

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): **December 19, 2018**

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.)

420 National Business Parkway, 5th Floor
Annapolis Junction, MD 20701
(Address of Principal Executive Offices) (Zip Code)

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

Not applicable
(Former name or former address, if changed since last report)

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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))
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Item 7.01 Regulation FD Disclosure.

On December 19, 2018, Colfax Corporation (the "Company") is holding a conference call at 8:30am Eastern to discuss the 2019 outlook for its Fabrication Technology and Air & Gas Handling businesses. Slides for the 2019 outlook as well as other supplemental information to be referenced on the call are attached to this report as Exhibit 99.1. The call will be open to the public through +1-877-303-7908 (U.S. callers) and +1-678-373-0875 (international callers) and referencing the conference ID number 6493585, or through webcast via Colfax's website www.colfaxcorp.com under the "Investors" section.

These materials are also available on the Company's website and link to a replay of the call will be available on the Company website under the "Investors" section later today.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1 Management's presentation on December 19, 2018, regarding Colfax Corporation's financial outlook for 2019.

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: December 19, 2018

By: /s/ Christopher M. Hix

Name: Christopher M. Hix

Title: Senior Vice President, Finance,
Chief Financial Officer and Treasurer

EXHIBIT INDEX

[99.1 Management's presentation on December 19, 2018, regarding Colfax Corporation's financial outlook for 2019.](#)

The logo for COLFAX, featuring the word in a bold, black, sans-serif font. The letters are closely spaced and have a slight shadow effect, giving it a three-dimensional appearance. The logo is set against a light gray rectangular background that is partially overlaid by a darker gray shape below it.

COLFAX

2019 Outlook

December 19, 2018

Forward-Looking Statements, Non-GAAP Measures

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 the completion and timing of the DJO acquisition and 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, the ability of parties to successfully complete the DJO acquisition, access to available financing on a timely basis and reasonable terms, the effects of the transaction on Colfax and DJO operations and 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 projected adjusted net income per share, projected adjusted EBITDA, projected pro forma adjusted EBITDA, projected leverageable adjusted EBITDA, Core or organic sales growth (decline), and organic order growth (decline). Projected adjusted net income per share excludes Restructuring and other related items, Goodwill and intangible asset impairment charges, the impact of acquisition-related amortization and other costs, gain or loss on short term investments and Pension settlement loss, to the extent they impact the periods presented. Projected adjusted EBITDA excludes Restructuring and other related items, depreciation and amortization, and inventory step-up charges. Projected pro forma adjusted EBITDA also excludes pro forma effects of recent acquisitions. Projected leverageable adjusted EBITDA further excludes stock compensation and future cost savings related to restructuring activities. 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.

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2018 Look-Back on a Pivotal Year

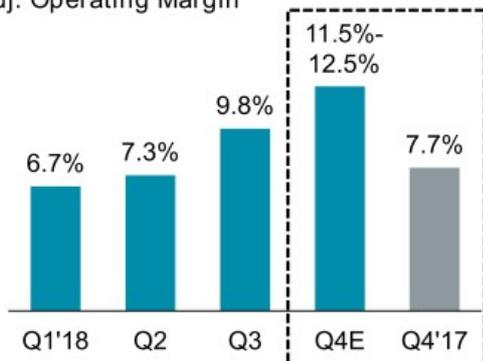
- Expecting to grow 2018 adjusted EPS >25%; affirming FY 2018 guidance of \$2.20 to \$2.30
- Significantly grew Fab Tech business while successfully navigating raw material cost inflation
- Created structurally-higher margin path in Air & Gas Handling business and continued strong growth in Industrial applications
- On target to achieve \$35 million restructuring cost savings
- Increased new product / applications vitality
- Completed monetization of Fluid Handling divestiture
- Acquired four complementary businesses in focused growth markets
- Announced acquisition of DJO Global, strategic review of Air & Gas Handling business, furthering portfolio transformation
- Completed bank financing for DJO acquisition

Significant operating and strategic accomplishments

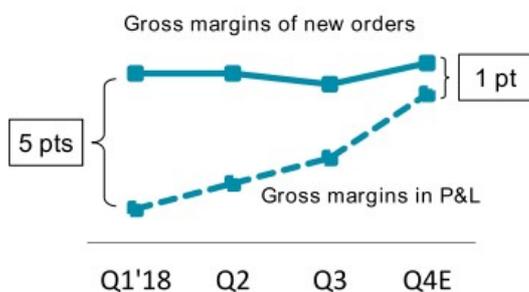
Air & Gas Handling Platform

Quarterly Margin Improvement

Adj. Operating Margin



New Build Projects Gross Margin



- Forecasting strong sequential margin improvement in Q4
 - Productivity, restructuring, project execution
 - Targeted pricing actions
 - Strategic focus on projects better matched with business' differentiated offering
- Double-digit order growth expected in Q4, secures consecutive quarters of strong growth
 - Continued momentum in Industrial applications
 - Mining order wins; solutions strategy paying off
 - Oil & Gas and Power applications remain at current run-rate levels

Expecting platform 2018 adj. EBITDA of ~\$200mm¹

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¹ Does not include separately-reported Corporate costs. Refer to Appendix for Non-GAAP reconciliation and footnotes

Fabrication Technology Platform

- Tracking to another solid quarter of growth in Q4
 - Continued broad-based growth
 - Automation and new products
 - Benefit of GCE acquisition
- Expecting FY2018 core margins of ~11.5%
 - Excludes full year pressure of 30 bps from GCE acquisition one-time costs
 - ~Flat to 2017; >50 bps of inflation pass-through margin compression
 - Sequential improvement from Q3; clear path to 12%+ in 1H 2019



Expecting platform 2018 adj. EBITDA of ~\$325mm¹

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Looking Ahead to 2019

- DJO acquisition on-track
 - Regulatory filings completed; continuing to target Q1 2019 close
 - Integration teams engaged and working quickly
- Air & Gas Handling strategic options review underway
 - Goldman Sachs & Barclays leading efforts
 - Moving with speed
- Forecasting legacy businesses to continue improvement trajectory in 2019
 - Fab Tech sales growth, productivity and restructuring expected to expand adj. OP margins and continue longer-term path to 15%
 - Air & Gas Handling markets improving; margin momentum will provide healthy profit growth
 - 2018 acquisitions performing as expected
 - Higher profit, lower restructuring spend, reduced pension funding contribute to improved cash flow profile

Operating momentum, portfolio transformation

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Business Segment 2019 Expectations

Fab Tech

- Sales growth Total 7-9%; core MSD; acq. MSD; FX (LSD)
- Quarterly sales profile 23-24%, 25-26%, 24-25%, 25-26%
- Adj. OP Margins Grow from mid-11s to 12.25-12.75%
- D&A ~\$85 million
- Restructuring benefits ~\$20 million
- Restructuring costs ~\$25 million

A & GH

- Orders growth Total 3-7%; core M-HSD; acq LSD; FX (LSD)
- Sales growth Total (1)-1%; core Flat +/-; acq LSD; FX (LSD)
- Quarterly sales profile 21-22%, 23-24%, 25-26%, 28-30%
- Adj. OP Margins Grow from low-9s (>10% 2H) to 11.0-12.0%
- D&A ~\$55 million
- Restructuring benefits ~\$25 million
- Restructuring costs ~\$20 million

- Low 20s tax rate
- Pension funding improves by \$20-30 million

Adjusted operating profit growth > 20%

Will provide additional update after close of DJO acquisition

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APPENDIX

Non-GAAP Reconciliation

(unaudited)

	Guidance	
	Low	High
2018 Earnings Per Share		
Projected net income per share from continuing operations (GAAP)- diluted	\$ 1.23	\$ 1.34
Restructuring and other related charges- pretax	0.58	0.58
Acquisition-related amortization and other costs- pretax ⁽¹⁾	0.70	0.70
Loss on short term investments- pretax	0.08	0.08
Tax adjustment ⁽²⁾	<u>(0.39)</u>	<u>(0.40)</u>
Projected adjusted net income per share	<u>\$ 2.20</u>	<u>\$ 2.30</u>

(1) Includes amortization of acquired intangibles, acquisition related costs for DJO Global 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 19-21%.

Non-GAAP Reconciliation

(unaudited)

Projected Twelve Months Ending December 31, 2018

	Fabrication Technology		Air and Gas Handling	
	Low	High	Low	High
Net sales	<u>\$ 2,180</u>	<u>\$ 2,200</u>	<u>\$ 1,485</u>	<u>\$ 1,500</u>
Operating income	215	226	91	97
Restructuring and other related charges	27	27	43	43
Adjusted operating income	<u>\$ 242</u>	<u>\$ 253</u>	<u>\$ 134</u>	<u>\$ 140</u>
Depreciation & amortization	77	77	60	60
Inventory Step-up	4	4	5	5
Adjusted EBITDA	<u>\$ 323</u>	<u>\$ 334</u>	<u>\$ 199</u>	<u>\$ 205</u>
Pro forma effects of recent acquisitions ⁽¹⁾	19	19	3	3
Pro forma Adjusted EBITDA	<u>\$ 342</u>	<u>\$ 353</u>	<u>\$ 202</u>	<u>\$ 208</u>
Stock compensation ⁽²⁾	5	5	4	4
Future cost savings ⁽³⁾	22	22	26	26
Leverageable Adjusted EBITDA	<u>\$ 369</u>	<u>\$ 380</u>	<u>\$ 232</u>	<u>\$ 238</u>

(1) Pro forma adjustment includes twelve months of ownership for recent acquisitions

(2) Add-back of non-cash stock based compensation

(3) Future cost savings related to restructuring initiatives

Note: In millions

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