

**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): **November 29, 2017**

**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))
-

**Item 7.01 Regulation FD Disclosure.**

On November 29, 2017, Colfax Corporation (the "Company") held an Investor Event and provided certain financial information. The presentation is attached to this report as Exhibit 99.1. The presentation and a replay of the event are available on the Company's website at [www.colfaxcorp.com](http://www.colfaxcorp.com) under the "Investors" section.

**Item 9.01. Financial Statements and Exhibits.**

**(d) Exhibits**

99.1 Colfax Corporation management's Investor Event presentation on November 29, 2017.

**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: November 29, 2017

By: /s/ Christopher Hix

Name: Christopher Hix

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

**EXHIBIT INDEX**

[99.1 Colfax Corporation management's Investor Event presentation on November 29, 2017.](#)

The COLFAX logo is rendered in a bold, black, sans-serif typeface. The letters are closely spaced and have a slightly irregular, industrial feel. The logo is set against a light gray rectangular background that is positioned over a blue gradient background with wavy, light effects.

**COLFAX**

**INVESTOR DAY | NOVEMBER 2017**

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# Forward-looking Statements

These slides and accompanying oral presentation 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 2016 Annual Report on Form 10-K and Quarterly Report on Form 10-Q for the period ended September 29, 2017 under the caption "Risk Factors." In addition, these statements are based on a number of assumptions that are subject to change. Colfax disclaims any duty to update the information herein.

The term "Colfax" in reference to the activities described in these slides 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.

# Agenda

8:30 AM	Colfax Progress	Matt Trerotola, President & CEO Dan Pryor, EVP Strategy & BD Chris Hix, SVP & CFO
9:20 AM	ESAB Overview & Strategy	Shyam Kambeyanda, SVP & ESAB President
10:05 AM	Bus to Denton	All
10:45 AM	Tours & Breakout Sessions	ESAB Team
12:00 PM	Lunch	All
1:00 PM	Tours & Breakout Sessions	ESAB Team
2:30 PM	Adjourn and Bus to Hotel	All
3:15 PM	Arrive at Hotel	All



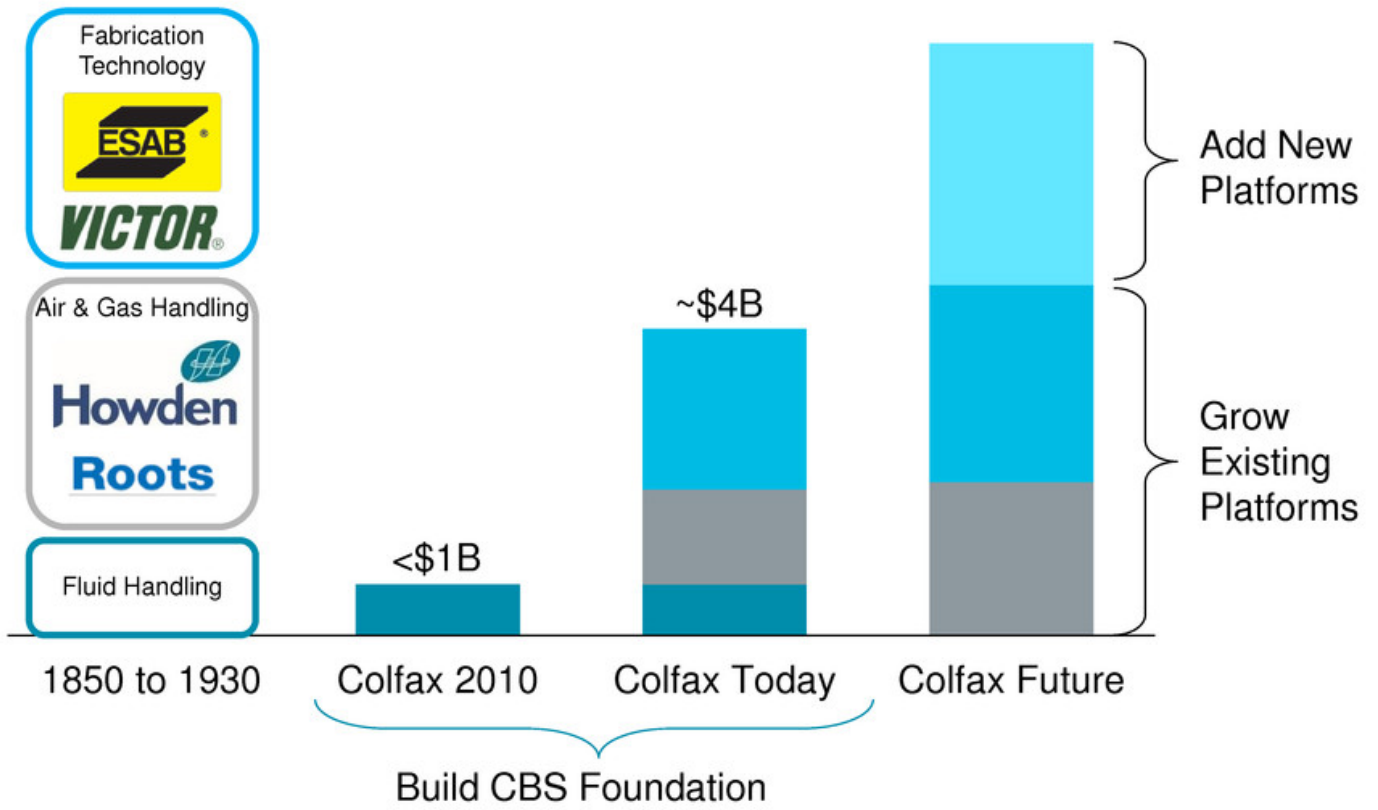


**COLFAX DIRECTION & PROGRESS**  
**Matt Trerotola | President and CEO**

## Summary of the Day

- Strong foundation and winning model
- Significant progress on key priorities
- Shaping Colfax for the future

# Colfax History and Growth



# Colfax Strategy – A Winning Model

## Acquire Good Companies

- Attractive markets
- Strong brands and solutions
- Opportunities to improve and expand



## Focus and Empower Top Talent

- Independent businesses
- Great leaders, strong teams, winning spirit
- Lean, high value corporate



## Use CBS to Make Them Great

- Values
- Tools & processes
- Way of working

We use CBS to make good businesses great

# Colfax Corporate Priorities

## 1. Secure a Strong Foundation

- Great team, relentless talent focus
- Values driven culture
- CBS as “The Way to Win”
- Leading brands and technologies

## 2. Improve and Grow our Businesses

- Core growth > competition
- Margin improvement
- FCF conversion

## 3. Innovate and Acquire to Accelerate

- Accelerate growth
- Access new markets
- New platforms

# The Best Team Wins Colfax Leadership

## Strong Foundation



Ian Brander  
CEO, Howden  
34 yrs. Howden



Dan Pryor  
EVP, Strategy & BD  
6 yrs. Colfax  
11 yrs. Danaher



Lynne Puckett  
General Counsel  
7 yrs. Colfax



Lynne Clark  
SVP HR  
4 yrs. Colfax

## Strong Additions



Shyam Kambeyanda  
President, ESAB  
May, 2016  
21 yrs. Eaton



Chris Hix  
SVP & CFO  
July, 2016  
11 yrs. public CFO  
13 yrs. Roper

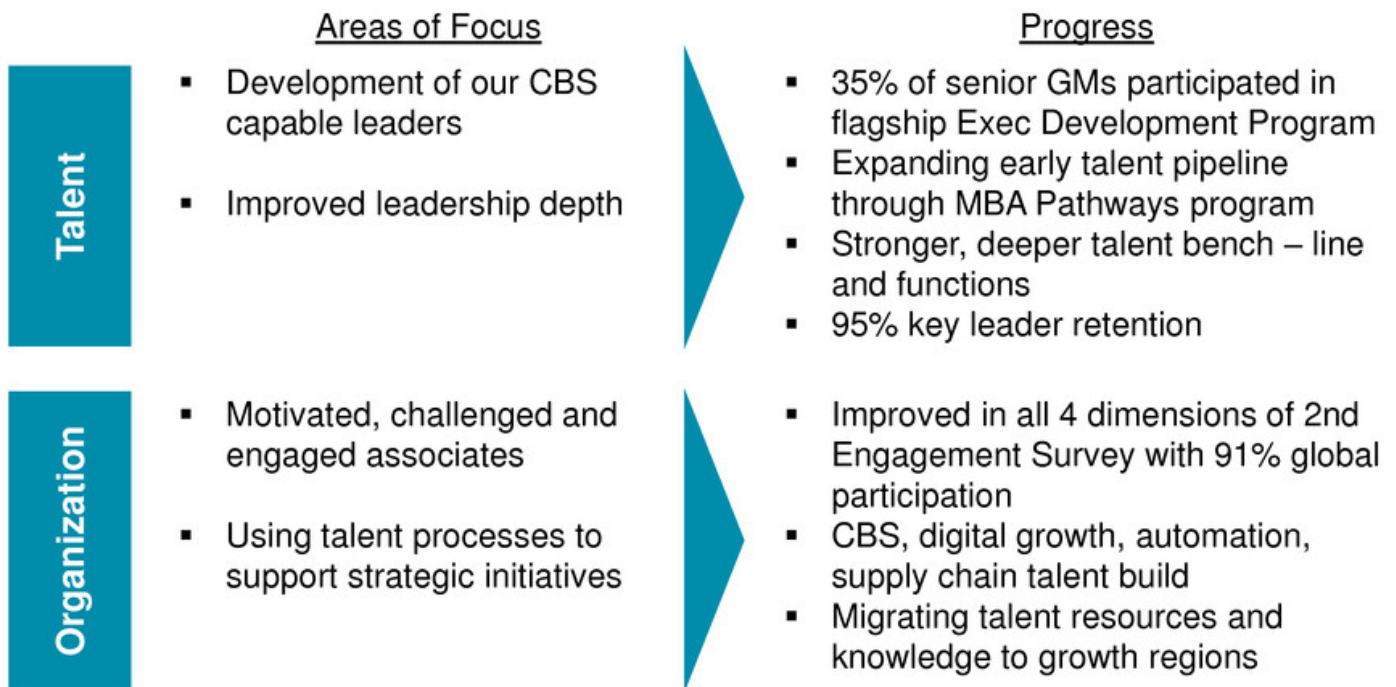


Jason MacLean  
SVP, CBS & SC  
October, 2017  
11 yrs. Cummins

**Strong, seasoned leadership ready to accelerate and scale**

**COLFAX**

# The Best Team Wins - Creating CBS Leadership Depth

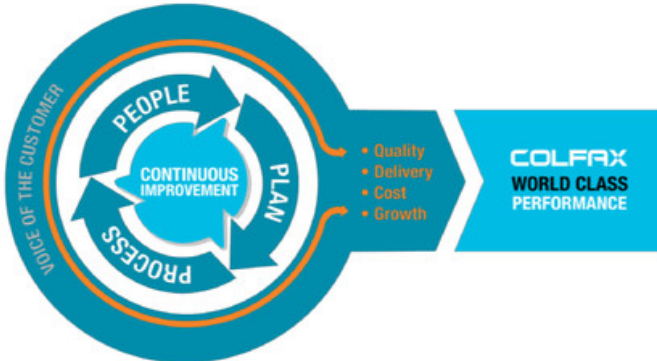


**Stronger, deeper bench driving performance and ready to support acquisitions**



# A Strong Foundation – Values Driven Business System

## VALUES + TOOLS + WAY OF WORKING



### 2012-2014

Broad deployment  
 Training, # of kaizen  
 Operations & innovation

### 2015-2017

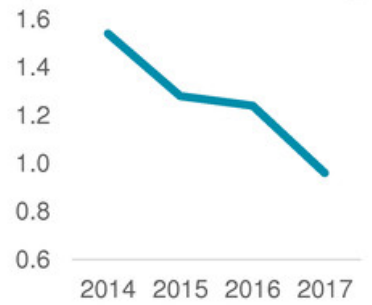
Focus for impact  
 Mfg. Excellence KPI's  
 + Growth tools

### 2018 and beyond

Scale impact  
 Journeys to leadership  
 + Leverage digital

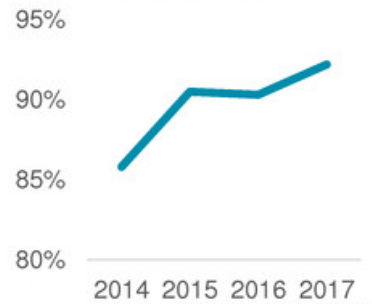
### SAFETY

(Total Recordable Incident Rate)



### ON TIME DELIVERY

(Filler Metal OTD %)

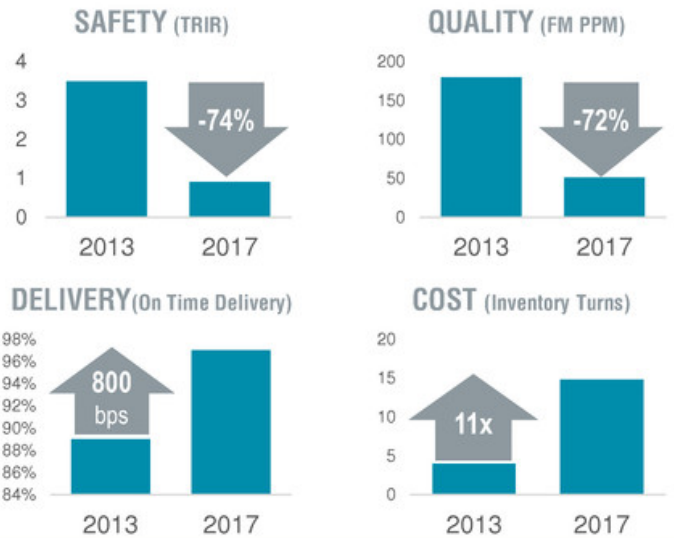




# Continuous Improvement Is Our Way of Life

## ESAB Peru – Soldex S.A.

- Market leader acquired in 2012
- 2013-2015 – Introduction to CBS
  - CBS Roadmap & core CBS tools
  - Internal training and quick, practical events
  - Kaizens focused on main KPI's
  - Visual management
- 2016-17
  - Strong visual Daily Management
  - Kaizen roadmap to set breakthrough SQDC performance
  - High associate engagement



Continuous improvement culture changing the game

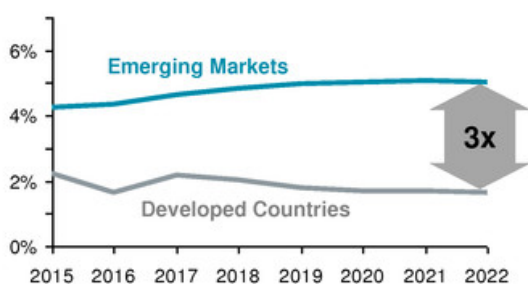
# Global Presence in Growing Economies

## COLFAX REVENUE BY REGION

(2017 YTD through Q3)



## GDP GROWTH ESTIMATE



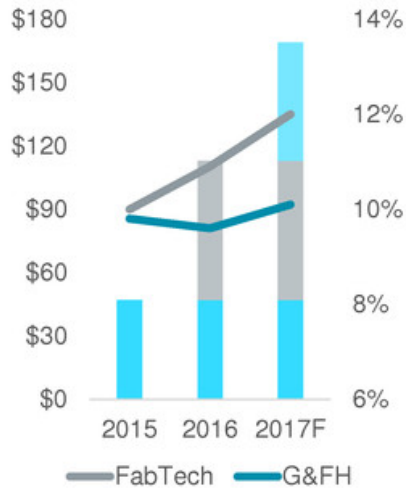
- Diverse positions
  - China >\$300M
  - India, Russia, Brazil, SA >\$100M
  - 18 countries >\$50M
- Benefitting from global trends
  - Urbanization
  - Growing global middle class
- Delivering results through strong, local teams
  - #1 market positions
  - CBS excellence
- Investing in talent, capacity, and capability

Positioned to win in emerging markets that are 60% of global investment

# Stronger, More Flexible Cost Structure

## RESTRUCTURING & SEGMENT MARGINS

(Cumulative restructuring savings, Segment AOP%)

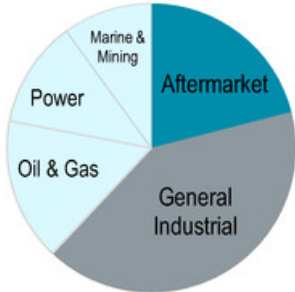


- Over \$160M of restructuring savings since 2015
  - 19 sites closed
  - 14% headcount reduction
  - SG&A focus with simpler org structures and regional shared services centers
  - Successful project management
- Maintaining growth investments
  - Shifting resources to growth markets
  - Pace of new product launches

Progress on path to mid-teen margins

# Shaping Colfax for the Future

**COLFAX 2012**  
(Orders, New Build by Market)



## Organic initiatives

- Industrial growth
- Aftermarket

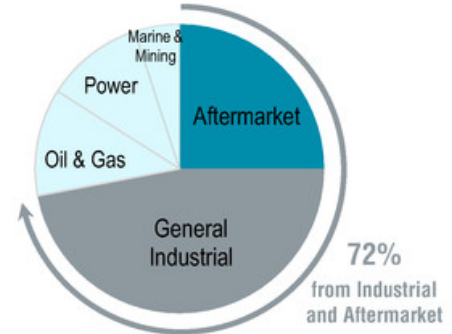
## Bolt-on acquisitions

- Weighted heavily to industrial applications
- Focus on Digital Growth

## New platforms

- CFH sale
- Active work on funnel

**COLFAX ENTERING 2018**  
(Orders, New Build by Market)



- Lower cyclicality
- Less volatility
- Higher margins
- Higher vitality

**A stronger base business positioned to capture upside of any capex recovery**

# Building a Wastewater Leadership Position

## WASTEWATER AERATION



- ~\$400M global market
- Projected 4% CAGR, 6-8% in emerging markets
- Driven by population growth, urbanization, and environmental regulations
- Competition defined by efficiency, reliability, and support

2012  
↓  
2018/19

- Existing Howden turboblower technology could serve <10% of market opportunity
- Establishing position in China
- Roots acquisition expanded addressable range to ~50%
- STE acquisition extends addressable applications to ~75%
- Organic product development to push toward full coverage of customer needs

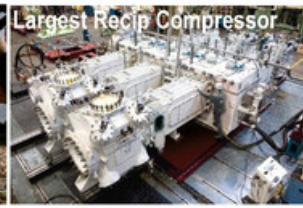
Using acquisitions to accelerate and strengthen organic growth initiatives



# Accelerating Innovation

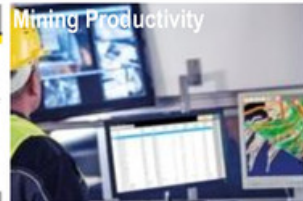
## NEW PRODUCT DEVELOPMENT

- CBS tools: VOC, QFD, APD
- R&D
- Open innovation



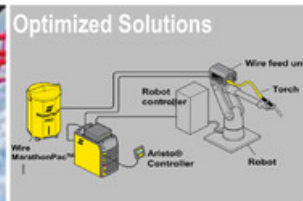
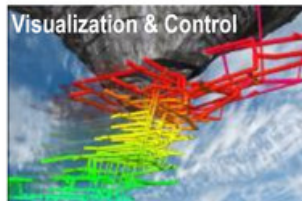
## DIGITAL GROWTH

- Productivity & uptime
- Process optimization
- Partnerships



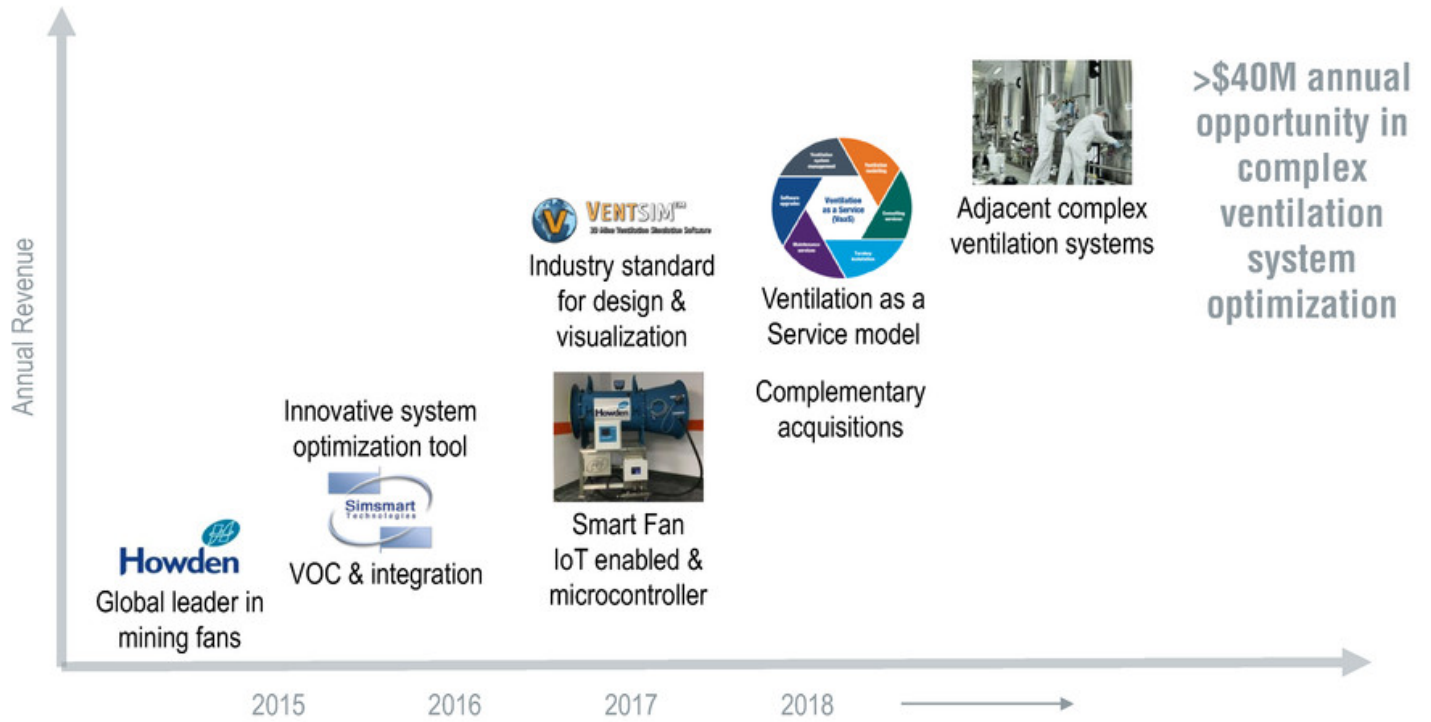
## ACQUISITIONS

- Simsmart, Ventsim
- HKS, TBi, AMI



Leveraging leadership positions in markets where technology matters

# Digital Technology Development



Using digital technologies to create differentiation and expand market



# **COLFAX ACQUISITION STRATEGY**

**Dan Pryor | EVP Strategy & Business Development**



# Acquisitions Accelerating Growth Initiatives

## Key elements of process:

- Rooted in strategy – acquisitions as accelerator of initiatives / goals
- Proactive approach – priority targets actively cultivated
- Clear value-creation thesis – acquisition logic tested in diligence
- Rigorous integration – well-defined plan with regular follow-up

## Recent results:

- ~\$430M<sup>1</sup> deployed on 7 deals
  - Average multiple less than 9x
  - Year 3 EBITDA above CFH
- Businesses enhanced / strengthened
  - Investing in fastest growing segments and markets
  - Diversifying market mix; increasing lifecycle participation
  - Adding leading / differentiated technology to portfolio

## Robust M&A process delivering results

# Acquisitions Accelerating Growth Initiatives



Siemens  
Turbo  
Equipment



Sandvik  
Welding  
Consumables

Digital Growth



Industrial Diversification



Automation Solutions



Emerging Markets



Aftermarket



Specialty Filler Metal



Strategic acquisitions enhancing core business

# Ramping Up New Platform Efforts

## Goals:

- Enhance growth profile
- Balance end-market exposure
- Shift margin structure
- Provide innovation headroom
- Lengthen bolt-on runway

## Key elements of process:

- Top-down / bottom-up approach
- Rigorous market diligence
- Portfolio of opportunities
- Disciplined evaluation
- Significant executive attention

Making Colfax better... not just bigger

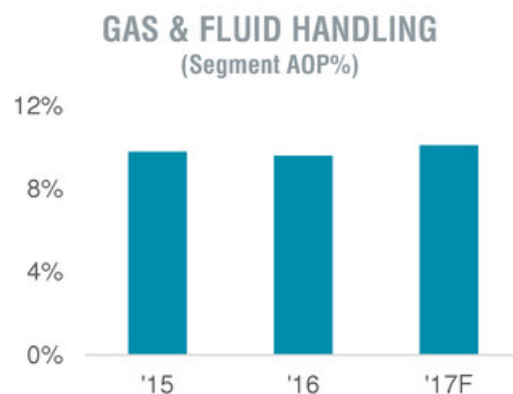
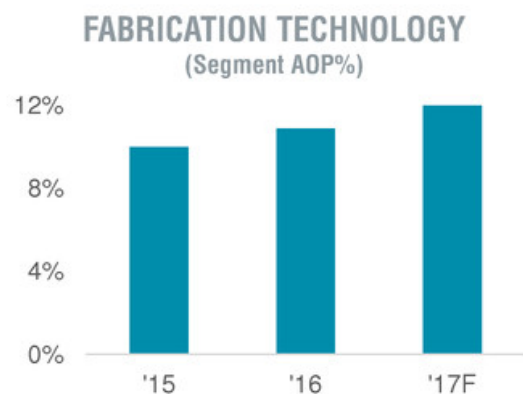
**COLFAX**



# COLFAX FINANCIAL UPDATE

Chris Hix | SVP & CFO

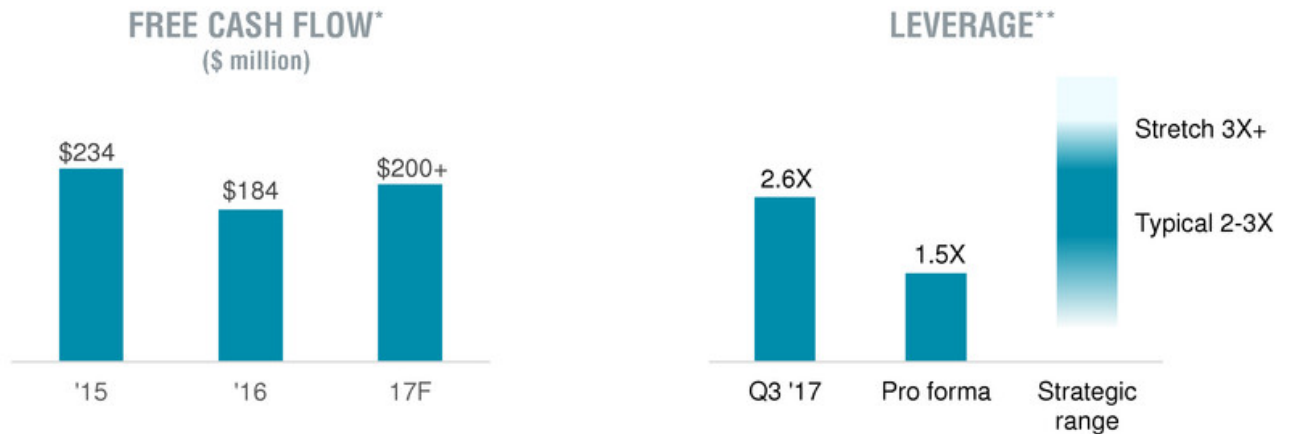
# Improving Segment Profitability



- Overall segment margins of 10.8% YTD 2017 vs 9.7% YTD 2015
- ESAB margin up ~200 bps on limited growth – clear path to mid-teens
- Steady Fluid Handling improvement captured in sale price
- Howden using restructuring to offset volume and price pressures
- Growth, cost actions available to achieve 3-4 year goal of 15% segment margins

**Mid-teen margin performance would generate ~75¢ or more of additional aEPS**

# Growing Investment Firepower



- \$67M in 2016 and roughly \$37M in 2017 to support restructuring actions
- Cash generation expected to grow as business pivots to growth
- Opportunities remain to improve working capital performance
- Long-term strategic goal of achieving investment grade status

**Over \$1B of expected firepower to support strategic growth programs in 2018**

Source: Company filings and management analysis

\* Free Cash Flow calculated as net cash provided by operating activities less purchases of fixed assets

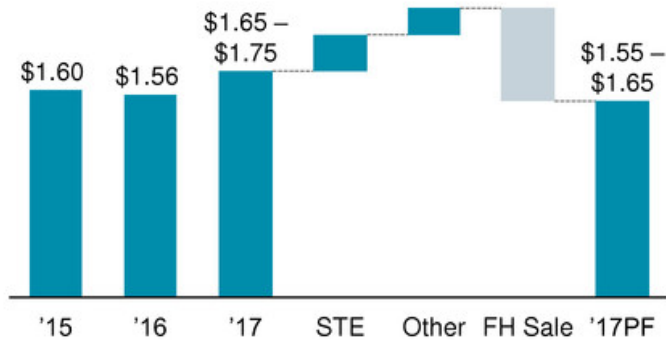
\*\* Leverage calculated in accordance with the total leverage ratio definition specified in the credit agreement with Deutsche Bank AG New York Branch.

**COLFAX**



# Improving Earnings Trajectory

## ADJUSTED EARNINGS PER SHARE



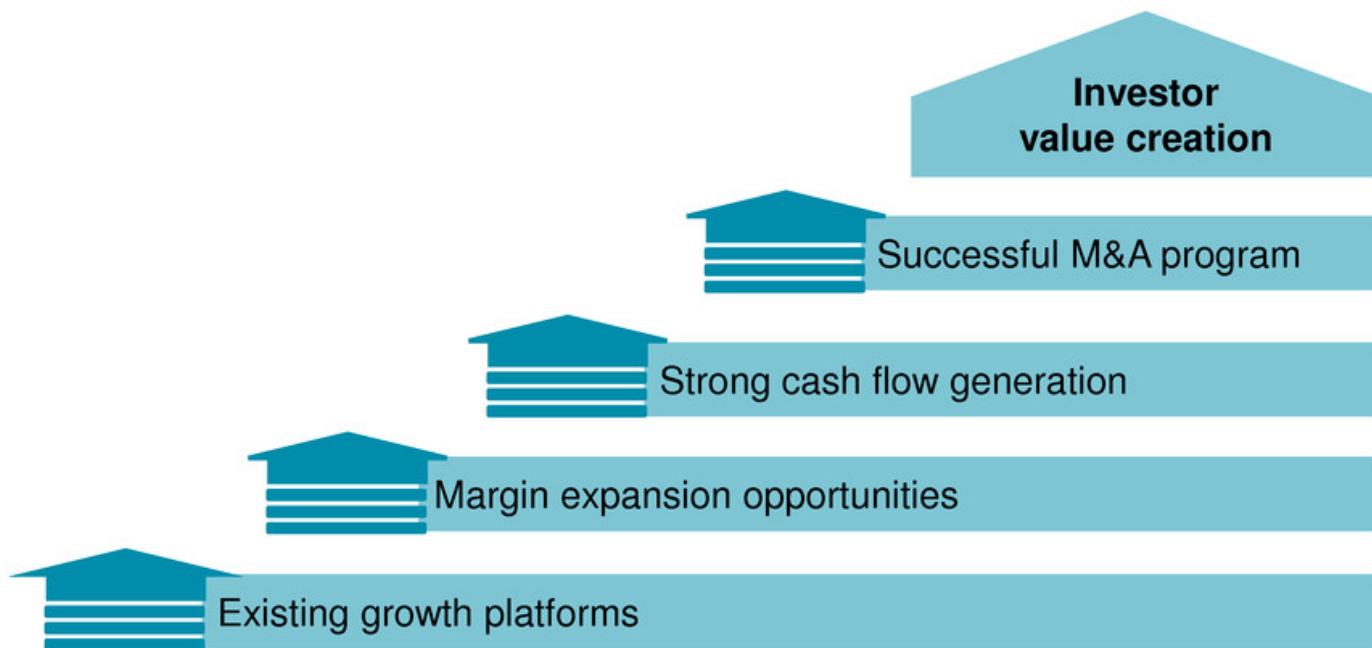
## 2018 GROWTH VECTORS

- ESAB sales growth
- Howden restructuring
- Additional acquisitions

- Turned the corner on earnings in 2016 despite market and currency pressures
- Returned to solid earnings growth in 2017 with benefits from restructuring actions and improved ESAB market conditions

Well-positioned to deliver Adj. EPS growth in 2018

# A Winning Model Creating Value



Line of sight to \$3.00 or more of Adj. EPS within 4 years



# Improving and Growing

- Accelerating growth initiatives at ESAB
  - Improving regional market conditions
  - Stronger team and processes
  - Increasing pace of new technology
  - Leveraging recent acquisitions
  
- Making the turn at Howden
  - Focus on industrial and mining growth as energy turns
  - Additional cost structure work to drive margin expansion
  - Investing in team and capability in emerging markets
  
- Shaping the portfolio with attractive acquisitions
  - Accretive bolt-ons
  - New growth platform

**Well positioned to drive shareholder value**

# Colfax Strategy

## 3-4 Year Objectives

### Strengthen the foundation

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

**Mid-teen  
segment  
margins**

### Pivot to growth

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

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

### Innovate and acquire

- Expand innovation and DDA™ (digital growth) pipeline
- Acquisitions to strengthen & extend platforms
- New platforms broaden, diversify portfolio

**Innovate and  
acquire to  
compound  
returns**



# Q&A





# **ESAB OVERVIEW & STRATEGY**

Shyam Kambeyanda // ESAB President

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# TODAY'S **KEY TAKE-AWAYS.**



## **Introduction to ESAB**

- A century of technological innovation
- Best global reach and complete offering

## **Markets have turned to growth**

### **Strategy is gaining momentum**

- Strengthening the core through CBS and talent development
- Revitalizing organic growth
- Investing in our future with R&D and strategic acquisitions to accelerate growth initiatives

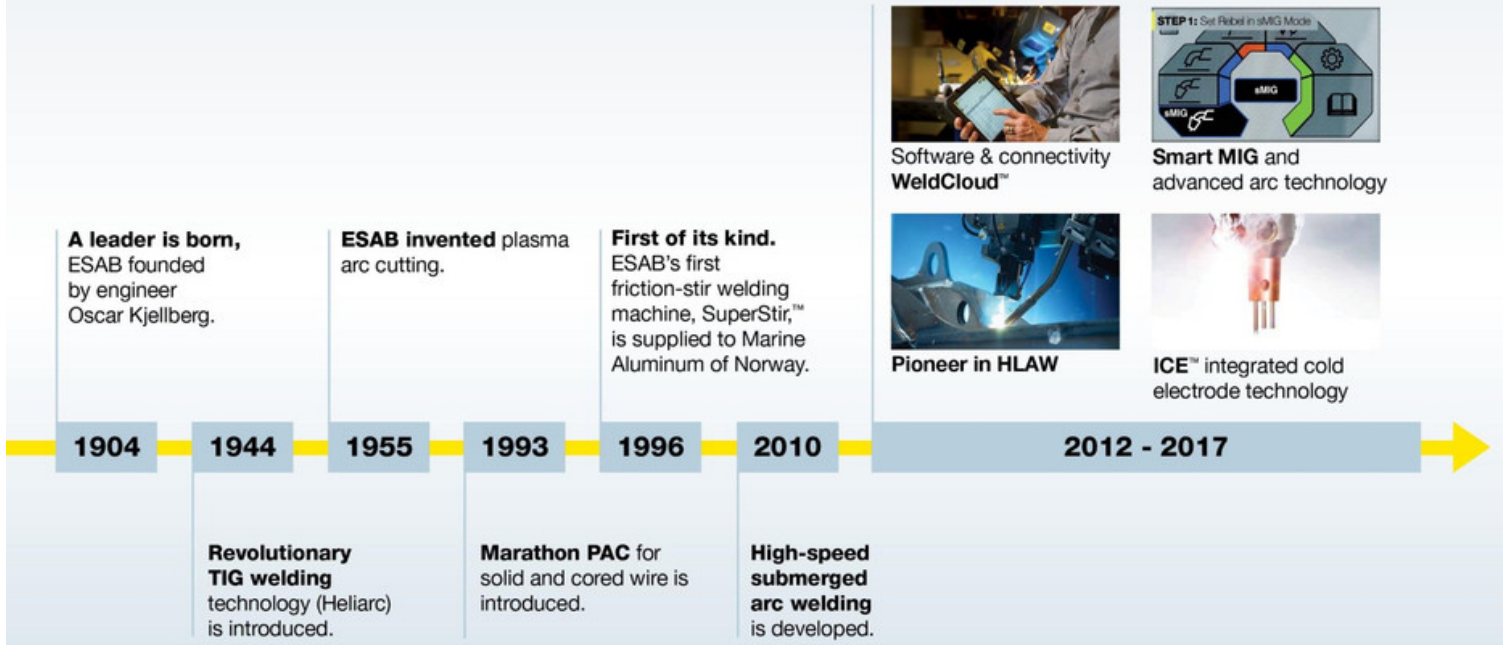


# ESAB VISION.



To be the **premier global provider** of **innovative** welding and cutting **solutions.**

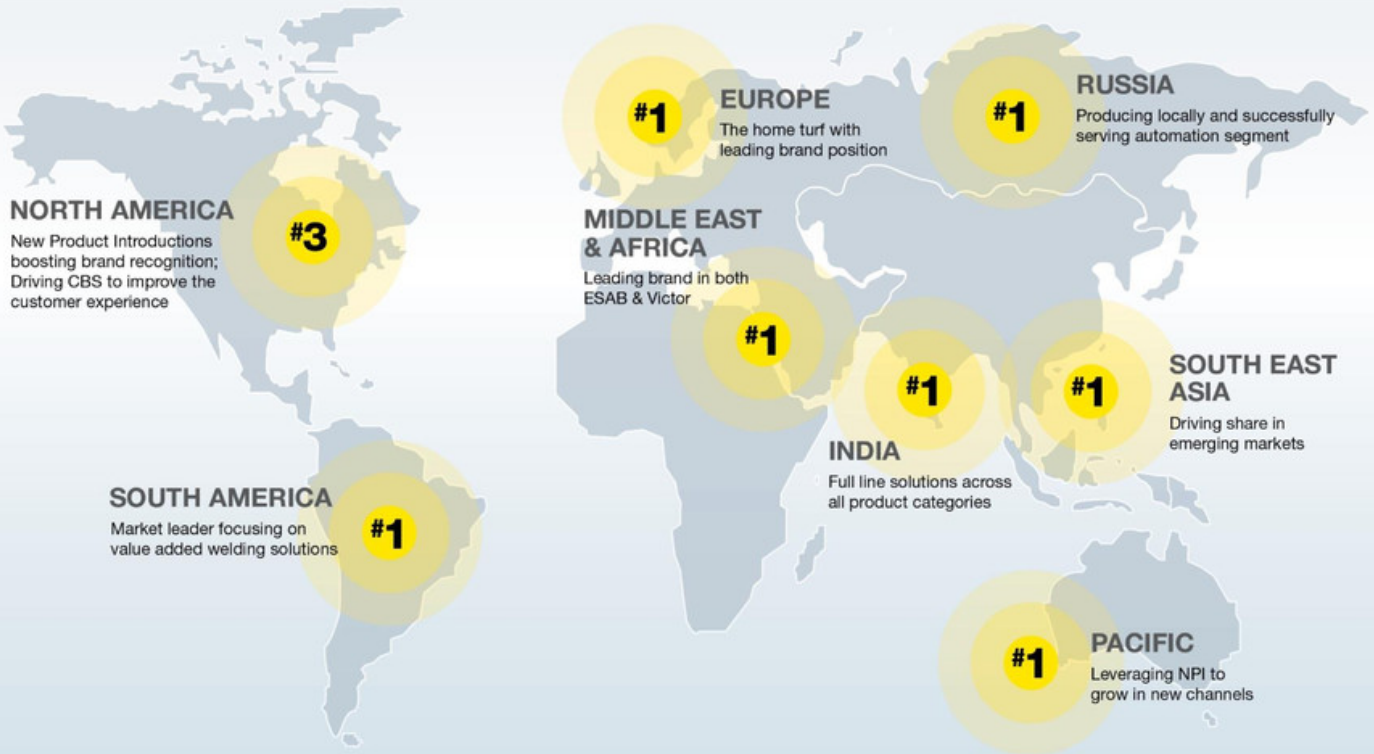
# A CENTURY OF TECHNOLOGICAL INNOVATION.



**INNOVATION DEFINES OUR FUTURE**



# TRULY GLOBAL PRESENCE.



Source: Internal company reporting and analysis; 2017 YTD through Q3.

**~50% OF SALES FROM EMERGING MARKETS**



# WITH AN INDUSTRY LEADING PORTFOLIO.

#1

Leader

## FILLER METALS



#1

Leader

## GAS APPARATUS & ACCESSORIES



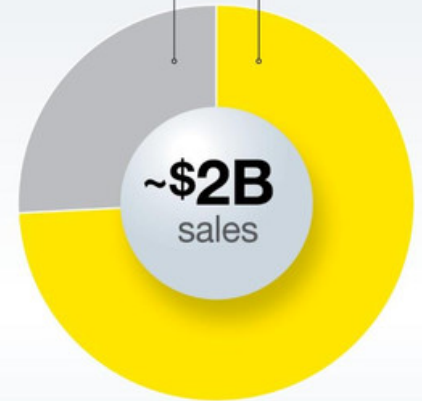
Accelerating pace of innovation

## EQUIPMENT



Equipment

Consumables



UNIQUELY POSITIONED TO PROVIDE BEST-IN-CLASS WORKFLOW SOLUTIONS



# SERVING DIVERSE INDUSTRIES.

## Automotive



## Construction & infrastructure



## Oil and gas



## Process industries

## Power generation



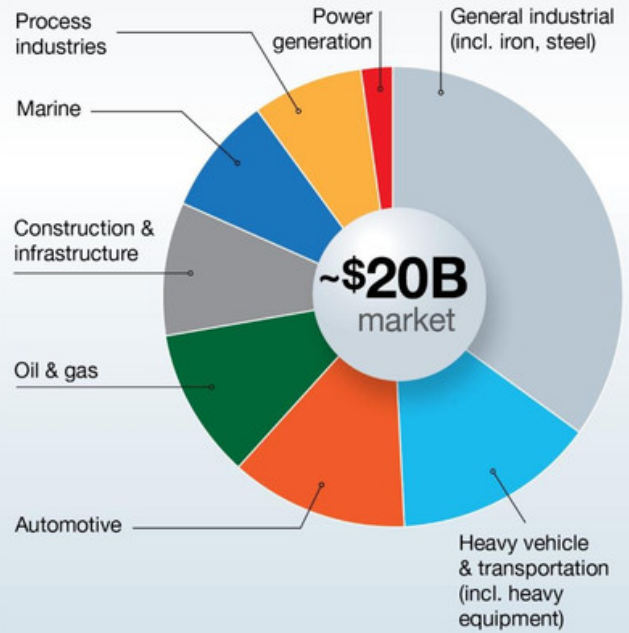
## Marine



## General industrial



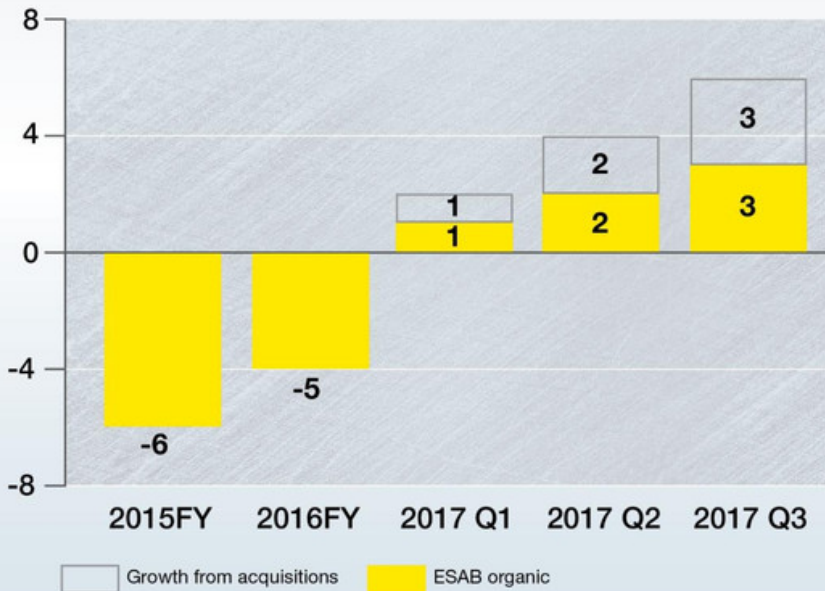
## Heavy vehicle & transportation



Source: Internal company reporting and analysis.

# MARKETS HAVE TURNED TO GROWTH.

Growth, Y-o-Y in %



- Demand continues to strengthen in most regions
- General industrial & Construction leading the market back to growth
- Welding intensive industries like Oil & gas, Marine and Heavy vehicle just beginning to turn positive

Source: Company filings.

**STRONG Y-o-Y AND Q-o-Q IMPROVEMENT, AND A POSITIVE START TO Q4**



# MEGA TRENDS SUPPORTING GROWTH IN OUR MARKET.



## URBANIZATION

- Urbanization driving **construction** across the globe
- Increased emphasis on **renewables** and **environmental friendly filler metals**
- **China and Asia Pacific** region dominates as urbanization flourishes



## AUTOMATION

- Physical labor and transactional tasks are being widely automated
- **Welder shortage** and push to increase **productivity** to reduce costs
- Especially strong welding automation growth in **emerging markets**



## DIGITALIZATION

- Rapid adoption of **intelligent products** across industries. Expected market **CAGR +30%**
- **"Big data"** and analytics part of a new foundation for competitiveness
- Value creation driven by **inter-connectivity** of products and value solutions



## SAFETY

- Increased emphasis on **EHS**
- Tougher **quality control** and **safety regulations**

**UNDERLYING TRENDS DRIVING LONG-TERM GROWTH AND INNOVATION**



**STRATEGIC FOCUS.**

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# STRATEGIC FOCUS.

- **Strengthening our core** through CBS and talent development
- **Building on global leadership position** in filler metal
- **Accelerating pace of innovation** in equipment
- **Driving connectivity & automation** for break-through workflow management

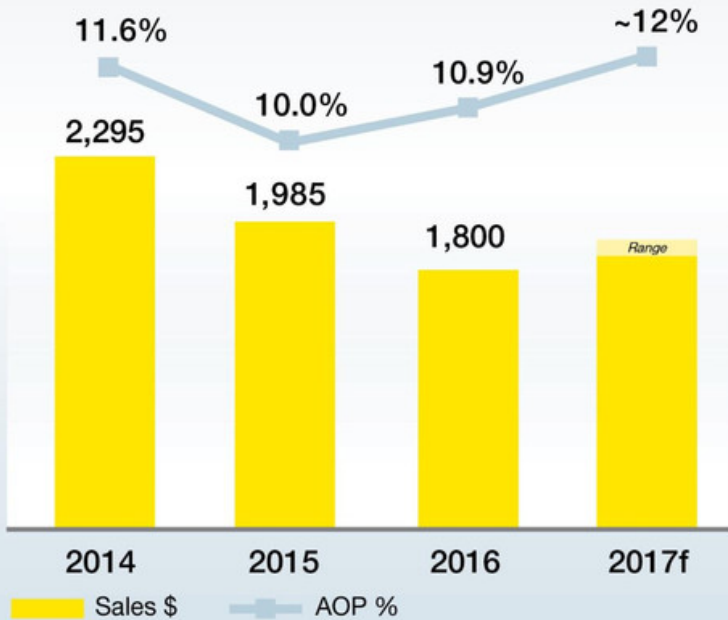
USING CBS TO DRIVE CONTINUOUS IMPROVEMENT AND GROWTH





# STRENGTHENING OUR CORE.

## ESAB performance



- Expanding margins and returning to growth
- Striving for zero accidents
  - 46% fewer recordable accidents
- Customer service improvements:
  - Improved Filler metals OTD from 84% to 96% in the US
  - Decreased Equipment lead time from 7 days to 1.5 days in Europe
- Investing in talent
- Improved cost structure

Source: Company filings and management estimates.

**EXPANDING MARGINS AS MARKETS RETURN TO GROWTH**

# STRENGTHENING OUR CORE: PRESIDENT'S KAIZEN.

## PACKAGING LINE IMPROVEMENT

	EVENT OBJECTIVES	BEFORE	AFTER	IMPROVEMENT
1	Safety improvements	N/A	14	100%
2	Change over time (min)	30	17	47%
3	Cycle time (sec)	670	110	83%
4	Batch size reduction	20	1	95%
5	Sub-Assembly batch size reduction	100	32	68%

## SET-UP TIME REDUCTION

	EVENT OBJECTIVES	BEFORE	AFTER	IMPROVEMENT
1	Safety improvements	N/A	14	100%
2	Change over time (min)	290	34	88%
3	Scheduled attainment	68%	78%	15%
4	Uptime improvements	70%	80%	15%
5	Increased productivity	52%	70%	35%



**CONTINUOUS IMPROVEMENT (KAIZEN) IS OUR WAY OF LIFE**

# FILLER METAL LEADERSHIP.

High alloy filler metals market \$2.4 Billion



**Weight reduction** (e.g., aluminum growing as share of material)



**Protection against corrosive environments** (e.g., offshore, batteries, desalination)

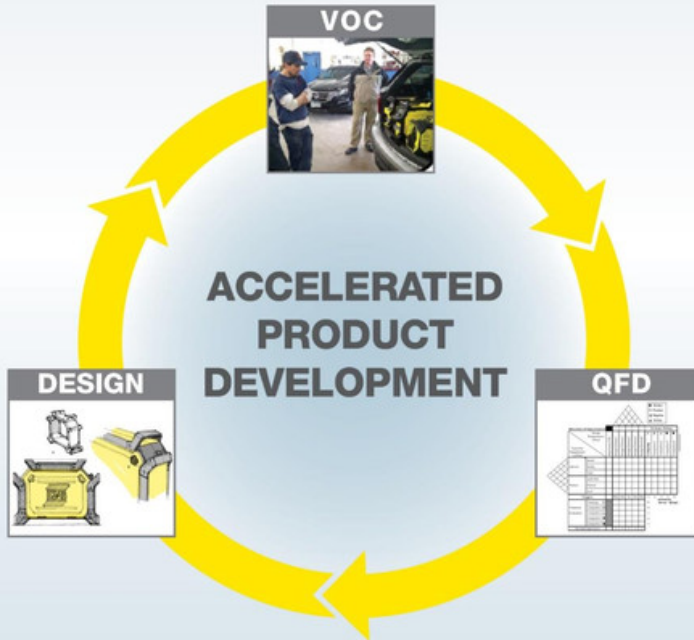


**Sanitation** (e.g., use of stainless steel in white goods sector)

Source: Management estimate; proforma for EWAC and Sandvik acquisitions

**INVESTING IN NEW PRODUCTS AND ACQUISITIONS TO LEVERAGE FILLER METAL POSITION**

# INNOVATION DEFINES OUR FUTURE.



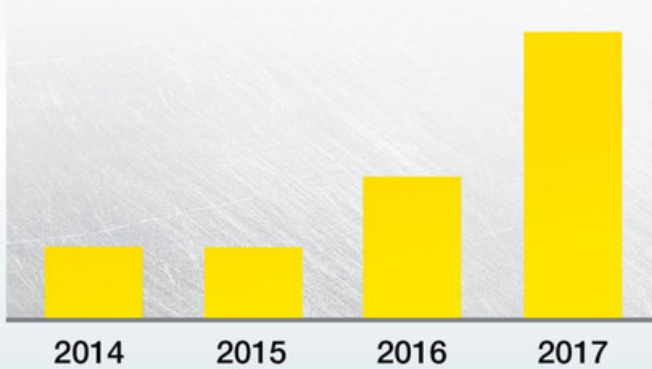
## Break-through performance

- Highest **power to weight ratio**, up to 3.4x
- SmartMIG **adaptive arc technology**
- Victor® EDGE™ 2.wins **iF Design Award**
- ICE™ up to **70% faster** than next competitor
- WeldCloud™ wins **Industrie Lyon Award**
- Widest input **power range**

**USING CBS TO DRIVE SUCCESS AND CHANGE THE GAME**

# ACCELERATING PACE OF INNOVATION.

## Major new product launches each year



Source: Internal company reporting.

- Successfully established a **robust process** for new product development
- **Differentiated solutions** and **platforms**
- **Open innovation** to leverage leading edge technologies and resources
- Strengthening the **brand reputation as an innovator**







# CONVERTING DISTRIBUTORS THROUGH PLATFORM DEVELOPMENT.



**SUCCESSFULLY REDEFINING ESAB IN WELDING EQUIPMENT**

# AUTOMATION PROCESS & TECHNOLOGY LEADERSHIP.



	ROBOT	TRACTOR	HARD AUTOMATION	
GMAW	Process Package	Motion/Delivery	Process Package	Motion, fixturing & Handling
PAW	Process Package	N/A	Process Package	
HLAW	Process Package	N/A	Process Package	
SAW	Process Package	Motion/Delivery	Process Package	
FSW	Process Package	N/A	Process Package	

PROCESS PACKAGE: [Blue triangle icon]   
 MOTION/DELIVERY: [White triangle icon]   
 N/A: [Grey box icon]   
 NOT APPLICABLE SEGMENTS: [Grey box icon]

## Focus on Process Technology

- Focusing on the **value added** welding process packages
- Bringing discrete technology leadership into **optimized solutions**
- **Investing in R&D and acquisitions** to develop new products and solutions

## Supporting integrators

- Developing the **integrator channel** through partnerships in key growth segments & regions
- Closing product and application gaps to provide **entire workflow solutions**
- Leveraging recent acquisitions **AMI & TBi** to develop channels and build presence

**ESAB WINS BY PROVIDING PROCESS, EQUIPMENT, AND FILLER METAL INNOVATION**



# ESAB'S **DIGITAL GROWTH** ADVANTAGE.

>100 years of welding expertise

Start with core welding data



Add 25 years of HKS experience in weld quality



Add Universal Connectors to any welding machine

New innovations in weld data management, true analytics and new business models



Easy way for customers to order consumables

Information where needed

Weld Procedure Specs

Digital support

Digital verification records of each weld

Machine Learning helping customers make better welds

**DRIVING DIGITAL GROWTH THROUGH WORKFLOW MANAGEMENT –  
COLLECTING DATA IS JUST THE START**

# ACQUISITIONS TO SUPPORT GROWTH INITIATIVES.

	 	 	 	  Service	 
Automation	✓	✓	✓		
Digital growth			✓		
Specialty alloys				✓	✓

**CONTINUING TO INVEST IN OUR GLOBAL BUSINESS & TECHNOLOGY LEADERSHIP**

# SUMMARY.

## **Markets have turned to growth**

### **Strategy is gaining momentum**

- Strengthening the core through CBS and talent development
- Revitalizing organic growth
- Investing in our future with R&D and strategic acquisitions

### **Best global reach and complete offering**



[esab.com](http://esab.com)





# APPENDIX



# Non-GAAP Financial Measures

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. Adjusted net income, adjusted net income per share, projected adjusted net income per share and adjusted operating income exclude Restructuring and other related items and divestiture-related expense associated with the sale of our Fluid Handling business to the extent they impact the periods presented. Adjusted net income, adjusted net income per share, adjusted operating income for 2016 also exclude the loss recorded on our deconsolidation of our Venezuelan operations and the asbestos coverage adjustment. 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.

# Non-GAAP Reconciliation

(unaudited)

## Year Ended December 31, 2016

	Gas and Fluid Handling		Fabrication Technology		Corporate and Other	Total Colfax Corporation
Net sales	\$ 1,846,555		\$ 1,800,492		\$ -	\$ 3,647,047
Operating income (loss)	124,326 6.7%		163,509 9.1%		(49,820)	238,015 6.5%
Restructuring and other related charges	42,482		31,688		-	74,170
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)	\$ 322,780 8.9%

## Year Ended December 31, 2015

	Gas and Fluid Handling		Fabrication Technology		Corporate and Other	Total Colfax Corporation
Net sales	\$ 1,981,816		\$ 1,985,237		\$ -	\$ 3,967,053
Operating income (loss)	162,942 8.2%		168,687 8.5%		(46,984)	284,645 7.2%
Restructuring and other related charges	31,527		29,650		-	61,177
Adjusted operating income (loss)	\$ 194,469 9.8%		\$ 198,337 10.0%		\$ (46,984)	\$ 345,822 8.7%

## Year Ended December 31, 2014

	Gas and Fluid Handling		Fabrication Technology		Corporate and Other	Total Colfax Corporation
Net sales	\$ 2,329,598		\$ 2,294,878		\$ -	\$ 4,624,476
Operating income (loss)	227,707 9.8%		234,225 10.2%		(52,379)	409,553 8.9%
Restructuring and other related charges	26,533		31,588		-	58,121
Adjusted operating income (loss)	\$ 254,240 10.9%		\$ 265,813 11.6%		\$ (52,379)	\$ 467,674 10.1%

Note: Dollars in thousands



# Non-GAAP Reconciliation

(unaudited)

Projected % of net sales:	Year Ended December 31, 2017	
	Fabrication Technology	Gas and Fluid Handling
Operating income	~11%	~8%
Restructuring and other related charges	~1%	~1%
Divestiture-related expense, net	0%	~1%
Adjusted operating income	~12%	~10%

# Non-GAAP Reconciliation

(unaudited)

Nine Months Ended September 25, 2015

	Gas and Fluid Handling		Fabrication Technology		Overall Segment		Corporate and Other	Total Colfax Corporation	
Net sales	\$	1,408,992	\$	1,496,597	\$	2,905,589	\$ -	\$ 2,905,589	
Operating income (loss)		115,535	8.2%	139,539	9.3%	255,074	8.8%	(35,492)	219,582
Restructuring and other related charges		11,562		14,096		25,658		-	25,658
Adjusted operating income (loss)	\$	127,097	9.0%	\$ 153,635	10.3%	\$ 280,732	9.7%	(35,492)	\$ 245,240

Nine Months Ended September 29, 2017

	Air and Gas Handling		Fabrication Technology		Corporate and Other	Total Colfax Corporation (Continuing Operations)		Fluid Handling (Discontinued Operations)		Overall Segment (Air and Gas Handling, Fabrication Technology and Fluid Handling)		
Net sales	\$	989,044	\$	1,437,057	\$ -	\$	2,426,101	\$	343,690	\$2,769,791		
Operating income (loss)		88,285	8.9%	158,850	11.1%	(42,024)	205,111	8.5%	29,362	8.5%	276,497	10.0%
Restructuring and other related charges		9,285		13,846		-	23,131		(7,628)		15,503	
Divestiture-related expense, net		-		-		-	-		7,275		7,275	
Adjusted operating income (loss)	\$	97,570	9.9%	\$ 172,696	12.0%	\$ (42,024)	\$ 228,242	9.4%	\$ 29,009	8.4%	\$ 299,275	10.8%

Note: Dollars in thousands

# Non-GAAP Reconciliation

(unaudited)

	Year Ended December 31,	
	2016	2015
Adjusted Net Income and Adjusted Net Income Per Share		
Net income attributable to Colfax Corporation	\$ 128,111	\$ 167,739
Restructuring and other related charges	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)	(21,040)	(33,549)
Adjusted net income	<u>\$ 191,836</u>	<u>\$ 200,098</u>
Adjusted net income margin	5.3%	5.0%
Weighted-average shares outstanding - diluted	123,199	124,870
Adjusted net income per share	\$ 1.56	\$ 1.60
Net income per share— diluted (in accordance with GAAP)	\$ 1.04	\$ 1.34

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

Note: Amounts in thousands except per share amounts

# Non-GAAP Reconciliation

(unaudited)

	2017 Earnings Per Share Range	
	Low	High
Colfax Corporation		
Projected net income per share - diluted	\$ 1.34	\$ 1.44
Restructuring costs- pretax	0.30	0.30
Divestiture-related expense, net- pretax	0.13	0.13
Tax adjustment	(0.12)	(0.12)
Projected adjusted net income per share	<u>\$ 1.65</u>	<u>\$ 1.75</u>
	2017 Pro Forma Earnings Per Share Range	
	Low	High
Colfax Corporation		
Projected net income per share - diluted	\$ 1.34	\$ 1.44
Restructuring costs- pretax	0.30	0.30
Divestiture-related expense, net- pretax	0.13	0.13
Tax adjustment	(0.12)	(0.12)
STE pro forma full year contribution	0.10	0.10
Fluid Handling pro forma full year operation	(0.25)	(0.25)
Other pro forma adjustments	0.05	0.05
Projected adjusted net income per share (pro forma)	<u>\$ 1.55</u>	<u>\$ 1.65</u>

