February 24, 2021

Fourth Quarter 2020 Earnings Conference Call

Experience in Motion

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: the impact of the global outbreak of COVID-19 on our business and operations; 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, epidemics or pandemics 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.

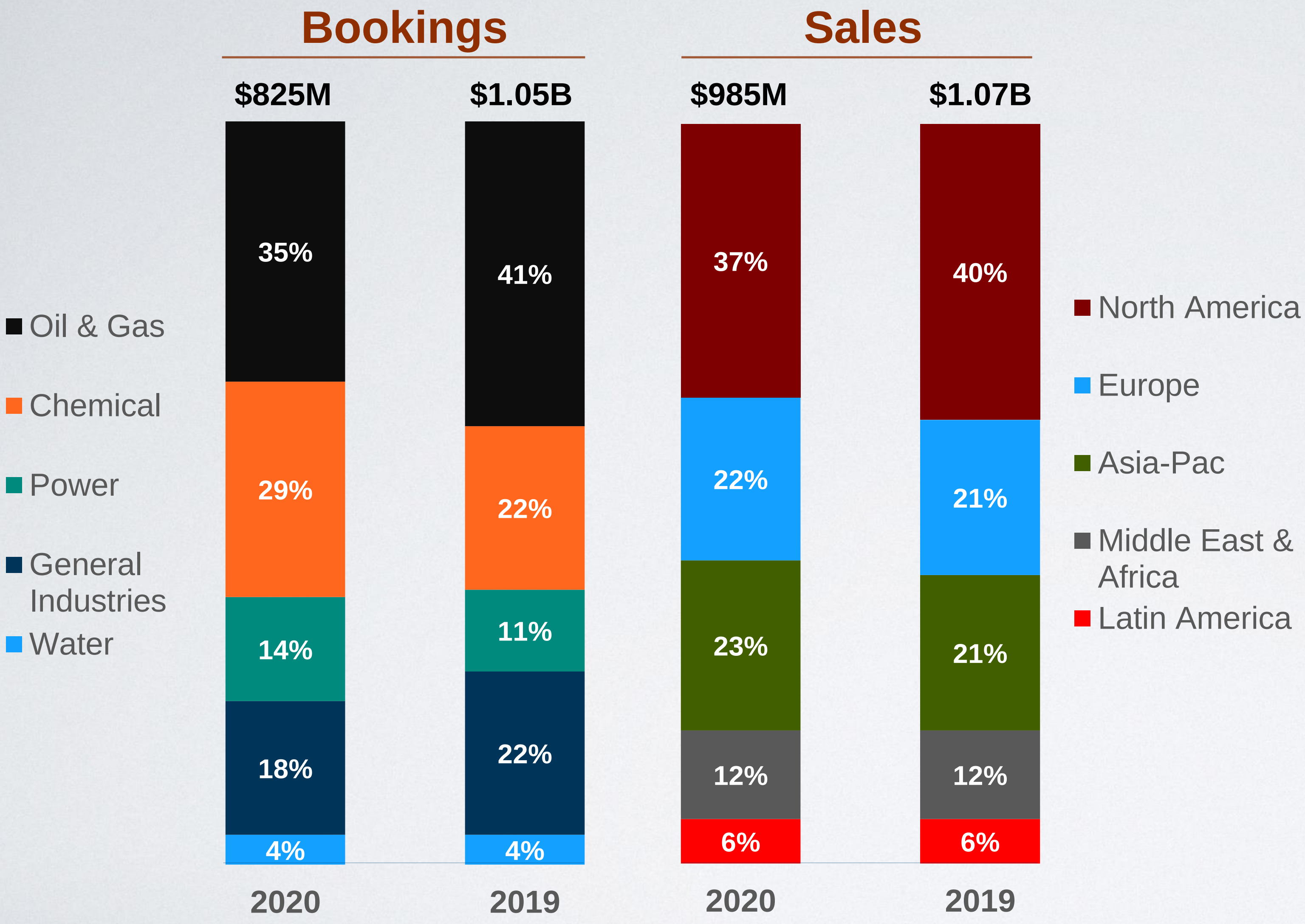
We have provided tables in the appendix that reconcile these non-GAAP measures to their corresponding GAAP-based measures.

Q4 2020 Overview

- **Delivered strong Q4 and full year free cash flow of $185 million and $253 million, respectively, and 111% free cash flow conversion of full year adjusted earnings**
- **Strong liquidity position of $1.8 billion as December 31, 2020**
  - ***Includes $1.1 billion of cash and cash equivalents and $742 million of available revolving credit facility***
- **Q4 2020 Reported and Adjusted EPS of $0.43 and $0.53***
- **Bookings decreased 21.6%, or 22.7% constant currency**
  - ***Sequential bookings growth of 2.4% driven by 6.6% OE growth***
- **Revenue decreased 7.8%, or 8.9% constant currency and up 6.6% sequentially**
- **Reduced cost by over $100 million in 2020, limiting decremental adjusted operating margin to 14%**
- **Adjusted operating margin decreased 30 basis points to 11.3%* on volume and mix headwinds**

* See page 14 for reconciliation to corresponding GAAP-based measure – Prior period comparisons are impacted by the accounting revision detailed in the Form 8-K Flowserve filed on November 5, 2020.

Q4 Bookings & Sales Mix



End-Markets

Oil & Gas

- COVID driven mobility limitations continue to constrain global oil demand
- Oil price and refinery utilization stable and improving modestly
- Global MRO spend expected to increase in 2021
- Project activity improving in Asia, the Middle East and Latin America

Chemical

- Global chemical output growth continues
- Capital investment expected to increase in 2021

Power

- Investment in renewable power continues globally
- Continued opportunities supporting nuclear and fossil installed base

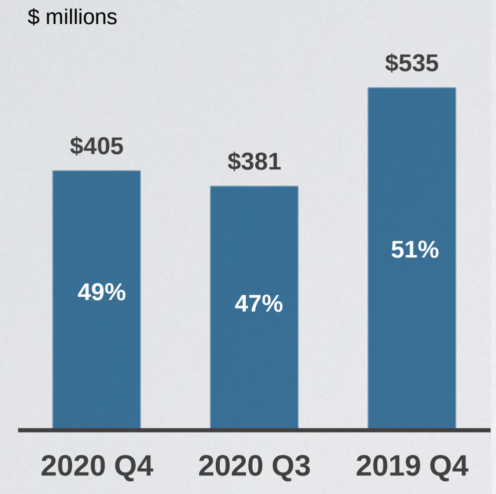
General Industries & Water

- Waste water, desalination, and flood control activity increasing
- Opportunity for North America distribution channel improvement with MRO environment showing signs of recovery

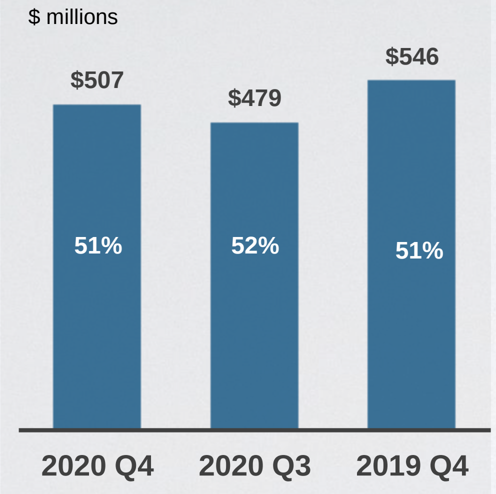
Original Equipment / Aftermarket Mix

Original Equipment

Bookings Mix %



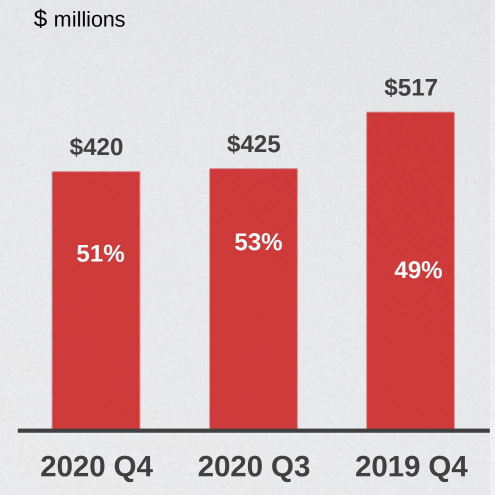
Sales Mix % [1]



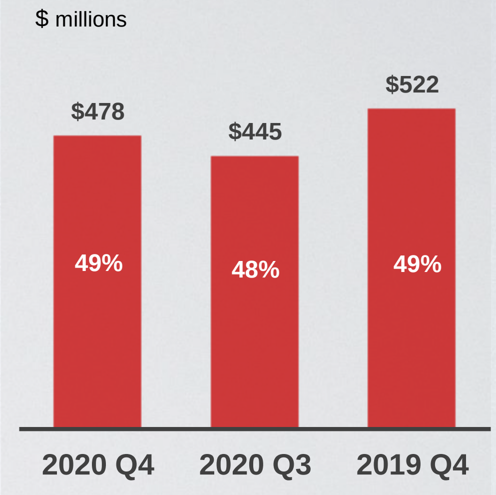
- Original equipment bookings decreased 24.4%, or 25.8% constant currency vs. Q4 2019
- Original equipment sales decreased 7.1%, or 9.4% constant currency vs. Q4 2019

Aftermarket

Bookings Mix %



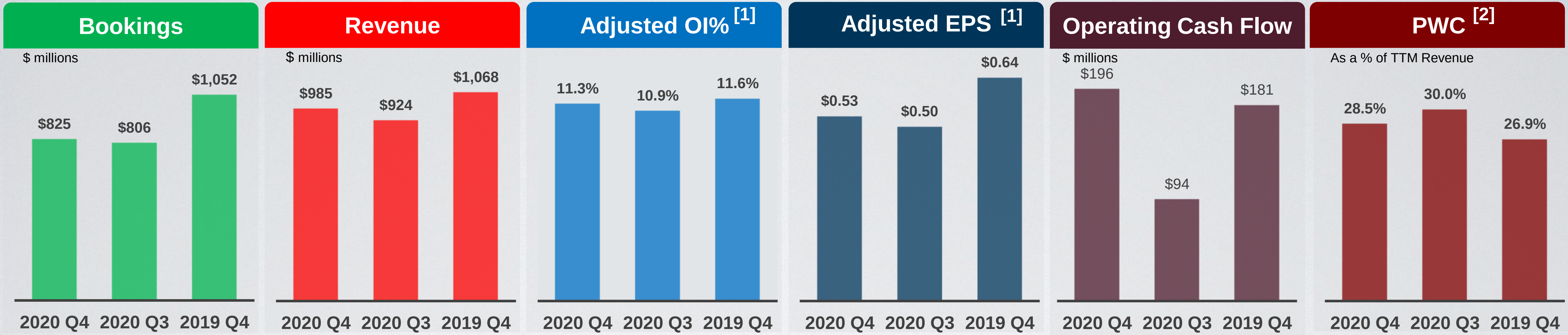
Sales Mix % [1]



- Aftermarket bookings decreased 18.7%, or 19.5% constant currency vs. Q4 2019
- Aftermarket sales decreased 8.4%, or 9.3% constant currency vs. Q4 2019

[1] Prior period Sales comparisons are impacted by the accounting revision detailed in the Form 8-K Flowserve filed on November 5, 2020.

Q4 2020 Financial Scorecard [1]



Q4 Highlights

- **Bookings decreased 21.6% versus prior year and increased 2.4% sequentially, including growth in chemical, oil and gas and power markets**
- **Revenue decreased 7.8%, where FPD's flat original equipment sales somewhat offset its 9% aftermarket decline and FCD's overall 12% decrease**
- **Adjusted operating margin[1] decreased 30 basis points versus prior year, where aggressive cost actions limited decremental adjusted operating margins to 14%**
- **Primary working capital as a percent of sales decreased 150 basis points sequentially, including over $75 reduction in inventory and contract asset/liability accounts**

[1] See page 14 for reconciliation to corresponding GAAP-based measure – Prior period comparisons are impacted by the accounting revision detailed in the Form 8-K Flowserve filed on November 5, 2020..
[2] Primary working capital "PWC" includes accounts receivable, inventory, contract assets, accounts payable and contract liabilities.

RedRaven Commercial Launch – Flowserve's IoT Platform

- Digitally connect with our customers
- Realtime actionable operating data
- Monitoring and prediction capabilities
- Improves productivity and plant reliability

REDRAVEN™

PREDICT. ACT. PROTECT.

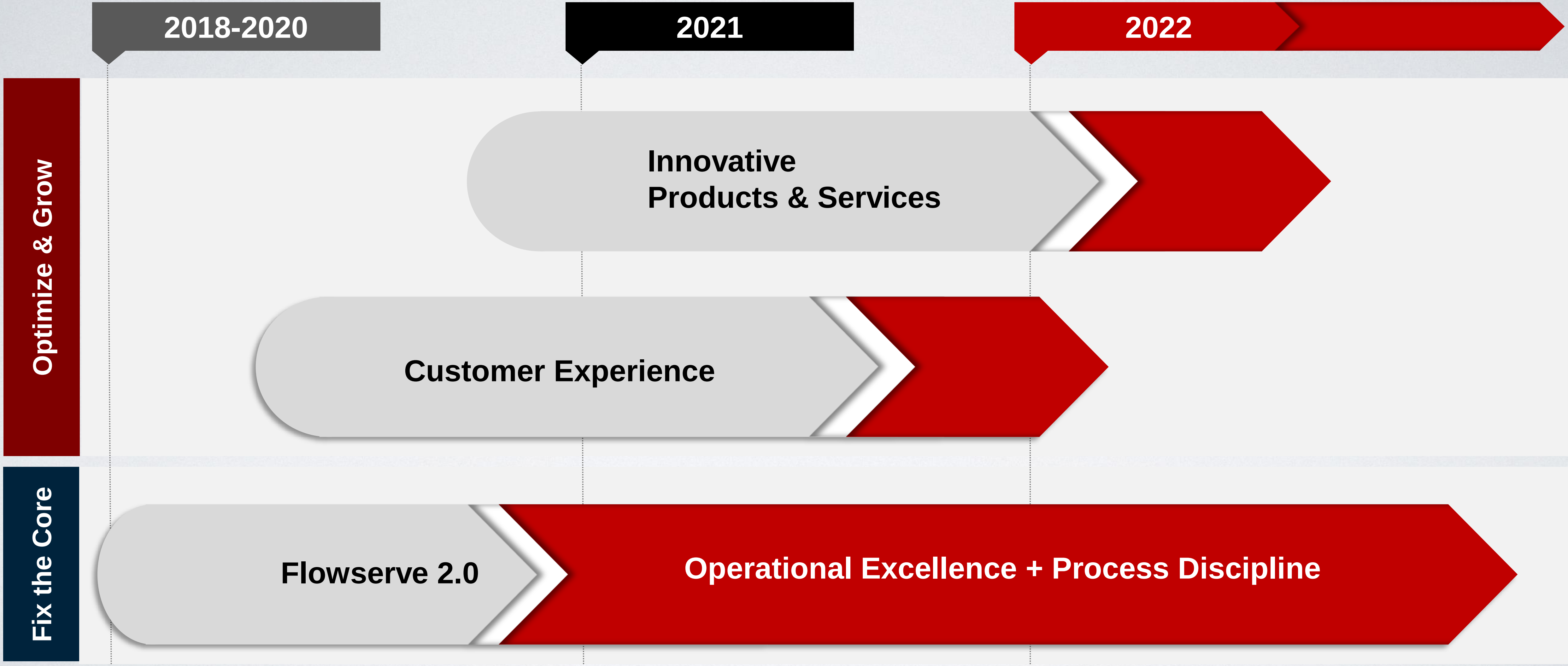
2021 Guidance Assumptions

Guidance Assumptions	2021 Guidance [1]
Revenue Guidance	Down 4.0% - 7.0%
Reported EPS Guidance	$1.15 - $1.40
Adjusted EPS Guidance [2]	$1.30 - $1.55
EUR Rate	1.20
Adjusted Tax Rate	22% - 24%
Capital Expenditures	$70 - $80 million

[1] 2021 Reported and Adjusted EPS guidance assumes 131 million diluted shares

[2] Adjusted EPS guidance excludes expected realignment charges of approximately $25 million, below-the-line FX impact and other specific discrete items, and includes approximately $10 million of transformation expense

Flowserve 2.0 Transformation Journey



2020 ESG Accomplishments

Environmental

- Committed to reduce carbon emissions intensity by 40% by 2030
- Implemented Sustainability Accounting Standards Board (SASB) disclosures for Industrial Machinery and Goods
- Signed WASH Pledge
- Products and services support clean technology including desalination, flare gas recovery, flood control, carbon capture, concentrated solar power and energy transition

Social

- Continued commitment to safety and integrity – Top decile safety performance
- Focus on social justice and change in communities where our associates live and work
- Launched Flowserve Cares and partnered with local organizations to help communities impacted by COVID-19

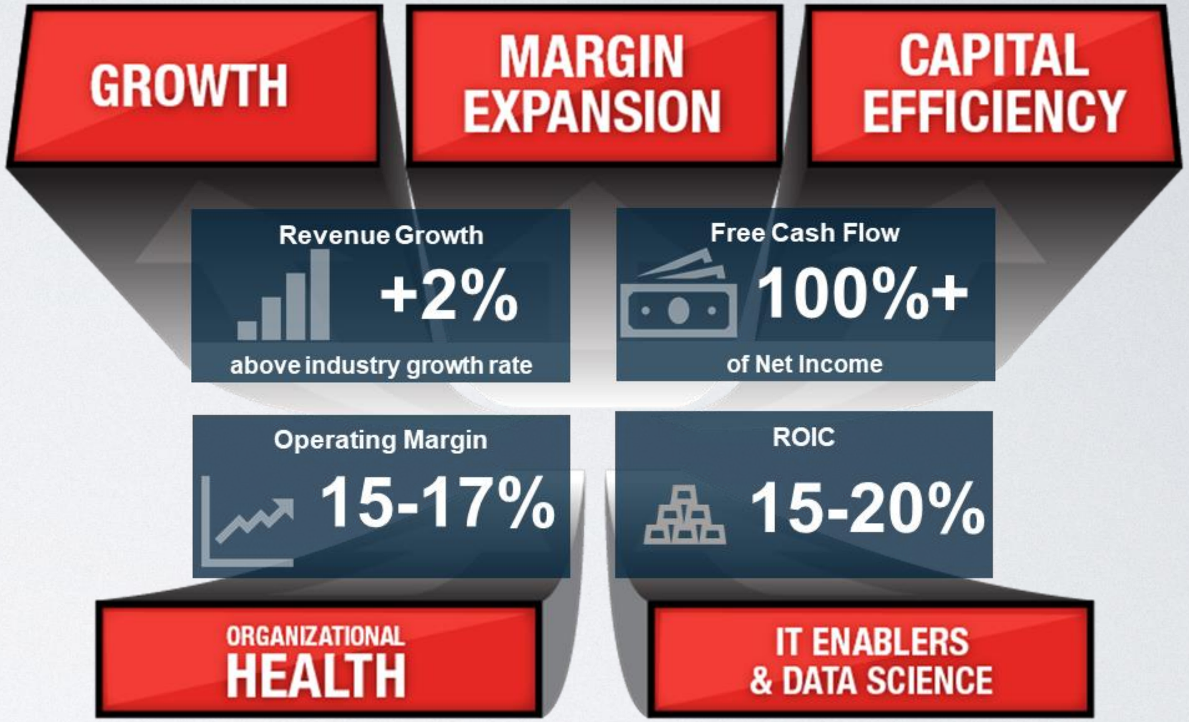
Governance

- Focused board refreshment – 4 new board members since 2018
- 40% Board Diversity; 3 Directors are Women
- Board level oversight of ESG
- Strong corporate governance practices in place
- 50% of Executive Team are Women

Together, we create extraordinary flow control solutions to make the world better for everyone

Progress Towards Long-Term Targets[*]

	2018	2019	2020
Organic Year-over-Year Revenue Growth	5.1%	6.0%	(4.9%)
Adjusted Operating Margin	9.3%	10.8%	9.8%
Adjusted Free Cash Flow Conversion	50%	90%	111%
ROIC	10.2%	12.5%	11.4%



While COVID has impacted timing, we remain confident that all targets are achievable with our continued transformation progress

[*] See appendix for calculations and reconciliations of long-term target measures

Note: 2018-2019 years have been revised to reflect the impact of the accounting revision detailed in the Form 8-K Flowserve filed on November 5, 2020.

Questions & Answers

Appendix

Q4 2020 Consolidated Financial Results

($ millions)	4th Quarter					4th Quarter Adjusted					
	2020	2019	Delta ($)	Delta (%)	Constant FX(%)*	2020 Adjusted Items	2020 Adjusted Results	2019 Adjusted Results	Delta ($)	Delta (%)	Constant FX(%)*
Bookings	$ 825.1	$ 1,052.1	**$ (227.0)**	**-21.6%**	**-22.7%**	$ -	$ 825.1	$ 1,052.1	**$ (227.0)**	**-21.6%**	**-22.7%**
Sales	$ 985.3	$ 1,068.2	**$ (82.9)**	**-7.8%**	**-8.9%**	$ -	$ 985.3	$ 1,068.2	**$ (82.9)**	**-7.8%**	**-8.9%**
Gross Profit	$ 295.4	$ 349.6	**$ (54.2)**	**-15.5%**		$ (6.7) [1]	$ 302.1	$ 354.2 [5]	**$ (52.1)**	**-14.7%**	
Gross Margin (%)	30.0%	32.7%		**(270) bps**			30.7%	33.2%		**(250) bps**	
SG&A	$ 202.7	$ 247.6	**$ (44.9)**	**-18.1%**	**-17.6%**	$ 9.8 [2]	$ 192.9	$ 233.0 [6]	**$ (40.1)**	**-17.2%**	**-16.6%**
SG&A (%)	20.6%	23.2%		**(260) bps**			19.6%	21.8%		**(220) bps**	
Income from Affiliates	$ 2.6	$ 2.4	**$ 0.2**	**8.3%**		$ -	$ 2.6	$ 2.4	**$ 0.2**	**8.3%**	
Operating Income	$ 95.3	$ 104.4	**$ (9.1)**	**-8.7%**	**-8.0%**	$ (16.5)	$ 111.8	$ 123.7	**$ (11.9)**	**-9.6%**	**-9.0%**
Operating Margin (%)	9.7%	9.8%		**(10) bps**			11.3%	11.6%		**(30) bps**	
Other Income / (Expense), net **	$ (17.8)	$ (2.5)	**$ 15.3**	**-612.0%**		$ (15.1) [3]	$ (2.7)	$ (1.8) [7]	**$ (0.9)**	**49.2%**	
Tax Expense	$ (0.9)	$ (16.9)	**$ (16.0)**	**-94.7%**		$ 18.6 [4]	$ (19.5)	$ (24.6) [8]	**$ (5.1)**	**-20.7%**	
Net Earnings	$ 56.9	$ 72.6	**$ (15.7)**	**-21.6%**		$ (13.0)	$ 69.8	$ 84.8	**$ (15.0)**	**-17.7%**	
Diluted EPS	**$ 0.43**	**$ 0.55**	**$ (0.12)**	**-21.8%**		**$ (0.10)**	**$ 0.53**	**$ 0.64**	**$ (0.11)**	**-17.2%**	

- Diluted EPS calculated using fully diluted shares of 131.0 and 131.8 million shares for Q4 2020 and Q4 2019, respectively
* Constant FX represents the year-over-year variance assuming 2020 results at 2019 FX rates

1. Cost of sales includes $6.7 million of realignment charges
2. SG&A includes $3.1 million of realignment charges and $6.7 million of transformation charges
3. Below-the-line FX impacts
4. Includes tax impact of items above and $13.2 million benefit related to legal entity simplification and restructuring.

** Fourth Quarter 2020 and 2019 include losses of $15.1 million and $0.7 million arising from transactions in currencies other than our sites' functional currencies and impact of foreign exchange contracts, respectively

5. Excludes $4.5 million of realignment charges and $0.2 million of voluntary retirement program charges
6. Excludes $7.0 million of transformation charges, $4.3 million of realignment charges and $3.3 million of voluntary retirement program charges
7. Excludes below-the-line FX loss
8. Excludes tax impact of above items

Note: Prior period comparisons are impacted by the accounting revision detailed in the Form 8-K Flowserve filed on November 5, 2020.

Full Year 2020 Consolidated Financial Results

($ millions)	Full Year 2020	Full Year 2019	Full Year Delta ($)	Full Year Delta (%)	Full Year Constant FX(%)*	Full Year Adjusted 2020 Adjusted Items	Full Year Adjusted 2020 Adjusted Results	Full Year Adjusted 2019 Adjusted Results	Full Year Adjusted Delta ($)	Full Year Adjusted Delta (%)	Full Year Adjusted Constant FX(%)*
Bookings	$ 3,411.6	$ 4,238.3	$ (826.7)	-19.5%	-18.9%	$ -	$ 3,411.6	$ 4,238.3	$ (826.7)	-19.5%	-18.9%
Sales	$ 3,728.1	$ 3,939.7	$ (211.6)	-5.4%	-4.9%	$ -	$ 3,728.1	$ 3,939.7	$ (211.6)	-5.4%	-4.9%
Gross Profit	$ 1,116.8	$ 1,289.3	$ (172.5)	-13.4%		$ (47.3) (1)	$ 1,164.1	$ 1,306.8 (5)	$ (142.7)	-10.9%	
Gross Margin (%)	30.0%	32.7%		(270) bps			31.2%	33.2%		(200) bps	
SG&A	$ 878.2	$ 913.2	$ (35.0)	-3.8%	-3.7%	$ 69.0 (2)	$ 809.2	$ 891.2 (6)	$ (82.0)	-9.2%	-9.1%
SG&A (%)	23.6%	23.2%		40 bps			21.7%	22.6%		(90) bps	
Income from Affiliates	$ 11.8	$ 10.5	$ 1.3	12.4%		$ -	$ 11.8	$ 10.5	$ 1.3	12.3%	
Operating Income	$ 250.3	$ 386.6	$ (136.3)	-35.3%	-32.9%	$ (116.3)	$ 366.6	$ 426.1	$ (59.5)	-14.0%	-11.9%
Operating Margin (%)	6.7%	9.8%		(310) bps			9.8%	10.8%		(100) bps	
Other Income / (Expense), net **	$ (10.3)	$ (17.6)	$ (7.3)	-41.5%		$ (5.9) (3)	$ (4.4)	$ (3.1) (7)	$ 1.3	41.9%	
Tax Expense	$ (60.0)	$ (75.5)	$ (15.5)	-20.5%		$ 11.1 (4)	$ (71.2)	$ (93.7) (8)	$ (22.5)	-24.0%	
Net Earnings	$ 116.3	$ 238.8	$ (122.5)	-51.3%		$ (111.1)	$ 227.4	$ 274.5	$ (47.1)	-17.2%	
Diluted EPS	**$ 0.89**	**$ 1.81**	**$ (0.92)**	**-50.8%**		**$ (0.84)**	**$ 1.74**	**$ 2.08**	**$ (0.34)**	**-16.3%**	

- Diluted EPS calculated using fully diluted shares of 131.1 and 131.7 million shares for YTD 2020 and YTD 2019, respectively

* Constant FX represents the year-over-year variance assuming 2020 results at 2019 FX rates

1. Cost of sales includes $47.3 million of realignment charges
2. SG&A includes $34.8 million of realignment charges, $22.7 million of transformation charges and $11.5 million related to discrete asset write-downs
3. Below-the-line FX impacts
4. Includes tax impact of items above, $25.4 million related to Italian tax valuation allowance and $15.6 million benefit related to legal entity simplification and restructuring.

** YTD 2020 and 2019 include losses of $5.9 million and $14.5 million arising from transactions in currencies other than our sites' functional currencies and impact of foreign exchange contracts, respectively

5. Excludes $17.2 million of realignment charges and $0.2 million of voluntary retirement program charges
6. Excludes $9.3 million of net realignment benefit, $28.0 million of transformation charges and $3.3 million of voluntary retirement program charges
7. Excludes below-the-line FX loss
8. Excludes tax impact of above items

Note: Prior period comparisons are impacted by the accounting revision detailed in the Form 8-K Flowserve filed on November 5, 2020.

Flowserve Pump Division
2020 Segment Results

	4th Quarter					Full Year				
($ millions)	2020	2019	Delta ($)	Delta (%)	Constant FX(%)*	2020	2019	Delta ($)	Delta (%)	Constant FX(%)*
Bookings	$ 566.5	$ 756.0	$ (189.5)	-25.1%	-26.0%	$ 2,358.4	$ 3,007.9	$ (649.5)	-21.6%	-20.9%
Sales	$ 695.7	$ 739.5	$ (43.8)	-5.9%	-7.4%	$ 2,675.7	$ 2,706.3	$ (30.6)	-1.1%	-0.4%
Gross Profit	$ 207.7	$ 245.6	$ (37.9)	-15.4%		$ 811.4	$ 899.3	$ (87.9)	-9.8%	
Gross Margin (%)	29.9%	33.2%		(330) bps		30.3%	33.2%		(290) bps	
SG&A	$ 126.1	$ 146.6	$ (20.5)	-14.0%	-15.4%	$ 552.2	$ 566.3	$ (14.1)	-2.5%	-2.2%
SG&A (%)	18.1%	19.8%		(170) bps		20.6%	20.9%		(30) bps	
Income from Affiliates	$ 2.6	$ 2.4	$ 0.2	8.3%		$ 11.8	$ 10.5	$ 1.3	12.4%	
Operating Income	$ 84.2	$ 101.4	$ (17.2)	-17.0%	-16.3%	$ 271.0	$ 343.5	$ (72.5)	-21.1%	-18.5%
Operating Margin (%)	12.1%	13.7%		(160) bps		10.1%	12.7%		(260) bps	
Adjusted Operating Income**	$ 91.1	$ 104.7	$ (13.6)	-13.0%	-12.3%	$ 329.6	$ 341.9	$ (12.3)	-3.6%	-1.0%
Adjusted Operating Margin%**	13.1%	14.2%		(110) bps		12.3%	12.6%		(30) bps	

* Constant FX represents the year over year variance assuming 2020 results at 2019 FX rates

** Adjusted Operating Income and Adjusted Operating Margin exclude realignment charges/(benefit) of $6.9 million and $50.2 million for Q3 2020 and YTD 2020, respectively, and $3.0 million and ($1.9) million for Q4 2019 and YTD 2019, respectively, $8.5 million of non-cash asset write-down for YTD 2020, and $0.3 million of voluntary retirement program charges for Q4 2019 and YTD 2019

Note: Prior period comparisons are impacted by the accounting revision detailed in the Form 8-K Flowserve filed on November 5, 2020.

Flowserve Pump Division
2020 Bookings and Sales

		4th Quarter				Full Year			
($ millions)		2020	2019	Delta (%)	Constant FX(%)*	2020	2019	Delta (%)	Constant FX(%)*
Bookings Mix **	OE	214	301	**-29%**	**-30%**	835	1,261	**-34%**	**-34%**
		38%	40%	**(200) bps**		35%	42%	**(700) bps**	
	AM	352	455	**-23%**	**-23%**	1,523	1,747	**-13%**	**-12%**
		62%	60%	**200 bps**		65%	58%	**700 bps**	
Sales Mix **	OE	287	289	**-1%**	**-3%**	1,093	995	**10%**	**10%**
		41%	39%	**200 bps**		41%	37%	**400 bps**	
	AM	409	451	**-9%**	**-10%**	1,583	1,711	**-7%**	**-7%**
		59%	61%	**(200) bps**		59%	63%	**(400) bps**	

* Constant FX represents the year over year variance assuming 2020 results at 2019 FX rates
** Gross bookings and sales do not include interdivision eliminations

Note: Prior period Sales comparisons are impacted by the accounting revision detailed in the Form 8-K Flowserve filed on November 5, 2020.

Flow Control Division
2020 Segment Results

($ millions)	4th Quarter 2020	4th Quarter 2019	4th Quarter Delta ($)	4th Quarter Delta (%)	4th Quarter Constant FX(%)*	Full Year 2020	Full Year 2019	Full Year Delta ($)	Full Year Delta (%)	Full Year Constant FX(%)*
Bookings	$ 258.4	$ 298.6	$ (40.2)	-13.5%	-15.1%	$ 1,065.8	$ 1,240.9	$ (175.1)	-14.1%	-13.8%
Sales	$ 290.7	$ 330.2	$ (39.5)	-12.0%	-12.3%	$ 1,057.5	$ 1,238.9	$ (181.4)	-14.6%	-14.7%
Gross Profit	$ 92.8	$ 111.8	$ (19.0)	-17.0%		$ 321.9	$ 405.5	$ (83.6)	-20.6%	
Gross Margin (%)	31.9%	33.9%		(200) bps		30.4%	32.7%		(230) bps	
SG&A	$ 41.4	$ 54.5	$ (13.1)	-24.0%	-25.3%	$ 196.3	$ 213.6	$ (17.3)	-8.1%	-8.1%
SG&A (%)	14.2%	16.5%		(230) bps		18.6%	17.2%		140 bps	
Operating Income	$ 51.4	$ 57.3	$ (5.9)	-10.3%	-2.7%	$ 125.6	$ 191.9	$ (66.3)	-34.5%	-34.5%
Operating Margin (%)	17.7%	17.4%		30 bps		11.9%	15.5%		(360) bps	
Adjusted Operating Income**	$ 52.1	$ 61.7	$ (9.6)	-15.6%	-8.6%	$ 141.9	$ 198.2	$ (56.3)	-28.4%	-28.3%
Adjusted Operating Margin%**	17.9%	18.7%		(80) bps		13.4%	16.0%		(260) bps	

* Constant FX represents the year over year variance assuming 2020 results at 2019 FX rates
** Adjusted Operating Income and Adjusted Operating Margin exclude realignment charges of $0.7 million and $13.3 million for Q4 2020 and YTD 2020, respectively, and $3.3 million and $5.2 million for Q4 2019 and YTD 2019, respectively, and $1.1 million of voluntary retirement program charges for Q4 2019 and YTD 2019, respectively, and $3.0 million of non-cash asset write-down for YTD 2020

Note: Prior period comparisons are impacted by the accounting revision detailed in the Form 8-K Flowserve filed on November 5, 2020.

Flow Control Division
2020 Bookings and Sales

($ millions)		4th Quarter 2020	4th Quarter 2019	4th Quarter Delta (%)	4th Quarter Constant FX(%)*	Full Year 2020	Full Year 2019	Full Year Delta (%)	Full Year Constant FX(%)*
**Bookings Mix ** **	**OE**	191	236	**-19%**	**-21%**	792	955	**-17%**	**-17%**
		74%	79%	**(500) bps**		74%	77%	**(300) bps**	
	AM	67	63	**6%**	**4%**	274	286	**-4%**	**-4%**
		26%	21%	**500 bps**		26%	23%	**300 bps**	
**Sales Mix ** **	**OE**	222	258	**-14%**	**-16%**	812	970	**-16%**	**-16%**
		76%	78%	**(200) bps**		77%	78%	**(100) bps**	
	AM	69	72	**-5%**	**-5%**	246	269	**-9%**	**-8%**
		24%	22%	**200 bps**		23%	22%	**100 bps**	

* Constant FX represents the year over year variance assuming 2020 results at 2019 FX rates
** Gross bookings and sales do not include interdivision eliminations

Note: Prior period Sales comparisons are impacted by the accounting revision detailed in the Form 8-K Flowserve filed on November 5, 2020.

Reconciliation of Non-GAAP Measures

(Amounts in millions, except per share data)	Twelve Months Ended December 31, 2018		
	As Reported (a)	Adjustments	As Adjusted
Sales	$ 3,835.7	$ -	$ 3,835.7
Operating income	227.7	(127.5) (1)	355.2
Operating income as a percentage of sales	5.9%		9.3%
Other (expense) income, net	(19.6)	(18.7) (2)	0.9
Earnings (loss) before income taxes	156.4	(146.2)	302.6
Provision for income taxes	(46.6)	36.2 (3)	(82.8)
Tax Rate	*29.8%*	*-24.8%*	*27.4%*
Net earnings (loss) attributable to Flowserve Corporation	**$ 104.5**	**$ (110.1)**	**$ 214.6**
Diluted earnings per share	$ 0.80	$ (0.84)	$ 1.64

(a) Reported in conformity with U.S. GAAP

(1) Includes $53.9 million of realignment charges, $17.4 million of FPD 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

(2) Includes $18.7 million of below-the-line foreign exchange impacts

(3) Includes tax impact of footnotes (1) and (2) and a $5.7 million tax benefit related to the U.S. Tax Cuts and Jobs Act of 2017

Note: Reconciliation includes the impact of the accounting revision detailed in the Form 8-K Flowserve filed on November 5, 2020.

Reconciliation of Non-GAAP Measures

Organic Revenue Growth

$ millions	2018	2019	2020
Reported Revenue	$ 3,835.7	$ 3,939.7	$ 3,728.1
Foreign exchange impact	31.0	(94.0)	(17.0)
Divestiture impact	(41.2)	(31.0)	-
Organic Revenue	$ 3,845.9	$ 4,064.7	$ 3,745.1
Prior Year Reported Revenue	$ 3,660.8	$ 3,835.7	$ 3,939.7
Organic Revenue Growth	**5.1%**	**6.0%**	**-4.9%**

Adjusted Free Cash Flow Conversion

$ millions	2018	2019	2020
Cash Flow from Operations	$ 190.8	$ 324.1	$ 310.5
Capital Expenditures	(84.0)	(75.7)	(57.4)
Free Cash Flow	$ 106.8	$ 248.4	$ 253.1
Adjusted Net Earnings	$ 214.6	$ 274.5	$ 227.4
Adjusted Free Cash Flow conversion	**50%**	**90%**	**111%**

Note: Reconciliation includes the impact of the accounting revision detailed in the Form 8-K Flowserve filed on November 5, 2020.

Reconciliation of Non-GAAP Measures

(Amounts in millions, except ROIC)	Twelve Months Ended December 31, 2019			Twelve Months Ended December 31, 2020		
	As Reported (a)	ROIC Adjustments	ROIC Adjusted	As Reported (a)	ROIC Adjustments	ROIC Adjusted
Operating income	$ 386.6	$ (37.1) (1)	$ 423.8	$ 250.3	$ (119.8) (5)	$ 370.1
Provision for income taxes	(75.5)	30.3 (2)	(105.8)	(60.0)	24.5 (6)	(84.5)
Net Operating Profit After Taxes	**$ 311.1**	**$ (6.8)**	**$ 318.0**	**$ 190.2**	**$ (95.3)**	**$ 285.5**
Allowance for doubtful accounts	53.4	(1.0)	52.5	75.2	(10.9)	64.3
Short- and Long-term debt	1,377.2	52.9	1,430.1	1,726.9	(174.8)	1,552.1
Total equity	1,772.3	(55.8)	1,716.6	1,762.8	4.8	1,767.6
Cash and cash equivalents	671.0	(25.6)	645.3	1,095.3	(212.1)	883.1
Average Invested Capital (3) (4)	**$ 2,532.0**	**$ 21.8**	**$ 2,553.8**	**$ 2,469.6**	**$ 31.2**	**$ 2,500.8**
Return on Invested Capital	12.3%	0.2%	12.5%	7.7%	3.7%	11.4%

(a) Reported in conformity with U.S. GAAP
(1) Includes $7.9 million of realignment charges, $28.0 million of Flowserve 2.0 transformation costs and $1.2 million for pension expense in excess of service cost
(2) Includes tax impacts of realignment and Flowserve 2.0 transformation costs. Also comprises $13.8 million of interest expense tax shield and $2.3 million for non-operating impact
(3) Invested Capital is a two-year average of the current and prior year periods
(4) Average Invested Capital is the sum of allowance for doubtful accounts, short- and long-term debt, and total equity minus cash and cash equivalents
(5) Includes $82.1 million of realignment charges, $22.7million of Flowserve 2.0 transformation costs, $11.5 related to discrete asset write-downs and $3.4 million for pension expense in excess of service cost
(6) Includes tax impacts of realignment and Flowserve 2.0 transformation costs. Also comprises $13.2 million of interest expense tax shield, $2.0 related to discrete asset write-downs, $25.4 million related to Italian tax valuation allowance, $15.6 million benefit related to tax reform and $1.4 million for non-operating impacts

Note: Net Operating Profit After Taxes (NOPAT), Average Invested Capital and Return on Invested Capital (ROIC) are non-GAAP measures

Note: Reconciliation includes the impact of the accounting revision detailed in the Form 8-K Flowserve filed on November 5, 2020.

Reconciliation of Non-GAAP Measures

(Amounts in millions, except ROIC)	Twelve Months Ended December 31, 2018				
	As Reported (a)	ROIC Adjustments		ROIC Adjusted	
Operating income	$ 227.7	$ (126.2)	(1)	$ 353.9	
Provision for income taxes	(46.6)	45.9	(2)	(92.4)	
Net Operating Profit After Taxes	**$ 181.2**	**$ (80.3)**		**$ 261.5**	
Allowance for doubtful accounts	51.5	3.8		55.3	
Short- and Long-term debt	1,483.0	46.1		1,529.2	
Total equity	1,632.0	13.3		1,645.3	
Cash and cash equivalents	619.7	41.9		661.6	
Average Invested Capital (3) (4)	**$ 2,546.9**	**$ 21.3**		**$ 2,568.2**	
Return on Invested Capital	7.1%	3.1%		10.2%	

(a) Reported in conformity with U.S. GAAP

(1) Includes $53.9 million of realignment charges, $17.4 million of FPD divestiture write-down of assets, $41.2 million of Flowserve 2.0 transformation costs, $7.3 million of ASC 606 adoption costs, $7.7 million loss on sale from the divestiture of two FPD locations and related product lines and $1.3 million for service cost in excess of pension expense

(2) Includes tax impacts of: realignment, write-down of assets, Flowserve 2.0 transformation costs, ASC 606 adoption costs, and loss on sale. Also comprises $15.1 million of interest expense tax shield and $3.4 million for non-operating impacts

(3) Invested Capital is a two-year average of the current and prior year periods

(4) Average Invested Capital is the sum of allowance for doubtful accounts, short- and long-term debt, and total equity minus cash and cash equivalents

Note: Net Operating Profit After Taxes (NOPAT), Average Invested Capital and Return on Invested Capital (ROIC) are non-GAAP measures

Note: Reconciliation includes the impact of the accounting revision detailed in the Form 8-K Flowserve filed on November 5, 2020.

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