



# 2025 Fourth Quarter Results and Earnings

February 10, 2026



# 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,” “outlook,” “forecast,” “likely,” “believe,” “target,” “goal,” “objective,” “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 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, results of operations, and 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, including industrial, governmental, and public and private sector spending, interest rates, availability of funding for customers, inflation and governments’ related monetary policy in response, and the strength of the real estate markets, on economic activity and our operations; geopolitical matters, including nationalism, protectionism and anti-global sentiment, volatility involving the U.S. and other governments, ongoing, escalation or outbreak of international conflicts, and regulatory, trade protection, economic and other risks associated with our global sales and operations; manufacturing and operating cost increases due to macroeconomic conditions, including inflation, energy supply, supply chain shortages, logistics challenges, labor shortages, trade agreements, tariffs, and other trade protection measures, and other factors; demand for our products, disruption, competition or pricing pressures in the markets we serve; cybersecurity incidents, data breaches, or other disruptions of information technology systems on which we or our customers rely, or involving our connected products and services; lack of availability or delays in receiving parts and raw materials from our supply chain, including semiconductors or other key components; operational disruptions at our facilities or that of third parties upon which we rely; safe and compliant treatment and handling of water, wastewater and hazardous materials; failure to successfully execute large projects, including as respects performance guarantees and customers’ budgets, timelines and safety requirements; our ability to retain, compete for and attract leadership, other key talent and labor; defects, security, warranty and liability claims, and recalls related to our products; uncertainty around productivity, simplification, restructuring and realignment actions and related costs and savings; 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 efforts and related 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; failure to comply with, or changes in, laws or regulations, pertaining to our business conduct, operations, products and services, including anti-corruption, artificial intelligence, 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, 2024 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 efforts, 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 or other regulatory authorities, and are not intended to create legal rights or obligations. 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, 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.

# 4Q 2025 Performance Summary

(\$ in millions, unless otherwise noted)

Xylem Consolidated			Measurement and Control Solutions		Water Infrastructure		Applied Water		Water Solutions and Services	
	Reported 4Q	Adj* 4Q	Reported 4Q	Adj* 4Q	Reported 4Q	Adj* 4Q	Reported 4Q	Adj* 4Q	Reported 4Q	Adj* 4Q
Orders	2,391	2,391	588	588	691	691	474	474	638	638
Overall Growth	9%		24%		0%		7%		8%	
Organic Growth*		7%		22%		(1)%		5%		7%
Revenue	2,397	2,397	534	534	749	749	475	475	639	639
Overall Growth	6%		14%		3%		5%		5%	
Organic Growth*		4%		10%		0%		3%		4%
Operating Income	353	456	56	83	166	204	71	80	82	111
Operating Margin	14.7%	19.0%	10.5%	15.5%	22.2%	27.2%	14.9%	16.8%	12.8%	17.4%
EBITDA*	512	557	115	108	192	219	78	89	146	153
EBITDA Margin*	21.4%	23.2%	21.5%	20.2%	25.6%	29.2%	16.4%	18.7%	22.8%	23.9%
Earnings Per Share	\$1.37	\$1.42								

# 2025 Earnings Highlights



## Outstanding full-year performance with strong 4Q close

Record FY revenue, Adj. EBITDA Margin\* and Adj. EPS\*

Healthy demand and FY book to bill ~1, high single digit Q4 orders growth

Solid 4Q organic revenue growth of 4%, up across most end markets, and record Adj. EPS\*



## Simplification driving further margin expansion in 2026

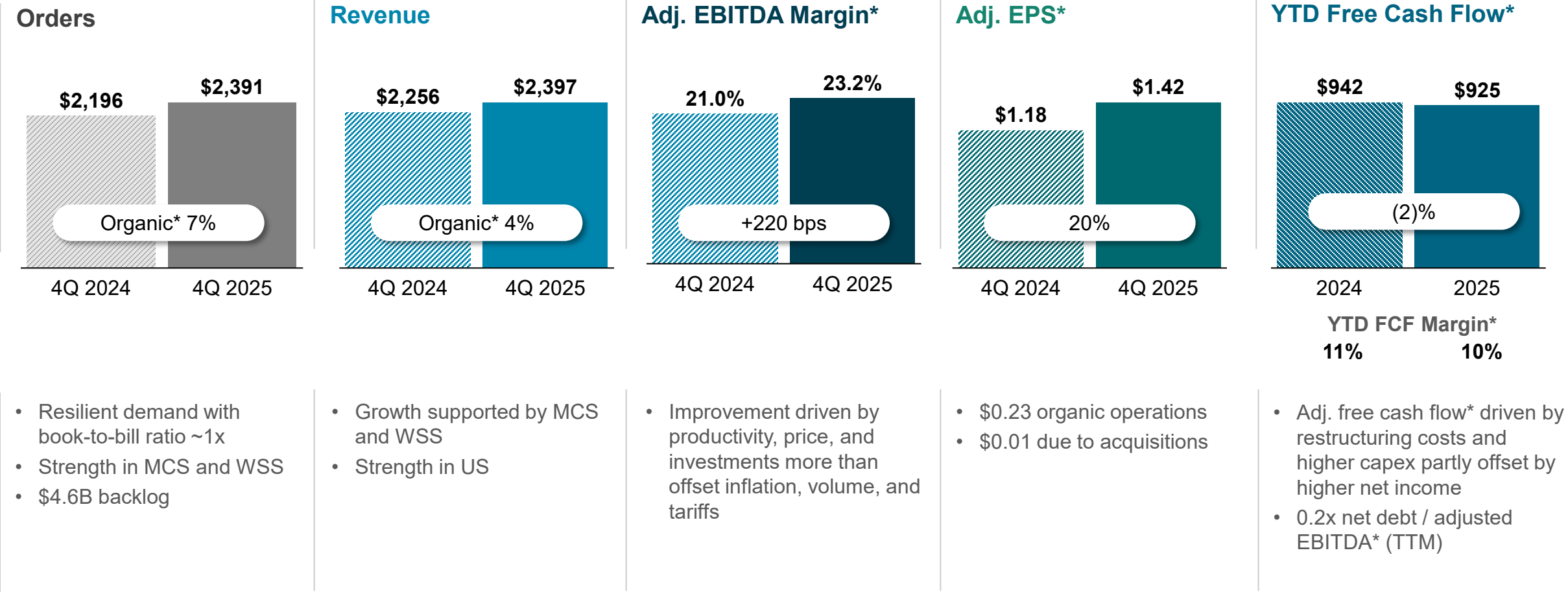
Strong full-year guidance including 70-110 bps Adj. EBITDA Margin\* expansion

Focused on quality earnings with greater walk-away from maturing 80/20 program

Balanced capital deployment and portfolio optimization to maximize shareholder value

**On track to deliver our long-term framework**

# 4Q 2025 Financial Performance



Operational execution drove record quarter performance

# 4Q 2025 Segment Performance Summary

	Measurement and Control Solutions	Water Infrastructure	Applied Water	Water Solutions and Services
Orders / Organic Growth*	<b>\$588M +22%</b>	<b>\$691M (1)%</b>	<b>\$474M +5%</b>	<b>\$638M +7%</b>
Revenue / Organic Growth*	<b>\$534M +10%</b>	<b>\$749M +0%</b>	<b>\$475M +3%</b>	<b>\$639M +4%</b>
Adj. EBITDA Margin* / Expansion	<b>20.2%</b> <small>\$108M +310 bps YoY</small>	<b>29.2%</b> <small>\$219M +510 bps YoY</small>	<b>18.7%</b> <small>\$89M +60 bps YoY</small>	<b>23.9%</b> <small>\$153M +110 bps YoY</small>
	<ul style="list-style-type: none"> <li>• Orders growth across smart metering</li> <li>• Revenue growth led by smart metering demand and execution</li> <li>• Margin up due to productivity, price and volume more than offsetting mix and inflation</li> </ul>	<ul style="list-style-type: none"> <li>• Orders decline driven by Treatment, particularly China market declines</li> <li>• Revenue flat with growth in Treatment, strength in US</li> <li>• Margin up due to productivity, price, and mix offset by inflation, volume, and investments</li> </ul>	<ul style="list-style-type: none"> <li>• Orders growth driven by US, offset by declines in China</li> <li>• Revenue growth driven by commercial end market</li> <li>• Margin up due to productivity and price offset by inflation, volume, and mix</li> </ul>	<ul style="list-style-type: none"> <li>• Orders growth driven by services</li> <li>• Revenue growth across applications</li> <li>• Margin up due to price, volume, and productivity, offset by inflation and mix</li> </ul>

**Healthy demand across most applications and end markets**



# FY 2026 Segment Outlook

	Measurement and Control Solutions	Water Infrastructure	Applied Water	Water Solutions and Services
Organic Revenue* Growth	Up Mid-Single Digits	Up Low-Single Digits	Up Low-Single Digits	Up Mid-Single Digits
Key Drivers	<ul style="list-style-type: none"> <li>• Healthy demand with strong pipeline</li> <li>• Momentum in Energy meters, Water meters returning to growth</li> <li>• Sequential improvement throughout the year</li> <li>• Headwind from 80/20 actions</li> </ul>	<ul style="list-style-type: none"> <li>• Resilient demand due to our mission-critical applications</li> <li>• Overall healthy opex and capex environment</li> <li>• 80/20 walkaway acceleration</li> <li>• Headwind from China softness</li> </ul>	<ul style="list-style-type: none"> <li>• Strength in North America commercial buildings</li> <li>• Data centers driving rapid book and ship</li> <li>• Long-term projects kicking off</li> <li>• Headwind from China softness</li> </ul>	<ul style="list-style-type: none"> <li>• Expect growth across capital and services</li> <li>• Resilient \$1.3B+ backlog and services model</li> <li>• Strength in outsourced water and Dewatering</li> </ul>

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

# FY 2026 and 1Q 2026 Guidance

	FY Guide**	1Q Guide
Revenue	<b>\$9.1 – 9.2B</b> 1 - 3% Total Growth 2 - 4% Organic* Growth	<b>~\$2.1B</b> 1 - 2% Total Growth ~0% Organic* Growth
Adjusted EBITDA Margin*	<b>~22.9 - 23.3%</b> +70 - 110 bps expansion	<b>20.5 – 21.0%</b> 0 – 50 bps expansion
Adjusted EPS*	<b>\$5.35 – \$5.60</b>	<b>\$1.06 – \$1.11</b>
Free Cash Flow Margin*	<b>10.2-11% margin</b>	

## Full-Year Highlights

- Organic revenue\* growth driven by healthy demand, backlog execution, and price more than offsetting 80/20 implementation headwinds
- Margin driven by productivity, volume, and price offsetting inflation and investments
- Benefits from simplification
- FX headwind
- Cash flow impacted by remaining restructuring costs, system investments and outsourced water projects

**Full-year guidance reflects commercial and operational momentum**



# Key Takeaways



**Record** full-year 2025 performance



Momentum going into 2026 with focus on **profitable growth**



On track to **deliver** long-term commitments

**Optimizing our portfolio to best serve our customers**

# Appendix

# FY 2026 Guidance Key Assumptions

	FY 2026 Assumptions
Corporate Expense	~\$85M
Restructuring & Realignment Costs*	\$50M - \$70M
Capex	~\$350M
Estimated Tax Rate <sup>1</sup>	~22 - 23%
Purchase Accounting Intangible Amortization	~\$220M
EUR / USD Rate	1.18

# Segment Key Facts

## Water Solutions and Services

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

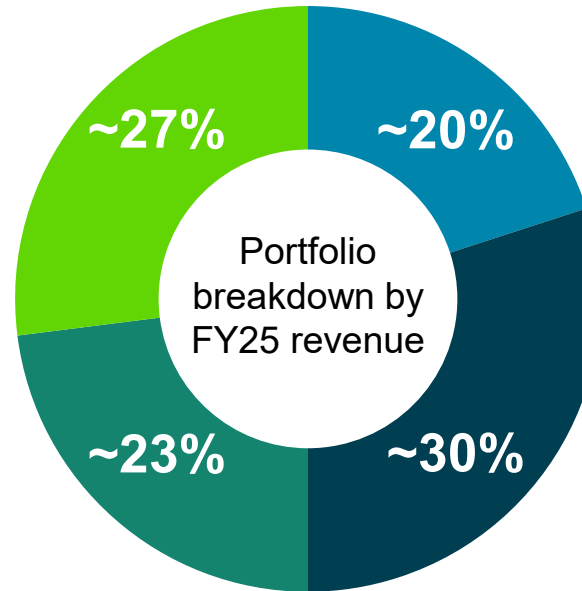
- Key brands: Grindex, Godwin, MarCor
- Geographic split: US ~80% / Rest of World ~20%
- End-market split: Industrials ~70% / Utilities ~30%
- Channels: Primarily direct
- Market drivers: Outsourced service, water scarcity, regulation, emerging contaminants
- Competitive advantage: Service network, mobile 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, Xylem Vue, 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.

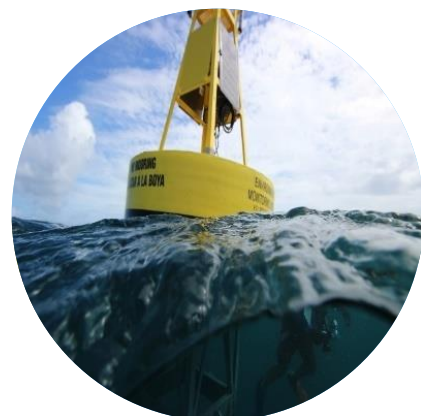
**"Free cash flow Conversion"** defined as free cash flow, or adjusted free cash flow as applicable; divided by net income, excluding the gain on sale of businesses and other non-recurring, significant non-cash impacts, such as non-cash impairment charges and significant deferred tax items. **"Adjusted 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

**Xylem Inc. Non-GAAP Reconciliation**  
Reported vs. Organic and Constant Currency Orders (\$ Millions)

	(As Reported)					(As Adjusted - Organic)				Constant Currency
	(A)		(B)	% Change		(C)	(D)	(E) = B+C+D	(F) = E/A	(G) = (E - C) / A
	Orders 2025	Orders 2024	Change 2025 v. 2024	2025 v. 2024	Book-to-Bill	Acquisitions / Divestitures	FX Impact	Change Adj. 2025 v. 2024	% Change Adj. 2025 v. 2024	
<b>Year Ended December 31</b>										
<b>Xylem Inc.</b>	8,904	8,730	174	2%	99%	30	(65)	139	2%	1%
Water Infrastructure	2,672	2,727	(55)	(2%)	101%	60	(35)	(30)	(1%)	(3%)
Applied Water	1,893	1,824	69	4%	102%	-	(15)	54	3%	3%
Measurement and Control Solutions	1,873	1,672	201	12%	90%	(30)	(14)	157	9%	11%
Water Solutions and Services	2,466	2,507	(41)	(2%)	100%	-	(1)	(42)	(2%)	(2%)
<b>Quarter Ended December 31</b>										
<b>Xylem Inc.</b>	2,391	2,196	195	9%	100%	10	(45)	160	7%	7%
Water Infrastructure	691	691	-	0%	92%	15	(22)	(7)	(1%)	(3%)
Applied Water	474	442	32	7%	100%	-	(10)	22	5%	5%
Measurement and Control Solutions	588	473	115	24%	110%	(5)	(7)	103	22%	23%
Water Solutions and Services	638	590	48	8%	100%	-	(6)	42	7%	7%
<b>Quarter Ended September 30</b>										
<b>Xylem Inc.</b>	2,181	2,201	(20)	(1%)	96%	2	(27)	(45)	(2%)	(2%)
Water Infrastructure	683	700	(17)	(2%)	104%	15	(13)	(15)	(2%)	(4%)
Applied Water	445	437	8	2%	98%	-	(6)	2	-	-
Measurement and Control Solutions	446	386	60	16%	85%	(13)	(5)	42	11%	14%
Water Solutions and Services	607	678	(71)	(10%)	96%	-	(3)	(74)	(11%)	(11%)
<b>Quarter Ended June 30</b>										
<b>Xylem Inc.</b>	2,174	2,087	87	4%	94%	13	(23)	77	4%	3%
Water Infrastructure	672	690	(18)	(3%)	103%	16	(12)	(14)	(2%)	(4%)
Applied Water	488	465	23	5%	101%	-	(5)	18	4%	4%
Measurement and Control Solutions	437	384	53	14%	81%	(3)	(5)	45	12%	13%
Water Solutions and Services	577	548	29	5%	92%	-	(1)	28	5%	5%
<b>Quarter Ended March 31</b>										
<b>Xylem Inc.</b>	2,158	2,246	(88)	(4%)	104%	5	30	(53)	(2%)	(3%)
Water Infrastructure	626	646	(20)	(3%)	108%	14	12	6	1%	(1%)
Applied Water	486	480	6	1%	112%	-	6	12	3%	3%
Measurement and Control Solutions	402	429	(27)	(6%)	82%	(9)	3	(33)	(8%)	(6%)
Water Solutions and Services	644	691	(47)	(7%)	114%	-	9	(38)	(5%)	(5%)



# 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		
	2025	2024	2025 v. 2024	2025 v. 2024	Divestitures		Adj. 2025 v. 2024	Adj. 2025 v. 2024		
Year Ended December 31										
Xylem Inc.	9,035	8,562	473	6%	17	(71)	419	5%	5%	
Water Infrastructure	2,636	2,555	81	3%	48	(41)	88	3%	2%	
Applied Water	1,849	1,793	56	3%	-	(14)	42	2%	2%	
Measurement and Control Solutions	2,086	1,871	215	11%	(30)	(13)	172	9%	11%	
Water Solutions and Services	2,464	2,343	121	5%	(1)	(3)	117	5%	5%	
Quarter Ended December 31										
Xylem Inc.	2,397	2,256	141	6%	(6)	(48)	87	4%	4%	
Water Infrastructure	749	727	22	3%	4	(26)	-	-	(1%)	
Applied Water	475	454	21	5%	-	(9)	12	3%	3%	
Measurement and Control Solutions	534	469	65	14%	(9)	(7)	49	10%	12%	
Water Solutions and Services	639	606	33	5%	(1)	(6)	26	4%	4%	
Quarter Ended September 30										
Xylem Inc.	2,268	2,104	164	8%	7	(26)	145	7%	7%	
Water Infrastructure	656	623	33	5%	15	(14)	34	5%	3%	
Applied Water	456	447	9	2%	-	(5)	4	1%	1%	
Measurement and Control Solutions	522	458	64	14%	(8)	(6)	50	11%	13%	
Water Solutions and Services	634	576	58	10%	-	(1)	57	10%	10%	
Quarter Ended June 30										
Xylem Inc.	2,301	2,169	132	6%	11	(23)	120	6%	5%	
Water Infrastructure	650	631	19	3%	19	(12)	26	4%	1%	
Applied Water	483	456	27	6%	-	(6)	21	5%	5%	
Measurement and Control Solutions	540	482	58	12%	(8)	(4)	46	10%	11%	
Water Solutions and Services	628	600	28	5%	-	(1)	27	5%	5%	
Quarter Ended March 31										
Xylem Inc.	2,069	2,033	36	2%	5	26	67	3%	3%	
Water Infrastructure	581	574	7	1%	10	11	28	5%	3%	
Applied Water	435	436	(1)	(0%)	-	6	5	1%	1%	
Measurement and Control Solutions	490	462	28	6%	(5)	4	27	6%	7%	
Water Solutions and Services	563	561	2	0%	-	5	7	1%	1%	

# Xylem Inc. Non-GAAP Reconciliation

Adjusted Operating Income (\$ Millions)

	Q1		Q2		Q3		Q4		YTD	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>Total Revenue</b>										
• Total Xylem	2,069	2,033	2,301	2,169	2,268	2,104	2,397	2,256	9,035	8,562
• Water Infrastructure	581	574	650	631	656	623	749	727	2,636	2,555
• Applied Water	435	436	483	456	456	447	475	454	1,849	1,793
• Measurement and Control Solutions	490	462	540	482	522	458	534	469	2,086	1,871
• Water Solutions and Services	563	561	628	600	634	576	639	606	2,464	2,343
• Corporate/ Other	-	-	-	-	-	-	-	-	-	-
<b>Operating Income (Loss)</b>										
• Total Xylem	231	209	305	253	334	280	353	267	1,223	1,009
• Water Infrastructure	80	60	103	78	113	96	166	122	462	356
• Applied Water	72	61	84	71	85	71	71	68	312	271
• Measurement and Control Solutions	56	70	68	79	64	66	56	32	244	247
• Water Solutions and Services	44	50	78	47	98	63	82	59	302	219
• Corporate/ Other	(21)	(32)	(28)	(22)	(26)	(16)	(22)	(14)	(97)	(84)
<b>Operating Margin</b>										
• Total Xylem	11.2%	10.3%	13.3%	11.7%	14.7%	13.3%	14.7%	11.8%	13.5%	11.8%
• Water Infrastructure	13.8%	10.5%	15.8%	12.4%	17.2%	15.4%	22.2%	16.8%	17.5%	13.9%
• Applied Water	16.6%	14.0%	17.4%	15.6%	18.6%	15.9%	14.9%	15.0%	16.9%	15.1%
• Measurement and Control Solutions	11.4%	15.2%	12.6%	16.4%	12.3%	14.4%	10.5%	6.8%	11.7%	13.2%
• Water Solutions and Services	7.8%	8.9%	12.4%	7.8%	15.5%	10.9%	12.8%	9.7%	12.3%	9.3%
• 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	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>Special Charges</b>										
• Total Xylem	12	16	13	13	9	7	2	21	36	57
• Water Infrastructure	2	2	2	4	-	(2)	-	6	4	10
• Applied Water	-	-	-	-	-	-	-	-	-	-
• Measurement and Control Solutions	4	-	6	1	5	2	1	9	16	12
• Water Solutions and Services	4	9	1	3	1	1	-	2	6	15
• Corporate/ Other	2	5	4	5	3	6	1	4	10	20
<b>Restructuring &amp; Realignment Costs</b>										
• Total Xylem	27	15	29	29	31	11	46	36	133	91
• Water Infrastructure	15	7	12	2	22	6	26	15	75	30
• Applied Water	5	2	10	2	4	2	9	9	28	15
• Measurement and Control Solutions	3	2	5	2	1	(1)	7	7	16	10
• Water Solutions and Services	4	3	2	23	3	4	5	5	14	35
• Corporate/ Other	-	1	-	-	1	-	(1)	-	-	1
<b>Purchase Accounting Intangible Amortization Adjustment</b>										
• Total Xylem	55	54	55	57	55	52	55	53	220	216
• Water Infrastructure	10	19	10	17	10	11	12	12	42	59
• Applied Water	-	-	-	-	-	-	-	-	-	-
• Measurement and Control Solutions	19	14	19	14	20	15	19	15	77	58
• Water Solutions and Services	26	21	25	26	25	26	24	26	100	99
• Corporate/ Other	-	-	1	-	-	-	-	-	1	-
<b>Adjusted Operating Income (Loss)</b>										
• Total Xylem	325	294	402	352	429	350	456	377	1,612	1,373
• Water Infrastructure	107	88	127	101	145	111	204	155	583	455
• Applied Water	77	63	94	73	89	73	80	77	340	286
• Measurement and Control Solutions	82	86	98	96	90	82	83	63	353	327
• Water Solutions and Services	78	83	106	99	127	94	111	92	422	368
• Corporate/ Other	(19)	(26)	(23)	(17)	(22)	(10)	(22)	(10)	(86)	(63)
<b>Adjusted Operating Margin</b>										
• Total Xylem	15.7%	14.5%	17.5%	16.2%	18.9%	16.6%	19.0%	16.7%	17.8%	16.0%
• Water Infrastructure	18.4%	15.3%	19.5%	16.0%	22.1%	17.8%	27.2%	21.3%	22.1%	17.8%
• Applied Water	17.7%	14.4%	19.5%	16.0%	19.5%	16.3%	16.8%	17.0%	18.4%	16.0%
• Measurement and Control Solutions	16.7%	18.6%	18.1%	19.9%	17.2%	17.9%	15.5%	13.4%	16.9%	17.5%
• Water Solutions and Services	13.9%	14.8%	16.9%	16.5%	20.0%	16.3%	17.4%	15.2%	17.1%	15.7%
• 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 2025			Q4 2024		
	As Reported	Adjustments	Adjusted	As Reported	Adjustments	Adjusted
Total Revenue	2,397	-	2,397	2,256	-	2,256
Operating Income	353	103 a	456	267	110 a	377
Operating Margin	14.7%		19.0%	11.8%		16.7%
Interest Expense	(6)	-	(6)	(9)	-	(9)
Other Non-Operating Income (Expense)	5	-	5	5	-	5
Gain on remeasurement of previously held equity interest	-	-	-	152	(152) b	-
Gain/(Loss) From Sale of Businesses	16	(16) c	-	(40)	40 c	-
Income before Taxes	368	87	455	375	(2)	373
Provision for Income Taxes	(35)	(74) d	(109)	(49)	(37) d	(86)
Net Income	333	13	346	326	(39)	287
Net Loss Attributable to Non-controlling Interests	2	-	2	-	-	-
Net Income Attributable to Xylem	335	13	348	326	(39)	287
Diluted Shares	244.2		244.2	243.8		243.8
<b>Diluted EPS</b>	<b>\$1.37</b>	<b>\$0.05</b>	<b>\$1.42</b>	<b>\$1.34</b>	<b>(\$0.16)</b>	<b>\$1.18</b>

## Quarter-to-date:

**a** Restructuring & realignment costs: 2025 - \$46 million and 2024 - \$36 million

Special charges: 2025 - \$2 million of acquisition, divestiture & integration costs; 2024 - \$15 million of acquisition & integration costs and \$6 million of other special charges

Purchase accounting intangible amortization: 2025 - \$55 million and 2024 - \$53 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:** 2025 - Net tax impact on pre-tax adjustments (notes a and c) of \$16 million and \$58 million of other tax special benefit items, primarily deferred tax benefits from internal reorganizations; 2024 - Net tax impact on pre-tax adjustments (notes a, b and c) of \$29 million and other tax special benefit items of \$8 million

# Xylem Inc. Non-GAAP Reconciliation

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

	Q4 YTD 2025			Q4 YTD 2024		
	As Reported	Adjustments	Adjusted	As Reported	Adjustments	Adjusted
Total Revenue	9,035	-	9,035	8,562	-	8,562
Operating Income	1,223	389 a	1,612	1,009	364 a	1,373
Operating Margin	13.5%		17.8%	11.8%		16.0%
Interest Expense	(29)	-	(29)	(44)	-	(44)
Other Non-Operating Income (Expense)	18	-	18	16	-	16
Gain on remeasurement of previously held equity interest	-	-	-	152	(152) b	-
Gain/(Loss) From Sale of Businesses	(31)	31 c	-	(46)	46 c	-
Income before Taxes	1,181	420	1,601	1,087	258	1,345
Provision for Income Taxes	(231)	(137) d	(368)	(197)	(107) d	(304)
Net Income	950	283	1,233	890	151	1,041
Net Loss Attributable to Non-controlling Interests	7	-	7	-	-	-
Net Income Attributable to Xylem	957	283	1,240	890	151	1,041
Diluted Shares	244.0		244.0	243.5		243.5
<b>Diluted EPS</b>	<b>\$3.92</b>	<b>\$1.16</b>	<b>\$5.08</b>	<b>\$3.65</b>	<b>\$0.62</b>	<b>\$4.27</b>

**a Year-to-date:**

Restructuring & realignment costs: 2025 - \$133 million and 2024 - \$91 million

Special charges: 2025 - \$28 million of acquisition, divestiture & integration costs and \$8 million of intangible asset impairment charges; 2024 - \$50 million of acquisition & integration related costs and \$7 million of intangible asset impairment charges

Purchase accounting intangible amortization: 2025 - \$220 million and 2024 - \$216 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:** 2025 - Net tax impact on pre-tax adjustments (notes a and c) of \$85 million and other tax special benefit items of \$52 million, primarily deferred tax benefits from internal reorganizations; 2024 - Net tax impact on pre-tax adjustments (notes a, b and c) of \$88 million and other tax special benefit items of \$19 million

# Xylem Inc. Non-GAAP Reconciliation

## EBITDA and Adjusted EBITDA by Quarter (\$ Millions)

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

2025					
	Q1	Q2	Q3	Q4	Total
Net Income attributable to Xylem	169	226	227	335	957
Net Income margin	8.2%	9.8%	10.0%	14.0%	10.6%
Depreciation	68	69	64	66	267
Amortization	77	76	78	77	308
Interest Expense (Income), net	-	3	-	(1)	2
Income Tax Expense	50	75	71	35	231
EBITDA	364	449	440	512	1,765
Share-based Compensation	12	13	12	16	53
Restructuring & Realignment	27	29	30	45	131
Special Charges	12	13	9	2	36
Loss/(Gain) from sale of businesses	10	-	37	(16)	31
Loss attributable to non-controlling interest	(2)	(2)	(1)	(2)	(7)
Adjusted EBITDA	423	502	527	557	2,009
Revenue	2,069	2,301	2,268	2,397	9,035
Adjusted EBITDA Margin	20.4%	21.8%	23.2%	23.2%	22.2%

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 joint venture remeasurement	-	-	-	(152)	(152)
Loss/(Gain) from sale of businesses	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%



# 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

2025					
	Q1	Q2	Q3	Q4	Total
Operating Income	80	103	113	166	462
Operating Margin	13.8%	15.8%	17.2%	22.2%	17.5%
(Loss)/Gain from sale of businesses	(10)	-	2	1	(7)
Depreciation	10	11	11	12	44
Amortization	13	13	13	15	54
Other non-operating expense, excluding interest income	(2)	(2)	-	(2)	(6)
EBITDA	91	125	139	192	547
Share-based Compensation	2	3	2	3	10
Restructuring & Realignment	15	12	21	25	73
Special Charges	2	2	-	-	4
Loss/(Gain) from sale of businesses	10	-	(2)	(1)	7
Adjusted EBITDA	120	142	160	219	641
Revenue	581	650	656	749	2,636
Adjusted EBITDA Margin	20.7%	21.8%	24.4%	29.2%	24.3%

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 businesses	-	-	-	(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 businesses	-	-	-	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%

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

#### Applied Water

2025					
	Q1	Q2	Q3	Q4	Total
Operating Income	72	84	85	71	312
Operating Margin	16.6%	17.4%	18.6%	14.9%	16.9%
(Gain) attributable to non-controlling interest	-	-	-	(1)	(1)
Depreciation	7	8	6	8	29
Amortization	1	1	2	-	4
Other non-operating expense, excluding interest income	(1)	1	-	-	-
EBITDA	79	94	93	78	344
Share-based Compensation	1	1	2	1	5
Restructuring & Realignment	5	10	4	9	28
Special Charges	-	-	-	-	-
Gain attributable to non-controlling interest	-	-	-	1	1
Adjusted EBITDA	85	105	99	89	378
Revenue	435	483	456	475	1,849
Adjusted EBITDA Margin	19.5%	21.7%	21.7%	18.7%	20.4%

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%

# 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

2025					
	Q1	Q2	Q3	Q4	Total
Operating Income	56	68	64	56	244
Operating Margin	11.4%	12.6%	12.3%	10.5%	11.7%
Loss attributable to non-controlling interest	-	4	2	3	9
(Loss)/Gain from sale of businesses	-	-	(39)	15	(24)
Depreciation	7	10	8	8	33
Amortization	32	34	35	34	135
Other non-operating expense, excluding interest income	-	(1)	-	(1)	(2)
EBITDA	95	115	70	115	395
Share-based Compensation	1	3	1	3	8
Restructuring & Realignment	3	5	1	7	16
Special Charges	4	6	5	1	16
Loss/(Gain) from sale of businesses	-	-	39	(15)	24
(Loss) attributable to non-controlling interest	-	(4)	(2)	(3)	(9)
Adjusted EBITDA	103	125	114	108	450
Revenue	490	540	522	534	2,086
Adjusted EBITDA Margin	21.0%	23.1%	21.8%	20.2%	21.6%

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 joint venture remeasurement	-	-	-	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 joint venture remeasurement	-	-	-	(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%

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

2025					
	Q1	Q2	Q3	Q4	Total
Operating Income	44	78	98	82	302
Operating Margin	7.8%	12.4%	15.5%	12.8%	12.3%
Depreciation	41	43	38	37	159
Amortization	27	28	26	27	108
Other non-operating expense, excluding interest income	-	(1)	-	-	(1)
(Gain) attributable to non-controlling interest	-	-	(1)	-	(1)
EBITDA	112	148	161	146	567
Share-based Compensation	2	2	1	2	7
Restructuring & Realignment	4	2	3	5	14
Special Charges	4	1	1	-	6
Gain attributable to non-controlling interest	-	-	1	-	1
Adjusted EBITDA	122	153	167	153	595
Revenue	563	628	634	639	2,464
Adjusted EBITDA Margin	21.7%	24.4%	26.3%	23.9%	24.1%

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%
(Loss)/Gain from sale of businesses	(5)	1	(2)	-	(6)
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 businesses	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%

# Xylem Inc. Non-GAAP Reconciliation

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

## Xylem Inc. Non-GAAP Reconciliation Net Cash - Operating Activities vs. Free Cash Flow (\$ Millions)

	Q1		Q2		Q3		Q4		Year-to-Date	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>Net Cash - Operating Activities</b>	<b>\$33</b>	<b>\$89</b>	<b>\$305</b>	<b>\$288</b>	<b>\$360</b>	<b>\$311</b>	<b>\$543</b>	<b>\$575</b>	<b>\$1,241</b>	<b>\$1,263</b>
Capital Expenditures - PPE	(55)	(59)	(78)	(59)	(57)	(60)	(72)	(85)	(262)	(263)
Capital Expenditures - Software	(16)	(15)	(20)	(14)	(22)	(14)	(11)	(15)	(69)	(58)
<b>Capital Expenditures</b>	<b>(71)</b>	<b>(74)</b>	<b>(98)</b>	<b>(73)</b>	<b>(79)</b>	<b>(74)</b>	<b>(83)</b>	<b>(100)</b>	<b>(331)</b>	<b>(321)</b>
<b>Free Cash Flow</b>	<b>(\$38)</b>	<b>\$15</b>	<b>\$207</b>	<b>\$215</b>	<b>\$281</b>	<b>\$237</b>	<b>\$460</b>	<b>\$475</b>	<b>\$910</b>	<b>\$942</b>
Cash Paid for Significant Divestiture Activities	-	-	-	-	12	-	3		15	-
<b>Adjusted Free Cash Flow for Margin Calculation</b>	<b>(\$38)</b>	<b>\$15</b>	<b>\$207</b>	<b>\$215</b>	<b>\$293</b>	<b>\$237</b>	<b>\$463</b>	<b>\$475</b>	<b>\$925</b>	<b>\$942</b>
<b>Revenue</b>	<b>\$2,069</b>	<b>\$2,033</b>	<b>\$2,301</b>	<b>\$2,169</b>	<b>\$2,268</b>	<b>\$2,104</b>	<b>\$2,397</b>	<b>\$2,256</b>	<b>\$9,035</b>	<b>\$8,562</b>
Operating Cash Flow Margin	1.6%	4.4%	13.3%	13.3%	15.9%	14.8%	22.7%	25.5%	13.7%	14.8%
Free Cash Flow Margin	(1.8%)	0.7%	9.0%	9.9%	12.9%	11.3%	19.2%	21.1%	10.2%	11.0%



# Thank you.

## 4Q 2025 Earnings & Results

Replay of the webcast is available until midnight February 24, 2026  
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