



April 18, 2019 – 9:00am CT

Earnings Conference Call First Quarter 2019

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 2018, 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.

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 first quarter, which are available on Dover's website.

Q1 2019 - Highlights

Revenue increases 5% to \$1.7B

Organic growth of 8%

Adjusted earnings from continuing operations⁽¹⁾ increase 29% to \$182M

Earnings from continuing operations on a GAAP basis down 3% to \$106M

Segment performance

Adjusted EBIT⁽¹⁾ increases 24% to \$251M, with margin at 14.6% (+230 bps)

Adjusted EBITDA⁽¹⁾ up 18% to \$317M

Bookings down 2% to \$1.8B

Organic bookings were flat

Adjusted diluted EPS from continuing operations⁽²⁾ at \$1.24, up 38%

\$0.06 benefit related to discrete tax items⁽³⁾

Diluted EPS from continuing operations on a GAAP basis at \$0.72, up 3%

Other Activities

Belanger acquisition closed on January 25, 2019

Divested Finder on April 2, 2019; loss on assets held for sale of \$0.32 per share recorded in Q1

(1) Non-GAAP measures (definitions and reconciliations in appendix)

(2) Adjusted diluted EPS excludes acquisition-related amortization, rightsizing and other costs, and a 2019 loss on assets held for sale (reconciliation in appendix)

(3) Includes \$8M of discrete tax benefits in the quarter

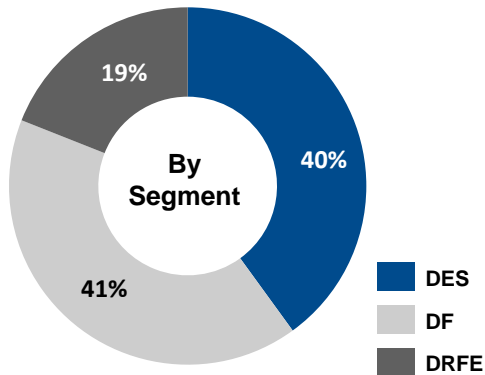
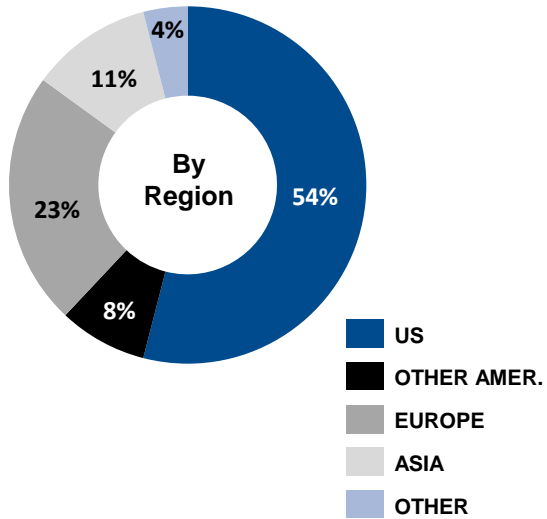
Q1 2019 – Financial Summary

US GAAP from continuing operations	Q1 2019	Q1 2018	Δ
Revenue (\$M)	1,725	1,638	5%
Earnings (\$M)	106	109	(3%)
Diluted EPS (\$)	0.72	0.70	3%
Non-GAAP ⁽¹⁾ from continuing operations			
Adjusted EBIT – Segment (\$M)	251	202	24%
<i>margin percent</i>	14.6%	12.3%	230 bps
Adjusted EBITDA – Segment (\$M)	317	269	18%
<i>margin percent</i>	18.4%	16.4%	200 bps
Adjusted Earnings (\$M)	182	141	29%
Adjusted diluted EPS ⁽²⁾ (\$)	1.24	0.90	38%

Note: Numbers may not add due to rounding

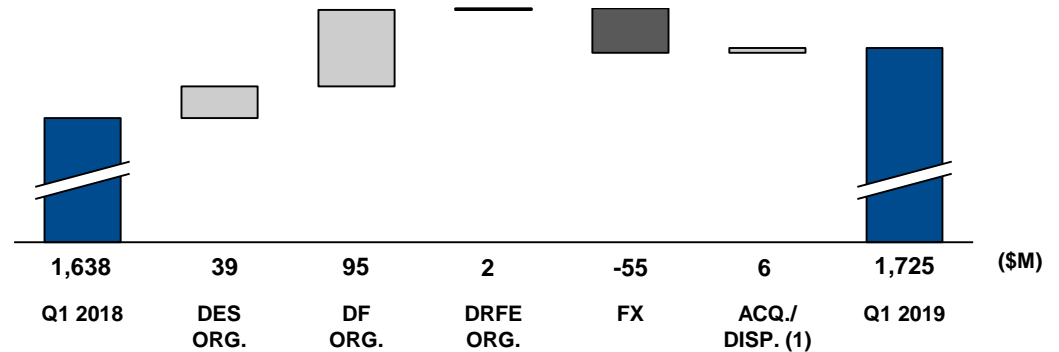
Q1 2019 - Revenue & Bookings

Revenue Split



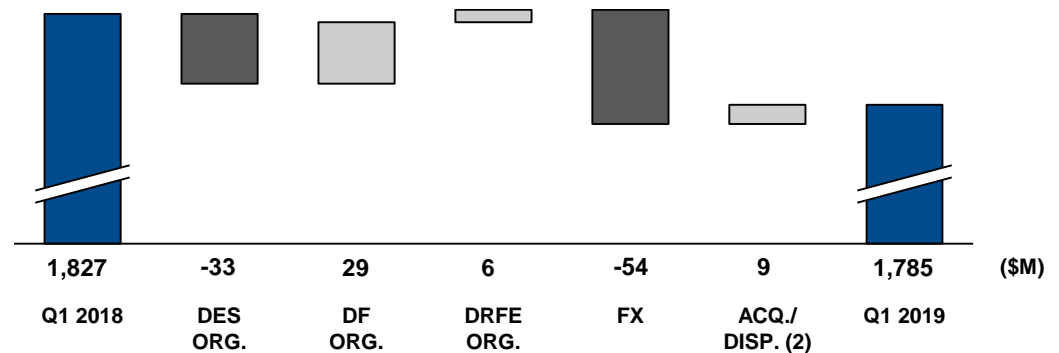
Revenue

Change in Organic Revenue: +\$136M, or 8.3%



Bookings

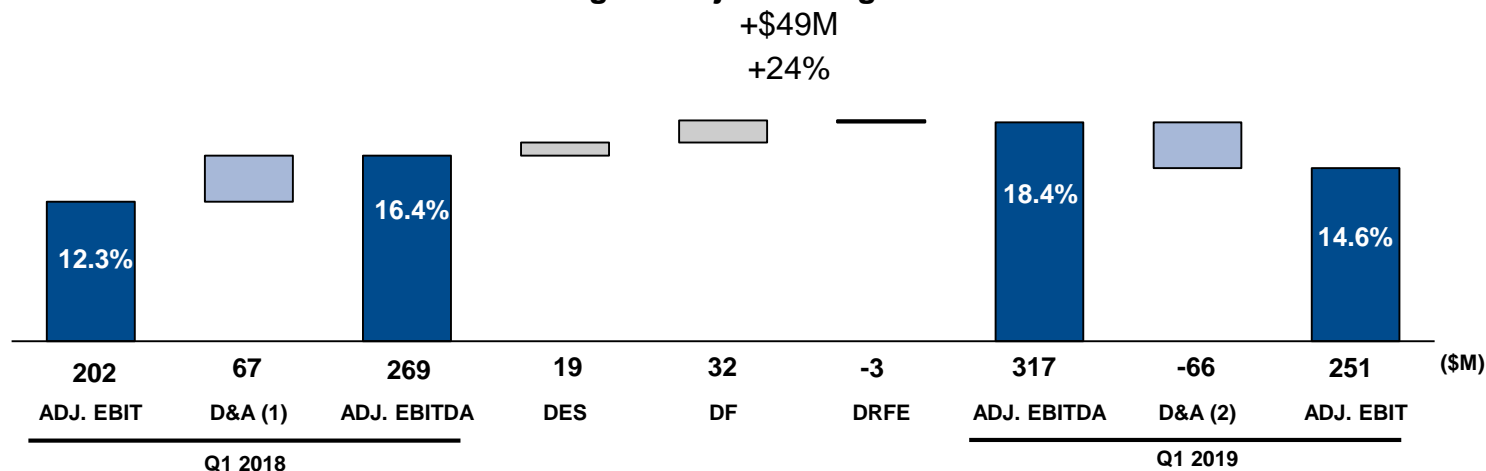
Change in Organic Bookings: +\$2M, or 0.1%



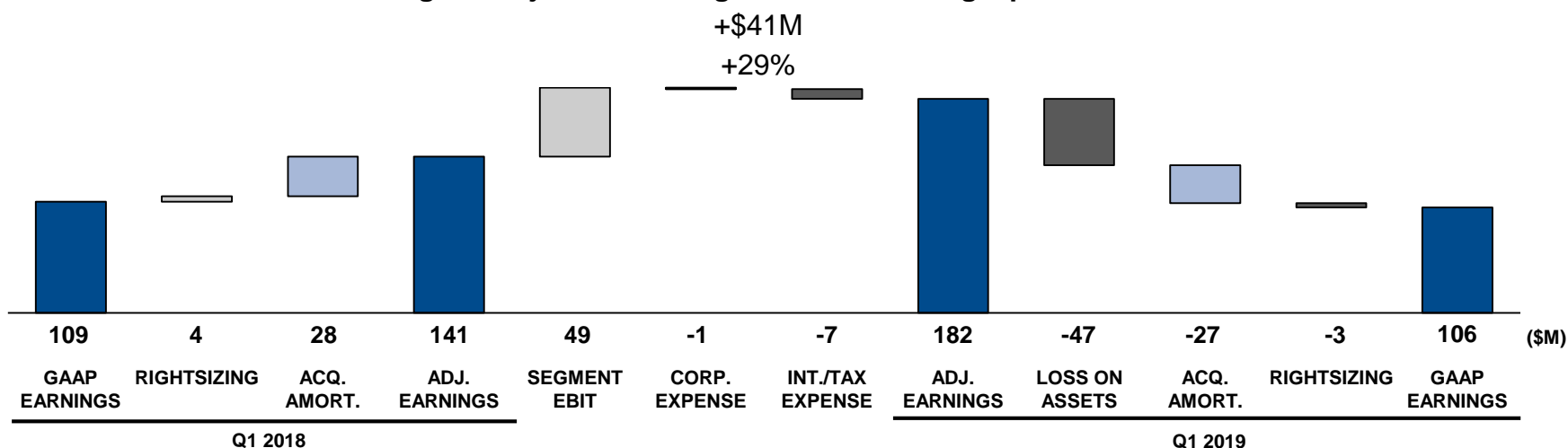
Note: Numbers may not add due to rounding

Q1 2019 – Adj. Segment EBIT & EBITDA Walk, and Earnings & Adj. Earnings Walk – (Continuing Operations basis)

Change in Adjusted Segment EBIT ⁽³⁾



Change in Adjusted Earnings from Continuing Operations ⁽³⁾



(1) Depreciation: \$31M, Amortization: \$36M

(2) Depreciation: \$31M, Amortization: \$36M

(3) Non-GAAP measures (definition and reconciliation in appendix)

Note: Numbers may not add due to rounding

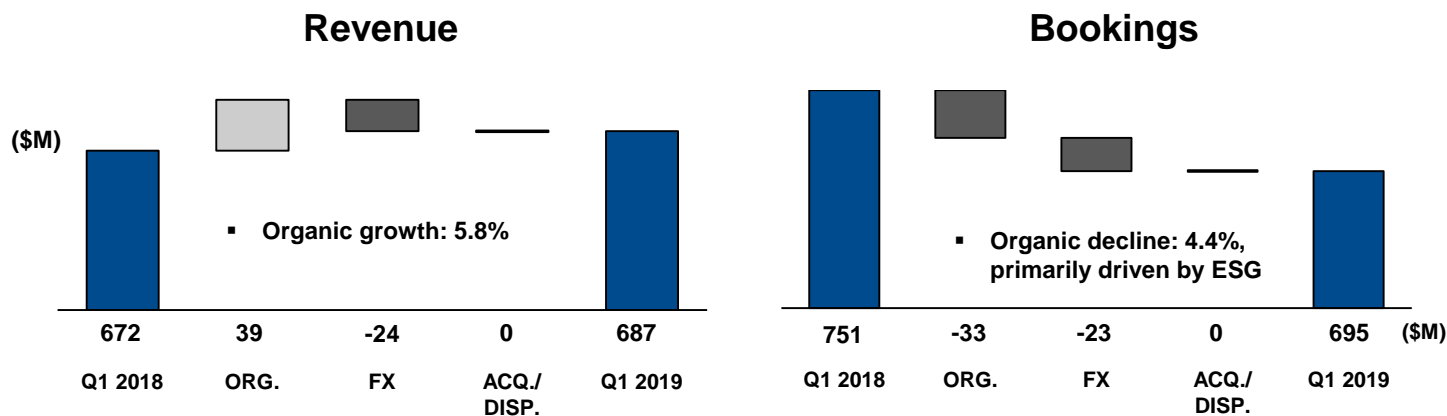
Q1 2019 – Free Cash Flow

\$M	Q1 2019	Q1 2018	Δ
Net earnings	\$106	\$131	(\$26)
Earnings from disc. ops.	0	(22)	22
Loss on assets held for sale	47	0	47
D&A	68	69	(1)
Chg. in working capital	(138)	(47)	(90)
Chg. in other ⁽¹⁾	<u>(58)</u>	<u>(115)</u>	<u>59</u>
Cash flow from operations	\$25	\$16	\$9
Capex	<u>(37)</u>	<u>(45)</u>	<u>8</u>
Free cash flow	(\$13)	(\$29)	\$17
FCF as a % of revenue	(0.7%)	(1.8%)	

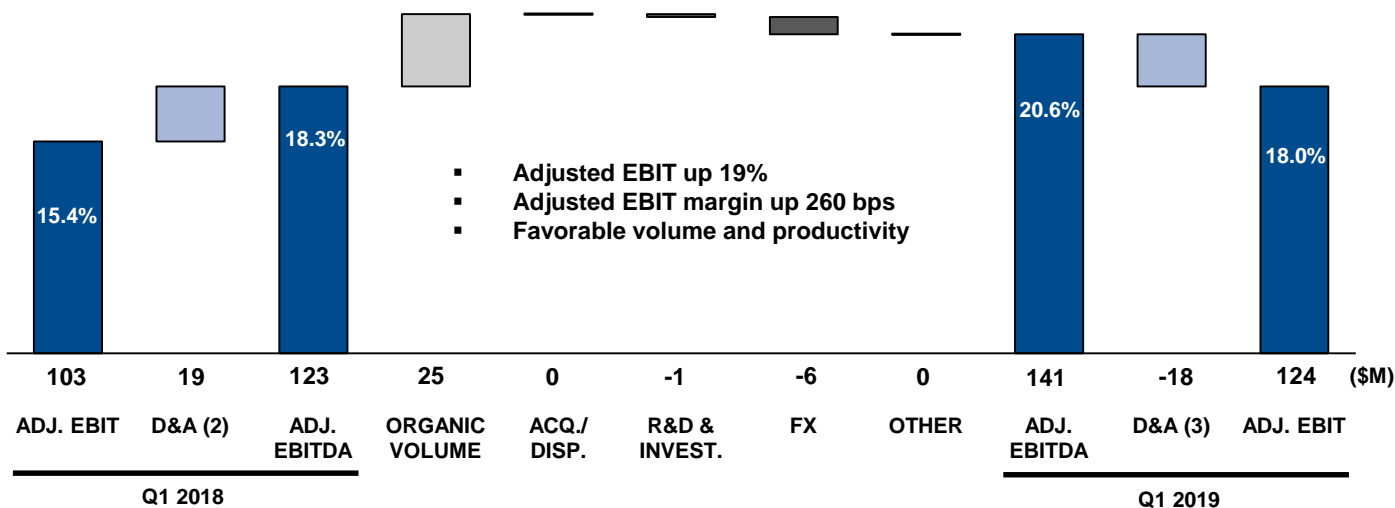
Note: Numbers may not add due to rounding

Segment Information

Engineered Systems – Financial Results



Adjusted EBIT, EBITDA & Margin⁽¹⁾



Printing & Identification



markem·image



okinternational

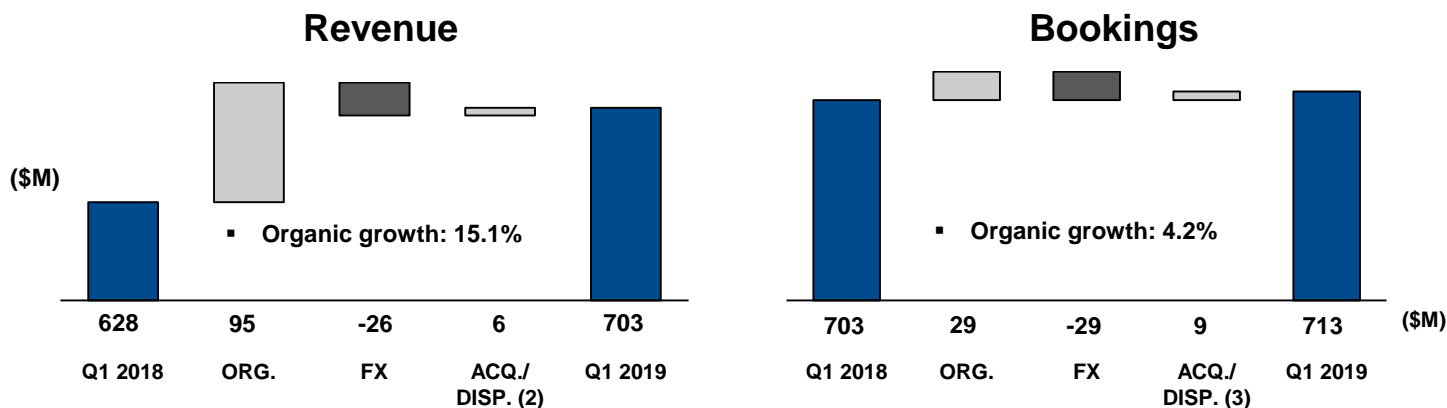
Industrial



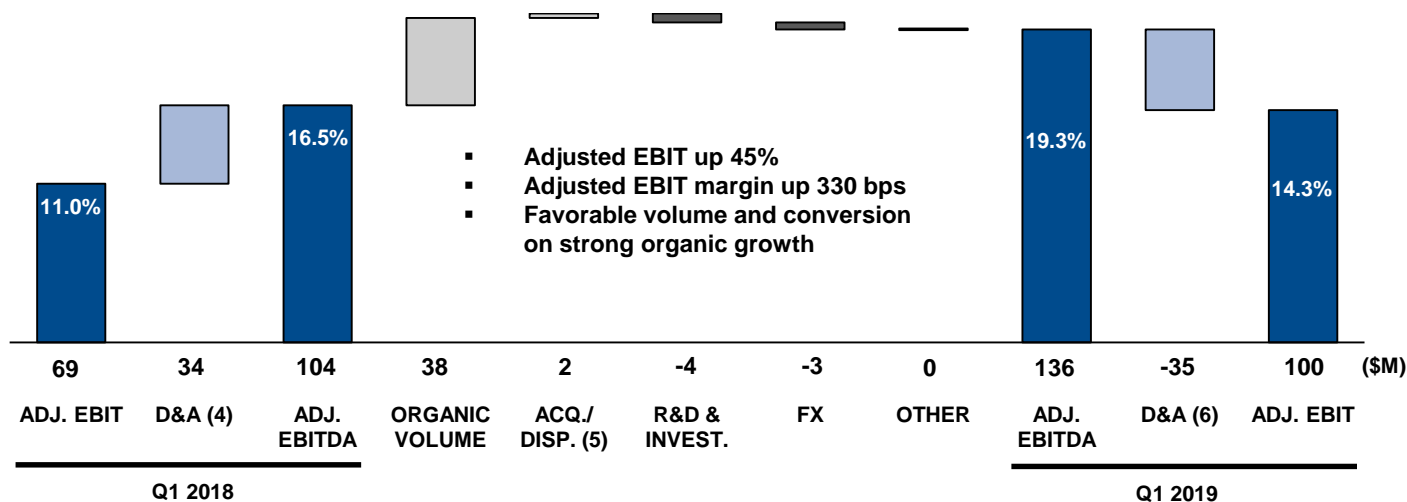
Note: Numbers may not add due to rounding



Fluids – Financial Results



Adjusted EBIT, EBITDA & Margin ⁽¹⁾



Fueling & Transport



Pumps



Process Solutions

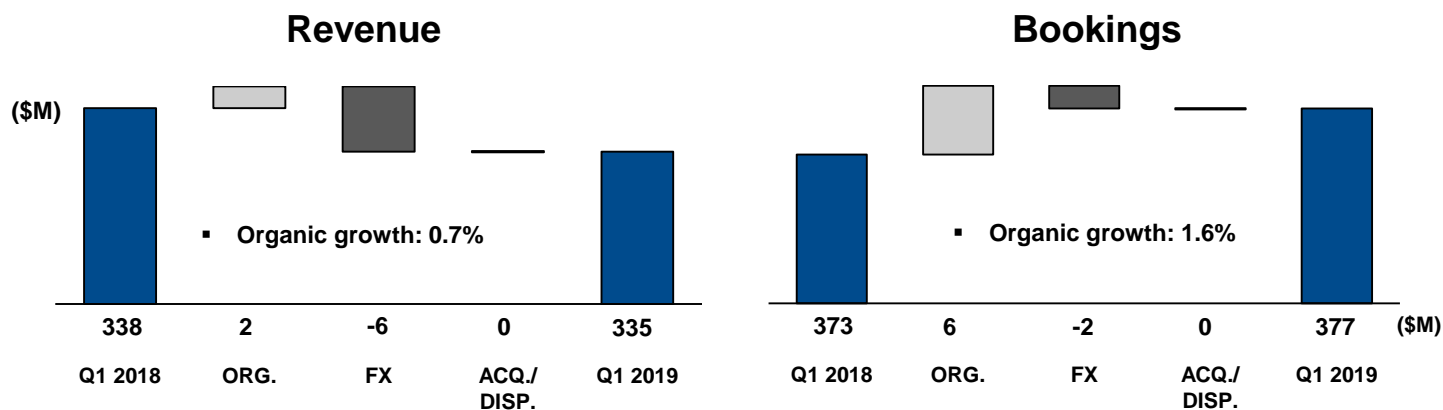


Note: Numbers may not add due to rounding

(1) Non-GAAP measures (definition and reconciliation in appendix) (4) Depreciation: \$15M, Amortization: \$19M
 (2) Acquisitions: \$8M, Dispositions: \$2M (5) Acquisitions: \$2M, Dispositions: \$0M
 (3) Acquisitions: \$11M, Dispositions: \$2M (6) Depreciation: \$16M, Amortization: \$20M



Refrigeration & Food Equipment – Financial Results



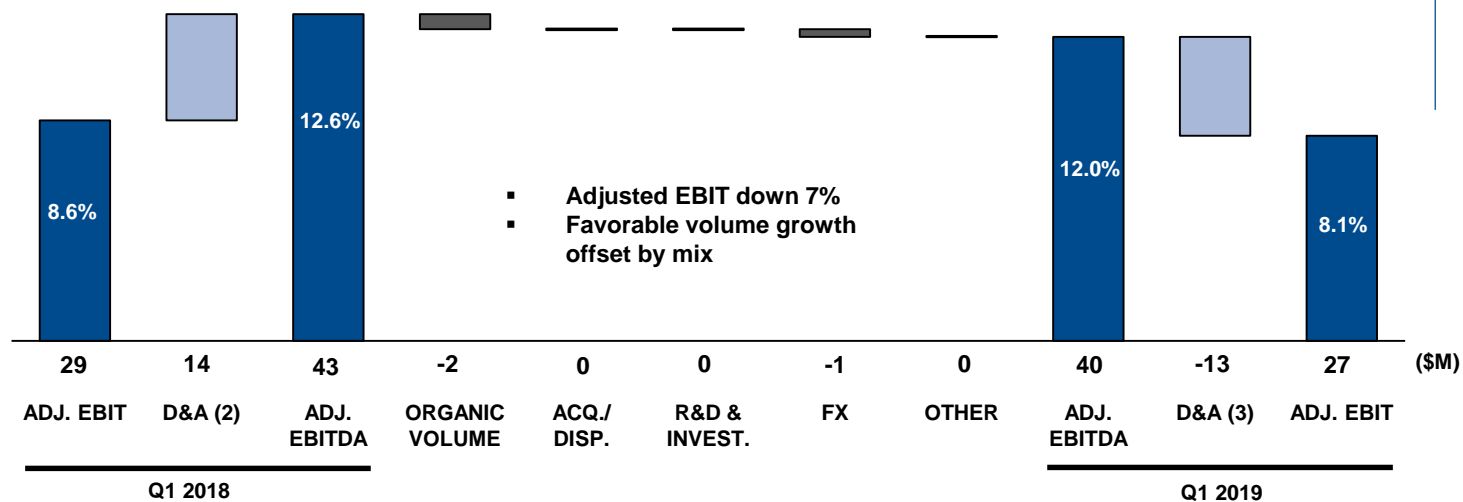
Refrigeration



Food Equipment



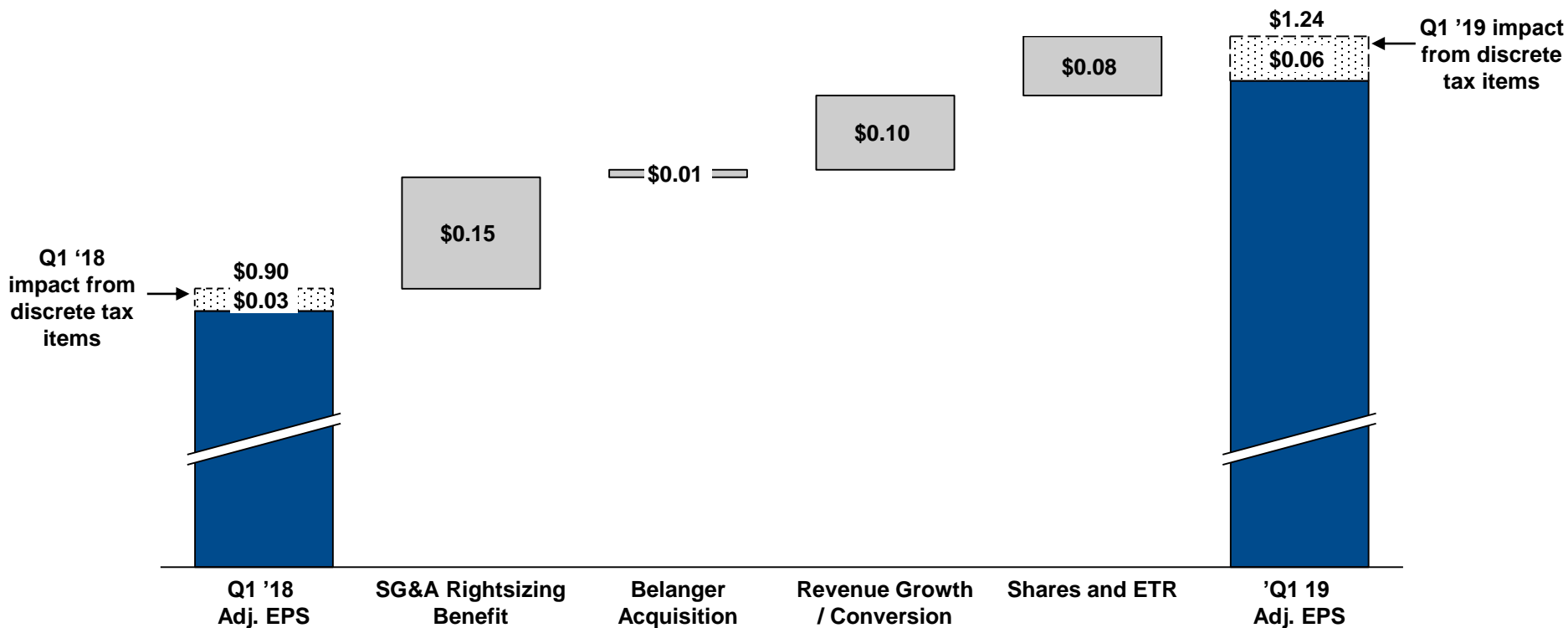
Adjusted EBIT, EBITDA & Margin ⁽¹⁾



Note: Numbers may not add due to rounding

Q1 Adjusted EPS grew by 38%

Adjusted EPS⁽¹⁾ (\$/share)



Note: Numbers may not add due to rounding

2019 FY Guidance

Updated FY 2019F Guidance

2019	Engineered Systems	Fluids	Refrigeration & Food Equip	Total
Organic revenue	4% - 5%	4% - 5%	1% - 3%	3% - 5%
Acquisitions	-	2%	-	1%
Dispositions	-	(1%)	-	(0%)
Currency	(1%) - (2%)	(1%) - (2%)	(1%)	(1%) - (2%)
Total revenue	3% - 4%	4% - 5%	0% - 2%	3% - 4%

Adjusted EPS: \$5.65 - \$5.85⁽¹⁾

Dollar/Euro assumption: 1.13

Note: Numbers may not add due to rounding

(1) Adjusted EPS excludes acquisition-related amortization costs, rightsizing and other costs, and a 2019 loss on assets held for sale; assumes 147.1 million weighted average shares

Appendix

Reconciliation of Q1 2019 Earnings from Continuing Operations to Adj. EBIT and Adj. EBITDA and calculation of Adj. EBIT margin and Adj. EBITDA margin by Segment (U.S. GAAP)

(\$ in millions)	Q1 2019			
	DES	DF	DRFE	Total
Revenue	687	703	335	1,725
Earnings from continuing operations	-	-	-	106
Add back:				
Corporate expense	-	-	-	31
Interest expense, net	-	-	-	31
Income tax expense	-	-	-	33
EBIT	123	52	25	200
EBIT %	17.9%	7.4%	7.4%	11.6%
Adjustments:				
Loss on assets held for sale	-	47	-	47
Rightsizing and other costs	0	1	2	4
Adjusted EBIT - Segment	124	100	27	251
Adjusted EBIT %	18.0%	14.3%	8.1%	14.6%
Adjusted depreciation and amortization expense ⁽¹⁾	18	35	13	66
Adjusted EBITDA - Segment	141	136	40	317
Adjusted EBITDA %	20.6%	19.3%	12.0%	18.4%

Note: Numbers may not add due to rounding

(1) Adjusted depreciation and amortization expense excludes depreciation and amortization included within rightsizing and other costs

Reconciliation of Q1 2018 Earnings from Continuing Operations to Adj. EBIT and Adj. EBITDA and calculation of Adj. EBIT margin and Adj. EBITDA margin by Segment (U.S. GAAP)

(\$ in millions)	Q1 2018			
	DES	DF	DRFE	Total
Revenue	672	628	338	1,638
Earnings from continuing operations	-	-	-	109
Add back:				
Corporate expense	-	-	-	31
Interest expense, net	-	-	-	34
Income tax expense	-	-	-	25
EBIT	102	67	29	199
EBIT %	15.2%	10.7%	8.6%	12.1%
Adjustments:				
Rightsizing and other costs	1	2	-	3
Adjusted EBIT - Segment	103	69	29	202
Adjusted EBIT %	15.4%	11.0%	8.6%	12.3%
Depreciation and amortization expense	19	34	14	67
Adjusted EBITDA - Segment	123	104	43	269
Adjusted EBITDA %	18.3%	16.5%	12.6%	16.4%

Note: Numbers may not add due to rounding

Reconciliation of Adjusted Earnings from Continuing Operations to Earnings from Continuing Operations and calculation of Adjusted diluted EPS under U.S. GAAP

(\$ in millions, except per share data)

	Q1 2019	Q1 2018
Earnings from continuing operations (\$)	106	109
Acquisition-related amortization, pre tax	36	38
Acquisition-related amortization, tax impact	(9)	(10)
Rightsizing and other costs, pre tax	4	4
Rightsizing and other costs, tax impact	(1)	(1)
Loss on assets held for sale	47	-
Adjusted earnings from continuing operations (\$)	182	141
Weighted average shares outstanding – diluted (thousand)	147	157
Diluted EPS (\$)	0.72	0.70
Acquisition-related amortization, pre tax	0.24	0.24
Acquisition-related amortization, tax impact	(0.06)	(0.06)
Rightsizing and other costs, pre tax	0.03	0.03
Rightsizing and other costs, tax impact	(0.01)	(0.01)
Loss on assets held for sale	0.32	-
Adjusted diluted EPS (\$)	1.24	0.90

Note: Numbers may not add due to rounding

Reconciliation of Free Cash Flow; and EPS from Continuing Operations to Adjusted EPS from Continuing Operations Reconciliation

Free Cash Flow Reconciliation

(\$ millions)	Mar 31, 2019	Mar 31, 2018
Net Cash Provided by Operating Activities	25	16
Capital Expenditures	(37)	(45)
Free Cash Flow	(13)	(29)

Adjusted EPS from Continuing Operations Reconciliation

	Range	
2019 Guidance for Earnings per Share from Continuing Operations (GAAP)	\$4.53	\$4.73
Acquisition-related amortization, net	0.72	
Rightsizing and other costs, net	0.08	
Loss on assets held for sale	0.32	
2019 Guidance for Adjusted Earnings per Share from Continuing Operations	\$5.65	\$5.85

Note: Numbers may not add due to rounding

Non-GAAP Definitions

Definitions of Non-GAAP Measures:

Adjusted Earnings from Continuing Operations: is defined as earnings from continuing operations adjusted for the effect of acquisition-related amortization, rightsizing and other costs, and a 2019 loss on assets held for sale.

Adjusted Diluted Earnings Per Share from Continuing Operations: is defined as adjusted net earnings from continuing operations divided by average diluted shares.

Adjusted EBIT by Segment: is defined as earnings from continuing operations before income taxes, net interest expense, corporate expenses, rightsizing activities and other costs and a 2019 loss on assets held for sale.

Adjusted EBIT Margin by Segment: is defined as adjusted EBIT by segment divided by segment revenue.

Adjusted EBITDA by Segment: is defined as adjusted EBIT by segment plus depreciation and amortization, excluding depreciation and amortization included within rightsizing and other costs.

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

Free Cash Flow: is defined as net cash provided by operating activities minus capital expenditures.

Organic Revenue Growth: is defined as revenue growth excluding the impact of foreign currency exchange rates and the impact of acquisition 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 first quarter.

