



January 26, 2017 – 9:00am CT

Earnings Conference Call Fourth Quarter 2016

Forward looking statements and non-GAAP measures

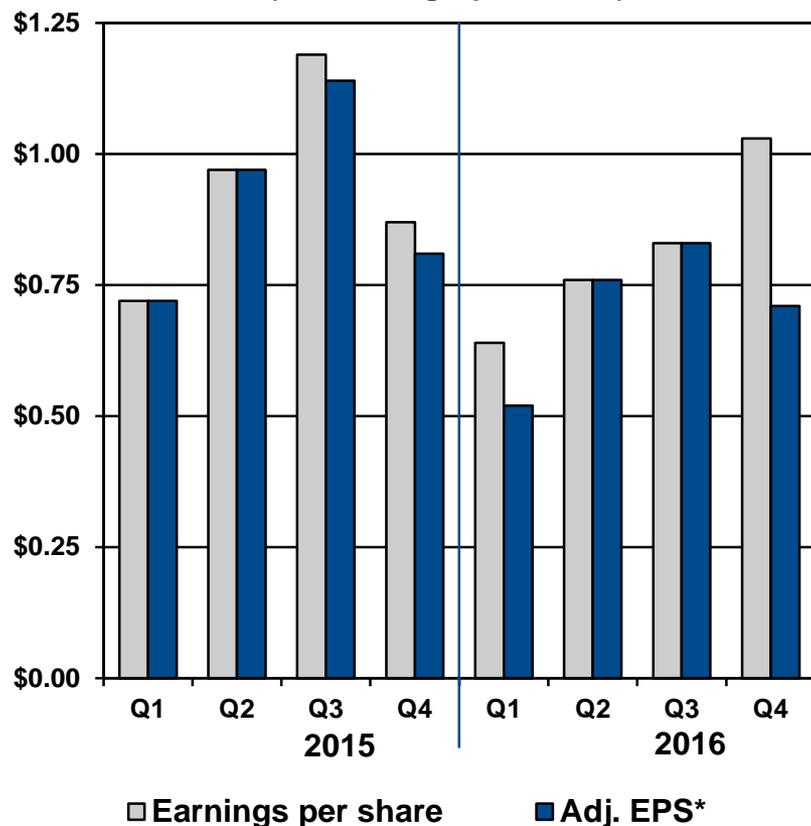
We want to remind everyone that our comments may contain forward-looking statements that are inherently subject to uncertainties and risks. We caution everyone to be guided in their analysis of Dover Corporation by referring to the documents we file from time to time with the SEC, including our Form 10-K for 2015, 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, where considerably more information can be found.

This document contains non-GAAP financial information. Reconciliations of non-GAAP measures are included either in this presentation or Dover's earnings release and investor supplement for the fourth quarter, which are available on our website.

Q4 2016 Performance

Earnings Per Share (continuing operations)



* Excludes discrete tax benefits of \$0.05 in Q3 2015, \$0.06 in Q4 2015, \$0.05 in Q1 2016, \$0.05 in Q4 2016, a \$0.01 discrete tax expense in Q2 2016, a \$0.07 gain on a disposition in Q1 2016, a \$0.36 gain on a disposition in Q4 2016, and a \$0.09 voluntary product recall charge in Q4 2016

Note: EPS and Adj. EPS include restructuring costs of \$0.10 in Q1 2015, \$0.01 in Q2 2015, \$0.05 in Q3 2015, \$0.08 in Q4 2015, \$0.07 in Q1 2016, \$0.04 in Q2 2016, \$0.04 in Q3 2016, and \$0.04 in Q4 2016

	Q4	Q4/Q4	FY	FY/FY
Revenue	\$1.8B	5%	\$6.8B	-2%
EPS (cont.)	\$1.03	18%	\$3.25	-13%
Adj. EPS (cont.) *	\$0.71	-12%	\$2.82	-22%
Bookings	\$1.7B	7%	\$6.8B	flat
Seg. Margin	15.8%	250 bps	13.7%	-120 bps
Adj. Seg. Margin (a)	12.8%	-150 bps	13.2%	-240 bps
Organic Rev. (b)	-2%		-5%	
Net Acq. Growth (c)	8%		4%	
Cash flow from Ops	\$289M	-9%	\$862M	-9%
FCF (d)	\$240M	-12%	\$697M	-12%

Quarterly Comments

- Revenue growth driven from acquisitions and solid Printing & Identification, Bearings & Compression, and Hygienic & Pharma markets, partially offset by declines in oil & gas markets, and dispositions
- U.S. organic activity was flat, ex. Energy. European and China organic activity both improved
- Adjusted Segment margin impacted by lower organic volume, production inefficiencies, and acquisition-related costs
- Bookings growth largely driven by acquisitions, partially offset by impact of soft longer cycle oil & gas markets and dispositions
- Book-to-bill of 0.98

(a) Adjusted for \$9M of restructuring in Q4 2016, \$16M in Q4 2015, \$40M for FY 2016, and \$55M for FY 2015; also adjusted for voluntary product recall charges of \$23M in Q4 2016, gain on disposition of \$12M in Q1 2016 and \$85M in Q4 2016.

(b) Change in revenue from businesses owned over 12 months, excluding FX impact

(c) Change in revenue from acquisitions, less revenue from dispositions

(d) See Press Release for free cash flow reconciliation

Revenue

Q4 2016	Energy	Engineered Systems	Fluids	Refrigeration & Food Equip	Total Dover
Organic	-8%	1%	flat	-1%	-2%
Acquisitions	-	8%	37%	-	11%
Dispositions	-	-3%	-	-9%	-3%
Currency	-1%	-1%	-1%	-	-1%
Total	-9%	5%	36%	-10%	5%

FY 2016	Energy	Engineered Systems	Fluids	Refrigeration & Food Equip	Total Dover
Organic	-24%	2%	-5%	flat	-5%
Acquisitions	-	4%	28%	-	7%
Dispositions	-	-4%	-	-6%	-3%
Currency	-1%	-1%	-1%	-	-1%
Total	-25%	1%	22%	-6%	-2%

Energy

\$ in millions

- Revenue decrease driven by year-over-year declines in oil & gas market fundamentals
 - Q4 2016 revenue up 7% sequentially
 - Bearings & Compression growth driven by positive customer mix
- Margin of 10.5% exceeds expectation, reflecting very strong incrementals
- YoY bookings decline narrows on upstream recovery
 - Bookings up 11% sequentially
- Book-to-bill at 1.02

	Q4 2016	Q4 2015	% Change	% Organic
Revenue	\$293	\$323	-9%	-8%
Earnings	\$ 31	\$ 31	-1%	
Margin	10.5%	9.7%	80 bps	
Adj. Earnings*	\$ 32	\$ 35	-9%	
Adj. Margin*	11.0%	11.0%	flat	
Bookings	\$300	\$316	-5%	-4%

Revenue by End-Market	% of Q4 Revenue	Q4/Q4 Growth	Organic Growth
Drilling & Production	65%	-13%	-13%
Bearings & Compression	25%	8%	13%
Automation	10%	-19%	-19%

* Q4 2016 earnings adjusted for \$1M restructuring, Q4 2015 adjusted for \$4M in restructuring costs

Engineered Systems

- Organic revenue growth of 1%
 - 5% organic growth in Printing & Identification driven by strong marking & coding and digital textile markets
 - Industrial’s organic decline driven by reduced activity in Environmental Solutions
- Margin of 15.5% primarily reflects benefits of productivity
- Bookings growth reflects strong order activity in Printing & Identification and acquisition growth, partially offset by dispositions and soft Environmental Solutions activity
- Book-to-bill of 1.03

\$ in millions

	Q4 2016	Q4 2015	% Change	% Organic
Revenue ^(a)	\$626	\$597	5%	1%
Earnings	\$ 97	\$ 89	8%	
Margin	15.5%	14.9%	60 bps	
Adj. Earnings*	\$ 97	\$ 94	3%	
Adj. Margin*	15.5%	15.7%	-20 bps	
Bookings ^(b)	\$643	\$608	6%	2%

Revenue by End-Market	% of Q4 Revenue	Q4/Q4 Growth	Organic Growth
Printing & Identification	42%	4%	5%
Industrial	58%	5%	-1%

(a) Revenue increased 5% overall, reflecting organic growth of 1% and acquisition growth of 8%, offset by a 3% impact from dispositions and a 1% unfavorable impact from FX

(b) Bookings growth of 6% reflects organic growth of 2% and acquisition growth of 8%, partially offset by a 3% impact from dispositions and a 1% unfavorable impact from FX

* Q4 2015 earnings adjusted for \$5M in restructuring costs

Fluids

\$ in millions

- Revenue growth driven by acquisitions
 - Organic revenue essentially flat
 - Strong Hygienic & Pharma markets
 - Improved activity in Petrochemical & Polymer markets
 - Weak longer cycle oil & gas markets, especially transport
- Margin impacted by product recall charge and acquisitions
- Bookings growth driven by acquisitions
- Book-to-bill at 0.95

	Q4 2016	Q4 2015	% Change	% Organic
Revenue	\$483	\$356	36%	flat
Earnings	\$ 35	\$ 62	-44%	
Margin	7.2%	17.6%	NM	
Adj. Earnings*	\$ 66	\$ 64	3%	
Adj. Margin*	13.6%	17.9%	-430 bps	
Bookings	\$457	\$321	42%	-3%

Revenue by End-Market	% of Q4 Revenue	Q4/Q4 Growth	Organic Growth
Pumps	35%	9%	4%
Fluid Transfer	65%	57%	-4%

* Q4 2016 earnings adjusted for \$8M in restructuring costs and \$23M in voluntary product recall charges, Q4 2015 adjusted for \$1M in restructuring costs

Refrigeration & Food Equipment

\$ in millions

- Organic revenue decline of 1% primarily driven by project timing in can-shaping equipment business
- Margin performance reflects gain on disposition, partially offset by production inefficiencies at Hillphoenix and product mix
- Organic bookings decline of 2% largely reflects softer standard retail refrigeration case activity
- Book-to-bill at 0.89

	Q4 2016	Q4 2015	% Change	% Organic
Revenue ^(a)	\$376	\$419	-10%	-1%
Earnings	\$118	\$ 43	176%	
Margin	31.4%	10.2%	NM	
Adj. Earnings*	\$ 34	\$ 49	-30%	
Adj. Margin*	9.0%	11.7%	-270 bps	
Bookings ^(b)	\$337	\$380	-11%	-2%

Revenue by End-Market	% of Q4 Revenue	Q4/Q4 Growth	Organic Growth
Refrigeration	78%	-5%	1%
Food Equipment	22%	-26%	-8%

(a) Revenue decline of 10% reflects organic decline of 1% and a 9% impact from dispositions

(b) Bookings decline of 11% reflects an organic decline of 2% and a 9% impact from dispositions

* Q4 2016 earnings adjusted for \$85M gain on disposition and \$1M in restructuring costs, Q4 2015 earnings adjusted for \$6M in restructuring costs

Q4 2016 Overview

Q4 2016	
Net Interest Expense	\$33 million, in-line with forecast
Corporate Expense	\$32 million, higher than forecast, includes \$3 million settlement charge
Effective Tax Rate (ETR)	Q4 rate was 25.4%. Excluding discrete tax items, Q4 rate was 29.0%
Capex	\$49 million, generally in-line with forecast
Share Repurchases	No activity

FY 2017F Guidance

2017F	Energy	Engineered Systems	Fluids	Refrigeration & Food Equip	Total
Organic rev.	13% - 16%	1% - 3%	0% - 2%	0% - 2%	3% - 5%
Acquisitions	-	≈ 7%	≈ 31%	-	≈ 10%
Dispositions	-	(1%)	-	(5%)	(1%)
Currency	(1%)	(2%)	(2%)	(1%)	(2%)
Total revenue	12% - 15%	5% - 7%	29% - 31%	(6% - 4%)	10% - 12%

- **Corporate expense:** ≈ \$125 million
- **Net interest expense:** ≈ \$133 million
- **Full-year tax rate:** ≈ 28%
- **Capital expenditures:** ≈ 2.4% of revenue
- **FY free cash flow:** ≈ 11% of revenue

2017F EPS Guidance – Bridge

■ 2016 EPS – Continuing Ops (GAAP):	\$3.25
– Less 2016 gain on dispositions ⁽¹⁾ :	(0.44)
– Less 2016 earnings from dispositions ⁽²⁾ :	(0.05)
– Plus 2016 charges related to expected recall:	0.09
■ 2016E Adjusted EPS	<u>\$2.85</u>
– Net restructuring ⁽³⁾ :	0.08 - 0.10
– Performance including restructuring benefits:	0.81 – 0.95
– Compensation & investment:	(0.15 - 0.13)
– Interest / Corp. / Tax rate / Shares / Other (net):	<u>(0.19 - 0.17)</u>
■ 2017F EPS – Continuing Ops	<u><u>\$3.40 - \$3.60</u></u>

(1) Includes \$0.07 gain on the disposition of THI in Q1 2016 and \$0.36 gain on disposition of Tipper Tie in Q4 2016

(2) Includes 2016 operating earnings from THI and Tipper Tie

(3) Includes restructuring costs of approximately \$0.18 in FY 2016 and \$0.08 - \$0.10 in FY 2017F



Appendix

2016 EPS – Bridge

▪ 2015 EPS – Continuing Ops (GAAP)	\$ 3.74
– Less 2015 tax items ⁽¹⁾ :	(0.11)
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▪ 2015 Adjusted EPS	\$ 3.63
– Net restructuring ⁽²⁾ :	0.07
– Performance including restructuring benefits & net acquisitions ⁽³⁾ :	(0.40)
– Compensation & investment:	(0.05)
– Interest / Corp. / Tax rate / Shares / Other (net):	0.00
– 2016 tax items ⁽⁴⁾ :	0.09
– Voluntary product recall:	(0.09)
	<hr/>
▪ 2016 EPS – Continuing Ops (GAAP)	<u><u>\$3.25</u></u>

(1) Includes discrete tax benefits of \$0.05 in Q3 2015 and \$0.06 in Q4 2015

(2) Includes restructuring costs of \$0.25 in FY 2015 and \$0.18 in FY 2016

(3) Includes restructuring benefits of \$0.47 and operating earnings of completed acquisitions less dispositions, as well as gains on dispositions

(4) Includes discrete tax benefits of \$0.05 in Q1 2016, \$0.05 in Q4 2016, and a discrete tax cost of \$0.01 in Q2 2016