FLOWSERVE

Third Quarter 2017 Earnings Conference Call

NOVEMBER 2, 2017

Forward Looking Statements and Non-GAAP Measures

Safe Harbor Statement: This presentation includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended. Words or phrases such as, "may," "should," "expects," "could," "intends," "plans," "anticipates," "estimates," "believes," "forecasts," "predicts" or other similar expressions are intended to identify forward-looking statements, which include, without limitation, earnings forecasts, statements relating to our business strategy and statements of expectations, beliefs, future plans and strategies and anticipated developments concerning our industry, business, operations and financial performance and condition.

The forward-looking statements included in this presentation are based on our current expectations, projections, estimates and assumptions. These statements are only predictions, not guarantees. Such forward-looking statements are subject to numerous risks and uncertainties that are difficult to predict. These risks and uncertainties may cause actual results to differ materially from what is forecast in such forward-looking statements, and include, without limitation, the following: a portion of our bookings may not lead to completed sales, and our ability to convert bookings into revenues at acceptable profit margins; changes in global economic conditions and the potential for unexpected cancellations or delays of customer orders in our reported backlog; our dependence on our customers' ability to make required capital investment and maintenance expenditures; risks associated with cost overruns on fixed-fee projects and in taking customer orders for large complex custom engineered products; the substantial dependence of our sales on the success of the oil and gas, chemical, power generation and water management industries; the adverse impact of volatile raw materials prices on our products and operating margins; our ability to execute and realize the expected financial benefits from our strategic manufacturing optimization and realignment initiatives; economic, political and other risks associated with our international operations, including military actions or trade embargoes that could affect customer markets, particularly Middle Eastern markets and global oil and gas producers, and non-compliance with U.S. export/re-export control, foreign corrupt practice laws, economic sanctions and import laws and regulations; increased aging and slower collection of receivables, particularly in Latin America and other emerging markets; our exposure to fluctuations in foreign currency exchange rates, including in hyperinflationary countries such as Venezuela; our furnishing of products and services to nuclear power plant facilities and other critical processes; potential adverse consequences resulting from litigation to which we are a party, such as litigation involving asbestos-containing material claims; a foreign government investigation regarding our participation in the United Nations Oil-for-Food Program; expectations regarding acquisitions and the integration of acquired businesses; our ability to anticipate and manage cybersecurity risk, including the risk of potential business disruptions or financial losses; our relative geographical profitability and its impact on our utilization of deferred tax assets, including foreign tax credits; the potential adverse impact of an impairment in the carrying value of goodwill or other intangible assets; our dependence upon third-party suppliers whose failure to perform timely could adversely affect our business operations; the highly competitive nature of the markets in which we operate; environmental compliance costs and liabilities; potential work stoppages and other labor matters; our inability to protect our intellectual property in the U.S., as well as in foreign countries; obligations under our defined benefit pension plans; our internal control over financial reporting may not prevent or detect misstatements because of its inherent limitations, including the possibility of human error, the circumvention or overriding of controls, or fraud; and other factors described from time to time in our filings with the Securities and Exchange Commission.

All forward-looking statements included in this news release are based on information available to us on the date hereof, and we assume no obligation to update any forward-looking statement.

The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). However, management believes that non-GAAP financial measures which exclude certain non-recurring items present additional useful comparisons between current results and results in prior operating periods, providing investors with a clearer view of the underlying trends of the business. Management also uses these non-GAAP financial measures in making financial, operating, planning and compensation decisions and in evaluating the Company's performance. Throughout our materials we refer to non-GAAP measures as “Adjusted.” Non-GAAP financial measures, which may be inconsistent with similarly captioned measures presented by other companies, should be viewed in addition to, and not as a substitute for, the Company’s reported results prepared in accordance with GAAP.

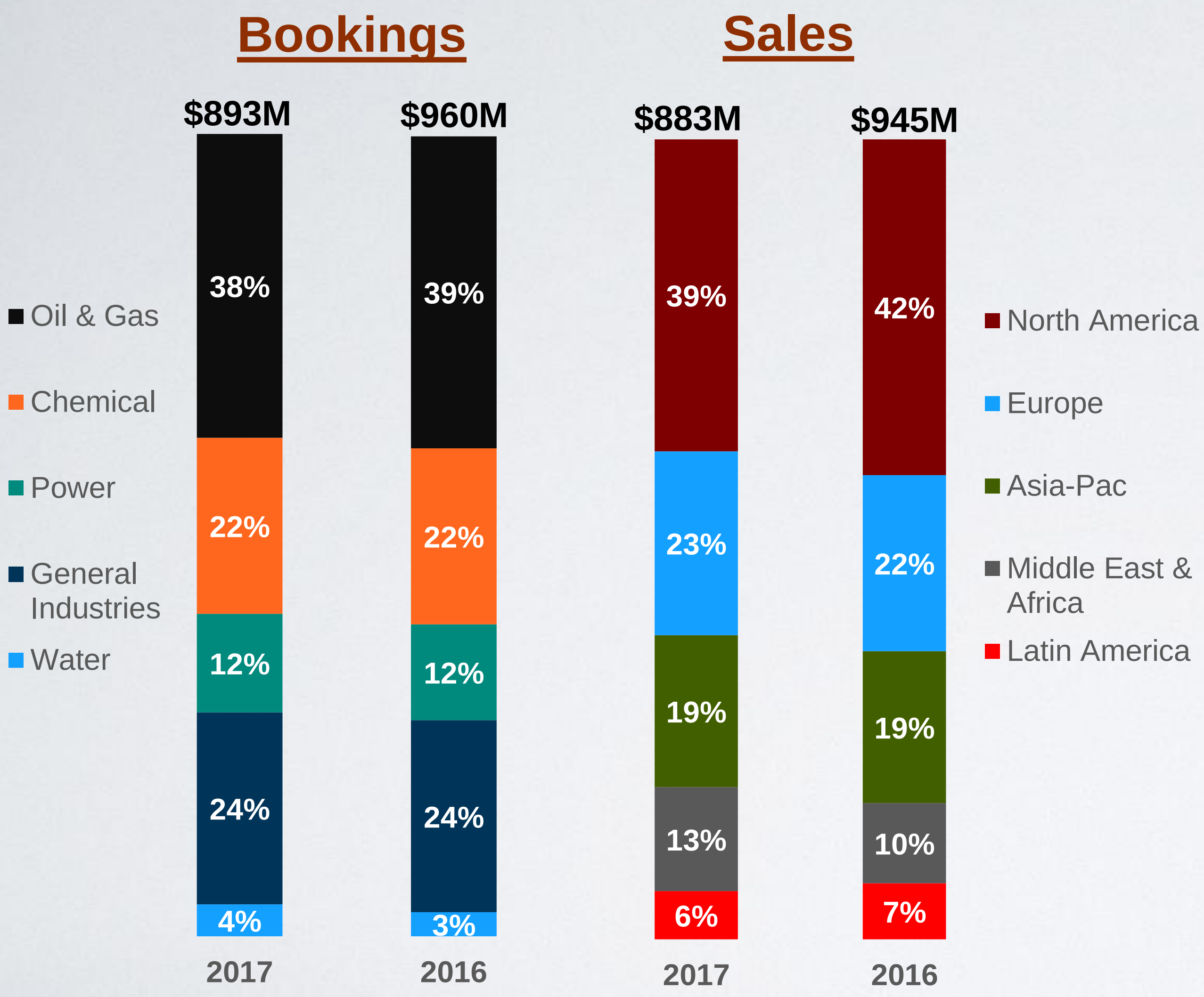
We have provided a table on page 11 that reconciles these non-GAAP measures to their corresponding GAAP-based measures.

Q3 Overview

- **Reported 2017 third quarter EPS of $0.36, Adjusted EPS* of $0.37**
- **Bookings decreased 6.9% driven by original equipment declines in EPD and FCD and includes approximately 2% headwind from divestitures**
- **Revenue decreased 6.6% driven by original equipment declines across all segments and includes approximately 2% headwind from divestitures**
  - Aftermarket revenue increased 6.4% with growth in all segments
- **Realignment continued and program is expected to be largely complete in 2017 with remaining execution in 2018**
- **Backlog up 12.5% since year-end 2016 – including growth in all segments**
- **Narrowed 2017 Adjusted EPS guidance to $1.30 – $1.40**

* See table on page 11 for reconciliation to corresponding GAAP-based measure

Q3 2017 Bookings & Sales Mix

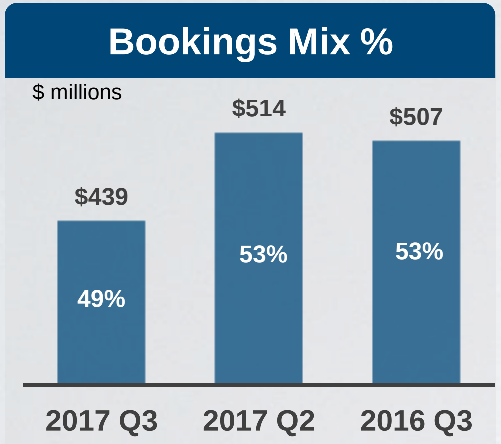


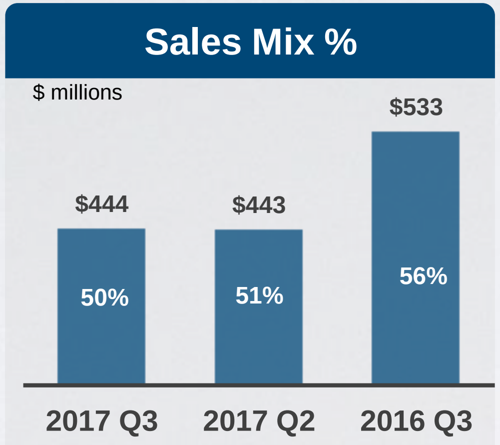
End-Markets

- Oil & Gas project spend remains challenged; Gulf Coast hurricane related delays in aftermarket activity
- Chemical opportunities progressing in Asia but remain very competitive; North American second wave ethylene projects moving forward at a deliberate pace
- Solid 2016 bookings in Europe driving 2017 revenue growth in the region
- Fossil opportunities remain in Asia; combined cycle investment continues on fuel switching away from nuclear and coal
- Latin America remains challenged, particularly Venezuela, Brazil and Mexico
- General industries stability included solid mining activity in IPD and distribution strength in FCD and IPD

Q3 Original Equipment / Aftermarket Mix

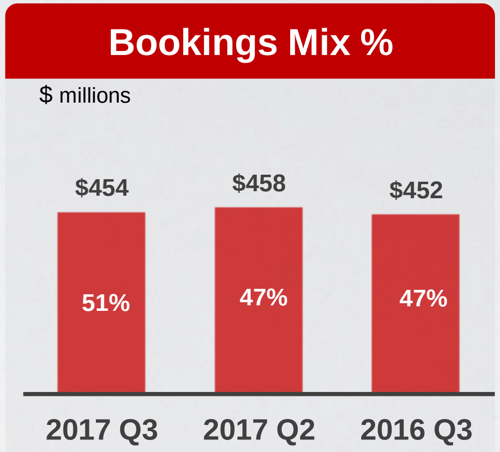
Original Equipment

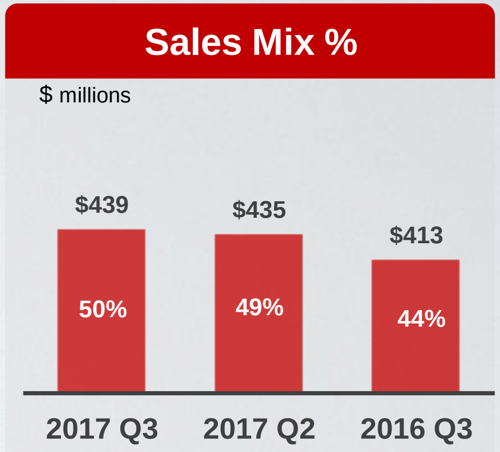




- Original equipment bookings decreased 13.6%, or 15.6% constant currency
- Original equipment sales decreased 16.5%, or 18.2% constant currency

Aftermarket

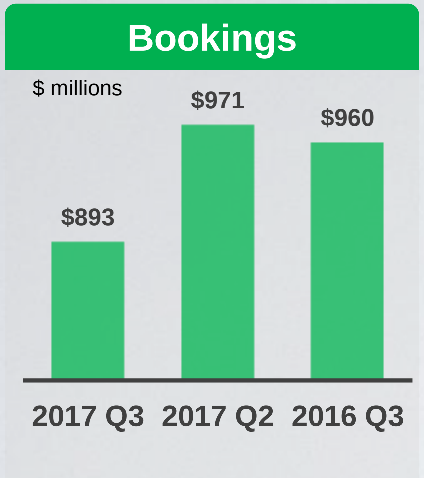


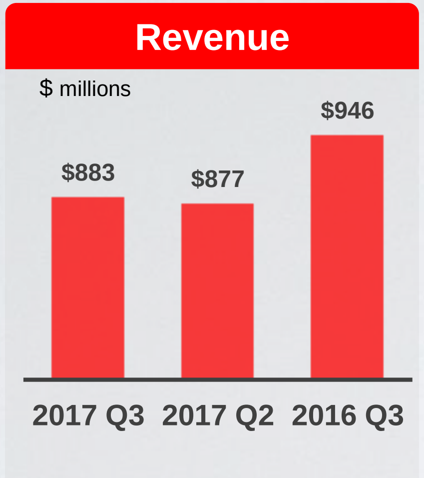


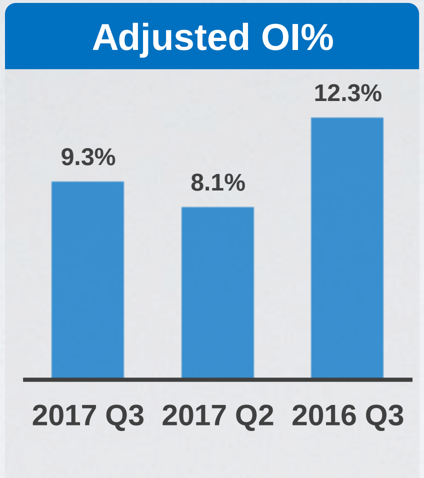
- Aftermarket bookings increased 0.5%, or decreased 0.8% constant currency
- Aftermarket sales increased 6.4%, or 5.1% constant currency

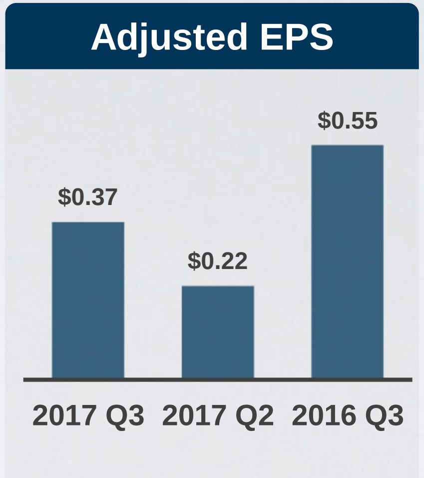
- 2017 Booking and Sales include approximately 2% divestitures headwind

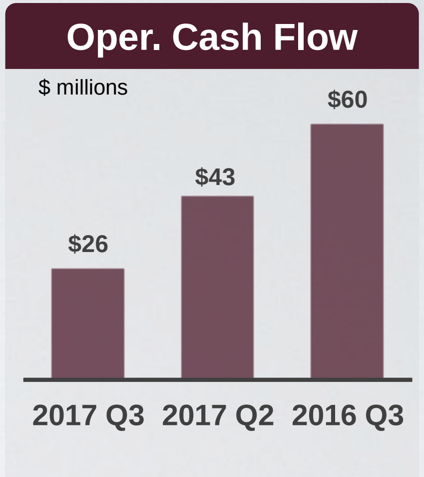
2017 Q3 Financial Scorecard [1]

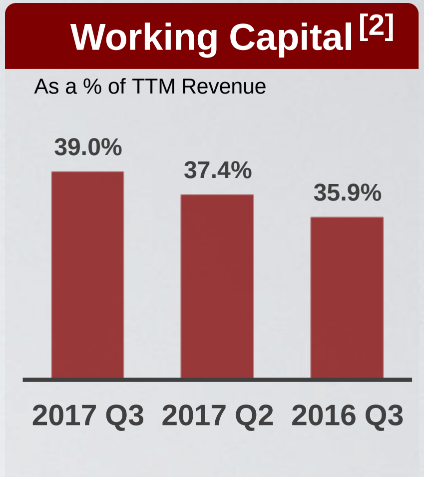












Q3 Highlights

- **Bookings decreased 6.9% YoY driven by 13.6% decline in OE orders and also includes approximately 2% of divestiture headwind**
- **Revenue decreased 6.6% YoY and increased sequentially 0.7%, impacted by Gulf Coast delays and divestitures**
- **Adjusted operating margin declined 300 bps due to loss of leverage and increased variable incentive compensation expense**
- **Adjusted EPS excludes realignment of $0.11 and PPA of $0.01 offset by gain on divestitures of $0.08 and below-the-line FX gain of $0.05**

(1) See table on page 13 for reconciliation to corresponding GAAP-based measure
(2) Working Capital includes accounts receivable, inventory and accounts payable

2017 Guidance Assumptions

Revenue Guidance Assumptions	Previous 2017 Guidance	Current 2017 Guidance [1]
Revenue Guidance vs. 2016	-6% to -10%	-7% to -9% [2]
EUR Rate	1.15 (July 2017)	1.16 (current)
FX headwinds vs. 2016	~0.5%	~0.5%
Constant Currency Guidance	~-5.5% to ~-9.5%	~-6.5% to ~-8.5%

EPS Guidance Assumptions	Previous 2017 Guidance	Current 2017 Guidance [1]
Reported EPS Guidance	$0.85 - $1.05	$1.05 - $1.15
Adjusted EPS Guidance	$1.30 - $1.50	$1.30 - $1.40
EUR Rate	1.15 (July 2017)	1.16 (current)
FX Headwinds vs. prior year	~$0.02/share	~$0.02/share

[1] Updated 2017 Reported and Adjusted EPS guidance as of November 2, 2017

[2] Revenue guidance range includes approximately 2% negative impact of business divestitures

- Adjusted EPS guidance excludes expected realignment expenses of $100 million, below-the-line FX impact and other specific discrete items.

Flowserve 2.0

Realignment

- Continue pursuit of optimized manufacturing footprint
- Accelerate the program and move to normal operations

Flowserve Operating System

- Create and implement a consistent operating model
- Pursue common global systems
- Centralize approach to manufacturing and supply chain

Commit to Technology

- Differentiate through product innovation
- Invest in core and next generation technologies
- Enhance product management and discipline

Market-led and Customer Focused

- Segment and exploit attractive market opportunities
- Enhance strong relationships with customer-first mindset

Questions & Answers

Appendix

Q3 2017 Consolidated Financial Results

($ millions)	3rd Quarter 2017	3rd Quarter 2016	3rd Quarter Delta ($)	3rd Quarter Delta (%)	3rd Quarter Constant FX(%)*	3rd Quarter Adjusted: 2017 Adjusted Items	2017 Adjusted Results	2016 Adjusted Results	Delta ($)	Delta (%)	Constant FX(%)*
Bookings	$ 892.9	$ 959.5	**$ (66.6)**	**-6.9%**	**-8.6%**	$ -	$ 892.9	$ 959.5	**$ (66.6)**	**-6.9%**	**-8.6%**
Sales	$ 883.4	$ 945.9	**$ (62.5)**	**-6.6%**	**-8.2%**	$ -	$ 883.4	$ 945.9	**$ (62.5)**	**-6.6%**	**-8.2%**
Gross Profit	$ 267.5	$ 278.0	**$ (10.5)**	**-3.8%**		$ (14.2) (1)	$ 281.7	$ 310.6 (6)	**$ (28.9)**	**-9.3%**	
Gross Margin (%)	30.3%	29.4%		**90 bps**			31.9%	32.8%		**(90) bps**	
SG&A	$ 206.3	$ 281.3	**$ (75.0)**	**-26.7%**	**-25.6%**	$ 3.8 (2)	$ 202.5	$ 198.1 (7)	**$ 4.4**	**2.2%**	**0.7%**
SG&A (%)	23.4%	29.7%		**(630) bps**			22.9%	20.9%		**200 bps**	
Gain on Sale of business	$ 9.9	$ -	**$ 9.9**			$ 9.9 (3)	$ -	$ -	**$ -**		
Income from Affiliates	$ 2.9	$ 3.4	**$ (0.5)**	**-14.7%**		$ -	$ 2.9	$ 3.4	**$ (0.5)**	**-14.7%**	
Operating Income	$ 74.0	$ 0.1	**$ 73.9**	**-**	**-**	$ (8.1)	$ 82.1	$ 115.9	**$ (33.8)**	**-29.2%**	**-29.7%**
Operating Margin (%)	8.4%	0.0%		**840 bps**			9.3%	12.3%		**(300) bps**	
Other Income / (Expense), net **	$ 8.3	$ 1.9	**$ 6.4**	**336.8%**		$ 8.4 (4)	$ (0.1)	$ 0.5 (8)	**$ (0.6)**	**-120.0%**	
Tax (Expense)/Benefit	$ (19.6)	$ (2.8)	**$ (16.8)**	**600.0%**		$ (1.2) (5)	$ (18.4)	$ (29.1) (9)	**$ 10.7**	**-36.8%**	
Net Earnings	$ 47.6	$ (15.8)	**$ 63.4**	**-401.3%**		$ (0.9)	$ 48.5	$ 72.3	**$ (23.8)**	**-32.9%**	
Diluted EPS	**$ 0.36**	**$ (0.12)**	**$ 0.48**	**-400.0%**		**$ (0.01)**	**$ 0.37**	**$ 0.55**	**$ (0.18)**	**-32.7%**	

- Diluted EPS calculated using fully diluted shares of 131.4 million and 131.1 million shares in Q3 2017 and Q3 2016, respectively
* Constant FX represents the year-over-year variance assuming 2017 results at 2016 FX rates

1. Cost of sales includes $14.2 million of realignment charges
2. SG&A includes $2.6 million of realignment charges and $1.2 million of SIHI integration costs and purchase price adjustments
3. Includes gain related to the sale of Gestra and Vogt businesses
4. Below-the-line FX impacts
5. Includes tax impact of above items

** Third Quarter 2017 includes a gain of $8.4 million arising from transactions in currencies other than our sites' functional currencies and impact of foreign exchange contracts vs. a gain of $1.4 million in Q3 2016

6. Excludes $24.5 million of realignment charges and $6.3 million of Brazil inventory write-down and Venezuela inventory reserve of $1.9 million
7. Excludes $7.0 million of realignment charges, Venezuela accounts receivable reserve of $73.5 million and $2.6 million of PPA and integration expenses
8. Excludes $1.4 million below-the-line FX impacts
9. Excludes tax impact of above items

Year-to-Date 2017 Consolidated Financial Results

	Year-to-Date					Year-to-Date Adjusted					
($ millions)	2017	2016	Delta ($)	Delta (%)	Constant FX(%)*	2017 Adjusted Items	2017 Adjusted Results	2016 Adjusted Results	Delta ($)	Delta (%)	Constant FX(%)*
Bookings	$ 2,820.1	$ 2,855.0	**$ (34.9)**	**-1.2%**	**-1.0%**		$ 2,820.1	$ 2,855.0	**$ (34.9)**	**-1.2%**	**-1.0%**
Sales	$ 2,626.8	$ 2,919.6	**$ (292.8)**	**-10.0%**	**-9.8%**		$ 2,626.8	$ 2,919.6	**$ (292.8)**	**-10.0%**	**-9.8%**
Gross Profit	$ 781.0	$ 903.8	**$ (122.8)**	**-13.6%**		$ (50.3) (1)	$ 831.3	$ 959.5 (5)	**$ (128.2)**	**-13.4%**	
Gross Margin (%)	29.7%	31.0%		**(130) bps**			31.6%	32.9%		**(130) bps**	
SG&A	$ 681.2	$ 747.5	**$ (66.3)**	**-8.9%**	**-9.0%**	$ 55.3 (2)	$ 625.9	$ 645.7 (6)	**$ (19.8)**	**-3.1%**	**-2.9%**
SG&A (%)	25.9%	25.6%		**30 bps**			23.8%	22.1%		**170 bps**	
Gain on Sale of business	$ 141.2	$ -	**$ 141.2**			$ 141.2	$ -	$ -	**$ -**		
Income from Affiliates	$ 9.0	$ 8.5	**$ 0.5**	**5.9%**		(3)	$ 9.0	$ 8.5	**$ 0.5**	**5.9%**	
Operating Income	$ 250.0	$ 164.8	**$ 85.2**	**51.7%**	**55.1%**	$ 35.6	$ 214.4	$ 322.3	**$ (107.9)**	**-33.5%**	**-31.7%**
Operating Margin (%)	9.5%	5.6%		**390 bps**			8.2%	11.0%		**(280) bps**	
Other (Expense) / Income, net **	$ (11.6)	$ 1.1	**$ (12.7)**	**-1154.5%**		$ (9.7) (4)	$ (1.9)	$ (1.4) (7)	**$ (0.5)**	**35.7%**	
Tax (Expense)/Benefit	$ (85.8)	$ (49.5)	**$ (36.3)**	**73.3%**		$ (30.1) (5)	$ (55.7)	$ 86.9 (8)	**$ (142.6)**	**-164.1%**	
Net Earnings	$ 108.5	$ 72.4	**$ 36.1**	**49.9%**		$ (4.2)	$ 112.7	$ 190.0	**$ (77.3)**	**-40.7%**	
Diluted EPS	**$ 0.83**	**$ 0.55**	**$ 0.28**	**50.9%**		**$ (0.03)**	**$ 0.86**	**$ 1.45**	**$ (0.59)**	**-40.7%**	

- Diluted EPS calculated using fully diluted shares of 131.3 million and 130.9 million shares in YTD 2017 and YTD 2016, respectively

* Constant FX represents the year-over-year variance assuming 2017 results at 2016 FX rates

1. Cost of sales includes $33.4 million of realignment charges and $16.9 million charge to reserve for costs incurred related to a contract to supply oil and gas platform equipment to a Latin American end user
2. SG&A includes $25.6 million of realignment charges, $26.0 million of Brazil PP&E impairment charge, $0.4 million loss on Brazil contract and $3.2 million of SIHI integration costs and purchase price adjustments
3. Includes gains related to the sale of Gestra and Vogt businesses
4. Below-the-line FX impacts
5. Includes tax impact of above items

** Year-to-Date 2017 includes a loss of $9.7 million arising from transactions in currencies other than our sites' functional currencies and impact of foreign exchange contracts vs. a gain of $2.5 million in 2016

6. Excludes $42.9 million of realignment charges and $10.9 million of Brazil inventory write-down and Venezuela inventory reserve of $1.9 million
7. Excludes $22.2 million of realignment charges, Venezuela accounts receivable reserve of $73.5 million and $6.1 million of PPA and integration expenses
8. Excludes $2.5 million below-the-line FX impacts
9. Excludes tax impact of above items

Engineered Product Division
Q3 & Year-to-Date 2017 Segment Results

	3rd Quarter					Year-to-Date				
($ millions)	2017	2016	Delta ($)	Delta (%)	Constant FX(%)*	2017	2016	Delta ($)	Delta (%)	Constant FX(%)*
Bookings	$ 432.5	$ 497.5	$ (65.0)	-13.1%	-14.4%	$ 1,357.2	$ 1,387.5	$ (30.3)	-2.2%	-1.9%
Sales	$ 424.2	$ 458.5	$ (34.3)	-7.5%	-8.7%	$ 1,276.6	$ 1,444.2	$ (167.6)	-11.6%	-11.3%
Gross Profit	$ 136.5	$ 140.2	$ (3.7)	-2.6%		$ 403.8	$ 459.5	$ (55.7)	-12.1%	
Gross Margin (%)	32.2%	30.6%		160 bps		31.6%	31.8%		(20) bps	
SG&A	$ 87.4	$ 165.3	$ (77.9)	-47.1%	47.6%	$ 305.6	$ 370.1	$ (64.5)	-17.4%	-17.6%
SG&A (%)	20.6%	36.1%		(1550) bps		23.9%	25.6%		(170) bps	
Income from Affiliates	$ 2.7	$ 3.1	$ (0.4)	-12.9%		$ 8.7	$ 8.0	$ 0.7	8.7%	
Operating Income / (Loss)	$ 51.8	$ (22.0)	$ 73.8	335.5%	331.0%	$ 106.9	$ 97.4	$ 9.5	9.8%	12.0%
Operating Margin (%)	12.2%	-4.8%		1700 bps		8.4%	6.7%		170 bps	
Adjusted Operating Income**	$ 59.5	$ 66.5	$ (7.0)	-10.5%	-12.0%	$ 153.3	$ 206.3	$ (53.0)	-25.7%	-24.6%
Adjusted Operating Margin%**	14.0%	14.5%		(50) bps		12.0%	14.3%		(230) bps	

* Constant FX represents the year over year variance assuming 2017 results at 2016 FX rates

** Adjusted Operating Income excludes a $26.0 million of Brazil impairment for YTD 2017, realignment charges of $7.8 million and $20.4 million for Q3 2017 and YTD 2017, respectively, and $9.8 million and $25.6 million for Q3 2016 and YTD 2016, respectively, $5.8 million and $10.4 million for Brazil inventory write down for Q3 2016 and YTD 2016, respectively, $71.2 million to reserve Venezuelan receivables for Q3 2016 and YTD 2016, respectively, and $1.7 million for Venezuela inventory reserve for Q3 2016 and YTD 2016

Engineered Product Division
Q3 & Year-to-Date 2017 Bookings and Sales

($ millions)		3rd Quarter 2017	3rd Quarter 2016	3rd Quarter Delta (%)	3rd Quarter Constant FX(%)*	Year-to-Date 2017	Year-to-Date 2016	Year-to-Date Delta (%)	Year-to-Date Constant FX(%)*
Bookings Mix **	OE	$ 114	$ 160	**-29%**	**-31%**	$ 402	$ 400	**0%**	**1%**
		26%	32%	**(600) bps**		30%	29%	**100 bps**	
	AM	$ 319	$ 338	**-6%**	**-7%**	$ 955	$ 988	**-3%**	**-3%**
		74%	68%	**600 bps**		70%	71%	**(100) bps**	
Sales Mix **	OE	$ 119	$ 158	**-25%**	**-26%**	$ 373	$ 509	**-27%**	**-26%**
		28%	35%	**(700) bps**		29%	35%	**(600) bps**	
	AM	$ 305	$ 298	**2%**	**1%**	$ 903	$ 932	**-3%**	**-3%**
		72%	65%	**700 bps**		71%	65%	**600 bps**	

* Constant FX represents the year over year variance assuming 2017 results at 2016 FX rates
** Gross bookings and sales do not include interdivision eliminations

Industrial Product Division
Q3 & Year-to-Date 2017 Segment Results

($ millions)	3rd Quarter 2017	3rd Quarter 2016	3rd Quarter Delta ($)	3rd Quarter Delta (%)	3rd Quarter Constant FX(%)*	Year-to-Date 2017	Year-to-Date 2016	Year-to-Date Delta ($)	Year-to-Date Delta (%)	Year-to-Date Constant FX(%)*
Bookings	$ 196.9	$ 189.6	**$ 7.3**	**3.9%**	**1.5%**	$ 616.6	$ 609.5	**$ 7.1**	**1.2%**	**1.3%**
Sales	$ 189.7	$ 203.3	**$ (13.6)**	**-6.7%**	**-8.7%**	$ 559.9	$ 615.8	**$ (55.9)**	**-9.1%**	**-8.9%**
Gross Profit	$ 39.3	$ 30.5	**$ 8.8**	**28.9%**		$ 98.1	$ 128.5	**$ (30.4)**	**-23.7%**	
Gross Margin (%)	20.7%	15.0%		**570 bps**		17.5%	20.9%		**(340) bps**	
SG&A	$ 43.2	$ 47.9	**$ (4.7)**	**-9.8%**	**-7.3%**	$ 144.6	$ 139.7	**$ 4.9**	**3.5%**	**3.5%**
SG&A (%)	22.8%	23.6%		**(80) bps**		25.8%	22.7%		**310 bps**	
Income from Affiliates	$ 0.3	$ 0.3	**$ -**	**-**		$ 0.5	$ 0.8	**$ (0.3)**	**-37.5%**	
Operating (Loss)	$ (3.6)	$ (17.1)	**$ 13.5**	**78.9%**	**82.8%**	$ (46.0)	$ (10.4)	**$ (35.6)**	**-342.3%**	**-339.5%**
Operating (Loss) Margin (%)	-1.9%	-8.4%		**650 bps**		-8.2%	-1.7%		**(650) bps**	
Adjusted Operating (Loss) / Income**	$ (0.7)	$ 6.0	**$ (6.7)**	**-111.7%**	**-100.7%**	$ (3.3)	$ 24.7	**$ (28.0)**	**-113.4%**	**-112.2%**
Adjusted Operating Margin%**	-0.4%	3.0%		**(340) bps**		-0.6%	4.0%		**(460) bps**	

* Constant FX represents the year over year variance assuming 2017 results at 2016 FX rates

** Adjusted Operating Income excludes realignment charges of $1.6 million and $22.1 million for Q3 2017 and YTD 2017, respectively, and $19.6 million and $28.2 million for Q3 2016 and YTD 2016, respectively, and $1.2 million and $3.2 million of SIHI integration costs and purchase price adjustments for Q3 2017 and YTD 2017, respectively, and $2.7 million and $6.1 million for Q3 2016 and YTD 2016, respectively, $17.4 million charge to reserve for costs incurred related to a contract to supply oil and gas platform equipment to an end user in Latin America for YTD 2017, and $0.7 million of Venezuela inventory and accounts receivable reserves for Q3 2016 and YTD 2016, respectively

Industrial Product Division
Q3 & Year-to-Date 2017 Bookings and Sales

($ millions)		3rd Quarter 2017	3rd Quarter 2016	3rd Quarter Delta (%)	3rd Quarter Constant FX(%)*	Year-to-Date 2017	Year-to-Date 2016	Year-to-Date Delta (%)	Year-to-Date Constant FX(%)*
Bookings Mix **	OE	$ 121	$ 116	**4%**	**2%**	$ 388	$ 378	**3%**	**3%**
		61%	61%	**0 bps**		63%	62%	**100 bps**	
	AM	$ 76	$ 74	**3%**	**0%**	$ 229	$ 232	**-1%**	**-1%**
		39%	39%	**0 bps**		37%	38%	**(100) bps**	
Sales Mix **	OE	$ 118	$ 142	**-17%**	**-19%**	$ 350	$ 419	**-16%**	**-16%**
		62%	70%	**(800) bps**		62%	68%	**(600) bps**	
	AM	$ 71	$ 61	**16%**	**14%**	$ 210	$ 197	**7%**	**7%**
		38%	30%	**800 bps**		38%	32%	**600 bps**	

* Constant FX represents the year over year variance assuming 2017 results at 2016 FX rates
** Gross bookings and sales do not include interdivision eliminations

Flow Control Division
Q3 & Year-to-Date 2017 Segment Results

	3rd Quarter					Year-to-Date				
($ millions)	2017	2016	Delta ($)	Delta (%)	Constant FX(%)*	2017	2016	Delta ($)	Delta (%)	Constant FX(%)*
Bookings	$ 285.9	$ 291.9	$ (6.0)	-2.1%	-3.8%	$ 911.2	$ 913.8	$ (2.6)	-0.3%	-0.1%
Sales	$ 287.7	$ 299.3	$ (11.6)	-3.9%	-5.7%	$ 843.5	$ 915.5	$ (72.0)	-7.9%	-7.9%
Gross Profit	$ 91.7	$ 108.0	$ (16.3)	-15.1%		$ 277.4	$ 315.0	$ (37.6)	-11.9%	
Gross Margin (%)	31.9%	36.1%		(420) bps		32.9%	34.4%		(150) bps	
SG&A	$ 53.2	$ 54.3	$ (1.1)	-2.0%	-0.4%	$ 164.7	$ 174.1	$ (9.4)	-5.4%	-5.7%
SG&A (%)	18.5%	18.1%		(40) bps		19.5%	19.0%		50 bps	
Gain on Sale of business	$ 9.9	$ -	$ 9.9			$ 141.2	$ -	$ 141.2		
Income from Affiliates	$ 0.1	$ -	$ 0.1	-		$ 0.2	$ (0.4)	$ 0.6	-150.0%	
Operating Income	$ 48.5	$ 53.7	$ (5.2)	-9.7%	-10.6%	$ 254.1	$ 140.5	$ 113.6	80.9%	83.0%
Operating Margin (%)	16.9%	17.9%		(100) bps		30.1%	15.3%		1480 bps	
Adjusted Operating Income**	$ 44.8	$ 56.6	$ (11.8)	-20.8%	-21.7%	$ 125.7	$ 151.4	$ (25.7)	-17.0%	-15.0%
Adjusted Operating Margin%**	15.6%	18.9%		(330) bps		14.9%	16.5%		(160) bps	

* Constant FX represents the year over year variance assuming 2017 results at 2016 FX rates

** ** Adjusted Operating Income excludes realignment charges of $6.2 million and $12.8 million for Q3 2017 and YTD 2017, respectively, and $0.7 million and $8.6 million for Q3 2016 and YTD 2016, respectively, $9.9 million and $141.2 million gain on sale of businesses for Q3 2017 and YTD 2017, respectively, Brazil inventory write-down of $0.5 million and Venezuela accounts receivable reserve of $1.7 million for Q3 and YTD 2016, respectively

Flow Control Division
Q3 & Year-to-Date 2017 Bookings and Sales

($ millions)		3rd Quarter 2017	3rd Quarter 2016	3rd Quarter Delta (%)	3rd Quarter Constant FX(%)*	Year-to-Date 2017	Year-to-Date 2016	Year-to-Date Delta (%)	Year-to-Date Constant FX(%)*
Bookings Mix **	OE	$ 215	$ 241	**-13%**	**-11%**	$ 693	$ 725	**-4%**	**-4%**
		75%	83%	**(800) bps**		76%	79%	**(300) bps**	
	AM	$ 71	$ 50	**42%**	**41%**	$ 218	$ 188	**16%**	**16%**
		25%	17%	**800 bps**		24%	21%	**300 bps**	
Sales Mix **	OE	$ 215	$ 240	**-10%**	**-12%**	$ 649	$ 730	**-11%**	**-11%**
		75%	80%	**(800) bps**		77%	80%	**(300) bps**	
	AM	$ 73	$ 59	**24%**	**22%**	$ 195	$ 185	**5%**	**5%**
		25%	20%	**800 bps**		23%	20%	**300 bps**	

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