FLOWSERVE

Q4 2023 EARNINGS CONFERENCE CALL

February 21, 2024

FORWARD LOOKING STATEMENT 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: 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, Latin American, Asian 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; any continued volatile regional and global economic conditions resulting from the COVID-19 pandemic on our business and operations; global supply chain disruptions and the current inflationary environment could adversely affect the efficiency of our manufacturing and increase the cost of providing our products to customers; 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 any restructuring and realignment initiatives, our business could be adversely affected; 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; 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; 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; 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.

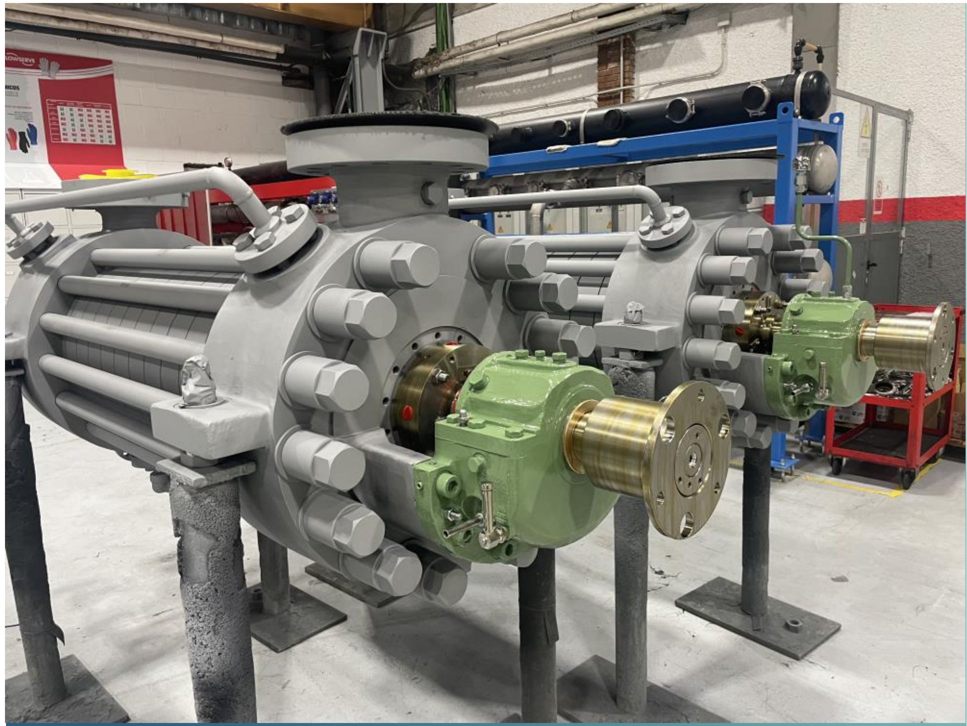
The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). However, management believes that non-GAAP financial measures which exclude certain non-recurring items present additional useful comparisons between current results and results in prior 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 2023 HIGHLIGHTS

Total Bookings	3D Bookings	Revenue Growth
$1.04B	30%	12.1%
Bookings largely maintained our near-record backlog	3D Strategy produced nearly one-third of total bookings	Substantial revenue growth driven by strong conversion

Adjusted Operating Margins*	Adjusted EPS*	Operating Cash Flow
10.5%	$0.68	$195M
Highest quarterly adjusted operating margins of the year	Year-over-year growth of 8% and sequential improvement	Operating cash flow was a year-over-year increase of more than $125 million



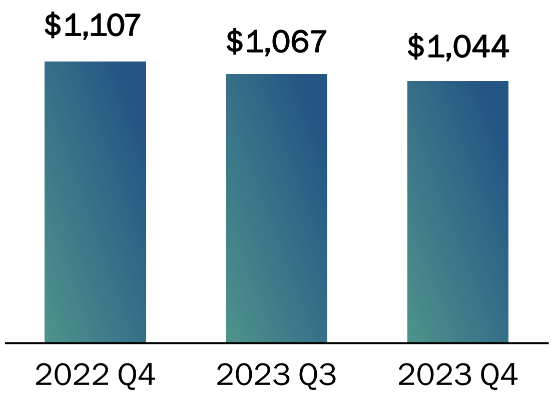
Critical Service Pumps for Combined-Cycle Power Facility in Africa

* See appendix for reconciliation to corresponding GAAP-based measure

Q4 2023 OVERVIEW

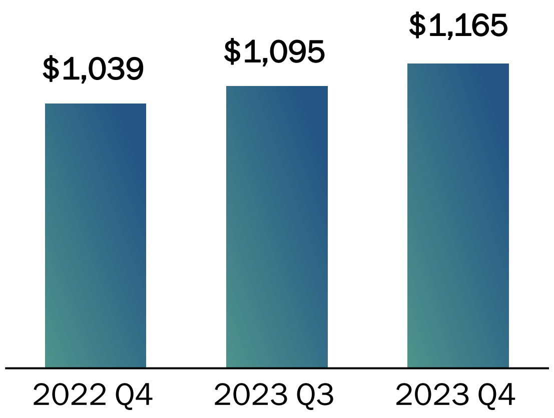
BOOKINGS

$ millions



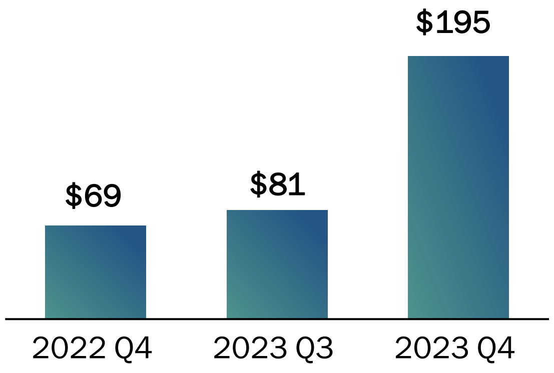
SALES

$ millions

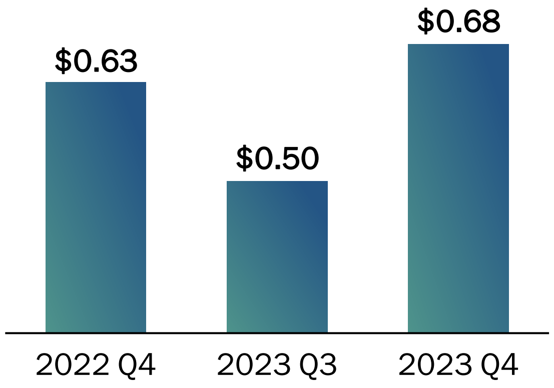


OPERATING CASH FLOW

$ millions



ADJUSTED EPS*



8th consecutive quarter of more than $1 billion in bookings

- Continued MRO and AM growth
- Activity levels remain high combined with disciplined project selection
- Solid bookings support near-record backlog

Revenue increased 12.1% versus prior year – highest quarterly level since 2015

- Strong backlog conversion supported by improved supply chain and lead times

Robust fourth quarter operating cash flow driven by positive cash generation of $142 million from working capital

- Meaningful progress reducing inventory, a sequential improvement of nearly $55 million
- Continued focus driving enhanced cash conversion

Adjusted EPS of $0.68 on continued operating momentum

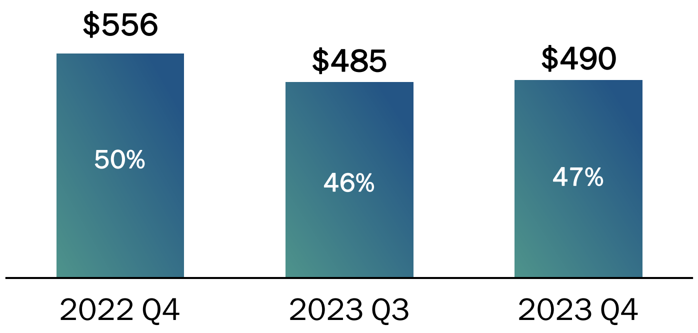
- Expanded gross margins and operating leverage contributed to strong adjusted EPS results

* See appendix for reconciliation to corresponding GAAP-based measure

Q4 2023 BOOKINGS MIX

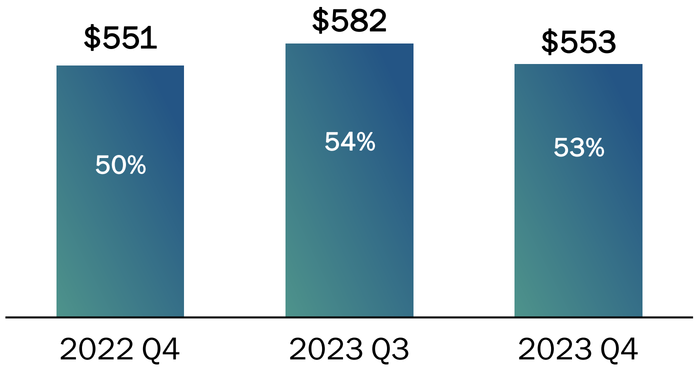
ORIGINAL EQUIPMENT

$ millions



AFTERMARKET

$ millions



OIL & GAS: 38%

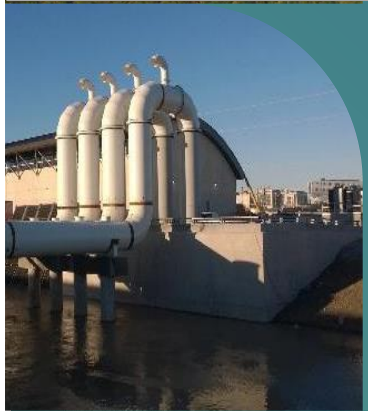
- New energy and decarbonization activity remains active
- Middle East downstream project activity accelerating
- Oil & Gas project funnel up 25% year-over-year
- Stable facility utilization rates driving aftermarket and MRO growth

CHEMICAL: 20%

- Specialty chemical outlook remains strong with activity in Americas and Asia
- Petrochemical investment in the Middle East is very active
- Recycling and plastic waste investments support circular economy
- Basic chemical recovery beginning in 2024

POWER: 11%

- Renewable power continues to expand at accelerated pace
- Nuclear power spending expected to grow significantly particularly in Europe and Asia
- Regional investments continue to support energy security concerns



GENERAL INDUSTRIES: 27%

- Significant activity across the globe in various general industries
- Distribution channel remains healthy despite modest destocking in Q4

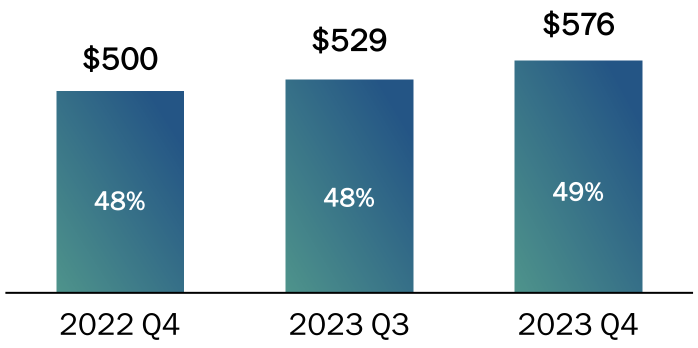
WATER: 4%

- Worldwide demand for fresh water, water treatment, water re-use and flood control expected to drive new investment growth globally

Q4 2023 SALES MIX

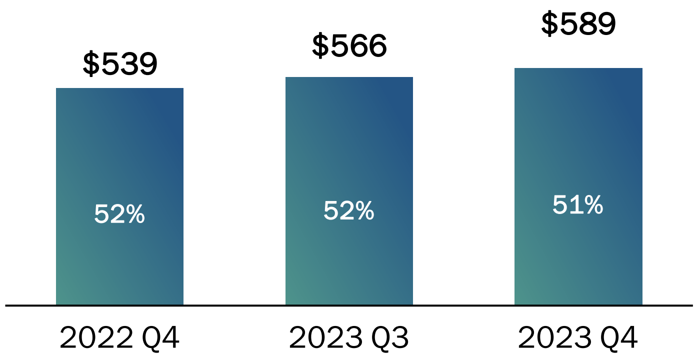
ORIGINAL EQUIPMENT

$ millions

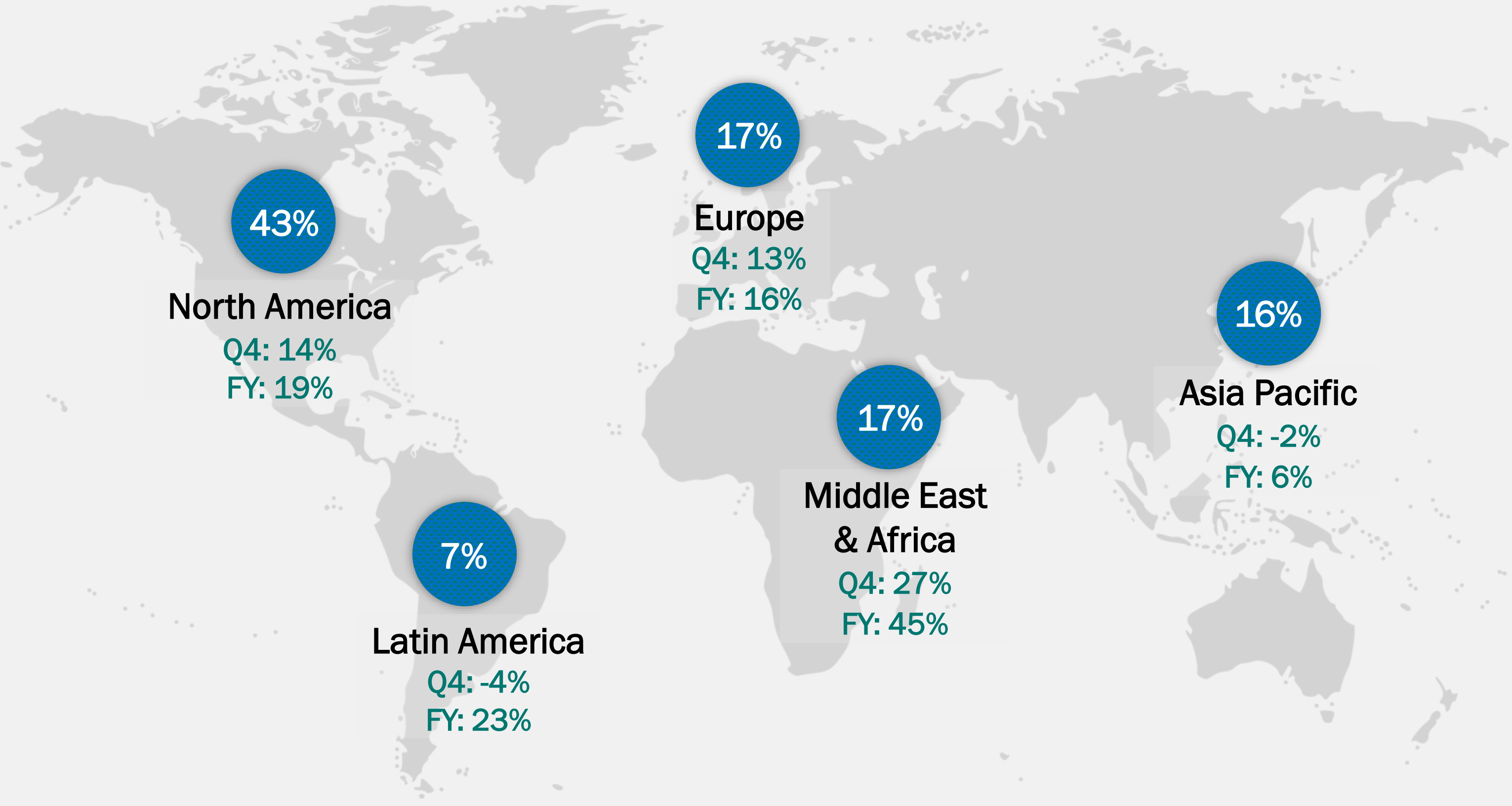


AFTERMARKET

$ millions



Geographic Mix
Revenue Growth



Strong full-year 2023 revenue growth across all regions

Q4 2023 SEGMENT HIGHLIGHTS

	FPD		FCD	
	As Reported	Year-Over-Year	As Reported	Year-Over-Year
Bookings	$722.2	-8.1%	$326.9	+0.6%
Revenue	$832.8	12.6%	$336.0	11.3%
Adjusted Gross Margin*	28.9%	-100 bps	32.2%	+310 bps
Adjusted Operating Margin*	11.8%	-130 bps	16.6%	+380 bps
Book-to-Bill	0.87x		0.97x	

Strong revenue growth on backlog conversion. Largely discrete items impacted 4th quarter margins

- Lower fourth quarter bookings largely driven by timing of awards
- OE mix and incentive-based performance compensation impacted results

Highest quarterly adjusted gross and operating margins since 2019

- Favorable mix shift and fixed cost absorption
- Fourth quarter bookings grew despite select distributor destocking in North America

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* See appendix for reconciliation to corresponding GAAP-based measure

2024 GUIDANCE ASSUMPTIONS

Guidance Metric	2024 Guidance
Revenue Growth	Up 4.0% - 6.0%
Reported EPS [1]	$2.25 - $2.45
Adjusted EPS [2]	$2.40 - $2.60
FX Rates	Current Levels
Net Interest Expense	$60 - $65 million
Adjusted Tax Rate	~20%
Capital Expenditures	$75 - $85 million

[1] 2024 Reported and Adjusted EPS guidance assumes 132 million diluted shares

[2] Adjusted EPS guidance excludes expected realignment charges of approximately $30 million, below-the-line FX impact and other potential specific discrete items

- Revenue growth supported by near-record backlog of $2.7 billion
  - Expect significant improvement in backlog conversion of more than 500 bps
- Guidance consistent with preliminary outlook provided during Analyst Day:

Revenues	Adj. Operating Margin*	Adj. EPS*
↑	↑	↑
MSD% (YoY)	LDD% up ~100 bps (YoY)	20%+ Growth

* Adjusted operating margin and Adjusted EPS are non-GAAP measures. Please see appendix for historical reconciliation of GAAP to Adjusted figures

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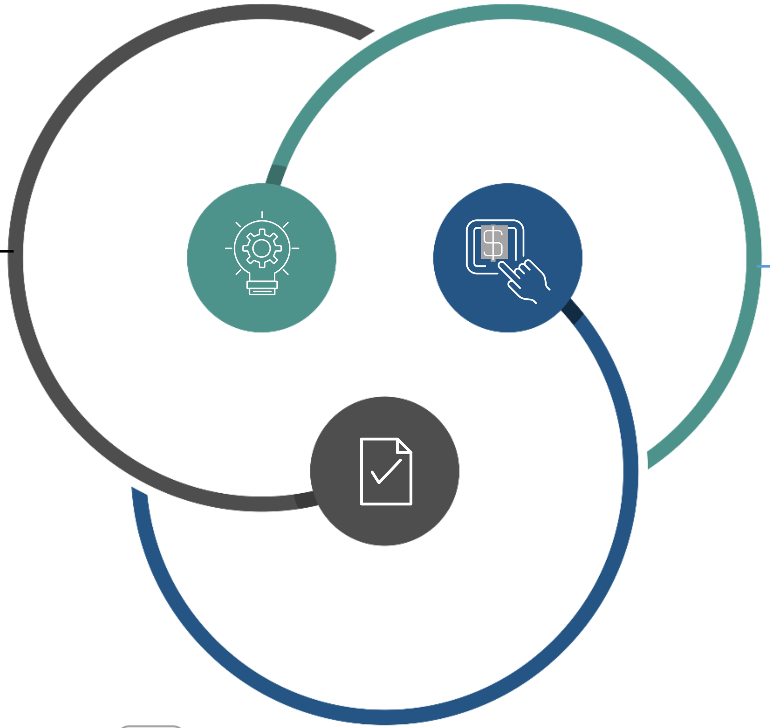
PURPOSEFUL CAPITAL ALLOCATION



COMMITMENTS

Quarterly dividends

Safety and maintenance CAPEX

Share repurchases to offset dilution

Term loan amortization

STRATEGIC

Growth / margin expansion CAPEX

New product development

Bolt-on acquisitions

SHAREHOLDER RETURNS

Dividend increase

Enhance share repurchases

Guiding Principles

- Capital allocation based on **highest long-term return**
- Free cash flow conversion between **80% – 100%**
- Approach designed to **support investment grade rating**
- **Deliberate deployment** of excess cash

Increased 2024 quarterly cash dividend 5% and replenished stock repurchase authorization to $300 million

DISCIPLINED M&A CRITERIA

Strategic Filters Focused on Delivering Value

Enhance 3D Strategy

Leverage Scale

Confidence in Integration

IRR > Cost of Capital | Margin Accretive | Cash EPS Accretive

FLOWSERVE GROWTH STRATEGY IN ACTION

DIVERSIFY – Vacuum Pumps Enabling Diverse Applications

- Multiple SIHI vacuum pumps supplied to state-of-the-art green solvents production facility
- Flowserve will enable the customer to convert biomass waste into high-performing solvents for numerous industries – including pharmaceutical, agrochemical, electronics and more

DECARBONIZE – Powering E-Commerce with Green Hydrogen

- Worcester ball valves will support the production of 11,000 tons of liquid green hydrogen annually which will be utilized in transportation fuel
- This project will support and enable one of the world's largest e-commerce companies to Decarbonize its vehicle fleet

DIGITIZE – Expanding our Presence in Petrochemicals

- Three European petrochemical facilities chose RedRaven to support their operations, prevent unplanned downtime and drive higher asset utilization
- RedRaven data and analytics is allowing Flowserve to move toward providing holistic solutions for our customers

SUBSTANTIAL PROGRESS TOWARDS 2027 TARGETS

	2023		2024 *Midpoint of Guidance Range*	2027 *Analyst Day Targets*
Revenue	$4.3B (20% increase compared to prior year)	5% Growth	$4.5B	$5.0B
Adjusted Operating Margin*	9.5% (330 bps improvement)	~100 bps	~10.5%	14 - 16%
Adjusted EPS*	$2.10 (91% increase)	~20% Growth	$2.50	>$4.00

- 3D Strategy, aftermarket growth, and new product development
- Operational excellence, portfolio optimization & product management and operating leverage
- Multiple levers to enable success going forward

* Adjusted operating margin and Adjusted EPS are non-GAAP measures. Please see appendix for historical reconciliation of GAAP to Adjusted figures

Appendix

Q4 2023 CONSOLIDATED FINANCIAL RESULTS

Consolidated Reconciliation of Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measure (Unaudited)
(Amounts in thousands, except per share data)

Three Months Ended December 31, 2023	Gross Profit	Selling, General & Administrative Expense	Operating Income	Other Income (Expense), Net	Provision For (Benefit From) Income Taxes	Net Earnings (Loss)	Effective Tax Rate	Diluted EPS
Reported	**$ 339,544**	**$ 234,744**	**$ 109,463**	**$ (22,599)**	**$ 3,991**	**$ 62,617**	**5.6%**	**0.47**
Reported as a percent of sales	*29.1%*	*20.1%*	*9.4%*	*-1.9%*	*0.3%*	*5.4%*		
Realignment charges (a)	9,464	(5,949)	15,413	-	4,534	10,879	29.4%	0.08
Discrete asset write-downs (b)(c)	(1,254)	-	(1,254)	2,000	94	652	12.6%	0.01
Acquisition related (d)	-	1,244	(1,244)	-	(293)	(951)	23.6%	(0.01)
Below-the-line foreign exchange impacts (e)	-	-	-	16,764	(274)	17,038	-1.6%	0.13
Adjusted	**$ 347,754**	**$ 230,039**	**$ 122,378**	**$ (3,835)**	**$ 8,052**	**$ 90,235**	**7.8%**	**0.68**
Adjusted as a percent of sales	*29.8%*	*19.7%*	*10.5%*	*-0.3%*	*0.7%*	*7.7%*		

Note: Amounts may not calculate due to rounding

(a) Charges represent realignment costs incurred as a result of realignment programs of which $2,100 is non-cash.

(b) Includes reversals of expenses that were adjusted for Non-GAAP measures in previous periods of $1,254.

(c) Charge represents a non-cash asset write-down of $2,000 associated with the impairment of an equity investment.

(d) Represents reversal of costs associated with a terminated acquisition that were adjusted for Non-GAAP measures in previous periods.

(e) Below-the-line foreign exchange impacts represent the remeasurement of foreign exchange derivative contracts as well as the remeasurement of assets and liabilities that are denominated in a currency other than a site's respective functional currency.

FULL YEAR 2023 CONSOLIDATED FINANCIAL RESULTS

Consolidated Reconciliation of Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measure (Unaudited)
(Amounts in thousands, except per share data)

Twelve Months Ended December 31, 2023	Gross Profit	Selling, General & Administrative Expense	Operating Income	Other Income (Expense), Net	Provision For (Benefit From) Income Taxes	Net Earnings Attributable to Noncontrolling Interests	Net Earnings (Loss)	Effective Tax Rate	Diluted EPS
Reported	**$ 1,276,828**	**$ 961,169**	**$ 333,553**	**$ (49,870)**	**$ 18,562**	**$ 18,445**	**$ 186,743**	**8.3%**	**1.42**
Reported as a percent of sales	*29.6%*	*22.2%*	*7.7%*	*-1.2%*	*0.4%*	*0.4%*	*4.3%*		
Realignment charges (a)	21,012	(45,025)	66,037	-	14,949	-	51,088	22.6%	0.39
Discrete asset write-downs (b)(c)(d)(e)	715	(3,955)	4,670	2,000	1,611	-	5,059	24.2%	0.04
Acquisition related (f)	-	(7,247)	7,247	-	1,704	-	5,543	23.5%	0.04
Below-the-line foreign exchange impacts (g)	-	-	-	41,092	2,395	-	38,697	5.8%	0.29
Correction of prior period errors (h)	-	-	-	-	-	(3,559)	3,559	0.0%	0.03
Discrete tax benefit (i)	-	-	-	-	13,000	-	(13,000)	0.0%	(0.10)
Adjusted	**$ 1,298,555**	**$ 904,942**	**$ 411,507**	**$ (6,778)**	**$ 52,221**	**$ 14,886**	**$ 277,689**	**15.1%**	**2.10**
Adjusted as a percent of sales	*30.1%*	*20.9%*	*9.5%*	*-0.2%*	*1.2%*	*0.3%*	*6.4%*		

Note: Amounts may not calculate due to rounding
(a) Charges represent realignment costs incurred as a result of realignment programs of which $9,701 is non-cash.
(b) Charge represents a further expense of $1,834 associated with a sales contract that was initially adjusted out of Non-GAAP measures in 2017.
(c) Includes reversals of expenses that were adjusted for Non-GAAP measures in previous periods of $81.
(d) Charge represents a $2,917 non-cash write-down of a licensing agreement.
(e) Charge represents a non-cash asset write-down of $2,000 associated with the impairment of an equity investment.
(f) Charges represent costs associated with a terminated acquisition.
(g) Below-the-line foreign exchange impacts represent the remeasurement of foreign exchange derivative contracts as well as the remeasurement of assets and liabilities that are denominated in a currency other than a site's respective functional currency.
(h) Represents the amount to correct the cumulative impact of immaterial prior period errors.
(i) Represents a discrete tax benefit due to release of tax valuation allowance on the net deferred tax assets in a foreign jurisdiction. The associated tax expense was adjusted out on Non-GAAP measures in 2015.

Q4 2022 CONSOLIDATED FINANCIAL RESULTS

Consolidated Reconciliation of Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measure (Unaudited)
(Amounts in thousands, except per share data)

Three Months Ended December 31, 2022	Gross Profit	Selling, General & Administrative Expense	Operating Income	Other Income (Expense), Net	Provision For (Benefit From) Income Taxes	Net Earnings (Loss)	Effective Tax Rate	Diluted EPS
Reported	**$ 295,241**	**$ 193,588**	**$ 105,300**	**$ (28,711)**	**$ (60,257)**	**$ 121,329**	**-93.1%**	**0.92**
Reported as a percent of sales	*28.4%*	*18.6%*	*10.1%*	*-2.8%*	*-5.8%*	*11.7%*		
Realignment charges (a)	481	480	1	-	1,866	(1,865)	N/A	(0.01)
Discrete asset write-downs (b)(c)	3,646	(2,885)	6,531	-	2,661	3,870	40.7%	0.03
Below-the-line foreign exchange impacts (d)	-	-	-	25,206	6,170	19,036	24.5%	0.14
Discrete tax benefit (e)	-	-	-	-	59,313	(59,313)	0.0%	(0.45)
Adjusted	**$ 299,368**	**$ 191,183**	**$ 111,832**	**$ (3,505)**	**$ 9,753**	**$ 83,057**	**10.1%**	**0.63**
Adjusted as a percent of sales	*28.8%*	*18.4%*	*10.8%*	*-0.3%*	*0.9%*	*8.0%*		

Note: Amounts may not calculate due to rounding

(a) Charges represent realignment costs incurred and cost credits as a result of realignment programs.

(b) Includes reversals of expenses that were adjusted for Non-GAAP measures in previous periods of $7,111.

(c) Charges represent a $13,642 reserve of Russia-related financial exposures.

(d) Below-the-line foreign exchange impacts represent the remeasurement of foreign exchange derivative contracts as well as the remeasurement of assets and liabilities that are denominated in a currency other than a site's respective functional currency.

(e) Represents a discrete tax benefit due to release of tax valuation allowance on the net deferred tax assets in foreign jurisdictions. The associated tax expense was adjusted out in 2017.

FULL YEAR 2022 CONSOLIDATED FINANCIAL RESULTS

Consolidated Reconciliation of Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measure (Unaudited)
(Amounts in thousands, except per share data)

Twelve Months Ended December 31, 2022	Gross Profit	Selling, General & Administrative Expense	Operating Income	Other Income (Expense), Net	Provision For (Benefit From) Income Taxes	Net Earnings (Loss)	Effective Tax Rate	Diluted EPS
Reported	**$ 994,295**	**$ 815,545**	**$ 197,219**	**$ (559)**	**$ (43,639)**	**$ 188,689**	**-28.3%**	**$ 1.44**
Reported as a percent of sales	*27.5%*	*22.6%*	*5.5%*	*0.0%*	*-1.2%*	*5.2%*		
Realignment charges (a)	355	520	(165)	-	1,799	(1,964)	-1090.3%	(0.01)
Discrete asset write-downs (b)(c)(d)	13,490	(13,591)	27,081	-	1,967	25,114	7.3%	0.19
Below-the-line foreign exchange impacts (e)	-	-	-	(9,694)	(1,591)	(8,103)	16.4%	(0.06)
Discrete tax benefit (f)	-	-	-	-	59,313	(59,313)	0.0%	(0.45)
Adjusted	**$ 1,008,140**	**$ 802,474**	**$ 224,135**	**$ (10,253)**	**$ 17,849**	**$ 144,423**	**10.4%**	**$ 1.10**
Adjusted as a percent of sales	*27.9%*	*22.2%*	*6.2%*	*-0.3%*	*0.5%*	*4.0%*		

Note: Amounts may not calculate due to rounding

(a) Charges represent realignment costs incurred as a result of realignment programs of which $170 is non-cash.

(b) Includes reversals of expenses that were adjusted for Non-GAAP measures in previous periods of $9,843.

(c) Charges represent a $33,888 reserve of Russia-related financial exposures.

(d) Charge represents a $3,036 non-cash asset write-down associated with the impairment of a trademark.

(e) Below-the-line foreign exchange impacts represent the remeasurement of foreign exchange derivative contracts as well as the remeasurement of assets and liabilities that are denominated in a currency other than a site’s respective functional currency.

(f) Represents a discrete tax benefit due to release of tax valuation allowance on the net deferred tax assets in foreign jurisdictions. The associated tax expense was adjusted out of Non-GAAP measures in 2017.

Q4 2023 AND Q4 2022 SEGMENT FINANCIAL RESULTS

Segment Reconciliation of Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measure (Unaudited)
(Amounts in thousands)

Flowserve Pumps Division

Three Months Ended December 31, 2023	Gross Profit	Selling, General & Administrative Expense	Operating Income
Reported	**$ 238,213**	**$ 149,354**	**$ 93,522**
Reported as a percent of sales	*28.6%*	*17.9%*	*11.2%*
Realignment charges (a)	3,313	(2,537)	5,850
Discrete asset write-downs (b)	(1,254)	-	(1,254)
Adjusted	**$ 240,272**	**$ 146,817**	**$ 98,118**
Adjusted as a percent of sales	*28.9%*	*17.6%*	*11.8%*

Three Months Ended December 31, 2022	Gross Profit	Selling, General & Administrative Expense	Operating Income
Reported	**$ 217,134**	**$ 130,084**	**$ 90,698**
Reported as a percent of sales	*29.4%*	*17.6%*	*12.3%*
Realignment charges (a)	358	2	356
Discrete asset write-downs (b)(c)	3,342	(2,247)	5,589
Adjusted	**$ 220,834**	**$ 127,839**	**$ 96,643**
Adjusted as a percent of sales	*29.9%*	*17.3%*	*13.1%*

Flow Control Division

Three Months Ended December 31, 2023	Gross Profit	Selling, General & Administrative Expense	Operating Income
Reported	**$ 101,894**	**$ 52,056**	**$ 49,838**
Reported as a percent of sales	*30.3%*	*15.5%*	*14.8%*
Realignment charges (a)	6,313	(915)	7,228
Acquisition related (c)	-	1,244	(1,244)
Adjusted	**$ 108,207**	**$ 52,385**	**$ 55,822**
Adjusted as a percent of sales	*32.2%*	*15.6%*	*16.6%*

Three Months Ended December 31, 2022	Gross Profit	Selling, General & Administrative Expense	Operating Income
Reported	**$ 87,501**	**$ 49,409**	**$ 38,093**
Reported as a percent of sales	*29.0%*	*16.4%*	*12.6%*
Realignment charges (a)	123	452	(329)
Discrete asset write-downs (c)	304	(638)	942
Adjusted	**$ 87,928**	**$ 49,223**	**$ 38,706**
Adjusted as a percent of sales	*29.1%*	*16.3%*	*12.8%*

Note: Amounts may not calculate due to rounding
(a) Charges represent realignment costs incurred as a result of realignment programs of which $2,100 is non-cash.
(b) Represents reversals of expenses that were adjusted for Non-GAAP measures in previous periods.
(c) Represents reversal of costs associated with a terminated acquisition that were adjusted for Non-GAAP measures in previous periods.

Note: Amounts may not calculate due to rounding
(a) Charges represent realignment costs incurred and cost credits as a result of realignment programs.
(b) Includes reversals of expenses that were adjusted for Non-GAAP measures in previous periods of $7,111.
(c) Charges represent the reserve of Russia-related financial exposures of $13,642.

FULL YEAR 2023 AND 2022 SEGMENT FINANCIAL RESULTS

Segment Reconciliation of Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measure (Unaudited)
(Amounts in thousands)

Flowserve Pumps Division

Twelve Months Ended December 31, 2023	**Gross Profit**	**Selling, General & Administrative Expense**	**Operating Income**
Reported	**$ 906,775**	**$ 575,792**	**$ 348,867**
Reported as a percent of sales	*29.6%*	*18.8%*	*11.4%*
Realignment charges (a)	10,797	(14,533)	25,330
Discrete asset write-downs (b)(c)(d)	715	(3,955)	4,670
Adjusted	**$ 918,287**	**$ 557,304**	**$ 378,867**
Adjusted as a percent of sales	*30.0%*	*18.2%*	*12.4%*

Twelve Months Ended December 31, 2022	**Gross Profit**	**Selling, General & Administrative Expense**	**Operating Income**
Reported	**$ 728,083**	**$ 538,523**	**$207,957**
Reported as a percent of sales	*28.9%*	*21.3%*	*8.2%*
Realignment charges (a)	237	(149)	386
Discrete asset write-downs (b)(c)	12,072	(8,835)	20,907
Adjusted	**$ 740,392**	**$ 529,539**	**$229,250**
Adjusted as a percent of sales	*29.4%*	*21.0%*	*9.1%*

Flow Control Division

Twelve Months Ended December 31, 2023	**Gross Profit**	**Selling, General & Administrative Expense**	**Operating Income**
Reported	**$ 372,808**	**$ 224,774**	**$ 148,034**
Reported as a percent of sales	*29.4%*	*17.8%*	*11.7%*
Realignment charges (a)	10,576	(11,393)	21,969
Acquisition related (e)	-	(7,247)	7,247
Adjusted	**$ 383,384**	**$ 206,134**	**$ 177,250**
Adjusted as a percent of sales	*30.3%*	*16.3%*	*14.0%*

Twelve Months Ended December 31, 2022	**Gross Profit**	**Selling, General & Administrative Expense**	**Operating Income**
Reported	**$ 305,514**	**$ 192,097**	**$113,417**
Reported as a percent of sales	*27.8%*	*17.5%*	*10.3%*
Realignment charges (a)	179	395	(216)
Discrete asset write-downs (b)(d)	1,418	(4,756)	6,174
Adjusted	**$ 307,111**	**$ 187,736**	**$119,375**
Adjusted as a percent of sales	*27.9%*	*17.1%*	*10.8%*

Note: Amounts may not calculate due to rounding
(a) Charges represent realignment costs incurred as a result of realignment programs of which $9,701 is non-cash.
(b) Charge represents a further expense of $1,834 associated with a sales contract that was initially adjusted out of Non-GAAP measures in 2017.
(c) Includes reversals of expenses that were adjusted for Non-GAAP measures in previous periods of $81.
(d) Charge represents a $2,917 non-cash write-down of a licensing agreement.
(e) Charges represent costs associated with a terminated acquisition.

Note: Amounts may not calculate due to rounding
(a) Charges represent realignment costs incurred as a result of realignment programs of which $170 is non-cash.
(b) Charges represent the reserve of Russia-related financial exposures of $33,888.
(c) Includes reversals of expenses that were adjusted for Non-GAAP measures in previous periods of $9,843.
(d) Charge represents a non-cash asset write-down of $3,036 associated with the impairment of a trademark.

2023 AND 2022 SEGMENT BOOKINGS AND SALES MIX

Flowserve Pumps Division

($ millions)		Q4 2023	Q4 2022	Delta (%)	Constant FX (%)*	FY 2023	FY 2022	Delta (%)	Constant FX (%)*
Bookings Mix **	OE	241	316	-24%	-25%	974	1,353	-28%	-29%
		33%	40%	(700) bps		33%	42%	(900) bps	
	AM	481	470	2%	1%	1,967	1,862	6%	5%
		67%	60%	700 bps		67%	58%	900 bps	
Sales Mix **	OE	327	271	21%	18%	1,149	883	30%	29%
		39%	37%	200 bps		38%	35%	300 bps	
	AM	506	468	8%	6%	1,915	1,640	17%	16%
		61%	63%	(200) bps		62%	65%	(300) bps	

Flow Control Division

($ millions)		Q4 2023	Q4 2022	Delta (%)	Constant FX (%)*	FY 2023	FY 2022	Delta (%)	Constant FX (%)*
Bookings Mix **	OE	253	242	5%	3%	1,031	940	10%	10%
		77%	74%	300 bps		77%	75%	200 bps	
	AM	74	83	-11%	-12%	315	307	3%	3%
		23%	26%	(300) bps		23%	25%	(200) bps	
Sales Mix **	OE	251	230	9%	8%	944	828	14%	14%
		75%	76%	(100) bps		75%	75%	0 bps	
	AM	85	72	18%	17%	322	272	18%	18%
		25%	24%	100 bps		25%	25%	0 bps	

* Constant FX represents the year-over-year variance assuming 2023 results at 2022 monthly FX rates
** Gross bookings and sales do not include interdivision eliminations

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