Colfax Announces Intention to Separate into Two Independent Public Companies

March 4, 2021

Cautionary Statements

These materials include "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be characterized by terms such as "believe," "anticipate," "should," "would," "intend," "plan," "will," "expect," "estimate," "project," "positioned," "strategy," "targets," "aims," "seeks," "sees" and similar expressions. All statements other than statements of historical fact could be deemed forward-looking statements, including, but not limited to, statements regarding: the intended separation of the FabTech and MedTech businesses; expected 2021 revenue and Adjusted EBITDA for FabTech and MedTech; the timing and method of the separation; the anticipated benefits of the separation; the expected financial and operating performance of, and future opportunities for, each company following the separation; the tax treatment of the transaction; and the leadership of each company following the separation. These statements are based on assumptions and assessments made by our management as of the date of this press release in light of their experience and perception of historical trends, current conditions, expected future developments and other factors believed to be appropriate. Forward-looking statements are subject to a number of risks, uncertainties and assumptions that might cause actual results, developments and business decisions to differ materially from those expressed or implied thereby, and are not guarantees of future performance or actual results. These factors include, among other things: the final approval of the separation by our board of directors; the uncertainty of obtaining regulatory approvals in connection with the separation, including rulings from the Internal Revenue Service; the ability to successfully complete financing and other transactions on satisfactory terms, and other steps necessary to qualify the separation as a tax-free transaction; the ability to satisfy the necessary closing conditions to complete the separation on a timely basis, or at all; our ability to successfully separate the two companies and realize the anticipated benefits of the separation; developments related to the impact of the COVID-19 pandemic on the separation and the financial and operating performance of each company following the separation, including actions by governments, businesses and individuals in response to the pandemic, and other impacts on our business and ability to execute business continuity plans; and our ability to manage and grow our business and to execute our business and growth strategies. The effects of the COVID-19 pandemic, including actions by governments, businesses and individuals in response to the pandemic, may also give rise or contribute to or amplify the risks associated with many of these factors.

The factors identified above are not exhaustive. We operate in a dynamic business environment in which new risks may emerge frequently. Other unknown or unpredictable factors could also cause actual results, developments and business decisions to differ materially from those expressed or implied by the forward-looking statements. Forward-looking statements should be construed in the light of such factors. Readers are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date made. Additional information regarding these and other factors that may cause actual results to differ materially from those expressed or implied by the forward-looking statements is set forth in our public filings with the Securities Exchange Commission (the "SEC"), including our Annual Report on Form 10-K for the year ended December 31, 2020 and our subsequent filings with the SEC. We do not undertake, and hereby disclaim, any obligation to update any forward-looking statements, whether as a result of new information, future developments or otherwise.

Colfax has provided in this presentation certain 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 include adjusted EBITDA (adjusted EBITA plus depreciation and other amortization) and adjusted EBITDA margin. Colfax also provides adjusted EBITDA and adjusted EBITDA margin on a segment basis.

- Adjusted EBITA represents net income (loss) from continuing operations excluding restructuring and other related charges, acquisition-related amortization and other non-cash charges, European Union Medical Device Regulation ("MDR") and other costs, 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.
- Adjusted EBITDA represents Adjusted EBITA plus depreciation and other amortization.

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.

In this presentation, Colfax presents forward-looking non-GAAP measures, such as Adjusted EBITDA on a segment basis. Colfax does not provide such outlook on a GAAP basis because changes in the items that Colfax excludes from GAAP to calculate such measures can be dependent on future events that are less capable of being controlled or reliably predicted by management and are not part of Colfax's routine operating activities. Additionally, management does not forecast many of the excluded items for internal use and therefore cannot create or rely on outlook done on a GAAP basis.

Colfax: Separating into Two Independent, Publicly Traded Companies

- Creates focused specialty medical and fabrication technology companies
- Now is the right time to build on the momentum in both businesses
- Continues Colfax's active portfolio transformation
- Separation targeted to be completed in the first quarter of 2022
- Maintaining leadership and Board continuity
- Completion subject to various conditions as described in today's announcement

Expected to unlock significant shareholder value

Compelling Strategic Rationale

- Businesses are **well-positioned** strategically, operationally and financially for separation
- Enables each company to **sharpen its strategic focus** to capitalize on **distinct investment opportunities**
- Provides **tailored capital structures** and expected **capital deployment** for each business
- Allows each company to be valued based on **distinct strategic, operational and financial characteristics**
- Intended to be **tax-free to shareholders**

Creates focused specialty Medical Technologies and Fabrication Technology companies, positioning both to accelerate strategic momentum

Sustainable Model to Drive Compounding Value

Colfax has Successfully Transformed Both of Its Businesses…

Talent	Innovation	Continuous Improvement (CBS)	Acquisitions / Portfolio Shaping

…and Positioned Them to Drive Strong Results and Value Creation

Above-Market Growth	Margin Expansion	Healthy Free Cash Flow

FabTech and MedTech businesses are ready to be successful independent companies

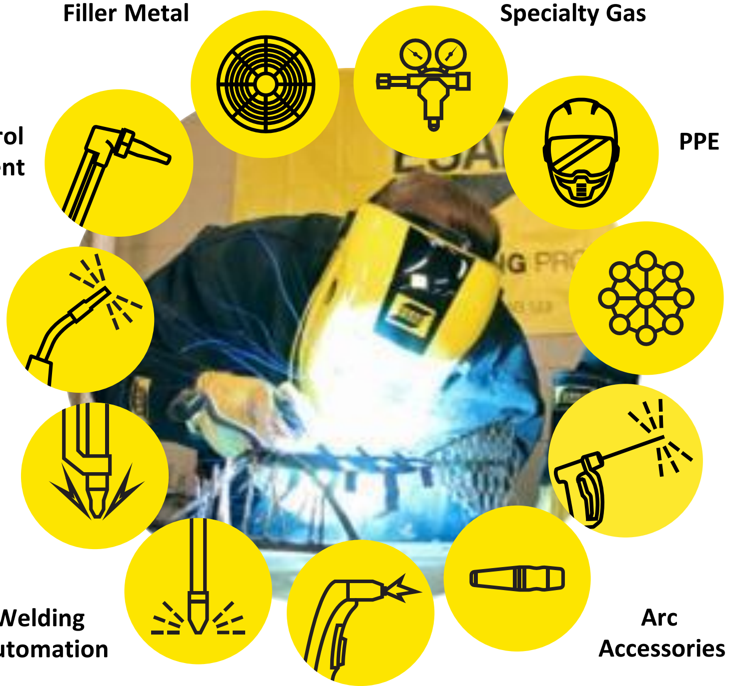
Two Highly Focused Market-Leading Companies

Specialty Medical Technologies Company

Leading Innovator in Attractive Global Orthopedic Segments

Fabrication Technology Company

Leading Global Innovator of Welding and Cutting Solutions



Segment-Level[1] 2021 Estimates:

~$1.4B	~$0.3B
Revenue	Adj. EBITDA

~$2.2B	~$0.4B
Revenue	Adj. EBITDA

1- Excludes corporate costs

Innovative Specialty MedTech Growth Company

MedTechCo Leadership & Key Facts

- Matt Trerotola, CEO; Brady Shirley, COO; Chris Hix, CFO
- Brady to join Matt and Mitch Rales on Board
- 6,200 employees
- Headquarters in Wilmington, Delaware; significant presence in Dallas, Texas
- Will be renamed before the separation is completed to reflect strategic focus
- Capital deployment expected to support strategic growth, including acquisitions in fragmented medical technology markets

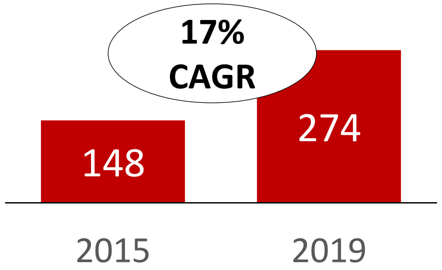
Company Highlights

- Fast-growing **surgical** implants business with significant presence in extremities
- Global brand leader in **bracing and recovery sciences** devices spanning attractive segments
- Strong **innovation and commercial** engines
- CBS driving **continuous improvement**
- **Recent acquisitions** in attractive areas – foot/ankle surgery & therapeutic laser technology
- Opportunities to expand share in **high-growth, high-margin** served markets and adjacencies
- Positioned to deliver above-market **growth**, **margin** improvement and increased **cash flow**

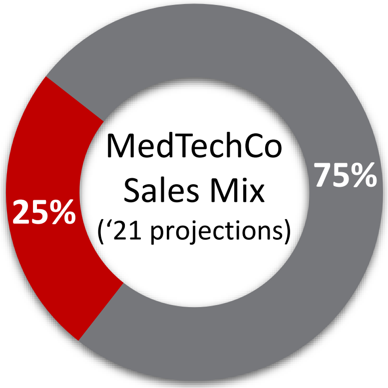
MedTechCo Uniquely Advantaged in $25B Addressable Market

Surgical ($20B Market)

Rapid Sales Growth
$mm



Surgical
- Shoulder
- Hips
- Knees
- Foot & Ankle



Prevention & Rehabilitation
- Bracing & Supports
- Rehabilitation Equipment
- Bone Growth Stimulation
- Footcare

Innovation Leader

ALTIVATE REVERSE®

(#1 in US Reverse Shoulder)

Acquired New Foot & Ankle Growth Platform

TRILLIANT SURGICAL

STAR™ Ankle

Prevention & Rehabilitation ($5B Market)

#1 Globally, > 1/3 Revenue in Faster-Growing International Markets

chattanooga
DONJOY
AIRCAST®

Leader in Connected Medicine

Recent Acquisition Expands Growth Opportunities

LITECURE
Lasers for Life

FabTech Leader with Unparalleled Global Footprint


ESAB Leadership & Key Facts

- Shyam Kambeyanda CEO; Kevin Johnson, CFO
- Mitch Rales and Shyam to serve on Board
- 9,000 employees
- Headquarters in Maryland
- Global presence supported by 31 manufacturing facilities
- Will continue to operate under well-known brand name ESAB
- Balanced capital allocation focused on growth investments, bolt-on acquisitions, and return of capital to shareholders

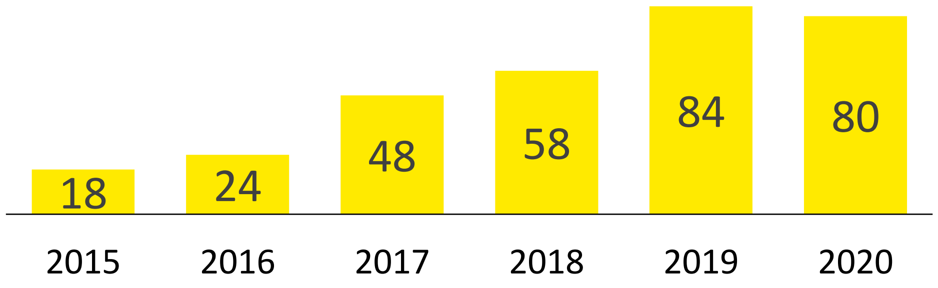
Company Highlights

- Unparalleled business model with **global scale** and **regional leadership** & agility
- Strong positions in **attractive emerging markets and higher-growth applications**
- Industry-leading **innovation** program; fast-growing **digital product platform**
- **Disciplined acquisitions** to expand technology content, geographic reach and served markets
- **Leveraging CBS** to drive share gain, margin growth and cash flow expansion
- **Predictable recurring revenue** stream from consumables
- Attractive free cash flow conversion, positioned to further enhance **margins** and **cash flow**

FabTech Market Leadership

Best-in-Class Innovation Program

Product Introductions (#)



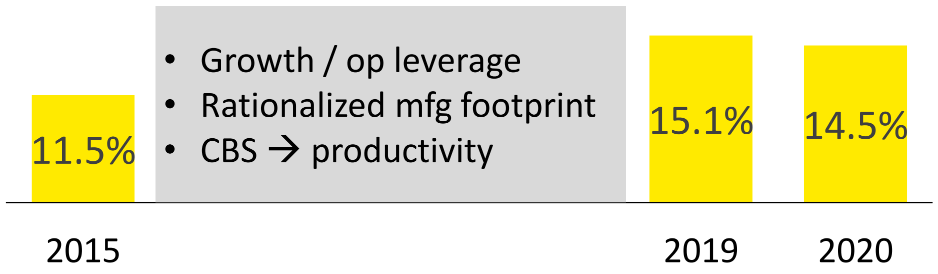
Outperforming in 2019 & 2020

Core Sales Growth
(avg. growth vs. peers)

Profit Margin % Expansion
(vs. peers)

Significant Operating Improvements

Adj. EBITA Margin



Only True Global Leader

Approximately 50% of revenue
in **faster-growing** emerging markets

Refer to Appendix for non-GAAP reconciliation and footnotes
Peer group includes Lincoln Electric and the Welding Business within ITW; core sales exclude FX and acquisitions

Next Steps

- Continue to execute our profitable growth strategy
- Hold Investor Day on March 11, 2021
- Determine form of separation, prepare SEC filings
- Create separate corporate capabilities
- Take other steps to satisfy conditions for targeted Q1 ‘22 separation

Appendix

Non-GAAP Reconciliation

	Fabrication Technology					
	Years Ended December 31,					
	2015		2019		2020	
Net sales	$ 1,985.2		$ 2,247.0		$ 1,950.1	
Operating income	168.6	8.5%	279.6	12.4%	224.4	11.5%
Restructuring and other related charges	29.7	1.5%	23.0	1.0%	21.6	1.1%
Intangible asset impairment charge	1.5	0.1%	-	0.0%	-	0.0%
Segment operating income	**$ 199.8**	**10.1%**	**$ 302.6**	**13.5%**	**$ 246.0**	**12.6%**
Acquisition-related amortization and other non-cash charges[(1)]	29.4	1.5%	35.6	1.6%	36.3	1.9%
Adjusted EBITA	**$ 229.2**	**11.5%**	**$ 338.2**	**15.1%**	**$ 282.3**	**14.5%**

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

Note: Dollars in millions.