



January 30, 2018 – 9:00am CT

Earnings Conference Call Fourth Quarter 2017

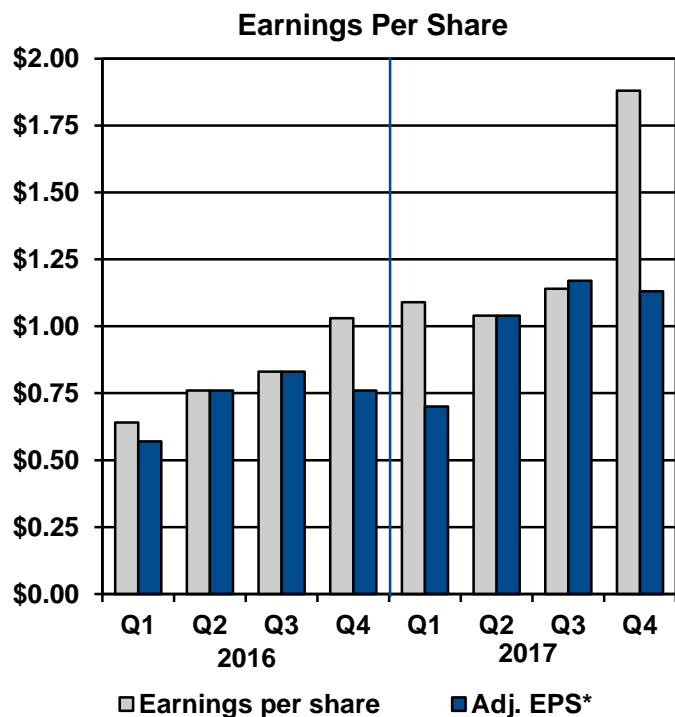
Forward Looking Statements and Non-GAAP Measures

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 2016, 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, where considerably more information can be found.

This document contains non-GAAP financial information. Commencing with guidance in 2018, Dover will provide adjusted EPS excluding after-tax acquisition-related amortization. The Company believes reporting adjusted EPS on this basis better reflects its core operating results, offers more transparency and facilitates easier comparability with peer companies. Reconciliations of non-GAAP measures are included either in this presentation or Dover's earnings release and investor supplement for the fourth quarter, which are available on our website.

Q4 2017 Performance



* Excludes net gains on dispositions of \$0.07 in Q1 2016, \$0.36 in Q4 2016, \$0.39 in Q1 2017, and \$0.70 in Q4 2017, \$0.32 net gain from enactment of Tax Cuts and Jobs Act in Q4 2017, \$0.03 product recall reversal in Q4 2017; \$0.09 voluntary product recall charge in Q4 2016, Wellsite separation costs of \$0.01 in Q3 2017 and \$0.05 in Q4 2017, Warn disposition related costs of \$0.01 in Q3 2017 and \$0.01 in Q4 2017, and rightsizing and other related costs of \$0.25 in Q4 2017

Quarterly Comments

- Revenue driven by broad-based organic growth and acquisitions; strong organic growth in U.S. and China
- Strong growth in Waste Handling, Pumps, Food Equipment and Wellsite businesses
- Adjusted segment margin improvement largely driven by conversion on volume and the benefits of integration and productivity
- Bookings growth reflects organic increases in Engineered Systems, Fluids and Energy, and the impact of acquisitions
- Book-to-bill at 0.98

	Q4	Q4/Q4
Revenue	\$2.0B	13%
EPS	\$1.88	83%
Adjusted EPS ^(a)	\$1.13	49%
Bookings	\$2.0B	13%
Segment margin	18.5%	270 bps
Adj. seg. margin ^(b)	14.4%	210 bps
Organic Rev. ^(c)	8%	
Net Acq. Growth ^(d)	3%	
Cash flow from Ops.	\$320M	11%
Adjusted FCF ^(e)	\$303M	26%

(a) Excludes net benefit on dispositions of \$0.70, \$0.32 net gain from Tax Cuts and Jobs Act, \$0.03 product recall reversal, Wellsite separation costs of \$0.05, and rightsizing and other related costs of \$0.25
 (b) Excludes net benefit on dispositions of \$115M, \$7M product recall reversal, and rightsizing and other related costs of \$40M
 (c) Change in revenue from businesses owned over 12 months, excluding FX impact
 (d) Change in revenue from acquisitions, less revenue from dispositions
 (e) See Press Release for adjusted free cash flow reconciliation

Revenue

Q4 2017	Engineered Systems	Fluids	Refrigeration & Food Equip	Energy	Total Dover
Organic	8%	4%	1%	23%	8%
Acquisitions	1%	20%	-	1%	6%
Dispositions	-6%	-	-2%	-	-3%
Currency	4%	2%	1%	-	2%
Total	7%	26%	Flat	24%	13%

Note: Columns may not sum due to rounding

Engineered Systems

- Organic revenue growth of 8%
 - Printing & Identification’s solid growth led by marking & coding
 - Industrial’s strong growth driven by particularly strong shipments of waste handling equipment and robust vehicle service equipment activity
- Adjusted margin reflects the impact of modest material cost inflation
- Organic bookings growth is broad-based
- Book-to-bill of 1.02

\$ in millions

	Q4 2017	Q4 2016	% Change	% Organic
Revenue ^(a)	\$667	\$626	7%	8%
Earnings	\$211	\$ 97	118%	
Margin	31.6%	15.5%	NM	
Adj. Earnings *	\$105	\$ 97	9%	
Adj. Margin *	15.7%	15.5%	20 bps	
Bookings ^(b)	\$681	\$643	6%	9%

Revenue by End-Market	% of Q4 Revenue	Q4/Q4 Growth	Organic Growth
Printing & Identification	44%	10%	3%
Industrial	56%	4%	12%

(a) Revenue increased 7% overall, reflecting organic growth of 8%, acquisition growth of 1%, and a favorable 4% impact from FX, partially offset by a 6% impact from dispositions

(b) Bookings growth of 6% reflects organic growth of 9%, acquisition growth of 1%, and a favorable 2% impact from FX, partially offset by a 6% impact from dispositions

* Excludes \$115M net benefit from Warn disposition and \$9M in rightsizing and other costs in Q4 2017

Fluids

- Revenue growth driven by acquisitions and 4% organic growth
 - Broad-based Pumps growth led by plastics & polymers markets
 - Hygienic & pharma markets remain strong
 - Solid global retail fueling markets, partially offset by soft Transport markets
- Adjusted margin improvement reflects volume leverage and benefits of retail fueling integration
- Bookings growth driven by Pumps and Hygienic & Pharma
- Book-to-bill at 1.01

\$ in millions

	Q4 2017	Q4 2016	% Change	% Organic
Revenue	\$610	\$483	26%	4%
Earnings	\$ 92	\$ 35	165%	
Margin	15.1%	7.2%	790 bps	
Adj. Earnings *	\$ 93	\$ 58	61%	
Adj. Margin *	15.2%	12.0%	320 bps	
Bookings	\$614	\$457	34%	9%

Revenue by End-Market	% of Q4 Revenue	Q4/Q4 Growth	Organic Growth
Fueling & Transport	59%	38%	1%
Pumps	32%	13%	8%
Hygienic & Pharma	9%	10%	8%

* Excludes Q4 2017 other items of \$7M, representing a reduction to a previously recorded product recall reserve, and a \$23M product recall charge in Q4 2016; and \$8M in rightsizing and other costs in Q4 2017

Refrigeration & Food Equipment

\$ in millions

- Organic revenue growth reflects strong Food Equipment activity
 - Can-shaping equipment drives revenue growth
 - Within Refrigeration, Retail refrigeration activity was soft as anticipated, offset in part by strong heat exchanger markets
- Margin performance reflects business mix and significantly improved productivity in retail refrigeration
- Organic bookings decline primarily reflects tough comps in retail refrigeration
- Book-to-bill at 0.85

	Q4 2017	Q4 2016	% Change	% Organic
Revenue ^(a)	\$377	\$376	Flat	1%
Earnings	\$ 29	\$118	NM	
Margin	7.7%	31.4%	NM	
Adj. Earnings *	\$ 44	\$ 33	34%	
Adj. Margin *	11.8%	8.8%	300 bps	
Bookings ^(b)	\$320	\$337	-5%	-3%

Revenue by End-Market	% of Q4 Revenue	Q4/Q4 Growth	Organic Growth
Refrigeration	75%	-4%	-5%
Food Equipment	25%	14%	24%

(a) Flat revenue reflects organic growth of 1% and a favorable 1% impact from FX, offset by a 2% impact from dispositions

(b) Bookings decline of 5% reflects an organic decline of 3% and a 2% impact from dispositions

* Excludes \$85M gain from disposition in Q4 2016, and \$15M in rightsizing and other costs in Q4 2017

Energy

- Strong organic revenue growth continues:
 - Drilling & Production driven by continued improvement in U.S. rig count and increased well completions
 - Bearings & Compression growth reflects strong compression service activity
 - Automation driven by improved customer capex spending
- Adjusted margin of 13.4% reflects significantly higher volume
- Bookings growth is broad-based
- Book-to-bill at 0.98

\$ in millions

	Q4 2017	Q4 2016	% Change	% Organic
Revenue	\$364	\$293	24%	23%
Earnings	\$ 41	\$ 31	34%	
Margin	11.4%	10.5%	90 bps	
Adj. Earnings *	\$ 49	\$ 31	58%	
Adj. Margin *	13.4%	10.5%	290 bps	
Bookings	\$355	\$300	18%	18%

Revenue by End-Market	% of Q4 Revenue	Q4/Q4 Growth	Organic Growth
Drilling & Production	68%	32%	31%
Bearings & Compression	21%	3%	2%
Automation	11%	29%	29%

* Excludes \$7M in rightsizing and other costs in Q4 2017

Q4 2017 Overview

Q4 2017	
Net Interest Expense	\$35 million
Corporate Expense	\$65 million, includes Wellsite separation costs of \$14 million and rightsizing and other costs of \$16 million
Effective Tax Rate (“ETR”)	ETR was 24.1%, excluding a \$51 million benefit from the Tax Cuts and Jobs Act, and a \$10 million benefit from other discrete tax items
Capex	\$47 million
Share Repurchases	1.1 million shares for \$105 million

FY 2018F Guidance

2018	Engineered Systems	Fluids	Refrigeration & Food Equip	Energy	Total
Organic rev.	4% - 5%	2% - 3%	3% - 4%	12% - 14%	5% - 7%
Acquisitions	-	1%	-	-	-
Dispositions	(7%)	-	(2%)	-	(3%)
Currency	2%	1%	1%	-	1%
Total revenue	(1%) - 0%	4% - 5%	2% - 3%	12% - 14%	3% - 5%

- **Corporate expense:** ≈ \$122 million
- **Net interest expense:** ≈ \$130 million
- **Tax rate:** ≈ 22% - 23%
- **Capital expenditures:** ≈ 2.4% of revenue
- **Adj. Free cash flow:** ≈ 10% - 11% of revenue

Adjusted EPS: \$5.73 - \$5.93*

* Adjusted for acquisition-related amortization and carryover rightsizing costs. See exhibit on page 14 of this presentation for reconciliation



Appendix

FY 2017 EPS Guidance Reconciliation – GAAP & Adjusted EPS

	<u>Prior Guidance</u>	<u>2017 Actual</u>	
2016 EPS - Continuing Ops (GAAP):	\$3.25	\$3.25	
Less: 2016 gain on dispositions ⁽¹⁾ :	(0.44)	(0.44)	(1) Includes \$0.07 gain on the disposition of THI in Q1 2016 and \$0.36 gain on the disposition of Tipper Tie in Q4 2016
Plus: 2016 charges related to recall:	0.09	0.09	(2) Includes 2016 operating earnings from THI and Tipper Tie
2016 Adjusted EPS:	\$2.90	\$2.90	(3) Includes restructuring costs of approximately \$0.18 in FY 2016 and \$0.06 in 2017
Lost earnings from 2016 dispositions ⁽²⁾ :	(0.05)	(0.05)	(4) Includes \$0.39 gain on the disposition of PMI in Q1 2017 and \$0.70 gain on sale of Warn Industries in Q4 2017
Net restructuring ⁽³⁾ :	0.08 - .010	0.12	(5) Includes \$0.04 of PMI operational earnings in prior forecast and Warn disposition-related costs of \$0.01 in Q3 2017
Performance including restructuring benefits:	1.31 - 1.35	1.34	(6) Includes \$0.04 of PMI operational earnings and \$0.02 of Warn operational earnings in the prior forecast; and Warn disposition-related costs of \$0.01 in Q3 2017 and \$0.01 in Q4 2017
Compensation & investment:	(0.18 - 0.16)	(0.16)	(7) Includes \$0.01 incurred in Q3 2017, and \$0.06 incurred in Q4 2017
Interest / Corp. / Tax rate / Shares / Other (net):	(0.16 - 0.14)	(0.06)	(8) Reflects a reduction to a previously recorded product recall reserve
Net gains from 2017 dispositions ⁽⁴⁾ :	0.39	1.09	(9) Includes Warn disposition-related costs of \$0.01 in Q3 2017 and \$0.01 in Q4 2017
Costs and unrealized earnings associated with disp.:	(0.05) ⁽⁵⁾	(0.08) ⁽⁶⁾	(10) Reflects guidance provided 10/19/17
Wellsite separation costs ⁽⁷⁾ :	(0.01)	(0.06)	
Q4 Rightsizing & other costs:		(0.25)	
Q4 Other item ⁽⁸⁾ :		0.03	
Impact from Tax Cuts and Jobs Act:		0.32	
2017 EPS - Continuing Ops (GAAP):	\$4.23 - \$4.33 ⁽¹⁰⁾	\$5.15	
Less: Net gains from 2017 dispositions:	(0.39)	(1.09)	
Plus: Costs associated with dispositions ⁽⁹⁾ :	0.01	0.02	
Less: Impact from Tax Cuts and Jobs Act:		(0.32)	
Less: Q4 Other item ⁽⁸⁾ :		(0.03)	
Plus: Wellsite separation costs ⁽⁷⁾ :	0.01	0.06	
Plus: Q4 Rightsizing & other costs:		0.25	
2017 EPS - Adjusted EPS:	\$3.86 - \$3.96	\$4.03	

Note: Columns may not sum due to rounding

2018F EPS guidance – Updated bridge and reconciliation

▪ 2017 Adj. EPS – Before acquisition-related amortization (as reported):	\$4.03	
– Add back 2017 acquisition-related amortization ⁽¹⁾ :	0.86	
	<u>\$4.89</u>	←
▪ 2017 Adjusted EPS – New guidance basis		
– Acquisition-related amortization ⁽²⁾ :	(0.93)	
– Performance including rightsizing costs & benefits ⁽³⁾ :	0.84 - 1.00	
– Commercial and product investment:	(0.28 - 0.26)	
– Interest / Corp. / Tax rate / Shares ⁽⁴⁾ / Other (net):	0.24 - 0.26	
	<u>\$4.75 - \$4.95</u>	
▪ 2018F EPS – GAAP		
– Add back 2018 rightsizing costs ⁽⁵⁾ :	0.05	
– Add back acquisition-related amortization ⁽²⁾ :	0.93	
	<u>\$5.73 - \$5.93</u>	←
		+ 19%

(1) Includes acquisition-related intangible amortization and inventory step-up amortization totaling \$136 million, on an after tax basis

(2) Includes acquisition-related intangible amortization and inventory step-up amortization totaling \$145 million, on an after tax basis

(3) Includes \$11 million of rightsizing costs and \$55 million of benefits

(4) Assumes weighted average diluted shares outstanding of 156.5 million

(5) Includes \$11 million of rightsizing costs

Note: Columns may not sum due to rounding

Supplementary acquisition-related intangible amortization data

ACQUISITION-RELATED INTANGIBLES AMORTIZATION

	Q1	Q2	Q3	Q4	FY 2016	Q1	Q2	Q3	Q4	FY 2017
Engineered Systems	\$ 11.7	\$ 9.5	\$ 8.8	\$ 17.4	\$ 47.3	\$ 11.5	\$ 11.6	\$ 11.4	\$ 11.0	\$ 45.4
Fluids	17.0	11.3	11.8	15.6	55.6	18.1	17.0	17.2	17.2	69.4
Refrigeration & Food Equipment	7.6	7.6	7.5	7.5	30.2	7.5	7.3	7.2	7.2	29.1
Energy	15.9	15.8	15.8	15.1	62.6	15.1	15.0	14.8	15.3	60.2
Total	\$ 52.2	\$ 44.1	\$ 43.8	\$ 55.5	\$ 195.7	\$ 52.2	\$ 50.8	\$ 50.5	\$ 50.6	\$ 204.2

\$ in millions