

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 14, 2020



(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-4018
(Commission
File Number)

53-0257888
(I.R.S. Employer
Identification No.)

3005 Highland Parkway
Downers Grove, Illinois
(Address of Principal Executive Offices)

60515
(Zip Code)

(630) 541-1540
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	DOV	New York Stock Exchange
1.250% Notes due 2026	DOV 26	New York Stock Exchange
0.750% Notes due 2027	DOV 27	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

As previously announced, Dover Corporation (“Dover”) will host a virtual analyst and investor meeting on Monday, September 14, 2020, at 11:00 a.m. Eastern time. The meeting will focus on Dover’s Pumps and Process Solutions segment and on the biopharma market in particular. A presentation will be given by Dover’s President and Chief Executive Officer, Richard J. Tobin, as well as by several operating executives from the segment.

A link to the live webcast and presentation materials will be available at dovercorporation.com prior to the 11:00 am (EDT) start of the webcast. Note that the live presentation will also include Company videos. To participate in audio-only mode or to ask questions during the question & answer portion, please dial 1 (844) 358-9184 (domestic) or 1 (478) 219-0401 (international), conference ID 6462749. The presentation will be recorded and archived on the Dover website.

A copy of the presentation materials is attached hereto as Exhibit 99.1.

The information in this Current Report on Form 8-K, including Exhibit 99.1, is being furnished to the Securities and Exchange Commission (the “SEC”) and shall not be deemed to be incorporated by reference into any of Dover’s filings with the SEC under the Securities Act of 1933, as amended.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The following exhibit is furnished as part of this report:

99.1 [Presentation dated September 14, 2020.](#)

104 Cover Page Interactive Data File (the cover page XBRL tags are embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Current Report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

Date: September 14, 2020

DOVER CORPORATION

(Registrant)

By: /s/ Ivonne M. Cabrera

Ivonne M. Cabrera

Senior Vice President, General Counsel & Secretary



September 14, 2020

Dover Analyst and Investor Meeting

Richard Tobin, President and Chief Executive Officer

Karl Buscher, President, PSG

Janel Wittmayer, President, CPC

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 the novel coronavirus (COVID-19) on the global economy and on our customers, suppliers, employees, operations, business, liquidity and cash flow. 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 2019 and Form 10-Q for the second quarter of 2020, 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 this presentation.

Today's Speakers



Richard Tobin

CEO & President
Dover Corporation



Karl Buscher

President
Pumps Solutions Group (part of DPPS)



Janel Wittmayer

President
Colder Products Company (part of DPPS)

Corporate Update

Dover Highlights

- **Strong Businesses:** Premium franchises that partner with customers for innovative equipment and components, consumable supplies, aftermarket parts, software and digital solutions, and support services
- **Global Scale:**
 - ~\$7B annual revenue
 - 23,000+ employees worldwide
 - 18 operating companies
- **Consistent and Attractive Value Creation:** Leading shareholder returns; strong and stable through-cycle FCF⁽¹⁾

Performance Update

- **H1 performance reflects portfolio quality and execution:**

	Organic Revenue Change ⁽¹⁾	Decremental Margin ⁽¹⁾
 DOVER	-10%	18%
Peer ⁽²⁾ Median	-11%	28%

- **Trajectory continues to improve:** Q3 showing expected sequential improvement vs. Q2
- **On track to deliver FY 2020 guidance:**
 - Reported EPS: \$4.16-\$4.41
 - Adjusted EPS⁽¹⁾: \$5.00-\$5.25
 - Decremental margin⁽¹⁾: 20-25%

Note: (1) Non-GAAP measures (definitions and/or reconciliations in appendix).
(2) Peer Group includes: MMM, AME, CSL, EMR, ETN, FTV, HON, IEX, IR, ITW, JCI, ROP. Source: Capital IQ.
IR excluded from the *Median Decremental Margin* calculation due to March 2020 merger.



Performance Update

- **Demand conditions improving but not back to “normal”; order trends continuing upward trajectory from second quarter: August book-to-bill⁽¹⁾ >1**
- **Latest backlog⁽¹⁾ up year-over-year, providing confidence for remainder of 2020 and start of 2021**
- **Trends continue to vary by market; longer-cycle businesses continue to perform and expected to deliver in H2**
 - Robust activity in above-ground retail fueling, heat exchangers, can making, biopharma and medical
 - Constructive trading in marking & coding, food retail, vehicle aftermarket, plastics & polymers
- **Margin management remains robust – expect favorable decremental performance**

Note: (1) See performance measure definitions in appendix.



Delivering on Capital Allocation Priorities

2020 Priorities and Results YTD

1	Invest Organically	<ul style="list-style-type: none"> ▪ Completed CPC greenfield facility expansion ▪ DFR automation project (piloting in Q3) ▪ Capacity and capability expansions at Precision Components, SWEP and Belvac underway
<ul style="list-style-type: none"> ▪ High-confidence organic investments <ul style="list-style-type: none"> – Capacity for growth – Digitization, e-commerce – Innovation and R&D – Productivity and automation 		
<hr/>		
2	Grow through Acquisitions	<ul style="list-style-type: none"> ▪ ~\$240M deployed year-to-date: <ul style="list-style-type: none"> – Systech (software, M-I) – Soft-pak (software, ESG) – em-tec (biopharma/medical flow meters, PSG) – VHSS (damage scanning technology, VSG) – Solaris (laser marking & coding, M-I) – Xantec (IoT/control solutions, Maag) ▪ Robust current pipeline – aim to continue completing deals
<ul style="list-style-type: none"> ▪ Ample opportunity to acquire in core markets ▪ Possible larger deals if high fit ▪ Strict strategic fit and financial discipline criteria ▪ Priorities: DPPS, DII, DFS; software, recurring revenue, product adjacencies 		
<hr/>		
3	Return Capital	<ul style="list-style-type: none"> ▪ Increased dividend for the 66th consecutive year ▪ Opportunistic repurchase of shares
<ul style="list-style-type: none"> ▪ Dividend: Grow and target ~30% payout ▪ Share Repurchases if investment opportunities do not materialize; will not let cash build 		

Pumps & Process Solutions Performance Stands Out

Segment	LTM ⁽²⁾ Revenue	Organic Revenue Change ⁽¹⁾		LTM ⁽²⁾ Adj. EBIT Margin ⁽¹⁾	% Recurring Revenue (est.)
		'17 – '19 ⁽³⁾	H1 '20		
\$B					
Engineered Products	1.6	6%	(11%)	17%	~15%
Fueling Solutions	1.5	7%	(9%)	16%	~35%
Imaging & Identification	1.0	3%	(9%)	21%	~70%
Pumps & Process Solutions	1.3	6% ✓ Robust growth	(5%) ✓ Resilient	23% ✓ High-margin	~35% ✓ Predictable
Refrigeration & Food Equipment	1.3	(3%)	(13%)	7%	~15%
Total Dover	6.8	4%	(10%)	17%⁽⁴⁾	~30%

Note: (1) Non-GAAP measures (definitions and reconciliations in appendix).
(2) Last twelve month period ending June 30, 2020.

(3) Annualized organic revenue change over the 2017 through 2019 period.
(4) For consolidated Dover, Adjusted EBIT represents Adjusted Segment EBIT excluding corporate costs.



Pumps & Process Solutions Segment Overview

Operating Companies

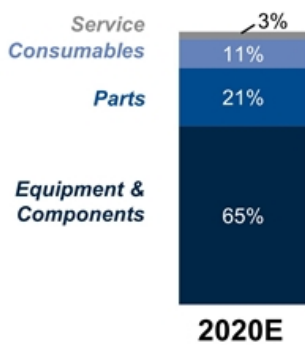


Common Characteristics

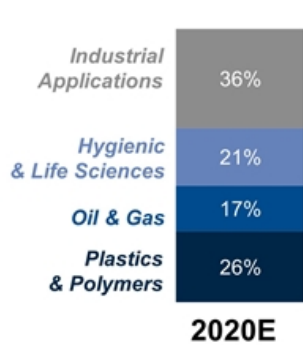
- Highly-engineered content serving high-criticality applications
- Component products with favorable cost-to-value-in-use dynamics
- Specified applications catering to loyal professional customers; co-development model
- Installed-base-driven replacement demand:
 - Predictable retrofit sales across large installed base
 - Parts and aftermarket
 - Consumable-like demand for single-use applications
- Clear secular tailwinds in multiple markets
- Fragmented end-markets with large total addressable markets, runway for expansion and growth

Business Mix

Revenue by Product







Revenue by End-Market



DPPS Hygienic and Life Sciences is a ~\$300M Platform within a \$2B+ High Growth Market; Other Logical Adjacencies Available



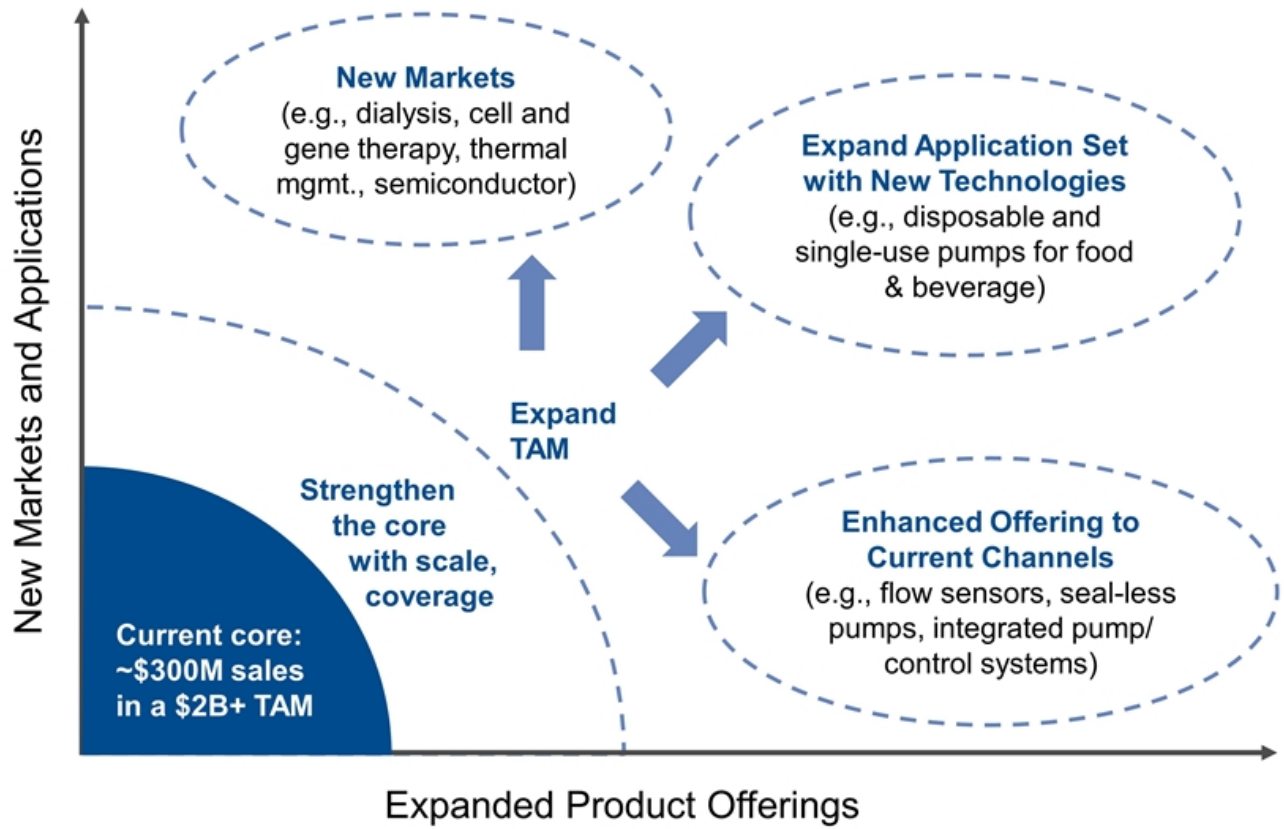
Brand and Product Description		Key End-Markets			
		Sanitization	Thermal mgmt.	Consumer & Industrial	Biopharma & Medical
	Sterile connectors, couplings, fittings	✓	✓	✓	✓
em-tec	Non-invasive flowmeters				✓
	Quaternary diaphragm pumps				✓
	Liquid and chemical dispensing solutions	✓			
	Eccentric disc pumps			✓	
WILDEN	Air-operated double-diaphragm pumps			✓	

Focus of Today's Discussion

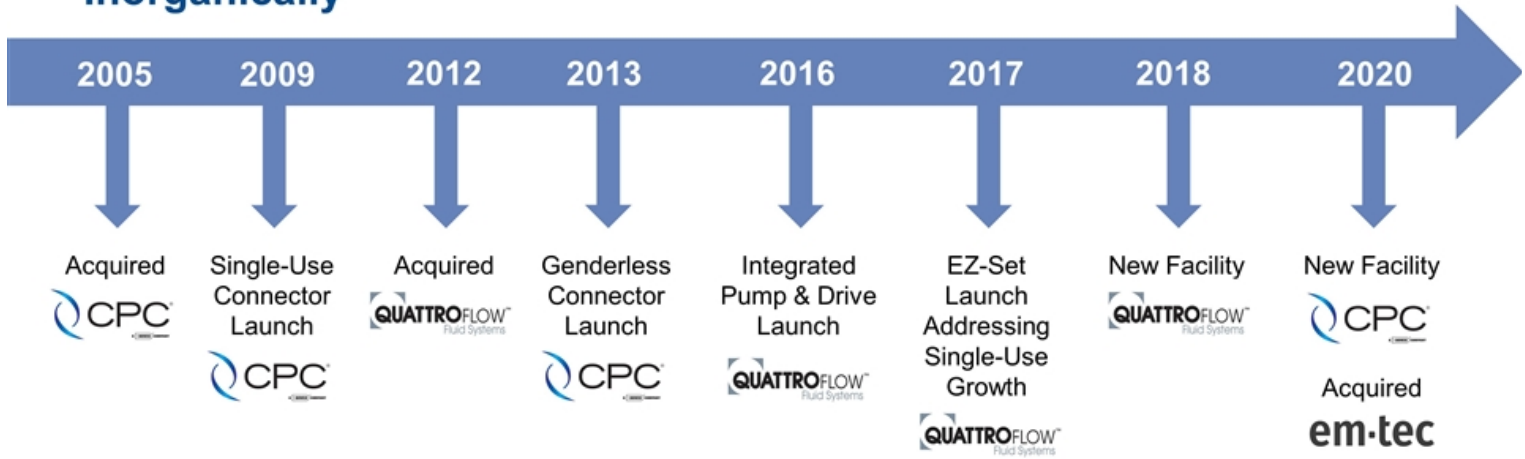
DPPS Hygienic and Life Sciences Platform serves diverse and growing end-markets



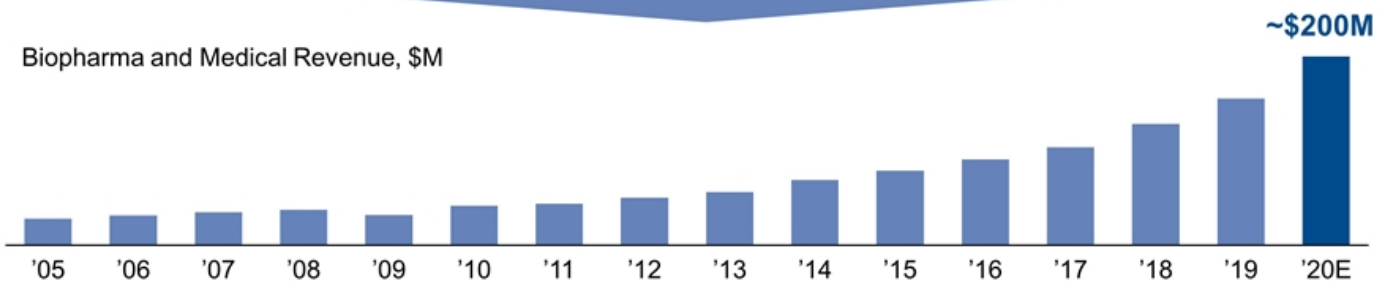
Multiple Vectors to Grow Organically and Inorganically



~\$200M Biopharma & Medical Business Built Up Organically and Inorganically



Biopharma and Medical Revenue, \$M



Product mix improvement contributing >150bps to overall segment earnings margin accretion in '17-'20E

Biopharma Platform Growth Drivers

Biologics Growing 2x Faster than Traditional Pharma

- **Efficacy:** Successes with widespread diseases (e.g., cancer, diabetes, multiple sclerosis) driving adoption
- **Revenue Opportunity for Manufacturers:** 8 of 20 top grossing drugs are biologics (despite being only ~25% of total industry)
- **New Drug Pipeline:** Large and growing pipeline including emerging cell and gene therapies
- **Faster Approval Process:** Streamlined regulatory approvals for breakthrough drugs
- **Vaccines / COVID-19:** Secular growth in vaccines and near-term COVID spending

Single-use Model Growing Share within Biopharma Manufacturing

- **Increasing Adoption:** 75% of new projects in the industry incorporate single-use
- **Growing Standardization:** major drug manufacturers driving standardization in single-use specs
- **Key Advantages vs. Stainless Steel:**
 - ↑ Convenience and flexibility
 - ↑ Speed to market
 - ↑ Changeover efficiency
 - ↑ Environmental sustainability
 - ↓ Upfront capital expenditures
 - ↓ Operating costs
 - ↓ Risk of cross-contamination

Dover's platform is established as a mission-critical component provider to fast-growing single-use biopharma applications

Dover Products Embedded Early Across Manufacturing Value Chain

R&D and Process Development



Clinical Manufacturing



Commercial Manufacturing



Key Components



QUATTROFLOW
Fluid Systems



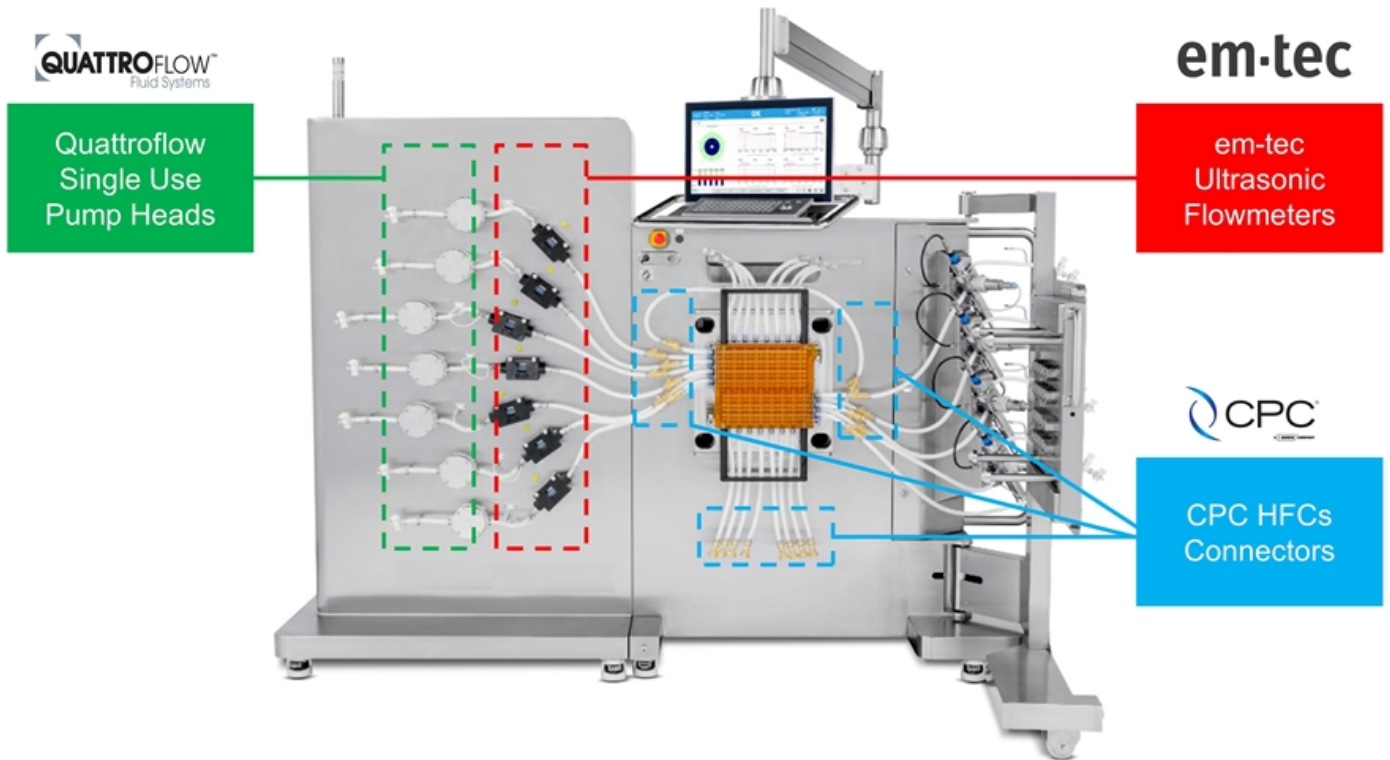
em-tec



CPC

Maintaining cell viability throughout the process dictates strict performance requirements: cleanliness/sterility, gentle transfer, leak-proofing, etc.

Platform Built Around Logical Adjacencies and Customer Needs



Dover's biopharma businesses collaborate across sales, marketing, product development and strategic planning to drive customer intimacy and innovation

Business Overview: Quattroflow and em-tec

Video Presentation

Quattroflow: Overview

Key Facts

History

Founded in 2000
Acquired by Dover in 2012

HQ

Duisburg, Germany

Key Products

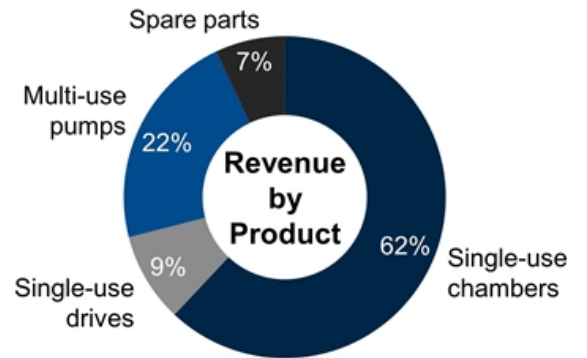


Multi-use pumps

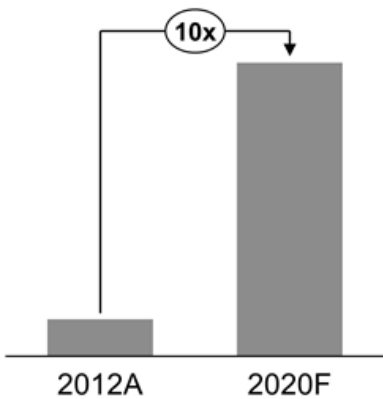


Single-use pumps

Business Mix

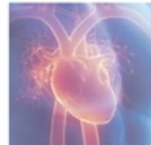
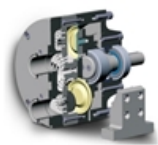


Revenue Growth



Technology

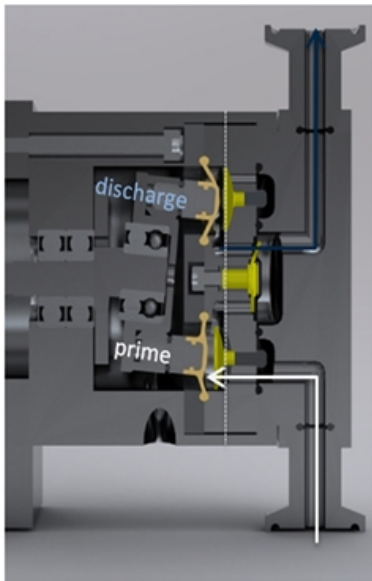
Unique quaternary diaphragm pump that mimics human heartbeat



Safe, reliable and efficient method to transfer bio materials



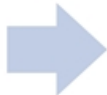
Quattroflow: Technology Overview and Key Advantages



<p>Tech Overview</p>	<ul style="list-style-type: none"> ▪ No dead-legs or mechanical seal; full containment ▪ Low pulsation, easy flow and pressure control ▪ Proportional flow characteristic ▪ Self-priming and safe dry run
<p>Key Attributes</p>	<ul style="list-style-type: none"> ▪ Flexible: Single-use and multi-use applications ▪ Scalable: Flow ranges support process development to commercial production ▪ Purity: Minimum particle generation ▪ Consistency: Maintain low pulsation flow under dynamic system pressure conditions ▪ Gentle Treatment: Low shear and heat input for cell viability

Pre-Acquisition (2012)





















Limited products for select niche applications



Under Dover Ownership

Developed standardized products and applications increasing overall addressable market and adoption in OEM single use systems

Quattroflow: Product Overview

Product	Flow Rate (Liters per Hour)	Illustrative Size	Application
QF30 	 x3		R&D and Process Development 
QF150 	 x18		
QF1200 	 x120		
QF2500 	 x250		Clinical Manufacturing 
QF4400 	 x500		
QF10k 	 x1000		Commercial Manufacturing 
QF20k 	 x1600		

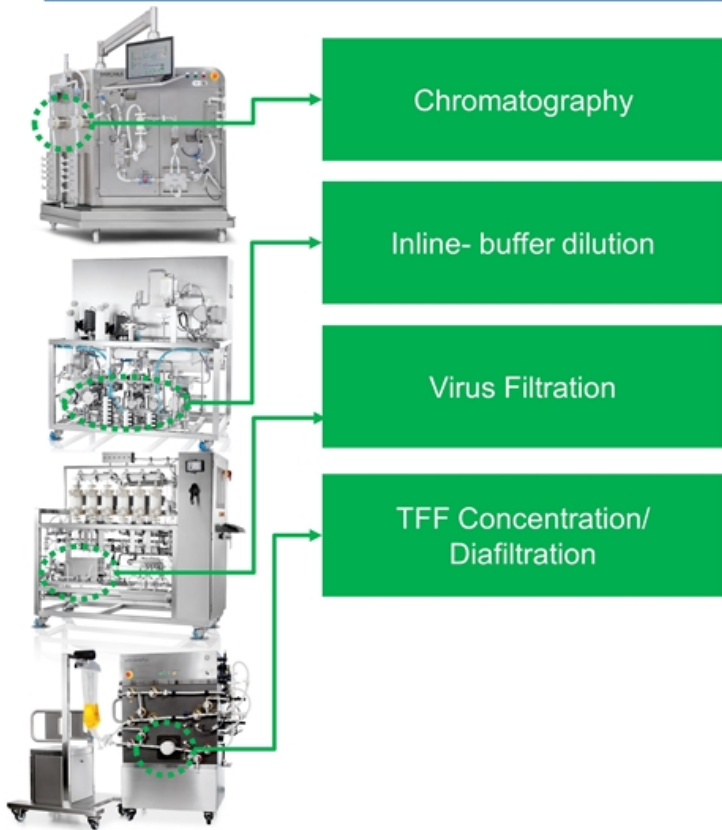
Quattroflow works with customers in early development stages and serves as a “one-stop shop” across the commercialization process

 10 Liters per Hour

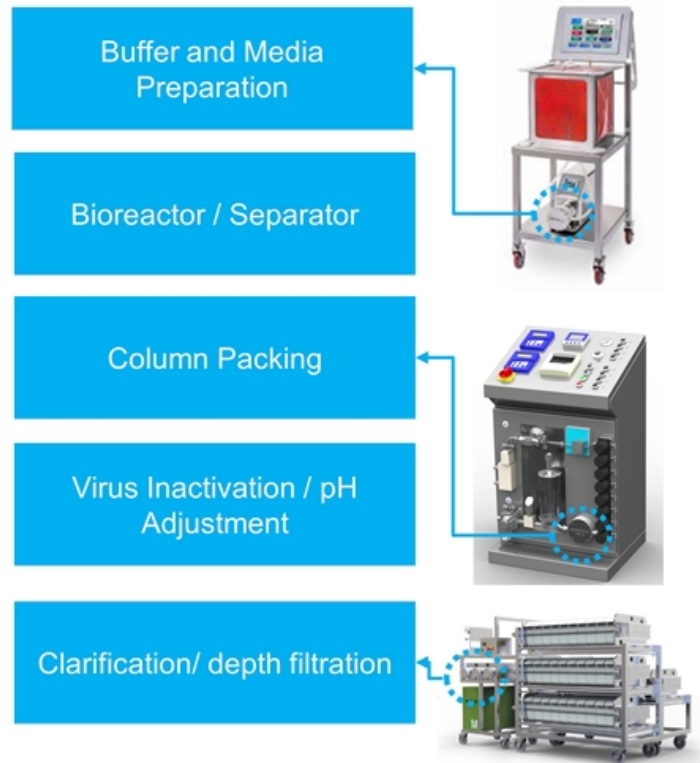


Quattroflow: Overview of Primary and New Growth Applications

Primary / Established Applications



Secondary / Growing Applications



em-tec: Overview

Key Facts

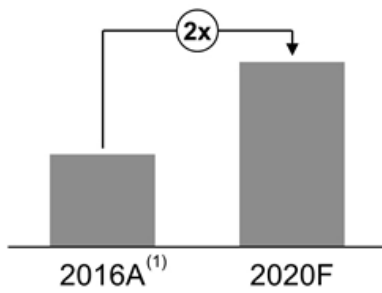
History

Founded in 1989
Acquired by Dover in 2020

HQ

Finning, Germany

Revenue Growth



Key Products



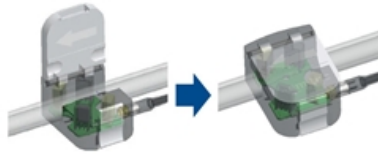
Flow sensors



Flow controllers

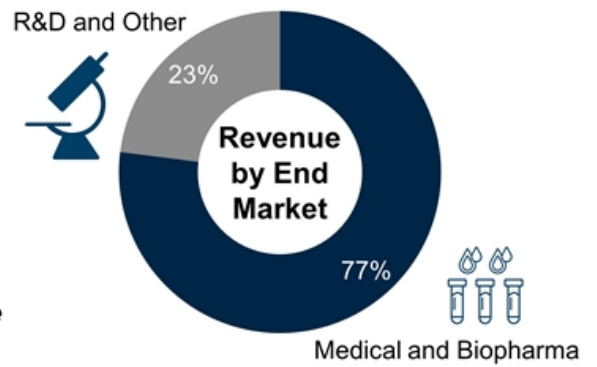
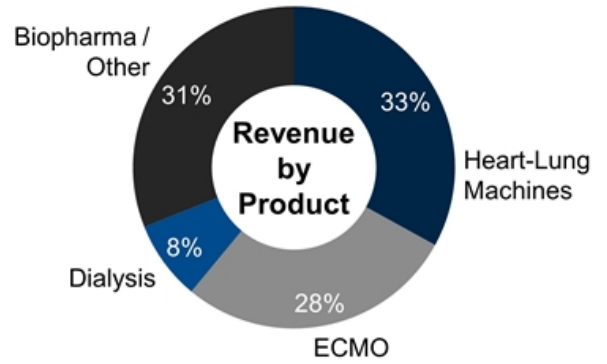
Technology

Ultrasonic Transit-Time Method
Flow Measurement



*Non-invasive, gentle, and simple
flow measurement technology*

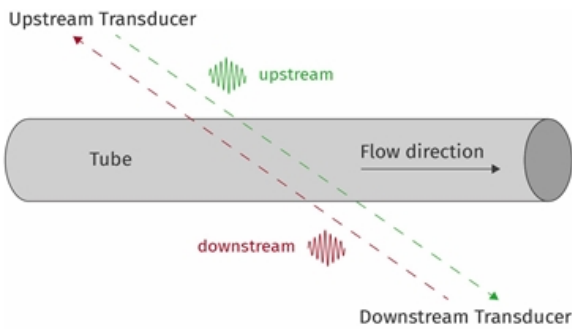
Business Mix



Note: (1) Represents pre-acquisition actual results.

em-tec: Technology and Product Overview

Ultrasonic Transit-Time Flow Method



Non-Invasive	<ul style="list-style-type: none"> ▪ No interference with the contents or flow of the product ▪ Eliminates contamination risk
Gentle Treatment	<ul style="list-style-type: none"> ▪ No additional shear-stress on cells
Easy Installation	<ul style="list-style-type: none"> ▪ Quick and easy installation

em-tec Product Attributes

Clamp-On Transducers



- Compatible with all common tube designs
- Reusable and long-lasting
- Allows for custom calibration
- Electronic memory for easy changeovers
- Easily cleaned using common disinfectants

Flow Measurement



- Seamless integration into existing systems
- Simultaneous measurement of multiple flow channels

Flowmeter



- Compact, space-savings Bench-Top design
- Real-time accurate flow rate monitoring

em-tec: Overview of Current Biopharma Applications

Key Applications

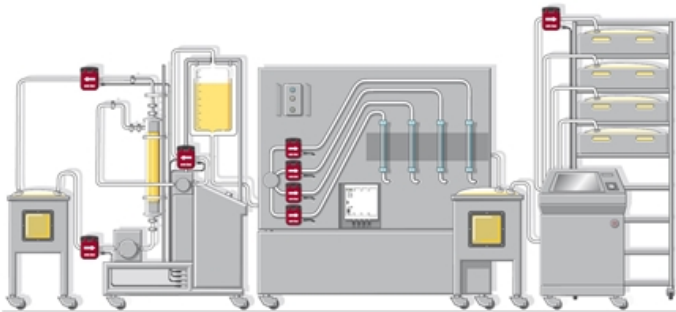
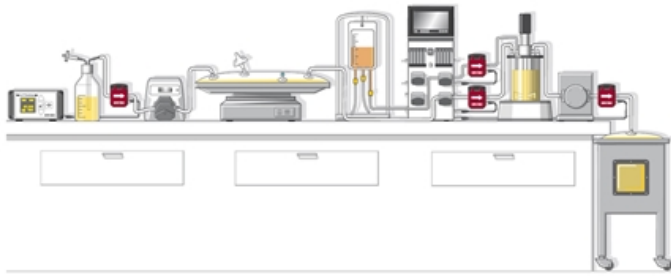
- Flow measurement on flexible tubes
 - Chromatography/filtration flow monitoring
 - Upstream feed control
 - Fillings
 - Evaluation and upscaling
 - Process equipment control (pumps or valves)
-
- Single-use equipment flow measurement
 - Adding media to bioreactors
 - Process equipment control
 - Chromatography, filtration, fillings, process evaluation, upscaling, research, etc.



Lab Scale



Industrial Scale



Business Overview: CPC

CPC: Overview

Key Facts

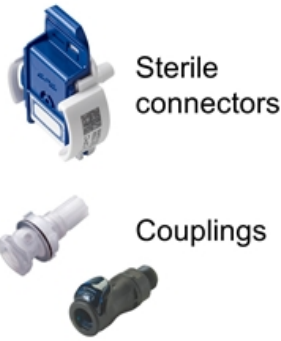
History

Founded in 1978
 Acquired by Dover in 2005

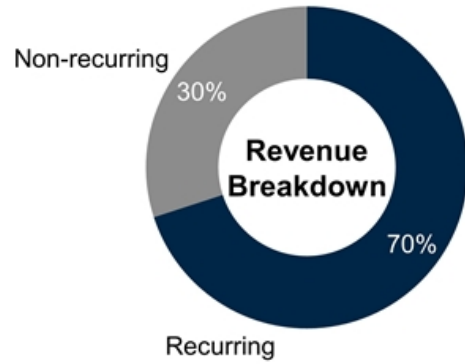
HQ

Roseville, MN

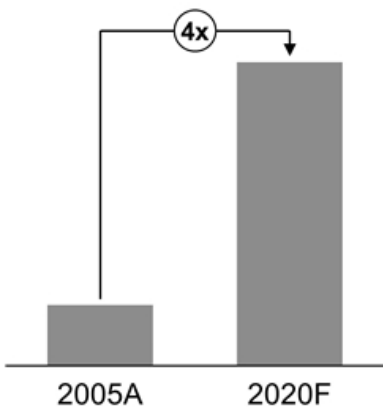
Key Products



Business Mix

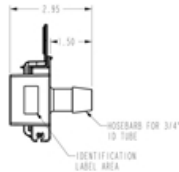


Revenue Growth

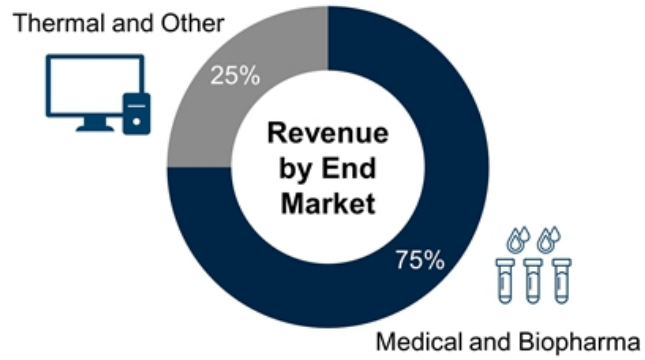


Technology

Couplings/connectors for flexible tubing for low-pressure applications at critical points of connection

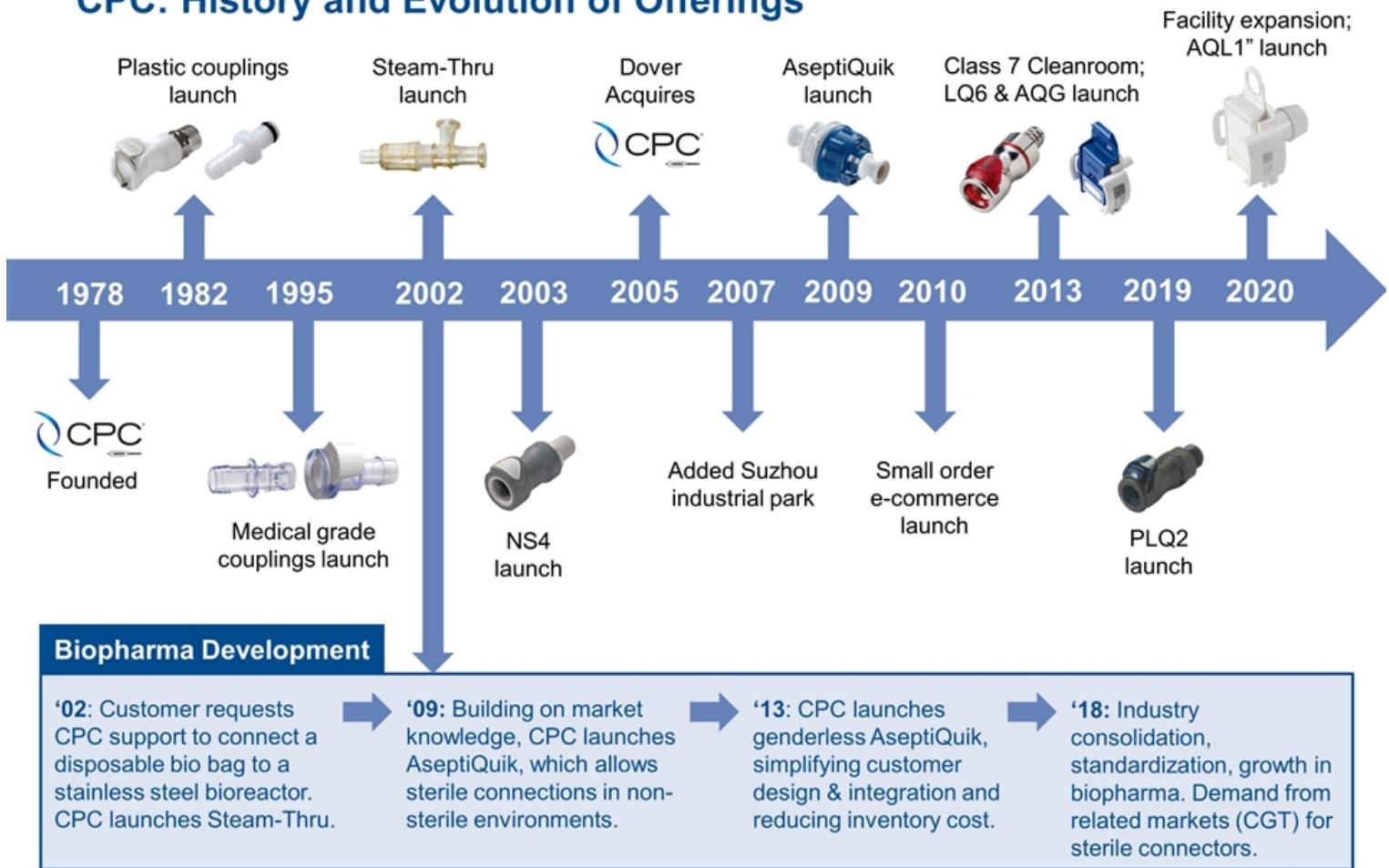


Highly-engineered, easy-to-use, flexible products



Video Presentation

CPC: History and Evolution of Offerings



CPC: Product Overview

Key Product

Key Applications

Biopharma

▪ Sterile Connectors



- Biologics
- Vaccines
- Cell and gene therapies



Medical

▪ Hybrid and Full-Line Couplings



- Dialysis
- Lab machines
- Ventilators
- Laser surgery
- Disinfectant systems



Thermal

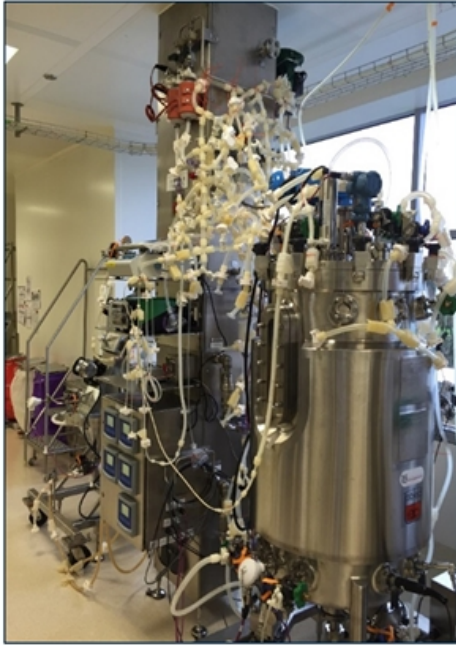
▪ Leak-free Sealed Connectors



- High-performance computing
- Data centers
- Electric vehicle infrastructure



CPC: Biopharma Offering Overview and Key Attributes



**CPC Connectors on
Bioreactor Fluid Transfer
Manifolds**

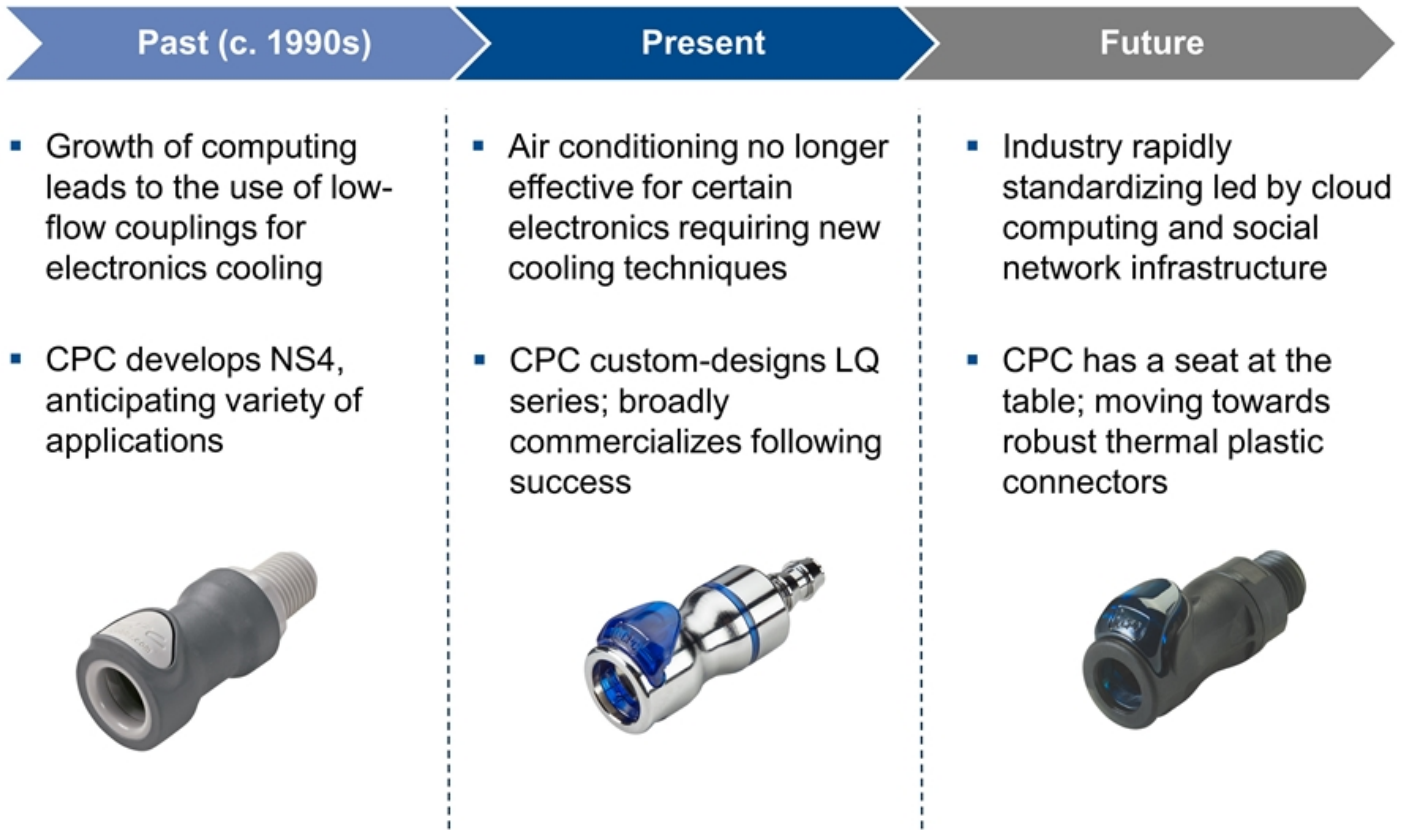
Tech Overview

- CPC single-use connectors secure aseptic links in a wide variety of biopharma environments

Key Attributes

- **Reliable and Robust:** 25+ years of expertise in biopharma connector design and manufacturing
- **Easy Installation and Use:** quick and easy set-up; reduces risk of operator error
- **Flexible:** works in many environments, wide range of applications
- **Genderless Design:** simplifies system design and integration, inventory management and operator training
- **OEM Agnostic:** preserves end-customer choice
- **Supply Chain Assurance:** redundant manufacturing, tool cavitation projects, intimate strategic partnerships with suppliers

CPC: Growing Opportunity in Thermal Applications



Questions & Answers

Appendix

H1 2020 and Annualized '17-'19 Organic Revenue Bridge

	1H '20 Revenue %
Organic	
Engineered Products	-11.1%
Fueling Solutions	-8.9%
Imaging & Identification	-9.2%
Pumps & Process Solutions	-5.0%
Refrigeration & Food Equipment	-12.8%
Total Organic	-9.5%
Acquisitions	0.8%
Dispositions	-0.7%
Currency translation	-1.4%
Total	-10.8%

	FY 2017	FY 2018	FY 2019	2017-2019 (annualized)
Organic				
Engineered Products	6.7%	6.6%	5.4%	6.2%
Fueling Solutions	-0.5%	9.9%	10.5%	6.5%
Imaging & Identification	4.6%	4.6%	1.2%	3.5%
Pumps & Process Solutions	7.3%	7.4%	3.9%	6.2%
Refrigeration & Food Equipment	3.4%	-7.9%	-2.7%	-2.5%
Total Organic	4.6%	3.7%	3.8%	4.0%
Acquisitions	10.9%	0.5%	0.8%	4.0%
Dispositions	-3.1%	-2.5%	-0.5%	-2.0%
Currency translation	0.5%	0.8%	-2.0%	-0.2%
Total	12.9%	2.5%	2.1%	5.7%

Reconciliation of Last Twelve Months (“LTM”) Segment Revenue and Decremental Margin

(\$ in millions)	LTM Revenue by Segment				
	Q3 '19	Q4 '19	Q1 '20	Q2 '20	LTM
Engineered Products	427	422	408	342	1,599
Fueling Solutions	412	445	360	326	1,543
Imaging & Identification	275	274	257	228	1,034
Pumps & Process Solutions	341	328	320	309	1,298
Refrigeration & Food Equipment	370	306	312	294	1,282
Total Dover	1,825	1,776	1,656	1,499	6,756

(\$ in millions)	1H '20	1H '19	Δ
Revenue	3,155	3,535	(380)
Net Earnings	301	304	(3)
Add back:			
Corporate expense	51	55	(4)
Interest expense, net	54	62	(8)
Income tax expense	69	84	(15)
Segment earnings (EBIT)	476	505	(29)
Adjustments:			
Rightsizing and other costs	22	10	12
Loss on assets held for sale	-	47	(47)
Gain on dispositions	(6)	-	(6)
Adjusted EBIT - Segment	492	562	(70)
Decremental Margin			18%

Reconciliation of Last Twelve Months (“LTM”) Adjusted Segment EBIT Margin

(\$ in millions)	LTM Adjusted EBIT				
	Q3 '19	Q4 '19	Q1 '20	Q2 '20	LTM
Net earnings	206	168	176	125	675
Add back:					
Corporate expense	29	40	24	27	120
Interest expense, net	30	29	26	28	113
Income tax expense	52	29	37	32	150
Loss on extinguishment of debt	-	24	-	-	24
Segment earnings (EBIT)	317	290	264	212	1,083
Engineered Products	74	73	69	48	264
Fueling Solutions	68	74	53	47	243
Imaging & Identification	62	57	51	38	208
Pumps & Process Solutions	77	71	66	68	283
Refrigeration & Food Equipment	35	14	24	11	85
Adjustments ¹:					
Engineered Products	1	1	-	4	6
Fueling Solutions	1	2	1	1	5
Imaging & Identification	-	4	-	(1)	3
Pumps & Process Solutions	1	4	4	5	14
Refrigeration & Food Equipment	1	2	(6)	7	5
Adjusted EBIT - Segment	320	304	264	228	1,116
Engineered Products	75	75	69	52	270
Fueling Solutions	69	75	55	48	248
Imaging & Identification	62	62	51	37	212
Pumps & Process Solutions	78	75	70	73	296
Refrigeration & Food Equipment	36	17	18	18	89
Adjusted EBIT Segment Margin	17.5%	17.1%	15.9%	15.2%	16.5%
Engineered Products	17.6%	17.7%	16.9%	15.1%	16.9%
Fueling Solutions	16.7%	17.0%	15.3%	14.8%	16.0%
Imaging & Identification	22.5%	22.5%	20.1%	16.2%	20.5%
Pumps & Process Solutions	23.0%	22.9%	21.9%	23.5%	22.8%
Refrigeration & Food Equipment	9.7%	5.4%	5.8%	6.3%	7.0%

Note: Numbers may not add due to rounding

Note: (1) Adjustments include rightsizing and other costs and (gain)/loss on dispositions.



Reconciliation of EPS to Adjusted EPS

Range

2020 Guidance for Earnings per Share (GAAP)	\$4.16	\$4.41
Acquisition-related amortization, net		0.71
Rightsizing and other costs, net		0.16
Gain on disposition, net		(0.03)
2020 Guidance for Adjusted Earnings per Share (Non-GAAP)	\$5.00	\$5.25

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, a 2019 loss on assets held for sale and a 2020 gain on disposition.

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, a 2019 loss on assets held for sale and a 2020 gain/loss on disposition.

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.

Decremental 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.

Organic Revenue Change: is defined as revenue growth/decline 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.

Performance Measure Definitions

Definitions of Performance Measures:

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.