

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934

For six months ended June 30, 1994

Commission File No. 1-4018

DOVER CORPORATION  
(Exact name of Registrant as specified in its charter)

Delaware  
(State of Incorporation)

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

280 Park Avenue, New York, NY  
(Address of principal executive offices)

10017  
(Zip Code)

Registrant's telephone number, including area code: (212) 922-1640

Indicate by checkmark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes X NO \_\_\_

The number of shares outstanding of the Registrant's common stock as of the close of the period covered by this report was 57,221,902.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

DOVER CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF EARNINGS  
Three months ended June 30, 1994 and 1993  
('000 omitted)

	1994	1993
	----	----
Net sales	\$761,225	\$594,511
Cost of sales	523,329	417,337
	-----	-----
Gross profit	237,896	177,174
Selling and administrative expenses	151,009	117,417
	-----	-----
Operating profit	86,887	59,757
	-----	-----
Other deductions (income):		
Interest expense	8,538	5,130
Interest income	(3,068)	(6,782)
Foreign exchange	308	225
All other	(341)	(801)
	-----	-----
	5,437	(2,228)
	-----	-----
Earnings before taxes on income	81,450	61,985
Federal and other taxes on income	29,010	22,226
	-----	-----
Net earnings	\$ 52,440	\$ 39,759
	=====	=====
Weighted average number of common shares outstanding during the period	57,195	57,100
	=====	=====
Net earnings per common share	\$ .92	\$ .70
	=====	=====

3

DOVER CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF EARNINGS  
Six months ended June 30, 1994 and 1993  
('000 omitted)

	1994	1993
	----	----
Net sales	\$1,441,952	\$1,161,291
Cost of sales	993,124	816,003
	-----	-----
Gross profit	448,828	345,288
Selling and administrative expenses	293,500	231,555
	-----	-----
Operating profit	155,328	113,733
	-----	-----
Other deductions (income):		
Interest expense	15,118	9,376
Interest income	(9,693)	(10,059)
Foreign exchange	281	201
All other	181	(480)
	-----	-----
	5,887	(962)
	-----	-----
Earnings before taxes on income	149,441	114,695
Federal and other taxes on income	54,428	41,172
	-----	-----
Net earnings	\$ 95,013	\$ 73,523
	=====	=====
Weighted average number of common shares outstanding during the period	57,195	57,100
	=====	=====
Net earnings per common share	\$ 1.66	\$ 1.29
	=====	=====

CONSOLIDATED STATEMENT OF RETAINED EARNINGS  
Six Months ended June 30, 1994 and 1993  
('000 omitted)

	1994	1993
	----	----
Balance at beginning of period	\$1,121,817	\$1,051,949
Net earnings	95,013	73,523
	-----	-----
	1,216,830	1,125,472
	-----	-----
Deduct:		
Common stock cash dividends of \$.46 per share (\$.44 in 1993)	26,314	25,125
Deduct dividend in kind	-	36,329
	-----	-----

Balance at end of period	\$1,190,516	\$1,064,018
	=====	=====

4

DOVER CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEET  
('000 OMITTED)

	JUNE 30 1994	DECEMBER 31 1993
	-----	-----
Assets		
-----		
Current Assets:		
Cash and cash equivalents	\$84,147	\$63,685
Marketable securities	52,073	32,592
Receivables, net of allowance for doubtful accounts	515,679	475,155
Inventories at cost (determined principally on the last-in, first-out basis, which is less than market value)	348,123	294,319
Prepaid expenses	41,352	37,889
	-----	-----
Total current assets	1,041,374	903,640
	-----	-----
Property, plant & equipment, at cost	765,887	714,637
Accumulated depreciation	455,960	(431,274)
	-----	-----
Net property, plant & equipment	309,927	283,363
	-----	-----
Intangible assets, net of amortization	600,614	535,136
Other intangible assets	10,258	10,258
Deferred charges and other assets	60,876	41,292
	-----	-----
	\$2,023,049	\$1,773,689
	=====	=====
Liabilities		
-----		
Current liabilities:		
Notes Payable	284,257	174,980
Current maturities of long-term debt	1,040	311
Accounts payable	130,625	117,206
Accrued compensation & employee benefits	64,584	71,084
Accrued insurance	94,287	74,501
Other accrued expenses	139,460	116,916
Income taxes	46,035	40,796
	-----	-----
Total current liabilities	760,288	595,794
Long-term debt	258,705	252,065
Deferred taxes	17,789	20,409
Deferred compensation	39,779	35,419
Stockholders' Equity:		
Preferred stock	-	-
Common stock	66,359	66,299
Additional paid-in surplus	14,820	12,531
Cumulative translation adjustments	(6,863)	(12,761)
Unrealized holding gains (losses)	(355)	-
Retained earnings	1,190,516	1,121,817
	-----	-----
	1,264,477	1,187,886
Less: treasury stock	317,989	317,884
	-----	-----
	946,488	870,002
	-----	-----
	\$2,023,049	\$1,773,689
	=====	=====

5

DOVER CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS  
Six Months ended June 30, 1994 and 1993  
('000 omitted)

	1994 ----	1993 ----
Cash flows from operating activities:		
Net income	\$ 95,013	\$ 73,523
	-----	-----
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	44,957	35,714
Net increase (decrease) in deferred taxes	(2,620)	(1,709)
Net increase (decrease) in LIFO reserves	188	622
Increase (decrease) in deferred compensation	4,359	528

Other, net	2,744	(20,457)
Changes in assets and liabilities (excluding acquisitions):		
Decrease (increase) in accounts receivable	(24,499)	(11,713)
Decrease (increase) in inventories, excluding LIFO reserve	(37,846)	(18,996)
Decrease (increase) in prepaid expenses	(3,464)	(2,170)
Increase (decrease) in accounts payable	13,418	20,138
Increase (decrease) in accrued expenses	35,831	5,431
Increase (decrease) in federal and other taxes on income	5,239	(6,176)
	-----	-----
Total adjustments	38,307	1,212
	-----	-----
Net cash provided by operating activities	133,320	74,735
	-----	-----
Cash flows from (used in) investing activities:		
Increase in marketable securities	(19,485)	(998)
Additions to property, plant & equipment	(34,221)	(22,991)
Acquisitions*	(149,781)	(14,039)
Purchase of treasury stock	(105)	(119)
	-----	-----
Net cash from (used in) investing activities	(203,592)	(38,147)
	-----	-----
Cash flows from (used in) financing activities:		
Increase (decrease) in notes payable	109,277	41,741
Reduction of long-term debt	6,640	(128)
Proceeds from exercise of stock options	1,131	528
Cash dividends to stockholders	(26,314)	(25,125)
	-----	-----
Net cash from (used in) finance activities	90,734	17,016
	-----	-----
Net increase (decrease) in cash and cash equivalents	20,462	53,604
Cash and cash equivalents at beginning of period	63,685	71,632
	-----	-----
Cash and cash equivalents at end of period	\$ 84,147	\$125,236
	=====	=====

\* Above amount includes long-term debt assumed of \$11,587, but excludes cash acquired of \$5,370.

6

DOVER CORPORATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 1994

NOTE A - Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and therefore do not include all information and footnotes necessary for a fair presentation of financial position, results of operations, and changes in financial position in conformity with generally accepted accounting principles. In the opinion of the Company, all adjustments, consisting only of normal recurring items necessary for a fair presentation of the operating results have been made. The results of operations of any interim period are subject to year-end audit and adjustments, and are not necessarily indicative of the results of operations for the fiscal year.

During June 1994 two acquisitions were completed at a costs of \$25.8 million. These acquisitions are reflected on the Company's June 30, 1994, balance sheet as "other assets" pending fair market allocations.

NOTE B - Inventory

Inventories, by components, are summarized as follows:

	JUNE 30 1994	DECEMBER 31 1993
	-----	-----
Raw materials	\$117,508	\$ 92,341
Work in progress	105,757	136,031
Finished goods	168,429	109,329
	-----	-----
Total	391,694	337,701
Less LIFO reserve	43,571	43,382
	-----	-----

## NOTE C - Additional Information

For a more adequate understanding of the company's financial position, operating results, business properties and other matters, reference is made to the Company's Annual Report on Form 10-K which was filed with the Securities and Exchange Commission in March 1994.

### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

#### (1) MATERIAL CHANGES IN CONSOLIDATED FINANCIAL CONDITION:

The Company's liquidity decreased during the first half of 1994 as compared with its position at December 31, 1993.

Working capital decreased from \$307.8 million at the end of last year to \$281.7 million at June 30, 1994. The \$26.1 million decrease reflects positive cash flow during the quarter net of \$143.6 million paid for acquisitions.

7

As a result of acquisition expenditures, Dover Corporation ended the quarter with net debt (defined as long-term debt plus current maturities on long-term debt plus notes payable less cash and equivalents) of \$408 million representing 30% of total capital.

#### (2) MATERIAL CHANGES IN RESULTS OF OPERATIONS:

The Company earned \$.92 per share in the Second Quarter ended June 30, a record level for any quarter and 31% higher than the \$.70 earned in the Second Quarter of 1993. Sales advanced 28% to \$761,224,000 while net income rose 32% to \$52,440,000.

Following a First Quarter in which EPS advanced 25%, these results put Dover's EPS for the First Half at \$1.66, up 29% from prior year. Six months' earnings were \$95,013,000 on sales of \$1,441,951,000. Net margin for the half was 6.6% and annualized return on equity, based on average First Half equity, was 21%.

All five of Dover's market segments achieved sales and earnings gains in the Second Quarter with increases ranging from modest to more than double.

### DOVER RESOURCES

Dover Resources' profits increased 17% on a 9% sales gain. About 4 points of the sales gain and 6 points of the earnings gain reflect the acquisition of Midland Manufacturing, acquired earlier this year, with the balance coming from internal growth. Strong performances by De-Sta-Co, Ronningen Petter, Petro Vend and Midland offset several declines as only half of DRI's 16 companies showed earnings gains for the quarter. Three businesses serving the oil production industry had a combined profit decline of almost 50%, primarily due to lower demand for sucker rods. OPW-Fueling Components, whose strong results were key to DRI's success in 1993, continued to achieve sales and earnings gains as demand for vapor recovery products has remained strong.

### DOVER INDUSTRIES

Dover Industries' profits grew 51% on a 75% sales gain reflecting both strong internal growth and acquisitions made in 1993. Ten of Industries' twelve companies achieved earnings gains, with seven more than 25% ahead. Heil had a record quarter with continued strength in its trailerized tank business and improvement in its refuse truck line. Heil's bookings continued very strong with a Second Quarter book-to-bill of 1.19 despite record shipments. Other companies with operating gains exceeding 25% were Rotary Lift, Bernard, Dieterich Standard, Texas Hydraulics and Davenport while Tipper Tie also reached this level with the help of their acquisition of Technopak at the start of the quarter. Integration of Technopak and Tipper-Tie Europa is proceeding

well. Bookings at every Industries' company exceeded last year in the Second Quarter with the total up 21%, adjusted for acquisitions.

#### DOVER ELEVATOR INTERNATIONAL

Dover Elevator International achieved a 5% earnings gain on a 3% sales increase. Profit comparisons were adversely affected by a disappointing performance at General Elevator which specializes in maintenance of non-Dover elevators and in modernization. A new company president has been appointed. Most other DEI companies showed gains with particularly strong results at U.S. Elevator, the largest company in the segment, reflecting continued success of its margin improvement strategy. Bookings for DEI were 7% below last year's Second Quarter in a depressed market. Backlog for new elevators is 11% below last year but service revenues continue to show modest increases.

#### 8

#### DOVER TECHNOLOGIES

Dover Technologies' profit grew by 44% (by 56% if prior year is adjusted for the spin-off of DOVatron) on a 20% sales gain (38% adjusted for the spin-off). All of the earnings gain was achieved in production equipment for printed circuit board assembly-- notably at Universal Instruments--as sales and earnings of the three component companies were essentially flat with last year. Universal improved its profits by 80% on a 51% sales gain as it continued to benefit from a cyclical recovery in its industry and from market share gains for both thru-hole and surface mount equipment. Customer feed back on the new GSM-1 surface mount machine continued favorable and margins on this important product line improved due to cost reduction. Universal's bookings, though 40% ahead of last year, were even with Second Quarter shipments which set a record. Dover Technologies' overall bookings were up 32% for the quarter (adjusted for the spin-off) and flat with sales.

#### DOVER DIVERSIFIED

Dover Diversified's earnings were more than double the prior year's on sales 94% higher, primarily reflecting the impact of 3 acquisitions made in the Second Half of 1993. These companies--Belvac, Phoenix Refrigeration and Thermal Equipment-- added \$6.8 million to segment profits or 86 points of the 122% profit gain. Their own operating results were somewhat lower than last year as a major gain at Belvac (can-making machinery) could not offset disappointing results at Thermal Equipment (autoclaves and cleaning equipment). Tranter, A-C Compressor, Waukesha and the Sargent Controls/Aerospace companies all showed operating earnings gains in excess of 20%, with Tranter's reported gain larger due to the acquisition of HTT in the First Quarter and of Re-Heat and Koolrad during this quarter. Dover Diversified's bookings were up 20% from last year (adjusted for acquisitions) and represented a book-to- bill of 1.16. Bookings were extremely strong at Belvac. A-C Compressor showed the only meaningful bookings decline from 1993 which A-C expects to make up in the Second Half of the year.

#### OTHER MATTERS

During the Second Quarter, Dover purchased four companies for an investment of \$35 million bringing six-month 1994 acquisition investment to \$150 million (considering cash and debt acquired). ReHeat and Koolrad were added by Tranter (Dover Diversified) and Tarby by Blackmer (Dover Resources) while TNI (a leading manufacturer of speciality transformers) became a "stand alone" company within Dover Technologies. Due to acquisition-related write-offs and financing costs, all 1994 acquisitions combined added less than \$.01 to Dover's reported 1994 earnings per share despite average operating margins in excess of 20% achieved so far this year by the acquired companies. The substantial (\$321 million investment) acquisition program of 1993 made a significant contribution to Dover's First Half profit adding an estimated \$.20 per share (after acquisition write-offs and financing costs), of which \$.11 was in the Second Quarter.

#### OUTLOOK

Dover believes that in the current business climate it is reasonable to expect that Second Half earnings will be higher than in the First Half, leading to record 1994 earnings by a substantial margin. However, the Second Quarter is normally a seasonally strong one and it is possible this could prove to be Dover's best quarter in 1994. Barring an economic downturn, Dover's growth should continue in 1995.

9

## PART II. OTHER INFORMATION

### Item 4. Submission of Matters to Vote of Security Holders

The annual meeting of shareholders was held on April 26, 1994. The only business at the meeting was the election of directors. All of the nominees for directors were elected.

The number of votes for and withheld for each of the directors were as follows:

NAME -----	NUMBER OF VOTES -----	
	FOR -----	WITHHELD -----
Magalen O. Bryant	48,884,878	31,857
Michael C. Devas	48,883,471	33,264
John F. Fort	48,886,863	29,872
James L. Koley	48,883,903	32,832
George L. Ohrstrom	48,882,638	34,097
Anthony J. Ormsby	48,884,973	31,762
Thomas L. Reece	48,885,638	31,097
Gary L. Roubos	48,885,734	31,001
David G. Thomas	48,881,599	35,136
Jerry W. Yochum	48,875,583	41,152

### Item 6. Exhibits and Reports on Form 8-K

No report on Form 8-K was filed during the quarter for which this report is filed.

10

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DOVER CORPORATION

Date: 7/26/94

/s/ JOHN F. MCNIFF

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John F. McNiff, Vice President  
and Treasurer

Date: 7/26/94

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/s/ ALFRED SUESSER

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Alfred Suesser, Controller and  
Assistant Treasurer