



February 1, 2024 – 8:30am CT

# Earnings Conference Call Fourth Quarter 2023

# 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 general economic conditions and conditions in the particular markets in which we operate, changes in customer demand and capital spending, competitive factors and pricing pressures, our ability to develop and launch new products in a cost-effective manner, and our ability to realize synergies from newly acquired businesses. 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, and our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, 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 quarter, which are available on Dover's website. We do not provide a reconciliation of forward-looking organic revenue and forward-looking free cash flow to the most directly comparable GAAP financial measure because we are not able to provide a meaningful or accurate compilation of reconciling items. This is due to the inherent difficulty in accurately forecasting the timing and amounts of the items that would be excluded from the most directly comparable GAAP financial measure or are out of our control. For the same reasons, we are unable to address the probable significance of unavailable information which may be material.

# Q4 2023 Key Messages

- **Q4 performance**

- Proactively managed production volumes and working capital to drive strong cash flow and reset inventory balances going into 2024
- Another record high quarterly segment margin<sup>(1)</sup> on positive market conditions in certain secular growth-exposed businesses
- Solid bookings<sup>(2)</sup> momentum; organic Y-o-Y growth for first time in 8 quarters
- Improving sentiment in biopharma; book-to-bill<sup>(2)</sup> >1

- **Portfolio management**

- Several recent accretive bolt-on acquisitions improve revenue mix with high-growth recurring and software revenue streams
- De-Sta-Co divestiture expected to close in Q1
- Ample balance sheet capacity to execute our strong acquisition pipeline or opportunistically return capital to shareholders

- **2024 priorities: return to top-line growth, maintain advantage in secular-growth markets, cost actions and margin improvement, capital allocation and portfolio enhancement**

- Solid underlying demand across most end markets; customer inventory levels have largely reset, but expect volumes to start slower in H1 with gradual improvement
- Well-positioned to capture secular growth in CO<sub>2</sub>, biopharma, data center cooling, heating electrification, and hydrogen and other markets
- In-flight cost actions and additional margin levers available
- Material capacity for capital allocation; ongoing focus on portfolio enhancement

# Q4 2023 Performance Highlights

Organic Revenue<sup>(1)</sup>

-3% Y-o-Y

*All-in revenue declined 2%*

Total Segment Earnings Margin<sup>(1)</sup>

+100 bps Y-o-Y to 22.0%

*Represents record-high quarterly margin*

Free Cash Flow<sup>(1)</sup>

22% of Revenue

*Up \$172M year-over-year*

FY '24 Guidance

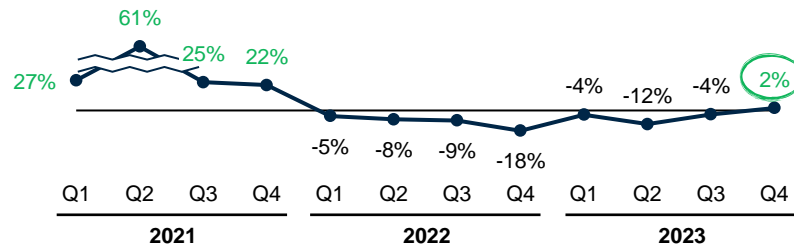
*Organic revenue growth<sup>(1)</sup>: +1-3% Y-o-Y*

*Adjusted EPS<sup>(1)</sup>: \$8.95 - \$9.15, +5-7% excluding \$0.25 from tax reorganization actions*

Organic Bookings<sup>(2)</sup>

+2% Y-o-Y

## Quarterly Y-o-Y Organic Bookings Growth



Adjusted EPS<sup>(1)</sup>

+13% Y-o-Y to \$2.45

*Q4 '23 includes planned benefits from tax reorganization actions*

Portfolio Updates

*Several recent acquisitions with recurring / software revenue*

*Expect to close De-Sta-Co divestiture in Q1 '24*

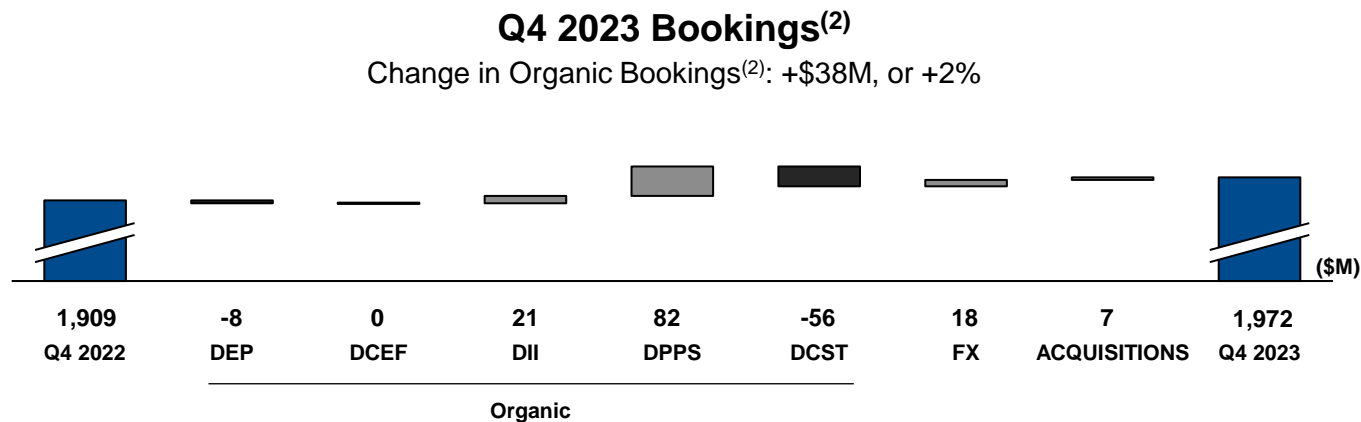
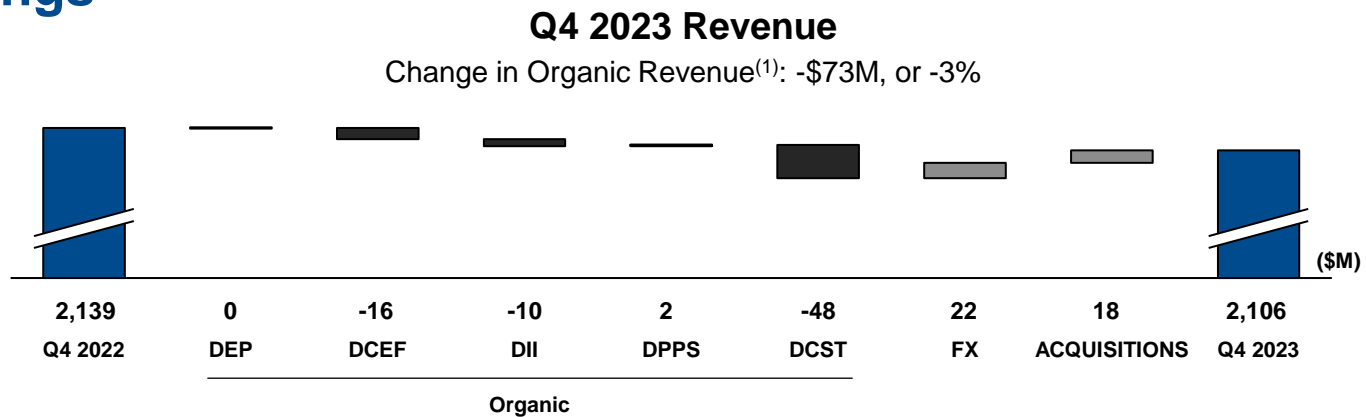
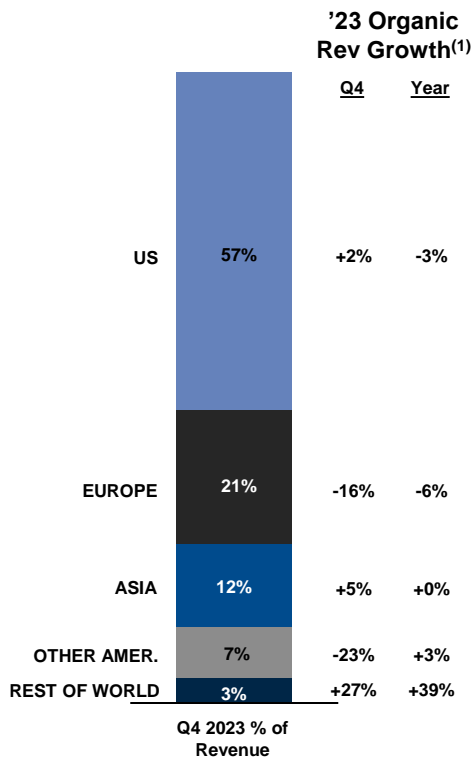
# Summary Corporate Q4 and Full Year Results

		Q4 2023	FY 2023	Highlights
<b>Revenue change (Y-o-Y)</b>	All-in	-2%	-1%	<ul style="list-style-type: none"> <li>Q4 FX impact: +1%; acquisitions +1%</li> </ul>
	Organic <sup>(1)</sup>	-3%	-1%	
<b>Bookings change (Y-o-Y)</b>	All-in <sup>(2)</sup>	+3%	-4%	<ul style="list-style-type: none"> <li>Q4 book-to-bill<sup>(2)</sup>: 0.94</li> </ul>
	Organic <sup>(2)</sup>	+2%	-5%	
<b>Segment Earnings<sup>(1)</sup></b>	Margin %	22%	21%	<ul style="list-style-type: none"> <li>Q4 Segment Earnings<sup>(1)</sup> up \$14M Y-o-Y</li> </ul>
	Y-o-Y bps Δ	+100 bps	+40 bps	
<b>Earnings</b>	Reported	\$296M	\$1.1B	<ul style="list-style-type: none"> <li>Reported Q4 Y-o-Y change: +12%</li> <li>Adjusted<sup>(1)</sup> Q4 Y-o-Y change: +13%</li> </ul>
	Adjusted <sup>(1)</sup>	\$345M	\$1.2B	
<b>Diluted EPS</b>	Reported	\$2.11	\$7.52	<ul style="list-style-type: none"> <li>Reported Q4 Y-o-Y change: +13%</li> <li>Adjusted<sup>(1)</sup> Q4 Y-o-Y change: +13%</li> </ul>
	Adjusted <sup>(1)</sup>	\$2.45	\$8.80	
<b>Free Cash Flow<sup>(1)</sup> (% of)</b>	Revenue	22%	14%	<ul style="list-style-type: none"> <li>Q4 FCF<sup>(1)</sup> up \$172M Y-o-Y</li> </ul>
	Adj. Earnings <sup>(1)</sup>	132%	93%	

# Segment Results

Segment	Q4 2023		FY 2023		Q4 Performance Commentary
	Revenue (\$M) / Y-o-Y Organic <sup>(1)</sup> Δ %	Segment Earnings % / bps Δ Y-o-Y	Revenue (\$M) / Y-o-Y Organic <sup>(1)</sup> Δ %	Segment Earnings % / bps Δ Y-o-Y	
DEP	\$529 Flat	22% <b>+270 bps</b>	\$2,005 -2%	19% <b>+180 bps</b>	<ul style="list-style-type: none"> <li>Strong volume in waste handling, industrial winches and aerospace &amp; defense. Lower shipments in vehicle service in Europe and Asia</li> <li>Margin improvement on mix, price-cost, proactive cost containment and productivity</li> </ul>
DCEF	\$449 -4%	18% -210 bps	\$1,788 -4%	18% -40 bps	<ul style="list-style-type: none"> <li>Growth in clean energy (cryogenics, hydrogen, LNG) and above-ground retail fueling equipment; destocking / interest rate headwinds in below-ground retail fueling equipment and hanging hardware, LPG components, and car wash</li> <li>Margin down on lower volumes and mix</li> </ul>
DII	\$286 -4%	25% <b>+30 bps</b>	\$1,117 Flat	24% <b>+50 bps</b>	<ul style="list-style-type: none"> <li>Organic revenue decline against a difficult prior year comp. Growth in serialization software, lower volumes in Europe and Asia</li> <li>Margin up on product and geography mix</li> </ul>
DPPS	\$445 <b>+1%</b>	27% -120 bps	\$1,756 -3%	28% -320 bps	<ul style="list-style-type: none"> <li>Strong growth in precision components and polymer processing; steady trends in industrial pumps; lower volume in biopharma with improving sentiment</li> <li>Margin decline on mix effect from higher non-biopharma volumes</li> </ul>
DCST	\$398 -11%	18% <b>+400 bps</b>	\$1,779 <b>+2%</b>	17% <b>+260 bps</b>	<ul style="list-style-type: none"> <li>Volume declines in can-making equipment, heat exchangers (Europe, Asia), and return to normal seasonality in food retail cases with strength in CO<sub>2</sub></li> <li>Robust performance in food retail on positive CO<sub>2</sub> mix and productivity drove segment margin accretion</li> </ul>

# Revenue & Bookings



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

# Full Year 2023 Free Cash Flow

\$M	FY '23	FY '22	Δ
Net Earnings	1,057	1,065	(8)
D&A	317	308	9
Change in working capital	130	(387)	517
Change in accrued and deferred taxes	(116)	(91)	(25)
Change in other <sup>(1)</sup>	(52)	(89)	37
<b>Cash flow from operations</b>	<b>1,336</b>	<b>806</b>	<b>530</b>
Capex	(193)	(221)	28
<b>Free cash flow<sup>(2)</sup></b>	<b>1,144</b>	<b>585</b>	<b>559</b>
<b>FCF % of Revenue<sup>(2)</sup></b>	<b>14%</b>	<b>7%</b>	
<b>FCF % of adj. earnings<sup>(2)</sup></b>	<b>93%</b>	<b>48%</b>	

- **Q4 '23 FCF<sup>(2)</sup> was 22% of revenue; +\$172M vs. prior year**

Note: Numbers may not add due to rounding



# Recent Investments Into Platforms with ~\$200M<sup>(1)</sup> in Revenue Drive Portfolio to Higher Growth and Margins

## US CO<sub>2</sub> Systems

## Thermal Connectors

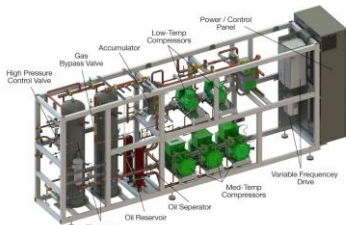
## North America Heat Exchangers

### Recent Investments

- 100+% capacity expansion in US
- 40% capacity expansion in Europe

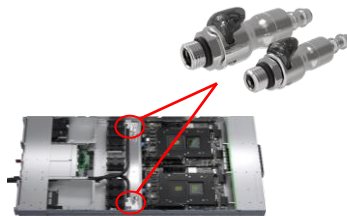
### Market trends and Dover position

- Significant regulatory and energy-transition tailwinds; large retailers increasingly committing to refrigerant transition with CO<sub>2</sub> being a technology of choice
- >\$400M NA CO<sub>2</sub> TAM projected by 2028 with Hillphoenix a clear market leader
- Strong traction with customers. Several recent marquee banner wins; >50% of '24 booked



CO<sub>2</sub> refrigeration system

- New Class 8 clean room and R&D facility launched in '22
- >\$20M capex + R&D invested in '20-24
- Liquid cooling is gaining rapid adoption with advances in AI, edge and cloud computing which increasingly require liquid cooling due to power density
- CPC couplings and disconnects provide leak-free coolant distribution and serviceability
- Several recent high-profile specification wins, including with a leading GPU manufacturer and system integrator



Server tray with liquid cooling connectors

- Property acquired in Q4'23 to support future growth
- New furnace, test, press line, auto assembly
- Brazed plate heat exchangers are more compact, energy-efficient and low-maintenance vs. alternative heat exchange technologies
- Refrigerant transition regulations driving displacement of legacy technologies
- NA market leader with localized production
- Strong traction in the US in commercial HVAC, CO<sub>2</sub> refrigeration, data center cooling, and district energy applications



Stylized district energy application

Revenue  
CAGR  
'19-'24E

17%

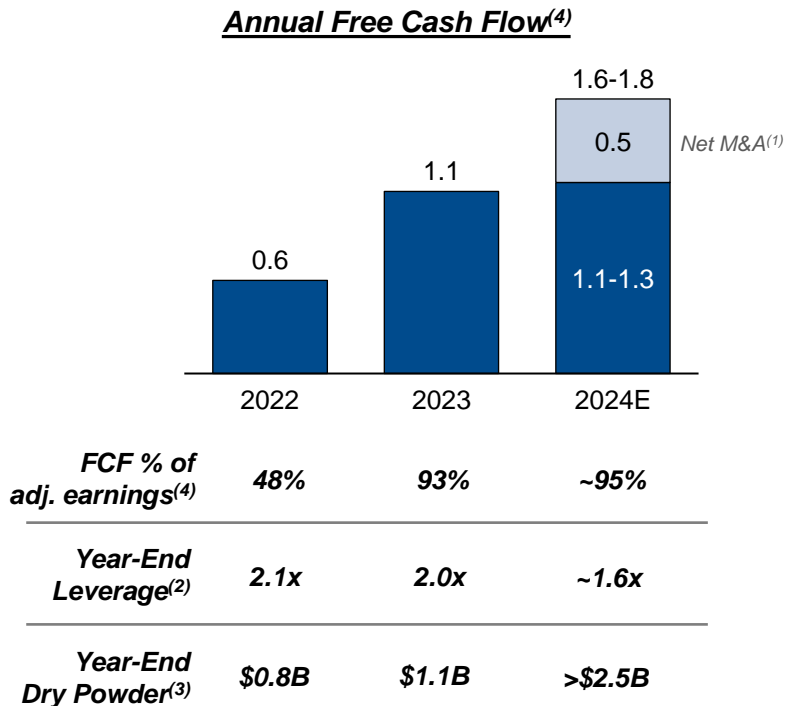
42%

18%

# Strong FCF Performance Positions DOV to Continue Playing Offense on Capital Allocation

Priorities		Commentary																								
1	Invest Organically	<ul style="list-style-type: none"> <li>Capex of \$193M (2.3% of revenue) in 2023, down &gt;10% vs. 2022</li> <li>Significant capacity expansion projects and productivity investments completed</li> </ul>																								
		<ul style="list-style-type: none"> <li>Reshaping portfolio through additions and subtractions</li> </ul>																								
2	Grow through Acquisitions	<table border="1"> <thead> <tr> <th>Segment</th> <th>Acquisition Spend '18-'24E</th> <th>Divestiture Proceeds '18-'24E</th> <th>Net M&amp;A Investment<sup>(1)</sup></th> </tr> </thead> <tbody> <tr> <td>DCEF</td> <td>~\$1,280</td> <td>--</td> <td>~\$1,280</td> </tr> <tr> <td>DPPS</td> <td>~\$1,000</td> <td>~(\$30)</td> <td>~\$970</td> </tr> <tr> <td>DII</td> <td>~\$210</td> <td>--</td> <td>~\$210</td> </tr> <tr> <td>DCST</td> <td>~\$20</td> <td>~(\$250)</td> <td>~(\$230)</td> </tr> <tr> <td>DEP</td> <td>~\$170</td> <td>~(\$600)</td> <td>~(\$430)</td> </tr> </tbody> </table>	Segment	Acquisition Spend '18-'24E	Divestiture Proceeds '18-'24E	Net M&A Investment <sup>(1)</sup>	DCEF	~\$1,280	--	~\$1,280	DPPS	~\$1,000	~(\$30)	~\$970	DII	~\$210	--	~\$210	DCST	~\$20	~(\$250)	~(\$230)	DEP	~\$170	~(\$600)	~(\$430)
		Segment	Acquisition Spend '18-'24E	Divestiture Proceeds '18-'24E	Net M&A Investment <sup>(1)</sup>																					
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		DPPS	~\$1,000	~(\$30)	~\$970																					
		DII	~\$210	--	~\$210																					
		DCST	~\$20	~(\$250)	~(\$230)																					
DEP	~\$170	~(\$600)	~(\$430)																							
3	Return Capital	<ul style="list-style-type: none"> <li>68<sup>th</sup> consecutive year of dividend increases in '23</li> </ul>																								

## Cash Flow and Capital Allocation Capacity

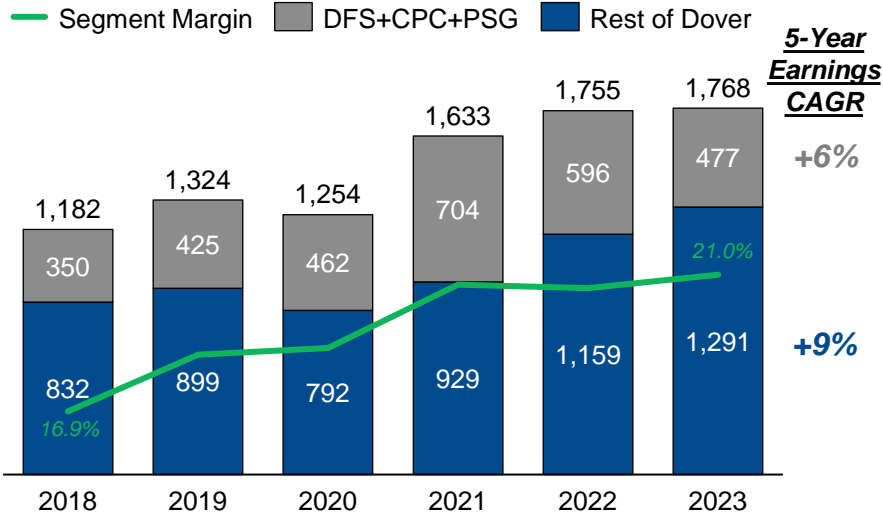


(1) Aggregate impact of deals over 2018-24E on a cash-free and debt-free basis, including cont. consideration. Divestitures are net of cash taxes. 24E includes De-Sta-Co, Transchem  
 (2) Total debt / adjusted EBITDA (Non-GAAP measure. See definition in appendix)

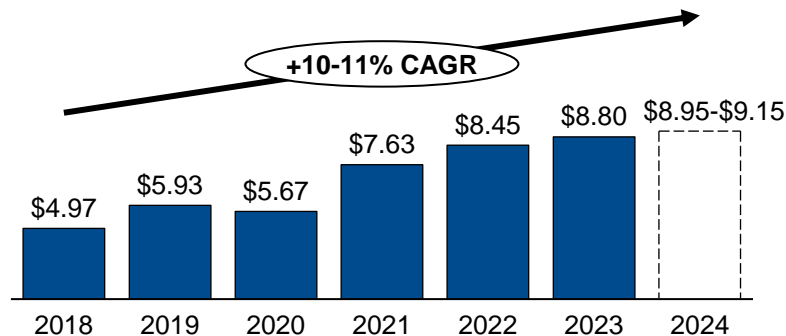
(3) Year-end dry powder defined as cash (in excess of \$300M minimum balance) plus leverage up to 2.5x. '24 is illustrative and assumes no further M&A or capital return beyond dividends  
 (4) Non-GAAP measure (definition and/or reconciliation in appendix)

# Strong Value-Creation Driven by Growth and Margin Improvement; Equipped With the Portfolio, Strategy and Levers to Drive Future Value

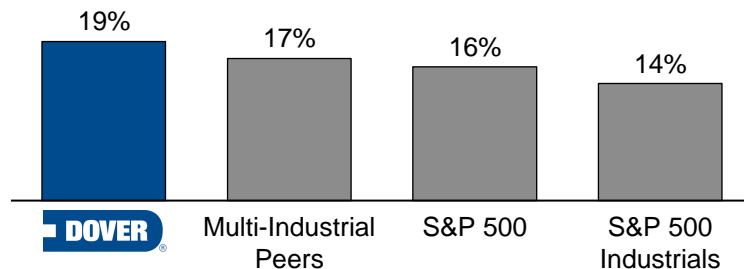
## Segment Earnings<sup>(1)</sup> (\$M)



## Through-Cycle Adj. EPS<sup>(1)</sup>



## 5 Year TSR (12/31/18 – 12/31/23)



Organic Rev Growth<sup>(1)</sup> %  $\xrightarrow{+4\% \text{ CAGR}}$

$\Delta$  Segment Margin<sup>(1)</sup>  $\xrightarrow{+410 \text{ bps} / 41\% \text{ conversion}^{(1)}}$

# FY 2024 Guidance

## Revenue Growth

- All-in 2% - 4%
- Organic<sup>(1)</sup>: 1% - 3%

## EPS and other

- GAAP EPS: \$7.90 - \$8.10
- Adjusted EPS<sup>(1)</sup>: \$8.95 - \$9.15
- Effective Tax Rate: 20% - 21.5%

## Cash Flow

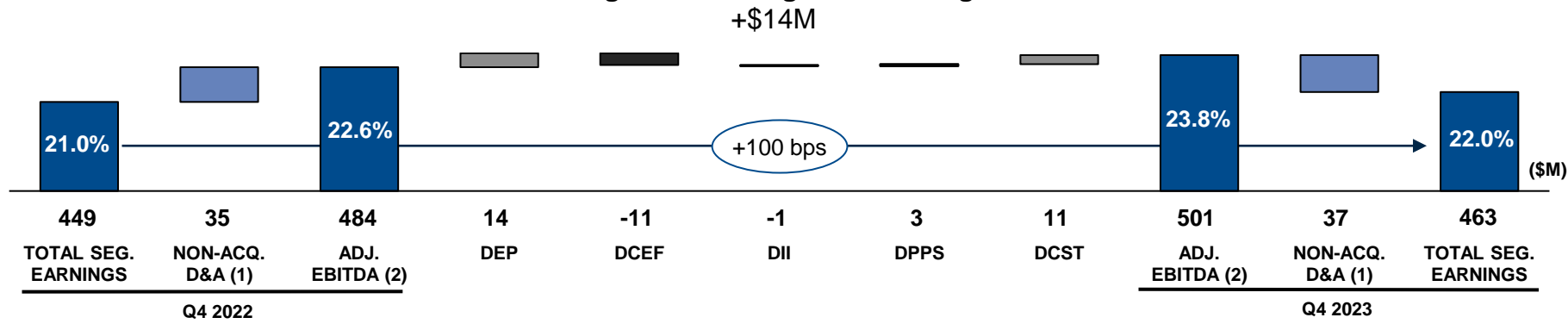
- Free Cash Flow<sup>(1)</sup>: 13% - 15% of Revenue
- Capex: \$160M - \$170M

Dollar/euro exchange rate: 1.10

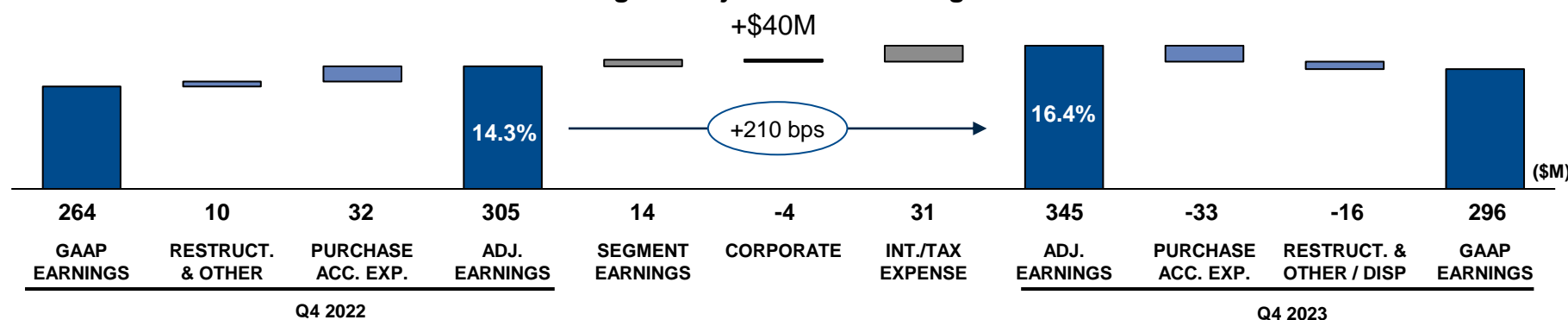
# Appendix

# Q4 2023 Total Segment Earnings and Adjusted Net Earnings

## Change in Total Segment Earnings<sup>(2)</sup>



## Change in Adjusted Net Earnings<sup>(2)</sup>



(1) Relates to PP&E and intangibles, and excludes amounts related to purchase accounting expenses and restructuring and other costs  
 (2) Non-GAAP measures (definitions and/or reconciliations in appendix)

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



# Organic Revenue Bridges

Segment Growth Factors							
	Revenue						
	Q4 2023	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
<b>Organic</b>							
Engineered Products	— %	(1.9)%	16.8 %	14.1 %	(10.3)%	5.4 %	6.6 %
Clean Energy & Fueling	(3.5)%	(4.0)%	(0.3)%	5.8 %	(8.8)%	10.5 %	9.9 %
Imaging & Identification	(3.5)%	0.2 %	2.9 %	8.0 %	(7.2)%	1.2 %	4.6 %
Pumps & Process Solutions	0.5 %	(3.3)%	4.1 %	26.6 %	(2.3)%	3.9 %	7.4 %
Climate & Sustainability Technologies	(10.9)%	2.4 %	18.5 %	22.0 %	(3.0)%	(2.7)%	(7.9)%
<b>Total organic</b>	<b>(3.4)%</b>	<b>(1.5)%</b>	<b>8.8 %</b>	<b>15.3 %</b>	<b>(6.6)%</b>	<b>3.8 %</b>	<b>3.7 %</b>
Acquisitions	0.9 %	0.9 %	4.2 %	1.3 %	1.0 %	0.8 %	0.5 %
Dispositions	— %	— %	(1.5)%	(0.2)%	(0.7)%	(0.5)%	(2.5)%
Currency translation	0.9 %	(0.2)%	(3.9)%	1.9 %	— %	(2.0)%	0.8 %
<b>Total</b>	<b>(1.6)%</b>	<b>(0.8)%</b>	<b>7.6 %</b>	<b>18.3 %</b>	<b>(6.3)%</b>	<b>2.1 %</b>	<b>2.5 %</b>

Geographic Revenue Growth Factors		
	Q4 2023	FY 2023
<b>Organic</b>		
United States	1.7 %	(3.0)%
Other Americas	(22.5)%	3.4 %
Europe	(16.1)%	(5.7)%
Asia	4.9 %	(0.2)%
Other	26.8 %	38.5 %
<b>Total organic</b>	<b>(3.4)%</b>	<b>(1.5)%</b>
Acquisitions	0.9 %	0.9 %
Currency translation	0.9 %	(0.2)%
<b>Total</b>	<b>(1.6)%</b>	<b>(0.8)%</b>

Note: Numbers may not add due to rounding

# Organic Bookings Bridges

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Organic <sup>(1)</sup>	(3.9)%	(12.2)%	(3.5)%	2.0 %	(4.6)%	(4.9)%	(7.6)%	(9.0)%	(18.0)%	26.5 %	61.2 %	24.8 %	22.2 %
Acquisitions	1.0 %	0.7 %	0.3 %	0.4 %	0.6 %	4.4 %	3.2 %	3.6 %	2.8 %	1.5 %	2.0 %	1.1 %	1.4 %
Dispositions	— %	— %	— %	— %	— %	(1.4)%	(1.8)%	(1.7)%	(1.1)%	(0.3)%	— %	— %	(0.5)%
Currency translation	(2.5)%	(0.8)%	1.0 %	0.9 %	(0.4)%	(2.2)%	(2.9)%	(3.8)%	(3.5)%	3.0 %	5.0 %	1.3 %	(0.2)%
<b>Total</b>	<b>(5.4)%</b>	<b>(12.3)%</b>	<b>(2.2)%</b>	<b>3.3 %</b>	<b>(4.4)%</b>	<b>(4.1)%</b>	<b>(9.1)%</b>	<b>(10.9)%</b>	<b>(19.8)%</b>	<b>30.7 %</b>	<b>68.2 %</b>	<b>27.2 %</b>	<b>22.9 %</b>

Note: Numbers may not add due to rounding



# Q4 2022 to Q4 2023 Revenue and Bookings Bridges

**Revenue Bridge by Segment**

(\$ in millions)

	DEP	DCEF	DII	DPPS	DCST	Total
<b>Q4 2022 Revenue</b>	<b>525</b>	<b>462</b>	<b>293</b>	<b>418</b>	<b>442</b>	<b>2,139</b>
Organic Growth/(Decline)	0	(16)	(10)	2	(48)	(73)
FX	4	4	2	8	3	22
Acquisitions/ Dispositions	—	—	—	16	2	18
<b>Q4 2023 Revenue</b>	<b>529</b>	<b>449</b>	<b>286</b>	<b>445</b>	<b>398</b>	<b>2,106</b>

**Bookings Bridge by Segment**

(\$ in millions)

	DEP	DCEF	DII	DPPS	DCST	Total
<b>Q4 2022 Bookings</b>	<b>498</b>	<b>399</b>	<b>273</b>	<b>362</b>	<b>377</b>	<b>1,909</b>
Organic Growth/(Decline) <sup>(1)</sup>	(8)	0	21	82	(56)	38
FX	4	2	3	6	2	18
Acquisitions/ Dispositions	—	—	—	5	2	7
<b>Q4 2023 Bookings</b>	<b>495</b>	<b>401</b>	<b>297</b>	<b>455</b>	<b>326</b>	<b>1,972</b>

Note: Numbers may not add due to rounding

# Reconciliation of Net Earnings to Total Segment Earnings and Total Adjusted Segment EBITDA

(\$ in millions)	Q4 2023	FY 2023	Q4 2022	FY 2022
<b>Net earnings</b>	<b>296</b>	<b>1,057</b>	<b>264</b>	<b>1,065</b>
Provision for income taxes	33	213	60	222
Earnings before provision for income taxes	329	1,270	323	1,288
Interest income	(5)	(13)	(1)	(4)
Interest expense	31	131	33	116
Corporate expense / other	46	151	42	135
Disposition Costs	1	1	—	—
Restructuring and other costs	19	64	12	39
Purchase accounting expenses	42	165	40	181
<b>Total segment earnings</b>	<b>463</b>	<b>1,768</b>	<b>449</b>	<b>1,755</b>
Total segment earnings margin	22.0 %	21.0 %	21.0 %	20.6 %
Add: Other depreciation and amortization <sup>(1)</sup>	37	147	35	138
<b>Total adjusted segment EBITDA</b>	<b>501</b>	<b>1,916</b>	<b>484</b>	<b>1,893</b>
Total adjusted segment EBITDA margin	23.8 %	22.7 %	22.6 %	22.2 %

Note: Numbers may not add due to rounding

# Reconciliation of Net Earnings to Total Segment Earnings and Total Adjusted Segment EBITDA

(\$ in millions)	FY 2021	FY 2020	FY 2019	FY 2018
<b>Net earnings</b>	<b>1,124</b>	<b>683</b>	<b>678</b>	<b>591</b>
Provision for income taxes	277	158	165	134
Earnings before provision for income taxes	1,401	842	843	725
Interest income	(4)	(4)	(5)	(9)
Interest expense	106	112	126	131
Corporate expense / other	156	119	142	115
Loss on assets held for sale	—	—	47	—
Disposition Costs	(206)	(5)	—	—
Restructuring and other costs	38	51	32	73
Purchase accounting expenses	142	139	138	146
<b>Total segment earnings</b>	<b>1,633</b>	<b>1,254</b>	<b>1,324</b>	<b>1,182</b>
Total segment earnings margin	20.7 %	18.8 %	18.6 %	16.9 %

Note: Numbers may not add due to rounding

# Adjusted EBITDA

(\$ in millions)	FY 2023	FY 2022
<b>Operating Earnings</b>	<b>1,366</b>	<b>1,379</b>
Purchase accounting expenses	165	181
Restructuring and other costs	64	39
Disposition costs	1	—
Other depreciation and amortization	147	138
Corporate depreciation	6	8
Other income	21	20
<b>Adjusted EBITDA</b>	<b>1,770</b>	<b>1,765</b>

Note: Numbers may not add due to rounding

# Reconciliation of Net Earnings to Adjusted Net Earnings and Diluted EPS to Adjusted Diluted EPS

	Q4 2023	FY 2023	Q4 2022	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
<b>Net earnings (\$)</b>	<b>296</b>	<b>1,057</b>	<b>264</b>	<b>1,065</b>	<b>1,124</b>	<b>683</b>	<b>678</b>	<b>591</b>
Purchase accounting expenses, pre-tax	42	165	40	181	142	139	138	146
Purchase accounting expenses, tax impact	(9)	(37)	(9)	(42)	(35)	(34)	(35)	(37)
Restructuring and other costs, pre-tax	19	64	12	39	38	51	32	73
Restructuring and other costs, tax impact	(4)	(13)	(2)	(8)	(7)	(11)	(7)	(15)
Disposition costs, pre-tax	1	1	—	—	—	—	—	—
Disposition costs, tax impact	—	—	—	—	—	—	—	—
Gain on dispositions, pre-tax	—	—	—	—	(206)	(5)	—	—
Gain on dispositions, tax-impact	—	—	—	—	53	1	—	—
Loss on extinguishment of debt, pre-tax	—	—	—	—	—	—	24	—
Loss on extinguishment of debt, tax impact	—	—	—	—	—	—	(5)	—
Loss on assets held for sale	—	—	—	—	—	—	47	—
Tax Cuts and Jobs Act	—	—	—	(23)	—	—	—	(3)
<b>Adjusted net earnings (\$)</b>	<b>345</b>	<b>1,237</b>	<b>305</b>	<b>1,213</b>	<b>1,109</b>	<b>824</b>	<b>872</b>	<b>756</b>
Adjusted net earnings margin	16.4 %	14.7 %	14.3 %	14.3 %	14.0 %	12.3 %	12.2 %	10.8 %
<b>Diluted EPS (\$)</b>	<b>2.11</b>	<b>7.52</b>	<b>1.87</b>	<b>7.42</b>	<b>7.74</b>	<b>4.70</b>	<b>4.61</b>	<b>3.89</b>
Purchase accounting expenses, pre-tax	0.30	1.18	0.29	1.27	0.98	0.95	0.94	0.96
Purchase accounting expenses, tax impact	(0.07)	(0.26)	(0.06)	(0.30)	(0.24)	(0.24)	(0.24)	(0.24)
Restructuring and other costs, pre-tax	0.14	0.46	0.08	0.26	0.26	0.35	0.22	0.48
Restructuring and other costs, tax impact	(0.03)	(0.10)	(0.02)	(0.06)	(0.05)	(0.07)	(0.06)	(0.10)
Disposition costs, pre-tax	0.01	0.01	—	—	—	—	—	—
Disposition costs, tax impact	—	—	—	—	—	—	—	—
Gain on dispositions, pre-tax	—	—	—	—	(1.42)	(0.03)	—	—
Gain on dispositions, tax impact	—	—	—	—	0.37	0.01	—	—
Loss on extinguishment of debt, pre-tax	—	—	—	—	—	—	0.16	—
Loss on extinguishment of debt, tax impact	—	—	—	—	—	—	(0.04)	—
Loss on assets held for sale	—	—	—	—	—	—	0.32	—
Tax Cuts and Jobs Act	—	—	—	(0.16)	—	—	—	(0.02)
<b>Adjusted diluted EPS (\$)</b>	<b>2.45</b>	<b>8.80</b>	<b>2.16</b>	<b>8.45</b>	<b>7.63</b>	<b>5.67</b>	<b>5.93</b>	<b>4.97</b>
<b>Revenue</b>	2,106	8,438	2,139	8,508	7,907	6,684	7,136	6,992
<b>Weighted average shares outstanding - diluted</b>	141	141	141	144	145	145	147	152

Note: Numbers may not add due to rounding

# Reconciliation of Free Cash Flow and EPS to Adjusted EPS

\$ in millions	Free Cash Flow			
	2023		2022	
	Q4	FY 2023	Q4	FY 2022
<b>Net cash provided by operating activities</b>	<b>516</b>	<b>1,336</b>	<b>339</b>	<b>806</b>
Capital expenditures	(61)	(193)	(55)	(221)
<b>Free cash flow</b>	<b>455</b>	<b>1,144</b>	<b>284</b>	<b>585</b>
Free cash flow as a % of revenue	21.6 %	13.6 %	13.3 %	6.9 %
Free cash flow as a % of adjusted net earnings	132.0 %	92.5 %	93.1 %	48.2 %

	Range	
<b>2024 Guidance for Earnings per Share (GAAP)</b>	<b>\$ 7.90</b>	<b>\$ 8.10</b>
Purchase accounting expenses, net		0.98
Restructuring and other costs, net		0.07
<b>2024 Guidance for Adjusted Earnings per Share (Non-GAAP)</b>	<b>\$ 8.95</b>	<b>\$ 9.15</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 purchase accounting expenses, restructuring and other costs/benefits, Tax Cuts and Jobs Act, disposition costs and gain/loss on dispositions.

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

**Adjusted Diluted Net Earnings Per Share (or Adjusted Earnings Per Share):** is defined as diluted EPS adjusted for the effect of purchase accounting expenses, restructuring and other costs/benefits, Tax Cuts and Jobs Act, disposition costs, gain/loss on dispositions, gain/loss on extinguishment of debt and gain/loss on assets held for sale.

**Total Segment Earnings:** is defined as sum of earnings before purchase accounting expenses, restructuring and other costs/benefits, corporate expenses/other, disposition costs interest expense, interest income and provision for income taxes for all segments.

**Total Segment Earnings Margin:** is defined as total segment earnings divided by revenue.

**Total Adjusted Segment EBITDA:** is defined as total segment earnings plus other depreciation and amortization expense, which relates to property, plant, and equipment and intangibles, and excludes amounts related to purchase accounting expenses, disposition costs and restructuring and other costs/benefits.

**Adjusted EBITDA:** is defined as operating earnings adjusted for the effect of purchase accounting expenses, restructuring and other costs/benefits, disposition costs, gain/loss on dispositions, other depreciation and amortization, corporate depreciation, and other income/expense.

**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 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.

**Segment Margin Conversion:** is defined as the change in total segment earnings divided by the change in revenue.

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 quarter.

# Performance Measure Definitions

## Definitions of Performance Measures:

**Bookings** represent total orders received from customers in the current reporting period and now exclude de-bookings. For comparability, prior periods were revised to exclude non-binding orders and previously disclosed de-bookings. This metric is an important measure of performance and an indicator of order trends.

**Organic Bookings** represent bookings 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 order trends.

**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 trends.

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.



