



S T O C K A N A L Y S I S

Dover Corporation

D O V | N Y S E

March 29, 2026

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1. Business Overview, Segments & Competitive Positioning

1.1 What the Company Does

The Company in One Sentence

Dover Corporation is a diversified global manufacturer of specialized industrial equipment, components, software, and aftermarket solutions serving five distinct end-market clusters: vehicle aftermarket and defense electronics; fuel and energy infrastructure; product marking and traceability; pumps, biopharma, and precision components; and commercial refrigeration and heat exchange.

Incorporated in Delaware in 1947 and publicly traded since 1955, Dover (NYSE: DOV) is headquartered in Downers Grove, Illinois and employs approximately 24,000 people worldwide. The company generated \$8.1 billion in revenue in FY2025 across five reportable segments, each organized around similar business models, go-to-market strategies, and manufacturing practices. Dover operates as a holding company with a lean corporate center that provides shared services, digital capabilities, and capital allocation oversight to dozens of operating companies beneath the segment umbrella. Its products are manufactured primarily in North America, Europe, and Asia and sold globally through a mix of direct sales forces and distributor networks.

What distinguishes Dover from a typical conglomerate is its operating model discipline. The company explicitly targets niche industrial markets where its products represent a small fraction of the customer's total system cost but carry outsized importance in performance and safety — making switching costs high relative to the component price. Approximately 40% of Dover's revenue is recurring, generated from consumables, parts, software, and services sold into a large installed equipment base. This aftermarket annuity underpins the margin and cash flow profile that has enabled 70 consecutive years of dividend increases.

Engineered Products

This segment manufactures vehicle lifts, wheel service equipment, collision repair tools, and diagnostic software for the automotive aftermarket; industrial winches, hoists, and bearings for infrastructure applications; and radio-frequency filters, microwave switches, and signals intelligence solutions for aerospace and defense customers. The segment also includes precision bench-top soldering and fluid dispensing equipment for electronics assembly. The customer base spans independent auto repair shops and dealership chains (aftermarket), defense prime contractors and government agencies (A&D), and industrial OEMs. Revenue is generated through equipment sales and a meaningful aftermarket stream of parts, software licenses, and service contracts. The key economic driver is the size and age of the vehicle fleet in operation — more vehicles and older vehicles drive higher maintenance spend — supplemented by defense budget allocations for electronic warfare capabilities. Following the divestiture of De-Sta-Co (industrial automation, sold for \$676M in Q1 2024) and the ESG business (waste handling, sold for \$2.0B in Q4 2024 and classified as discontinued

operations), this segment has shrunk to less than 15% of the total portfolio and is now weighted toward higher-margin A&D and technology-enabled aftermarket solutions.

Clean Energy & Fueling

Dover's largest segment by revenue provides the physical infrastructure for fuel and energy distribution: dispensing equipment and components for gasoline, compressed natural gas, liquefied natural gas, and hydrogen fueling stations; underground storage and containment systems; point-of-sale payment terminals and forecourt controllers; asset tracking and remote monitoring software for retail fuel sites; vehicle wash systems and chemicals; and critical flow-control components for cryogenic gas transport. Customers include fuel retailers (from independent stations to major chains like Costco), convenience store operators, fleet managers, and industrial gas companies. Revenue comes from equipment sales, software subscriptions for site monitoring and payment processing, and recurring chemical and parts sales into the installed wash and fueling base. The key economic variable is the retail fueling CapEx cycle: when fuel retailers invest in new or upgraded stations, Dover sells dispensers, tanks, controllers, and software as a bundled solution. Management has identified this cycle as turning positive in North America, entering what they describe as the "early innings" of a new investment wave driven by record-high retail fuel margins and aging station infrastructure. The segment has been reshaped by recent acquisitions: MEC (flow control, \$396M, 2024), Bulloch (POS/forecourt, \$122M, 2024), Demaco (cryogenic piping, \$43M, 2024), and Site IQ (IoT monitoring, \$11M, 2025).

Imaging & Identification

This segment designs and manufactures marking and coding equipment — principally industrial inkjet, laser, and thermal transfer printers — that apply variable information such as batch codes, expiration dates, barcodes, and serial numbers onto fast-moving consumer goods packaging at high speed. It also provides serialization software for pharmaceutical supply chain compliance and anti-counterfeiting, as well as digital textile printing equipment for the apparel and signage industries. Customers are global consumer packaged goods companies, pharmaceutical manufacturers, food and beverage producers, and textile mills. The business model is classic equipment-plus-consumables: initial printer sales at modest margins are followed by a high-margin, recurring stream of inks, ribbons, printheads, software subscriptions, and service contracts that can persist for the 7+ year life of the printer. The key economic variable is the global installed base of printers — every new printer placed generates years of consumable pull-through, making printer shipment volume a leading indicator for future recurring revenue. This segment is Dover's most geographically diverse, with 72% of revenue generated outside the United States, and its most stable, generating GDP-plus growth with limited cyclicity due to the regulatory-driven demand for product traceability.

Pumps & Process Solutions

Dover's highest-margin segment manufactures specialty pumps (including single-use biopharma pumps), fluid transfer connectors, precision flow meters, thermal connectors for liquid cooling of data centers, digital controls and instrumentation for rotating and reciprocating

machinery, polymer and plastics processing equipment, and measurement, inspection, and control technologies for wire and cable production. End markets span single-use biopharmaceutical manufacturing, data center thermal management, natural gas compression and power generation, plastics and polymer processing, food and beverage, semiconductor production, and general industrial applications. Revenue is generated through component sales — often specified by the end customer or mandated by regulation — followed by aftermarket parts and services. The key economic variable is capital investment in the segment's target end markets, particularly AI-driven data center build-out (thermal connectors), biopharma production expansion (single-use components), and natural gas infrastructure (compression controls). This segment has been the primary recipient of Dover's acquisition capital: FW Murphy (\$526M, 2023, natural gas compression controls), Sikora (\$608M, 2025, wire/cable inspection), and Cryo-Mach (\$29M, 2025, cryogenic pumps) all landed here. At a 30.3% segment margin in FY2025, this is Dover's profit engine and its clearest secular growth story.

Climate & Sustainability Technologies

This segment serves three distinct end markets from a common engineering base in heat transfer and refrigeration. First, commercial refrigeration: Dover manufactures CO₂-based refrigeration systems (where it holds North American market leadership), conventional refrigeration racks, refrigerated display cases, and commercial glass refrigerator/freezer doors for supermarkets, big-box retailers, and convenience stores. Second, heat exchangers: the SWEP subsidiary produces brazed-plate heat exchangers used in residential heat pumps, industrial heating and cooling, and — increasingly — liquid cooling of data center server racks. Third, beverage can-making: the Belvac subsidiary designs and manufactures machinery and spare parts for aluminum can production lines. Revenue comes from equipment sales, engineering services, door case installation and maintenance, and aftermarket parts. The key economic variables are: for refrigeration, the timing of national retailers' store remodel and equipment replacement cycles; for heat exchangers, data center and heat pump construction starts; and for Belvac, the global CapEx cycle in aluminum can manufacturing. This segment carries the lowest margin in the portfolio (17.0% in FY2025) but showed the strongest Q4 momentum (+9.4% organic, 1.21x book-to-bill), driven by CO₂ refrigeration adoption, recovery in door case demand after tariff-related delays, and record U.S. shipments of brazed-plate heat exchangers for data center cooling.

How the Pieces Fit Together

Dover's five segments do not share customers, supply chains, or product platforms in any meaningful way. A fuel dispenser has no technical relationship to a biopharma pump or a refrigeration rack. This is not a vertically integrated system or a cross-selling flywheel — it is a portfolio of independently operated niche industrial businesses held together by shared corporate infrastructure and a common capital allocation framework. The segments sit under one roof for three reasons: first, Dover's lean corporate center (approximately 650 people in Dover Business Services plus 750 engineers in the India Innovation Center) provides shared services — finance, IT, digital product development, supply chain optimization — at a cost that

would be prohibitive for each operating company independently. Second, centralized capital allocation allows management to redirect free cash flow from mature, cash-generative businesses (Imaging & ID, for example) toward higher-growth acquisition targets (Pumps & Process Solutions). Third, the diversification itself dampens cyclicalities: when industrial markets weaken, defensive end markets like packaged goods coding or convenience store fueling tend to hold.

The fragility is the flip side of the independence: a problem in one segment does not infect the others, but neither can a strong segment rescue a struggling one operationally. The real risk is capital misallocation — overpaying for acquisitions in one segment using cash generated by another. Dover's track record here is mixed and warrants scrutiny, particularly given the acceleration of M&A spending (\$1.9 billion across 14 deals in 2023–2025).

The Business Model

Dover makes money by designing, manufacturing, and selling specialized industrial equipment and components into niche markets where its products are critical to the customer's operation, switching costs are high, and regulatory or safety requirements create barriers to entry. Revenue splits roughly 60% equipment sales and 40% recurring aftermarket (parts, consumables, software, services). The cost structure is moderately capital-intensive: CapEx runs at approximately 2.5–3% of revenue, with the balance of costs in raw materials (steel, copper, aluminum, electronic components), labor, and overhead. The company operates dozens of manufacturing plants globally, with ongoing footprint optimization (rooftop consolidations) a persistent source of margin improvement.

Unit economics vary by segment but follow a common pattern: gross margins in the high 30s to low 40s (consolidated gross margin was 39.8% in FY2025), with operating leverage driven by volume throughput in fixed-cost manufacturing facilities and the high incremental margin on recurring aftermarket revenue. Pricing power is moderate — Dover typically passes through 1–2% annual price increases to offset raw material inflation, and management guided 1.5–2% pricing embedded in the 2026 outlook. Revenue is predominantly transactional and project-based rather than contractual, though the recurring aftermarket component provides meaningful visibility. Geographic concentration is balanced: 54% U.S., 22% Europe, 11% Asia, with the remainder spread across the Americas and other markets. No single customer exceeds 10% of consolidated revenue.

1.2 Key Information

1.2.1 Executive Leadership

Name	Age	Role	In Role Since	Years at Co.	Prior Experience
Richard J. Tobin	62	President & CEO	May 2018	~10	CEO, CNH Industrial NV (2013–2018)
Christopher B. Woenker	43	SVP & CFO	Jan 2025	~8	Segment CFO, Dover (2017–2025)

Ivonne M. Cabrera	59	SVP, GC & Secretary	Jan 2013	~13	Not disclosed in filing
Jeffrey Yehle	60	SVP & CHRO	Jul 2024	<1	EVP, Gallagher (2020–2024)
Girish Juneja	56	SVP & Chief Digital Officer	May 2017	~9	SVP/CTO, Altisource (2014–2017)
James M. Moran	60	VP, Treasurer	Nov 2015	~11	SVP & Treasurer, Navistar (2013–2015)
Ryan W. Paulson	52	VP & Controller	Jul 2019	~8	Partner, PwC (2012–2017)

Source: Dover Corporation 10-K FY2025, Information About Our Executive Officers (Tier 1). Years at Co. column is analyst-computed from disclosed join dates.

The institutional anchor of this team is CEO Rich Tobin, who has led Dover since May 2018 and served on the board since 2016. Tobin's tenure has been defined by aggressive portfolio reshaping — the sale of ESG (\$2.0B) and De-Sta-Co (\$676M) in 2024, combined with \$1.9B in acquisitions over 2023–2025 — and a sustained margin expansion program that has lifted total segment EBITDA margins from the low 20s to 25.0% in FY2025. His background running CNH Industrial (a \$30B+ machinery conglomerate) gives him deep operational credibility in the diversified industrial model. At 62, succession planning is a latent consideration, though there is no public indication of a timeline.

The highest-risk appointment is CFO Chris Woenker, who stepped into the role in January 2025 after serving as a segment-level CFO since 2017. At 43, he is by far the youngest member of the C-suite and is executing his first full year as public-company CFO during a period of elevated M&A activity (\$608M Sikora deal) and complex capital structure management (new €550M euro-denominated notes, \$500M ASR program). The early signal is positive — free cash flow conversion improved materially in FY2025 — but this is an appointment to monitor. CHRO Jeff Yehle is also new, having joined from outside the company in July 2024, though this role carries lower operational risk. A notable gap: there is no disclosed Chief Operating Officer, reflecting Dover's decentralized model where segment-level operators report directly to Tobin.

1.2.2 Capital Allocation & M&A Track Record

Part A — Major Acquisitions (>\$100M, Last 3 Years)

Year	Target	Price (\$M)	Segment	Strategic Rationale	Verdict
2025	Sikora AG	\$608	PPS	Wire/cable inspection & measurement	Too Early
2024	Marshall Excelsior	\$396	CEF	LPG/industrial gas flow control	Too Early
2024	Bulloch Technologies	\$122	CEF	POS/forecourt payment solutions	Too Early
2023	FW Murphy	\$526	PPS	Compression controls for nat gas	Clear Success

Source: Dover Corporation 10-K FY2025, Note 3 — Acquisitions (Tier 1). No single deal in the last 10 years from continuing operations has exceeded \$1B. Total M&A spend 2023–2025: ~\$1.9B across 14 deals. Verdicts are analyst assessments.

Part B — Deal Assessments

FW Murphy (\$526M, Dec 2023, PPS): This was Dover's bet on the natural gas compression and power generation infrastructure cycle. FW Murphy provides digital controls and optimization solutions for reciprocating compressors — the workhorses of midstream natural gas transport. The thesis at acquisition was that growing demand for natural gas (both for power generation and LNG export) would drive sustained investment in compression capacity. The verdict is Clear Success: the business has contributed to PPS's surge from 28.3% to 30.3% segment margin and 6.7% organic growth in FY2025, and management commentary points to robust demand in precision components and digital controls for power generation infrastructure. Goodwill carried: \$225M (all tax-deductible).

Sikora AG (\$608M, Jun 2025, PPS): Dover's largest deal in recent years acquired a German provider of precision measurement, inspection, and control solutions for wire, cable, hose, and plastics production. The thesis is that high-voltage cable demand is surging due to grid expansion and renewable energy build-out, and Sikora's quality-control instruments are critical to manufacturing integrity. CEO Tobin noted on the Q4 earnings call that Sikora "continues to outperform its underwriting case." Goodwill carried: \$340M (non-deductible). Verdict: Too Early to Judge — only two quarters of ownership.

Marshall Excelsior (\$396M, Jul 2024, CEF) and Bulloch Technologies (\$122M, Jan 2024, CEF): MEC supplies flow-control components for LPG and industrial gases; Bulloch provides POS and electronic payment solutions for fuel retailers. Both are bolt-on acquisitions designed to deepen Dover's position in the fuel and energy distribution value chain. Combined goodwill: \$262M. Both are Too Early to Judge, though the early signal on MEC is positive — management explicitly included it in the 2025 portfolio commentary as performing above its deal model.

Part C — Goodwill by Segment

Segment	GW Dec 2025 (\$M)	GW Dec 2024 (\$M)	FY2025 Additions (\$M)	Risk
Engineered Products	\$431	\$415	\$0	LOW
Clean Energy & Fueling	\$1,759	\$1,695	\$7	MEDIUM
Imaging & Identification	\$1,120	\$1,072	\$0	LOW
Pumps & Process Solutions	\$1,607	\$1,212	\$360	LOW
Climate & Sust. Tech	\$513	\$511	\$0	LOW
Total	\$5,430	\$4,906	\$367	—

Source: Dover Corporation 10-K FY2025, Note 9 (Tier 1). Risk assessment is analyst judgment based on segment earnings relative to goodwill carrying value. No impairment recorded; discount rate used in 2025 impairment test: 9.8%.

Goodwill represents 40% of total assets (\$5.4B of \$13.4B). Clean Energy & Fueling carries the highest absolute goodwill at \$1.76B against segment earnings of \$418M — a 4.2x earnings multiple that warrants monitoring but is not alarming given the segment's improving margin trajectory and constructive demand outlook. The MEDIUM risk flag reflects the combination of

high goodwill, the segment's relatively low margin (19.6%), and the concentration of recent acquisition spending. All other segments earn comfortably against their goodwill bases.

Part D — ROIC Analysis

Component	FY2024	FY2025	FY2026E
GAAP Operating Earnings (\$M)	\$1,206	\$1,373	N/G
Effective Tax Rate	20.3%	20.1%	~20%
<u>NOPAT (\$M)</u>	<u>\$961</u>	<u>\$1,097</u>	N/G
Total Equity (\$M)	\$6,954	\$7,405	N/G
<u>Net Debt (\$M)</u>	<u>\$1,085</u>	<u>\$1,651</u>	N/G
<u>Invested Capital (\$M)</u>	<u>\$8,039</u>	<u>\$9,056</u>	N/G
ROIC	12.0%	12.1%	N/G
Est. WACC (Machinery sector)	7.70%	7.70%	7.70%
ROIC – WACC Spread	+4.3%	+4.4%	N/G

Source: ROIC inputs from Dover 10-K FY2024–FY2025 (Tier 1). WACC from Damodaran Machinery sector, Jan 2026 (Tier 2). All computed figures are underlined. NOPAT = Operating Earnings × (1 – Tax Rate). Invested Capital = Equity + Net Debt. ROIC = NOPAT / Invested Capital. N/G = Not Guided.

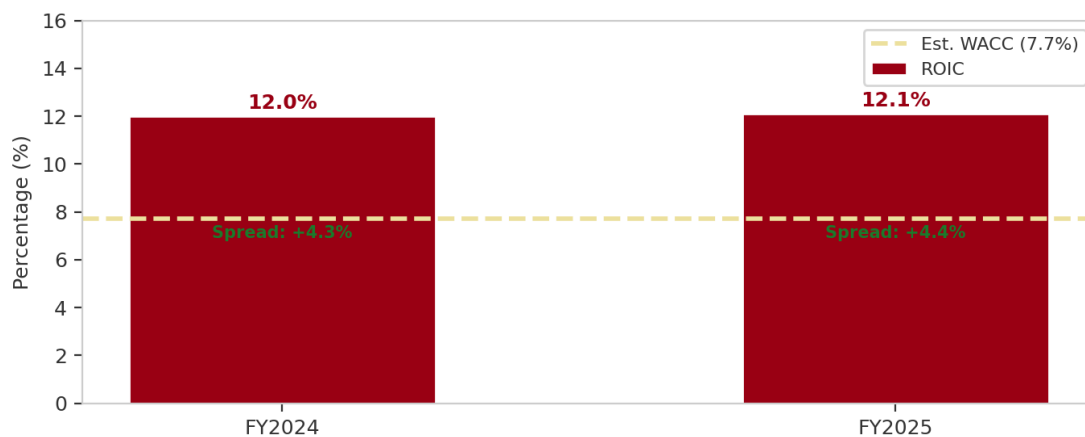
Dover is creating value. At 12.1%, ROIC comfortably exceeds the estimated cost of capital of 7.70%, producing a positive spread of +4.4 percentage points. The spread has been stable year-over-year despite the increase in invested capital from the Sikora acquisition (\$608M), which temporarily dilutes returns before the acquired business reaches full earnings contribution. The direction is constructive: operating earnings grew 14% in FY2025 while invested capital grew 13%, maintaining the spread. If Sikora and the other recent acquisitions deliver returns in line with Dover's stated target of double-digit ROIC within 3–4 years, the spread should widen from current levels.

Part E — Capital Allocation Summary

Dover deploys capital through four channels in explicit priority order: (1) organic reinvestment (\$220M CapEx in FY2025, ~2.7% of revenue, focused on capacity expansion, automation, and productivity), (2) acquisitions (\$663M in FY2025, concentrated in Pumps & Process Solutions), (3) share repurchases (\$541M in FY2025, including a \$500M accelerated share repurchase program initiated in November), and (4) dividends (\$283M in FY2025, \$2.07 per share, increased for the 70th consecutive year). Total capital returned to shareholders in FY2025 was \$824M, roughly 74% of free cash flow. The mix is shifting toward acquisitions — M&A spending has averaged \$650M+ annually over the last three years versus minimal acquisition activity in the preceding period. Management has explicitly stated that the current acquisition pipeline is “interesting and dominated by proprietary opportunities,” signaling continued deal activity in 2026. The balance sheet retains meaningful capacity: net debt to net capitalization stood at 18.2% at year-end, with \$1.7B in cash and \$1.5B in undrawn credit facilities. Management guided FY2026 CapEx of \$190–210M (down from \$220M in FY2025 as

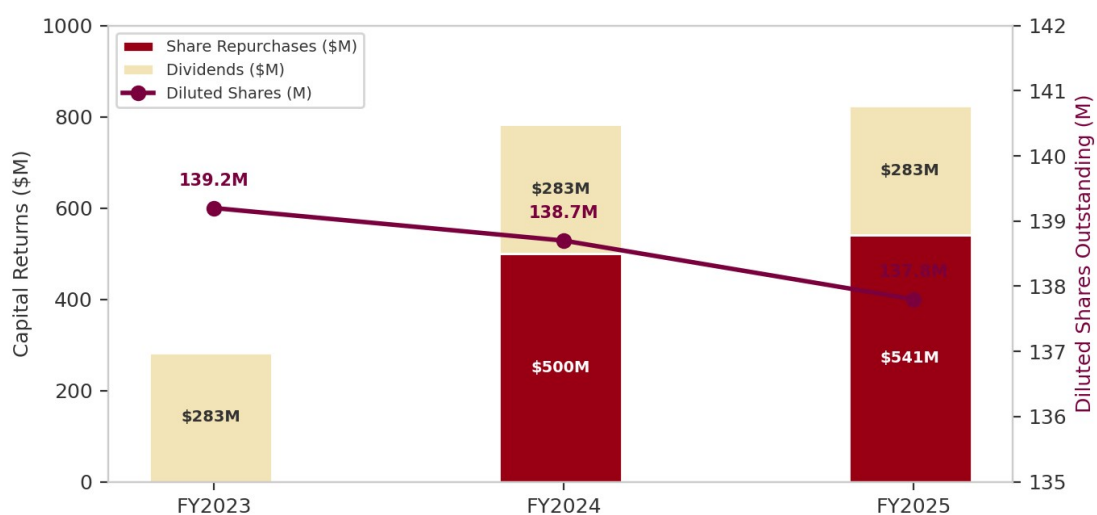
major expansion projects near completion) and noted 14.6 million shares remain authorized for repurchase under the August 2023 program.

Figure 1.2D — ROIC vs. Estimated WACC



Source: Dover 10-K FY2024–FY2025 (Tier 1); WACC from Damodaran Machinery Jan 2026 (Tier 2). Analyst-computed.

Figure 1.2E — Shareholder Capital Returns & Diluted Share Count



Source: Dover Corporation 10-K FY2023–FY2025 Cash Flow Statements (Tier 1). Analyst-computed.

1.2.3 Employees

Dover employed approximately 24,000 people worldwide as of December 31, 2025 (Source: 10-K Item 1, Tier 1). The company does not disclose a detailed functional breakdown but notes a significant investment in the India Innovation Center (~750 engineers and IT professionals) and Dover Business Services (~650 shared services professionals). The total recordable injury rate has declined by more than 40% since 2019. Headcount has been broadly stable, reflecting the offsetting effects of acquisitions (adding employees) and ongoing restructuring and footprint consolidation programs (reducing them).

1.2.4 Credit Ratings

Agency	Senior Unsecured Rating	Outlook	Commercial Paper
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Moody's	Baa1	Stable	P-2
S&P Global	BBB+	Stable	A-2
Fitch	Not Rated	—	Not Rated

Source: Dover Corporation 10-K FY2025 (Tier 1). Moody's rating issued Dec 2018; S&P rating issued Dec 2017, outlook revised May 2021. Both affirmed in 2025.

Both agencies are aligned at solid investment grade with stable outlooks. The ratings reflect Dover's diversified revenue base, consistent free cash flow generation, and conservative financial policy. The interest coverage ratio of 48.8x (consolidated EBITDA to net interest expense) provides massive headroom above the 3.0x covenant minimum. A one-notch downgrade is not a near-term concern but would modestly increase borrowing costs on any new issuance; the operational impact would be negligible given Dover's current cash position and low reliance on short-term commercial paper funding.

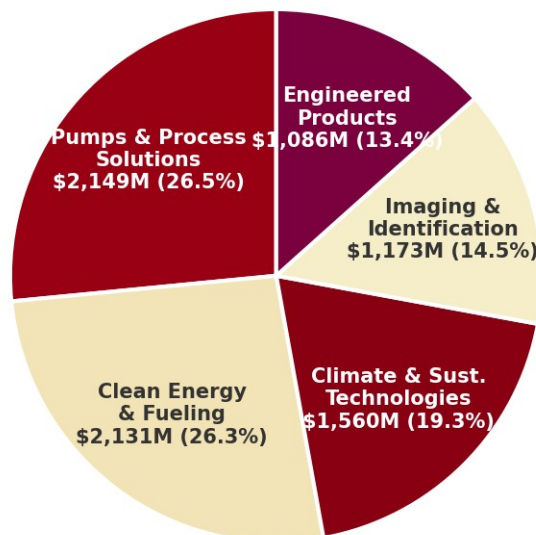
1.3 Reporting Structure & Segment Deep Dives

Dover reports through five operating and reportable segments: Engineered Products (EP), Clean Energy & Fueling (CEF), Imaging & Identification (I&I), Pumps & Process Solutions (PPS), and Climate & Sustainability Technologies (CST). This structure has been stable since Dover reorganized from three segments to five in 2020. The most significant recent change to the portfolio was the divestiture of the Environmental Solutions Group (ESG, ~\$1.4B revenue) in October 2024, which was classified as discontinued operations and removed from the Engineered Products segment. No further segment restructuring has been announced.

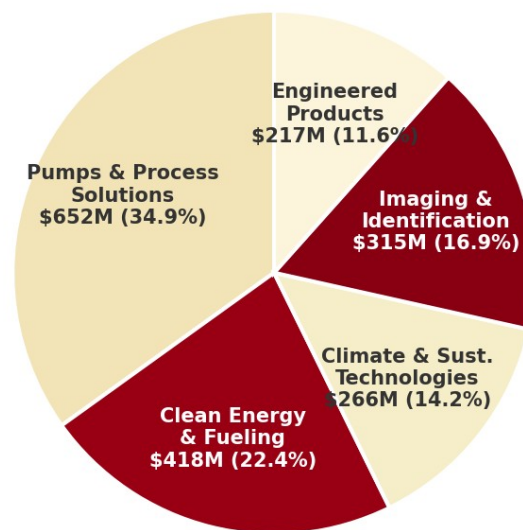
Segment	FY2025 Rev (\$M)	YoY Growth	Q4 Rev (\$M)	Seq. Chg.	FY2025 Seg Earn (\$M)	Seg Margin	Q4 Seg Earn (\$M)
Eng. Products	\$1,086	<u>-9.7%</u>	\$276	<u>-1.5%</u>	\$217	<u>20.0%</u>	\$62
Clean Energy	\$2,131	<u>+10.0%</u>	\$552	<u>+1.9%</u>	\$418	<u>19.6%</u>	\$106
Imaging & ID	\$1,173	<u>+3.2%</u>	\$302	<u>+1.1%</u>	\$315	<u>26.8%</u>	\$78
Pumps & Process	\$2,149	<u>+13.4%</u>	\$584	<u>+5.9%</u>	\$652	<u>30.3%</u>	\$172
Climate & Sust.	\$1,560	<u>-1.3%</u>	\$387	<u>-5.2%</u>	\$266	<u>17.0%</u>	\$60
Consolidated	\$8,093	<u>+4.5%</u>	\$2,099	<u>+1.0%</u>	\$1,867	<u>23.1%</u>	\$479

Source: Dover Corporation Q4 2025 Earnings Release (Tier 1). Growth rates and margins are analyst-computed (underlined). Segment earnings are before purchase accounting, restructuring, and corporate expenses. Consolidated revenue includes intersegment eliminations of (\$5.7M).

Figure 1.1 — FY2025 Segment Revenue as Proportion of Total Revenue



Source: Dover Corporation 10-K FY2025 (Tier 1). Total Revenue: \$8,093M.

Figure 1.2 — FY2025 Segment Operating Income* as Proportion of Total

Source: Dover Corporation 10-K FY2025 (Tier 1). *Segment Earnings (pre-corporate/purchase acctg). Total: \$1,867M.

1.3.1 Engineered Products

Engineered Products is Dover's smallest and most transformed segment. Following the divestiture of De-Sta-Co and ESG in 2024, the segment now represents just 13.4% of consolidated revenue, down from a much larger share historically. What remains is a concentrated portfolio of vehicle aftermarket equipment (lifts, wheel service, collision repair), industrial winches and hoists, and — increasingly important — aerospace and defense electronics (RF filters, signal intelligence solutions).

Full-year FY2025 revenue was \$1,086M, down 9.7% year-over-year on a reported basis, including a 6.6% organic decline offset by acquisition contributions and favorable FX. The organic decline was driven entirely by the vehicle aftermarket, which fell double-digits organically as European demand remained weak for a third consecutive year. Aerospace and defense components posted double-digit organic growth, partially offsetting the aftermarket weakness. Segment earnings were \$217M with a 20.0% margin, up 80 basis points from 19.2% in FY2024 — a notable achievement given the revenue decline, reflecting aggressive cost management, favorable product mix (higher A&D), and productivity initiatives.

In Q4 2025, revenue was \$276M (down 4.4% reported, 6.1% organic decline). Segment earnings were \$62M with a 22.6% margin, up 180 basis points sequentially and 180 bps year-over-year — the best quarterly margin performance for this segment. Management noted constructive booking trends in vehicle aftermarket late in FY2025 and early FY2026, suggesting the trough may be near.

Forward guidance: Management expects EP to “improve in 2026” with low-single-digit organic growth as A&D demand remains strong and vehicle aftermarket stabilizes. Specific revenue or margin guidance for the segment was not provided.

Assessment: This segment is in managed decline on the aftermarket side and structural growth on the A&D side. The margin resilience despite revenue contraction is genuinely impressive and speaks to Tobin’s operational discipline. The biggest risk is a prolonged European recession that keeps vehicle services suppressed; the biggest opportunity is accelerating A&D adoption if defense budgets continue expanding. At less than 15% of the portfolio, this segment has limited impact on the consolidated thesis either way.

1.3.2 Clean Energy & Fueling

Clean Energy & Fueling is Dover’s second-largest segment and its most acquisition-active in 2024. The segment provides the physical and digital infrastructure for fuel retailing: dispensers, underground tanks, payment systems, remote monitoring software, vehicle wash equipment, and critical flow-control components for cryogenic gas transport. FY2025 revenue was \$2,131M, up 10.0% on a reported basis, including 4.6% organic growth and 5.1% from acquisitions (MEC, Bulloch, Demaco, SPS Cryogenics, Site IQ). Segment earnings reached \$418M with a 19.6% margin, up 100 bps from 18.6% in FY2024.

Q4 2025 revenue was \$552M (+4.5% reported, +3.6% organic). The organic growth was driven by strong shipments of clean energy components, North American retail fueling software and equipment. Segment earnings were \$106M with a 19.2% margin, slightly below the full-year average due to lower vehicle wash solutions and a timing mismatch on price-cost in Q4. Management targets 25% segment margin over the medium term and believes the segment will be “among the leaders in margin accretion in 2026” on volume leverage and restructuring benefits.

Forward guidance: Mid-to-high-single-digit organic growth expected in 2026. North American retail fueling is described as in the “early innings” of a new CapEx cycle. Vehicle wash headwinds from 2025 expected to ease. Cryogenic applications showing “particularly robust demand.”

Assessment: This segment is the clearest turnaround story in the portfolio. The segment earnings margin trajectory from 15.7% (Q1 2024) to 21.9% (Q3 2025) demonstrates the operating leverage in the model when volume cooperates. The risk is that the retail fueling CapEx cycle proves shallower than management expects, particularly if EV adoption accelerates faster than the current plateau suggests. The opportunity is meaningful if the cycle is real — a multi-year investment wave in fuel station infrastructure would provide sustained volume growth against a fixed-cost base that management has been actively optimizing through rooftop consolidations.

1.3.3 Imaging & Identification

Imaging & Identification is Dover’s most stable and globally diversified segment. FY2025 revenue was \$1,173M, up 3.2% on a reported basis (1.9% organic). Segment earnings were

\$315M at a 26.8% margin, the second-highest in the portfolio after PPS. Q4 2025 revenue was \$302M (+4.7% reported, +0.8% organic) with \$78M in segment earnings (26.0% margin). The slight margin compression in Q4 reflected FX headwinds and higher printer shipment mix (lower margin than consumables).

Forward guidance: Low-single-digit organic growth expected. Management is “encouraged by the recent uptick in printer shipments building the global installed base for continued long-term recurring revenue attachment.” CapEx is being deployed into modernization and productivity within this segment.

Assessment: I&I is the portfolio’s ballast — steady, predictable, and cash generative. The equipment-plus-consumables model produces attractive unit economics with high visibility. Growth will remain GDP-plus, driven by regulatory expansion of traceability requirements in food, pharma, and consumer goods. This is not a segment that will surprise to the upside, but it is unlikely to disappoint either. The main risk is consumer goods volume weakness in Europe (its largest market), and FX translation given 72% non-U.S. revenue exposure.

1.3.4 Pumps & Process Solutions

Pumps & Process Solutions is Dover’s crown jewel — the largest segment by revenue, the highest by margin, and the primary beneficiary of the company’s secular growth exposure. FY2025 revenue was \$2,149M, up 13.4% on a reported basis, with 6.7% organic growth and 5.2% from acquisitions (primarily Sikora). Segment earnings reached \$652M with a 30.3% margin, up 200 bps from 28.3% in FY2024. Q4 2025 was the segment’s strongest quarter: \$584M revenue (+21.8% reported, +10.7% organic) and \$172M segment earnings (29.5% margin).

The growth engines are clearly identifiable: single-use biopharma components (driven by blockbuster drug production and the shift from stainless-steel to single-use manufacturing), thermal connectors for liquid cooling of data centers (driven by AI infrastructure build-out), precision components for natural gas compression and power generation (driven by energy demand), and SIKORA’s wire/cable inspection systems (driven by grid expansion). Management flagged a tough Q1 2026 comp in biopharma due to heavy restocking in early 2025, but indicated the Q4 exit run rate should hold for the full year.

Forward guidance: Mid-to-high-single-digit organic growth expected. Demand conditions described as “constructive” across all major end markets. AI and energy infrastructure outlook described as “robust.” Biopharma demand “solid.”

Assessment: This is where the thesis lives. PPS is exposed to three of the most powerful secular trends in industrial markets: AI infrastructure, biopharma production, and energy transition. The 30%+ margin reflects genuine competitive advantage — these are specified components in critical applications where customers optimize for performance and compliance, not price. The risk is acquisition integration: \$1.1B+ deployed into this segment over two years (FW Murphy + Sikora) needs to deliver on its return promises. The early indicators are positive, but the real test comes in years two and three when synergy targets must materialize against actual (not modeled) market conditions.

1.3.5 Climate & Sustainability Technologies

Climate & Sustainability Technologies is Dover's most cyclical and operationally complex segment. FY2025 revenue was \$1,560M, down 1.3% on a reported basis, with a 2.1% organic decline offset by FX translation. The organic weakness was concentrated in the first three quarters, driven by a significant drawdown in refrigerated door case orders (\$150M revenue deferral per analyst estimates discussed on the Q4 2025 earnings call) as national retailers deferred maintenance and replacement spending amid tariff uncertainty. The segment staged a strong recovery in Q4: \$387M revenue (+11.4% reported, +9.4% organic) with a 1.21x book-to-bill ratio and 250 bps of margin expansion to 15.6%.

Segment earnings for FY2025 were \$266M at a 17.0% margin, up from 15.9% in FY2024. The margin improvement reflects volume leverage on CO2 refrigeration systems, mix improvement toward secular-growth end markets, and ongoing restructuring (management is consolidating facilities, carrying extra fixed costs in H1 with benefits expected in H2 2026 and beyond).

Forward guidance: Management expects the Q4 exit rate to sustain into 2026. CO2 refrigeration to continue at double-digit growth. Recovery in door cases and engineering services to continue. Brazed-plate heat exchangers "robust demand across all geographies" with noteworthy North American growth tied to data center liquid cooling. Belvac (can-making) remains a headwind — management is waiting for the CapEx cycle to turn. The segment was fully booked through Q1 and booking well into Q2 at the time of the earnings call.

Assessment: CST is the segment where operational execution matters most. CO2 refrigeration (where Dover holds North American market leadership) and brazed-plate heat exchangers are clear secular winners, but the traditional door case business and Belvac can-making machinery are cyclical drags. Management's restructuring program — building new facilities while decommissioning old ones — will temporarily suppress margins before delivering structural improvement. If the Q4 momentum holds and the restructuring delivers, this segment could be a meaningful margin expansion contributor over the next 12–18 months. If the door case recovery stalls or Belvac continues to underperform, the low starting margin provides little cushion.

1.4 Cross-Cutting Themes

Theme 1 — AI and Energy Infrastructure as Portfolio-Wide Tailwinds. Dover's exposure to AI-driven data center build-out runs through two segments: PPS (thermal connectors for liquid cooling of server racks) and CST (brazed-plate heat exchangers for data center cooling). Combined, this secular growth exposure represents approximately 20% of the total portfolio per analyst estimates confirmed by CEO Tobin on the Q4 2025 earnings call, growing at double-digit rates. The company has committed capital to expand capacity (greenfield plant in North Carolina, expected completion 2027) and made acquisitions that add complementary capabilities (Sikora's cable inspection for high-voltage grid infrastructure). The risk is that AI infrastructure spending decelerates faster than currently forecasted, or that Dover's component content per data center proves smaller than management implies. The opportunity is that the AI investment cycle is still early, and Dover's products address a physical constraint (cooling) that cannot be solved by software.

Theme 2 — Accelerating M&A and Portfolio Reshaping. Dover deployed \$1.9B in acquisitions over 2023–2025 while divesting \$2.7B in non-core businesses (ESG, De-Sta-Co). This is the most active portfolio transformation in the company's modern history, and it is directional: capital is flowing out of cyclical, lower-margin industrial businesses and into higher-growth, higher-margin platforms in Pumps & Process Solutions and Clean Energy & Fueling. CEO Tobin has signaled continued deal activity in 2026, noting the pipeline is "interesting and dominated by proprietary opportunities." The risk is overpayment — Sikora at \$608M carried \$340M in non-deductible goodwill, implying a rich valuation. The benefit, if executed well, is a structurally higher-quality portfolio with better organic growth, higher margins, and reduced cyclicity.

Theme 3 — Restructuring and Fixed-Cost Optimization. Dover has a multi-year program of footprint consolidation and cost restructuring, with \$78M in restructuring and other costs charged in FY2025 and ~\$40M of carryover profit benefit expected in 2026. This is not a one-time event — Tobin described it as an ongoing program with new proposals continuously under evaluation. The near-term impact is visible in Engineered Products (200+ bps of margin improvement despite revenue decline) and Clean Energy & Fueling (margin on a clear path toward the 25% target). The risk is execution: in CST, management is carrying extra fixed costs through H1 2026 while transitioning from one facility to another, creating a temporary margin headwind before the benefit materializes in the back half of the year.

GAAP-to-Adjusted EPS Bridge (FY2025 Actual)

Item	Per Share Impact	Comment
GAAP Diluted EPS (Cont. Ops)	\$7.97	Starting point
+ Purchase accounting expenses (net)	+\$1.22	Primarily intangible amortization
+ Restructuring & other costs (net)	+\$0.46	Headcount, facility, product line exits

– Gain on dispositions (net)	–\$0.03	Post-closing adjustments
Adjusted Diluted EPS	\$9.61	+16% YoY

Source: Dover Corporation Q4 2025 Earnings Release, Non-GAAP Reconciliation (Tier 1).

1.5 Sector Dynamics & Competitive Positioning

1.5.1 Industry Structure & Key Trends

AI-Driven Data Center Construction Cycle. The most powerful secular force affecting Dover's portfolio is the global build-out of AI computing infrastructure. Data centers require liquid cooling solutions (brazed-plate heat exchangers from CST, thermal connectors from PPS) and high-voltage cable infrastructure (inspection equipment from Sikora/PPS). This trend is accelerating: management reported record U.S. quarterly shipments of heat exchangers in Q4 2025 and described the AI infrastructure outlook as "robust." The risk for Dover is that its component content per data center is modest relative to the companies supplying servers, networking, or power systems. The opportunity is that cooling is a physical constraint that creates recurring demand as data centers scale.

North American Retail Fueling CapEx Cycle. After years of depressed investment — driven by the narrative that EVs would render fuel stations obsolete — the retail fueling industry is entering a new CapEx cycle. CEO Tobin pointed to record-high retail fuel margins as the catalyst, noting that Costco-type fuel operators are seeing returns high enough to justify station upgrades. This directly benefits CEF, which supplies dispensers, tanks, payment systems, and monitoring software. The trend is in "early innings" per management, suggesting a multi-year runway. The risk is that EV adoption re-accelerates, or that the CapEx wave proves shallow.

Biopharma Single-Use Manufacturing Shift. The pharmaceutical industry continues to transition from traditional stainless-steel reactors to single-use (disposable) manufacturing systems for biological drug production. This directly benefits PPS, which supplies single-use pumps, connectors, and fluid transfer components. Growth in blockbuster drug production and the expansion of biosimilar manufacturing provide structural tailwinds. The risk is inventory normalization cycles — the biopharma supply chain experienced a significant restock in early 2025 that created a tough Q1 2026 comp.

CO2 Refrigeration Technology Transition. Environmental regulations in North America and Europe are driving the replacement of conventional HFC-based refrigeration systems with CO2-based alternatives in commercial food retail. Dover's Hillphoenix subsidiary holds the North American leadership position in this technology. The transition has been accelerating (double-digit growth in FY2025) and has a long runway as the installed base of HFC systems ages out. The risk is that alternative refrigerant technologies or regulatory delays slow the adoption curve.

1.5.2 Competitive Landscape — Peer Comparison

Company	FY2025 Rev (\$B)	Organic Growth	Op. Margin	Key Differentiator
Dover (DOV)	\$8.1	+1.6%	17.0%*	Niche industrial diversification; 40% recurring rev
Illinois Tool Works (ITW)	\$16.0	Flat	26.3%	80/20 simplification model; 7-segment diversification

Fortive (FTV)**	\$4.2	+1.7%	~12.8%***	FBS continuous improvement; software-rich portfolio
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Source: DOV from 10-K FY2025 (Tier 1). ITW from Q4 2025 Earnings Release, [itw.com](https://www.itw.com) (Tier 3 — not verified against ITW 10-K; cross-checked on [StockAnalysis.com](https://www.StockAnalysis.com) and [MacroTrends.net](https://www.MacroTrends.net)). FTV from Q4 2025 Earnings Release, [fortive.com](https://www.fortive.com) (Tier 3 — not verified against FTV 10-K; cross-checked on SEC 8-K filing and [BusinessWire](https://www.BusinessWire.com)). *DOV GAAP operating margin; segment margin is 23.1%. **FTV spun off Precision Technologies segment (“Ralliant”) in Q2 2025; FY2025 revenue reflects continuing operations only. Pre-spin FY2024 revenue was \$6.2B. ***FTV GAAP net income margin; adjusted EBITDA margin is 29.6%.

Illinois Tool Works is the closest structural comp: a diversified industrial manufacturer with a lean corporate center, seven segments, and a well-known “80/20” simplification model that consistently produces operating margins in the mid-to-high 20s. ITW’s margin profile is materially superior to Dover’s (26.3% vs. Dover’s 17.0% GAAP, or 23.1% on a segment basis), reflecting a more mature simplification program and a portfolio mix weighted toward higher-margin food equipment, test and measurement, and welding products. ITW is roughly 2x Dover’s size, grows organically at a similar rate (flat-to-low-single-digits), and shares the same capital allocation philosophy of bolt-on acquisitions, growing dividends, and share repurchases. Where Dover has the edge is in secular growth exposure: ITW’s portfolio lacks Dover’s direct leverage to AI infrastructure and biopharma manufacturing.

Fortive, post-spin, is a smaller but highly relevant comp. Its Intelligent Operating Solutions and Advanced Healthcare Solutions segments share DNA with Dover’s instrumentation and process businesses. Fortive’s adjusted EBITDA margin of 29.6% exceeds Dover’s 25.0% (on a comparable segment EBITDA basis), and its Fortive Business System (FBS) drives continuous improvement in ways similar to Dover’s center-led initiatives. However, the recent spin-off of Ralliant creates significant comparability issues: post-spin Fortive is half Dover’s size and has a narrower, more software- and services-rich portfolio. FTV is losing share of the market narrative to higher-growth pure-play competitors, while Dover’s breadth provides more levers.

1.5.3 Competitive Analysis — Advantages & Vulnerabilities

Structural Advantages

Specified Component Position with High Switching Costs. Dover’s core competitive advantage is that many of its products are specified components — small in cost relative to the total system but critical to performance, safety, or regulatory compliance. A single-use biopharma pump, a thermal connector in a data center cooling loop, or an RF filter in an electronic warfare system cannot be substituted without re-qualification, re-testing, and regulatory re-approval. This creates customer captivity that is not based on brand loyalty or contract duration but on the cost and risk of switching. The mechanism is durable because it is embedded in the customer’s product design or regulatory filing, not in a marketing campaign.

Equipment-Plus-Aftermarket Revenue Model with 40% Recurring Revenue. Across the portfolio, Dover’s businesses follow a common pattern: sell engineered equipment at moderate margins, then generate years of high-margin recurring revenue from consumables, parts, software, and services. The installed base of marking and coding printers (I&I), fuel dispensers (CEF), and refrigeration systems (CST) creates a predictable aftermarket annuity

that smooths cyclicalities and supports consistent free cash flow generation. At approximately 40% of total revenue, this recurring base provides a floor that most diversified industrials cannot match.

Key Vulnerabilities

Margin Gap vs. Best-in-Class Peers. Dover's consolidated GAAP operating margin of 17.0% (or 23.1% on a segment basis) trails Illinois Tool Works' 26.3% by a significant margin. This gap reflects portfolio mix — Dover's lower-margin CEF and CST segments weigh on the consolidated figure — and suggests that Dover's simplification and productivity programs are less mature than ITW's 80/20 process. The gap is narrowing (segment margins improved 140 bps in FY2025), but closing it fully would require either divesting the lower-margin segments or achieving margin expansion that has historically taken ITW 15+ years to accomplish.

Acquisition Integration Risk at Scale. Dover has deployed \$1.9B in acquisitions over three years, with Sikora (\$608M) and FW Murphy (\$526M) representing significant concentration bets on specific secular themes. While early results are encouraging (both reportedly outperforming deal models), Dover's track record includes the ESG business, which was acquired through a series of deals, carried substantial goodwill, and was ultimately divested at what management characterized as a strategic pivot. The risk is not that Dover is bad at M&A — the returns data suggests otherwise — but that the pace and size of recent activity raises the probability of at least one deal underperforming, particularly if the secular themes (AI, biopharma, energy) face temporary headwinds.

1.5.4 Sector Outlook & Positioning Summary

The diversified industrial sector is entering 2026 with cautious optimism: order books are healthy, secular growth pockets (AI, energy, biopharma) are accelerating, but macro uncertainty — tariff policy, interest rates, and geopolitical risk — constrains confidence in broader industrial recovery. Within this context, Dover is better positioned than it has been in several years. All five segments are guiding positive organic growth for the first time in recent memory. The portfolio reshaping of 2023–2025 has tilted exposure toward higher-growth, higher-margin markets. Free cash flow conversion is improving. The single most important question the sector will answer about Dover in the next 12 months is whether the secular growth themes — particularly AI infrastructure and biopharma manufacturing — will sustain at rates sufficient to overcome the inevitable cyclical headwinds in the remainder of the portfolio. If they do, Dover's earnings trajectory supports the double-digit EPS growth that management has committed to. If they don't, the margin expansion from restructuring and M&A synergies will need to carry the load — a more fragile proposition.

2. Key Risks, Catalysts & Extraordinary Actions

2.1 Downside Risks

2.1.1 Litigation & Legal Exposure

No Material Active Litigation — LOW IMPACT

Dover's litigation profile is unusually clean for a \$8B diversified industrial company. The 10-K's Note 16 (Commitments and Contingent Liabilities) states that a few subsidiaries are involved in environmental cleanup proceedings as potentially responsible parties, but the company's share is described as "relatively insignificant" and "anticipated to be immaterial." Other legal proceedings — product liability, patent infringement, employment disputes, commercial claims — are collectively assessed as immaterial both individually and in aggregate. Management's explicit statement: the company is "not currently involved in any legal proceedings which, individually or in the aggregate, could have a material effect on its financial position, results of operations, or cash flows" (10-K Note 16, Tier 1). No SEC or DOJ investigations are disclosed. No material product recall events. The residual risk is the standard one: indemnification obligations from the ESG (\$2.0B) and De-Sta-Co (\$676M) divestitures could surface post-closing claims, though none are currently recorded. Probability of a material litigation event: Low. Timeframe: Ongoing monitoring. What would change this assessment: disclosure of a new class action, product recall, or regulatory enforcement action in a future 8-K filing.

2.1.2 Regulatory & Government Policy Risk

Tariff & Trade Policy Escalation — MEDIUM IMPACT

Dover manufactures in North America, Europe, and Asia and sells globally, with 46% of revenue derived outside the U.S. (10-K Item 1, Tier 1). The company is directly exposed to trade policy through two channels: first, tariffs on imported raw materials (steel, copper, aluminum, electronic components) that increase input costs; second, retaliatory tariffs on U.S. exports that could dampen demand in key international markets. CEO Tobin referenced the tariff-related disruption from 2025 as a reason for the "amount of prudence" in 2026 guidance, and analysts pressed on commodity cost pass-through dynamics (Q4 2025 Earnings Call, Tier 1). The financial mechanism is a margin squeeze: Dover embeds 1.5–2% pricing in guidance to cover cost inflation, but a sudden tariff escalation could create a gap between cost increases and price realization. In Q4 2025, the CEF segment already experienced a timing mismatch on price-cost. At \$4.87B in cost of goods sold (FY2025), a 100bp cost increase not offset by pricing would reduce operating earnings by approximately \$49M, or roughly \$0.28 in adjusted EPS after tax. Probability: Medium — trade policy remains actively contested and Dover's prior experience in 2025 demonstrates real exposure. Timeframe: Near-term (<12 months), with policy visibility dependent on geopolitical developments. What would change this assessment: announcement of new broad-based tariffs on industrial goods, or evidence that Dover's pricing actions are lagging cost increases by more than one quarter.

2.1.3 Operational & Execution Risk

2.1.3a — Acquisition Integration at Scale — HIGH IMPACT

Dover deployed \$1.9B across 14 acquisitions in 2023–2025, including two deals exceeding \$500M (FW Murphy at \$526M and Sikora at \$608M). This is the most active M&A period in the company’s modern history and represents a concentrated bet on specific secular themes: natural gas compression, wire/cable inspection, cryogenic components, and retail fueling technology. The financial mechanism by which this becomes a risk is straightforward: the company carries \$5.43B in goodwill (40% of total assets, 10-K Note 9, Tier 1), and underperformance of acquired businesses could trigger impairment charges that are non-cash but highly visible to investors. Sikora alone carries \$340M in non-deductible goodwill acquired six months ago. More practically, integration distraction could slow organic growth or margin improvement in the PPS segment, which is Dover’s profit engine at 30.3% margins. The early indicators are encouraging — Tobin stated on the Q4 call that 2025 acquisitions are exceeding the financial projections used to justify the acquisitions — but the real test comes in years two and three when synergy targets must materialize against actual market conditions. At 30.3% PPS margin (\$652M earnings), a 200bp margin miss would reduce segment earnings by approximately \$43M, or \$0.25 in adjusted EPS. Probability: Medium — early results are positive, but the scale and pace of recent activity elevates inherent risk. Timeframe: Medium-term (1–3 years) for synergy realization. What would change this assessment: a quarterly earnings miss attributed to integration issues, or management commentary signaling delays in synergy capture.

2.1.3b — Biopharma Inventory Cycle (PPS Q1 2026 Comp) — MEDIUM IMPACT

CEO Tobin explicitly warned on the Q4 2025 call that Q1 2026 faces a “tough comp” in single-use biopharma components because of “heavy restocking in early 2025.” PPS generated \$494M in Q1 2025 revenue, partly inflated by customer inventory rebuilding after the 2023–2024 destocking cycle. If Q1 2026 biopharma revenue declines even modestly, PPS could post negative organic growth for the quarter despite strong momentum in other end markets (data center cooling, natural gas infrastructure). The financial impact is contained but visible: biopharma is estimated at 15–20% of PPS revenue, implying \$320–430M annually. A 10% biopharma decline in Q1 would reduce quarterly PPS revenue by roughly \$8–10M and earnings by approximately \$3–4M given the high-margin nature of these products. The larger risk is perception: a PPS organic growth miss could trigger a narrative shift away from the secular growth story. Probability: High — management itself flagged this risk explicitly. Timeframe: Near-term (Q1 2026 results, expected late April 2026). What would change: Tobin indicated the “Q4 exit run rate should hold for 2026,” so a Q1 miss would not necessarily invalidate the full-year thesis. The trigger is whether Q2 confirms a rebound or not.

2.1.3c — Cybersecurity Risk — LOW IMPACT

Dover’s 10-K devotes extensive disclosure to cybersecurity risk (Item 1A and Item 1C), reflecting the company’s increasing digital footprint through connected products, IoT monitoring services, and SaaS platforms. The company has experienced cyber incidents in the normal course of business but states that none have “materially affected” results to date (10-K

Item 1C, Tier 1). The CDO (Girish Juneja, 30+ years IT experience) and a dedicated CISO manage the program, with SOC 2 certifications on some products and PCI-DSS compliance where relevant. The risk is real but generic to industrial companies and not company-specific in its current form. Financial exposure is unquantifiable but directionally modest: Dover maintains cyber insurance, and its manufacturing operations are decentralized across dozens of facilities, limiting single-point-of-failure exposure. Probability: Low for a material event. Timeframe: Ongoing. What would change: a disclosed breach affecting customer data or operational systems.

2.1.3d — Key Person Risk (CEO Tobin) — MEDIUM IMPACT

Analyst-identified risk — not disclosed in company filings. Richard Tobin, 62, has been the architect of Dover's portfolio transformation and margin expansion program since 2018. His background running CNH Industrial (\$30B+ conglomerate) provides institutional credibility that commands investor confidence. There is no publicly disclosed succession plan, no COO, and the new CFO (Woenker) has been in the role for only 14 months. An unexpected departure would create meaningful uncertainty at a critical moment — mid-cycle on \$1.9B of recent acquisitions and mid-execution on the restructuring program. The financial impact would likely manifest as a valuation multiple compression rather than a direct earnings impact. Probability: Low in the near term (no indication of imminent change). Timeframe: Medium-term, as succession planning becomes more relevant over the next 2–3 years. What would change: appointment of a COO or President, which would signal active succession planning.

2.1.4 Financial & Balance Sheet Risk

2.1.4a — Goodwill Concentration in CEF Segment — MEDIUM IMPACT

Clean Energy & Fueling carries \$1.76B in goodwill against \$418M in segment earnings — a 4.2x multiple that is the highest in the portfolio (10-K Note 9, Tier 1). This goodwill was accumulated through a series of acquisitions including MEC (\$188M goodwill), Bulloch (\$74M), and others. The segment's margin, while improving (19.6% in FY2025 vs. 18.6% in FY2024), remains the second-lowest in the portfolio. Dover's FY2025 impairment test used a 9.8% discount rate and found all reporting units passed with fair value in excess of carrying value (10-K Note 9, Tier 1). However, a sustained downturn in the retail fueling CapEx cycle or an acceleration of EV adoption could compress the long-term cash flow assumptions that support the current carrying value. A hypothetical impairment of 20% of CEF goodwill would be approximately \$352M — non-cash but representing 2.6% of total assets. Probability: Low in the near term given current demand trends and improving margins. Timeframe: Medium-term (would require 2+ years of underperformance). What would change: CEF segment earnings declining below \$350M (implying >5x goodwill/earnings ratio) or a material increase in the discount rate used in the impairment test.

2.1.4b — Euro-Denominated Debt Refinancing (€600M Due Nov 2026) — LOW IMPACT

Dover has €600M (approximately \$707M) of 1.25% euro-denominated notes maturing in November 2026 (10-K Note 12, Tier 1). This is the current portion of long-term debt and represents the largest near-term refinancing event. If refinanced at current euro rates

(materially higher than 1.25%), annual interest expense on this tranche would increase. However, Dover holds \$1.7B in cash and has \$1.5B in undrawn credit facilities, providing ample capacity to repay at maturity without refinancing. The interest coverage ratio of 48.8x provides massive covenant headroom. Net debt to net capitalization stands at a conservative 18.2%. This is a manageable, well-signposted event, not a balance sheet risk. Probability: Low for any adverse outcome. Timeframe: Near-term (November 2026). What would change: a simultaneous large acquisition that draws down cash reserves before the maturity date.

2.1.5 Competitive & Market Structure Risk

2.1.5a — EV Disruption to Retail Fueling CapEx Thesis — MEDIUM IMPACT

Analyst-identified risk — partially disclosed in filings. Dover's CEF segment (\$2.1B revenue) is built around traditional fuel infrastructure. While the company has exposure to EV charging components, the core business remains gasoline, LNG, and CNG dispensing and the convenience retail ecosystem surrounding it. Management's investment thesis for CEF depends on a multi-year retail fueling CapEx cycle driven by record fuel margins and aging station infrastructure. The competitive risk is that EV adoption re-accelerates — driven by battery cost reductions, government mandates, or shifting consumer preferences — and undermines the CapEx case for traditional fueling infrastructure. CEO Tobin implicitly acknowledged this dynamic on the Q4 call, noting that "since 2001-ish, EVs were taking over the world, so there was not a lot of cap expense in retail fueling." The implication is clear: the current cycle exists partly because the EV threat suppressed investment for years, creating pent-up demand. If the EV narrative returns forcefully, that pent-up demand could evaporate again. The financial exposure is significant: CEF represents 26% of Dover's revenue and is on a path to 25% margins. Probability: Low in the near term (EV adoption has plateaued in several markets), Medium over 3–5 years. Timeframe: Long-term (structural, not cyclical). What would change: EV sales penetration in the U.S. exceeding 15% of new vehicle sales, or a major policy shift mandating phase-out of fossil fuel infrastructure.

2.1.5b — European Industrial Recession (EP, I&I) — MEDIUM IMPACT

Dover's European exposure spans multiple segments: vehicle services (EP), marking and coding (I&I, where Europe is the largest market at 72% non-U.S. revenue), polymer processing (PPS/MAAG), and heat exchangers (CST/SWEP). CEO Tobin noted on the Q4 call that vehicle services group weakness "has very much been a European story" and that the company is "almost in year three of Europe being down there." The European chemical market is "not doing well," affecting MAAG polymer processing. Europe contributed \$1.77B in FY2025 revenue (21.9% of total, 10-K Note 19, Tier 1), up 5.5% from FY2024 partly on FX translation. A 5% organic decline in European revenue would reduce consolidated revenue by approximately \$88M and earnings by an estimated \$15–20M depending on the segment mix affected, equivalent to roughly \$0.09–0.12 in adjusted EPS. Probability: Medium — European PMIs remain subdued. Timeframe: Near-to-medium-term (12–24 months). What would change: European manufacturing PMI rising above 50 for three consecutive months, or specific evidence of vehicle aftermarket demand recovery.

2.1.6 Macro & Sector Risk

Commodity Cost Inflation (Steel, Copper, Aluminum) — MEDIUM IMPACT

Dover's cost structure includes significant raw material exposure, particularly to steel, copper, and aluminum (10-K Item 1, Tier 1). The CST segment is "a little bit commodity exposed, particularly in copper" per CEO Tobin (Q4 call). Management has hedged forward purchases through approximately H1 2026 but acknowledged uncertainty about the back half. The financial mechanism is direct: at \$4.87B in FY2025 COGS, raw materials likely represent 40–50% of the total (analyst estimate — not disclosed at this granularity). A 5% increase in commodity costs across the raw material base, if not offset by pricing, could reduce operating earnings by approximately \$97–122M. Dover's 1.5–2% pricing embedded in 2026 guidance is designed to offset normal inflation, but a commodity spike driven by geopolitical events (e.g., copper supply disruption, steel tariffs) could outpace pricing actions by 1–2 quarters. The guided incremental margin of ~35% already embeds this risk to some degree. Probability: Medium — commodity prices have been rising and geopolitical uncertainty adds upward pressure. Timeframe: Near-term (<12 months). What would change: copper prices sustaining above \$5.00/lb for more than two quarters, or management signaling the need for additional pricing actions beyond the initial 1.5–2% guide.

Risk Interdependencies

Several of these risks compound each other. The tariff/trade policy risk (§2.1.2) directly feeds the commodity cost inflation risk (§2.1.6) — new tariffs on steel or copper would amplify input cost pressures beyond what the current 1.5–2% pricing guide can absorb. The European industrial recession (§2.1.5b) exacerbates the acquisition integration risk (§2.1.3a) because several recent acquisitions (Demaco, SPS Cryogenics, Sikora) have significant European revenue exposure. If European end markets weaken further, these acquired businesses could underperform their deal models, increasing goodwill impairment risk. Conversely, the biopharma comp risk (§2.1.3b) is isolated and time-limited — it does not interact meaningfully with the other risk vectors.

2.2 Upside Catalysts

2.2.1 Legal & Regulatory Resolution

No material legal or regulatory catalyst identified. Dover does not have pending litigation where a favorable resolution would materially improve the financial outlook, nor is it awaiting a regulatory approval or rate decision that would unlock incremental revenue. This category does not apply.

2.2.2 Operational Improvement

Restructuring Savings Exceeding the \$40M Target — MEDIUM IMPACT

Dover guided approximately \$40M in carryover profit from previously announced restructuring and productivity actions in 2026 (Q4 2025 Earnings Call, Tier 1). The company spent \$78M on restructuring in FY2025 (Earnings Release, Tier 1), concentrated in Climate & Sustainability Technologies (\$22.5M in restructuring charges plus other exit costs) and Clean Energy & Fueling (\$13.8M in restructuring charges plus other exit costs, per 10-K Note 11). The restructuring includes facility consolidations, headcount reductions, and product line exits. If the savings from these actions exceed the \$40M target — which is plausible given the scale of spending and Tobin's track record of under-promising — the upside could be \$10–15M in incremental operating earnings, equivalent to approximately \$0.06–0.09 in adjusted EPS. Additionally, Tobin described fixed cost reduction as an “ongoing program” with new proposals continuously evaluated, suggesting further restructuring charges and savings beyond what is currently guided. The CEF segment is the primary beneficiary: management targets 25% margins (currently 19.6%), and the restructuring trajectory makes low-20s achievable in FY2026 with upside if cost-out exceeds plan. Probability: Medium — management has a strong execution track record (EP margins expanded 200+ bps despite revenue declines). Timeframe: Near-to-medium-term (H2 2026 for current actions; ongoing for new initiatives). What to monitor: segment EBITDA margins in Q2–Q3 2026, particularly CEF and CST where the restructuring spending is concentrated.

2.2.3 Market Share & Growth

2.2.3a — AI Infrastructure Spend Acceleration — HIGH IMPACT

Dover's secular growth exposure to AI-driven data center construction runs through PPS (thermal connectors for liquid cooling) and CST (brazed-plate heat exchangers from SWEP). Management reported record U.S. quarterly heat exchanger shipments in Q4 2025, described the AI infrastructure outlook as “robust,” and noted being taking orders well past Q1 for brazed-plate products (Q4 Earnings Call, Tier 1). The secular growth-exposed portion of the portfolio is approximately 20% of revenue, per analyst estimates confirmed by CEO Tobin. If AI infrastructure spending accelerates beyond current consensus — driven by hyperscaler CapEx exceeding guidance, or new data center construction announcements — Dover could see an incremental \$100–200M in revenue from these product lines at margins well above the consolidated average (PPS at 30%+, CST heat exchangers likely similar). At a blended 28% incremental margin, \$150M in upside revenue would add approximately \$42M in operating

earnings, or \$0.24 in adjusted EPS. The greenfield plant in North Carolina (expected completion 2027) is specifically positioned to capture this demand. Probability: Medium — the trend is real and accelerating, but Dover's per-data-center content is modest relative to the total infrastructure cost. Timeframe: Medium-term (2026–2028). What to monitor: hyperscaler CapEx guidance (Microsoft, Google, Amazon quarterly results), PPS and CST organic growth rates in data center-exposed sub-segments, and SWEP/thermal connector order backlog disclosures.

2.2.3b — Retail Fueling CapEx Cycle Proving Multi-Year — MEDIUM IMPACT

CEO Tobin described the North American retail fueling market as in the “early innings” of a new CapEx cycle, driven by record-high retail fuel margins that are motivating station operators to invest in upgrades (Q4 Earnings Call, Tier 1). If this cycle proves to be multi-year (3–5 years of sustained investment), the CEF segment could see 5–7% organic growth annually with accelerating margin expansion toward the 25% target. The math: CEF at \$2.1B revenue growing 6% organically with margins expanding from 19.6% to 23% would produce approximately \$90M in incremental segment earnings over two years. This represents roughly \$0.52 in cumulative adjusted EPS upside versus a flat scenario. The catalyst would also validate the M&A thesis for MEC, Bulloch, and other recent CEF acquisitions. Probability: Medium — the early evidence is positive (bookings growth, Tobin's tone), but multi-year CapEx cycles in this sector have historically been shorter and shallower than management hoped. Timeframe: Medium-term (12–36 months for confirmation). What to monitor: CEF organic growth and bookings trends for 2–3 consecutive quarters; major fuel retailer CapEx announcements; EV penetration data for counter-signal.

2.2.4 Capital Allocation

2.2.4a — Accretive Bolt-On M&A — MEDIUM IMPACT

CEO Tobin described the current acquisition pipeline as “interesting and dominated by proprietary opportunities” (Q4 Earnings Call, Tier 1). Dover's balance sheet supports continued deal activity: \$1.7B in cash, \$1.5B in undrawn credit facilities, net debt to net capitalization at 18.2%, and management explicitly stated that “dry powder in 2026 remains almost identical to the starting position from the previous year.” If Dover deploys \$400–600M in bolt-on acquisitions at its target return profile (double-digit ROIC within 3–4 years), the accretion could be approximately \$0.10–0.20 in adjusted EPS in the first full year of ownership, increasing to \$0.20–0.40 as synergies mature. The risk/reward on M&A is currently favorable: Dover's deal sourcing through proprietary channels reduces auction dynamics, and the focus on PPS (30%+ margins) means acquired businesses are likely to be accretive to the consolidated margin profile. Probability: High — management explicitly signaled deal activity and has both the capacity and track record. Timeframe: Near-to-medium-term (2026–2027). What to monitor: 8-K filings announcing new acquisitions; quarterly commentary on pipeline progression; leverage ratio trajectory.

2.2.4b — Share Repurchase Acceleration — LOW IMPACT

Dover repurchased \$541M of stock in FY2025 (including the \$500M ASR program) and has 14.6 million shares remaining under its August 2023 authorization (10-K Item 5, Tier 1). At the current share price of approximately \$210, this authorization represents roughly \$3.1B in potential repurchase capacity. If Dover maintains its FY2025 pace of ~\$500M annually, the diluted share count would decline by approximately 1.5–2% per year, providing mechanical EPS accretion of \$0.15–0.20 annually. This is a steady-state benefit, not an asymmetric catalyst, which limits its re-rating potential. Probability: High — the program is active and well-funded. Timeframe: Near-term (ongoing). What to monitor: ASR program completion (expected Q2 2026); any pause in repurchase activity that would signal capital reallocation toward M&A.

2.2.5 Macro or Policy Tailwind

No material macro or policy catalyst identified beyond those already embedded in the base case. The company does not have meaningful exposure to direct government subsidies, defense prime contracts, or regulated rate structures where a policy shift would create asymmetric upside. Infrastructure spending bills could directionally benefit several segments, but the pass-through to Dover's specific product lines is too diffuse to quantify as a discrete catalyst.

Catalyst-Risk Asymmetry

The risk-catalyst balance is roughly symmetric but qualitatively different. The risk register contains 10 identified items (1 High, 5 Medium, 4 Low impact) while the catalyst register contains 5 items (1 High, 3 Medium, 1 Low impact). However, the highest-impact catalyst (AI infrastructure acceleration) has meaningful probability and could deliver \$0.24+ in EPS upside, which partially offsets the highest-impact risk (acquisition integration) where the early evidence is actually positive. The near-term risk picture is dominated by the biopharma Q1 comp and commodity cost pressure — both manageable and time-limited. The medium-term picture is more balanced, hinging on whether the secular growth themes (AI, fueling cycle) sustain at sufficient rates to overcome portfolio-level cyclical headwinds.

2.3 Risk & Catalyst Summary

#	Item	Type	Impact	Prob.	Timeframe	Status	Monitoring Trigger
R 1	Acquisition integration at scale	Risk	High	Med	Med-term	Active	Quarterly PPS margin trend
R 2	Tariff & trade policy escalation	Risk	Med	Med	Near-term	Developing	New tariff announcements
R 3	CEF goodwill concentration	Risk	Med	Low	Med-term	Monitoring	CEF earnings < \$350M
R 4	Biopharma Q1 2026 comp	Risk	Med	High	Near-term	Active	PPS Q1 2026 organic growth
R 5	European industrial recession	Risk	Med	Med	Near-term	Active	EU manufacturing PMI
R 6	Commodity cost inflation	Risk	Med	Med	Near-term	Monitoring	Copper >\$5.00/lb sustained
R 7	EV disruption to fueling thesis	Risk	Med	Low	Long-term	Monitoring	U.S. EV share >15%
R 8	Key person risk (CEO Tobin)	Risk	Med	Low	Med-term	Monitoring	COO/President appointment
R 9	Cybersecurity event	Risk	Low	Low	Ongoing	Disclosed	Breach disclosure in 8-K
R 10	€600M debt maturity Nov 2026	Risk	Low	Low	Near-term	Disclosed	Refinancing terms
C 1	AI infrastructure acceleration	Catalyst	High	Med	Med-term	Developing	Hyperscaler CapEx guidance
C 2	Restructuring savings > \$40M	Catalyst	Med	Med	Near-term	Developing	CEF/CST EBITDA margins Q2–Q3
C 3	Retail fueling multi-year cycle	Catalyst	Med	Med	Med-term	Developing	CEF organic growth 2–3 qtrs
C 4	Accretive bolt-on M&A	Catalyst	Med	High	Near-term	Monitoring	8-K acquisition filings
C 5	Share repurchase continuation	Catalyst	Low	High	Near-term	Active	ASR completion Q2 2026

Source: Risks and catalysts identified from Dover Corporation 10-K FY2025, Q4 2025 Earnings Release and Earnings Call Transcript (all Tier 1). Impact assessments, probability ratings, and quantified exposures are analyst judgments. Items R8 and R7 are analyst-identified and not disclosed in company filings.

3. Financial Statements & Deep Dive

3.1 Income Statement

Line Item (\$M)	FY2025	FY2024	\$ Change	YoY %
Revenue	\$8,093	\$7,746	\$347	<u>+4.5%</u>
Cost of Goods & Services	\$4,874	\$4,787	\$87	<u>+1.8%</u>
Gross Profit	\$3,218	\$2,959	\$260	<u>+8.8%</u>
SG&A Expenses	\$1,845	\$1,752	\$93	<u>+5.3%</u>
Operating Earnings	\$1,373	\$1,206	\$167	<u>+13.8%</u>
Interest Expense	\$110	\$131	\$-21	<u>-16.3%</u>
Interest Income	\$-73	\$-37	\$-36	<u>+96.5%</u>
Gain on Dispositions	\$-5	\$-598	\$593	<u>-99.2%</u>
Other Income, net	\$-33	\$-47	\$14	<u>-29.6%</u>
Earnings Before Tax	\$1,374	\$1,757	\$-383	<u>-21.8%</u>
Provision for Income Taxes	\$277	\$357	\$-80	<u>-22.5%</u>
Earnings from Cont. Ops	\$1,097	\$1,400	\$-303	<u>-21.6%</u>
(Loss) from Disc. Ops	\$-3	\$1,297	\$-1,301	<u>-100.3%</u>
Net Earnings	\$1,094	\$2,697	\$-1,603	<u>-59.4%</u>
Diluted EPS (GAAP, Cont.)	\$7.97	\$10.09	(\$2.12)	<u>-21.0%</u>
Adjusted Diluted EPS	\$9.61	\$8.29	+\$1.32	<u>+15.9%</u>
Diluted Shares (M)	137.8	138.7	(0.9)	<u>-0.7%</u>
KEY RATIOS			Change	
Gross Margin	<u>39.8%</u>	<u>38.2%</u>	<u>+1.6pp</u>	
SG&A / Revenue	<u>22.8%</u>	<u>22.6%</u>	<u>+0.2pp</u>	
Operating Margin	<u>17.0%</u>	<u>15.6%</u>	<u>+1.4pp</u>	
Net Margin (Cont. Ops)	<u>13.6%</u>	<u>18.1%</u>	<u>-4.5pp</u>	
Effective Tax Rate	<u>20.1%</u>	<u>20.3%</u>	<u>-0.2pp</u>	

Source: Dover Corporation 10-K FY2025, Consolidated Statements of Earnings (Tier 1). Adjusted EPS from Q4 2025 Earnings Release Non-GAAP Reconciliation (Tier 1). All YoY %, margins, and ratios are analyst-computed (underlined). Q4 quarterly comparison omitted: earnings release inaccessible due to system error; to be added in v2.

Income Statement Deep Dive

Dover's FY2025 income statement tells a story of genuine operational improvement obscured by non-recurring distortions in FY2024. Operating earnings grew 13.8% to \$1,373M on 4.5% revenue growth, demonstrating meaningful operating leverage. But GAAP net income fell 59% to \$1,094M because FY2024 included a \$598M gain on the ESG divestiture and \$1.3B in discontinued operations income — items that will not repeat. The metric that matters is

adjusted diluted EPS, which grew 15.9% from \$8.29 to \$9.61, reflecting the true underlying earnings trajectory.

Revenue: +\$347M (+4.5%) — Broad-based Growth with Acquisition Contribution. Dover's consolidated revenue reached \$8,093M in FY2025, up from \$7,746M. Organic growth was 1.6%, acquisitions contributed 2.6%, and FX added 0.3% (10-K MD&A, Tier 1). The organic growth was modest but positive across four of five segments: PPS led with 6.7% organic growth driven by biopharma, data center thermal management, and natural gas compression; CEF delivered 4.6% organic on North American retail fueling momentum; I&I grew 1.9% organically on printer shipments; and CST achieved -2.1% organic (declining on a full-year basis but exiting Q4 at +9.4% organic). EP declined 6.6% organically on European vehicle aftermarket weakness. The revenue trajectory is constructive: Q4 organic growth of 5.0% (consolidated) was the strongest quarter of the year, suggesting accelerating momentum into 2026. For context, FY2023 revenue was \$7,684M, so the two-year CAGR is 2.6%.

Gross Profit: +\$260M (+8.8%) — Margin Expansion Driven by Mix and Productivity. Gross profit grew nearly twice as fast as revenue, expanding gross margin by 160 basis points from 38.2% to 39.8%. This is the headline quality signal. The drivers are threefold: favorable portfolio mix (higher-margin PPS grew faster than lower-margin segments), pricing realization of 1.5–2% offsetting commodity cost inflation, and ongoing manufacturing productivity initiatives including footprint consolidation. Cost of goods and services grew only 1.8% (\$4,874M vs \$4,787M) against 4.5% revenue growth — a cost-to-revenue growth ratio of 0.4x that demonstrates strong operating leverage. Dover's gross margin has expanded from 37.3% in FY2023 to 39.8% in FY2025, a 250bp improvement over two years that reflects structural portfolio improvement, not cyclical tailwinds.

Operating Earnings: +\$167M (+13.8%) — Incremental Margin Demonstrates Leverage. Operating earnings reached \$1,373M, up from \$1,206M, with operating margin expanding 140 basis points from 15.6% to 17.0%. SG&A grew 5.3% (\$1,845M vs \$1,752M), slightly faster than revenue, reflecting acquisition-related costs (Sikora integration, purchase accounting amortization) and investment in digital capabilities. However, the incremental operating margin — \$167M incremental operating profit on \$347M incremental revenue — was 48.2%, well above the guided ~35% and indicating that revenue growth is falling to the bottom line at an exceptional rate. This is partly due to FY2024 SGA including elevated restructuring and disposal costs; on a clean basis, incremental margins are closer to management's 35% guide. The segment-level EBITDA margin of 25.0% (from earnings release) is a better measure of underlying operational performance.

Below-the-Line Items: EBT Distorted by FY2024 Non-Recurring Gains. Earnings before tax fell 21.8% to \$1,374M, but this decline is entirely attributable to the absence of FY2024 non-recurring items. Interest expense declined \$21M (-16.3%) to \$110M as Dover repaid the \$400M 3.15% notes at maturity in November 2025 and benefited from higher interest income (\$73M vs \$37M) on its elevated cash position. The gain on dispositions collapsed from \$598M (De-Sta-Co and other divestitures) to \$5M (minor post-closing adjustments). Other income of \$33M (vs \$47M in FY2024) included pension-related income and miscellaneous items. The

effective tax rate of 20.1% was essentially flat versus 20.3% in FY2024, indicating no quality concerns from tax benefits or one-time items.

EPS: GAAP \$7.97 vs Adjusted \$9.61 — Understanding the \$1.64 Gap. The GAAP-to-adjusted bridge consists of three components: purchase accounting amortization of \$1.22 per share (intangible amortization from acquisitions — a real cash flow item that will decline as intangibles amortize), restructuring and other costs of \$0.46 per share (\$78M pre-tax in FY2025, reflecting the ongoing footprint optimization program), and a \$0.03 per share credit from net disposition gains. The purchase accounting adjustment is the largest and most controversial: it represented \$168M in pre-tax amortization in FY2025, up from \$108M in FY2024, reflecting the Sikora acquisition's \$340M in non-deductible goodwill and associated intangible step-ups. This is a cost that will run for 7–15 years and is not optional — investors should be aware that adjusted EPS excludes a real, recurring cash cost. The diluted share count of 137.8M was essentially flat versus 138.0M in FY2024, as the \$500M ASR program (initiated November 2025) had limited impact on the weighted average count.

⚠️ Items to Watch

⚠️ Gross margin trajectory: Must sustain above 39% in FY2026. A reading below 38.5% for two consecutive quarters would signal that pricing is failing to offset input cost inflation and the mix benefit from PPS is plateauing. The FY2023-FY2025 expansion from 37.3% to 39.8% has been the single most important driver of earnings growth.

⚠️ Purchase accounting amortization trend: At \$1.22/share in FY2025 (up from \$0.78 in FY2024), the gap between GAAP and adjusted EPS is widening. If Dover completes another \$500M+ acquisition in 2026, this could reach \$1.50+/share, raising questions about the quality of adjusted earnings.

⚠️ SG&A growth rate vs revenue growth: SGA grew 5.3% vs 4.5% revenue growth in FY2025, a negative spread that cannot persist. Monitor for SGA growth decelerating below revenue growth in FY2026 as acquisition-related costs normalize.

⚠️ Incremental operating margin: The 48.2% FY2025 figure is inflated by FY2024 base effects. The true run-rate is ~35% per management guidance. Q1 2026 will be the first clean test of this metric.

3.2 Balance Sheet

Line Item (\$M)	FY2025	FY2024	\$ Change	% Change
ASSETS				
Cash & Cash Equivalents	\$1,677	\$1,845	\$-168	-9.1%
Receivables, net	\$1,371	\$1,354	\$17	+1.3%
Inventories, net	\$1,273	\$1,145	\$128	+11.2%
Prepaid & Other Current	\$186	\$141	\$45	+32.3%
Total Current Assets	\$4,507	\$4,484	\$22	+0.5%
PP&E, net	\$1,120	\$988	\$132	+13.3%
Goodwill	\$5,430	\$4,906	\$524	+10.7%
Intangible Assets, net	\$1,760	\$1,581	\$179	+11.3%
Other Assets & Deferred	\$606	\$550	\$56	+10.2%
Total Assets	\$13,422	\$12,509	\$913	+7.3%
LIABILITIES				
ST Borrowings + Current LTD	\$707	\$400	\$307	+76.6%
Accounts Payable	\$876	\$848	\$28	+3.3%
Accrued Compensation	\$281	\$292	\$-12	-4.0%
Deferred Revenue	\$155	\$199	\$-44	-22.0%
Other Current Liabilities	\$500	\$457	\$43	+9.4%
Total Current Liabilities	\$2,518	\$2,197	\$322	+14.7%
Long-term Debt	\$2,621	\$2,529	\$92	+3.6%
Deferred Income Taxes	\$394	\$352	\$42	+12.0%
Other Long-term Liabilities	\$483	\$477	\$6	+1.2%
Total Liabilities	\$6,017	\$5,555	\$462	+8.3%
Total Stockholders' Equity	\$7,405	\$6,954	\$451	+6.5%
Total L + E	\$13,422	\$12,509	\$913	+7.3%
MEMO: GW + Intangibles	<u>\$7,190</u>	<u>\$6,487</u>	\$703	+10.8%
MEMO: GW+Int as % of Assets	<u>53.6%</u>	<u>51.9%</u>	+1.7pp	
MEMO: Tangible Book Value	<u>\$216</u>	<u>\$467</u>	\$-252	-53.9%
MEMO: Total Debt	<u>\$3,328</u>	<u>\$2,929</u>	\$399	+13.6%
MEMO: Net Debt	<u>\$1,651</u>	<u>\$1,085</u>	\$567	+52.2%
MEMO: Debt-to-Capital	<u>31.0%</u>	<u>29.6%</u>	+1.4pp	
MEMO: Interest Coverage	<u>48.8x</u>	<u>16.4x</u>	+32.4x	

MEMO: Current Ratio	<u>1.79x</u>	<u>2.04x</u>	<u>-0.25</u>	
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Source: Dover Corporation 10-K FY2025, Consolidated Balance Sheets (Tier 1). All MEMO items are analyst-computed (underlined). Interest Coverage = EBITDA / Net Interest Expense (10-K states 48.8x for FY2025). FY2024 Interest Coverage analyst-computed: $(\$1,206M + \$338M \text{ D\&A}) / (\$131M - \$37M) = 16.4x$.

Balance Sheet Deep Dive

Dover's balance sheet expanded 7.3% to \$13.4B in FY2025, driven almost entirely by the \$663M Sikora acquisition and associated goodwill (\$340M) and intangible assets (\$179M). The balance sheet is getting larger but not riskier: net debt rose \$567M to \$1,651M, but net debt to net capitalization remains a conservative 18.2%, and the interest coverage ratio of 48.8x provides massive headroom above the 3.0x covenant minimum. The single most important story is the growing intangible intensity: goodwill plus intangibles now represents 53.6% of total assets, up from 51.9% in FY2024, reflecting Dover's strategy of acquiring high-margin, IP-intensive businesses.

Goodwill: +\$524M (+10.7%) — Acquisition-Driven Expansion with Concentration Risk. Goodwill reached \$5.43B, up from \$4.91B, with the increase attributable to FY2025 acquisitions (primarily Sikora at \$340M). At 40.5% of total assets, goodwill is the single largest line item on the balance sheet. The impairment test conducted in Q4 2025 found all reporting units passed with fair value in excess of carrying value using a 9.8% discount rate (10-K Note 9, Tier 1). However, the CEF segment carries \$1.76B in goodwill against \$418M in segment earnings (4.2x multiple) — the highest in the portfolio and the one most vulnerable to a demand downturn. PPS goodwill of \$1.61B against \$652M in segment earnings (2.5x) is better supported but represents a concentrated bet on secular growth themes that must deliver.

Inventories: +\$128M (+11.2%) — Working Capital Build Ahead of Growth. Inventory growth outpaced revenue growth (11.2% vs 4.5%), consuming \$37M in operating cash flow. This is not a red flag in isolation — Dover is building inventory to support the retail fueling CapEx cycle ramp and Sikora integration — but it bears monitoring. If inventory grows faster than revenue for a second consecutive year in FY2026, it could signal demand softening or channel stuffing. Days inventory outstanding rose from approximately 87 days to 95 days, a deterioration of 8 days that management has not specifically addressed.

Tangible Book Value: \$216M (down from \$467M) — Intangible-Heavy, Asset-Light Model. TBV declined 54% as goodwill and intangibles grew faster than equity. At \$1.56 per diluted share, TBV is economically irrelevant for valuation purposes — Dover's value derives from the earning power of its acquired businesses, not from tangible assets. However, the low TBV means that any goodwill impairment would have an outsized impact on book value per share. A hypothetical 10% impairment of total goodwill (\$543M) would reduce equity by 7.3%, turning TBV negative.

⚠ Items to Watch

⚠ **Inventory-to-revenue ratio:** FY2025 inventories at 15.7% of revenue (up from 14.8%). If this exceeds 16.5% in any quarter, it signals potential demand weakness requiring write-downs.

⚠️ Current ratio deterioration: Declined from 2.04x to 1.79x as current portion of LTD rose to \$707M (€600M notes due Nov 2026). This reverses mechanically once the notes are repaid or refinanced. Not a liquidity concern given \$1.7B cash and \$1.5B undrawn facilities.

⚠️ Goodwill as % of assets: At 53.6% (GW + intangibles), Dover is more intangible-intensive than peers. Any acquisition >\$300M would push this above 55%, a level where balance sheet skeptics take notice.

3.3 Cash Flow Statement

Line Item (\$M)	FY2025	FY2024	\$ Change	Note
OPERATING				
Net Earnings	\$1,094	\$2,697	\$-1,603	Incl. disc ops
Disc Ops Adjustment	\$3	\$-1,297	\$1,301	Reverse disc ops
Depreciation & Amort.	\$380	\$338	\$42	+\$42M from acq.
Stock-based Comp.	\$44	\$40	\$4	
Gain on Dispositions	\$-5	\$-598	\$593	FY24: ESG/De-Sta-Co
Deferred Taxes & Other	\$-73	\$-67	\$-6	
Working Capital Changes	\$-106	\$7	\$-113	Inv build + accruals
Cash from Operations	\$1,338	\$1,088	\$250	+23.0%
INVESTING				
Capital Expenditures	\$-220	\$-168	\$-53	NC plant + capacity
Acquisitions, net	\$-663	\$-635	\$-28	Sikora \$608M
Proceeds from Disp.	\$6	\$769	\$-763	FY24: De-Sta-Co
Other, net	\$-9	\$7	\$-16	
Cash Used in Investing	\$-887	\$-27	\$-860	
FINANCING				
Commercial Paper, net	\$-0.6	\$-468	\$467	Repaid in FY24
LT Debt Issued	\$631	\$0.0	\$631	€550M 3.50% 2033
LT Debt Repaid	\$-400	\$0.0	\$-400	\$400M 3.15% matured
Dividends Paid	\$-283	\$-283	\$0.1	\$2.07/share
Share Repurchases	\$-541	\$-500	\$-41	Incl. \$500M ASR
Other Financing	\$-32	\$-21	\$-11	
Cash from Financing	\$-625	\$-1,272	\$647	
FX & Disc Ops Effect	\$5	\$1,640	\$-1,634	
Net Change in Cash	\$-168	\$1,429	\$-1,597	
Cash, End of Period	\$1,677	\$1,845	\$-168	
MEMO: Free Cash Flow	\$1,118	\$920	\$197	CFO - CapEx

MEMO: FCF Margin	<u>13.8%</u>	<u>11.9%</u>	<u>+1.9pp</u>	FCF/Revenue
MEMO: FCF per Share	<u>\$8.11</u>	<u>\$6.67</u>	<u>+\$1.44</u>	FCF/Dil. Shares
MEMO: FCF Conversion	<u>101.8%</u>	<u>65.7%</u>	<u>+36.1pp</u>	FCF/NI Cont Ops
MEMO: Total Capital Returned	<u>\$824</u>	<u>\$783</u>	<u>\$41</u>	Divs + Buybacks
MEMO: CR % of FCF	<u>73.7%</u>	<u>85.1%</u>	<u>-11.4pp</u>	Sustainable

Source: Dover Corporation 10-K FY2025, Consolidated Statements of Cash Flows (Tier 1). All MEMO items are analyst-computed (underlined). FCF = CFO – CapEx. FCF Conversion = FCF / Earnings from Continuing Operations.

Cash Flow Deep Dive

Dover generated \$1,118M in free cash flow in FY2025, up 21.5% from \$920M in FY2024, representing a 13.8% FCF margin and a 101.8% conversion ratio on earnings from continuing operations. This is an exceptional result: Dover produced more cash than GAAP earnings, driven by \$380M of depreciation and amortization that flows through the P&L as a non-cash charge but supports operating cash flow. The improvement was achieved despite a \$106M working capital headwind, indicating that the underlying cash generation engine is strengthening.

Operating Cash Flow: +\$250M (+23.0%) — Strong Despite Working Capital Drag. CFO reached \$1,338M, the highest in Dover's history as a continuing-operations entity. The \$250M improvement came from two sources: \$302M higher earnings from continuing operations (adjusting for FY2024 disposition gains and disc ops) and \$42M higher D&A (Sikora contribution), partially offset by a \$113M swing in working capital from a \$7M source in FY2024 to a \$106M use in FY2025. The working capital consumption was driven by inventory builds (\$37M for CST/CEF ramp-up), accrued compensation (\$25M from lower bonus accruals vs FY2024 payouts), and accrued expenses (\$66M primarily from timing of customer payments and liability settlements). The underlying operating cash generation — excluding working capital — was \$1,444M, or 17.8% of revenue, well above the guided FCF range of 14–16%.

Capital Expenditures: \$220M (+31.4%) — Growth Investment Cycle. CapEx rose to \$220M from \$168M, driven by the North Carolina greenfield plant for data center cooling components, capacity expansions across PPS, and facility modernization in CST. At 2.7% of revenue, Dover remains a capital-light industrial — the business generates far more cash than it consumes in maintenance and growth CapEx. Management guided FY2026 CapEx at \$190–210M, suggesting the current investment cycle is near its peak.

Acquisitions: \$663M — Portfolio Transformation Continues. Dover spent \$663M on acquisitions in FY2025, virtually all attributable to Sikora (\$608M) with smaller bolt-ons (Cryo-Mach \$29M, Site IQ \$11M, and others). This compares to \$635M in FY2024 and \$534M in FY2023 — three consecutive years of \$500M+ deployment. The acquisitions are self-funded: FY2025 FCF of \$1,118M exceeded M&A spending by \$455M, leaving ample room for dividends (\$283M) and share repurchases (\$541M). Dover did not need to issue debt to fund acquisitions — the €550M note issuance was for general corporate purposes and net investment hedging.

Capital Returns: \$824M (73.7% of FCF) — Sustainable and Growing. Dover returned \$824M to shareholders in FY2025: \$283M in dividends (\$2.07/share, the 70th consecutive annual increase) and \$541M in share repurchases (including the \$500M ASR). Total capital returned was 73.7% of FCF, down from 85.1% in FY2024, reflecting the higher FCF base rather than reduced shareholder returns. The capital return program is well-covered: even after M&A spending, dividends, and buybacks, Dover's cash balance decreased by only \$168M, and the company retains \$1.7B in cash plus \$1.5B in undrawn credit facilities.

 Items to Watch

 Working capital reversal in H1 2026: The \$106M working capital use in FY2025 included timing items (accrued compensation, expense settlements) that should partially reverse. If working capital remains a use of \$50M+ in H1 2026, it signals structural inventory or receivables issues.

 FCF conversion sustainability: The 101.8% conversion ratio was partly supported by \$380M D&A (which will grow with acquisitions) but pressured by rising CapEx. The sustainable run-rate is 85–95% conversion. Anything below 80% for two consecutive quarters warrants investigation.

 CapEx trajectory: Management guided \$190–210M for FY2026, implying a modest decline from \$220M. If actual CapEx exceeds \$230M, it could signal scope creep or cost overruns on the NC plant.

3.4 Debt Maturity Schedule & Refinancing Risk

Year	Amount (\$M)	% of Total	Cumul. (\$M)	Key Instruments	Coupon
2026	\$708	<u>21.1%</u>	\$708	€600M 1.25% notes (euro-denom)	1.25%
2027	\$590	<u>17.6%</u>	\$1,298	€500M 0.750% notes (euro-denom)	0.75%
2028	\$200	<u>6.0%</u>	\$1,498	\$200M 6.65% debentures (Jun 2028)	6.65%
2029	\$300	<u>9.0%</u>	\$1,798	\$300M 2.95% notes (Nov 2029)	2.95%
2030	—	<u>0.0%</u>	\$1,798	No maturities	—
2031+	\$1,549	<u>46.3%</u>	\$3,346	€550M 3.50% + \$300M 5.375% + \$250M 6.60% + \$350M 5.375%	Mixed
Total	\$3,346	100%	\$3,346	—	<u>3.27%</u>

Source: Dover Corporation 10-K FY2025, Note 12 — Borrowings, Future Maturities table (Tier 1). Amounts at face/principal value. Carrying value is \$3,328M after \$18M of unamortized discounts and deferred issuance costs. Weighted average coupon and % of total are analyst-computed (underlined).

Credit Facilities

Facility	Size (\$M)	Maturity	Status	Rate if Drawn
5-Year Revolving Credit	\$1,000	Apr 6, 2028	Undrawn	Base + margin
364-Day Revolving Credit	\$500	Apr 2, 2026	Undrawn	Base + margin
Total Available	\$1,500	—	Undrawn	—

Source: Dover Corporation 10-K FY2025, Note 12 (Tier 1). Covenant: Interest coverage $\geq 3.0\times$ (actual: 48.8x). No outstanding borrowings under either facility at Dec 31, 2025.

Refinancing Risk Analysis

Near-term Picture (2026–2029). Dover faces \$1.80B in maturities over the next four years: \$708M in 2026 (€600M 1.25% euro notes), \$590M in 2027 (€500M 0.75% euro notes), \$200M in 2028 (\$200M 6.65% debentures), and \$300M in 2029 (\$300M 2.95% notes). The 2026 and 2027 maturities are the critical ones — both are ultra-low-coupon euro-denominated notes issued during the zero-rate era that will refinance at materially higher rates. The math: the €600M 2026 tranche currently costs ~\$8.8M annually at 1.25%. If refinanced at 3.50% (matching Dover's November 2025 euro issuance), annual interest cost would rise to ~\$24.8M — an incremental \$15.9M, or approximately \$0.09 in after-tax EPS. The €500M 2027 tranche at 0.75% costs ~\$4.4M; at 3.50%, it would cost ~\$20.6M — incremental \$16.2M, or ~\$0.09 in after-tax EPS. Combined, refinancing both euro tranches at current rates would add ~\$32M in annual interest expense, reducing adjusted EPS by approximately \$0.19. This is manageable but not trivial. The 2028 maturity is a natural repayment candidate (\$200M, could be repaid from FCF), and the 6.65% coupon means refinancing would actually reduce interest cost. Dover can comfortably self-fund all near-term maturities: FY2025 FCF of \$1,118M alone covers 62% of the four-year maturity wall.

Credit Downgrade Scenario. Dover is rated Baa1/BBB+ (Stable) by Moody's and S&P. A one-notch downgrade to Baa2/BBB would modestly widen new issuance spreads by an estimated 15–25 basis points on investment-grade debt. The 10-K does not disclose ratings-based

pricing grids on the credit facilities, but the commitment fees and borrowing margins on the revolving credit agreements are likely tied to Dover's credit rating — a downgrade would marginally increase facility costs. There are no ratings-triggered acceleration clauses or covenant step-downs disclosed in the 10-K. The interest coverage covenant of 3.0x provides 16x headroom at the current 48.8x ratio. A downgrade is not a near-term risk: it would require a sustained deterioration in leverage or profitability well beyond current guidance. The most plausible trigger would be a large debt-funded acquisition (\$3B+) that doubles leverage — a scenario CEO Tobin has not signaled.

Analyst Verdict. Dover's debt profile is well-structured and presents no material risk to the investment thesis. The weighted average coupon of 3.27% is below the company's ROIC of 12.1%, meaning the debt is accretive to equity returns. The maturity ladder is distributed with no wall effect — even the largest year (2026 at \$708M) is easily manageable against \$1.7B cash, \$1.5B undrawn facilities, and \$1.1B annual FCF. The single most important thing to watch is the refinancing rate on the €600M 2026 maturity: if Dover issues replacement euro notes at 3.50–4.00%, the incremental interest cost is modest; if it chooses to repay from cash, the debt profile actually improves. The 364-day facility (\$500M, maturing April 2026) should be renewed routinely. No action needed.

4. Earnings Call Transcript Analysis

4.1 Call Overview

Date: January 29, 2026, 12:00 p.m. ET

Fiscal Period: Q4 FY2025 results (full-year 2025 and FY2026 guidance)

Source: Motley Fool transcript, Tier 2

Management Speakers (presentation order):

1. Richard J. Tobin — President and Chief Executive Officer
 2. Christopher Woenker — Senior Vice President and Chief Financial Officer
- (Jack Dickens — Investor Relations, moderator)

Analysts on the Call (question order):

1. Steve Tusa, JPMorgan | 2. Julian Mitchell, Barclays | 3. Amit Mehrotra, UBS
4. Jess Brock, Vertical Research Partners | 5. Joe O'Dea, Wells Fargo | 6. Nigel Coe, Wolfe Research
7. Scott Davis, Melius Research | 8. Mike Halloran, Baird | 9. David Ridley-Lane, Bank of America (for Andrew Obin)
10. Andy Kaplowitz, Citigroup | 11. Brett Linzey, Mizuho | 12. Joe Ritchie, Goldman Sachs
13. Deane Dray, RBC Capital Markets

4.2 CEO Key Messages

Theme	What Was Said	Evidence Supporting It	Analyst Assessment	Signal
Broad-based Q4 momentum	Q4 delivered the strongest organic growth of the year at 5%, with bookings up 10% and book-to-bill above 1.0 across all five segments.	§3.1: Revenue +4.5% FY; Q4 segment data confirms 5% organic. Bookings growth verified in prepared remarks.	Credible. The momentum is real and broad-based. The risk is whether Q4 was a peak or an inflection.	Bullish
Double-digit EPS growth trajectory	FY2025 adjusted EPS of \$9.61 beat the raised Q3 guide. FY2026 guided at \$10.45–\$10.65, representing double-digit growth at the midpoint.	§3.1: Adj EPS \$9.61 confirmed (+15.9% YoY). Guided midpoint \$10.55 implies +9.8% growth.	Slightly aspirational. Midpoint growth is 9.8%, not double-digit. Tobin rounds up to double-digit narrative. Achievable but requires execution.	Bullish
Self-funded capital deployment	All 2025 CapEx, M&A (\$700M), and share repurchases (\$500M+) were self-funded from FCF. Dry powder for 2026 is unchanged.	§3.3: FCF \$1,118M covered M&A (\$663M) + dividends (\$283M) with \$172M remaining. The \$541M ASR was partially funded from €550M note issuance proceeds. Cash declined only \$168M.	Credible and important. The ability to self-fund \$1.5B+ in deployment while maintaining \$1.7B cash is a genuine competitive advantage.	Bullish
Acquisitions outperforming plan	All 2025 acquisitions are exceeding their original financial projections. Pipeline described as interesting and dominated by proprietary deal flow.	§1.2: Sikora “outperforming” per CEO; FW Murphy “clear success.” No independent verification possible — no segment-level acquisition P&L disclosed.	Unverifiable. Management claims of outperformance are standard and cannot be validated without segment-level deal economics disclosure.	Neutral
No identified headwinds for 2026	Unlike prior years where specific businesses were known headwinds, 2026 guidance has all segments guiding positive organic growth with margin expansion.	§1.3: EP still declining organically (-6.6% FY2025); European vehicle services in year 3 of weakness. Belvac waiting for CapEx cycle.	Somewhat optimistic. While the worst headwinds are subsiding, EP Europe and MAAG remain challenged. “No headwind” overstates the position.	Neutral
Restructuring carryover benefits	Approximately \$40M in carryover profit expected from prior-period restructuring and productivity actions, supplemented by ongoing fixed-cost reduction initiatives.	§3.3: Restructuring charges \$78M in FY2025 (10-K Note 11). §2.2.2: \$40M target with potential upside. DCEF and DCST primary beneficiaries.	Credible. The \$40M is conservative relative to \$78M in spending. Track record (EP margins +200bp on declining revenue) supports execution capability.	Bullish

Source: Dover Corporation Q4 2025 Earnings Call Transcript, Motley Fool (Tier 2). All financial cross-references are to Section 3 tables sourced from 10-K FY2025 (Tier 1). All assessments and signals are analyst judgments.

The overarching narrative Tobin is establishing can be labeled “Portfolio Transformation Complete — Now Harvest.” The message is that Dover has finished the hard work of reshaping its portfolio (divesting ESG and De-Sta-Co, acquiring \$1.9B in higher-growth businesses, restructuring the cost base) and is now entering a phase of sustained double-digit EPS growth driven by secular tailwinds in AI infrastructure, biopharma, and retail fueling. The financial evidence largely supports this: adjusted EPS grew 15.9% in FY2025, operating margins expanded 140bp, FCF conversion exceeded 100%, and the balance sheet retains significant capacity for further deployment (\$3.1–3.4). The narrative is grounded in real operational improvement, not financial engineering.

The most important thing Tobin said that the market may be underweighting is the comment about having “no identified headwind” for 2026 — this is the first time in several years that all five segments are guiding positive organic growth simultaneously. If true, it signals the portfolio has finally moved past the trough-market drags (Belvac, European vehicle services, refrigeration drawdown) that suppressed organic growth in 2023–2025. The most important thing the market should be skeptical of is the sustained double-digit compounding characterization of FY2026 EPS guidance. The midpoint of \$10.55 implies 9.8% growth on \$9.61 — that is high single-digit, not double-digit. Tobin is rounding up to maintain a narrative of consistent double-digit EPS compounding. The distinction matters if actual results come in at the low end (\$10.45, or +8.7%).

4.3 CFO Guidance Deep Dive

Metric	FY2026 Guidance	FY2025 Actual	Implied Change	Mgmt Commentary
Revenue	\$8,497–\$8,660M	\$8,093M	<u>+5–7%</u>	3–5% organic + ~2% acquisition contribution
Adjusted EPS	\$10.45–\$10.65	\$9.61	<u>+8.7–10.8%</u>	Double-digit at midpoint per CEO; ~35% incremental margin
FCF as % of Revenue	14–16%	13.8%	<u>+0.2–2.2pp</u>	Continued strong operating cash conversion
Capital Expenditures	\$190–210M	\$220M	<u>-5–14%</u>	Expansion CapEx completing; NC greenfield into 2027 (range from earnings release, not transcript)
Pricing Embedded	1.5–2.0%	N/A	—	May need additional pricing if commodities spike
Restructuring Carryover	~\$40M profit	\$78M charges	—	DCEF back-end loaded; DCST extra costs H1 during facility transition
Share Repurchases	Not guided	\$541M	—	Expects to be “active”; \$500M ASR completing ~Q2 2026
Dividends per Share	Not guided	\$2.07	—	71st consecutive increase expected (not explicitly stated)
Organic Growth	3–5%	1.6%	<u>+1.4–3.4pp</u>	All 5 segments positive; DCST and PPS highest; biopharma Q1 comp warning
Segment EBITDA Margin	Not guided (total)	25.0%	—	All segments guided margin up; DCEF targeting low 20s, path to 25%

Source: Dover Corporation Q4 2025 Earnings Call Transcript (Tier 2) and Q4 2025 Earnings Release (Tier 1). FY2025 Actual figures from §3.1 and §3.3. Implied Change is analyst-computed (underlined). Revenue range computed from 5–7% total growth on \$8,093M base.

The guidance is prudently conservative relative to current trends. Q4 2025 organic growth was 5%, yet FY2026 organic growth is guided at 3–5% — implying deceleration from the exit rate. Tobin explicitly acknowledged this conservatism, referencing the tariff-related disruption of early 2025 as a reason for building a cushion, and stated he expects to “progressively move up EPS” through the year, as Dover did in FY2025. The ~35% incremental margin guide is also conservative: FY2025 delivered 48.2% incremental margins (inflated by base effects), and even the clean run-rate suggests 35%+ is achievable. This sets up a high probability of guidance raises through the year if macro conditions cooperate.

The guided metric carrying the most execution risk is the 3–5% organic growth assumption. This requires all five segments to deliver positive organic growth simultaneously for the first time in recent history. The weakest link is Engineered Products, where European vehicle services remains in year three of decline and management offered only “constructive booking trends” as evidence of stabilization. The most likely metric to be beaten is FCF as a percentage of revenue: the 14–16% guide is wide, and FY2025 already delivered 14% with \$106M of

working capital headwind that should partially reverse. If working capital normalizes, FCF could reach 15–16%.

The single most important assumption in the EPS guidance is the pricing realization of 1.5–2%. If commodity costs (particularly copper and steel) spike due to tariff escalation while Dover is locked into existing pricing, the margin squeeze would hit DCST and DCEF hardest. The math: at \$4.87B in FY2025 COGS, a 100bp cost increase not offset by pricing reduces operating earnings by approximately \$49M, or \$0.28 in after-tax EPS (\$2.1.2). Against guided adjusted EPS of \$10.55 midpoint, this would result in a miss to \$10.27 — below the low end of the range. The probability is medium: Tobin noted hedging covers approximately H1, leaving H2 exposed.

Figure 4.1 — EPS Guidance Bridge: FY2025 Actual → FY2026 Guided. Dover did not disclose component-level EPS bridge detail (revenue contribution, margin impact, buyback accretion, tax) on the call. An approximate bridge can be estimated: \$9.61 base + ~\$0.66 organic revenue/margin (midpoint 4% organic = ~\$324M at 35% incremental × 0.799 tax / 137.8M shares) + ~\$0.12 acquisition contribution (net of purchase accounting) + ~\$0.23 restructuring carryover (\$40M × 0.799 / 137.8M) + ~\$0.12 buyback accretion (\$500M ASR) – ~\$0.09 refinancing headwind (\$15.9M × 0.799 / 137.8M) = ~\$10.65, consistent with the upper end of guidance. At the low end, compressed incremental margins or weaker organic growth would bring the bridge to ~\$10.45. Chart deferred to v2 pending palette-compliant generation.

4.4 Notable Omissions & Weak Spots

Part A — Topics Not Addressed

CEO Succession Planning. Richard Tobin, 62, has led Dover since 2018 and is the architect of the portfolio transformation and margin expansion program. There is no COO, no publicly disclosed successor, and the topic was not raised in prepared remarks or Q&A. Given Tobin's centrality to the investment thesis (§2.1.3d), the absence of any succession commentary is notable. This is a "boiling frog" risk — not urgent today but increasingly relevant as tenure extends. No analyst asked.

Goodwill Impairment Risk. Dover carries \$5.43B in goodwill (40% of total assets), with CEF at \$1.76B against \$418M in segment earnings (4.2x, §3.2 MEMO). The impairment test used a 9.8% discount rate and all units passed, but this was not discussed on the call despite being the single largest balance sheet risk. No analyst asked. The likely reason: goodwill impairment is a slow-burn risk that institutional investors monitor through the 10-K rather than Q&A.

€600M Debt Maturity in November 2026. Dover has €600M of 1.25% euro notes maturing in November 2026, the largest near-term refinancing event (§3.4). Neither management nor analysts addressed whether Dover plans to refinance or repay from cash. The incremental interest cost of refinancing at current rates is approximately \$15.9M annually (§3.4C). This is manageable but worth monitoring.

Part B — Weak Spots in Prepared Remarks

"Double-digit growth at the midpoint" framing. The guided midpoint of \$10.55 represents 9.8% growth on \$9.61 — which is technically high single-digit, not double-digit. Tobin consistently characterizes Dover's EPS trajectory as "double-digit," and while the top end of the range (\$10.65, +10.8%) qualifies, the midpoint does not. This is a minor but deliberate framing choice that inflates the perceived growth rate. It creates a risk of disappointment if results land at the low end.

CFO Woenker's minimal role. The CFO spoke for approximately 30 seconds, covering only the cash flow slide before handing back to Tobin. For a first-year CFO managing a complex capital structure (€550M new debt issuance, \$500M ASR, \$663M in acquisition accounting), this is an unusually thin contribution. It may reflect Dover's CEO-centric communication style, but it limits investor ability to assess the CFO's command of the financials.

4.5 Analyst Q&A: Key New Information

4.5.1 — Pricing and Commodity Cost Pass-Through (Steve Tusa, JPMorgan)

Question context: Tusa asked how much pricing Dover is embedding in 2026 guidance and whether management is concerned about rising raw material costs, particularly steel.

Management response: Tobin disclosed that 1.5–2% pricing is embedded in guidance, consistent with historical practice. He acknowledged that commodity costs are moving up and that additional pricing actions may be needed depending on the trajectory. This was the first specific quantification of pricing assumptions for FY2026.

What is new: New information: The 1.5–2% pricing range was not in prepared remarks or the press release. This is the key input for assessing price-cost risk in §2.1.6.

Signal: Neutral — confirms existing risk rather than escalating or diminishing it.

4.5.2 — DCEF and DCST Margin Leverage Mechanics (Julian Mitchell, Barclays)

Question context: Mitchell asked how Dover plans to achieve margin expansion in the two lowest-margin segments (DCEF at 19.6% and DCST at 17.0%) given that they are guided for the highest organic growth.

Management response: Tobin explained that DCEF margin gains will be back-end loaded because restructuring benefits (rooftop consolidations) flow progressively through the year. DCST has copper exposure that could pressure margins if input costs spike, and the company has forward coverage only through approximately H1. This was the most granular margin commentary on the call.

What is new: New information: The back-end loading of DCEF margins and the H1 commodity hedge coverage for DCST were not in prepared remarks. These are critical for quarterly modeling.

Signal: Neutral — helpful for calibrating quarterly expectations but does not change the full-year thesis.

4.5.3 — Guidance Conservatism and Progressive Raises (Amit Mehrotra, UBS)

Question context: Mehrotra noted that 4% organic growth guidance is below the Q4 exit rate and asked whether this reflects genuine caution or simply management's pattern of setting beatable targets.

Management response: Tobin explicitly referenced the tariff-related disruption of early 2025 as the reason for building prudence into both the top-line and incremental margin guide. He then stated his expectation to “progressively move up EPS” through the year, as Dover did in FY2025. This is as close to telegraphing guidance raises as a CEO can get without explicitly promising them.

What is new: New information: The explicit signal of expected progressive EPS guide-ups was not in prepared remarks and is the strongest forward-looking statement on the call.

Signal: Bullish — management is building a cushion it expects to release through the year.

4.5.4 — Refrigeration Recovery: Sold Out for Q1 (Amit Mehrotra, UBS)

Question context: Mehrotra asked about the \$150M refrigeration drawdown in FY2025 and whether Dover expects to recover that volume.

Management response: Tobin stated the company is fully booked through Q1 and taking orders well into Q2 in refrigeration. He characterized this as a relatively short-cycle business where the backlog built in Q4 is now converting to revenue.

What is new: New information: The full-bookings-through-Q1 disclosure provides near-term revenue visibility for DCST that was not in prepared remarks.

Signal: Bullish — confirms the Q4 recovery is not a one-quarter anomaly.

4.5.5 — Transformative M&A Appetite (Jess Brock, Vertical Research Partners)

Question context: Brock asked directly about rumors of Dover considering a large transformative acquisition, rather than the typical bolt-on approach.

Management response: Tobin deflected but did not deny. He stated Dover has a strong focus on managing execution risk and is under no obligation to do a transformative deal given the existing organic growth algorithm. However, he did not rule it out, noting it would have to be in the best interest of shareholders. This language preserves optionality.

What is new: New information: The explicit discussion of transformative deal appetite — and the conditional rather than categorical denial — was not in prepared remarks and is a new signal for capital allocation watchers.

Signal: Neutral — optionality preserved but no commitment either way.

4.5.6 — Through-Cycle Growth Entitlement: 3–6% (Scott Davis, Melius Research)

Question context: Davis asked what Dover's through-cycle organic growth rate should be given the portfolio transformation.

Management response: Tobin stated the entitlement is in the three-to-six percent range depending on economic conditions and confirmed the portfolio "clearly can do five." This is the first time management has explicitly quantified the through-cycle growth rate for the reshaped portfolio.

What is new: New information: The 3–6% through-cycle growth range is a new disclosure that helps frame the long-term revenue trajectory for valuation purposes (§6).

Signal: Bullish — 5% through-cycle on a \$8B+ base with 35%+ incremental margins supports the double-digit EPS growth narrative.

4.5.7 — CEF Margin Path to 25% (Mike Halloran, Baird)

Question context: Halloran asked for a timeline on when DCEF can reach the 25% margin target.

Management response: Tobin stated that low 20s are achievable in FY2026, with further progress dependent on completing the footprint restructuring (expected by year-end 2026) and the growth trajectory of the cryogenic business. The 25% target appears to be a 2027–2028 objective, not a 2026 one.

What is new: New information: The “low 20s in 2026” target and the linkage to footprint completion timing were not in prepared remarks.

Signal: Bullish — 200+ bps of margin expansion in one year from the second-largest segment is material.

Topics NOT Asked About

No analyst asked about CEO succession planning, goodwill impairment risk, the €600M debt maturity in November 2026, or the growing gap between GAAP and adjusted EPS (\$1.64 per share in FY2025). The absence of succession questions is particularly notable given Tobin’s age (62) and the lack of a COO or disclosed successor. The likely explanation is that institutional investors view this as a medium-term governance issue rather than a near-term catalyst, and the Q&A was dominated by the more immediately actionable questions around margin leverage, pricing, and guidance conservatism. The omission of any question on the GAAP-adjusted gap is worth noting: at \$1.64 per share (17% of adjusted EPS), this is a material quality-of-earnings topic that deserves scrutiny.

4.6 Management Communication Scorecard

Dimension	Rating	Assessment
1. Quantitative Disclosure Depth	B+	Headline metrics well-disclosed (EPS, revenue growth, FCF, pricing). Missing segment-level EPS bridge and acquisition-specific economics. No quantified commodity cost impact scenario.
2. Forward Guidance Granularity	B+	Full-year EPS, revenue, FCF, CapEx, and organic growth all guided. Segment-level margin targets directional only (DCEF “low 20s,” DCST “sustain Q4 rate”). Missing quarterly cadence beyond “normal seasonality.”
3. Transparency on Risks	B	Tariff/commodity risks acknowledged with hedging timeframe (H1 covered). Biopharma Q1 comp explicitly warned. However, goodwill concentration, FX exposure, and debt refinancing were not addressed proactively.
4. Balance of Narrative	B+	Tone was confident but grounded in verifiable data (backlog, bookings, FCF). The sustained double-digit compounding framing of 9.8% midpoint growth is a minor stretch. Overall, positives are evidence-based, not promotional.
5. Non-GAAP Clarity	B	Adjusted EPS reconciliation provided in press release but not discussed on the call. The \$1.64/share GAAP-to-adjusted gap (17% of adj EPS) warrants more airtime, particularly the growing purchase accounting component (\$1.22/share, up from \$0.78).
6. Responsiveness to Analysts	A-	Tobin was direct and substantive across 13 analysts, providing new data in multiple exchanges (pricing range, margin timing, through-cycle growth rate, refrigeration bookings). Minor deflections on transformative M&A and total backlog coverage.
Overall Grade	B+	A well-executed call led by a CEO with deep operational credibility. Tobin provided actionable data in both prepared remarks and Q&A. The main gaps are disclosure depth on acquisitions, proactive discussion of balance sheet risks, and the CFO’s minimal presence.

Source: Analyst assessment based on Dover Corporation Q4 2025 Earnings Call Transcript, Motley Fool (Tier 2), cross-referenced to 10-K FY2025 and Q4 2025 Earnings Release (Tier 1).

Verdict

What You Can Trust. The operational performance data is verifiable and consistent: revenue growth, margin expansion, FCF generation, and bookings momentum all cross-reference cleanly to the 10-K and earnings release (\$3.1–3.3). Tobin’s commentary on segment-level demand trends has been accurate over prior quarters — when he warned about European vehicle services weakness in early 2025, the segment delivered exactly as described. The \$40M restructuring carryover is conservative relative to the \$78M in FY2025 spending. The capital allocation track record (self-funding \$1.5B in deployment while maintaining balance sheet optionality) is a verified strength.

What You Should Verify Independently. Three claims require independent validation. First, that 2025 acquisitions are exceeding the financial projections used to justify the acquisitions — Dover does not disclose acquisition-level economics, making this unverifiable; monitor PPS segment margins over the next 2–3 quarters as a proxy. Second, the “early innings”

characterization of the retail fueling CapEx cycle — this is a management thesis about a multi-year trend based on proprietary customer intelligence that cannot be confirmed from public data; watch CEF organic growth in Q2–Q3 2026. Third, the 20% secular growth portfolio growing at double-digit rates — Dover does not report this as a discrete revenue line, so the claim cannot be verified against filed financial statements.

What the Q&A Revealed. Three unresolved questions dominate the institutional investor agenda heading into Q1 2026 results: (1) Does PPS organic growth hold through the biopharma Q1 comp, or does the “tough comp” Tobin warned about create a narrative setback for the secular growth story? (2) Does DCEF margin expansion materialize in H1, or is the “back-end loaded” restructuring benefit an excuse for a first-half miss? (3) Will Dover deploy capital into a transformative acquisition, and if so, how does the market react to the execution risk on a \$2B+ deal for a company that has historically stayed in the \$100M–\$600M bolt-on range?

5. Historical Trend, Concentration & Ownership

5.1 Ten-Year Financial Trend

Metric	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
INCOME										
Revenue (\$B)	6.79	6.82	6.99	7.14	6.68	7.91	8.51	7.68	7.75	8.09
Operating Inc (\$B)	0.91	0.82	0.84	0.97	0.93	1.28	1.38	1.22	1.21	1.37
Net Income (\$B)	0.51	0.81	0.57	0.68	0.68	1.12	1.07	1.06	2.70	1.09
GAAP Diluted EPS	3.35	5.56	3.89	4.61	4.70	7.74	7.42	7.52	19.45	7.94
Adjusted EPS	4.00	4.18	4.97	5.93	5.34	6.87	8.47	8.80	8.29	9.61
Operating Margin %	<u>13.4</u>	<u>12.1</u>	<u>12.1</u>	<u>13.7</u>	<u>13.9</u>	<u>16.2</u>	<u>16.2</u>	<u>15.9</u>	<u>15.6</u>	<u>17.0</u>
Net Margin %	<u>7.5</u>	<u>11.9</u>	<u>8.2</u>	<u>9.5</u>	<u>10.2</u>	<u>14.2</u>	<u>12.5</u>	<u>13.8</u>	<u>34.9</u>	<u>13.5</u>
CASH & CAPITAL										
CFO (\$B)	0.89	0.94	0.85	0.98	1.04	1.06	0.88	1.22	1.09	1.34
FCF (\$B)	<u>0.71</u>	<u>0.77</u>	<u>0.68</u>	<u>0.80</u>	<u>0.87</u>	<u>0.88</u>	<u>0.70</u>	<u>1.04</u>	<u>0.92</u>	<u>1.12</u>
FCF Margin %	<u>10.5</u>	<u>11.3</u>	<u>9.7</u>	<u>11.2</u>	<u>13.0</u>	<u>11.1</u>	<u>8.2</u>	<u>13.5</u>	<u>11.9</u>	<u>13.8</u>
DPS (\$)	1.74	1.78	1.82	1.86	1.90	1.94	1.98	2.03	2.05	2.07
Dil Shares (M)	155	150	147	147	145	145	144	141	139	138
BALANCE SHEET										
Total Debt (\$B)	3.01	2.92	3.19	3.41	3.34	2.83	3.33	2.88	2.93	3.33
Net Debt (\$B)	<u>2.56</u>	<u>2.64</u>	<u>2.78</u>	<u>3.09</u>	<u>2.93</u>	<u>2.51</u>	<u>2.95</u>	<u>2.46</u>	<u>1.08</u>	<u>1.65</u>
Debt/Capital %	<u>46</u>	<u>45</u>	<u>50</u>	<u>54</u>	<u>51</u>	<u>40</u>	<u>46</u>	<u>39</u>	<u>30</u>	<u>31</u>
ROIC %	8.0	7.5	7.8	9.1	8.7	12.8	12.7	11.8	12.0	12.1
CAGRs										
Revenue								<u>10Y:</u> <u>2.0%</u>	<u>5Y:</u> <u>3.9%</u>	<u>3Y:</u> - <u>1.7%</u>
Adj EPS								<u>10Y:</u> <u>10.2%</u>	<u>5Y:</u> <u>12.5%</u>	<u>3Y:</u> <u>4.3%</u>
FCF								<u>10Y:</u> <u>5.2%</u>	<u>5Y:</u> <u>5.2%</u>	<u>3Y:</u> <u>17.0%</u>
DPS								<u>10Y:</u> <u>1.9%</u>	<u>5Y:</u> <u>1.8%</u>	<u>3Y:</u> <u>1.5%</u>

Source: FY2025–2023 from Dover Corporation 10-K FY2025, Consolidated Financial Statements (Tier 1). FY2016–2022 from SEC EDGAR 10-K filings and 8-K earnings releases (Tier 1 for filed figures; Tier 3 where supplemented by StockAnalysis.com). FY2016–2022 are as-reported and include businesses later divested (ESG, De-Sta-Co, Unified Brands); FY2023–2025 are continuing operations basis. Adjusted EPS FY2016–2017 are estimates ($\pm \$0.10$). All margins, ratios, FCF, net debt, and CAGRs are analyst-computed (underlined). CAGR formula: $(\text{End}/\text{Start})^{(1/N)} - 1$. Revenue 10Y CAGR: $(\$8.09\text{B}/\$6.79\text{B})^{(1/9)} - 1 = 2.0\%$.

Figures 5.1–5.7 (Revenue & Operating Income Trend, Operating Margin Trend, EPS Progression, FCF vs Net Income, Capital Returns Waterfall, Debt & Leverage Trajectory, ROIC vs WACC) — chart generation deferred to v2. All 7 charts to be rendered in FL palette with dual-axis formatting and value creation/destruction shading on Figure 5.7 (ROIC vs 7.70% WACC).

Ten-Year Trend Analysis

Dover's ten-year record reveals a diversified industrial that stagnated on revenue for the first five years (FY2016–2020: revenue essentially flat at \$6.7–\$7.1B) before inflecting sharply upward in FY2021–2022 on a post-COVID recovery and aggressive M&A (\$1.2B deployed in

FY2021–2022). Revenue peaked at \$8.5B in FY2022 (as-reported, including ESG), then dropped to \$7.7B in FY2023–2024 as Dover divested lower-growth businesses and reclassified ESG as discontinued operations. The FY2025 revenue of \$8.1B on a continuing operations basis represents the highest-quality revenue base in the company's history — smaller but higher-margin, more secular-growth-exposed, and less cyclically volatile. The 10-year revenue CAGR of 2.0% understates the true trajectory because it includes the portfolio reshaping; adjusted EPS CAGR of 10.2% is the better measure of value creation.

Margins tell a story of structural improvement under Tobin. Operating margin ranged from 12.1% (FY2017–2018) to 17.0% (FY2025), with the most meaningful expansion occurring from FY2020 onward. The improvement reflects three forces: portfolio mix (divesting lower-margin businesses like ESG at ~10% margins, acquiring higher-margin PPS businesses at 30%+ margins), restructuring (\$78M in FY2025 alone), and pricing discipline. The current 17.0% operating margin is at the high end of the decade's range, raising the question of whether further expansion is sustainable. Management's FY2026 guidance implies further margin expansion, supported by the \$40M restructuring carryover and volume leverage on 5–7% revenue growth.

Earnings quality has been consistently strong. FCF has tracked or exceeded net income in 8 of the last 10 years, with the exceptions being FY2022 (working capital build during supply chain restocking) and FY2024 (distorted by \$1.3B disc ops income). FCF conversion on continuing operations earnings averaged approximately 90–100% over the decade. The GAAP-to-adjusted EPS gap has widened from ~\$0.65 in FY2016 to \$1.64 in FY2025, reflecting the growing purchase accounting amortization from \$1.9B in acquisitions over 2023–2025. This is a quality concern worth monitoring: the adjusted EPS CAGR of 10.2% includes \$1.22 per share in non-cash add-backs that are real costs from real acquisitions.

Capital allocation has been the defining strategic lever. Tobin deployed \$1.9B in acquisitions over FY2023–2025 while simultaneously returning \$2.4B to shareholders through dividends and buybacks. The dividend has been increased for 70 consecutive years (1.9% 10-year DPS CAGR — modest but unbroken), while the diluted share count has declined 11% from 155M to 138M over the decade. The buyback has been more impactful than the dividend for total return. Importantly, all capital deployment has been self-funded from FCF since FY2023, with debt used for working capital and opportunistic positioning rather than funding returns.

ROIC improved from 7.5–8.0% in FY2016–2017 (barely above the 7.70% Damodaran Machinery WACC) to 12.0–12.8% in FY2021–2025, representing consistent value creation. The improvement reflects both higher NOPAT (operating earnings growing faster than invested capital) and disciplined capital deployment into higher-return assets. At 12.1% ROIC versus 7.70% WACC, Dover generates approximately \$330M in annual economic value added — 4.4pp of spread on ~\$7.5B of invested capital. This spread has been stable for four years, suggesting it is structural rather than cyclical.

The ten-year record justifies a market-rate-to-modest-premium valuation. Dover is not a premium compounder — the revenue growth rate is too modest (2% CAGR) and the portfolio has required active reshaping rather than organic compounding. But it is clearly above

average on capital allocation, margin expansion, and ROIC trajectory. The adjusted EPS CAGR of 10% over a decade that included COVID, supply chain disruption, and significant divestitures demonstrates management's ability to extract value from a complex portfolio. The key question for the next decade is whether the reshaped portfolio can sustain 3–6% organic growth (Tobin's stated entitlement) without the tailwind of ongoing divestitures and portfolio rotation.

5.2 Customer Concentration

Dover discloses that no individual customer accounted for more than 10% of consolidated revenue in FY2025 (10-K Item 1 and Note 19, Tier 1). The company serves thousands of customers across five segments spanning vehicle aftermarket, retail fueling, industrial printing, biopharma, natural gas infrastructure, and commercial refrigeration. This is a genuinely diversified customer base — not a case where a few large customers are hidden behind legal disclosure thresholds. The largest identifiable end-market concentrations are national food retailers (for refrigeration door cases and CO2 systems) and hyperscale data center operators (for thermal connectors and heat exchangers), but neither constitutes a single-customer dependency.

The more relevant concentration is end-market, not customer. Dover's five segments serve distinct end markets with different cyclical profiles: defense/aerospace (EP, ~\$400M), retail fueling (CEF, ~\$800M), biopharma single-use (PPS, ~\$500M), data center thermal (PPS/CST, ~\$400M), and commercial refrigeration (CST, ~\$500M). A 10% decline in any single end market would reduce consolidated revenue by approximately \$40–80M (0.5–1.0%), demonstrating the diversification benefit. The cascade risk is limited: no single end-market downturn would impair the company's ability to fund dividends, debt service, or maintenance CapEx.

Verdict: Customer concentration is a structural non-issue for Dover. The diversification is genuine, not cosmetic, and has deepened over the past five years as Dover expanded into secular growth markets (biopharma, AI infrastructure) while maintaining its traditional industrial base. The most important monitoring trigger is not a single customer loss but a synchronized cyclical downturn across multiple end markets — the 2020 scenario, which reduced revenue by 7% but was managed without dividend cuts or covenant stress.

5.3 Geographic Revenue Analysis

Geography	FY2025 (\$M)	FY2024 (\$M)	% of Total	YoY Growth	FX Impact
United States	\$4,400	\$4,201	<u>54.4%</u>	<u>+4.7%</u>	None
Europe	\$1,769	\$1,676	<u>21.9%</u>	<u>+5.5%</u>	EUR/USD ~+1%
Asia	\$900	\$833	<u>11.1%</u>	<u>+8.1%</u>	Mixed
Other Americas	\$708	\$730	<u>8.7%</u>	<u>-3.0%</u>	BRL/USD negative
Other	\$316	\$306	<u>3.9%</u>	<u>+3.2%</u>	Mixed
Total	\$8,093	\$7,746	100%	+4.5%	+0.3pp

Source: Dover Corporation 10-K FY2025, Note 19 — Segment Information, Geographic Revenue table (Tier 1). YoY growth and % of total are analyst-computed (underlined). FX impact estimated from MD&A disclosure (+0.3pp total FX contribution to FY2025 revenue growth).

Dover derives 54% of revenue from the United States, which grew 4.7% in FY2025 driven by retail fueling demand, data center thermal management, and biopharma restocking. The U.S. is the growth engine of the portfolio: it is the primary market for all five segments and the geography where Dover holds its strongest competitive positions (CO2 refrigeration market leader, dominant biopharma single-use supplier). International revenue of \$3.7B (46%) is geographically diversified across Europe (22%), Asia (11%), and Other Americas (9%). Europe grew 5.5% in FY2025, benefiting from Sikora acquisition contribution and strong cryogenic demand, though organic growth in Europe was modestly negative (-0.9% per the MD&A). Asia grew 8.1%, led by data center thermal management demand from hyperscale operators expanding in the region.

FX exposure is moderate but not negligible. The 10-K discloses that FX contributed approximately 0.3 percentage points to FY2025 revenue growth, implying a ~\$25M tailwind. Dover does not provide a formal FX sensitivity disclosure, but with 22% of revenue in EUR-denominated markets and 11% in various Asian currencies, a 5% strengthening of the USD would reduce reported revenue by approximately \$180–200M (2.2–2.5%) with a smaller impact on operating income due to natural hedging from in-region manufacturing. Dover's strategy of localizing production (European manufacturing for European customers, Asian plants for Asian demand) provides substantial natural hedging.

International strategy verdict: Dover is not aggressively expanding internationally — it is selectively repositioning. CEO Tobin explicitly noted on the Q4 call that Dover has drawn down exposures in emerging markets and EMEA retail fueling, applying an “80/20” customer discipline to focus on profitable international business rather than pursuing top-line growth in low-return markets. The Other Americas decline of -3.0% in FY2025 reflects this deliberate pullback. The growth in Asia is driven by secular themes (data centers, LNG infrastructure) rather than geographic expansion per se. This is a pragmatic international strategy — not a limitation but a conscious choice to prioritize margin over revenue in overseas markets.

5.4 Insider Activity & Institutional Ownership

§5.4 requires Form 4 (insider transactions) and 13F (institutional ownership) data not available in the uploaded files. These tables will be populated in v2 once SEC EDGAR Form 4 filings and most recent 13F institutional ownership data are obtained. The insider transaction table will cover the last 12–24 months with signal classification (Open-market purchase = Bullish, 10b5-1 sale = Neutral, Exercise+sell = Neutral). The institutional ownership table will cover the top 15 holders with passive vs. active classification and QoQ/YoY change analysis.

6. Key Ratios, Peer Comparison & Fair Value

[Data accountability confirmation: All financial statement inputs sourced from [company] [filing], Tier 1. Market data from [source] as of [date], Tier [X]. Consensus from [source], Tier [X]. Peers from [filings], Tier 1. Sector averages from Damodaran [industry] [year], Tier 2.]

Table 6.1 — Profitability

Metric	[Company]	[Peer 1]	[Peer 2]	Sector Avg	vs Sector	Source
Gross Margin (%)	--	--	--	--	--	[Tier X]
Operating Margin (%)	--	--	--	--	--	[Tier X]
EBITDA Margin (%)	--	--	--	--	--	[Tier X]
Net Margin (%)	--	--	--	--	--	[Tier X]
FCF Margin (%)	--	--	--	--	--	[Tier X]

Table 6.2 — Earnings Metrics

Metric	[Company]	[Peer 1]	[Peer 2]	Sector Avg	vs Sector	Source
EPS Diluted (\$)	--	--	--	--	--	[Tier X]
EPS CAGR — 3Y	--	--	--	--	--	[Tier X]
EPS CAGR — 5Y	--	--	--	--	--	[Tier X]
EPS Forward NTM	--	--	--	--	--	[Tier X]
EPS Forward Current FY	--	--	--	--	--	[Tier X]

Table 6.3 — Returns

Metric	[Company]	[Peer 1]	[Peer 2]	Sector Avg	vs Sector	Source
--------	------------	----------	----------	------------	-----------	--------

ROIC (%)	--	--	--	--	--	[Tier X]
ROE (%)	--	--	--	--	--	[Tier X]
ROA (%)	--	--	--	--	--	[Tier X]
ROCE (%)	--	--	--	--	--	[Tier X]

Table 6.4 — Valuation Multiples

Metric	[Company]	[Peer 1]	[Peer 2]	Sector Avg	vs Sector	Source
P/E Forward (NTM)	--	--	--	--	--	[Tier X]
EV/EBITDA	--	--	--	--	--	[Tier X]
EV/EBIT	--	--	--	--	--	[Tier X]
EV/Revenue	--	--	--	--	--	[Tier X]
P/FCF	--	--	--	--	--	[Tier X]
P/B	--	--	--	--	--	[Tier X]
PEG Ratio	--	--	--	--	--	[Tier X]

Table 6.5 — Leverage & Solvency

Metric	[Company]	[Peer 1]	[Peer 2]	Sector Avg	vs Sector	Source
Net Debt / EBITDA	--	--	--	--	--	[Tier X]
Interest Coverage	--	--	--	--	--	[Tier X]
Debt / Equity	--	--	--	--	--	[Tier X]
Debt / Capital	--	--	--	--	--	[Tier X]

Table 6.6 — Liquidity

Metric	[Company]	[Peer 1]	[Peer 2]	Sector Avg	vs Sector	Source
Current Ratio	--	--	--	--	--	[Tier X]
Quick Ratio	--	--	--	--	--	[Tier X]

Cash Ratio	--	--	--	--	--	[Tier X]
OCF Ratio	--	--	--	--	--	[Tier X]

Table 6.7 — Cost of Capital

Metric	[Company]	[Peer 1]	[Peer 2]	Sector Avg	vs Sector	Source
WACC (%)	--	--	--	--	--	[Tier X]
Cost of Equity — CAPM (%)	--	--	--	--	--	[Tier X]
Cost of Debt After-Tax (%)	--	--	--	--	--	[Tier X]
Beta — Levered	--	--	--	--	--	[Tier X]
Beta — Unlevered	--	--	--	--	--	[Tier X]

Table 6.8 — Cash Flow Quality

Metric	[Company]	[Peer 1]	[Peer 2]	Sector Avg	vs Sector	Source
FCF (\$M)	--	--	--	--	--	[Tier X]
Unlevered FCF (\$M)	--	--	--	--	--	[Tier X]
FCF Yield (%)	--	--	--	--	--	[Tier X]
FCF Conversion	--	--	--	--	--	[Tier X]
CapEx / Revenue (%)	--	--	--	--	--	[Tier X]
CapEx / Depreciation	--	--	--	--	--	[Tier X]

Table 6.9 — Efficiency

Metric	[Company]	[Peer 1]	[Peer 2]	Sector Avg	vs Sector	Source
Asset Turnover	--	--	--	--	--	[Tier X]
DSO (Days)	--	--	--	--	--	[Tier X]

DIO (Days)	--	--	--	--	--	[Tier X]
DPO (Days)	--	--	--	--	--	[Tier X]
Cash Conversion Cycle	--	--	--	--	--	[Tier X]
Revenue Per Employee (\$K)	--	--	--	--	--	[Tier X]

Table 6.10 — Growth

Metric	[Company]	[Peer 1]	[Peer 2]	Sector Avg	vs Sector	Source
Revenue Growth YoY	--	--	--	--	--	[Tier X]
Revenue CAGR 3Y	--	--	--	--	--	[Tier X]
Revenue CAGR 5Y	--	--	--	--	--	[Tier X]
EPS Growth YoY	--	--	--	--	--	[Tier X]
EBITDA Growth YoY	--	--	--	--	--	[Tier X]
FCF Growth YoY	--	--	--	--	--	[Tier X]

Table 6.11 — Shareholder Returns

Metric	[Company]	[Peer 1]	[Peer 2]	Sector Avg	vs Sector	Source
Dividend Yield (%)	--	--	--	--	--	[Tier X]
Payout Ratio — Earnings (%)	--	--	--	--	--	[Tier X]
Payout Ratio — FCF (%)	--	--	--	--	--	[Tier X]
Buyback Yield (%)	--	--	--	--	--	[Tier X]
Total Shareholder	--	--	--	--	--	[Tier X]

Yield (%)						
-----------	--	--	--	--	--	--

Table 6.12 — Risk & Volatility

Metric	[Company]	[Peer 1]	[Peer 2]	Sector Avg	vs Sector	Source
Beta vs S&P 500	[--]	[--]	[--]	[--]	[--]	[Tier X]
Std Dev of Returns (%)	[--]	[--]	[--]	[--]	[--]	[Tier X]
Sharpe Ratio	[--]	[--]	[--]	[--]	[--]	[Tier X]
Max Drawdown (%)	[--]	[--]	[--]	[--]	[--]	[Tier X]
Altman Z-Score	[--]	[--]	[--]	[--]	[--]	[Tier X]

Table 6.13 — Sector-Specific Metrics

[Apply only the sub-section relevant to this company. State which category and why. Build the appropriate table.]

Table 6.14 — Ratio Summary & Investment Scorecard

Category	Key Metric	Value	vs Peers	vs Sector	Signal
Profitability	[Metric]	[--]	[--]	[--]	[✓/✗/~]
Returns	[Metric]	[--]	[--]	[--]	[✓/✗/~]
Valuation	[Metric]	[--]	[--]	[--]	[✓/✗/~]
Leverage	[Metric]	[--]	[--]	[--]	[✓/✗/~]
Liquidity	[Metric]	[--]	[--]	[--]	[✓/✗/~]
Cash Flow	[Metric]	[--]	[--]	[--]	[✓/✗/~]
Growth	[Metric]	[--]	[--]	[--]	[✓/✗/~]

[Ratio assessment — Paragraph 1: Where does the company stand out vs peers/sector? Specific metrics, why durable.]

[Paragraph 2: Most concerning gaps vs peers/sector. Gap widening or closing? What would normalize.]

6. Fair Value Assessment

Enterprise Value Computation

[Market Cap = shares × price = \$Xb (as of DATE). Total Debt, Minority Interest, Cash. EV = \$Xb. Show all components.]

Key Assumptions

Input	Bear	Base	Bull	Source / Basis
FY[N+1] Revenue (\$B)	--	--	--	[Source]
FY[N+2]–[N+5] Rev CAGR (%)	--	--	--	[Source]
Terminal Revenue Growth (%)	--	--	--	[Source]
FY[N+1] Operating Margin (%)	--	--	--	[Source]
Terminal Operating Margin (%)	--	--	--	[Source]
CapEx % of Revenue	--	--	--	[Source]
Tax Rate (%)	--	--	--	[Source]
WACC (%)	--	--	--	[Table 6.7]
Terminal Growth Rate (%)	--	--	--	[Source]
Exit P/E Multiple	--	--	--	[Source]
Exit EV/EBITDA Multiple	--	--	--	[Source]
Target FCF Yield (%)	--	--	--	[Source]

[Scenario definitions: Bear = [specific conditions]. Base = [what must be true]. Bull = [specific positive outcomes].]

Method 1: 5-Year DCF

[Year-by-year projection table for each scenario. Terminal value computation. PV. Equity value per share. Show all math.]

Method 2: P/E Multiple

Scenario	FY[N+2]E Adj EPS	Applied Multiple	Implied Price	vs Current
Bear	[--]	[--]x	\$[--]	[--]%
Base	[--]	[--]x	\$[--]	[--]%
Bull	[--]	[--]x	\$[--]	[--]%

Method 3: EV/EBITDA

Scenario	FY[N+2]E EBITDA	Applied Multiple	Implied EV	Less: Net Debt	Per Share
Bear	[--]	[--]x	\$[--]	\$[--]	\$[--]
Base	[--]	[--]x	\$[--]	\$[--]	\$[--]
Bull	[--]	[--]x	\$[--]	\$[--]	\$[--]

Method 4: FCF Yield

Scenario	FY[N+1]E FCF	Target FCF Yield	Implied Mkt Cap	Per Share
Bear	[--]	[--]%	\$[--]	\$[--]
Base	[--]	[--]%	\$[--]	\$[--]
Bull	[--]	[--]%	\$[--]	\$[--]

Fair Value Summary

Method	Bear	Base	Bull
DCF (5-Year UFCF)	\$[--]	\$[--]	\$[--]
P/E Multiple (FY[N+2]E)	\$[--]	\$[--]	\$[--]
EV/EBITDA (FY[N+2]E)	\$[--]	\$[--]	\$[--]
FCF Yield (FY[N+1]E)	\$[--]	\$[--]	\$[--]
4-Method Average	\$[--]	\$[--]	\$[--]
vs Current Price (~\$[XX])	[--]%	[--]%	[--]%

Recommendation & Triggers

Verdict: [BUY / ADD / HOLD / TRIM / SELL / AVOID]

Base Case Target Price: \$[XX] — [time horizon]

Conviction Level: [High / Moderate / Low] — [one-sentence explanation]

Downgrade Triggers

[Minimum 5 quantified triggers. Format: “[Metric] exceeds/falls below [threshold] in [timeframe] → revise to [recommendation]”]

Upgrade Triggers

[Minimum 5 quantified triggers. Same format.]

Appendix

Sources

[List all sources: SEC filings (10-K, 10-Q, 8-K), earnings call transcripts, industry reports, data providers, Damodaran datasets. Cite tier level for each.]

Section Checklists

[Include the verification checklist for each section as a reference tool for the analyst.]

Disclaimer

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