



July 25, 2023 – 9:00am CT

Earnings Conference Call Second Quarter 2023

Forward-Looking Statements and Non-GAAP Measures

We want to remind everyone that our comments may contain forward-looking statements that are inherently subject to uncertainties and risks, including general economic conditions and conditions in the particular markets in which we operate, supply chain constraints and labor shortages that could result in production stoppages, inflation in material input costs and freight logistics, and the impacts of coronavirus (COVID-19) on the global economy and on our customers, suppliers, employees, operations, business, liquidity and cash flow. We caution everyone to be guided in their analysis of Dover Corporation by referring to the documents we file from time to time with the SEC, including our Annual Report on Form 10-K, and our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, for a list of factors that could cause our results to differ from those anticipated in any such forward-looking statements.

We would also direct your attention to our website, [dovercorporation.com](https://www.dovercorporation.com), where considerably more information can be found.

In addition to financial measures based on U.S. GAAP, Dover provides supplemental non-GAAP financial information. Management uses non-GAAP measures in addition to GAAP measures to understand and compare operating results across periods, make resource allocation decisions, and for forecasting and other purposes. Management believes these non-GAAP measures reflect results in a manner that enables, in many instances, more meaningful analysis of trends and facilitates comparison of results across periods and to those of peer companies. These non-GAAP financial measures have no standardized meaning presented in U.S. GAAP and may not be comparable to other similarly titled measures used by other companies due to potential differences between the companies in calculations. The use of these non-GAAP measures has limitations and they should not be considered as substitutes for measures of financial performance and financial position as prepared in accordance with U.S. GAAP. Reconciliations and definitions are included either in this presentation or in Dover's earnings release and investor supplement for the quarter, which are available on Dover's website. We do not provide a reconciliation of forward-looking organic revenue and forward-looking free cash flow to the most directly comparable GAAP financial measure because we are not able to provide a meaningful or accurate compilation of reconciling items. This is due to the inherent difficulty in accurately forecasting the timing and amounts of the items that would be excluded from the most directly comparable GAAP financial measure or are out of our control. For the same reasons, we are unable to address the probable significance of unavailable information which may be material.

Q2 2023 Key Messages

- **Q2 results met our expectations**
 - Outperformance in high growth businesses (heat exchangers, NA CO₂ systems, polymer processing all up >20% organically⁽¹⁾)
 - Revenue negatively impacted by lost production as a result of an ERP upgrade in vehicle services
 - ~\$50M revenue / \$0.10 EPS headwinds in the quarter
- **Narrowing full year adjusted EPS⁽¹⁾ guidance to \$8.85-\$9.00 with confidence in second half outlook**
 - H2 earnings conversion less reliant on volume and price
 - Proactive cost actions that started in '22 have accelerated in '23 with material earnings benefits
 - Margin mix set to improve on better comparable performance in DCEF and DEP
 - Seasonality similar to pre-pandemic
 - Significant forecasted volume in backlog⁽²⁾
- **Strong foundation for 2024**
 - Multiple secular growth exposures (sustainability and cycle momentum)
 - Manufacturing capacity expansion proactively built for expected share capture
 - Carryover benefit from cost containment actions; incremental actions in the pipeline
 - Acquisition pipeline is strong

Q2 2023 Performance Highlights

Organic Revenue⁽¹⁾

-3% Y-o-Y

Organic growth in 3 of 5 segments

2% headwind from vehicle services ERP system upgrade

Total Segment Earnings Margin⁽¹⁾

-40 bps Y-o-Y to 20.2%

Margin preserved despite negative mix due to proactive cost containment

Free Cash Flow⁽¹⁾

7% of Revenue

Up \$26M year-over-year

On track to deliver full-year guide of 15-17% of revenue

FY '23 Guidance

Revenue growth⁽³⁾: 2% - 4%

Adjusted EPS⁽¹⁾: \$8.85 - \$9.00

Organic Bookings⁽²⁾

-8% Y-o-Y

Book-to-bill⁽²⁾: 0.92, reflecting better lead times and strong shipments against backlogs in longer cycle portfolio

Backlog⁽²⁾

\$2.8B

Remains elevated at 30-35% of FY revenue⁽²⁾ (vs. 20% in Q2 '19)

Adjusted EPS⁽¹⁾

-4% Y-o-Y to \$2.05

Higher corporate and interest expense, partially offset by lower tax rate

\$0.10 impact from vehicle aftermarket ERP system upgrade

Summary Corporate Q2 Results

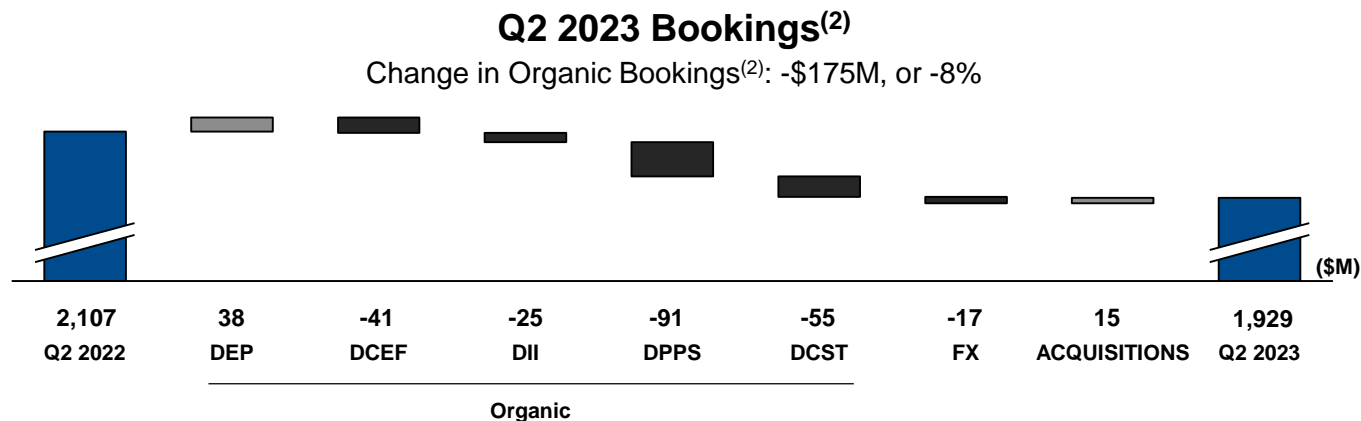
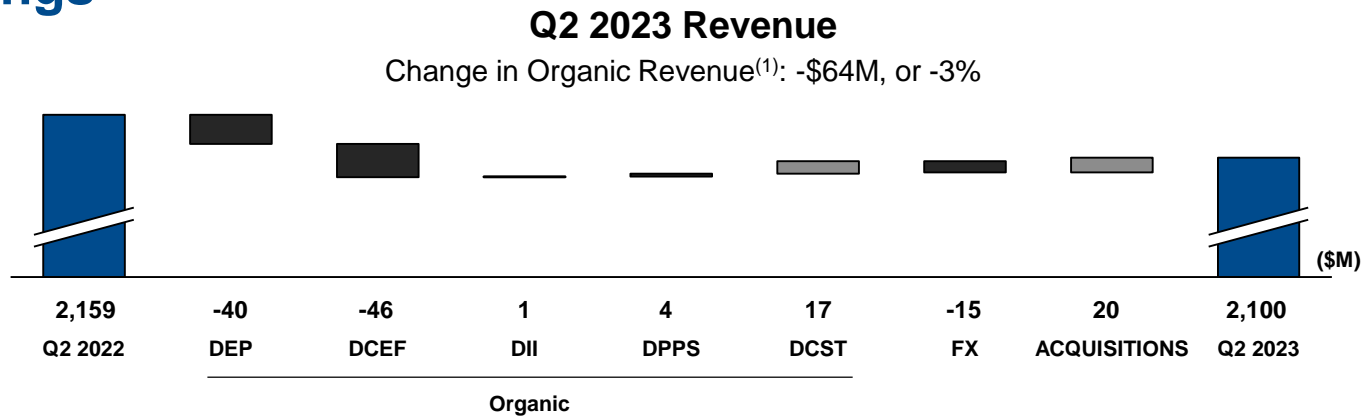
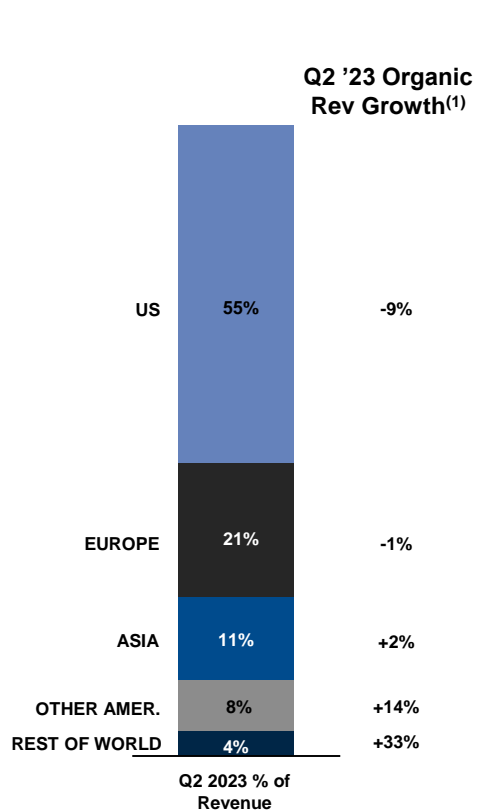
		Q2 2023	Highlights and Comments
Revenue change (Y-o-Y)	All-in	-3%	<ul style="list-style-type: none"> Y-o-Y organic growth⁽¹⁾ in three out of five segments FX impact: -1%; acquisitions +1%
	Organic ⁽¹⁾	-3%	
Bookings change (Y-o-Y)	All-in ⁽²⁾	-8%	<ul style="list-style-type: none"> Q2 book-to-bill⁽²⁾: 0.92; better lead times, strong shipments against backlog⁽²⁾ in long cycle portfolio Backlog⁽²⁾: -15% Y-o-Y; up +100% vs. 2019
	Organic ⁽²⁾	-8%	
Total Segment Earnings⁽¹⁾	Margin %	20%	<ul style="list-style-type: none"> +20 bps sequentially -\$21M Y-o-Y
	Y-o-Y bps Δ	-40 bps	
Earnings	Reported	\$242M	<ul style="list-style-type: none"> Reported Q2 Y-o-Y change: -16% Adjusted⁽¹⁾ Q2 Y-o-Y change: -7%
	Adjusted ⁽¹⁾	\$288M	
Diluted EPS	Reported	\$1.72	<ul style="list-style-type: none"> Reported Q2 Y-o-Y change: -14% Adjusted⁽¹⁾ Q2 Y-o-Y change: -4%
	Adjusted ⁽¹⁾	\$2.05	
Free Cash Flow (% of)⁽¹⁾	Revenue	7%	<ul style="list-style-type: none"> Q2 FCF⁽¹⁾ up \$26M Y-o-Y
	Adj. Earnings ⁽¹⁾	54%	
FY 2023 Guidance			<ul style="list-style-type: none"> Revenue growth⁽³⁾: 2% - 4% Adjusted EPS⁽¹⁾: \$8.85 - \$9.00

Segment Results

Q2 2023

Segment	Revenue (\$M) / Y-o-Y Organic ⁽¹⁾ Δ%	Segment Earnings % / bps Δ Y-o-Y	Performance Commentary
DEP	\$474 -8%	15% -50 bps	<ul style="list-style-type: none"> Strong shipments and bookings in waste handling more than offset by lower volumes in vehicle services caused by an ERP system upgrade Margin decline principally driven by lower volumes in vehicle service
DCEF	\$441 -9%	19% -100 bps	<ul style="list-style-type: none"> Growth in hydrogen and fluid transport; general destocking in distribution channel on higher cost to carry Margin decline on lower volumes and EMV mix, partially offset by cost controls / restructuring
DII	\$272 +0%	23% +40 bps	<ul style="list-style-type: none"> Solid growth in core marking & coding in Europe and America, lower shipments in Asia; strong growth in serialization software; textile printing continues prolonged recovery Margin improvement on pricing actions and cost controls
DPPS	\$466 +1%	28% -350 bps	<ul style="list-style-type: none"> Growth in polymer processing, thermal connectors, hygienic dosing systems and precision components; softer industrial pumps volumes on channel inventory reductions Margin decline on mix effect from higher non-biopharma volumes
DCST	\$449 +4%	17% +210 bps	<ul style="list-style-type: none"> Top line strength in food retail (particularly CO₂ systems) and heat exchangers Margin up on positive mix, price-cost tailwinds, and improved productivity

Revenue & Bookings



Note: \$ in millions. Numbers may not add due to rounding

Year-to-date 2023 Free Cash Flow

\$M	YTD '23	YTD '22	Δ
Net earnings	471	516	(45)
D&A	157	154	3
Change in working capital	(88)	(281)	193
Change in other ⁽¹⁾	(103)	(187)	84
Cash flow from operations	437	202	235
Capex	(88)	(101)	13
Free cash flow⁽²⁾	348	102	246
FCF % of revenue⁽²⁾	8%	2%	
FCF % of adj. earnings⁽²⁾	62%	17%	

- **Net working capital improvement on track to deliver full year FCF⁽²⁾ guide of 15-17% of revenue**

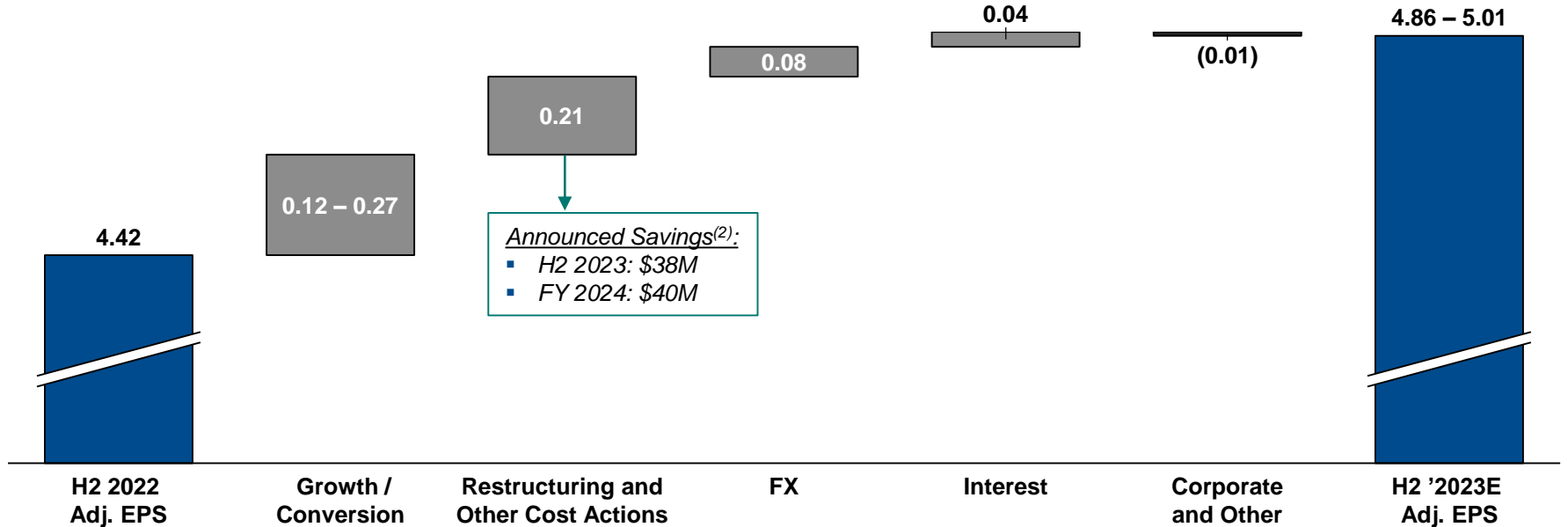
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Demand Trends and Backlog Strength Driving Robust Growth Outlook

Segment	2023 Outlook		Total Backlog / % of Full Year Revenue ⁽²⁾		H2 Comments
	'23 Organic Growth ⁽¹⁾	'23 Margin	Q2 '19	Q2 '23	
DEP	MSD			<ul style="list-style-type: none"> Strong bookings and shipments in waste handling and aerospace & defense; sequential volume recovery in vehicle aftermarket Sequential margin expansion on improved volume, productivity and positive price-cost 	
DCEF	LSD → Flat			<ul style="list-style-type: none"> Constructive outlook across end markets and channel inventories; sequential recovery in dispensers on easier comps Sequential margin growth on better volumes, \$15M of restructuring benefits in H2 	
DII	MSD → LSD			<ul style="list-style-type: none"> Stable outlook in core marking & coding and serialization Strong margin and cash flow business 	
DPPS	Flat			<ul style="list-style-type: none"> Growth in plastics & polymers, precision components, and thermal connectors. Biopharma environment improving (FDA approvals, biotech funding, stocking levels) but the pace of volume recovery uncertain Q4 margin up year-over-year on stronger volumes, mix 	
DCST	MSD			<ul style="list-style-type: none"> Strong growth outlook in heat exchangers and CO₂ systems; slower beverage can-making H2 margins up, weighted to Q4 on mix 	

H2 2023 Adj. EPS Guide up 10-13% Year-over-Year

Adjusted EPS⁽¹⁾ (\$/share)





Note: Numbers may not add due to rounding

10 (1) Non-GAAP measure (definitions and reconciliations in appendix)
 (2) \$68M of full year 2023 benefits announced. 2024 number represents the carryover benefits realized in 2024 from actions that have already been announced/initiated in 2023.



Strong Foundation for 2024

2024 Growth Exposures: ~40% of Portfolio

Secular Growth	Heat Exchangers		<ul style="list-style-type: none"> Robust demand for heat pump applications in Europe; significant supply / demand imbalance Expanding global capacity by ~50%; on track for completion in '24
	CO ₂ Systems		<ul style="list-style-type: none"> Market leader in North America for natural refrigerant transition; strong pipeline New plant in GA to focus on CO₂ systems; completion in Q3 '23, 80% capacity expansion
	Clean Energy		<ul style="list-style-type: none"> Proactive product development and certification pipeline; H₂ mega project quoting activity RegO/Acme integration and footprint optimization ongoing; select products capacity +25-50%
	Thermal Connectors		<ul style="list-style-type: none"> Strong demand for liquid cooling applications in high performance computing and data centers New facility came online in Q1 '23; sufficient capacity
Cycle Momentum	Waste Handling		<ul style="list-style-type: none"> Significant pent-up demand; improving chassis availability Investments in e-commerce driving profitable aftermarket growth
	Polymer Processing		<ul style="list-style-type: none"> Strategic investment in domestic production in China, India Witte acquisition (Dec '22) outperforming; provides needed capacity
	Precision Components		<ul style="list-style-type: none"> OEM partnerships on energy transition (e.g., carbon capture) Invested in a hydrogen product testing facility
Business Recovery	Biopharma		<ul style="list-style-type: none"> Improving outlook following post-COVID destocking Good momentum in biotech funding and new bio therapy approvals
	Retail Fueling Dispensers		<ul style="list-style-type: none"> Q2 '23 represents last EMV headwind quarter; order rates trending up Customers signaling robust '24 after several years of declines

FY 2023 Guidance

Revenue

- Growth Rate⁽¹⁾: 2% - 4%

EPS and other

- Effective Tax Rate: 20% – 21%
- GAAP EPS: \$7.68 - \$7.83
- Adjusted EPS⁽²⁾: \$8.85 - \$9.00

Cash Flow

- Free Cash Flow⁽²⁾: 15% - 17% of Revenue
- Capex: \$185 - \$195 million

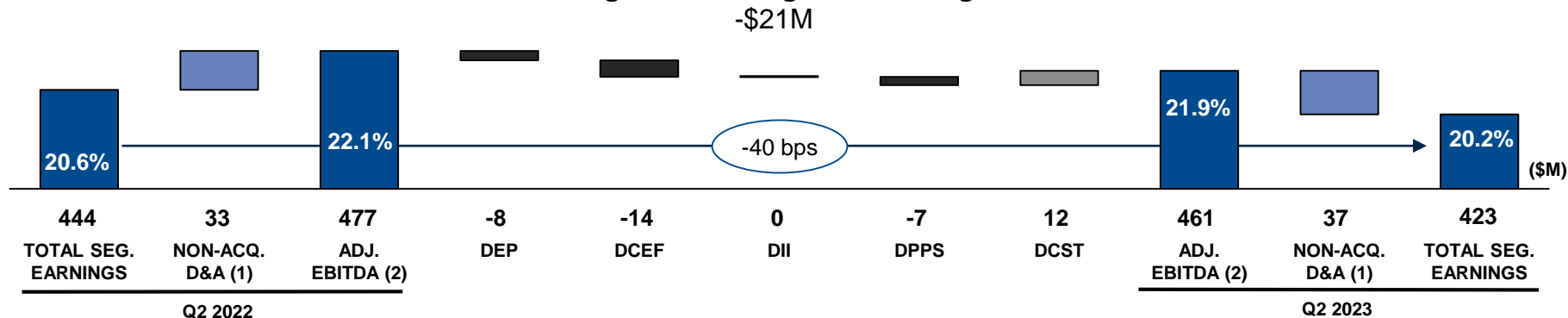
- **Narrowing full year adjusted EPS⁽¹⁾ guidance to \$8.85-\$9.00; confidence in second half outlook**
 - Seasonality similar to pre-pandemic
 - Solid underlying demand
 - Significant forecasted volume in backlog⁽²⁾
- **H2 margin improvement from stronger volumes and proactive cost containment**
 - Carryover benefit from cost containment and growth exposures create strong foundation for '24

Dollar/euro exchange rate: 1.09

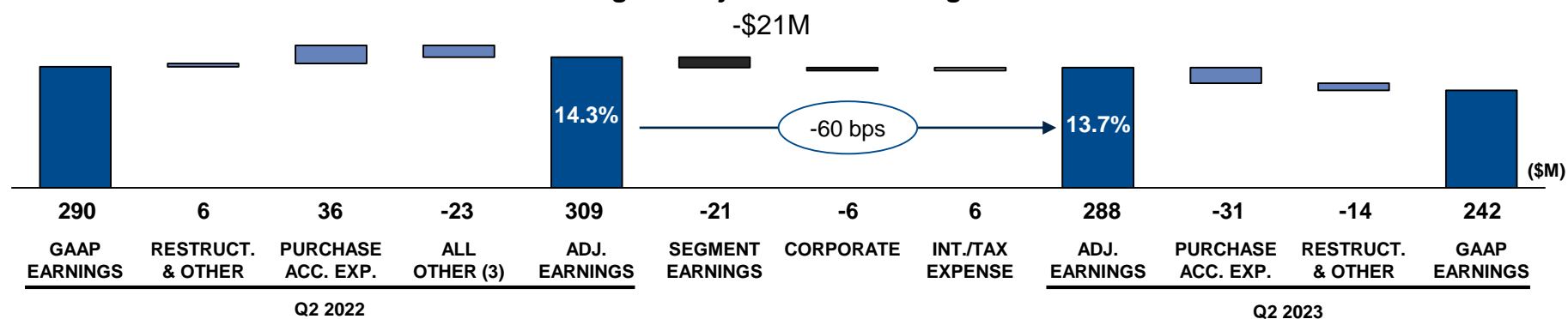
Appendix

Q2 2023 Total Segment Earnings and Adjusted Net Earnings

Change in Total Segment Earnings⁽²⁾



Change in Adjusted Net Earnings⁽²⁾



Organic Revenue and Bookings Bridges

Segment Growth Factors		
	Revenue	Bookings
	Q2 2023	Q2 2023
Organic		
Engineered Products	(7.7)%	8.4 %
Clean Energy & Fueling	(9.3)%	(8.4)%
Imaging & Identification	0.3 %	(8.5)%
Pumps & Process Solutions	0.9 %	(19.4)%
Climate & Sustainability Technologies	4.0 %	(13.7)%
Total organic	(3.0)%	(8.3)%
Acquisitions	0.9 %	0.7 %
Currency translation	(0.6)%	(0.8)%
Total	(2.7)%	(8.4)%

Geographic Revenue Growth Factors	
	Q2 2023
Organic	
United States	(8.6)%
Other Americas	13.9 %
Europe	(0.9)%
Asia	1.9 %
Other	33.0 %
Total organic	(3.0)%
Acquisitions	0.9 %
Currency translation	(0.6)%
Total	(2.7)%

Note: Numbers may not add due to rounding

Q2 2022 to Q2 2023 Revenue and Bookings Bridges

Revenue Bridge by Segment

(\$ in millions)

	DEP	DCEF	DII	DPPS	DCST	Total
Q2 2022 Revenue	514	494	276	441	434	2,159
Organic Growth/(Decline)	(40)	(46)	1	4	17	(64)
FX	(1)	(7)	(5)	1	(3)	(15)
Acquisitions/ Dispositions	0	0	0	20	0	20
Q2 2023 Revenue	474	441	272	466	449	2,100

Bookings Bridge by Segment

(\$ in millions)

	DEP	DCEF	DII	DPPS	DCST	Total
Q2 2022 Bookings	453	488	292	472	404	2,107
Organic Growth/(Decline)	38	(41)	(25)	(91)	(55)	(175)
FX	(1)	(7)	(5)	(1)	(3)	(17)
Acquisitions/ Dispositions	0	0	0	15	0	15
Q2 2023 Bookings	489	440	262	394	345	1,929

Note: Numbers may not add due to rounding

Reconciliation of Net Earnings to Total Segment Earnings and Total Adjusted Segment EBITDA

(\$ in millions)	2023		2022
	Q1	Q2	Q2
Net earnings	229	242	290
Provision for income taxes	58	58	46
Earnings before provision for income taxes	286	300	335
Interest income	(2)	(3)	(1)
Interest expense	34	34	27
Corporate expense / other	40	34	28
Restructuring and other costs	14	18	8
Purchase accounting expenses	43	40	47
Total segment earnings	415	423	444
Total segment earnings margin	20.0 %	20.2 %	20.6 %
Add: Other depreciation and amortization ⁽¹⁾	35	37	33
Total adjusted segment EBITDA	450	461	477
Total adjusted segment EBITDA margin	21.7 %	21.9 %	22.1 %

Note: Numbers may not add due to rounding

Reconciliation of Net Earnings to Adjusted Net Earnings and Diluted EPS to Adjusted Diluted EPS

(\$ in millions, except per share data)	2023	2022		
	Q2	Q2	Q3	Q4
Net earnings (\$)	242	290	286	264
Purchase accounting expenses, pre-tax	40	47	41	40
Purchase accounting expenses, tax impact	(9)	(11)	(9)	(9)
Restructuring and other costs, pre-tax	18	8	9	12
Restructuring and other costs, tax impact	(4)	(2)	(2)	(2)
Tax Cuts and Jobs Act	—	(23)	—	—
Adjusted net earnings (\$)	288	309	324	305
Adjusted net earnings margin	13.7 %	14.3 %	15.0 %	14.3 %
Diluted EPS (\$)	1.72	2.00	2.00	1.87
Purchase accounting expenses, pre-tax	0.29	0.33	0.28	0.29
Purchase accounting expenses, tax impact	(0.06)	(0.08)	(0.07)	(0.06)
Restructuring and other costs, pre-tax	0.13	0.05	0.06	0.08
Restructuring and other costs, tax impact	(0.03)	(0.01)	(0.01)	(0.02)
Tax Cuts and Jobs Act	—	(0.16)	—	—
Adjusted diluted EPS (\$)	2.05	2.14	2.26	2.16
Revenue	2,100	2,159	2,158	2,139
Weighted average shares outstanding - diluted	141	145	143	141

Note: Numbers may not add due to rounding

Backlog

(\$ in millions)	Segment Backlog		
	Q2 2023	Q2 2022	Q2 2019
Engineered Products	772	760	418
Clean Energy & Fueling	339	411	186
Imaging & Identification	228	255	117
Pumps & Process Solutions	676	716	378
Climate & Sustainability Technologies	797	1,186	310
Intersegment Eliminations	(2)	(2)	0
Total consolidated backlog	2,811	3,326	1,410

Note: Numbers may not add due to rounding

Reconciliation of Free Cash Flow and EPS to Adjusted EPS

(\$ in millions)	Free Cash Flow			
	2023		2022	
	Q2	Q2 YTD	Q2	Q2 YTD
Net cash provided by operating activities	195	437	179	202
Capital expenditures	(40)	(88)	(50)	(101)
Free cash flow	155	348	129	102
Free cash flow as a % of adjusted net earnings	53.9 %	62.1 %	41.6 %	17.4 %
Free cash flow as a % of revenue	7.4 %	8.3 %	6.0 %	2.4 %

	Range	
2023 Guidance for Earnings per Share (GAAP)	\$ 7.68	\$ 7.83
Purchase accounting expenses, net		0.91
Restructuring and other costs, net		0.26
2023 Guidance for Adjusted Earnings per Share (Non-GAAP)	\$ 8.85	\$ 9.00

	Range	
H2 2023 Guidance for Earnings per Share (GAAP)	\$ 4.33	\$ 4.48
Purchase accounting expenses, net		0.45
Restructuring and other costs, net		0.08
H2 2023 Guidance for Adjusted Earnings per Share (Non-GAAP)	\$ 4.86	\$ 5.01

Note: Numbers may not add due to rounding

Non-GAAP Definitions

Definitions of Non-GAAP Measures:

Adjusted Net Earnings: is defined as net earnings adjusted for the effect of purchase accounting expenses, restructuring and other costs/benefits, and Tax Cuts and Jobs Act.

Adjusted Net Earnings Margin: is defined as adjusted net earnings divided by revenue.

Adjusted Diluted Net Earnings Per Share (or Adjusted Earnings Per Share): is defined as diluted EPS adjusted for the effect of purchase accounting expenses, restructuring and other costs/benefits, and Tax Cuts and Jobs Act.

Total Segment Earnings: is defined as sum of earnings before purchase accounting expenses, restructuring and other costs/benefits, corporate expenses/other, interest expense, interest income and provision for income taxes for all segments

Total Segment Earnings Margin: is defined as total segment earnings divided by revenue.

Total Adjusted Segment EBITDA: is defined as total segment earnings plus other depreciation and amortization expense, which relates to property, plant, and equipment and intangibles, and excludes amounts related to purchase accounting expenses and restructuring and other costs/benefits.

Total Adjusted Segment EBITDA Margin: is defined as total adjusted segment EBITDA divided by revenue.

Free Cash Flow: is defined as net cash provided by operating activities minus capital expenditures. Free cash flow as a percentage of revenue equals free cash flow divided by revenue. Free cash flow as a percentage of adjusted net earnings equals free cash flow divided by adjusted net earnings.

Organic Revenue Growth: is defined as revenue growth excluding the impact of foreign currency exchange rates and the impact of acquisitions and dispositions.

The tables included in this presentation provide reconciliations of the non-GAAP measures used in this presentation to the most directly comparable U.S. GAAP measures. Further information regarding management's use of these non-GAAP measures is included in Dover's earnings release and investor supplement for the quarter.

Performance Measures Definitions

Definitions of Performance Measures:

Bookings represent total orders received from customers in the current reporting period. This metric is an important measure of performance and an indicator of revenue order trends.

Organic Bookings represent total orders received from customers in the current reporting period excluding the impact of foreign currency exchange rates and the impact of acquisitions and dispositions. This metric is an important measure of performance and an indicator of revenue order trends.

Backlog represents an estimate of the total remaining bookings at a point in time for which performance obligations have not yet been satisfied. This metric is useful as it represents the aggregate amount we expect to recognize as revenue in the future.

Book-to-Bill is a ratio of the amount of bookings received from customers during a period divided by the amount of revenue recorded during that same period. This metric is a useful indicator of demand.

Backlog as a % of Full-Year Revenue is a ratio of backlog divided by full-year revenue. Full-year revenue for 2023 represents forecasted revenue based on FY23 revenue guidance. This metric is a useful indicator of demand.

We use the above operational metrics in monitoring the performance of the business. We believe the operational metrics are useful to investors and other users of our financial information in assessing the performance of our segments.

