



March 16, 2021

Dover Corporation

J.P. 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 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 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.

Dover Profile

Highlights

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

Note: (1) Non-GAAP measures (definition in appendix)

Segment Snapshot

Engineered Products



\$1.5B

Fueling Solutions



\$1.5B

Imaging & Identification



\$1.0B

Pumps & Process Solutions



\$1.3B

Refrigeration & Food Equipment

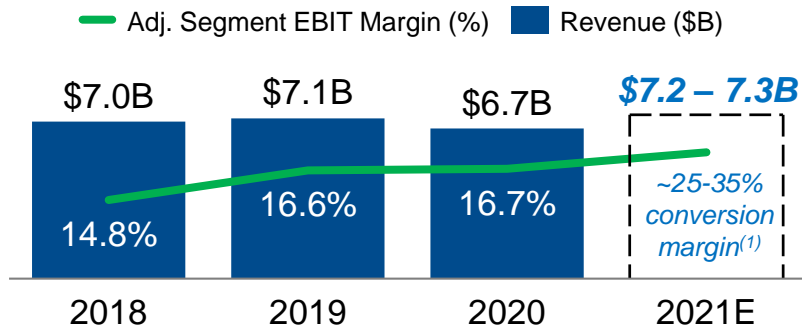


\$1.3B

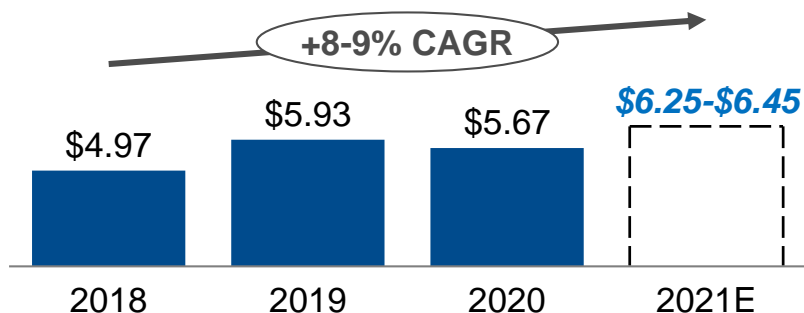
(2020 Revenue, \$B)

Dover Strategy Delivers Through-Cycle Value Creation

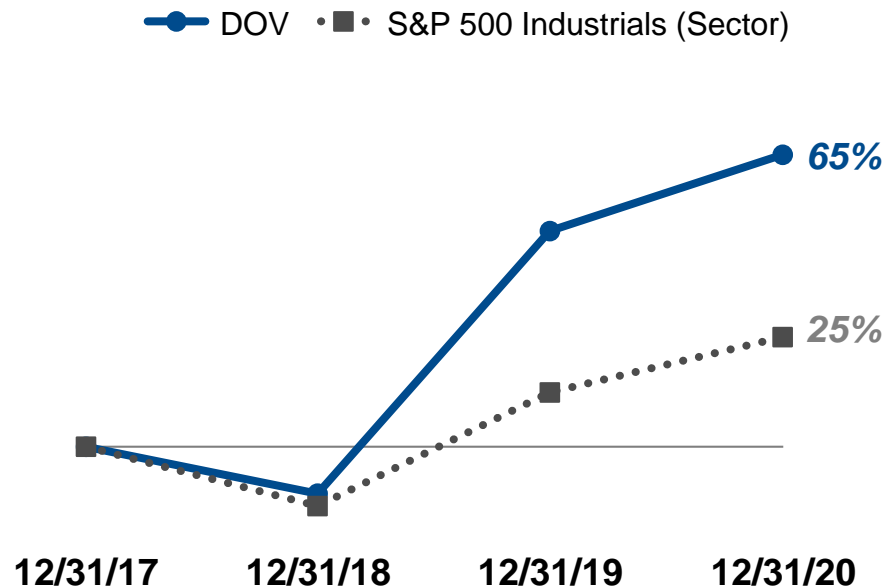
Revenue and Adj. Segment EBIT Margin⁽¹⁾



Adj. Earnings Per Share⁽¹⁾



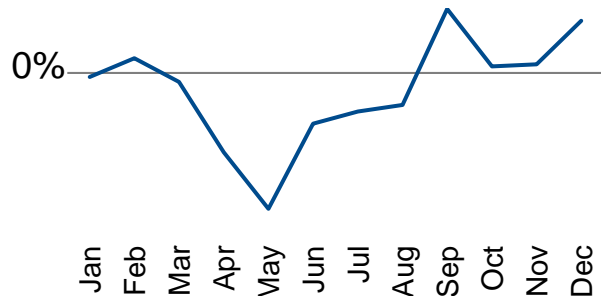
Cumulative Total Shareholder Return⁽²⁾



2020 Performance

Top Line Resilience

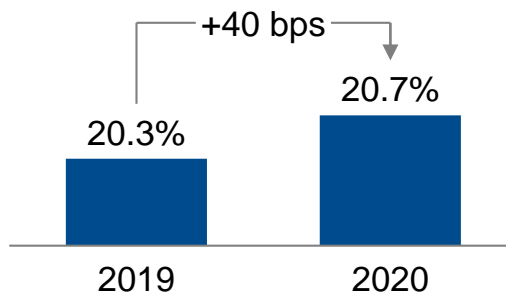
Monthly Bookings⁽²⁾ (% Y-o-Y change)



- -6.6% 2020 organic revenue⁽¹⁾ decline well-ahead of peer median
- Year-end backlog⁽²⁾ +21% vs. '19
- Positive bookings trends across majority of portfolio

Margin Improvement

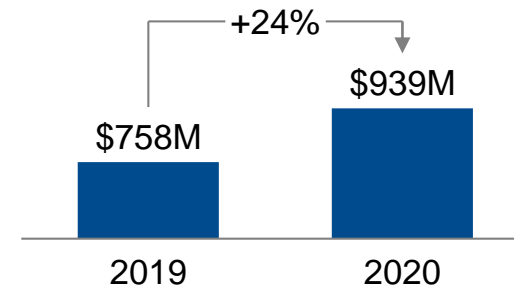
Adj. Segment EBITDA Margin⁽¹⁾



- Full year margin accretion despite volume headwinds
- Progress on four center-led initiatives driving synergy from the portfolio

Robust Cash Flow

Free Cash Flow⁽¹⁾



- Year-over-year cash flow +\$181M
- 2020 cash flow 14.1% of revenue

Note: (1) Non-GAAP measures (definitions and reconciliations in appendix) (2) See performance measures definitions in appendix

Capital Allocation

Capital Allocation Priorities

1 Invest Organically

- Capacity for growth
- Digitization, e-commerce
- Innovation and R&D
- Productivity and automation

2 Grow through Acquisitions

- Ample opportunity in core markets
- Possible larger deals if high fit
- Strict strategic fit and financial discipline criteria

3 Return Capital

- Dividend: Grow and target ~30% payout
- Share Repurchases if investment opportunities do not materialize

2020 Results

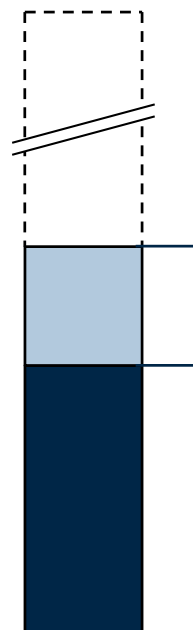
Strategic growth and productivity CapEx projects completed in 2020

7 bolt-ons; ~\$320M⁽¹⁾ of net acquisition spend (highest activity since 2016)

\$391M⁽²⁾ of capital returned to shareholders

2021 Dry Powder⁽³⁾

(\$B)



Incremental capacity – leverage up to 3.5x

~\$1.5 - 2.0B
+ Leverage up to 2.5x

~\$1.1 - 1.3B
Excess Cash
+ '21 Free Cash Flow


2021 Dry Powder

Note: (1) Acquisitions (net of cash acquired) less proceeds from divestitures. (2) Dividends plus share repurchases.

(3) Capital available for allocation. Based on 2021 guidance of 8-10% revenue growth, free cash flow of 11-13% of revenue, and 25-35% conversion. Assumes \$175M minimum cash balance.

Investments in Four Core Enterprise Capabilities Driving Efficiency and Growth

Dover Digital



↑ Efficiency ↑ Growth

Operational Excellence




↑ Efficiency

Dover Business Services



↑ Efficiency

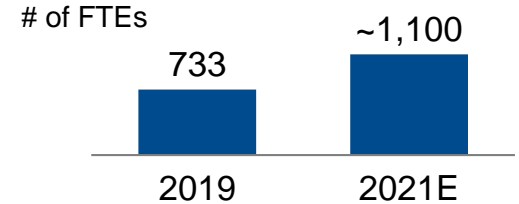
India Innovation Center



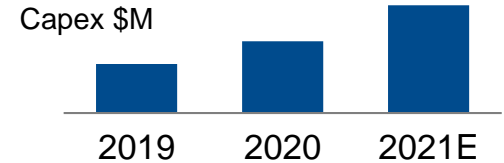
↑ Efficiency ↑ Growth

Significant investments in enterprise capabilities

50+% increase in FTEs



~\$20M cumulative CapEx '19-21F



Center-led initiatives drive synergistic value of Dover portfolio

Q1 2021 Trends

- **Broad demand strength YTD: year-over-year bookings⁽¹⁾ and backlog⁽¹⁾ up double-digits, growing in all five segments**
 - Particularly strong order intake in food retail (incl. natural refrigerant business), can making, heat exchangers, pumps & biopharma, industrial automation, waste hauling
 - Recovery underway in underground fueling, vehicle services; sequential improvement in foodservice equipment and textile printing
- **Efficiency gains, pricing and mix more than offsetting cost inflation**

Appendix

Reconciliation of Earnings from Continuing Operations to Adj. Segment EBIT and Adj. Segment EBITDA and Calculation of Adj. Segment EBIT Margin and Adj. Segment EBITDA Margin

(\$ in millions)	FY 2020	FY 2019	FY 2018
Revenue	6,684	7,136	6,992
Earnings from Continuing Operations	683	678	591
Add back:			
Corporate expense	127	124	130
Interest expense, net	108	121	122
Income tax expense	158	165	134
Loss on extinguishment of debt	-	24	-
Segment earnings (EBIT)	1,077	1,112	977
EBIT %	16.1%	15.6%	14.0%
Adjustments:			
Rightsizing and other costs	44	27	59
Gain on disposition	(5)	-	-
Loss on assets held for sale	-	47	-
Adjusted EBIT - Segment	1,116	1,186	1,036
Adjusted EBIT %	16.7%	16.6%	14.8%
Adjusted depreciation and amortization expense ⁽¹⁾	265	263	269
Adjusted EBITDA - Segment	1,381	1,449	1,305
Adjusted EBITDA %	20.7%	20.3%	18.7%

Note: Numbers may not add due to rounding

Reconciliation of Adjusted Net Earnings from Continuing Operations to Net Earnings from Continuing Operations and Calculation of Adjusted Diluted EPS under U.S. GAAP

(\$ in millions, except per share data)	FY 2020	FY 2019	FY 2018
Net earnings from continuing operations (\$)	683	678	591
Acquisition-related amortization, pre tax	139	138	146
Acquisition-related amortization, tax impact	(34)	(35)	(37)
Rightsizing and other costs, pre tax	51	32	73
Rightsizing and other costs, tax impact	(11)	(7)	(15)
Loss on extinguishment of debt, pre-tax	-	24	-
Loss on extinguishment of debt, tax impact	-	(5)	-
Gain on disposition, pre tax	(5)	-	-
Gain on disposition, tax impact	1	-	-
Loss on assets held for sale	-	47	-
Tax Cuts and Jobs Act	-	-	(3)
Adjusted net earnings from continuing operations (\$)	824	872	756
Weighted average shares outstanding – diluted	145	147	152
Diluted EPS from continuing operations (\$)	4.70	4.61	3.89
Acquisition-related amortization, pre tax	0.95	0.94	0.96
Acquisition-related amortization, tax impact	(0.24)	(0.24)	(0.24)
Rightsizing and other costs, pre tax	0.35	0.22	0.48
Rightsizing and other costs, tax impact	(0.07)	(0.06)	(0.10)
Loss on extinguishment of debt, pre-tax	-	0.16	-
Loss on extinguishment of debt, tax impact	-	(0.04)	-
Gain on disposition, pre tax	(0.03)	-	-
Gain on disposition, tax impact	0.01	-	-
Loss on assets held for sale	-	0.32	-
Tax Cuts and Jobs Act	-	-	(0.02)
Adjusted diluted EPS from continuing operations (\$)	5.67	5.93	4.97

Note: Numbers may not add due to rounding

Reconciliation of Free Cash Flow, Organic Revenue Growth, and EPS to Adjusted EPS Guidance

(\$ in millions)

	FY 2020	FY 2019
Net Cash Provided by Operating Activities	1,105	945
Capital expenditures	(166)	(187)
Free Cash Flow	939	758
Free Cash Flow as a % of Revenue	14.1%	10.6%

	FY 2020
Organic	(6.6)%
Acquisitions	1.0%
Dispositions	(0.7)%
Currency translation	- %
Total	(6.3)%

	Range	
2021 Guidance for Earnings per Share (GAAP)	\$ 5.42	\$ 5.62
Acquisition-related amortization, net		0.72
Rightsizing and other costs, net		0.11
2021 Guidance for Adjusted Earnings per Share (Non-GAAP)	\$ 6.25	\$ 6.45

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, gain on dispositions, loss on debt extinguishment, loss on assets held for sale, and the Tax Cuts and Jobs Act.

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

Adjusted Segment EBIT: is defined as earnings from continuing operations before income taxes, net interest expense, corporate expenses, loss on debt extinguishment, rightsizing and other costs, gain on dispositions, and loss on assets held for sale.

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

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

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

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.

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.

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.

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.

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.

