



## News Release

# Flowserve Hosts 2023 Analyst Day and Issues 2027 Financial Targets

09/28/23

- **Establishes 2027 financial targets<sup>2</sup> including 5%+ revenue CAGR targeting \$5.0 billion, with 14-16% adjusted operating margins and \$4+ per share of adjusted EPS**
- **Reaffirms 2023 full year guidance range and provides a preliminary 2024 financial outlook<sup>2</sup> comprised of mid-single digit revenue growth, low double digit full-year adjusted operating margins and expected year-over-year adjusted EPS growth of 20-25%**
- **Presentations to highlight company's progress on 3D growth strategy and innovation roadmap**

DALLAS--(BUSINESS WIRE)--Sep. 28, 2023-- Flowserve Corporation (NYSE: FLS), a leading provider of flow control products and services for the global infrastructure markets, will host its 2023 Analyst Day today in New York City beginning at 8 a.m. ET.

Scott Rowe, president and chief executive officer of Flowserve, and several members of the executive leadership team, will update the financial community through a series of presentations highlighting the company's 3D growth strategy, innovation roadmap and new technology initiatives aimed at driving accelerated growth and shareholder value creation.

“Flowserve has demonstrated positive momentum over the last several quarters and we are excited to update shareholders on our plans to deliver profitable growth over the next several years,” commented Mr. Rowe. “Our 3D growth strategy is delivering results, and the fundamentals of our business are robust. This includes strength across our large and growing traditional end-markets, rapidly expanding new energy opportunities, year-to-date margin expansion, and the benefits we are gaining from our new operating model. These factors position Flowserve well for an expected multi-year growth cycle, delivery of increased revenues and solid earnings growth.”

### **Reaffirmed 2023 Guidance**

Flowserve is reaffirming its revenue and adjusted EPS guidance metrics for 2023, revised on August 1, 2023, as shown in the table below:

	<b><u>Reaffirmed Target Range</u></b>
Revenue Growth	Up 16.0% to 18.0%
Reported Earnings Per Share	\$1.40 - \$1.65
Adjusted Earnings Per Share <sup>1</sup>	\$1.85 - \$2.00
Net Interest Expense	~\$60 million
Adjusted Tax Rate	~20%
Capital Expenditures	\$75 - \$85 million

The outlook excludes any contribution from the previously announced pending acquisition of Velan Inc. Additionally, Flowserve’s 2023 Adjusted EPS target range also excludes expected adjusted items including identified realignment charges of approximately \$40 million, as well as the potential impact of below-the-line foreign currency effects and certain other discrete items which may arise during the course of the year, including the potential for additional realignment expense.

### **Preliminary Full Year 2024 Outlook<sup>2</sup>**

The company today is providing a preliminary 2024 outlook, with official guidance expected to be initiated in February 2024, including expectations for:

- Mid-single digit percentage revenue increase year-over-year
- Low-double digit full-year adjusted operating margins, up ~100 basis points year-over-year, and
- Adjusted EPS growth of over 20-25% year-over-year

## **2027 Financial Targets**<sup>2</sup>

Additionally, the company is introducing its 2027 financial targets, which include expectations for:

- Revenue of over \$5.0 billion
- Adjusted operating margins rising to between 14%-16%
- Adjusted EPS over \$4.00

<sup>1</sup> Adjusted 2023 EPS excludes identified realignment expenses, the impact from other specific discrete items (including planned Velan acquisition) and below-the-line foreign currency effects and utilizes current FX rates and approximately 131.8 million fully diluted shares.

<sup>2</sup> Figures exclude any impact from potential acquisitions or foreign exchange rates. Adjusted Operating Margin and Adjusted EPS are Non-GAAP figures. Please see historical reconciliations of GAAP to Adjusted figures and key assumptions available in the appendix of the 2023 Analyst Day presentation.

### **Accessing Flowserve's 2023 Analyst Day webcast and materials**

Flowserve will post its Analyst Day presentation to its website before the presentation begins this morning. Additionally, shareholders and other interested parties can register for the live webcast, which can be accessed at [www.flowserve.com](http://www.flowserve.com) under the "Investor Relations" section or through [this link](#).

### **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](http://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; 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 news release are based on information available to us on the date hereof, and we assume no obligation to update any forward-looking statement.

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