



January 30, 2020 – 9:00am CT

Earnings Conference Call Fourth Quarter and Full Year 2019

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 2018, 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.

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 either in this presentation or in Dover's earnings release and investor supplement for the fourth quarter, which are available on Dover's website.

Summary Corporate Results and Highlights

		Q4 2019	FY 2019	Highlights and Comments
Revenue growth	All-in	-2%	+2%	<ul style="list-style-type: none"> Q4 expectedly slower on challenging comparable Strong year despite macro uncertainty FX impact: -1% in Q4; -2% for FY19
	Organic ⁽¹⁾	-1%	+4%	
Bookings growth	All-in	-1%	Flat	<ul style="list-style-type: none"> Constructive activity across most end markets Book-to-bill: 1.04 Backlog up 8% Y-o-Y; increase in four segments
	Organic ⁽¹⁾	Flat	+1%	
Segment EBIT margin Y-o-Y improvement	Reported ⁽²⁾	+220 bps	+160 bps	<ul style="list-style-type: none"> Q4 margin up despite lower revenue Continued focus on productivity and margin enhancement yields tangible results
	Adjusted ⁽¹⁾	+140 bps	+180 bps	
Earnings from continuing operations	Reported	\$168M	\$678M	<ul style="list-style-type: none"> Q4 Y-o-Y growth: Reported +6%; Adjusted +7% FY Y-o-Y growth: Reported +15%; Adjusted +15%
	Adjusted ⁽¹⁾	\$226M	\$872M	
Diluted EPS from continuing operations	Reported	\$1.15	\$4.61	<ul style="list-style-type: none"> Full year 2019 Reported and Adj. EPS both +19%
	Adjusted ⁽¹⁾	\$1.54	\$5.93	

Guidance and other activities

- 2020 EPS guidance:
 - Reported: \$5.48 - 5.68
 - Adjusted⁽¹⁾: \$6.20 - 6.40
- Soft-Pak (signed), Systech (closed) in January '20

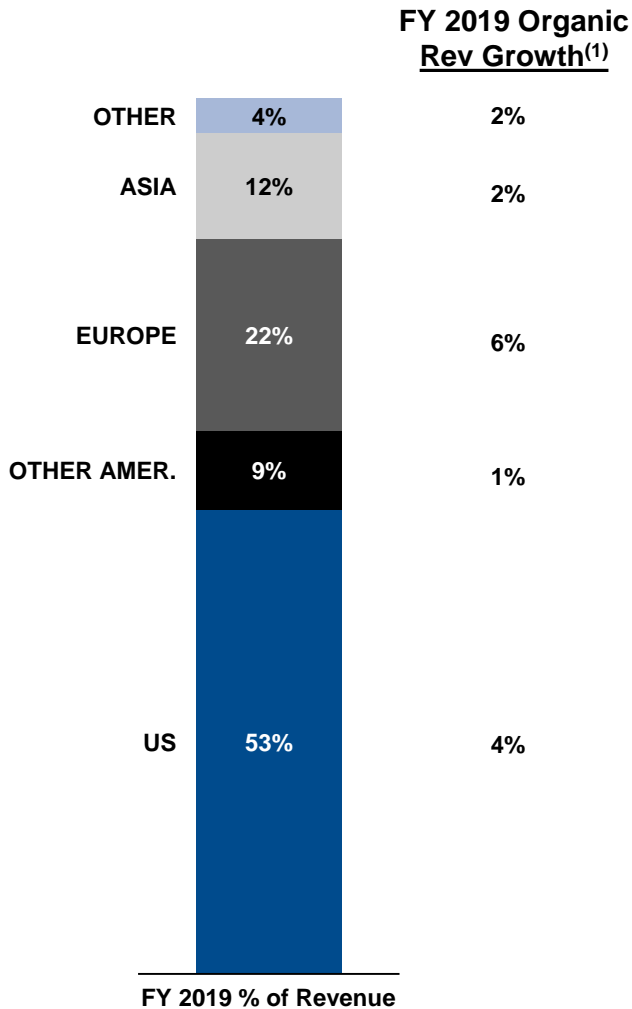
Q4 and Full Year 2019 Adjusted Segment Results

Segment	Q4 2019 ⁽¹⁾		FY 2019 ⁽¹⁾		Comments
	Revenue (\$M) / Organic Growth %	Adj. EBIT % / bps Δ Y-o-Y	Revenue (\$M) / Organic Growth%	Adj. EBIT % / bps Δ Y-o-Y	
DEP	\$422 +3%	17.7% +200 bps	\$1,698 +5%	17.4% +150 bps	<ul style="list-style-type: none"> Strength in solid waste handling, vehicle services and aerospace & defense Q4 bookings -8% (-7% organically) on difficult comparable at ESG vs. Q4 '18; Strong backlog into 2020
DFS	\$445 +5%	17.0% +250 bps	\$1,620 +11%	14.6% +320 bps	<ul style="list-style-type: none"> Solid demand across all regions in 2019, incl. Q4 (particularly strong in North America) Q4 bookings +13% (+11% organically), driven by acceleration in EMV compliance
DII	\$274 -2%	22.5% +270 bps	\$1,084 +1%	21.7% +260 bps	<ul style="list-style-type: none"> Slower coding activity in Asia and order pushouts in digital textile printing Q4 bookings -2% (flat organically); impacted by order timing and deliveries at DDP
DPPS	\$328 -8%	22.9% +110 bps	\$1,339 +4%	21.9% +310 bps	<ul style="list-style-type: none"> Slow demand in pumps and precision components, order timing in plastics processing; strong growth in biopharma Q4 bookings -11% (-9% organically) on channel inventory drawdowns in pumps and slower precision components; Backlog +12% Y-o-Y
DRFE	\$306 -6%	5.4% -150 bps	\$1,397 -3%	8.9% -120 bps	<ul style="list-style-type: none"> Soft new food retail store builds and foodservice equipment; return to growth in beverage can making and heat exchangers Q4 bookings +6% (+7% organically) on significant increase in food retail case orders; Backlog +19% Y-o-Y

(1) Non-GAAP reconciliations in appendix

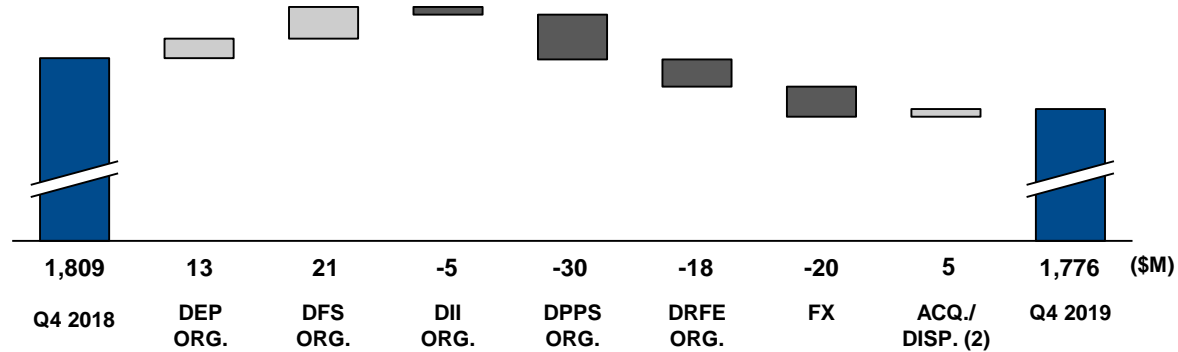
Q4 and FY 2019 Revenue & Bookings

Geographic Detail



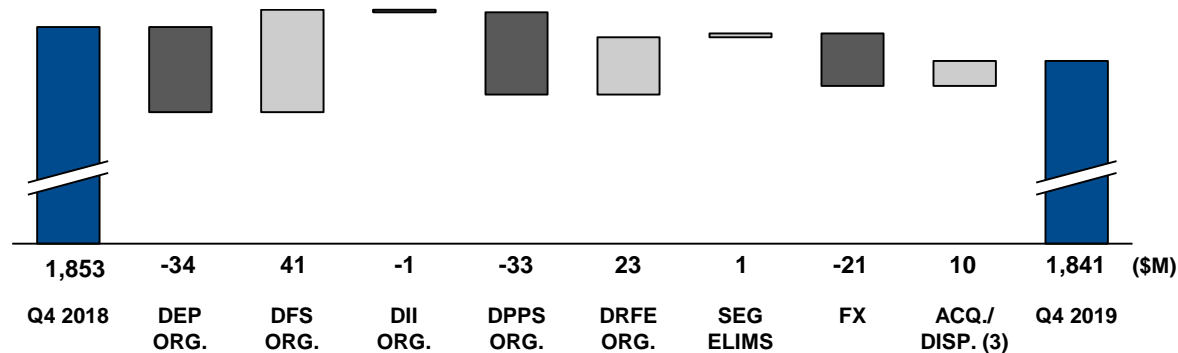
Revenue

Change in Organic Revenue⁽¹⁾: **-\$19M, or -1.1%**



Bookings

Change in Organic Bookings: **-\$2M, or -0.1%**

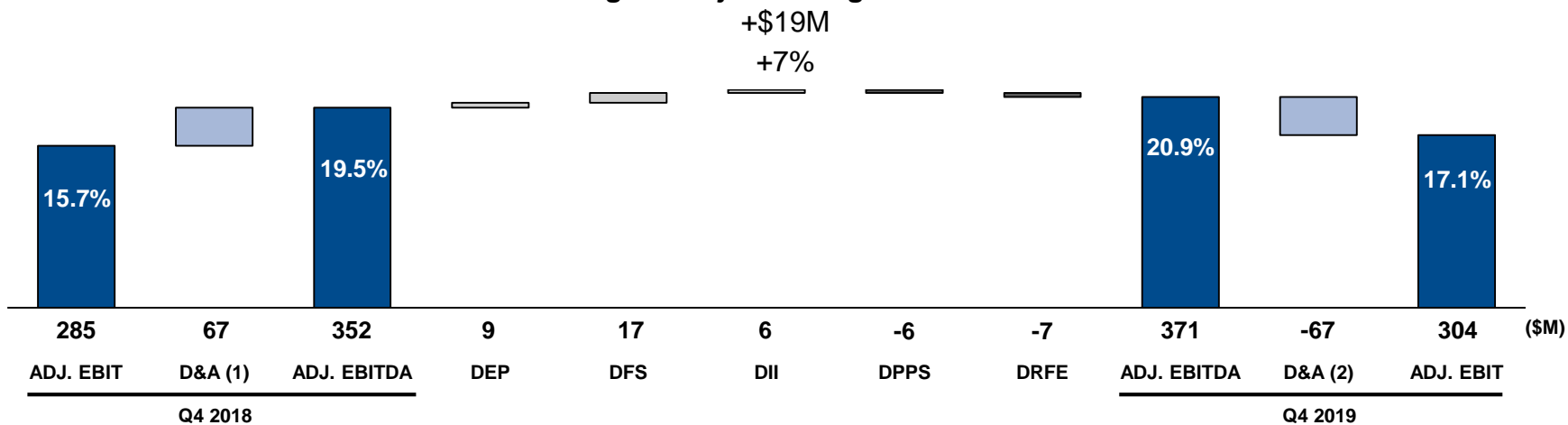


Note: \$ in millions. Numbers may not add due to rounding

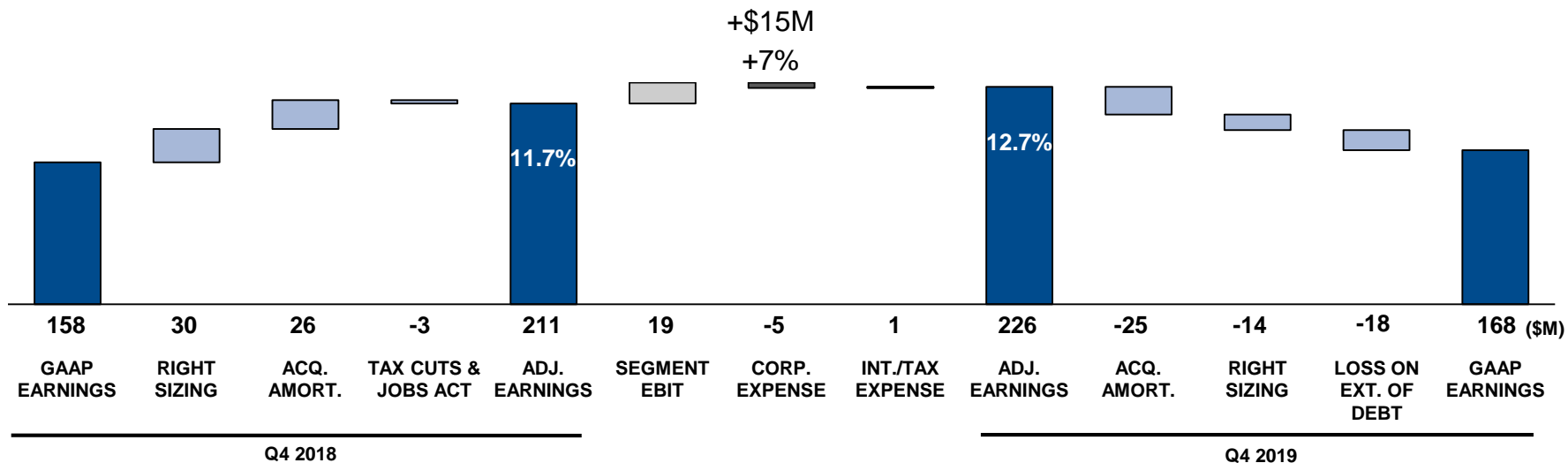
(1) Non-GAAP measure (definition and reconciliation in appendix)
 (2) Acquisitions: \$17M, dispositions: \$12M
 (3) Acquisitions: \$16M, dispositions: \$6M

Q4 2019 Profitability Drivers

Change in Adjusted Segment EBIT ⁽³⁾



Change in Adjusted Earnings from Continuing Operations ⁽³⁾



(1) Depreciation: \$32M, Amortization: \$35M
 (2) Depreciation: \$33M, Amortization: \$34M
 (3) Non-GAAP measures (definitions and reconciliations in appendix)

Note: \$ in millions. Numbers may not add due to rounding

2019 Free Cash Flow Increased \$140 Million

\$M	FY 2019	FY 2018	△
Net earnings	\$678	\$570	+\$108
Adjustments for losses ⁽¹⁾	71	21	+50
D&A	272	283	-10
Chg. in working capital	(41)	(62)	+22
Chg. in other ⁽²⁾	(35)	(23)	-12
Cash flow from operations	\$945	\$789	+\$156
Capex	(187)	(171)	-16
Free cash flow⁽⁴⁾	\$758	\$618	+\$140
FCF as % of reported earnings⁽³⁾⁽⁴⁾	112%	105%	+730 bps
FCF as % of adjusted earnings⁽³⁾⁽⁴⁾	87%	82%	+520 bps

- **Q4 cash restructuring costs: \$7M, YTD: \$33M**
- **Q4 2019 FCF⁽⁴⁾ 17.6% of revenue; 18.0% excluding cash restructuring costs**
- **2019 FCF⁽⁴⁾ 10.6% of revenue; 11.1% excluding cash restructuring costs**

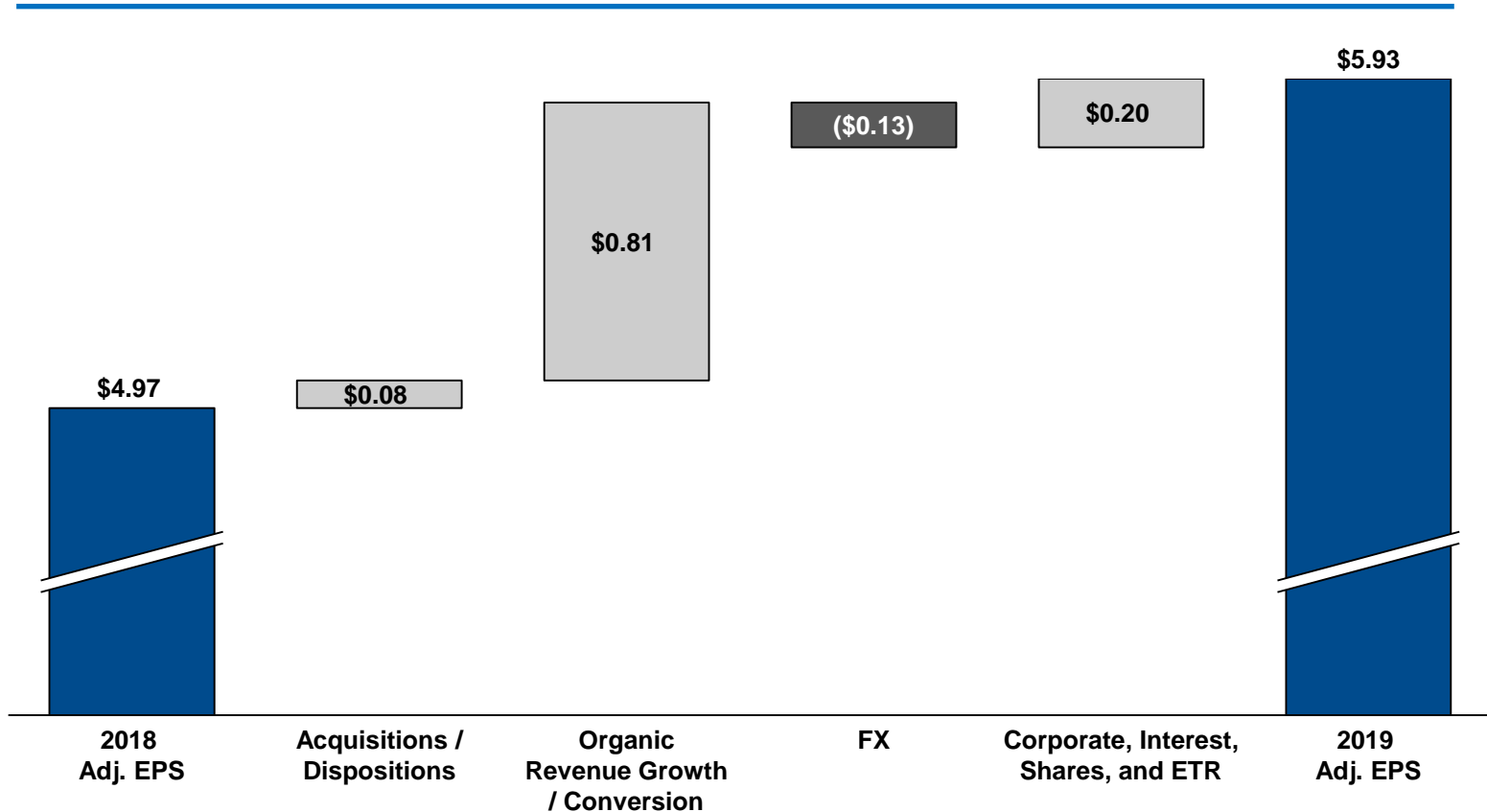
Note: Numbers may not add due to rounding

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(1) Includes loss from discontinued operations, loss on assets held for sale, and loss on extinguishment of debt
(2) Includes stock-based compensation and changes in other current and non-current assets and liabilities
(3) From continuing operations. Excludes loss from discontinued operations of \$0 million and \$21 million in 2019 and 2018, respectively
(4) Non-GAAP measures (definitions and reconciliations in appendix)

2019 Adjusted EPS Bridge

Adjusted EPS⁽¹⁾ (\$/share)



2019 Adjusted EPS up 19% Year-over-Year

Note: Numbers may not add due to rounding

(1) Non-GAAP measure (definitions and reconciliations in appendix)

FY 2020 Guidance

Revenue Growth

- **2% - 3% all-in**
 - Minimal impact from FX and M&A
- **2% - 3% organic⁽³⁾**

Corporate Items

- **Net interest expense:**
 - ≈ \$102 million
- **Tax rate:**
 - ≈ 20% - 22%
- **Corporate expenses:**
 - ≈ \$135 million

EPS

- **Reported: \$5.48 - \$5.68**
- **Adjusted⁽¹⁾: \$6.20 - \$6.40**

Free Cash Flow

- **85 - 90% conversion on adjusted net earnings**
- **Capital expenditures:**
 - ≈ \$200 - \$220 million

Guidance implies ~8-11% Y-o-Y growth⁽²⁾ in adjusted diluted EPS in 2020⁽¹⁾

Dollar/Euro assumption: 1.11

(1) Non-GAAP measure (definitions and reconciliations in appendix); assumes 146.1 million diluted weighted average shares outstanding
(2) Excluding discrete taxes
(3) Non-GAAP measure (definition in appendix, reconciliation on next page)

FY 2020 Revenue Guidance Detail

	Engineered Products	Fueling Solutions	Imaging & ID	Pumps & Process Solutions	Refrig & Food Equip.	Total
Organic Guidance	3% - 5%	0% - 2%	2% - 3%	3% - 5%	0% - 2%	2% - 3%
Acquisitions	-	0%	-	0%	-	0%
Dispositions	-	-	-	(1%)	-	0%
Currency	0%	(1)% - 0%	(1)% - 0%	0%	0%	0%
Total Revenue	3% - 5%	0% - 2%	1% - 2%	2% - 4%	0% - 2%	2% - 3%

Dollar/Euro assumption: 1.11

Progress in Delivering on Our Commitments



**Improve
Margins and
Execution**



**Maintain
Organic Growth**



**Reinvest in
the Business**



**Deploy Capital
Smartly and
Productively**

'19 Results

- ~\$136M SG&A take-out
- Above-ground fueling business exited 2019 above target margin range
- '19 total adj. segment EBIT⁽¹⁾ up 180 bps
- 4% organic growth⁽¹⁾ in FY19
- Four out of five segments delivered organic growth
- ~\$30M of SG&A savings reinvested
- Initiated ~\$60M growth and productivity CapEx investments
- Four bolt-on deals signed/closed (including in January '20)
- \$143M of share repurchases in 2019

'20 Plan

- \$50M incremental cost take-out
- DFR productivity programs initiated
- Ongoing operating model evolution with increased focus on operational excellence
- Sustained organic growth⁽²⁾ of 2-3%
- Expect all segments to grow in 2020
- Continued priority on organic reinvestment
- Several new growth CapEx projects
- Continued investments in digital and operations capabilities
- Robust acquisition pipeline consistent with strategic portfolio intent and criteria
- Opportunistic repurchases

Strategic Playbook Unchanged for 2020

1. Non-GAAP measure (definition and reconciliation in appendix)
2. Non-GAAP measure (definition in appendix, reconciliation on prior slide)

Appendix

Q4 2018 to Q4 2019 Revenue and Bookings Bridges by Segment

Revenue Bridge by Segment

(\$ in millions)

	DEP	DFS	DII	DPPS	DRFE	Total
Q4 2018 Revenue	412	415	284	370	327	1,809
Organic Growth	13	21	(5)	(30)	(18)	(19)
FX	(3)	(5)	(5)	(4)	(3)	(20)
Acquisitions / Dispositions	-	14	-	(9)	-	5
Q4 2019 Revenue	422	445	274	328	306	1,776

Bookings Bridge by Segment

(\$ in millions)

	DEP	DFS	DII	DPPS	DRFE	Total
Q4 2018 Bookings	495	377	283	358	341	1,853
Organic Growth	(34)	41	(1)	(33)	23	(2)
FX	(4)	(5)	(5)	(4)	(3)	(21)
Acquisitions / Dispositions	-	13	-	(3)	-	10
Q4 2019 Bookings	457	426	276	318	362	1,841

Note: Numbers may not add due to rounding

FY 2019 Organic Revenue and Bookings Bridges

FY 2019 Segment Growth Factors		
	Revenue Growth	Bookings Growth
Organic		
Engineered Products	5.4%	-4.0%
Fueling Solutions	10.5%	6.9%
Imaging & Identification	1.2%	2.3%
Pumps & Process Solutions	3.9%	3.3%
Refrigeration & Food Equipment	-2.7%	-0.7%
Total Organic	3.8%	1.3%
Acquisitions	0.8%	0.8%
Dispositions	-0.5%	-0.3%
Currency translation	-2.0%	-2.1%
Total	2.1%	-0.4%

FY 2019 Geographic Revenue Growth Factors	
	Revenue Growth
Organic	
US	3.6%
Other Americas	1.2%
Europe	6.5%
Asia	2.4%
Other	2.3%
Total Organic	3.8%
Acquisitions	0.8%
Dispositions	-0.5%
Currency translation	-2.0%
Total	2.1%

Note: Numbers may not add due to rounding

Reconciliation of Q4 2019 Earnings from Continuing Operations to Adj. EBIT and Adj. EBITDA and Calculation of Adj. EBIT Margin and Adj. EBITDA Margin by Segment

(\$ in millions)	Q4 2019					
	DEP	DFS	DII	DPPS	DRFE	Total
Revenue	422	445	274	328	306	1,776
Earnings from continuing operations	-	-	-	-	-	168
Add back:						
Corporate expense	-	-	-	-	-	40
Interest expense, net	-	-	-	-	-	29
Income tax expense	-	-	-	-	-	29
Loss on extinguishment of debt	-	-	-	-	-	24
Segment earnings (EBIT)	73	74	57	71	14	290
EBIT %	17.4%	16.6%	20.9%	21.8%	4.7%	16.3%
Adjustments:						
Rightsizing and other costs	1	2	4	4	2	13
Adjusted EBIT - Segment	75	75	62	75	17	304
Adjusted EBIT %	17.7%	17.0%	22.5%	22.9%	5.4%	17.1%
Adjusted depreciation and amortization expense ⁽¹⁾	10	19	8	17	13	67
Adjusted EBITDA - Segment	85	95	70	92	29	371
Adjusted EBITDA %	20.1%	21.4%	25.3%	28.1%	9.5%	20.9%

Note: Numbers may not add due to rounding

(1) Adjusted depreciation and amortization expense excludes depreciation and amortization included within rightsizing and other costs

Reconciliation of Q4 2018 Earnings from Continuing Operations to Adj. EBIT and Adj. EBITDA and Calculation of Adj. EBIT Margin and Adj. EBITDA Margin by Segment

(\$ in millions)	Q4 2018					
	DEP	DFS	DII	DPPS	DRFE	Total
Revenue	412	415	284	370	327	1,809
Earnings from continuing operations	-	-	-	-	-	158
Add back:						
Corporate expense	-	-	-	-	-	39
Interest expense, net	-	-	-	-	-	30
Income tax expense	-	-	-	-	-	29
Segment earnings (EBIT)	61	54	53	75	13	255
EBIT %	14.8%	12.9%	18.5%	20.2%	4.0%	14.1%
Adjustments:						
Rightsizing and other costs	4	7	3	6	9	29
Adjusted EBIT - Segment	65	60	56	81	23	285
Adjusted EBIT %	15.7%	14.5%	19.8%	21.8%	6.9%	15.7%
Adjusted depreciation and amortization expense ⁽¹⁾	11	17	7	18	14	67
Adjusted EBITDA - Segment	76	78	64	99	36	352
Adjusted EBITDA %	18.4%	18.7%	22.4%	26.6%	11.1%	19.5%

Note: Numbers may not add due to rounding

(1) Adjusted depreciation and amortization expense excludes depreciation and amortization included within rightsizing and other costs

Reconciliation of FY 2019 Earnings from Continuing Operations to Adj. EBIT and Adj. EBITDA and Calculation of Adj. EBIT Margin and Adj. EBITDA Margin by Segment

(\$ in millions)	FY 2019					
	DEP	DFS	DII	DPPS	DRFE	Total
Revenue	1,698	1,620	1,084	1,339	1,397	7,136
Earnings from continuing operations	-	-	-	-	-	678
Add back:						
Corporate expense	-	-	-	-	-	124
Interest expense, net	-	-	-	-	-	121
Income tax expense	-	-	-	-	-	165
Loss on extinguishment of debt	-	-	-	-	-	24
Segment earnings (EBIT)	292	232	229	240	119	1,112
EBIT %	17.2%	14.3%	21.2%	17.9%	8.5%	15.6%
Adjustments:						
Rightsizing and other costs	3	5	6	6	6	27
Loss on sale of Finder	-	-	-	47	-	47
Adjusted EBIT - Segment	295	237	236	293	125	1,186
Adjusted EBIT %	17.4%	14.6%	21.7%	21.9%	8.9%	16.6%
Adjusted depreciation and amortization expense ⁽¹⁾	40	75	30	67	51	263
Adjusted EBITDA - Segment	335	312	266	360	176	1,449
Adjusted EBITDA %	19.8%	19.2%	24.5%	26.9%	12.6%	20.3%

Note: Numbers may not add due to rounding

(1) Adjusted depreciation and amortization expense excludes depreciation and amortization included within rightsizing and other costs

Reconciliation of FY 2018 Earnings from Continuing Operations to Adj. EBIT and Adj. EBITDA and Calculation of Adj. EBIT Margin and Adj. EBITDA Margin by Segment

(\$ in millions)	FY 2018					
	DEP	DFS	DII	DPPS	DRFE	Total
Revenue	1,633	1,466	1,110	1,332	1,453	6,992
Earnings from continuing operations	-	-	-	-	-	591
Add back:						
Corporate expense	-	-	-	-	-	130
Interest expense, net	-	-	-	-	-	122
Income tax expense	-	-	-	-	-	134
Segment earnings (EBIT)	252	152	199	238	136	977
EBIT %	15.5%	10.4%	17.9%	17.8%	9.4%	14.0%
Adjustments:						
Rightsizing and other costs	7	15	13	13	10	59
Adjusted EBIT - Segment	260	168	212	251	146	1,036
Adjusted EBIT %	15.9%	11.4%	19.1%	18.8%	10.1%	14.8%
Adjusted depreciation and amortization expense ⁽¹⁾	44	68	31	71	54	269
Adjusted EBITDA - Segment	304	236	242	322	200	1,305
Adjusted EBITDA %	18.6%	16.1%	21.8%	24.2%	13.8%	18.7%

Note: Numbers may not add due to rounding

(1) Adjusted depreciation and amortization expense excludes depreciation and amortization included within rightsizing and other costs

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

(\$ in millions, except per share data)

	Q4 2019	Q4 2018	FY 2019	FY 2018
Earnings from continuing operations (\$)	168	158	678	591
Acquisition-related amortization, pre tax	33	35	138	146
Acquisition-related amortization, tax impact	(8)	(9)	(35)	(37)
Rightsizing and other costs, pre tax	18	37	32	73
Rightsizing and other costs, tax impact	(4)	(8)	(7)	(15)
Loss on debt extinguishment, pre tax	24	-	24	-
Loss on debt extinguishment, tax impact	(5)	-	(5)	-
Loss on assets held for sale	-	-	47	-
Tax Cuts and Jobs Act	-	(3)	-	(3)
Adjusted earnings from continuing operations (\$)	226	211	872	756
Weighted average shares outstanding – diluted	147	148	147	152
Diluted EPS (\$)	1.15	1.07	4.61	3.89
Acquisition-related amortization, pre tax	0.23	0.24	0.94	0.96
Acquisition-related amortization, tax impact	(0.06)	(0.06)	(0.24)	(0.24)
Rightsizing and other costs, pre tax	0.12	0.25	0.22	0.48
Rightsizing and other costs, tax impact	(0.03)	(0.05)	(0.06)	(0.10)
Loss on debt extinguishment, pre tax	0.16	-	0.16	-
Loss on debt extinguishment, tax impact	(0.04)	-	(0.04)	-
Loss on assets held for sale	-	-	0.32	-
Tax Cuts and Jobs Act	-	(0.02)	-	(0.02)
Adjusted diluted EPS (\$)	1.54	1.43	5.93	4.97

Note: Numbers may not add due to rounding

Reconciliation of Free Cash Flow and EPS from Continuing Operations to Adjusted EPS from Continuing Operations

Free Cash Flow Reconciliation

(\$ millions)	Q4 2019	Q4 2018	FY 2019	FY 2018
Net Cash Provided by Operating Activities	361	371	945	789
Capital Expenditures	(50)	(36)	(187)	(171)
Free Cash Flow	312	334	758	618
Cash Restructuring Costs	7	13	33	52
Free Cash Flow, Excluding Cash Restructuring Costs	319	347	792	670
Free Cash Flow as a % of Earnings from Continuing Operations	185.4%	211.5%	111.9%	104.6%
Free Cash Flow as a % of Adjusted Earnings from Continuing Operations	138.1%	158.3%	87.0%	81.8%
Free Cash Flow as a % of Revenue	17.6%	18.5%	10.6%	8.8%
Free Cash Flow, Excluding Cash Restructuring Costs, as a % of Revenue	18.0%	19.2%	11.1%	9.6%

Adjusted EPS from Continuing Operations Reconciliation

	Range
2020 Guidance for Earnings per Share from Continuing Operations (GAAP)	\$5.48 - \$5.68
Acquisition-related amortization, net	0.66
Rightsizing and other costs, net	0.06
2020 Guidance for Adjusted Earnings per Share from Continuing Operations	\$6.20 - \$6.40

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, a 2019 loss on debt extinguishment, a 2019 loss on assets held for sale and 2018 tax benefits for the Tax Cuts and Jobs Act.

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

Total segment earnings (EBIT): is defined as earnings from continuing operations 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 earnings from continuing operations before income taxes, net interest expense, corporate expenses, rightsizing and other costs and a 2019 loss on assets held for sale.

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.

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

Adjusted EBITDA Margin by Segment: is defined as adjusted EBITDA by segment divided by segment 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. Free cash flow as a percentage of earnings from continuing operations equals free cash flow divided by earnings from continuing operations. Free cash flow as a percentage of adjusted earnings from continuing operations equals free cash flow divided by adjusted earnings from continuing operations. Free cash flow, excluding cash restructuring costs, is defined as free cash flow minus cash restructuring costs. Free cash flow, excluding cash restructuring costs, as a % of revenue equals free cash flow, excluding cash restructuring costs, 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. Further information regarding management's use of these non-GAAP measures is included in Dover's earnings release and investor supplement for the fourth quarter.

