

THIRD QUARTER

# 2021 EARNINGS CONFERENCE CALL

October 28, 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.

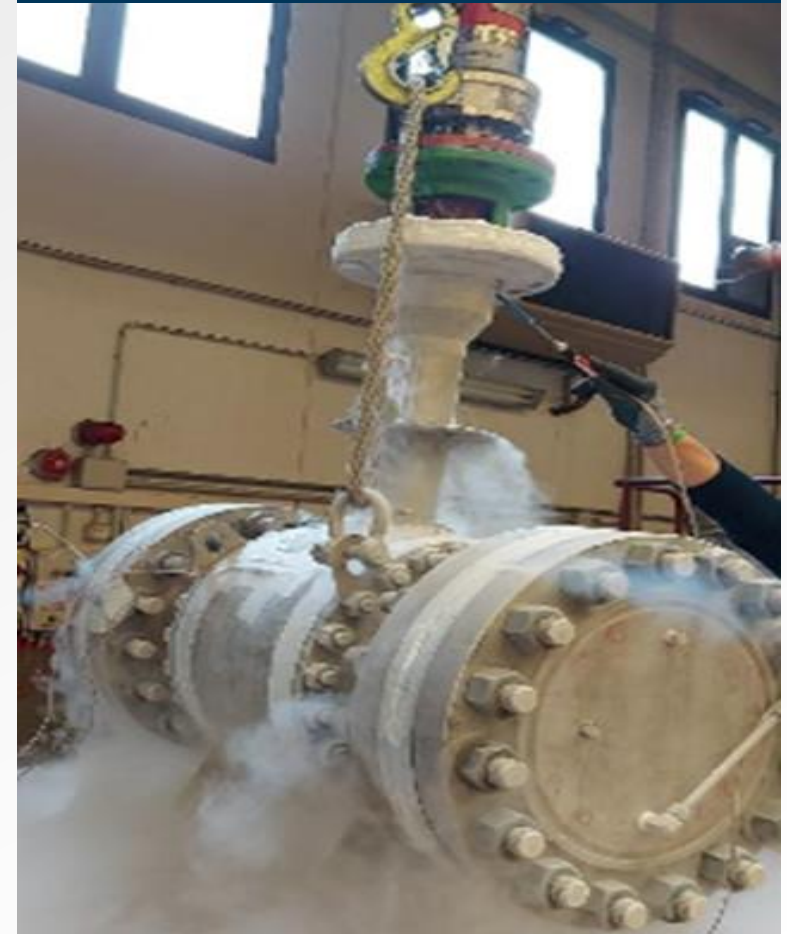
The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). However, management believes that non-GAAP financial measures which exclude certain non-recurring items present additional useful comparisons between current results and results in prior 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.



- **Solid 13.1% YoY bookings growth included improvement in all core energy and water markets**
- **Aftermarket bookings of \$495 million – remain at pre-COVID levels**
- **Backlog up \$115 million versus 2020 year-end on 1.07x YTD book-to-bill**
- **Full-year 2021 bookings growth expected to be in the 10% range**
- **Supply chain, logistics and labor availability challenges delayed roughly \$60 million of expected revenue**
- **Continued process and operational progress drove 32% increase in YTD operating cash flow to \$151 million**

## Cryogenic Ball Valve for LNG Applications



– 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 October 27, 2021.

# Q3 2021 OVERVIEW



## Bookings



- Solid year-over-year bookings growth of 13.1% with increases across all core end-markets
  - Original equipment year-over-year growth of 9.4%
  - Aftermarket year-over-year growth of 16.3%, reaching pre-COVID levels

## Sales



- Revenue decreased 6.3% versus prior year
  - 3<sup>rd</sup> consecutive positive book-to-bill
  - Positioned to return to growth in 2022 with backlog up \$115 million versus Q4 2020 on 1.07x year-to-date book-to-bill

## Operating Cash Flow



- Strong Q3 free cash flow of \$78 million as we target full year free cash flow conversion in excess of 100%
  - Inventory including contract assets and liabilities decreased sequentially for fourth straight quarter despite backlog growth throughout 2021

## Adjusted EPS\*



- Continued operating progress more than offset by global supply chain, logistics and labor availability challenges
  - Roughly \$60 million of expected sales pushed out of Q3, negatively impacting operating profit by approximately 150 bps

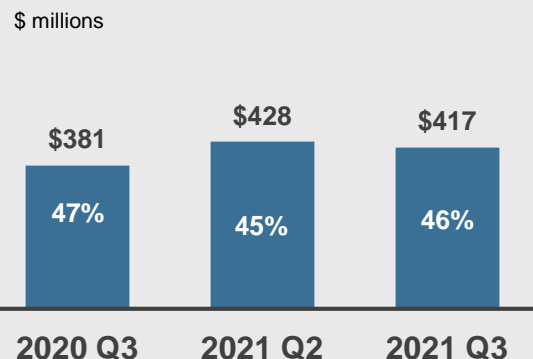
**Revised Adjusted EPS guidance to \$1.40 - \$1.45**

\* See appendix for reconciliation to corresponding GAAP-based measure

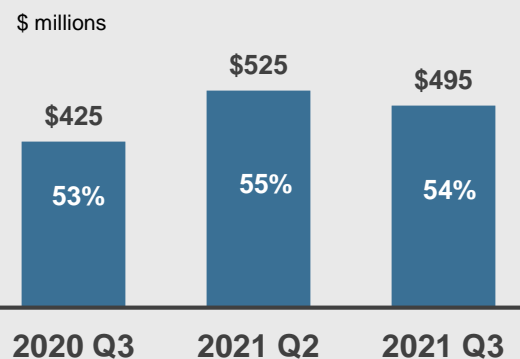
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# Q3 BOOKINGS MIX

## Original Equipment

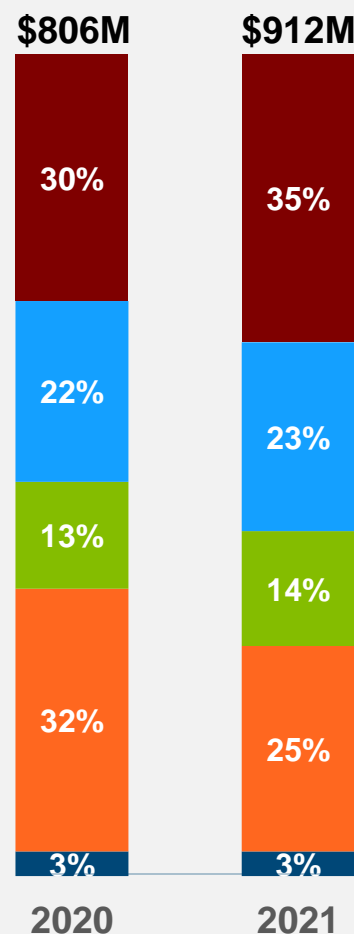


## Aftermarket



## End-Market Mix

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



## End-Market Outlook

### Oil & Gas

- Commodity pricing growth continued through the quarter – above pre-pandemic levels for most of 2021
- Downstream and mid-stream utilization rates remain elevated driving MRO and aftermarket bookings
- Project opportunities evolving including more bio-fuel and carbon reduction activities

### Chemical

- Increased investment across sector to keep pace with current demand
- Utilization remains high across broader chemical complex
- Increased bookings expected in 2022

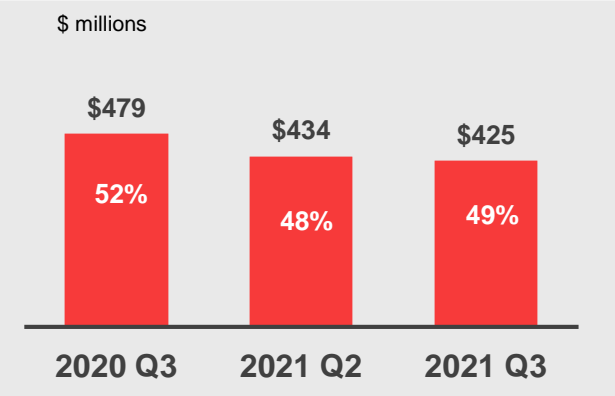
### Power

- Investment building for traditional electricity sources given heightened demand
- Nuclear and fossil power aftermarket continues to present solid opportunities

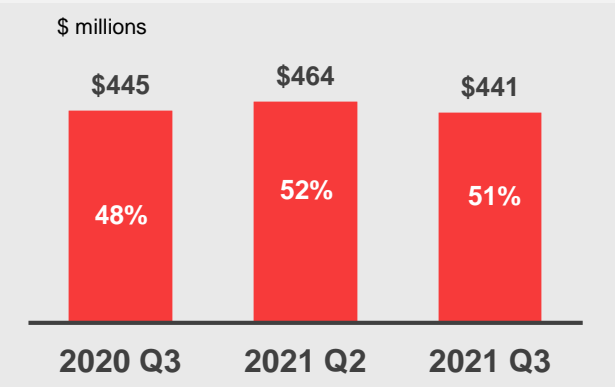
### General Industries & Water

- North America distribution channel continuing to improve
- Infrastructure project outlook improving globally
- Heightened activity in mining and minerals

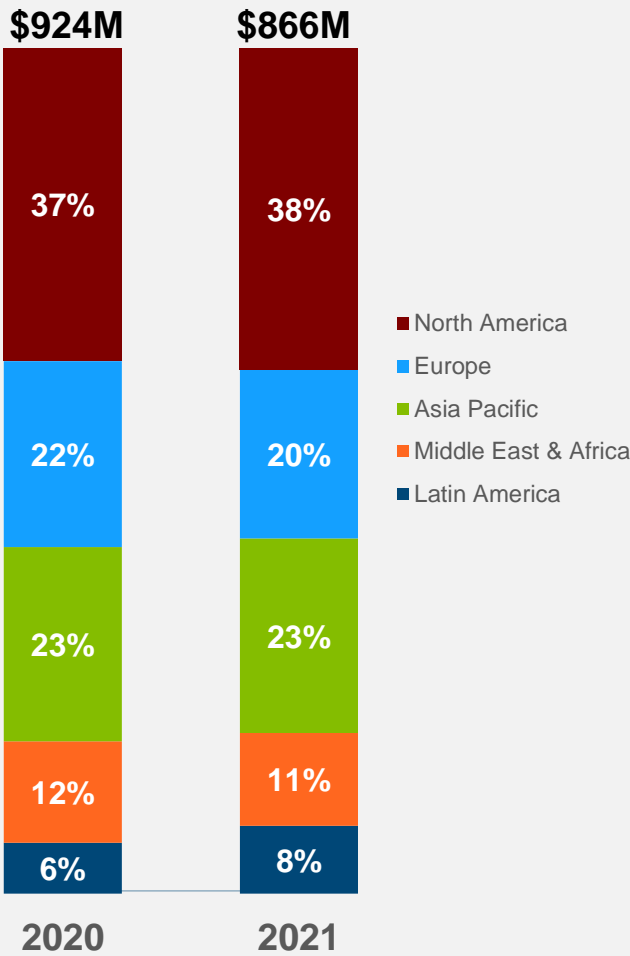
## Original Equipment



## Aftermarket



## Region Mix



# Q3 SEGMENT HIGHLIGHTS

**YoY Bookings Growth**

**Adjusted Gross Margin\***

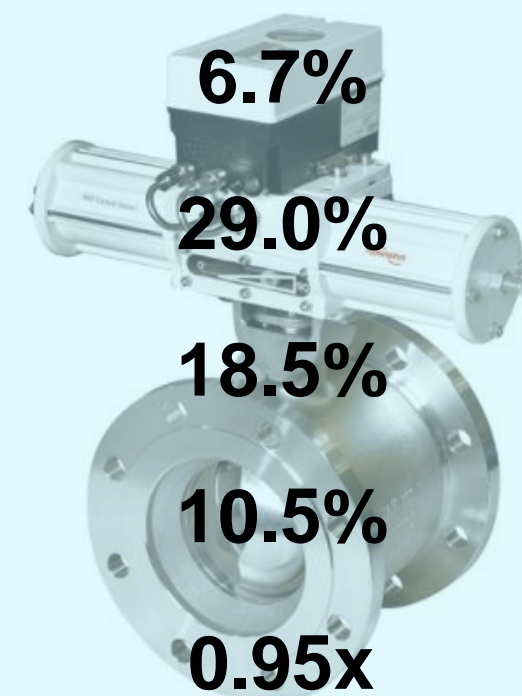
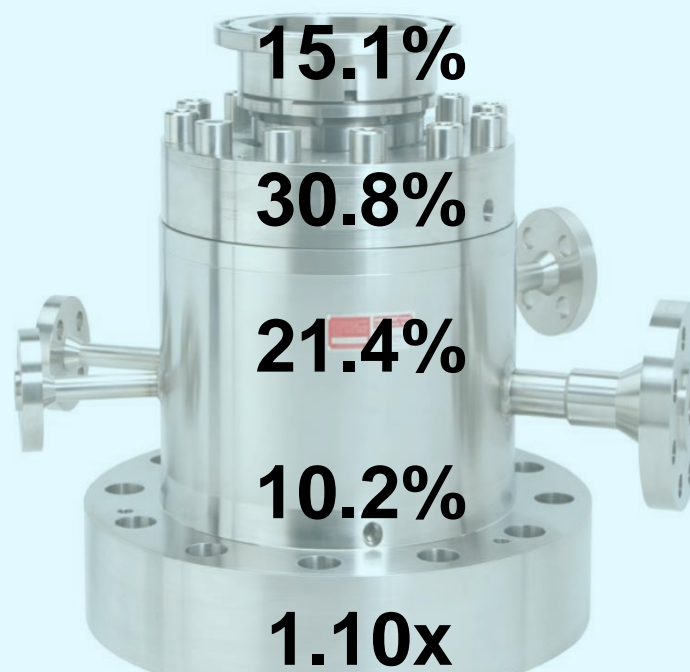
**Adjusted SG&A as % of Sales\***

**Adjusted Operating Margin\***

**Book-to-Bill**

**FPD**

**FCD**



\* 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 October 27, 2021.

# 2021 GUIDANCE ASSUMPTIONS

Guidance Assumptions	2021 Revised Guidance	2021 Prior Guidance
Revenue Guidance	Down 3.5% - 4.5%	Down 2.0% - 4.0%
Reported EPS Guidance <sup>[1]</sup>	\$1.05 - \$1.10	\$1.15 - \$1.40
Adjusted EPS Guidance <sup>[2]</sup>	\$1.40 - \$1.45	\$1.45 - \$1.65
Q4 EUR Rate	1.16	1.20
Adjusted Tax Rate	~20%	21% - 23%
Capital Expenditures	~\$65 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



# FLOWSERVE ENERGY TRANSITION IN ACTION

## Bio-Diesel Capacity Expansion



- Providing pumps and seals to more than double the processing capacity of renewable diesel facility in Washington, U.S.A.
- Accelerated engineering and approval schedule driving earlier plant start-up, faster payback and overall reduced CO2 emissions

## Sustainable Aviation Fuel

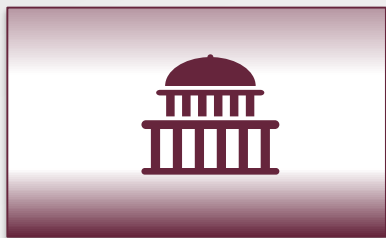


- Providing pumps and seals to one of Europe's largest biofuels facilities to produce sustainable aviation fuel
- Ensure customer the lowest total cost of ownership by linking equipment into Flowserve's LifeCycle Advantage solution

## Solar Panel Film Technology



- Flowserve developed vacuum pump technology to support solar panel thin film production
- Providing equipment for new facilities in U.S. and India to increase productivity and optimize production



- Clearly defined Purpose and meaningful core Values drive strong ESG program with Board and executive leadership
- Recently released Annual ESG Report for 2020 incorporating both SASB and TCFD reporting
- Significant progress on reducing our emissions and on track to meet our 2030 carbon emission reduction target
- Continued commitment to diversity, equity and inclusion with Listen to Lead Program and Speaker Series
- Safety improvements resulted in record low recordable incident rate



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



## ESG

- Published ESG report in Q3 highlighting progress towards our 2030 carbon emission reduction target and commitment to strengthen our culture through diversity, equity and inclusion program
- Opportunity for significant positive environmental contributions through energy transition technology and solutions



## Drive Profitable Growth

- End market recovery ongoing with 10% year-over-year bookings growth positioning Flowserve well for revenue and earnings growth in 2022
- Focus on innovation and solutions to drive growth in existing markets and energy transition opportunities focusing on decarbonization, digitization and diversification



## Operational Excellence and Margin Improvement


- Confident in our ability to leverage Flowserve 2.0 tools and processes to overcome existing supply chain and logistics issues
- Enhanced enterprise systems and tools provides increased certainty to backlog conversion and margin expansion



## Working Capital and Cash Flow Improvement

- Working capital process improvement expected to continue despite logistics and supply chain headwinds
- Positioned well to again 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 or petrochemical plant. The facility is illuminated by numerous lights, creating a complex network of glowing pipes, structures, and storage tanks. In the foreground, several large, cylindrical storage tanks are visible. The middle ground shows a dense area of industrial equipment, including distillation columns and heat exchangers. In the background, a body of water, likely a river or harbor, is visible, with several large ships docked at a pier. The city skyline of a major metropolitan area is visible in the far distance under a dark, cloudy sky. A solid red rectangle is positioned on the left side of the image, partially overlapping the title text.

# Questions & Answers



A solid red square located to the left of the word "APPENDIX".

# APPENDIX

# Q3 2021 CONSOLIDATED FINANCIAL RESULTS



(\$ millions)	3rd Quarter					3rd Quarter Adjusted					
	2021	2020	Delta (\$)	Delta (%)	Constant FX(%)*	2021 Adjusted Items	2021 Adjusted Results	2020 Adjusted Results	Delta (\$)	Delta (%)	Constant FX(%)*
Bookings	\$ 911.6	\$ 806.1	\$ 105.5	13.1%	11.8%	\$ -	\$ 911.6	\$ 806.1	\$ 105.5	13.1%	11.8%
Sales	\$ 866.1	\$ 924.3	\$ (58.2)	-6.3%	-7.3%	\$ -	\$ 866.1	\$ 924.3	\$ (58.2)	-6.3%	-7.3%
Gross Profit	\$ 253.5	\$ 285.2	\$ (31.7)	-11.1%		\$ (2.6) <sup>(1)</sup>	\$ 256.1	\$ 290.9 <sup>(6)</sup>	\$ (34.8)	-12.0%	
Gross Margin (%)	29.3%	30.9%		(160) bps			29.6%	31.5%		(190) bps	
SG&A	\$ 200.9	\$ 200.7	\$ 0.2	0.1%	-0.5%	\$ 0.4 <sup>(1)</sup>	\$ 200.5	\$ 193.1 <sup>(7)</sup>	\$ 7.4	3.8%	3.3%
SG&A (%)	23.2%	21.7%		150 bps			23.1%	20.9%		220 bps	
Income from Affiliates	\$ 4.7	\$ 2.8	\$ 1.9	67.9%		\$ -	\$ 4.7	\$ 2.8	\$ 1.9	67.9%	
Operating Income	\$ 57.4	\$ 87.3	\$ (29.9)	-34.2%	-36.6%	\$ (3.0)	\$ 60.3	\$ 100.6	\$ (40.3)	-40.1%	-42.0%
Operating Margin (%)	6.6%	9.4%		(280) bps			7.0%	10.9%		(390) bps	
Loss on Extinguishment of Debt	\$ (0.6)	\$ (1.2)	\$ (0.6)	-53.3%		\$ (0.6) <sup>(2)</sup>	\$ -	\$ (1.2)	\$ -	NM	
Net Interest Expense	\$ (13.9)	\$ (12.8)	\$ 1.1	8.4%		\$ (0.8) <sup>(3)</sup>	\$ (13.1)	\$ (12.8)	\$ 0.3	2.2%	
Other (Expense) / Income, net **	\$ (1.5)	\$ 4.7	\$ 6.2	NM		\$ (1.1) <sup>(4)</sup>	\$ (0.4)	\$ 1.4 <sup>(8)</sup>	\$ 1.8	NM	
Tax Benefit / (Expense)	\$ 10.4	\$ (19.2)	\$ (29.6)	NM		\$ 17.6 <sup>(5)</sup>	\$ (7.2)	\$ (20.0) <sup>(9)</sup>	\$ (12.8)	-64.0%	
Net Earnings	\$ 49.8	\$ 56.1	\$ (6.3)	-11.2%		\$ 12.1	\$ 37.7	\$ 65.3	\$ (27.6)	-42.3%	
Diluted EPS	\$ 0.38	\$ 0.43	\$ (0.05)	-11.6%		\$ 0.09	\$ 0.29	\$ 0.50	\$ (0.21)	-42.0%	

- Diluted EPS calculated using fully diluted shares of 130.8 and 130.9 million shares for Q3 2021 and Q3 2020, respectively

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

1. Realignment charges
2. Loss on extinguishment of debt
3. Duplicate interest due to extinguishment of debt
4. Below-the-line FX impacts
5. Includes tax impact of above items and \$16.6 million benefit related to legal entity restructuring of foreign holding companies

\*\* Third Quarter 2021 and 2020 include a loss of \$1.1 million and a gain of \$3.3 million arising from transactions in currencies other than our sites' functional currencies and impact of foreign exchange contracts, respectively

6. Excludes \$5.7 million of realignment charges
7. Excludes \$1.8 million of realignment charges, \$4.7 million of transformation charges and \$1.1 million of discrete asset write-downs
8. Excludes below-the-line FX impacts
9. Excludes tax impact of above items and \$0.4 million benefit related to tax reform

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 October 27, 2021.



# YEAR-TO-DATE 2021 CONSOLIDATED FINANCIAL RESULTS



Year-to-Date						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	\$ 2,805.7	\$ 2,587.3	\$ 218.4	8.4%	5.5%	\$ -	\$ 2,805.7	\$ 2,587.3	\$ 218.4	8.4%	5.5%
Sales	\$ 2,621.6	\$ 2,742.8	\$ (121.2)	-4.4%	-7.2%	\$ -	\$ 2,621.6	\$ 2,742.8	\$ (121.2)	-4.4%	-7.2%
Gross Profit	\$ 782.6	\$ 821.4	\$ (38.8)	-4.7%		\$ (15.8) <sup>(1)</sup>	\$ 798.4	\$ 862.0 <sup>(7)</sup>	\$ (63.6)	-7.4%	
Gross Margin (%)	29.9%	29.9%		- bps			30.5%	31.4%		(90) bps	
SG&A	\$ 610.0	\$ 675.5	\$ (65.5)	-9.7%	-11.6%	\$ 6.5 <sup>(1)</sup>	\$ 603.5	616.3 <sup>(8)</sup>	\$ (12.8)	-2.1%	-4.1%
SG&A (%)	23.3%	24.6%		(130) bps			23.0%	22.5%		50 bps	
Gain on sale of business	\$ 1.8	\$ -	\$ 1.8	NM		\$ (1.8) <sup>(2)</sup>	\$ -	\$ -	\$ -	-	
Income from Affiliates	\$ 11.2	\$ 9.1	\$ 2.1	23.1%		\$ -	\$ 11.2	\$ 9.1	\$ 2.1	23.1%	
Operating Income	\$ 185.6	\$ 155.0	\$ 30.6	19.7%	13.9%	\$ (20.5)	\$ 206.1	\$ 254.9	\$ (48.8)	-19.1%	-22.7%
Operating Margin (%)	7.1%	5.7%		140 bps			7.9%	9.3%		(140) bps	
Loss on Extinguishment of Debt	\$ (8.2)	\$ (1.2)	\$ (7.0)	NM		\$ (8.2) <sup>(3)</sup>	\$ -	\$ (1.2)	\$ -	-	
Net Interest Expense	\$ (44.0)	\$ (35.8)	\$ 8.2	22.9%		\$ (0.8) <sup>(4)</sup>	\$ (43.2)	\$ (35.8)	\$ 7.4	20.7%	
Other (Expense) / Income, net **	\$ (20.7)	\$ 24.0	\$ 44.7	NM		\$ (14.8) <sup>(5)</sup>	\$ (5.9)	\$ (1.7) <sup>(9)</sup>	\$ 4.2	247.1%	
Tax Benefit / (Expense)	\$ 3.9	\$ (60.7)	\$ (64.6)	NM		\$ 31.2 <sup>(6)</sup>	\$ (27.3)	\$ (51.7) <sup>(10)</sup>	\$ (24.4)	-47.2%	
Net Earnings	\$ 109.2	\$ 74.4	\$ 34.8	46.8%		\$ (13.1)	\$ 122.3	\$ 157.6	\$ (35.3)	-22.4%	
Diluted EPS	\$ 0.83	\$ 0.57	\$ 0.26	45.6%		\$ (0.10)	\$ 0.93	\$ 1.20	\$ (0.27)	-22.5%	

- Diluted EPS calculated using fully diluted shares of 130.9 and 131.1 million shares for YTD Q3 2021 and YTD Q3 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. Duplicate interest due to extinguishment of debt

5. Below-the-line FX impacts

6. Includes tax impact of above items and \$17.9 million benefit related to legal entity restructuring of foreign holding companies

\*\* Third Quarter YTD 2021 and 2020 include a loss of \$14.8 and a gain of \$25.7 million arising from transactions in currencies other than our sites' functional currencies and impact of foreign exchange contracts, respectively

7. Excludes \$40.6 million of realignment charges

8. Excludes \$31.7 million of realignment charges, \$16.0 million of transformation charges and \$11.5 related to discrete asset write-downs

9. Excludes below-the-line FX impacts

10. Excludes tax impact of above items, \$25.7 million related to Italian tax valuation allowance and \$2.4 million benefit related to tax reform

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 October 27, 2021.

# FLOWSERVE PUMP DIVISION Q3 2021 SEGMENT RESULTS



(\$ millions)	3rd Quarter					Year-to-Date				
	2021	2020	Delta (\$)	Delta (%)	Constant FX(%)*	2021	2020	Delta (\$)	Delta (%)	Constant FX(%)*
Bookings	\$ 660.9	\$ 574.1	\$ 86.8	15.1%	13.9%	\$ 1,982.5	\$ 1,792.3	\$ 190.2	10.6%	7.6%
Sales	\$ 601.8	\$ 670.2	\$ (68.4)	-10.2%	-11.2%	\$ 1,821.9	\$ 1,979.9	\$ (158.0)	-8.0%	-10.6%
Gross Profit	\$ 182.9	\$ 210.0	\$ (27.1)	-12.9%		\$ 562.1	\$ 603.7	\$ (41.6)	-6.9%	
Gross Margin (%)	30.4%	31.3%		(90) bps		30.9%	30.5%		40 bps	
SG&A	\$ 128.5	\$ 126.2	\$ 2.3	1.8%	1.2%	\$ 394.7	\$ 426.1	\$ (31.4)	-7.4%	-9.5%
SG&A (%)	21.4%	18.8%		260 bps		21.7%	21.5%		20 bps	
Gain on Sale of business	\$ -	\$ -	\$ -	-		\$ 1.8	\$ -	\$ 1.8	NM	
Income from Affiliates	\$ 4.7	\$ 2.8	\$ 1.9	67.9%		\$ 13.3	\$ 9.1	\$ 4.2	46.2%	
Operating Income	\$ 59.1	\$ 86.7	\$ (27.6)	-31.8%	-33.5%	\$ 180.7	\$ 186.7	\$ (6.0)	-3.2%	-7.2%
Operating Margin (%)	9.8%	12.9%		(310) bps		9.9%	9.4%		50 bps	
Adjusted Operating Income**	\$ 61.1	\$ 94.5	\$ (33.4)	-35.3%	-36.9%	\$ 193.6	\$ 238.5	\$ (44.9)	-18.8%	-21.9%
Adjusted Operating Margin%**	10.2%	14.1%		(390) bps		10.6%	12.0%		(140) 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 \$2.0 million and \$14.7 million for Q3 2021 and YTD 2021, respectively, and \$7.8 million and \$43.3 million for Q3 2020 and YTD 2020, respectively, and \$1.8 million final settlement gain on sale of business in 2018 for 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 October 27, 2021.

# FLOWSERVE PUMP DIVISION Q3 2021 BOOKINGS AND SALES



3rd Quarter						Year-to-Date			
(\$ millions)		2021	2020	Delta (%)	Constant FX(%)*	2021	2020	Delta (%)	Constant FX(%)*
Bookings Mix **	OE	228	204	12%	10%	708	622	14%	11%
		35%	36%	(100) bps		36%	35%	100 bps	
	AM	433	370	17%	16%	1,274	1,170	9%	6%
		65%	64%	100 bps		64%	65%	(100) bps	
Sales Mix **	OE	224	281	-20%	-22%	658	806	-18%	-21%
		37%	42%	(500) bps		36%	41%	(500) bps	
	AM	378	389	-3%	-4%	1,164	1,174	-1%	-3%
		63%	58%	500 bps		64%	59%	500 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 October 27, 2021.



# FLOW CONTROL DIVISION Q3 2021 SEGMENT RESULTS



(\$ millions)	3rd Quarter					Year-to-Date				
	2021	2020	Delta (\$)	Delta (%)	Constant FX(%)*	2021	2020	Delta (\$)	Delta (%)	Constant FX(%)*
Bookings	\$ 253.6	\$ 237.6	\$ 16.0	6.7%	5.4%	\$ 834.0	\$ 807.8	\$ 26.2	3.2%	0.5%
Sales	\$ 266.1	\$ 255.2	\$ 10.9	4.3%	3.2%	\$ 803.1	\$ 766.9	\$ 36.2	4.7%	1.7%
Gross Profit	\$ 77.0	\$ 78.1	\$ (1.1)	-1.4%		\$ 236.4	\$ 229.1	\$ 7.3	3.2%	
Gross Margin (%)	28.9%	30.6%		(170) bps		29.4%	29.9%		(50) bps	
SG&A	\$ 49.3	\$ 47.3	\$ 2.0	4.2%	3.7%	\$ 147.1	\$ 154.9	\$ (7.8)	-5.0%	-7.1%
SG&A (%)	18.5%	18.5%		-		18.3%	20.2%		(190) bps	
Income from Affiliates	\$ 0.1	\$ -	\$ 0.1	NM		\$ 0.3	\$ -	\$ 0.3	NM	
Operating Income	\$ 27.7	\$ 30.8	\$ (3.1)	-10.1%	-11.6%	\$ 89.7	\$ 74.2	\$ 15.5	20.9%	17.4%
Operating Margin (%)	10.4%	12.1%		(170) bps		11.2%	9.7%		150 bps	
Adjusted Operating Income**	\$ 28.0	\$ 31.2	\$ (3.2)	-10.3%	-12.1%	\$ 91.9	\$ 89.9	\$ 2.0	2.2%	-0.7%
Adjusted Operating Margin%**	10.5%	12.2%		(170) bps		11.4%	11.7%		(30) 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/(benefit) of \$0.3 million and \$2.2 million for Q3 2021 and YTD 2021, respectively, and (\$0.7) million and \$12.6 million for Q3 2020 and YTD 2020, respectively, and \$1.1 million and \$3.1 million of non-cash asset write-down for Q3 2020 and YTD 2020, respectively

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 October 27, 2021.

# FLOW CONTROL DIVISION Q3 2021 BOOKINGS AND SALES



3rd Quarter						Year-to-Date			
(\$ millions)		2021	2020	Delta (%)	Constant FX(%)*	2021	2020	Delta (%)	Constant FX(%)*
Bookings Mix **	OE	190	179	6%	5%	626	601	4%	1%
		75%	75%	- bps		75%	74%	100 bps	
	AM	64	59	8%	8%	208	207	1%	-1%
		25%	25%	- bps		25%	26%	(100) bps	
Sales Mix **	OE	203	199	2%	1%	610	590	3%	-
		76%	77%	(100) bps		76%	77%	(100) bps	
	AM	63	56	12%	11%	193	177	9%	7%
		24%	23%	100 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 October 27, 2021.

FLOWSERVE

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