6%  13.2%  13.2%  >14.5%

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

DEMONSTRATED ABILITY TO EXPAND MARGINS THROUGHOUT A RANGE OF MARKET CONDITIONS
TECHNOLOGICAL LEADERSHIP.

1904 – 2015

- 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.

- Revolutionary TIG welding technology (Heliarc) is introduced.
- Marathon PAC for solid and cored wire is introduced.
- High-speed Submerged Arc welding is developed.

2016 – 2019

- RobustFeed™: The most durable wire feeder yet
- Velocity™: The longest lasting MIG consumables on the market
- Smart MIG™: Advanced arc technology
- WeldCloud™: Software and connectivity
- Rebel AC/DC™: True all-process welding

- 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.

NORTH AMERICA
New Product Introductions boosting brand recognition; Driving CBS to improve the customer experience

MIDDLE EAST & AFRICA
Leading brand in both ESAB & Victor

EUROPE
The home turf with leading brand position

RUSSIA
Producing locally and successfully serving automation segment

ASIA PACIFIC
Number one global player in Asia

SOUTH AMERICA
Market leader focusing on value added welding solutions

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

Source: Internal company reporting and analysis, 2019.
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

2016  10% CAGR  2019

<table>
<thead>
<tr>
<th>Motion</th>
<th>Process Package</th>
<th>Filler Metals</th>
<th>Software/Analytics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robotics</td>
<td>Partner</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Hard Automation (C&amp;B&lt;sup&gt;®&lt;/sup&gt;, Gantry)</td>
<td>Partner</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Mech Motion (Tractor/Orbital)</td>
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<td>✓</td>
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- 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
- WeldGAS
  - WeldScanner + WeldScanner Validator

REMOTE POC MONITORING
- Clarity
ACQUIRING INTO ATTRACTIVE SPACES.

<table>
<thead>
<tr>
<th>Lower Cyclicality</th>
<th>Accretive Margins</th>
<th>Secular Trends</th>
<th>Digital Capability</th>
<th>Products</th>
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ACQUISITIONS DRIVING GROWTH AND MARGIN EXPANSION
DRIVING CONTINUOUS IMPROVEMENT THROUGH CBS.

**Safety (TRIR)**

<table>
<thead>
<tr>
<th>Year</th>
<th>TRIR</th>
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<tbody>
<tr>
<td>2016</td>
<td>1.0</td>
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<tr>
<td>2017</td>
<td>0.7</td>
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<tr>
<td>2018</td>
<td>0.6</td>
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<tr>
<td>2019 F</td>
<td>0.5</td>
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</table>

- 80% below industrial benchmark\(^1\)
- Focusing on leading indicators and safe behaviors

**On Time Shipment (%)**

<table>
<thead>
<tr>
<th>Year</th>
<th>%</th>
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<tbody>
<tr>
<td>2016</td>
<td>88</td>
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<tr>
<td>2017</td>
<td>90</td>
</tr>
<tr>
<td>2018</td>
<td>91</td>
</tr>
<tr>
<td>2019 F</td>
<td>92</td>
</tr>
</tbody>
</table>

- Driving continuous improvement culture
- Reducing supply chain complexity

EXPANDING MARGINS.

**Price (%)**

<table>
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<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>5</td>
<td>&gt;3</td>
</tr>
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</table>

- Dynamic price management
- Offsetting inflation and metal costs

**Productivity/Sourcing (# kaizens)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>53</td>
<td>81</td>
<td>190</td>
</tr>
</tbody>
</table>

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

**Plant Consolidation (# plants)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>40</td>
<td>36</td>
<td>32</td>
</tr>
</tbody>
</table>

- Creating centers of excellence
- Improvement in cost structure
INVESTING IN TALENT.

**Engagement Score (%)**

- 2017: 72
- 2018: 74
- 2019: 75

**Participation Rate (%)**

- 2017: 91
- 2018: 93
- 2019: 94

- Talented team
- Engaged workforce
- 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
THE FUTURE BEGINS NOW.
DJO Overview, Strategy and Progress
Brady Shirley | EVP & CEO, DJO
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
**ORTHOPEDIC MARKET, ~$50 Billion**

<table>
<thead>
<tr>
<th>Segment</th>
<th>Market Share (%)</th>
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<tr>
<td>Joint Reconstruction</td>
<td>36%</td>
</tr>
<tr>
<td>Spine</td>
<td>18%</td>
</tr>
<tr>
<td>Trauma</td>
<td>14%</td>
</tr>
<tr>
<td>Sports Medicine</td>
<td>11%</td>
</tr>
<tr>
<td>Orthobiologics</td>
<td>10%</td>
</tr>
<tr>
<td>Other</td>
<td>11%</td>
</tr>
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**TOP ORTHO PLAYERS ($ Billions)**

- **DePuy Synthes**: $9.0 billion
- **Zimmer Biomet**: $7.1 billion
- **Stryker**: $6.3 billion
- **Smith & Nephew**: $3.2 billion
- **Medronic**: $2.9 billion
- **Arthrex**: $2.0 billion
- **NuVasive**: $1.2 billion
- **Aesculap**: $1.0 billion
- **Wright Medical**: $0.7 billion

Segments DJO participates in:
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 GROWTH

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

PREVENTION & REHABILITATION

- **Bracing & Supports**
  ($3bn global market)
  #1 Globally

- **Rehabilitation Equipment**
  ($1bn global market)
  #1 Globally

- **Footcare**
  ($0.2bn US market)
  #1 in US

RECONSTRUCTIVE

- **Surgical Implants**
  ($17bn global market)
  #1 in US Reverse Shoulder

- **Bone Growth Stimulation**
  ($0.5bn US market)
  #2 in US

Bar chart represents split of 2018 revenue of $1.2bn
1 Continuous Passive Motion
DJO UNIQUELY POSITIONED ALONG FULL ORTHOPEDIC CONTINUUM OF CARE

**Prevention**
- Athletic braces
- Muscle stimulation

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

**Surgical**
- Shoulders
- Knees
- Hips
- Bone growth stimulators

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

**Rehab**
- Traction devices
- Electrotherapy
- Heat/cold therapy

Purpose-built SaaS platform

Connected medicine

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BUILDING ON
#1 POSITION IN BRACING
#1 IN BRACING & SUPPORT

~$3B GLOBAL MARKET

DONJOY®
Iconic brand is #1 in performance and clinic channels

AIRCASTER®
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

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

• 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

US BRACING SALES GROWTH vs VITALITY INDEX

Organic Growth

Vitality Index

Double digit vitality

Single digit vitality

Growth

Vitality

2013  '14  '15  '16  '17  '18  '19F  '20F

Growth

Vitality

-2%  0%  2%  4%  6%  8%
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

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

- 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

- ~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

**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

ROW

Knee

Hip

Shoulder

Other
## US Orthopedic Implant Market Overview

**~1.6 Million Joint Replacement Procedures (2018)**

<table>
<thead>
<tr>
<th>Procedure</th>
<th>'000</th>
<th>(billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shoulder</td>
<td>139</td>
<td>$1.1</td>
</tr>
<tr>
<td>Knee</td>
<td>883</td>
<td>$4.6</td>
</tr>
<tr>
<td>Hip</td>
<td>562</td>
<td>$3.2</td>
</tr>
</tbody>
</table>

**Market CAGR to 2022**

- **Shoulder:** 6% (8% Reverse Shoulder)
- **Knee:** 2%
- **Hip:** 2%

**DJO 2018 & 2019 Growth**

- **Shoulder:** Mid-teens
- **Knee:** Double digit
- **Hip:** Double digit

*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

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

COMPLETENESS OF PRODUCT PORTFOLIO
SHIFT TO OUTPATIENT TOTAL JOINT REPLACEMENT PROVIDES SIGNIFICANT GROWTH OPPORTUNITY

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

PROJECTED TJR VOLUME IN OUTPATIENT SETTING

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

1Q19  2Q19  3Q19  4Q19  2020F  2021F

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

EXPAND
Redefine boundaries

- Patient Continuum of Care
- Build around the surgeon
- Build around the provider

EXTEND
Build out from core

- Technology add-ons
- Geographic expansion
- Channel / customer share of wallet

EXCEL
Win in the core

- Fill gaps
- Digital solutions
- Channel position / consolidation
**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
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

Greater and more consistent cash generation

Note: (1) Free cash flow = Cash from operating activities – Capital expenditures (2) Working capital chart excludes $40mm one-time investments into DJO in 2019 (3) Conversion = Free cash flow / Adjusted net income
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

Note: (1) Calculated as (Cash flow from operating activities – Capital expenditures) / Adjusted net income
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

Adj. EPS

- $1.95-2.00
- FX
- Performance
- 2020e

- $2.10-2.20
- ~$(0.07)
- ~$0.22-0.27
**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

<table>
<thead>
<tr>
<th></th>
<th>Years Ended December 31,</th>
<th></th>
<th>Nine Months Ended September 27,</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td>Net sales</td>
<td>$1,985.2</td>
<td>$1,800.5</td>
<td>$1,987.3</td>
</tr>
<tr>
<td>Segment operating income</td>
<td>199.8</td>
<td>195.4</td>
<td>224.4</td>
</tr>
<tr>
<td>Strategic transaction costs</td>
<td>-</td>
<td>0.5</td>
<td>0.0</td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td>$199.8</td>
<td>$195.9</td>
<td>$224.4</td>
</tr>
<tr>
<td>Acquisition-related amortization and other non-cash charges</td>
<td>29.4</td>
<td>30.4</td>
<td>31.9</td>
</tr>
<tr>
<td>Adjusted EBITA</td>
<td>$229.2</td>
<td>$226.3</td>
<td>$256.3</td>
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</tbody>
</table>

(1) Includes amortization of acquired intangibles and fair value charges on acquired inventory.

Note: Dollars in millions.