



May 3, 2016

Colfax Reports First Quarter 2016 Results

Annapolis Junction, MD, May 03, 2016 (GLOBE NEWSWIRE) --

- First quarter net income per dilutive share of \$0.18, adjusted net income per share of \$0.30.
- Results and market trends support current 2016 guidance range.
- Cost reduction programs remain on schedule.

ANNAPOLIS JUNCTION, MD - May 3, 2016 - Colfax Corporation (NYSE: CFX), a leading global manufacturer of gas- and fluid-handling and fabrication technology products and services, today announced its financial results for the first quarter ended April 1, 2016.

For the first quarter of 2016, net income was \$22.6 million, or \$0.18 per dilutive share. Adjusted net income (as defined below) was \$36.9 million, or \$0.30 per share, compared to \$44.5 million for the first quarter of 2015, or \$0.36 per share.

Net sales were \$876.8 million in the first quarter, a decrease of 3.8% from the prior year. Net sales decreased 0.3% organically compared to the first quarter of 2015. First quarter operating income was \$48.5 million, with adjusted operating income (as defined below) of \$66.1 million. Adjusted operating income margin (as defined below) was 7.5% in the first quarter.

First quarter gas- and fluid-handling orders decreased by 8.8% to \$407.6 million compared to orders of \$446.9 million for the first quarter of 2015, an organic order decline of 9.3%. Gas- and fluid-handling finished the period with backlog of \$1,135.3 million.

Adjusted net income, adjusted net income per share, adjusted operating income, adjusted operating income margin, organic sales decrease and organic order decrease 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.

Matthew Trerotola, President and Chief Executive Officer, stated, "We are pleased to report operating results that were in line with the expectations we discussed in December. We are making very good progress on our cost reduction initiatives, but our progress on growth initiatives continues to be largely offset by the choppy end market environment. While end market trends are mixed, solid performance in our shorter-cycle and aftermarket businesses is expected to largely offset the increased risk to project bookings for the balance of the year."

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, adjusted operating income margin, organic sales decrease and organic order decrease. Adjusted net income, adjusted net income per share, adjusted operating income and adjusted operating income margin exclude Restructuring and other related charges. The effective tax rates used to calculate adjusted net income and adjusted net income per share are 29.0% and 29.5% for the first quarters of 2016 and 2015, respectively. Organic sales decrease and organic order decrease 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 restructuring and other related charges.

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 Tuesday, May 3, 2016 at 8:00 a.m. EDT. 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 75888280, 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 2015 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.

Colfax Corporation Condensed Consolidated Statements of Income Dollars in thousands, except per share data (Unaudited)

| | Three Months Ended | |
|--|--------------------|----------------|
| | April 1, 2016 | March 27, 2015 |
| Net sales | \$ 876,843 | \$ 911,070 |
| Cost of sales | 596,322 | 616,632 |
| Gross profit | 280,521 | 294,438 |
| Selling, general and administrative expense | 214,387 | 213,232 |
| Restructuring and other related charges | 17,668 | 3,753 |
| Operating income | 48,466 | 77,453 |
| Interest expense | 9,120 | 12,044 |
| Income before income taxes | 39,346 | 65,409 |
| Provision for income taxes | 13,136 | 9,134 |
| Net income | 26,210 | 56,275 |
| Less: income attributable to noncontrolling interest, net of taxes | 3,595 | 4,219 |
| Net income attributable to Colfax Corporation | 22,615 | 52,056 |
| Net income per share - basic and diluted | \$ 0.18 | \$ 0.42 |

Colfax Corporation Reconciliation of GAAP to Non-GAAP Financial Measures In thousands, except per share data (Unaudited)

Three Months Ended

| | <u>April 1, 2016</u> | <u>March 27, 2015</u> |
|---|----------------------|-----------------------|
| Adjusted Operating Income | | |
| Operating income | \$ 48,466 | \$ 77,453 |
| Restructuring and other related charges | 17,668 | 3,753 |
| Adjusted operating income | <u>\$ 66,134</u> | <u>\$ 81,206</u> |
| Adjusted operating income margin | 7.5 % | 8.9 % |

| | <u>Three Months Ended</u> | |
|--|---------------------------|-----------------------|
| | <u>April 1, 2016</u> | <u>March 27, 2015</u> |
| Adjusted Net Income and Adjusted Net Income Per Share | | |
| Net income attributable to Colfax Corporation | \$ 22,615 | \$ 52,056 |
| Restructuring and other related charges | 17,668 | 3,753 |
| Tax adjustment ⁽¹⁾ | (3,398) | (11,262) |
| Adjusted net income | <u>\$ 36,885</u> | <u>\$ 44,547</u> |
| Adjusted net income margin | 4.2 % | 4.9 % |
| Weighted-average shares outstanding - diluted | 123,242,884 | 125,092,635 |
| Adjusted net income per share | <u>\$ 0.30</u> | <u>\$ 0.36</u> |
| Net income per share— diluted (in accordance with GAAP) | <u>\$ 0.18</u> | <u>\$ 0.42</u> |

(1) The effective tax rates used to calculate adjusted net income and adjusted net income per share are 29.0% and 29.5% for the first quarter of 2016 and 2015, respectively.

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

| | <u>Net Sales</u> | | <u>Orders</u> | | <u>Backlog at Period End</u> | |
|--|------------------------|---------------|------------------------|---------------|------------------------------|----------------|
| | <u>\$</u> | <u>%</u> | <u>\$</u> | <u>%</u> | <u>\$</u> | <u>%</u> |
| As of and for the three months ended March 27, 2015 | \$ 911.1 | | \$ 446.9 | | \$ 1,350.9 | |
| <i>Components of Change:</i> | | | | | | |
| Existing Businesses | (2.4) | (0.3)% | (41.5) | (9.3)% | (195.3) | (14.5)% |
| Acquisitions ⁽¹⁾ | 22.2 | 2.4 % | 23.4 | 5.2 % | 47.7 | 3.5 % |
| Foreign Currency Translation | (54.1) | (5.9)% | (21.2) | (4.7)% | (68.0) | (5.0)% |
| Total | <u>(34.3)</u> | <u>(3.8)%</u> | <u>(39.3)</u> | <u>(8.8)%</u> | <u>(215.6)</u> | <u>(16.0)%</u> |
| As of and for the three months ended April 1, 2016 | <u>\$ 876.8</u> | | <u>\$ 407.6</u> | | <u>\$ 1,135.3</u> | |

(1) Represents the incremental sales, orders and order backlog as a result of our acquisitions of Roots™ blowers and compressors and Simsmart Technologies.

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