



October 19, 2016 – 9:00am CT

Earnings Conference Call Third Quarter 2016

Forward looking statements and non-GAAP measures

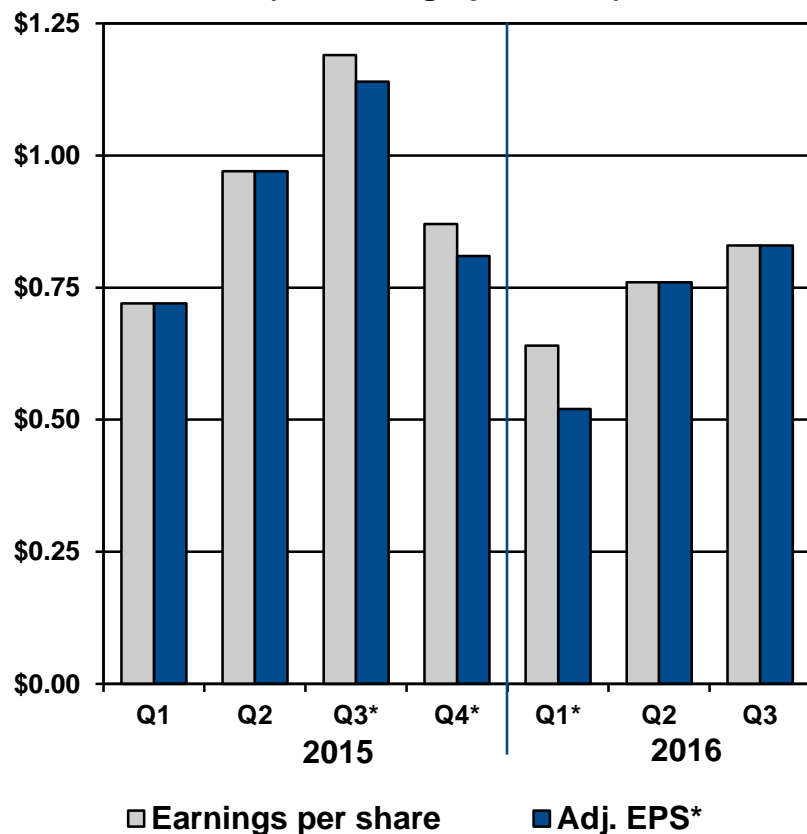
We want to remind everyone that our comments may contain forward-looking statements that are inherently subject to uncertainties and risks. We caution everyone to be guided in their analysis of Dover Corporation by referring to the documents we file from time to time with the SEC, including our Form 10-K for 2015, 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, www.dovercorporation.com, where considerably more information can be found.

This document contains non-GAAP financial information. Reconciliations of non-GAAP measures are included either in this presentation or Dover's earnings release and investor supplement for the third quarter, which are available on our website.

Q3 2016 Performance

Earnings Per Share (continuing operations)



* Excludes discrete tax benefits of \$0.05 in Q3 2015, \$0.06 in Q4 2015, \$0.05 in Q1 2016, a \$0.01 discrete tax expense in Q2 2016, and \$0.07 gain on a disposition in Q1 2016

Note: EPS and Adj. EPS include restructuring costs of \$0.10 in Q1 2015, \$0.01 in Q2 2015, \$0.05 in Q3 2015, \$0.08 in Q4 2015, \$0.07 in Q1 2016, \$0.04 in Q2 2016 and \$0.04 in Q3 2016

	Q3	Q3/Q3	9M	9M/9M
Revenue	\$1.7B	-4%	\$5.0B	-5%
EPS (cont.)	\$0.83	-30%	\$2.22	-23%
Adj. EPS (cont.)	\$0.83	-27%	\$2.11	-25%
Bookings	\$1.7B	-1%	\$5.1B	-2%
Seg. Margin	14.1%	-290 bps	13.0%	-240 bps
Adj. Seg. Margin (a)	14.6%	-300 bps	13.6%	-250 bps
Organic Rev. (b)	-7%		-7%	
Net Acq. Growth (c)	3%		3%	
Cash flow from Ops	\$232M	-18%	\$573M	-9%
FCF (d)	\$189M	-22%	\$457M	-12%

Quarterly Comments

- Revenue growth from acquisitions and strong markets in Product ID, offset by the impact of weak macro environment, further declines in longer cycle oil & gas markets, and dispositions
- Lower US and China activity, improved European activity
- Segment margin impacted by lower volume, production inefficiencies, acquisition-related costs and deal costs
- Bookings decline largely driven by oil & gas exposure and dispositions, partially offset by impact of acquisitions
- Book-to-bill of 0.99

(a) Adjusted for \$7.7M of restructuring in Q3 2016, \$9.2M in Q2 2016, \$14.4M in Q1 2016, \$11.5M in Q3 2015, \$3.1M in Q2 2015 and \$24.1M in Q1 2015

(b) Change in revenue from businesses owned over 12 months, excluding FX impact

(c) Change in revenue from acquisitions, less revenue from dispositions

(d) See Press Release for free cash flow reconciliation

Revenue

Q3 2016	Energy	Engineered Systems	Fluids	Refrigeration & Food Equip	Total Dover
Organic	-24%	1%	-9%	-2%	-7%
Acquisitions	-	3%	27%	-	6%
Dispositions	-	-5%	-	-6%	-4%
Currency	-1%	-1%	-1%	-	-
Total	-25%	-2%	17%	-8%	-5%

9M 2016	Energy	Engineered Systems	Fluids	Refrigeration & Food Equip	Total Dover
Organic	-29%	2%	-7%	1%	-7%
Acquisitions	-	3%	25%	-	6%
Dispositions	-	-4%	-	-6%	-3%
Currency	-1%	-1%	-1%	-	-1%
Total	-30%	-	17%	-5%	-5%

Energy

\$ in millions

- Revenue decrease driven by year-over-year declines in oil & gas market fundamentals
 - Q3 2016 revenue up 5% sequentially
- Market macros were more constructive
 - NA rig count grew in Q3
 - Oil prices in \$45 - \$50 range
- Adjusted margin of 6.8% reflects volume and price declines
- Bookings decline of 23% reflects weak market conditions
 - Bookings up 10% sequentially
- Book-to-bill at 0.99

	Q3 2016	Q3 2015	% Change	% Organic
Revenue	\$273	\$364	-25%	-24%
Earnings	\$ 13	\$ 49	-73%	
Margin	4.9%	13.4%	-850 bps	
Adj. Earnings*	\$ 18	\$ 55	-67%	
Adj. Margin*	6.8%	15.1%	-830 bps	
Bookings	\$271	\$352	-23%	-22%

Revenue by End-Market	% of Q3 Revenue	Q3/Q3 Growth	Organic Growth
Drilling & Production	65%	-28%	-27%
Bearings & Compression	26%	-13%	-12%
Automation	9%	-32%	-32%

* Q3 2016 earnings adjusted for \$5M restructuring, Q3 2015 adjusted for \$6M in restructuring costs

Engineered Systems

- Organic revenue growth of 1%
 - 5% organic growth in P & I driven by strong marking & coding and digital textile markets
 - Industrial’s organic decline of 2% primarily driven by activity deferrals and tough comps in Environmental Solutions
- Margin of 17.0% primarily reflects unfavorable product mix in Industrial platform
- Bookings growth reflects strong Environmental Solutions order activity and acquisition growth, partially offset by dispositions and FX
- Book-to-bill of 1.02

\$ in millions

	Q3 2016	Q3 2015	% Change	% Organic
Revenue ^(a)	\$571	\$579	-2%	1%
Earnings	\$ 97	\$103	-5%	
Margin	17.0%	17.8%	-80 bps	
Adj. Earnings*	\$ 99	\$107	-7%	
Adj. Margin*	17.3%	18.5%	-120 bps	
Bookings ^(b)	\$580	\$565	3%	5%

Revenue by End-Market	% of Q3 Revenue	Q3/Q3 Growth	Organic Growth
Printing & Identification	44%	11%	5%
Industrial	56%	-10%	-2%

(a) Revenue declined 2% overall, reflecting organic growth of 1% and acquisition growth of 3%, offset by a 4% impact from dispositions and a 2% unfavorable impact from FX

(b) Bookings growth of 3% reflects organic growth of 5% and acquisition growth of 3%, partially offset by a 4% impact from dispositions and a 1% unfavorable impact from FX

* Q3 2016 earnings adjusted for \$1M restructuring, Q3 2015 adjusted for \$4M in restructuring costs

Fluids

- Revenue growth driven by acquisitions and strong hygienic & pharma markets
 - Organic revenue decline driven by
 - Project timing
 - Weak longer cycle upstream & midstream markets
 - Lower capital spending from integrated energy customers
- Margin impacted by lower organic volume, acquisitions, and deal costs
- Bookings growth driven by acquisitions
- Book-to-bill at 1.00

\$ in millions

	Q3 2016	Q3 2015	% Change	% Organic
Revenue	\$413	\$352	17%	-9%
Earnings	\$ 66	\$ 75	-12%	
Margin	16.0%	21.3%	-530 bps	
Bookings	\$414	\$357	16%	-9%

Revenue by End-Market	% of Q3 Revenue	Q3/Q3 Growth	Organic Growth
Pumps	38%	4%	-16%
Fluid Transfer	62%	27%	-4%

Refrigeration & Food Equipment

\$ in millions

- Organic revenue decline of 2% primarily driven by project timing in can-shaping equipment business
- Margin performance reflects production inefficiencies at Hillphoenix and product mix
- Organic bookings growth of 6% driven by strong order activity in can-shaping business that will ship in 2017
- Book-to-bill at 0.95

	Q3 2016	Q3 2015	% Change	% Organic
Revenue ^(a)	\$451	\$492	-8%	-2%
Earnings	\$ 64	\$ 77	-16%	
Margin	14.2%	15.6%	-140 bps	
Bookings ^(b)	\$429	\$431	≈ Flat	6%

Revenue by End-Market	% of Q3 Revenue	Q3/Q3 Growth	Organic Growth
Refrigeration	79%	-9%	Flat
Food Equipment	21%	-8%	-8%

(a) Revenue decline of 8% reflects organic decline of 2% and a 6% impact from dispositions

(b) Flat bookings reflects organic growth of 6%, offset by a 6% impact from dispositions

Q3 2016 Overview

Q3 2016	
Net Interest Expense	\$33 million, in-line with forecast
Corporate Expense	\$27 million, in-line with forecast
Effective Tax Rate (ETR)	Q3 rate was 28%
Capex	\$43 million, generally in-line with forecast
Share Repurchases	No activity

FY 2016 Guidance

- Revenue
 - Organic revenue: (8% - 7%)
 - Acquisitions: $\approx 7\%$
 - Dispositions: ($\approx 3\%$)
 - FX impact: ($\approx 1\%$)
 - Total revenue: $\frac{\quad}{(5\% - 4\%)}$

- Corporate expense: \approx \$110 million

- Interest expense: \approx \$128 million

- Full-year tax rate: $\approx 27.5\% - 28\%$

- Capital expenditures: $\approx 2.3\%$ of revenue

- FY free cash flow: $\approx 11\%$ of revenue

	2016 organic growth rate
Energy	(29% - 26%)
Engineered Systems	0% - 1%
Fluids	(7% - 6%)
Refrigeration & Food Equipment	(-1%) - 0%
Total organic	(8% - 7%)
Acquisitions	$\approx 7\%$
Dispositions	($\approx 3\%$)
FX Impact	($\approx 1\%$)
Total revenue	(5% - 4%)

2016F EPS Guidance – Bridge

■ 2015 EPS – Continuing Ops (GAAP)	\$ 3.74
– Less 2015 tax items ⁽¹⁾ :	(0.11)
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■ 2015 Adjusted EPS	\$ 3.63
– Net restructuring ⁽²⁾ :	≈ 0.05
– Performance including restructuring benefits ⁽³⁾ :	(0.73 - 0.71)
– Compensation & investment:	(0.11 - 0.09)
– Net acquisitions ⁽⁴⁾ :	≈ 0.07
– Shares ⁽⁵⁾ :	≈ 0.08
– Interest / Corp. / Tax rate / Other (net):	(0.03 - 0.02)
– 2016 tax items ⁽⁶⁾ :	≈ 0.04
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■ 2016F EPS – Continuing Ops	<u><u>\$3.00 - \$3.05</u></u>

(1) Includes discrete tax benefits of \$0.05 in Q3 2015 and \$0.06 in Q4 2015

(2) Includes restructuring costs of \$0.25 in FY 2015 and approximately \$0.20 in FY 2016

(3) Includes restructuring benefits of \$0.44 - \$0.48, \$0.02 of Q2 2016 deal costs, \$0.04 of Q2 2016 one-time costs, \$0.03 of Q3 2016 deal costs, and \$0.01 of anticipated Q4 2016 deal costs

(4) Reflects operating earnings of acquisitions completed less dispositions completed, as well as the associated gain on disposition

(5) Based on carryover benefit from 2015 share repurchase activity

(6) Includes discrete tax benefits of \$0.05 in Q1 2016 and a discrete tax cost of \$0.01 in Q2 2016

