



2024 Fourth Quarter

Results and Earnings

February 4, 2025



Forward-Looking Statements

This presentation contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Generally, the words “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “contemplate,” “predict,” “forecast,” “likely,” “believe,” “target,” “will,” “could,” “would,” “should,” “potential,” “may” and similar expressions or their negative, may, but are not necessary to, identify forward-looking statements. By their nature, forward-looking statements address uncertain matters and include any statements that: are not historical, such as statements about our strategy, financial plans, outlook, objectives, plans, intentions or goals (including those related to our social, environmental and other sustainability goals); or address possible or future results of operations or financial performance, including statements relating to orders, revenues, operating margins and earnings per share growth.

Although we believe that the expectations reflected in any of our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and to inherent risks and uncertainties, many of which are beyond our control. Important factors that could cause our actual results, performance and achievements, or industry results to differ materially from estimates or projections contained in or implied by our forward-looking statements include, among others, the following: the impact of overall industry and general economic conditions on our markets, customers’ operating conditions and demand; geopolitical events, conditions and volatility, including protectionism and other anti-global sentiment, possible escalation of the conflicts involving Russia and Ukraine, and the Middle East, and regulatory, economic and other risks associated with our global sales, supply chain and operations; manufacturing and operating cost increases due to macroeconomic conditions, including inflation, energy supply, supply chain shortages, logistics challenges, tight labor markets, prevailing price changes, new or additional tariffs and other factors; demand for our products, disruption, competition or pricing pressures in the markets we serve; cybersecurity incidents or other disruptions of information technology systems on which we rely, or involving our connected products and services; lack of availability or delays in receiving parts and raw materials from our supply chain, including electronic components (in particular, semiconductors); disruptions in operations at our facilities or that of third parties upon which we rely; uncertainty related to the realization of revenue synergies related to our acquisition of Evoqua Water Technologies Corp.; safe and compliant treatment and handling of water, wastewater and hazardous materials; failure to successfully execute large projects, including meeting performance guarantees and customers’ budgets, timelines and safety requirements; our ability to retain and attract leadership and other key talent, as well as competition for overall talent and labor; defects, security, warranty and liability claims, and recalls related to our products; uncertainty around our simplification, productivity, restructuring and realignment actions and related costs, savings and business impacts; our ability to execute strategic investments for growth, including acquisitions and divestitures; availability, regulation or interference with radio spectrum used by certain of our products; volatility in served markets or impacts on our business and operations due to weather conditions, including the effects of climate change; risks related to our sustainability commitments and related voluntary or required disclosures; fluctuations in foreign currency exchange rates; difficulty predicting our financial results; risk of future impairments to goodwill and other intangible assets; changes in our effective tax rates or tax expenses; regulatory and financial market risks related to our pension and other defined benefit plans; failure to comply with, or changes in, laws or regulations, including related to our business conduct, operations, products and services, including anti-corruption, data privacy and security, trade, competition, the environment, climate change and health and safety; legal, governmental or regulatory claims, investigations or proceedings and associated contingent liabilities; matters related to intellectual property infringement or expiration of rights; and other factors set forth under “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2023 and in subsequent filings we make with the Securities and Exchange Commission (“SEC”).

Forward-looking and other statements in this presentation regarding our environmental and other sustainability plans and goals are not an indication that these statements are necessarily material to investors, to our business, operating results, financial condition, outlook, or strategy, to our impacts on sustainability matters or other parties, or are required to be disclosed in our filings with the SEC. In addition, historical, current, and forward-looking social, environmental and sustainability-related statements may be based on: standards for measuring progress that are still developing; internal controls and processes that continue to evolve; third-party data, review, representations, or certifications; information from acquired entities, which may be subject to ongoing review, may not yet or ever be integrated into our reporting processes, and may not be reconcilable with our processes; and assumptions that are subject to change in the future. All forward-looking statements made herein are based on information currently available to us as of the date of this presentation. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Q4 2024 Performance Summary

(\$ in millions, unless otherwise noted)

| Xylem Consolidated | | | Measurement and Control Solutions | | Water Infrastructure | | Applied Water | | Water Solutions and Services | |
|--------------------|-------------|---------|-----------------------------------|---------|----------------------|---------|---------------|---------|------------------------------|---------|
| | Reported Q4 | Adj* Q4 | Reported Q4 | Adj* Q4 | Reported Q4 | Adj* Q4 | Reported Q4 | Adj* Q4 | Reported Q4 | Adj* Q4 |
| Orders | 2,196 | 2,196 | 473 | 473 | 691 | 691 | 442 | 442 | 590 | 590 |
| Overall Growth | 7% | | 7% | | 9% | | 5% | | 7% | |
| Organic Growth* | | 7% | | 6% | | 10% | | 5% | | 8% |
| Revenue | 2,256 | 2,256 | 469 | 469 | 727 | 727 | 454 | 454 | 606 | 606 |
| Overall Growth | 7% | | 7% | | 8% | | (1%) | | 10% | |
| Organic Growth* | | 7% | | 6% | | 8% | | (0%) | | 11% |
| Operating Income | 267 | 377 | 32 | 63 | 122 | 155 | 68 | 77 | 59 | 92 |
| Operating Margin | 11.8% | 16.7% | 6.8% | 13.4% | 16.8% | 21.3% | 15.0% | 17.0% | 9.7% | 15.2% |
| EBITDA* | 515 | 473 | 215 | 80 | 112 | 175 | 72 | 82 | 128 | 138 |
| EBITDA Margin* | 22.8% | 21.0% | 45.8% | 17.1% | 15.4% | 24.1% | 15.9% | 18.1% | 21.1% | 22.8% |
| Earnings Per Share | 1.34 | 1.18 | | | | | | | | |

2024 Earnings Highlights



Record full-year performance with strong Q4 close

Record FY revenue, Adj. EBITDA* margin and Adj. EPS*

Strong demand and FY book to bill >1, with MSD orders growth

Solid Q4 revenue growth, up 7% across most applications and end markets, and record Adj. EPS*



Momentum continues in 2025

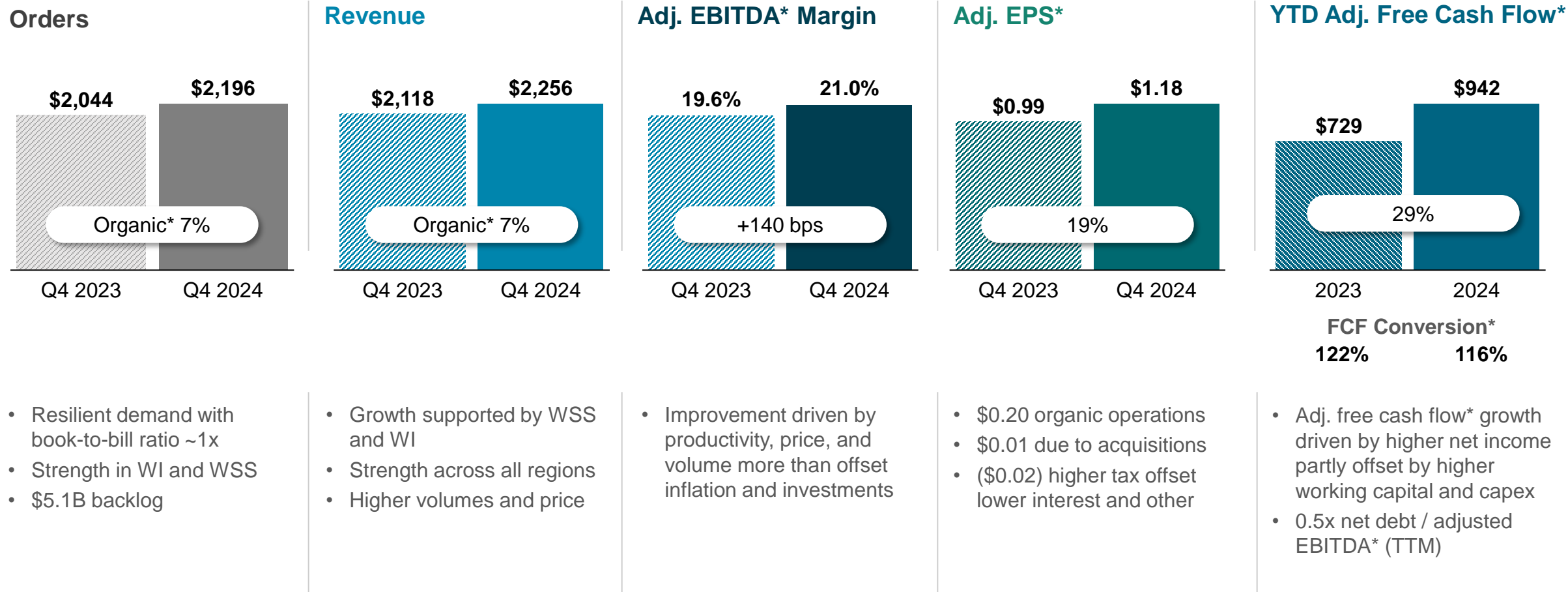
Full-year guidance in line with our framework including double-digit Adj. EPS* growth (excluding FX)

Simplifying processes, systems and structure to improve customer focus and profitability

Capital deployment actions to optimize our portfolio

On track to deliver long-term framework

Q4 2024 Financial Performance



Operational execution drove record quarter performance

Q4 2024 Segment Performance Summary

| | Measurement and Control Solutions | Water Infrastructure | Applied Water | Water Solutions and Services |
|---------------------------------|--|---|---|---|
| Orders / Organic Growth* | \$473M +6% | \$691M +10% | \$442M +5% | \$590M +8% |
| Revenue / Organic Growth* | \$469M +6% | \$727M +8% | \$454M (0%) | \$606M +11% |
| Adj. EBITDA* Margin / Expansion | 17.1% \$80M (120) bps YoY | 24.1% \$175M +360 bps YoY | 18.1% \$82M +60 bps YoY | 22.8% \$138M +10 bps YoY |
| | <ul style="list-style-type: none"> • Orders growth in smart metering; Book to bill >1 • Revenue growth led by smart metering demand and execution • Margin decline driven by inflation, mix, and investments more than offsetting productivity, price and volume | <ul style="list-style-type: none"> • Orders growth driven by Transport • Revenue growth across Treatment and Transport • Margin up due to productivity, price, mix and volume, offset by inflation and investments | <ul style="list-style-type: none"> • Orders growth driven by US and W Europe • Slight revenue decline driven by commercial and industrial end markets • Margin up due to productivity and price, offset by inflation, volume and other costs | <ul style="list-style-type: none"> • Orders growth driven by capital projects and Dewatering • Revenue growth driven by capital projects, Dewatering, and service • Margin up due to productivity, price and volume, offset by inflation, investments, and mix |

Healthy demand across most applications and end markets

FY 2025 Segment Outlook

| | Measurement and Control Solutions | Water Infrastructure | Applied Water | Water Solutions and Services |
|-------------------------|---|---|---|--|
| Organic* Revenue Growth | Up High-Single Digits | Up Mid-Single Digits | Up Low-Single Digits | Up Mid-Single Digits |
| Key Drivers | <ul style="list-style-type: none"> • Sequential improvement throughout the year • Healthy demand with strong pipeline • Healthy outlook in test and measurement • Robust \$1.9B backlog | <ul style="list-style-type: none"> • Resilient due to our mission-critical applications • Overall healthy capex and opex demand • 80/20 impacting growth • Closely watching impacts from China utilities softness | <ul style="list-style-type: none"> • Monitoring institutional ABI and other indicators • Lapping manageable comps • Long-term projects kicking off • 80/20 impacting growth | <ul style="list-style-type: none"> • Expect growth across capital and services • Resilient \$1B+ backlog and services model • Strength in outsourced water and Dewatering |

Supported by robust backlog and healthy demand in our largest end markets

FY 2025 and Q1 2025 Guidance

| | FY Guide** | Q1 Guide |
|-------------------------|--|---|
| Revenue | \$8.6 - 8.7B 0 - 2% Total Growth 3 - 4% Organic* Growth | ~\$2.0B 0 - 2% Total Growth 1 - 2% Organic* Growth |
| Adjusted EBITDA* Margin | ~21.3 - 21.8% +70 - 120 bps expansion | 19.5 – 20.0% 30 – 80 bps expansion |
| Adjusted EPS* | \$4.50 – \$4.70 | \$0.93 – \$0.98 |
| Free Cash Flow Margin* | ~9 - 10% margin | |

Full-Year Highlights

- Organic revenue growth driven by strong demand, backlog execution, and price more than offset 80/20 implementation headwinds
- Margin driven by productivity and price offsetting inflation
- Benefits from simplification
- Meaningful FX headwind
- Cash flow impaired by restructuring costs, system investments and outsourced water projects

Full-year guidance reflects commercial and operational momentum

Key Takeaways



Record full-year 2024 performance



Momentum going into 2025 with focus on **simplifying** our business



On track to deliver long-term framework

Optimizing to serve our customers and drive profitable growth

Appendix

FY 2025 Guidance Key Assumptions

| | FY 2025 Assumptions |
|---|---------------------|
| Corporate Expense | \$65M - \$70M |
| Restructuring & Realignment Costs* | \$90M - \$110M |
| Capex | ~\$390M |
| Estimated Tax Rate ¹ | ~22 - 23% |
| Purchase Accounting Intangible Amortization | ~\$240M |
| EUR / USD Rate | 1.03 |

Segment Key Facts

Water Solutions and Services

Treatment, transport and assessment services solutions with an extensive service network and highly recurring revenue

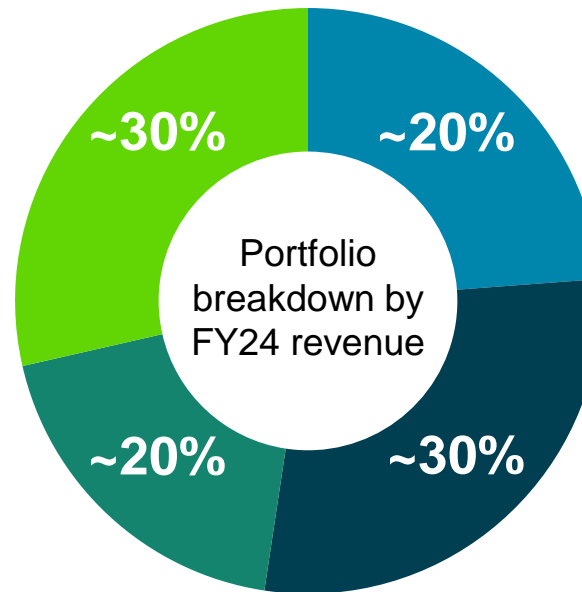
- Key brands: MarCor, Frontier, ADI, Godwin, Pure
- Geographic split: US ~80% / Rest of World ~20%
- End-market split: Industrials ~70% / Utilities ~30%
- Channels: Primarily direct
- Market drivers: Outsourced service, water scarcity, regulation, emerging contaminants
- Competitive advantage: Service network, mobile fleet, SOPHIS digital solutions, technology agnostic business model

Measurement and Control Solutions

Advanced technology solutions for water and energy, including smart metering and test & measurement

- Key brands: Sensus, Smith-Blair, WTW, YSI
- Geography split: US ~65% / W. Europe ~15% / EM & Other ~20%
- End-market Split: Clean Water Utilities ~85% / Industrials ~15%
- Channels: Primarily indirect, some direct for larger projects
- Market drivers: AMI adoption acceleration, connected solutions, non-revenue water, affordability, labor shortages
- Competitive advantage: Deep application expertise and technology leadership, long-standing customer relationships, FlexNet, Idrica

Diversified Portfolio Addressing the Full Lifecycle of Water



Applied Water

Industrial and buildings solutions applications including pumps, valves, heat exchangers, controls, and dispensing equipment

- Key brands: Bell & Gossett, Flojet, Goulds, Lowara
- Geographic split: US ~50% / W. Europe ~20% / EM & Other ~30%
- End-market split: Industrials ~45% / Building Solutions ~55%
- Channels: Primarily indirect
- Market drivers: Urbanization, climate, regulation, labor shortage
- Competitive advantage: Established footprint, strong channel partnerships, quality & reliability

Water Infrastructure

Products and solutions for the transportation and treatment of water, including pumps, filtration and treatment equipment, and controls

- Key brands: Flygt, Wedeco, Sanitaire, Defender, Magneto
- Geographic split: US ~35% / W. Europe ~35% / EM & Other ~30%
- End-market Split: Wastewater Utilities ~60% / Industrials ~40%
- Channels: Primarily direct
- Market drivers: Water scarcity, affordability, aging infrastructure, regulations, sustainability
- Competitive advantage: Innovation leadership, significant global installed base, digital offerings

Xylem Inc. Non-GAAP Measures



Management reviews key performance indicators including revenue, gross margins, segment operating income and margins, orders growth, working capital and backlog, among others. In addition, we consider certain non-GAAP (or "adjusted") measures to be useful to management and investors evaluating our operating performance for the periods presented, and to provide a tool for evaluating our ongoing operations, liquidity and management of assets. This information can assist investors in assessing our financial performance and measures our ability to generate capital for deployment among competing strategic alternatives and initiatives, including but not limited to, dividends, acquisitions, share repurchases and debt repayment. Excluding revenue, Xylem provides guidance only on a non-GAAP basis due to the inherent difficulty in forecasting certain amounts that would be included in GAAP earnings, such as discrete tax items, without unreasonable effort. These adjusted metrics are consistent with how management views our business and are used to make financial, operating and planning decisions. These metrics, however, are not measures of financial performance under GAAP and should not be considered a substitute for revenue, operating income, net income, earnings per share (basic and diluted) or net cash from operating activities as determined in accordance with GAAP. We consider the following items to represent the non-GAAP measures that we consider to be key performance indicators, as well as the related reconciling items to the most directly comparable measure calculated and presented in accordance with GAAP. The non-GAAP measures may not be comparable to similarly titled measures reported by other companies.

"Organic revenue" and **"Organic orders"** defined as revenue and orders, respectively, excluding the impact of fluctuations in foreign currency translation and contributions from acquisitions and divestitures. Divestitures include sales or discontinuance of insignificant portions of our business that did not meet the criteria for classification as a discontinued operation. The period-over-period change resulting from foreign currency translation impacts is determined by translating current period and prior period activity using the same currency conversion rate.

"Constant currency" defined as financial results adjusted for foreign currency translation impacts by translating current period and prior period activity using the same currency conversion rate. This approach is used for countries whose functional currency is not the U.S. dollar.

"EBITDA" defined as earnings before interest, taxes, depreciation and amortization expense. **"Adjusted EBITDA"** and **"Adjusted segment EBITDA"** reflect the adjustments to EBITDA and segment EBITDA, respectively, to exclude share-based compensation charges, restructuring and realignment costs, gain or loss from sale of businesses and special charges.

"Adjusted EBITDA margin" and **"Adjusted segment EBITDA margin"** defined as adjusted EBITDA and adjusted segment EBITDA divided by total revenue and segment revenue, respectively.

"Adjusted operating income", **"Adjusted segment operating income"**, **"Adjusted net income"** and **"Adjusted EPS"** defined as operating income, segment operating income, net income and earnings per share, adjusted to exclude restructuring and realignment costs, amortization of acquired intangible assets, gain or loss from sale of businesses, special charges and tax-related special items, as applicable.

"Adjusted operating margin" and **"Adjusted segment operating margin"** defined as adjusted operating income and adjusted segment operating income divided by total revenue and segment revenue, respectively.

"Free cash flow" defined as net cash from operating activities, as reported in the Statement of Cash Flows, less capital expenditures.

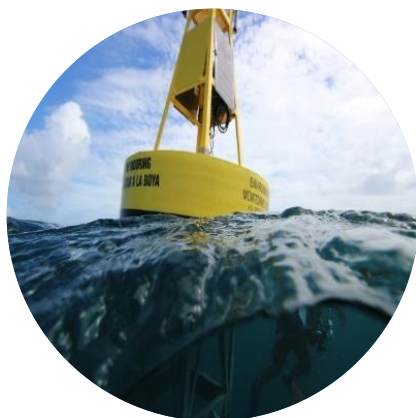
"Free cash flow Conversion" defined as free cash flow, or adjusted free cash flow as applicable; divided by net income, excluding the gain on sale of businesses and other non-recurring, significant non-cash impacts, such as non-cash impairment charges and significant deferred tax items. **"adjusted free cash flow" used in free cash flow conversion** defined as free cash flow adjusted for significant cash items for which the corresponding income statement impact does not occur within the same fiscal year.

"Free cash flow margin" defined as free cash flow, adjusted for significant cash paid or received for non-operational tax, acquisition or divestiture activities; divided by revenue.

"Realignment costs" defined as costs not included in restructuring costs that are incurred as part of actions taken to reposition our business, including items such as professional fees, severance, relocation, travel, facility set-up and other costs.

"Special charges" defined as non-recurring costs incurred by the Company, such those related to acquisitions and integrations, divestitures and non-cash impairment charges.

"Tax-related special items" defined as tax items, such as tax return versus tax provision adjustments, tax exam impacts, tax law change impacts, excess tax benefits/losses and other discrete tax adjustments.



Xylem Inc. Non-GAAP Reconciliation

Reported vs. Organic and Constant Currency Orders (\$ Millions)

| | (As Reported - GAAP) | | | | | (As Adjusted - Organic) | | | | Constant Currency | |
|-----------------------------------|----------------------|----------------|------------------------|--------------------------|--------------|---------------------------------------|------------------|-----------------------------|-------------------------------|-------------------|--|
| | (A) | | (B) | % Change 2024 v. 2023 | Book-to-Bill | (C) Acquisitions / Divestitures | (D) FX Impact | (E) = B+C+D | (F) = E/A | (G) = (E - C) / A | |
| | Orders 2024 | Orders 2023 | Change 2024 v. 2023 | | | | | Change Adj. 2024 v. 2023 | % Change Adj. 2024 v. 2023 | | |
| Year Ended December 31 | | | | | | | | | | | |
| Xylem Inc. | 8,730 | 7,501 | 1,229 | 16% | 102% | (891) | 11 | 349 | 5% | 17% | |
| Water Infrastructure | 2,727 | 2,313 | 414 | 18% | 107% | (243) | 2 | 173 | 7% | 18% | |
| Applied Water | 1,824 | 1,770 | 54 | 3% | 102% | - | 3 | 57 | 3% | 3% | |
| Measurement and Control Solutions | 1,672 | 1,670 | 2 | 0% | 89% | (5) | - | (3) | (0%) | 0% | |
| Water Solutions and Services | 2,507 | 1,748 | 759 | 43% | 107% | (643) | 6 | 122 | 7% | 44% | |
| Quarter Ended December 31 | | | | | | | | | | | |
| Xylem Inc. | 2,196 | 2,044 | 152 | 7% | 97% | (5) | 5 | 152 | 7% | 8% | |
| Water Infrastructure | 691 | 633 | 58 | 9% | 95% | - | 3 | 61 | 10% | 10% | |
| Applied Water | 442 | 420 | 22 | 5% | 97% | - | - | 22 | 5% | 5% | |
| Measurement and Control Solutions | 473 | 442 | 31 | 7% | 101% | (5) | 1 | 27 | 6% | 7% | |
| Water Solutions and Services | 590 | 549 | 41 | 7% | 97% | - | 1 | 42 | 8% | 8% | |
| Quarter Ended September 30 | | | | | | | | | | | |
| Xylem Inc. | 2,201 | 2,031 | 170 | 8% | 105% | - | (4) | 166 | 8% | 8% | |
| Water Infrastructure | 700 | 656 | 44 | 7% | 112% | - | (4) | 40 | 6% | 6% | |
| Applied Water | 437 | 422 | 15 | 4% | 98% | - | - | 15 | 4% | 4% | |
| Measurement and Control Solutions | 386 | 343 | 43 | 13% | 84% | - | (2) | 41 | 12% | 12% | |
| Water Solutions and Services | 678 | 610 | 68 | 11% | 118% | - | 2 | 70 | 11% | 11% | |
| Quarter Ended June 30 | | | | | | | | | | | |
| Xylem Inc. | 2,087 | 1,856 | 231 | 12% | 96% | (265) | 11 | (23) | (1%) | 13% | |
| Water Infrastructure | 690 | 563 | 127 | 23% | 109% | (89) | 5 | 43 | 8% | 23% | |
| Applied Water | 465 | 445 | 20 | 4% | 102% | - | 3 | 23 | 5% | 5% | |
| Measurement and Control Solutions | 384 | 470 | (86) | (18%) | 80% | - | 1 | (85) | (18%) | (18%) | |
| Water Solutions and Services | 548 | 378 | 170 | 45% | 91% | (176) | 2 | (4) | (1%) | 46% | |
| Quarter Ended March 31 | | | | | | | | | | | |
| Xylem Inc. | 2,246 | 1,570 | 676 | 43% | 110% | (621) | (1) | 54 | 3% | 43% | |
| Water Infrastructure | 646 | 461 | 185 | 40% | 113% | (154) | (2) | 29 | 6% | 40% | |
| Applied Water | 480 | 483 | (3) | (1%) | 110% | - | - | (3) | (1%) | (1%) | |
| Measurement and Control Solutions | 429 | 415 | 14 | 3% | 93% | - | - | 14 | 3% | 3% | |
| Water Solutions and Services | 691 | 211 | 480 | 227% | 123% | (467) | 1 | 14 | 7% | 228% | |

Xylem Inc. Non-GAAP Reconciliation

Reported vs. Organic and Constant Currency Revenue (\$ Millions)

| | (As Reported - GAAP) | | | | (As Adjusted - Organic) | | | | Constant Currency |
|-----------------------------------|----------------------|---------|--------------|--------------|-------------------------|-----------|-------------------|-------------------|-------------------|
| | (A) | | (B) | | (C) | (D) | (E) = B+C+D | (F) = E/A | (G) = (E - C) / A |
| | Revenue | Revenue | Change | % Change | Acquisitions / | FX Impact | Change | % Change | |
| | 2024 | 2023 | 2024 v. 2023 | 2024 v. 2023 | Divestitures | | Adj. 2024 v. 2023 | Adj. 2024 v. 2023 | |
| Year Ended December 31 | | | | | | | | | |
| Xylem Inc. | 8,562 | 7,364 | 1,198 | 16% | (786) | 12 | 424 | 6% | 16% |
| Water Infrastructure | 2,555 | 2,215 | 340 | 15% | (221) | 4 | 123 | 6% | 16% |
| Applied Water | 1,793 | 1,853 | (60) | (3%) | - | 2 | (58) | (3%) | (3%) |
| Measurement and Control Solutions | 1,871 | 1,612 | 259 | 16% | (4) | - | 255 | 16% | 16% |
| Water Solutions and Services | 2,343 | 1,684 | 659 | 39% | (561) | 6 | 104 | 6% | 39% |
| Quarter Ended December 31 | | | | | | | | | |
| Xylem Inc. | 2,256 | 2,118 | 138 | 7% | (4) | 7 | 141 | 7% | 7% |
| Water Infrastructure | 727 | 674 | 53 | 8% | - | 4 | 57 | 8% | 8% |
| Applied Water | 454 | 457 | (3) | (1%) | - | 1 | (2) | (0%) | (0%) |
| Measurement and Control Solutions | 469 | 437 | 32 | 7% | (4) | - | 28 | 6% | 7% |
| Water Solutions and Services | 606 | 550 | 56 | 10% | - | 2 | 58 | 11% | 11% |
| Quarter Ended September 30 | | | | | | | | | |
| Xylem Inc. | 2,104 | 2,076 | 28 | 1% | - | (6) | 22 | 1% | 1% |
| Water Infrastructure | 623 | 612 | 11 | 2% | - | (5) | 6 | 1% | 1% |
| Applied Water | 447 | 465 | (18) | (4%) | - | (2) | (20) | (4%) | (4%) |
| Measurement and Control Solutions | 458 | 413 | 45 | 11% | - | (1) | 44 | 11% | 11% |
| Water Solutions and Services | 576 | 586 | (10) | (2%) | - | 2 | (8) | (1%) | (1%) |
| Quarter Ended June 30 | | | | | | | | | |
| Xylem Inc. | 2,169 | 1,722 | 447 | 26% | (302) | 13 | 158 | 9% | 27% |
| Water Infrastructure | 631 | 519 | 112 | 22% | (84) | 6 | 34 | 7% | 23% |
| Applied Water | 456 | 478 | (22) | (5%) | - | 4 | (18) | (4%) | (4%) |
| Measurement and Control Solutions | 482 | 384 | 98 | 26% | - | 2 | 100 | 26% | 26% |
| Water Solutions and Services | 600 | 341 | 259 | 76% | (218) | 1 | 42 | 12% | 76% |
| Quarter Ended March 31 | | | | | | | | | |
| Xylem Inc. | 2,033 | 1,448 | 585 | 40% | (480) | (2) | 103 | 7% | 40% |
| Water Infrastructure | 574 | 410 | 164 | 40% | (137) | (1) | 26 | 6% | 40% |
| Applied Water | 436 | 453 | (17) | (4%) | - | (1) | (18) | (4%) | (4%) |
| Measurement and Control Solutions | 462 | 378 | 84 | 22% | - | (1) | 83 | 22% | 22% |
| Water Solutions and Services | 561 | 207 | 354 | 171% | (343) | 1 | 12 | 6% | 171% |

Xylem Inc. Non-GAAP Reconciliation

Adjusted Operating Income (\$ Millions)

| | Q1 | | Q2 | | Q3 | | Q4 | | YTD | |
|-------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Total Revenue | | | | | | | | | | |
| • Total Xylem | 2,033 | 1,448 | 2,169 | 1,722 | 2,104 | 2,076 | 2,256 | 2,118 | 8,562 | 7,364 |
| • Water Infrastructure | 574 | 410 | 631 | 519 | 623 | 612 | 727 | 674 | 2,555 | 2,215 |
| • Applied Water | 436 | 453 | 456 | 478 | 447 | 465 | 454 | 457 | 1,793 | 1,853 |
| • Measurement and Control Solutions | 462 | 378 | 482 | 384 | 458 | 413 | 469 | 437 | 1,871 | 1,612 |
| • Water Solutions and Services | 561 | 207 | 600 | 341 | 576 | 586 | 606 | 550 | 2,343 | 1,684 |
| • Corporate/ Other | - | - | - | - | - | - | - | - | - | - |
| Operating Income (Loss) | | | | | | | | | | |
| • Total Xylem | 209 | 131 | 253 | 119 | 280 | 191 | 267 | 211 | 1,009 | 652 |
| • Water Infrastructure | 60 | 46 | 78 | 70 | 96 | 84 | 122 | 75 | 356 | 275 |
| • Applied Water | 61 | 83 | 71 | 84 | 71 | 73 | 68 | 70 | 271 | 310 |
| • Measurement and Control Solutions | 70 | 26 | 79 | 29 | 66 | 35 | 32 | 43 | 247 | 133 |
| • Water Solutions and Services | 50 | 18 | 47 | 26 | 63 | 33 | 59 | 55 | 219 | 132 |
| • Corporate/ Other | (32) | (42) | (22) | (90) | (16) | (34) | (14) | (32) | (84) | (198) |
| Operating Margin | | | | | | | | | | |
| • Total Xylem | 10.3% | 9.0% | 11.7% | 6.9% | 13.3% | 9.2% | 11.8% | 10.0% | 11.8% | 8.9% |
| • Water Infrastructure | 10.5% | 11.2% | 12.4% | 13.5% | 15.4% | 13.7% | 16.8% | 11.1% | 13.9% | 12.4% |
| • Applied Water | 14.0% | 18.3% | 15.6% | 17.6% | 15.9% | 15.7% | 15.0% | 15.3% | 15.1% | 16.7% |
| • Measurement and Control Solutions | 15.2% | 6.9% | 16.4% | 7.6% | 14.4% | 8.5% | 6.8% | 9.8% | 13.2% | 8.3% |
| • Water Solutions and Services | 8.9% | 8.7% | 7.8% | 7.6% | 10.9% | 5.6% | 9.7% | 10.0% | 9.3% | 7.8% |
| • Corporate/ Other | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

Xylem Inc. Non-GAAP Reconciliation

Adjusted Operating Income (\$ Millions)

| | Q1 | | Q2 | | Q3 | | Q4 | | YTD | |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Special Charges | | | | | | | | | | |
| • Total Xylem | 16 | 25 | 13 | 67 | 7 | 24 | 21 | 22 | 57 | 138 |
| • Water Infrastructure | 2 | - | 4 | 12 | (2) | 6 | 6 | 10 | 10 | 28 |
| • Applied Water | - | - | - | - | - | - | - | - | - | - |
| • Measurement and Control Solutions | - | 2 | 1 | - | 2 | 1 | 9 | 1 | 12 | 4 |
| • Water Solutions and Services | 9 | - | 3 | 7 | 1 | 9 | 2 | 6 | 15 | 22 |
| • Corporate/ Other | 5 | 23 | 5 | 48 | 6 | 8 | 4 | 5 | 20 | 84 |
| Restructuring & Realignment Costs | | | | | | | | | | |
| • Total Xylem | 15 | 11 | 29 | 37 | 11 | 34 | 36 | 24 | 91 | 106 |
| • Water Infrastructure | 7 | 3 | 2 | 2 | 6 | 2 | 15 | 11 | 30 | 18 |
| • Applied Water | 2 | 3 | 2 | 2 | 2 | 6 | 9 | 3 | 15 | 14 |
| • Measurement and Control Solutions | 2 | 5 | 2 | 3 | (1) | 6 | 7 | 5 | 10 | 19 |
| • Water Solutions and Services | 3 | - | 23 | 8 | 4 | 9 | 5 | 3 | 35 | 20 |
| • Corporate/ Other | 1 | - | - | 22 | - | 11 | - | 2 | 1 | 35 |
| Purchase Accounting Intangible Amortization Adjustment | | | | | | | | | | |
| • Total Xylem | 54 | 18 | 57 | 36 | 52 | 66 | 53 | 56 | 216 | 176 |
| • Water Infrastructure | 19 | 1 | 17 | 8 | 11 | 15 | 12 | 23 | 59 | 47 |
| • Applied Water | - | - | - | - | - | - | - | - | - | - |
| • Measurement and Control Solutions | 14 | 14 | 14 | 15 | 15 | 14 | 15 | 14 | 58 | 57 |
| • Water Solutions and Services | 21 | 3 | 26 | 13 | 26 | 37 | 26 | 19 | 99 | 72 |
| • Corporate/ Other | - | - | - | - | - | - | - | - | - | - |
| Adjusted Operating Income (Loss) | | | | | | | | | | |
| • Total Xylem | 294 | 185 | 352 | 259 | 350 | 315 | 377 | 313 | 1,373 | 1,072 |
| • Water Infrastructure | 88 | 50 | 101 | 92 | 111 | 107 | 155 | 119 | 455 | 368 |
| • Applied Water | 63 | 86 | 73 | 86 | 73 | 79 | 77 | 73 | 286 | 324 |
| • Measurement and Control Solutions | 86 | 47 | 96 | 47 | 82 | 56 | 63 | 63 | 327 | 213 |
| • Water Solutions and Services | 83 | 21 | 99 | 54 | 94 | 88 | 92 | 83 | 368 | 246 |
| • Corporate/ Other | (26) | (19) | (17) | (20) | (10) | (15) | (10) | (25) | (63) | (79) |
| Adjusted Operating Margin | | | | | | | | | | |
| • Total Xylem | 14.5% | 12.8% | 16.2% | 15.0% | 16.6% | 15.2% | 16.7% | 14.8% | 16.0% | 14.6% |
| • Water Infrastructure | 15.3% | 12.2% | 16.0% | 17.7% | 17.8% | 17.5% | 21.3% | 17.7% | 17.8% | 16.6% |
| • Applied Water | 14.4% | 19.0% | 16.0% | 18.0% | 16.3% | 17.0% | 17.0% | 16.0% | 16.0% | 17.5% |
| • Measurement and Control Solutions | 18.6% | 12.4% | 19.9% | 12.2% | 17.9% | 13.6% | 13.4% | 14.4% | 17.5% | 13.2% |
| • Water Solutions and Services | 14.8% | 10.1% | 16.5% | 15.8% | 16.3% | 15.0% | 15.2% | 15.1% | 15.7% | 14.6% |
| • Corporate/ Other | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

Xylem Inc. Non-GAAP Reconciliation

Adjusted Diluted EPS (\$ Millions, except per share amounts)

| | Q4 2024 | | | Q4 2023 | | |
|--|--------------------|--------------------|-----------------|--------------------|--------------------|-----------------|
| | <u>As Reported</u> | <u>Adjustments</u> | <u>Adjusted</u> | <u>As Reported</u> | <u>Adjustments</u> | <u>Adjusted</u> |
| Total Revenue | 2,256 | - | 2,256 | 2,118 | - | 2,118 |
| Operating Income | 267 | 110 a | 377 | 211 | 102 a | 313 |
| Operating Margin | 11.8% | | 16.7% | 10.0% | | 14.8% |
| Interest Expense | (9) | - | (9) | (14) | - | (14) |
| Other Non-Operating Income (Expense) | 5 | - | 5 | 14 | - | 14 |
| Gain on remeasurement of previously held equity interest | 152 | (152) b | - | - | - | - |
| Gain/(Loss) From Sale of Business | (40) | 40 c | - | (1) | 1 c | - |
| Income before Taxes | 375 | (2) | 373 | 210 | 103 | 313 |
| Provision for Income Taxes | (49) | (37) d | (86) | 56 | (130) d | (74) |
| Net Income | 326 | (39) | 287 | 266 | (27) | 239 |
| Diluted Shares | 243.8 | | 243.8 | 242.5 | | 242.5 |
| Diluted EPS | \$1.34 | (\$0.16) | \$1.18 | \$1.10 | (\$0.11) | \$0.99 |

a Quarter-to-date:

Restructuring & realignment costs: 2024 - \$36 million and 2023 - \$24 million

Special charges: 2024 - \$15 million of acquisition & integration costs and \$6 million of intangible asset impairment charges; 2023 - \$21 million of acquisition, integration and other related costs and \$1 million of other special charges

Purchase accounting intangible amortization: 2024 - \$53 million and 2023 - \$56 million

b Gain on joint venture remeasurement as per income statement

c Gain/(Loss) from sale of business as per income statement for all periods presented

d Quarter-to-date: 2024 - Net tax impact on pre-tax adjustments (note a and c) of \$29 million and other tax special items of \$8 million; 2023 - Net tax impact on pre-tax adjustments (note a) of \$23 million and other tax special items of \$107 million

Xylem Inc. Non-GAAP Reconciliation

Adjusted Diluted EPS (\$ Millions, except per share amounts)

| | Q4 YTD 2024 | | | Q4 YTD 2023 | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| | As Reported | Adjustments | Adjusted | As Reported | Adjustments | Adjusted |
| Total Revenue | 8,562 | - | 8,562 | 7,364 | - | 7,364 |
| Operating Income | 1,009 | 364 a | 1,373 | 652 | 420 a | 1,072 |
| Operating Margin | 11.8% | | 16.0% | 8.9% | | 14.6% |
| Interest Expense | (44) | - | (44) | (49) | - | (49) |
| Other Non-Operating Income (Expense) | 16 | - | 16 | 33 | - | 33 |
| Gain on remeasurement of previously held equity interest | 152 | (152) b | - | - | - | - |
| Gain/(Loss) From Sale of Business | (46) | 46 c | - | (1) | 1 c | - |
| Income before Taxes | 1,087 | 258 | 1,345 | 635 | 421 | 1,056 |
| Provision for Income Taxes | (197) | (107) d | (304) | (26) | (205) d | (231) |
| Net Income | 890 | 151 | 1,041 | 609 | 216 | 825 |
| Diluted Shares | 243.5 | | 243.5 | 218.2 | | 218.2 |
| Diluted EPS | \$3.65 | \$0.62 | \$4.27 | \$2.79 | \$0.99 | \$3.78 |

a Year-to-date:

Restructuring & realignment costs: 2024 - \$91 million and 2023 - \$106 million

Special charges: 2024 - \$50 million of acquisition & integration related costs and \$7 million of intangible asset impairment charges; 2023 - \$134 million of acquisition, integration and other related costs and \$4 million of intangible asset impairment charges

Purchase Accounting Intangible Amortization: 2024 - \$216 million and 2023 - \$176 million

b Gain on joint venture remeasurement as per income statement

c Gain/(Loss) from sale of business as per income statement for all periods presented

d Year-to-date: 2024 - Net tax impact on pre-tax adjustments (note a and c) of \$88 million and other tax special items of \$19 million; 2023 - Net tax impact on pre-tax adjustments (note a) of \$90 million and other tax special items of \$115 million

Xylem Inc. Non-GAAP Reconciliation

EBITDA and Adjusted EBITDA by Quarter (\$ Millions)

| 2024 | | | | | |
|--|-------|-------|-------|-------|-------|
| | Q1 | Q2 | Q3 | Q4 | Total |
| Net Income | 153 | 194 | 217 | 326 | 890 |
| Net Income margin | 7.5% | 8.9% | 10.3% | 14.5% | 10.4% |
| Depreciation | 61 | 62 | 68 | 67 | 258 |
| Amortization | 73 | 83 | 73 | 75 | 304 |
| Interest Expense (Income), net | 7 | 6 | 5 | (2) | 16 |
| Income Tax Expense | 43 | 53 | 52 | 49 | 197 |
| EBITDA | 337 | 398 | 415 | 515 | 1,665 |
| Share-based Compensation | 18 | 13 | 12 | 13 | 56 |
| Restructuring & Realignment | 15 | 29 | 11 | 36 | 91 |
| Special Charges | 16 | 13 | 7 | 21 | 57 |
| Gain on remeasurement of previously held equity interest | - | - | - | (152) | (152) |
| Loss/(Gain) from sale of business | 5 | (1) | 2 | 40 | 46 |
| Adjusted EBITDA | 391 | 452 | 447 | 473 | 1,763 |
| Revenue | 2,033 | 2,169 | 2,104 | 2,256 | 8,562 |
| Adjusted EBITDA Margin | 19.2% | 20.8% | 21.2% | 21.0% | 20.6% |

| 2023 | | | | | |
|-----------------------------------|-------|-------|-------|-------|-------|
| | Q1 | Q2 | Q3 | Q4 | Total |
| Net Income | 99 | 92 | 152 | 266 | 609 |
| Net Income margin | 6.8% | 5.3% | 7.3% | 12.6% | 8.3% |
| Depreciation | 28 | 41 | 63 | 61 | 193 |
| Amortization | 32 | 51 | 84 | 76 | 243 |
| Interest Expense (Income), net | 2 | 5 | 6 | 8 | 21 |
| Income Tax Expense | 27 | 22 | 33 | (56) | 26 |
| EBITDA | 188 | 211 | 338 | 355 | 1,092 |
| Share-based Compensation | 12 | 15 | 18 | 15 | 60 |
| Restructuring & Realignment | 11 | 36 | 33 | 23 | 103 |
| Special Charges | 25 | 67 | 22 | 22 | 136 |
| Loss/(Gain) from sale of business | - | - | - | 1 | 1 |
| Adjusted EBITDA | 236 | 329 | 411 | 416 | 1,392 |
| Revenue | 1,448 | 1,722 | 2,076 | 2,118 | 7,364 |
| Adjusted EBITDA Margin | 16.3% | 19.1% | 19.8% | 19.6% | 18.9% |

Xylem Inc. Non-GAAP Reconciliation

EBITDA and Adjusted EBITDA by Quarter (\$ Millions)

Xylem Inc. Non-GAAP Reconciliation
EBITDA and Adjusted EBITDA by Quarter (\$ Millions)
Water Infrastructure

| 2024 | | | | | |
|--|-------|-------|-------|-------|-------|
| | Q1 | Q2 | Q3 | Q4 | Total |
| Operating Income | 60 | 78 | 96 | 122 | 356 |
| Operating Margin | 10.5% | 12.4% | 15.4% | 16.8% | 13.9% |
| (Loss)/Gain from sale of business | - | - | - | (40) | (40) |
| Depreciation | 10 | 10 | 12 | 14 | 46 |
| Amortization | 21 | 27 | 13 | 15 | 76 |
| Other non-operating expense, excluding interest income | (1) | - | (1) | 1 | (1) |
| EBITDA | 90 | 115 | 120 | 112 | 437 |
| Share-based Compensation | 3 | 4 | 3 | 2 | 12 |
| Restructuring & Realignment | 7 | 2 | 6 | 15 | 30 |
| Special Charges | 2 | 4 | (2) | 6 | 10 |
| Loss/(Gain) from sale of business | - | - | - | 40 | 40 |
| Adjusted EBITDA | 102 | 125 | 127 | 175 | 529 |
| Revenue | 574 | 631 | 623 | 727 | 2,555 |
| Adjusted EBITDA Margin | 17.8% | 19.8% | 20.4% | 24.1% | 20.7% |

| 2023 | | | | | |
|--|-------|-------|-------|-------|-------|
| | Q1 | Q2 | Q3 | Q4 | Total |
| Operating Income | 46 | 70 | 84 | 75 | 275 |
| Operating Margin | 11.2% | 13.5% | 13.7% | 11.1% | 12.4% |
| Depreciation | 7 | 8 | 10 | 9 | 34 |
| Amortization | 2 | 10 | 17 | 26 | 55 |
| Other non-operating expense, excluding interest income | - | 1 | (1) | 3 | 3 |
| EBITDA | 55 | 89 | 110 | 113 | 367 |
| Share-based Compensation | 2 | 3 | 4 | 4 | 13 |
| Restructuring & Realignment | 3 | 2 | 2 | 11 | 18 |
| Special Charges | - | 12 | 6 | 10 | 28 |
| Adjusted EBITDA | 60 | 106 | 122 | 138 | 426 |
| Revenue | 410 | 519 | 612 | 674 | 2,215 |
| Adjusted EBITDA Margin | 14.6% | 20.4% | 19.9% | 20.5% | 19.2% |

Xylem Inc. Non-GAAP Reconciliation
EBITDA and Adjusted EBITDA by Quarter (\$ Millions)
Applied Water

| 2024 | | | | | |
|--|-------|-------|-------|-------|-------|
| | Q1 | Q2 | Q3 | Q4 | Total |
| Operating Income | 61 | 71 | 71 | 68 | 271 |
| Operating Margin | 14.0% | 15.6% | 15.9% | 15.0% | 15.1% |
| Depreciation | 6 | 7 | 6 | 6 | 25 |
| Amortization | 1 | - | 1 | 1 | 3 |
| Other non-operating expense, excluding interest income | - | (1) | 1 | (3) | (3) |
| EBITDA | 68 | 77 | 79 | 72 | 296 |
| Share-based Compensation | 2 | 1 | 2 | 1 | 6 |
| Restructuring & Realignment | 2 | 2 | 2 | 9 | 15 |
| Special Charges | - | - | - | - | - |
| Adjusted EBITDA | 72 | 80 | 83 | 82 | 317 |
| Revenue | 436 | 456 | 447 | 454 | 1,793 |
| Adjusted EBITDA Margin | 16.5% | 17.5% | 18.6% | 18.1% | 17.7% |

| 2023 | | | | | |
|--|-------|-------|-------|-------|-------|
| | Q1 | Q2 | Q3 | Q4 | Total |
| Operating Income | 83 | 84 | 73 | 70 | 310 |
| Operating Margin | 18.3% | 17.6% | 15.7% | 15.3% | 16.7% |
| Depreciation | 5 | 6 | 7 | 7 | 25 |
| Amortization | 1 | 1 | - | 1 | 3 |
| Other non-operating expense, excluding interest income | (1) | - | - | (1) | (2) |
| EBITDA | 88 | 91 | 80 | 77 | 336 |
| Share-based Compensation | 1 | - | 1 | 1 | 3 |
| Restructuring & Realignment | 3 | 2 | 6 | 2 | 13 |
| Special Charges | - | - | - | - | - |
| Adjusted EBITDA | 92 | 93 | 87 | 80 | 352 |
| Revenue | 453 | 478 | 465 | 457 | 1,853 |
| Adjusted EBITDA Margin | 20.3% | 19.5% | 18.7% | 17.5% | 19.0% |

Xylem Inc. Non-GAAP Reconciliation

EBITDA and Adjusted EBITDA by Quarter (\$ Millions)

Xylem Inc. Non-GAAP Reconciliation EBITDA and Adjusted EBITDA by Quarter (\$ Millions) Measurement and Control Solutions

| 2024 | | | | | |
|--|-------|-------|-------|-------|-------|
| | Q1 | Q2 | Q3 | Q4 | Total |
| Operating Income | 70 | 79 | 66 | 32 | 247 |
| Operating Margin | 15.2% | 16.4% | 14.4% | 6.8% | 13.2% |
| Gain on remeasurement of previously held equity interest | - | - | - | 152 | 152 |
| Depreciation | 6 | 7 | 7 | 6 | 26 |
| Amortization | 27 | 25 | 26 | 28 | 106 |
| Other non-operating expense, excluding interest income | (1) | (2) | (4) | (3) | (10) |
| EBITDA | 102 | 109 | 95 | 215 | 521 |
| Share-based Compensation | 1 | 1 | 1 | 1 | 4 |
| Restructuring & Realignment | 2 | 2 | (1) | 7 | 10 |
| Special Charges | - | 1 | 2 | 9 | 12 |
| Gain on remeasurement of previously held equity interest | - | - | - | (152) | (152) |
| Adjusted EBITDA | 105 | 113 | 97 | 80 | 395 |
| Revenue | 462 | 482 | 458 | 469 | 1,871 |
| Adjusted EBITDA Margin | 22.7% | 23.4% | 21.2% | 17.1% | 21.1% |

| 2023 | | | | | |
|--|-------|-------|-------|-------|-------|
| | Q1 | Q2 | Q3 | Q4 | Total |
| Operating Income | 26 | 29 | 35 | 43 | 133 |
| Operating Margin | 6.9% | 7.6% | 8.5% | 9.8% | 8.3% |
| Depreciation | 6 | 7 | 7 | 7 | 27 |
| Amortization | 24 | 24 | 24 | 25 | 97 |
| Other non-operating expense, excluding interest income | - | (1) | - | (3) | (4) |
| EBITDA | 56 | 59 | 66 | 71 | 252 |
| Share-based Compensation | 2 | 2 | 1 | 2 | 7 |
| Restructuring & Realignment | 5 | 2 | 5 | 5 | 17 |
| Special Charges | 2 | - | 1 | 1 | 4 |
| Loss/(Gain) from sale of business | - | - | - | 1 | 1 |
| Adjusted EBITDA | 65 | 63 | 73 | 80 | 281 |
| Revenue | 378 | 384 | 413 | 437 | 1,612 |
| Adjusted EBITDA Margin | 17.2% | 16.4% | 17.7% | 18.3% | 17.4% |

Xylem Inc. Non-GAAP Reconciliation EBITDA and Adjusted EBITDA by Quarter (\$ Millions) Water Solutions and Services

| 2024 | | | | | |
|--|-------|-------|-------|-------|-------|
| | Q1 | Q2 | Q3 | Q4 | Total |
| Operating Income | 50 | 47 | 63 | 59 | 219 |
| Operating Margin | 8.9% | 7.8% | 10.9% | 9.7% | 9.3% |
| Depreciation | 38 | 38 | 43 | 40 | 159 |
| Amortization | 22 | 28 | 30 | 28 | 108 |
| Other non-operating expense, excluding interest income | - | 1 | (1) | 1 | 1 |
| EBITDA | 105 | 115 | 133 | 128 | 481 |
| Share-based Compensation | 3 | 3 | 2 | 3 | 11 |
| Restructuring & Realignment | 3 | 23 | 4 | 5 | 35 |
| Special Charges | 9 | 3 | 1 | 2 | 15 |
| Loss/(Gain) from sale of business | 5 | (1) | 2 | - | 6 |
| Adjusted EBITDA | 125 | 143 | 142 | 138 | 548 |
| Revenue | 561 | 600 | 576 | 606 | 2,343 |
| Adjusted EBITDA Margin | 22.3% | 23.8% | 24.7% | 22.8% | 23.4% |

| 2023 | | | | | |
|--|-------|-------|-------|-------|-------|
| | Q1 | Q2 | Q3 | Q4 | Total |
| Operating Income | 18 | 26 | 33 | 55 | 132 |
| Operating Margin | 8.7% | 7.6% | 5.6% | 10.0% | 7.8% |
| Depreciation | 10 | 19 | 39 | 37 | 105 |
| Amortization | 3 | 15 | 39 | 22 | 79 |
| Other non-operating expense, excluding interest income | - | - | 1 | - | 1 |
| EBITDA | 31 | 60 | 112 | 114 | 317 |
| Share-based Compensation | 1 | 4 | 3 | 2 | 10 |
| Restructuring & Realignment | - | 8 | 9 | 3 | 20 |
| Special Charges | - | 7 | 9 | 6 | 22 |
| Loss/(Gain) from sale of business | - | - | - | - | - |
| Adjusted EBITDA | 32 | 79 | 133 | 125 | 369 |
| Revenue | 207 | 341 | 586 | 550 | 1,684 |
| Adjusted EBITDA Margin | 15.5% | 23.2% | 22.7% | 22.7% | 21.9% |

Xylem Inc. Non-GAAP Reconciliation

Net Cash – Operating Activities vs. Free Cash Flow (\$ Millions)

| | Q1 | | Q2 | | Q3 | | Q4 | | Year-to-Date | |
|---|--------------|---------------|--------------|---------------|--------------|--------------|--------------|--------------|----------------|--------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Net Cash - Operating Activities | \$89 | (\$19) | \$288 | \$28 | \$311 | \$373 | \$575 | \$455 | \$1,263 | \$837 |
| Capital Expenditures - PPE | (59) | (33) | (59) | (42) | (60) | (57) | (85) | (76) | (263) | (208) |
| Capital Expenditures - Software | (15) | (16) | (14) | (12) | (14) | (17) | (15) | (18) | (58) | (63) |
| Capital Expenditures | (74) | (49) | (73) | (54) | (74) | (74) | (100) | (94) | (321) | (271) |
| Free Cash Flow | \$15 | (\$68) | \$215 | (\$26) | \$237 | \$299 | \$475 | \$361 | \$942 | \$566 |
| Cash paid in excess of tax provision for R&D law change adoption | - | 33 | - | - | - | - | - | - | - | 33 |
| Cash paid by Xylem for Evoqua's pre-close transaction costs | - | - | - | 70 | - | - | - | - | - | 70 |
| Cash paid for Idrica distribution agreement | - | - | - | 60 | - | - | - | - | - | 60 |
| Adjusted Free Cash Flow | \$15 | (\$35) | \$215 | \$104 | \$237 | \$299 | \$475 | \$361 | \$942 | \$729 |
| Net Income | \$153 | \$99 | \$194 | \$92 | \$217 | \$152 | \$326 | \$266 | \$890 | \$609 |
| Gain/(Loss) from sale of business | (5) | - | 1 | - | (2) | - | (40) | (1) | (46) | (1) |
| Gain on remeasurement of previously held equity interest | - | - | - | - | - | - | 152 | - | 152 | - |
| Restructuring Charges - non-cash stock acceleration and asset impairment | (2) | - | (16) | (14) | (3) | (11) | - | (2) | (21) | (27) |
| Significant non-cash tax benefit/(charge) | - | - | - | - | - | - | - | 70 | - | 70 |
| Special Charges - Inventory step-up | - | - | - | (15) | - | (5) | - | (5) | - | (25) |
| Special Charges - non-cash impairment | (1) | (2) | - | - | - | (1) | (6) | (1) | (7) | (4) |
| Net Income, excluding gain/(loss) on sale of businesses, gain on remeasurement, non-cash restructuring and special charges | \$161 | \$101 | \$209 | \$121 | \$222 | \$169 | \$220 | \$205 | \$812 | \$596 |
| Operating Cash Flow Conversion | 58% | (19%) | 148% | 30% | 143% | 245% | 176% | 171% | 142% | 137% |
| Free Cash Flow Conversion | 9% | (35%) | 103% | 86% | 107% | 177% | 216% | 176% | 116% | 122% |



Thank you.

Q4 2024 Earnings & Results

Replay of the webcast is available until midnight February 18, 2025
Replay: +1 (877) 344-7529 or +1 (412) 317-0088 (INTL)
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