



March 16, 2022

# Dover Corporation

JP Morgan Industrials Conference

Rich Tobin, President & CEO

# 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 the impacts of coronavirus (COVID-19) on the global economy and on our customers, suppliers, employees, operations, business, liquidity and cash flow, supply chain constraints and labor shortages that could result in production stoppages, and inflation in material input costs and freight logistics. 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 for the year ended December 31, 2021, for a list of factors that could cause our results to differ from those anticipated in any such forward-looking statements.

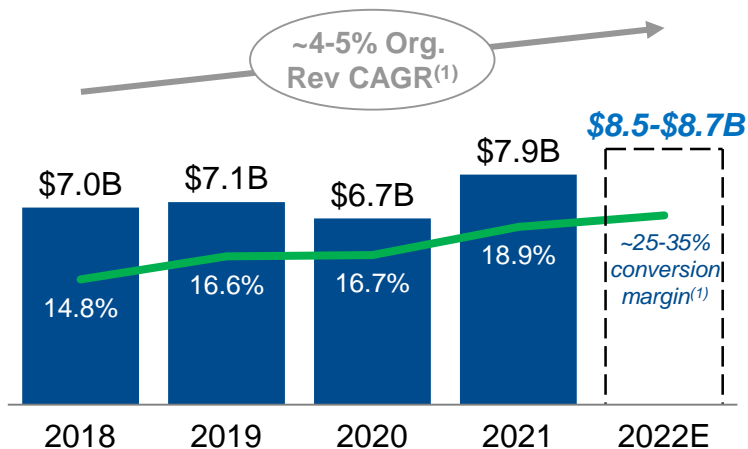
We would also direct your attention to our website, [dovercorporation.com](https://www.dovercorporation.com), where considerably more information can be found.

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 in the appendix to this presentation. We do not provide a reconciliation of forward-looking organic revenue to consolidated revenue and forward looking conversion margin to consolidated revenue and net earnings (the most directly comparable GAAP financial measures) 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 measures 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.

# Dover Strategy Delivers Through-Cycle Value Creation

## Revenue and Adj. Segment EBIT Margin<sup>(1)</sup>

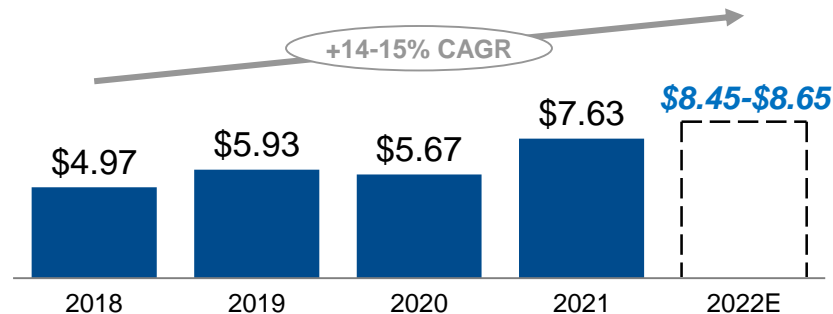
— Adj. Segment EBIT Margin (%)    ■ Revenue (\$B)



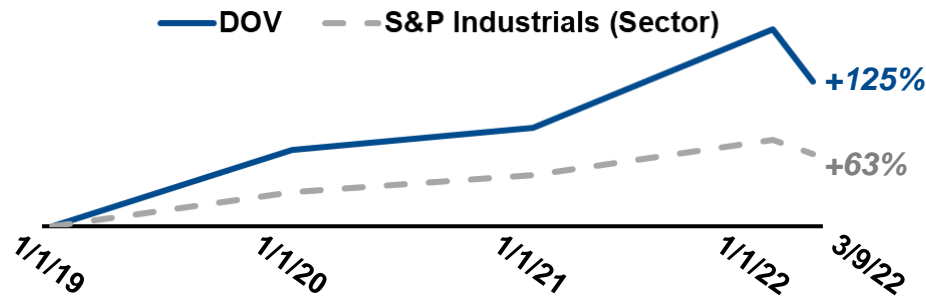
	2018	2019	2020	2021	2022E
<b>Organic growth<sup>(1)</sup>%</b>	+4%	+4%	-7%	+15%	+7-9%
<b>Margin change, bps</b>	+30	+180	+10	+220	

**440 bps cumulative margin improvement**  
**~110 bps improvement per year on average**

## Adj. Earnings Per Share<sup>(1)</sup>



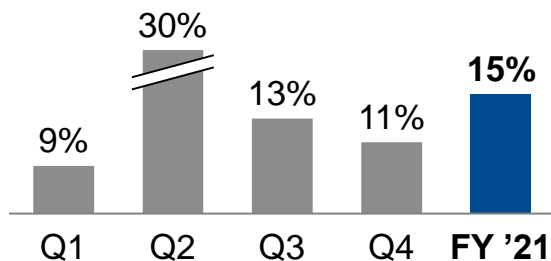
## Cumulative Total Shareholder Return<sup>(2)</sup>



# 2021 Performance

## Top Line Strength

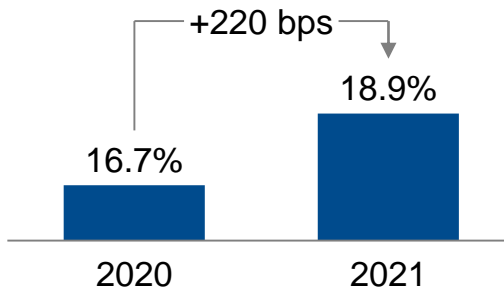
### Organic Revenue Growth<sup>(1)</sup>



- Full year organic revenue growth<sup>(1)</sup> across all five segments
- Full year book-to-bill<sup>(2)</sup> of 1.19
- Positive bookings trends across majority of portfolio

## Margin Improvement

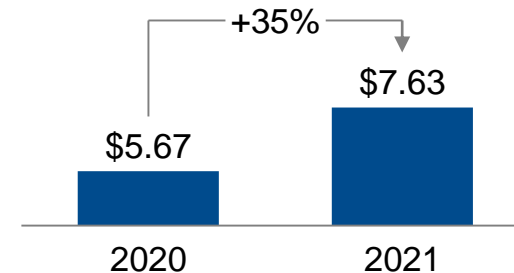
### Adj. Segment EBIT Margin<sup>(1)</sup>



- Full year margin accretion on improved volumes, productivity, and mix
- Progress on four center-led initiatives driving synergy from the portfolio

## EPS Growth

### Adjusted EPS<sup>(1)</sup>



- Substantial growth on top-line strength, margin conversion and capital allocation

# Delivering on Capital Allocation Priorities

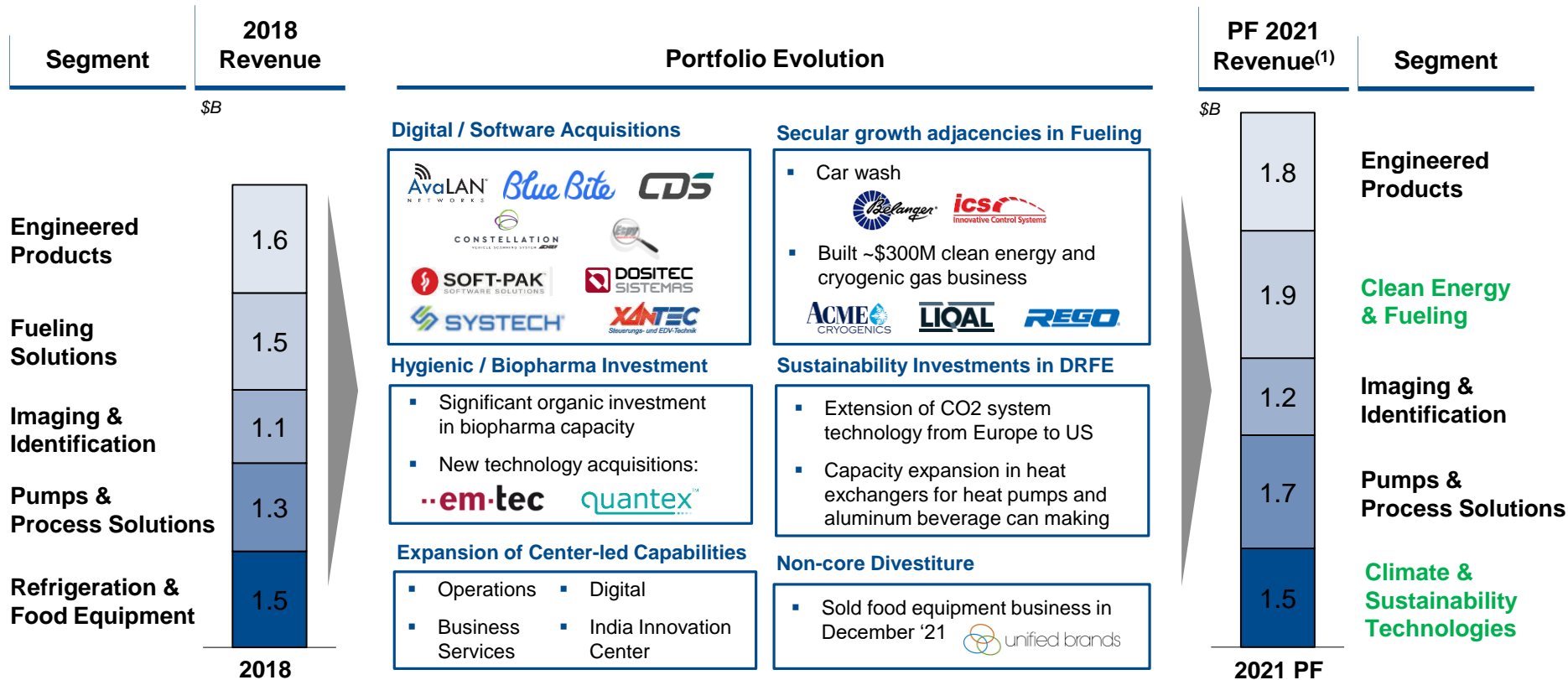
## Priorities Communicated in September 2019

1	Invest Organically
	<ul style="list-style-type: none"><li>High-confidence organic investments<ul style="list-style-type: none"><li>Capacity for growth</li><li>Digitization, e-commerce</li><li>Innovation and R&amp;D</li><li>Productivity and automation</li></ul></li></ul>
2	Grow through Acquisitions
	<ul style="list-style-type: none"><li>Ample opportunity to acquire in core markets</li><li>Possible larger deals if high fit</li><li>Strict strategic fit and financial discipline criteria</li><li>Priorities: DPPS, DII, DCEF; software, recurring revenue, product adjacencies</li></ul>
3	Return Capital
	<ul style="list-style-type: none"><li>Dividend: Grow and target ~30% payout</li><li>Share repurchases if investment opportunities do not materialize; will not let cash build</li></ul>

## 2021 Results

- \$171M capex in '21; 2.2% of Revenue
  - Compelling pipeline of organic growth and productivity investments
  - Digital investment supported \$1B+ in automated orders in 2021, >10x vs. '18. Plan to double in '22
- 
- ~\$1.1B (\$0.8B net of divestitures) deployed in nine highly strategic bolt-on acquisitions
  - Exited non-core foodservice equipment business
  - Robust pipeline and deal flow, ample remaining capacity
- 
- Increased dividend for the 66<sup>th</sup> consecutive year
  - Opportunistic repurchase of shares (\$22M)

# Portfolio Evolution Drove Renaming of Two Segments



(1) 2021 actual revenue adjusted for full year impact of Acme and RegO acquisitions (~\$0.3B) and Unified Brands divestiture (~\$0.1B)

# Appendix

# Organic Revenue and Bookings Bridges

	Q4 2021 Organic Growth		FY 2021 Organic Growth	
	Revenue	Bookings	Revenue	Bookings
<b>Organic</b>				
Engineered Products	16.3%	19.7%	14.1%	33.2%
Clean Energy & Fueling	-4.3%	-7.0%	5.8%	11.2%
Imaging & Identification	2.8%	0.7%	8.0%	7.7%
Pumps & Process Solutions	29.8%	26.3%	26.6%	48.2%
Climate & Sustainability Technologies	13.3%	69.9%	22.0%	53.3%
<b>Total Organic</b>	<b>11.5%</b>	<b>22.2%</b>	<b>15.3%</b>	<b>31.9%</b>
Acquisitions	1.5%	1.4%	1.3%	1.5%
Dispositions	-0.5%	-0.5%	-0.2%	-0.2%
Currency translation	-0.8%	-0.2%	1.9%	2.1%
<b>Total</b>	<b>11.7%</b>	<b>22.9%</b>	<b>18.3%</b>	<b>35.3%</b>

Note: Numbers may not add due to rounding



# Organic Revenue Bridges

2021 Revenue Growth Factors				
	Q1	Q2	Q3	Q4
<b>Organic</b>				
Engineered Products	2.3%	25.4%	14.2%	16.3%
Clean Energy & Fueling	3.0%	24.9%	3.0%	-4.3%
Imaging & Identification	3.7%	20.2%	7.4%	2.8%
Pumps & Process Solutions	18.4%	33.6%	24.6%	29.8%
Climate & Sustainability Technologies	18.3%	43.5%	16.0%	13.3%
<b>Total Organic</b>	<b>8.8%</b>	<b>29.7%</b>	<b>13.2%</b>	<b>11.5%</b>
Acquisitions	1.2%	1.3%	1.1%	1.5%
Dispositions	-0.3%	0.0%	0.0%	-0.5%
Currency translation	3.1%	4.5%	1.1%	-0.8%
<b>Total</b>	<b>12.8%</b>	<b>35.5%</b>	<b>15.4%</b>	<b>11.7%</b>

2020 - 2018 Revenue Growth Factors			
	2020	2019	2018
<b>Organic</b>			
Engineered Products	-10.3%	5.4%	6.6%
Clean Energy & Fueling	-8.8%	10.5%	9.9%
Imaging & Identification	-7.2%	1.2%	4.6%
Pumps & Process Solutions	-2.3%	3.9%	7.4%
Climate & Sustainability Technologies	-3.0%	-2.7%	-7.9%
<b>Total Organic</b>	<b>-6.6%</b>	<b>3.8%</b>	<b>3.7%</b>
Acquisitions	1.0%	0.8%	0.5%
Dispositions	-0.7%	-0.5%	-2.5%
Currency translation	0.0%	-2.0%	0.8%
<b>Total</b>	<b>-6.3%</b>	<b>2.1%</b>	<b>2.5%</b>

Note: Numbers may not add due to rounding

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

(\$ in millions, except per share data)	Q4 2021	Q4 2020	FY 2021	FY 2020	FY 2019	FY 2018
<b>Net earnings from continuing operations (\$)</b>	<b>363</b>	<b>182</b>	<b>1,124</b>	<b>683</b>	<b>678</b>	<b>591</b>
Acquisition-related amortization, pre tax	36	35	142	139	138	146
Acquisition-related amortization, tax impact	(9)	(9)	(35)	(34)	(35)	(37)
Rightsizing and other costs, pre tax	27	21	38	51	32	73
Rightsizing and other costs, tax impact	(5)	(4)	(7)	(11)	(7)	(15)
Gain on disposition, pre tax	(206)	-	(206)	(5)	-	-
Gain on disposition, tax impact	53	-	53	1	-	-
Loss on extinguishment of debt, pre-tax	-	-	-	-	24	-
Loss on extinguishment of debt, tax impact	-	-	-	-	(5)	-
Loss on assets held for sale	-	-	-	-	47	-
Tax Cuts and Jobs Act	-	-	-	-	-	(3)
<b>Adjusted net earnings from continuing operations (\$)</b>	<b>259</b>	<b>225</b>	<b>1,109</b>	<b>824</b>	<b>872</b>	<b>756</b>
Adjusted net earnings margin	13.0%	12.6%	14.0%	12.3%	12.2%	10.8%
Weighted average shares outstanding – diluted	145	145	145	145	147	152
<b>Diluted EPS from continuing operations (\$)</b>	<b>2.49</b>	<b>1.25</b>	<b>7.74</b>	<b>4.70</b>	<b>4.61</b>	<b>3.89</b>
Acquisition-related amortization, pre tax	0.25	0.24	0.98	0.95	0.94	0.96
Acquisition-related amortization, tax impact	(0.06)	(0.06)	(0.24)	(0.24)	(0.24)	(0.24)
Rightsizing and other costs, pre tax	0.18	0.14	0.26	0.35	0.22	0.48
Rightsizing and other costs, tax impact	(0.03)	(0.03)	(0.05)	(0.07)	(0.06)	(0.10)
Gain on disposition, pre tax	(1.42)	-	(1.42)	(0.03)	-	-
Gain on disposition, tax impact	0.37	-	0.37	0.01	-	-
Loss on extinguishment of debt, pre-tax	-	-	-	-	0.16	-
Loss on extinguishment of debt, tax impact	-	-	-	-	(0.04)	-
Loss on assets held for sale	-	-	-	-	0.32	-
Tax Cuts and Jobs Act	-	-	-	-	-	(0.02)
<b>Adjusted diluted EPS from continuing operations (\$)</b>	<b>1.78</b>	<b>1.55</b>	<b>7.63</b>	<b>5.67</b>	<b>5.93</b>	<b>4.97</b>

Note: Numbers may not add due to rounding

# Reconciliation of FY 2018-21 Earnings from Continuing Operations to Adj. Segment EBIT and Calculation of Adj. EBIT Margin

(\$ in millions)	FY 2021	FY 2020	FY 2019	FY 2018
<b>Revenue</b>	<b>7,907</b>	<b>6,684</b>	<b>7,136</b>	<b>6,992</b>
<b>Earnings from continuing operations</b>	<b>1,124</b>	<b>683</b>	<b>678</b>	<b>591</b>
<b>Add back:</b>				
Corporate expense	161	127	124	130
Interest expense, net	102	108	121	122
Income tax expense	277	158	165	134
Loss on extinguishment of debt	-	-	24	-
<b>Segment earnings (EBIT)</b>	<b>1,664</b>	<b>1,077</b>	<b>1,112</b>	<b>977</b>
EBIT %	21.0%	16.1%	15.6%	14.0%
<b>Adjustments:</b>				
Rightsizing and other costs	34	44	27	59
(Gain) / Loss on dispositions	(206)	(5)	47	-
<b>Adjusted EBIT - Segment</b>	<b>1,491</b>	<b>1,116</b>	<b>1,186</b>	<b>1,036</b>
Adjusted EBIT %	18.9%	16.7%	16.6%	14.8%

# Reconciliation of EPS to Adjusted EPS

	Range	
<b>FY 2022 Guidance for Earnings per Share (GAAP)</b>	<b>\$7.45</b>	<b>\$7.65</b>
Acquisition-related amortization, net		\$0.89
Rightsizing and other costs, net		\$0.11
<b>FY 2022 Guidance for Adjusted Earnings per Share (Non-GAAP)</b>	<b>\$8.45</b>	<b>\$8.65</b>

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 acquisition-related amortization, rightsizing and other costs/benefits, gain/loss on dispositions, loss on extinguishment of debt, loss on assets held for sale, and the Tax Cuts and Jobs Act.

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

**Adjusted Diluted Net Earnings Per Share:** is defined as adjusted net earnings divided by average diluted shares.

**Total Segment Earnings (EBIT):** is defined as net earnings before income taxes, net interest expense and corporate expenses.

**Total Segment Earnings (EBIT) Margin:** is defined as total segment earnings (EBIT) divided by revenue.

**Adjusted EBIT by Segment:** is defined as net earnings before income taxes, net interest expense, corporate expenses, rightsizing and other costs/benefits, and gain on dispositions

**Adjusted EBIT Margin by Segment:** is defined as adjusted EBIT by segment divided by segment revenue. The bps change Y-o-Y is calculated as the difference between adjusted EBIT margin for the current period and the prior period.

**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.

**Adjusted EBIT Conversion Margin:** is defined as the change in total adjusted segment earnings (EBIT) divided by the change in 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 net earnings equals free cash flow divided by net earnings. 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 fourth quarter.

# Performance Measure 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.

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.

