



July 19, 2018 – 9:00am CT

Earnings Conference Call Second Quarter 2018

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/A for 2017, 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 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 second quarter, which are available on Dover's website.

Q2 2018 - Highlights

Revenue increases 3% to \$1.8B

Organic growth of 3%

Adjusted earnings from continuing operations⁽¹⁾ increases 19% to \$200M

Earnings from continuing operations on a GAAP basis up 17% to \$166M

Segment performance

Adjusted EBIT⁽¹⁾ increases 3% to \$276M, with margin at 15.3%

Adjusted EBITDA⁽¹⁾ up 2% to \$343M

Bookings up 6% to \$1.9B

Organic growth of 6%

Adjusted diluted EPS from continuing operations⁽²⁾ at \$1.30, up 21%

Diluted EPS from continuing operations on a GAAP basis at \$1.08, up 20%

Other Activities

*Successfully completed Apergy spin-off
\$700 million accelerated share repurchase
Rightsizing costs of \$7M*

FY 2018 Guidance

*Revenue growth of 2% to 3% (organic growth of 3% to 4%)
Adjusted diluted EPS⁽²⁾ of \$4.75 to \$4.85*

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

(2) Adjusted diluted EPS excludes acquisition-related amortization and rightsizing costs (reconciliation in appendix)

Q2 2018 – Financial Summary

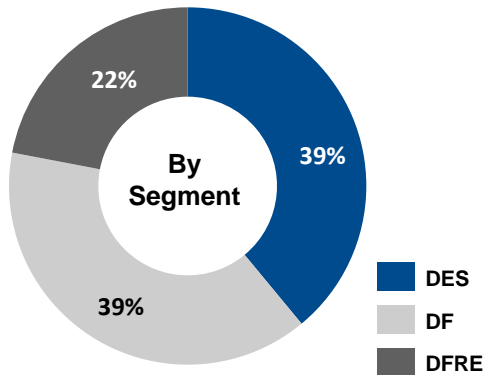
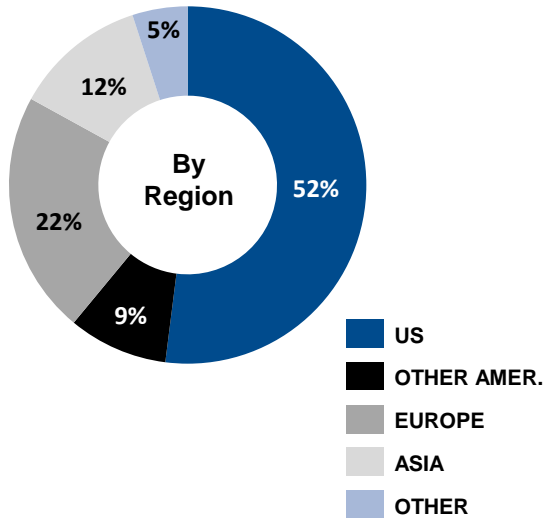
US GAAP from continuing operations	Q2 2018	Q2 2017	Δ
Revenue (\$M)	1,798	1,737	3%
Earnings (\$M)	166	142	17%
Diluted EPS (\$)	1.08	0.90	20%
Non-GAAP ⁽¹⁾ from continuing operations			
Adjusted EBIT – Segment (\$M)	276	267	3%
<i>margin percent</i>	15.3%	15.4%	(10 bps)
Adjusted EBITDA – Segment (\$M)	343	337	2%
<i>margin percent</i>	19.1%	19.4%	(30 bps)
Adjusted Earnings (\$M)	200	168	19%
Adjusted diluted EPS ⁽²⁾ (\$)	1.30	1.07	21%

(1) Non-GAAP measures (definition and reconciliation in appendix)

(2) Adjusted diluted EPS excludes acquisition-related amortization and rightsizing costs (reconciliation in appendix)

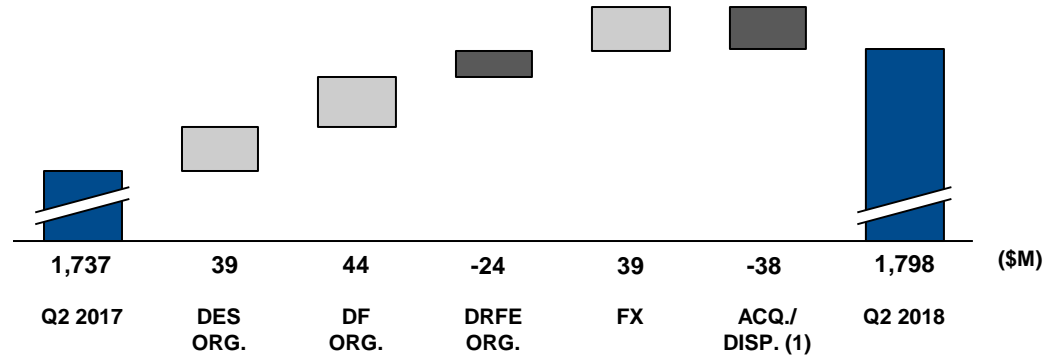
Q2 2018 - Revenue & Bookings

Revenue Split



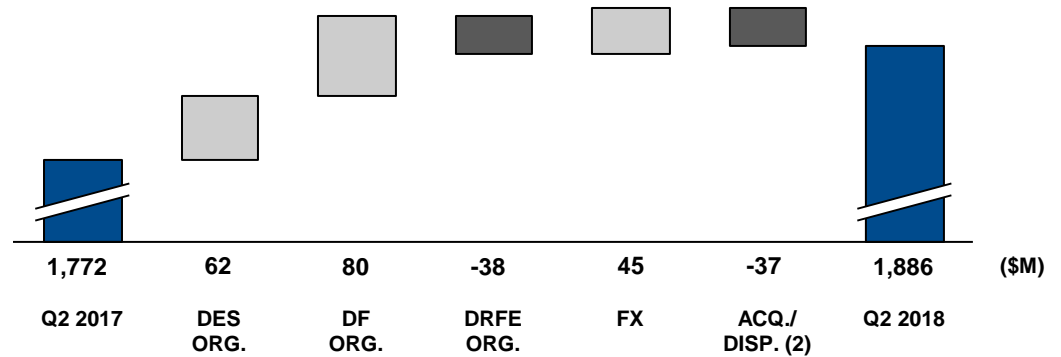
Revenue

Change in Organic Revenue: +\$60M, or 3.5%



Bookings

Change in Organic Bookings: +\$105M, or 5.9%

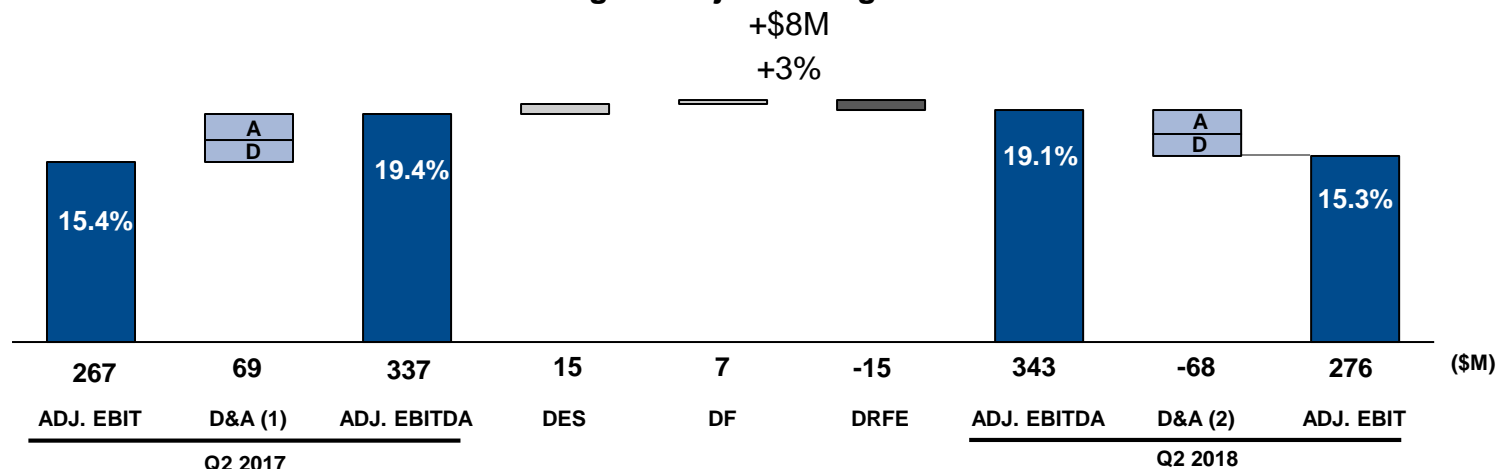


(1) Acquisitions: \$7M, dispositions: \$45M
 (2) Acquisitions: \$12M, dispositions: \$49M

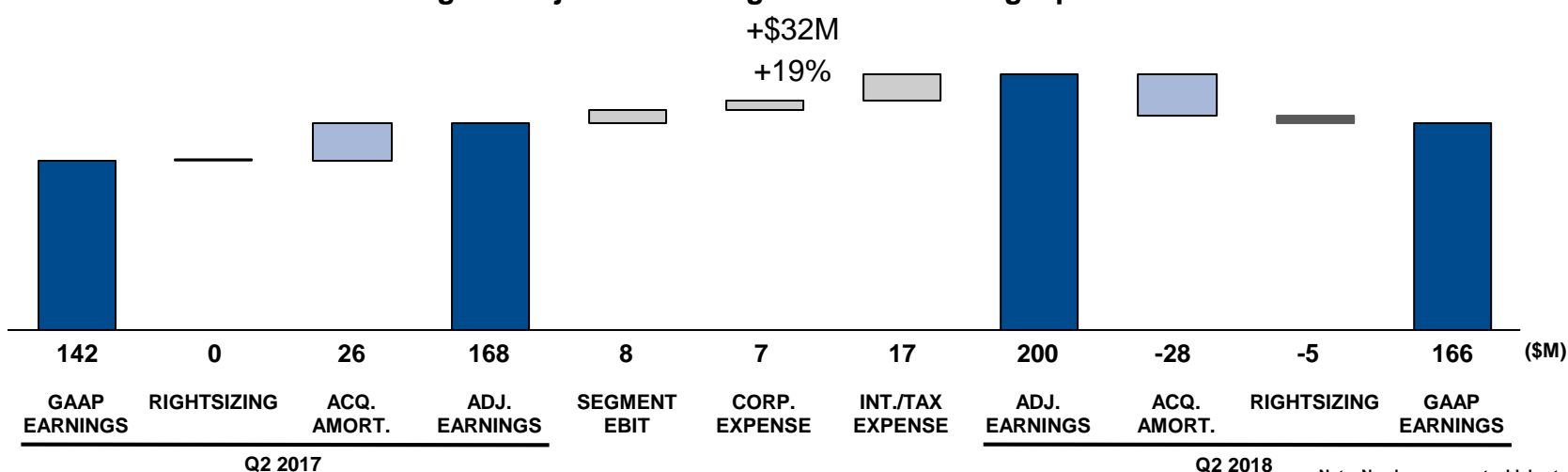
Note: Numbers may not add due to rounding

Q2 2018 – Adj. Segment EBIT & EBITDA Walk, and Earnings & Adj. Earnings Walk – (Continuing Operations basis)

Change in Adjusted Segment EBIT ⁽³⁾



Change in Adjusted Earnings from Continuing Operations ⁽³⁾



Note: Numbers may not add due to rounding

(1) Depreciation: \$31M, Amortization: \$38M

(2) Depreciation: \$31M, Amortization: \$36M

(3) Non-GAAP measures (definition and reconciliation in appendix)

1H 2018 – Free Cash Flow

	1H 2018	1H 2017	Δ
Net earnings:	\$271	\$336	(\$65)
Loss (earnings) from disc. ops.:	4	(39)	43
D&A:	138	140	(2)
Gain on disposition:	0	(90)	90
Chg. in working capital:	(129)	(70)	(59)
Chg. in accrued & deferred taxes:	2	(23)	25
Chg. in other ⁽¹⁾ :	<u>(111)</u>	<u>(56)</u>	<u>(55)</u>
Cash flow from operations:	\$175	\$198	(23)
Capex:	<u>(96)</u>	<u>(79)</u>	<u>(17)</u>
Free cash flow:	\$79	\$119	(\$40)
FCF as a % of revenue:	2.3%	3.6%	
FCF Conversion ⁽²⁾:	28.4%	40.1%	

- Q2 2018 free cash flow at 6% of revenue

(1) Includes stock-based compensation and changes in other current and non-current assets and liabilities
(2) Free cash flow divided by earnings from continuing operations (GAAP basis)

Note: Numbers may not add due to rounding

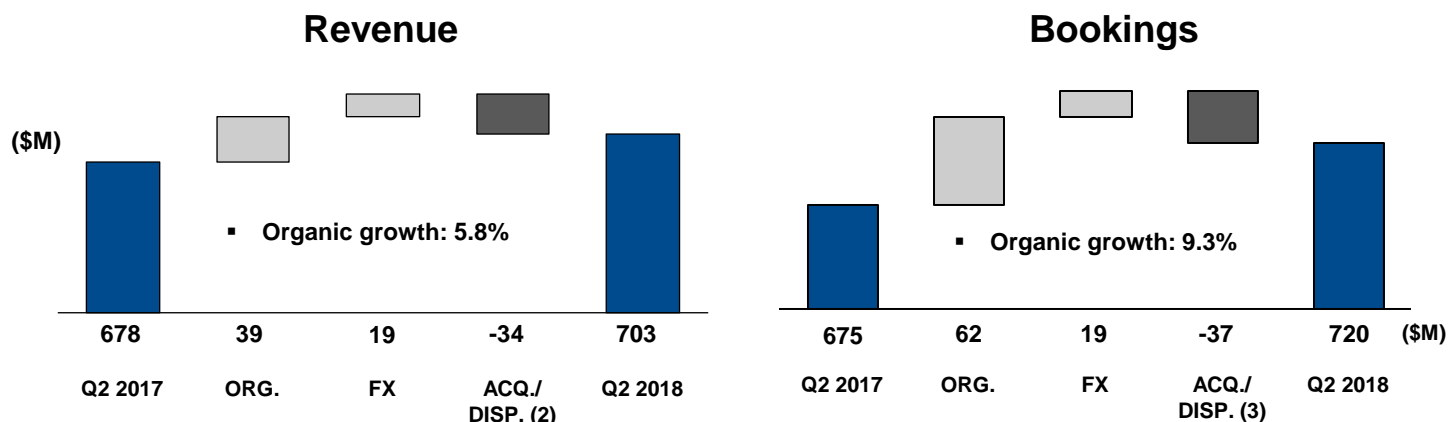
Share Repurchase Activity - \$1 billion plan

	Open Market \$ (\$ in millions)	ASR \$ (\$ in millions)	Ending Weighted Average Shares (Shares in 000's)
FY 2017	\$105	\$0	157,744
1H 2018	45	700	155,573
2H 2018F	150	0	≈152,200
Total Plan	\$300	\$700	

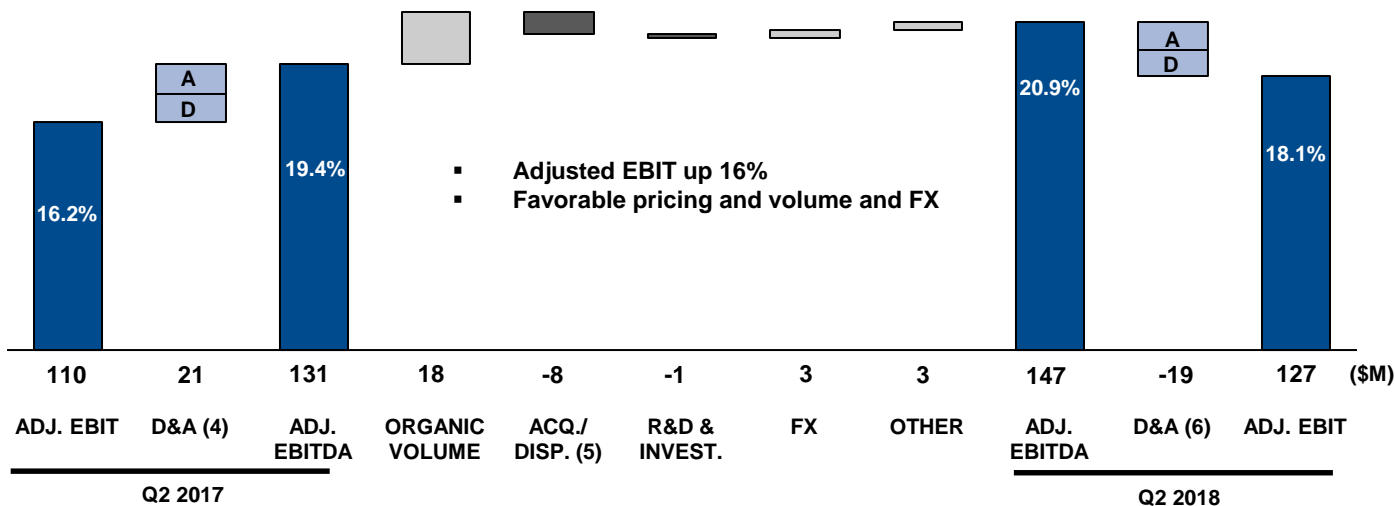
- \$1 billion repurchase plan will be completed in 2018

Segment Information

Engineered Systems – Financial Results



Adjusted EBIT, EBITDA & Margin ⁽¹⁾



Printing & Identification



markem·image



OKinternational

Industrial

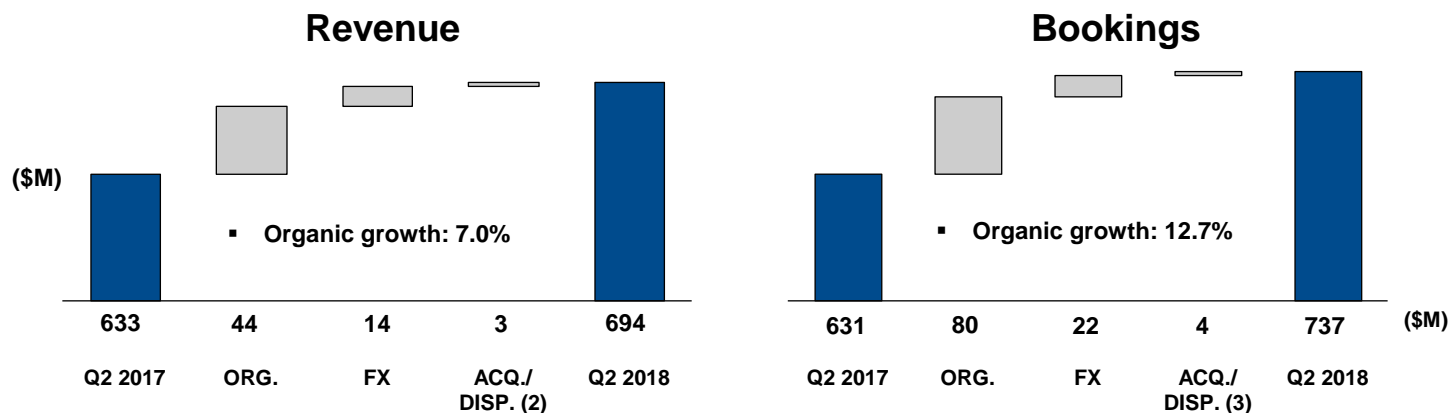


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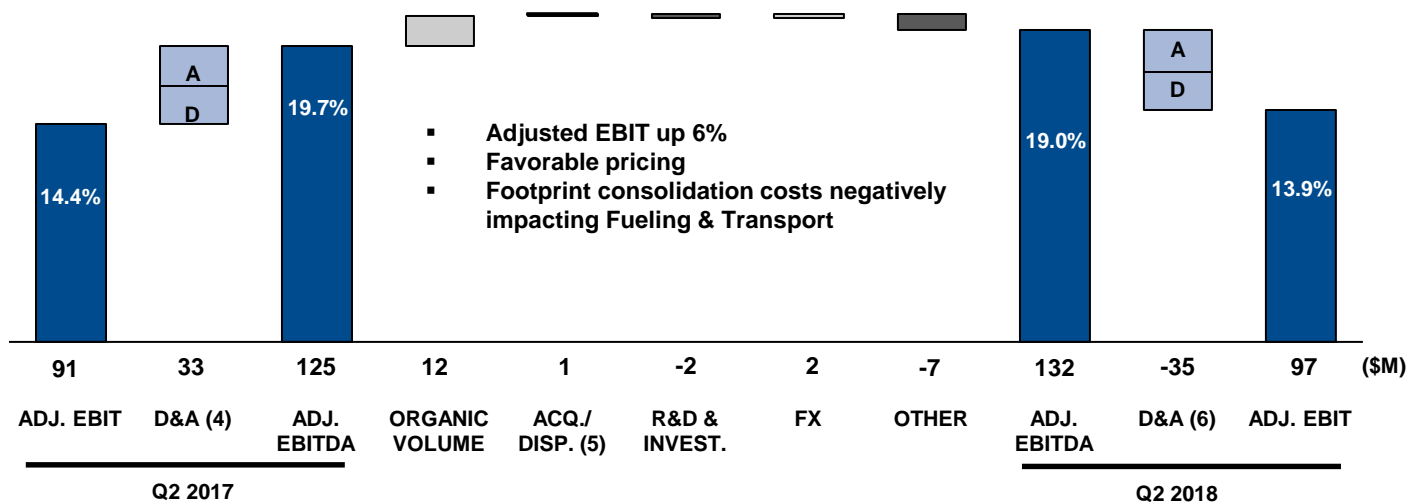
(1) Non-GAAP measures (definition and reconciliation in appendix)
 (2) Acquisitions: \$0M, Dispositions: \$34M
 (3) Acquisitions: \$0M, Dispositions: \$37M

(4) Depreciation: \$9M, Amortization: \$12M
 (5) Acquisitions: \$0M, Dispositions: \$8M
 (6) Depreciation: \$9M, Amortization: \$10M

Fluids – Financial Results



Adjusted EBIT, EBITDA & Margin ⁽¹⁾



Fueling & Transport



Pumps



Process Solutions

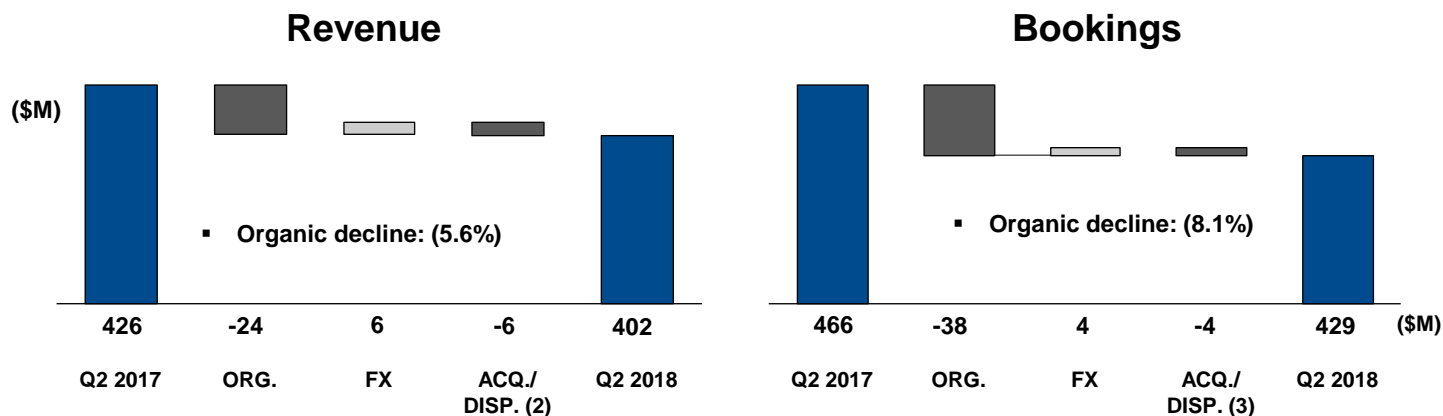


Note: Numbers may not add due to rounding

(1) Non-GAAP measures (definition and reconciliation in appendix)
 (2) Acquisitions: \$4M, Dispositions: \$2M
 (3) Acquisitions: \$5M, Dispositions: \$2M

(4) Depreciation: \$15M, Amortization: \$19M
 (5) Acquisitions: \$1M, Dispositions: \$0M
 (6) Depreciation: \$16M, Amortization: \$19M

Refrigeration & Food Equipment – Financial Results



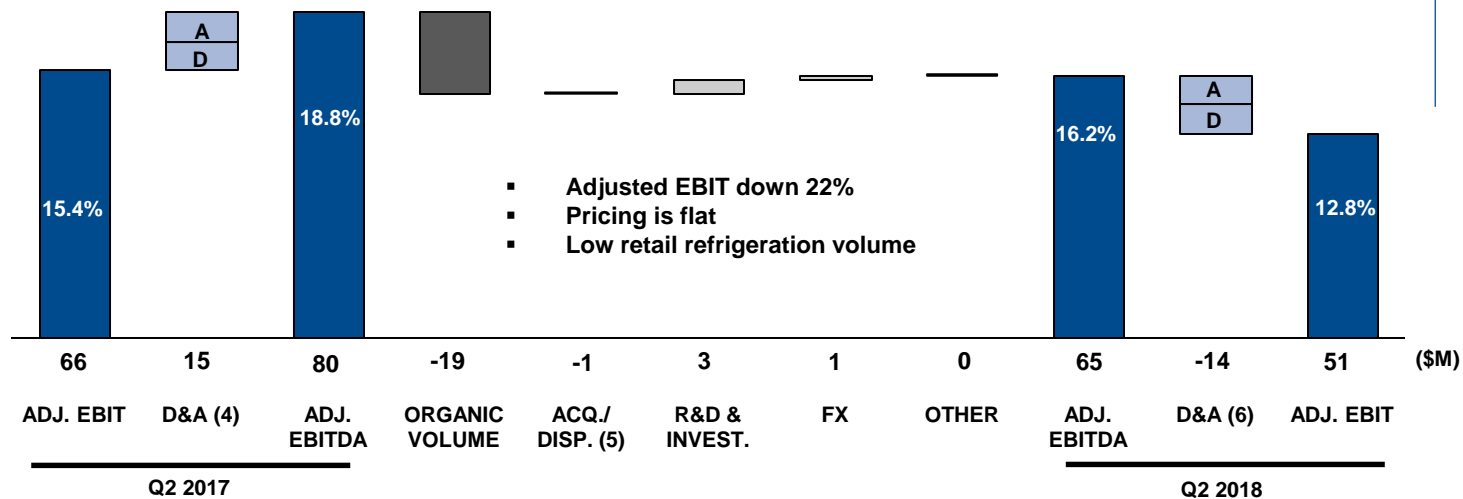
Refrigeration



Food Equipment



Adjusted EBIT, EBITDA & Margin ⁽¹⁾



Note: Numbers may not add due to rounding

(1) Non-GAAP measures (definition and reconciliation in appendix)
 (2) Acquisitions: \$3M, Dispositions: \$9M
 (3) Acquisitions: \$7M, Dispositions: \$11M

(4) Depreciation: \$7M, Amortization: \$7M
 (5) Acquisitions: \$0M, Dispositions: \$1M
 (6) Depreciation: \$6M, Amortization: \$7M



2018 FY Guidance

Updated FY 2018F Guidance

2018	Engineered Systems	Fluids	Refrigeration & Food Equip	Total
Organic revenue	4% - 5%	5% - 6%	(4% - 3%)	3% - 4%
Acquisitions	-	1%	1%	1%
Dispositions	(5%)	-	(3%)	(3%)
Currency ⁽¹⁾	2%	1%	1%	1%
Total revenue	1% - 2%	7% - 8%	(5% - 4%)	2% - 3%

Adjusted EPS: \$4.75 - \$4.85 ⁽²⁾

(1) Dollar/Euro assumption: 1.17

(2) Adjusted EPS excludes acquisition-related amortization costs and rightsizing costs; assumes 152.2 million weighted average shares

Appendix

Reconciliation of Q2 2018 Earnings from Continuing Operations to Adj. EBIT and Adj. EBITDA and calculation of Adj. EBIT margin and Adj. EBITDA margin by Segment (U.S. GAAP)

\$ in millions	Q2 2018			
	DES	DF	DRFE	Total
Revenue	703	694	402	1,798
Earnings from continuing operations	-	-	-	166
Add back:				
Corporate expense	-	-	-	30
Net interest expense	-	-	-	30
Income tax expense	-	-	-	45
EBIT	127	93	51	271
EBIT %	18.0%	13.4%	12.8%	15.1%
Adjustments:				
Right-sizing expenses	1	4	-	4
Adjusted EBIT - Segment	127	97	51	276
Adjusted EBIT %	18.1%	13.9%	12.8%	15.3%
Depreciation and amortization expense	19	35	14	68
Adjusted EBITDA - Segment	147	132	65	343
Adjusted EBITDA %	20.9%	19.0%	16.2%	19.1%

Reconciliation of Q2 2017 Earnings from Continuing Operations to Adj. EBIT and Adj. EBITDA and calculation of Adj. EBIT margin and Adj. EBITDA margin by Segment (U.S. GAAP)

\$ in millions	Q2 2017			
	DES	DF	DRFE	Total
Revenue	678	633	426	1,738
Earnings from continuing operations	-	-	-	142
Add back:				
Corporate expense	-	-	-	35
Net interest expense	-	-	-	35
Income tax expense	-	-	-	56
EBIT	110	91	66	267
EBIT %	16.2%	14.4%	15.4%	15.4%
Adjusted EBIT - Segment	110	91	66	267
Adjusted EBIT %	16.2%	14.4%	15.4%	15.4%
Depreciation and amortization expense	21	33	15	69
Adjusted EBITDA - Segment	131	125	80	337
Adjusted EBITDA %	19.4%	19.7%	18.8%	19.4%

Reconciliation of Adjusted Earnings from Continuing Operations to Earnings from Continuing Operations and calculation of Adjusted diluted EPS under U.S. GAAP

(\$ millions)

	Q2 2018	Q2 2017
Earnings from continuing operations	166	142
Acquisition-related amortization, pre-tax	38	38
Acquisition-related amortization, tax impact	(10)	(12)
Rightsizing and other costs, pre-tax	7	-
Rightsizing and other costs, tax impact	(1)	-
Adjusted earnings from continuing operations	200	168
Weighted average shares outstanding – diluted (thousand)	154	158
Diluted EPS (\$)	1.08	0.90
Acquisition-related amortization, pre-tax	0.25	0.24
Acquisition-related amortization, tax impact	(0.06)	(0.08)
Rightsizing and other costs, pre-tax	0.04	-
Rightsizing and other costs, tax impact	(0.01)	-
Adjusted diluted EPS (\$)	1.30	1.07

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

Free Cash Flow Reconciliation

\$ in millions	Jun 30, 2018	June 30, 2017
Net Cash provided by Operating Activities	175	198
Capital Expenditures	(96)	(79)
Free Cash Flow	79	119

Adjusted EPS from Continuing Operations Reconciliation

	Range	
2018 Guidance for Earnings per Share from Continuing Operations	\$ 3.97	\$ 4.07
Acquisition-related amortization	0.72	
Rightsizing and other costs	0.06	
2018 Guidance for Adjusted Earnings per Share from Continuing Operations	\$ 4.75	\$ 4.85

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, the Tax Cuts and Jobs Act, gains on disposition of businesses, disposition costs, rightsizing and other costs, and a product recall reserve reversal.

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

Adjusted EBIT by Segment: is defined as earnings from continuing operations before income taxes, net interest expense, corporate expenses, and rightsizing activities.

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

Adjusted EBITDA by Segment: is defined as adjusted EBIT by segment plus depreciation and amortization.

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.

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 second quarter.

