BADGER METER
FIRST QUARTER 2023 EARNINGS

April 20, 2023

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In this presentation certain non-GAAP financial measures may be used. Please see the supplemental financial schedules at the end of this presentation for a reconciliation to the appropriate GAAP measure.

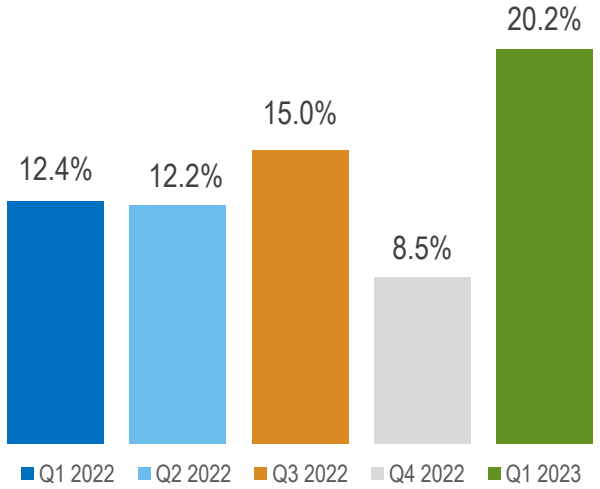


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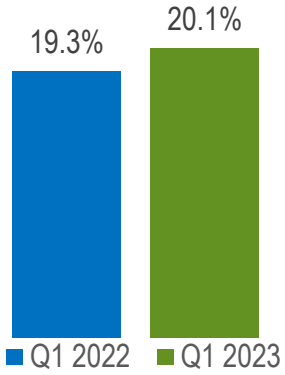
HIGHLIGHTS

- Record financial results for the first quarter 2023
- Robust order pace for smart water solutions continued; record backlog despite record sales
- All-time sales record of $159.1 million in Q1, up 20% year-over-year
  - Utility water sales increased 20% with robust AMI adoption, improving supply chain dynamics and pricing
  - Flow instrumentation sales up 22%; strong water-related demand and better component availability
- Margin improvement reflective of higher volumes, favorable mix including SaaS, price/cost benefits and SEA leverage
- Syrinix acquisition integration and customer discussions reaffirm strategic fit
- Named to Barron's 100 Most Sustainable Companies – delivering both strong financial and sustainability performance

Y-O-Y Sales Growth Trend



EBITDA %



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FIRST QUARTER FINANCIAL SNAPSHOT

(US$ in millions, except per share data)	Q1 2023	Q1 2022	Change
Sales	$159.1	$132.4	20.2%
Gross Margin	62.8	50.7	23.8%
	39.5%	*38.3%*	*120 bps*
SEA	37.8	31.9	18.5%
	23.7%	*24.1%*	*(40) bps*
Op Income	25.0	18.9	32.7%
	15.7%	*14.2%*	*150 bps*
Income Tax Rate	*24.3%*	*23.7%*	
EBITDA	32.0	25.6	24.8%
	20.1%	*19.3%*	*80 bps*
EPS	0.66	0.49	34.7%
Free Cash Flow	$13.7	$8.1	

See appendix for reconciliation of GAAP to Non-GAAP measures

- Utility water sales increased robust 20% with strong demand and improved component availability; growth most notable in cellular endpoints, BEACON SaaS and ultrasonic meters
- Flow instrumentation sales up 22% on water-related application demand and supply chain easing
- Gross margin improvement on volumes, favorable mix, pricing and moderating inflation
- Continued SEA leverage despite higher personnel-related spend
- Exceptional 35% year-over-year increase in EPS
- Cash flow improved in seasonally low first quarter on strong earnings

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OUTLOOK / MACRO-TRENDS

Constructive Industry Backdrop

- Durable macro trends support long-term smart water solution adoption
- Innovation leader with expanding technology-enabled software offerings
- Demonstrated benefits of efficiency, resiliency and sustainability

Differentiated Execution

- Differentiated performance on evolving macro-challenges related to inflation, component availability, etc.
- Successful focus on customer satisfaction in navigating robust demand environment

Consistently Resilient Results

- 85% replacement-driven base demand
- Record backlog, strong order rates
- Growing SaaS revenue base
- Building financial momentum

Investing for Growth

- Strong cash flow and borrowing capacity
- Organic and inorganic strategic growth investments

Creating Long-Term Shareholder Value by Enabling Sustainability-Driven Outcomes for Customers

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Q & A

Note: For your planning purposes, our Q2 2023 earnings release/call is tentatively scheduled for July 20, 2023



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GAAP TO NON-GAAP RECONCILIATIONS

EBITDA

(US$ in millions)	Q1 2023	Q1 2022
Net Earnings (GAAP)	$19.4	$14.4
Interest income	(0.6)	0.0
Income tax provision	6.2	4.4
Depreciation	2.7	2.8
Amortization	4.3	4.0
EBITDA	$32.0	$25.6
Sales	$159.1	$132.4
EBITDA %	*20.1%*	*19.3%*

Free Cash Flow

(US$ in millions)	Q1 2023	Q1 2022
Cash from Ops (GAAP)	$18.0	$9.2
Capital Expenditures	(4.3)	(1.1)
Free Cash Flow	$13.7	$8.1



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