FLOWSERVE®

FIRST QUARTER

2023 EARNINGS CONFERENCE CALL

May 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; 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 or integrate and realize the synergies of any acquisition, 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.

Q1 2023 Highlights

Strong revenue growth of 19% combined with systemic operational improvements drove Adjusted EPS* of $0.40, the highest first quarter since 2019

Bookings of $1.06 billion represent the fifth consecutive quarter over $1 billion

- Driven by strong Aftermarket, MRO and 3D strategy

Adjusted gross margins* increased 370 bps to 30.4% versus prior year

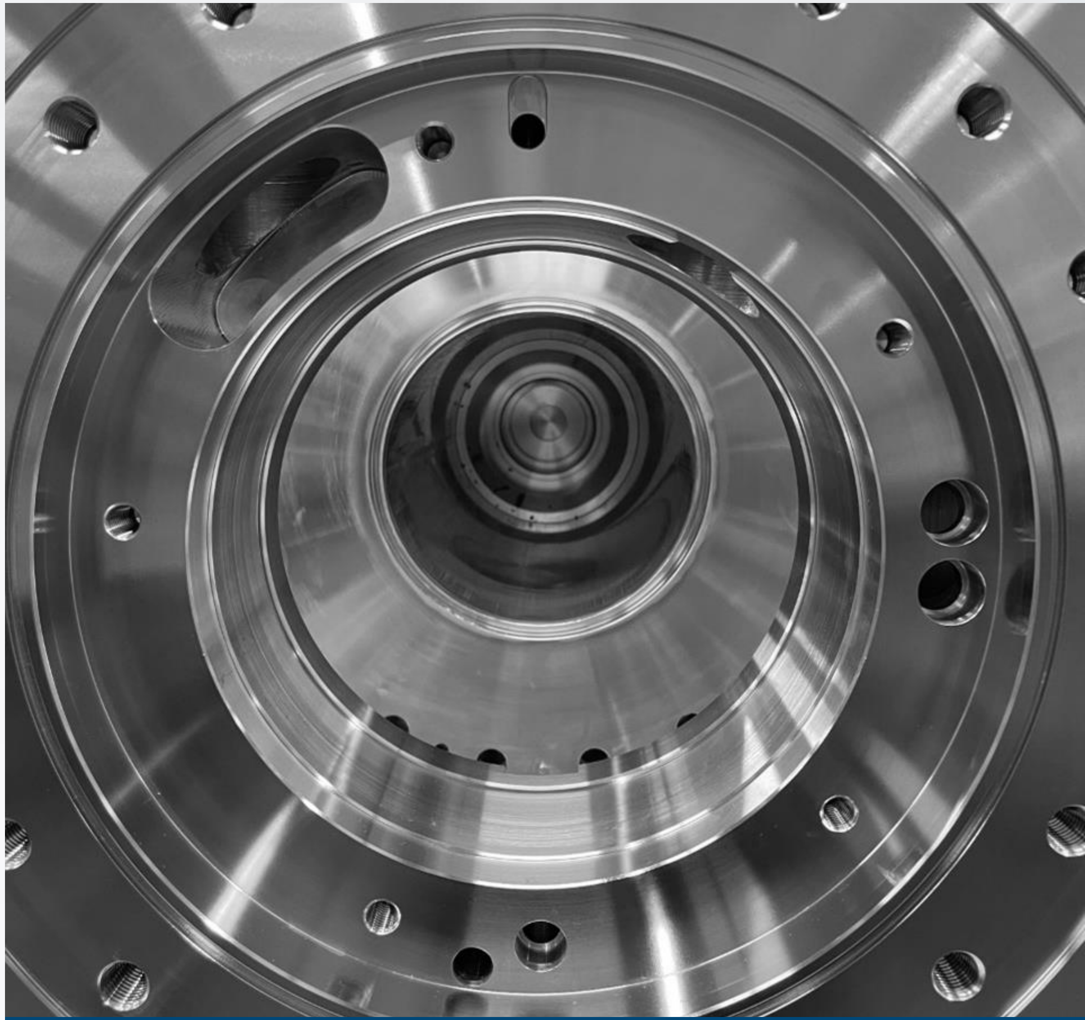
Adjusted operating margins* increased 500 bps to 8.3% versus prior year

- Adjusted incremental operating margin of 33.9%

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



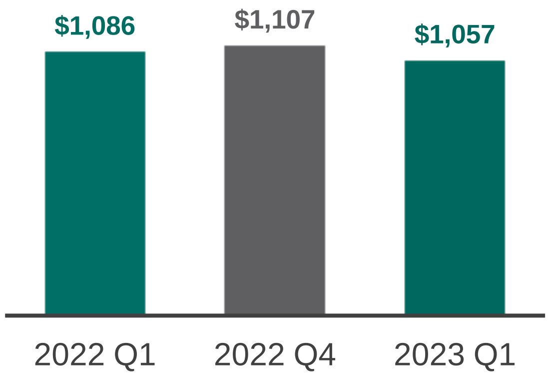
Liquid Ring Compressor for Nuclear Service

* See appendix for reconciliation to corresponding GAAP-based measure

Q1 2023 Overview

BOOKINGS

$ millions

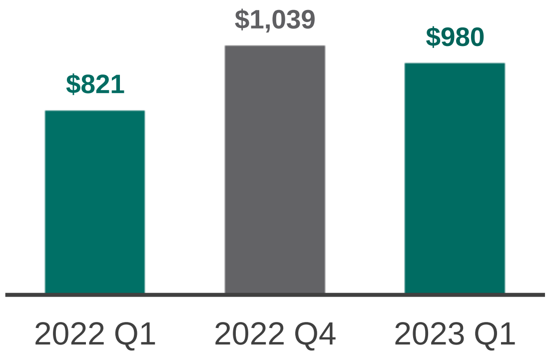


MRO and Aftermarket bookings at near record levels

– AM bookings of $550 million marked the 6th consecutive quarter over $500 million

SALES

$ millions

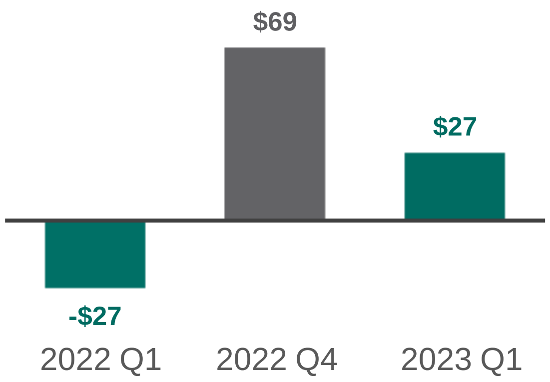


Revenue increased 19.4% versus prior year, or 22.3% on a constant currency basis

– Expect full-year 2023 revenue growth of 10%-12% including modest currency benefit at current rates

OPERATING CASH FLOW

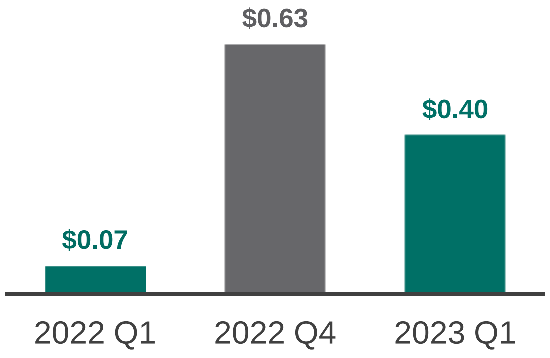
$ millions



Positive operating cash flow in the seasonally impacted first quarter

– Expect strong second half 2023 operating cash flow improvement as we deliver our $2.8 billion backlog

ADJUSTED EPS*



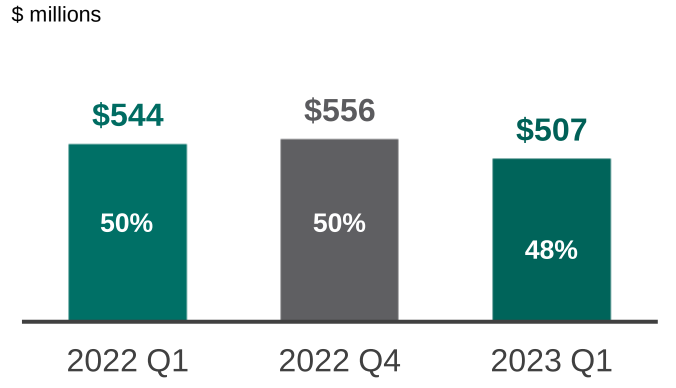
Adjusted EPS of $0.40 building on the positive momentum of Q4

– Increased 2023 full year adjusted EPS range to $1.65-$1.85, representing nearly 60% year-over-year growth at mid-point

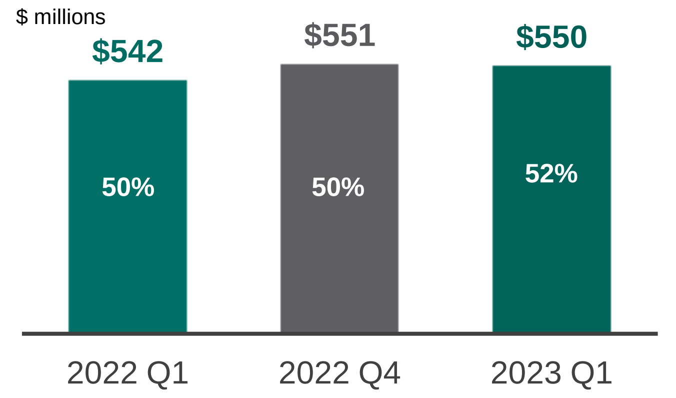
* See appendix for reconciliation to corresponding GAAP-based measure

Q1 2023 Bookings Mix

ORIGINAL EQUIPMENT



AFTERMARKET



OIL & GAS – 37%

- LNG projects progressing through FID
- Significant spending to maintain downstream assets
- Decarbonization becoming a top priority for operators

CHEMICAL – 23%

- International project activity continues to move forward
- Circular economy driving significant investments in new projects and feedstock
- Global output expected to rise 3% in 2023

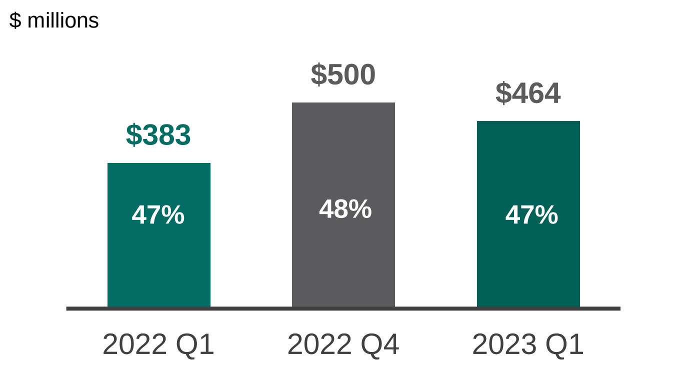
POWER – 11%

- Energy security driving significant new investment
- Nuclear becoming more important to global energy mix
- Renewable power infrastructure accelerating

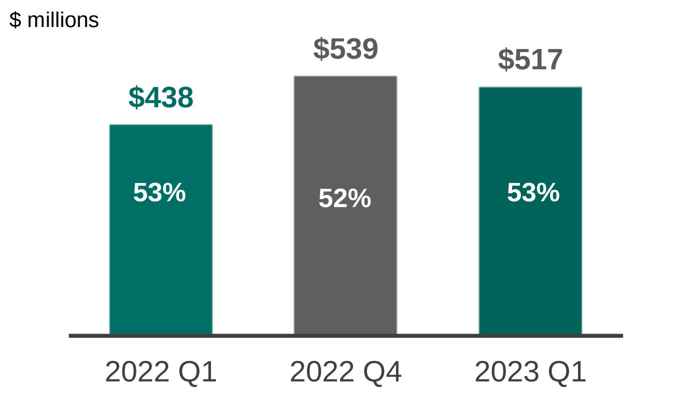
GENERAL INDUSTRIES – 26% & WATER – 3%

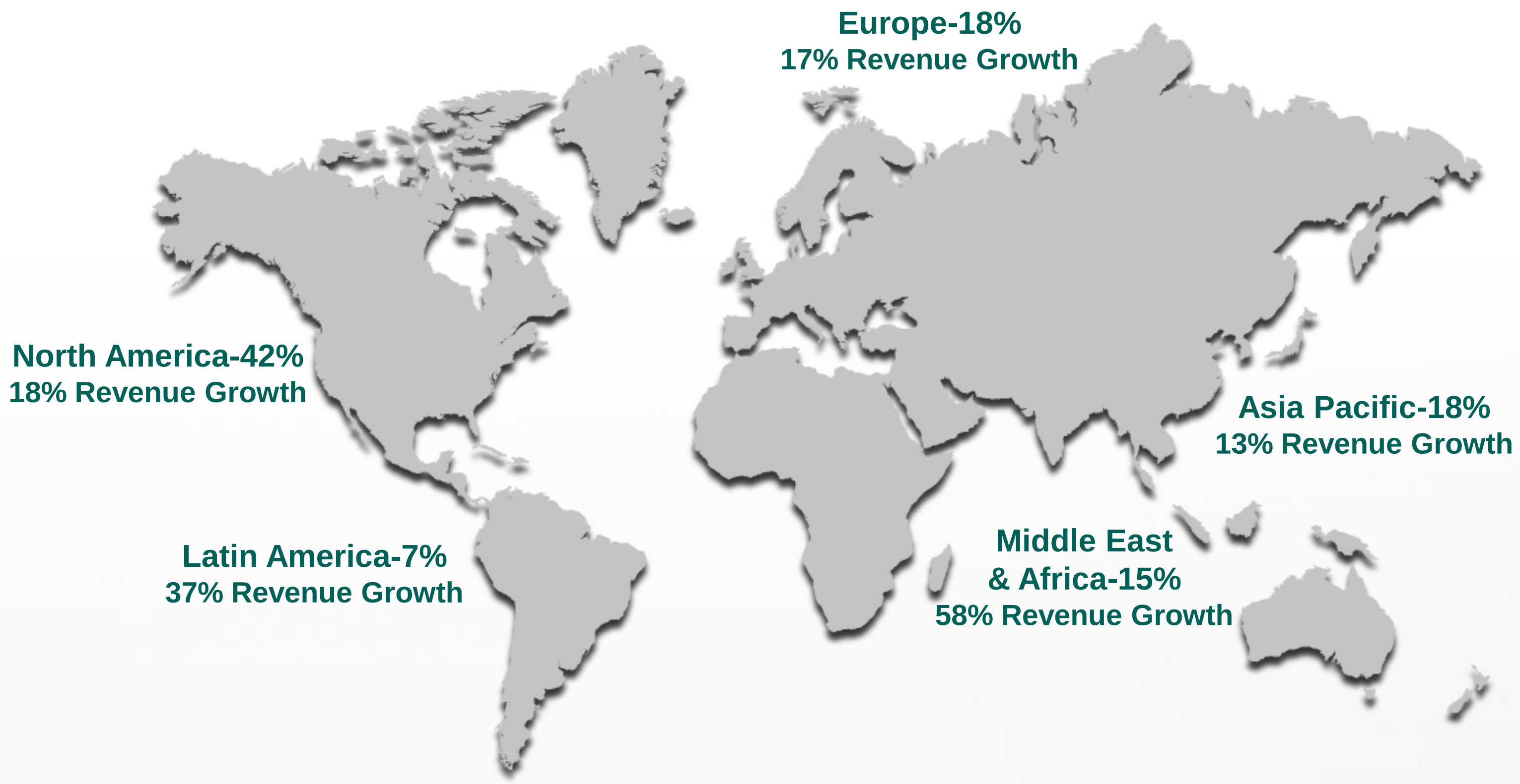
- Enhanced spending in all water applications to improve infrastructure globally
- Distribution channel expected to grow modestly in 2023

ORIGINAL EQUIPMENT



AFTERMARKET





Strong constant currency revenue growth across all regions

Q1 2023 Segment Highlights

	FPD As Reported	FPD Year-over-Year	FCD As Reported	FCD Year-over-Year
Bookings	$728.5	-8.4%	$332.0	12.8%
Adjusted Gross Margin*	31.9%	+310 bps	28.5%	+410 bps
Adjusted SG&A as % of Sales*	20.3%	-240 bps	17.7%	+30 bps
Adjusted Operating Margin*	12.2%	+540 bps	10.8%	+380 bps
Book-to-Bill	1.04x		1.18x	

Operational improvement drove strong margin increases 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 10.0% - 12.0%	Up 9.0% - 11.0%
Reported EPS [2]	$1.40 - $1.65	$1.40 - $1.65
Adjusted EPS [3]	$1.65 - $1.85	$1.50 - $1.75
EUR Rate	Current Levels	1.02
Adjusted Tax Rate	18% - 20%	18% - 20%
Capital Expenditures	$75 - $85 million	$75 - $85 million

2023 GUIDANCE COMMENTS

Revenue growth supported by $2.8 billion backlog and expectation that markets remain supportive

Inflationary impacts on materials and wages, increased R&D and investments, and higher interest and tax expense, partially offset by $50 million cost action plan

[1] As of May 2, 2023 – Guidance excludes any contribution from the expected acquisition of Velan Inc. (Prior Guidance as of February 22,2023)
[2] 2023 Reported and Adjusted EPS guidance assumes 131.8 million diluted shares
[3] Adjusted EPS guidance excludes expected realignment charges of approximately $25 million, below-the-line FX impact and other potential specific discrete items

* See appendix for reconciliation to corresponding GAAP-based measure

Flowserve 3D Growth Strategy in Action

DIVERSIFICATION

Diversify – Seal Technology Enabling Hydrogen Compression

Seals to be utilized in Eastern Europe facility expansion and modernization project

Innovative seal technology enables hydrogen compression and supports customer's requirement to meet strict environmental standards

DECARBONIZATION

Decarbonize – Progress to Net Zero Through Direct Air Capture

Flowserve supplying pumps, valves and seals for the first large scale direct air capture unit

Once operable, this Texas-based facility will be the largest of its kind, expected to capture 500,000 metric tons of CO_2 annually

DIGITIZATION

Digitize – Providing Clean, Reliable Power with RedRaven

Flowserve renewed several RedRaven monitoring contracts for 4 power plants in the U.S.

Flowserve is seeing the first round of contract renewals and extensions for its highly differentiated solution

Key Takeaways and 2023 Outlook

Improved operating performance drives strong Q1 results

3D strategy positioning Flowserve exceptionally well to capitalize on existing market conditions

Substantial backlog and high run rate business supports multi-year revenue growth

Cost action plan to offset inflation and growth investments

Velan acquisition enhances 3D offering and shareholder value

Expect strategic growth combined with operating momentum to drive enhanced shareholder value

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Appendix

Q1 2023 Consolidated Financial Results

($ millions)	1st Quarter 2023	1st Quarter 2022	Delta ($)	Delta (%)	Constant FX(%)*	1st Quarter Adjusted 2023 Adjusted Items	2023 Adjusted Results	2022 Adjusted Results	Delta ($)	Delta (%)	Constant FX(%)*
Bookings	$ 1,057.2	$ 1,086.1	$ (28.9)	-2.7%	-0.5%	$ -	$ 1,057.2	$ 1,086.1	$ (28.9)	-2.7%	-0.5%
Sales	$ 980.3	$ 821.1	$ 159.2	19.4%	22.3%	$ -	$ 980.3	$ 821.1	$ 159.2	19.4%	22.3%
Gross Profit	$ 296.8	$ 209.6	$ 87.2	41.6%		$ (1.4) (1)	$ 298.2	$ 219.5 (5)	$ 78.7	35.9%	
Gross Margin (%)	30.3%	25.5%		480 bps			30.4%	26.7%		370 bps	
SG&A	$ 244.3	$ 206.1	$ 38.2	18.5%	20.6%	$ 22.7 (2)	$ 221.6	$ 196.1 (6)	$ 25.5	13.0%	15.2%
SG&A (%)	24.9%	25.1%		(20) bps			22.6%	23.9%		(130) bps	
Income from Affiliates	$ 4.6	$ 3.9	$ 0.7	17.9%		$ -	$ 4.6	$ 3.9	$ 0.7	17.9%	
Operating Income	$ 57.2	$ 7.4	$ 49.8	NM	NM	$ (24.1)	$ 81.3	$ 27.2	$ 54.1	NM	NM
Operating Margin (%)	5.8%	0.9%		490 bps			8.3%	3.3%		500 bps	
Other (Expense) / Income, net **	$ (8.0)	$ (8.1)	$ (0.1)	-1.2%		$ (7.4) (3)	$ (0.6)	$ (2.4) (7)	$ (1.8)	-75.0%	
Tax Benefit / (Expense)	$ (4.5)	$ (3.2)	$ 1.3	40.6%		$ 5.6 (4)	$ (10.0)	$ (3.4) (8)	$ 6.6	NM	
Net Earnings	$ 26.8	$ (15.8)	$ 42.6	NM		$ (25.9)	$ 52.6	$ 9.6	$ 43.0	NM	
Diluted EPS	$ 0.20	$ (0.12)	$ 0.32	NM		$ (0.20)	$ 0.40	$ 0.07	$ 0.33	NM	

- Diluted EPS calculated using fully diluted shares of 131.8 and 130.4 million shares for Q1 2023 and Q1 2022, respectively

* Constant FX represents the year-over-year variance assuming 2023 results at 2022 FX rates

1. Includes discrete asset write-down of $1.2 million and realignment charges of $0.2 million
2. Includes realignment charges of $16.7 million, costs associated with pending acquisition of Velan Inc. of $3.1 million and discrete asset write down of $2.9 million
3. Below-the-line FX impacts
4. Includes tax impact of above items

** First Quarter 2023 and 2022 include a loss of $7.4 million and a loss of $5.7 million arising from transactions in currencies other than our sites' functional currencies and impact of foreign exchange contracts, respectively

5. Excludes the reserves of Russia related financial exposures of $10.1 million and realignment benefit of $0.2 million
6. Excludes the reserves of Russia related financial exposures of $10.2 million and realignment benefit of $0.2 million
7. Excludes below-the-line FX impacts
8. Excludes tax impact of above items

Flowserve Pump Division Q1 2023 Segment Results

1st Quarter					
($ millions)	2023	2022	Delta ($)	Delta (%)	Constant FX(%)*
Bookings	$ 728.5	$ 795.6	$ (67.1)	-8.4%	-6.6%
Sales	$ 700.1	$ 575.6	$ 124.5	21.6%	24.4%
Gross Profit	$ 221.4	$ 156.9	$ 64.5	41.1%	
Gross Margin (%)	31.6%	27.3%		430 bps	
SG&A	$ 147.0	$ 139.8	$ 7.2	5.2%	7.0%
SG&A (%)	21.0%	24.3%		(330) bps	
Income from Affiliates	$ 4.6	$ 3.9	$ 0.7	17.9%	
Operating Income	$ 79.1	$ 21.0	$ 58.1	276.7%	306.1%
Operating Margin (%)	11.3%	3.6%		770 bps	
Adjusted Operating Income**	$ 85.6	$ 39.0	$ 46.6	119.5%	135.4%
Adjusted Operating Margin%**	12.2%	6.8%		540 bps	

* Constant FX represents the year over year variance assuming 2023 results at 2022 FX rates

** Adjusted Operating Income and Adjusted Operating Margin exclude realignment charges of $2.4 million for Q1 2023, discrete asset write-downs of $4.1 million for Q1 2023 and the reserves of Russia related financial exposures of $18.0 million for Q1 2022

Flowserve Pump Division Q1 2023 Bookings and Sales

($ millions)		2023	2022	Delta (%)	Constant FX(%)*
		1st Quarter			
Bookings Mix **	OE	253	324	-22%	-20%
		35%	41%	(600) bps	
	AM	476	472	1%	3%
		65%	59%	600 bps	
Sales Mix **	OE	253	201	26%	29%
		36%	35%	100 bps	
	AM	447	375	19%	22%
		64%	65%	(100) bps	

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

Flow Control Division Q1 2023 Segment Results

($ millions)	1st Quarter 2023	2022	Delta ($)	Delta (%)	Constant FX(%)*
Bookings	$ 332.0	$ 294.3	$ 37.7	12.8%	15.7%
Sales	$ 281.6	$ 247.9	$ 33.7	13.6%	16.7%
Gross Profit	$ 80.3	$ 59.5	$ 20.8	35.0%	
Gross Margin (%)	28.5%	24.0%		450 bps	
SG&A	$ 61.8	$ 44.3	$ 17.5	39.5%	42.2%
SG&A (%)	21.9%	17.9%		400 bps	
Operating Income	$ 18.5	$ 15.2	$ 3.3	21.7%	27.0%
Operating Margin (%)	6.6%	6.1%		50 bps	
Adjusted Operating Income**	$ 30.5	$ 17.4	$ 13.1	75.3%	79.8%
Adjusted Operating Margin%**	10.8%	7.0%		380 bps	

* Constant FX represents the year over year variance assuming 2023 results at 2022 FX rates

** Adjusted Operating Income and Adjusted Operating Margin exclude realignment charges of $8.9 million and discrete asset write-down of $3.1 million for Q1 2023 and the reserves of Russia related financial exposures of $2.2 million for Q1 2022

Flow Control Division Q1 2023 Bookings and Sales

($ millions)		1st Quarter 2023	2022	Delta (%)	Constant FX(%)*
Bookings Mix **	OE	256	221	**16%**	**19%**
		77%	75%	**200 bps**	
	AM	76	73	**4%**	**6%**
		23%	25%	**(200) bps**	
Sales Mix **	OE	211	184	**15%**	**18%**
		75%	74%	**100 bps**	
	AM	70	64	**9%**	**11%**
		25%	26%	**(100) bps**	

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

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