



July 22, 2020 – 8:00am CT

Earnings Conference Call Second Quarter 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 Form 10-K for 2019 and Form 10-Q for the second quarter of 2020, 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 second quarter, which are available on Dover's website.

Summary Corporate Q2 Results and Highlights

		Q2 2020	Highlights and Comments
Revenue change (Y-o-Y)	All-in	-17%	<ul style="list-style-type: none"> Expectedly slower demand across segments Material sequential improvement in June FX impact: -1%; acquisitions offset dispositions
	Organic ⁽¹⁾	-16%	
Bookings change (Y-o-Y)	All-in	-22%	<ul style="list-style-type: none"> Book-to-bill⁽³⁾: 0.94 Backlog⁽³⁾ remains strong (+8% Y-o-Y); increase in 4 of 5 segments
	Organic ⁽³⁾	-21%	
Segment EBIT margin improvement (Y-o-Y)	Reported ⁽²⁾	-270 bps	<ul style="list-style-type: none"> Cost containment and in-flight actions yield 27% adj. decremental margin⁽¹⁾ DFS and DPPS adj. margin increase Y-o-Y despite lower volume
	Adjusted ⁽¹⁾	-190 bps	
Earnings	Reported	\$125M	<ul style="list-style-type: none"> Reported Y-o-Y change: -37% Adjusted Y-o-Y change: -28%
	Adjusted ⁽¹⁾	\$164M	
Diluted EPS	Reported	\$0.86	<ul style="list-style-type: none"> Reported Y-o-Y change: -36% Adjusted Y-o-Y change: -28%
	Adjusted ⁽¹⁾	\$1.13	
Cash Flow change (Y-o-Y)	OpCF ⁽⁴⁾	+\$63M	<ul style="list-style-type: none"> Q2 FCF⁽¹⁾ up Y-o-Y on lower Capex, NWC management, tax deferrals YTD FCF⁽¹⁾ up \$126M Y-o-Y; liquidity position remains robust
	FCF ⁽¹⁾	+\$78M	
Guidance and other activities			<ul style="list-style-type: none"> 2020 EPS guidance reinstated: <ul style="list-style-type: none"> Reported EPS: \$4.16 - \$4.41 Adjusted EPS⁽¹⁾: \$5.00 - \$5.25

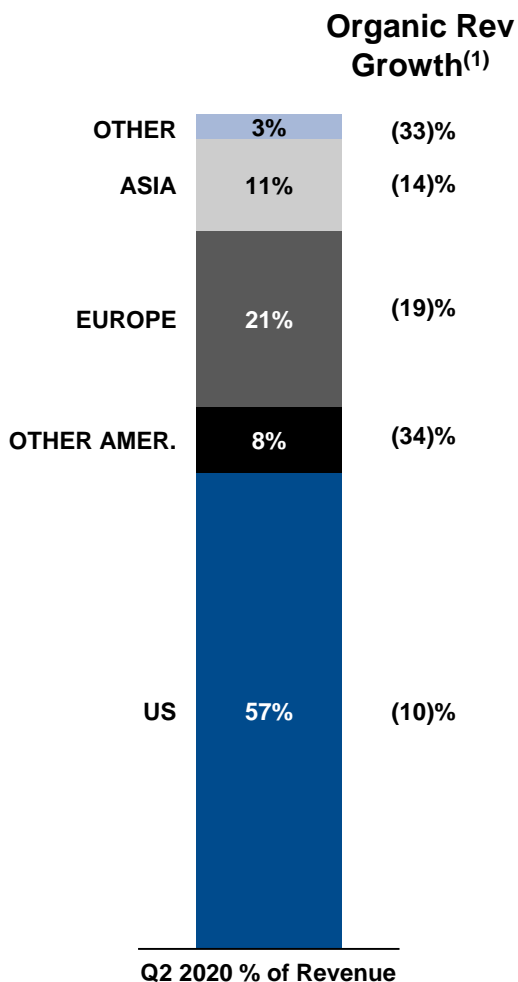
Q2 2020 Segment Results

Segment	Q2 2020 ⁽¹⁾		Comments
	Revenue (\$M) / Organic Change %	Adj. EBIT % / bps Δ Y-o-Y	
DEP	\$342 -20%	15.2% -300 bps	<ul style="list-style-type: none"> Relative resilience in waste handling and aerospace & defense off strong backlogs, weakness in other Capex-levered industrial businesses Margin decline due to lower volumes and difficult year-over-year comp (Q2'19 saw peak margin). Expect margin gap to narrow in H2 as volumes recover
DFS	\$326 -15%	14.7% +80 bps	<ul style="list-style-type: none"> Sustained strong activity in above ground retail fueling in North America (incl. EMV), lower demand in EMEA and in Asia largely due to expected lower activity Margin up on productivity gains and geo/product mix offsetting low volumes. Expect full year margin accretion for the segment
DII	\$228 -14%	16.5% -450 bps	<ul style="list-style-type: none"> Marking & Coding resilient with strength in consumables and fast moving consumer goods. Textiles significantly impacted by disruption in apparel demand and retail activity High segment gross margin and decline in digital print drove decremental margin. Strong margin performance in Marking & Coding (~flat Y-o-Y) expected to continue
DPPS	\$309 -9%	23.4% +60 bps	<ul style="list-style-type: none"> Record growth in biopharma and thermal connector business. Lower sales in industrial pumps and precision components. Plastics expectedly lower due to H2-gearred backlog Margin improvement on productivity gains and mix. Expect to hold absolute profits approximately flat for full year
DRFE	\$294 -20%	6.2% -550 bps	<ul style="list-style-type: none"> Resilience in heat exchangers. Expectedly weak demand in foodservice and slow backlog conversion in food retail due to COVID disruption Proactive production curtailments resulted in negative fixed cost absorption and Q2 margin decline. Cost and productivity actions improved margins intra-quarter. Expect H2 Y-o-Y growth in absolute earnings and in margin

(1) Non-GAAP reconciliations in appendix

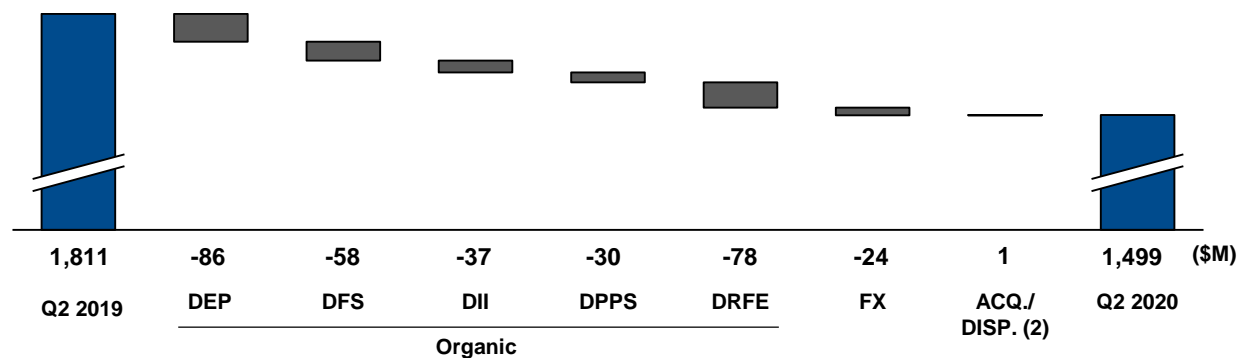
Q2 2020 Revenue & Bookings

Geographic Detail



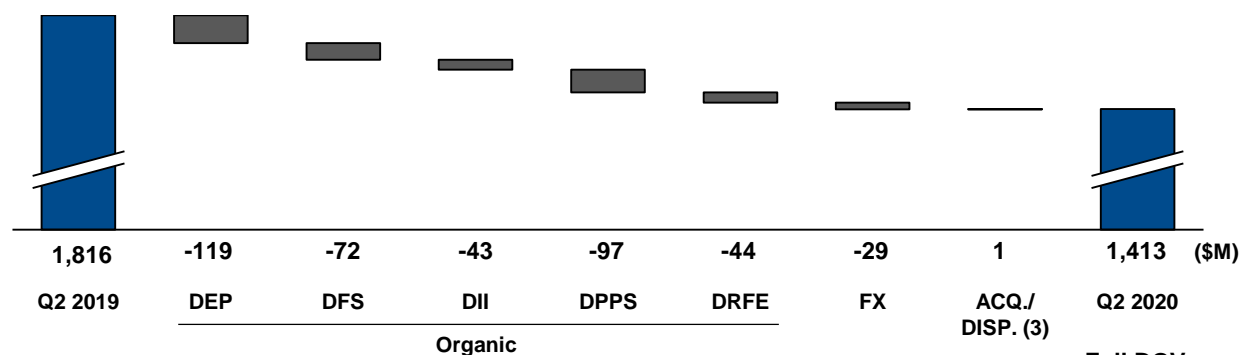
Revenue

Change in Organic Revenue⁽¹⁾: $-\$289\text{M}$, or -16.0%



Bookings⁽⁴⁾

Change in Organic Bookings⁽⁴⁾: $-\$375\text{M}$, or -20.6%



	DEP	DFS	DII	DPPS	DRFE	FX	ACQ./ DISP. (3)	Full DOV
June vs. May '20 Bookings ⁽⁴⁾ Change	12%	30%	22%	11%	21%			19%
Q2 Y-o-Y Backlog ⁽⁴⁾ Change (\$ / %)	-39 / -9%	13 / 7%	52 / 45%	1 / -%	80 / 26%			106 / 8%

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

(1) Non-GAAP measure (definition and reconciliation in appendix)
 (2) Acquisitions: \$13M, dispositions: \$12M

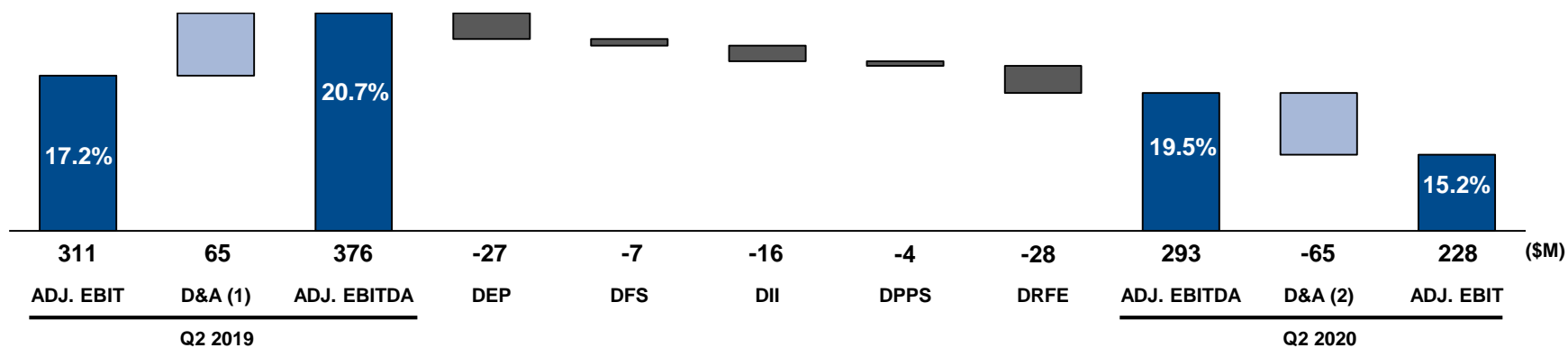
(3) Acquisitions: \$13M, dispositions: \$12M
 (4) See performance measure definitions in appendix



Q2 2020 Adjusted Segment EBIT and Adjusted Net Earnings

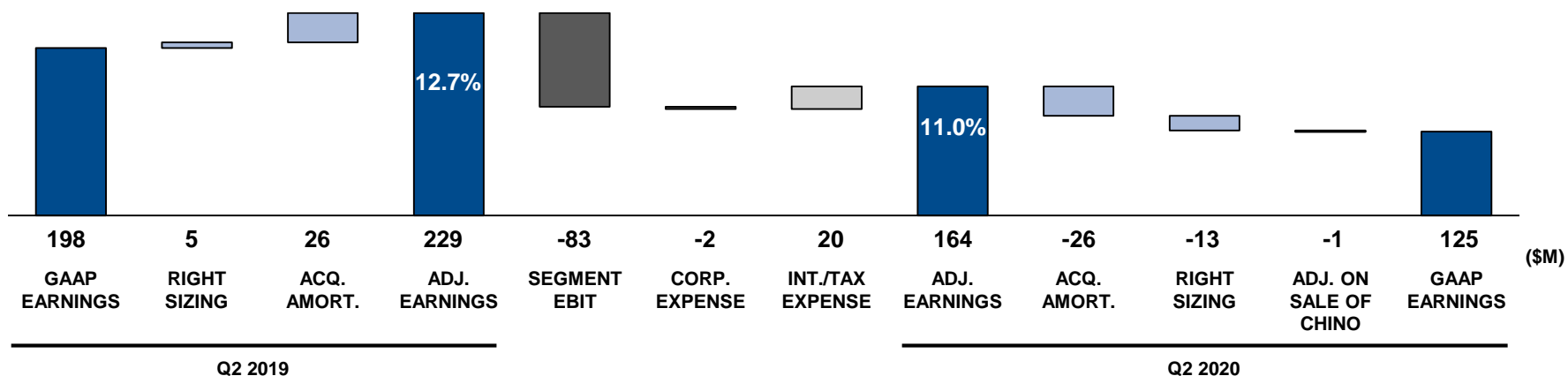
Change in Adjusted Segment EBIT ⁽³⁾

-\$83M



Change in Adjusted Net Earnings ⁽³⁾

-\$65M



(1) Depreciation: \$30M, Amortization: \$35M
 (2) Depreciation: \$31M, Amortization: \$34M
 (3) Non-GAAP measures (definitions and reconciliations in appendix)

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

Year-to-Date Free Cash Flow

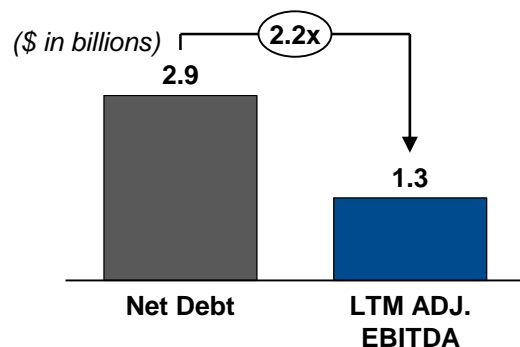
\$M	YTD '20	YTD '19	Δ
Net earnings	301	304	-3
Adjustments for (gains) losses ⁽¹⁾	(6)	47	-53
D&A	136	136	+1
Change in working capital	(80)	(164)	+84
Change in other ⁽²⁾	(4)	(89)	+85
Cash flow from operations	348	233	+114
Capex	(79)	(91)	12
Free cash flow⁽³⁾	269	142	+126
FCF % of revenue⁽³⁾	8.5%	4.0%	+450 bps
FCF % of adj. earnings⁽³⁾	73.0%	34.5%	+3,850 bps

- **NWC management led to improved FCF conversion**
- **Q2 benefited by ~\$40M of deferred US tax payments (to be paid in Q3)**
- **Capex on “in-flight” committed projects largely completed in H1 '20**

Note: Numbers may not add due to rounding

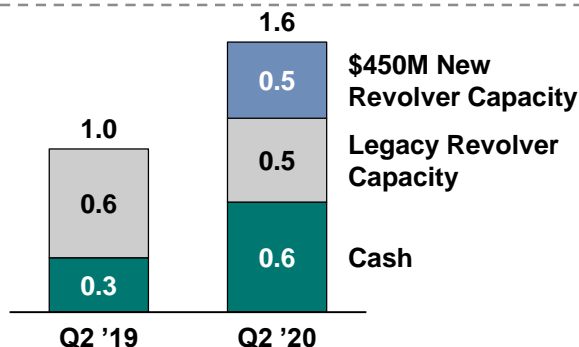
Q2 2020: Balance Sheet Update

Prudent Leverage⁽¹⁾



- Flexible and conservative capital structure in line with long term objective
- Investment grade credit with “margin of safety”

Improved Liquidity⁽²⁾



- Established new \$450M revolver facility in Q2, \$1B legacy revolver facility remains in place
- Re-entered stabilized commercial paper market
- No long term debt maturities until 2025

Principled Capital Allocation

65 years *Consecutive years of increasing dividend*






~\$225 million *Net year-to-date highly-synergistic bolt-on acquisitions⁽³⁾*

- Continue to pay dividend
- Continue to pursue attractive bolt-on M&A opportunities
- Lifting suspension of share repurchases

Note: Numbers may not add due to rounding

(1) Net debt and LTM adjusted EBITDA are non-GAAP measures (definitions and reconciliations in appendix)
 (2) Q2 '19 and Q2 '20 had \$358M and \$505M of commercial paper balance, respectively, which nets against legacy revolver capacity
 (3) Represents \$239M of cash paid for acquisitions less \$17M of cash proceeds from the sale of AMS China

Demand Outlook for H2 2020

Segment	H2 Outlook vs. Q2 ⁽¹⁾	Demand Outlook Comments
DEP		<ul style="list-style-type: none"> Strong backlog and visibility in aerospace & defense (microwave products); improvement in short-cycle businesses (automotive aftermarket, industrial automation) Orders slowed in waste handling driven by pull-back in industry capex and municipal spend reductions, backlog remains strong
DFS		<ul style="list-style-type: none"> NA above-ground remains resilient and supported by EMV Global activity lower on challenging comparable from 2019, expiration of China double-wall, global decline in miles driven and decline in capital budgets for integrated oil (esp. China and Europe) Transportation components and vehicle wash impacted but recovering
DII		<ul style="list-style-type: none"> Marking & coding remains steady on robust demand in FMCG and consumables as well as pent-up demand (maintenance postponed due to travel restrictions) in printers and services Textile digital printing operating at a reduced capacity; apparel/fashion markets remain challenged, but signs of order upticks at end of Q2
DPPS		<ul style="list-style-type: none"> Continued robust growth in biopharma and thermal connectors, improvement in industrial pumps on improving short cycle trends Strong backlog and visibility support stronger H2 in plastics processing; continued slowing in precision components, mainly in O&G and power gen
DRFE		<ul style="list-style-type: none"> Resilience in heat exchangers (esp. non-HVAC markets) and expected H2 deliveries from the large backlog in aluminum can making Expect food retail to begin shipping against a healthy backlog; possible upside from pent-up demand due to elevated wear & tear of field equipment in H1 and delayed maintenance/remodels Foodservice equipment (~10% of segment) to remain challenged through year-end

(1) Denotes directional assessment of expected year-over-year revenue change in H2 2020 compared to Q2 2020



FY2020 Guidance

Revenue

- Negative FY organic revenue⁽¹⁾ change
- Sequential improvement from Q2 through Q3 and Q4

Corporate Items

- Corp Expense: \$110M - \$115M
- Interest Expense: \$105M - \$108M
- Tax Rate: 20 – 22%

EBIT Conversion⁽¹⁾

- 20-25% full year decremental margin⁽¹⁾ range
- Revising favorably (vs. 25-30% on Q1 call) on back of strong first half performance

Cash Flow

- Free Cash Flow⁽¹⁾ Conversion:
 - 100+% of Adjusted Net Earnings
 - 10-12% of Revenue
- Capex: \$140M - \$160M

EPS

- Reported: \$4.16 - \$4.41
- Adjusted⁽¹⁾: \$5.00 - \$5.25

(1) Non-GAAP measure (definition in appendix)

Appendix

Q2 2019 to Q2 2020 Revenue and Bookings Bridges by Segment

Revenue Bridge by Segment

(\$ in millions)	DEP	DFS	DII	DPPS	DRFE	Total
Q2 2019 Revenue	430	391	267	339	385	1,811
Organic Growth	(86)	(58)	(37)	(30)	(78)	(289)
FX	(2)	(6)	(9)	(4)	(2)	(24)
Acquisitions / Dispositions	1	-	8	4	(12)	1
Q2 2020 Revenue	342	326	228	309	294	1,499

Bookings Bridge by Segment

(\$ in millions)	DEP	DFS	DII	DPPS	DRFE	Total
Q2 2019 Bookings	397	394	264	376	384	1,816
Organic Growth	(119)	(72)	(43)	(97)	(44)	(375)
FX	(2)	(11)	(9)	(5)	(2)	(29)
Acquisitions / Dispositions	1	-	10	2	(12)	1
Q2 2020 Bookings	278	311	221	276	326	1,413

Note: Numbers may not add due to rounding

Q2 2020 Organic Revenue and Bookings Bridges

Q2 2020 Segment Growth Factors		
	Revenue Growth	Bookings Growth
Organic		
Engineered Products	-20.1%	-29.8%
Fueling Solutions	-14.8%	-18.2%
Imaging & Identification	-14.0%	-16.5%
Pumps & Process Solutions	-8.8%	-25.7%
Refrigeration & Food Equipment	-20.2%	-11.6%
Total Organic	-16.0%	-20.6%
Acquisitions	0.7%	0.7%
Dispositions	-0.7%	-0.6%
Currency translation	-1.2%	-1.7%
Total	-17.2%	-22.2%

Q2 2020 Geographic Revenue Growth Factors	
	Revenue Growth
Organic	
US	-10.3%
Other Americas	-33.5%
Europe	-19.5%
Asia	-14.3%
Other	-33.1%
Total Organic	-16.0%
Acquisitions	0.7%
Dispositions	-0.7%
Currency translation	-1.2%
Total	-17.2%

Note: Numbers may not add due to rounding

Reconciliation of Q2 2020 Net Earnings to Adj. EBIT and Adj. EBITDA and Calculation of Adj. EBIT Margin and Adj. EBITDA Margin by Segment

(\$ in millions)	Q2 2020					Total
	DEP	DFS	DII	DPPS	DRFE	
Revenue	342	326	228	309	294	1,499
Net earnings	-	-	-	-	-	125
Add back:						
Corporate expense	-	-	-	-	-	27
Interest expense, net	-	-	-	-	-	28
Income tax expense	-	-	-	-	-	32
Segment earnings (EBIT)	48	47	38	68	11	212
EBIT %	13.9%	14.5%	16.7%	21.9%	3.9%	14.1%
Adjustments:						
Rightsizing and other costs	4	1	(1)	5	6	15
Loss on disposition	-	-	-	-	1	1
Adjusted EBIT - Segment	52	48	38	72	18	228
Adjusted EBIT %	15.2%	14.7%	16.5%	23.4%	6.2%	15.2%
Adjusted depreciation and amortization expense ⁽¹⁾	10	18	9	17	11	65
Adjusted EBITDA - Segment	62	66	47	89	30	293
Adjusted EBITDA %	18.0%	20.2%	20.5%	28.9%	10.1%	19.5%

Note: Numbers may not add due to rounding

Reconciliation of Q2 2019 Net Earnings to Adj. EBIT and Adj. EBITDA and Calculation of Adj. EBIT Margin and Adj. EBITDA Margin by Segment

(\$ in millions)	Q2 2019					
	DEP	DFS	DII	DPPS	DRFE	Total
Revenue	430	391	267	339	385	1,811
Net earnings	-	-	-	-	-	198
Add back:						
Corporate expense	-	-	-	-	-	25
Interest expense, net	-	-	-	-	-	31
Income tax expense	-	-	-	-	-	52
Segment earnings (EBIT)	77	53	55	76	44	305
EBIT %	17.9%	13.5%	20.5%	22.5%	11.5%	16.8%
Adjustments:						
Rightsizing and other costs	1	2	1	1	1	6
Adjusted EBIT - Segment	78	54	56	77	45	311
Adjusted EBIT %	18.2%	13.9%	21.0%	22.8%	11.7%	17.2%
Adjusted depreciation and amortization expense ⁽¹⁾	10	19	7	16	13	65
Adjusted EBITDA - Segment	88	73	63	93	58	376
Adjusted EBITDA %	20.5%	18.8%	23.7%	27.6%	15.0%	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 Free Cash Flow and Net Debt

(\$ millions)	Free Cash Flow			
	Q2 2020	Q2 2019	Q2 YTD 2020	Q2 YTD 2019
Net Cash Provided by Operating Activities	272	209	348	233
Capital Expenditures	(39)	(54)	(79)	(91)
Free Cash Flow	233	155	269	142
Free Cash Flow as a % of Earnings	186.6%	78.1%	89.2%	46.8%
Free Cash Flow as a % of Adjusted Earnings	141.6%	67.5%	73.0%	34.5%
Free Cash Flow as a % of Revenue	15.5%	8.5%	8.5%	4.0%

(\$ in millions)	Net Debt
	Q2 '20
Short term borrowings	-
Commercial paper	505
Notes payables	505
Long-term debt	3,001
Total debt	3,506
Less: Cash and cash equivalents	(649)
Net debt	2,857

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)

	Q2 2020	Q2 2019	Q2 YTD 2020	Q2 YTD 2019
Net earnings (\$)	125	198	301	304
Acquisition-related amortization, pre tax	34	35	68	71
Acquisition-related amortization, tax impact	(8)	(9)	(17)	(18)
Rightsizing and other costs, pre tax	17	6	25	10
Rightsizing and other costs, tax impact	(3)	(1)	(5)	(2)
Loss (gain) on disposition, pre tax	1	-	(6)	-
Loss (gain) on disposition, tax impact	(0)	-	1	-
Loss on assets held for sale	-	-	-	47
Adjusted net earnings (\$)	164	229	368	412
Weighted average shares outstanding – diluted	145	147	145	147
Diluted EPS (\$)	0.86	1.35	2.07	2.07
Acquisition-related amortization, pre tax	0.24	0.24	0.47	0.48
Acquisition-related amortization, tax impact	(0.06)	(0.06)	(0.12)	(0.12)
Rightsizing and other costs, pre tax	0.12	0.04	0.17	0.07
Rightsizing and other costs, tax impact	(0.02)	(0.01)	(0.03)	(0.02)
Loss (gain) on disposition, pre tax	0.00	-	(0.04)	-
Loss (gain) on disposition, tax impact	(0.00)	-	0.01	-
Loss on assets held for sale	-	-	-	0.32
Adjusted diluted EPS (\$)	1.13	1.56	2.53	2.80

Note: Numbers may not add due to rounding

Reconciliation of Corporate Last Twelve Months (“LTM”) Adjusted EBITDA and Decremental Margin

(\$ in millions)	LTM Adjusted EBITDA				
	Q3 '19	Q4 '19	Q1 '20	Q2 '20	LTM
Net earnings	206	168	176	125	675
Add back:					
Corporate expense	29	40	24	27	120
Interest expense, net	30	29	26	28	113
Income tax expense	52	29	37	32	150
Loss on extinguishment of debt	-	24	-	-	24
Segment earnings (EBIT)	317	290	264	212	1,083
Adjustments:					
Rightsizing and other costs	3	13	7	15	38
(Gain) loss on disposition	-	-	(7)	1	(6)
Adjusted EBIT - Segment	320	304	264	228	1,116
Adjusted depreciation and amortization ⁽²⁾	65	67	65	65	262
Adjusted Segment EBITDA	385	371	329	293	1,378
Less: Corporate expenses ⁽¹⁾	(29)	(64)	(24)	(27)	(144)
Plus: Corporate rightsizing & other costs ⁽¹⁾	-	28	1	2	31
Plus: Corporate depreciation & amortization	2	2	2	2	7
Adjusted Corporate EBITDA	359	337	308	269	1,272

(\$ in millions)	Decremental Margin		
	Q2 '20	Q2 '19	Δ
Revenue	1,499	1,811	(312)
Adjusted EBIT - Segment	228	311	(83)
Decremental Margin			27%

Note: Numbers may not add due to rounding

Reconciliation of EPS to Adjusted EPS

	Range	
2020 Guidance for Earnings per Share (GAAP)	\$4.16	\$4.41
Acquisition-related amortization, net		0.71
Rightsizing and other costs, net		0.16
Gain on disposition, net		(0.03)
2020 Guidance for Adjusted Earnings per Share (Non-GAAP)	\$5.00	\$5.25

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, a 2019 loss on assets held for sale and a 2020 gain on disposition.

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, a 2019 loss on assets held for sale and a 2020 gain/loss on disposition.

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 / Decremental 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.

Net debt: is defined as total debt minus cash and cash equivalents.

LTM Adjusted EBITDA: is defined as adjusted segment EBITDA, less corporate expenses, plus corporate rightsizing and other costs and corporate depreciation and amortization.

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.

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.

