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2026 Second Quarter
Results and Earnings

July 28, 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," “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 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, availability of funding for our 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, volatile weather events, or changing climate patterns; 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, 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, 2025 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 or other regulatory authorities, and are note 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.

2Q 2026 Performance Summary

($ in millions, unless otherwise noted)

	Xylem Consolidated		Measurement and Control Solutions		Water Infrastructure		Applied Water		Water Solutions and Services	
	Reported 2Q	Adj* 2Q	Reported 2Q	Adj* 2Q	Reported 2Q	Adj* 2Q	Reported 2Q	Adj* 2Q	Reported 2Q	Adj* 2Q
Orders	3,086	3,086	430	430	669	669	538	538	1,449	1,449
Overall Growth	42%		(2%)		(0%)		10%		151%	
Organic Growth*		41%		2%		(4%)		9%		147%
Revenue	2,336	2,336	508	508	683	683	501	501	644	644
Overall Growth	2%		(6%)		5%		4%		3%	
Organic Growth*		1%		(1%)		3%		3%		1%
Operating Income	390	447	63	83	157	168	101	98	91	120
Operating Margin	16.7%	19.1%	12.4%	16.3%	23.0%	24.6%	20.2%	19.6%	14.1%	18.6%
EBITDA*	508	544	88	107	175	182	108	106	157	163
EBITDA Margin*	21.7%	23.3%	17.3%	21.1%	25.6%	26.6%	21.6%	21.2%	24.4%	25.3%
Earnings Per Share	$1.11	$1.46								

*See appendix for definitions of non-GAAP measures and non-GAAP reconciliations.

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2Q 2026 Earnings Highlights

Strong earnings growth driven by disciplined execution

Healthy demand with book to bill >1, WSS orders growth driven by outsourced model

Stronger than expected revenue growth and profitability from WI

Sustained capital deployment, repurchased ~$648M in shares and signed WaterFleet acquisition for ~$200M

Positioned for long-term growth and profitability

Solving larger, more complex water challenges through our comprehensive solutions

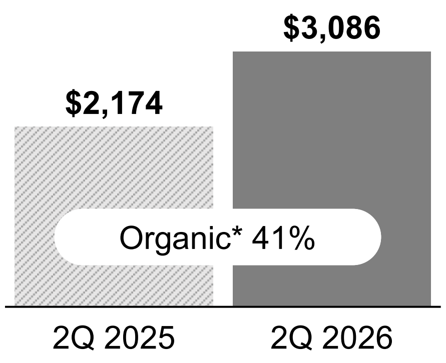
Increasing exposure to high growth industrial verticals building off the Evoqua acquisition

Optimizing our portfolio to support accelerating value creation

Raising FY guide on updated outlook

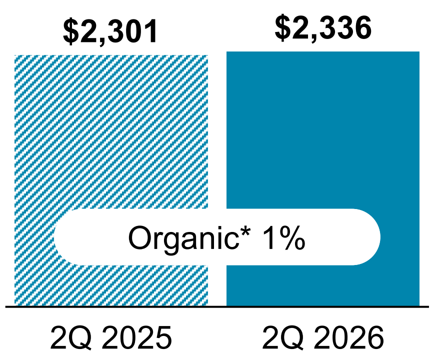
2Q 2026 Financial Performance

Orders



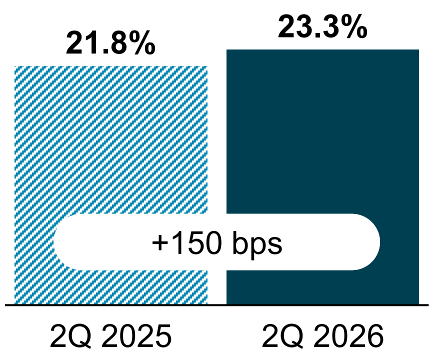
- Resilient demand with book-to-bill ratio >1x
- Strength in WSS outsourced water and AW data center orders
- $5.3B backlog

Revenue



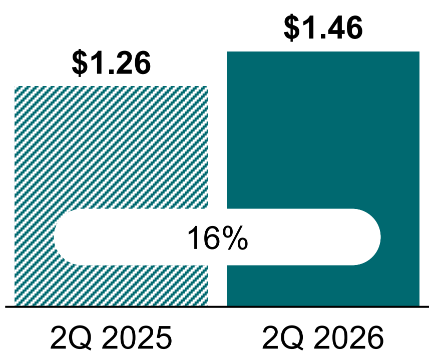
- Strength in Transport, Energy Metering, Building Solutions, and Capital in Heavy
- Strength in developed markets offset China declines

Adj. EBITDA Margin*



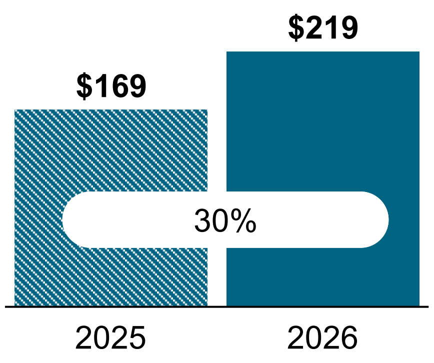
- Improvement driven by productivity, price, and improving mix more than offsetting inflation and lower volume

Adj. EPS*



- $0.16 organic operations
- $0.02 other including interest income
- $0.02 accretion from share repurchase net of forgone interest income

YTD Free Cash Flow*



YTD FCF Margin*

4% **5%**

- Free cash flow* driven by higher net income partly offset by outsourced water contracts
- 0.8x net debt / adjusted EBITDA* (TTM)

Solid performance driven by operational execution

*See appendix for definitions of non-GAAP measures and non-GAAP reconciliations.

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2Q 2026 Segment Performance Summary

	Measurement and Control Solutions	Water Infrastructure	Applied Water	Water Solutions and Services
Orders / Organic Growth*	$430M +2%	$669M (4%)	$538M +9%	$1,449M +147%
Revenue / Organic Growth*	$508M (1%)	$683M +3%	$501M +3%	$644M +1%
Adj. EBITDA Margin* / Expansion	21.1% $107M -200 bps YoY	26.6% $182M +480 bps YoY	21.2% $106M -50 bps YoY	25.3% $163M +90 bps YoY
	• Orders growth driven by Water Metering • Revenue decline mostly offset by Energy Metering and VUE demand • Margin decline due to mix, inflation, and volume, offset partly by productivity and price	• Orders decline driven by Treatment offset partially by Transport • Revenue growth driven by Transport offset by Treatment and China • Margin up due to productivity, mix, price, and volume offsetting inflation and investments	• Orders growth driven by data centers • Revenue growth driven by commercial end market • Margin decline due to inflation and volume, mostly offset by productivity and price	• Orders growth from large outsourced water contracts • Revenue growth driven by capital and Dewatering • Margin up due to price, mix, and productivity, offset by lower volume and inflation

Healthy demand across key markets

*See appendix for definitions of non-GAAP measures and non-GAAP reconciliations

FY 2026 and 3Q 2026 Guidance

	Prior FY Guide**	Updated FY Guide***	3Q Guide
Revenue	**$9.2 – 9.3B** 2 - 3% Total Growth 2 - 4% Organic* Growth	**~$9.2B** ~2% Total Growth 2 - 3% Organic* Growth	**~$2.3** ~0% Total Growth ~3% Organic* Growth
Adjusted EBITDA Margin*	**~22.9 - 23.3%** +70 - 110 bps expansion	**23.1 - 23.5%** +90 - 130 bps expansion	**23.5 - 24.0%** +30 - 80 bps expansion
Adjusted EPS*	**$5.35 – $5.60**	**$5.55 – $5.70**	**$1.42 – $1.47**
Free Cash Flow Margin*	**10.2-11% margin**	**10.2-11% margin**	

Full-Year Highlights

- Organic revenue* growth driven healthy demand, backlog execution, and price more than offsetting 80/20 and China headwinds
- Margin driven by productivity, volume, and price offsetting inflation, investments and mix
- Benefits from simplification
- Cash flow impaired by working capital requirements from outsourced water projects, remaining restructuring costs, and system investments

Updated full year guidance reflects year to date progress and momentum

*See appendix for definitions of non-GAAP measures
** Initial Guidance did not include any assumption for impact of changes to tariff policy
*** Includes tariff impact and mitigation based on information available as of 7/27/2026

Key Takeaways

Raising full year earnings guidance

Secular **growth drivers** in Municipal intact, Industrial accelerating

Strengthening our team and capabilities

Confident in achieving our long-term commitments

Appendix

FY 2026 Guidance Key Assumptions

	FY 2026 Assumptions
Corporate Expense	~$85M
Restructuring & Realignment Costs*	$70M - $90M
Capex	~$350M
Estimated Tax Rate[1]	~22 - 23%
Purchase Accounting Intangible Amortization	~$220M
EUR / USD Rate	1.14

*See appendix for definitions of non-GAAP measures and non-GAAP reconciliations
1 Estimated tax rate is on an adjusted basis

Segment Key Facts

Water Solutions and Services

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

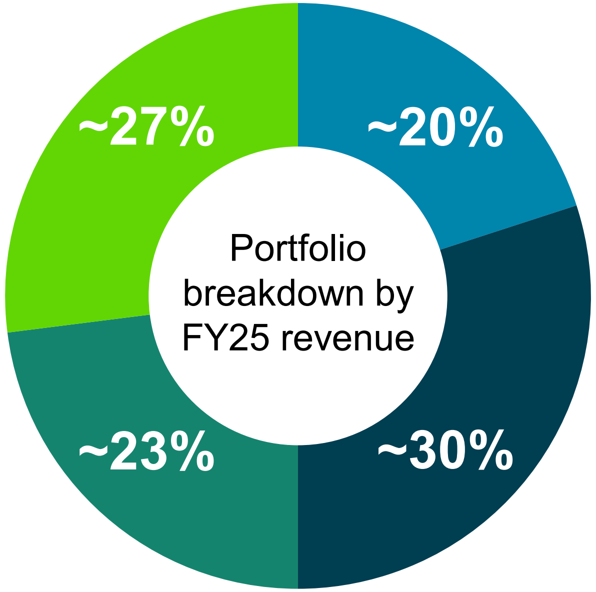
- Key brands: Grindex, Godwin, MarCor
- Geographic split: US ~75% / Rest of World ~25%
- End-market split: Industrials ~80% / Utilities ~20%
- Channels: Primarily direct
- Market drivers: Outsourced service, water scarcity, regulation, emerging contaminants
- Competitive advantage: Service network, mobile 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 ~75% / W. Europe ~15% / EM & Other ~10%
- End-market Split: Clean Water Utilities ~90% / Industrials ~10%
- 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 ~55% / W. Europe ~20% / EM & Other ~25%
- 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
- Geographic split: US ~35% / W. Europe ~35% / EM & Other ~30%
- End-market Split: 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

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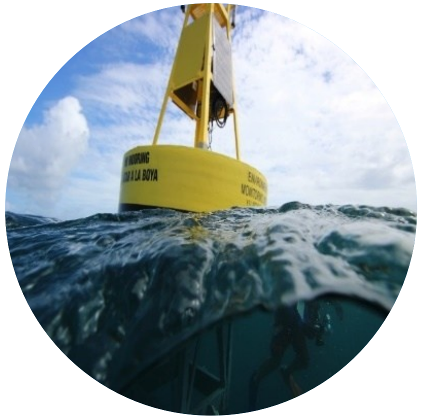
Xylem Inc. Non-GAAP Measures



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.

“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, less capital expenditures, as reported in the Statement of Cash Flows. Our definition of “free cash flow” does not consider certain non-discretionary cash payments, such as debt.

“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, non-cash impairment charges and other special charges. In 2026, these charges include reductions of expense related to the refunds of certain tariffs previously imposed under the International Emergency Economic Powers Act (“IEEPA”).

“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.

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Xylem Inc. Non-GAAP Reconciliation

Reported vs. Organic Orders ($ Millions)

	(As Reported)					(As Adjusted - Organic)				
		(A)	(B)			(C)	(D)	(E)	(F) = B+C+D+E	(G) = F/(A-D)
	Orders 2026	Orders 2025	Change 2026 v. 2025	% Change 2026 v. 2025	Book-to-Bill	Acquisitions	Divestitures	FX Impact	Change Adj. 2026 v. 2025	% Change Adj. 2026 v. 2025
Six Months Ended June 30										
Xylem Inc.	5,314	4,332	982	23%	119%	(27)	28	(111)	872	20%
Water Infrastructure	1,344	1,298	46	4%	105%	(21)	8	(45)	(12)	(1%)
Applied Water	1,050	974	76	8%	111%	-	-	(20)	56	6%
Measurement and Control Solutions	905	839	66	8%	89%	-	20	(14)	72	9%
Water Solutions and Services	2,015	1,221	794	65%	167%	(6)	-	(32)	756	62%
Quarter Ended June 30										
Xylem Inc.	3,086	2,174	912	42%	132%	(15)	23	(41)	879	41%
Water Infrastructure	669	672	(3)	(0%)	98%	(13)	3	(13)	(26)	(4%)
Applied Water	538	488	50	10%	107%	-	-	(5)	45	9%
Measurement and Control Solutions	430	437	(7)	(2%)	85%	-	20	(3)	10	2%
Water Solutions and Services	1,449	577	872	151%	225%	(2)	-	(20)	850	147%
Quarter Ended March 31										
Xylem Inc.	2,228	2,158	70	3%	105%	(12)	5	(70)	(7)	(0%)
Water Infrastructure	675	626	49	8%	112%	(8)	5	(32)	14	2%
Applied Water	512	486	26	5%	114%	-	-	(15)	11	2%
Measurement and Control Solutions	475	402	73	18%	94%	-	-	(11)	62	15%
Water Solutions and Services	566	644	(78)	(12%)	100%	(4)	-	(12)	(94)	(15%)

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Xylem Inc. Non-GAAP Reconciliation

Reported vs. Organic Revenue ($ Millions)

	(As Reported - GAAP)				(As Adjusted - Organic)				
		(A)	(B)		(C)	(D)	(E)	(F) = B+C+D+E	(G) = F/(A-D)
	Revenue 2026	Revenue 2025	Change 2026 v. 2025	% Change 2026 v. 2025	Acquisitions	Divestitures	FX Impact	Change Adj. 2026 v. 2025	% Change Adj. 2026 v. 2025
Six Months Ended June 30									
Xylem Inc.	4,461	4,370	91	2%	(12)	36	(94)	21	0%
Water Infrastructure	1,286	1,231	55	4%	(7)	7	(43)	12	1%
Applied Water	949	918	31	3%	-	-	(19)	12	1%
Measurement and Control Solutions	1,016	1,030	(14)	(1%)	-	29	(15)	-	0%
Water Solutions and Services	1,210	1,191	19	2%	(5)	-	(17)	(3)	(0%)
Quarter Ended June 30									
Xylem Inc.	2,336	2,301	35	2%	(7)	31	(29)	30	1%
Water Infrastructure	683	650	33	5%	(4)	2	(14)	17	3%
Applied Water	501	483	18	4%	-	-	(5)	13	3%
Measurement and Control Solutions	508	540	(32)	(6%)	-	29	(4)	(7)	(1%)
Water Solutions and Services	644	628	16	3%	(3)	-	(6)	7	1%
Quarter Ended March 31									
Xylem Inc.	2,125	2,069	56	3%	(5)	5	(65)	(9)	(0%)
Water Infrastructure	603	581	22	4%	(3)	5	(29)	(5)	(1%)
Applied Water	448	435	13	3%	-	-	(14)	(1)	(0%)
Measurement and Control Solutions	508	490	18	4%	-	-	(11)	7	1%
Water Solutions and Services	566	563	3	1%	(2)	-	(11)	(10)	(2%)

Xylem Inc. Non-GAAP Reconciliation

Adjusted Operating Income ($ Millions)

	Q1 2026	Q1 2025	Q2 2026	Q2 2025	YTD 2026	YTD 2025
Total Revenue						
• Total Xylem	2,125	2,069	2,336	2,301	4,461	4,370
• Water Infrastructure	603	581	683	650	1,286	1,231
• Applied Water	448	435	501	483	949	918
• Measurement and Control Solutions	508	490	508	540	1,016	1,030
• Water Solutions and Services	566	563	644	628	1,210	1,191
• Corporate/ Other	-	-		-	-	-
Operating Income (Loss)						
• Total Xylem	244	231	390	305	634	536
• Water Infrastructure	76	80	157	103	233	183
• Applied Water	77	72	101	84	178	156
• Measurement and Control Solutions	57	56	63	68	120	124
• Water Solutions and Services	56	44	91	78	147	122
• Corporate/ Other	(22)	(21)	(22)	(28)	(44)	(49)
Operating Margin						
• Total Xylem	11.5%	11.2%	16.7%	13.3%	14.2%	12.3%
• Water Infrastructure	12.6%	13.8%	23.0%	15.8%	18.1%	14.9%
• Applied Water	17.2%	16.6%	20.2%	17.4%	18.8%	17.0%
• Measurement and Control Solutions	11.2%	11.4%	12.4%	12.6%	11.8%	12.0%
• Water Solutions and Services	9.9%	7.8%	14.1%	12.4%	12.1%	10.2%
• Corporate/ Other	N/A	N/A	N/A	N/A	N/A	N/A
Special Charges						
• Total Xylem	5	12	(10)	13	(5)	25
• Water Infrastructure	-	2	(3)	2	(3)	4
• Applied Water	-	-	(6)	-	(6)	-
• Measurement and Control Solutions	3	4	(2)	6	1	10
• Water Solutions and Services	-	4	1	1	1	5
• Corporate/ Other	2	2	-	4	2	6

	Q1 2026	Q1 2025	Q2 2026	Q2 2025	YTD 2026	YTD 2025
Restructuring & Realignment Costs						
• Total Xylem	38	27	15	29	53	56
• Water Infrastructure	30	15	5	12	35	27
• Applied Water	2	5	3	10	5	15
• Measurement and Control Solutions	4	3	3	5	7	8
• Water Solutions and Services	2	4	4	2	6	6
• Corporate/ Other	-	-	-	-	-	-
Purchase Accounting Intangible Amortization Adjustment						
• Total Xylem	55	55	52	55	107	110
• Water Infrastructure	11	10	9	10	20	20
• Applied Water	-	-	-	-	-	-
• Measurement and Control Solutions	19	19	19	19	38	38
• Water Solutions and Services	25	26	24	25	49	51
• Corporate/ Other	-	-	-	1	-	1
Adjusted Operating Income (Loss)						
• Total Xylem	342	325	447	402	789	727
• Water Infrastructure	117	107	168	127	285	234
• Applied Water	79	77	98	94	177	171
• Measurement and Control Solutions	83	82	83	98	166	180
• Water Solutions and Services	83	78	120	106	203	184
• Corporate/ Other	(20)	(19)	(22)	(23)	(42)	(42)
Adjusted Operating Margin						
• Total Xylem	16.1%	15.7%	19.1%	17.5%	17.7%	16.6%
• Water Infrastructure	19.4%	18.4%	24.6%	19.5%	22.2%	19.0%
• Applied Water	17.6%	17.7%	19.6%	19.5%	18.7%	18.6%
• Measurement and Control Solutions	16.3%	16.7%	16.3%	18.1%	16.3%	17.5%
• Water Solutions and Services	14.7%	13.9%	18.6%	16.9%	16.8%	15.4%
• Corporate/ Other	N/A	N/A	N/A	N/A	N/A	N/A

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Xylem Inc. Non-GAAP Reconciliation

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

	Q2 2026				Q2 2025			
	As Reported	Adjustments		Adjusted	As Reported	Adjustments		Adjusted
Total Revenue	2,336	-		2,336	2,301	-		2,301
Operating Income	390	57	a	447	305	97	a	402
Operating Margin	*16.7%*			*19.1%*	*13.3%*			*17.5%*
Interest Expense	(7)	-		(7)	(9)	-		(9)
Other Non-Operating Income (Expense)	(3)	7	b	4	3	-	b	3
Gain/(Loss) From Sale of Businesses	(16)	16	c	-	-	-	c	-
Income before Taxes	364	80		444	299	97		396
Provision for Income Taxes	(103)	2	d	(101)	(75)	(15)	d	(90)
Net Income	261	82		343	224	82		306
Net Loss Attributable to Non-controlling Interests	2	-		2	2	-		2
Net Income Attributable to Xylem	263	82		345	226	82		308
Diluted Shares	236.6			236.6	243.9			243.9
Diluted EPS	**$1.11**	**$0.35**		**$1.46**	**$0.93**	**$0.33**		**$1.26**

a **Quarter-to-date:**

Restructuring & realignment costs: 2026 - $15 million; 2025 - $29 million

Special charges: 2026 - $6 million of acquisition, divestiture & integration costs, offset by $16 million of IEEPA tariff refunds ; 2025 - $9 million of acquisition, divestiture & integration costs and $4 million of intangible asset impairment charges

Purchase accounting intangible amortization: 2026 - $52 million; 2025 - $55 million

b Other special charges

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

d **Quarter-to-date:** 2026 - Net tax impact on pre-tax adjustments (notes a, b and c) **o**f $13 million, offset by $15 million of other tax special expense items; 2025 - Net tax impact on pre-tax adjustments (note a, b and c) of $20 million, offset by $5 million of other tax special expense items;

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Xylem Inc. Non-GAAP Reconciliation

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

	Q2 YTD 2026				Q2 YTD 2025			
	As Reported	Adjustments		Adjusted	As Reported	Adjustments		Adjusted
Total Revenue	4,461	-		4,461	4,370	-		4,370
Operating Income	634	155	a	789	536	191	a	727
Operating Margin	*14.2%*			*17.7%*	*12.3%*			*16.6%*
Interest Expense	(11)	-		(11)	(17)	-		(17)
Other Non-Operating Income (Expense)	(3)	12	b	9	7	-	b	7
Gain/(Loss) From Sale of Businesses	(12)	12	c	-	(10)	10	c	-
Income before Taxes	608	179		787	516	201		717
Provision for Income Taxes	(158)	(18)	d	(176)	(125)	(37)	d	(162)
Net Income	450	161		611	391	164		555
Net Loss Attributable to Non-controlling Interests	6	-		6	4	-		4
Net Income Attributable to Xylem	456	161		617	395	164		559
Diluted Shares	240.0			240.0	243.8			243.8
Diluted EPS	**$1.90**	**$0.67**		**$2.57**	**$1.62**	**$0.67**		**$2.29**

a Year-to-date:

Restructuring & realignment costs: 2026 - $53 million and 2025 - $56 million

Special charges: 2026 - $11 million of acquisition, divestiture & integration costs, offset by $16 million of IEEPA tariff refunds; 2025 - $17 million of acquisition & integration related costs and $8 million of intangible asset impairment charges

Purchase accounting intangible amortization: 2026 - $107 million and 2025 - $110 million

b Other special charges

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

d Year-to-date: 2026 - Net tax impact on pre-tax adjustments (notes a, b and c) of $34 million, offset by $16 million of other tax special expense items; 2025 - Net tax impact on pre-tax adjustments (note a, b and c) of $42 million, offset by other tax special expense items of $5 million;

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Xylem Inc. Non-GAAP Reconciliation

EBITDA and Adjusted EBITDA by Quarter ($ Millions)

Xylem Inc. Non-GAAP Reconciliation

EBITDA and Adjusted EBITDA by Quarter ($ Millions)

2026

	Q1	Q2	Q3	Q4	Total
Net Income attributable to Xylem	193	263			456
Net Income margin	9.1%	11.3%			10.2%
Depreciation	65	65			130
Amortization	75	75			150
Interest Expense (Income), net	(4)	2			(2)
Income Tax Expense	55	103			158
EBITDA	384	508	-	-	892
Share-based Compensation	13	12			25
Restructuring & Realignment	38	13			51
Special Charges	10	(3)			7
Loss/(Gain) from sale of businesses	(4)	16			12
Loss attributable to non-controlling interests	(4)	(2)			(6)
Adjusted EBITDA	437	544	-	-	981
Revenue	2,125	2,336			4,461
Adjusted EBITDA Margin	20.6%	23.3%			22.0%

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 interests	(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%

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 Infrastucture

2026	Q1	Q2	Q3	Q4	Total
Operating Income	76	157			233
Operating Margin	12.6%	23.0%			18.1%
(Loss)/Gain from sale of businesses	-	2			2
Depreciation	12	11			23
Amortization	14	13			27
Other non-operating expense, excluding interest income	(2)	(8)			(10)
EBITDA	100	175	-	-	275
Share-based Compensation	2	2			4
Restructuring & Realignment	30	3			33
Special Charges	-	4			4
Loss/(Gain) from sale of businesses	-	(2)			(2)
Adjusted EBITDA	132	182	-	-	314
Revenue	603	683			1,286
Adjusted EBITDA Margin	21.9%	26.6%			24.4%

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%

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

2026	Q1	Q2	Q3	Q4	Total
Operating Income	77	101			178
Operating Margin	17.2%	20.2%			18.8%
(Gain) attributable to non-controlling interests	-				-
Depreciation	7	6			13
Amortization	1	1			2
Other non-operating expense, excluding interest income	(1)	-			(1)
EBITDA	84	108	-	-	192
Share-based Compensation	2	1			3
Restructuring & Realignment	2	3			5
Special Charges	-	(6)			(6)
Gain attributable to non-controlling interests	-				-
Adjusted EBITDA	88	106	-	-	194
Revenue	448	501			949
Adjusted EBITDA Margin	19.6%	21.2%			20.4%

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 interests	-	-	-	(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 interests	-	-	-	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%

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

2026

	Q1	Q2	Q3	Q4	Total
Operating Income	57	63			120
Operating Margin	11.2%	12.4%			11.8%
Loss attributable to non-controlling interests	4	2			6
(Loss)/Gain from sale of businesses	4	(18)			(14)
Depreciation	7	8			15
Amortization	33	33			66
Other non-operating expense, excluding interest income	-	-			-
EBITDA	105	88	-	-	193
Share-based Compensation	2	2			4
Restructuring & Realignment	4	3			7
Special Charges	3	(2)			1
Loss/(Gain) from sale of businesses	(4)	18			14
(Loss) attributable to non-controlling interests	(4)	(2)			(6)
Adjusted EBITDA	106	107	-	-	213
Revenue	508	508			1,016
Adjusted EBITDA Margin	20.9%	21.1%			21.0%

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 interests	-	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 interests	-	(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%

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

2026

	Q1	Q2	Q3	Q4	Total
Operating Income	56	91			147
Operating Margin	9.9%	14.1%			12.1%
Depreciation	39	39			78
Amortization	26	27			53
Other non-operating expense, excluding interest income	(5)	-			(5)
(Gain) attributable to non-controlling interests	-	-			-
EBITDA	116	157	-	-	273
Share-based Compensation	2	1			3
Restructuring & Realignment	2	4			6
Special Charges	5	1			6
Gain attributable to non-controlling interests	-				-
Adjusted EBITDA	125	163	-	-	288
Revenue	566	644			1,210
Adjusted EBITDA Margin	22.1%	25.3%			23.8%

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 interests	-	-	(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 interests	-	-	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%

Xylem Inc. Non-GAAP Reconciliation

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

	Q1		Q2		Year-to-Date	
	2026	2025	2026	2025	2026	2025
Net Cash - Operating Activities	$108	$33	$290	$305	$398	$338
Capital Expenditures - PPE	(66)	(55)	(70)	(78)	(136)	(133)
Capital Expenditures - Software	(24)	(16)	(19)	(20)	(43)	(36)
Capital Expenditures	(90)	(71)	(89)	(98)	(179)	(169)
Free Cash Flow	$18	($38)	$201	$207	$219	$169
Cash Paid for Significant Divestiture Activities	7	-	14	-	21	-
Cash Received for IEEPA Tariff Refunds	-	-	(4)	-	(4)	-
Adjusted Free Cash Flow for Margin Calculation	$25	($38)	$211	$207	$236	$169
Revenue	$2,125	$2,069	$2,336	$2,301	$4,461	$4,370
Operating Cash Flow Margin	5.1%	1.6%	12.4%	13.3%	8.9%	7.7%
Free Cash Flow Margin	1.2%	(1.8%)	9.0%	9.0%	5.3%	3.9%

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Thank you.

2Q 2026 Results & Earnings

Replay of the webcast is available until midnight August 11, 2026
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