



April 17, 2014 – 9:30am CT

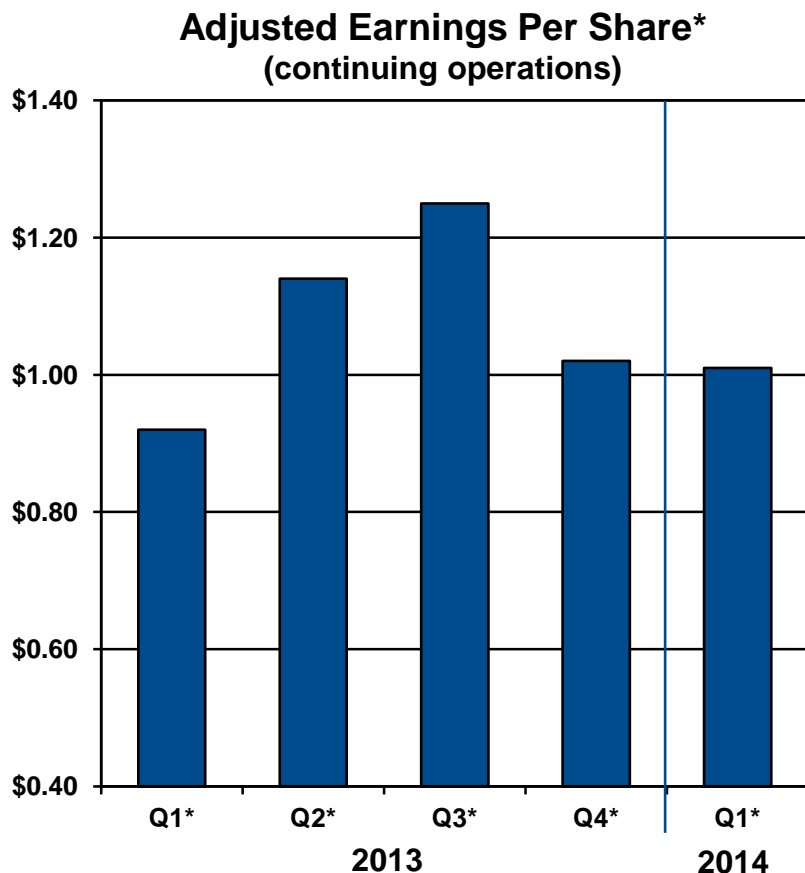
# Earnings Conference Call First Quarter 2014

## Forward looking statements

We want to remind everyone that our comments may contain forward-looking statements that are inherently subject to uncertainties and risks. 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 Form 10-K for 2013 and our Form 10-Q for the first quarter of 2014, 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](http://dovercorporation.com), where considerably more information can be found.

# Q1 2014 Performance



\* Excludes discrete & other tax benefits of \$0.02 in Q1 2013, \$0.36 in Q2 2013, \$0.04 in Q3 2013, \$0.04 in Q4 2013, and \$0.01 in Q1 2014; excludes other one-time gains of \$0.02 in Q3 2013

	Q1	Q1/Q1
Revenue	\$1.9B	7%
Adj. EPS (cont.)	\$1.01	9%
Bookings	\$2.0B	5%
Seg. Margins	16.7%	-40 bps
Organic Rev.	4%	
Acq. Growth	3%	
FCF (a)	\$6M	-80%

## Quarterly Comments

- Revenue growth led by Fluids and Engineered Systems, along with solid growth in Energy
- US markets were strong; Europe markets continue to grow; China markets moderated
- Segment margin of 16.7% as expected, impacted 70 bps by recent acquisitions
- Bookings growth of 5% is broad-based
- Overall book-to-bill of 1.09 shows seasonal strength

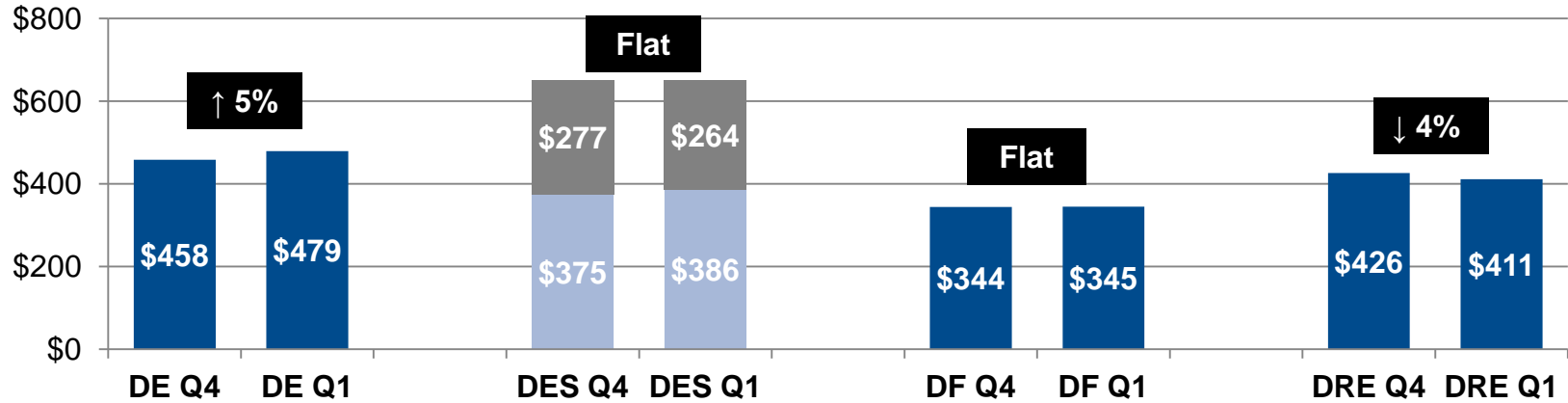
(a) See Press Release for free cash flow reconciliation

# Revenue

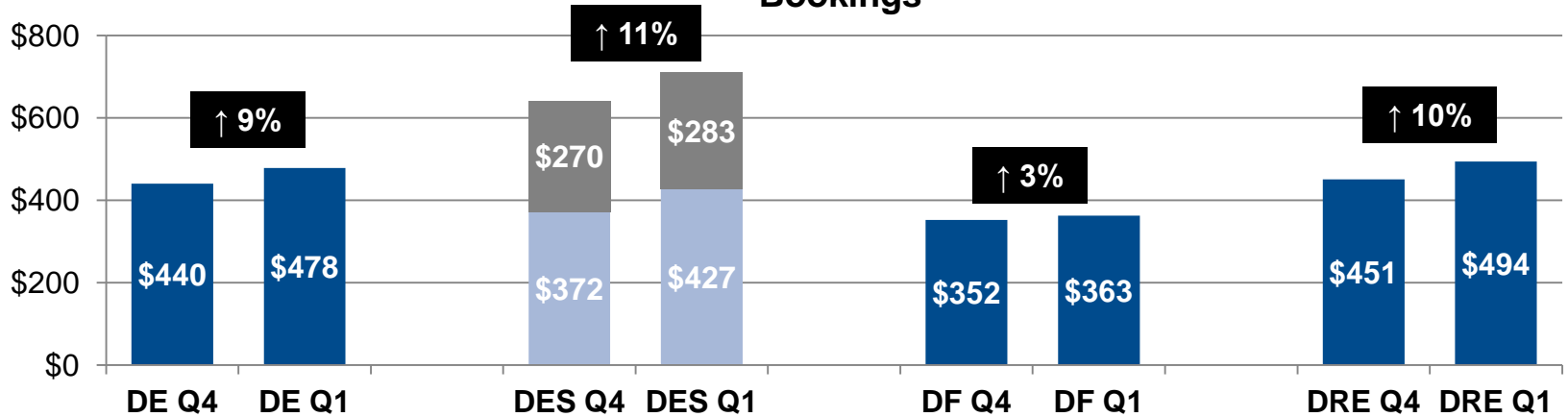
Q1 2014	Energy	Engineered Systems	Fluids	Refrigeration & Food Equip	Total
Organic	4%	4%	14%	-3%	4%
Acquisitions	1%	3%	11%	-	3%
Currency	-1%	-	1%	-	-
Total	4%	7%	26%	-3%	7%

# Sequential Results – Q4 2013 → Q1 2014

## Revenue



## Bookings



■ Printing & ID  
■ Industrial

# Energy

- Drilling & Production revenue growth remains solid driven by increased well activity; winch markets remain weak
- Bearings & Compression markets are solid
- Overall margin remains strong and in-line with expectations at 24.8%
- Bookings down of 7%; excluding the impact of large international artificial lift orders in Q1 2013 bookings grew 5%
- Book-to-bill at 1.00

\$ in millions

	Q1 2014	Q1 2013	% Change
Revenue	\$479	\$463	4%
Earnings	\$119	\$119	Flat
Margin	24.8%	25.7%	-90 bps
Bookings	\$478	\$515	-7%

Revenue by End-Market	% of Q1 Revenue	Y / Y Growth
Drilling & Production	82%	4%
Bearings & Compression	18%	3%

# Engineered Systems

\$ in millions

- Revenue growth is broad-based in Printing & Identification with strong results in the US and China
- Revenue growth in Industrial is led by waste handling and vehicle services businesses
- Margin expansion reflects leverage on volume and benefits of productivity initiatives
- Broad-based bookings growth
- Book-to-bill of 1.09

	Q1 2014	Q1 2013	% Change
Revenue	\$650	\$605	7%
Earnings	\$ 92	\$ 83	11%
Margin	14.2%	13.8%	40 bps
Bookings	\$710	\$643	11%

Revenue by End-Market	% of Q1 Revenue	Y / Y Growth
Printing & Identification	41%	11%
Industrial	59%	5%

# Fluids

- Revenue growth driven by strong demand across most end-markets and acquisitions
- Pumps continues to see solid plastics and petro-chemical end-markets; Fluid transfer benefitting from global retail fueling trends
- Excluding the impact of recent acquisitions, segment margin was 20% on strong leverage on volume
- Bookings activity remains strong across the segment
- Book-to-bill at 1.05

\$ in millions

	Q1 2014	Q1 2013	% Change
Revenue	\$345	\$274	26%
Earnings	\$ 58	\$ 48	22%
Margin	16.8%	17.4%	-60 bps
Bookings	\$363	\$304	20%

Revenue by End-Market	% of Q1 Revenue	Y / Y Growth
Pumps	48%	34%
Fluid Transfer	52%	19%



# Refrigeration & Food Equipment

\$ in millions

- Revenue impacted by project timing with customers in both refrigeration and food equipment
  - Activity will accelerate in seasonally strong 2nd quarter
- Margin impacted by lower volume and \$5 million in net one-time items recorded in Q1 2013
- Bookings and backlog growth reflective of normal seasonality
- Book-to-bill at a strong 1.20

	Q1 2014	Q1 2013	% Change
Revenue	\$411	\$422	-3%
Earnings	\$ 45	\$ 52	-14%
Margin	10.9%	12.3%	-140 bps
Bookings	\$494	\$483	2%

Revenue by End-Market	% of Q1 Revenue	Y / Y Growth
Refrigeration	77%	-3%
Food Equipment	23%	-3%

## Q1 2014 Overview

	Q1 2014
Net Interest Expense	\$33 million, up \$2 million from last year and in-line with expectations
Corporate Expense	\$31 million, down \$3 million from last year, in-line with expectations
Effective Tax Rate (ETR)	Q1 normalized rate was 30.7%, excluding \$0.01 of discrete tax benefits
Capex	\$33 million, in-line with expectations
Share Repurchases	Repurchased 3.6M shares (\$293M) in quarter. Completed \$1 billion program.

## FY 2014 Guidance (unchanged)

- Revenue
  - Organic revenue: 3% - 4%
  - Completed acquisitions:  $\frac{3\%}{}$
  - Total revenue: 6% - 7%
- Corporate expense: ≈ \$123 million
- Interest expense: ≈ \$133 million
- Full-year tax rate: ≈ 31.0%
- Capital expenditures: ≈ 2.5% of revenue
- FY free cash flow: ≈ 11% of revenue

	2014 Organic growth rate
Energy	4% - 5%
Engineered Systems	3% - 4%
Fluids	4% - 5%
Refrigeration & Food Equipment	2% - 3%
<b>Total organic</b>	<b>3% - 4%</b>
<b>Acquisitions</b>	<b>≈ 3% (a)</b>
<b>Total growth</b>	<b>6% - 7%</b>

(a): Reflects completed acquisitions

## 2014 EPS Guidance Bridge – Continuing Ops

■ 2013 EPS – Continuing Ops	\$ 4.81
– Less 2013 tax benefits <sup>(1)</sup> :	(0.46)
– Other one-times gains <sup>(2)</sup> :	(0.02)
■ 2013 Adjusted EPS	<u>\$ 4.33</u>
– Volume, mix, price (inc. FX):	\$0.16 - \$0.28
– Net benefits of productivity:	0.14 - 0.22
– Acquisitions:	0.05 - 0.07
– Investment / Compensation:	(0.19 - 0.23)
– Corporate expenses:	0.03 - 0.04
– Interest / Shares / Tax rate (net):	<u>0.08 - 0.09</u>
■ 2014 EPS – Continuing Ops	<u><u>\$4.60 - \$4.80</u></u>

(1) \$0.02 in Q1 2013, \$0.36 in Q2 2013, \$0.04 in Q3 2013, \$0.04 in Q4 2013

(2) \$0.02 in Q3 2013

