



Fourth Quarter 2018 Earnings Conference Call

February 21, 2019

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," "targets" 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; if we are not able to successfully execute and realize the expected financial benefits from our strategic transformation and realignment initiatives, our business could be adversely affected; 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, trade embargoes or changes to tariffs or trade agreements 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; 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; 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; our information technology infrastructure could be subject to service interruptions, data corruption, cyber-based attacks or network security breaches, which could disrupt our business operations and result in the loss of critical and confidential information; 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.

Q4 2018 Overview

- **Q4 2018 Reported and Adjusted EPS* of \$0.48 and \$0.58**
 - *Adjusted EPS* excludes approximately \$27 million of pre-tax items*
- **Bookings increased 6.1%, or 8.8% constant currency**
 - *Strong aftermarket growth of 14.9%*
 - *Mid-teens percentage increases in oil and gas and general industries*
- **Revenue decreased 4.6%, primarily due to revenue recognition accounting changes**
 - *Both bookings and sales include approximately 4% headwind, including currency and business divestitures*
- **Adjusted gross and operating margins* increased 300 and 170 basis points to 33.7% and 11.9%, respectively, primarily due to transformation progress**
- **Backlog increased 5.3% versus 2018 beginning backlog on 1.05 full year book-to-bill**

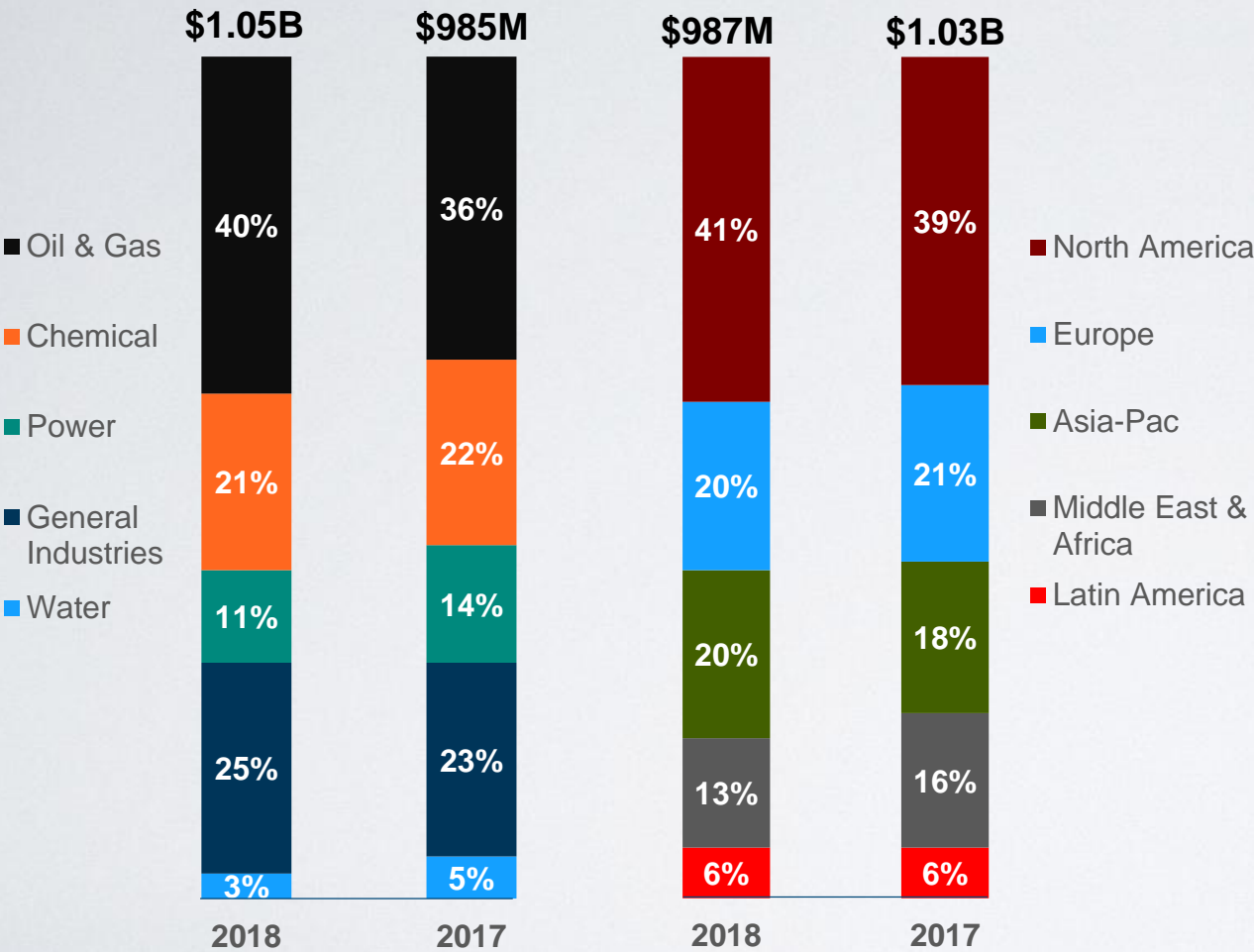
* See tables on pages 11 and 12 for reconciliation to corresponding GAAP-based measure



Q4 Bookings & Sales Mix

Bookings

Sales

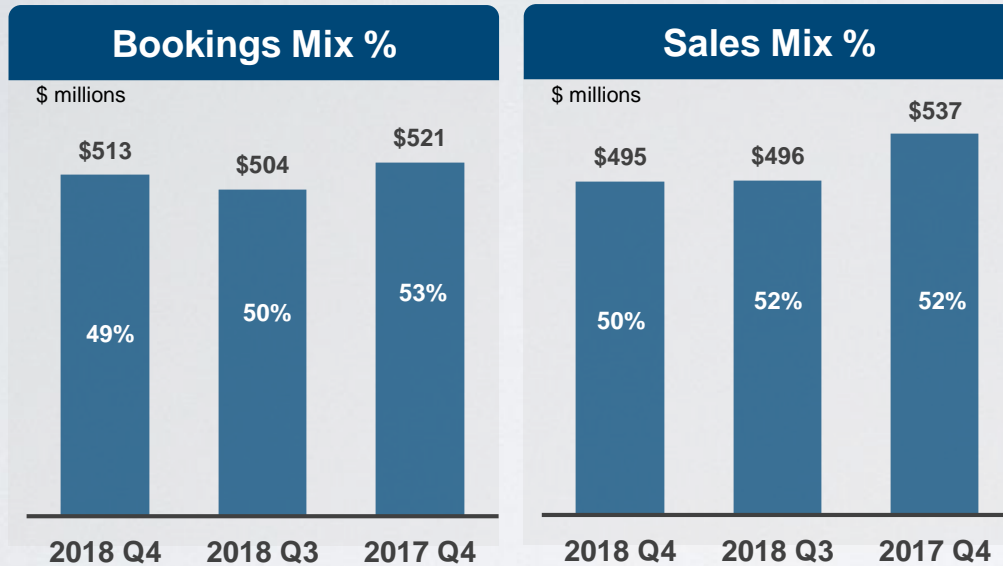


End-Markets

- **Oil & Gas**
 - Increased focus on maintenance and efficiency driving strong global MRO spend
 - Downstream brownfield projects continue on increased clean fuels demand where Flowserve's product mix is favorable
 - Flowserve continues to target North American pipeline build
 - LNG projects in EPC backlogs with additional North America and emerging markets projects progressing towards FID
- **Chemical**
 - National oil companies diversifying beyond upstream driving continued investment in emerging regions
 - Investment expected to increase in the Middle East and North America where abundant natural gas supplies drive continued investment in ethylene and derivative chemical production
- **Power**
 - Renewables opportunity continues in thermal solar market where Flowserve provides strong technical offering
 - Limited fossil build in Asia and Eastern Europe, while global shift to combined cycle will continue to provide opportunities
 - New build nuclear opportunities in Asia and ongoing investment to maintain aging nuclear fleet
- **General Industries**
 - Global growth continues to support mining investment and distribution activity

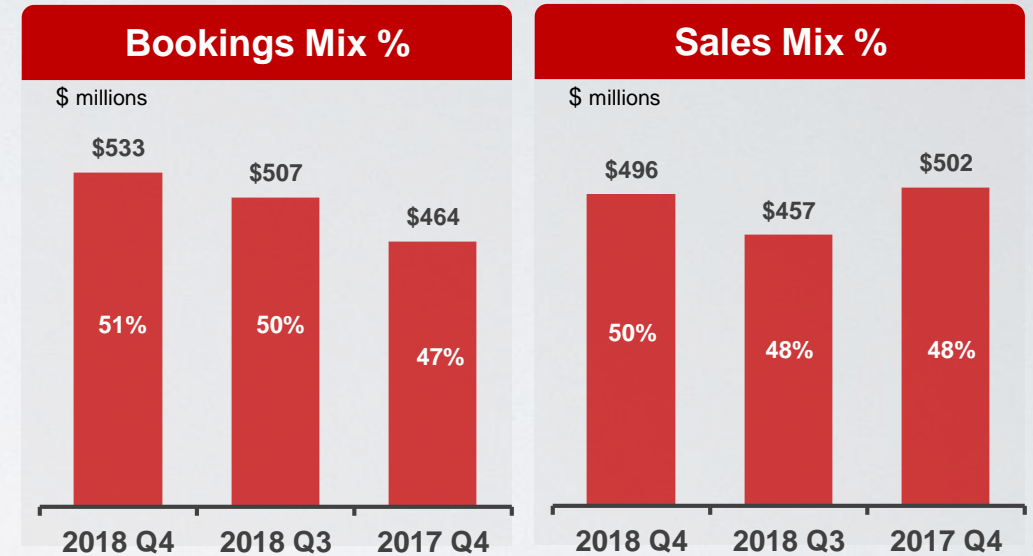
Q4 Original Equipment / Aftermarket Mix

Original Equipment



- Original equipment bookings decreased 1.7%, or increased 0.5% constant currency vs. Q4 2017
- Original equipment sales decreased 7.8%, or 5.7% constant currency vs. Q4 2017

Aftermarket

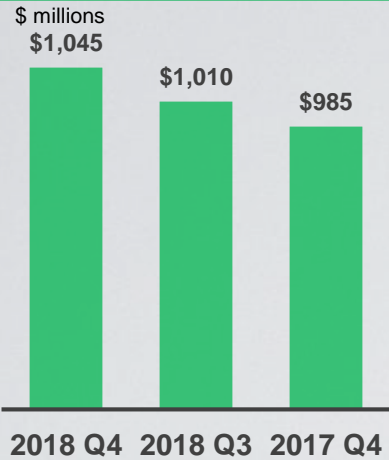


- Aftermarket bookings increased 14.9%, or 18.2% constant currency vs. Q4 2017
- Aftermarket sales decreased 1.2%, or increased 1.9% constant currency vs. Q4 2017

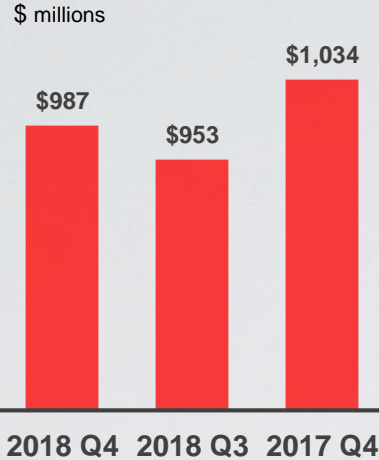
2018 Q4 Booking and Sales include approximately 1.0% headwind from 2018 business divestitures

Q4 2018 Financial Scorecard^[1]

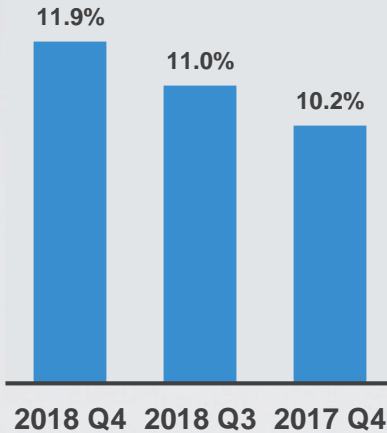
Bookings



Revenue



Adjusted OI%^[1]



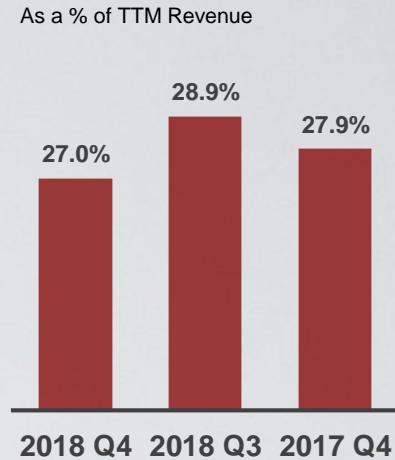
Adjusted EPS^[1]



Oper. Cash Flow



PWC^[2]



Q4 Highlights

- Bookings growth of 6.1% included broad based strength across core end markets with the exception of power
- Organic revenue roughly flat year-over-year with regional strength in Asia Pacific, North America and Latin America
- Adjusted operating margin increased 170 basis points year-over-year and 90 basis points sequentially to 11.9%
- Adjusted EPS of \$0.58 increased 16% year-over-year and 18% sequentially on continued execution progress
- Sequential operating cash flow increase included \$90 million improvement in primary working capital

(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 Annual Form 10-K for the year ended December 31, 2018.

2019 Guidance Assumptions

Guidance Assumptions	2019 Guidance ^[1]
Revenue Guidance ^[2]	4% - 6%
Reported EPS Guidance	\$1.60 - \$1.80
Adjusted EPS Guidance ^[3]	\$1.95 - \$2.15
EUR Rate	1.16
Adjusted Tax Rate	26% - 28%
Capital Expenditures	\$90 - \$100 million

[1] 2019 Reported and Adjusted EPS guidance as of February 21, 2019, assumes 131 million diluted shares

[2] 2019 Revenue guidance includes approximately 2% negative impact from currency and 2018 divestitures

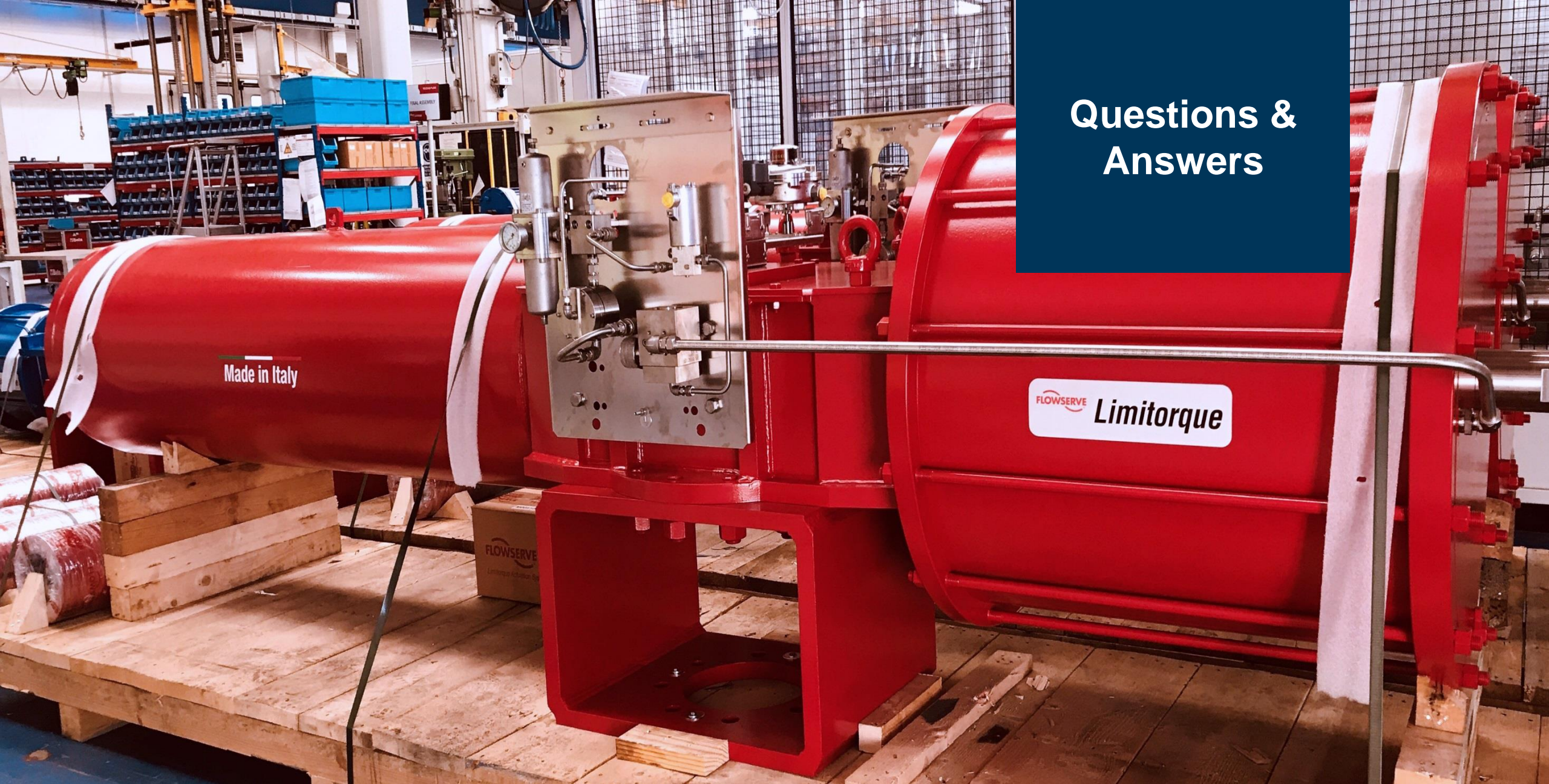
[3] Adjusted EPS guidance excludes expected realignment and transformation charges of approximately \$65 million, below-the-line FX impact and other specific discrete items.

Flowserve 2.0 Transformation Driving Towards 2022 Financial Targets*



* As presented at Flowserve's December 13, 2018 Analyst Day

Questions & Answers



Appendix



Q4 2018 Consolidated Financial Results

4th Quarter						4th Quarter Adjusted					
(\$ millions)	2018	2017	Delta (\$)	Delta (%)	Constant FX(%)*	2018 Adjusted Items	2018 Adjusted Results	2017 Adjusted Results	Delta (\$)	Delta (%)	Constant FX(%)*
Bookings	\$ 1,045.1	\$ 984.6	\$ 60.5	6.1%	8.8%	\$ -	\$ 1,045.1	\$ 984.6	\$ 60.5	6.1%	8.8%
Sales	\$ 986.9	\$ 1,034.1	\$ (47.2)	-4.6%	-2.0%	\$ -	\$ 986.9	\$ 1,034.1	\$ (47.2)	-4.6%	-2.0%
Gross Profit	\$ 321.8	\$ 306.5	\$ 15.3	5.0%		\$ (11.1) ⁽¹⁾	\$ 332.9	\$ 317.1 ⁽⁵⁾	\$ 15.8	5.0%	
Gross Margin (%)	32.6%	29.6%		300 bps			33.7%	30.7%		300 bps	
SG&A	\$ 231.9	\$ 221.4	\$ 10.5	4.7%	6.4%	\$ 13.3 ⁽²⁾	\$ 218.6	\$ 215.6 ⁽⁶⁾	\$ 3.0	1.4%	3.1%
SG&A (%)	23.5%	21.4%		210 bps			22.2%	20.8%		140 bps	
Gain on Sale of business	\$ -	\$ 0.2	\$ (0.2)	-		\$ -	\$ -	\$ - ⁽⁷⁾	\$ -	-	
Income from Affiliates	\$ 3.2	\$ 3.6	\$ (0.4)	-11.1%		\$ -	\$ 3.2	\$ 3.5	\$ (0.3)	-8.6%	
Operating Income	\$ 93.2	\$ 88.8	\$ 4.4	5.0%	10.0%	\$ (24.4)	\$ 117.6	\$ 105.0	\$ 12.6	12.0%	16.3%
Operating Margin (%)	9.4%	8.6%		80 bps			11.9%	10.2%		170 bps	
Other Expense, net **	\$ (2.4)	\$ (7.9)	\$ 5.5	-69.6%		\$ 2.4 ⁽³⁾	\$ -	\$ (3.6) ⁽⁸⁾	\$ 3.6	-	
Tax Expense	\$ (14.2)	\$ (172.8)	\$ 158.6	-91.8%		\$ 13.3 ⁽⁴⁾	\$ (27.5)	\$ (21.6) ⁽⁹⁾	\$ (5.9)	27.3%	
Net Earnings	\$ 63.1	\$ (105.9)	\$ 169.0	159.6%		\$ (13.5)	\$ 76.6	\$ 65.8	\$ 10.8	16.4%	
Diluted EPS	\$ 0.48	\$ (0.81)	\$ 1.29	159.3%		\$ (0.10)	\$ 0.58	\$ 0.50	\$ 0.08	16.0%	

- Diluted EPS calculated using fully diluted shares of 131.4 million shares for Q4 2018 and Q4 2017, respectively

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

1. Cost of sales includes \$11.1 million of realignment charges
2. SG&A includes \$0.5 million of realignment credit and \$13.8 million of transformation charges
3. Below-the-line FX impacts
4. Includes tax impact of above items

** Fourth Quarter 2018 includes a loss of \$2.4 million arising from transactions in currencies other than our sites' functional currencies and impact of foreign exchange contracts vs. a loss of \$4.3 million in Q4 2017

5. Excludes \$10.6 million of realignment charges
6. Excludes \$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
7. Excludes \$0.2 million gain related to the sale of Vogt business
8. Excludes \$4.3 million below-the-line FX loss
9. Excludes tax impact of above items

Year-to-Date 2018 Consolidated Financial Results

Year-to-Date						Year-to-Date Adjusted					
(\$ millions)	2018	2017	Delta (\$)	Delta (%)	Constant FX(%)*	2018 Adjusted Items	2018 Adjusted Results	2017 Adjusted Results	Delta (\$)	Delta (%)	Constant FX(%)*
Bookings	\$ 4,019.8	\$ 3,803.9	\$ 215.9	5.7%	4.9%		\$ 4,019.8	\$ 3,803.9	\$ 215.9	5.7%	4.9%
Sales	\$ 3,832.7	\$ 3,660.8	\$ 171.9	4.7%	3.8%		\$ 3,832.7	\$ 3,660.8	\$ 171.9	4.7%	3.8%
Gross Profit	\$ 1,187.8	\$ 1,089.0	\$ 98.8	9.1%		\$ (50.4) ⁽¹⁾	\$ 1,238.2	\$ 1,149.9 ⁽⁶⁾	\$ 88.3	7.7%	
Gross Margin (%)	31.0%	29.7%		130 bps			32.3%	31.4%		90 bps	
SG&A	\$ 943.7	\$ 901.7	\$ 42.0	4.7%	3.9%	\$ 69.4 ⁽²⁾	\$ 874.3	\$ 840.7 ⁽⁷⁾	\$ 33.6	4.0%	3.1%
SG&A (%)	24.6%	24.6%	-	-			22.8%	23.0%		(20) bps	
(Loss) / Gain on Sale of businesses	\$ (7.7)	\$ 141.3	\$ (149.0)	-		\$ 7.7 ⁽³⁾	\$ -	\$ - ⁽⁸⁾	\$ -	-	
Income from Affiliates	\$ 11.1	\$ 12.6	\$ (1.5)	-11.9%			\$ 11.1	\$ 12.6	\$ (1.5)	-11.9%	
Operating Income	\$ 247.5	\$ 341.1	\$ (93.6)	-27.4%	-26.8%	\$ (127.5)	\$ 375.0	\$ 321.8	\$ 53.2	16.5%	17.3%
Operating Margin (%)	6.5%	9.3%		(280) bps			9.8%	8.8%		100 bps	
Other Expense, net **	\$ (19.6)	\$ (21.8)	\$ 2.2	-10.1%		\$ (18.7) ⁽⁴⁾	\$ (0.9)	\$ (7.8) ⁽⁹⁾	\$ 6.9	-88.5%	
Tax (Expense)/Benefit	\$ (51.2)	\$ (258.7)	\$ 207.5	-80.2%		\$ 36.2 ⁽⁵⁾	\$ (87.4)	\$ (77.4) ⁽¹⁰⁾	\$ (10.0)	12.9%	
Net Earnings	\$ 119.7	\$ 2.7	\$ 117.0	4333.3%		\$ (110.0)	\$ 229.8	\$ 178.5	\$ 51.3	28.7%	
Diluted EPS	\$ 0.91	\$ 0.02	\$ 0.89	4450.0%		\$ (0.84)	\$ 1.75	\$ 1.36	\$ 0.39	28.8%	

- Diluted EPS calculated using fully diluted shares of 131.3 million and 131.4 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 \$42.7 million of realignment charges and \$7.7 million of IPD asset write-down
2. SG&A includes \$11.2 million of realignment charges, \$9.7 million of IPD asset write down and \$41.2 million of transformation costs and \$7.3 of revenue accounting change implementation costs
3. Includes \$7.7 million loss on sale of IPD assets
4. Below-the-line FX impacts
5. Includes tax impact of above items

** YTD 2018 includes a loss of \$18.7 million arising from transactions in currencies other than our sites' functional currencies and impact of foreign exchange contracts vs. a loss of \$14.0 million in 2017

6. Excludes \$43.9 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
7. Excludes \$27.3 million of realignment charges, \$26.1 million Brazil asset impairment, \$4.4 million of SIHI integration costs and purchase price adjustments, \$2.9 million Mexico asset impairment and \$0.4 million loss on Brazil contract
8. Excludes \$141.3 million gain related to the sale of Gestra and Vogt businesses
9. Excludes \$14.0 million below-the-line FX loss
10. Excludes tax impact of above items

Engineered Product Division

Q4 & Year-to-Date 2018 Segment Results

(\$ millions)	4th Quarter					Year-to-Date				
	2018	2017	Delta (\$)	Delta (%)	Constant FX(%)*	2018	2017	Delta (\$)	Delta (%)	Constant FX(%)*
Bookings	\$ 545.0	\$ 485.5	\$ 59.5	12.3%	15.3%	\$ 1,995.1	\$ 1,842.1	\$ 153.0	8.3%	7.9%
Sales	\$ 484.6	\$ 498.9	\$ (14.3)	-2.9%	-	\$ 1,899.2	\$ 1,775.4	\$ 123.8	7.0%	6.3%
Gross Profit	\$ 146.6	\$ 141.8	\$ 4.8	3.4%		\$ 586.0	\$ 545.9	\$ 40.1	7.3%	
Gross Margin (%)	30.3%	28.4%		190 bps		30.9%	30.7%		20 bps	
SG&A	\$ 90.6	\$ 93.9	\$ (3.3)	-3.5%	-1.5%	\$ 390.5	\$ 399.3	\$ (8.8)	-2.2%	-2.8%
SG&A (%)	18.7%	18.8%		(10) bps		20.6%	22.5%		(190) bps	
Income from Affiliates	\$ 3.1	\$ 3.6	\$ (0.5)	-13.9%		\$ 11.4	\$ 12.5	\$ (1.1)	-8.8%	
Operating Income	\$ 59.1	\$ 51.5	\$ 7.6	14.8%	19.6%	\$ 206.9	\$ 159.1	\$ 47.8	30.0%	29.3%
Operating Margin (%)	12.2%	10.3%		190 bps		10.9%	9.0%		190 bps	
Adjusted Operating Income**	\$ 70.3	\$ 59.8	\$ 10.5	17.6%	21.7%	\$ 245.1	\$ 213.7	\$ 31.4	14.7%	14.2%
Adjusted Operating Margin%**	14.5%	12.0%		250 bps		12.9%	12.0%		90 bps	

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

** Adjusted operating income excludes realignment charges of \$11.2 million and \$38.2 million for Q4 2018 and YTD 2018, respectively, and realignment charges of \$5.4 million and \$25.7 million for Q4 2017 and YTD 2017, respectively, \$26.0 million of Brazil asset impairment YTD 2017, and \$2.9 million for Q4 2017 and YTD 2017 for Mexico asset impairment, respectively

Engineered Product Division

Q4 2018 Bookings and Sales

		4th Quarter				Year-to-Date			
(\$ millions)		2018	2017	Delta (%)	Constant FX(%)*	2018	2017	Delta (%)	Constant FX(%)*
Bookings Mix **	OE	\$ 144	\$ 153	-6%	-2%	\$ 546	\$ 554	-1%	-2%
		26%	31%	(500) bps		27%	30%	(300) bps	
	AM	\$ 401	\$ 333	20%	23%	\$ 1,449	\$ 1,288	12%	12%
		74%	69%	500 bps		73%	70%	300 bps	
Sales Mix **	OE	\$ 126	\$ 153	-18%	-14%	\$ 546	\$ 526	4%	3%
		26%	31%	(500) bps		30%	30%	0 bps	
	AM	\$ 359	\$ 346	4%	6%	\$ 1,353	\$ 1,249	8%	8%
		74%	69%	500 bps		70%	70%	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

Q4 & Year-to-Date 2018 Segment Results

(\$ millions)	4th Quarter					Year-to-Date				
	2018	2017	Delta (\$)	Delta (%)	Constant FX(%)*	2018	2017	Delta (\$)	Delta (%)	Constant FX(%)*
Bookings	\$ 203.2	\$ 205.8	\$ (2.6)	-1.3%	1.0%	\$ 838.5	\$ 821.7	\$ 16.8	2.0%	0.5%
Sales	\$ 196.4	\$ 215.3	\$ (18.9)	-8.8%	-6.8%	\$ 799.4	\$ 775.2	\$ 24.2	3.1%	1.7%
Gross Profit	\$ 59.2	\$ 45.9	\$ 13.3	29.0%		\$ 189.4	\$ 144.1	\$ 45.3	31.4%	
Gross Margin (%)	30.1%	21.3%		880 bps		23.7%	18.6%		510 bps	
SG&A	\$ 40.5	\$ 49.1	\$ (8.6)	-17.5%	-15.8%	\$ 188.4	\$ 193.7	\$ (5.3)	-2.7%	-4.3%
SG&A (%)	20.6%	22.8%		(220) bps		23.6%	25.0%		(140) bps	
Loss on Sale of Business	\$ -	\$ -	\$ -	-		\$ (7.7)	\$ -	\$ (7.7)	-	
Income from Affiliates	\$ 0.2	\$ 0.3	\$ (0.1)	-33.3%		\$ 0.5	\$ 0.8	\$ (0.3)	-37.5%	
Operating (Loss)	\$ 18.9	\$ (2.9)	\$ 21.8	751.7%	765.6%	\$ (6.2)	\$ (48.8)	\$ 42.6	87.3%	91.0%
Operating Margin (%)	9.6%	-1.3%		1090 bps		-0.8%	-6.3%		550 bps	
Adjusted Operating (Loss)**	\$ 20.1	\$ 1.5	\$ 18.6	1240.0%	1213.3%	\$ 26.0	\$ (1.7)	\$ 27.7	-	-
Adjusted Operating Margin%**	10.2%	0.7%		950 bps		3.3%	-0.2%		350 bps	

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

** Adjusted Operating Income excludes realignment charges of \$1.2 million and \$7.1 million for Q4 2018 and YTD 2018, respectively, and realignment charges of \$3.2 million and \$25.3 million for Q4 2017 and YTD 2017, respectively, IDP asset write-down of \$17.4 million for YTD 2018, loss on sale of IPD assets of \$7.7 million for YTD 2018, \$1.2 million and \$4.4 million of SIHI integration costs and purchase price adjustments for YTD 2017 and \$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 YTD 2017

Industrial Product Division

Q4 2018 Bookings and Sales

(\$ millions)		2018	2017	Delta (%)	Constant FX(%)*	2018	2017	Delta (%)	Constant FX(%)*
Bookings Mix **	OE	\$ 132	\$ 127	4%	6%	\$ 522	\$ 514	2%	0%
		65%	62%	300 bps		62%	63%	(100) bps	
	AM	\$ 72	\$ 79	-10%	-8%	\$ 316	\$ 308	3%	1%
		35%	38%	(300) bps		38%	37%	100 bps	
Sales Mix **	OE	\$ 121	\$ 132	-8%	-6%	\$ 489	\$ 481	2%	0%
		61%	61%	0 bps		62%	62%	0 bps	
	AM	\$ 75	\$ 84	-10%	-8%	\$ 311	\$ 294	6%	4%
		39%	39%	0 bps		38%	38%	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

Flow Control Division

Q4 & Year-to-Date 2018 Segment Results

	4th Quarter					Year-to-Date				
(\$ millions)	2018	2017	Delta (\$)	Delta (%)	Constant FX(%)*	2018	2017	Delta (\$)	Delta (%)	Constant FX(%)*
Bookings	\$ 318.0	\$ 314.1	\$ 3.9	1.2%	3.5%	\$ 1,274.3	\$ 1,225.7	\$ 48.6	4.0%	3.0%
Sales	\$ 325.9	\$ 344.6	\$ (18.7)	-5.4%	-3.2%	\$ 1,215.8	\$ 1,188.1	\$ 27.7	2.3%	1.7%
Gross Profit	\$ 118.3	\$ 118.8	\$ (0.5)	-0.4%		\$ 416.9	\$ 396.7	\$ 20.2	5.1%	
Gross Margin (%)	36.3%	34.5%		180 bps		34.3%	33.4%		90 bps	
SG&A	\$ 53.8	\$ 49.7	\$ 4.1	8.2%	10.3%	\$ 215.0	\$ 213.6	\$ 1.4	0.7%	1.5%
SG&A (%)	16.5%	14.4%		210 bps		17.7%	18.0%		(30) bps	
Gain on Sale of businesses	\$ -	\$ 0.2	\$ (0.2)	-		\$ -	\$ 141.3	\$ (141.3)	-	
Income from Affiliates	\$ -	\$ (0.5)	\$ 0.5	-		\$ (0.7)	\$ (0.7)	\$ -	-	
Operating Income	\$ 64.5	\$ 68.8	\$ (4.3)	-6.3%	-3.9%	\$ 201.2	\$ 323.7	\$ (122.5)	-37.8%	-37.4%
Operating Margin (%)	19.8%	20.0%		20 bps		16.5%	27.2%		(1070) bps	
Adjusted Operating Income**	\$ 62.8	\$ 70.4	\$ (7.6)	-10.8%	-8.5%	\$ 204.1	\$ 196.9	\$ 7.2	3.7%	4.4%
Adjusted Operating Margin%**	19.3%	20.4%		(110) bps		16.8%	16.6%		20 bps	

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

** Adjusted Operating Income excludes realignment charges of (\$1.7) million and \$2.9 million for Q4 2018 and YTD 2018, respectively, and realignment charges of \$1.8 million and \$14.5 million for Q4 2017 and YTD 2017, respectively, and \$0.2 million gain on sale of Vogt for Q4 2017 and \$141.2 million gain on sale of Vogt and Gestra YTD 2017

Flow Control Division

Q4 2018 Bookings and Sales

		4th Quarter				Year-to-Date			
(\$ millions)		2018	2017	Delta (%)	Constant FX(%)*	2018	2017	Delta (%)	Constant FX(%)*
Bookings Mix **	OE	\$ 247	\$ 252	-2%	-1%	\$ 967	\$ 945	2%	-1%
		78%	80%	(200) bps		76%	77%	(100) bps	
	AM	\$ 71	\$ 62	15%	21%	\$ 307	\$ 280	10%	16%
		22%	20%	200 bps		24%	23%	100 bps	
Sales Mix **	OE	\$ 255	\$ 262	-3%	-1%	\$ 947	\$ 911	4%	4%
		78%	76%	200 bps		78%	77%	100 bps	
	AM	\$ 71	\$ 82	-14%	-9%	\$ 268	\$ 277	-3%	-5%
		22%	24%	(200) bps		22%	23%	(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



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