

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): July 28, 2017

XYLEM INC.

(Exact name of registrant as specified in its charter)

Indiana
(State or other jurisdiction
of incorporation)

001-35229
(Commission
File Number)

45-2080495
(IRS Employer
Identification No.)

**1 International Drive
Rye Brook, New York**
(Address of principal executive offices)

10573
(Zip Code)

(914) 323-5700
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
- Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 8.01 Other Events

As previously announced, in the second quarter of 2017, Xylem Inc. (the “Company”) implemented an organizational redesign by moving the Company's Analytics business from its Water Infrastructure business to its Sensus business, which was acquired in the fourth quarter of 2016. The Company believes that the combination of these businesses will enhance its focus on advanced sensing technologies and will lead to operating efficiencies by integrating the supply chain process, and moving to a leaner, shared operations and functional structure. Accordingly, the Company's reportable segments have changed. Beginning with the second quarter of 2017, the Company will report the financial position and results of operations of its Analytics and Sensus businesses as one new reportable segment, which is currently referred to as Sensus & Analytics. The Company's Water Infrastructure reportable segment no longer includes the results of the Analytics business. The Company's Applied Water reportable segment remains unchanged.

For information purposes and to provide investors with historical information on a basis consistent with its new reporting structure, the Company has recast certain historical amounts between the Company's Water Infrastructure and Sensus & Analytics reportable segments. This change has no impact on the Company's historical consolidated financial position or results of operations. The recast financial information does not represent a restatement of previously issued financial statements.

Attached as Exhibit 99.1 are schedules containing financial information which has been recast to reflect historical orders, revenue, operating income, adjusted operating income, EBITDA and adjusted EBITDA for each of the Company's operating segments for the first quarter of 2017, the first, second, third and fourth quarters of 2016 and the years ended December 31, 2016 and 2015. The Company considers certain non-GAAP (or “adjusted”) measures to be useful to management and investors evaluating our operating performance for the periods presented, and 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. 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 operating income or EBITDA as determined in accordance with GAAP.

The information contained in Exhibit 99.1 should be read in conjunction with the Company's Annual Reports on Form 10-K for the years ended 2016 and 2015 and Quarterly Report on Form 10-Q filed in 2017.

The information furnished pursuant to this Item 8.01 and Exhibit 99.1 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) or incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

Exhibit No.	Description
99.1	Recast segment information of Xylem Inc. (furnished pursuant to Item 8.01)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

XYLEM INC.

Date: July 28, 2017

By:

/s/ E. Mark Rajkowski

E. Mark Rajkowski

Senior Vice President and Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
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XYLEM INC.

RECAST ORDERS, REVENUE, OPERATING INCOME, ADJUSTED OPERATING INCOME, EBITDA AND ADJUSTED EBITDA BY SEGMENT

(\$ MILLIONS)

	Year Ended December 31, 2015		Year Ended December 31, 2016		Three Months Ended March 31, 2017	
	As Previously Reported	As Recast	As Previously Reported	As Recast	As Previously Reported	As Recast
Orders						
Water Infrastructure	2,296	2,009	2,272	1,957	546	467
Applied Water	1,415	1,415	1,405	1,405	354	354
Sensus & Analytics	—	287	147	462	237	316
Total	3,711	3,711	3,824	3,824	1,137	1,137
Revenue						
Water Infrastructure	2,231	1,940	2,246	1,932	496	419
Applied Water	1,422	1,422	1,393	1,393	333	333
Sensus & Analytics	—	291	132	446	242	319
Total	3,653	3,653	3,771	3,771	1,071	1,071
Operating Income						
Water Infrastructure	303	261	308	291	47	40
Applied Water	190	190	188	188	36	36
Sensus & Analytics	—	42	(17)	—	18	25
Corp and Other	(44)	(44)	(73)	(73)	(15)	(15)
Total	449	449	406	406	86	86
Adjustments (a)						
Water Infrastructure	14	12	33	18	5	4
Applied Water	7	7	16	16	9	9
Sensus & Analytics	—	2	26	41	8	9
Corp and Other	—	—	30	30	4	4
Total	21	21	105	105	26	26
Adjusted Operating Income						
Water Infrastructure	317	273	341	309	52	44
Applied Water	197	197	204	204	45	45
Sensus & Analytics	—	44	9	41	26	34
Corp and Other	(44)	(44)	(43)	(43)	(11)	(11)
Total	470	470	511	511	112	112
Adjusted Operating Margin						
Water Infrastructure	14.2%	14.1%	15.2%	16.0%	10.5%	10.5%
Applied Water	13.9	13.9	14.6	14.6	13.5	13.5
Sensus & Analytics	—	15.1	6.8	9.2	10.7	10.7
Total	12.9%	12.9%	13.6%	13.6%	10.5%	10.5%

EBITDA

Water Infrastructure	401	343	396	359	70	58
Applied Water	218	218	213	213	44	44
Sensus & Analytics	—	58	4	41	43	55
Corp and Other	(15)	(15)	(36)	(36)	(2)	(2)
Total	604	604	577	577	155	155

Adjustments (a)

Water Infrastructure	6	4	33	18	5	4
Applied Water	6	6	16	16	4	4
Sensus & Analytics	—	2	19	34	5	6
Corp and Other	4	4	30	30	4	4
Total	16	16	98	98	18	18

Adjusted EBITDA

Water Infrastructure	407	347	429	377	75	62
Applied Water	224	224	229	229	48	48
Sensus & Analytics	—	60	23	75	48	61
Corp and Other	(11)	(11)	(6)	(6)	2	2
Total	620	620	675	675	173	173

Adjusted EBITDA Margin

Water Infrastructure	18.2%	17.9%	19.1%	19.5%	15.1%	14.8%
Applied Water	15.8	15.8	16.4	16.4	14.4	14.4
Sensus & Analytics	—	20.6	17.4	16.8	19.8	19.1
Total	17.0%	17.0%	17.9%	17.9%	16.2%	16.2%

(a) Adjustments consist of Sensus acquisition related costs in 2016 and 2017 and special charges and restructuring and realignment costs in all years.

XYLEM INC.

**RECAST ORDERS, REVENUE, OPERATING INCOME, ADJUSTED OPERATING INCOME, EBITDA AND ADJUSTED EBITDA BY
SEGMENT 2016 QUARTER TO DATE**

(\$ MILLIONS)

	1Q 2016		2Q 2016		3Q 2016		4Q 2016		
	As Previously Reported	As Recast	As Previously Reported	As Recast	As Previously Reported	As Recast	As Previously Reported	As Recast	
Orders									
Water Infrastructure	534	461	562	483	604	521	572	492	
Applied Water	354	354	361	361	342	342	348	348	
Sensus & Analytics	—	73	—	79	—	83	147	227	
Total	888	888	923	923	946	946	1,067	1,067	
Revenue									
Water Infrastructure	514	440	566	484	554	478	612	530	
Applied Water	333	333	366	366	343	343	351	351	
Sensus & Analytics	—	74	—	82	—	76	132	214	
Total	847	847	932	932	897	897	1,095	1,095	
Operating Income									
Water Infrastructure	54	51	70	66	79	75	105	99	
Applied Water	39	39	51	51	50	50	48	48	
Sensus & Analytics	—	3	—	4	—	4	(17)	(11)	
Corp and Other	(14)	(14)	(12)	(12)	(20)	(20)	(27)	(27)	
Total	79	79	109	109	109	109	109	109	
Adjustments (a)									
Water Infrastructure	8	5	9	6	9	5	7	2	
Applied Water	3	3	3	3	3	3	7	7	
Sensus & Analytics	—	3	—	3	—	4	26	31	
Corp and Other	2	2	—	—	10	10	18	18	
Total	13	13	12	12	22	22	58	58	
Adjusted Operating Income									
Water Infrastructure	62	56	79	72	88	80	112	101	
Applied Water	42	42	54	54	53	53	55	55	
Sensus & Analytics	—	6	—	7	—	8	9	20	
Corp and Other	(12)	(12)	(12)	(12)	(10)	(10)	(9)	(9)	
Total	92	92	121	121	131	131	167	167	
Adjusted Operating Margin									
Water Infrastructure	12.1%	12.7%	14.0%	14.9%	15.9%	16.7%	18.3%	19.1%	
Applied Water	12.6	12.6	14.8	14.8	15.5	15.5	15.7	15.7	
Sensus & Analytics	—	8.1	—	8.5	—	10.5	6.8	9.3	
Total	10.9%	10.9%	13.0%	13.0%	14.6%	14.6%	15.3%	15.3%	

EBITDA								
Water Infrastructure	77	69	91	82	103	94	125	114
Applied Water	44	44	59	59	56	56	54	54
Sensus & Analytics	—	8	—	9	—	9	4	15
Corp and Other	(5)	(5)	(3)	(3)	(11)	(11)	(17)	(17)
Total	116	116	147	147	148	148	166	166
Adjustments (a)								
Water Infrastructure	8	5	9	6	9	5	7	2
Applied Water	3	3	3	3	3	3	7	7
Sensus & Analytics	—	3	—	3	—	4	19	24
Corp and Other	2	2	—	—	10	10	18	18
Total	13	13	12	12	22	22	51	51
Adjusted EBITDA								
Water Infrastructure	85	74	100	88	112	99	132	116
Applied Water	47	47	62	62	59	59	61	61
Sensus & Analytics	—	11	—	12	—	13	23	39
Corp and Other	(3)	(3)	(3)	(3)	(1)	(1)	1	1
Total	129	129	159	159	170	170	217	217
Adjusted EBITDA Margin								
Water Infrastructure	16.5%	16.8%	17.7%	18.2%	20.2%	20.7%	21.6%	21.9%
Applied Water	14.1	14.1	16.9	16.9	17.2	17.2	17.4	17.4
Sensus & Analytics	—	14.9	—	14.6	—	17.1	17.4	18.2
Total	15.2%	15.2%	17.1%	17.1%	19.0%	19.0%	19.8%	19.8%

(a) Adjustments consist of Sensus acquisition related costs in Q3 and Q4 and special charges and restructuring and realignment costs in all quarters.

Xylem Inc. Non-GAAP Reconciliation

Recast - GAAP vs. Organic & Constant Currency Order Growth

(\$ Millions)

	(As Recast - GAAP)		(As Adjusted - Organic)				Constant Currency		
	(A)	(B)	(C)	(D)	(E) = B+C+D	(F) = E/A	(G) = (E - C) / A		
	Orders	Orders	Change 2016 v. 2015	% Change 2016 v. 2015	Acquisitions / Divestitures	FX Impact	Change Adj. 2016 v. 2015	% Change Adj. 2016 v. 2015	
	2016	2015							
<u>Year Ended December 31</u>									
Xylem Inc.	3,824	3,711	113	3 %	(179)	78	12	—%	5 %
Water Infrastructure	1,957	2,009	(52)	(3)%	—	55	3	—%	— %
Applied Water	1,405	1,415	(10)	(1)%	—	20	10	1%	1 %
Sensus & Analytics	462	287	175	61 %	(179)	3	(1)	—%	62 %
<u>Quarter Ended December 31</u>									
Xylem Inc.	1,067	913	154	17 %	(155)	19	18	2%	19 %
Water Infrastructure	492	486	6	1 %	—	13	19	4%	4 %
Applied Water	348	354	(6)	(2)%	—	5	(1)	—%	— %
Sensus & Analytics	227	73	154	211 %	(155)	1	—	—%	212 %
<u>Quarter Ended September 30</u>									
Xylem Inc.	946	939	7	1 %	(10)	15	12	1%	2 %
Water Infrastructure	521	517	4	1 %	—	8	12	2%	2 %
Applied Water	342	349	(7)	(2)%	—	6	(1)	—%	— %
Sensus & Analytics	83	73	10	14 %	(10)	1	1	1%	15 %
<u>Quarter Ended June 30</u>									
Xylem Inc.	923	944	(21)	(2)%	(9)	13	(17)	(2)%	(1)%
Water Infrastructure	483	514	(31)	(6)%	—	11	(20)	(4)%	(4)%
Applied Water	361	359	2	(1)%	—	2	4	1%	1 %
Sensus & Analytics	79	71	8	11 %	(9)	—	(1)	(1)%	11 %
<u>Quarter Ended March 31</u>									
Xylem Inc.	888	915	(27)	(3)%	(5)	31	(1)	—%	— %
Water Infrastructure	461	492	(31)	(6)%	—	23	(8)	(2)%	(2)%
Applied Water	354	353	1	— %	—	7	8	2%	2 %
Sensus & Analytics	73	70	3	4 %	(5)	1	(1)	(1)%	6 %

Xylem Inc. Non-GAAP Reconciliation

Recast - GAAP vs. Organic & Constant Currency Revenue Growth

(\$ Millions)

	(As Recast - GAAP)		(As Adjusted - Organic)				Constant Currency		
	(A)	(B)	(C)	(D)	(E) = B+C+D	(F) = E/A	(G) = (E - C) / A		
	Revenue	Revenue	Change 2016 v. 2015	% Change 2016 v. 2015	Acquisitions / Divestitures	FX Impact	Change Adj. 2016 v. 2015	% Change Adj. 2016 v. 2015	
	2016	2015							
<u>Year Ended December 31</u>									
Xylem Inc.	3,771	3,653	118	3 %	(163)	74	29	1%	5 %
Water Infrastructure	1,932	1,940	(8)	— %	—	52	44	2%	2 %
Applied Water	1,393	1,422	(29)	(2)%	—	20	(9)	(1)%	(1)%
Sensus & Analytics	446	291	155	53 %	(163)	2	(6)	(2)%	54 %
<u>Quarter Ended December 31</u>									
Xylem Inc.	1,095	994	101	10 %	(138)	20	(17)	(2)%	12 %
Water Infrastructure	530	555	(25)	(5)%	—	13	(12)	(2)%	(2)%
Applied Water	351	365	(14)	(4)%	—	7	(7)	(2)%	(2)%
Sensus & Analytics	214	74	140	189 %	(138)	—	2	3%	189 %
<u>Quarter Ended September 30</u>									
Xylem Inc.	897	902	(5)	(1)%	(8)	14	1	—%	1 %
Water Infrastructure	478	475	3	1 %	—	8	11	2%	2 %
Applied Water	343	351	(8)	(2)%	—	5	(3)	(1)%	(1)%
Sensus & Analytics	76	76	—	—%	(8)	1	(7)	(9)%	1 %
<u>Quarter Ended June 30</u>									
Xylem Inc.	932	920	12	1 %	(11)	13	14	2%	3 %
Water Infrastructure	484	479	5	1 %	—	11	16	3%	3 %
Applied Water	366	369	(3)	(1)%	—	2	(1)	—%	— %
Sensus & Analytics	82	72	10	14 %	(11)	—	(1)	(1)%	14 %
<u>Quarter Ended March 31</u>									
Xylem Inc.	847	837	10	1 %	(6)	27	31	4%	4 %
Water Infrastructure	440	431	9	2 %	—	20	29	7%	7 %
Applied Water	333	337	(4)	(1)%	—	6	2	1%	1 %
Sensus & Analytics	74	69	5	7 %	(6)	1	—	—%	9 %

Xylem Inc. Non-GAAP Reconciliation

Recast - GAAP vs. Organic & Constant Currency Growth -Three months ended March 31

(\$ Millions)

	(As Recast - GAAP)				(As Adjusted - Organic)				Constant Currency
	(A)		(B)	% Change	(C)	(D)	(E) = B+C+D	(F) = E/A	(G) = (E - C) / A
	Years	Change	% Change	Acquisitions / Divestitures	FX Impact	Change	% Change		
2017	2016	2017 v. 2016	2017 v. 2016			Adj. 2017 v. 2016	Adj. 2017 v. 2016		
<u>Orders</u>									
Xylem Inc.	1,137	888	249	28 %	(237)	12	24	3%	29 %
Water Infrastructure	467	461	6	1 %	—	7	13	3%	3 %
Applied Water	354	354	-	— %	1	5	6	2%	1 %
Sensus & Analytics	316	73	243	333 %	(238)	—	5	7%	333 %
<u>Revenue</u>									
Xylem Inc.	1,071	847	224	26 %	(242)	11	(7)	(1)%	28 %
Water Infrastructure	419	440	(21)	(5)%	—	6	(15)	(3)%	(3)%
Applied Water	333	333	—	— %	1	5	6	2%	2 %
Sensus & Analytics	319	74	245	331 %	(243)	—	2	3%	331 %