

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 2016 | 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 2015 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.

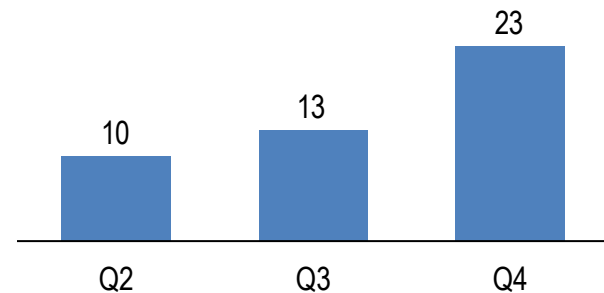
Q4 Highlights

- Delivered financial performance expectations
- Structural cost changes drive margin improvement
- Orders growth in a stable market
- Strengthening M&A pipeline and the acquisition of AMI

Colfax on Path to Segment Mid-teen Margins

- Increasing read-through on SG&A cost reduction actions across both segments
- Delivered >\$50M of structural cost reductions in 2016
- On track to deliver an incremental \$50M savings in 2017
 - Permanent cost reductions
 - Strengthening our Company

SG&A Net Savings
(YOY \$Million Normalized)



CBS - Improving Our Business

CFH Large Project Pursuit



- CBS progress improving customer service and enabling growth
- Policy Deployment focus on large project commercial processes
 - Increased cross functional coordination earlier in the project
 - Faster, more responsive pre-sale engagement
 - Value analysis process incorporates customer and competitor dynamics
- Colfax Fluid Handling leveraging streamlined process to win new projects

Increasing Focus on Growth

- Broad-based G&FH orders growth
 - Aftermarket growth initiatives drive growth in more stable market
 - General industrial growth led by commercial traction in Asia
- Investments in growth initiatives coming to market
 - New ESAB and Victor equipment products launched at FabTech
 - Strengthened regional field marketing teams
 - Progress on adding structure and resources to growth regions
- Active M&A pipeline



Wide Range of Applications



Fusion tube and thin-wall pipe

- Nuclear
- Semiconductor
- Bio-pharmaceutical
- Aerospace
- Food & beverage



Narrow groove welding

- Power – gas/nuclear/thermal
- Pressure vessels
- Marine



Tube and tube to sheet

- Heat exchangers
- Refining & Petrochem
- Power – gas/nuclear/thermal

- Adds another automation technology to ESAB
- AMI is a market leader in orbital TIG welding used in mission critical applications where weld quality is paramount
 - #1 in North America, #2 globally
 - Diversified end markets with mid single digit growth
- Opportunities for complementary acquisitions

Q4 2016 Financial Highlights

	<u>Q4 2015</u>	<u>Q4 2016</u>
Total Sales	\$1061.5	\$933.8
Gross Profit	\$333.4	\$288.6
% of sales	31.4%	30.9%
SG&A Expense	\$232.8	\$197.8
% of sales	21.9%	21.2%
Adjusted Operating Profit	\$100.6	\$90.8
% of sales	9.5%	9.7%
Adjusted EBITDA	\$136.2	\$125.0
% of sales	12.8%	13.4%
Adjusted Net Income per Share	\$0.51	\$0.46

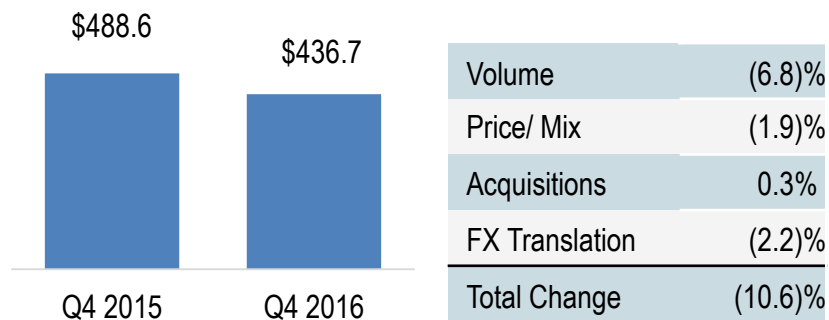
- Grew G&FH orders but sales lagged prior year
- Achieved AOP expectations despite FX headwind
- Structural cost reductions and productivity improvements contributed to higher AOP margin versus prior year
- Interest expense includes \$2.6 million FX benefit
- Exceeded the upper end of Adjusted EPS guidance range

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

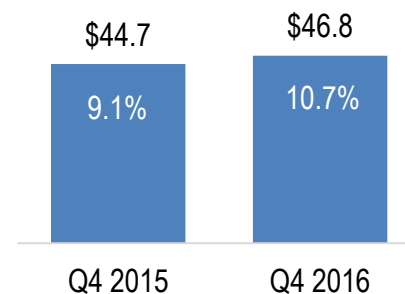
Fabrication Technology

Q4 2016 Results

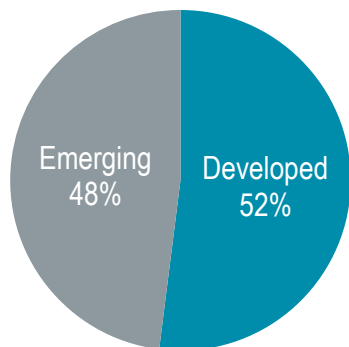
Sales



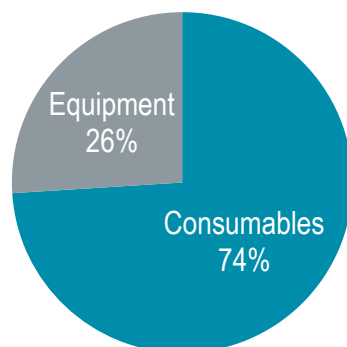
Adjusted Operating Profit



Geographic Exposure YTD



Consumable Mix YTD



- Approximately 3% impact from 2 fewer days in fiscal period
- Sequentially flat, bolstered by more stable NA market
- 160 bps margin improvement driven by restructuring and productivity

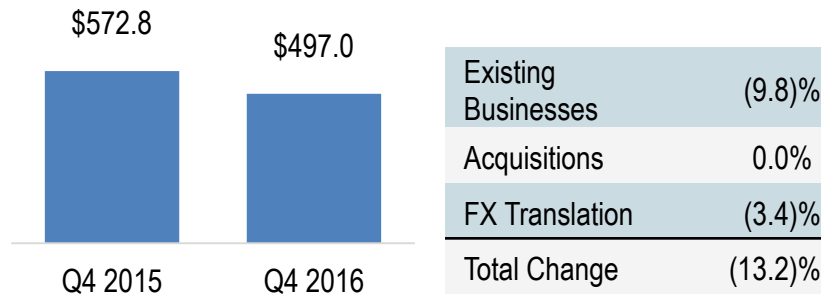
Note: Dollars in millions (unaudited).

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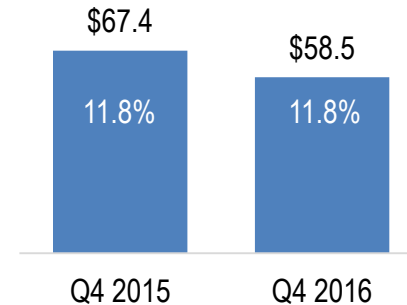
Gas & Fluid Handling

Q4 2016 Results

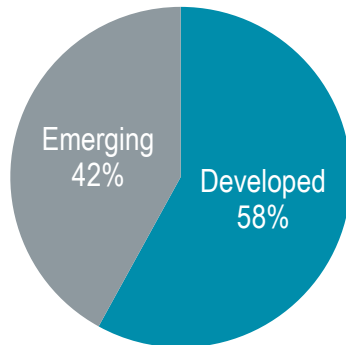
Sales



Adjusted Operating Profit



Geographic Exposure FY 2016



- Lower revenue in line with expectations
- Structural cost savings support mid-teen decrementals
- Increased contribution from supply chain and value engineering

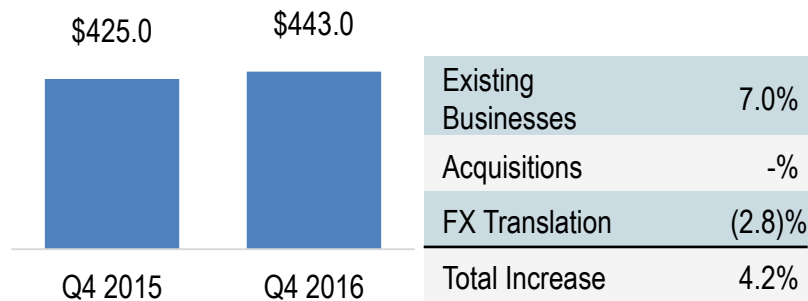
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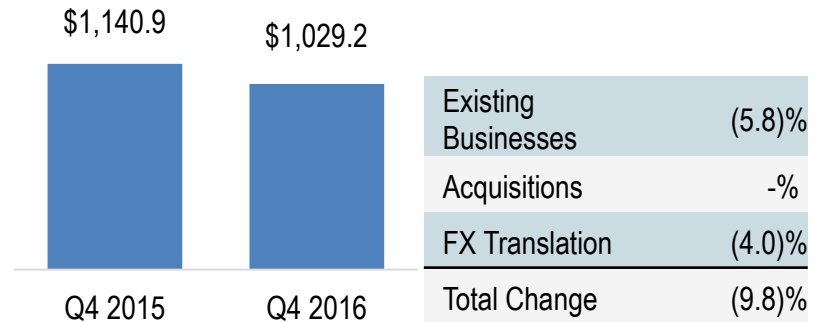
Gas & Fluid Handling

Q4 2016 Results

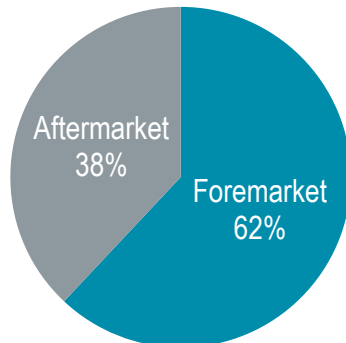
Orders



Backlog



Revenue Profile FY 2016



- Value selling process improvement drove project wins
- Broad based improvement in General Industrial
- Mining continues to recover with project awards in Asia and Australia

Note: Dollars in millions (unaudited).

Backlog measured as of the end of the quarter.

2016 Progress

Strengthen the foundation

- ESAB margins moving forward again
- Cost reductions reading through
- Successful leadership transitions

Pivot to growth

- G&FH order growth in 2nd half
- Good ESAB performance in context
- Accelerating pace of new products

Strengthen the portfolio

- Renewing M&A pipeline

Outlook

- Improving cost structure furthers progress toward mid-teen margin goal for business segments
- Pivoting toward growth on increasing market stability
- More robust M&A pipeline focused on accelerating growth initiatives
- Affirming 2017 Adjusted EPS guidance range of \$1.55 to \$1.70

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APPENDIX

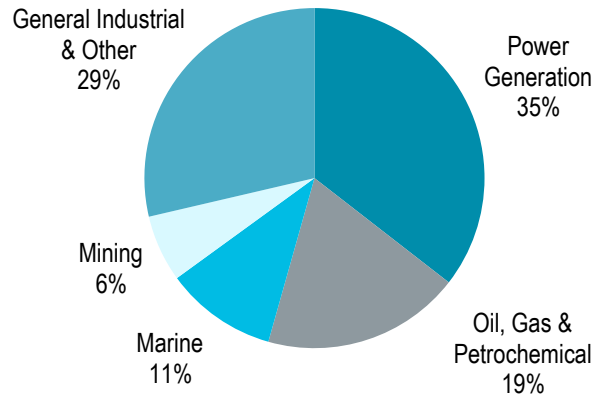
Disclaimer

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, projected adjusted net income per share, adjusted operating income, adjusted operating income margin, adjusted EBITDA, adjusted EBITDA margin, 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 operating income margin, adjusted EBITDA, and adjusted EBITDA margin exclude Restructuring and other related charges, Asbestos coverage adjustment, and charges associated with the deconsolidation of our operations in Venezuela to the extent they impact the periods presented. Adjusted EBITDA and adjusted EBITDA margin also exclude depreciation and amortization charges. Adjusted net income and adjusted net income per share for the year ended December 31, 2015 exclude the write-off of certain deferred financing fees and original issue discount associated with the refinancing of Colfax's credit agreement. The effective tax rates used to calculate adjusted net income and adjusted net income per share are 27.5% and 28.6% for the fourth quarter and year ended December 31, 2016, respectively, and 25.1% and 27.5% for the fourth quarter and year ended December 31, 2015, 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, asbestos coverage adjustments, Venezuela deconsolidation charges, depreciation, amortization and write-off of certain deferred financing fees and original issue discount.

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

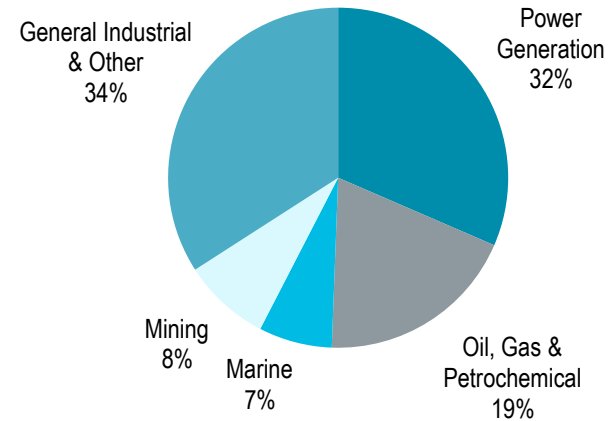
Q4 2016 Gas & Fluid Handling Sales and Orders by End Market

Sales: \$497.0 million



	Total Growth (Decline)	Organic Growth (Decline)
Power Generation	5.7%	9.6%
Oil, Gas & Petrochemical	(40.6)%	(34.6)%
Marine	(11.4)%	(10.0)%
Mining	43.7%	41.0%
General Industrial & Other	(14.4)%	(12.3)%
Total	(13.2)%	(9.8)%

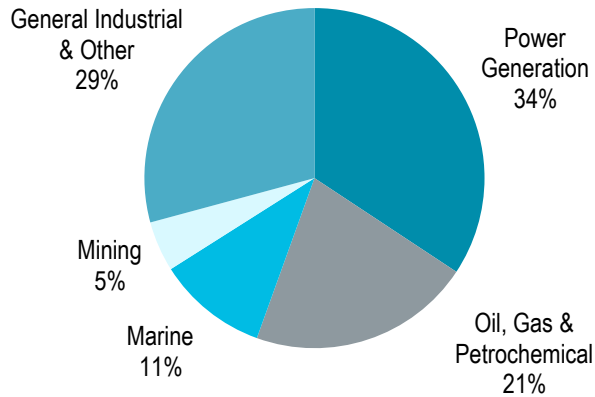
Orders: \$443.0 million



	Total Growth (Decline)	Organic Growth (Decline)
Power Generation	3.7%	7.9%
Oil, Gas & Petrochemical	(7.6)%	(4.0)%
Marine	(39.0)%	(37.3)%
Mining	81.9%	78.0%
General Industrial & Other	18.0%	20.1%
Total	4.2%	7.0%

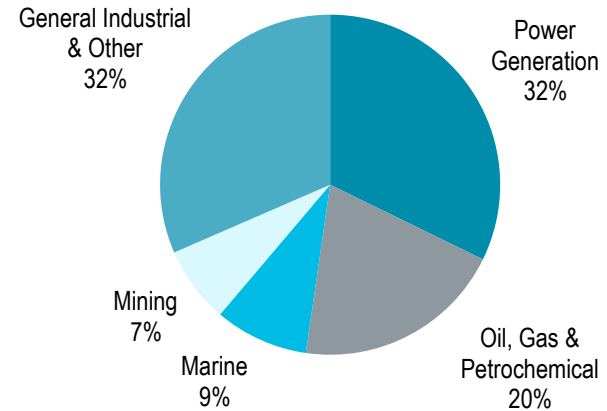
FY 2016 Gas & Fluid Handling Sales and Orders by End Market

Sales: 1,846.6 million



	Total Growth (Decline)	Organic Growth (Decline)
Power Generation	(3.2)%	0.5%
Oil, Gas & Petrochemical	(14.2)%	(11.4)%
Marine	(8.4)%	(7.3)%
Mining	(2.9)%	(0.5)%
General Industrial & Other	(5.1)%	(10.0)%
Total	(6.8)%	(6.1)%

Orders: 1,752.3 million



	Total Growth (Decline)	Organic Growth (Decline)
Power Generation	(10.0)%	(5.6)%
Oil, Gas & Petrochemical	(10.0)%	(8.0)%
Marine	(14.4)%	(13.0)%
Mining	63.6%	62.4%
General Industrial & Other	7.0%	(1.6)%
Total	(2.4)%	(2.7)%

Change in Sales, Orders and Backlog

(unaudited)

	Net Sales		Orders	
	\$	%	\$	%
For the three months ended December 31, 2015	\$ 1,061.5		\$ 425.0	
<i>Components of Change:</i>				
Existing Businesses	(98.2)	(9.3)%	29.6	7.0%
Acquisitions ⁽¹⁾	1.3	0.1%	—	—%
Foreign Currency Translation	(30.8)	(2.8)%	(11.6)	(2.8)%
Total	(127.7)	(12.0)%	18.0	4.2%
For the three months ended December 31, 2016	\$ 933.8		\$ 443.0	

	Net Sales		Orders		Backlog at Period End	
	\$	%	\$	%	\$	%
As of and for the year ended December 31, 2015	\$ 3,967.1		\$ 1,794.8		\$ 1,140.9	
<i>Components of Change:</i>						
Existing Businesses	(223.8)	(5.6)%	(49.3)	(2.7)%	(66.6)	(5.8)%
Acquisitions ⁽²⁾	52.9	1.3%	66.6	3.7%	—	—%
Foreign Currency Translation	(149.2)	(3.8)%	(59.8)	(3.4)%	(45.1)	(4.0)%
Total	(320.1)	(8.1)%	(42.5)	(2.4)%	(111.7)	(9.8)%
As of and for the year ended December 31, 2016	\$ 3,647.0		\$ 1,752.3		\$ 1,029.2	

(1) Represents the incremental sales as a result of our acquisition of Arc Machines, Inc.

(2) Represents the incremental sales and orders as a result of our acquisitions of Arc Machines, Inc., Roots™ blowers and compressors, and Simsmart Technologies.

Note: Dollars in millions.

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Non-GAAP Reconciliation

(unaudited)

	For the three months ended December 31, 2016								For the three months ended December 31, 2015										
	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	\$	497,006	\$	436,745	\$	—	\$	933,751	\$	572,824	\$	488,640	\$	—	\$	1,061,464			
Operating income (loss)		44,016	8.9%	36,444	8.3%	(14,493)	65,967	7.1%	47,407	8.3%	29,148	6.0%	(11,492)	65,063	6.1%				
Asbestos coverage adjustment		—		—		—	—		—		—		—	—					
Restructuring and other related charges		14,530		10,323		—	24,853		19,965		15,554		—	35,519					
Loss on deconsolidation of Venezuelan operations		—		—		—	—		—		—		—	—					
Adjusted operating income (loss)	\$	58,546	11.8%	\$	46,767	10.7%	\$	(14,493)	\$	67,372	11.8%	\$	44,702	9.1%	\$	(11,492)	\$	100,582	9.5%
	Year Ended December 31, 2016								Year Ended December 31, 2015										
	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	\$	1,846,555	\$	1,800,492	\$	—	\$	3,647,047	\$	1,981,816	\$	1,985,237	\$	—	\$	3,967,053			
Operating income (loss)		124,326	6.7%	163,509	9.1%	(49,820)	238,015	6.5%	162,942	8.2%	168,687	8.5%	(46,984)	284,645	7.2%				
Restructuring and other related charges		42,482		31,688		—	74,170		31,527		29,650		—	61,177					
Asbestos coverage adjustment		8,226		—		—	8,226		—		—		—	—					
Loss on deconsolidation of Venezuelan operations		1,874		495		—	2,369		—		—		—	—					
Adjusted operating income (loss)	\$	176,908	9.6%	\$	195,692	10.9%	\$	(49,820)	\$	194,469	9.8%	\$	198,337	10.0%	\$	(46,984)	\$	345,822	8.7%

Note: Dollars in thousands.

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Non-GAAP Reconciliation

(unaudited)

	Three Months Ended		Year Ended December 31,	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Adjusted Net Income and Adjusted Net Income Per Share				
Net income attributable to Colfax Corporation	\$ 37,772	\$ 44,197	\$ 128,111	\$ 167,739
Restructuring and other related charges	24,853	35,519	74,170	61,177
Asbestos coverage adjustment	—	—	8,226	—
Loss on deconsolidation of Venezuelan operations	—	—	2,369	—
Debt extinguishment charges- Refinancing of credit agreement	—	—	—	4,731
Tax adjustment ⁽¹⁾	(5,758)	(16,678)	(21,040)	(33,549)
Adjusted net income	\$ 56,867	\$ 63,038	\$ 191,836	\$ 200,098
Adjusted net income margin	6.1%	5.9%	5.3%	5.0%
Weighted-average shares outstanding - diluted	123,385	124,102	123,199	124,870
Adjusted net income per share	\$ 0.46	\$ 0.51	\$ 1.56	\$ 1.60
Net income per share— diluted (in accordance with GAAP)	\$ 0.31	\$ 0.36	\$ 1.04	\$ 1.34

(1) The effective tax rates used to calculate adjusted net income and adjusted net income per share are 27.5% and 28.6% for the three and year ended December 31, 2016, respectively, and 25.1% and 27.5% for the three and year ended December 31, 2015, respectively.

Note: In thousands, except per share amounts.

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Non-GAAP Reconciliation

(unaudited)

	Three Months Ended		Year Ended December 31,	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Net income	\$ 42,819	\$ 48,529	\$ 145,191	\$ 187,178
Interest expense, net	5,393	10,593	30,016	47,743
Provision for (benefit from) income taxes	17,755	5,941	62,808	49,724
Depreciation and amortization	34,142	35,597	135,248	141,961
Restructuring and other related charges	24,853	35,519	74,170	61,177
Asbestos coverage adjustment	—	—	8,226	—
Loss on deconsolidation of Venezuelan operations	—	—	2,369	—
Adjusted EBITDA	\$ 124,962	\$ 136,179	\$ 458,028	\$ 487,783
Adjusted EBITDA margin	13.4%	12.8%	12.6%	12.3%

Note: Dollars in thousands.

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Non-GAAP Reconciliation

(unaudited)

	2017 EPS Range	
	<hr/>	
Projected net income per share – diluted	\$ 1.29	\$ 1.44
Restructuring costs	0.36	0.36
Tax Adjustment	(0.10)	(0.10)
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Projected adjusted net income per share - diluted	\$ 1.55	\$ 1.70
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