

Colfax CORP  
Form 10-Q  
May 03, 2018  
COLFAX CORPORATION  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(Unaudited)

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

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QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF  
 1934

For the Quarterly Period Ended March 30, 2018

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF  
1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number - 001-34045

Colfax Corporation

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of  
incorporation or organization)

54-1887631

(I.R.S. Employer  
Identification Number)

420 National Business Parkway, 5th Floor Annapolis Junction, Maryland 20701

(Address of principal executive offices)

(Zip Code)

(301) 323-9000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting company  Emerging growth company

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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 "

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes " No

As of March 30, 2018, there were 123,477,735 shares of the registrant's common stock, par value \$.001 per share, outstanding.

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## PART I - FINANCIAL INFORMATION

## Item 1. Financial Statements

COLFAX CORPORATION  
CONDENSED CONSOLIDATED STATEMENTS OF INCOMEDollars in thousands, except per share amounts  
(Unaudited)

	Three Months Ended	
	March 30, 2018	March 31, 2017
Net sales	\$880,925	\$733,630
Cost of sales	610,305	493,801
Gross profit	270,620	239,829
Selling, general and administrative expense	200,519	174,833
Restructuring and other related charges	7,929	4,773
Operating income	62,172	60,223
Interest expense	9,588	9,254
Loss on short term investments	14,719	—
Income from continuing operations before income taxes	37,865	50,969
Provision for income taxes	5,986	12,578
Net income from continuing operations	31,879	38,391
(Loss) income from discontinued operations, net of taxes	(2,837	) 3,096
Net income	29,042	41,487
Less: income attributable to noncontrolling interest, net of taxes	4,507	2,945
Net income attributable to Colfax Corporation	\$24,535	\$38,542
Net income (loss) per share - basic and diluted		
Continuing operations	\$0.22	\$0.29
Discontinued operations	\$(0.02	) \$0.02
Consolidated operations	\$0.20	\$0.31

See Notes to Condensed Consolidated Financial Statements.

COLFAX CORPORATION  
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Dollars in thousands  
(Unaudited)

	Three Months Ended	
	March 30, 2018	March 31, 2017
Net income	\$29,042	\$41,487
Other comprehensive income:		
Foreign currency translation, net of tax of \$(843) and \$(2,095)	81,675	60,000
Unrealized loss on hedging activities, net of tax of \$(2,933) and \$236	(5,134 )	(937 )
Amounts reclassified from Accumulated other comprehensive income:		
Amortization of pension and other post-retirement net actuarial loss, net of tax of \$203 and \$760	957	1,674
Amortization of pension and other post-retirement prior service cost, net of tax of \$0 and \$24	1	38
Other comprehensive income	77,499	60,775
Comprehensive income	106,541	102,262
Less: comprehensive income attributable to noncontrolling interest	10,559	6,777
Comprehensive income attributable to Colfax Corporation	\$95,982	\$95,485

See Notes to Condensed Consolidated Financial Statements.

COLFAX CORPORATION  
CONDENSED CONSOLIDATED BALANCE SHEETS

Dollars in thousands, except share amounts  
(Unaudited)

	March 30, 2018	December 31, 2017
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 268,346	\$ 262,019
Short term investments	134,889	149,608
Trade receivables, less allowance for doubtful accounts of \$31,767 and \$31,488	993,068	970,199
Inventories, net	499,493	429,627
Other current assets	267,431	258,379
Total current assets	2,163,227	2,069,832
Property, plant and equipment, net	546,710	552,802
Goodwill	2,611,999	2,538,544
Intangible assets, net	1,016,368	1,017,203
Other assets	540,910	531,316
Total assets	\$ 6,879,214	\$ 6,709,697
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Current portion of long-term debt	\$ 6,129	\$ 5,766
Accounts payable	579,283	587,129
Customer advances and billings in excess of costs incurred	168,745	145,853
Accrued liabilities	341,321	358,632
Total current liabilities	1,095,478	1,097,380
Long-term debt, less current portion	1,122,077	1,055,305
Other liabilities	820,415	829,748
Total liabilities	3,037,970	2,982,433