FLOWSERVE

SECOND QUARTER

2023 EARNINGS CONFERENCE CALL

August 2, 2023

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; 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; 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; 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.

FLOWSERVE

Q2 2023 Highlights

Leveraged strong revenue growth of 22.5% to drive Adjusted EPS* of $0.52

Bookings of $1.11 billion marks the sixth consecutive quarter over $1 billion

Driven primarily by 12.3% aftermarket growth

Adjusted gross margins* increased 190 bps to 30.3% versus prior year

Adjusted operating margins* increased 320 bps to 10.4% versus prior year

Sequential adjusted incremental operating margin of 32%

Continued progress on 3D growth strategy to Diversify, Decarbonize and Digitize

Quarter included record Energy Transition bookings

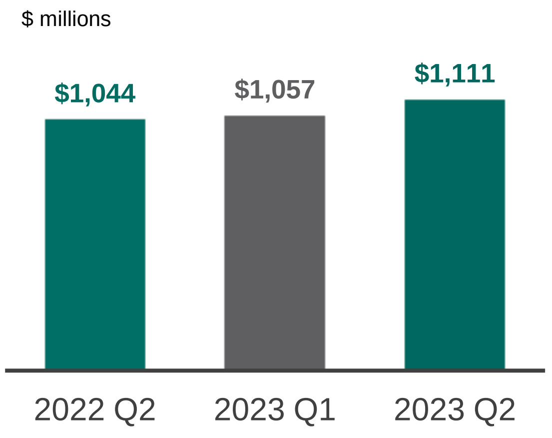
Increased full-year 2023 revenue and adjusted EPS guidance ranges

Valtek Control Valves for Critical Service Application

* See appendix for reconciliation to corresponding GAAP-based measure

Q2 2023 Overview

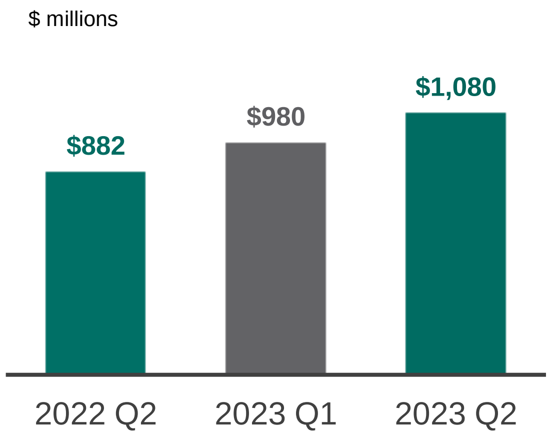
BOOKINGS



MRO and Aftermarket bookings continued at near record levels

- Record AM bookings of $591 million marked the 7th consecutive quarter over $500 million

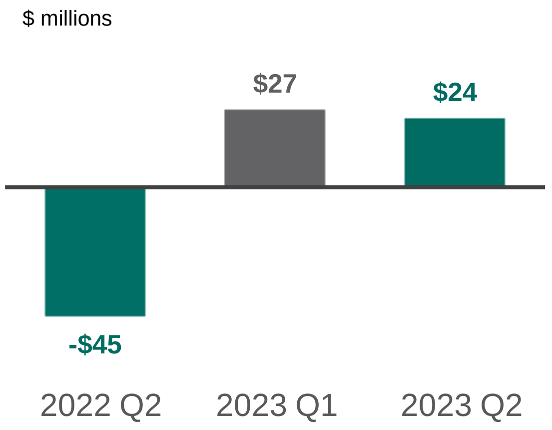
SALES



Revenue increased 22.5% versus prior year – Highest revenue level since 2015

- Expect full-year 2023 revenue growth of 16%-18% including modest currency benefit at current rates

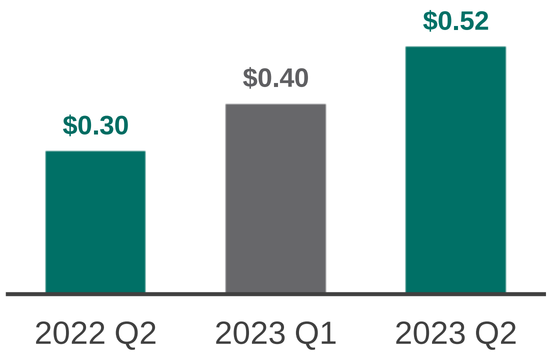
OPERATING CASH FLOW



Positive operating cash flow in the seasonally impacted first half

- Expect strong traditional second half operating cash flow as we deliver our $2.8 billion backlog

ADJUSTED EPS*



Adjusted EPS of $0.52 on continued operating momentum

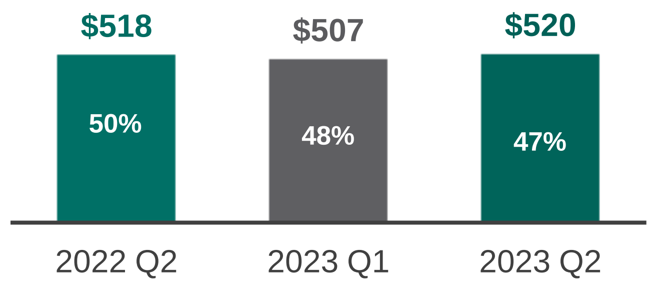
- Increased 2023 full year adjusted EPS range to $1.85-$2.00, representing 75% year-over-year growth at mid-point

* See appendix for reconciliation to corresponding GAAP-based measure

Q2 2023 Bookings Mix

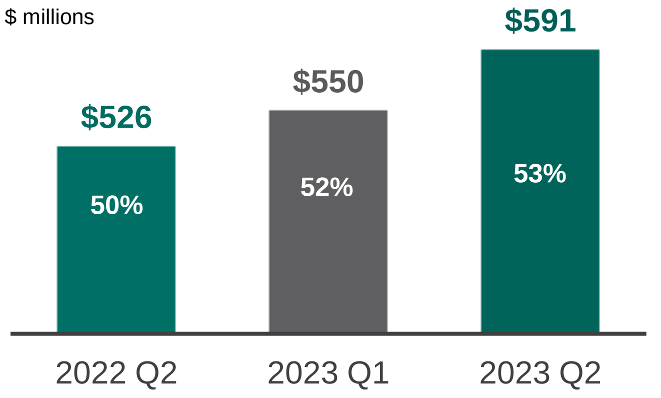
ORIGINAL EQUIPMENT

$ millions



AFTERMARKET

$ millions



OIL & GAS – 37%

- Multi-year investment cycle driven by international activity
- LNG outlook remains elevated on the back of energy security
- Downstream MRO and aftermarket spending to support higher asset utilization
- Decarbonization efforts and initiatives accelerating

CHEMICAL – 22%

- Middle East and Asia driving capacity expansion activity
- Significant investment to support recyclables and circular economy initiatives
- Specialty chemical applications continue to grow

POWER – 10%

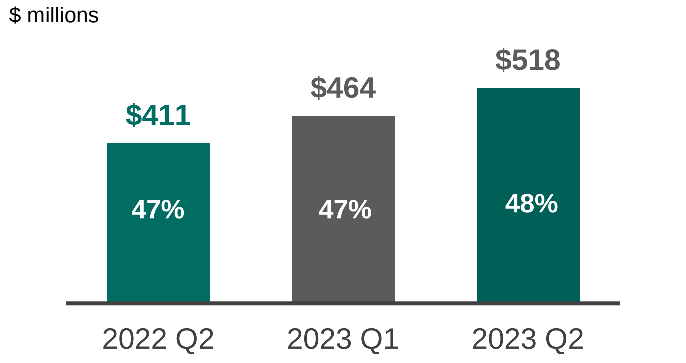
- Energy security driving power sector growth
- Nuclear activity continues to build with both greenfield in Europe and Asia as well as life extensions in North America and Europe
- Renewable power continues to play a larger part of the energy mix

GENERAL INDUSTRIES – 27% & WATER – 4%

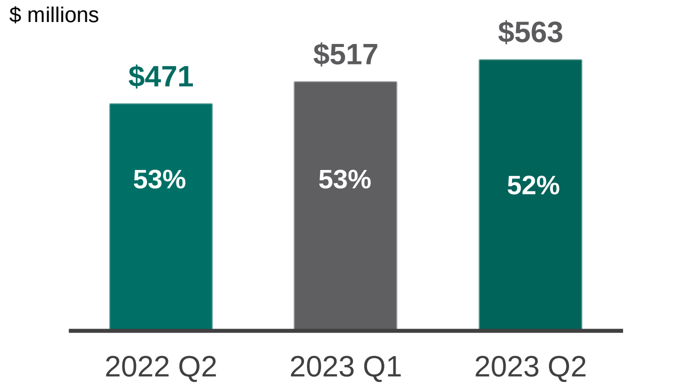
- Outlook for industrial and advanced water applications continues to grow
- Distribution channel up modestly since 2020 driven by broad industrial activity

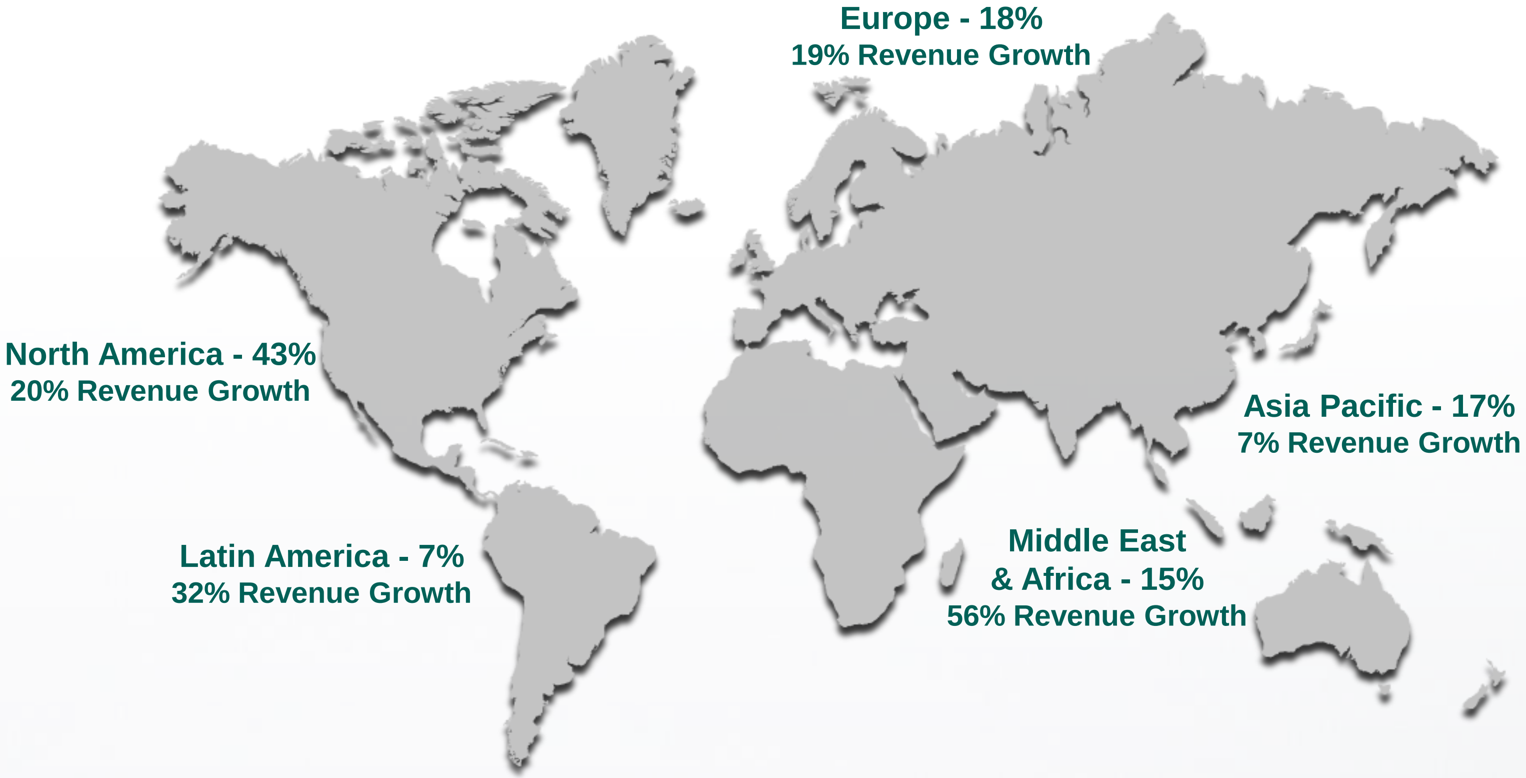
Q2 2023 Sales Mix

ORIGINAL EQUIPMENT



AFTERMARKET





Strong revenue growth across all regions

Q2 2023 Segment Highlights

	FPD As Reported	FPD Year-over-Year	FCD As Reported	FCD Year-over-Year
Bookings	$760.0	5.9%	$359.7	9.0%
Adjusted Gross Margin*	29.9%	-10 bps	30.3%	+30 bps
Adjusted SG&A as % of Sales*	17.2%	-420 bps	17.0%	-50 bps
Adjusted Operating Margin*	13.2%	+380 bps	13.3%	+80 bps
Book-to-Bill	0.99x		1.13x	

Improved execution drove strong adjusted operating margin increase across both segments

* See appendix for reconciliation to corresponding GAAP-based measure

2023 Guidance [1]

Guidance Metric	Revised 2023 Guidance	Prior 2023 Guidance
Revenue Growth	Up 16.0% - 18.0%	Up 10% - 12.0%
Reported EPS	$1.40 - $1.65	$1.40 - $1.65
Adjusted EPS [2]	$1.85 - $2.00	$1.65 - $1.85
EUR Rate [3]	Current Levels	~1.10
Adjusted Tax Rate	~20%	18% - 20%
Capital Expenditures	$75 - $85 million	$75 - $85 million
Net Interest Expense	~$60 million	$55 - $60 million

Continued operating momentum drove revenue and adjusted EPS guidance increase

[1] As of August 2, 2023 – Guidance excludes any contribution from the expected acquisition of Velan Inc. (Prior Guidance as of May 2, 2023)
[2] 2023 Reported and Adjusted EPS guidance assumes 131.8 million diluted shares
[3] Adjusted EPS guidance excludes identified realignment charges of approximately $40 million, below-the-line FX impact and other potential specific discrete items

Flowserve 3D Growth Strategy in Action

DIVERSIFICATION

Diversify – Feeding the World Through Innovative Applications

Supplying liquid ring vacuum pumps to support processing of edible oils and fats

Enabling our customer to deliver products for diverse uses such as cooking oils, meat alternatives, and non-dairy products

DECARBONIZATION

Decarbonize – Increasing Renewable Capabilities in Europe

Pumps and valves will be utilized for the expansion of renewable products and sustainable aviation fuel refinery

Refinery expansion will nearly double its total renewable products capacity

DIGITIZATION

Digitize – Delivering Reliable World Class Capabilities

Flowserve won several RedRaven monitoring contracts for three European chemical facilities to improve asset uptime and reliability

Recent ESG Report Highlights

Climate

Climate outlines our commitment to enabling a clean energy future and is embedded in our operations, technologies and capabilities through our 3D strategy that enable our customers' ESG goals.

Reached 80% of our 2030 carbon emissions reduction goal

Achieved nearly $140 million in energy transition bookings in 2022

Strategic partnerships and collaborations in hydrogen fueling, LNG, CCUS and recyclables

Culture

Culture is rooted in our belief that the collective energy of our people sets us apart. We are committed to strengthening our purpose and values driven culture and investing in our people and our communities.

Trained over 2,000 People Leaders through our Leadership in Motion program

Invested over $500,000 in local communities where we operate around the world through Flowserve Cares

Core Responsibility

Core Responsibility represents how we conduct business ethically and in accordance with laws and regulations around the world.

Delivered record safety performance, recording first ever incident-free month with no recordable injuries at any Flowserve sites

Launched more than 20 new and redesigned products that directly align with our 3D strategy

Key Takeaways and 2023 Outlook

Consistent and improving operating performance driving strong revenue and earnings growth allowing Flowserve to upgrade full year guidance for the second time this year

3D strategy continues to position Flowserve exceptionally well to capitalize on the existing market conditions

Substantial backlog and strong MRO and aftermarket activity support revenue growth through 2024

New organization design and cost action plan will simplify the organization, drive better accountability, and enhance our overall cost competitiveness

Expect traditional improvement in operating cash flow in the second half of the year

3D strategic growth combined with improved operating performance drives enhanced shareholder value

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Appendix

Q2 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 June 30, 2023	Gross Profit	Selling, General & Administrative Expense	Operating Income	Other Income (Expense), Net	Income Taxes	Net Earnings (Loss)	Effective Tax Rate	Diluted EPS
Reported	**$ 322,760**	**$ 230,082**	**$ 96,648**	**$ (5,543)**	**$ 21,304**	**$ 51,203**	**27.9%**	**$ 0.39**
Reported as a percent of sales (1)	*29.9%*	*21.3%*	*8.9%*	*-0.5%*	*2.0%*	*4.7%*		
Realignment charges (a)	4,106	(7,445)	11,551	-	2,982	8,569	25.8%	0.07
Acquisition and integration-related (b)	-	(2,856)	2,856	-	732	2,124	25.6%	0.02
Discrete asset write-downs (c)	796	(1,038)	1,834	-	479	1,355	26.1%	0.01
Below-the-line foreign exchange impacts (d)	-	-	-	4,758	(156)	4,914	-3.3%	0.04
Adjusted	**$ 327,662**	**$ 218,743**	**$ 112,889**	**$ (785)**	**$ 25,341**	**$ 68,165**	**26.0%**	**$ 0.52**
Adjusted as a percent of sales (1)	*30.3%*	*20.2%*	*10.4%*	*-0.1%*	*2.3%*	*6.3%*		

(1) As a percent of Q2 2023 sales of $1,080,376

(a) Charges represent realignment costs incurred as a result of realignment programs

(b) Charges represent acquisition and integration-related costs associated with the pending acquisition of Velan Inc.

(c) Charge represents a further expense of $1,834 asssociated with a sales contract that was initially reserved for in 2017

(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

FLOWSERVE

YTD 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)

Six Months Ended June 30, 2023	Gross Profit	Selling, General & Administrative Expense	Operating Income	Other Income (Expense), Net	Income Taxes	Net Earnings (Loss)	Effective Tax Rate	Diluted EPS
Reported	**$ 619,591**	**$ 474,359**	**$ 153,835**	**$ (13,562)**	**$ 25,757**	**$ 77,970**	**23.2%**	**$ 0.59**
Reported as a percent of sales (1)	*30.1%*	*23.0%*	*7.5%*	*-0.7%*	*1.2%*	*3.8%*		
Realignment charges (a)	4,308	(24,122)	28,430	-	6,166	22,264	21.7%	0.17
Acquisition and integration-related (b)	-	(5,952)	5,952	-	1,554	4,398	26.1%	0.03
Discrete asset write-downs (c)(d)(e)	1,969	(3,955)	5,924	-	1,517	4,407	25.6%	0.03
Below-the-line foreign exchange impacts (f)	-	-	-	12,164	393	11,771	3.2%	0.09
Adjusted	**$ 625,868**	**$ 440,330**	**$ 194,141**	**$ (1,398)**	**$ 35,387**	**$ 120,810**	**21.7%**	**$ 0.92**
Adjusted as a percent of sales (1)	*30.4%*	*21.4%*	*9.4%*	*-0.1%*	*1.7%*	*5.9%*		

(1) As a percent of YTD 2023 sales of $2,060,681

(a) Charges represent realignment costs incurred as a result of realignment programs of which $7,601 is non-cash

(b) Charges represent acquisition and integration-related costs associated with the pending acquisition of Velan Inc.

(c) Charge represents a further expense of $1,834 asssociated with a sales contract that was initially reserved for in 2017 (Gross Profit impact of $796, SG&A impact of $1,038)

(d) Charge represents a further $1,173 non-cash write-down of inventory associated with a customer sales contract that was originally be uncollectible in 2021

(e) Charge represents a $2,917 non-cash write-down of a licensing agreement

(f) 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

Q2 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 June 30, 2022	Gross Profit	Selling, General & Administrative Expense	Operating Income	Other Income (Expense), Net	Income Taxes	Net Earnings (Loss)	Effective Tax Rate	Diluted EPS
Reported	**$ 249,829**	**$ 194,606**	**$ 60,332**	**$ 7,589**	**$ 11,618**	**$ 44,777**	**20.1%**	**$ 0.34**
Reported as a percent of sales (1)	*28.3%*	*22.1%*	*6.8%*	*0.9%*	*1.3%*	*5.1%*		
Realignment charges (a)	467	(62)	529	-	101	428	19.1%	0.00
Discrete asset write-downs (b)	-	(3,036)	3,036	-	729	2,307	24.0%	0.02
Below-the-line foreign exchange impacts (c)	-	-	-	(10,112)	(2,064)	(8,048)	20.4%	-0.06
Adjusted	**$ 250,296**	**$ 191,508**	**$ 63,897**	**$ (2,523)**	**$ 10,384**	**$ 39,464**	**20.3%**	**$ 0.30**
Adjusted as a percent of sales (1)	*28.4%*	*21.7%*	*7.2%*	*-0.3%*	*1.2%*	*4.5%*		

(1) As a percent of Q2 2022 sales of $882,222

(a) Charges represent realignment costs incurred as a result of realignment programs

(b) Charge represents a non-cash asset write-down associated with the impairment of a trademark

(c) 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

YTD 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)

Six Months Ended June 30, 2022	Gross Profit	Selling, General & Administrative Expense	Operating Income	Other Income (Expense), Net	Income Taxes	Net Earnings (Loss)	Effective Tax Rate	Diluted EPS
Reported	**$459,477**	**$ 400,816**	**$ 67,700**	**$ (524)**	**$14,800**	**$ 28,960**	**31.4%**	**$ 0.22**
Reported as a percent of sales (1)	*27.0%*	*23.5%*	*4.0%*	*0.0%*	*0.9%*	*1.7%*		
Realignment charges (a)	269	139	130	-	27	103	20.8%	0.00
Discrete asset write-downs (b)(c)	10,053	(13,229)	23,282	-	(70)	23,352	-0.3%	0.18
Below-the-line foreign exchange impacts (d)	-	-	-	(4,418)	(1,031)	(3,387)	23.3%	-0.03
Adjusted	**$469,799**	**$ 387,726**	**$ 91,112**	**$ (4,942)**	**$13,726**	**$ 49,028**	**20.7%**	**$ 0.37**
Adjusted as a percent of sales (1)	*27.6%*	*22.8%*	*5.3%*	*-0.3%*	*0.8%*	*2.9%*		

(1) As a percent of YTD 2022 sales of $1,703,280

(a) Charges represent realignment costs incurred as a result of realignment programs of which $259 is non-cash

(b) Charge represents a $3,096 discrete asset write-down associated with the impairment of a trademark

(c) Charges represent a $20,246 reserve of Russia-related financial exposures (Gross Profit impact of $10,053, SG&A impact of $10,193)

(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

Flowserve Pump Division Q2 2023 Segment Results

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

Flowserve Pump Division

Three Months Ended June 30, 2023	Gross Profit	Selling, General & Administrative Expense	Operating Income
Reported	**$ 226,814**	**$ 132,780**	**$ 98,003**
Reported as a percent of sales (1)	*29.6%*	*17.3%*	*12.8%*
Realignment charges (a)	953	(17)	970
Discrete asset write-downs (b)	796	(1,038)	1,834
Adjusted	**$ 228,563**	**$ 131,725**	**$ 100,807**
Adjusted as a percent of sales (1)	*29.9%*	*17.2%*	*13.2%*

Three Months Ended June 30, 2022	Gross Profit	Selling, General & Administrative Expense	Operating Income
Reported	**$ 183,959**	**$ 131,722**	**$ 57,346**
Reported as a percent of sales (1)	*29.9%*	*21.4%*	*9.3%*
Realignment charges (a)	379	(2)	381
Discrete asset write-downs	-	-	-
Adjusted	**$ 184,338**	**$ 131,720**	**$ 57,727**
Adjusted as a percent of sales (1)	*30.0%*	*21.4%*	*9.4%*

(1) As a percent of Q2 2023 sales of $765,381 and Q2 2022 sales of $614,870
(a) Charges represent realignment costs incurred as a result of realignment programs
(b) Charge represents a further expense of $1,834 asssociated with a sales contract that was initially reserved for in 2017

Flowserve Pump Division YTD 2023 Segment Results

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

Flowserve Pump Division

Six Months Ended June 30, 2023	Gross Profit	Selling, General & Administrative Expense	Operating Income
Reported	**$ 448,241**	**$ 279,759**	**$ 177,076**
Reported as a percent of sales (1)	*30.6%*	*19.1%*	*12.1%*
Realignment charges (a)	1,343	(2,067)	3,410
Discrete asset write-downs (b)(c)(d)	1,969	(3,955)	5,924
Adjusted	**$ 451,553**	**$ 273,737**	**$ 186,410**
Adjusted as a percent of sales (1)	*30.8%*	*18.7%*	*12.7%*

Six Months Ended June 30, 2022	Gross Profit	Selling, General & Administrative Expense	Operating Income
Reported	**$ 340,903**	**$ 271,523**	**$ 78,347**
Reported as a percent of sales (1)	*28.6%*	*22.8%*	*6.6%*
Realignment charges (a)	296	(77)	373
Discrete asset write-downs (e)	8,939	(9,111)	18,050
Adjusted	**$ 350,138**	**$ 262,335**	**$ 96,770**
Adjusted as a percent of sales (1)	*29.4%*	*22.0%*	*8.1%*

(1) As a percent of YTD 2023 sales of $1,465,497 and YTD 2022 sales of $1,190,454
(a) Charges represent realignment costs incurred as a result of realignment programs
(b) Charge represents a further expense of $1,834 asssociated with a sales contract initially reserved for in 2017 (Gross Profit impact of $796, SG&A impact of $1,038)
(c) Charge represents a further $1,173 non-cash write-down of inventory associated with a customer sales contract that was originally determined to be uncollectible in 2020
(d) Charge represents a $2,917 non-cash write-down of a licensing agreement
(e) Charges represent the reserve of Russia-related financial exposures

Flow Control Division Q2 2023 Segment Results

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

(Amounts in thousands)

Flow Control Division

Three Months Ended June 30, 2023	**Gross Profit**	**Selling, General & Administrative Expense**	**Operating Income**
Reported	**$ 93,058**	**$ 56,943**	**$ 36,115**
Reported as a percent of sales (1)	*29.3%*	*17.9%*	*11.4%*
Realignment charges (a)	3,153	-	3,153
Acquisition and integration-related (b)	-	(2,856)	2,856
Discrete asset write-downs	-	-	-
Adjusted	**$ 96,211**	**$ 54,087**	**$ 42,124**
Adjusted as a percent of sales (1)	*30.3%*	*17.0%*	*13.3%*

Three Months Ended June 30, 2022	**Gross Profit**	**Selling, General & Administrative Expense**	**Operating Income**
Reported	**$ 80,324**	**$ 49,955**	**$ 30,369**
Reported as a percent of sales (1)	*29.9%*	*18.6%*	*11.3%*
Realignment charges (a)	88	(33)	121
Acquisition and integration-related	-	-	-
Discrete asset write-downs (c)	-	(3,036)	3,036
Adjusted	**$ 80,412**	**$ 46,886**	**$ 33,526**
Adjusted as a percent of sales (1)	*30.0%*	*17.5%*	*12.5%*

(1) As a percent of Q2 2023 sales of $317,710 and Q2 2022 sales of $268,406

(a) Charges represent realignment costs incurred as a result of realignment programs

(b) Charges represent acquisition and integration-related costs associated with the pending acquisition of Velan Inc.

(c) Charge represents a non-cash asset write-down associated with the impairment of a trademark

Flow Control Division YTD 2023 Segment Results

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

<u>Flow Control Division</u>

Six Months Ended June 30, 2023	Gross Profit	Selling, General & Administrative Expense	Operating Income
Reported	**$ 173,351**	**$ 118,702**	**$ 54,649**
Reported as a percent of sales (1)	*28.9%*	*19.8%*	*9.1%*
Realignment charges (a)	3,164	(8,906)	12,070
Acquisition and integration-related (b)	-	(5,952)	5,952
Discrete asset write-downs	-	-	-
Adjusted	**$ 176,515**	**$ 103,844**	**$ 72,671**
Adjusted as a percent of sales (1)	*29.5%*	*17.3%*	*12.1%*

Six Months Ended June 30, 2022	Gross Profit	Selling, General & Administrative Expense	Operating Income
Reported	**$ 139,840**	**$ 94,234**	**$ 45,606**
Reported as a percent of sales (1)	*27.1%*	*18.3%*	*8.8%*
Realignment charges (a)	34	(50)	84
Acquisition and integration-related	-	-	-
Discrete asset write-downs (c)(d)	1,114	(4,118)	5,232
Adjusted	**$ 140,988**	**$ 90,066**	**$ 50,922**
Adjusted as a percent of sales (1)	*27.3%*	*17.4%*	*9.9%*

(1) As a percent of YTD 2023 sales of $599,326 and YTD 2022 sales of $516,261
(a) Charges represent realignment costs incurred as a result of realignment programs of which $4 is non-cash.
(b) Charges represent acquisition and integration-related costs associated with the pending acquisition of Velan Inc.
(c) Charges represent the reserve of Russia-related financial exposures of $2,196 (Gross Profit impact of $1,114, SG&A impact of $1,082)
(d) Charge represents a non-cash asset write-down of $3,036 associated with the impairment of a trademark.

Q2 2023 Bookings and Sales Mix

Flowserve Pump Division

($ millions)		Q2 2023	Q2 2022	Delta (%)	Constant FX(%)*	YTD 2023	YTD 2022	Delta (%)	Constant FX(%)*
Bookings Mix **	OE	251	263	**-5%**	**-6%**	503	587	**-14%**	**-14%**
		33%	37%	**(400) bps**		34%	39%	**(500) bps**	
	AM	509	455	**12%**	**13%**	985	926	**6%**	**8%**
		67%	63%	**400 bps**		66%	61%	**500 bps**	
Sales Mix **	OE	284	213	**34%**	**33%**	537	414	**30%**	**31%**
		37%	35%	**200 bps**		37%	35%	**200 bps**	
	AM	481	402	**20%**	**20%**	928	777	**20%**	**21%**
		63%	65%	**(200) bps**		63%	65%	**(200) bps**	

Flow Control Division

($ millions)		Q2 2023	Q2 2022	Delta (%)	Constant FX(%)*	YTD 2023	YTD 2022	Delta (%)	Constant FX(%)*
Bookings Mix **	OE	274	257	**7%**	**8%**	530	478	**11%**	**13%**
		76%	78%	**(200) bps**		77%	77%	**- bps**	
	AM	86	73	**18%**	**18%**	162	146	**11%**	**12%**
		24%	22%	**200 bps**		23%	23%	**- bps**	
Sales Mix **	OE	235	199	**18%**	**20%**	447	382	**17%**	**19%**
		74%	74%	**- bps**		75%	74%	**100 bps**	
	AM	82	69	**19%**	**19%**	153	134	**14%**	**15%**
		26%	26%	**- bps**		25%	26%	**(100) 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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