



## News Release

# Flowserve Corporation Completes New Senior Credit Facility

09/13/21

- **Amended and restated the Company's \$800 million Revolving Credit Facility**
- **Addition of a new \$300 million 5-year Term Loan Facility**
- **Includes Sustainability-Linked Option for potential interest savings from ESG performance**
- **Term Loan includes participation of a Minority-Owned Depository Institution**

DALLAS--(BUSINESS WIRE)--Sep. 13, 2021-- Flowserve Corporation (NYSE: FLS), a leading provider of flow control products and services for the global infrastructure markets, today announced it has amended and restated its \$800 million Revolving Credit Facility and added a new \$300 million Term Loan Facility (together the "Senior Credit Facility") with Bank of America, N.A. and certain other lenders. The Senior Credit Facility includes a Sustainability-Linked Option, which provides the opportunity to further lower the Company's overall borrowing costs, based upon an agreement with BofA Securities, Inc. as sustainability coordinator, regarding certain Flowserve environmental, social and governance targets.

Additionally, as part of the Senior Credit Facility, Flowserve has incorporated a \$300 million, 5-year funded Term Loan Facility that includes participation from a Minority-Owned Depository Institution headquartered in Flowserve's home state of Texas.

“We appreciate the support of our banking partners in completing this new credit facility that strengthens our capital structure, ensures substantial liquidity and enhances our financial flexibility as we continue to execute on our strategic goals,” said Amy Schwetz, senior vice president and chief financial officer.

“We are especially pleased to incorporate a Sustainability-Linked option as part of the Senior Credit Facility. Flowserve’s purpose of ‘creating extraordinary flow control solutions to make the world better for everyone’ dictates a commitment to continuous improvement in our ESG initiatives, which are core to our company. We do this through our commitments to reduce our own environmental footprint and add value to the communities we serve, and importantly, by applying our deep expertise in flow control products, services and knowledge to support our customers on their own energy transformation journey. Linking our cost of capital to our ESG goals provides a compelling opportunity to do well for our company and shareholders as we do well for the world,” Schwetz added.

The Senior Credit Facility was entered into with a syndicate of lenders arranged by BofA Securities, Inc. as joint lead arranger and joint bookrunner. Additionally, JPMorgan Chase Bank, N.A., Mizuho Bank, LTD. and BNP Paribas Securities Corp. also served as joint lead arrangers and joint bookrunners. The Revolving Credit Facility is available for general corporate purposes, and the Term Loan Facility’s proceeds are intended to refinance upcoming debt maturities.

Additional information on Flowserve’s Senior Credit Facility will be forthcoming on a Form 8-K to be filed with the Securities and Exchange Commission on or about September 14, 2021, which will also be made available on [flowserve.com](https://www.flowserve.com) in the investor relations section under SEC filings. For further detail on Flowserve’s sustainability initiatives, including our annual sustainability report, please visit: <https://www.flowserve.com/en/about-us/this-is-flowserve/corporate-sustainability>.

### **About Flowserve**

Flowserve Corp. is one of the world’s leading providers of fluid motion and control products and services. Operating in more than 50 countries, the company produces engineered and industrial pumps, seals and valves as well as a range of related flow management services. More information about Flowserve can be obtained by visiting the company’s Web site at [www.flowserve.com](https://www.flowserve.com).

**Safe Harbor Statement:** This news release 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 news release 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 second-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 news release 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.

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