BAML Industrials Conference

Boston | May 14, 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.

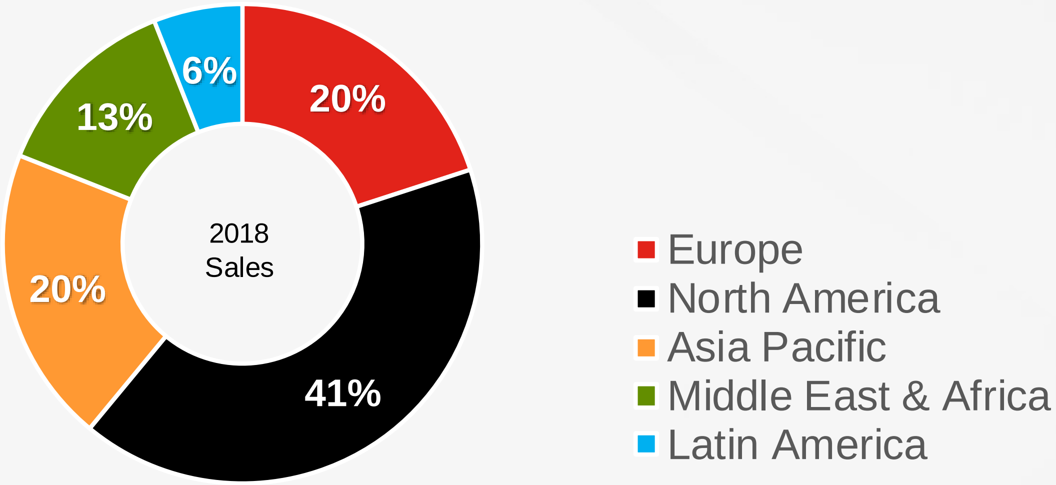
We have provided tables in the appendix that reconcile these non-GAAP measures to their corresponding GAAP-based measures.

Investment Highlights

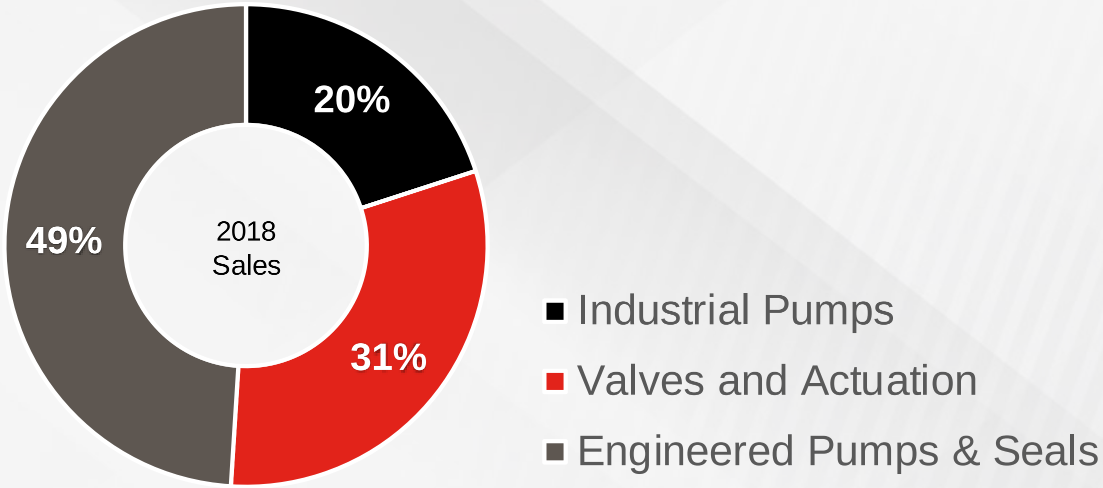
Company Overview	Distinguished history of flow control expertise with a heritage of more than 225 years
	Diversified business model – geographies, end markets and products
End Markets	Recovering end markets, evidenced by year-over-year increased bookings
	Significant installed base provides recurring aftermarket opportunities
Transformation Agenda	2.0 Transforming Flowserve to unlock full potential and capitalize on opportunities in any market environment
Financial Strength	Strong financials and cash flow generation, with meaningful improvement expected
	Disciplined yet opportunistic capital allocation approach

Diversified Business Model

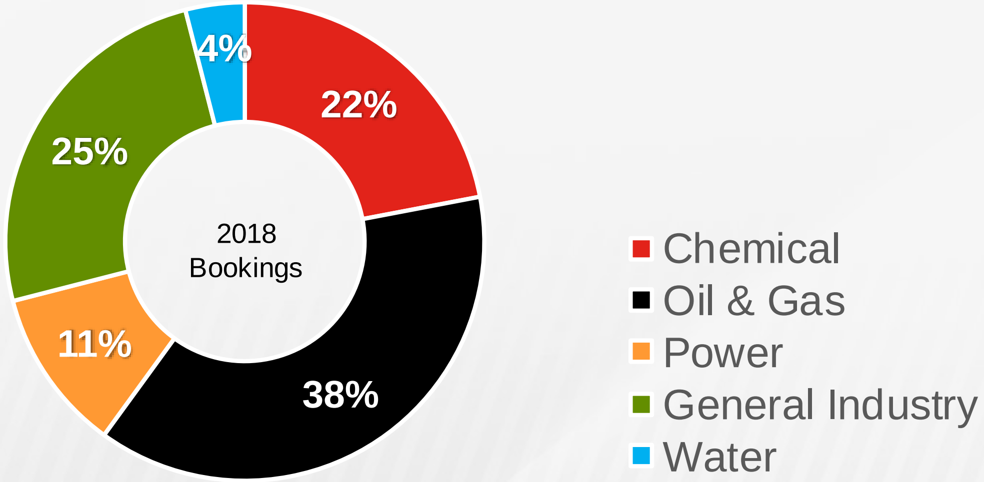
~60% of Business Outside North America



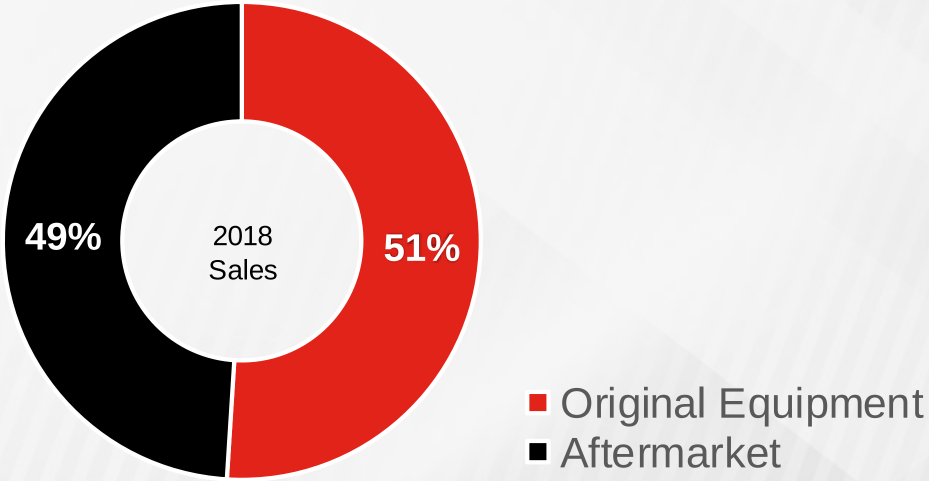
Balanced Platform



Attractive End Markets



Powerful Aftermarket Franchise



FLOWSERVE

Market Outlook

OIL & GAS

ConocoPhillips
Sinopec
Repsol
Suncor
Valero
Chevron Phillips
Marathon Oil
Shell
ExxonMobil
bp
Chevron
aramco
Bechtel

CHEMICAL

Dow
سابك sabic
INEOS
OXY
Bayer
DuPont
BASF We create chemistry
lyondellbasell
Formosa Plastics
Mitsubishi
sasol

GENERAL INDUSTRY

MRC Global
Neenah
bhpbilliton
sappi
Verso
PotashCorp
International Paper
Vale
WestRock

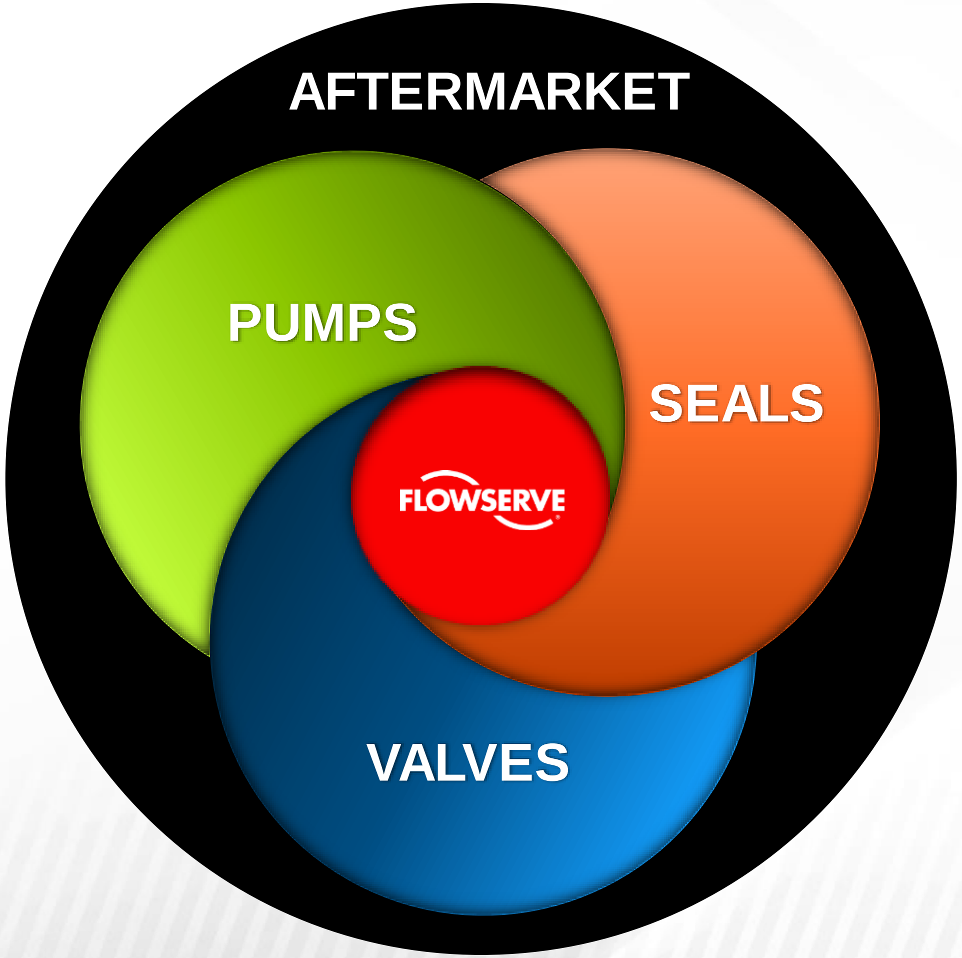
POWER GENERATION

Calpine
Siemens
Fluor
GE
الشركة السعودية للكهرباء Saudi Electricity Company
Dominion Energy
Mitsubishi Heavy Industries, Ltd.
Duke Energy
Exelon
Ameren
Jacobs

WATER

NYC Environmental Protection
Archer Western
Doosan
GE
dc water is life
AECOM

A Comprehensive, Pure-Play Flow Control Company



Highlights

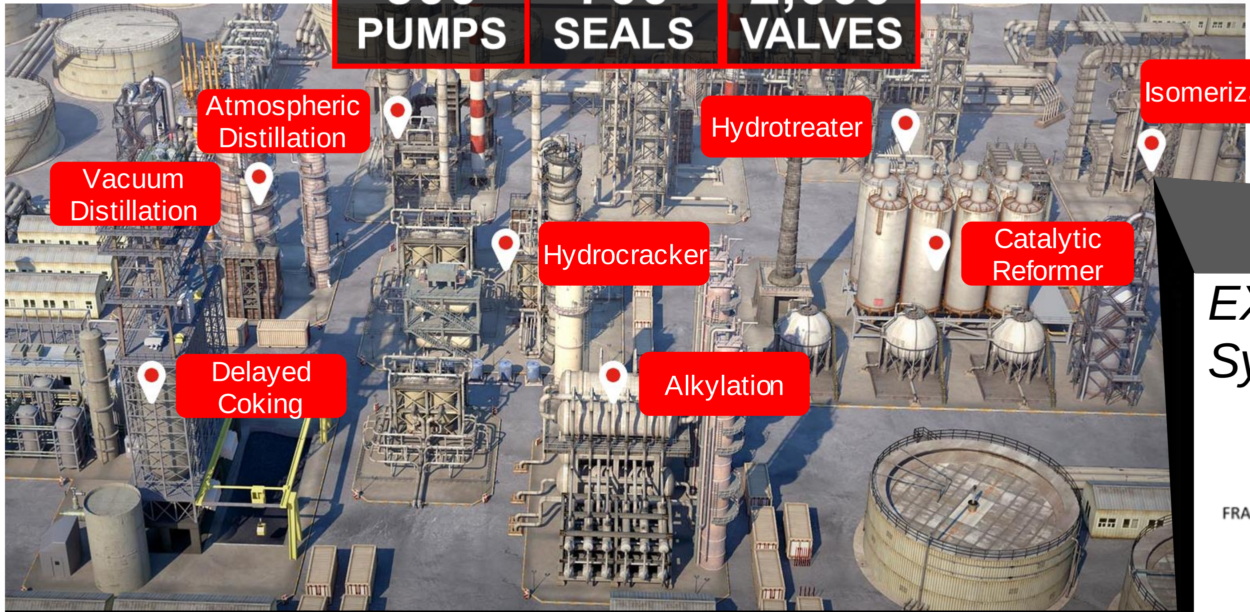
- Only company with significant global presence in pumps, valves and seals
- Unmatched aftermarket capabilities to serve customers across industries and geographies
  - Enterprise Frame Agreements
  - LifeCycle Advantage Agreements
- Leveraging portfolio breadth of mission-critical products and services to deliver enhanced value to our customers
- Estimated Total Available Market is $145 billion*

* Company estimate from multiple industry sources.

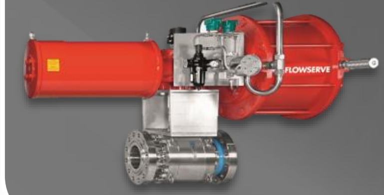
The Power of a Pure-Play

Flowserve Opportunities

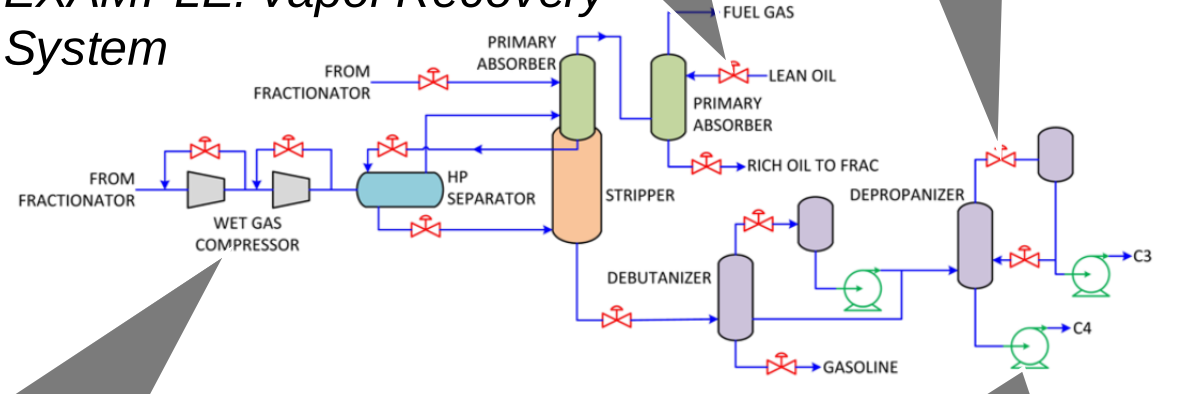
500 PUMPS	700 SEALS	2,000 VALVES



Typical 400K Barrel/day Refinery



EXAMPLE: Vapor Recovery System



Flowserve 2.0: Transforming the Organization

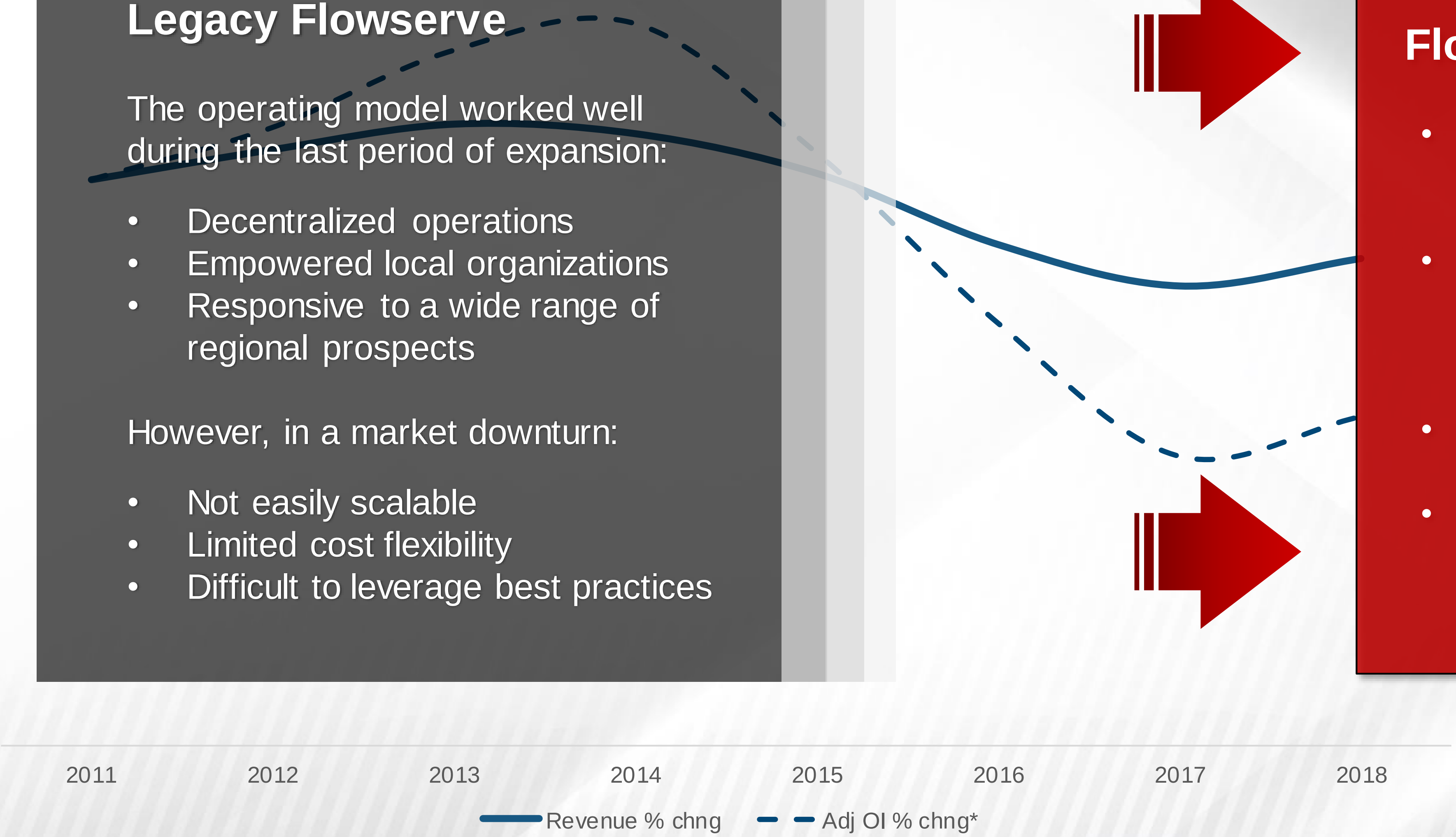
Legacy Flowserve

The operating model worked well during the last period of expansion:

- Decentralized operations
- Empowered local organizations
- Responsive to a wide range of regional prospects

However, in a market downturn:

- Not easily scalable
- Limited cost flexibility
- Difficult to leverage best practices

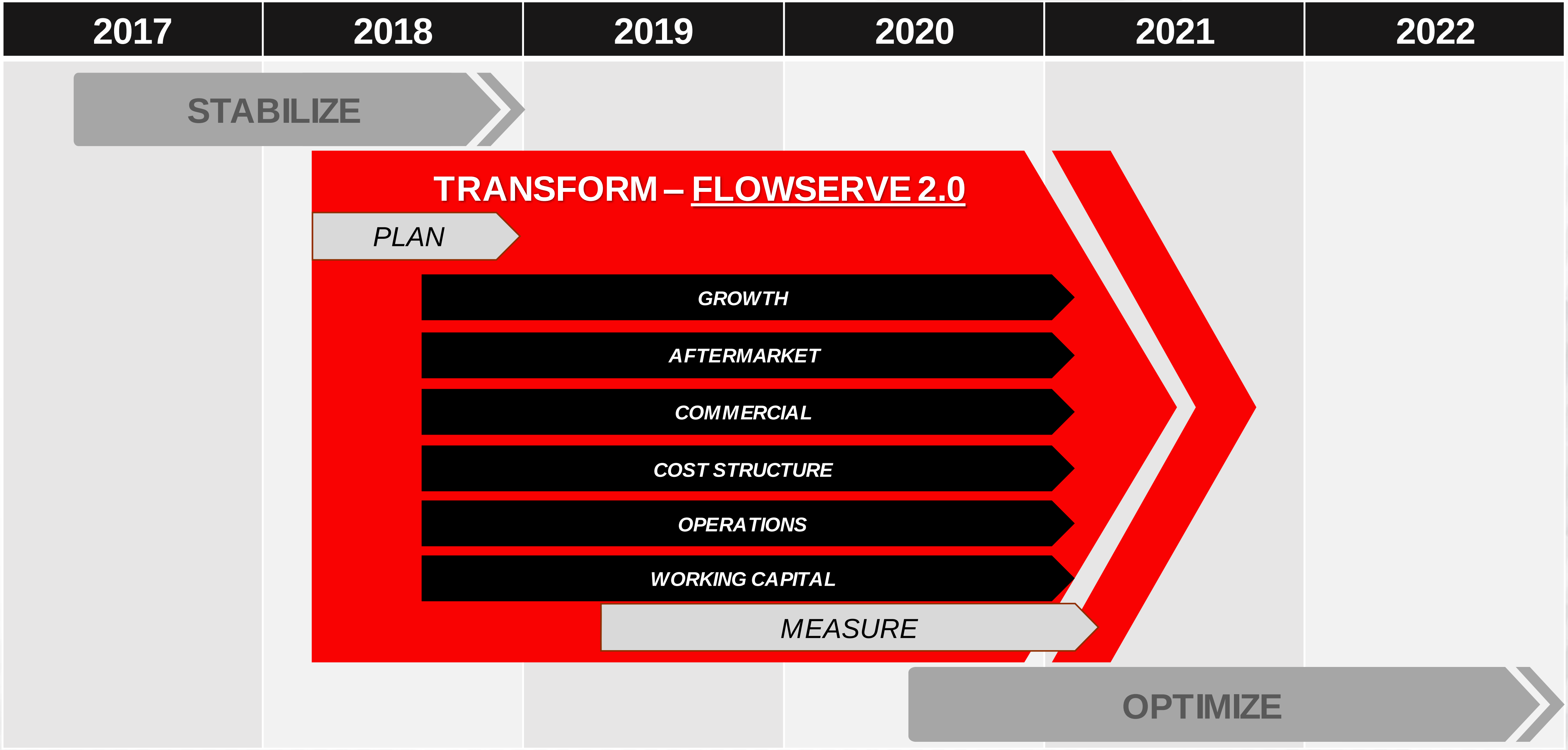


Flowserve 2.0

- Flexible organization for any market environment
- Globalized operations leveraging common processes and systems
- Optimized cost structure
- Integrated knowledge and global talent pools

* 2015-2018 operating income adjusted for realignment and other discrete items

The Transformation Journey



Creating Long-Term Sustainable Shareholder Value*

FLOWSERVE

GROWTH	MARGIN EXPANSION	CAPITAL EFFICIENCY

Revenue Growth
+2%
above industry growth rate

Free Cash Flow
100%+
of Net Income

Operating Margin
15-17%

ROIC
15-20%

ORGANIZATIONAL HEALTH	IT ENABLERS & DATA SCIENCE

+

Operating System

- Constructing Flowserve 2.0 operating model
- Developing a flexible cost structure for any environment
- Creating a powerful growth platform

Building a sustainable enterprise

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

FLOWSERVE

Experience In Motion

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Appendix

Reconciliation of Non-GAAP Measures
(Unaudited)

(Amounts in millions, except per share data)	Twelve Months Ended December 31, 2017 As Reported (a)	Twelve Months Ended December 31, 2017 Adjustments		Twelve Months Ended December 31, 2017 As Adjusted	TrailingTwelve Months Ended December 31, 2018 As Reported (a)	TrailingTwelve Months Ended December 31, 2018 Adjustments		TrailingTwelve Months Ended December 31, 2018 As Adjusted
Sales	$ 3,660.8	$ -		$ 3,660.8	$ 3,823.7	$ -		$ 3,823.7
Operating income	335.4	19.3	(1)	316.1	247.5	(127.5)	(4)	375.0
Operating income as a percentage of sales	9.2%			8.6%	6.5%			9.8%
Other (expense) income, net	(16.1)	(13.9)	(2)	2.2	(19.6)	(18.7)	(5)	0.9
Earnings (loss) before income taxes	263.0	5.4		257.6	176.3	(146.2)		322.5
Provision for income taxes	(258.7)	(181.3)	(3)	(77.4)	(51.2)	36.2	(6)	(87.4)
Tax Rate	*98.4%*	*NM*		*30.0%*	*29.1%*	*-24.8%*		*27.1%*
Net earnings (loss) attributable to Flowserve Corporation	**$ 2.7**	**$ (175.9)**		**$ 178.6**	**$ 119.7**	**$ (110.1)**		**$ 229.8**
Diluted earnings per share	$ 0.02	$ (1.34)		$ 1.36	$ 0.91	$ (0.84)		$ 1.75

(a) Reported in conformity with U.S. GAAP
(1) Includes $71.2 million of realignment charges, $4.4 million of PPA expense, $29.0 million of asset impairment charges, $17.3 million reserve for Latin America oil and gas contract and $141.3 million gain on sale of businesses
(2) Includes $13.9 million of below-the-line foreign exchange impacts
(3) Includes tax impact of footnotes (1) and (2), a $115.3 million tax charge related to the U.S. Tax Cuts and Jobs Act of 2017 and certain tax valuation allowances totalling $43.1 million
(4) Includes $53.9 million of realignment charges, $17.4 million of IPD divestiture write-down of assets, $41.2 million of Flowserve 2.0 transformation costs, $7.3 million of ASC 606 adoption costs and $7.7 million loss on sale of IPD business
(5) Includes $18.7 million of below-the-line foreign exchange impacts
(6) Includes tax impact of footnotes (4) and (5) and a $5.7 million tax benefit related to the U.S. Tax Cuts and Jobs Act of 2017

Reconciliation of Non-GAAP Measures
(Unaudited)

(Amounts in millions, except per share data)	Twelve Months Ended December 31, 2015 As Reported (a)	Adjustments		As Adjusted	Twelve Months Ended December 31, 2016 As Reported (a)	Adjustments		As Adjusted
Sales	$ 4,557.8	$ -		$ 4,557.8	$ 3,990.5	$ -		$ 3,990.5
Operating income (loss)	514.7	(139.9)	(1)	654.6	268.0	(192.3)	(4)	460.3
Operating income (loss) as a percentage of sales	11.3%			14.4%	6.7%			11.5%
Other (expense) income, net	(39.1)	(42.3)	(2)	(3.2)	2.3	2.8	(5)	0.5
Earnings (loss) before income taxes	412.4	(182.2)		594.6	212.9	(189.5)		402.4
Provision for income taxes	(148.4)	26.8	(3)	(175.2)	(77.4)	42.4	(6)	(119.8)
Tax Rate	*36.0%*	*14.7%*		*29.5%*	*36.3%*	*22.4%*		*29.8%*
Net earnings (loss) attributable to Flowserve Corporation	**$ 258.4**	**$ (155.4)**		**$ 413.8**	**$ 132.5**	**$ (147.1)**		**$ 279.6**
Diluted earnings per share	$ 1.93	$ (1.16)		$ 3.09	$ 1.01	$ (1.12)		$ 2.13

(a) Reported in conformity with U.S. GAAP
(1) Includes $108.1 million of realignment charges, $23.0 million of PPA expense, $11.6 million of acquisition costs, $6.8 million gain from reversal of contingent consideration related to acquisition of Innomag and $4.1 million of other discrete charges
(2) Includes $23.8 million of below-the-line foreign exchange impacts and $18.5 million of Venezuela remeasurement loss
(3) Includes tax impact of items in footnotes (1) and (2)
(4) Includes $87.3 million of realignment charges, $9.3 million of PPA expense, $14.5 million of Latin America charges, $73.5 million of Venezuela accounts receivable reserves and $7.7 million loss on sale of a business
(5) Includes $2.8 million of below-the-line foreign exchange impacts
(6) Includes tax impact of items in footnotes (4) and (5)