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Dover Corp. (DOV)

Q3 2025 Earnings Call

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MANAGEMENT DISCUSSION SECTION

Operator: Good morning, and welcome to Dover's Third Quarter 2025 Earnings Conference Call. Speaking today are Richard J. Tobin, President and Chief Executive Officer; Chris Woenker, Senior Vice President and Chief Financial Officer; and Jack Dickens, Vice President of Investor Relations. After the speakers' remarks, there will be a question-and-answer-session. [Operator Instructions] As a reminder, ladies and gentlemen, this conference call is being recorded, and your participation implies consent to our recording of this call. If you do not agree with these terms, please disconnect at this time.

Thank you. I would now like to turn the call over to Mr. Jack Dickens. Please go ahead, sir.

Jack Dickens

Vice President-Investor Relations, Dover Corp.

Thank you, Chloe. Good morning, everyone, and thank you for joining our call. An audio version of this call will be available on our website through November 13 and a replay link of the webcast will be archived for 90 days.

Our comments today will include forward-looking statements based on current expectations. Actual result and events could differ from those statements due to a number of risks and uncertainties which are discussed in our SEC filings. We assume no obligation to update our forward-looking statements.

With that, I will turn the call over to Rich.

Richard Joseph Tobin

Chairman, President & Chief Executive Officer, Dover Corp.

Thanks, Jack. Good morning, everybody. Let's get started on slide 3.

Overall, we are pleased with Dover's third quarter results. Revenue was up 5% in the quarter, driven by broad-based shipment growth in short-cycle components, continued strength across our secular growth end markets, and very encouraging results from recently closed acquisitions. Order trends continued to be positive momentum in the quarter, up 8% all-in year-over-year or 4% organically, providing good visibility for the remainder of the year and into 2026.

Margin performance in the quarter was excellent with a record consolidated EBITDA margin of 26.1%, up 170 basis points over the comparable period as a result of positive mix impact from our growth platforms, solid execution, and our rigorous cost containment and productivity actions. All five segments posted margin improvements during the quarter.

All-in adjusted EPS was up 15% in the quarter and is up 17% year-to-date. Capital deployment remains a key driver of our double-digit earnings growth. This year, we increased our investments in high ROI capital projects focused on productivity and capacity expansions, as well as targeted footprint optimization. Our balance sheet strength is an advantage that provides flexibility and attractive optionality as we pursue value-creating bolt-on acquisitions and opportunistic capital return strategies.

We have a constructive outlook for the remainder of 2025 and into 2026. Despite some macroeconomic uncertainty, underlying end market demand is healthy across much of the portfolio and is supported by our

sustained order growth. As a result, we are increasing our full-year adjusted EPS guidance from \$9.35 to \$9.55 to \$9.50 to \$9.60.

Let's go to slide 5. Engineered Products revenue was down in the quarter on lower volumes in vehicle services, partially offset by solid performance in aerospace and defense components. Despite the organic volume decline, absolute segment profit improved in the quarter on well-executed structural cost management, product mix, and productivity initiatives.

Clean Energy & Fueling was up 5% organically in the quarter, led by strong shipments in clean energy components, fluid transport, and North American retailing, fueling software, and equipment. Our recent acquisition of Site IQ, a provider of remote site monitoring of fueling sites, is off to a good start. Margin performance, as expected, was solid in the quarter, up 200 basis points on volume leverage and a higher mix of below-ground fueling equipment and restructuring benefit carryforward.

Imaging & ID was up 3% organically in the quarter and growth in our core marketing and coding business and in serialization software. Margin performance remains very good in the segment at 29% adjusted EBITDA margin as management actions on cost to serve and structural cost controls continue to drive incremental margins higher.

Pumps & Process Solutions was up 6% organically, with growth in single-use biopharma components, thermal connectors for liquid cooling of data centers, and precision components and digital controls for natural gas and power generation infrastructure. SIKORA, which we acquired at the end of the second quarter, is significantly outperforming our underwriting case. Segment revenue mix, volume leverage drove margin improvement on solid production performance and volume in secular-growth-exposed end markets.

Revenue was down in the quarter in Climate & Sustainability Technologies and comparative declines in food retail cases and engineering services, which were collectively down 30% year-to-date. Industry-wide shipments of door cases were at a 20-year low in part because the tariff uncertainty has caused customers to delay maintenance and replacement upgrade spending. These projects cannot be delayed indefinitely. And encouragingly, we [audio gap] (00:06:04) material acceleration in booking rates in the quarter, which signals volume improvement moving forward. Meanwhile, the segment had record quarterly volumes in CO2 systems, as well as double-digit growth in heat exchangers and accelerating demand for liquid cooling of data centers and improving sentiment in European heat pumps. Despite the lower top line, the segment posted 120 points of margin improvement on productivity actions and a higher mix of US CO2 systems and brazed plate heat exchangers.

I'll pass it to Chris.

Christopher B. Woenker

Senior Vice President & Chief Financial Officer, Dover Corp.

Thanks, Rich. Good morning, everyone. Let's go to our cash flow statement on slide 6. Year-to-date free cash flow was \$631 million or 11% of revenue, up \$96 million over the prior year. Its increased year-over-year operating cash conversion more than offset an increase – an expected increase in capital spending.

Free cash flow generation accelerated in the third quarter, in line with our expectations and with historical trends. And we expect a further step-up in the fourth quarter, which is historically our highest cash generating quarter. Our guidance for 2025 free cash flow remains on track at 14% to 16% [audio gap] (00:07:12) on strong conversion of operating free cash flow – operating cash flow.

With that, let me turn it back to Rich.

Richard Joseph Tobin

Chairman, President & Chief Executive Officer, Dover Corp.

Okay. I'm on slide 7. Let's provide a little more detail on the bookings in the third quarter. Q3 consolidated bookings were up 8% in total and 4% organically from the prior year. I call out the 25% bookings growth in Climate & Sustainability Technologies a welcome sign as we expect the segment to return to growth in the fourth quarter on broad-based volume demand.

On slide 8, we highlight several end markets that are key drivers of our revenue growth in 2025 and beyond. We are benefiting from major investments in power generation, electricity infrastructure, and artificial intelligence across multiple businesses. We are directly exposed to data center build-out by hyperscalers and the secular shift from air cooling to liquid cooling of new chip technologies between our thermal CPC connectors, which primarily connect to the back of the server rack manifolds and directly to the chip, as well as our large and XL heat exchangers from SWEP that are key components in cooling distribution units and chillers. We expect to generate over \$100 million of revenue in this year alone.

Our recently closed SIKORA acquisition expands our exposure to electricity infrastructure through measurement and inspection control solutions for high-voltage, polymer-coated wires and cables, a direct beneficiary of growing electrification trends and demand for customers for product quality assurance and improvement. All this electricity has to come from somewhere, and natural gas remains the most viable option for scalable, reliable energy for the foreseeable future.

Our precision components and OPW Clean Energy businesses participate across several points of the natural gas infrastructure value chain, including gas and steam turbine components, midstream gas pipeline, engines and compressor infrastructure, and valves and vacuum jacketed piping used in liquification and gasification of LNG. End market data and customer discussions indicate a very bright future for these businesses.

Our single-use biopharma components platform has returned to its long-term, double-digit growth trajectory on volume demand and new product launches. Continued advances on biological drugs and therapies, coupled with an industry shift towards single-use manufacturing processes, are fueling sustained high-quality growth for our products.

In CO2 refrigeration, we maintain a clear market leadership position in the US, supported by a fully platform product portfolio and a retrofitted plant in Conyers, Georgia that provides strong competitive moats and product performance lead times and scalability. Economic and regulatory tailwinds are driving the transition to CO2 systems as large national retail chains accelerate their adoption with a line of sight of continued double-digit growth into 2026.

A significant majority of the acquisition capital deployed in the past 5 years has been directed towards these high-end growth markets, which remain top priorities for continued investment. Collectively, these markets now represent roughly 20% of our portfolio and are contributing meaningfully to our margin expansion.

Moving to slide 9. Our investments in center-led functions and ongoing focus on productivity improvement are key drivers of our margin expansion. We have made significant progress building out our shared back office services, digital capabilities, and internal engineering services through the India Innovation Center. These center-led functions enable our operating companies to concentrate on what matters most: serving customers, driving new product development, and responding to market-specific needs while leveraging Dover's global scale and balance sheet. This structure remains a core competitive differentiator of our operating companies, and we extract cost synergies from our existing and acquired portfolio companies.

Our Dover Business Services, Dover Digital, and Innovation Center are now fully developed and integrated across the organization. With these operations fully built out, we expect meaningful scale and scope benefits as we continue to grow organically and through acquisitions, further reducing average transaction costs and driving attractive margin accretion. We believe that our shared back-office services will be the largest nonproduct beneficiary of artificial intelligence implementation.

An important part of our business model is to drive productivity through targeted [ph] efficiency (00:11:51) and fixed cost reduction programs. On the right are some of the key ongoing projects that we had highlighted in previous quarters, including our recently announced transition of the Anthony glass door manufacturing from Sylmar, California into our existing Hillphoenix refrigerated case facility in Richmond, Virginia. A move expected to deliver [audio gap] (00:12:14-00:12:20). These initiatives are projected to contribute \$40 million in incremental carryover benefit in 2026 with additional benefits extending into 2027.

Let's finish up on the outlook slide number 10. We expect Engineered Products to improve sequentially in the fourth quarter on double-digit growth in aerospace and defense components, and improving market trends and competitive dynamics within vehicle services.

Our outlook in Clean Energy & Fueling remains solid across most of the businesses. North American retail fueling is starting another capital deployment cycle. And the outlook in clean energy components is positive as well. Vehicle wash continues to experience some headwinds, although we would expect that to recover in [audio gap] (00:13:06).

Imaging & ID should continue its long-term steady growth trajectory, given the significant recurring revenue base and solid underlying demand with an additional upside from serialization software. We forecast this segment to continue its double-digit – or its single-digit organic trajectory.

The outlook for Pumps & Process Solutions is strong and broad-based with attractive top line forecast across single-use biopharma components, thermal connectors for liquid cooling of data centers, and precision components for natural gas infrastructure. Bookings and backlog trends in our long-cycle polymer processing signal improving conditions, and the business should return to growth in the fourth quarter for the first time in over two years.

And finally, Climate & Sustainability Technologies should grow in the high single digits organically in the fourth quarter on continued strength in CO2 refrigeration systems and heat exchangers, as well as growth in refrigerated door cases from improved booking rates.

The full year guidance is on the left. We accept acceleration in – we expect acceleration of our top line in the fourth quarter, driven by our secular growth businesses and sequential recovery in certain capital goods end markets. We are well-positioned as we begin to transition into 2026. And our – an advantaged balance sheet provides attractive optionality to selectively play offense to continue driving shareholder returns.

Passing back to you, Jack.

Jack Dickens

Vice President-Investor Relations, Dover Corp.

Okay. I guess, Chloe, before you get to the script on questions, if I can just interject quickly. We've had a lot of pickup in our analyst coverage over the last 12 months. So, if we could please limit the Q&A to just one question, we would greatly appreciate that.

I'll turn it over to you, Chloe.

QUESTION AND ANSWER SECTION

Operator: Thank you. [Operator Instructions] We'll take our first question from Andy Kaplowitz with Citigroup. Your line is open.

Andrew Kaplowitz

Analyst, Citigroup Global Markets, Inc.

Q

Hey. Good morning, everyone.

Richard Joseph Tobin

Chairman, President & Chief Executive Officer, Dover Corp.

A

Hey, Andy.

Christopher B. Woenker

Senior Vice President & Chief Financial Officer, Dover Corp.

A

Hey, Andy.

Andrew Kaplowitz

Analyst, Citigroup Global Markets, Inc.

Q

Rich, you mentioned an improving sequential outlook in vehicle services, improved booking rates in refrigerated door cases. But did you see improving bookings cadence across Q3 for the company? And would you expect book-to-bill over 1 times in Q4? And maybe do these improvements in relatively easy comps set you up for a better organic growth year in 2026, at least closer to that algorithm that you've given out of 4% to 6% over time?

Richard Joseph Tobin

Chairman, President & Chief Executive Officer, Dover Corp.

A

That's about five questions, Andy, but let us – I know where you're headed. Look, the year-over-year reduction in refrigeration, on the basic retail refrigeration equipment has cost us about 1.5% to 2% of organic growth on a full year basis. So, the good news is, is that we've been able to cover that largely because of our growth platforms and the margin improvement over year-over-year. And the good news also is, which I called out in the press release, is that because booking rates have accelerated particularly in there, and we will do quite well on the comparative top line in that business that we're looking at close to \$140 million, \$150 million revenue headwind that we absorbed this year.

So, do we get it all back next year? We'll see, but I think we're going to get a significant portion of it back if the Q4 trajectory holds as we go through the end of the year.

Operator: And we'll take our next question from Steve Tusa with JPMorgan. Your line is open.

C. Stephen Tusa

Analyst, JPMorgan Securities LLC

Q

It sounded like Andy was mowing the lawn there or something. I have – this reminds me of back-to-school, one question in 32 parts. But the – just the implied organic in the fourth quarter, I mean, you have a pretty wide range there. But the low end of that range seems to be in and around the mid single digits for the fourth quarter. And then totally unrelated follow-up to that. Are you guys thinking about buying back stock? I mean, you guys have a ton of cash, and you sold probably a subpar asset for a multiple that's now above where your stock is trading. So, any thoughts around a potential buyback as well?

Richard Joseph Tobin

Chairman, President & Chief Executive Officer, Dover Corp.

A

Yeah. I think if you go back and look in the transcript, you'll see the corporate speak for, we think our shares are cheap and we're likely to intervene. Number one. And number two, yeah, I think that from – on an organic basis, Q4 should be our highest quarter in the year.

C. Stephen Tusa

Analyst, JPMorgan Securities LLC

Q

Okay. Thanks.

Richard Joseph Tobin

Chairman, President & Chief Executive Officer, Dover Corp.

A

Thanks.

Operator: We'll move next to Jeff Sprague with Vertical Research. Your line is open.

Jeffrey Todd Sprague

Analyst, Vertical Research Partners LLC

Q

Hey. Thanks. Good morning. Hey, Rich, just back to the -sort of the restructuring, is this the totality of sort of what you foreshadowed for us on the Q2 call? Or are there sort of other actions in place that could then even be additive to this? Or is this pretty much in flight what we should expect for 2026?

Richard Joseph Tobin

Chairman, President & Chief Executive Officer, Dover Corp.

A

Well, we had a big debate in here, whether to not [audio gap] (00:18:59-00:19:15).

Jeffrey Todd Sprague

Analyst, Vertical Research Partners LLC

Q

Hello?

Richard Joseph Tobin

Chairman, President & Chief Executive Officer, Dover Corp.

A

Hello? Still here.

Jeffrey Todd Sprague

Analyst, Vertical Research Partners LLC

Q

Hey. Yeah. I'm sorry. I didn't hear you. I don't know if that was my [indiscernible] (00:19:21).

Richard Joseph Tobin

Chairman, President & Chief Executive Officer, Dover Corp.

A

Oh, all right. I'll answer it again. That is – look, we had signaled that we were going to give an update in Q3. So that's where are in Q3 right now. I expect that number to increase as we close the year. It's just going to be a question of the timing, whether it's 2026 or 2027, but that number should go up.

Jeffrey Todd Sprague

Analyst, Vertical Research Partners LLC

Q

Great. Thank you, Rich.

Richard Joseph Tobin

Chairman, President & Chief Executive Officer, Dover Corp.

A

Thanks.

Operator: And we'll take our next question from Nigel Coe with Wolfe Research. Your line is open.

Nigel Coe

Analyst, Wolfe Research LLC

Q

Thanks. I promise I'll keep this just to one question. So – I promise. I promise. I'll try. I'll try that.

Richard Joseph Tobin

Chairman, President & Chief Executive Officer, Dover Corp.

A

We get – Nigel, we get complaints for cutting people off despite the fact we have the longest conference call. But anyway, go ahead.

Nigel Coe

Analyst, Wolfe Research LLC

Q

No. I know. I know. I know. You got a lot of – you're a popular company. Any initial thoughts on 2026? And I'm not asking for a range here, but it just seems that a lot of, like, the businesses that are dragging today could well be meaningful tailwinds in 2026. And if these secular growth businesses continue, then 2026 organic could be quite acceleration. So, just any thoughts as you see things right now for 2026.

Richard Joseph Tobin

Chairman, President & Chief Executive Officer, Dover Corp.

A

Yeah. I mean, we like the setup. In a strange way, we took the headwinds that we had not forecasted in refrigeration based on our discussions with customers. But because of rollover restructuring and a lot of productivity and some really healthy mix, we've been able to absorb it this year. So, the good news is that the setup comparatively looks good there. I'm not aware of any business within the portfolio that's forecasting down revenue for next year.

Now, clearly, somebody will get it right and somebody will get it wrong. But it's not like the situation that we had with MAAG in the past where it was cyclical, and we knew it was going to come down. The rest of it, I think that we can look at the trajectory in Q4. If you put on just regular seasonality next year, I think the setup looks really good.

Nigel Coe

Analyst, Wolfe Research LLC

Okay. Thanks, Rich.

Q

Richard Joseph Tobin

Chairman, President & Chief Executive Officer, Dover Corp.

Thanks.

A

Operator: And we will move next to Amit Mehrotra. Your line is open.

Amit Mehrotra

Analyst, UBS Securities LLC

Congrats, operator. That was pretty good attempt on my last name. Appreciate it. Rich, if we go back six months, feels like kind of a millennia ago, but you were kind of [ph] prescient (00:22:00) by lopping \$100 million in the back half. Kind of right off the top, it looks like that's kind of been absorbed. As you think about rolling up the plan for 2026, I mean, are you – do you see the same – I guess the macro backdrop has gotten better, but do you still kind of feel like that kind of conservatism is appropriate as you think about 2026?

Q

And then just related to that, the margins have been incredible this year, I think all-time record in the third quarter. It feels like margins can move up again in 2026, just given all the restructuring we did. But I just want to understand kind of – you're starting off of a very high base and would love to get your thoughts on margin progression into 2026.

Richard Joseph Tobin

Chairman, President & Chief Executive Officer, Dover Corp.

Sure. I'll deal with the margin one first. You do have an amount of mix effect within the segments. So, I think we'd have to consider that to a certain extent, but absolute profit will be fine. I don't think that we're over-earning from a margin point of view right now.

A

If I look at each individual product line, there's nothing esoteric in there that said, yeah, but we really killed it here. So, I don't expect them to come down with the fact, our business model, if we do things correctly, always has rollover, restructuring, and productivity. That thing – we can do this every year for multiple years. And that's always a little bit of a hedge that we have for either volatility in the top line or kind of a negative mix change. So, that's positive. So, to the extent that we get the product mix that we like and we're rolling forward another \$40 million, that's positive to margins overall. So, I think that we're good there.

In terms of the setup, I think I answered it before. We took a pretty big headwind in refrigeration here. It's almost twofold percent points of growth, of organic growth. We're at a 20-year low in terms of unit volume into that space this year. I mean, do we come all the way back? But, again, I think that let's -we've got a pretty heady number in terms of organic growth for Q4. Let's get that under our belt, and let's see where bookings are and everything else. But like the setup, as I said before, we like.

Amit Mehrotra

Analyst, UBS Securities LLC

Okay. Very good. Thank you.

Q

Operator: We'll move next to Scott Davis with Melius Research. Your line is open.

Scott Reed Davis

Analyst, Melius Research LLC

Hey. Good morning, guys.

Q

Richard Joseph Tobin

Chairman, President & Chief Executive Officer, Dover Corp.

Hey, Scott.

A

Christopher B. Woenker

Senior Vice President & Chief Financial Officer, Dover Corp.

Hey, Scott.

A

Scott Reed Davis

Analyst, Melius Research LLC

Can you guys give some context to your data center exposure and kind of terms maybe around content per megawatt or opportunity per megawatt? I mean, do you look at it that way or [indiscernible] (00:25:03)?

Q

Richard Joseph Tobin

Chairman, President & Chief Executive Officer, Dover Corp.

No. I mean, look, we have people that try to look at that way, but let's – I mean, to be honest, in terms of in terms of participation, it's meaningful for us in terms of the volume and the margin. But in terms of the entire ecosystem and the billions of dollars being spent, we are who we are.

A

Our focus is more getting the spec on the reference products for the reference customers. And that, I think that we've been highly successful in doing that on both the brazed plate heat exchanger side and the thermal connector side. So, to the extent that the market grows, the way we see it, we don't see a change in the competitive stack in those particular product lines. So, if it grows, we'll get our fair share.

Scott Reed Davis

Analyst, Melius Research LLC

Okay. I'll pass it on. Thank you guys. Good luck.

Q

Richard Joseph Tobin

Chairman, President & Chief Executive Officer, Dover Corp.

Thanks.

A

Operator: We'll take our next question from Joe Ritchie with Goldman Sachs. Your line is open.

Joe Ritchie

Analyst, Goldman Sachs & Co. LLC

Thanks. Good morning guys.

Q

Richard Joseph Tobin

Chairman, President & Chief Executive Officer, Dover Corp.

Hey, Joe.

A

Joe Ritchie

Analyst, Goldman Sachs & Co. LLC

Hey, Rich, can you just give a little bit more color on that SIKORA acquisition? I think you said that it was significantly outperforming. So, that's great to see. And then maybe just give us an update on your deal pipeline and have the potential to do more in the next 12 months?

Q

Richard Joseph Tobin

Chairman, President & Chief Executive Officer, Dover Corp.

Yeah. Sure. SIKORA, I think that we had a head start there because we had been working with SIKORA with our MAAG polymer processing equipment business on our own for our own uses, and then we got to know each other. So, we were able to close that because as we learned about the company, not only for our own particular use, but what they were doing and where their exposure was, we really liked it.

A

And, knock wood, it's really done fantastically in Q1, significantly better than our [ph] deal (00:27:13) model would have incorporated for the base year. We are in the process of integrating SIKORA. So, if you take a look at that back office slide that we put in there in all three areas, we're working pretty [audio gap] (00:27:28) of assembly operations, pretty much done. So, we're going to take what was a single-site manufacturing site and probably expand it at least in two other different geographies over the next 24 months. So, that's great.

In terms of the deal pipeline, if you look at the overall stats on M&A, it looks like M&A is up significantly, and it is. But it's really very large deals and corporate breakups and a variety of things. The mid-market, where we kind of play, has been slow. We – in terms of pipeline, we got an interesting pipeline there. In terms of valuation, valuations, I think that they're trying to find its footing, and that's [audio gap] (00:28:24-00:28:31) we're being selective as usual. But we've got enough in the pipeline that I would expect that we'd close on a couple things over the next 12 months.

Joe Ritchie

Analyst, Goldman Sachs & Co. LLC

Helpful. Thank you.

Q

Richard Joseph Tobin

Chairman, President & Chief Executive Officer, Dover Corp.

Thanks.

A

Operator: We'll move next to Chris Snyder with Morgan Stanley. Your line is open.

Chris Snyder

Analyst, Morgan Stanley & Co. LLC

Thank you. I wanted to ask on orders. So, positive update here in Q3 of 8% – or 4% organic. But could you provide some color or thoughts on the order to revenue, I guess, conversion for the company? Because you've had pretty good orders for a while now, and it hasn't really converted to the top line to the same degree that we've

Q

seen in orders. So, I guess, any kind of thoughts on that? And it seems like, going forward, you do expect better conversion, whether it's into Q4 or 2026. So, thank you.

Richard Joseph Tobin

Chairman, President & Chief Executive Officer, Dover Corp.

A

Yeah. I mean, the amount of attention that orders get in organic orders and extrapolate that into revenue is one of the great mysteries in life. But we continue to give the data [audio gap] (00:29:39-00:29:44) that is more reflective than – to me than orders kind of in terms of trajectory and everything.

But you're right. I mean, look, at the end of the day, we would have liked organic growth to be higher this year. I think it's been really isolated in two particular businesses. We had an inkling on the vehicle services. We'd probably have a challenging year. We missed it on refrigeration clearly. The good news about that is, we don't believe that that has lost revenue. It's just been pushed largely into 2026 now, although we'll get a nice uptick next year.

So, orders are up. Portfolio is in pretty good shape. I mean, if you see segments, we see it down to the individual operating company basis. As I mentioned on an earlier – to an earlier question, we don't see a cyclical decline in any portion of the portfolio rolling into 2026, and that's probably the first time that we can say that in a couple years.

Chris Snyder

Analyst, Morgan Stanley & Co. LLC

Q

Thank you. I appreciate that.

Richard Joseph Tobin

Chairman, President & Chief Executive Officer, Dover Corp.

A

Thanks.

Operator: We'll take our next question from Joe O'Dea with Wells Fargo. Your line is open.

Joseph O'Dea

Analyst, Wells Fargo Securities LLC

Q

Hi. Good morning. Rich, you made the comment about how you're not aware of any businesses in the portfolio that are forecasting revenue down next year. I guess I'm curious about which ones you're most excited about the growth potential, just when you think about coming off of the MAAG, SWEP, Belvac kind of situation last year. And now you get sort of cases and doors in the vehicle lift side. And so just thinking about what could be poised to sort of deliver kind of growth that you're getting excited about next year?

Richard Joseph Tobin

Chairman, President & Chief Executive Officer, Dover Corp.

A

Sure. Like, we highlight the growth platform, so I think you can go take a look at that. We think that we are in what should be a two- to three- to four-year CapEx cycle in the fueling business overall, inclusive of the cryogenic components and everything that we bought in that space. So, I think what was our growth this quarter, like 5% organics?

Christopher B. Woenker

Senior Vice President & Chief Financial Officer, Dover Corp.

Yeah.

A

Richard Joseph Tobin

Chairman, President & Chief Executive Officer, Dover Corp.

Yeah, which is pretty good overall. And we don't see that slowing for the foreseeable future for a variety of reasons, whether it's customer CapEx or regulatory and everything else. Refrigeration, I think we've beaten that one to death at this point. We don't – I know Belvac is growing this year. We – I think it will grow some next year, but that's not going to move the needle in comparison to refrigeration and what's happening in brazed plate heat exchangers.

A

Vehicle services, we'll see. I mean, it's been a tough year because a lot of that is exposure to Europe. It's little bit early to make a call on Europe, but I don't expect it to decline going forward. And I actually – the management has done a really great job on the cost structure, so even despite the top line headwind that you see this year [audio gap] (00:32:59-00:33:13). Okay.

Joseph O'Dea

Analyst, Wells Fargo Securities LLC

Thank you. You cut out at the end on me, but I heard through management doing a great job on cost structure and vehicle lift.

Q

Richard Joseph Tobin

Chairman, President & Chief Executive Officer, Dover Corp.

Yeah. Yeah. So, what I'm saying is, if it grows a little bit next year, the incremental margin should be positive.

A

Joseph O'Dea

Analyst, Wells Fargo Securities LLC

Got it. Thank you.

Q

Richard Joseph Tobin

Chairman, President & Chief Executive Officer, Dover Corp.

You're welcome.

A

Operator: We'll take our next question from Deane Dray with RBC Capital Markets. Your line is open.

Deane Dray

Analyst, RBC Capital Markets LLC

Thank you. Good morning, everyone.

Q

Richard Joseph Tobin

Chairman, President & Chief Executive Officer, Dover Corp.

Hi, Deane.

A

Deane Dray

Analyst, RBC Capital Markets LLC

Q

Hey. On Imaging, can you expand on the point about serialization software kind of size, what the opportunity is, and some context, please?

Richard Joseph Tobin

Chairman, President & Chief Executive Officer, Dover Corp.

A

Sure. It's 16%, I guess, of the total revenue of the space. Is that right?

Christopher B. Woenker

Senior Vice President & Chief Financial Officer, Dover Corp.

A

Yeah. It's about \$60 million, \$70 million [ph] or more (00:34:13).

Richard Joseph Tobin

Chairman, President & Chief Executive Officer, Dover Corp.

A

Okay. Yeah. Anyway, yeah, it's [ph] levered (00:34:17) almost exclusively to pharma. So, as pharma builds out production lines, that's when we sell the software and the reoccurring revenue associated with it. I think that everybody is pretty well aware of what's going on in kind of incentivized reshoring of pharma, and I think that we'll get our fair share of that.

Deane Dray

Analyst, RBC Capital Markets LLC

Q

Thank you.

Richard Joseph Tobin

Chairman, President & Chief Executive Officer, Dover Corp.

A

You're welcome.

Operator: We'll take our next question from Julian Mitchell with Barclays.

Julian Mitchell

Analyst, Barclays Capital, Inc.

Q

Hi. Good morning.

Richard Joseph Tobin

Chairman, President & Chief Executive Officer, Dover Corp.

A

Hello, Julian.

Christopher B. Woenker

Senior Vice President & Chief Financial Officer, Dover Corp.

A

Hey, Julian.

Julian Mitchell

Analyst, Barclays Capital, Inc.

Q

Hey. I just wanted to understand, Rich, a little bit better sort of how you've seen the demand environment play out because your tone is quite upbeat on the top line, but the revenue guide is reiterated. And so I guess to put a finer point on it, I wondered if any of the segment revenue assumptions for this year have changed since the figures you guided for in July and whether there had been anything in the bookings that had surprised you positively the last few months or so.

Richard Joseph Tobin

Chairman, President & Chief Executive Officer, Dover Corp.

A

Sure. Clearly, we missed on retail refrigeration by a significant amount. All the customer information that we're getting, it was on the come. I think – some of the commentary that we gave intra-quarter, when we can see that it wasn't coming, we were like, okay, now it's not coming. But we're chasing our tail a little bit. So, the quantum of that loss on a full year basis is 1% or 2% of organic revenue growth that we had.

Now, it's going to flex now because the orders popped. So, at least optically, we'll have a good look in Q4 [audio gap] (00:36:18) right before, \$130 million, \$140 million of revenue that we've got to make up year-over-year. We'll take half of that growth for next year, Julian, at the end of the day.

The balance of the businesses, the trajectory is fine in terms of orders. We always have to be a little bit careful in Q4 because we're guessing about our customers' behavior on their own inventory at the end of the day. But I think that someone asked earlier about – like, someone did the math on the squeeze for revenue growth in Q4, and that's fair. So, it stays within our window. It gives us a little bit of cushion, just in case December is light in terms of shipments.

But overall, there's really – the only significant change is that biopharma hung in there because there was some thought about, well, was this restocking? And clearly, it's not. We've run the numbers on that. So, it's been pretty consistent in terms of demand and should be consistent in Q4. Same thing with thermal connectors.

So, overall, there's a little bit of cushion on the revenue side in Q4, but the trajectory and – the only thing that's changed is, we lost basically a quarter of retail refrigeration.

Julian Mitchell

Analyst, Barclays Capital, Inc.

Q

Great. Thank you.

Richard Joseph Tobin

Chairman, President & Chief Executive Officer, Dover Corp.

A

Thanks.

Operator: And I would now like to turn the call back to the presenters for any additional or closing remarks.

Jack Dickens

Vice President-Investor Relations, Dover Corp.

No, Chloe, you can wrap up.

Operator: Certainly. Thank you, everyone. This concludes our question-and-answer period and Dover's third quarter 2025 earnings conference call. You may now disconnect your line at this time, and have a wonderful day.

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