

First Quarter 2020

Earnings Conference Call

May 7, 2020

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Colfax has provided in this presentation financial information that has not been prepared in accordance with accounting principles generally accepted in the United States of America ("non-GAAP"). These non-GAAP financial measures are adjusted net income, adjusted net income per share, adjusted EBITA (earnings before interest, taxes and amortization), adjusted EBITDA (adjusted EBITA plus depreciation and other amortization), adjusted EBITA margin, adjusted EBITDA margin, organic sales growth, and free cash flow. Colfax also provides adjusted EBITA, adjusted EBITDA, adjusted EBITA margin and adjusted EBITDA margin on a segment basis.

- Adjusted net income represents net income (loss) from continuing operations excluding restructuring and other related charges, debt extinguishment charges, acquisition-related amortization and other non-cash charges, and strategic transaction costs.
- Adjusted EBITA represents net income (loss) from continuing operations excluding restructuring and other related charges, acquisition-related amortization and other non-cash charges, and strategic transaction costs, as well as income tax expense (benefit) and interest expense, net. Colfax presents adjusted EBITA margin, which is subject to the same adjustments as adjusted EBITA. Further, Colfax presents adjusted EBITA (and adjusted EBITA margin) on a segment basis, where we exclude the impact of strategic transaction costs and acquisition-related amortization and other non-cash charges from segment operating income. Additionally, pro forma gross margin and pro forma adjusted EBITA margin are calculated using the corresponding prior year gross margin and adjusted EBITA amounts, assuming that the acquisition of DJO had taken place on January 1, 2019.
- Adjusted EBITDA represents Adjusted EBITA plus depreciation and other amortization.
- Core or organic sales growth (decline) excludes the impact of acquisitions and foreign exchange rate fluctuations. Additionally, pro forma organic sales percentage increase (decrease) or change in basis points is calculated using the corresponding prior year sales amounts, assuming that the acquisition of DJO had taken place on January 1, 2019.
- Free cash flow represents operating cash flow less purchases of property, plant and equipment ("PP&E") plus proceeds from sales of PP&E.

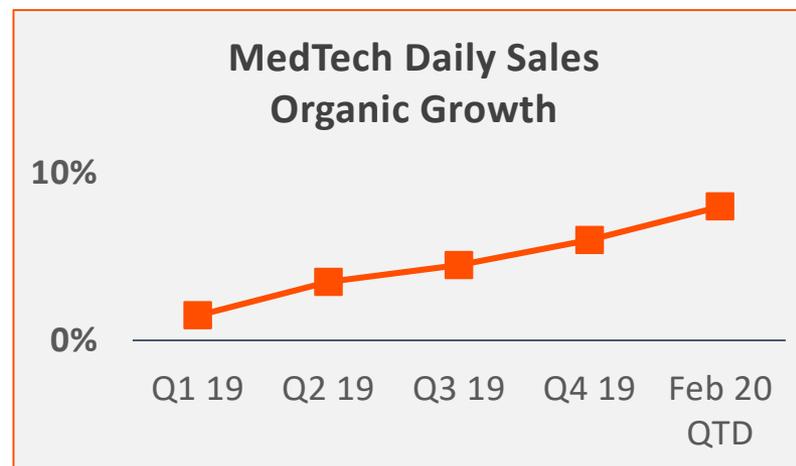
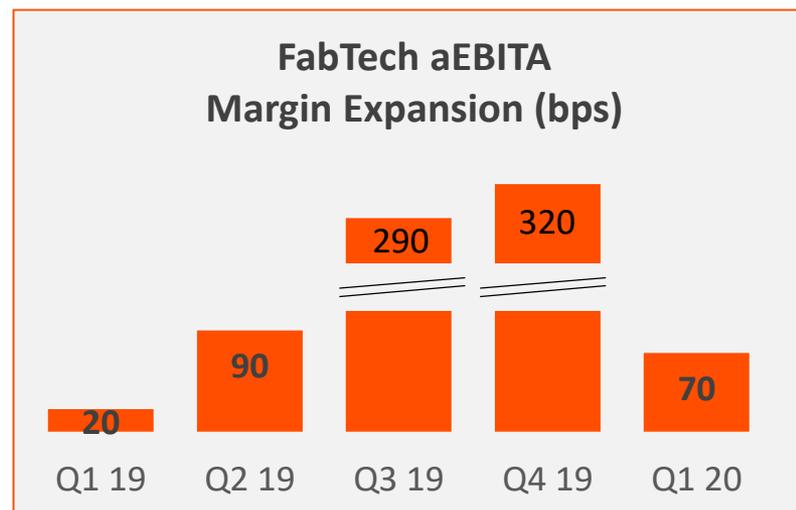
These non-GAAP financial measures assist Colfax management in comparing its operating performance over time because certain items may obscure underlying business trends and make comparisons of long-term performance difficult, as they are of a nature and/or size that occur with inconsistent frequency or relate to discrete restructuring plans that are fundamentally different from the ongoing productivity improvements of Colfax. Colfax management also believes that presenting these measures allows investors to view its performance using the same measures that Colfax uses in evaluating its financial and business performance and trends. 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 provided in the appendix to this presentation.

Overview

- Continued strong momentum through mid-March; reported \$0.38 of adjusted EPS in Q1
- Quickly ramped COVID-19 actions to protect associates and ensure continuity of supply to customers
- Expecting Q2 trough with demand improvements in 2H 2020, will flex / manage spend and investment throughout downturn
- Maintaining strong financial position and ample liquidity
- Continuing to invest for growth and expect to resume momentum as pandemic passes

Strong Pre-COVID Performance

- February YTD results reflected strong momentum
- FabTech sustainable margin improvements continued
- MedTech operating improvements and innovation drove growth and share gain
- Expect to resume our momentum as we work past COVID-19 crisis



Business Growth Drivers and COVID Impacts

	Long-Term Drivers	Immediate COVID Impacts
MedTech	<ul style="list-style-type: none">Population growth, agingDisease (e.g., OA, diabetes)Sports and active lifestylesIncreasing access to healthcare	<ul style="list-style-type: none">Elective surgeries deferredOrganized sports stoppedPopulations locked-down - less trauma and workplace injuriesAccess to clinics curtailedIncreased demand for vascular products
FabTech	<ul style="list-style-type: none">Industrial growthGlobal infrastructure build-out½ of ESAB business tied to faster-growing emerging marketsProductivity solutions to address shortage of skilled welders	<ul style="list-style-type: none">China closure / re-openingCountrywide shut-downs (e.g. India)Industrial short-cycle demand declined in US & EuropeIncreased demand for GCE medical gas products

COVID-19 Market Conditions

MedTech

- April daily sales rates down ~60% year/year
 - Reconstructive down ~70%
 - Preventative & Rehabilitative down ~55%
- Expected May/June improvements
 - Staged resumption of elective surgeries
 - Gradual re-opening of economies, activity, and healthcare access
- Pacing factors for recovery
 - Elective surgery ramp rate
 - Clinic activity ramp rate
 - Return to organized sports

FabTech

- April daily sales rates down ~30% year/year
- Expected May/June improvements
 - Closed facilities scheduled to re-open in May
 - Customer activity should increase as policy limitations are lifted
- Pacing factors for recovery
 - Rate of re-opening
 - Stimulus success, confidence
 - Steps backward in certain countries or states?

Medical Technology Highlights

- Organic growth of 0.3%
- aEBITA margin of 10.6% for full quarter reduced due to COVID-driven lower sales in March
- Continuing to serve customers, advance innovation
- Deploying telemedicine technologies to help health practitioners and patients
- Elective surgery beginning to restart in May, expected to ramp in Q3

millions

Q1 Sales

2019 sales shown pro forma to include est. Jan-Feb 2019 sales



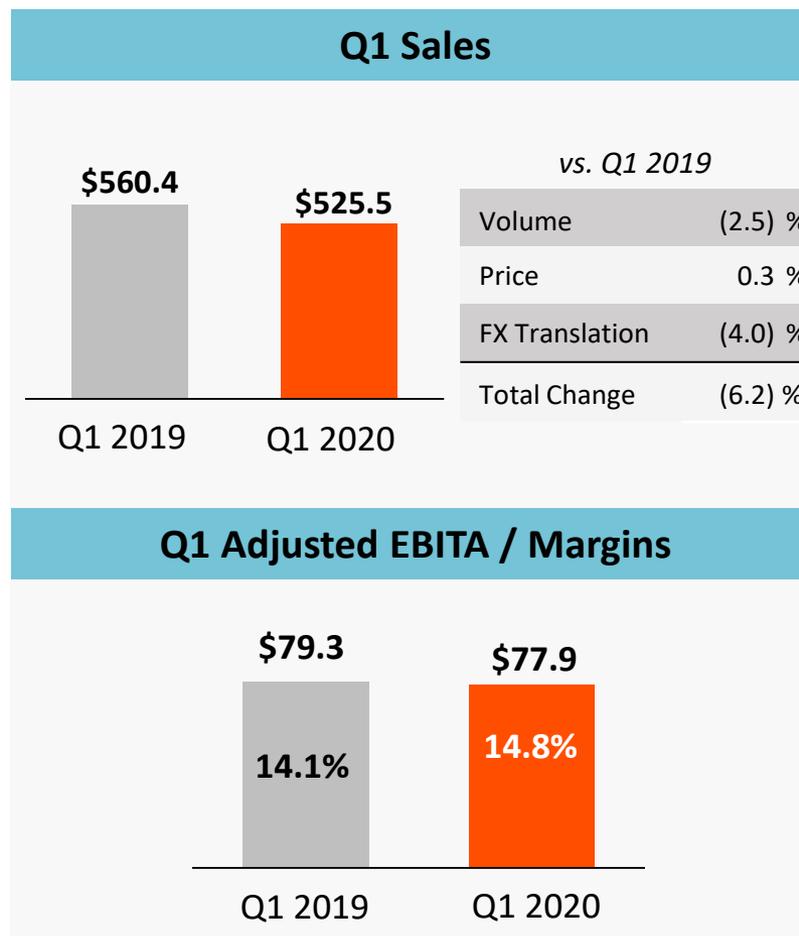
Q1 Adjusted EBITA & EBITDA / Margins

	Q1 2020	
aEBITA	\$30.7	10.6%
aEBITDA	\$44.9	15.4%

Fabrication Technology Highlights

- Organic sales decline of 2.2%
- Continued growth outperformance from innovations and CBS commercial processes
- Effective price & cost management drove margin expansion
- Fully supporting innovation engine

millions



Current Priorities

- Protect the health & safety of our associates
- Ensure continuity of supply to customers as essential business
- Keep our company financially strong and healthy
 - Flex costs significantly in Q2
 - Smart cash management
- Position ourselves to win as the markets recover

Keeping Our Supply Chains Operating

- Site level risk management – PPE, social distancing, temperature checks, quarantining
- Following CDC, WHO, local government policies; benchmarking extensively
- Dynamic management of manufacturing inputs to secure supply but avoid overstocking
- Adjusting staffing to lower demand levels

Contributing to the Global Pandemic Battle



**Producing
masks**



**Supplying hand
sanitizer**



**Venaflo™
compression
devices**



**Expanding TeleHealth
program**



**Manufacturing ESAB / GCE
medical gas controls**

Flexing to Stay Strong

- Executing existing robust restructuring plans
 - ESAB multi-year plans to support continued margin expansion
 - DJO operating improvement focus
- Taking aggressive temporary actions to reduce > \$100mm of cash outlays in Q2
 - P&L-related \$80-90mm: Reduced employment costs, discretionary spending sharply curtailed, other spending including variable costs
 - Other cash flow actions: Re-phasing capital spending, accelerated working capital process improvements
- Many levers to pull depending on the length and depth of the pandemic
 - Extension of certain temporary measures
 - Increased scope of restructuring
- Protecting critical investments

Preparing to Resume Strong Momentum

- Initiatives to help customers in Q2 when they need us the most – e.g., masks, telemedicine, oxygen control products
- Initiatives for strong 2H recovery
 - Growth bridges to target key segments/applications/customers
 - Digital campaigns, training, customer/user engagement
 - Sales and channel incentive programs
 - Strategic inventory
 - Launches of key new products/solutions
- Initiatives for post-COVID strategic advantage

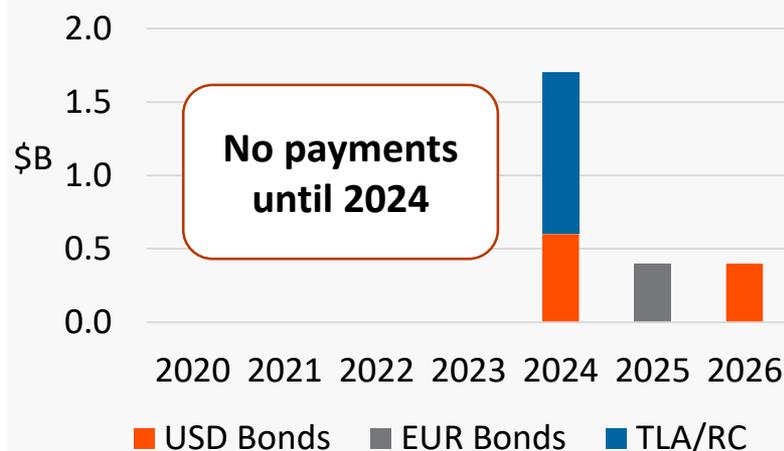
Ample Liquidity & Covenant Flexibility

- Prior to US Federal Reserve actions, proactively executed a net \$250mm draw from borrowing facilities
- Plan to repay borrowings in Q2 by driving cash balances down to \$75mm or less
- Targeting neutral-to-positive free cash flow in Q2
- Recently amended the credit agreement to increase leverage covenant flexibility during uncertain COVID-19 environment

Liquidity as of Q1

Cash	\$366mm
Available borrowing capacity	<u>\$917mm</u>
Total liquidity	<u>\$1.3 billion</u>

Debt Maturities & Amortization



Q1 2020 Financial Highlights

	Continuing Operations	
<i>millions</i>	<u>Q1 2019</u>	<u>Q1 2020</u>
Net sales	\$683.9	\$816.4
Gross profit	\$261.0	\$348.2
Margin	38.2%	42.7%
Adj. EBITA	\$90.2	\$95.5
Margin	13.2%	11.7%
Adj. EBITDA	\$104.8	\$120.1
Margin	15.3%	14.7%
Adj. EPS	\$0.37	\$0.38
Free cash flow ¹	(\$95.4)	\$26.8

- Current year results include full quarter contribution from DJO, pandemic effects
- Pro forma organic sales decreased 1.4%, which benefited ~4-5% from extra selling days vs. the prior year
- Pro forma gross margins improved 90 bps, driven by FabTech cost & pricing actions
- Pro forma aEBITA margins declined 70 bps from COVID revenue impacts
- Interest expense tracking as expected in \$25-30mm per quarter range
- Adj. tax rate in low 20s in Q1 but expected to be volatile for remainder of year during COVID pandemic
- Higher share count reflects TEU impact when share price < \$25
- Q1 free cash flow consistent with FY plans for > \$250mm and > 90% conversion; uncertain outlook for 2020

(1) Free cash flow represents operating cash flow less purchases of property, plant and equipment ("PP&E") plus proceeds from sales of PP&E.

Refer to Appendix for non-GAAP reconciliation and footnotes.

Recovery Scenarios

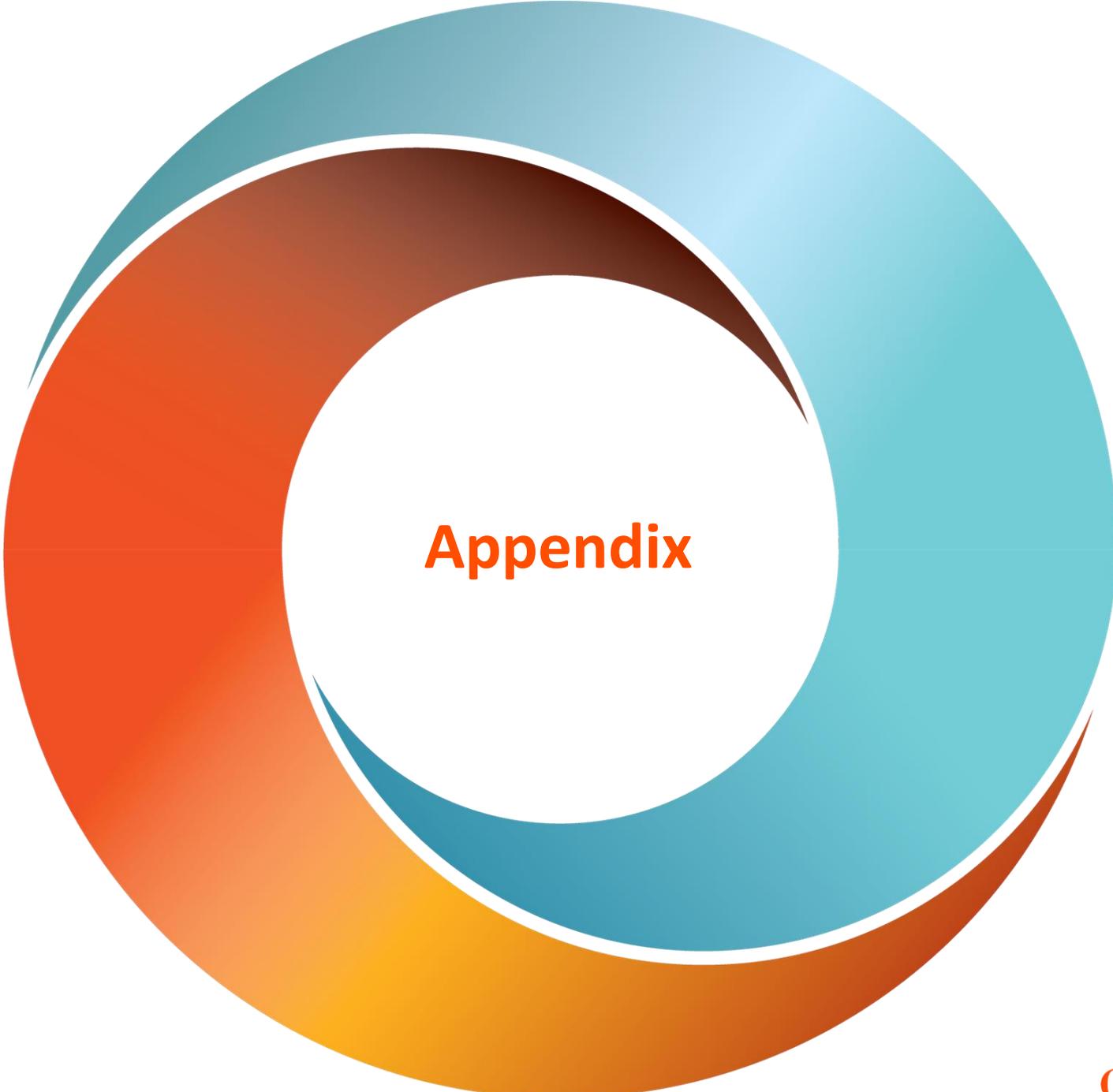
	Q2 2020	Q4 2020	2021
<div data-bbox="48 359 405 799"> <p>Reconstructive</p> <p>MedTech</p> <p>Prev. & Rehab.</p> </div>	<ul style="list-style-type: none"> • Sharp decline in elective surgeries; recovery starts late April / early May • Organized sports remains shutdown; clinics begin re-opening; recreation and physical work begin to resume 	<ul style="list-style-type: none"> • Elective surgeries at / above pre-COVID levels to address backlog of cases • Healthcare fully re-opened; Recreation and physical work largely resumed; Organized sports partially resumed 	<ul style="list-style-type: none"> • All demand drivers should be intact • Most demand drivers should be intact
<div data-bbox="48 825 405 1263"> <p>FabTech</p> </div>	<ul style="list-style-type: none"> • Significant decline from closed countries, policy-driven demand curtailment • Most countries move forwards, a few go backwards • Limited impact from stimulus 	<ul style="list-style-type: none"> • Initial positive impact from stimulus packages • Economic drag from lost demand, unemployment • Potential for intermittent impacts from policies to address flare-ups 	<ul style="list-style-type: none"> • Expect full benefit from 2020 stimuli • Long-term demand drivers should return – but how fast tbd • Residual caution may be a drag on spending/investment

Thoughtful spending controls, investing for growth

Summary

- Quickly ramped COVID-19 actions to protect associates and ensure continuity of supply to customers
- Expecting demand improvements in 2H 2020, will flex / manage spend and investment throughout downturn
- Maintaining strong financial position and ample liquidity
- Continuing to invest for growth and expect to resume momentum as pandemic passes





Appendix

FabTech China COVID-19 Experience



- Chinese restrictions resulted in sharp drop for in-country revenue
- As restrictions were lifted, business has experienced a sharp re-bounce in demand
- Following rebound, expect region to have positive growth

Non-GAAP Reconciliation

	Colfax Corporation	
	Three Months Ended	
	April 3, 2020	March 29, 2019
Adjusted Net Income and Adjusted Net Income Per Share		
Net income (loss) from continuing operations attributable to Colfax Corporation ⁽¹⁾	\$ 7.8	\$ (22.9)
Restructuring and other related charges - pretax ⁽²⁾	11.9	10.8
Debt extinguishment charges - pretax	-	0.8
Acquisition-related amortization and other non-cash charges - pretax ⁽³⁾	35.8	23.7
Strategic transaction costs - pretax ⁽⁴⁾	0.9	53.3
Tax adjustment ⁽⁵⁾	(2.6)	(16.6)
Adjusted net income from continuing operations	\$ 53.9	\$ 49.2
Adjusted net income per share - diluted from continuing operations	\$ 0.38	\$ 0.37
Net income per share - diluted from continuing operations (GAAP)	\$ 0.06	\$ (0.17)

(1) Net income from continuing operations attributable to Colfax Corporation for the respective periods is calculated using Net income from continuing operations less the continuing operations component of the income attributable to noncontrolling interest, net of taxes, of \$1.0 million and \$1.3 million for the three months ended April 3, 2020 and March 29, 2019, respectively.

(2) Includes \$1.8 million of expense classified as Cost of sales on the Company's Condensed Consolidated Statements of Operations for the three months ended April 3, 2020.

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

(4) Includes costs incurred for the acquisition of DJO.

(5) The effective tax rates used to calculate adjusted net income and adjusted net income per share were 22.3% and 27.0% for the three months ended April 3, 2020 and March 29, 2019, respectively.

Non-GAAP Reconciliation

	Fabrication Technology		Medical Technology ⁽¹⁾		Total Colfax	
	\$	%	\$	%	\$	%
For the three months ended March 29, 2019	\$ 560.4		\$ 292.7		\$ 853.1	
<i>Components of change:</i>						
Existing businesses ⁽²⁾	(12.5)	-2.2%	0.8	0.3%	\$ (11.7)	-1.4%
Acquisitions ⁽³⁾	-	0.0%	-	0.0%	-	0.0%
Foreign currency translation ⁽⁴⁾	(22.4)	-4.0%	(2.7)	-0.9%	(25.0)	-2.9%
	<u>(34.9)</u>	<u>-6.2%</u>	<u>(1.9)</u>	<u>-0.6%</u>	<u>(36.7)</u>	<u>-4.3%</u>
For the three months ended April 3, 2020	<u>\$ 525.5</u>		<u>\$ 290.8</u>		<u>\$ 816.4</u>	

(1) Medical Technology prior year Net sales and components of change are based on or derived from Management's internal reports. On the Company's form 10-Q for the first quarter of 2020, Medical Technology prior year Net sales include only sales subsequent to February 22, 2019, the date of the DJO acquisition, and sales prior to February 22, 2020 are included in the acquisitions line item of the change in sales reconciliation.

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

(3) Represents the incremental sales from acquisitions.

(4) Represents the difference between prior year sales valued at the actual prior year foreign exchange rates and prior year sales valued at current year foreign exchange rates.

Non-GAAP Reconciliation

	Three Months Ended April 3, 2020										
	Fabrication Technology		Medical Technology		Corporate and Other		Total Colfax				
	\$		\$		\$		\$				
Net sales	\$	525.5	\$	290.8	\$	-	\$	816.4			
Operating income		66.2	12.6%	(5.3)	-1.8%	(14.1)	46.8	5.7%			
Restructuring and other related charges ⁽¹⁾		2.8	0.5%	9.1	3.1%	-	11.9	1.5%			
Segment operating income		69.0	13.1%	3.8	1.3%	(14.1)	58.8	7.2%			
Strategic transaction costs		-		-		0.9	0.9	0.1%			
Adjusted operating profit	\$	69.0	13.1%	\$	3.8	1.3%	\$	(13.2)	\$	59.7	7.3%
Acquisition-related amortization and other non-cash charges ⁽²⁾		8.9	1.7%	26.9	9.2%	-	35.8	4.4%			
Adjusted EBITA	\$	77.9	14.8%	\$	30.7	10.6%	\$	(13.2)	\$	95.5	11.7%
Depreciation and other amortization		10.1	1.9%	14.2	4.9%	0.4	24.6	3.0%			
Adjusted EBITDA	\$	88.0	16.7%	\$	44.9	15.4%	\$	(12.8)	\$	120.1	14.7%

	Three Months Ended March 29, 2019										
	Fabrication Technology		Medical Technology ⁽³⁾		Corporate and Other		Total Colfax				
	\$		\$		\$		\$				
Net sales	\$	560.4	\$	123.5	\$	-	\$	683.9			
Operating income		66.3	11.8%	4.1	3.3%	(68.1)	2.3	0.3%			
Restructuring and other related charges		4.3	0.8%	6.5	5.3%	-	10.8	1.6%			
Segment operating income		70.6	12.6%	10.7	8.7%	(68.1)	13.2	1.9%			
Strategic transaction costs		-		-		53.3	53.3				
Adjusted operating profit	\$	70.6	12.6%	\$	10.7	8.7%	\$	(14.8)	\$	66.5	9.7%
Acquisition-related amortization and other non-cash charges ⁽²⁾		8.7	1.6%	15.0	12.1%	0.0	23.7	3.5%			
Adjusted EBITA	\$	79.3	14.1%	\$	25.7	20.8%	\$	(14.8)	\$	90.2	13.2%
Depreciation and other amortization		10.2	1.8%	4.0	3.2%	0.4	14.6	2.1%			
Adjusted EBITDA	\$	89.5	16.0%	\$	29.7	24.0%	\$	(14.4)	\$	104.8	15.3%

(1) Restructuring and other related charges in the Medical Technology segment includes \$1.8 million of expense classified as Cost of sales on the Company's Condensed Consolidated Statements of Operations.

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

(3) For the three months ended March 29, 2019, the Medical Technology segment includes results from the acquisition date of February 22, 2019.

Non-GAAP Reconciliation

	Colfax Corporation Three Months Ended	
	April 3, 2020	March 29, 2019
Net cash provided by (used in) operating activities	\$ 56.2	\$ (72.3)
Capital expenditures, net ⁽¹⁾	(29.4)	(23.1)
Free cash flow	\$ 26.8	\$ (95.4)

(1) Capital expenditures, net represents cash used in purchases of property, plant and equipment ("PP&E"), partially offset by proceeds from sales of PP&E.

Non-GAAP Reconciliation

	As Reported		Add: MedTech ⁽¹⁾		Colfax Corporation		Margin Changes (bps)		
	For the Three Months Ended		For the Two Months Ended		For the Three Months Ended				
	March 29, 2019		February 22, 2019		March 29, 2019				
Sales	\$	683.9	\$	169.2	\$	853.1	\$	816.4	
Gross Profit		261.0		95.3		356.3		348.2	
Gross Margin		38.2%		56.3%		41.8%		42.7%	90
aEBITA		90.2		15.8		106.0		95.5	
aEBITA Margin		13.2%		9.3%		12.4%		11.7%	(70)

(1) Medical Technology financial results for the two months ended February 22, 2019 are derived from or based on Management's internal reports.