

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

COLFAX

SECOND QUARTER 2018 | EARNINGS CONFERENCE CALL

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 June 29, 2018 under the caption "Risk Factors." In addition, these statements are based on a number of assumptions that are subject to change. This press release speaks only as of the date hereof. Colfax disclaims any duty to update the information herein.

Colfax has provided in this press release 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, projected adjusted net income per share, adjusted operating income, adjusted EBITDA, adjusted EBITDA margin, Core or organic sales growth (decline), and organic order growth (decline). Adjusted net income, adjusted net income per share, projected adjusted net income per share, adjusted operating income, adjusted EBITDA and adjusted EBITDA margin exclude Restructuring and other related items, Goodwill and intangible asset impairment charges, and Pension settlement loss, to the extent they impact the periods presented. Adjusted net income and adjusted net income per share also exclude the impact of acquisition-related amortization and gain or loss on short term investments, to the extent they impact the periods presented. The 2018 Adjusted EBITDA and adjusted EBITDA margin also exclude the gain or loss on short term investments, to the extent it impacts the periods presented. The effective tax rates used to calculate adjusted net income and adjusted net income per share for the three and six months ended June 29, 2018 are 15.0% and 17.9%, respectively. The effective tax rates used to calculate adjusted net income and adjusted net income per share for the three and six months ended June 30, 2017 are 29.6% and 28.0%, respectively. Core or 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 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.

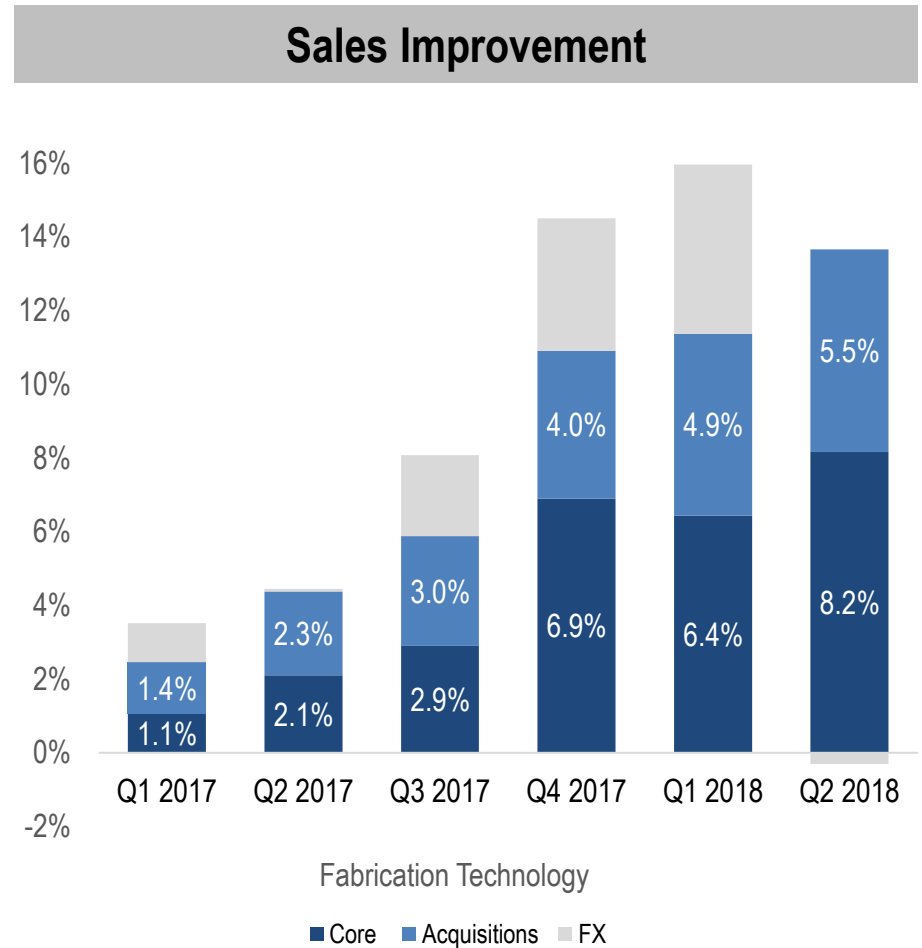
Sales and order information by end market are estimates. We periodically update our customer groupings order to refine these estimates.

Q2 2018 Highlights

- Second quarter operating performance was in-line with expectations
- Fabrication Technology achieved another quarter of strong growth with a healthy outlook
- Air & Gas Handling adjusted operating margins expanded sequentially from the first quarter; strong Industrial growth continued
- Signed agreement for a complementary Fabrication Technology acquisition; repurchased shares
- Increased full year adjusted net income per share outlook

Fabrication Technology Performing Strongly

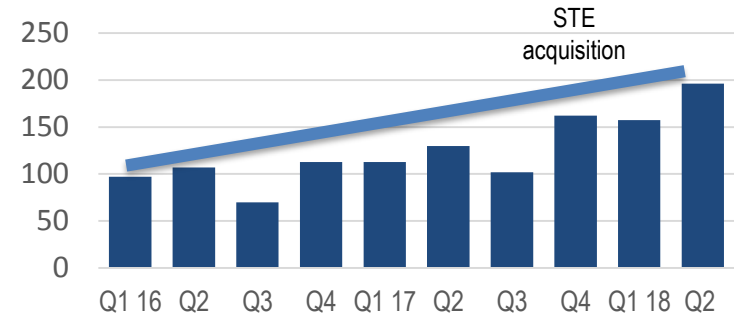
- Strong core growth across all regions and product groups
- Product vitality numbers continue to improve
- Strong automation and cutting backlog and funnel momentum



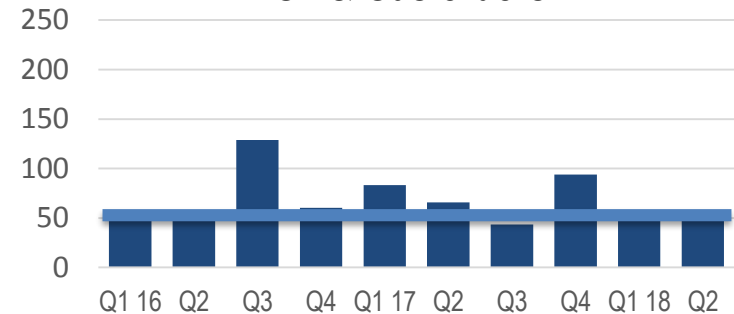
Air & Gas Handling Progress

- Air & Gas Handling industrial segment orders grew organically 24%
- Oil & Gas orders of \$68 million before sanctions-related cancellation; strong funnels support outlook for 2H improvement
- Q2 Power orders in expected range
- Executing and expanding restructuring initiatives
- Air & Gas Handling margins improved and on track for second half recovery
- Remain on target to deliver 2018 earnings growth

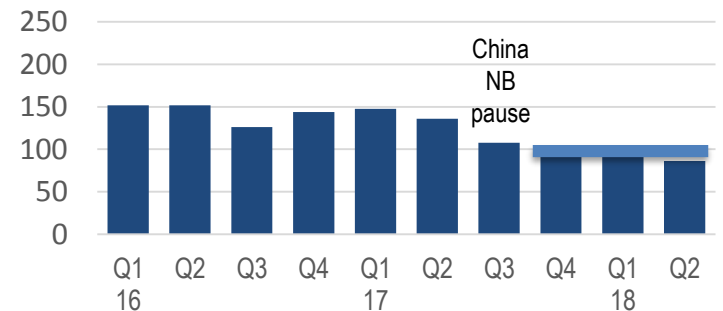
General Industrial orders



Oil & Gas orders



Power Generation orders

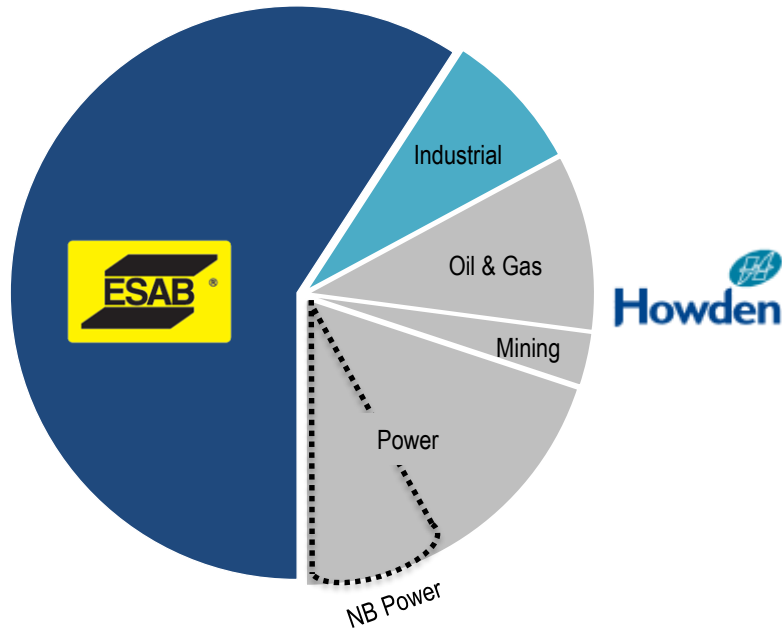


- European gas equipment business with leading brands
- Over 100 years of experience developing, manufacturing and distributing equipment for pressure and flow control of high pressure gases
- Serves a broad range of industries including scientific and research, medical and general industry
- Complements our Fabrication Technology business with improved scale and customer reach while increasing our presence in attractive specialty gas applications

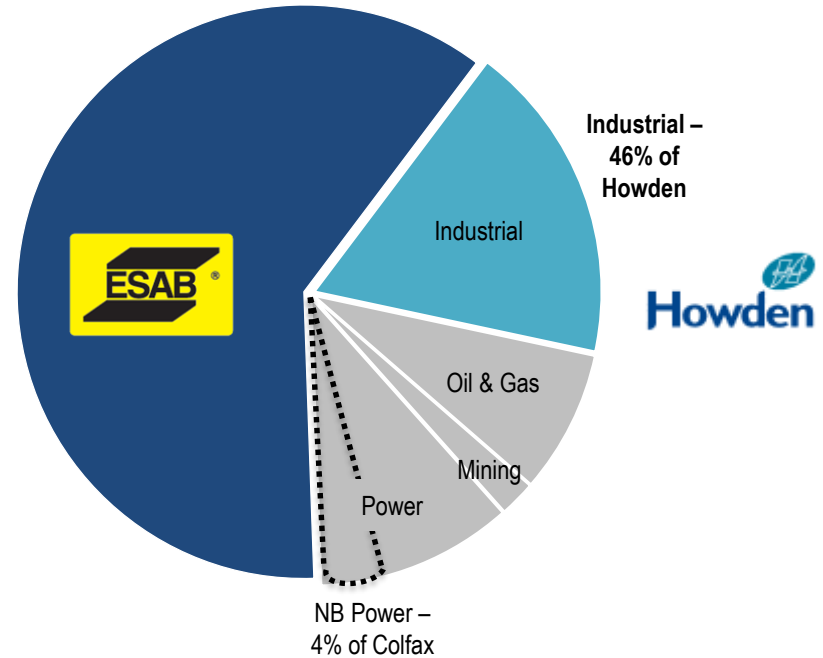


Shaping Colfax for Long Term Growth

2013 Sales



June 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

Q2 2018 Financial Highlights

\$Millions, except per share amounts

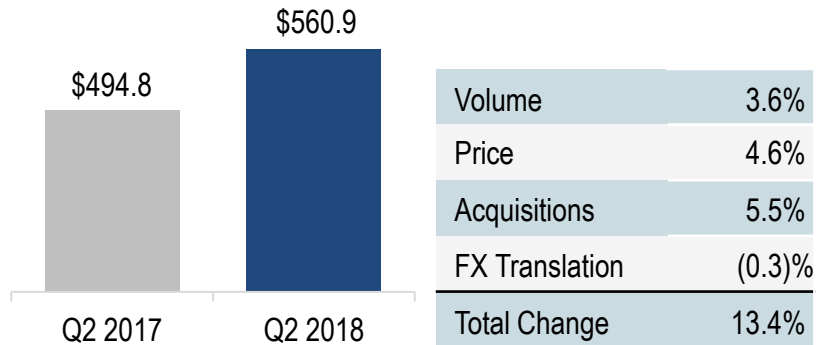
| | <u>Q2 2017</u> | <u>Q2 2018</u> |
|-----------------|----------------|----------------|
| Net sales | \$848 | \$925 |
| Gross profit | \$258 | \$287 |
| Margin | 30.4% | 31.1% |
| Adj Op Profit | \$81 | \$83 |
| Margin | 9.6% | 8.9% |
| Adjusted EBITDA | \$111 | \$117 |
| Adjusted EPS | \$0.45 | \$0.61 |

- Sales increased 9% yr-yr
 - Acquisitions +8%, FX +2%, Organic -1%
- Gross margin improved 70 bps
 - Acquisitions, restructuring benefits
- Adjusted Operating profit up \$2M
 - Grew \$7M excluding amortization
 - Benefits from acquisitions and restructuring offset A&GH market softness
- Q2 2018 adjusted EPS increased 36% to \$0.61
 - Higher adj operating profit (excluding amortization), 7c discrete tax benefits

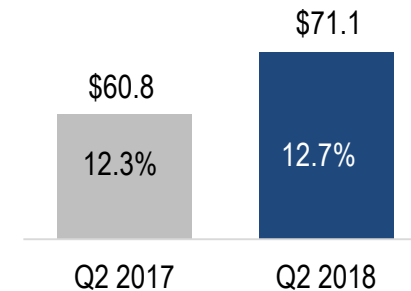
Q2 2018 Results: Fabrication Technology

\$Millions

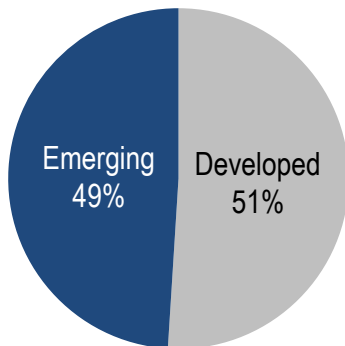
Sales



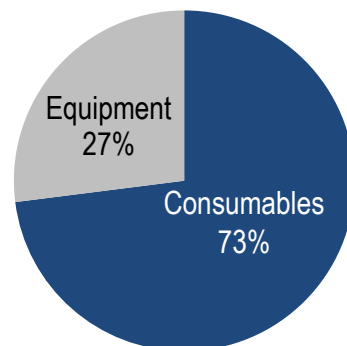
Adjusted Operating Profit



Geographic Exposure YTD



Consumable Mix YTD

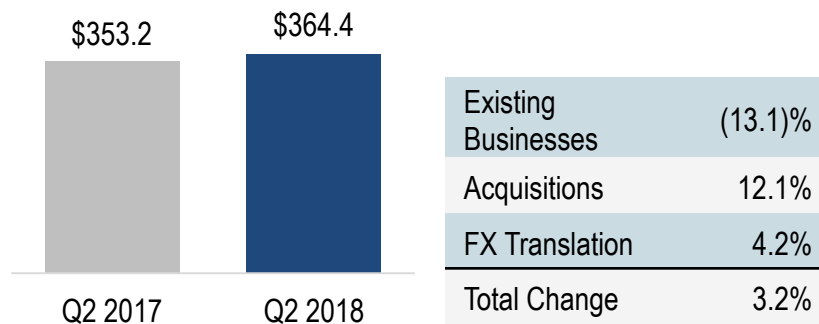


- 13% sales growth in the quarter, 8% core; growth across all products and regions
- Margins improved 40 basis points to 12.7% on higher sales
- Material inflation offset with price

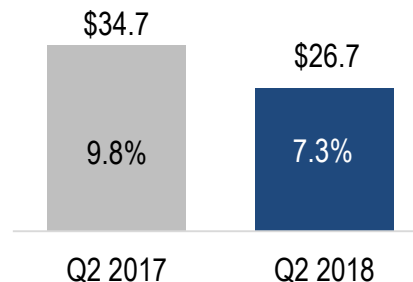
Q2 2018 Results: Air & Gas Handling

\$Millions

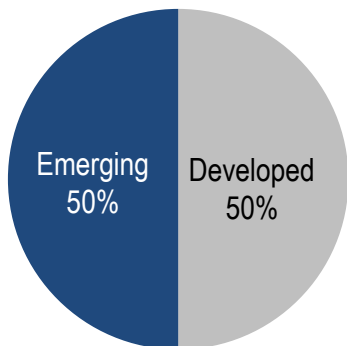
Sales



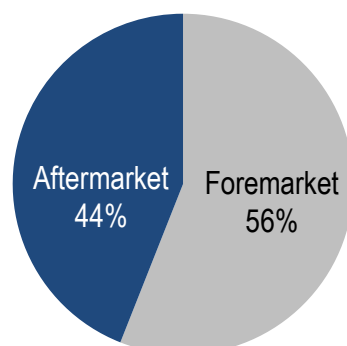
Adjusted Operating Profit



Geographic Exposure YTD



AFM / FM Mix YTD

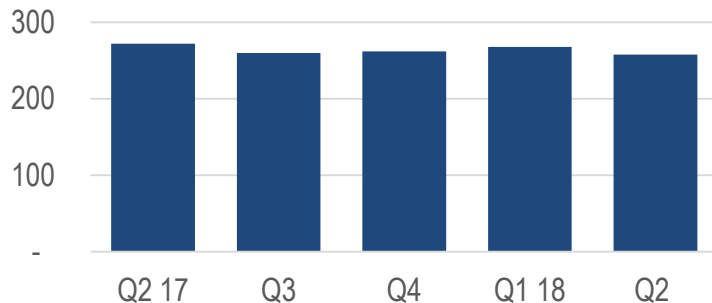


- 3% sales growth in the quarter, -13% core as expected
- Margins sequentially improved 60 basis points from Q1 to 7.3%
- Expect improved performance in the second half of 2018; seasonally strong Q4

Ample Liquidity to Support Strategic Growth

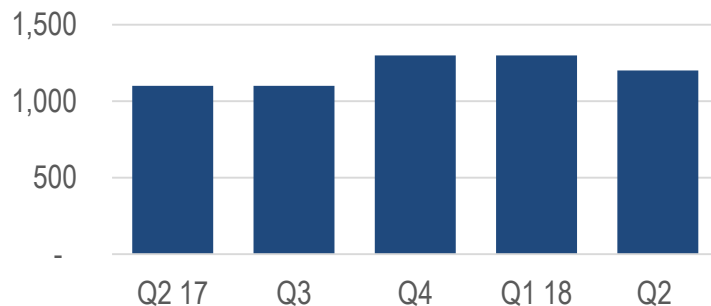
\$Millions

Cash Balances



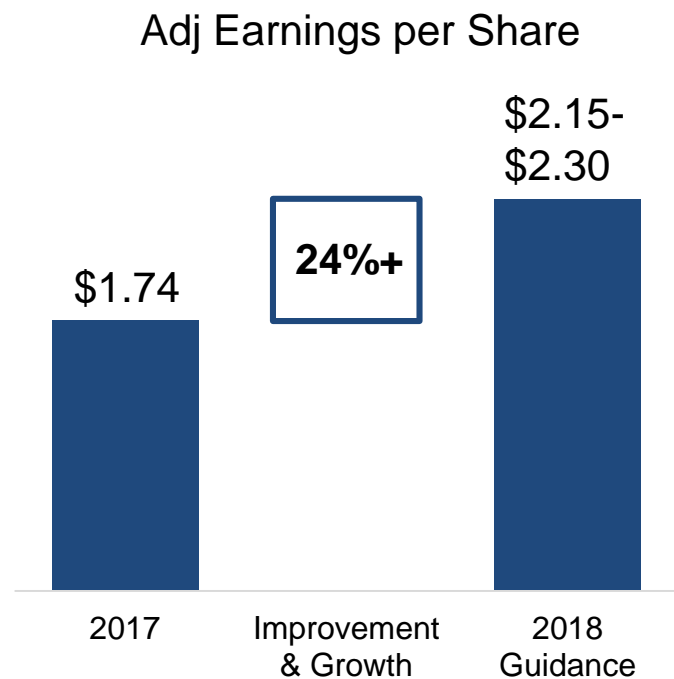
- Sold CIRCOR shares in Q2 for net proceeds of \$139 million
- Repurchased \$200 million of Colfax shares since May (\$144 million in Q2)

Revolver Undrawn Capacity



- Net leverage of 2.5X at June 29, 2018
- \$1.3B revolver total capacity

2018 Outlook



Initial 2018 guidance of \$2.00-\$2.15

Increased in May to \$2.05-\$2.20

Increased in August to \$2.15-2.30

- Expect strong performance in the second half of 2018 with seasonally highest profits in the fourth quarter
- Continued growth and profitability in FabTech; improved price offsetting material inflation
- Improved Air & Gas Handling adjusted margins, and extended benefits from restructuring actions
- Repurchased 6.4 million shares since May, 4.6 million in Q2
- Increased guidance to \$2.15-\$2.30

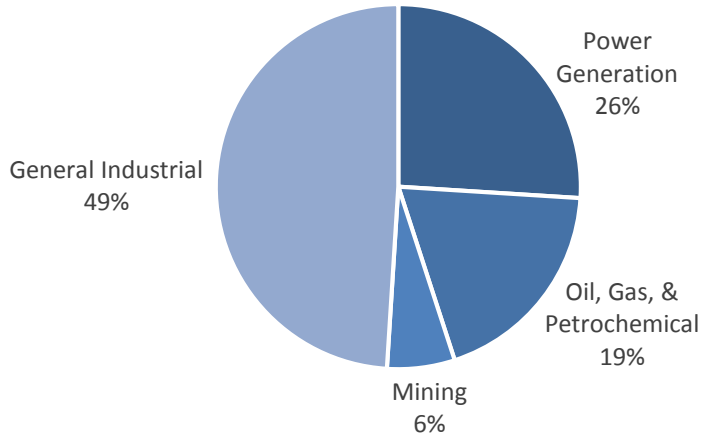
The logo for COLFAX is displayed in a bold, black, sans-serif font. The letters are closely spaced, and the 'X' has a distinctive design with a small gap in the middle. The logo is centered within a white rectangular box that is positioned on the left side of the page. The background of the entire page is a vibrant blue with dynamic, wavy, light-colored streaks that create a sense of motion and depth.

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APPENDIX

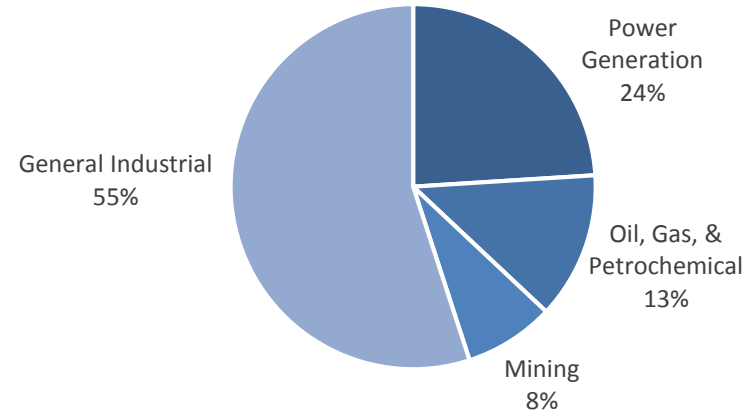
Q2 2018 Air & Gas Handling Sales and Orders by End Market

Sales: \$364.4 million



| | Total (Decline) Growth | Organic (Decline) Growth |
|----------------------------|------------------------|--------------------------|
| Power Generation | (40.2)% | (43.8)% |
| Oil, Gas & Petrochemical | 10.6% | (2.0)% |
| Mining | (28.9)% | (32.1)% |
| General Industrial & Other | 76.7% | 33.9% |
| Total | 3.2% | (13.1)% |

Orders: \$359.6 million

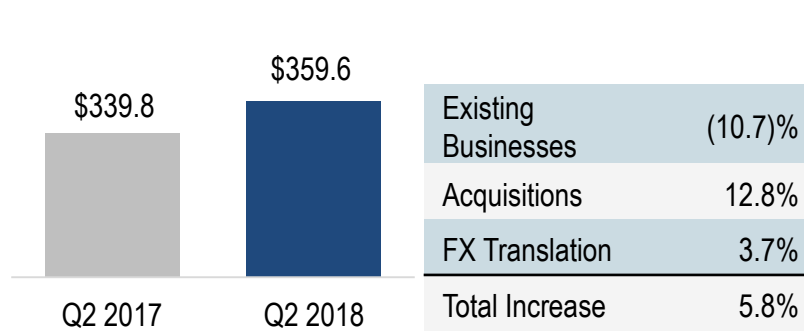


| | Total (Decline) Growth | Organic (Decline) Growth |
|----------------------------|------------------------|--------------------------|
| Power Generation | (32.6)% | (37.9)% |
| Oil, Gas & Petrochemical | (21.0)% | (29.8)% |
| Mining | 4.9% | 0.7% |
| General Industrial & Other | 58.9% | 24.1% |
| Total | 5.8% | (10.7)% |

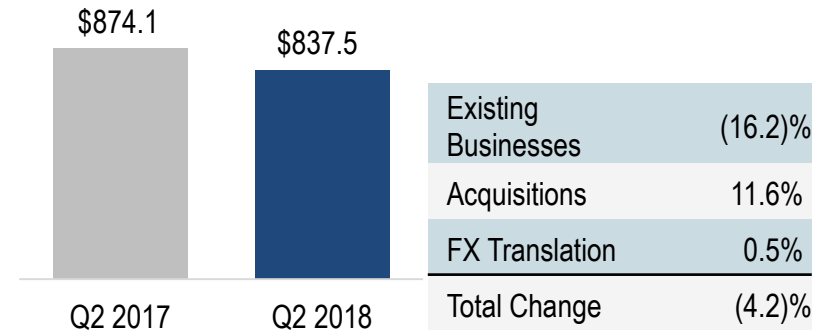
Q2 2018 Air & Gas Handling Orders and Backlog

\$Millions

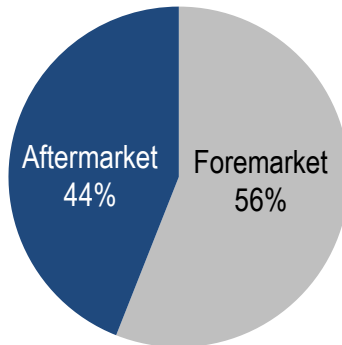
Orders



Backlog



Revenue Profile YTD



Change in Sales, Orders and Backlog

(unaudited)

| | Net Sales | | Air and Gas Handling | |
|---|-----------------|-------------|----------------------|-------------|
| | | | Orders | |
| | \$ | % | \$ | % |
| For three months ended June 30, 2017 | \$ 848.0 | | \$ 339.8 | |
| <i>Components of Change:</i> | | | | |
| Existing Businesses ⁽¹⁾ | (6.0) | (0.7)% | (36.4) | (10.7)% |
| Acquisitions ⁽²⁾ | 70.1 | 8.3% | 43.5 | 12.8% |
| Foreign Currency Translation | 13.2 | 1.6% | 12.7 | 3.7% |
| | <u>77.3</u> | <u>9.1%</u> | <u>19.8</u> | <u>5.8%</u> |
| For the three months ended June 29, 2018 | \$ 925.3 | | \$ 359.6 | |

| | Net Sales | | Air and Gas Handling | | | |
|---|-------------------|--------------|----------------------|-------------|-----------------------|---------------|
| | | | Orders | | Backlog at Period End | |
| | \$ | % | \$ | % | \$ | % |
| As of and for the six months ended June 30, 2017 | \$ 1,581.6 | | \$ 675.4 | | \$ 874.1 | |
| <i>Components of Change:</i> | | | | | | |
| Existing Businesses ⁽¹⁾ | 30.0 | 1.9% | (119.9) | (17.8)% | (141.7) | (16.2)% |
| Acquisitions ⁽²⁾ | 138.9 | 8.8% | 90.2 | 13.4% | 101.2 | 11.6% |
| Foreign Currency Translation | 55.7 | 3.5% | 41.0 | 6.1% | 3.9 | 0.5% |
| | <u>224.6</u> | <u>14.2%</u> | <u>11.3</u> | <u>1.7%</u> | <u>(36.6)</u> | <u>(4.2)%</u> |
| As of and for the six months ended June 29, 2018 | \$ 1,806.2 | | \$ 686.7 | | \$ 837.5 | |

(1) Excludes the impact of foreign exchange rate fluctuations and acquisitions, thus providing a measure of growth due to factors such as price, product mix and volume.

(2) Represents the incremental sales, orders and order backlog as a result of the acquisitions completed in our Air and Gas Handling segment, and incremental sales for acquisitions completed in our Fabrication Technology segment.

Note: in millions

COLFAX

Non-GAAP Reconciliation

(unaudited)

| | Three Months Ended June 29, 2018 | | | | Three Months Ended June 30, 2017 | | | |
|---|----------------------------------|------------------------|---------------------|--------------------------|----------------------------------|------------------------|---------------------|--------------------------|
| | Air and Gas Handling | Fabrication Technology | Corporate and Other | Total Colfax Corporation | Air and Gas Handling | Fabrication Technology | Corporate and Other | Total Colfax Corporation |
| Net sales | \$ 364,431 | \$ 560,857 | \$ — | \$ 925,288 | \$ 353,165 | \$ 494,797 | \$ — | \$ 847,962 |
| Operating income (loss) | 20,280 5.6% | 60,540 10.8% | (15,116) | 65,704 7.1% | 31,509 8.9% | 52,958 10.7% | (14,345) | 70,122 8.3% |
| Restructuring and other related charges | 6,393 | 10,552 | 1 | 16,946 | 3,193 | 7,867 | — | 11,060 |
| Adjusted operating income (loss) | \$ 26,673 7.3% | \$ 71,092 12.7% | \$ (15,115) | \$ 82,650 8.9% | \$ 34,702 9.8% | \$ 60,825 12.3% | \$ (14,345) | \$ 81,182 9.6% |
| | Six Months Ended June 29, 2018 | | | | Six Months Ended June 30, 2017 | | | |
| | Air and Gas Handling | Fabrication Technology | Corporate and Other | Total Colfax Corporation | Air and Gas Handling | Fabrication Technology | Corporate and Other | Total Colfax Corporation |
| Net sales | \$ 712,083 | \$ 1,094,130 | \$ — | \$ 1,806,213 | \$ 626,734 | \$ 954,858 | \$ — | \$ 1,581,592 |
| Operating income (loss) | 38,164 5.4% | 122,264 11.2% | (32,552) | 127,876 7.1% | 52,301 8.3% | 105,855 11.1% | (27,811) | 130,345 8.2% |
| Restructuring and other related charges | 11,891 | 12,966 | 18 | 24,875 | 5,224 | 10,609 | — | 15,833 |
| Adjusted operating income (loss) | \$ 50,055 7.0% | \$ 135,230 12.4% | \$ (32,534) | \$ 152,751 8.5% | \$ 57,525 9.2% | \$ 116,464 12.2% | \$ (27,811) | \$ 146,178 9.2% |

Note: in thousands.

COLFAX

Non-GAAP Reconciliation

(unaudited)

| | Three Months Ended | | Six Months Ended | |
|---|--------------------|------------------|-------------------|-------------------|
| | June 29, 2018 | June 30, 2017 | June 29, 2018 | June 30, 2017 |
| Adjusted Net Income and Adjusted Net Income Per Share | | | | |
| Net income from continuing operations attributable to Colfax Corporation ⁽¹⁾ | \$ 64,186 | \$ 36,783 | \$ 91,558 | \$ 72,229 |
| Restructuring and other related charges- pretax | 16,946 | 11,060 | 24,875 | 15,833 |
| Acquisition-related amortization and other non-cash charges- pretax ⁽²⁾ | 19,381 | 13,684 | 40,062 | 27,077 |
| (Gain) Loss on short term investments-pretax | (4,591) | — | 10,128 | — |
| Tax adjustment ⁽³⁾ | (20,740) | (5,824) | (31,897) | (11,221) |
| Adjusted net income from continuing operations | <u>\$ 75,182</u> | <u>\$ 55,703</u> | <u>\$ 134,726</u> | <u>\$ 103,918</u> |
| | | | | |
| Adjusted net income per share continuing operations | \$ 0.61 | \$ 0.45 | \$ 1.09 | \$ 0.84 |
| Net income per share- diluted from continuing operations (GAAP) | \$ 0.52 | \$ 0.30 | \$ 0.74 | \$ 0.58 |

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

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

(3) The effective tax rates used to calculate adjusted net income and adjusted net income per share for the second quarter and six months ended June 29, 2018 are 15.0% and 17.9%, respectively. These rates exclude the benefit of a \$12.5 million deferred tax asset valuation allowance reversal. The effective tax rates used to calculate adjusted net income and adjusted net income per share for the second quarter and six months ended June 30, 2017 are 29.6% and 28.0%, respectively.

Note: In thousands, except per share amounts.

COLFAX

Non-GAAP Reconciliation

(unaudited)

| | Three Months Ended | |
|---|--------------------|---------------|
| | June 29, 2018 | June 30, 2017 |
| Net income from continuing operations | \$ 67,508 | \$ 41,864 |
| Interest expense | 9,680 | 8,524 |
| (Benefit) provision for income taxes | (6,893) | 19,734 |
| Depreciation and amortization | 34,563 | 29,578 |
| Restructuring and other related charges | 16,946 | 11,060 |
| Gain on short term investments | (4,591) | — |
| Adjusted EBITDA | \$ 117,213 | \$ 110,760 |

Note: In thousands

COLFAX

Non-GAAP Reconciliation

(unaudited)

| | <u>Updated Guidance</u> | | <u>Previous Guidance</u> | |
|--|-------------------------|----------------|--------------------------|----------------|
| | <u>Low</u> | <u>High</u> | <u>Low</u> | <u>High</u> |
| 2018 Earnings Per Share | | | | |
| Projected net income per share from continuing operations (GAAP)- diluted | \$ 1.19 | \$ 1.35 | \$ 1.22 | \$ 1.37 |
| Restructuring and other related charges- pretax | 0.58 | 0.58 | 0.31 | 0.31 |
| Acquisition-related amortization and other non-cash charges- pretax ⁽¹⁾ | 0.61 | 0.61 | 0.60 | 0.60 |
| Loss on short term investments- pretax | 0.08 | 0.08 | 0.12 | 0.12 |
| Tax adjustment ⁽²⁾ | <u>(0.31)</u> | <u>(0.32)</u> | <u>(0.20)</u> | <u>(0.20)</u> |
| Projected adjusted net income per share | <u>\$ 2.15</u> | <u>\$ 2.30</u> | <u>\$ 2.05</u> | <u>\$ 2.20</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 20-22%.