FLOWSERVE®

Fourth Quarter 2017 Earnings Conference Call

February 16, 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, 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 North Africa, Russia 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; 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.

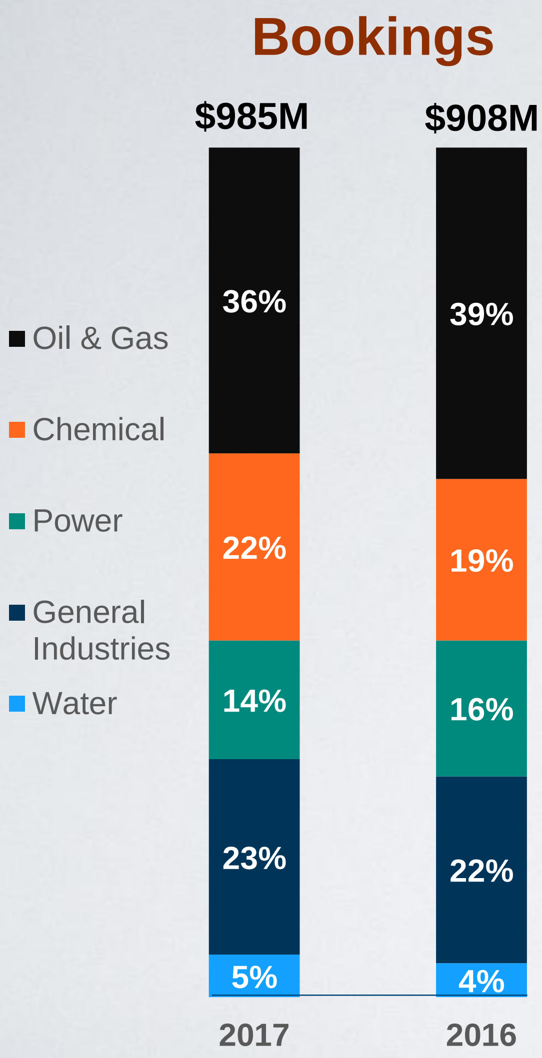
We have provided a table on pages 11 and 12 that reconciles these non-GAAP measures to their corresponding GAAP-based measures.

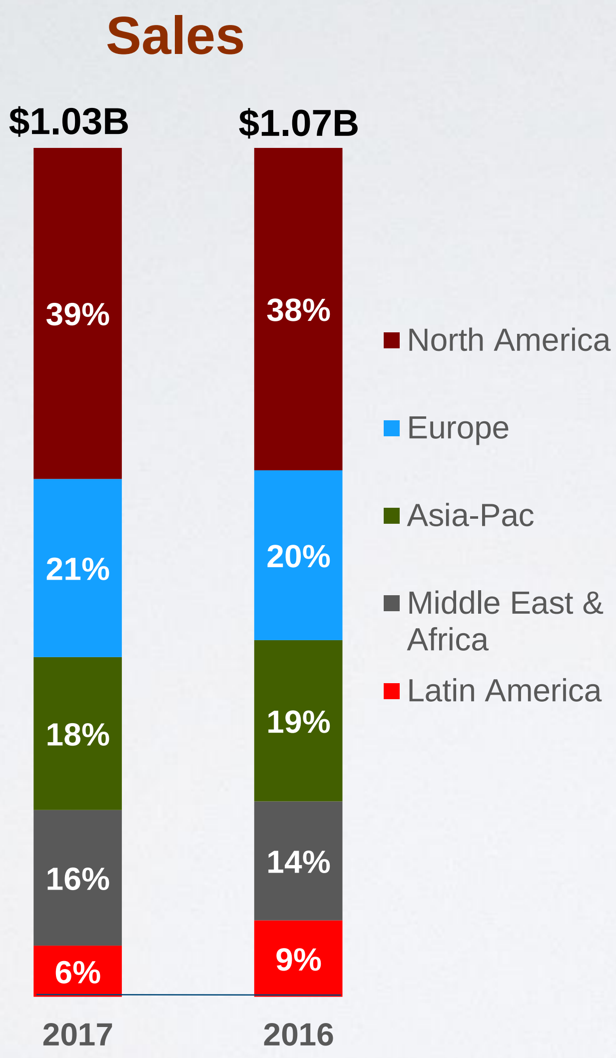
Q4 Overview

- **Reported 4Q17 Loss Per Share of $0.81 due primarily to discrete tax and realignment expenses**
- **Adjusted EPS* was $0.50; Full year Adjusted EPS of $1.36**
- **Bookings increased 8.5% driven by growth in all segments**
  - ***includes approximately 2% headwind from divestitures***
- **Revenue decreased 3.4% driven primarily by original equipment declines in EPD partially offset by strong performance in FCD**
  - ***includes approximately 2% headwind from divestitures***
- **Backlog is up 6.9% since year-end 2016 – including growth in all segments**
- **Realignment program is expected to be largely complete in 2018**
- **Flowserve 2.0 global assessment complete**
- **Initiated 2018 Adjusted EPS guidance to $1.50 – $1.70**

* See table on pages 11 and 12 for reconciliation to corresponding GAAP-based measure

Q4 2017 Bookings & Sales Mix



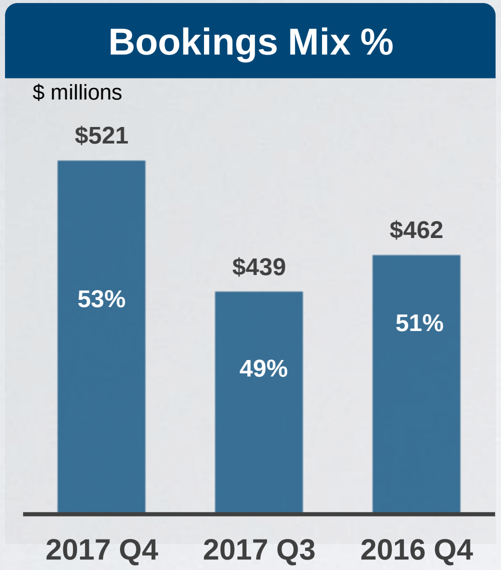


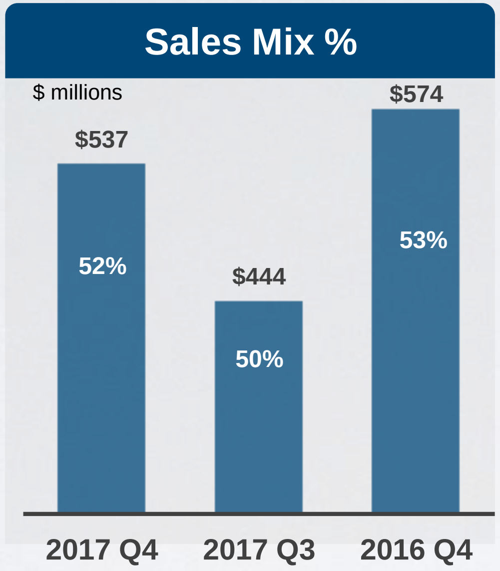
End-Markets

- **Oil & Gas**
  - Project spending remains challenged
  - Pre-FEED and FEED pipeline growing
  - North America 2018 refinery maintenance outlook improved
- **Chemical**
  - Opportunities progressing in Asia but remain competitive
  - North American second wave ethylene projects moving forward at a deliberate pace, including two awarded to E&Cs
- **Power**
  - Opportunities remain in Asia
  - Combined cycle investment continues on fuel switching away from nuclear and coal
  - Flowserve well positioned for growing thermal solar market
- **General Industries**
  - General industries supported by improving global growth
  - Flowserve continues to invest in distribution channel, particularly in emerging regions
- **Regionally, Latin America remains challenged; signs of stability and improving conditions in certain countries**

Q4 Original Equipment / Aftermarket Mix

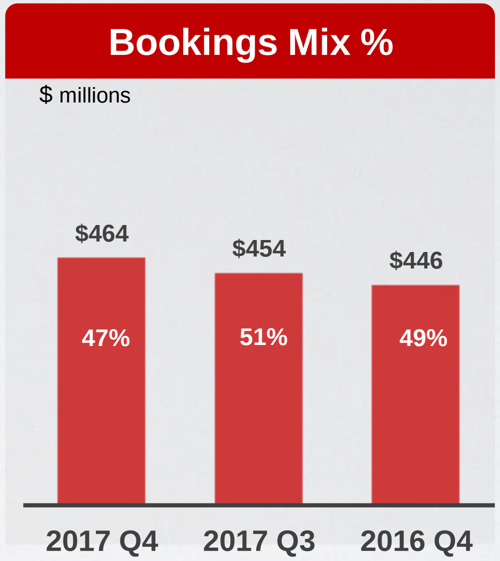
Original Equipment

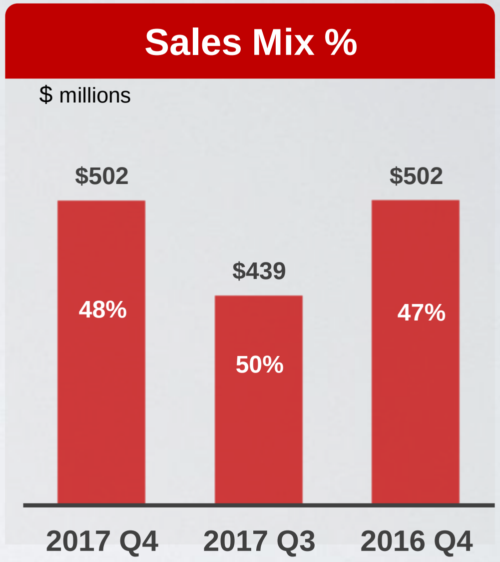




- **Original equipment bookings increased 12.9%, or 8.3% constant currency**
- **Original equipment sales decreased 6.5%, or 10.8% constant currency**

Aftermarket

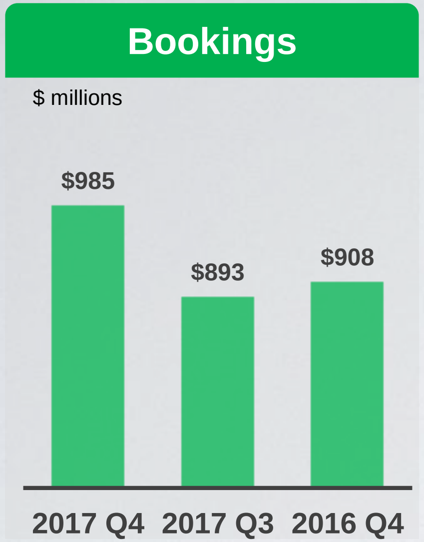


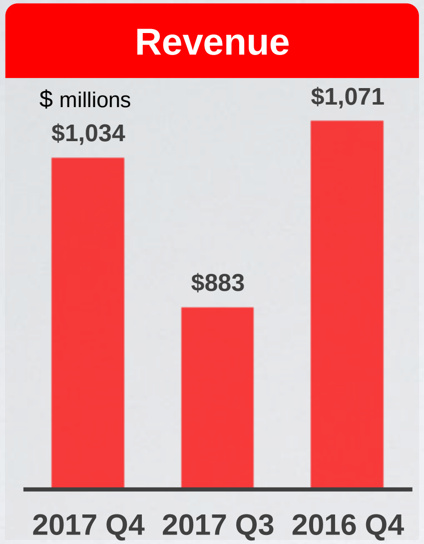


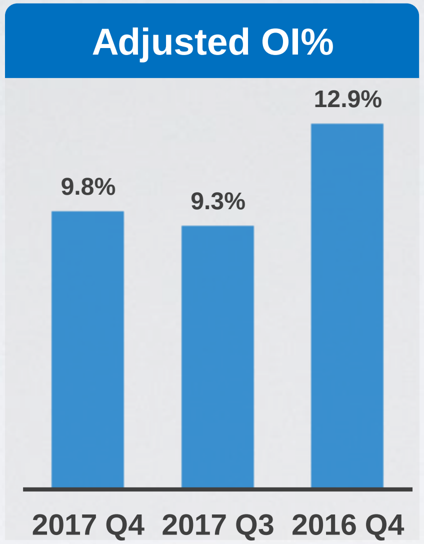
- **Aftermarket bookings increased 3.9%, or 0.9% constant currency**
- **Aftermarket sales increased 0.1%, or decreased 2.8% constant currency**

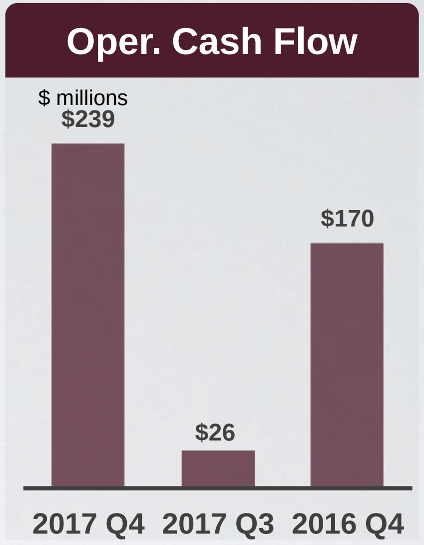
Note: 2017 Booking and Sales include approximately 2% divestitures headwind

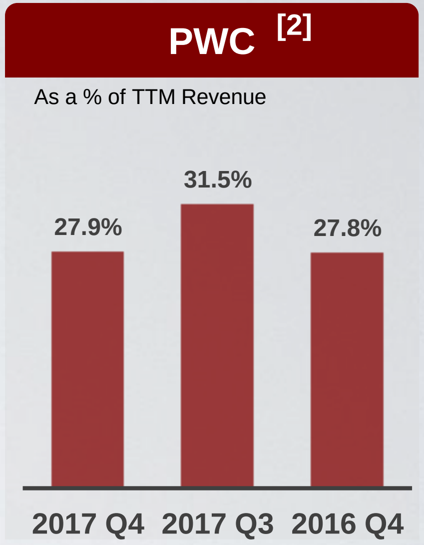
2017 Q4 Financial Scorecard [1]











Q4 Highlights

- **YoY and sequential bookings growth driven by better than expected original equipment orders across all segments**
- **Revenue decreased 3.4% YoY and increased 17.1% sequentially, reflecting normal seasonality**
- **Adjusted operating margin declined 310 bps YoY primarily due to loss of leverage**
- **Adjusted EPS of $0.50 excludes discrete tax impacts of $1.21, realignment of $0.06 and $0.04 comprised of asset impairment, below-the-line FX, PPA and gain on sale of Vogt business**
- **Strong operating cash flow driven primarily by working capital improvement**

(1) See table on page 11 for reconciliation to corresponding GAAP-based measure
(2) Primary working capital includes accounts receivable, inventory, accounts payable and advance cash payments

Discrete Tax Items

Largely due to U.S. Tax Cuts and Jobs Act of 2017

($ millions)	Total Tax Amount	Non-Cash Tax Amount	Cash Tax Amount
One-time deemed repatriation tax and associated withholding taxes	**$120.4**	**$120.4**	
Impact due to reduction in the US corporate tax rate from 35% to 21%	**(49.0)**	**(49.0)**	
Other Impacts including Valuation Allowances on Foreign Tax Credits	**44.0**	**49.0**	**(5.0)**
Other Non-US Tax Valuation Allowances	**43.0**	**43.0**	
Total Discrete Tax Items	**$158.4**	**$163.4**	**($5.0)**

The U.S. Tax Cuts and Jobs Act is expected to reduce Flowserve's 2018 effective tax rate by approximately 200-300 bps

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
Effective Tax Rate	27% - 28%
Capital Expenditures	$80 - $90 million

[1] 2018 Reported and Adjusted EPS guidance as of February 16, 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.

Questions & Answers

Appendix

Q4 2017 Consolidated Financial Results

4th Quarter						4th Quarter Adjusted					
($ millions)	2017	2016	Delta ($)	Delta (%)	Constant FX(%)*	2017 Adjusted Items	2017 Adjusted Results	2016 Adjusted Results	Delta ($)	Delta (%)	Constant FX(%)*
Bookings	$ 984.6	$ 907.6	**$ 77.0**	**8.5%**	**4.7%**	$ -	$ 984.6	$ 907.6	**$ 77.0**	**8.5%**	**4.7%**
Sales	$ 1,034.1	$ 1,070.9	**$ (36.8)**	**-3.4%**	**-7.1%**	$ -	$ 1,034.1	$ 1,070.9	**$ (36.8)**	**-3.4%**	**-7.1%**
Gross Profit	$ 304.4	$ 327.4	**$ (23.0)**	**-7.0%**		$ (10.6) (1)	$ 315.0	$ 351.2 (6)	**$ (36.2)**	**-10.3%**	
Gross Margin (%)	29.4%	30.6%		**(120) bps**			30.5%	32.8%		**(230) bps**	
SG&A	$ 222.7	$ 228.7	**$ (6.0)**	**-2.6%**	**0.3%**	$ 5.8 (2)	$ 216.9	$ 217.6 (7)	**$ (0.7)**	**-0.3%**	**-3.4%**
SG&A (%)	21.5%	21.4%		**10 bps**			21.0%	20.3%		**70 bps**	
Gain on Sale of business	$ 0.2	$ -	**$ 0.2**			$ 0.2 (3)	$ -	$ -	**$ -**		
Income from Affiliates	$ 3.6	$ 4.5	**$ (0.9)**	**-20.0%**		$ -	$ 3.6	$ 4.5	**$ (0.9)**	**-20.0%**	
Operating Income	$ 85.5	$ 103.2	**$ (17.7)**	**-17.2%**	**-21.9%**	$ (16.2)	$ 101.7	$ 138.0	**$ (36.3)**	**-26.3%**	**-29.8%**
Operating Margin (%)	8.3%	9.6%		**(130) bps**			9.8%	12.9%		**(310) bps**	
Other (Expense) / Income, net **	$ (4.5)	$ 1.2	**$ (5.7)**			$ (4.3) (4)	$ (0.2)	$ 0.9 (8)	**$ (1.1)**		
Tax (Expense)	$ (172.8)	$ (27.9)	**$ (144.9)**	**519.4%**		$ (151.2) (5)	$ (21.6)	$ (32.8) (9)	**$ 11.2**	**-34.1%**	
Net (Loss) / Earnings	$ (105.9)	$ 60.1	**$ (166.0)**	**-276.2%**		$ (171.7)	$ 65.8	$ 89.7	**$ (23.9)**	**-26.6%**	
Diluted (Loss) / EPS	**$ (0.81)**	**$ 0.46**	**$ (1.27)**	**-276.1%**		**$ (1.31)**	**$ 0.50**	**$ 0.68**	**$ (0.18)**	**-26.5%**	

- Diluted EPS calculated using fully diluted shares of 130.7 million for reported results and 131.4 million shares for adjusted results for Q4 2017 and 131.2 million shares for Q4 2016

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

1. Cost of sales includes $10.6 million of realignment charges
2. SG&A includes $1.7 million of realignment charges and $1.2 million of SIHI integration costs and purchase price adjustments and $2.9 million Mexico asset impairment charge
3. Includes gain related to the sale of Vogt business
4. Below-the-line FX impacts

** Fourth Quarter 2017 includes a loss of $4.3 million arising from transactions in currencies other than our sites' functional currencies and impact of foreign exchange contracts vs. a gain of $0.3 million in Q4 2016

5. Includes tax impact of above items and discrete tax expenses, primarily related to the impact of the U.S. Tax Cuts and Jobs Act of 2017
6. Excludes $22.0 million of realignment charges and $1.8 million Brazil inventory write-down
7. Excludes $7.8 million of realignment charges and $3.3 million of PPA and integration expenses
8. Excludes $0.3 million below-the-line FX gains
9. Excludes tax impact of above items

Year-to-Date 2017 Consolidated Financial Results

($ millions)	Year-to-Date					Year-to-Date Adjusted					
	2017	2016	Delta ($)	Delta (%)	Constant FX(%)*	2017 Adjusted Items	2017 Adjusted Results	2016 Adjusted Results	Delta ($)	Delta (%)	Constant FX(%)*
Bookings	$ 3,803.9	$ 3,760.4	$ 43.5	1.2%	0.4%		$ 3,803.9	$ 3,760.4	$ 43.5	1.2%	0.4%
Sales	$ 3,660.8	$ 3,990.5	$ (329.7)	-8.3%	-9.1%		$ 3,660.8	$ 3,990.5	$ (329.7)	-8.3%	-9.1%
Gross Profit	$ 1,085.4	$ 1,231.2	$ (145.8)	-11.8%		$ (60.9) (1)	$ 1,146.3	$ 1,310.7 (6)	$ (164.4)	-12.5%	
Gross Margin (%)	29.6%	30.9%		(130) bps			31.3%	32.8%		(150) bps	
SG&A	$ 903.9	$ 968.5	$ (64.6)	-6.7%	-6.1%	$ 61.1 (2)	$ 842.8	$ 863.3 (7)	$ (20.5)	-2.4%	-3.0%
SG&A (%)	24.7%	24.3%		40 bps			23.0%	21.6%		140 bps	
Gain / (loss) on Sale of business	$ 141.3	$ (7.7)	$ 149.0			$ 141.3 (3)	$ -	$ -	$ -		
Income from Affiliates	$ 12.6	$ 12.9	$ (0.3)	-2.3%			$ 12.6	$ 12.9	$ (0.3)	-2.3%	
Operating Income	$ 335.4	$ 268.0	$ 67.4	25.1%	24.4%	$ 19.3	$ 316.1	$ 460.3	$ (144.2)	-31.3%	-31.8%
Operating Margin (%)	9.2%	6.7%		250 bps			8.6%	11.5%		(290) bps	
Other (Expense) / Income, net **	$ (16.1)	$ 2.3	$ (18.4)			$ (14.0) (4)	$ (2.1)	$ (0.5) (8)	$ (1.6)	320.0%	
Tax (Expense)	$ (258.7)	$ (77.4)	$ (181.3)	234.2%		$ (181.3) (5)	$ (77.4)	$ (119.7) (9)	$ 42.3	-35.3%	
Net Earnings	$ 2.7	$ 132.5	$ (129.8)	-98.0%		$ (176.0)	$ 178.5	$ 279.6	$ (101.1)	-36.2%	
Diluted EPS	$ 0.02	$ 1.01	$ (0.99)	-98.0%		$ (1.34)	$ 1.36	$ 2.13	$ (0.78)	-36.2%	

- Diluted EPS calculated using fully diluted shares of 131.4 million and 131.0 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 $43.9 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 $27.3 million of realignment charges, $26.1 million of Brazil PP&E asset impairment charge, $0.4 million loss on Brazil contract, $4.4 million of SIHI integration costs and purchase price adjustments and $2.9 million Mexico asset impairment charge
3. Includes gains related to the sale of Gestra and Vogt businesses
4. Below-the-line FX impacts

** Year-to-Date 2017 includes a loss of $14.0 million arising from transactions in currencies other than our sites' functional currencies and impact of foreign exchange contracts vs. a gain of $2.8 million in 2016

5. Includes tax impact of above items and discrete tax expenses, primarily related to the impact of the U.S. Tax Cuts and Jobs Act of 2017
6. Excludes $64.9 million of realignment charges and $14.6 million of inventory write-down in Latin America
7. Excludes $30.0 million of realignment charges, Venezuela accounts receivable reserve of $73.5 million and $9.3 million of PPA and integration expenses
8. Excludes $2.8 million below-the-line FX impacts
9. Excludes tax impact of above items

Engineered Product Division
Q4 & Year-to-Date 2017 Segment Results

	4th Quarter					Year-to-Date				
($ millions)	2017	2016	Delta ($)	Delta (%)	Constant FX(%)*	2017	2016	Delta ($)	Delta (%)	Constant FX(%)*
Bookings	$ 485.5	$ 437.0	**$ 48.5**	**11.1%**	**7.7%**	$ 1,842.1	$ 1,823.8	**$ 18.3**	**1.0%**	**0.4%**
Sales	$ 498.9	$ 551.8	**$ (52.9)**	**-9.6%**	**-12.7%**	$ 1,775.4	$ 1,996.0	**$ (220.6)**	**-11.1%**	**-11.7%**
Gross Profit	$ 140.8	$ 162.2	**$ (21.4)**	**-13.2%**		$ 544.5	$ 621.6	**$ (77.1)**	**-12.4%**	
Gross Margin (%)	28.2%	29.4%		**(120) bps**		30.7%	31.1%		**(40) bps**	
SG&A	$ 94.5	$ 96.5	**$ (2.0)**	**-2.1%**	**0.7%**	$ 400.2	$ 466.6	**$ (66.4)**	**-14.2%**	**-13.8%**
SG&A (%)	18.9%	17.5%		**140 bps**		22.5%	23.4%		**(90) bps**	
Income from Affiliates	$ 3.6	$ 4.3	**$ (0.7)**	**-16.3%**		$ 12.5	$ 12.4	**$ 0.1**	**0.8%**	
Operating Income	$ 49.9	$ 70.0	**$ (20.1)**	**-28.7%**	**-33.7%**	$ 156.8	$ 167.4	**$ (10.6)**	**-6.3%**	**-7.1%**
Operating Margin (%)	10.0%	12.7%		**(270) bps**		8.8%	8.4%		**40 bps**	
Adjusted Operating Income**	$ 58.2	$ 90.6	**$ (32.4)**	**-35.8%**	**-39.6%**	$ 211.4	$ 296.9	**$ (85.5)**	**-28.8%**	**-29.2%**
Adjusted Operating Margin%**	11.7%	16.4%		**(470) bps**		11.9%	14.9%		**(300) 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 $5.4 million and $25.7 million for Q4 2017 and YTD 2017, respectively, and $18.8 million and $44.4 million for Q4 2016 and YTD 2016, respectively, $1.8 million and $12.2 million for Brazil inventory write down for Q4 2016 and YTD 2016, respectively, $71.2 million to reserve Venezuelan receivables for YTD 2016, $1.7 million for Venezuela inventory reserve for YTD 2016 , and $2.9 million for Q4 and YTD 2017 for asset impairment in Mexico, respectively

Engineered Product Division
Q4 & Year-to-Date 2017 Bookings and Sales

($ millions)		4th Quarter 2017	4th Quarter 2016	4th Quarter Delta (%)	4th Quarter Constant FX(%)*	Year-to-Date 2017	Year-to-Date 2016	Year-to-Date Delta (%)	Year-to-Date Constant FX(%)*
Bookings Mix **	OE	$ 153	$ 125	**22%**	**17%**	$ 554	$ 524	**6%**	**5%**
		31%	29%	**200 bps**		30%	29%	**100 bps**	
	AM	$ 333	$ 312	**7%**	**4%**	$ 1,288	$ 1,300	**-1%**	**-1%**
		69%	71%	**(200) bps**		70%	71%	**(100) bps**	
Sales Mix **	OE	$ 153	$ 191	**-20%**	**-24%**	$ 526	$ 700	**-25%**	**-26%**
		31%	35%	**(400) bps**		30%	35%	**(500) bps**	
	AM	$ 346	$ 362	**-4%**	**-7%**	$ 1,249	$ 1,294	**-3%**	**-4%**
		69%	65%	**400 bps**		70%	65%	**500 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
Q4 & Year-to-Date 2017 Segment Results

	4th Quarter					Year-to-Date				
($ millions)	2017	2016	Delta ($)	Delta (%)	Constant FX(%)*	2017	2016	Delta ($)	Delta (%)	Constant FX(%)*
Bookings	$ 205.8	$ 188.6	$ 17.2	9.1%	4.7%	$ 821.7	$ 797.7	$ 24.0	3.0%	2.1%
Sales	$ 215.3	$ 219.3	$ (4.0)	-1.8%	-5.9%	$ 775.2	$ 835.1	$ (59.9)	-7.2%	-8.1%
Gross Profit	$ 45.5	$ 53.9	$ (8.4)	-15.6%		$ 143.6	$ 182.5	$ (38.9)	-21.3%	
Gross Margin (%)	21.1%	24.6%		(350) bps		18.5%	21.9%		(340) bps	
SG&A	$ 49.3	$ 50.0	$ (0.7)	-1.4%	2.7%	$ 193.9	$ 189.8	$ 4.1	2.2%	3.3%
SG&A (%)	22.9%	22.8%		10 bps		25.0%	22.7%		230 bps	
Income from Affiliates	$ 0.3	$ 0.2	$ -			$ 0.8	$ 0.9	$ (0.1)	-11.1%	
Operating (Loss) / Income	$ (3.5)	$ 4.1	$ (7.6)			$ (49.5)	$ (6.4)	$ (43.1)	-673.4%	-665.1%
Operating (Loss) Margin (%)	-1.6%	1.9%		(350) bps		-6.4%	-0.8%		(560) bps	
Adjusted Operating (Loss) / Income**	$ 0.9	$ 13.8	$ (12.9)	-93.5%	-91.7%	$ (2.4)	$ 38.2	$ (40.6)		
Adjusted Operating Margin%**	0.4%	6.3%		(590) bps		-0.3%	4.6%		(490) bps	

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

** Adjusted Operating Income excludes realignment charges of $3.2 million and $25.3 million for Q4 2017 and YTD 2017, respectively, and $6.4 million and $34.6 million for Q4 2016 and YTD 2016, respectively, and $1.2 million and $4.4 million of SIHI integration costs and purchase price adjustments for Q4 2017 and YTD 2017, respectively, and $3.3 million and $9.3 million for Q4 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 YTD 2016

Industrial Product Division
Q4 & Year-to-Date 2017 Bookings and Sales

($ millions)		4th Quarter 2017	4th Quarter 2016	4th Quarter Delta (%)	4th Quarter Constant FX(%)*	Year-to-Date 2017	Year-to-Date 2016	Year-to-Date Delta (%)	Year-to-Date Constant FX(%)*
Bookings Mix **	OE	$ 127	$ 106	**20%**	**15%**	$ 514	$ 483	**6%**	**5%**
		62%	56%	**600 bps**		63%	61%	**200 bps**	
	AM	$ 79	$ 83	**-4%**	**-9%**	$ 308	$ 315	**-2%**	**-3%**
		38%	44%	**(600) bps**		37%	39%	**(200) bps**	
Sales Mix **	OE	$ 132	$ 142	**-7%**	**-10%**	$ 481	$ 561	**-14%**	**-15%**
		61%	64%	**(300) bps**		62%	67%	**(500) bps**	
	AM	$ 84	$ 80	**4%**	**1%**	$ 294	$ 276	**7%**	**5%**
		39%	36%	**300 bps**		38%	33%	**500 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
Q4 & Year-to-Date 2017 Segment Results

	4th Quarter					Year-to-Date				
($ millions)	2017	2016	Delta ($)	Delta (%)	Constant FX(%)*	2017	2016	Delta ($)	Delta (%)	Constant FX(%)*
Bookings	$ 314.1	$ 304.1	$ 10.0	3.3%	-0.5%	$ 1,225.7	$ 1,216.8	$ 8.9	0.7%	- %
Sales	$ 344.6	$ 318.2	$ 26.4	8.3%	4.3%	$ 1,188.1	$ 1,233.7	$ (45.6)	-3.7%	-4.8%
Gross Profit	$ 117.7	$ 112.4	$ 5.3	4.7%		$ 395.1	$ 427.4	$ (32.3)	-7.6%	
Gross Margin (%)	34.2%	35.3%		(110) bps		33.3%	34.6%		(130) bps	
SG&A	$ 50.3	$ 54.2	$ (3.9)	-7.2%	-4.2%	$ 214.5	$ 228.3	$ (13.8)	-6.0%	-5.6%
SG&A (%)	14.6%	17.0%		(240) bps		18.1%	18.5%		(40) bps	
Gain on Sale of business	$ 0.2	$ -	$ 0.2			$ 141.3	$ -	$ 141.3		
Income from Affiliates	$ (0.5)	$ 0.1	$ (0.6)			$ (0.7)	$ (0.5)	$ (0.2)	40.0%	
Operating Income	$ 67.1	$ 58.1	$ 9.0	15.5%	12.0%	$ 321.2	$ 198.6	$ 122.6	61.7%	60.7%
Operating Margin (%)	19.5%	18.3%		120 bps		27.0%	16.1%		1090 bps	
Adjusted Operating Income**	$ 68.7	$ 60.9	$ 7.8	12.8%	9.4%	$ 194.4	$ 212.2	$ (17.8)	-8.4%	-9.3%
Adjusted Operating Margin%**	19.9%	19.1%		80 bps		16.4%	17.2%		(80) 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 $14.5 million for Q4 2017 and YTD 2017, respectively, and $2.8 million and $11.4 million for Q4 2016 and YTD 2016, respectively, and $0.2 million and $141.2 million gain on sale of businesses for Q4 2017 and YTD 2017, respectively, Brazil inventory write-down of $0.5 million and Venezuela accounts receivable reserve of $1.7 million for YTD 2016

Flow Control Division
Q4 & Year-to-Date 2017 Bookings and Sales

($ millions)		4th Quarter 2017	4th Quarter 2016	4th Quarter Delta (%)	4th Quarter Constant FX(%)*	Year-to-Date 2017	Year-to-Date 2016	Year-to-Date Delta (%)	Year-to-Date Constant FX(%)*
Bookings Mix **	OE	$ 252	$ 242	**4%**	**- %**	$ 945	$ 966	**-2%**	**-3%**
		80%	79%	**100 bps**		77%	79%	**(200) bps**	
	AM	$ 62	$ 62	**- %**	**-3%**	$ 280	$ 251	**12%**	**11%**
		20%	21%	**(100) bps**		23%	21%	**200 bps**	
Sales Mix **	OE	$ 262	$ 251	**5%**	**- %**	$ 911	$ 981	**-7%**	**-8%**
		76%	79%	**(300) bps**		77%	79%	**(300) bps**	
	AM	$ 82	$ 68	**22%**	**19%**	$ 277	$ 253	**10%**	**9%**
		24%	21%	**300 bps**		23%	21%	**300 bps**	

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** Gross bookings and sales do not include interdivision eliminations

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