FLOWSERVE®

Second Quarter 2018 Earnings Conference Call

August 8, 2018

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, statements concerning our future financial performance, future debt and financing levels, investment objectives, implications of litigation and regulatory investigations and other management plans for future operations and performance.

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; economic, political and other risks associated with our international operations, including military actions or trade embargoes that could affect customer markets, particularly North African, Russian and 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 and Argentina; 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 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; access to public and private sources of debt financing; our inability to protect our intellectual property in the U.S., as well as in foreign countries; obligations under our defined benefit pension plans; risks and potential liabilities associated with cyber security threats; 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; the recording of increased deferred tax asset valuation allowances in the future or the impact of tax law changes on such deferred tax assets could affect our operating results; if we are not able to successfully execute and realize the expected financial benefits from our strategic realignment and other cost-saving initiatives, our business could be adversely affected; ineffective internal controls could impact the accuracy and timely reporting of our business and financial results; and other factors described from time to time in our filings with the Securities and Exchange Commission.

All forward-looking statements included in this presentation 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.

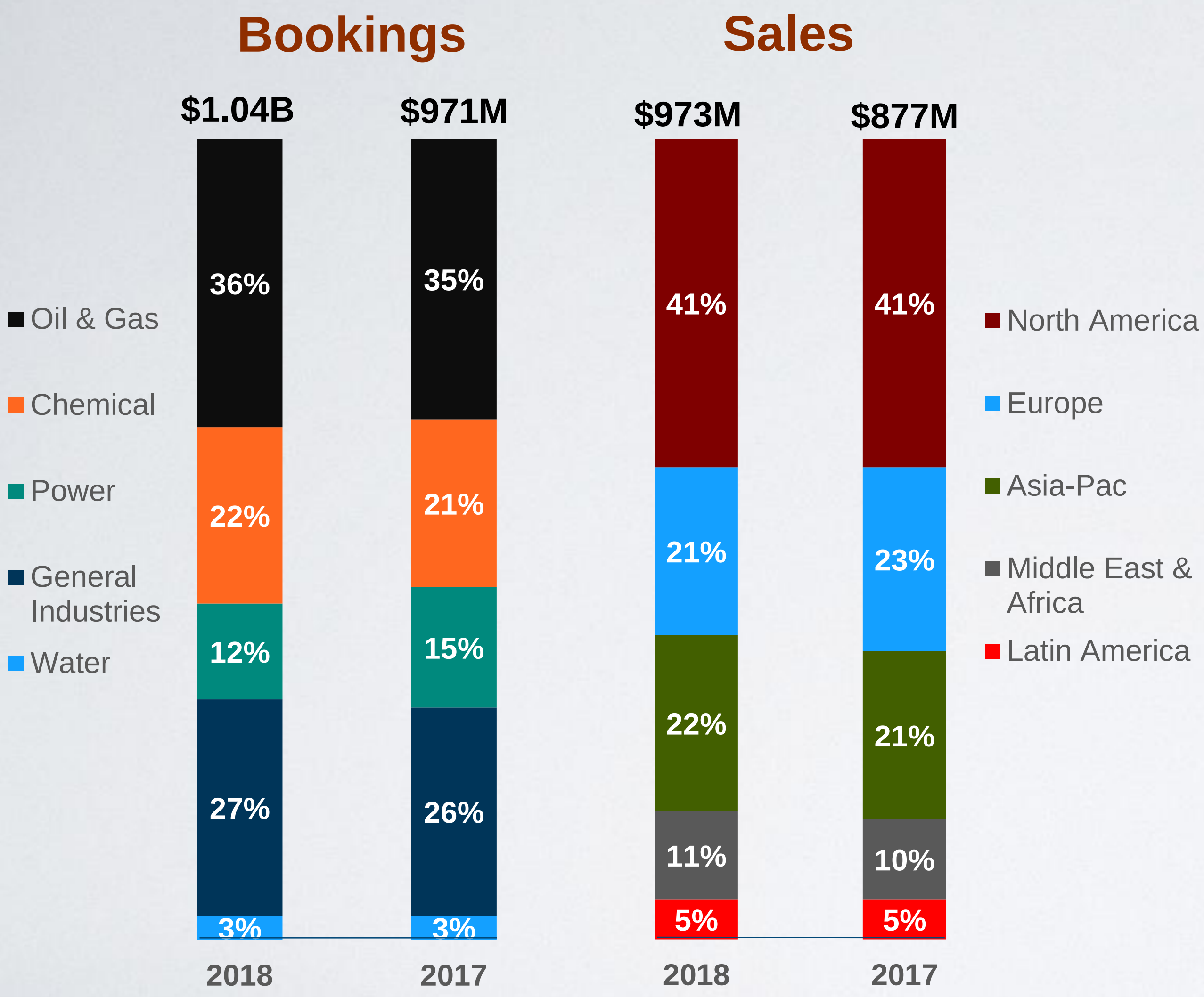
We have provided tables on pages 11 and 12 that reconcile these non-GAAP measures to their corresponding GAAP-based measures.

Q2 2018 Overview

- **Q2 2018 Reported and Adjusted earnings per share of $0.10 and $0.41**
  - ***Adjusted EPS* excludes approximately $47 million consisting primarily of realignment, asset write-down related to planned divestiture of non-strategic IPD product lines and below-the-line foreign exchange expenses***
- **Bookings increased 6.8%, including strong 10.2% aftermarket growth**
- **Total revenue increased 10.9%, including aftermarket increase of 12.4%**
  - ***Both bookings and sales include approximately 2% currency tailwind, partially offset by approximately 1% headwind from 2017 business divestitures***
- **Backlog essentially flat sequentially, including approximately 4% currency headwind**
- **Pursuing Flowserve 2.0 transformation initiatives to simplify and streamline our operating model and accelerate growth**
- **Reaffirmed 2018 Adjusted EPS guidance of $1.50 – $1.70**

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

Q2 Bookings & Sales Mix



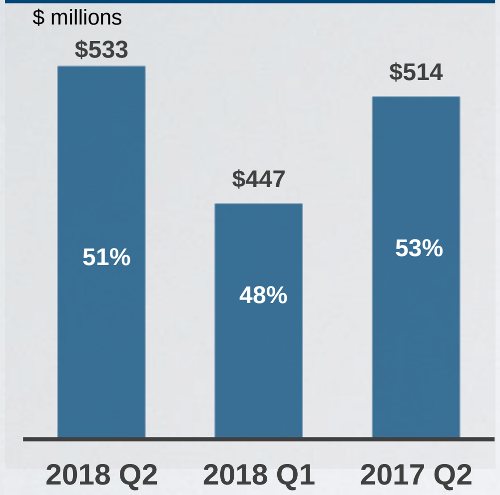
End-Markets

- **Oil & Gas**
  - Oil & Gas pre-FEED and FEED pipeline continues to grow
  - Downstream spend improved on increased refinery maintenance and efficiency upgrades
  - North America LNG activity increasing
- **Chemical**
  - Forecasted global chemical demand supports increased ethylene and derivative facility investment
  - Expected increased investment in Asia, the Middle East and North America including continued progress in second wave of North American ethylene crackers
- **Power**
  - Thermal solar market continues to provide opportunities on Flowserve's strong technical offering
  - Opportunities include expected investment in combined cycle on fuel switching, Asia fossil and nuclear
  - Low expectations for conventional power growth near-term
- **General Industries**
  - Global growth supports continued mining investment and distribution activity

Q2 Original Equipment / Aftermarket Mix

Original Equipment

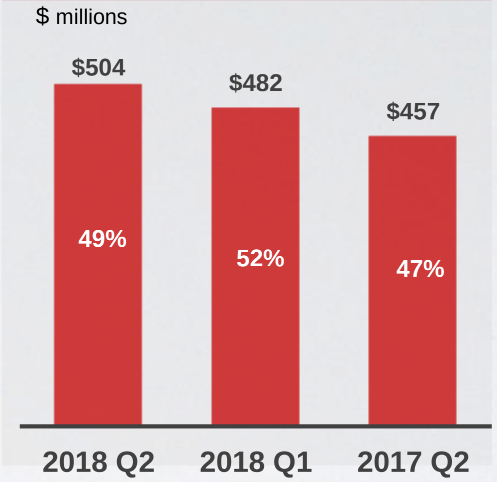
Bookings Mix %



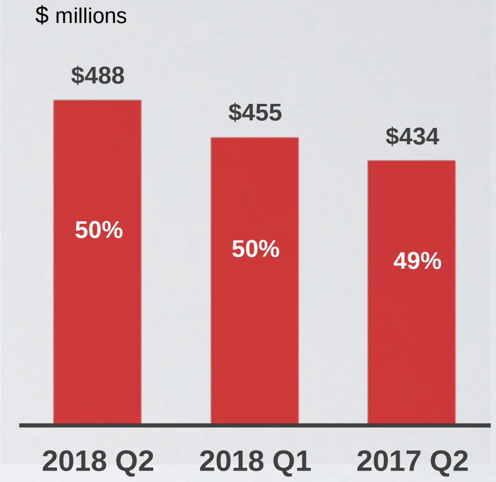
Sales Mix %

Aftermarket

Bookings Mix %



Sales Mix %

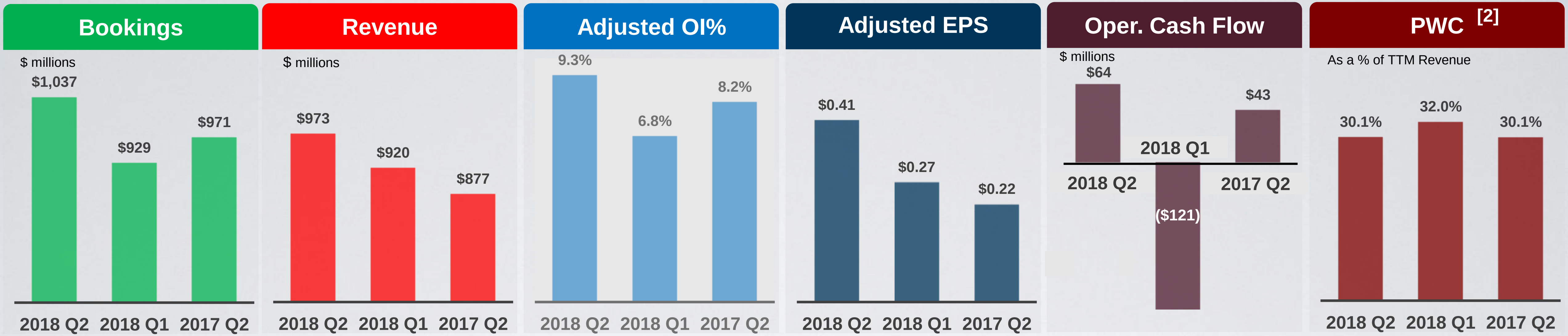


- **Original equipment bookings increased 3.8%, or 2.3% constant currency**
- **Original equipment sales increased 9.5%, or 7.9% constant currency**

- **Aftermarket bookings increased 10.2%, or 8.1% constant currency**
- **Aftermarket sales increased 12.4%, or 10.2% constant currency**

Note: 2018 Booking and Sales include approximately 1.0% headwinds from 2017 business divestitures

Q2 2018 Financial Scorecard [1]



Q2 Highlights

- **Solid 6.8% bookings growth included double digit increase in oil and gas, chemical and general industries**
- **Revenue increased 10.9% year-over-year on strong growth in North America, Asia Pacific and Latin America**
- **Adjusted operating margin increased 110 basis points year-over-year and 250 basis points sequentially to 9.3%**
- **Adjusted EPS of $0.41 excludes approximately $47 million of adjusted items, primarily related to realignment expense and an asset impairment charge associated with an expected divestiture**
- **Operating cash flow increased 50% year-over-year, while free cash flow increased 57%**

(1) See table on pages 11 and 12 for reconciliation to corresponding GAAP-based measure
(2) Primary working capital "PWC" for 2018 includes accounts receivable, inventory, contract assets, accounts payable and contract liabilities. 2017 includes accounts receivable, inventory, accounts payable and advance cash payments.

Note: First quarter included adoption of ASC 606. Detailed impacts are included in our June 30, 2018 Form 10Q.

2018 Guidance Assumptions

Guidance Assumptions	2018 Guidance [1]
Revenue Guidance	3% - 6%
Reported EPS Guidance	$0.95 - $1.15
Adjusted EPS Guidance	$1.50 - $1.70
EUR Rate	1.22
Adjusted Tax Rate	27% - 28%
Capital Expenditures	$80 - $90 million

[1] 2018 Reported and Adjusted EPS guidance as of August 9, 2018, assumes 132 million diluted shares

[2] 2018 Revenue guidance includes approximately 2% currency benefit and 1% negative impact from 2017 divestitures

– Adjusted EPS guidance excludes expected realignment charges of approximately $90 million, below-the-line FX impact and other specific discrete items.

Flowserve 2.0 Transformation

- REDUCE COMPLEXITY
- ACCELERATE GROWTH
- OPERATIONAL EXCELLENCE
- FLOWSERVE OPERATING MODEL

Questions & Answers

Appendix

Q2 2018 Consolidated Financial Results

2nd Quarter

($ millions)	2018	2017	Delta ($)	Delta (%)	Constant FX(%)*
Bookings	$ 1,037.3	$ 971.3	$ 66.0	6.8%	5.0%
Sales	$ 973.1	$ 877.1	$ 96.0	10.9%	9.0%
Gross Profit	$ 286.1	$ 245.5	$ 40.6	16.5%	
Gross Margin (%)	29.4%	28.0%		140 bps	
SG&A	$ 240.8	$ 252.5	$ (11.7)	-4.6%	-6.0%
SG&A (%)	24.7%	28.8%		(410) bps	
Gain on Sale of business	$ -	$ 131.3	$ (131.3)		
Income from Affiliates	$ 1.4	$ 2.7	$ (1.3)	-48.1%	
Operating Income	$ 46.7	$ 126.9	$ (80.2)	-63.2%	-64.6%
Operating Margin (%)	4.8%	14.5%		(970) bps	
Other (Expense), net **	$ (4.8)	$ (9.5)	$ 4.7		
Tax (Expense)	$ (13.5)	$ (60.9)	$ 47.4	-77.8%	
Net Earnings	$ 13.2	$ 41.9	$ (28.7)	-68.5%	
Diluted EPS	$ 0.10	$ 0.32	$ (0.22)	-68.8%	

2nd Quarter Adjusted

($ millions)	2018 Adjusted Items	2018 Adjusted Results	2017 Adjusted Results	Delta ($)	Delta (%)	Constant FX(%)*
Bookings	$ -	$ 1,037.3	$ 971.3	$ 66.0	6.8%	5.0%
Sales	$ -	$ 973.1	$ 877.1	$ 96.0	10.9%	9.0%
Gross Profit	$ (23.9) (1)	$ 310.0	$ 276.5 (5)	$ 33.5	12.1%	
Gross Margin (%)		31.9%	31.5%		40 bps	
SG&A	$ 19.5 (2)	$ 221.3	$ 207.1 (6)	$ 14.2	6.9%	5.1%
SG&A (%)		22.7%	23.6%		(90) bps	
Gain on Sale of business	$ -	$ -	$ -	$ -		
Income from Affiliates	$ -	$ 1.4	$ 2.7	$ (1.3)	-48.1%	
Operating Income	$ (43.4)	$ 90.1	$ 72.1	$ 18.0	25.0%	22.5%
Operating Margin (%)		9.3%	8.2%		110 bps	
Other (Expense), net **	$ (4.1) (3)	$ (0.7)	$ (2.4) (7)	$ 1.7		
Tax (Expense)	$ 6.2 (4)	$ (19.7)	$ (25.7) (8)	$ 6.0	-23.3%	
Net Earnings	$ (41.3)	$ 54.5	$ 29.4	$ 25.1	85.4%	
Diluted EPS	$ (0.31)	$ 0.41	$ 0.22	$ 0.19	86.4%	

- Diluted EPS calculated using fully diluted shares of 131.2 million and 131.3 million shares for Q2 2018 and Q2 2017, respectively
* Constant FX represents the year-over-year variance assuming 2018 results at 2017 FX rates

1. Cost of sales includes $16.2 million of realignment charges and $7.7 million of IPD asset write-down
2. SG&A includes $4.5 million of realignment charges, $9.7 million of IPD asset write-down related to planned divestiture and $5.3 million of discrete corporate items
3. Below-the-line FX impacts
4. Includes tax impact of above items

** Second Quarter 2018 includes a loss of $4.1 million arising from transactions in currencies other than our sites' functional currencies and impact of foreign exchange contracts vs. a loss of $7.1 million in Q2 2017

5. Excludes $14.1 million of realignment charges and $16.9 million to reserve for costs incurred related to a contract to supply oil and gas platform equipment to an end user in Latin America
6. Excludes $17.6 million of realignment charges, $26 million Brazil asset impairment, $1.4 million of SIHI integration costs and purchase price adjustments and $0.4 million loss on Brazil contract
7. Excludes $7.1 million below-the-line FX loss
8. Excludes tax impact of above items

Year-to-Date 2018 Consolidated Financial Results

($ millions)	Year-to-Date					Year-to-Date Adjusted					
	2018	2017	Delta ($)	Delta (%)	Constant FX(%)*	2018 Adjusted Items	2018 Adjusted Results	2017 Adjusted Results	Delta ($)	Delta (%)	Constant FX(%)*
Bookings	$ 1,965.8	$ 1,928.1	$ 37.7	2.0%	-1.4%		$ 1,965.8	$ 1,928.1	$ 37.7	2.0%	-1.4%
Sales	$ 1,893.1	$ 1,743.4	$ 149.7	8.6%	4.8%		$ 1,893.1	$ 1,743.4	$ 149.7	8.6%	4.8%
Gross Profit	$ 557.5	$ 514.4	$ 43.1	8.4%		$ (31.1) [1]	$ 588.6	$ 550.5 [5]	$ 38.1	6.9%	
Gross Margin (%)	29.4%	29.5%		(10) bps			31.1%	31.6%		(50) bps	
SG&A	$ 470.0	$ 474.3	$ (4.3)	-0.9%	-3.6%	$ 29.2 [2]	$ 440.8	$ 422.7 [6]	$ 18.1	4.3%	1.3%
SG&A (%)	24.8%	27.2%		(240) bps			23.3%	24.2%		(90) bps	
Gain on Sale of business	$ -	$ 131.3	$ (131.3)			$ -	$ -	$ -	$ -		
Income from Affiliates	$ 4.6	$ 6.1	$ (1.5)	-24.6%			$ 4.6	$ 6.1	$ (1.5)	-24.6%	
Operating Income	$ 92.1	$ 177.5	$ (85.4)	-48.1%	-51.4%	$ (60.3)	$ 152.4	$ 133.9	$ 18.5	13.8%	9.5%
Operating Margin (%)	4.9%	10.2%		(530) bps			8.1%	7.7%		40 bps	
Other (Expense) / Income, net **	$ (11.9)	$ (21.5)	$ 9.6	-44.7%		$ (12.0) [3]	$ 0.1	$ (3.4) [7]	$ 3.5	-102.9%	
Tax (Expense)/Benefit	$ (22.1)	$ (66.2)	$ 44.1	-66.6%		$ 11.4 [4]	$ (33.5)	$ (37.4) [8]	$ 3.9	-10.4%	
Net Earnings	$ 28.4	$ 60.9	$ (32.5)	-53.4%		$ (60.9)	$ 89.3	$ 64.2	$ 25.1	39.1%	
Diluted EPS	$ 0.22	$ 0.46	$ (0.24)	-52.2%		$ (0.46)	$ 0.68	$ 0.49	$ 0.19	38.8%	

- Diluted EPS calculated using fully diluted shares of 131.2 million and 131.3 million shares for YTD 2018 and YTD 2017, respectively

* Constant FX represents the year-over-year variance assuming 2018 results at 2017 FX rates

1. Cost of sales includes $23.4 million of realignment charges and $7.7 million of IPD asset write-down
2. SG&A includes $8.8 million of realignment charges, $9.7 million of IPD asset write-down related to planned divestiture and $10.7 million of discrete corporate items
3. Below-the-line FX impacts
4. Includes tax impact of above items

** YTD 2018 includes a loss of $12.0 million arising from transactions in currencies other than our sites' functional currencies and impact of foreign exchange contracts vs. a loss of $18.1 million in Q2 2017

5. Excludes $19.2 million of realignment charges and $16.9 million to reserve for costs incurred related to a contract to supply oil and gas platform equipment to an end user in Latin America
6. Excludes $23.1 million of realignment charges, $26 million Brazil asset impairment, $2.0 million of SIHI integration costs and purchase price adjustments and $0.4 million loss on Brazil contract
7. Excludes $18.1 million below-the-line FX loss
8. Excludes tax impact of above items

Engineered Product Division
Q2 2018 Segment Results

	2nd Quarter					Year-to-Date				
($ millions)	2018	2017	Delta ($)	Delta (%)	Constant FX(%)*	2018	2017	Delta ($)	Delta (%)	Constant FX(%)*
Bookings	$ 505.7	$ 465.1	$ 40.6	8.7%	7.9%	$ 930.6	$ 925.1	$ 5.5	0.6%	-2.0%
Sales	$ 480.7	$ 427.7	$ 53.0	12.4%	11.4%	$ 948.4	$ 852.4	$ 96.0	11.3%	7.9%
Gross Profit	$ 148.2	$ 130.8	$ 17.4	13.3%		$ 288.1	$ 267.7	$ 20.4	7.6%	
Gross Margin (%)	30.8%	30.6%		20 bps		30.4%	31.4%		(100) bps	
SG&A	$ 99.0	$ 123.6	$ (24.6)	-19.9%	-20.8%	$ 202.9	$ 218.0	$ (15.1)	-6.9%	-9.2%
SG&A (%)	20.6%	28.9%		(830) bps		21.4%	25.6%		(420) bps	
Income from Affiliates	$ 1.8	$ 2.6	$ (0.8)	-30.8%		$ 5.2	$ 6.0	$ (0.8)	-13.3%	
Operating Income	$ 51.0	$ 9.8	$ 41.2	420.4%	397.3%	$ 90.4	$ 55.7	$ 34.7	62.3%	51.0%
Operating Margin (%)	10.6%	2.3%		830 bps		9.5%	6.5%		300 bps	
Adjusted Operating Income**	$ 64.5	$ 50.0	$ 14.5	29.0%	24.5%	$ 110.9	$ 94.3	$ 16.6	17.6%	10.9%
Adjusted Operating Margin%**	13.4%	11.7%		170 bps		11.7%	11.1%		60 bps	

* Constant FX represents the year over year variance assuming 2018 results at 2017 FX rates
** Adjusted operating income excludes realignment charges of $13.5 million and $20.5 million for Q2 2018 and YTD 2018, respectively, and realignment charges of $14.2 million and $12.6 million for Q2 2017 and YTD 2017, respectively, and $26 million of Brazil asset impairment for Q2 2017 and YTD 2017, respectively

Engineered Product Division
Q2 2018 Bookings and Sales

($ millions)		2nd Quarter 2018	2nd Quarter 2017	2nd Quarter Delta (%)	2nd Quarter Constant FX(%)*	Year-to-Date 2018	Year-to-Date 2017	Year-to-Date Delta (%)	Year-to-Date Constant FX(%)*
Bookings Mix **	OE	$ 154	$ 144	**7%**	**7%**	$ 246	$ 288	**-15%**	**-17%**
		31%	31%	**0 bps**		26%	31%	**(500) bps**	
	AM	$ 351	$ 321	**9%**	**8%**	$ 684	$ 637	**7%**	**5%**
		69%	69%	**0 bps**		74%	69%	**500 bps**	
Sales Mix **	OE	$ 131	$ 121	**8%**	**8%**	$ 271	$ 249	**9%**	**4%**
		28%	29%	**(100) bps**		29%	29%	**0 bps**	
	AM	$ 340	$ 298	**14%**	**13%**	$ 657	$ 588	**12%**	**9%**
		72%	71%	**100 bps**		71%	71%	**0 bps**	

* Constant FX represents the year over year variance assuming 2018 results at 2017 FX rates
** Gross bookings and sales do not include interdivision eliminations

Industrial Product Division
Q2 2018 Segment Results

($ millions)	2nd Quarter 2018	2nd Quarter 2017	2nd Quarter Delta ($)	2nd Quarter Delta (%)	2nd Quarter Constant FX(%)*	Year-to-Date 2018	Year-to-Date 2017	Year-to-Date Delta ($)	Year-to-Date Delta (%)	Year-to-Date Constant FX(%)*
Bookings	$ 235.0	$ 213.3	$ 21.7	10.2%	7.1%	$ 433.4	$ 420.0	$ 13.4	3.2%	-1.3%
Sales	$ 205.7	$ 191.8	$ 13.9	7.2%	4.2%	$ 403.8	$ 370.2	$ 33.6	9.1%	4.3%
Gross Profit	$ 37.2	$ 24.1	$ 13.1	54.4%		$ 83.1	$ 58.9	$ 24.2	41.1%	
Gross Margin (%)	18.1%	12.6%		550 bps		20.6%	15.9%		470 bps	
SG&A	$ 58.0	$ 52.9	$ 5.1	9.6%	7.0%	$ 105.9	$ 101.3	$ 4.6	4.5%	0.2%
SG&A (%)	28.2%	27.6%		60 bps		26.2%	27.4%		(120) bps	
Income from Affiliates	$ 0.3	$ 0.2	$ 0.1	50.0%		$ 0.1	$ 0.1	$ (0.0)	0.0%	
Operating Loss	$ (20.5)	$ (28.6)	$ 8.1	28.3%	31.5%	$ (22.7)	$ (42.3)	$ 19.6	46.3%	49.9%
Operating Margin (%)	-10.0%	-14.9%		490 bps		-5.6%	-11.4%		580 bps	
Adjusted Operating Income (Loss)**	$ 1.4	$ 0.8	$ 0.6	75.0%	188.2%	$ 0.3	$ (2.4)	$ 2.7	112.5%	176.1%
Adjusted Operating Margin%**	0.7%	0.4%		30 bps		0.1%	-0.6%		70 bps	

* Constant FX represents the year over year variance assuming 2018 results at 2017 FX rates
** Adjusted Operating Income excludes realignment charges of $4.5 million and $5.6 million for Q2 2018 and YTD 2018, respectively, and realignment charges of $10.6 million and $20.5 million for Q2 2017 and YTD 2017, respectively, IDP asset write-down of $17.4 million for Q2 2018 and YTD 2018, respectively, $1.4 million and $2.0 million of SIHI integration costs and purchase price adjustments for Q2 2017 and YTD 2017, respectively, and $17.4 million charge to reserve for costs incurred for costs incurred related to a contract to supply oil and gas platform equipment to an end user in Latin America for Q2 2017 and YTD 2017, respectively

Industrial Product Division
Q2 2018 Bookings and Sales

($ millions)		2nd Quarter 2018	2nd Quarter 2017	2nd Quarter Delta (%)	2nd Quarter Constant FX(%)*	Year-to-Date 2018	Year-to-Date 2017	Year-to-Date Delta (%)	Year-to-Date Constant FX(%)*
Bookings Mix **	OE	$ 149	$ 135	**10%**	**7%**	$ 269	$ 267	**1%**	**-3%**
		63%	63%	**0 bps**		62%	64%	**(200) bps**	
	AM	$ 86	$ 78	**10%**	**7%**	$ 164	$ 153	**7%**	**2%**
		37%	37%	**0 bps**		38%	36%	**200 bps**	
Sales Mix **	OE	$ 116	$ 112	**3%**	**0%**	$ 230	$ 220	**5%**	**0%**
		59%	61%	**(200) bps**		60%	62%	**(200) bps**	
	AM	$ 81	$ 71	**13%**	**10%**	$ 154	$ 133	**15%**	**10%**
		41%	39%	**200 bps**		40%	38%	**200 bps**	

* Constant FX represents the year over year variance assuming 2018 results at 2017 FX rates
** Gross bookings and sales do not include interdivision eliminations

Flow Control Division
Q2 2018 Segment Results

($ millions)	2nd Quarter 2018	2nd Quarter 2017	2nd Quarter Delta ($)	2nd Quarter Delta (%)	2nd Quarter Constant FX(%)*	Year-to-Date 2018	Year-to-Date 2017	Year-to-Date Delta ($)	Year-to-Date Delta (%)	Year-to-Date Constant FX(%)*
Bookings	$ 318.6	$ 316.2	$ 2.4	0.8%	-1.4%	$ 645.3	$ 625.6	$ 19.7	3.1%	-0.4%
Sales	$ 306.5	$ 275.4	$ 31.1	11.3%	8.9%	$ 583.7	$ 555.8	$ 27.9	5.0%	1.5%
Gross Profit	$ 101.0	$ 87.9	$ 13.1	14.9%		$ 189.2	$ 186.1	$ 3.1	1.7%	
Gross Margin (%)	33.0%	31.9%		110 bps		32.4%	33.5%		(110) bps	
SG&A	$ 53.9	$ 54.6	$ (0.7)	-1.3%	-3.1%	$ 108.2	$ 111.0	$ (2.8)	-2.5%	-5.6%
SG&A (%)	17.6%	19.8%		(220) bps		18.5%	20.0%		(150) bps	
Gain on Sale of business	$ -	$ 131.3	$ (131.3)			$ -	$ 131.3	$ (131.3)		
Income from Affiliates	$ (0.7)	$ 0.2	$ (0.9)			$ (0.7)	$ (0.1)	$ (0.6)		
Operating Income	$ 46.4	$ 164.4	$ (118.0)	-71.8%	-72.0%	$ 80.3	$ 206.3	$ (126.0)	-61.1%	-61.6%
Operating Margin (%)	15.1%	59.7%		(4460) bps		13.8%	37.1%		(2330) bps	
Adjusted Operating Income**	$ 48.2	$ 38.6	$ 9.6	24.9%	23.6%	$ 84.4	$ 81.6	$ 2.8	3.4%	1.7%
Adjusted Operating Margin%**	15.7%	14.0%		170 bps		14.5%	14.7%		(20) bps	

* Constant FX represents the year over year variance assuming 2017 results at 2016 FX rates
** Adjusted Operating Income excludes realignment charges of $1.8 million and $4.1 million for Q2 2018 and YTD 2018, respectively, and realignment charges of $5.5 million and $6.6 million for Q2 2017 and YTD 2017, respectively, and $131.3 million gain on sale of Gestra for Q2 2017 and YTD 2017, respectively

Flow Control Division
Q2 2018 Bookings and Sales

($ millions)		2nd Quarter 2018	2nd Quarter 2017	2nd Quarter Delta (%)	2nd Quarter Constant FX(%)*	Year-to-Date 2018	Year-to-Date 2017	Year-to-Date Delta (%)	Year-to-Date Constant FX(%)*
Bookings Mix **	OE	$ 240	$ 245	-2%	-3%	$ 484	$ 479	1%	-1%
		75%	78%	(300) bps		75%	77%	(200) bps	
	AM	$ 78	$ 71	10%	5%	$ 162	$ 147	10%	1%
		25%	22%	300 bps		25%	23%	200 bps	
Sales Mix **	OE	$ 239	$ 211	13%	12%	$ 449	$ 432	4%	2%
		78%	77%	100 bps		77%	78%	(100) bps	
	AM	$ 67	$ 64	5%	0%	$ 132	$ 122	9%	-2%
		22%	23%	(100) bps		23%	22%	100 bps	

* Constant FX represents the year over year variance assuming 2018 results at 2017 FX rates
** Gross bookings and sales do not include interdivision eliminations

FLOWSERVE

Experience In Motion

Investor Relations Contacts

Jay Roueche
972.443.6560
jroueche@flowserve.com

Mike Mullin
972.443.6636
mmullin@flowserve.com