

**COLFAX**

**Matthew Trerotola  
President & CEO**

**BAIRD CONFERENCE | NOVEMBER 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 factors detailed in Colfax's reports filed with the U.S. Securities and Exchange Commission including its 2017 Annual Report on Form 10-K and Quarterly Report on Form 10-Q for the period ended September 28, 2018 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 the date hereof. Colfax disclaims any duty to update the information herein.

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 per share, projected adjusted net income per share and Core or organic sales growth (decline). Adjusted net income per share and projected adjusted net income per share exclude Restructuring and other related items, Goodwill and intangible asset impairment charges, Pension settlement loss, acquisition-related amortization, and gain or loss on short term investments, to the extent they impact the periods presented. The effective tax rate used to calculate adjusted net income per share for the year ended December 31, 2017 is 25.7%. 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 the Company. Colfax management also believes that presenting these measures allows investors to view its performance using the same measures that the Company uses in evaluating its financial and business performance and trends.

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

# Colfax Strategy – A Winning Model

## 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



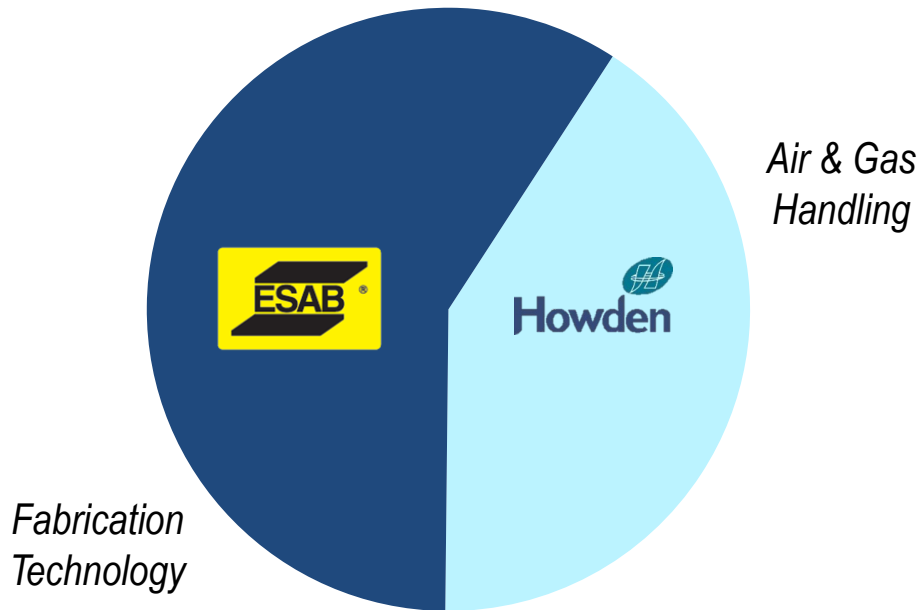
## Use CBS to Make Them Great

- Values
- Tools & processes
- Way of working

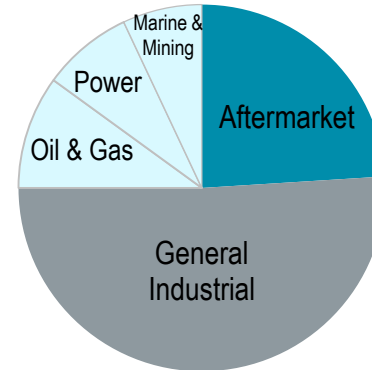
We use CBS to make good businesses great

# Colfax Overview

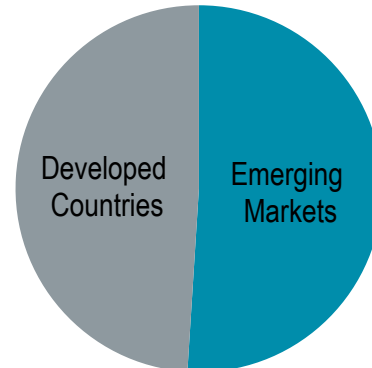
\$3.3 BILLION 2017 REVENUES



## DIVERSIFIED END MARKETS



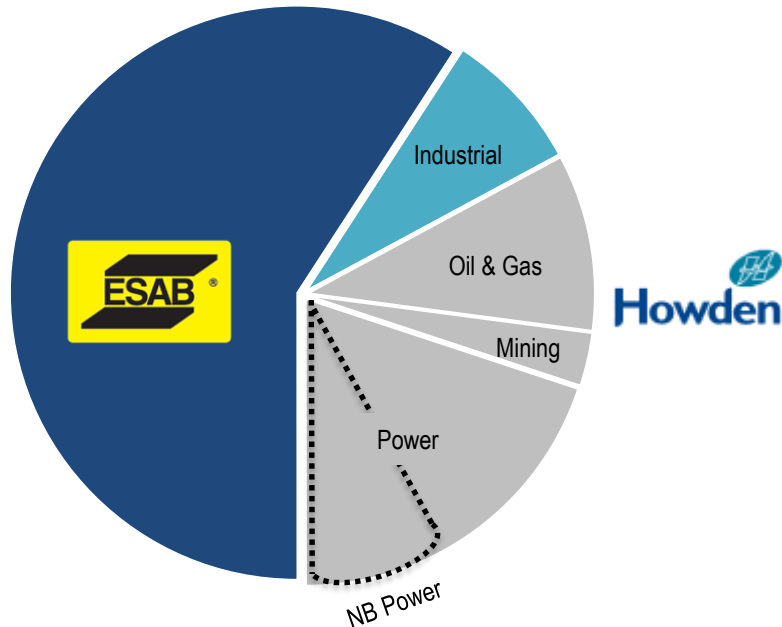
## GLOBAL PRESENCE



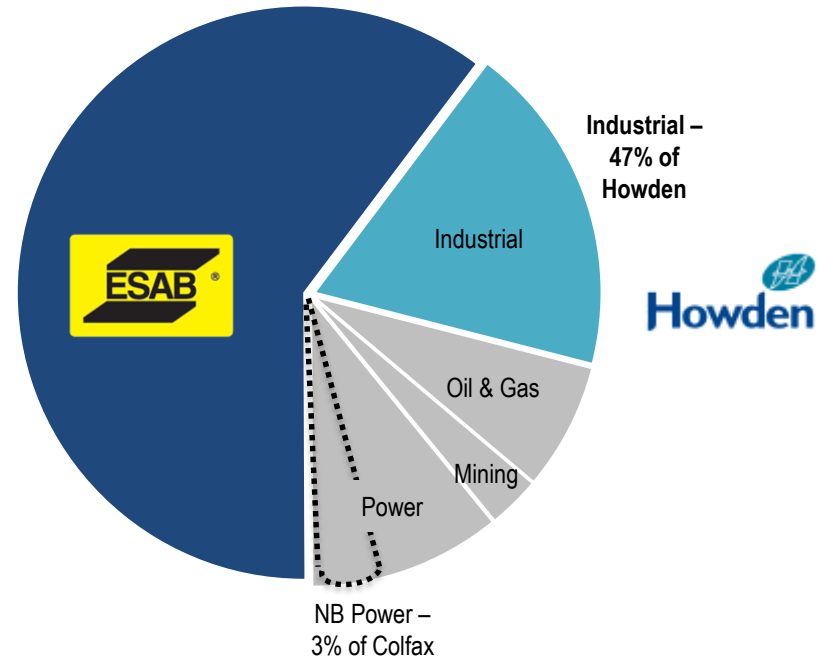
Two platforms providing branded, differentiated industrial products

# Shaping Colfax for Long Term Growth

2013 Sales



September 2018 YTD Sales



- Successfully diversifying into higher-growth, less cyclical end markets
- Pursuing an active pipeline of attractive bolt-on and platform acquisitions
- Investing in technology to accelerate growth
- Pivoting to regions and applications with faster growth

# Acquisitions Supporting Growth

- Completed three new acquisitions recently
- Advance key strategies in industrial, specialty filler metal, automation and analytics
- Acquisitions have provided additional momentum to DDA (Data Driven Advantage) strategy
- Continuing to pursue an active pipeline of attractive bolt-on acquisitions
- New platforms remain a focus



**Sandvik**  
Welding  
Consumables



Ventsim

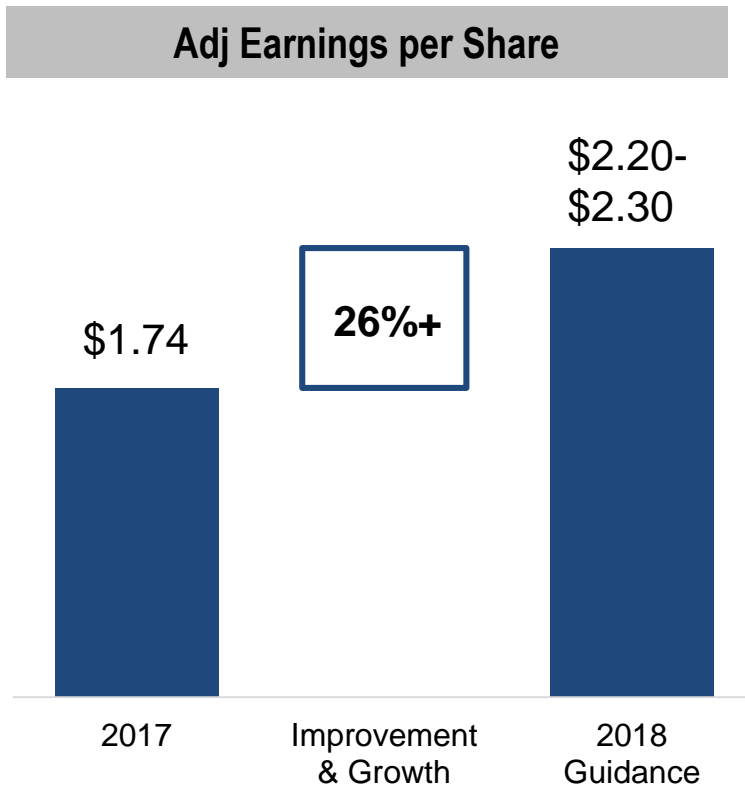


**Siemens**  
Turbo  
Equipment



Recent Acquisitions Adding Financial and Strategic Value

# 2018 Progress and Outlook



- ESAB growth momentum; Howden margins improving
- Restructuring actions progressing well
- Investing in and attracting the best talent
- Improving the portfolio with attractive acquisitions
- Remain on target to deliver significant earnings growth in 2018

# Colfax Strategy

## 3-5 Year Objectives

### Strengthen the foundation

- Deeper, empowered talent accelerating performance
- Colfax Business System – culture & impact
- Fixed and variable productivity journeys

**Mid-teen  
segment  
margins**

### Pivot to growth

- Focus on segments where the growth is
- Drive new products & innovation
- Emerging Markets expansion

**GDP +1-2%  
organic  
growth**

### Innovate and acquire

- Expand innovation and IoT pipeline
- Acquisitions to strengthen & extend platforms
- New platforms broaden, diversify portfolio

**Innovate and  
acquire to  
compound  
returns**



**COLFAX**

**APPENDIX**

# Non-GAAP Reconciliation

(unaudited)

	2018 Earnings Per Share	
	Low	High
Projected net income per share from continuing operations (GAAP)- diluted	\$ 1.28	\$ 1.39
Restructuring and other related charges- pretax	0.56	0.56
Acquisition-related amortization and other non-cash charges- pretax <sup>(1)</sup>	0.68	0.68
Loss on short term investments- pretax	0.08	0.08
Tax adjustment <sup>(2)</sup>	<u>(0.40)</u>	<u>(0.41)</u>
Projected adjusted net income per share	<u>\$ 2.20</u>	<u>\$ 2.30</u>

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

(2) The estimated effective tax rate for adjusted net income and adjusted net income per share for the year ended December 31, 2018 is 20-21%.

# Non-GAAP Reconciliation

(unaudited)

	<u>Year Ended</u>	
	<u>December 31, 2017</u>	
<b>Adjusted Net Income and Adjusted Net Income Per Share</b>		
Net (loss) income from continuing operations attributable to Colfax Corporation <sup>(1)</sup>	\$	(72,957)
Restructuring and other related charges- pretax		68,351
Goodwill and intangible asset impairment charge - pretax		152,700
Pension settlement loss - pretax		46,933
Acquisition-related amortization- pretax		60,091
Tax adjustment <sup>(2)</sup>		(38,789)
Adjusted net income from continuing operations	\$	216,329
Adjusted net income per share continuing operations	\$	1.74
Net (loss) income per share- diluted from continuing operations (GAAP)	\$	(0.59)

(1) Net (loss) income from continuing operations attributable to Colfax Corporation is calculated using Net (loss) income from continuing operations less the income attributable to noncontrolling interest, net of taxes.

(2) The effective tax rate used to calculate adjusted net income per share is 25.7% for the year ended December 31, 2017.

*Note: In thousands, except per share amounts.*