



January 28, 2021 – 9:00am CT

# Earnings Conference Call Fourth Quarter and Full Year 2020

## 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 Annual Report on Form 10-K for 2019 and Quarterly Reports on Form 10-Q, 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. 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.

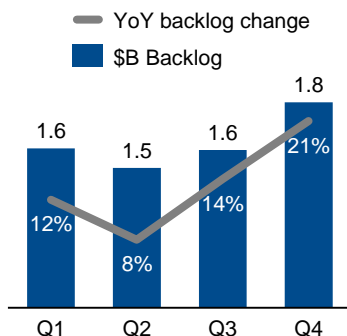
# Q4 and 2020 Highlights

## 2020 Order Trends

### Monthly Bookings<sup>(2)</sup> (% Y-o-Y change)



### Backlog<sup>(2)</sup> (Y-o-Y Δ)



## Q4 Bookings<sup>(2)</sup> up 5% Y-o-Y to \$1.9B

*Organic bookings<sup>(2)</sup> growth of 2%*

*Book-to-bill<sup>(2)</sup>: 1.09*

## Q4 Revenue flat Y-o-Y at \$1.8B

*Organic revenue<sup>(1)</sup> decline of 2%*

## FY Seg. EBIT Margin<sup>(3)</sup> up to 16.1%

*FY Adj. Segment EBIT Margin<sup>(1)</sup> up 10 bps to 16.7%*

## FY Free Cash Flow<sup>(1)</sup> up 24% Y-o-Y

*FY FCF<sup>(1)</sup> up \$181M Y-o-Y*

*FY FCF<sup>(1)</sup> 14% of Revenue; Q4 21% of Revenue*

## FY 2021 Guidance

*Rev. growth: 8% - 10% (All-in); 5% - 6% (Organic<sup>(1)</sup>)*

*EPS: \$5.42 - \$5.62 (GAAP); \$6.25 - \$6.45 (Adjusted<sup>(1)</sup>)*

# Summary Corporate Q4 and Full Year Results

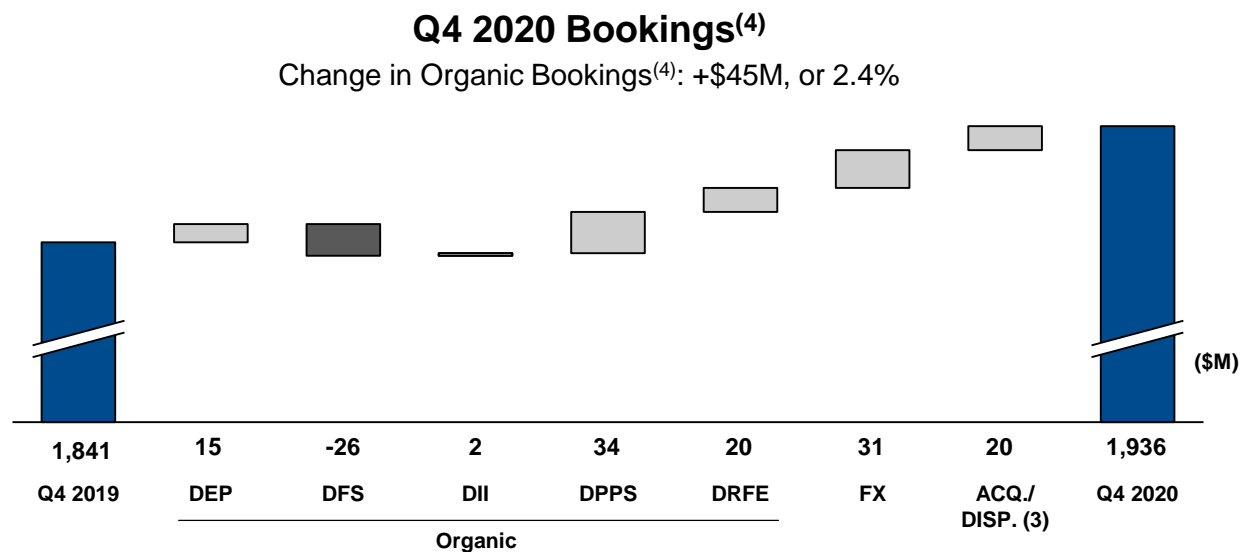
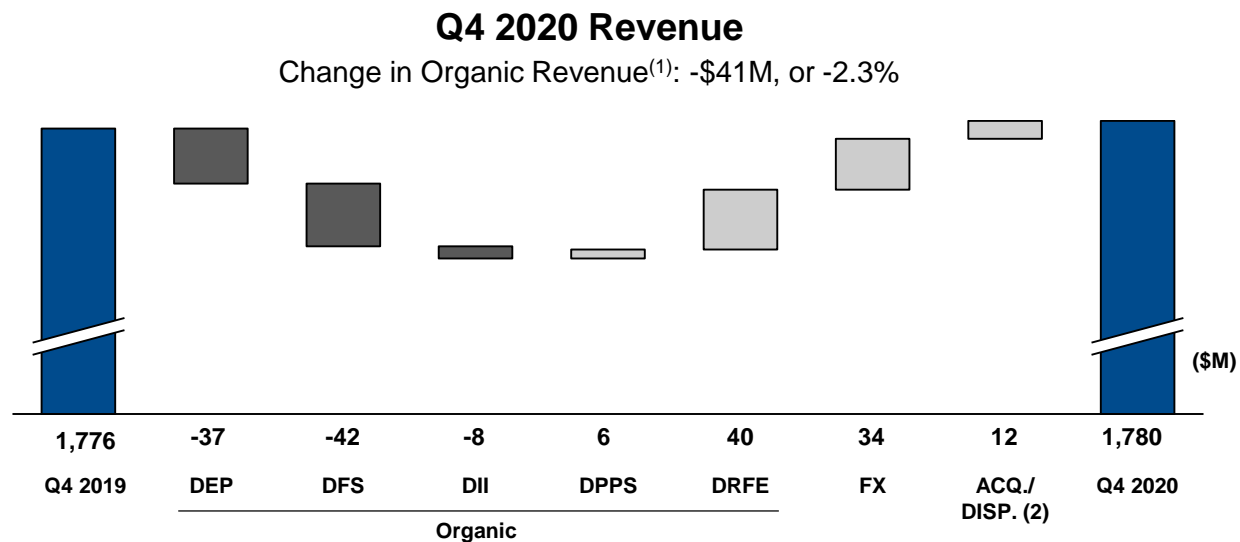
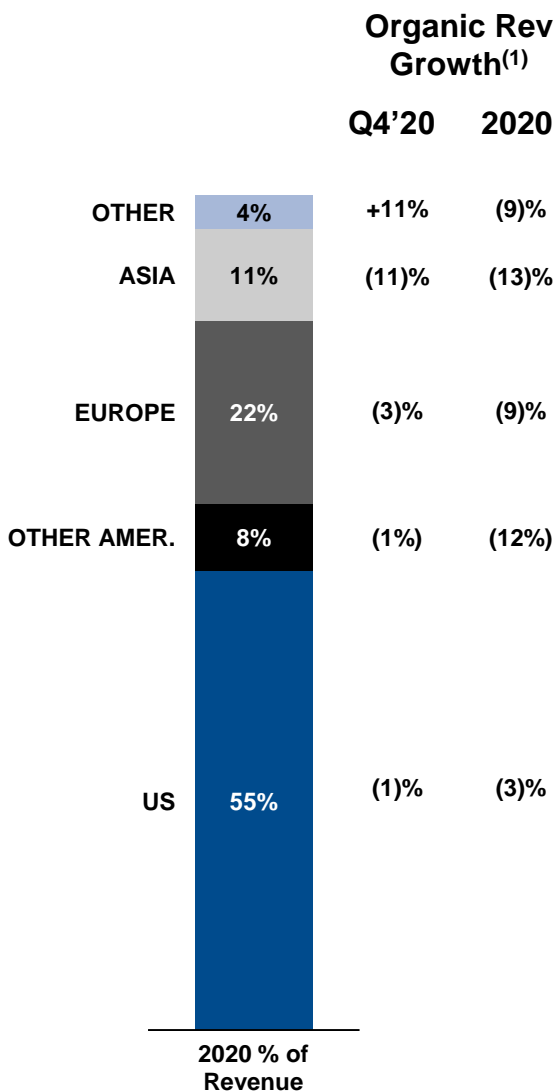
		Q4 2020	FY 2020	Highlights and Comments
<b>Revenue change (Y-o-Y)</b>	All-in	0%	-6%	<ul style="list-style-type: none"> <li>Q4 Y-o-Y organic growth in DPPS, DRFE</li> <li>Q4 FX impact: +2%; acquisitions (net of divestitures) +1%</li> </ul>
	Organic <sup>(1)</sup>	-2%	-7%	
<b>Bookings change (Y-o-Y)</b>	All-in <sup>(2)</sup>	+5%	-4%	<ul style="list-style-type: none"> <li>Q4 Book-to-bill<sup>(2)</sup>: 1.09; bookings up Y-o-Y in four segments</li> <li>Backlog<sup>(2)</sup> remains strong across the portfolio (+21% Y-o-Y)</li> </ul>
	Organic <sup>(2)</sup>	+2%	-5%	
<b>Segment EBIT margin improvement (Y-o-Y)</b>	Reported <sup>(3)</sup>	-10 bps	+50 bps	<ul style="list-style-type: none"> <li>Q4 volume/pandemic headwinds offset by productivity actions</li> <li>Absolute Q4 earnings growth in DPPS and DRFE</li> <li>Full-year margin accretion despite volume headwind</li> </ul>
	Adjusted <sup>(1)</sup>	Flat	+10 bps	
<b>Earnings</b>	Reported	\$182M	\$683M	<ul style="list-style-type: none"> <li>Q4 Y-o-Y change: Reported +8%; Adjusted ~flat</li> <li>FY Y-o-Y change: Reported +1%; Adjusted -5%</li> </ul>
	Adjusted <sup>(1)</sup>	\$225M	\$824M	
<b>Diluted EPS</b>	Reported	\$1.25	\$4.70	<ul style="list-style-type: none"> <li>Q4 Y-o-Y change: Reported +9%; Adjusted +1%</li> <li>FY Y-o-Y change: Reported +2%; Adjusted -4%</li> </ul>
	Adjusted <sup>(1)</sup>	\$1.55	\$5.67	
<b>Free Cash Flow (% of)<sup>(1)</sup></b>	Revenue	21%	14%	<ul style="list-style-type: none"> <li>Q4 FCF<sup>(1)</sup> up 21% Y-o-Y</li> <li>FY FCF<sup>(1)</sup> up 24% Y-o-Y</li> </ul>
	Adj. Earnings	167%	114%	
<b>Guidance and other activities</b>				<ul style="list-style-type: none"> <li>2021 guidance: <ul style="list-style-type: none"> <li>Revenue growth: 8% - 10% (All-in); 5% - 6% (Organic<sup>(1)</sup>)</li> <li>EPS: \$5.42 - \$5.62 (GAAP); \$6.25 - \$6.45 (Adjusted<sup>(1)</sup>)</li> </ul> </li> </ul>

# Segment Results

Segment	Q4 2020 <sup>(1)</sup>		FY 2020 <sup>(1)</sup>		Q4 performance commentary
	Revenue (\$M) / Organic Change %	Adj. EBIT % / bps Δ Y-o-Y	Revenue (\$M) / Organic Change %	Adj. EBIT % / bps Δ Y-o-Y	
DEP	\$394 -9%	15.5% -220 bps	\$1,531 -10%	16.3% -110 bps	<ul style="list-style-type: none"> <li>Strength in aerospace &amp; defense and recovery in industrial automation. Industrial winches and waste handling slower</li> <li>Margin decline driven mainly by lower volumes</li> </ul>
DFS	\$409 -9%	17.7% +70 bps	\$1,476 -9%	16.5% +190 bps	<ul style="list-style-type: none"> <li>Strength in NA above-ground retail fueling and sequential recovery in Europe, offset by expected softness in Asia and fuel transport</li> <li>Margin up on productivity gains, pricing, and mix</li> </ul>
DII	\$288 -3%	20.2% -230 bps	\$1,038 -7%	19.2% -250 bps	<ul style="list-style-type: none"> <li>Growth in marking &amp; coding on strong consumables and sustained recovery in printers. Textile printing capex remains impacted while consumables are recovering</li> <li>Improvement in legacy marking &amp; coding margin offset by volume-driven decremental margin in textiles</li> </ul>
DPPS	\$347 +2%	24.4% +150 bps	\$1,324 -2%	24.1% +220 bps	<ul style="list-style-type: none"> <li>Robust growth in biopharma and recovery in short-cycle industrial pumps. Subdued activity in compression</li> <li>Margin improvement on improved volume, productivity, and mix</li> </ul>
DRFE	\$342 +13%	8.3% +290 bps	\$1,316 -3%	7.9% -100 bps	<ul style="list-style-type: none"> <li>Strong performance in food retail, heat exchangers, and can making. Weakness in foodservice equipment</li> <li>Margin improvement on increased volumes and operational initiatives; adj. segment margin<sup>(1)</sup> up 180 bps Y-o-Y in H2 '20</li> </ul>

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

# Revenue & Bookings



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

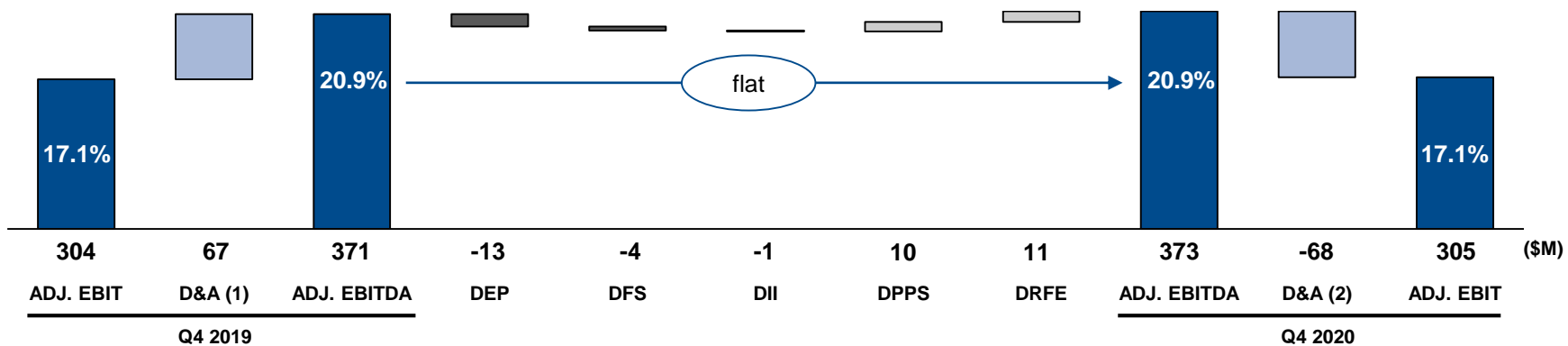
(1) Non-GAAP measure (definition and reconciliation in appendix)  
 (2) Acquisitions: \$21M, dispositions: \$9M

(3) Acquisitions: \$27M, dispositions: \$7M  
 (4) See performance measure definitions in appendix

# Q4 2020 Adjusted Segment EBIT and Adjusted Net Earnings

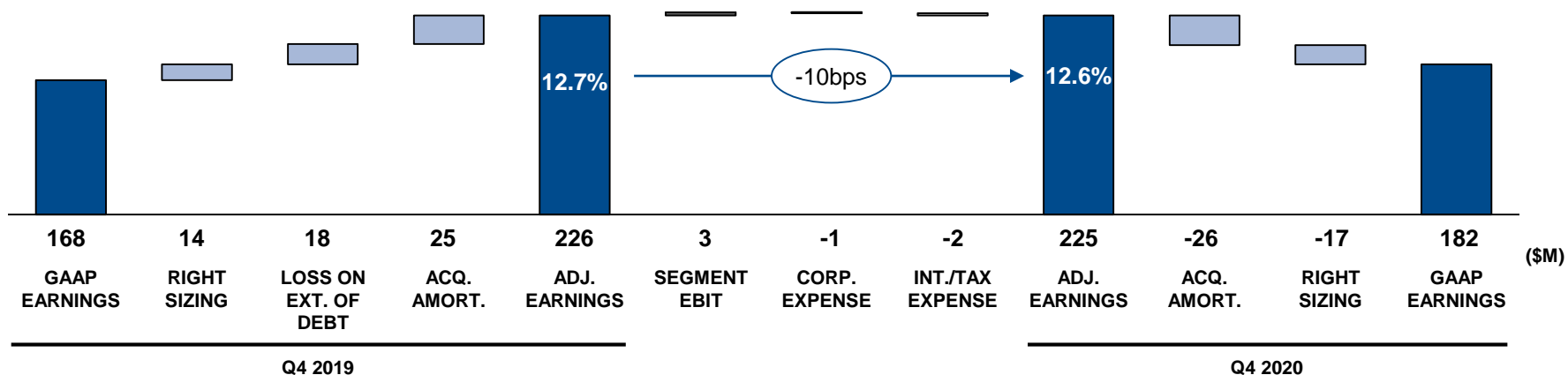
## Change in Adjusted Segment EBIT <sup>(3)</sup>

+\$1M



## Change in Adjusted Net Earnings <sup>(3)</sup>

-\$1M



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

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

# FY Free Cash Flow

\$M	2020	2019	△
Net earnings	683	678	+6
Adjustments for (gains) losses <sup>(1)</sup>	(5)	71	-76
D&A	279	272	+7
Change in working capital and other <sup>(2)</sup>	148	(76)	+225
<b>Cash flow from operations</b>	<b>1,105</b>	<b>945</b>	<b>+159</b>
Capex	(166)	(187)	+21
<b>Free cash flow<sup>(3)</sup></b>	<b>939</b>	<b>758</b>	<b>+181</b>
<b>FCF % of revenue<sup>(3)</sup></b>	<b>14.1%</b>	<b>10.6%</b>	<b>+350 bps</b>
<b>FCF % of adj. earnings<sup>(3)</sup></b>	<b>114%</b>	<b>87%</b>	<b>+2,700 bps</b>


- **Q4 2020 FCF<sup>(3)</sup> 21.1% of revenue, 167% of adj. earnings<sup>(3)</sup>**
- **Y-o-Y cash conversion cycle improvement driven by receivables collection and proactive inventory management**

Note: Numbers may not add due to rounding



# Investments in Four Core Enterprise Capabilities Driving Efficiency and Growth

**Dover Digital**




↑ Efficiency    ↑ Growth

**Operational Excellence**




↑ Efficiency

**Dover Business Services**



↑ Efficiency

**India Innovation Center**

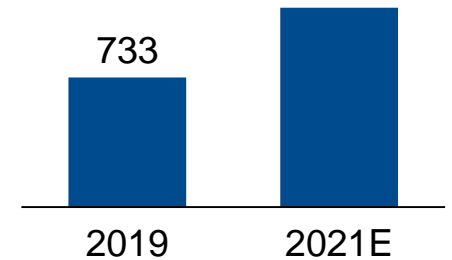


↑ Efficiency    ↑ Growth

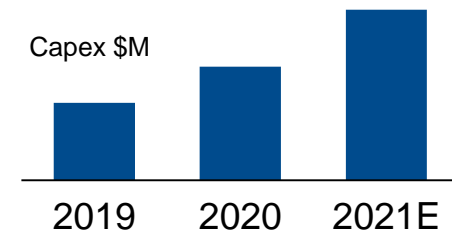
## Significant investments in enterprise capabilities

**50+% increase in FTEs**

# of FTEs



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



**Center-led initiatives drive synergistic value of Dover portfolio**

# Modernizing Dover - Digital

## IT Infrastructure Efficiency



~\$25M cost reduction 2020-2021

**45% reduction in servers** thru datacenter consolidation and rationalization initiative

**30% of legacy web & commerce sites** shifted to modern cloud-based solutions in 2019-2021

**Global Managed Services** shifted to centralized and more efficient global managed support model for IT infrastructure across all Opcos

## Digital Commerce



Digital Commerce

**10X increase in transactions** through digital channel vs. 2018

**For our catalog businesses & parts**

**9%** onboarded customers in 2019<sup>(1)</sup>

**30%** onboarded customers in 2021

**For our engineering businesses**

**60%** automated quotes in 2019<sup>(2)</sup>

**75%** automated quotes in 2021



Digital Quote

## Customer Experience



Website

**Improve Customer Satisfaction** by enhancing their journey & offering online visualization.



Distributor Portal

Internal efficiency. Off-load:  
**<0.1 million** digital inquiries in 2019  
**1 million** digital inquiries in 2021

## Connected Products



**Accelerating** our recurring software enabled products revenue

**Multi-billion TAM<sup>(3)</sup>** expansion in recent tuck-in investments

**~120K** connected devices in 2019

**~250K** connected devices in 2021

*2021 metrics reflect currently planned targets*

(1) Operating Companies using Digital Commerce  
(2) Operating Companies using Digital Quote

(3) Internal estimate

# Execution Excellence - Operations

## Environment, Health, & Safety



**Covid-19 Protocols** rapidly deployed and continually upgraded to support business continuity

**20% Reduction** in TRIR YOY '19-20

Enterprise-wide **Big Data solution** being deployed to improve safety management in real-time (identification, prioritization, tracking, analytics)

## Supply Chain



**2-3% Annual** Gross Material Productivity

**Modernized and expanded tools** for supplier management, spend optimization, credit risk management

## Operational Excellence



**ODOVER Playbook Launched** at 5 sites with 30 more in progress

Pilot Sites Results:

~**10-40%** scrap reduction

~**30-50%** improvement in on-time-delivery

~**10-30** day reduction in lead time

**Up to ~15%** productivity boost



## Advanced Manufacturing



**Automation / capital modernization** transforming historically laborious operations – 2021 key projects at DFR, VSG, ESG

**Machining Network Established** to optimize asset utilization across portfolio

**Industry 4.0:** Two “lighthouse factory” implementations beginning in 2021



**Multiple Rooftop Consolidation** projects on track, driven by new PMO

# Back Office Efficiency - Dover Business Services

## Finance Efficiency



**3** consolidated service locations, from 5 in 2018

**>\$15M** cost reduction through 2021

**10%** reduction in cost per transaction 2019-2021

## Growing Scope and Coverage



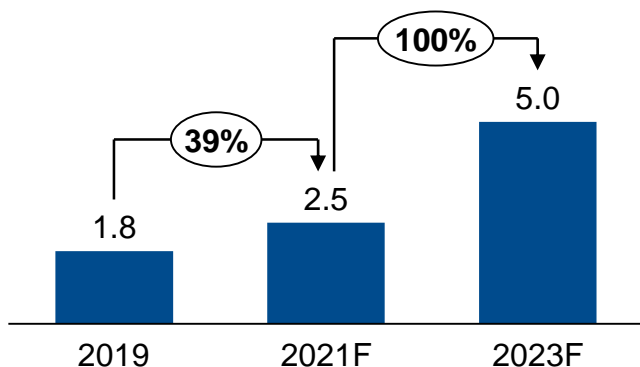
**57%** increase in entities supported from 2019 to 2021

**Expanded service offerings** for OpCos:

- 4** new service offerings in 2020
- 4** services expanded to global support model

## Runway to Drive Volume & Scale

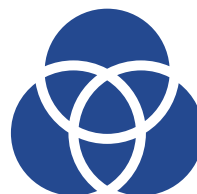
*Millions of transactions processed:*



*2021-2023 metrics reflect currently planned targets*

## People, Process, & Technology

**350+** FTEs by end of 2021 (72% increase since 2019)



Building **continuous improvement culture**, Lean Six Sigma Master Black Belt lead team since 2019, with a robust process innovation idea funnel

Deployed **technology portfolio** of 9 platforms enabling efficient global operation and support

# Efficient Growth Catalyst - India Innovation Center

## Center of Excellence



~600 FTEs. **25%** growth 2019 – 2021

~15% of Global Engineering base

**Centers of Excellence:** Product Engineering, Digital Solutions, Firmware, Data & Information Security

Advanced **Test & Evaluation** capability

## Execution Excellence



**CMMI**<sub>3</sub> L3 Certified Center

**Process Rigor** – New Product Development, Agile / Scrum methodology, Value Engineering

**Industry Best Practices** – Knowledge Management, Critical Design Review, Project Portfolio Management

## Differentiated Innovation



**40+** Patents (2017 – 2021)

Enabling **Cross OpCo Technology Leverage**

**Intellectual Property** (IP) Services

## Business Impact



**1 : 4** Engineering Cost Arbitrage

**\$ ~90M** NPD/ Product Engineering Revenue in 2019-21

**>\$10M** Productivity Savings / Cost Avoidance (2019-21)

Enabling Asia Pacific Business Growth

*2021 metrics reflect currently planned targets*

# Dover Strategic Playbook Drives Results and Remains Unchanged

## ✓ 2019 Results

## ✓ 2020 Results

## 2021 Plan

<b>Improve Margins and Execution</b>	<ul style="list-style-type: none"> <li>▪ -\$136M SG&amp;A</li> <li>▪ +180 bps margin<sup>(1)</sup></li> </ul>	<ul style="list-style-type: none"> <li>▪ ~\$75M structural cost / efficiency actions</li> <li>▪ Margin protected on lower volume (+10 bps<sup>(1)</sup>)</li> </ul>	<ul style="list-style-type: none"> <li>▪ <i>-\$50M structural cost / efficiency</i></li> <li>▪ <i>~25-35% conversion margin<sup>(1)</sup></i></li> </ul>
<b>Maintain Organic Growth</b>	<ul style="list-style-type: none"> <li>▪ +4% organic growth<sup>(1)</sup></li> </ul>	<ul style="list-style-type: none"> <li>▪ Limited downside vs. “old Dover”</li> <li>▪ +21% backlog<sup>(2)</sup></li> </ul>	<ul style="list-style-type: none"> <li>▪ +5-6% organic growth<sup>(1)</sup></li> </ul>
<b>Reinvest in the Business</b>	<ul style="list-style-type: none"> <li>▪ ~\$30M of SG&amp;A savings reinvested</li> <li>▪ ~\$60M Capex inv. in growth and productivity</li> </ul>	<ul style="list-style-type: none"> <li>▪ New CPC facility</li> <li>▪ DFR automation</li> <li>▪ Digital, operations, DBS</li> </ul>	<ul style="list-style-type: none"> <li>▪ <i>Continued priority on organic reinvestment</i></li> </ul>
<b>Deploy Capital Smartly and Productively</b>	<ul style="list-style-type: none"> <li>▪ M&amp;A: 3 bolt-ons, \$191M<sup>(3)</sup></li> <li>▪ Return of capital: \$425M<sup>(4)</sup></li> </ul>	<ul style="list-style-type: none"> <li>▪ M&amp;A: 7 bolt-ons, \$320M<sup>(3)</sup></li> <li>▪ Return of capital: \$391M<sup>(4)</sup></li> </ul>	<ul style="list-style-type: none"> <li>▪ <i>Solid acquisition pipeline</i></li> </ul>

(1) Non-GAAP measures (definitions and/or reconciliations in appendix). Margin references relate to Adjusted Segment EBIT

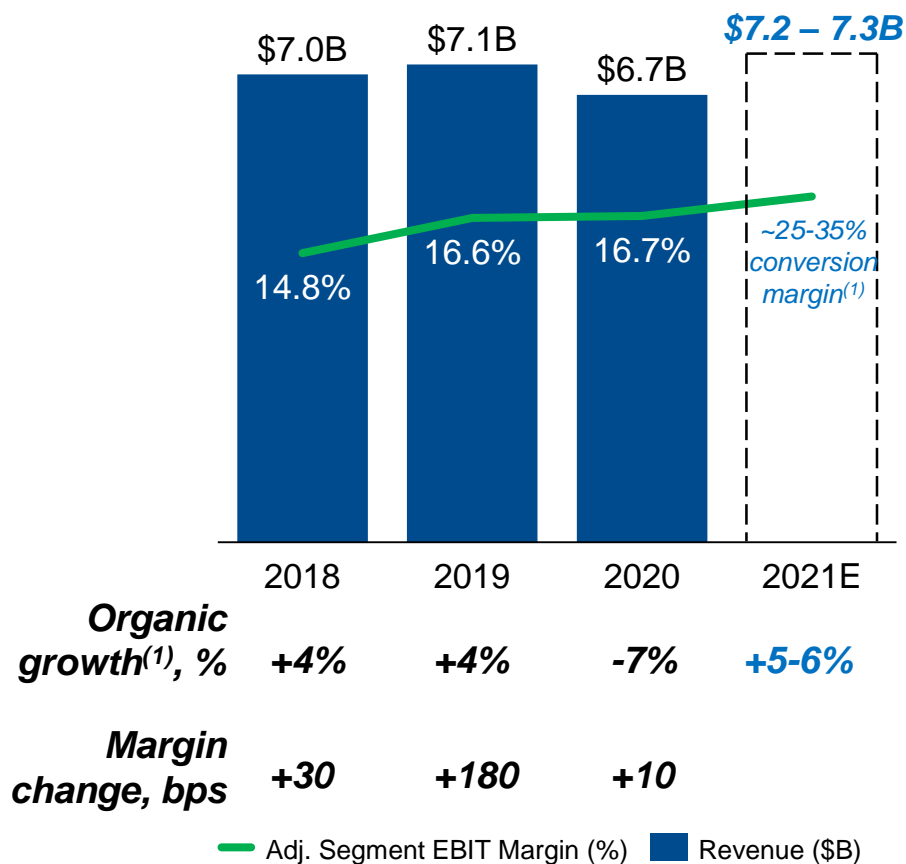
(2) See performance measures definitions in appendix

(3) Acquisitions (net of cash acquired) less proceeds from divestitures

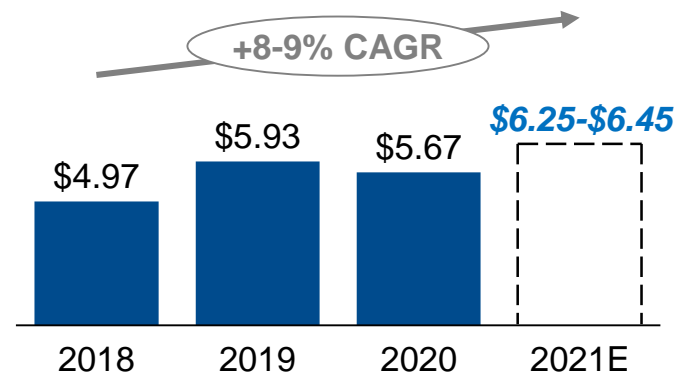
(4) Dividends plus share repurchases

# Dover Strategy Delivers Through-Cycle Value Creation

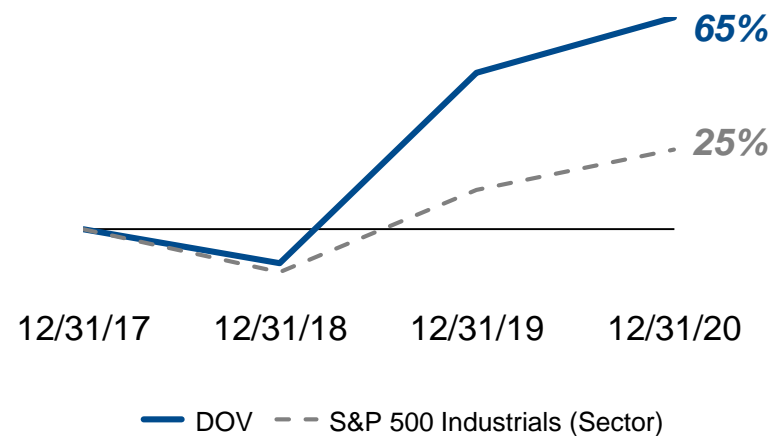
## Revenue and Adj. Segment EBIT Margin<sup>(1)</sup>



## Adj. Earnings Per Share<sup>(1)</sup>



## Cumulative Total Shareholder Return<sup>(2)</sup>



# 2021 Business Outlook

Segment	Organic growth outlook	Comments
DEP	HSD	<ul style="list-style-type: none"> <li>Strong backlog and bookings in vehicle services and industrial automation; continued strength and visibility in aerospace &amp; defense</li> <li>Improving order rates in waste handling, fully booked for Q1 '21</li> </ul>
DFS	LSD	<ul style="list-style-type: none"> <li>Growth in software, new products (“Anthem”) and continued recovery in select geographies outside the US in above- and below-ground fueling; recovery in vehicle wash</li> <li>US EMV becoming a headwind in 2021</li> </ul>
DII	HSD	<ul style="list-style-type: none"> <li>Continued stable growth in marking &amp; coding supported by increased activity in serialization software</li> <li>Rebound in textile printer demand expected in H2 '21, textile printing consumables (inks) currently on recovering trajectory and serve as a leading indicator</li> </ul>
DPPS	MSD	<ul style="list-style-type: none"> <li>Robust growth in biopharma pumps and connectors; recovery in industrial pumps; plastics &amp; polymer markets expected to remain stable</li> <li>Prolonged recovery in precision components end markets, particularly O&amp;G</li> </ul>
DRFE	HSD	<ul style="list-style-type: none"> <li>Strong backlog and bookings trajectory across food retail, can making and heat exchangers</li> <li>Commercial foodservice (&lt;10% of segment) recovering, but expect subdued activity through H1</li> </ul>



# FY2021 Guidance

## Revenue

- All-in: 8% - 10%
- Organic<sup>(1)</sup>: 5% - 6%

## EPS and other

- Tax rate: 21% – 22%
- GAAP EPS: \$5.42 - \$5.62
- Adjusted EPS<sup>(1)</sup>: \$6.25 - \$6.45

## Cash Flow

- Free Cash Flow<sup>(1)</sup>: 11-13% of Revenue
- Capex: ~\$175 – 200 million

Euro/Dollar assumption: 1.22

(1) Non-GAAP measure (definition and/or reconciliation in appendix)

# Appendix

# Q4 2019 to Q4 2020 Revenue and Bookings Bridges by Segment

**Revenue Bridge by Segment**

(\$ in millions)

	DEP	DFS	DII	DPPS	DRFE	Total
<b>Q4 2019 Revenue</b>	<b>422</b>	<b>445</b>	<b>274</b>	<b>328</b>	<b>306</b>	<b>1,776</b>
Organic Growth	(37)	(42)	(8)	6	40	(41)
FX	7	6	7	9	5	34
Acquisitions / Dispositions	2	-	15	4	(9)	12
<b>Q4 2020 Revenue</b>	<b>394</b>	<b>409</b>	<b>288</b>	<b>347</b>	<b>342</b>	<b>1,780</b>

**Bookings Bridge by Segment**

(\$ in millions)

	DEP	DFS	DII	DPPS	DRFE	Total
<b>Q4 2019 Bookings</b>	<b>457</b>	<b>426</b>	<b>276</b>	<b>318</b>	<b>362</b>	<b>1,841</b>
Organic Growth	15	(26)	2	34	20	45
FX	9	3	6	9	5	31
Acquisitions / Dispositions	3	-	21	3	(7)	20
<b>Q4 2020 Bookings</b>	<b>484</b>	<b>403</b>	<b>305</b>	<b>365</b>	<b>379</b>	<b>1,936</b>

Note: Numbers may not add due to rounding

# Organic Revenue and Bookings Bridges

## Segment Growth Factors

	Revenue Growth				Bookings Growth	
	Q4 2020	FY 2020	FY 2019	FY 2018	Q4 2020	FY 2020
<b>Organic</b>						
Engineered Products	-8.8%	-10.3%	5.4%	6.6%	3.3%	-9.5%
Fueling Solutions	-9.4%	-8.8%	10.5%	9.9%	-6.0%	-8.0%
Imaging & Identification	-2.9%	-7.2%	1.2%	4.6%	0.7%	-6.3%
Pumps & Process Solutions	1.8%	-2.3%	3.9%	7.4%	10.8%	-4.8%
Refrigeration & Food Equipment	13.2%	-3.0%	-2.7%	-7.9%	5.6%	6.5%
<b>Total Organic</b>	<b>-2.3%</b>	<b>-6.6%</b>	<b>3.8%</b>	<b>3.7%</b>	<b>2.4%</b>	<b>-4.6%</b>
Acquisitions	1.2%	1.0%	0.8%	0.5%	1.5%	1.0%
Dispositions	-0.5%	-0.7%	-0.5%	-2.5%	-0.4%	-0.6%
Currency translation	1.9%	0.0%	-2.0%	0.8%	1.7%	-0.2%
<b>Total</b>	<b>0.3%</b>	<b>-6.3%</b>	<b>2.1%</b>	<b>2.5%</b>	<b>5.2%</b>	<b>-4.4%</b>

## Geographic Revenue Growth Factors

	Q4 2020	FY 2020
<b>Organic</b>		
US	-1.0%	-3.1%
Other Americas	-1.4%	-12.1%
Europe	-2.5%	-8.5%
Asia	-11.4%	-13.5%
Other	10.9%	-9.3%
<b>Total Organic</b>	<b>-2.3%</b>	<b>-6.6%</b>
Acquisitions	1.2%	1.0%
Dispositions	-0.5%	-0.7%
Currency translation	1.9%	0.0%
<b>Total</b>	<b>0.3%</b>	<b>-6.3%</b>

Note: Numbers may not add due to rounding

# Reconciliation of Q4 2020 Net Earnings to Adj. EBIT and Adj. EBITDA and Calculation of Adj. EBIT Margin and Adj. EBITDA Margin by Segment

(\$ in millions)	Q4 2020					
	DEP	DFS	DII	DPPS	DRFE	Total
<b>Revenue</b>	<b>394</b>	<b>409</b>	<b>288</b>	<b>347</b>	<b>342</b>	<b>1,780</b>
<b>Net earnings</b>	-	-	-	-	-	<b>182</b>
<b>Add back:</b>						
Corporate expense	-	-	-	-	-	40
Interest expense, net	-	-	-	-	-	28
Income tax expense	-	-	-	-	-	38
<b>Segment earnings (EBIT)</b>	<b>56</b>	<b>70</b>	<b>52</b>	<b>82</b>	<b>28</b>	<b>288</b>
EBIT %	14.3%	17.0%	18.1%	23.5%	8.1%	16.2%
<b>Adjustments:</b>						
Rightsizing and other costs	5	3	6	3	1	17
<b>Adjusted EBIT - Segment</b>	<b>61</b>	<b>72</b>	<b>58</b>	<b>85</b>	<b>28</b>	<b>305</b>
Adjusted EBIT %	15.5%	17.7%	20.2%	24.4%	8.3%	17.1%
Adjusted depreciation and amortization expense <sup>(1)</sup>	10	18	10	18	11	68
<b>Adjusted EBITDA - Segment</b>	<b>71</b>	<b>91</b>	<b>68</b>	<b>102</b>	<b>40</b>	<b>373</b>
Adjusted EBITDA %	18.1%	22.1%	23.8%	29.5%	11.7%	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 2019 Net Earnings 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
<b>Revenue</b>	<b>422</b>	<b>445</b>	<b>274</b>	<b>328</b>	<b>306</b>	<b>1,776</b>
<b>Net earnings</b>	-	-	-	-	-	<b>168</b>
<b>Add back:</b>						
Corporate expense	-	-	-	-	-	40
Interest expense, net	-	-	-	-	-	29
Income tax expense	-	-	-	-	-	29
Loss on extinguishment of debt	-	-	-	-	-	24
<b>Segment earnings (EBIT)</b>	<b>73</b>	<b>74</b>	<b>57</b>	<b>71</b>	<b>14</b>	<b>290</b>
EBIT %	17.4%	16.6%	20.9%	21.8%	4.7%	16.3%
<b>Adjustments:</b>						
Rightsizing and other costs	1	2	4	4	2	13
<b>Adjusted EBIT - Segment</b>	<b>75</b>	<b>75</b>	<b>62</b>	<b>75</b>	<b>17</b>	<b>304</b>
Adjusted EBIT %	17.7%	17.0%	22.5%	22.9%	5.4%	17.1%
Adjusted depreciation and amortization expense <sup>(1)</sup>	10	19	8	17	13	67
<b>Adjusted EBITDA - Segment</b>	<b>85</b>	<b>95</b>	<b>70</b>	<b>92</b>	<b>29</b>	<b>371</b>
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 FY 2020 Net Earnings to Adj. EBIT and Adj. EBITDA and Calculation of Adj. EBIT Margin and Adj. EBITDA Margin by Segment

(\$ in millions)	FY 2020					
	DEP	DFS	DII	DPPS	DRFE	Total
<b>Revenue</b>	<b>1,531</b>	<b>1,476</b>	<b>1,038</b>	<b>1,324</b>	<b>1,316</b>	<b>6,684</b>
<b>Net earnings</b>	-	-	-	-	-	<b>683</b>
<b>Add back:</b>						
Corporate expense	-	-	-	-	-	127
Interest expense, net	-	-	-	-	-	108
Income tax expense	-	-	-	-	-	158
<b>Segment earnings (EBIT)</b>	<b>238</b>	<b>237</b>	<b>193</b>	<b>305</b>	<b>103</b>	<b>1,077</b>
EBIT %	15.6%	16.1%	18.6%	23.1%	7.8%	16.1%
<b>Adjustments:</b>						
Rightsizing and other costs	12	7	6	13	6	44
Gain on AMS China	-	-	-	-	(5)	(5)
<b>Adjusted EBIT - Segment</b>	<b>250</b>	<b>244</b>	<b>200</b>	<b>319</b>	<b>104</b>	<b>1,116</b>
Adjusted EBIT %	16.3%	16.5%	19.2%	24.1%	7.9%	16.7%
Adjusted depreciation and amortization expense <sup>(1)</sup>	41	72	38	68	47	265
<b>Adjusted EBITDA - Segment</b>	<b>290</b>	<b>316</b>	<b>238</b>	<b>387</b>	<b>151</b>	<b>1,381</b>
Adjusted EBITDA %	19.0%	21.4%	22.9%	29.2%	11.4%	20.7%

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 FY 2019 Net Earnings to Adj. EBIT and Adj. EBITDA and Calculation of Adj. EBIT Margin and Adj. EBITDA Margin by Segment

(\$ in millions)	FY 2019					Total
	DEP	DFS	DII	DPPS	DRFE	
<b>Revenue</b>	<b>1,698</b>	<b>1,620</b>	<b>1,084</b>	<b>1,339</b>	<b>1,397</b>	<b>7,136</b>
<b>Net earnings</b>	-	-	-	-	-	<b>678</b>
<b>Add back:</b>						
Corporate expense	-	-	-	-	-	124
Interest expense, net	-	-	-	-	-	121
Income tax expense	-	-	-	-	-	165
Loss on extinguishment of debt	-	-	-	-	-	24
<b>Segment earnings (EBIT)</b>	<b>292</b>	<b>232</b>	<b>229</b>	<b>240</b>	<b>119</b>	<b>1,112</b>
EBIT %	17.2%	14.3%	21.2%	17.9%	8.5%	15.6%
<b>Adjustments:</b>						
Rightsizing and other costs	3	5	6	6	6	27
Loss on sale of Finder	-	-	-	47	-	47
<b>Adjusted EBIT - Segment</b>	<b>295</b>	<b>237</b>	<b>236</b>	<b>293</b>	<b>125</b>	<b>1,186</b>
Adjusted EBIT %	17.4%	14.6%	21.7%	21.9%	8.9%	16.6%
Adjusted depreciation and amortization expense <sup>(1)</sup>	40	75	30	67	51	263
<b>Adjusted EBITDA - Segment</b>	<b>335</b>	<b>312</b>	<b>266</b>	<b>360</b>	<b>176</b>	<b>1,449</b>
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 H2 2020 and H2 2019 DRFE Earnings from Continuing Operations to Adj. Segment EBIT and Calculation of Adj. EBIT Margin

(\$ in millions)	Refrigeration & Food Equipment Segment					
	Q3 2020	Q4 2020	H2 2020	Q3 2019	Q4 2019	H2 2019
<b>Revenue</b>	<b>368</b>	<b>342</b>	<b>711</b>	<b>370</b>	<b>306</b>	<b>677</b>
<b>Segment earnings (EBIT)</b>	<b>40</b>	<b>28</b>	<b>68</b>	<b>35</b>	<b>14</b>	<b>50</b>
EBIT %	10.9%	8.1%	9.5%	9.5%	4.7%	7.3%
<b>Adjustments:</b>						
Rightsizing and other costs	(1)	1	(0)	1	2	3
Loss on disposition	1	-	1	-	-	-
<b>Adjusted EBIT - Segment</b>	<b>40</b>	<b>28</b>	<b>68</b>	<b>36</b>	<b>17</b>	<b>53</b>
Adjusted EBIT %	10.8%	8.3%	9.6%	9.7%	5.4%	7.8%

Note: Numbers may not add due to rounding

# Reconciliation of FY 2018 and FY 2017 Earnings from Continuing Operations to Adj. Segment EBIT and Calculation of Adj. EBIT Margin

(\$ in millions)	FY 2018	FY 2017
<b>Revenue</b>	<b>6,992</b>	<b>6,821</b>
<b>Earnings from continuing operations</b>	<b>591</b>	<b>747</b>
<b>Add back:</b>		
Corporate expense	130	155
Interest expense, net	122	136
Income tax expense	134	129
<b>Segment earnings (EBIT)</b>	<b>977</b>	<b>1,167</b>
EBIT %	14.0%	17.1%
<b>Adjustments:</b>		
Gain on dispositions	-	(205)
Disposition costs	-	5
Rightsizing and other costs	59	33
Product recall reversal	-	(7)
<b>Adjusted EBIT - Segment</b>	<b>1,036</b>	<b>992</b>
Adjusted EBIT %	14.8%	14.5%

Note: Numbers may not add due to rounding

# Reconciliation of Adjusted Net Earnings to Net Earnings and Calculation of Adjusted Diluted EPS under U.S. GAAP

(\$ in millions, except per share data)	Q4 2020	Q4 2019	FY 2020	FY 2019	FY 2018
<b>Net earnings from continuing operations (\$)</b>	<b>182</b>	<b>168</b>	<b>683</b>	<b>678</b>	<b>591</b>
Acquisition-related amortization, pre tax	35	33	139	138	146
Acquisition-related amortization, tax impact	(9)	(8)	(34)	(35)	(37)
Rightsizing and other costs, pre tax	21	18	51	32	73
Rightsizing and other costs, tax impact	(4)	(4)	(11)	(7)	(15)
Loss on extinguishment of debt, pre-tax	-	24	-	24	-
Loss on extinguishment of debt, tax impact	-	(5)	-	(5)	-
Loss (gain) on disposition, pre tax	-	-	(5)	-	-
Loss (gain) on disposition, tax impact	-	-	1	-	-
Loss on assets held for sale	-	-	-	47	-
Tax Cuts and Jobs Act	-	-	-	-	(3)
<b>Adjusted net earnings from continuing operations (\$)</b>	<b>225</b>	<b>226</b>	<b>824</b>	<b>872</b>	<b>756</b>
Adjusted net earnings margin	12.6%	12.7%	12.3%	12.2%	10.8%
Weighted average shares outstanding – diluted	145	147	145	147	152
<b>Diluted EPS from continuing operations (\$)</b>	<b>1.25</b>	<b>1.15</b>	<b>4.70</b>	<b>4.61</b>	<b>3.89</b>
Acquisition-related amortization, pre tax	0.24	0.23	0.95	0.94	0.96
Acquisition-related amortization, tax impact	(0.06)	(0.06)	(0.24)	(0.24)	(0.24)
Rightsizing and other costs, pre tax	0.14	0.12	0.35	0.22	0.48
Rightsizing and other costs, tax impact	(0.03)	(0.03)	(0.07)	(0.06)	(0.10)
Loss on extinguishment of debt, pre-tax	-	0.16	-	0.16	-
Loss on extinguishment of debt, tax impact	-	(0.04)	-	(0.04)	-
Loss (gain) on disposition, pre tax	-	-	(0.03)	-	-
Loss (gain) on disposition, tax impact	-	-	0.01	-	-
Loss on assets held for sale	-	-	-	0.32	-
Tax Cuts and Jobs Act	-	-	-	-	(0.02)
<b>Adjusted diluted EPS from continuing operations (\$)</b>	<b>1.55</b>	<b>1.54</b>	<b>5.67</b>	<b>5.93</b>	<b>4.97</b>

Note: Numbers may not add due to rounding

# Reconciliation of Free Cash Flow and EPS to Adjusted EPS

(\$ millions)	Free Cash Flow			
	Q4 2020	Q4 2019	FY 2020	FY 2019
<b>Net Cash Provided by Operating Activities</b>	<b>418</b>	<b>361</b>	<b>1,105</b>	<b>945</b>
Capital Expenditures	(42)	(50)	(166)	(187)
<b>Free Cash Flow</b>	<b>376</b>	<b>312</b>	<b>939</b>	<b>758</b>
Free Cash Flow as a % of Earnings	206.3%	185.4%	137.4%	111.9%
Free Cash Flow as a % of Adjusted Earnings	167.0%	138.1%	113.9%	87.0%
Free Cash Flow as a % of Revenue	21.1%	17.6%	14.1%	10.6%

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

Note: Numbers may not add due to rounding

# Non-GAAP Definitions

## Definitions of Non-GAAP Measures:

**Adjusted Net Earnings:** is defined as net earnings adjusted for the effect of acquisition-related amortization, rightsizing and other costs, gain/loss on dispositions, disposition costs, loss on debt extinguishment, loss on assets held for sale, the Tax Cuts and Jobs Act and a product recall reserve reversal.

**Adjusted Net Earnings Margin:** is defined as adjusted net earnings divided by revenue.

**Adjusted Diluted Net Earnings Per Share:** is defined as adjusted net earnings divided by average diluted shares.

**Total Segment Earnings (EBIT):** is defined as net earnings 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 net earnings before income taxes, net interest expense, corporate expenses, rightsizing and other costs, gain/loss on dispositions, disposition costs, loss on assets held for sale, and a product recall reserve reversal.

**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.

**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. Free cash flow as a percentage of net earnings equals free cash flow divided by net earnings. Free cash flow as a percentage of adjusted net earnings equals free cash flow divided by adjusted net earnings.

**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.

# 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.

**Organic Bookings** represent total orders received from customers in the current reporting period excluding the impact of foreign currency exchange rates and the impact of acquisitions and dispositions. 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.

**Book-to-Bill** is a ratio of the amount of bookings received from customers during a period divided by the amount of revenue recorded during that same period. This metric is a useful indicator of demand.

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.

