

xylem

# 2025 First Quarter Results and Earnings

April 29, 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 ongoing, possible escalation or outbreak of international conflicts, as well as regulatory, economic and other risks associated with our global sales and operations, including those related to domestic content requirements applicable to projects receiving governmental funding; 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, trade policies 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 the benefits and synergies from 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 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, 2024 (“2024 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, 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.

# 1Q 2025 Performance Summary

(\$ in millions, unless otherwise noted)

Xylem Consolidated			Measurement and Control Solutions		Water Infrastructure		Applied Water		Water Solutions and Services	
	Reported 1Q	Adj* 1Q	Reported 1Q	Adj* 1Q	Reported 1Q	Adj* 1Q	Reported 1Q	Adj* 1Q	Reported 1Q	Adj* 1Q
Orders	2,158		402		626		486		644	
Overall Growth	(4%)		(6%)		(3%)		1%		(7%)	
Organic Growth*		(2%)		(8%)		1%		3%		(5%)
Revenue	2,069		490		581		435		563	
Overall Growth	2%		6%		1%		0%		0%	
Organic Growth*		3%		6%		5%		1%		1%
Operating Income	231	325	56	82	80	107	72	77	44	78
Operating Margin	11.2%	15.7%	11.4%	16.7%	13.8%	18.4%	16.6%	17.7%	7.8%	13.9%
EBITDA*	364	423	95	103	91	120	79	85	112	122
EBITDA Margin*	17.6%	20.4%	19.4%	21.0%	15.7%	20.7%	18.2%	19.5%	19.9%	21.7%
Earnings Per Share	\$0.69	\$1.03								

# 1Q 2025 Earnings Highlights



## **Strong start to 2025 with 1Q exceeding expectations**

Strong demand with book to bill >1, revenue growth across all segments

120 bps Adj. EBITDA\* margin expansion and double-digit Adj. EPS\* growth

Releasing 2024 Sustainability Report April 30, highlighting progress towards 2025 goals



## **Execution momentum mitigating macro uncertainty in 2025**

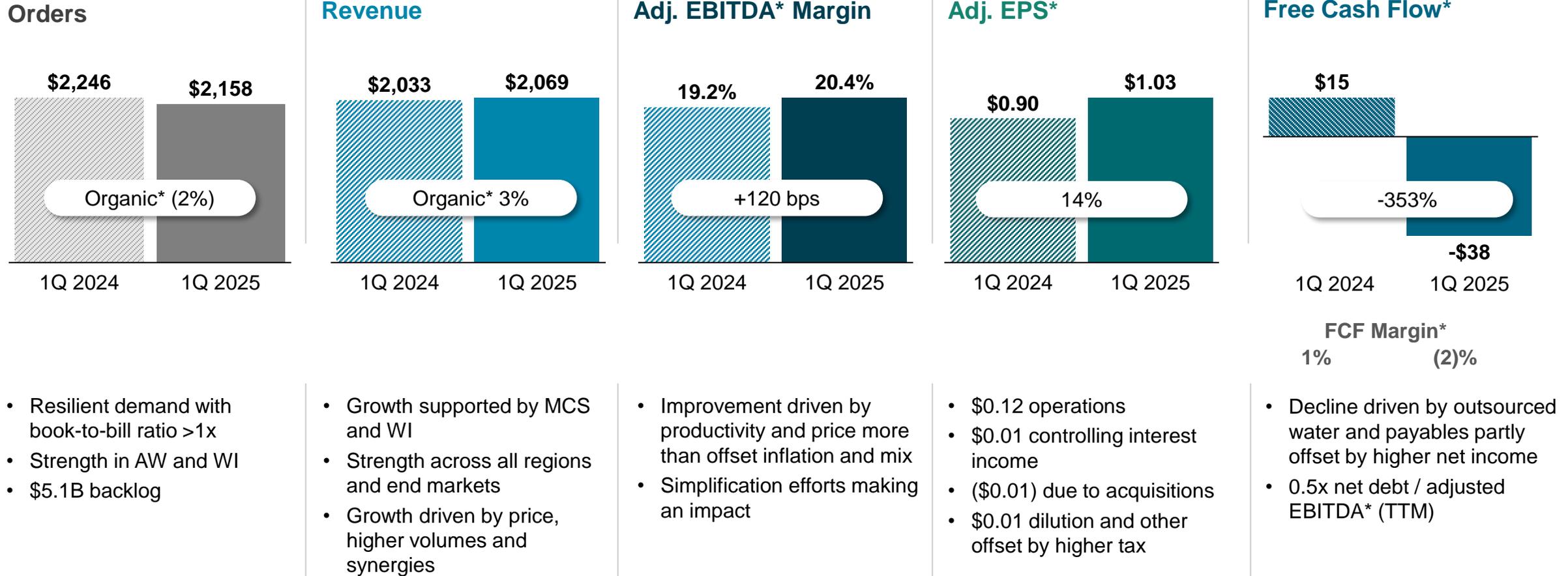
Restructuring and simplification progress enabling agile response in dynamic environment

Pricing and supply chain program in place to substantially offset tariff impacts

Comprehensive portfolio of products and services across diverse and global end markets

**Reaffirming FY Adj. EPS\* guide based on current tariff scheme and demand assumptions**

# 1Q 2025 Financial Performance



- Resilient demand with book-to-bill ratio >1x
- Strength in AW and WI
- \$5.1B backlog

- Growth supported by MCS and WI
- Strength across all regions and end markets
- Growth driven by price, higher volumes and synergies

- Improvement driven by productivity and price more than offset inflation and mix
- Simplification efforts making an impact

- \$0.12 operations
- \$0.01 controlling interest income
- (\$0.01) due to acquisitions
- \$0.01 dilution and other offset by higher tax

- Decline driven by outsourced water and payables partly offset by higher net income
- 0.5x net debt / adjusted EBITDA\* (TTM)

**Execution drove record first quarter Adj. EBITDA Margin\* and Adj. EPS\* performance**

# 1Q 2025 Segment Performance Summary

	Measurement and Control Solutions	Water Infrastructure	Applied Water	Water Solutions and Services
Orders / Organic Growth*	<b>\$402M</b> (8%)	<b>\$626M</b> +1%	<b>\$486M</b> +3%	<b>\$644M</b> (5%)
Revenue / Organic Growth*	<b>\$490M</b> +6%	<b>\$581M</b> +5%	<b>\$435M</b> +1%	<b>\$563M</b> +1%
Adj. EBITDA* Margin / Expansion	<b>21.0%</b> <sup>\$103M</sup> (170 bps) YoY	<b>20.7%</b> <sup>\$120M</sup> +290 bps YoY	<b>19.5%</b> <sup>\$85M</sup> +300 bps YoY	<b>21.7%</b> <sup>\$122M</sup> (60 bps) YoY
	<ul style="list-style-type: none"> <li>Orders down in metering against tough comps partially offset by growth in analytics</li> <li>Revenue growth led by Energy metering demand</li> <li>Margin down due to mix and inflation more than offsetting productivity, price and volume</li> </ul>	<ul style="list-style-type: none"> <li>Orders growth driven by Treatment</li> <li>Revenue growth across Treatment and Transport</li> <li>Margin up due to productivity and price, more than offsetting inflation and mix</li> </ul>	<ul style="list-style-type: none"> <li>Orders and Revenue growth driven by Building Solutions</li> <li>Book to bill &gt; 1.1</li> <li>Margin up due to productivity, price, and mix more than offsetting inflation and volume</li> </ul>	<ul style="list-style-type: none"> <li>Orders down against tough comps from prior year large order</li> <li>Revenue growth driven by service</li> <li>Margin down due to mix and lower volume partially offset by productivity and price/cost</li> </ul>

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

# Approximate Annualized Tariff Impact Assumptions

(Import \$ with tariff rates as of 4/28/25)



	Imports	Tariff Impact	Net Tariff Exposure
China (145%)	<b>\$100M</b>	<b>\$145M</b>	<b>\$145M</b>
Mexico (25%)	<b>\$500M</b>	<b>\$125M</b>	<b>\$30M</b> <i>(ex-USMCA compliant imports)</i>
EU (10%)	<b>\$400M</b>	<b>\$40M</b>	<b>\$40M</b>
Total	<b>\$1B</b>	<b>\$310M</b>	<b>\$215M</b>

## Actions

- Price increases implemented in impacted segments
- Supply chain management accelerated
- Mexico imports ~75% USMCA exemption compliant
- EU exports primarily associated with WI

**Tariff costs mitigated at current levels through pricing and supplier management**

# FY 2025 and 2Q 2025 Guidance

	Prior FY Guide**	Updated FY Guide***	2Q Guide
Revenue	<b>\$8.6 - 8.7B</b> 0 – 2% Total Growth 3 – 4% Organic* Growth	<b>\$8.7 – 8.8B</b> 1 - 2% Total Growth 3 - 4% Organic* Growth	<b>~\$2.2B</b> 1 - 2% Total Growth 2 - 3% Organic* Growth
Adjusted EBITDA* Margin	<b>21.3 – 21.8%</b> +70 – 120 bps expansion	<b>21.3 – 21.8%</b> +70 - 120 bps expansion	<b>21.0 – 21.5%</b> 0 – 50 bps expansion
Adjusted EPS*	<b>\$4.50 – \$4.70</b>	<b>\$4.50 – \$4.70</b>	<b>\$1.12 – \$1.16</b>
Free Cash Flow Margin*	<b>9 – 10%</b>	<b>9 – 10%</b>	

## Full-Year Highlights

- Organic revenue growth driven by price, strong demand, and backlog execution more than offsetting potential demand impacts from tariffs and 80/20 implementation headwinds
- Margin driven by productivity and price offsetting tariffs and inflation
- Benefits from simplification
- Meaningful FX shift, partially offset by a divestiture
- Cash flow impaired by restructuring costs, system investments and outsourced water projects

**Confident in our ability to meet full-year commitments**

\*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 4/29/2025

# Key Takeaways



Momentum driven by **Simplification** of our business

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**Capital Deployment** and **Portfolio Optimization** underway

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Maintaining **Sustainability Leadership** position

**Driving profitable growth and shareholder value creation**

# Appendix

# FY 2025 Guidance Key Assumptions

	FY 2025 Assumptions
Corporate Expense	\$65M - \$70M
Restructuring & Realignment Costs*	\$90M - \$110M
Capex	~\$390M
Estimated Tax Rate <sup>1</sup>	~22 - 23%
Purchase Accounting Intangible Amortization	~\$240M
EUR / USD Rate	1.08

# Segment Key Facts

## Water Solutions and Services

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

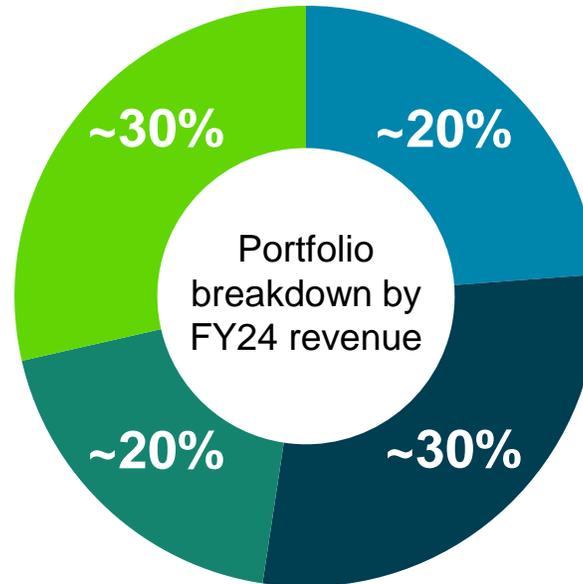
- Key brands: ADI, Frontier, Godwin, MarCor, Pure, Vacom
- Geographic split: US ~80% / Rest of World ~20%
- End-market split: Industrials ~70% / Utilities ~30%
- Channels: Primarily direct
- Market drivers: Outsourced service, water scarcity, regulation, emerging contaminants
- Competitive advantage: Service network, mobile fleet, SOPHIS digital solutions, technology agnostic business model

## Measurement and Control Solutions

Advanced technology solutions for water and energy, including smart metering, and test & measurement

- Key brands: Sensus, Smith-Blair, WTW, Xylem Vue, YSI
- Geography split: US ~65% / W. Europe ~15% / EM & Other ~20%
- End-market Split: Clean Water Utilities ~85% / Industrials ~15%
- Channels: Primarily indirect, some direct for larger projects
- Market drivers: AMI adoption acceleration, connected solutions, non-revenue water, affordability, labor shortages
- Competitive advantage: deep application expertise and technology leadership, long-standing customer relationships, FlexNet, Idrica

## Diversified Portfolio Addressing the Full Lifecycle of Water



## Applied Water

Industrial and buildings solutions applications including pumps, valves, heat exchangers, controls, and dispensing equipment

- Key brands: Bell & Gossett, Flojet, Goulds, Lowara
- Geographic split: US ~50% / W. Europe ~20% / EM & Other ~30%
- End-market split: Industrials ~45% / Building Solutions ~55%
- Channels: Primarily indirect
- Market drivers: Urbanization, climate, regulation, labor shortage
- Competitive advantage: Established footprint, strong channel partnerships, quality & reliability

## Water Infrastructure

Products and solutions for the transportation and treatment of water, including pumps, filtration and treatment equipment, and controls

- Key brands: Defender, Flygt, Sanitaire, Wedeco
- Geographic split: US ~35% / W. Europe ~35% / EM & Other ~30%
- End-market Split: Wastewater Utilities ~60% / Industrials ~40%
- Channels: Primarily direct
- Market drivers: Water scarcity, affordability, aging infrastructure, regulations, sustainability
- Competitive advantage: Innovation leadership, significant global installed base, digital offerings

# Xylem Inc. Non-GAAP Measures



Management reviews key performance indicators including revenue, gross margins, segment operating income and margins, orders growth, working capital and backlog, among others. In addition, we consider certain non-GAAP (or "adjusted") measures to be useful to management and investors evaluating our operating performance for the periods presented, and to provide a tool for evaluating our ongoing operations, liquidity and management of assets. This information can assist investors in assessing our financial performance and measures our ability to generate capital for deployment among competing strategic alternatives and initiatives, including but not limited to, dividends, acquisitions, share repurchases and debt repayment. Excluding revenue, Xylem provides guidance only on a non-GAAP basis due to the inherent difficulty in forecasting certain amounts that would be included in GAAP earnings, such as discrete tax items, without unreasonable effort. These adjusted metrics are consistent with how management views our business and are used to make financial, operating and planning decisions. These metrics, however, are not measures of financial performance under GAAP and should not be considered a substitute for revenue, operating income, net income, earnings per share (basic and diluted) or net cash from operating activities as determined in accordance with GAAP. We consider the following items to represent the non-GAAP measures that we consider to be key performance indicators, as well as the related reconciling items to the most directly comparable measure calculated and presented in accordance with GAAP. The non-GAAP measures may not be comparable to similarly titled measures reported by other companies.

**"Organic revenue"** and **"Organic orders"** defined as revenue and orders, respectively, excluding the impact of fluctuations in foreign currency translation and contributions from acquisitions and divestitures. Divestitures include sales or discontinuance of insignificant portions of our business that did not meet the criteria for classification as a discontinued operation. The period-over-period change resulting from foreign currency translation impacts is determined by translating current period and prior period activity using the same currency conversion rate.

**"Constant currency"** defined as financial results adjusted for foreign currency translation impacts by translating current period and prior period activity using the same currency conversion rate. This approach is used for countries whose functional currency is not the U.S. dollar.

**"EBITDA"** defined as earnings before interest, taxes, depreciation and amortization expense. **"Adjusted EBITDA"** and **"Adjusted segment EBITDA"** reflect the adjustments to EBITDA and segment EBITDA, respectively, to exclude share-based compensation charges, restructuring and realignment costs, gain or loss from sale of businesses and special charges.

**"Adjusted EBITDA margin"** and **"Adjusted segment EBITDA margin"** defined as adjusted EBITDA and adjusted segment EBITDA divided by total revenue and segment revenue, respectively.

**"Adjusted operating income"**, **"Adjusted segment operating income"**, **"Adjusted net income"** and **"Adjusted EPS"** defined as operating income, segment operating income, net income and earnings per share, adjusted to exclude restructuring and realignment costs, amortization of acquired intangible assets, gain or loss from sale of businesses, special charges and tax-related special items, as applicable.

**"Adjusted operating margin"** and **"Adjusted segment operating margin"** defined as adjusted operating income and adjusted segment operating income divided by total revenue and segment revenue, respectively.

**"Free cash flow"** defined as net cash from operating activities, as reported in the Statement of Cash Flows, less capital expenditures.

**"Free cash flow margin"** defined as free cash flow, adjusted for significant cash paid or received for non-operational tax, acquisition or divestiture activities; divided by revenue.

**"Realignment costs"** defined as costs not included in restructuring costs that are incurred as part of actions taken to reposition our business, including items such as professional fees, severance, relocation, travel, facility set-up and other costs.

**"Special charges"** defined as non-recurring costs incurred by the Company, such those related to acquisitions and integrations, divestitures and non-cash impairment charges.

**"Tax-related special items"** defined as tax items, such as tax return versus tax provision adjustments, tax exam impacts, tax law change impacts, excess tax benefits/losses and other discrete tax adjustments.



# Xylem Inc. Non-GAAP Reconciliation

Reported vs. Organic and Constant Currency Orders (\$ Millions)

	(As Reported - GAAP)					(As Adjusted - Organic)				Constant Currency
	(A)		(B)	% Change	Book-to-Bill	(C)	(D)	(E) = B+C+D	(F) = E/A	(G) = (E - C) / A
	Orders	Orders	Change	% Change		Acquisitions /	FX Impact	Change	% Change	
	2025	2024	2025 v. 2024	2025 v. 2024		Divestitures	Adj. 2025 v. 2024	Adj. 2025 v. 2024		
<b>Quarter Ended March 31</b>										
<b>Xylem Inc.</b>	2,158	2,246	(88)	(4%)	104%	5	30	(53)	(2%)	(3%)
Water Infrastructure	626	646	(20)	(3%)	108%	14	12	6	1%	(1%)
Applied Water	486	480	6	1%	112%	-	6	12	3%	3%
Measurement and Control Solutions	402	429	(27)	(6%)	82%	(9)	3	(33)	(8%)	(6%)
Water Solutions and Services	644	691	(47)	(7%)	114%	-	9	(38)	(5%)	(5%)

# Xylem Inc. Non-GAAP Reconciliation

## Reported vs. Organic and Constant Currency Revenue (\$ Millions)

	(As Reported - GAAP)				(As Adjusted - Organic)				Constant Currency
	(A)	(B)	(C)	(D)	(E) = B+C+D	(F) = E/A	(G) = (E - C) / A		
	Revenue	Change	Acquisitions /	FX Impact	Change	% Change			
	Revenue	2025 v. 2024	Divestitures		Adj. 2025 v. 2024	Adj. 2025 v. 2024			
	2025	2024	% Change						
			2025 v. 2024						
<b>Quarter Ended March 31</b>									
<b>Xylem Inc.</b>	2,069	2,033	36	2%	5	26	67	3%	3%
Water Infrastructure	581	574	7	1%	10	11	28	5%	3%
Applied Water	435	436	(1)	(0%)	-	6	5	1%	1%
Measurement and Control Solutions	490	462	28	6%	(5)	4	27	6%	7%
Water Solutions and Services	563	561	2	0%	-	5	7	1%	1%

# Xylem Inc. Non-GAAP Reconciliation

Adjusted Operating Income (\$ Millions)

	Q1			Q1			Q1	
	2025	2024		2025	2024		2025	2024
<b>Total Revenue</b>			<b>Special Charges</b>			<b>Adjusted Operating Income (Loss)</b>		
• Total Xylem	2,069	2,033	• Total Xylem	12	16	• Total Xylem	325	294
• Water Infrastructure	581	574	• Water Infrastructure	2	2	• Water Infrastructure	107	88
• Applied Water	435	436	• Applied Water	-	-	• Applied Water	77	63
• Measurement and Control Solutions	490	462	• Measurement and Control Solutions	4	-	• Measurement and Control Solutions	82	86
• Water Solutions and Services	563	561	• Water Solutions and Services	4	9	• Water Solutions and Services	78	83
• Corporate/ Other	-	-	• Corporate/ Other	2	5	• Corporate/ Other	(19)	(26)
<b>Operating Income (Loss)</b>			<b>Restructuring &amp; Realignment Costs</b>			<b>Adjusted Operating Margin</b>		
• Total Xylem	231	209	• Total Xylem	27	15	• Total Xylem	15.7%	14.5%
• Water Infrastructure	80	60	• Water Infrastructure	15	7	• Water Infrastructure	18.4%	15.3%
• Applied Water	72	61	• Applied Water	5	2	• Applied Water	17.7%	14.4%
• Measurement and Control Solutions	56	70	• Measurement and Control Solutions	3	2	• Measurement and Control Solutions	16.7%	18.6%
• Water Solutions and Services	44	50	• Water Solutions and Services	4	3	• Water Solutions and Services	13.9%	14.8%
• Corporate/ Other	(21)	(32)	• Corporate/ Other	-	1	• Corporate/ Other	N/A	N/A
<b>Operating Margin</b>			<b>Purchase Accounting Intangible Amortization Adjustment</b>					
• Total Xylem	11.2%	10.3%	• Total Xylem	55	54			
• Water Infrastructure	13.8%	10.5%	• Water Infrastructure	10	19			
• Applied Water	16.6%	14.0%	• Applied Water	-	-			
• Measurement and Control Solutions	11.4%	15.2%	• Measurement and Control Solutions	19	14			
• Water Solutions and Services	7.8%	8.9%	• Water Solutions and Services	26	21			
• Corporate/ Other	N/A	N/A	• Corporate/ Other	-	-			

# Xylem Inc. Non-GAAP Reconciliation

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

	Q1 2025			Q1 2024		
	As Reported	Adjustments	Adjusted	As Reported	Adjustments	Adjusted
Total Revenue	2,069	-	2,069	2,033	-	2,033
Operating Income	231	94 a	325	209	85 a	294
Operating Margin	11.2%		15.7%	10.3%		14.5%
Interest Expense	(8)	-	(8)	(14)	-	(14)
Other Non-Operating Income (Expense)	4	-	4	6	-	6
Gain/(Loss) From Sale of Business	(10)	10 b	-	(5)	5 b	-
Income before Taxes	217	104	321	196	90	286
Provision for Income Taxes	(50)	(22) c	(72)	(43)	(24) c	(67)
Net Income	167	82	249	153	66	219
Net Loss Attributable to Non-controlling Interests	2	-	2	-	-	-
Net Income Attributable to Xylem	169	82	251	153	66	219
Diluted Shares	243.8		243.8	243.0		243.0
<b>Diluted EPS</b>	<b>\$0.69</b>	<b>\$0.34</b>	<b>\$1.03</b>	<b>\$0.63</b>	<b>\$0.27</b>	<b>\$0.90</b>

**a** Restructuring & realignment costs: 2025 - \$27 million and 2024 - \$15 million

Special charges: 2025 - \$8 million of acquisition, divestiture & integration costs and \$4 million of intangible asset impairment charges; 2024 - \$15 million of acquisition & integration costs and \$1 million of asset impairment charges

Purchase accounting intangible amortization: 2025 - \$55 million and 2024 - \$54 million

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

**c** 2025 - Net tax impact on pre-tax adjustments (note a and b) of \$22 million; 2024 - Net tax impact on pre-tax adjustments (notes a and b) of \$22 million and other tax special items of \$2 million

# Xylem Inc. Non-GAAP Reconciliation

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

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

2025					
	Q1	Q2	Q3	Q4	Total
Net Income attributable to Xylem	169				169
Net Income margin	8.2%	N/A	N/A	N/A	8.2%
Depreciation	68				68
Amortization	77				77
Interest Expense (Income), net	-				-
Income Tax Expense	50				50
EBITDA	364	-	-	-	364
Share-based Compensation	12				12
Restructuring & Realignment	27				27
Special Charges	12				12
Loss/(Gain) from sale of business	10				10
Loss attributable to non-controlling interest	(2)				(2)
Adjusted EBITDA	423	-	-	-	423
Revenue	2,069				2,069
Adjusted EBITDA Margin	20.4%	N/A	N/A	N/A	20.4%
2024					
	Q1	Q2	Q3	Q4	Total
Net Income	153	194	217	326	890
Net Income margin	7.5%	8.9%	10.3%	14.5%	10.4%
Depreciation	61	62	68	67	258
Amortization	73	83	73	75	304
Interest Expense (Income), net	7	6	5	(2)	16
Income Tax Expense	43	53	52	49	197
EBITDA	337	398	415	515	1,665
Share-based Compensation	18	13	12	13	56
Restructuring & Realignment	15	29	11	36	91
Special Charges	16	13	7	21	57
Gain on joint venture remeasurement	-	-	-	(152)	(152)
Loss/(Gain) from sale of business	5	(1)	2	40	46
Adjusted EBITDA	391	452	447	473	1,763
Revenue	2,033	2,169	2,104	2,256	8,562
Adjusted EBITDA Margin	19.2%	20.8%	21.2%	21.0%	20.6%

# Xylem Inc. Non-GAAP Reconciliation

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

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

2025					
	Q1	Q2	Q3	Q4	Total
Operating Income	80				80
Operating Margin	13.8%	N/A	N/A	N/A	13.8%
(Loss)/Gain from sale of business	(10)				(10)
Depreciation	10				10
Amortization	13				13
Other non-operating expense, excluding interest income	(2)				(2)
EBITDA	91	-	-	-	91
Share-based Compensation	2				2
Restructuring & Realignment	15				15
Special Charges	2				2
Loss/(Gain) from sale of business	10				10
Adjusted EBITDA	120	-	-	-	120
Revenue	581				581
Adjusted EBITDA Margin	20.7%	N/A	N/A	N/A	20.7%

2024					
	Q1	Q2	Q3	Q4	Total
Operating Income	60	78	96	122	356
Operating Margin	10.5%	12.4%	15.4%	16.8%	13.9%
(Loss)/Gain from sale of business	-	-	-	(40)	(40)
Depreciation	10	10	12	14	46
Amortization	21	27	13	15	76
Other non-operating expense, excluding interest income	(1)	-	(1)	1	(1)
EBITDA	90	115	120	112	437
Share-based Compensation	3	4	3	2	12
Restructuring & Realignment	7	2	6	15	30
Special Charges	2	4	(2)	6	10
Loss/(Gain) from sale of business	-	-	-	40	40
Adjusted EBITDA	102	125	127	175	529
Revenue	574	631	623	727	2,555
Adjusted EBITDA Margin	17.8%	19.8%	20.4%	24.1%	20.7%

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

2025					
	Q1	Q2	Q3	Q4	Total
Operating Income	72				72
Operating Margin	16.6%	N/A	N/A	N/A	16.6%
(Loss)/Gain from sale of business	-	-	-	-	-
Depreciation	7				7
Amortization	1				1
Other non-operating expense, excluding interest income	(1)				(1)
EBITDA	79	-	-	-	79
Share-based Compensation	1				1
Restructuring & Realignment	5				5
Special Charges	-				-
Loss/(Gain) from sale of business	-	-	-	-	-
Adjusted EBITDA	85	-	-	-	85
Revenue	435				435
Adjusted EBITDA Margin	19.5%	N/A	N/A	N/A	19.5%

2024					
	Q1	Q2	Q3	Q4	Total
Operating Income	61	71	71	68	271
Operating Margin	14.0%	15.6%	15.9%	15.0%	15.1%
(Loss)/Gain from sale of business	-	-	-	-	-
Depreciation	6	7	6	6	25
Amortization	1	-	1	1	3
Other non-operating expense, excluding interest income	-	(1)	1	(3)	(3)
EBITDA	68	77	79	72	296
Share-based Compensation	2	1	2	1	6
Restructuring & Realignment	2	2	2	9	15
Special Charges	-	-	-	-	-
Loss/(Gain) from sale of business	-	-	-	-	-
Adjusted EBITDA	72	80	83	82	317
Revenue	436	456	447	454	1,793
Adjusted EBITDA Margin	16.5%	17.5%	18.6%	18.1%	17.7%

# Xylem Inc. Non-GAAP Reconciliation

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

Xylem Inc. Non-GAAP Reconciliation					
EBITDA and Adjusted EBITDA by Quarter (\$ Millions)					
Measurement and Control Solutions					
2025					
	Q1	Q2	Q3	Q4	Total
Operating Income	56				56
Operating Margin	11.4%	N/A	N/A	N/A	11.4%
Gain on joint venture remeasurement	-				-
(Loss)/Gain from sale of business	-				-
Depreciation	7				7
Amortization	32				32
Other non-operating expense, excluding interest income	-				-
EBITDA	95				95
Share-based Compensation	1				1
Restructuring & Realignment	3				3
Special Charges	4				4
Gain on joint venture remeasurement	-				-
Loss/(Gain) from sale of business	-				-
Adjusted EBITDA	103	-	-	-	103
Revenue	490				490
Adjusted EBITDA Margin	21.0%	N/A	N/A	N/A	21.0%

2024					
	Q1	Q2	Q3	Q4	Total
Operating Income	70	79	66	32	247
Operating Margin	15.2%	16.4%	14.4%	6.8%	13.2%
Gain on joint venture remeasurement	-	-	-	152	152
(Loss)/Gain from sale of business	-	-	-	-	-
Depreciation	6	7	7	6	26
Amortization	27	25	26	28	106
Other non-operating expense, excluding interest income	(1)	(2)	(4)	(3)	(10)
EBITDA	102	109	95	215	521
Share-based Compensation	1	1	1	1	4
Restructuring & Realignment	2	2	(1)	7	10
Special Charges	-	1	2	9	12
Gain on joint venture remeasurement	-	-	-	(152)	(152)
Loss/(Gain) from sale of business	-	-	-	-	-
Adjusted EBITDA	105	113	97	80	395
Revenue	462	482	458	469	1,871
Adjusted EBITDA Margin	22.7%	23.4%	21.2%	17.1%	21.1%

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

2025					
	Q1	Q2	Q3	Q4	Total
Operating Income	44				44
Operating Margin	7.8%	N/A	N/A	N/A	7.8%
(Loss)/Gain from sale of business	-				-
Depreciation	41				41
Amortization	27				27
Other non-operating expense, excluding interest income	-				-
EBITDA	112	-	-	-	112
Share-based Compensation	2				2
Restructuring & Realignment	4				4
Special Charges	4				4
Loss/(Gain) from sale of business	-				-
Adjusted EBITDA	122	-	-	-	122
Revenue	563				563
Adjusted EBITDA Margin	21.7%	N/A	N/A	N/A	21.7%

2024					
	Q1	Q2	Q3	Q4	Total
Operating Income	50	47	63	59	219
Operating Margin	8.9%	7.8%	10.9%	9.7%	9.3%
(Loss)/Gain from sale of business	(5)	1	(2)	-	(6)
Depreciation	38	38	43	40	159
Amortization	22	28	30	28	108
Other non-operating expense, excluding interest income	-	1	(1)	1	1
EBITDA	105	115	133	128	481
Share-based Compensation	3	3	2	3	11
Restructuring & Realignment	3	23	4	5	35
Special Charges	9	3	1	2	15
Loss/(Gain) from sale of business	5	(1)	2	-	6
Adjusted EBITDA	125	143	142	138	548
Revenue	561	600	576	606	2,343
Adjusted EBITDA Margin	22.3%	23.8%	24.7%	22.8%	23.4%

# Xylem Inc. Non-GAAP Reconciliation

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

	Q1	
	2025	2024
<b>Net Cash - Operating Activities</b>	<b>\$33</b>	<b>\$89</b>
Capital Expenditures - PPE	(55)	(59)
Capital Expenditures - Software	(16)	(15)
<b>Capital Expenditures</b>	<b>(71)</b>	<b>(74)</b>
<b>Free Cash Flow</b>	<b>(\$38)</b>	<b>\$15</b>
<b>Revenue</b>	<b>\$2,069</b>	<b>\$2,033</b>
<b>Operating Cash Flow Margin</b>	<b>2%</b>	<b>4%</b>
<b>Free Cash Flow Margin</b>	<b>(2%)</b>	<b>1%</b>



Thank you.

## 1Q 2025 Earnings & Results

Replay of the webcast is available until midnight May 13, 2025  
Replay: +1 (877) 344-7529 or +1 (412) 317-0088 (INTL)  
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