

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 6, 2014

Colfax Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-34045
(Commission
File Number)

54-1887631
(I.R.S. Employer
Identification No.)

8170 Maple Lawn Boulevard, Suite 180
Fulton, MD 20759
(Address of Principal Executive Offices) (Zip Code)

(301) 323-9000
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 2.02. Results of Operations and Financial Condition.

On February 6, 2014, Colfax Corporation issued a press release reporting financial results for the fourth quarter and year ended December 31, 2013. A copy of Colfax Corporation's press release is attached to this report as Exhibit 99.1 and is incorporated in this report by reference. Colfax Corporation has scheduled a conference call for 8:00 a.m. EST on February 6, 2014 to discuss its financial results, and slides for that call are attached to this report as Exhibit 99.2 and are incorporated in this report by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

- 99.1 Colfax Corporation press release dated February 6, 2014, reporting financial results for the fourth quarter and year ended December 31, 2013.
- 99.2 Colfax Corporation slides for February 6, 2014 conference call reporting financial results for the fourth quarter and year ended December 31, 2013.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Colfax Corporation

Date: February 6, 2014

By: /s/ C. Scott Brannan

Name: C. Scott Brannan

Title: Senior Vice President, Finance and Chief

Financial Officer

EXHIBIT INDEX

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- 99.2 Colfax Corporation slides for February 6, 2014 conference call reporting financial results for the fourth quarter and year ended December 31, 2013.



COLFAX REPORTS RECORD FOURTH QUARTER 2013 RESULTS

- Fourth quarter net income per dilutive share of \$0.31, adjusted net income per share of \$0.61
- Fourth quarter net sales increased 14.0% (10.2% organically) to \$1.171 billion
- Gas- and fluid-handling finished the period with record backlog of \$1.577 billion

FULTON, MD - February 6, 2014 - Colfax Corporation (NYSE: CFX) today announced its financial results for the fourth quarter ended December 31, 2013.

For the fourth quarter, net income was \$32.0 million, or \$0.31 per dilutive share. Adjusted net income (as defined below) was \$70.1 million, or \$0.61 per share, which includes a 2 cent per share gain related to the reduction of an uncertain tax position.

Net sales were \$1.171 billion in the fourth quarter, an increase of 14.0% from the prior year. Net sales increased 10.2% organically. Fourth quarter operating income was \$119.6 million, with adjusted operating income (as defined below) of \$124.4 million, an increase of 40%.

Fourth quarter gas- and fluid-handling orders were \$547.8 million compared to orders of \$520.3 million in the prior year, an increase of 5.3%. Gas- and fluid-handling finished the period with record backlog of \$1.577 billion.

Full year net income was \$158.2 million, or \$1.54 per dilutive share, with adjusted net income (as defined below) of \$229.8 million, or \$2.04 per share. Net sales for 2013 were \$4.207 billion, an increase of 7.5% compared to net sales for 2012; this reflects a 2.7% increase organically. Full year operating income was \$406.4 million, with adjusted operating income (as defined below) of \$431.4 million, an increase of 29%.

Full year gas- and fluid-handling orders were \$2.061 billion, an increase of 3.3% over the prior year.

Adjusted net income, adjusted net income per share, adjusted operating income, organic sales growth and organic order growth (decline) are not financial measures calculated in accordance with generally accepted accounting principles in the U.S. ("GAAP"). See below for a description of the measures' usefulness and a reconciliation of these measures to their most directly comparable GAAP financial measures.

Steve Simms, President and Chief Executive Officer, stated, "We are pleased to finish the year with another solid quarter of operating performance. Our fabrication technology group saw year-on-year organic growth this quarter, as well as continued strong operational performance. Gas- and fluid-handling also out performed our revenue expectations this quarter, but the dilutive impact of acquisitions in the quarter left overall segment margins relatively flat. Integration of these acquisitions is progressing well, and these businesses are expected to significantly increase our 2014 earnings. The deployment of CBS across this organization has reduced working capital, fundamentally changed our cost structure and is positioning us for future organic growth. We exit the year confident in our ability to deliver our previously stated 2014 guidance."

Non-GAAP Financial Measures and Other Adjustments

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, adjusted operating income, organic sales growth and organic order growth (decline). Adjusted net income, adjusted net income per share and adjusted operating income exclude asbestos coverage litigation expense, restructuring and other related charges, expenses related to the Charter acquisition, fair value adjustments related to the ESAB and Howden inventory and backlog amortization expense, write-off of certain deferred financing fees and original issue discount associated with the refinancing of Colfax's credit agreement and gain recorded on acquisition of remaining ownership interest of a less than wholly owned subsidiary in which Colfax did not hold a controlling interest, to the extent they impact the periods presented. The effective tax rates used to calculate adjusted net income and adjusted net income per share are 27.6% and 26.6% for the fourth quarter and full year ended December 31, 2013, respectively, and 15% and 25% for the fourth quarter and full year ended December 31, 2012, respectively. Organic sales growth and organic order 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 asbestos insurance coverage issues, expenses and significant year-one fair value adjustment amortization expense related to the Charter acquisition and major restructuring programs.

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 these non-GAAP measures to their most directly comparable GAAP financial measures. A reconciliation of non-GAAP financial measures presented above to GAAP results has been provided in the financial tables included in this press release.

Conference Call and Webcast

Colfax will host a conference call to provide details about its results on Thursday, February 6, 2014 at 8:00 a.m. EST. The call will be open to the public through 877-303-7908 (U.S. callers) or 678-373-0875 (international callers) and referencing the conference ID number 35304030, or through webcast via Colfax's website at www.colfaxcorp.com under the "Investors" section. Access to a supplemental slide presentation can also be found at the Colfax website under the same heading. Both the audio of this call and the slide presentation will be archived on the website later today and will be available until the next quarterly call.

About Colfax Corporation

Colfax Corporation is a diversified global manufacturing and engineering company that provides gas- and fluid-handling and fabrication technology products and services to commercial and governmental customers around the world under the Howden, Colfax Fluid Handling and ESAB brands. Colfax believes that its brands are among the most highly recognized in each of the markets that it serves. Colfax is traded on the NYSE under the ticker "CFX." Additional information about Colfax is available at www.colfaxcorp.com.

CAUTIONARY NOTE CONCERNING FORWARD LOOKING STATEMENTS:

This press release 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 2012 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 press release speaks only as of the date hereof. Colfax disclaims any duty to update the information herein.

The term "Colfax" in reference to the activities described in this press release may mean one or more of Colfax's global operating subsidiaries and/or their internal business divisions and does not necessarily indicate activities engaged in by Colfax Corporation.

Contact:

Farand Pawlak, Director of Investor Relations

Colfax Corporation

301-323-9054

Farand.Pawlak@colfaxcorp.com

Colfax Corporation
Consolidated Statements of Operations
Dollars in thousands, except per share amounts
(Unaudited)

	Three Months Ended		Year Ended	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Net sales	\$ 1,171,378	\$ 1,027,397	\$ 4,207,209	\$ 3,913,856
Cost of sales	813,997	719,827	2,900,987	2,761,731
Gross profit	357,381	307,570	1,306,222	1,152,125
Selling, general and administrative expense	219,159	234,261	860,994	895,452
Charter acquisition-related expense	—	—	—	43,617
Restructuring and other related charges	18,074	16,994	35,502	60,060
Asbestos coverage litigation expense	533	4,147	3,334	12,987
Operating income	119,615	52,168	406,392	140,009
Interest expense ⁽¹⁾	44,718	23,290	103,597	91,570
Income before income taxes	74,897	28,878	302,795	48,439
Provision for income taxes ⁽²⁾	30,704	3,812	93,652	90,703
Net income (loss)	44,193	25,066	209,143	(42,264)
Less: income attributable to noncontrolling interest, net of taxes	7,067	5,330	30,515	22,138
Net income (loss) attributable to Colfax Corporation	37,126	19,736	178,628	(64,402)
Dividends on preferred stock	5,142	5,072	20,396	18,951
Net income (loss) available to Colfax Corporation common shareholders	\$ 31,984	\$ 14,664	\$ 158,232	\$ (83,353)
Net income (loss) per share- basic	\$ 0.31	\$ 0.14	\$ 1.56	\$ (0.92)
Net income (loss) per share- diluted	\$ 0.31	\$ 0.13	\$ 1.54	\$ (0.92)

⁽¹⁾ Includes noncash charges associated with the write-off of original issue discount and deferred costs in connection with the refinancings of our primary credit facility of \$26.9 million and \$29.4 million for the fourth quarter and full year ended December 31, 2013, respectively.

⁽²⁾ Provision for income taxes for the year ended December 31, 2012 was significantly impacted by the reassessment of certain deferred tax assets as of the date of the Charter acquisition, which resulted in an increase in the Company's valuation allowance, and the Charter acquisition-related expenses that are either not deductible for tax purposes or were incurred in jurisdictions where no tax benefit can be recognized.

Colfax Corporation
Reconciliation of GAAP to Non-GAAP Financial Measures
Dollars in thousands, except per share amounts
(Unaudited)

	Three Months Ended		Year Ended	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Adjusted Operating Income				
Operating income	\$ 119,615	\$ 52,168	\$ 406,392	\$ 140,009
Restructuring and other related charges	18,074	16,994	35,502	60,060
Charter acquisition-related expense	—	—	—	43,617
Fair value adjustments - ESAB/Howden backlog and inventory amortization expense	—	15,614	—	78,196
Asbestos coverage litigation expense	533	4,147	3,334	12,987
Gain on revaluation of Sichelub investment	(13,784)	—	(13,784)	—
Adjusted operating income	<u>\$ 124,438</u>	<u>\$ 88,923</u>	<u>\$ 431,444</u>	<u>\$ 334,869</u>
Adjusted operating income margin	10.6%	8.7%	10.3%	8.6%
Adjusted Net Income and Adjusted Net Income Per Share				
Net income (loss) attributable to Colfax Corporation	37,126	\$ 19,736	\$ 178,628	\$ (64,402)
Restructuring and other related charges	18,074	16,994	35,502	60,060
Charter acquisition-related expense	—	—	—	43,617
Fair value adjustments - ESAB/Howden backlog and inventory amortization expense	—	15,614	—	78,196
Asbestos coverage litigation expense	533	4,147	3,334	12,987
Gain on revaluation of Sichelub investment	(13,784)	—	(13,784)	—
Debt extinguishment charges- Refinancing of credit agreement	26,860	—	26,860	—
Tax adjustment ⁽¹⁾	1,309	(6,022)	(759)	29,297
Adjusted net income	<u>70,118</u>	<u>50,469</u>	<u>229,781</u>	<u>159,755</u>
Adjusted net income margin	6.0%	4.9%	5.5%	4.1%
Dividends on preferred stock	5,142	5,072	20,396	18,951
Adjusted net income available to Colfax Corporation common shareholders	64,976	45,397	209,385	140,804
Less: adjusted net income attributable to participating securities ⁽²⁾	—	5,831	4,571	18,087
	<u>\$ 64,976</u>	<u>\$ 39,566</u>	<u>\$ 204,814</u>	<u>\$ 122,717</u>
Weighted-average shares outstanding - diluted	115,634,088	94,978,755	100,366,455	91,918,513
Adjusted net income per share	<u>\$ 0.61</u>	<u>\$ 0.42</u>	<u>\$ 2.04</u>	<u>\$ 1.34</u>
Net income (loss) per share— diluted (in accordance with GAAP)	<u>\$ 0.31</u>	<u>\$ 0.13</u>	<u>\$ 1.54</u>	<u>\$ (0.92)</u>

⁽¹⁾ The effective tax rates used to calculate adjusted net income and adjusted net income per share are 27.6% and 26.6% for the fourth quarter and full year ended December 31, 2013, respectively, and 15% and 25% for the fourth quarter and full year ended December 31, 2012.

⁽²⁾ Adjusted net income per share for periods prior to April 23, 2013 was calculated consistently with the two-class method in accordance with GAAP as the Series A preferred stock were considered participating securities. Subsequent to April 23, 2013, adjusted net income per share was calculated consistently with the if-converted method in accordance with GAAP as the Series A preferred stock were no longer participating securities. Adjusted net income per share for the full year ended December 31, 2013 excludes the impact of 12,173,291 common stock equivalent shares as their inclusion would be anti-dilutive.

Colfax Corporation
Change in Sales, Orders and Backlog
Dollars in millions
(Unaudited)

	Net Sales		Orders	
	\$	%	\$	%
For the three months ended December 31, 2012	\$ 1,027.4		\$ 520.3	
<i>Components of Change:</i>				
Existing Businesses	105.1	10.2 %	(12.8)	(2.5)%
Acquisitions ⁽¹⁾	66.7	6.5 %	50.2	9.6 %
Foreign Currency Translation	(27.8)	(2.7)%	(9.9)	(1.8)%
Total	144.0	14.0 %	27.5	5.3 %
For the three months ended December 31, 2013	\$ 1,171.4		\$ 547.8	

	Net Sales		Orders		Backlog at Period End	
	\$	%	\$	%	\$	%
As of and for the year ended December 31, 2012	\$ 3,913.9		\$ 1,996.0		\$ 1,431.5	
<i>Components of Change:</i>						
Existing Businesses	107.5	2.7 %	(15.3)	(0.8)%	(58.6)	(4.1)%
Acquisitions ⁽¹⁾	246.9	6.3 %	96.4	4.8 %	231.2	16.2 %
Foreign Currency Translation	(61.1)	(1.5)%	(15.7)	(0.7)%	(26.7)	(1.9)%
Total	293.3	7.5 %	65.4	3.3 %	145.9	10.2 %
As of and for the year ended December 31, 2013	\$ 4,207.2		\$ 2,061.4		\$ 1,577.4	

⁽¹⁾ Represents the incremental sales and orders as a result of our acquisitions of Charter, Soldex, Co-Vent, Clarus, CKD Kompressory, Flakt Woods, TLT-Babcock, Alphair, and Sichelub. The full year impact related to the Charter Acquisition represents 12 days of activity for ESAB and Howden as the acquisition closed on January 13, 2012. Represents the incremental order backlog as a result of our acquisitions of Clarus, CKD Kompressory, Flakt Woods, TLT-Babcock, Alphair and Sichelub.

Colfax Corporation
Consolidated Balance Sheets
Dollars in thousands, except share amounts
(Unaudited)

	December 31,	
	2013	2012
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 311,301	\$ 482,449
Trade receivables, less allowance for doubtful accounts of \$31,282 and \$16,464	1,030,892	873,382
Inventories, net	445,752	493,649
Other current assets	350,401	282,266
Total current assets	2,138,346	2,131,746
Property, plant and equipment, net	757,140	688,570
Goodwill	2,384,522	2,098,836
Intangible assets, net	832,553	779,049
Other assets	470,292	450,086
Total assets	\$ 6,582,853	\$ 6,148,287
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt	\$ 29,449	\$ 34,799
Accounts payable	860,380	699,626
Accrued liabilities	485,261	447,220
Total current liabilities	1,375,090	1,181,645
Long-term debt, less current portion	1,457,642	1,693,512
Other liabilities	1,009,006	1,116,844
Total liabilities	3,841,738	3,992,001
Equity:		
Preferred stock, \$0.001 par value; 20,000,000 shares authorized; 13,877,552 issued and outstanding	14	14
Common stock, \$0.001 par value; 400,000,000 shares authorized; 101,921,613 and 94,067,418 issued and outstanding	102	94
Additional paid-in capital	2,541,005	2,197,694
Retained earnings (accumulated deficit)	19,376	(138,856)
Accumulated other comprehensive loss	(46,608)	(146,594)
Total Colfax Corporation equity	2,513,889	1,912,352
Noncontrolling interest	227,226	243,934
Total equity	2,741,115	2,156,286
Total liabilities and equity	\$ 6,582,853	\$ 6,148,287

Colfax Corporation
Consolidated Statements of Cash Flows
Dollars in thousands
(Unaudited)

	Year Ended December 31,		
	2013	2012	2011
Cash flows from operating activities:			
Net income (loss)	\$ 209,143	\$ (42,264)	\$ 4,555
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation, amortization and fixed asset impairment charges	119,258	183,403	22,598
Stock-based compensation expense	13,334	9,373	4,908
Non-cash interest expense	44,377	16,997	735
Gain on revaluation of Sicelub investment	(13,784)	—	—
Unrealized loss on acquisition-related foreign currency derivative	—	—	21,146
Deferred income tax provision (benefit)	9,946	7,222	(1,722)
Changes in operating assets and liabilities, net of acquisitions:			
Trade receivables, net	(98,912)	(37,338)	(5,972)
Inventories, net	79,987	26,694	10,844
Accounts payable	128,889	88,927	(7,298)
Changes in other operating assets and liabilities	(130,069)	(78,994)	7,359
Net cash provided by operating activities	362,169	174,020	57,153
Cash flows from investing activities:			
Purchases of fixed assets, net	(71,482)	(83,187)	(13,624)
Acquisitions, net of cash received	(372,476)	(1,859,645)	(56,346)
Loans to non-trade creditors	(31,012)	—	—
Other, net	—	1,857	—
Net cash used in investing activities	(474,970)	(1,940,975)	(69,970)
Cash flows from financing activities:			
Borrowings under term credit facility	50,861	1,731,523	—
Payments under term credit facility	(679,755)	(531,415)	(10,000)
Proceeds from borrowings on revolving credit facilities	648,000	13,149	141,203
Repayments of borrowings on revolving credit facilities	(328,133)	(53,414)	(102,180)
Proceeds from issuance of common stock, net	324,153	756,762	3,719
Proceeds from issuance of preferred stock, net	—	332,969	—
Acquisition of shares held by noncontrolling interest	(14,913)	(29,292)	—
Payments of dividend on preferred stock	(20,396)	(17,446)	—
Other	(24,870)	(19,608)	—
Net cash (used in) provided by financing activities	(45,053)	2,183,228	32,742
Effect of foreign exchange rates on Cash and cash equivalents	(13,294)	(8,932)	(5,359)
(Decrease) increase in Cash and cash equivalents	(171,148)	407,341	14,566
Cash and cash equivalents, beginning of period	482,449	75,108	60,542
Cash and cash equivalents, end of period	\$ 311,301	\$ 482,449	\$ 75,108
Supplemental Disclosure of Cash Flow Information:			
Interest payments	\$ 58,970	\$ 79,857	\$ 5,209
Income tax payments, net	93,856	70,677	16,731

The COLFAX logo is rendered in a bold, black, sans-serif typeface. The letters are closely spaced, and the 'X' is particularly prominent. The logo is set against a light gray rectangular background that is positioned over a blue abstract graphic background consisting of flowing, wavy lines.

FOURTH QUARTER 2013 | 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 2012 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.

The logo for COLFAX, featuring the word in a bold, black, sans-serif font. The letters are closely spaced, and the 'X' has a distinctive shape with a gap in the middle. The logo is set against a light grey rectangular background.

COLFAX

The text 'Q4 2013 RESULTS' is displayed in a white, bold, sans-serif font. It is positioned on a light grey rectangular background that overlaps the bottom of the COLFAX logo box.

Q4 2013 RESULTS

Q4 2013 HIGHLIGHTS

- Adjusted net income of \$70.1 million (\$0.61 per share) compared to \$50.5 million (\$0.42 per share) in Q4 2012
- Net sales of \$1.17 billion, an increase of 14% from Q4 2012 net sales of \$1.03 billion (an organic increase of 10.2%)
- Adjusted operating income of \$124.4 million compared to \$88.9 million in Q4 2012
- Fourth quarter gas- and fluid-handling orders of \$547.8 million compared to orders of \$520.3 million in Q4 2012, an increase of 5.3%
- Gas- and fluid-handling backlog of \$1.58 billion at period end

FULL YEAR 2013 HIGHLIGHTS

- Adjusted net income of \$229.8 million (\$2.04 per share) compared to \$159.8 million (\$1.34 per share)
- Net sales of \$4.21 billion, an increase of 7.5% from full year 2012 net sales of \$3.91 billion (an organic increase of 2.7%)
- Adjusted operating income of \$431.4 million compared to \$334.9 million in 2012
- Gas- and fluid-handling orders of \$2.06 billion compared to orders of \$2.0 billion in 2012, an increase of 3.3%

The COLFAX logo is rendered in a bold, black, sans-serif font. The letters are closely spaced, and the 'X' has a distinctive shape with a sharp point. The logo is set against a light grey rectangular background that is slightly offset to the left and top.

COLFAX

The text 'GAS AND FLUID HANDLING' is written in a white, bold, sans-serif font. It is centered horizontally within a light grey rectangular background that is slightly offset to the left and top, matching the logo's background.

GAS AND FLUID HANDLING

GAS AND FLUID HANDLING Q4 2013 HIGHLIGHTS

- Net sales of \$650.8 million compared to net sales of \$514.4 million in Q4 2012, an increase of 26.5% (an organic increase of 17.9%)
- Adjusted segment operating income of \$78.1 million and adjusted segment operating income margin of 12.0%
 - Margins flat as compared to Q4 2012
 - 2013 acquisitions diluted margins by approximately 90 bps
- Fourth quarter orders \$547.8 million compared to orders of \$520.3 million in Q4 2012, an increase of 5.3%
- Backlog of \$1.58 billion at period end

GAS AND FLUID HANDLING FULL YEAR 2013 HIGHLIGHTS

- Net sales of \$2.104 billion compared to net sales of \$1.901 billion in 2012, an increase of 10.7% (an organic increase of 7.3%)
- Adjusted segment operating income of \$260.3 million and adjusted segment operating income margin of 12.4%
- Orders of \$2.06 billion compared to orders of \$2.0 billion in 2012, an increase of 3.3%

ORDERS AND BACKLOG

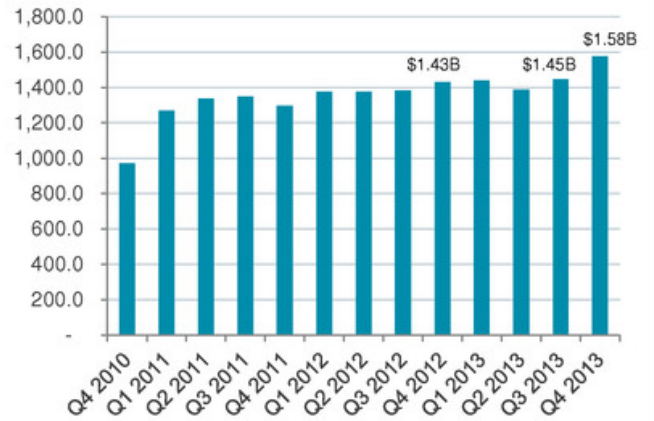
ORDERS



	QTD		YTD
Existing Businesses	(2.5)%		(0.8)%
Acquisitions	9.6%		4.8%
FX Translation	(1.8)%		(0.7)%
Total Growth	5.3%		3.3%

Note: Dollars in millions (unaudited).

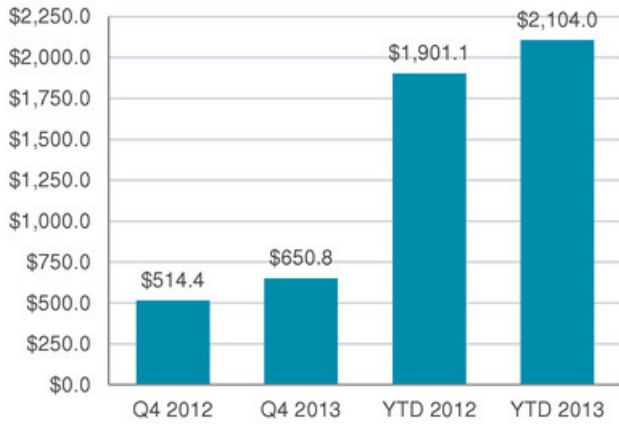
BACKLOG⁽¹⁾



(1) Backlog data for the periods prior to Q1 2012 are presented on a proforma basis.

REVENUE

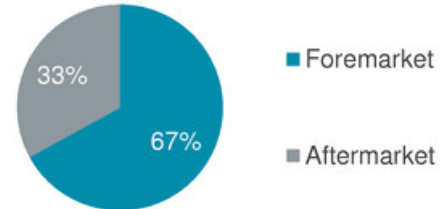
REVENUE



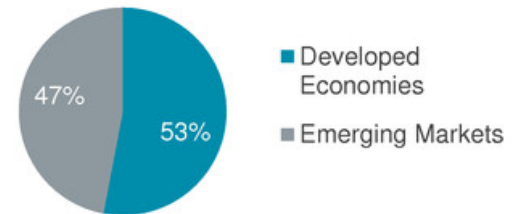
	QTD		YTD
Existing Businesses	17.9%		7.3%
Acquisitions	11.2%		4.4%
FX Translation	(2.6)%		(1.0)%
Total Growth	26.5%		10.7%

Note: Dollars in millions (unaudited).

AFTERMARKET REVENUE YTD 2013

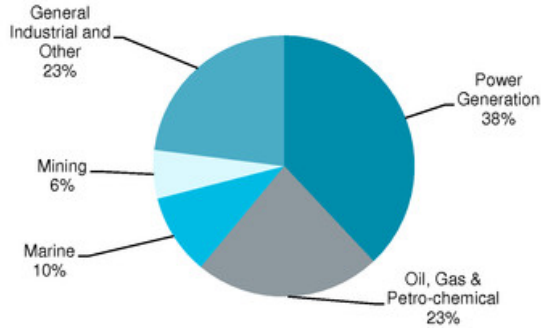


GEOGRAPHIC EXPOSURE YTD 2013



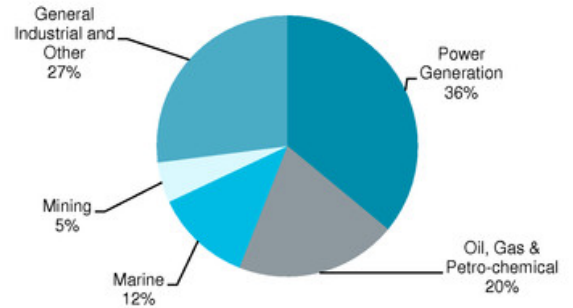
Q4 2013 SALES AND ORDERS BY END MARKET

SALES: \$650.8 Million



	Total Growth	Organic Growth (Decline)
Power Generation	38.4%	32.1%
Oil, Gas & Petrochemical	33.4%	20.4%
Marine	2.1%	(0.5)%
Mining	6.1%	9.6%
General Industrial & Other	21.3%	6.7%
Total	26.5%	17.9%

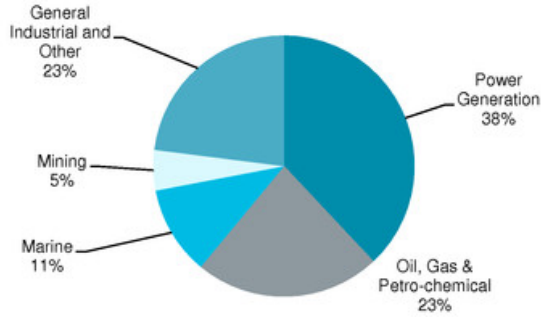
ORDERS: \$547.8 Million



	Total Growth (Decline)	Organic Growth (Decline)
Power Generation	18.4%	11.0%
Oil, Gas & Petrochemical	0.3%	(4.5)%
Marine	41.1%	38.0%
Mining	(56.0)%	(60.3)%
General Industrial & Other	7.0%	(6.6)%
Total	5.3%	(2.5)%

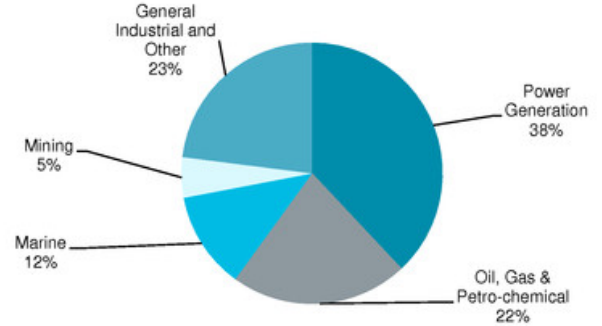
FULL YEAR 2013 SALES AND ORDERS BY END MARKET

SALES: \$2.104 Billion



	Total Growth (Decline)	Organic Growth (Decline)
Power Generation	31.8 %	30.5 %
Oil, Gas & Petrochemical	1.9 %	(2.2)%
Marine	7.0 %	3.9 %
Mining	(36.1)%	(34.1)%
General Industrial & Other	10.3 %	2.7 %
Total	10.7 %	7.3 %

ORDERS: \$2.061 Billion



	Total Growth (Decline)	Organic Growth (Decline)
Power Generation	17.5 %	13.4 %
Oil, Gas & Petrochemical	(2.6)%	(5.3)%
Marine	11.2 %	8.4 %
Mining	(39.6)%	(37.1)%
General Industrial & Other	2.8 %	(5.8)%
Total	3.3 %	(0.8)%

POWER GENERATION MARKET PERSPECTIVE

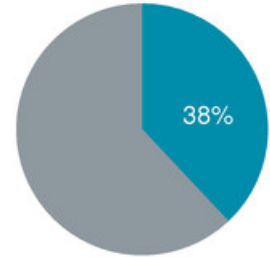
SALES & ORDERS GROWTH

	Q4 2013 vs. Q4 2012		YTD 2013 vs. YTD 2012	
	Total	Organic	Total	Organic
Sales	38.4 %	32.1 %	31.8 %	30.5 %
Orders	18.4 %	11.0 %	17.5 %	13.4 %

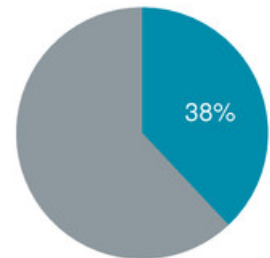
HIGHLIGHTS

- Served by both Howden and Colfax Fluid Handling
- Driven by fundamental global undersupply of electricity
- Growth driven by environmental upgrades in China and the U.S., strong pump sales to natural gas combined cycle power stations, as well as strength in maintenance work in South Africa

2013 SALES SPLIT



2013 ORDERS SPLIT



OIL, GAS & PETROCHEMICAL MARKET PERSPECTIVE

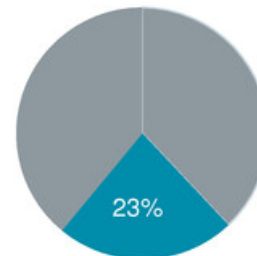
SALES & ORDERS GROWTH (DECLINE)

	Q4 2013 vs. Q4 2012		YTD 2013 vs. YTD 2012	
	Total	Organic	Total	Organic
Sales	33.4 %	20.4 %	1.9 %	(2.2)%
Orders	0.3 %	(4.5)%	(2.6)%	(5.3)%

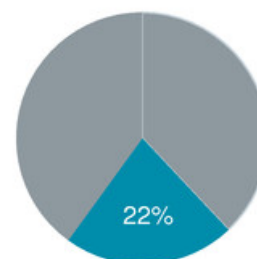
HIGHLIGHTS

- Served by both Howden and Colfax Fluid Handling
- Strong quotation activity in our midstream business, particularly in the Middle East and Southeast Asia
- Benefiting from our previous investments in a local presence in the Middle East, where our selling and technical resources are starting to drive gains

2013 SALES SPLIT



2013 ORDERS SPLIT



MARINE MARKET PERSPECTIVE

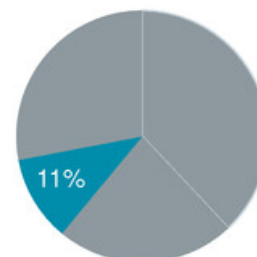
SALES & ORDERS GROWTH (DECLINE)

	Q4 2013 vs. Q4 2012		YTD 2013 vs. YTD 2012	
	Total	Organic	Total	Organic
Sales	2.1 %	(0.5) %	7.0 %	3.9 %
Orders	41.1%	38.0%	11.2 %	8.4 %

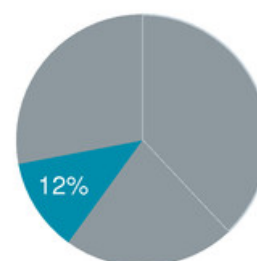
HIGHLIGHTS

- Primarily served by Colfax Fluid Handling
- Sales increase driven largely by continued strength in vessels serving the offshore oil & gas industry
- \$4 million of CM-1000 orders in Q4

2013 SALES SPLIT



2013 ORDERS SPLIT



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

MINING MARKET PERSPECTIVE

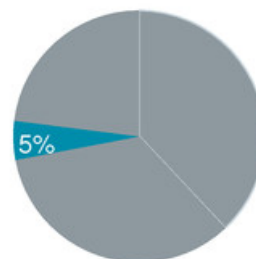
SALES & ORDERS GROWTH (DECLINE)

	Q4 2013 vs. Q4 2012		YTD 2013 vs. YTD 2012	
	Total	Organic	Total	Organic
Sales	6.1 %	9.6 %	(36.1)%	(34.1)%
Orders	(56.0)%	(60.3)%	(39.6)%	(37.1)%

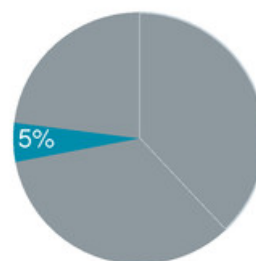
HIGHLIGHTS

- Primarily served by Howden
- Driven by demand of mined resources, including: coal, iron ore, copper, gold, nickel and potash
- Significant decline in orders driven by decreased industry capital expenditures

2013 SALES SPLIT



2013 ORDERS SPLIT



GENERAL INDUSTRIAL & OTHER MARKET PERSPECTIVE

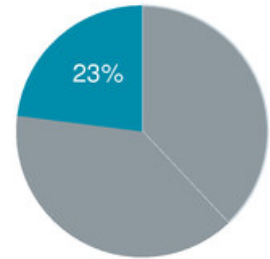
SALES & ORDERS GROWTH (DECLINE)

	Q4 2013 vs. Q4 2012		YTD 2013 vs. YTD 2012	
	Total	Organic	Total	Organic
Sales	21.3 %	6.7 %	10.3 %	2.7 %
Orders	7.0 %	(6.6)%	2.8 %	(5.8)%

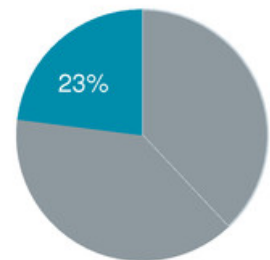
HIGHLIGHTS

- Includes both Howden and Colfax Fluid Handling
- Quarterly comparisons can be quite volatile due to the lumpiness of large orders
- Environmental upgrades, particularly in China, offering significant opportunity

2013 SALES SPLIT



2013 ORDERS SPLIT



The logo features the word "COLFAX" in a bold, black, sans-serif font. The letters are contained within a light gray rectangular box that has a slight drop shadow, making it stand out against the blue background. The background itself is a gradient of blue with soft, wavy, light-colored lines that create a sense of motion and depth.

COLFAX

FABRICATION TECHNOLOGY

FABRICATION TECHNOLOGY Q4 2013 HIGHLIGHTS

- Net sales of \$520.6 million compared to net sales of \$513.0 million in Q4 2012, an increase of 1.5% (an organic increase of 2.5%)
- Adjusted segment operating income of \$58.2 million and adjusted segment operating income margin of 11.2%

FABRICATION TECHNOLOGY FULL YEAR 2013 HIGHLIGHTS

- Net sales of \$2.1 billion compared to net sales of \$2.0 billion in 2012, an increase of 4.5% (an organic decline of 1.5%)
- Adjusted segment operating income of \$219.6 million and adjusted segment operating income margin of 10.4%
 - Improvement of 260 basis points over 2012

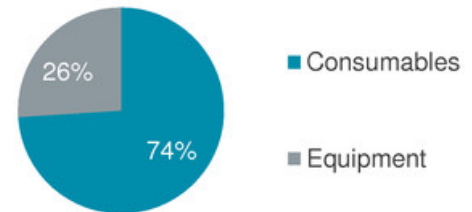
REVENUE

REVENUE

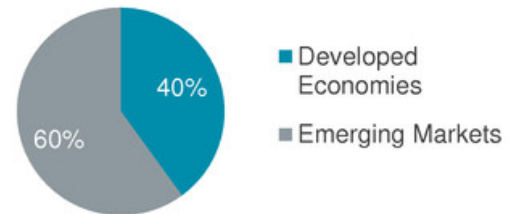


	QTD		YTD
Volume	(0.2)%		(2.4)%
Price/ Mix	2.7 %		0.9 %
Acquisitions	1.8 %		8.1 %
FX Translation	(2.8)%		(2.1)%
Total Growth	1.5 %		4.5 %

REVENUE 2013



GEOGRAPHIC EXPOSURE 2013



Note: Dollars in millions (unaudited).

The logo for COLFAX, featuring the word in a bold, black, sans-serif font. The letters are closely spaced, and the 'X' has a distinctive shape with a diagonal slash. The logo is set against a light grey rectangular background.

COLFAX

The text 'RESULTS OF OPERATIONS' in a white, sans-serif font, positioned below the COLFAX logo. The text is centered horizontally within a light grey rectangular background that overlaps the logo's background.

RESULTS OF OPERATIONS

INCOME STATEMENT SUMMARY

(unaudited)

	Three Months Ended		Year Ended	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Net sales	\$ 1,171.4	\$ 1,027.4	\$ 4,207.2	\$ 3,913.9
Gross profit	\$ 357.4	\$ 307.6	\$ 1,306.2	\$ 1,152.1
% of sales	30.5 %	29.9 %	31.0 %	29.4 %
SG&A expense	\$ 219.2	\$ 234.3	\$ 861.0	\$ 895.5
% of sales	18.7 %	22.8 %	20.5 %	22.9 %
Adjusted operating income	\$ 124.4	\$ 88.9	\$ 431.4	\$ 334.9
% of sales	10.6 %	8.7 %	10.3 %	8.6 %
Adjusted net income	\$ 70.1	\$ 50.5	\$ 229.8	\$ 159.8
% of sales	6.0 %	4.9 %	5.5 %	4.1 %
Adjusted net income per share	\$ 0.61	\$ 0.42	\$ 2.04	\$ 1.34

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

COLFAX

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, projected adjusted net income per share, adjusted operating income, organic sales growth (decline) and organic order growth (decline). Adjusted net income, adjusted net income per share, projected adjusted net income per share and adjusted operating income exclude asbestos coverage litigation expense, expenses related to major restructuring programs and expenses, significant year-one fair value adjustment amortization expense related to the Charter acquisition, write-off of certain deferred financing fees and original issue discount associated with the refinancing of Colfax's credit agreement and gain recorded on acquisition of remaining ownership interest of Sicelub, a less than wholly owned subsidiary, in which Colfax did not hold a controlling interest, to the extent they impact the periods presented. The effective tax rates used to calculate adjusted net income and adjusted net income per share are 27.6% and 26.6% for the fourth quarter and full year ended December 31, 2013, respectively, and 15% and 25% for fourth quarter and full year ended December 31, 2012. 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 asbestos insurance coverage issues and expenses, expenses and year-one fair value adjustment amortization expense related to the Charter acquisition and major restructuring programs.

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		Year Ended	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Adjusted Net Income and Adjusted Net Income Per Share				
Net income (loss) attributable to Colfax Corporation	37,126	\$ 19,736	\$ 178,628	\$ (64,402)
Restructuring and other related charges	18,074	16,994	35,502	60,060
Charter acquisition-related expense	—	—	—	43,617
Fair value adjustments - ESAB/Howden backlog and inventory amortization expense	—	15,614	—	78,196
Asbestos coverage litigation expense	533	4,147	3,334	12,987
Gain on revaluation of Sicelub investment	(13,784)	—	(13,784)	—
Debt extinguishment charges- Refinancing of credit agreement	26,860	—	26,860	—
Tax adjustment ⁽¹⁾	1,309	(6,022)	(759)	29,297
Adjusted net income	70,118	50,469	229,781	159,755
Adjusted net income margin	6.0 %	4.9 %	5.5 %	4.1 %
Dividends on preferred stock	5,142	5,072	20,396	18,951
Adjusted net income available to Colfax Corporation common shareholders	64,976	45,397	209,385	140,804
Less: adjusted net income attributable to participating securities ⁽²⁾	—	5,831	4,571	18,087
	\$ 64,976	\$ 39,566	\$ 204,814	\$ 122,717
Weighted-average shares outstanding - diluted	115,634,088	94,978,755	100,366,455	91,918,513
Adjusted net income per share	\$ 0.61	\$ 0.42	\$ 2.04	\$ 1.34
Net income (loss) per share— diluted (in accordance with GAAP)	\$ 0.31	\$ 0.13	\$ 1.54	\$ (0.92)

(1) The effective tax rates used to calculate adjusted net income and adjusted net income per share are 27.6% and 26.6% for the fourth quarter and full year ended December 31, 2013, respectively, and 15.0% and 25.0% for the fourth quarter and full year ended December 31, 2012.

(2) Adjusted net income per share for periods prior to April 23, 2013 were calculated consistently with the two-class method in accordance with GAAP as the Series A preferred stock were considered participating securities. Subsequent to April 23, 2013, adjusted net income per share was calculated consistently with the if-converted method in accordance with GAAP as the Series A preferred stock were no longer participating securities. Adjusted net income per share for the full year ended December 31, 2013 excludes the impact of 12,173,291 common stock equivalent shares as their inclusion would be anti-dilutive.

Note: Dollars in thousands, except per share amounts.

COLFAX

NON-GAAP RECONCILIATION

(unaudited)

	Q4 2013				Q4 2012			
	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	\$ 650,820	\$ 520,558	\$ —	\$ 1,171,378	\$ 514,433	\$ 512,964	\$ —	\$ 1,027,397
Operating income (loss)	85,682 13.2 %	45,767 8.8 %	(11,834)	119,615 10.2 %	39,405 7.7 %	20,306 4.0 %	(7,543)	52,168 5.1 %
Charter acquisition-related expense	—	—	—	—	—	—	—	—
Restructuring and other related charges	5,685	12,389	—	18,074	3,273	13,616	105	16,994
Asbestos coverage litigation expense	533	—	—	533	4,147	—	—	4,147
Fair value adjustments - ESAB/Howden backlog and inventory amortization expense	—	—	—	—	15,614	—	—	15,614
Gain on revaluation of Sicelub investment	(13,784)	—	—	(13,784)	—	—	—	—
Adjusted operating income (loss)	\$ 78,116 12.0 %	\$ 58,156 11.2 %	\$ (11,834)	\$ 124,438 10.6 %	\$ 62,439 12.1 %	\$ 33,922 6.6 %	\$ (7,438)	\$ 88,923 8.7 %

	Year Ended December 31, 2013				Year Ended December 31, 2012			
	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	\$ 2,104,048	\$ 2,103,161	\$ —	\$ 4,207,209	\$ 1,901,132	\$ 2,012,724	\$ —	\$ 3,913,856
Operating income (loss)	260,279 12.4 %	194,561 9.3 %	(48,448)	406,392 9.7 %	132,872 7.0 %	94,948 4.7 %	(87,811)	140,009 3.6 %
Charter acquisition-related expense	—	—	—	—	—	—	43,617	43,617
Restructuring and other related charges	10,429	25,073	—	35,502	8,652	45,236	6,172	60,060
Asbestos coverage litigation expense	3,334	—	—	3,334	12,987	—	—	12,987
Fair value adjustments - ESAB/Howden backlog and inventory amortization expense	—	—	—	—	61,211	16,985	—	78,196
Gain on revaluation of Sicelub investment	(13,784)	—	—	(13,784)	—	—	—	—
Adjusted operating income (loss)	\$ 260,258 12.4 %	\$ 219,634 10.4 %	\$ (48,448)	\$ 431,444 10.3 %	\$ 215,722 11.3 %	\$ 157,169 7.8 %	\$ (38,022)	\$ 334,869 8.6 %

Note: Dollars in thousands.

COLFAX

SALES & ORDERS GROWTH

(unaudited)

	Net Sales		Orders	
	\$	%	\$	%
For the three months ended December 31, 2012	\$	1,027.4	\$	520.3
Components of Change:				
Existing Businesses		105.1 10.2 %		(12.8) (2.5)%
Acquisitions ⁽¹⁾		66.7 6.5 %		50.2 9.6 %
Foreign Currency Translation		(27.8) (2.7)%		(9.9) (1.8)%
Total		<u>144.0 14.0 %</u>		<u>27.5 5.3 %</u>
For the three months ended December 31, 2013	\$	<u>1,171.4</u>	\$	<u>547.8</u>

	Net Sales		Orders		Backlog at Period End	
	\$	%	\$	%	\$	%
As of and for the year ended December 31, 2012	\$	3,913.9	\$	1,996.0	\$	1,431.5
Components of Change:						
Existing Businesses		107.5 2.7 %		(15.3) (0.8)%		(58.6) (4.1)%
Acquisitions ⁽¹⁾		246.9 6.3 %		96.4 4.8 %		231.2 16.2 %
Foreign Currency Translation		(61.1) (1.5)%		(15.7) (0.7)%		(26.7) (1.9)%
Total		<u>293.3 7.5 %</u>		<u>65.4 3.3 %</u>		<u>145.9 10.2 %</u>
As of and for the year ended December 31, 2013	\$	<u>4,207.2</u>	\$	<u>2,061.4</u>	\$	<u>1,577.4</u>

- (1) Represents the incremental sales and orders as a result of our acquisitions of Charter, Soldex, Co-Vent, Clarus, CKD Kompressory, Flakt Woods, TLT-Babcock, Alphair, and Sichelub. The full year impact related to the Charter Acquisition represents 12 days of activity for ESAB and Howden as the acquisition closed on January 13, 2012. Represents the incremental order backlog as a result of our acquisitions of Clarus, CKD Kompressory, Flakt Woods, TLT-Babcock, Alphair, and Sichelub.

Note: Dollars in millions.

BALANCE SHEET

(unaudited)

	December 31,	
	2013	2012
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 311,301	\$ 482,449
Trade receivables, less allowance for doubtful accounts of \$31,282 and \$16,464	1,030,892	873,382
Inventories, net	445,752	493,649
Other current assets	350,401	282,266
Total current assets	2,138,346	2,131,746
Property, plant and equipment, net	757,140	688,570
Goodwill	2,384,522	2,098,836
Intangible assets, net	832,553	779,049
Other assets	470,292	450,086
Total assets	<u>\$ 6,582,853</u>	<u>\$ 6,148,287</u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt	\$ 29,449	\$ 34,799
Accounts payable	860,380	699,626
Accrued liabilities	485,261	447,220
Total current liabilities	1,375,090	1,181,645
Long-term debt, less current portion	1,457,642	1,693,512
Other liabilities	1,009,006	1,116,844
Total liabilities	3,841,738	3,992,001
Equity:		
Preferred stock, \$0.001 par value; 20,000,000 shares authorized; 13,877,552 issued and outstanding	14	14
Common stock, \$0.001 par value; 400,000,000 shares authorized; 101,921,613 and 94,067,418 issued and outstanding	102	94
Additional paid-in capital	2,541,005	2,197,694
Retained earnings (accumulated deficit)	19,376	(138,856)
Accumulated other comprehensive loss	(46,608)	(146,594)
Total Colfax Corporation equity	2,513,889	1,912,352
Noncontrolling interest	227,226	243,934
Total equity	2,741,115	2,156,286
Total liabilities and equity	<u>\$ 6,582,853</u>	<u>\$ 6,148,287</u>

Note: Dollars in thousands, except per share amounts.

STATEMENT OF CASH FLOWS

(unaudited)

	Year Ended December 31,		
	2013	2012	2011
Cash flows from operating activities:			
Net income (loss)	\$ 209,143	\$ (42,264)	\$ 4,555
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation, amortization and fixed asset impairment charges	119,258	183,403	22,598
Stock-based compensation expense	13,334	9,373	4,908
Non-cash interest expense	44,377	16,997	735
Gain on revaluation of Siclub investment	(13,784)	—	—
Unrealized loss on acquisition-related foreign currency derivative	—	—	21,146
Deferred income tax provision (benefit)	9,946	7,222	(1,722)
Changes in operating assets and liabilities, net of acquisitions:			
Trade receivables, net	(98,912)	(37,338)	(5,972)
Inventories, net	79,987	26,694	10,844
Accounts payable	128,889	88,927	(7,298)
Changes in other operating assets and liabilities	(130,069)	(78,994)	7,359
Net cash provided by operating activities	362,169	174,020	57,153
Cash flows from investing activities:			
Purchases of fixed assets, net	(71,482)	(83,187)	(13,624)
Acquisitions, net of cash received	(372,476)	(1,859,645)	(56,346)
Loans to non-trade creditors	(31,012)	—	—
Other, net	—	1,857	—
Net cash used in investing activities	(474,970)	(1,940,975)	(69,970)
Cash flows from financing activities:			
Borrowings under term credit facility	50,861	1,731,523	—
Payments under term credit facility	(679,755)	(531,415)	(10,000)
Proceeds from borrowings on revolving credit facilities	648,000	13,149	141,203
Repayments of borrowings on revolving credit facilities	(328,133)	(53,414)	(102,180)
Proceeds from issuance of common stock, net	324,153	756,762	3,719
Proceeds from issuance of preferred stock, net	—	332,969	—
Acquisition of shares held by noncontrolling interest	(14,913)	(29,292)	—
Payments of dividend on preferred stock	(20,396)	(17,446)	—
Other	(24,870)	(19,608)	—
Net cash (used in) provided by financing activities	(45,053)	2,183,228	32,742
Effect of foreign exchange rates on Cash and cash equivalents	(13,294)	(8,932)	(5,359)
(Decrease) increase in Cash and cash equivalents	(171,148)	407,341	14,566
Cash and cash equivalents, beginning of period	482,449	75,108	60,542
Cash and cash equivalents, end of period	\$ 311,301	\$ 482,449	\$ 75,108
Supplemental Disclosure of Cash Flow Information:			
Interest payments	58,970	79,857	5,209
Income tax payments, net	93,856	70,677	16,731

Note: Dollars in thousands.

