

The Colfax logo is displayed in a bold, black, sans-serif font. The letters are closely spaced, and the 'X' is formed by two intersecting diagonal lines. The logo is set against a light gray rectangular background.

COLFAX

FOURTH QUARTER 2015 | EARNINGS CONFERENCE CALL

FORWARD-LOOKING STATEMENTS

The following information contains forward-looking statements, including forward-looking statements within the meaning of the 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 facts. 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 2014 Annual Report on Form 10-K under the caption "Risk Factors". In addition, these statements are based on a number of assumptions that are subject to change. This presentation speaks only as of this date. Colfax disclaims any duty to update the information herein.

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Q4 2015 RESULTS

Q4 2015 HIGHLIGHTS

	Q4 2015	Q4 2014
	(In millions, except per share data)	
Revenue	\$ 1,061.5	\$ 1,206.4
Adjusted Operating Profit	\$ 100.6	\$ 136.7
Margin %	9.5%	11.3%
Adjusted Net Income	\$ 63.0	\$ 89.7
Adjusted EPS	\$ 0.51	\$ 0.72

- Organic revenue decline of 3.8%
- Sequential margin improvement of 350 basis points over Q3 2015

Unaudited

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FULL YEAR 2015 HIGHLIGHTS

	Year Ended December 31,	
	2015	2014
	(In millions, except per share data)	
Revenue	\$ 3,967.1	\$ 4,624.5
Adjusted Operating Profit	\$ 345.8	\$ 467.7
Margin %	8.7%	10.1%
Adjusted Net Income	\$ 200.1	\$ 272.3
Adjusted EPS	\$ 1.60	\$ 2.20

- Organic revenue decline of 6.6%
- Margin decline of 140 basis points

Unaudited

COLFAX

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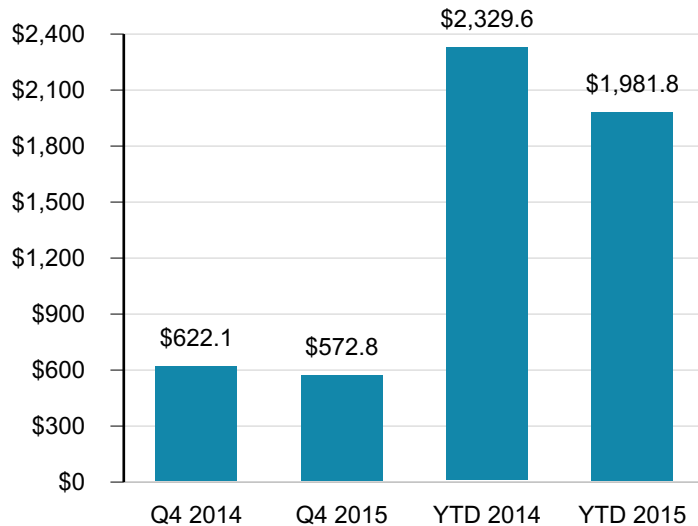
COLFAX

GAS AND FLUID HANDLING

GAS AND FLUID HANDLING

Q4 2015 AND FULL YEAR RESULTS

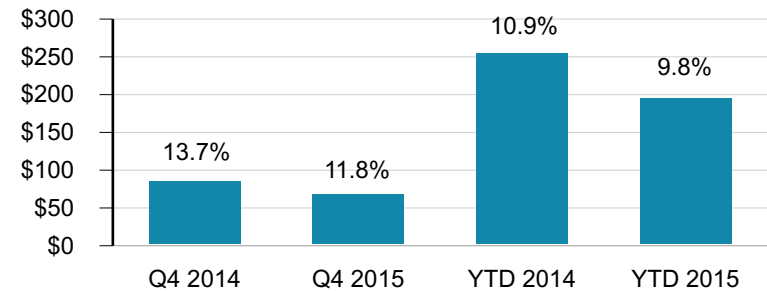
REVENUE



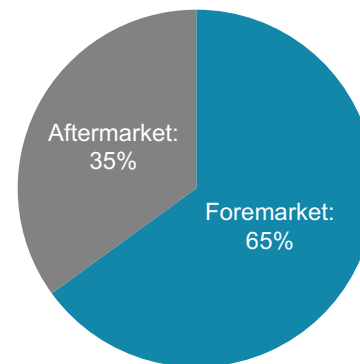
	QTD		YTD
Existing Businesses	(2.7)%		(7.3)%
Acquisitions	3.8%		2.1%
FX Translation	(9.0)%		(9.7)%
Total Decline	(7.9)%		(14.9)%

Note: Dollars in millions (unaudited).

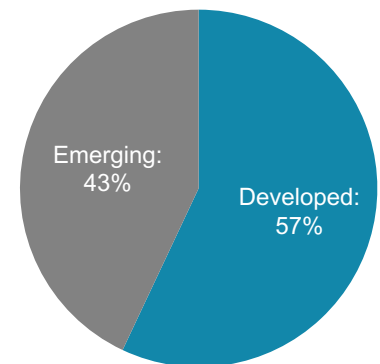
ADJUSTED OPERATING PROFIT



AFTERMARKET REVENUE 2015

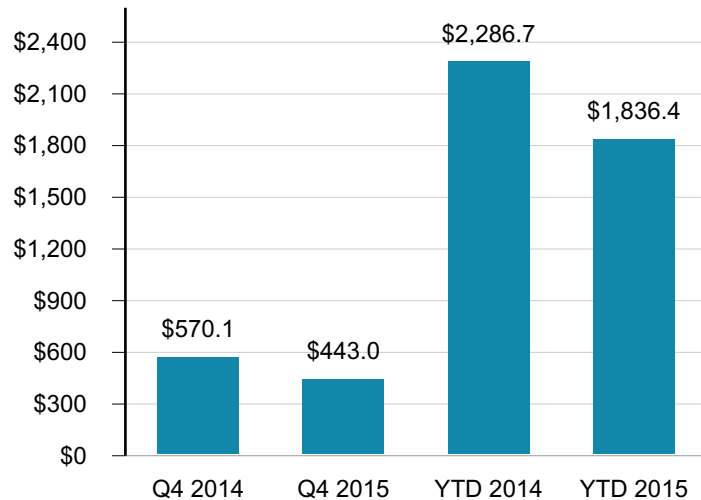


GEOGRAPHIC EXPOSURE 2015



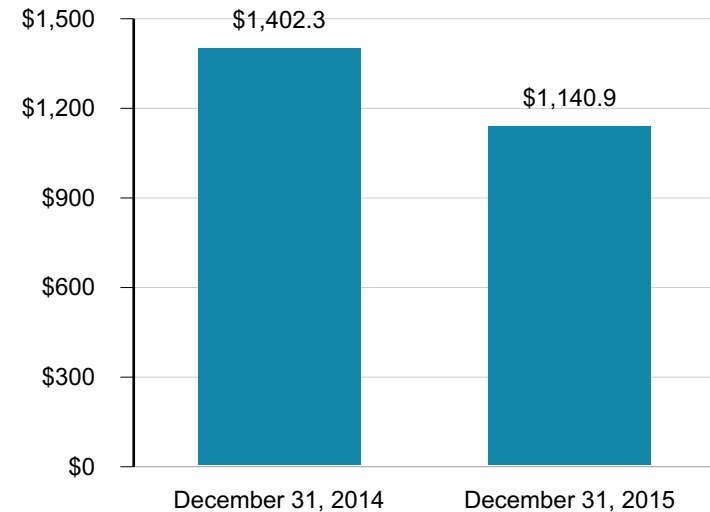
ORDERS AND BACKLOG

ORDERS



	QTD		YTD
Existing Businesses	(18.8)%		(12.6)%
Acquisitions	5.7%		2.5%
FX Translation	(9.2)%		(9.6)%
Total Decline	(22.3)%		(19.7)%

BACKLOG

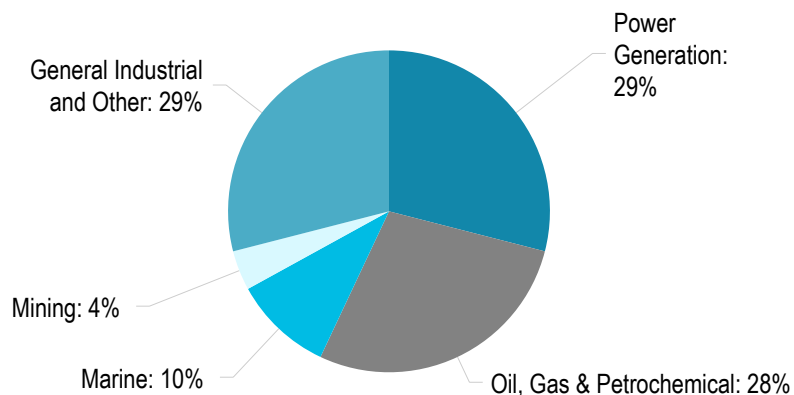


	YTD
Existing Businesses	(10.4)%
Acquisitions	3.1%
FX Translation	(11.3)%
Total Decline	(18.6)%

Note: Dollars in millions (unaudited).

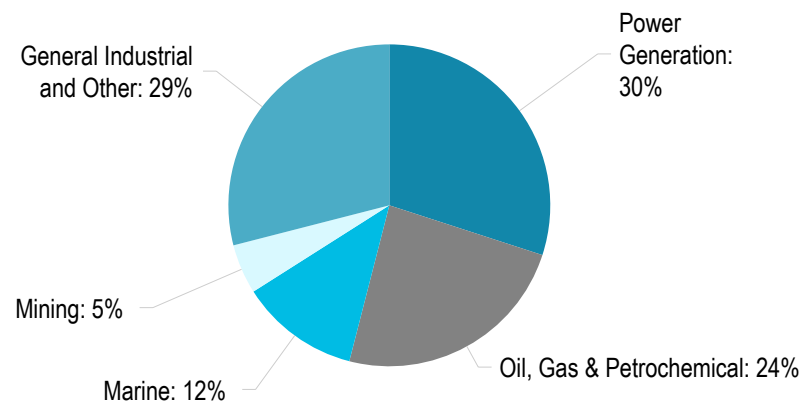
Q4 2015 SALES AND ORDERS BY END MARKET

SALES: \$572.8 million



	Total (Decline) Growth	Organic (Decline) Growth
Power Generation	(24.6)%	(17.8)%
Oil, Gas & Petrochemical	22.7%	23.6%
Marine	7.8%	18.0%
Mining	(52.1)%	(35.5)%
General Industrial & Other	(2.6)%	(1.0)%
Total	(7.9)%	(2.7)%

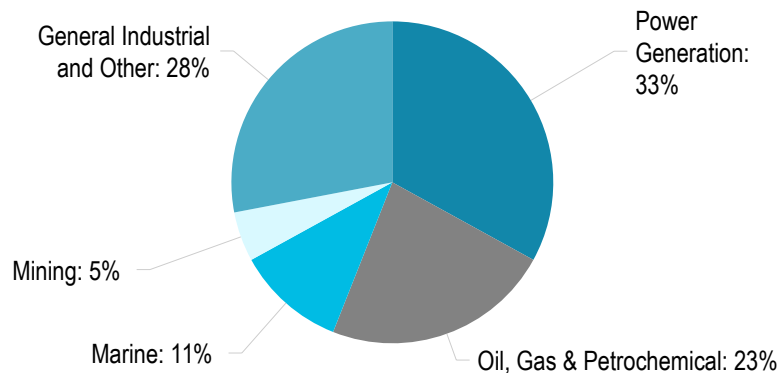
ORDERS: \$443.0 million



	Total Decline	Organic (Decline) Growth
Power Generation	(17.4)%	(9.8)%
Oil, Gas & Petrochemical	(32.2)%	(33.9)%
Marine	(5.9)%	4.2%
Mining	(21.8)%	(0.6)%
General Industrial & Other	(23.3)%	(23.7)%
Total	(22.3)%	(18.8)%

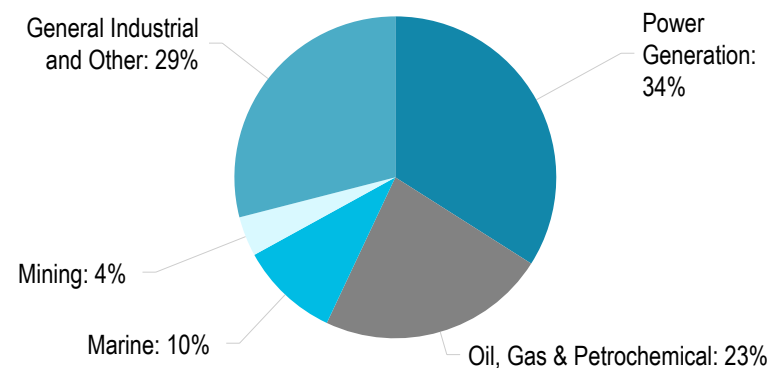
FULL YEAR 2015 SALES AND ORDERS BY END MARKET

SALES: \$1.982 billion



	Total Decline	Organic (Decline) Growth
Power Generation	(21.3)%	(14.7)%
Oil, Gas & Petrochemical	(2.6)%	3.0%
Marine	(9.6)%	3.6%
Mining	(33.1)%	(17.7)%
General Industrial & Other	(13.9)%	(7.0)%
Total	(14.9)%	(7.3)%

ORDERS: \$1.836 billion



	Total Decline	Organic Decline
Power Generation	(16.5)%	(9.4)%
Oil, Gas & Petrochemical	(9.5)%	(4.1)%
Marine	(36.1)%	(24.9)%
Mining	(28.9)%	(12.5)%
General Industrial & Other	(21.7)%	(16.7)%
Total	(19.7)%	(12.6)%

POWER GENERATION MARKET PERSPECTIVE

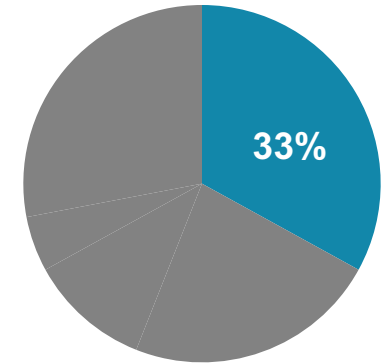
SALES & ORDERS DECLINE

	Q4 2015 vs. Q4 2014		YTD 2015 vs. YTD 2014	
	Total	Organic	Total	Organic
Sales	(24.6)%	(17.8)%	(21.3)%	(14.7)%
Orders	(17.4)%	(9.8)%	(16.5)%	(9.4)%

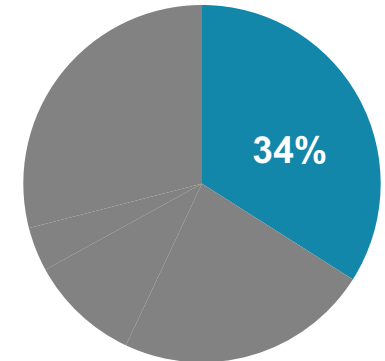
HIGHLIGHTS

- Served by both Howden and Colfax Fluid Handling
- Sales decline primarily due to SCR projects in China completed in 2014
- Chinese air quality standards will augment 2016 sales and orders
- Outlook for new power construction and aftermarket products stable for 2016

YTD 2015 SALES SPLIT



YTD 2015 ORDERS SPLIT



OIL, GAS & PETROCHEMICAL MARKET PERSPECTIVE

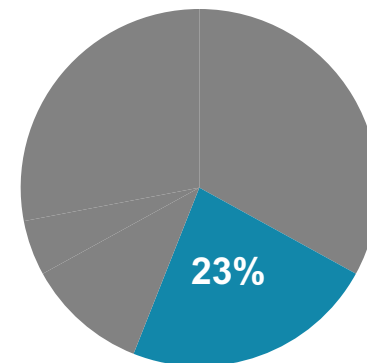
SALES & ORDERS GROWTH (DECLINE)

	Q4 2015 vs. Q4 2014		YTD 2015 vs. YTD 2014	
	Total	Organic	Total	Organic
Sales	22.7%	23.6%	(2.6)%	3.0%
Orders	(32.2)%	(33.9)%	(9.5)%	(4.1)%

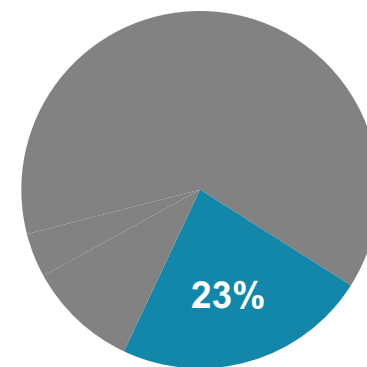
HIGHLIGHTS

- Served by both Howden and Colfax Fluid Handling
- Period over period comparisons are difficult due to the timing of large projects with several large orders in fourth quarter of 2014
- Orders year to date only modestly down in end market which is down sharply
- Expanding our addressable market to offset expected continuation of end market decline

YTD 2015 SALES SPLIT



YTD 2015 ORDERS SPLIT



MARINE MARKET PERSPECTIVE

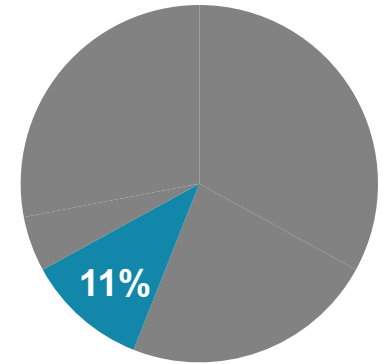
SALES & ORDERS GROWTH (DECLINE)

	Q4 2015 vs. Q4 2014		YTD 2015 vs. YTD 2014	
	Total	Organic	Total	Organic
Sales	7.8%	18.0%	(9.6)%	3.6%
Orders	(5.9)%	4.2%	(36.1)%	(24.9)%

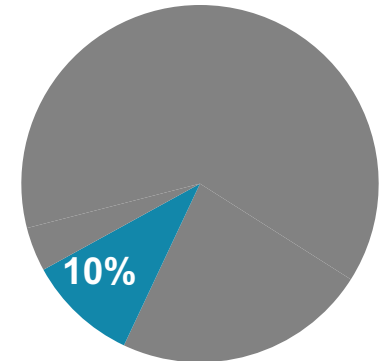
HIGHLIGHTS

- Primarily served by Colfax Fluid Handling
- Fourth quarter growth reflects stabilizing new shipbuilding activity and scope of product expanding with key customers
- Full year order decline primarily due to large, multi-year defense orders received in 2014
- Continued focus on aftermarket growth and expansion of product line

YTD 2015 SALES SPLIT



YTD 2015 ORDERS SPLIT



Note: Marine market comprised of commercial marine and government, or defense, customers

MINING MARKET PERSPECTIVE

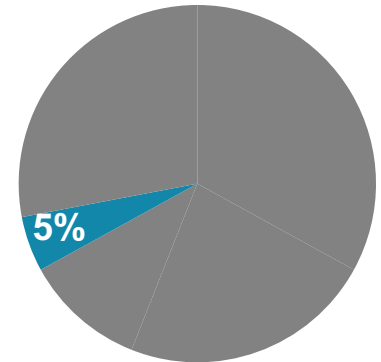
SALES & ORDERS DECLINE

	Q4 2015 vs. Q4 2014		YTD 2015 vs. YTD 2014	
	Total	Organic	Total	Organic
Sales	(52.1)%	(35.5)%	(33.1)%	(17.7)%
Orders	(21.8)%	(0.6)%	(28.9)%	(12.5)%

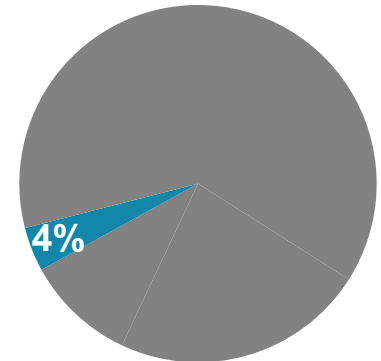
HIGHLIGHTS

- Primarily served by Howden
- Remains a depressed market; focused on winning targeted projects

YTD 2015 SALES SPLIT



YTD 2015 ORDERS SPLIT



GENERAL INDUSTRIAL & OTHER MARKET PERSPECTIVE

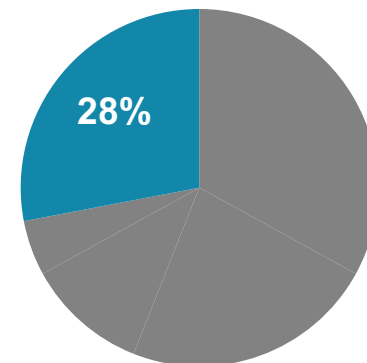
SALES & ORDERS DECLINE

	Q4 2015 vs. Q4 2014		YTD 2015 vs. YTD 2014	
	Total	Organic	Total	Organic
Sales	(2.6)%	(1.0)%	(13.9)%	(7.0)%
Orders	(23.3)%	(23.7)%	(21.7)%	(16.7)%

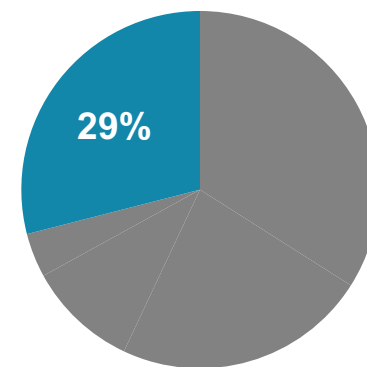
HIGHLIGHTS

- Includes both Howden and Colfax Fluid Handling
- Weak demand for industrial capital equipment driver of sales and order declines
- Relatively stronger fourth quarter sales levels driven by project timing, not improved market conditions
- Market headwinds expected to continue in 2016

YTD 2015 SALES SPLIT



YTD 2015 ORDERS SPLIT



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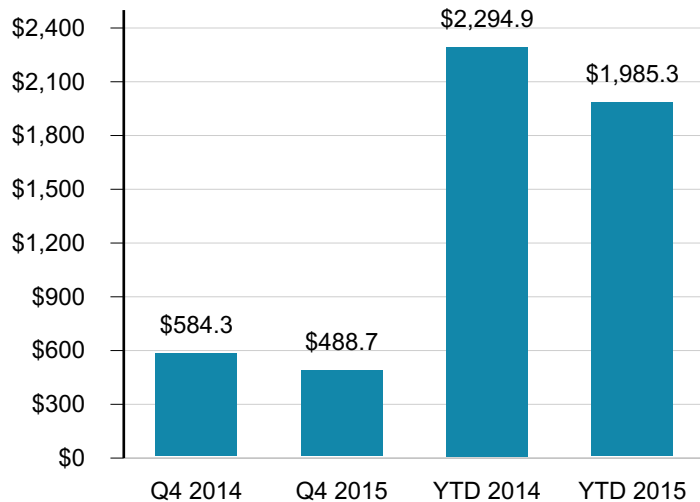
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FABRICATION TECHNOLOGY

FABRICATION TECHNOLOGY

Q4 2015 AND FULL YEAR RESULTS

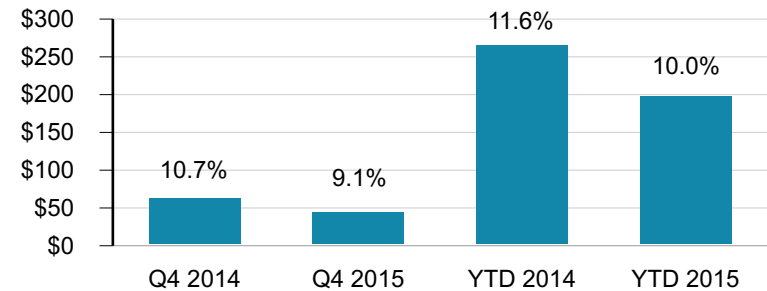
REVENUE



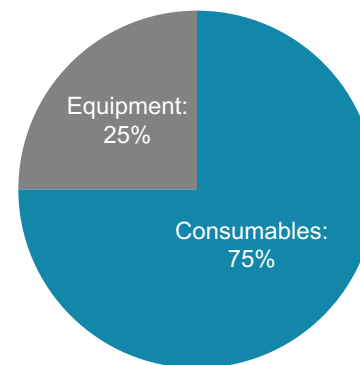
	QTD		YTD
Volume	(1.3)%		(2.4)%
Price/ Mix	(3.5)%		(3.4)%
Acquisitions	—%		5.4%
FX Translation	(11.6)%		(13.1)%
Total Decline	(16.4)%		(13.5)%

Note: Dollars in millions (unaudited).

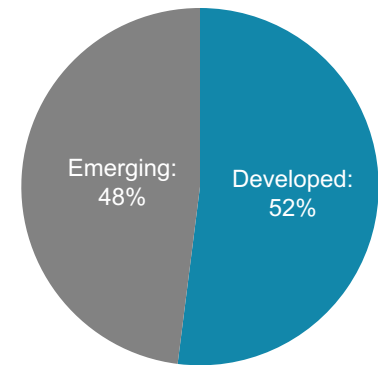
ADJUSTED OPERATING PROFIT



AFTERMARKET REVENUE 2015



GEOGRAPHIC EXPOSURE 2015



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RESULTS OF OPERATIONS

INCOME STATEMENT SUMMARY

(unaudited)

	Three Months Ended		Year Ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Net sales	\$ 1,061.5	\$ 1,206.4	\$ 3,967.1	\$ 4,624.5
Gross profit	\$ 333.4	\$ 391.8	\$ 1,251.8	\$ 1,478.8
% of sales	31.4%	32.5%	31.6%	32.0%
SG&A expense	\$ 232.8	\$ 255.1	\$ 906.0	\$ 1,011.2
% of sales	21.9%	21.1%	22.8%	21.9%
Adjusted operating income	\$ 100.6	\$ 136.7	\$ 345.8	\$ 467.7
% of sales	9.5%	11.3%	8.7%	10.1%
Adjusted net income	\$ 63.0	\$ 89.7	\$ 200.1	\$ 272.3
% of sales	5.9%	7.4%	5.0%	5.9%
Adjusted net income per share	\$ 0.51	\$ 0.72	\$ 1.60	\$ 2.20

Refer to Appendix for Non-GAAP reconciliation and footnotes.
Note: Dollars in millions, except per share amounts.

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APPENDIX

DISCLAIMER

Colfax has provided 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 operating income, adjusted operating income margin, organic sales growth (decline) and organic order growth (decline). Adjusted net income, adjusted net income per share, adjusted operating income and adjusted operating income margin exclude the impact of Restructuring and other related charges. Adjusted net income and adjusted net income per share for the full year ended December 31, 2015 exclude the impact of the write-off of certain deferred financing fees and original issue discount associated with the refinancing of Colfax's credit agreement. Adjusted net income and adjusted net income per share for the full year ended December 31, 2014 exclude the impact of the preferred stock conversion inducement payment. The effective tax rates used to calculate adjusted net income and adjusted net income per share are 25.1% and 27.5% for the fourth quarter and full year ended December 31, 2015, respectively, and 24.5% and 27.8% for the fourth quarter and full year ended December 31, 2014, respectively. Organic sales growth (decline) and organic order growth (decline) exclude the impact of acquisitions and foreign exchange rate fluctuations. These non-GAAP financial measures assist Colfax in comparing its operating performance on a consistent basis because, among other things, they remove the impact of restructuring and other related charges, write-off of certain deferred financing fees and original issue discount and the preferred stock conversion inducement payment.

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

NON-GAAP RECONCILIATION

(unaudited)

Three Months Ended December 31, 2015

Three Months Ended December 31, 2014

	Three Months Ended December 31, 2015				Three Months Ended December 31, 2014			
	Gas and Fluid Handling	Fabrication Technology	Corporate and Other	Total Colfax Corporation	Gas and Fluid Handling	Fabrication Technology	Corporate and Other	Total Colfax Corporation
Net sales	\$ 572,824	\$ 488,640	\$ —	\$ 1,061,464	\$ 622,059	\$ 584,297	\$ —	\$ 1,206,356
Operating income (loss)	47,407 8.3%	29,148 6.0%	(11,492)	65,063 6.1%	70,375 11.3%	48,239 8.3%	(11,273)	107,341 8.9%
Restructuring and other related charges	19,965	15,554	—	35,519	14,916	14,471	—	29,387
Adjusted operating income (loss)	<u>\$ 67,372 11.8%</u>	<u>\$ 44,702 9.1%</u>	<u>\$ (11,492)</u>	<u>\$ 100,582 9.5%</u>	<u>\$ 85,291 13.7%</u>	<u>\$ 62,710 10.7%</u>	<u>\$ (11,273)</u>	<u>\$ 136,728 11.3%</u>

Year Ended December 31, 2015

Year Ended December 31, 2014

	Year Ended December 31, 2015				Year Ended December 31, 2014			
	Gas and Fluid Handling	Fabrication Technology	Corporate and Other	Total Colfax Corporation	Gas and Fluid Handling	Fabrication Technology	Corporate and Other	Total Colfax Corporation
Net sales	\$ 1,981,816	\$ 1,985,237	\$ —	\$ 3,967,053	\$ 2,329,598	\$ 2,294,878	\$ —	\$ 4,624,476
Operating income (loss)	162,942 8.2%	168,687 8.5%	(46,984)	284,645 7.2%	227,707 9.8%	234,225 10.2%	(52,379)	409,553 8.9%
Restructuring and other related charges	31,527	29,650	—	61,177	26,533	31,588	—	58,121
Adjusted operating income (loss)	<u>\$ 194,469 9.8%</u>	<u>\$ 198,337 10.0%</u>	<u>\$ (46,984)</u>	<u>\$ 345,822 8.7%</u>	<u>\$ 254,240 10.9%</u>	<u>\$ 265,813 11.6%</u>	<u>\$ (52,379)</u>	<u>\$ 467,674 10.1%</u>

Note: Dollars in thousands.

COLFAX

NON-GAAP RECONCILIATION

(unaudited)

	Three Months Ended		Year Ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Adjusted Net Income				
Net income attributable to Colfax Corporation	\$ 44,197	\$ 80,134	\$ 167,739	\$ 392,098
Restructuring and other related charges	35,519	29,387	61,177	58,121
Debt extinguishment charges- Refinancing of credit agreement	—	—	4,731	—
Tax adjustment ⁽¹⁾	(16,678)	(19,790)	(33,549)	(177,944)
Adjusted net income	<u>\$ 63,038</u>	<u>\$ 89,731</u>	<u>\$ 200,098</u>	<u>\$ 272,275</u>
Adjusted net income margin	5.9%	7.4%	5.0%	5.9%
Adjusted Net Income Per Share				
Net income available to Colfax Corporation common shareholders	\$ 44,197	\$ 80,134	\$ 167,739	\$ 370,185
Restructuring and other related charges	35,519	29,387	61,177	58,121
Debt extinguishment charges- Refinancing of credit agreement	—	—	4,731	—
Preferred stock conversion inducement payment ⁽²⁾	—	—	—	19,565
Tax adjustment ⁽¹⁾	(16,678)	(19,790)	(33,549)	(177,944)
Adjusted net income available to Colfax Corporation common shareholders	<u>63,038</u>	<u>89,731</u>	<u>200,098</u>	<u>269,927</u>
Dividends on preferred stock ⁽²⁾	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,348</u>
	<u>\$ 63,038</u>	<u>\$ 89,731</u>	<u>\$ 200,098</u>	<u>\$ 272,275</u>
Weighted-average shares outstanding - diluted	124,102,455	125,156,755	124,869,649	124,033,702
Adjusted net income per share	<u>\$ 0.51</u>	<u>\$ 0.72</u>	<u>\$ 1.60</u>	<u>\$ 2.20</u>
Net income per share— diluted (in accordance with GAAP)	<u>\$ 0.36</u>	<u>\$ 0.64</u>	<u>\$ 1.34</u>	<u>\$ 3.02</u>

(1) The effective tax rates used to calculate adjusted net income and adjusted net income per share are 25.1% and 27.5% for the fourth quarter and full year ended December 31, 2015, respectively, and 24.5% and 27.8% for the fourth quarter and full year ended December 31, 2014, respectively.

(2) Adjusted net income per share for the period prior to February 12, 2014 was calculated under the if-converted method in accordance with GAAP. On February 12, 2014, the Series A Perpetual Convertible Preferred Stock were converted to Common stock and the Company paid a \$19.6 million conversion inducement to the holders of the Series A Perpetual Convertible Preferred Stock.

Note: Dollars in thousands, except per share amounts.

COLFAX

CHANGE IN SALES, ORDERS AND BACKLOG

(unaudited)

	Net Sales		Orders			
	\$	%	\$	%		
For the three months ended December 31, 2014	\$ 1,206.4		\$ 570.1			
Components of Change:						
Existing Businesses	(45.3)	(3.8)%	(107.0)	(18.8)%		
Acquisitions ⁽¹⁾	23.7	2.0 %	32.3	5.7 %		
Foreign Currency Translation	(123.3)	(10.2)%	(52.4)	(9.2)%		
Total	(144.9)	(12.0)%	(127.1)	(22.3)%		
For the three months ended December 31, 2015	<u>\$ 1,061.5</u>		<u>\$ 443.0</u>			
	Net Sales		Orders		Backlog at Period End	
	\$	%	\$	%	\$	%
As of and for the year ended December 31, 2014	\$ 4,624.5		\$ 2,286.7		\$ 1,402.3	
Components of Change:						
Existing Businesses	(304.5)	(6.6)%	(287.1)	(12.6)%	(145.4)	(10.4)%
Acquisitions ⁽²⁾	171.2	3.7 %	57.9	2.5 %	43.3	3.1 %
Foreign Currency Translation	(524.1)	(11.3)%	(221.1)	(9.6)%	(159.3)	(11.3)%
Total	(657.4)	(14.2)%	(450.3)	(19.7)%	(261.4)	(18.6)%
As of and for the year ended December 31, 2015	<u>\$ 3,967.1</u>		<u>\$ 1,836.4</u>		<u>\$ 1,140.9</u>	

(1) Represents the incremental sales and orders as a result of our acquisitions of Roots™ blowers and compressors and Simsmart Technologies.

(2) Represents the incremental sales, orders and order backlog as a result of our acquisitions of Roots™ blowers and compressors and Simsmart Technologies, and incremental sales as a result of our acquisition of Victor Technologies Holdings Inc.

Note: Dollars in millions.

COLFAX

BALANCE SHEETS

(unaudited)

	December 31,	
	2015	2014
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 197,469	\$ 305,448
Trade receivables, less allowance for doubtful accounts of \$39,505 and \$27,256	888,166	1,029,150
Inventories, net	420,386	442,732
Other current assets	253,744	296,948
Total current assets	1,759,765	2,074,278
Property, plant and equipment, net	644,536	727,435
Goodwill	2,817,687	2,873,023
Intangible assets, net	995,712	1,043,583
Other assets	515,219	493,198
Total assets	<u>\$ 6,732,919</u>	<u>\$ 7,211,517</u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt	\$ 5,792	\$ 9,855
Accounts payable	718,893	780,287
Accrued liabilities	391,659	489,983
Total current liabilities	1,116,344	1,280,125
Long-term debt, less current portion	1,411,755	1,526,955
Other liabilities	948,264	1,051,993
Total liabilities	3,476,363	3,859,073
Equity:		
Common stock, \$0.001 par value; 400,000,000 shares authorized; 123,486,425 and 123,730,578 issued and outstanding	123	124
Additional paid-in capital	3,199,267	3,200,832
Retained earnings	557,300	389,561
Accumulated other comprehensive loss	(686,715)	(443,691)
Total Colfax Corporation equity	3,069,975	3,146,826
Noncontrolling interest	186,581	205,618
Total equity	3,256,556	3,352,444
Total liabilities and equity	<u>\$ 6,732,919</u>	<u>\$ 7,211,517</u>

Note: Dollars in thousands.

COLFAX

STATEMENTS OF CASH FLOWS

(unaudited)

	Year Ended December 31,	
	2015	2014
Cash flows from operating activities:		
Net income	\$ 187,178	\$ 420,273
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and impairment charges	154,542	174,724
Stock-based compensation expense	16,321	17,580
Non-cash interest expense	10,101	9,094
Deferred income tax (benefit) provision	(22,717)	(139,488)
Changes in operating assets and liabilities, net of acquisitions:		
Trade receivables, net	64,048	(19,916)
Inventories, net	(390)	57,847
Accounts payable	(11,184)	(54,666)
Changes in other operating assets and liabilities	(94,086)	(79,690)
Net cash provided by operating activities	303,813	385,758
Cash flows from investing activities:		
Purchases of fixed assets	(69,877)	(84,458)
Acquisitions, net of cash received	(196,007)	(948,800)
Other, net	18,927	3,115
Net cash used in investing activities	(246,957)	(1,030,143)
Cash flows from financing activities:		
Borrowings under term credit facility	750,000	150,000
Payments under term credit facility	(1,232,872)	(15,542)
Proceeds from borrowings on revolving credit facilities and other	1,498,039	1,370,626
Repayments of borrowings on revolving credit facilities and other	(1,104,055)	(1,414,146)
Proceeds from issuance of common stock, net	6,052	613,927
Repurchases of common stock	(27,367)	—
Acquisition of shares held by noncontrolling interest	—	(10,338)
Preferred stock conversion inducement payment	—	(19,565)
Payments of dividend on preferred stock	—	(3,853)
Other	(21,066)	(21,060)
Net cash (used in) provided by financing activities	(131,269)	650,049
Effect of foreign exchange rates on Cash and cash equivalents	(33,566)	(11,517)
Decrease in Cash and cash equivalents	(107,979)	(5,853)
Cash and cash equivalents, beginning of period	305,448	311,301
Cash and cash equivalents, end of period	<u>\$ 197,469</u>	<u>\$ 305,448</u>
Supplemental Disclosure of Cash Flow Information:		
Interest payments	36,363	42,041
Income tax payments, net	79,540	82,694

Note: Dollars in thousands.