

xylem

Investor Overview, Governance & Sustainability

January 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, including industrial, governmental, and public and private sector spending, interest rates, inflation and related monetary policy by governments in response to inflation, and the strength of the residential and commercial real estate markets, on economic activity and our operations; geopolitical events, including the ongoing and possible escalation of the conflicts involving Russia and Ukraine, and the Middle East, as well as regulatory, economic and other risks associated with our global sales and operations, including those related to domestic content requirements; manufacturing and operating cost increases due to macroeconomic conditions, including inflation, energy supply, supply chain shortages, logistics challenges, tight labor markets, prevailing price changes, 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 with respect to meeting performance guarantees and customers’ budgets, timelines and safety requirements; our ability to retain and attract leadership and other diverse and 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 restructuring and realignment actions and related costs and savings; our ability to execute strategic investments for growth, including related to 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; financial market risks related to our pension and other defined benefit plans; failure to comply with, or changes in, laws or regulations, including those pertaining 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 (“2023 Annual Report”) 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.

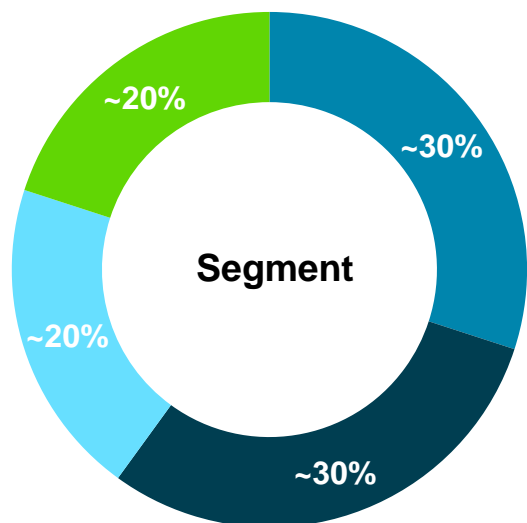
Comprehensive Water Platform Positioned for Value Creation

~\$8.5B Revenue
(FY24 Guidance)

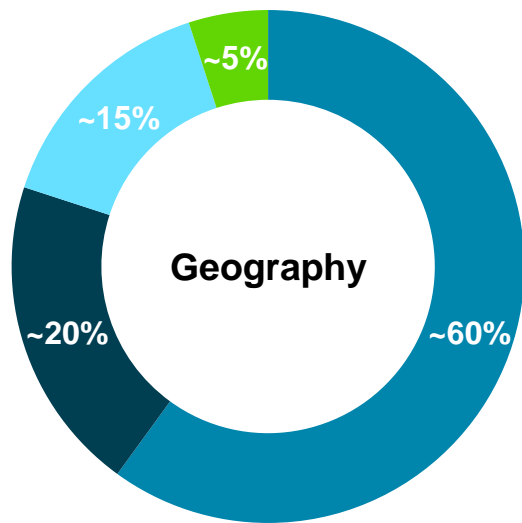
~20.5% Adj. EBITDA¹
Margin
(FY24 Guidance)

~23K Global
Employees

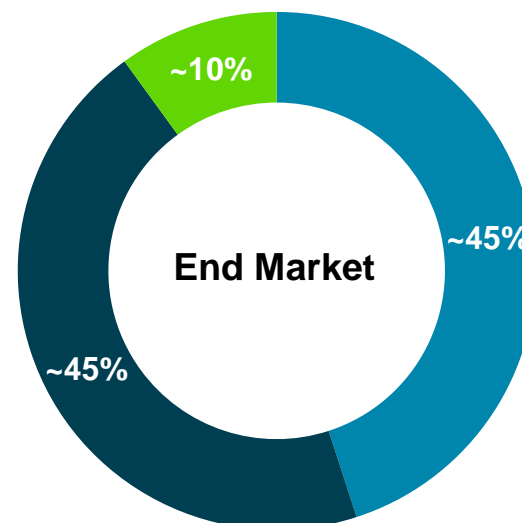
Diversified and Resilient Revenue Mix² in Attractive End Markets



- Water Infrastructure
- Water Solutions and Services
- Measurement and Control Solutions
- Applied Water



- US
- W Europe
- Emerging Markets
- Rest of the World



- Utilities
- Industrial
- Building Solutions

Our Impact

#2 America's
Most Responsible
Companies, 2024

Newsweek

#15 100 Most
Sustainable
Companies, 2024

BARRON'S

Water Challenges Are Driving Growth

Intensifying Megatrends



Scarcity

Affected populations to double by 2050



Resilience

Water risk could wipe \$5.6T from global GDP by 2050



Quality

300-400M tons/yr of industrial waste into waterways

Compounded by Constraints



Management Capacity

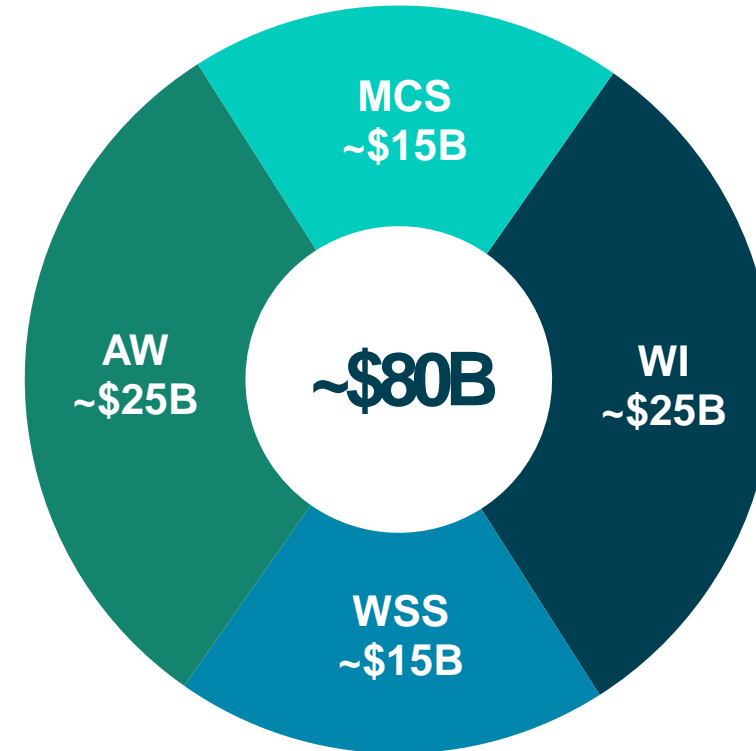
25% of US utility workforce to retire by 2030



Affordability

Water infrastructure financing needs to quadruple by 2050

Served Addressable Market



Xylem Share
~10%
2024

Market CAGR
LSD
2024-2027

Xylem CAGR
MSD
2024-2027

Best Positioned To Enable Transition To Water Security...



Differentiated Portfolio

Leading Position

Across most end-markets

100+ Years

Experience with trusted brands

~4,300 Patents



Unmatched Presence

40M+ AMI Endpoints¹

Deployed or under contract

80M+ Assets

Global installed base

35K+ Direct

Industrial customers



Leading Expertise

~3,500 AQUA pro

Service professionals

200+ Branches

Service network

6,000+

Engineers and salespeople



Sustainability Leadership

>4M Metric Tons

CO₂e reduction²

>8B m³

Water pollution prevention²

>13B m³

Water reuse²

...As a trusted partner to customers and communities

Driving Resilient Above-Market Growth¹

~3% Market Growth

Evoqua Synergies

- High-growth industrials
- Utility penetration
- Global expansion

~1% Revenue Synergies

Innovative Solutions and Services

- Customer-centric organic innovation
- Acceleration through partnerships
- Innovative business models

~2% Above-Market Growth

Strategic Pricing

- Differentiated value-based pricing
- Monetize installed base and aftermarket
- Improved transactional discipline

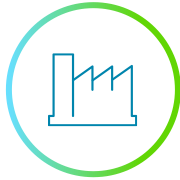
Simplification

- Differentiated customer engagement
- Improved lead times
- Faster innovation

~(1)% Impact

Improved quality of growth and earnings

Growth Synergies With Combined Xylem and Evoqua Portfolio



Scale Industrial Offering

High-growth verticals

~\$6M

Cooling for data center

~\$3M

Cooling for microprocessor manufacturer

~\$2M

Emergency response for energy company



Deepen Utility Penetration

Advanced treatment technologies

Achieved Synergy Wins

~\$8M

Bypass + odor control for California utility

~\$4M

Reuse for European utility river recharge project



Expand Services Globally

Scaling beyond N. America

~\$9M

Treatment for European microelectronics plants

~\$3M

Process water for Central America pharma plant

~1% incremental annual growth

Renewed Strategic Focus on Profitable and Systematic Growth



Drive Resilient Above-Market Growth

- Evoqua revenue synergies
- Innovative solutions and services
- Strategic pricing



Accelerate Margin Expansion

- Simplification
- Strategic pricing
- Operational productivity



Deploy Capital Efficiently

- Organic core investments
- Consistent M&A compounder
- Opportunistic share repurchases

Uniquely positioned to drive value creation and sustainability leadership

Independent Board of Directors with Deep Expertise¹



Robert F. Friel
Independent Board Chair, Xylem
Former Chairman, President & CEO, PerkinElmer
Committees: Leadership Development & Compensation



Jeanne Beliveau-Dunn²
Chief Executive Officer & President, Claridad
Committees: Audit; Leadership Development & Compensation



Lisa Glatch
Former President LNG and Net Zero Solutions, Sempra Infrastructure
Committees: Leadership Development & Compensation



Mark D. Morelli
President & CEO, Vontier
Committees: Audit; Leadership Development & Compensation (Chair)



Lila Tretikov
Partner, Head of Artificial Intelligence Strategy, New Enterprise Associates
Committees: Nominating & Governance

Matthew Pine
President & CEO, Xylem



Earl Ellis
Executive Vice President & CFO, ABM Industries
Committees: Audit (Chair)



Victoria D. Harker
Former EVP & Chief Financial Officer, TEGNA
Committees: Audit; Nominating & Governance



Jerome A. Peribere
Former President & CEO, Sealed Air
Committees: Nominating & Governance (Chair)



Uday Yadav
Chief Executive Officer, TK Elevator
Committees: Audit; Nominating & Governance



Global and Diverse Perspectives and Experience

Committed to Excellence in Corporate Governance

Highlights

- All Directors are independent except our CEO (90%); Independent Chair
- Overall Board and committee meeting attendance >97% (2024)
- Declassified board with all directors elected annually
- Shareholders have the right to call special meetings
- Shareholder proxy access right
- No poison pill
- Annual self-assessments of Board, committees and individuals; periodically facilitated by an independent 3rd party
- Robust director nominee selection process with commitment to diverse candidate pools
- Effective oversight of sustainability risks and opportunities

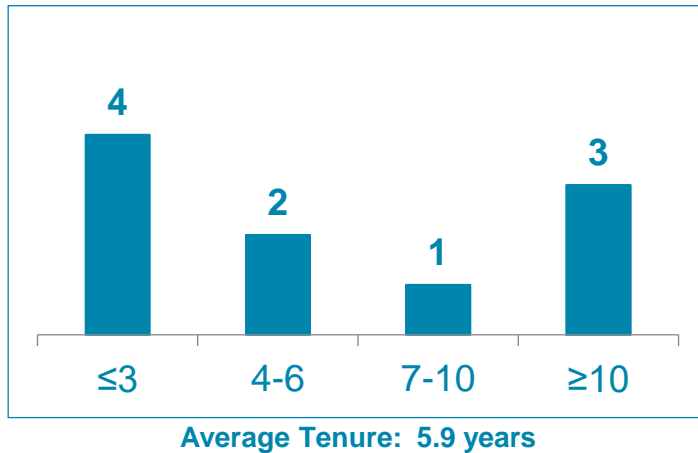
Key Priorities

- 1 Long-term Profitable Growth and Sustainable Value Creation
- 2 Strong Corporate Governance Profile
- 3 Robust Shareholder Engagement
- 4 Diverse Board Representation
- 5 Performance-based, strategically aligned compensation design

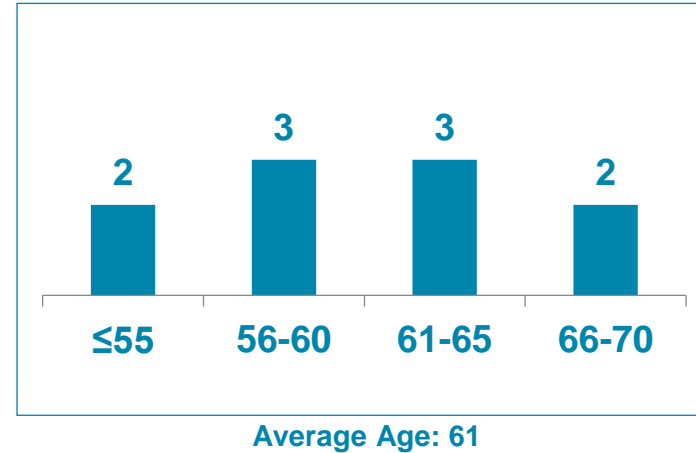
Record of governance enhancements focused on accountability

Actively Managed Board Composition¹ and Succession

Director Tenure



Director Age



9 of 10

Directors are independent

5 of 10

Directors have **CEO experience**

2 of 10

Directors are **ethnically or racially diverse**²

4 of 10

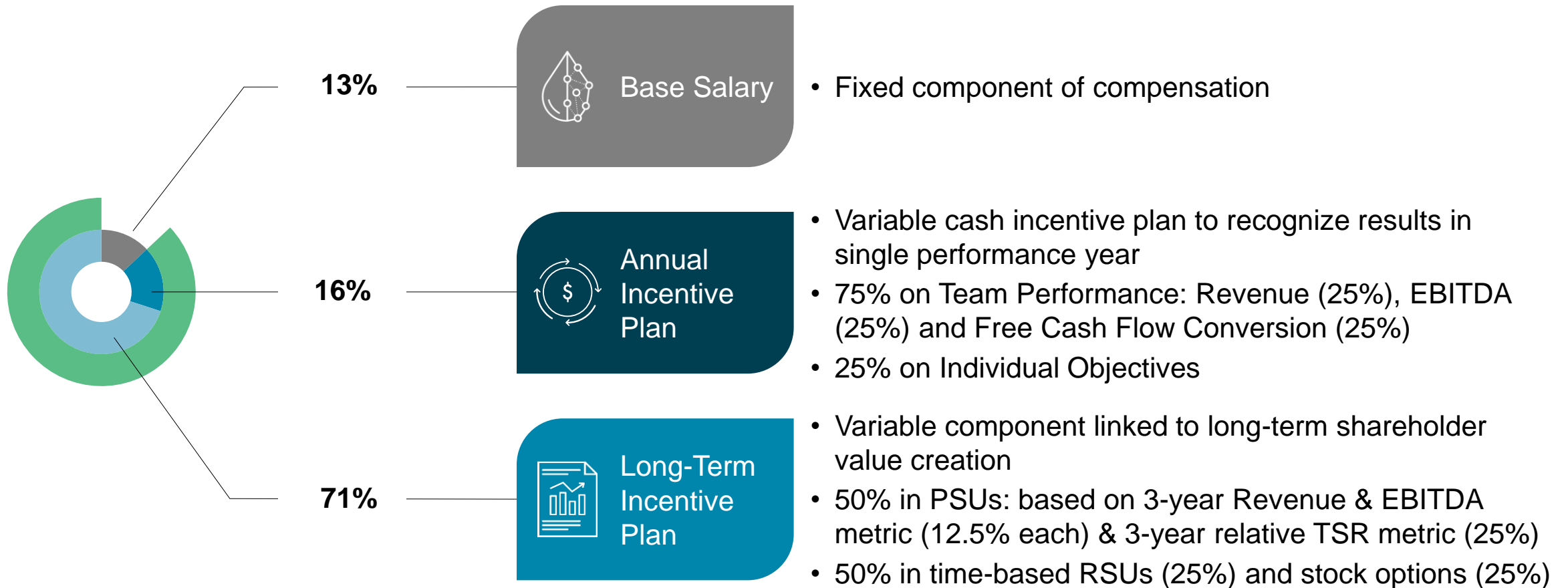
Directors are **women**²

4 of 10

Directors with **origins outside the U.S.**²

Focus on diverse backgrounds, C-suite experience, and global perspectives

2023 Executive Compensation Program Structure¹



87% performance-based compensation, “say on pay” support from top shareholders

12 (1) Designed to link pay to Xylem’s strategy, reward executives for long-term performance, be market competitive and avoid excessive risk taking.

Shareholder Engagement Is Essential to Long-Term Value

17

Of Our Top Shareholders Engaged

Represents ~29% of Our Outstanding Shares

>60

Top Shareholders Invited to Engage

Represents ~70% of our Outstanding Shares

Topics discussed¹ in the 2024 engagement meetings included:

- Board Oversight of Risk, including Cybersecurity
- Board Policy on Outside Directorships
- Board-Shareholder - Engagement
- Board & Senior Leadership Succession and Composition
- Corporate Governance Profile
- Board Oversight of Strategy
- Disclosure and Transparency
- Diversity, Equity and Inclusion
- Executive Compensation Philosophy and Metrics
- Sustainability Approach & Goals
- Supply Chain Equity and Transparency



Engaged with shareholders throughout the year



Valuable input and insights from our stakeholders



Ongoing engagement is critical to create long-term sustainable value



Board seeks to have regular and productive conversations with shareholders

Accelerating Our Purpose With an Intentional Culture Shift



High-Impact Culture



Inspired to
Innovate



Empowered
to **Lead**



Accountable
to **Deliver**

Driving a high-impact culture to deliver performance with purpose

Simplification Is Key To Profitable Growth



Customers

- Make it easier to do business with Xylem
- Unlock the potential of our platform



Colleagues

- Focus on fewer, bigger priorities
- Integrate businesses faster



Communities

- Align with commercial strategy for impact
- Focus on highest impact partnerships



Investors

- Accelerate margin expansion
- Reinvest for growth and productivity

To solve water, we are simplifying water

Raising Our Sustainability Aspirations



Decarbonize the Water Sector¹

Leading by example and enable utility commitments to reach Net Zero greenhouse gas emissions

Science-Based Targets by 2030
Net Zero by 2050



Accelerate Water Stewardship

Reducing global water demand across our own value chain and through the use of our products

Enable customers to reduce water demand by 2B+ m3 by 2030



Advance Water Security for All

Providing critical water, sanitation and hygiene (WASH) access for communities

Enable improved WASH access and capacity building for 80M people by 2030

Our 2030 science-based targets (scope 1, 2 & 3²) were approved by SBTi in Dec 2024

Recognized For Leadership in Sustainability

Sustainability ratings



MSCI: AAA



ISS ESG Corporate Rating:
Prime – Decile rank 2



ISS ESG Quality Score:
• Environment 1
• Social 1
• Governance 2



CDP Climate Change: B
CDP Water: C
CDP Supplier Engagement: B-



EcoVadis: Silver – 91st percentile

Recognitions



2024 Net Zero Carbon
Champion



2024 America's Most
Just Companies
(ranked #6 out of 60 in
Industrial Goods
industry; #153 out of
937 overall)

2024 Top Performer
and Top in Industry in
the Hiring & Stability
category in JUST
Jobs Scorecard



2024 Best Place to
Work for LGBTQ
Equality in the U.S.
(4th consecutive year
against new criteria)



2024 Sustainable
Debt Awards for
Sustainability- linked
loan of the year –
corporate (Americas)



2024 America's Most
Responsible
Companies (ranked
#2 out of 600
companies)

2024 America's
Greatest Workplaces
for Diversity



2024 100 Most
Sustainable
Companies (ranked
#15)

Why Invest In Xylem?

Above-Market Growth

+

Margin Acceleration from Simplification

+

Disciplined Capital Allocation

✓

**Top-Quartile Total
Shareholder Returns**



Growing above market with revenue synergies, innovation, and strategic pricing



Committed to accelerating margin expansion through simplification



Optimizing our portfolio to accelerate shareholder return



Delivering top quartile shareholder returns by compounding earnings

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- Appendix



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 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.

"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.

"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 costs incurred by the Company, such as acquisition and integration related costs and non-cash impairment charges.





• Thank you

NYSE: XYL

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