xylem
Let's Solve Water

2026 Third Quarter Results and Earnings

October 27, 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 necessarily 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 demand and spending, interest rates, availability of funding to our customers, timing of customers’ capital spending and project deployments, 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 and portfolio optimization actions, 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; our level of indebtedness, including debt incurred to finance the pending Cornell Pump and Roper Pump acquisition; 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”).

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.

3Q 2026 Performance Summary

($ in millions, unless otherwise noted)

	Xylem Consolidated		Measurement and Control Solutions		Water Infrastructure		Applied Water		Water Solutions and Services	
	Reported 3Q	Adj* 3Q	Reported 3Q	Adj* 3Q	Reported 3Q	Adj* 3Q	Reported 3Q	Adj* 3Q	Reported 3Q	Adj* 3Q
Orders	2,331	2,331	504	504	675	675	502	502	650	650
Overall Growth	7%		13%		(1%)		13%		7%	
Organic Growth*		10%		30%		(1%)		15%		6%
Revenue	2,201	2,201	436	436	645	645	489	489	631	631
Overall Growth	(3%)		(16%)		(2%)		7%		(0%)	
Organic Growth*		(0%)		(5%)		(1%)		9%		(2%)
Operating Income	385	428	66	84	147	154	100	94	92	114
Operating Margin	17.5%	19.4%	15.1%	19.3%	22.8%	23.9%	20.4%	19.2%	14.6%	18.1%
EBITDA*	520	527	94	107	171	169	116	104	155	157
EBITDA Margin*	23.6%	23.9%	21.6%	24.5%	26.5%	26.2%	23.7%	21.3%	24.6%	24.9%
Earnings Per Share	$1.25	$1.44								

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

2026 3Q Earnings Highlights



Healthy demand and operational excellence

Orders up 10% and book-to-bill >1, strong orders growth driven by MCS water meters and AW data center demand

Revenue below expectations due to affordability pressure in metering and project timing

Operational excellence delivered solid earnings and YoY EBITDA margin* expansion of 70 bps in line with expectations



Proactive acceleration of our transformation plan

Optimizing portfolio toward higher growth markets through Cornell & Roper and WaterFleet acquisitions

Announced planned divestiture of AW International[1] and Specialty Flow Control

Strengthening focus on growth and customer centricity by moving from 4 to 3 segments

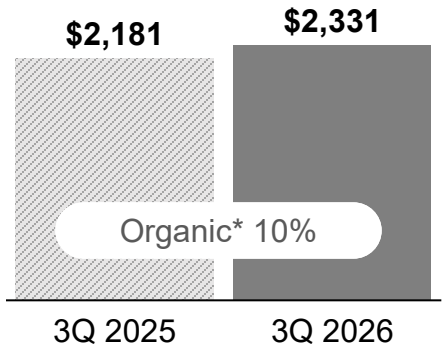
Positioned for long-term growth and profitability

*See appendix for definitions of non-GAAP measures and non-GAAP reconciliations.
1 Includes AW Europe, Middle East Africa and Asia Pacific

xylem

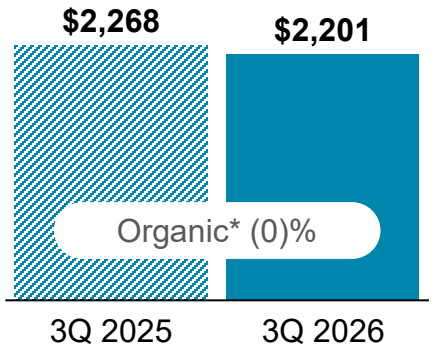
3Q 2026 Financial Performance

Orders



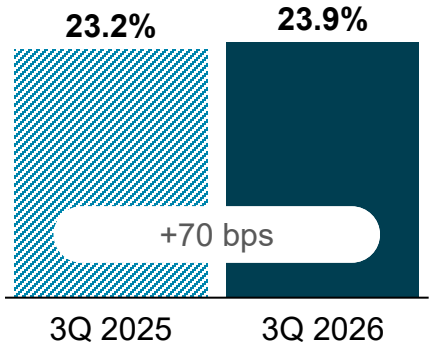
- Healthy demand with book-to-bill ratio >1
- Strength in MCS and AW data center orders
- $5.5B backlog, 16% organic growth, up ~$0.2B sequentially

Revenue



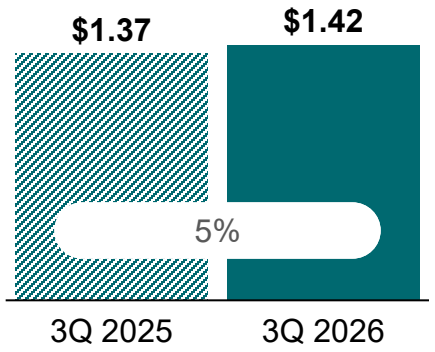
- Softness in MCS Metering, WI Treatment and WSS mostly offset by strength in WI Transport and AW Data Centers
- Strength in North America offset by W Europe and China declines

Adj. EBITDA Margin*



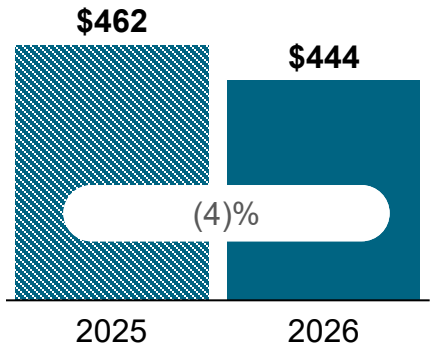
- Expansion driven by productivity and price more than offsetting inflation and lower volume

Adj. EPS*



- Margin expansion and strategic capital deployment more than offset topline headwinds
- Excludes $0.11 benefit from IEEPA tariff refunds

YTD Adj. Free Cash Flow*



YTD Adj FCF Margin*
7.0% **6.7%**

- Free cash flow* driven by net working capital and outsourced water contracts, partly offset by higher net income
- 1.1x net debt / adjusted EBITDA* (TTM)

Disciplined operations driving profitability

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

xylem

3Q 2026 Segment Performance Summary

	Measurement and Control Solutions	Water Infrastructure	Applied Water	Water Solutions and Services
Orders / Organic Growth*	$504M +30%	$675M (1%)	$502M +15%	$650M +6%
Revenue / Organic Growth*	$436M (5%)	$645M (1%)	$489M +9%	$631M (2%)
Adj. EBITDA Margin* / Expansion	24.5% $107M +270 bps YoY	26.2% $169M +180 bps YoY	21.3% $104M (40) bps YoY	24.9% $157M (140) bps YoY
	• Orders growth across Metering driven by Water and Gas • Revenue decline largely driven by Electric Metering and Analytics • Margin up due to productivity, price, and divestiture partially offset by inflation, volume, and mix	• Orders decline driven by Treatment partially offset by Transport • Revenue decline driven by Treatment offset by Transport • Margin up due to productivity and price offsetting inflation, volume and investments	• Orders growth driven by NA Data Centers and Commercial • Revenue growth driven by Americas • Margin decline due to inflation, mix, and investments partly offset by productivity, volume, and price	• Orders growth driven by Capital • Revenue decline driven by PY one-time Services and Capital work that did not repeat • Margin decline due to inflation, lower volume, and mix partly offset by price and productivity

Orders building momentum for 2027

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

xylem

FY 2026 and 4Q 2026 Guidance

	Prior FY Guide**	Updated FY Guide***	4Q Guide
Revenue	**~$9.2B** ~2% Total Growth 2 - 3% Organic* Growth	**~$8.95B** (1%) Total Growth Flat Organic* Growth	**~$2.3B** (5%) Total Growth (2%) - (1%) Organic* Growth
Adjusted EBITDA Margin*	**23.1 - 23.5%** +90 - 130 bps expansion	**~23.2%** +100 bps expansion	**~24.5%** +130 bps expansion
Adjusted EPS*	**$5.55 – $5.70**	**$5.40 – $5.45**	**$1.39 – $1.44**
Free Cash Flow Margin*	**10.2-11% margin**	**~10.2% margin**	

Full-Year Highlights

- Organic revenue roughly flat; demand healthy with book-to-bill >1; backlog scheduled to ship in later periods
- MCS book-and-ship volume and WSS project ramps account for lower revenue outlook
- Maintaining ~100 bps margin expansion on lower volume, as productivity and price more than offset inflation and investments
- Cash flow reflects profit margin expansion, partially offset by higher interest payments

Full year Adj EPS in line with original framework despite topline headwinds

*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 10/27/2026

xylem

Key Takeaways



Healthy demand reinforces our **resilient outlook**



Accelerating portfolio rotation toward **higher growth markets**



A simpler Xylem strengthens **customer focus and execution**

Confident in our strategy and ability to create long-term value

xylem

Appendix

2027 segment realignment: Four segments to three

Planned divestiture of Applied Water businesses move to “Other”

CURRENT SEGMENTS	FY25 REV	>	NEW SEGMENTS (Jan 1, 2027)	FY25 REV	KEY OFFERING
Water Solutions and Services	**$2.5B**		**Treatment and Services** WSS Segment WI Treatment Division	**~$3.5B**	Treatment and lifecycle solutions
Water Infrastructure	**$2.6B**		**Flow Solutions** WI Transport Division AW Americas Division	**~$2.6B (est)**	Pumping, transport and flow
Measurement and Control Solutions[1]	**$2.1B**		**Measurement and Analytics** MCS Segment	**~$2.1B**	Metering, sensing and digital
Applied Water	**$1.8B**		**Other** AW International Division (divest)[2] AW Specialty Flow Control Division (divest)	**~$0.8B (est)**	To be divested

Continuing to rotate our portfolio positioning Xylem to accelerate profitable growth

1 MCS FY25 revenue includes international metrology which was divested in May 2026 accounting for ~$250M of revenue
2 Includes AW Europe, Middle East Africa and Asia Pacific

xylem

FY 2026 Guidance Key Assumptions

	FY 2026 Assumptions	Q4 2026 Assumptions
Revenue Reduction from Divestitures Net of Acquisitions[1]	~($140M)	~($53M)
Corporate Expense	~$80M	~$18M
Restructuring & Realignment Costs*	$80M - $90M	$13M - $23M
Capex	~$350M	~$80M
Interest Expense Net of Interest Income	~$50M	~$37M
Estimated Tax Rate[2]	~21 - 22%	~21 - 22%
Purchase Accounting Intangible Amortization	~$220M	~$55M
Diluted Shares	235.9M	230.7M
EUR / USD Rate	1.14	1.14

*See appendix for definitions of non-GAAP measures
1 Excludes any impact from anticipated Cornell and Roper acquisition in Q4 2026
2 Estimated tax rate is on an adjusted basis

xylem

Segment Key Facts

Water Solutions and Services

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

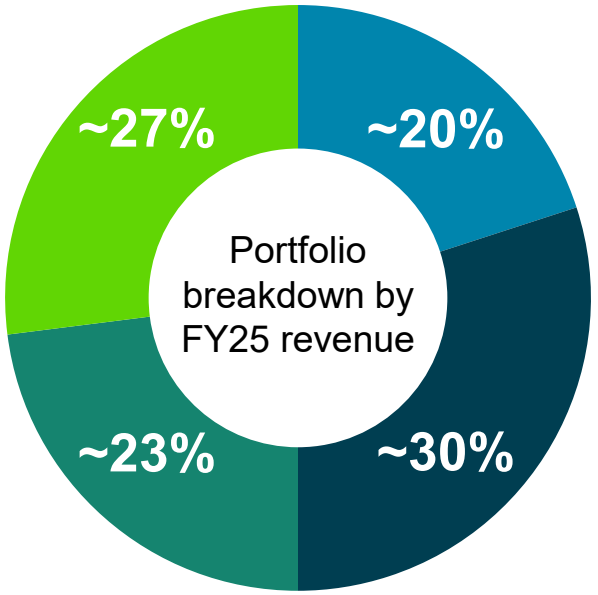
- Key brands: Grindex, Godwin, MarCor
- Geographic split: US ~75% / Rest of World ~25%
- End-market split: Industrials ~80% / Utilities ~20%
- Channels: Primarily direct
- Market drivers: Outsourced service, water scarcity, regulation, emerging contaminants
- Competitive advantage: Service network, mobile 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

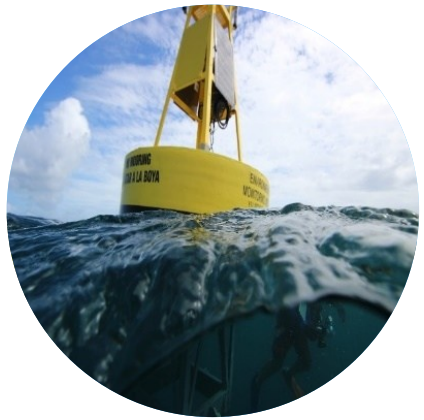
Water Infrastructure

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

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 attributable to Xylem and earnings per share attributable to Xylem, 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 Margin" defined as free cash flow, adjusted (as applicable) 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.

Xylem Inc. Non-GAAP Reconciliation

Reported vs. Organic Orders ($ Millions)

	(As Reported)					(As Adjusted - Organic)				
	Orders 2026	(A) Orders 2025	(B) Change 2026 v. 2025	% Change 2026 v. 2025	Book-to-Bill	(C) Acquisitions	(D) Divestitures	(E) FX Impact	(F) = B+C+D+E Change Adj. 2026 v. 2025	(G) = F/(A-D) % Change Adj. 2026 v. 2025
Nine Months Ended September 30										
Xylem Inc.	7,645	6,513	1,132	17%	115%	(38)	102	(115)	1,081	17%
Water Infrastructure	2,019	1,981	38	2%	105%	(23)	12	(47)	(20)	(1%)
Applied Water	1,552	1,419	133	9%	108%	-	10	(20)	123	9%
Measurement and Control Solutions	1,409	1,285	124	10%	97%	(4)	80	(14)	186	15%
Water Solutions and Services	2,665	1,828	837	46%	145%	(11)	-	(34)	792	43%
Quarter Ended September 30										
Xylem Inc.	2,331	2,181	150	7%	106%	(11)	74	(4)	209	10%
Water Infrastructure	675	683	(8)	(1%)	105%	(2)	4	(2)	(8)	(1%)
Applied Water	502	445	57	13%	103%	-	10	-	67	15%
Measurement and Control Solutions	504	446	58	13%	116%	(4)	60	-	114	30%
Water Solutions and Services	650	607	43	7%	103%	(5)	-	(2)	36	6%
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%)

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
Nine Months Ended September 30									
Xylem Inc.	6,662	6,638	24	0%	(29)	116	(97)	14	0%
Water Infrastructure	1,931	1,887	44	2%	(8)	13	(45)	4	0%
Applied Water	1,438	1,374	64	5%	-	6	(19)	51	4%
Measurement and Control Solutions	1,452	1,552	(100)	(6%)	(6)	97	(14)	(23)	(2%)
Water Solutions and Services	1,841	1,825	16	1%	(15)	-	(19)	(18)	(1%)
Quarter Ended September 30									
Xylem Inc.	2,201	2,268	(67)	(3%)	(17)	80	(3)	(7)	(0%)
Water Infrastructure	645	656	(11)	(2%)	(1)	6	(2)	(8)	(1%)
Applied Water	489	456	33	7%	-	6	-	39	9%
Measurement and Control Solutions	436	522	(86)	(16%)	(6)	68	1	(23)	(5%)
Water Solutions and Services	631	634	(3)	(0%)	(10)	-	(2)	(15)	(2%)
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

Xylem Inc. Non-GAAP Reconciliation

Adjusted Operating Income ($ Millions)

	Q1		Q2		Q3		YTD	
	2026	2025	2026	2025	2026	2025	2026	2025
Total Revenue								
• Total Xylem	2,125	2,069	2,336	2,301	2,201	2,268	6,662	6,638
• Water Infrastructure	603	581	683	650	645	656	1,931	1,887
• Applied Water	448	435	501	483	489	456	1,438	1,374
• Measurement and Control Solutions	508	490	508	540	436	522	1,452	1,552
• Water Solutions and Services	566	563	644	628	631	634	1,841	1,825
• Corporate/ Other	-	-		-	-	-	-	-
Operating Income (Loss)								
• Total Xylem	244	231	390	305	385	334	1,019	870
• Water Infrastructure	76	80	157	103	147	113	380	296
• Applied Water	77	72	101	84	100	85	278	241
• Measurement and Control Solutions	57	56	63	68	66	64	186	188
• Water Solutions and Services	56	44	91	78	92	98	239	220
• Corporate/ Other	(22)	(21)	(22)	(28)	(20)	(26)	(64)	(75)
Operating Margin								
• Total Xylem	11.5%	11.2%	16.7%	13.3%	17.5%	14.7%	15.3%	13.1%
• Water Infrastructure	12.6%	13.8%	23.0%	15.8%	22.8%	17.2%	19.7%	15.7%
• Applied Water	17.2%	16.6%	20.2%	17.4%	20.4%	18.6%	19.3%	17.5%
• Measurement and Control Solutions	11.2%	11.4%	12.4%	12.6%	15.1%	12.3%	12.8%	12.1%
• Water Solutions and Services	9.9%	7.8%	14.1%	12.4%	14.6%	15.5%	13.0%	12.1%
• Corporate/ Other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Special Charges								
• Total Xylem	5	12	(10)	13	(23)	9	(28)	34
• Water Infrastructure	-	2	(3)	2	(5)	-	(8)	4
• Applied Water	-	-	(6)	-	(9)	-	(15)	-
• Measurement and Control Solutions	3	4	(2)	6	(8)	5	(7)	15
• Water Solutions and Services	-	4	1	1	(3)	1	(2)	6
• Corporate/ Other	2	2	-	4	2	3	4	9

	Q1		Q2		Q3		YTD	
	2026	2025	2026	2025	2026	2025	2026	2025
Restructuring & Realignment Costs								
• Total Xylem	38	27	15	29	14	31	67	87
• Water Infrastructure	30	15	5	12	2	22	37	49
• Applied Water	2	5	3	10	3	4	8	19
• Measurement and Control Solutions	4	3	3	5	7	1	14	9
• Water Solutions and Services	2	4	4	2	2	3	8	9
• Corporate/ Other	-	-	-	-	-	1	-	1
Purchase Accounting Intangible Amortization Adjustment								
• Total Xylem	55	55	52	55	52	55	159	165
• Water Infrastructure	11	10	9	10	10	10	30	30
• Applied Water	-	-	-	-	-	-	-	-
• Measurement and Control Solutions	19	19	19	19	19	20	57	58
• Water Solutions and Services	25	26	24	25	23	25	72	76
• Corporate/ Other	-	-	-	1	-	-	-	1
Adjusted Operating Income (Loss)								
• Total Xylem	342	325	447	402	428	429	1,217	1,156
• Water Infrastructure	117	107	168	127	154	145	439	379
• Applied Water	79	77	98	94	94	89	271	260
• Measurement and Control Solutions	83	82	83	98	84	90	250	270
• Water Solutions and Services	83	78	120	106	114	127	317	311
• Corporate/ Other	(20)	(19)	(22)	(23)	(18)	(22)	(60)	(64)
Adjusted Operating Margin								
• Total Xylem	16.1%	15.7%	19.1%	17.5%	19.4%	18.9%	18.3%	17.4%
• Water Infrastructure	19.4%	18.4%	24.6%	19.5%	23.9%	22.1%	22.7%	20.1%
• Applied Water	17.6%	17.7%	19.6%	19.5%	19.2%	19.5%	18.8%	18.9%
• Measurement and Control Solutions	16.3%	16.7%	16.3%	18.1%	19.3%	17.2%	17.2%	17.4%
• Water Solutions and Services	14.7%	13.9%	18.6%	16.9%	18.1%	20.0%	17.2%	17.0%
• Corporate/ Other	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)

	Q3 2026			Q3 2025		
	As Reported	Adjustments	Adjusted	As Reported	Adjustments	Adjusted
Total Revenue	2,201	-	2,201	2,268	-	2,268
Operating Income	385	43 a	428	334	95 a	429
Operating Margin	*17.5%*		*19.4%*	*14.7%*		*18.9%*
Interest Expense	(21)	-	(21)	(6)	-	(6)
Other Non-Operating Income (Expense)	6	-	6	6	-	6
Gain/(Loss) From Sale of Businesses	(5)	5 b	-	(37)	37 b	-
Income before Taxes	365	48	413	297	132	429
Provision for Income Taxes	(77)	(3) c	(80)	(71)	(26) c	(97)
Net Income	288	45	333	226	106	332
Net Loss Attributable to Non-controlling Interests	3	-	3	1	-	1
Net Income Attributable to Xylem	291	45	336	227	106	333
Diluted Shares	233.0		233.0	244.1		244.1
Diluted EPS	**$1.25**	**$0.19**	**$1.44**	**$0.93**	**$0.44**	**$1.37**

a Quarter-to-date:
Restructuring & realignment costs: 2026 - $14 million; 2025 - $31 million
Special charges: 2026 - $10 million of acquisition, divestiture & integration costs, offset by $33 million of IEEPA tariff refunds ; 2025 - $9 million of acquisition, divestiture & integration costs
Purchase accounting intangible amortization: 2026 - $52 million; 2025 - $55 million

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

c Quarter-to-date: 2026 - Net tax impact on pre-tax adjustments (notes a, b and c) of $8 million, offset by $5 million of other tax special expense items; 2025 - Net tax impact on pre-tax adjustments (note a, b and c) of $27 million, offset by $1 million of other tax special expense items;

Xylem Inc. Non-GAAP Reconciliation

EBITDA and Adjusted EBITDA by Quarter ($ Millions)

Xylem Consolidated

2026	Q1	Q2	Q3	Q4	Total
Net Income attributable to Xylem	193	263	291		747
Net Income margin	9.1%	11.3%	13.2%	N/A	11.2%
Depreciation	65	65	65		195
Amortization	75	75	72		222
Interest Expense (Income), net	(4)	2	15		13
Income Tax Expense	55	103	77		235
EBITDA	384	508	520	-	1,412
EBITDA Margin	18.1%	21.7%	23.6%	N/A	21.2%
Share-based Compensation	13	12	14		39
Restructuring & Realignment	38	13	14		65
Special Charges	10	(3)	(23)		(16)
Loss/(Gain) from sale of businesses	(4)	16	5		17
Loss attributable to non-controlling interest	(4)	(2)	(3)		(9)
Adjusted EBITDA	437	544	527	-	1,508
Revenue	2,125	2,336	2,201		6,662
Adjusted EBITDA Margin	20.6%	23.3%	23.9%	N/A	22.6%
Year over Year Expansion	*20bps*	*150bps*	*70bps*		*70bps*

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
EBITDA Margin	17.6%	19.5%	19.4%	21.4%	19.5%
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%

Xylem Inc. Non-GAAP Reconciliation

EBITDA and Adjusted EBITDA by Quarter ($ Millions)

Water Infrastructure

2026	Q1	Q2	Q3	Q4	Total
Operating Income	76	157	147		380
Operating Margin	12.6%	23.0%	22.8%	N/A	19.7%
(Loss)/Gain from sale of businesses	-	2	2		4
Depreciation	12	11	12		35
Amortization	14	13	12		39
Other non-operating expense, excluding interest income	(2)	(8)	(2)		(12)
EBITDA	100	175	171	-	446
EBITDA Margin	16.6%	25.6%	26.5%	N/A	23.1%
Share-based Compensation	2	2	3		7
Restructuring & Realignment	30	3	2		35
Special Charges	-	4	(5)		(1)
Loss/(Gain) from sale of businesses	-	(2)	(2)		(4)
Adjusted EBITDA	132	182	169	-	483
Revenue	603	683	645		1,931
Adjusted EBITDA Margin	21.9%	26.6%	26.2%	N/A	25.0%
Year over Year Expansion	*120bps*	*480bps*	*180bps*		*260bps*

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
EBITDA Margin	15.7%	19.2%	21.2%	25.6%	20.8%
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%

Applied Water

2026	Q1	Q2	Q3	Q4	Total
Operating Income	77	101	100		278
Operating Margin	17.2%	20.2%	20.4%	N/A	19.3%
(Loss)/Gain from sale of businesses	-	-	8		8
Depreciation	7	6	7		20
Amortization	1	1	1		3
Other non-operating expense, excluding interest income	(1)	-	-		(1)
EBITDA	84	108	116	-	308
EBITDA Margin	18.8%	21.6%	23.7%	N/A	21.4%
Share-based Compensation	2	1	2		5
Restructuring & Realignment	2	3	3		8
Special Charges	-	(6)	(9)		(15)
Loss/(Gain) from sale of businesses	-	-	(8)		(8)
Adjusted EBITDA	88	106	104	-	298
Revenue	448	501	489		1,438
Adjusted EBITDA Margin	19.6%	21.2%	21.3%	N/A	20.7%
Year over Year Expansion	*10bps*	*-50bps*	*-40bps*		*-30bps*

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
EBITDA Margin	18.2%	19.5%	20.4%	16.4%	18.6%
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%

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	66		186
Operating Margin	11.2%	12.4%	15.1%	N/A	12.8%
Loss attributable to non-controlling interest	4	2	3		9
(Loss)/Gain from sale of businesses	4	(18)	(15)		(29)
Depreciation	7	8	7		22
Amortization	33	33	33		99
Other non-operating expense, excluding interest income	-	-	-		-
EBITDA	105	88	94	-	287
EBITDA Margin	20.7%	17.3%	21.6%	N/A	19.8%
Share-based Compensation	2	2	2		6
Restructuring & Realignment	4	3	7		14
Special Charges	3	(2)	(8)		(7)
Loss/(Gain) from sale of businesses	(4)	18	15		29
(Loss) attributable to non-controlling interest	(4)	(2)	(3)		(9)
Adjusted EBITDA	106	107	107	-	320
Revenue	508	508	436		1,452
Adjusted EBITDA Margin	20.9%	21.1%	24.5%	N/A	22.0%
Year over Year Expansion (bps)	*-10bps*	*-200bps*	*270bps*		*0bps*

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
EBITDA Margin	19.4%	21.3%	13.4%	21.5%	18.9%
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%

Water Solutions and Services

2026	Q1	Q2	Q3	Q4	Total
Operating Income	56	91	92		239
Operating Margin	9.9%	14.1%	14.6%	N/A	13.0%
Depreciation	39	39	38		116
Amortization	26	27	25		78
Other non-operating expense, excluding interest income	(5)	-	-		(5)
(Gain) attributable to non-controlling interest	-	-	-		-
EBITDA	116	157	155	-	428
EBITDA Margin	20.5%	24.4%	24.6%	N/A	23.2%
Share-based Compensation	2	1	3		6
Restructuring & Realignment	2	4	2		8
Special Charges	5	1	(3)		3
Gain attributable to non-controlling interest	-	-	-		-
Adjusted EBITDA	125	163	157	-	445
Revenue	566	644	631		1,841
Adjusted EBITDA Margin	22.1%	25.3%	24.9%	N/A	24.2%
Year over Year Expansion (bps)	*40bps*	*90bps*	*-140bps*		*0bps*

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
EBITDA Margin	19.9%	23.6%	25.4%	22.8%	23.0%
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%

Xylem Inc. Non-GAAP Reconciliation

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

	Q1		Q2		Q3		Year-to-Date	
	2026	2025	2026	2025	2026	2025	2026	2025
Net Cash - Operating Activities	**$108**	**$33**	**$290**	**$305**	**$331**	**$360**	**$729**	**$698**
Capital Expenditures - PPE	(66)	(55)	(70)	(78)	(74)	(57)	(210)	(190)
Capital Expenditures - Software	(24)	(16)	(19)	(20)	(15)	(22)	(58)	(58)
Capital Expenditures	**(90)**	**(71)**	**(89)**	**(98)**	**(89)**	**(79)**	**(268)**	**(248)**
Free Cash Flow	**$18**	**($38)**	**$201**	**$207**	**$242**	**$281**	**$461**	**$450**
Cash Paid for Significant Divestiture Activities	**7**	**-**	**14**	**-**	**5**	**12**	**26**	**12**
Cash Received for IEEPA Tariff Refunds	**-**	**-**	**(4)**	**-**	**(39)**	**-**	**(43)**	**-**
Adjusted Free Cash Flow for Margin Calculation	**$25**	**($38)**	**$211**	**$207**	**$208**	**$293**	**$444**	**$462**
Revenue	**$2,125**	**$2,069**	**$2,336**	**$2,301**	**$2,201**	**$2,268**	**$6,662**	**$6,638**
Operating Cash Flow Margin	**5.1%**	**1.6%**	**12.4%**	**13.3%**	**15.0%**	**15.9%**	**10.9%**	**10.5%**
Free Cash Flow Margin	**1.2%**	**(1.8%)**	**9.0%**	**9.0%**	**9.5%**	**12.9%**	**6.7%**	**7.0%**

xylem

Thank you.

3Q 2026 Results & Earnings

Replay of the webcast is available until midnight November 10, 2026
Replay: +1 (855) 669-9658 or +1 (412) 317-0088 (INTL)
Access Code 9823594

NYSE: XYL

Xylem Investor Relations Website

LinkedIn | Twitter | Facebook | YouTube | Instagram

