Dover Corporation (DOV)

Updated May 6th, 2025 by Nathan Parsh

Key Metrics

Current Price:	$171	**5 Year CAGR Estimate:**	8.5%	**Market Cap:**	$23.5 B
Fair Value Price:	$167	**5 Year Growth Estimate:**	8.0%	**Ex-Dividend Date:**	05/30/25
% Fair Value:	102%	**5 Year Valuation Multiple Estimate:**	-0.4%	**Dividend Payment Date:**	06/16/25
Dividend Yield:	1.2%	**5 Year Price Target**	$246	**Years Of Dividend Growth:**	69
Dividend Risk Score:	A	**Sector:**	Industrials	**Rating:**	Hold

Overview & Current Events

Dover Corporation is a diversified global industrial manufacturer with annual revenues approaching $8 billion. Dover is composed of five reporting segments: Engineered Systems, Clean Energy & Fueling, Pumps & Process Solutions, Imaging & Identification, and Climate & Sustainability Technologies. Dover is a Dividend King with nearly seven decades of dividend increases. Slightly more than half of revenues come from the U.S., with the remainder coming from international markets.

On August 2nd, 2024, Dover announced that it was raising its dividend 1% for the September 16th, 2024 payment, marking 69 consecutive years of dividend growth. This is the second-longest dividend growth streak among U.S. companies.

On April 24th, 2025, Dover reported first quarter results the period ending March 31st, 2025. For the quarter, revenue fell 10.8% to $1.87 billion, which was $10 million below estimates. Adjusted earnings-per-share of $2.05 compared favorably to $1.95 in the prior year and was $0.07 more than expected.

For the quarter, organic revenue and bookings both grew 1% year-over-year. Organic sales declined 8% for the Engineered Products segment as gains in fluid dispensing were more than offset by weaker volumes in vehicle services and the timing of shipments in aerospace and defense. Clean Energy & Fueling was up 2% due strong demand for clean energy components, fluid transportation, and below-ground retail fueling equipment. Imaging & Identification increased 4% due to ongoing strength in core marking and coding. Revenue for Pumps & Process Solutions improved 7% due to continued high demand for thermal connectors, precision components, and single-use biopharma components. Climate & Sustainability Technologies decreased 4%. U.S. CO_2 systems and global heat exchangers remain bright spots for this segment, but weaker volumes in food and retail due to timing of door cases and services more than offset this growth.

Dover provided updated guidance for 2025 as well, with the company now expecting adjusted earnings-per-share in a range of $9.20 to $9.40 for the year, down from $9.30 to $9.50 previously. At the midpoint, this would represent 12.2% growth from 2024. Organic revenue growth is projected to be in a range of 2% to 4%, down from 3% to 5% previously. We have updated our forecast accordingly.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$3.64	$3.25	$4.38	$4.97	$5.84	$5.67	$7.63	$8.45	$8.80	$8.29	***$9.30***	***$13.66***
DPS	$1.64	$1.72	$1.82	$1.90	$1.96	$1.97	$1.99	$2.01	$2.03	$2.05	***$2.06***	***$2.17***
Shares[1]	155	155	155	153	147	145	145	141	141	137	***137***	***135***

Dover's earnings-per-share have compounded at 9.6% annually since 2015. Growth has accelerated somewhat in the medium-term, at an annual rate of more than 10.4% over the last five years. Dover did suffer some setbacks during the worst of the COVID-19 pandemic, but the company has quickly rebounded. We maintain our expected earnings growth rate of 8% per year through 2030.

[1] In millions of shares

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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With nearly seven decades of dividend growth, Dover is a Dividend King and owns one of the longest dividend growth streaks in the market. We expect dividend growth of 1% annually, matching the average increase over the last 5 years.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	18.5	20.7	19.5	17.6	16.4	18.7	23.8	16.0	17.5	22.6	***18.4***	***18.0***
Avg. Yld.	2.4%	2.6%	2.1%	2.2%	2.0%	1.9%	1.1%	1.5%	1.3%	1.1%	***1.2%***	***0.9%***

Shares of Dover have decreased $34, or 16.6%, since our January 31st, 2025 update. Shares trade with a price-to-earnings ratio of 18.4. We reaffirm our P/E target of 18 to better reflect the company's average valuation over the last decade. If the stock's P/E ratio reverts to our target over the next five years then annual returns would see a 0.4% headwind from multiple reversion during this period.

Safety, Quality, Competitive Advantage, & Recession Resiliency

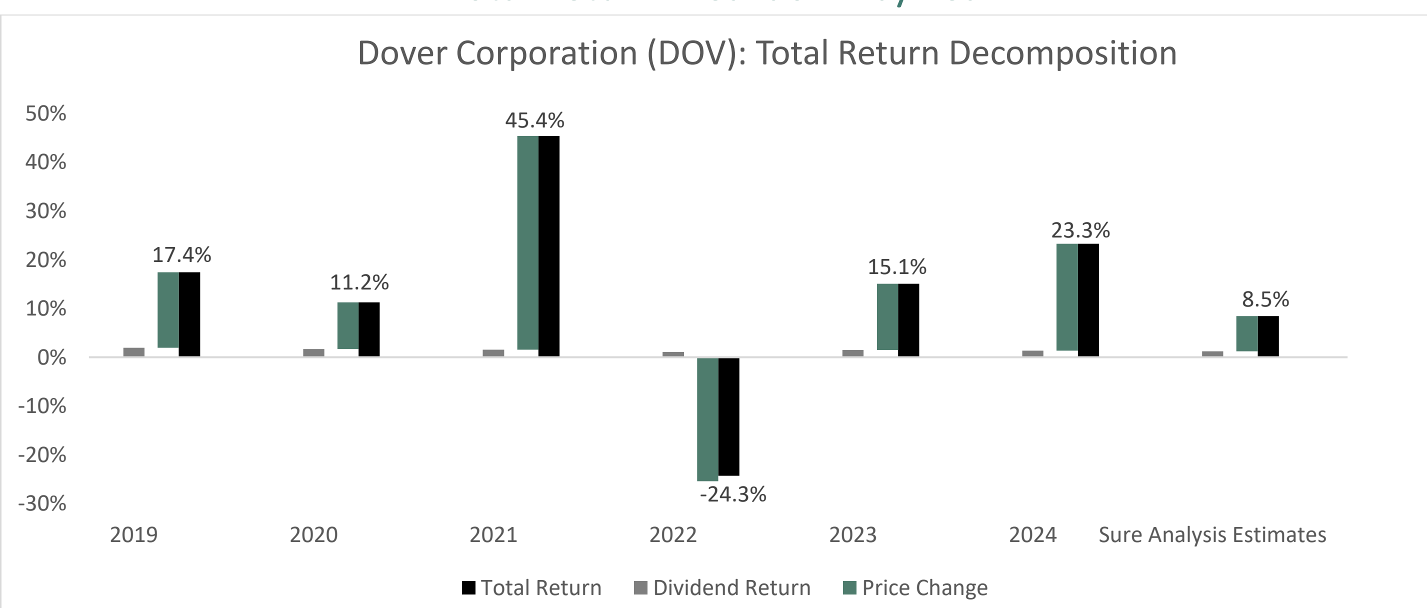
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	45%	58%	42%	32%	34%	35%	26%	24%	23%	25%	***22%***	***16%***

Investors should keep in mind that Dover is vulnerable to recessions due to its cyclical nature. In 2009, its earnings-per-share plunged 45%, from $3.67 to $2.00. Accordingly, this stock should not be seen as a defensive portfolio constituent. Dover's key competitive advantage is its focus on niche industries. The company offers highly engineered products that customers have come to depend on, so switching to a different provider may not yield the same results for their businesses.

Final Thoughts & Recommendation

After first quarter results, Dover Corporation is now projected to offer a total annual return of 8.5% through 2030, up from our prior estimate of 4.8%. Our estimated return is based on 8% earnings growth and a starting yield of 1.2%, offset by a small headwind from multiple contraction. Dover posted mixed results for the quarter and lowered its guidance for the year. Despite operating in a cyclical sector, Dover has raised its dividend for almost 70 years, speaking to the strength of the company and its ability to navigate challenging periods. We have lowered our five-year price target $3 to $246 due to EPS estimates, but we continue to rate shares of Dover as a hold due to projected returns.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	6,956	6,043	6,821	6,992	7,136	6,684	7,907	8,508	8,438	7,746
Gross Profit	2,568	2,228	2,529	2,560	2,621	2,474	2,970	3,064	3,085	2,959
Gross Margin	36.9%	36.9%	37.1%	36.6%	36.7%	37.0%	37.6%	36.0%	36.6%	38.2%
SG&A Exp.	1,647	1,519	1,722	1,716	1,599	1,541	1,688	1,684	1,718	1,752
D&A Exp.	327	250	283	283	272	279	290	308	317	338
Operating Profit	921	709	807	843	1,022	933	1,282	1,379	1,366	1,206
Operating Margin	13.2%	11.7%	11.8%	12.1%	14.3%	14.0%	16.2%	16.2%	16.2%	15.6%
Net Profit	870	509	812	570	678	683	1,124	1,065	1,057	2,697
Net Margin	12.5%	8.4%	11.9%	8.2%	9.5%	10.2%	14.2%	12.5%	12.5%	34.8%
Free Cash Flow	681	723	666	628	759	939	944	585	1,144	581
Income Tax	205	183	129	134	165	158	277	222	213	357

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	8,606	10,116	10,658	8,366	8,669	9,152	10,404	10,897	11,349	12,509
Cash & Equivalents	362	349	754	396	397	513	386	381	399	1,845
Accounts Receivable	1,120	1,265	1,184	1,232	1,217	1,137	1,348	1,517	1,432	1,354
Inventories	803	870	677	749	806	836	1,191	1,367	1,225	1,145
Goodwill & Int. Ass.	5,151	6,366	4,969	4,812	4,838	5,156	5,918	6,003	6,366	6,487
Total Liabilities	4,962	6,316	6,275	5,597	5,637	5,766	6,214	6,610	6,242	5,555
Accounts Payable	651	830	882	970	921	854	1,074	1,068	959	
Long-Term Debt	2,755	3,621	3,568	3,164	3,070	3,109	3,124	3,678	3,460	2,929
Shareholder's Equity	3,645	3,800	4,383	2,769	3,033	3,386	4,190	4,286	5,107	6,954
LTD/E Ratio	0.76	0.95	0.81	1.14	1.01	0.92	0.75	0.86	0.68	0.42

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	9.9%	5.4%	7.8%	6.0%	8.0%	7.7%	11.5%	10.0%	9.5%	22.6%
Return on Equity	23.7%	13.7%	19.8%	15.9%	23.4%	21.3%	29.7%	25.1%	22.5%	44.7%
ROIC	13.2%	7.4%	10.6%	8.2%	11.3%	10.9%	16.3%	13.9%	12.8%	29.2%
Shares Out.	155	155	155	153	147	145	145	141	141	137
Revenue/Share	43.70	38.58	43.24	45.96	48.55	45.97	54.43	59.25	60.02	55.85
FCF/Share	4.28	4.62	4.22	4.13	5.16	6.46	6.50	4.07	8.13	4.19

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.