

The COLFAX logo is displayed in a bold, black, sans-serif font. The letters are thick and blocky, with a distinctive design where the 'O' and 'X' have a small square cutout in the center. The logo is set against a light gray rectangular background.

COLFAX

ACQUISITION OF DJO GLOBAL | November 19, 2018

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 risks and uncertainties regarding Colfax and DJO's respective businesses and the proposed acquisition, and actual results may differ materially. These risks and uncertainties include, but are not limited to, (i) the ability of the parties to successfully complete the proposed acquisition on anticipated terms and timing, including obtaining required regulatory approvals and other conditions to the completion of the acquisition, (ii) access to available financing on a timely basis and reasonable terms, (iii) the effects of the transaction on Colfax and DJO operations, including on the combined company's future financial condition and performance, operating results, strategy and plans, including anticipated tax treatment, unforeseen liabilities, future capital expenditures, revenues, expenses, earnings, synergies, economic performance, indebtedness, losses, future prospects, business and management strategies for the management, expansion and growth of the new combined company's operations, and (iv) other factors detailed in Colfax's and DJO's respective reports filed with the U.S. Securities and Exchange Commission on Form 10-K and Form 10-Q. In addition, these statements are based on a number of assumptions that are subject to change. This presentation speaks only as of the date hereof. Colfax disclaims any duty to update the information herein..

This presentation shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended or via an exemption from the requirements of the Securities Act.

Compelling Strategic Transaction

DJO is a global leader uniquely positioned in \$21B orthopedic solutions market

- Industry-defining products and brands
- Beneficial trends – demographics and increased preventive care
- Diverse solutions across products, channels, and geographies

Evolves Colfax to higher margins, faster growth and lower cyclicity, with upside opportunities

- Non-cyclical, steady revenue growth – ~4% CAGR over past 5 years
- >55% gross margins and >20% EBITDA margin in 2017 with upside
- Colfax will use CBS to drive further operating improvement and margin expansion and generate sustainable long-term growth
- Significant bolt-on and adjacent acquisition runway over time

Expect significant value for Colfax shareholders

- EPS accretion in first year, excluding transaction-related amortization and one-time costs
- 10% ROIC within 5 years
- Strong free cash flow conversion
- Improved portfolio

Transaction Details

Consideration

- Colfax to acquire DJO from Blackstone Group for approximately \$3.15 billion in cash
 - Attractive Adjusted EBITDA multiple of 11.7x¹
 - Funded by cash, debt, and equity
 - J.P. Morgan and Credit Suisse providing committed bridge financing
-

Commitment to Balance Sheet Strength

- Goal to maintain current credit rating
 - Committed to reduce leverage to mid-3x's by end of 2019
 - Exploring options to de-leverage, including potential sale of Air & Gas Handling business
 - No share repurchases or material acquisitions until de-leveraging targets are met
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Timing/Approvals

- Expected close in Q1 2019, subject to regulatory approvals & customary closing conditions

(1) LTM as of September 30, 2018.

Introducing DJO Global

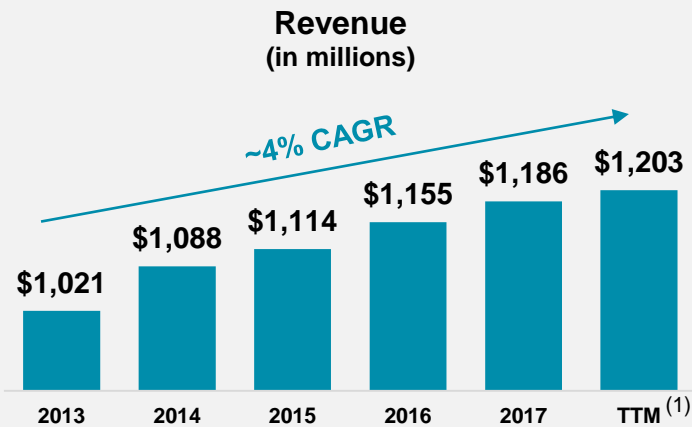


- A passionate commitment “to get and keep people moving”
- Iconic brands and category defining products
- Attractive financial performance
- Industry leading positions
- Strong demographic and sector drivers
- Talented and experienced leadership team

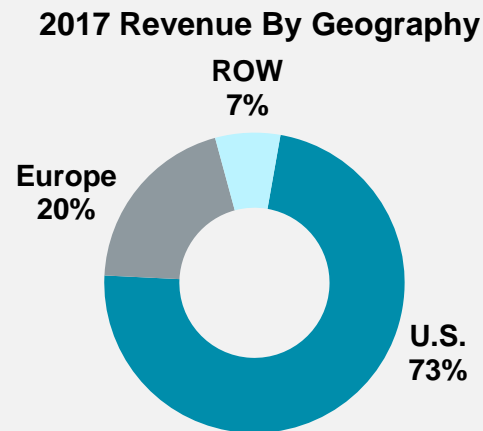
⁺
MOTION IS MEDICINE[®]

DJO's Attractive Financial Profile

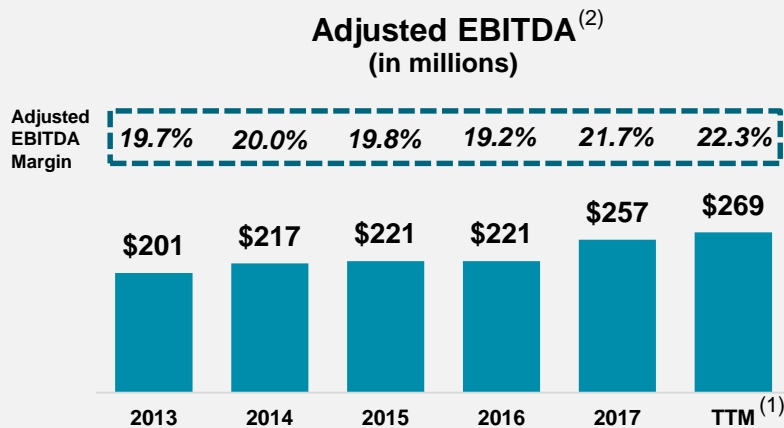
Steady, Non-Cyclical Growth



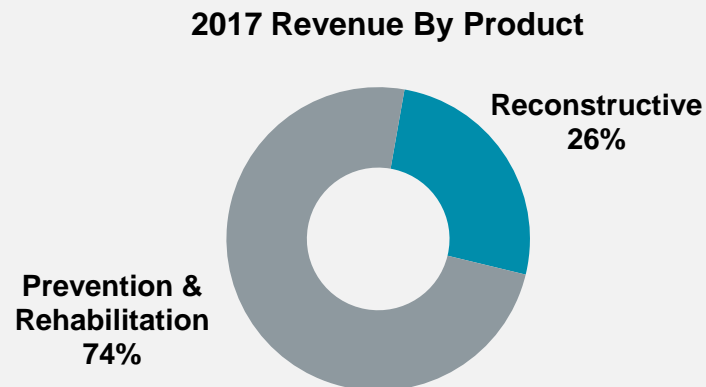
Exposure to Global Markets



Transformation Driving Margin Expansion



Serving Large & Growing Healthcare Segments



Source: DJO Finance LLC, financial statements; Colfax adjustments

(1) TTM as of September 2018. (2) See appendix for reconciliation of non-GAAP financial measures.

Iconic Brands and Industry Defining Products

DONJOY®



Custom Knee Braces

From elite athletes to weekend warriors, more than 20 years of industry leading protection

AIRCAST®



Removable Braces

Pioneer in the space with #1 global market share

djo*surgical*®



Surgical Implants

Leader in differentiated technology and upper extremity solutions

chattanooga®



Electrotherapy & Rehabilitation Equipment

Broad portfolio for physical therapists and athletic trainers

COMPEX®



Muscle Growth and Recovery Stimulation

Used by pro athletes globally

X4



Connected Brace Technology

Cloud-based remote monitoring

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DJO's Market Leading Positions

Prevention & Rehabilitation – (\$4 billion market)

BRACING: Leader with comprehensive offering of rigid and soft bracing for use in both functional and acute settings

#1
GLOBALLY

REHABILITATION: Musculoskeletal, neurological and soft tissue treatment products including electrotherapy, continuous passive motion (CPM) devices, traction devices, heat and cold therapy and treatment tables

#1
GLOBALLY

FOOTCARE: Diabetic footwear, custom orthotics and compression hosiery with sales into consumer, podiatry, and retail channels

#1
IN U.S.

Reconstructive – (\$17 billion market)

SURGICAL IMPLANTS: One of the fastest-growing adult reconstructive surgery businesses; launched new reverse shoulder in U.S. which is now the leading product worldwide in its class

#1
IN REVERSE SHOULDER
GLOBALLY

BONE GROWTH STIMULATION: Technology leader in bone growth stimulation market with products for spine fusions and fractures; powered by a proprietary continuous magnetic field (“CMF”) technology

#3
GLOBALLY

Products & Services Across Continuum of Care

Prevention

Repair

Recovery



PERFORMANCE

- 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

⁺
MOTIONMD[®]

Software billing solution for providers



Connected medicine

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Macro Trends Support Sustained Growth

Population Trends

AGING POPULATION: Rise of diseases and injuries that require surgeries or other orthopedic treatment

RISING OBESITY: Increased likelihood of orthopedic injury and need for orthopedic products

REDUCTION IN OPIOID USAGE: Shift to utilizing non-opioid pain relief solutions, including bracing

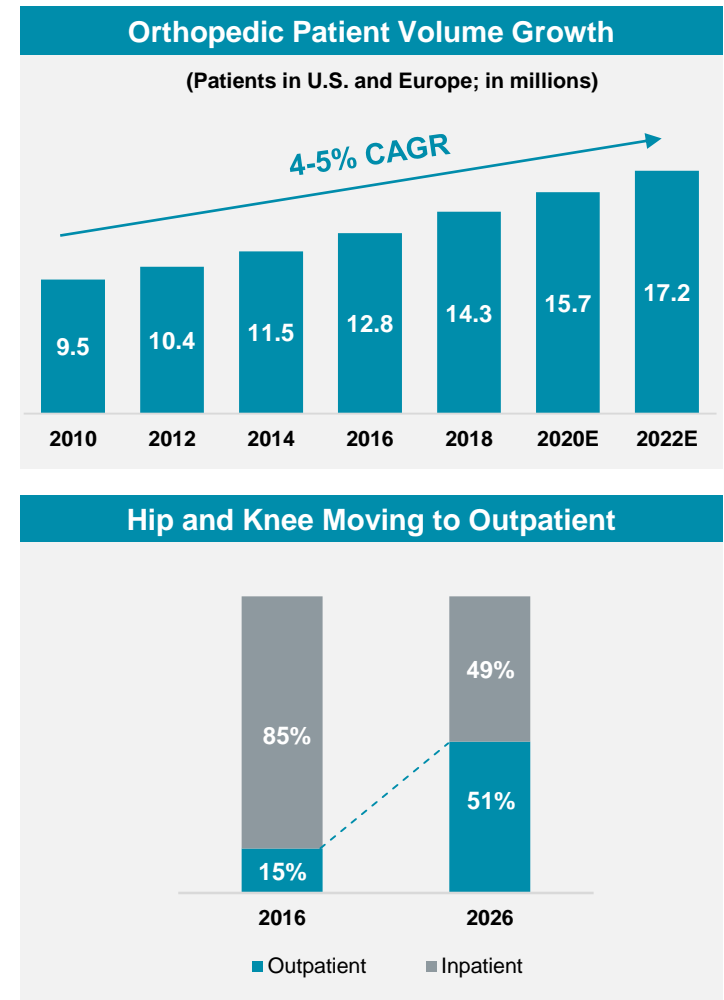
Healthcare Trends

INCREASED GLOBAL ACCESS TO HEALTHCARE: Higher levels of healthcare coverage with access to orthopedic care

MORE BUNDLED CARE REIMBURSEMENT: Shift to bundled payments that focus on outcomes and incentivize bracing spend

SHIFT TO OUTPATIENT CARE IN U.S.: Shift of surgical procedures out of hospitals is increasing need for post-operative rehabilitation

CONNECTED MEDICINE: Rising use of remote patient monitoring to increase patient treatment compliance



Industry Leading Innovation

AltiVate Reverse Shoulder



- #1 reverse shoulder globally
- Shoulder revenue increased 20% CAGR (2015-2018)
- Reverse shoulder now >50% of all shoulder replacement procedures and growing
- Leadership and differentiation driving share gain

X4 Smart Brace



- Pioneering internet-connected smart brace
- Cloud-based connectivity throughout continuum of care
- Promotes patient progression, compliance & engagement
- Robust pipeline of connected product launches

MotionMD



- Cutting-edge SaaS platform
- Most widely used digital billing tool – serving nearly 20% of U.S. orthopedic clinics
- Decision support and workflow benefits

DJO Consistent with Disciplined M&A Approach

Acquire Good Companies

- Attractive markets
- Strong brands and solutions
- Opportunities to improve and expand



Focus and Empower Top Talent

- Independent businesses
- Great leaders, strong teams, winning spirit
- Lean, high value corporate



Use CBS to Make Them Great

- Values
- Tools & processes
- Way of working

Colfax/DJO Value Creation Opportunity

- Finish transformation, embrace CBS culture
- Fuel strong innovation-driven implants growth
- Re-invigorate vitality in Prevention & Rehabilitation
- Leverage clinic workflow position
- Accelerate/expand via acquisitions



DJO Performance Goals

**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**

DJO Meets Colfax Acquisition Criteria

Colfax New Platform Criteria

DJO a Clear Fit

Attractive end-markets

Market leadership

Improve margin structure

Acquisition and innovation headroom

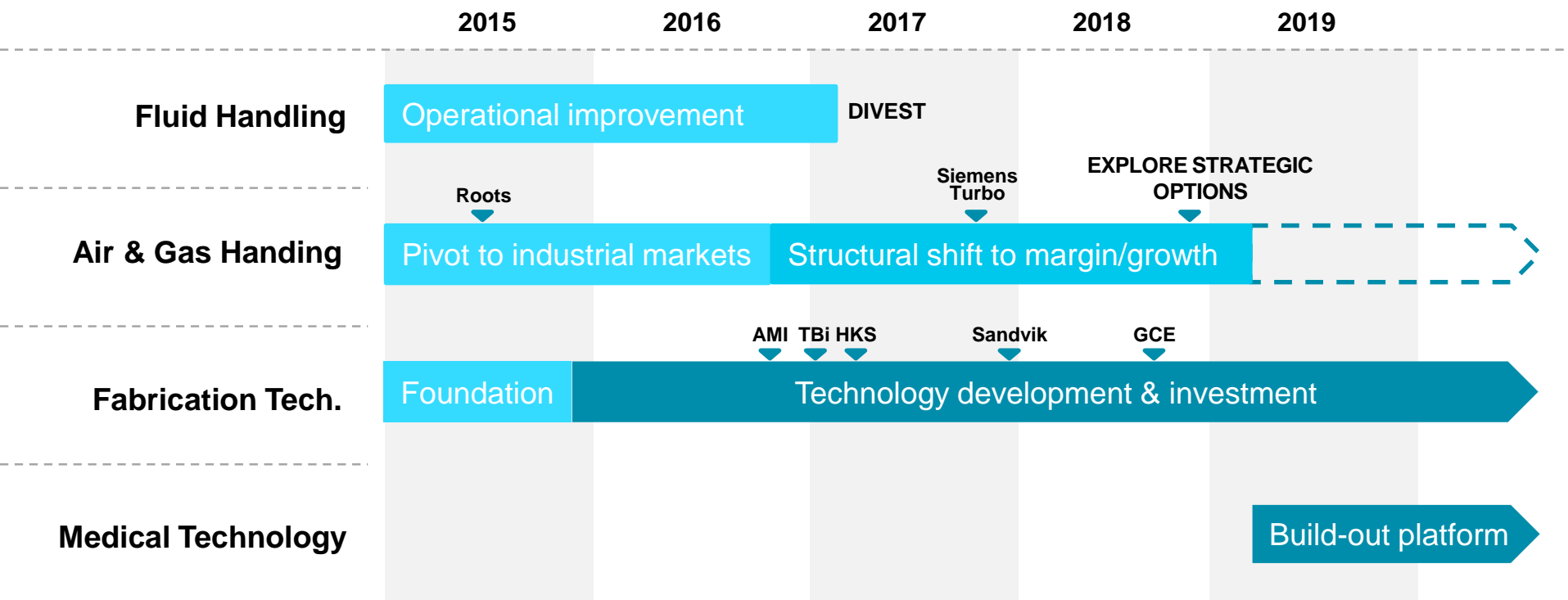
- ✓ Steady growth and beneficial secular trends
- ✓ Low cyclicality and volatility

- ✓ #1 in Bracing and Rehab
- ✓ Leading positions across the continuum of orthopedic care

- ✓ >55% gross margins
- ✓ >20% EBITDA margins

- ✓ New product launches and expanded technology-driven healthcare product line

Successfully Reshaping Colfax



- Faster, less cyclical growth
- Structurally higher margin potential
- Innovation upside
- More attractive capital deployment landscape

Financing and Balance Sheet Overview

Financing Structure

- Approximately \$3.15 billion total consideration to be financed with:
 - \$100 million of cash on hand
 - \$2.4-\$2.7 billion of debt: combination of term loans and senior bonds
 - \$500-\$700 million of equity or equity-linked securities
- J.P. Morgan and Credit Suisse providing committed bridge financing
- DJO outstanding debt to be extinguished at close

Balance Sheet

- Pro forma leverage expected to be 4.7x-4.9x at closing
- Committed to reduce leverage to mid-3x's by end of calendar 2019
- Expected liquidity of >\$700 million post-closing will allow Colfax to maintain balance sheet strength and flexibility
- Expect to maintain current credit ratings

Capital Allocation Priorities

Near-Term Focus

- Committed to reduce debt leverage to mid-3x's in 2019
- Will evaluate de-leveraging options to repay debt, including the potential sale of Air and Gas Handling
- No material acquisitions or share repurchases until leverage target met

Long-Term Financial Policy

- Manage leverage to pre-acquisition levels
- Continue to shape portfolio to create value & minimize volatility
- Long-term goal to achieve investment grade ratings

Compelling Strategic Transaction



Diversifying portfolio with global leader in orthopedic care, uniquely positioned to benefit from demographic and industry trends



Executing on our strategy to make portfolio higher margin, faster growth, and less cyclical



Expecting significant long-term value creation from increasing top-line growth, enhancing margins and driving cash flow

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APPENDIX

Non-GAAP Reconciliation

(unaudited)

Colfax has provided in this presentation financial information that has not been prepared in accordance with GAAP, including Adjusted EBITDA for DJO Global. DJO Global provided Colfax with this information, which was derived from DJO Global's historical unaudited financial statements for the twelve months ended September 29, 2018 and has not been audited or reviewed by Colfax's or DJO Global's independent public accountants. DJO Global defines Adjusted EBITDA as net income (loss) attributable to DJO Global plus interest expense, net, income tax provision (benefit), and depreciation and amortization, further adjusted for certain non-cash items, non-recurring items and other adjustment items as permitted in calculating covenant compliance and other ratios under the agreements governing the outstanding debt of DJO Global's subsidiary DJO Finance, LLC (DJO Finance). Adjusted EBITDA should not be considered as an alternative to net income (loss) attributable to DJO Global or other performance measures presented in accordance with GAAP, or as an alternative to cash flow from operations as a measure of liquidity.

Colfax believes this presentation of DJO Global's Adjusted EBITDA is useful and helps management, investors and rating agencies enhance their understanding of the impact of the DJO Global acquisition on Colfax's financial performance. However, Adjusted EBITDA does not have a standardized meaning, and different companies may use different Adjusted EBITDA definitions. Therefore, DJO Global's definition of Adjusted EBITDA may not be comparable to the definitions used by other companies.

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 Adjusted EBITDA to the most directly comparable GAAP financial measure. A reconciliation of Adjusted EBITDA to GAAP net income has been provided in the Appendix.

Non-GAAP Reconciliation

(unaudited)

	Year Ended December 31,					TTM September 29,
	2013	2014	2015	2016	2017	2018
Adjusted EBITDA						
Net income attributable to DJO Global	\$ (203,434)	\$ (90,534)	\$ (340,927)	\$ (286,303)	\$ (35,894)	\$ 397
Discontinued operations	13,101	(21,742)	157,580	(1,138)	(309)	(567)
Interest expense, net	177,542	174,325	172,290	170,082	174,238	181,091
Income tax provision (benefit)	17,451	(4,720)	12,256	(6,853)	(60,720)	(55,196)
Depreciation and amortization	118,919	119,157	117,455	117,893	111,261	107,646
Impairment of goodwill	49,600	-	-	160,000	-	-
Inventory adjustments	-	-	-	18,013	-	-
Loss on disposal of assets, net	536	(761)	777	949	1,403	295
Restructuring and reorganization (1)	11,815	28,363	12,843	16,838	58,775	41,121
Acquisition integration	1,863	331	8,635	10,350	2,106	2,096
Blackstone monitoring fee	7,000	7,000	7,000	7,000	6,225	975
Loss on modification and extinguishment of debt	1,059	938	68,473	-	-	-
Financial reporting alignment	5,655	4,844	4,455	14,374	(156)	(9,071)
Adjusted EBITDA	\$ 201,107	\$ 217,201	\$ 220,837	\$ 221,205	\$ 256,929	\$ 268,787
Future cost savings	-	-	9,050	9,620	25,538	20,533
Stock compensation expense	2,155	1,869	1,805	3,188	3,695	4,522
Leverageable Adjusted EBITDA	\$ 203,262	\$ 219,070	\$ 231,692	\$ 234,013	\$ 286,162	\$ 293,842

(1) Consists of costs related to the company's business transformation projects to improve the company's operational profitability and liquidity.