

SECOND QUARTER

2021 EARNINGS CONFERENCE CALL

August 6, 2021

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.

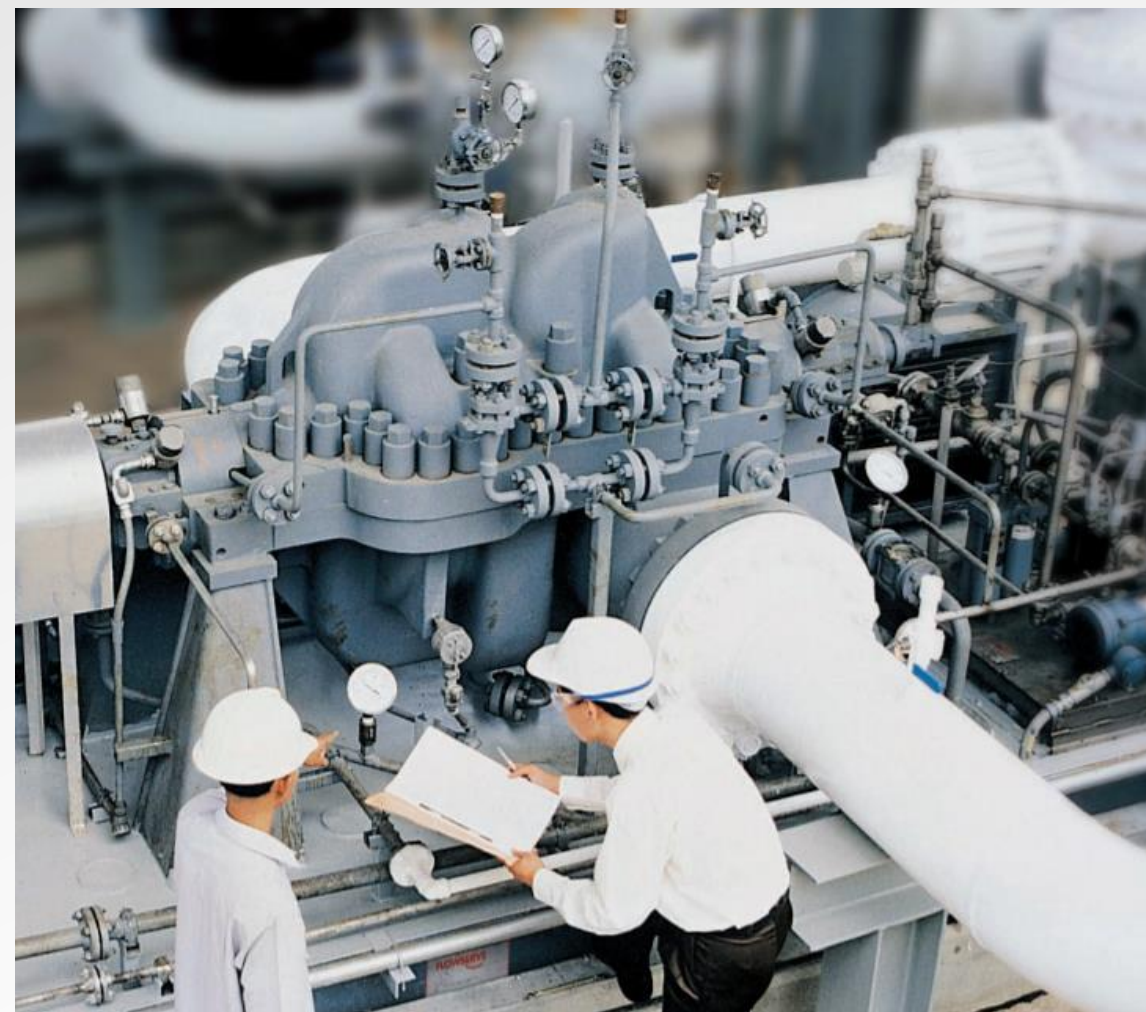
The forward-looking statements included in this presentation are based on our current expectations, projections, estimates and assumptions. These statements are only predictions, not guarantees. Such forward-looking statements are subject to numerous risks and uncertainties that are difficult to predict. 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.

- **Strong 17.9% year-over-year bookings growth driven by aftermarket and MRO**
- **Aftermarket bookings of \$525 million – highest level since 2018 Q4**
- **Backlog up \$66 million sequentially on 1.06x book-to-bill**
- **Increased our full-year 2021 bookings growth outlook to above 10% from prior expectation of mid-single digit growth**
- **Solid operating performance drove 32% sequential increase in adjusted EPS***
- **Raised full-year 2021 revenue and adjusted EPS guidance**



* See appendix 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 and in the Form 10Q filed August 5, 2021.

Q2 2021 OVERVIEW



Bookings



- Strong year-over-year bookings growth of 17.9% on strong oil and gas and chemical markets
 - Original equipment year-over-year growth of 17.0%
 - Aftermarket year-over-year growth of 18.6%, reaching pre-COVID levels

Sales



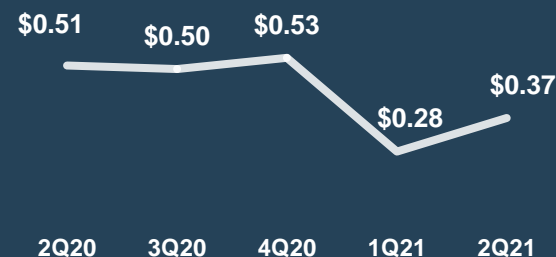
- Increased 2021 revenue guidance to down 2% - 4% from prior guide of down 3% - 5% on improved market outlook
 - Improved revenue outlook includes first half backlog growth of \$95 million on 1.08x book-to-bill

Operating Cash Flow



- Expect second half working capital improvement and normal seasonality to drive full year free cash flow conversion in excess of 100%
 - Inventory including contract assets and liabilities decreased sequentially despite backlog growth

Adjusted EPS*



- Solid operating performance drove sequential adjusted EPS increase of 32%
 - Expect 2021 decremental margins in the 20% - 30% range on continued transformation driven operating improvement

Increased 2021 adjusted EPS guidance to \$1.45 - \$1.65

* See appendix for reconciliation to corresponding GAAP-based measure

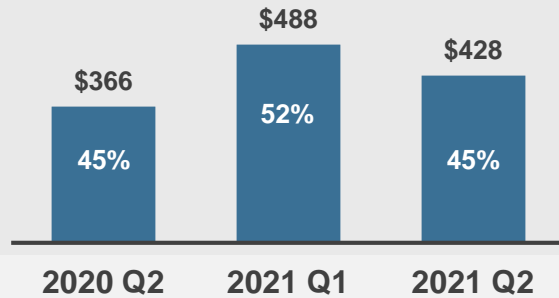
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Q2 BOOKINGS MIX



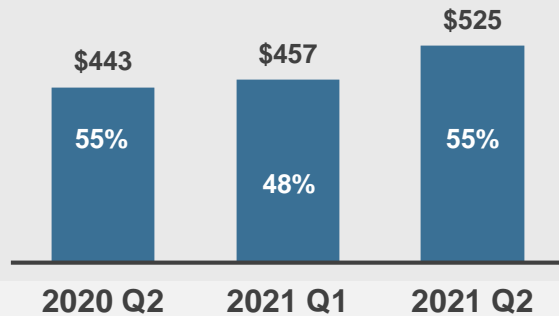
Original Equipment

\$ millions



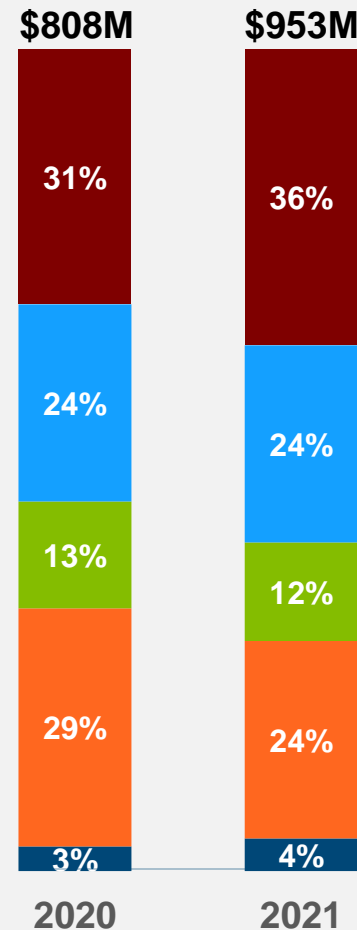
Aftermarket

\$ millions



End-Market Mix

■ Water ■ General Industries ■ Power ■ Chemical ■ Oil & Gas



End-Market Outlook

Oil & Gas

- Vaccine progress driving increased mobility and end market recovery
- Aftermarket growth on increased utilization and improving facility access
- Project opportunities in early phase of recovery

Chemical

- High utilization across chemical sector driving demand for MRO and aftermarket services
- Increased investment needed across sector to keep pace with demand

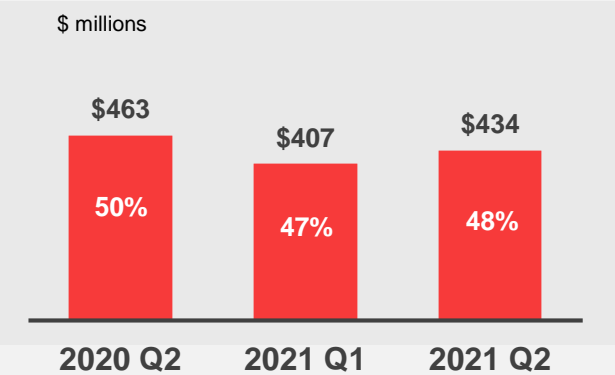
Power

- Global electricity demand growing throughout 2021
- Renewable power investments continue globally
- Nuclear power aftermarket continues to present opportunities

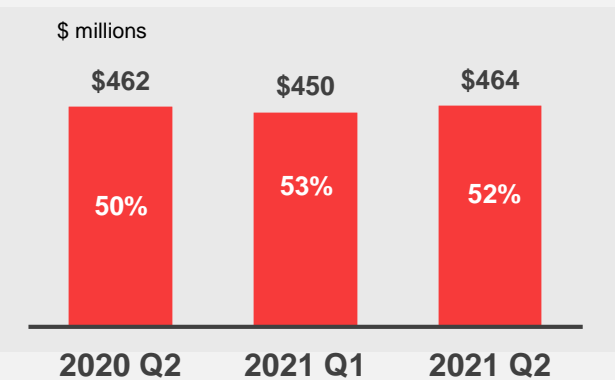
General Industries & Water

- North America distribution channel showing early signs of improvement
- Increased government investment supports water projects and other infrastructure spending

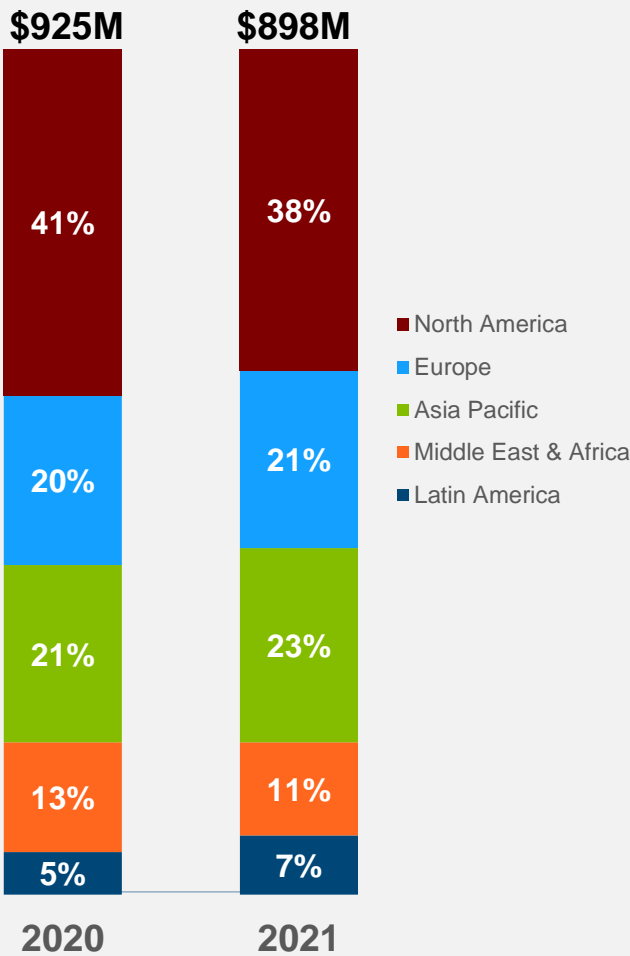
Original Equipment



Aftermarket



Region Mix



SECOND QUARTER SEGMENT HIGHLIGHTS






| | FPD | FCD |
|------------------------------|-------|-------|
| YoY Bookings Growth | 24.7% | 5.3% |
| Adjusted Gross Margin* | 32.4% | 30.3% |
| Adjusted SG&A as % of Sales* | 21.5% | 17.1% |
| Adjusted Operating Margin* | 11.4% | 13.3% |
| Book-to-Bill | 1.08x | 1.03x |

* See appendix 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 and in the Form 10Q filed August 5, 2021.

2021 GUIDANCE ASSUMPTIONS

| Guidance Assumptions | 2021 Revised Guidance | 2021 Prior Guidance |
|--|-----------------------|---------------------|
|  Revenue Guidance | Down 2.0% - 4.0% | Down 3.0% - 5.0% |
| Reported EPS Guidance ^[1] | \$1.15 - \$1.40 | \$1.15 - \$1.40 |
|  Adjusted EPS Guidance ^[2] | \$1.45 - \$1.65 | \$1.40 - \$1.60 |
| EUR Rate | 1.20 | 1.20 |
|  Adjusted Tax Rate | 21% - 23% | 22% - 24% |
| Capital Expenditures | \$70 - \$80 million | \$70 - \$80 million |

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

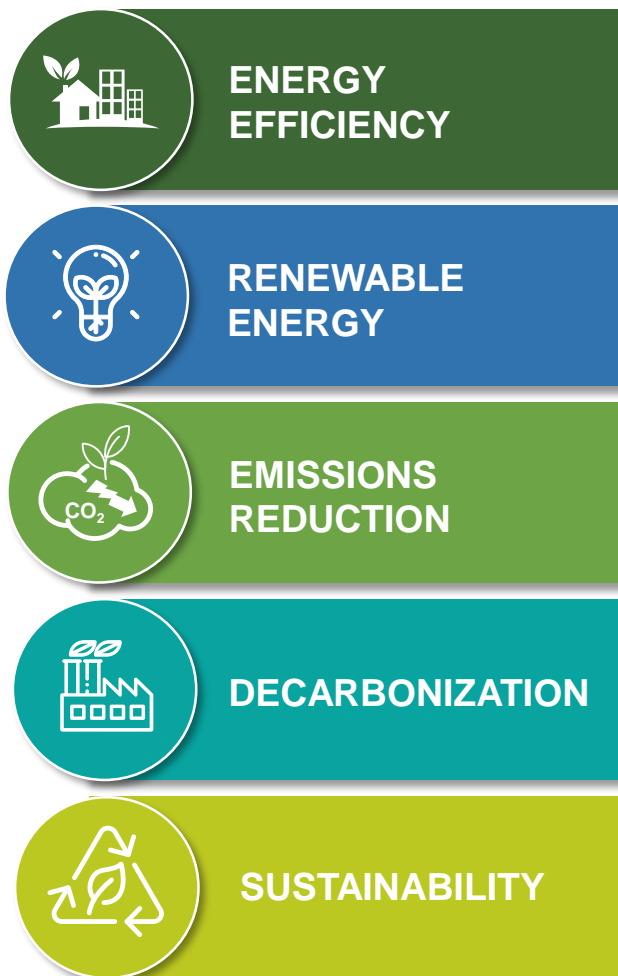
[2] Adjusted EPS guidance excludes expected realignment charges of approximately \$25 million, below-the-line FX impact and other specific discrete items, and includes approximately \$10 million of transformation expense

- **Set ambitious target to reduce carbon emission intensity by 40% by the year 2030 – over 5% reduction from 2019 to 2020**
- **Releasing Annual Sustainability Report for 2020 in Q3 2021 incorporating both SASB and TCFD reporting**
- **Partnered with local organizations to help communities impacted by COVID-19**
- **Supporting our customers by offering products and services that reduce their carbon emissions through energy transition**



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

OUR ENERGY TRANSITION OBJECTIVES AND OFFERINGS



- Flowserve has the flow control offering to support energy transition
- Estimated \$60 trillion* investment in the next 10 years, with nearly half that amount focused on energy efficiency
- Flowserve’s historical annual participation in \$100 – \$150 million range
- Year to date bookings in excess of \$100 million



* Source: International Renewable Energy Agency

Bio-Diesel Refinery Conversion



- Collaboration with large U.S. customer to convert petroleum refinery to a bio-diesel facility with high flow control efficiency
- Flowserve's products and expertise generated increased pump efficiency expected to reduce customer's annual electricity spend by roughly \$800,000 equating to over 9,000 tons of CO2 emissions reduction

Biodegradable Plastics Project

Flowserve SIHI Dry Vacuum Pump Technology



- Supplying 150 SIHI Dry vacuum pumps for critical process application in the production of Polybutylene Succinate (PBS)
- PBS is a biodegradable plastic to help eliminate plastic waste and it addresses the various regulatory restrictions on single-use plastics

2021 OUTLOOK AND STRATEGIC FOCUS



ESG

- Steady progress toward carbon intensity reduction target of 40% by 2030, including 5% reduction in 2020 versus prior year
- Opportunity for significant positive environmental contributions through energy transition technology and solutions



Drive Profitable Growth

- Positioned to drive growth as end markets recover from COVID-driven downturn and aftermarket bookings return to pre-COVID levels
- Focus on innovation and solutions to drive growth in existing markets and energy transition opportunities




Operational Excellence and Margin Improvement

- On path to fully embed Flowserve 2.0 transformation into operational discipline to run the business more effectively and efficiently
- Investment in IT infrastructure provides enhanced visibility, reduces operational complexity and improves productivity



Working Capital and Cash Flow Improvement

- Commitment and visibility to working capital reduction in second half of 2021
- Positioned well to deliver full year free cash flow conversion in excess of 100%

The background image is a high-angle, night-time photograph of a large industrial refinery. The facility is illuminated with yellow and white lights, showing a complex network of pipes, storage tanks, and processing units. In the foreground, several large, cylindrical storage tanks are visible. In the background, a body of water (likely a river or bay) is visible, with a city skyline and other industrial structures in the distance. The sky is dark with some clouds. A solid red rectangle is positioned on the left side of the image, partially overlapping the title text.

Questions & Answers

A solid red rectangular block positioned to the left of the word "APPENDIX".

APPENDIX

Q2 2021 CONSOLIDATED FINANCIAL RESULTS



| 2nd Quarter | | | | | | 2nd Quarter Adjusted | | | | | |
|----------------------------------|----------|-----------|------------|-----------|-----------------|-------------------------|-----------------------|--------------------------|------------|-----------|-----------------|
| (\$ millions) | 2021 | 2020 | Delta (\$) | Delta (%) | Constant FX(%)* | 2021 Adjusted Items | 2021 Adjusted Results | 2020 Adjusted Results | Delta (\$) | Delta (%) | Constant FX(%)* |
| Bookings | \$ 952.8 | \$ 808.3 | \$ 144.5 | 17.9% | 13.0% | \$ - | \$ 952.8 | \$ 808.3 | \$ 144.5 | 17.9% | 13.0% |
| Sales | \$ 898.2 | \$ 925.0 | \$ (26.8) | -2.9% | -7.1% | \$ - | \$ 898.2 | \$ 925.0 | \$ (26.8) | -2.9% | -7.1% |
| Gross Profit | \$ 278.2 | \$ 269.7 | \$ 8.5 | 3.2% | | \$ (3.8) ⁽¹⁾ | \$ 282.1 | \$ 296.7 ⁽⁵⁾ | \$ (14.6) | -4.9% | |
| Gross Margin (%) | 31.0% | 29.2% | | 180 bps | | | 31.4% | 32.1% | | (70) bps | |
| SG&A | \$ 210.8 | \$ 229.3 | \$ (18.5) | -8.1% | -10.9% | \$ 1.8 ⁽¹⁾ | \$ 209.0 | \$ 195.1 ⁽⁶⁾ | \$ 13.9 | 7.1% | 3.8% |
| SG&A (%) | 23.5% | 24.8% | | (130) bps | | | 23.3% | 21.1% | | 220 bps | |
| Gain on sale of business | \$ 1.8 | \$ - | \$ 1.8 | NM | | \$ (1.8) ⁽²⁾ | \$ 0.0 | \$ - | - | - | |
| Income from Affiliates | \$ 2.9 | \$ 3.1 | \$ (0.2) | -6.5% | | \$ - | \$ 2.9 | \$ 3.1 | \$ (0.2) | -6.5% | |
| Operating Income | \$ 72.2 | \$ 43.5 | \$ 28.7 | 66.0% | 52.9% | \$ (3.8) | \$ 76.0 | \$ 104.7 | \$ (28.7) | -27.4% | -32.9% |
| Operating Margin (%) | 8.0% | 4.7% | | 330 bps | | | 8.5% | 11.3% | | (280) bps | |
| Other Income / (Expense), net ** | \$ (7.8) | \$ (18.9) | \$ (11.1) | -58.7% | | \$ (4.2) ⁽³⁾ | \$ (3.6) | \$ (0.9) ⁽⁷⁾ | \$ 2.7 | 297.7% | |
| Tax Expense | \$ (2.7) | \$ (4.5) | \$ (1.8) | -40.0% | | \$ 5.5 ⁽⁴⁾ | \$ (8.2) | \$ (22.8) ⁽⁸⁾ | \$ (14.6) | -64.0% | |
| Net Earnings | \$ 45.4 | \$ 6.1 | \$ 39.3 | NM | | \$ (2.6) | \$ 47.9 | \$ 67.1 | \$ (19.2) | -28.6% | |
| Diluted EPS | \$ 0.35 | \$ 0.05 | \$ 0.30 | NM | | \$ (0.02) | \$ 0.37 | \$ 0.51 | \$ (0.14) | -27.5% | |

- Diluted EPS calculated using fully diluted shares of 130.8 and 130.7 million shares for Q2 2021 and Q2 2020, respectively

* Constant FX represents the year-over-year variance assuming 2021 results at 2020 FX rates

1. Realignment charges
2. Final settlement gain on sale of business in 2018
3. Below-the-line FX impacts
4. Includes tax impact of above items

** Second Quarter 2021 and 2020 include losses of \$4.2 million and \$18.0 million arising from transactions in currencies other than our sites' functional currencies and impact of foreign exchange contracts, respectively

5. Excludes \$27.0 million of realignment charges
6. Excludes \$28.6 million of realignment charges and \$5.6 million of transformation charges
7. Excludes below-the-line FX impacts
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 and in the Form 10Q filed August 5, 2021.

YEAR-TO-DATE 2021 CONSOLIDATED FINANCIAL RESULTS



| Full Year | | | | | | Year-to-Date Adjusted | | | | | |
|----------------------------------|------------|------------|------------|-----------|-----------------|--------------------------|-----------------------|--------------------------|------------|-----------|-----------------|
| (\$ millions) | 2021 | 2020 | Delta (\$) | Delta (%) | Constant FX(%)* | 2021 Adjusted Items | 2021 Adjusted Results | 2020 Adjusted Results | Delta (\$) | Delta (%) | Constant FX(%)* |
| Bookings | \$ 1,896.8 | \$ 1,783.6 | \$ 113.2 | 6.3% | 2.7% | \$ - | \$ 1,896.8 | \$ 1,783.6 | \$ 113.2 | 6.3% | 2.7% |
| Sales | \$ 1,755.5 | \$ 1,818.5 | \$ (63.0) | -3.5% | -7.1% | \$ - | \$ 1,755.5 | \$ 1,818.5 | \$ (63.0) | -3.5% | -7.1% |
| Gross Profit | \$ 529.1 | \$ 536.2 | \$ (7.1) | -1.3% | | \$ (13.2) ⁽¹⁾ | \$ 542.4 | \$ 571.1 ⁽⁶⁾ | \$ (28.7) | -5.0% | |
| Gross Margin (%) | 30.1% | 29.5% | | 60 bps | | | 30.9% | 31.4% | | (50) bps | |
| SG&A | \$ 409.1 | \$ 474.8 | \$ (65.7) | -13.8% | -16.2% | \$ 6.1 ⁽¹⁾ | \$ 403.0 | \$ 423.2 ⁽⁷⁾ | \$ (20.2) | -4.8% | -7.5% |
| SG&A (%) | 23.3% | 26.1% | | (280) bps | | | 23.0% | 23.3% | | (30) bps | |
| Gain on sale of business | \$ 1.8 | \$ - | \$ 1.8 | NM | | \$ (1.8) ⁽²⁾ | \$ - | \$ - | \$ - | - | |
| Income from Affiliates | \$ 6.4 | \$ 6.3 | \$ 0.1 | 1.6% | | \$ - | \$ 6.4 | \$ 6.3 | \$ 0.1 | 1.6% | |
| Operating Income | \$ 128.3 | \$ 67.7 | \$ 60.6 | 89.5% | 79.1% | \$ (17.5) | \$ 145.8 | \$ 154.2 | \$ (8.4) | -5.4% | -10.1% |
| Operating Margin (%) | 7.3% | 3.7% | | 360 bps | | | 8.3% | 8.5% | | (20) bps | |
| Loss on Extinguishment of Debt | \$ (7.6) | \$ - | \$ (7.6) | NM | | \$ (7.6) ⁽³⁾ | \$ - | \$ - | \$ - | NM | |
| Other Income / (Expense), net ** | \$ (19.2) | \$ 19.3 | \$ 38.5 | -199.5% | | \$ (13.7) ⁽⁴⁾ | \$ (5.5) | \$ (3.1) ⁽⁸⁾ | \$ 2.4 | 77.4% | |
| Tax Expense | \$ (6.5) | \$ (41.5) | \$ (35.0) | -84.3% | | \$ 13.6 ⁽⁵⁾ | \$ (20.1) | \$ (31.7) ⁽⁹⁾ | \$ (11.6) | -36.6% | |
| Net Earnings | \$ 59.4 | \$ 18.3 | \$ 41.1 | 224.6% | | \$ (25.2) | \$ 84.6 | \$ 92.3 | \$ (7.7) | -8.3% | |
| Diluted EPS | \$ 0.45 | \$ 0.14 | \$ 0.31 | 221.4% | | \$ (0.19) | \$ 0.65 | \$ 0.70 | \$ (0.05) | -7.1% | |

- Diluted EPS calculated using fully diluted shares of 130.9 and 131.2 million shares for YTD Q2 2021 and YTD Q2 2020, respectively

* Constant FX represents the year-over-year variance assuming 2021 results at 2020 FX rates

1. Realignment charges
2. Final settlement gain on sale of business in 2018
3. Loss on early extinguishment of debt
4. Below-the-line FX impacts
5. Includes tax impact of above items and \$1.3 million benefit related to legal entity simplification and restructuring

** Second Quarter YTD 2021 and 2020 include a loss of 21.3 million and a gain of \$22.4 million arising from transactions in currencies other than our sites' functional currencies and impact of foreign exchange contracts, respectively

6. Excludes \$35.0 million of realignment charges
7. Excludes \$29.9 million of realignment charges, \$11.3 million of transformation charges and \$10.4 related to discrete asset write-downs
8. Excludes below-the-line FX impacts
9. 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 and in the Form 10Q filed August 5, 2021.

FLOWSERVE PUMP DIVISION Q2 2021 SEGMENT RESULTS



| (\$ millions) | 2nd Quarter | | | | | Year-to-Date | | | | |
|------------------------------|-------------|----------|------------|-----------|-----------------|--------------|------------|------------|-----------|-----------------|
| | 2021 | 2020 | Delta (\$) | Delta (%) | Constant FX(%)* | 2021 | 2020 | Delta (\$) | Delta (%) | Constant FX(%)* |
| Bookings | \$ 668.8 | \$ 536.5 | \$ 132.3 | 24.7% | 19.3% | \$ 1,322.2 | \$ 1,220.1 | \$ 102.1 | 8.4% | 4.6% |
| Sales | \$ 617.5 | \$ 674.1 | \$ (56.6) | -8.4% | -12.4% | \$ 1,220.1 | \$ 1,309.7 | \$ (89.6) | -6.8% | -10.3% |
| Gross Profit | \$ 196.4 | \$ 197.9 | \$ (1.5) | -0.8% | | \$ 379.2 | \$ 393.7 | \$ (14.5) | -3.7% | |
| Gross Margin (%) | 31.8% | 29.4% | | 240 bps | | 31.1% | 30.1% | | 100 bps | |
| SG&A | \$ 133.6 | \$ 140.6 | \$ (7.0) | -5.0% | -8.3% | \$ 266.2 | \$ 299.9 | \$ (33.7) | -11.2% | -14.0% |
| SG&A (%) | 21.6% | 20.9% | | 70 bps | | 21.8% | 22.9% | | (110) bps | |
| Gain on Sale of business | \$ 1.8 | \$ - | \$ 1.8 | - | | \$ 1.8 | \$ - | \$ 1.8 | - | |
| Income from Affiliates | \$ 3.2 | \$ 3.1 | \$ 0.1 | 3.2% | | \$ 8.6 | \$ 6.4 | \$ 2.2 | 34.4% | |
| Operating Income | \$ 67.8 | \$ 60.4 | \$ 7.4 | 12.3% | 4.6% | \$ 121.6 | \$ 100.1 | \$ 21.5 | 21.5% | 15.6% |
| Operating Margin (%) | 11.0% | 9.0% | | 200 bps | | 10.0% | 7.6% | | 240 bps | |
| Adjusted Operating Income** | \$ 70.6 | \$ 93.5 | \$ (22.9) | -24.5% | -29.5% | \$ 132.5 | \$ 144.1 | \$ (11.6) | -8.0% | -12.2% |
| Adjusted Operating Margin%** | 11.4% | 13.9% | | (250) bps | | 10.9% | 11.0% | | (10) bps | |

* Constant FX represents the year over year variance assuming 2021 results at 2020 FX rates

** Adjusted Operating Income and Adjusted Operating Margin exclude realignment charges of \$4.6 million and \$12.7 million for Q2 2021 and YTD 2021, respectively, and \$33.1 million and \$35.5 million for Q2 2020 and YTD 2020, respectively, and \$1.8 million final settlement gain on sale of business in 2018 for Q2 2021 and YTD 2021, and \$8.5 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 and in the Form 10Q filed August 5, 2021.

FLOWSERVE PUMP DIVISION Q2 2021 BOOKINGS AND SALES



| 2nd Quarter | | | | | | Year-to-Date | | | |
|-----------------|----|------|------|-----------|-----------------|--------------|------|-----------|-----------------|
| (\$ millions) | | 2021 | 2020 | Delta (%) | Constant FX(%)* | 2021 | 2020 | Delta (%) | Constant FX(%)* |
| Bookings Mix ** | OE | 217 | 162 | 34% | 27% | 481 | 419 | 15% | 10% |
| | | 32% | 30% | 200 bps | | 36% | 34% | 200 bps | |
| | AM | 452 | 375 | 21% | 16% | 841 | 801 | 5% | 1% |
| | | 68% | 70% | (200) bps | | 64% | 66% | (200) bps | |
| Sales Mix ** | OE | 220 | 272 | -19% | -23% | 435 | 525 | -17% | -21% |
| | | 36% | 40% | (400) bps | | 36% | 40% | (400) bps | |
| | AM | 397 | 402 | -1% | -5% | 785 | 785 | 0% | -3% |
| | | 64% | 60% | 400 bps | | 64% | 60% | 400 bps | |

* Constant FX represents the year over year variance assuming 2021 results at 2020 FX rates

** Gross bookings and sales do not include interdivision eliminations

Note: Prior period comparisons are impacted by the accounting revision detailed in the Form 8-K Flowserve filed on November 5, 2020 and in the Form 10Q filed August 5, 2021.

FLOW CONTROL DIVISION Q2 2021 SEGMENT RESULTS



| | 2nd Quarter | | | | | Year-to-Date | | | | |
|---------------------------------|-------------|----------|------------|-----------|-----------------|--------------|----------|------------|-----------|-----------------|
| (\$ millions) | 2021 | 2020 | Delta (\$) | Delta (%) | Constant FX(%)* | 2021 | 2020 | Delta (\$) | Delta (%) | Constant FX(%)* |
| Bookings | \$ 289.1 | \$ 274.6 | \$ 14.5 | 5.3% | 1.5% | \$ 582.6 | \$ 570.8 | \$ 11.8 | 2.1% | -1.3% |
| Sales | \$ 281.2 | \$ 252.3 | \$ 28.9 | 11.5% | 6.6% | \$ 537.0 | \$ 511.7 | \$ 25.3 | 4.9% | 0.9% |
| Gross Profit | \$ 84.8 | \$ 76.2 | \$ 8.6 | 11.3% | | \$ 159.4 | \$ 151.0 | \$ 8.4 | 5.6% | |
| Gross Margin (%) | 30.2% | 30.2% | | 0 bps | | 29.7% | 29.5% | | 20 bps | |
| SG&A | \$ 48.0 | \$ 50.0 | \$ (2.0) | -4.0% | -7.2% | \$ 97.8 | \$ 107.6 | \$ (9.8) | -9.1% | -11.9% |
| SG&A (%) | 17.1% | 19.8% | | (270) bps | | 18.2% | 21.0% | | (280) bps | |
| Income / (Loss) from Affiliates | \$ 0.4 | \$ - | \$ 0.4 | - | | \$ 0.3 | \$ 0.0 | \$ 0.3 | - | |
| Operating Income | \$ 37.2 | \$ 26.2 | \$ 11.0 | 42.0% | 36.3% | \$ 61.9 | \$ 43.4 | \$ 18.5 | 42.6% | 38.0% |
| Operating Margin (%) | 13.2% | 10.4% | | 280 bps | | 11.5% | 8.5% | | 300 bps | |
| Adjusted Operating Income** | \$ 37.4 | \$ 33.3 | \$ 4.1 | 12.3% | 7.8% | \$ 63.8 | \$ 58.7 | \$ 5.1 | 8.7% | 5.2% |
| Adjusted Operating Margin%** | 13.3% | 13.2% | | 10 bps | | 11.9% | 11.5% | | 40 bps | |

* Constant FX represents the year over year variance assuming 2021 results at 2020 FX rates

** Adjusted Operating Income and Adjusted Operating Margin exclude realignment charges of \$0.2 million and \$1.9 million for Q2 2021 and YTD 2021, respectively, and \$7.1 million and \$13.3 million for Q2 2020 and YTD 2020, respectively, and \$2.0 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 and in the Form 10Q filed August 5, 2021.

FLOW CONTROL DIVISION Q2 2021 BOOKINGS AND SALES



| 2nd Quarter | | | | | | Year-to-Date | | | |
|-----------------|----|------|------|-----------|-----------------|--------------|------|-----------|-----------------|
| (\$ millions) | | 2021 | 2020 | Delta (%) | Constant FX(%)* | 2021 | 2020 | Delta (%) | Constant FX(%)* |
| Bookings Mix ** | OE | 213 | 205 | 4% | 0% | 438 | 423 | 4% | 0% |
| | | 74% | 75% | (100) bps | | 75% | 74% | 100 bps | |
| | AM | 76 | 69 | 9% | 6% | 145 | 148 | -2% | -5% |
| | | 26% | 25% | 100 bps | | 25% | 26% | (100) bps | |
| Sales Mix ** | OE | 214 | 192 | 12% | 6% | 408 | 392 | 4% | 0% |
| | | 76% | 76% | - bps | | 76% | 77% | (100) bps | |
| | AM | 67 | 60 | 11% | 7% | 129 | 120 | 8% | 5% |
| | | 24% | 24% | - bps | | 24% | 23% | 100 bps | |

* Constant FX represents the year over year variance assuming 2021 results at 2020 FX rates

** Gross bookings and sales do not include interdivision eliminations

Note: Prior period comparisons are impacted by the accounting revision detailed in the Form 8-K Flowserve filed on November 5, 2020 and in the Form 10Q filed August 5, 2021.

FLOWSERVE

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