



# Badger Meter

## General Investor Presentation\*

July 2025

*\*See separate Q2 2025 Earnings Slide Deck*



Badger Meter



## Forward Looking Statements

Certain statements contained in this presentation as well as other information provided from time to time by Badger Meter, Inc. (the “Company”) or its employees, may contain forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those statements. The words “anticipate,” “believe,” “estimate,” “expect,” “think,” “should,” “could” and “objective” or similar expressions are intended to identify forward looking statements. All such forward looking statements are based on the Company’s then current views and assumptions and involve risks and uncertainties. The Company’s results are subject to its ability to develop and manufacture technologically advanced products that are accepted by the market, supply chain risk, legal and regulatory risks, political and general economic risks, risks related to doing business in foreign countries, including foreign currency risk, competition for skilled employees, material and labor cost increases, competitive pricing and operating efficiencies, the effects of climate change, cybersecurity attacks and disruptions to our information technology and the successful integration of acquisitions. See the Company’s Form 10-K filed with the SEC for further information regarding risk factors, which are incorporated herein by reference. The Company disclaims any obligation to publicly update or revise any forward-looking statements as a result of new information, future events or any other reason.

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.

# Badger Meter is a Premier Smart Water Solutions Provider



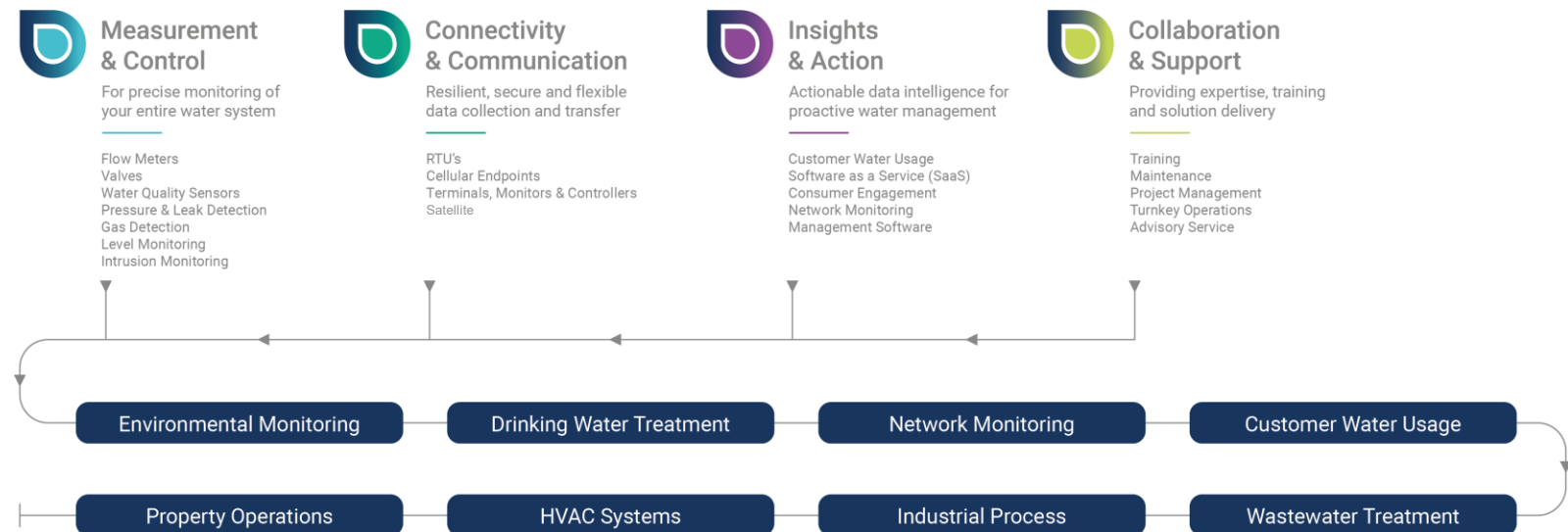
- Comprehensive suite of digital smart water offerings including flow measurement, sewer monitoring, water quality, pressure and network monitoring with software / analytics solutions
- Industry leader in North American smart water solutions; global niche position in flow measurement; expanding international presence
- Attractive, long-term growth fundamentals:
  - Technology/digital adoption accelerating - improve operating efficiency, resiliency and sustainability
  - Stable business model supported by replacement demand
  - Expansive and growing suite of offerings with both organic and acquisition-related investments
- Culture of innovation, continuous improvement and sustainability
- Premium financial profile and exceptional operational track record

# “Choice Matters” Portfolio of End-to-End Solutions to Solve Customer Challenges



# BlueEdge by Badger Meter – Simplifying Customer Path to End-to-End Solution Offerings

- Introduced “umbrella” name for suite of tailorable solutions that integrate water technology, software and services for the management of water
- BlueEdge is customizable to address applications across the water cycle
- Grow with utility / other customers on their technology journey – from select to potentially all elements over time based on size/readiness
- Also serves as strategic “lens” for R&D and acquisition growth investments
- BlueEdge is not a “product”, a PO line item or a “segment” – it is a framework by which we simplify our breadth of solutions





## Second Quarter Financial Snapshot Highlights Strong Cash Generation

(US\$ in millions, except per share data)

	<u>Q2 2025</u>	<u>Q2 2024</u>	<u>Change</u>
Sales	\$238.1	\$216.7	9.9%
Gross Margin	97.8 41.1%	85.4 39.4%	14.6% 170 bps
SEA	52.9 22.2%	43.9 20.2%	20.5% 200 bps
Op Income	44.9 18.8%	41.5 19.2%	8.2% -40 bps
Income Tax Rate	24.5%	23.8%	
EBITDA	53.7 22.5%	49.6 22.9%	8.3% -40 bps
EPS	1.17	1.12	4.5%
Free Cash Flow	\$40.6	\$34.1	19.1%

- Utility water sales increased 11% (6% ex SmartCover), driven by ongoing adoption of digital smart water solutions including meters, BEACON® SaaS, water quality and remote monitoring.
- Flow instrumentation sales essentially flat as lower demand in de-emphasized end markets offset by modest growth in water-related markets.
- Gross margins improved 170 bps due to structural mix and ongoing operational excellence initiatives; strategic price increases mitigated certain tariff impacts in the quarter
- SEA as a percent of sales increased 200 bps, inclusive of \$1.6M of SmartCover intangible asset amortization and \$1.0M of variable deferred compensation expense unique to the quarter
- Robust free cash flow on higher earnings and working capital management

See appendix for reconciliation of GAAP to Non-GAAP measures



# SmartCover's Solutions Allow Utility Customers To Visualize and Optimally Manage Wastewater Collection Systems



## Snapshot

- Founded 2005; XPV Water Partners investment in 2016
- High attach rates to recurring software and support revenues
- Strong track record of organic revenue growth; 20+% CAGR
- Diverse U.S. utility customer base
- Will be included in utility water product line
- \$185M purchase price; ~5x 2024 sales of \$35M
- 2024 HSD EBITDA %; Accretive to EPS after year one

- Acquired January 30, 2025
- Provide sewer and lift station monitoring solutions
  - Sensors at the manhole for 24/7 monitoring and notification; data-driven information to anticipate events before they happen
  - Other use cases include odor monitoring, sewer inflow and infiltration detection and cleaning optimization
  - Remote lift station monitoring and control – at both the pump and network level; complementary to existing Telog monitoring solution
- Hardware-enabled software – sensors and instruments with recurring, low-churn software and support
- Leadership position in sewer line monitoring with ~50% share



# SmartCover Acquisition Enhances Network Monitoring in BlueEdge Addressing Sewer and Lift Station Monitoring Capabilities

## Profitable but Subscale Asset Primed for Growth

- U.S. market share leader in “1<sup>st</sup> inning” of sewer monitoring adoption
- Utility demand for stormwater management driven by increasing frequency of extreme weather events/flooding
- High recurring revenue with software and after-market collaboration and support

## Laneways for Future Growth and Profitability

- Leverage Badger Meter sales network to accelerate municipal adoption of sewer and lift station monitoring through BlueEdge suite of solutions
- Leverage Badger Meter’s corporate and manufacturing footprint to improve operating costs
- Leverage cellular communication expertise to advance and extend connectivity resilience





# 2024 Sustainability Report Highlights Power of Continuous Improvement Mindset Across the Organization

- Exceeded and raised our own targets for greenhouse gas intensity reduction while also delivering record 2024 financial results

- Set a new goal to reduce future GHG intensity by 30% using 2024 as the next baseline

  
↓  
**30% by 2030**

- Reduced our internal water usage intensity by 30%
- Improved employee engagement year-over-year as measured by our fourth annual survey with 95% participation
- Recognized outcomes
  - Barron's Top 100 Sustainable Companies
  - AAA rating- MSCI



**↓ 55%**  
*GHG Emissions  
Intensity since 2020*

**↓ 30%**  
*YOY Water  
Intensity*

**↓ 170 bps**  
*YOY Regrettable  
Turnover*



## Longstanding Capital Allocation Priorities with Ample Liquidity to Execute

- 1 **Internal Investment** to support organic growth and sustain core business
- 2 Grow the **dividend** annually in line with earnings
- 3 Accelerate **acquisitions** that align to strategy and return targets

- Strong free cash flow, working capital management
- No outstanding debt obligations and \$165M of cash at June 30, 2025; \$150M untapped revolver
- August 2024 dividend increase of 26% marked 32 consecutive years of dividend increases.



# Creating Long-Term Shareholder Value by Capitalizing on Favorable Demand, Industry Dynamics and Execution

- Innovation leader with expanding technology-enabled software offerings
- Attractive bid funnel and strong order rates
- Growing SaaS revenue base

## Consistently Resilient Results



- Durable macro trends support long-term smart water solution adoption
- 85% replacement-driven base demand
- Demonstrated benefits of efficiency, resiliency and sustainability

## Constructive Industry Backdrop



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

## Investing for Growth



- Differentiated performance despite evolving macro-challenges
- Positive structural mix and SEA leverage drive margins

## Differentiated Execution



- Strong engagement
- Values-driven
- Customer-focused execution
- Continuous improvement focus across enterprise

## Exceptional Team





# Background Information



**Badger Meter**



# Badger Meter Is the Smart Water Innovation Leader and Continues to Invest in R&D

Driving Enhancements in Smarter Measurement & Actionable Data → Enhanced Operational Efficiencies

## Ultrasonic Metering

- Additional data elements – flow, pressure, temperature, valves
- Vertical integration of chip sets in order to control the evolution of smarter devices
- Improved accuracies



**Innovation Centers:**  
Lulea, Sweden  
Milwaukee, WI, USA

## Water Quality

- Low maintenance, reagent-less sensors
- Advanced IoT edge computing detects events
- 60+ parameters for water and gas
- 20+ years of leadership in optical spectrometry, 30+ years in electrochemical



**Innovation Centers:**  
Vienna, Austria  
Philadelphia, PA, USA

## Cellular & IoT

- Multi-carrier
- 18-24 month iterative development cycles for latest advancements
- 10-year headstart – array of reference accounts
- Millions of cellular endpoints deployed



**Innovation Center:**  
Milwaukee, WI, USA

## Software & Analytics

- Cloud software for utility operations, sustainability
- Holistic view of water systems / network monitoring
- Real time detection of anomalies and events
- Decision dashboards
- Process automation



**Innovation Centers:**  
Los Gatos, CA, USA  
Milwaukee, WI, USA  
Hethel, UK



# Badger Meter Delivers on More Than a Century of Smart Water Innovation



Two Milwaukee entrepreneurs developed first “frost-proof” water meter for use in the frigid northern US climate



- Listed on the American Stock Exchange.
- Launched trademarked “flowing B” symbol.
- Formed Badger Meter Europe GmbH in Germany

- Acquired Racine Federated, broadening industrial flow measurement applications
- 2013 Acquired AquaCue to advance smart water offerings - cellular radio and BEACON software expertise



- Acquired s::can and ATi, leaders in real-time water quality monitoring utilizing optical and electrochemical sensing

- Acquired SmartCover, the leader in sewer and lift station monitoring



1905

1930's-60s

1970s

1980s-2000s

2010-2014

2015-2019

2020-2021

2022-2024

2025



- Survived great depression
- Assisted war effort manufacturing bomb fuses
- Moved to current Brown Deer facility
- Split off foundry business

- Established Nogales, Mexico facility
- Launched first Drive-By AMR radio endpoints
- Extensive expansion into industrial flow technologies and markets
- Opened Czech Republic Facility
- Launched advanced metering infrastructure (AMI)



- Acquired D-Flow bringing advanced ultrasonics expertise
- Innovating cellular offerings with LTE-M technology
- BEACON and EyeOnWater consumer app



# Supporting Customers from Our Global Manufacturing and Innovation Footprint



❖ Innovation / R&D Centers

● Manufacturing Facilities

Also operate four US distribution centers and a variety of global sales offices

# AMI Adoption Accelerating with Business Case for Utilities Well Understood; Timing Aligned to Meter Replacement Cycle Bringing Higher ASP Opportunity

## The Business Case

Why are utilities willing to pay more?

- Reduce non-revenue water (NRW)
  - Mechanical meters lose some accuracy over time
  - Continuous flow / leak detection – in network and homes
- Lower operating cost / improve efficiencies
  - Reduced truck rolls - move in/out reads and billings
  - Flow shut-off/restriction technology – labor to turn off and on water services
- Encourage conservation
  - Manage what you measure
  - Leak avoidance / fix

## The Solutions

How our leading technologies deliver

- Meters
  - Static (E-series ultrasonic) holds accuracy over life; residential and commercial sizes
- Radio Endpoints
  - Efficient and safe - remote reads
  - Data and analytics – more data, more often
  - Cellular – infrastructure-free for utilities; flexible and resilient
- Software
  - Leak identification / detection
  - EyeOnWater for consumer engagement

**MANUAL READ MECHANICAL METER WITH REGISTER**  
~\$70



**METER WITH CELLULAR RADIOS/SOFTWARE**  
~\$250 per System





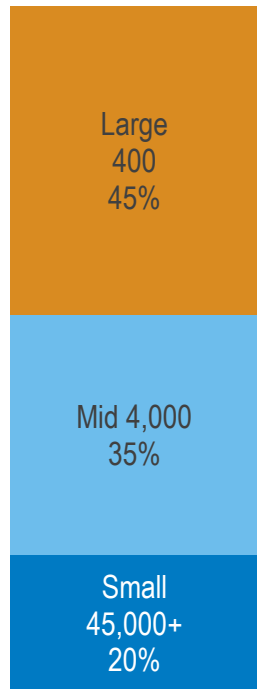
# Badger Meter Enjoys a Strong Market Position in North American AMI Adoption; Customer Diversity with Tailorable and Differentiated Offerings

## AMI “Choice Matters” Differentiation

Broadest Range of Offerings – Choice Matters	<ul style="list-style-type: none"><li>• Brass and polymer</li><li>• Mechanical and static (ultrasonic)</li><li>• Drive by, fixed and cellular radio technology</li></ul>
Technology Leadership	<ul style="list-style-type: none"><li>• ORION Cellular – leverages existing infrastructure, flexible, secure, broad coverage</li><li>• SaaS with BEACON/EyeOnWater – actionable data for utility and homeowner</li></ul>
Innovation	<ul style="list-style-type: none"><li>• Ultrasonic expertise</li><li>• Remote actuating flow restriction valve</li><li>• Real-time water quality sensing – optical and electrochemical</li><li>• Network monitoring – RTUs, high frequency pressure, acoustic leak detection</li></ul>
High Service Levels and Customer Support	<ul style="list-style-type: none"><li>• Strong brand preference – long term relationships / loyalty</li><li>• Channel coverage - regional service center and local distribution to cover smaller utilities</li><li>• Highly trained Solution Architects, customer care and field technology support</li></ul>
Low Lifecycle Costs	<ul style="list-style-type: none"><li>• Highly accurate and quality products / low warranty</li><li>• Exceptional battery life</li><li>• Leverage existing cellular technology network</li></ul>

## >50K Water Utilities in US

Utility Size and their Share of Meter connections

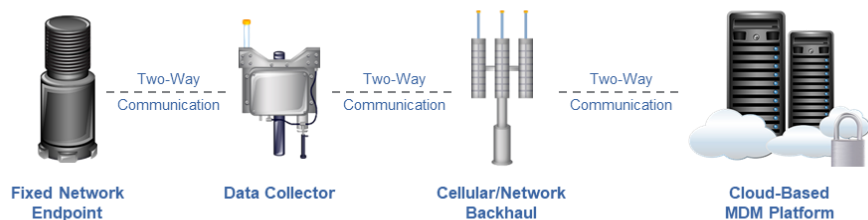




# Badger Meter Is the Undisputed Leader in Cellular Communication with Millions of Endpoints Deployed; Provides Myriad of Benefits to Utilities

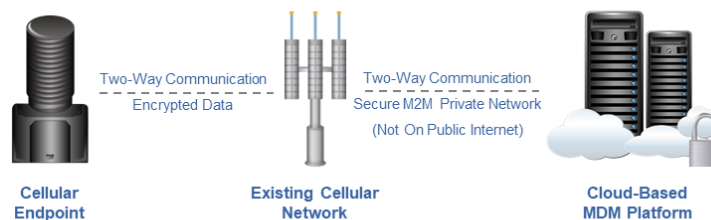
## Data Collector Fixed Network

### Single Purpose Network



## Cellular NaaS Network

### Cellular/Smart City/IoT Network



## System Engineering/Deployment



## Ongoing System Maintenance/Fees



## System Engineering/Deployment

### Cellular Coverage Analysis

Built-in Redundancy/Expedited Project With No Network Installation Needed



## Ongoing System Maintenance/Fees

### NaaS Management Fee



## Cellular Network as a Service (NaaS)

- Easy
- Flexible
- Resilient
- Secure
- Sustainable



# Key Growth Strategies for Utility Smart Water

- Maintain leading position in the North American smart water market through continued development of leading-edge offerings
  - AMI adoption rate only at one third of connections
  - Leverage natural meter replacement cycle to upgrade customers (no radio or AMR to AMI)
- Leverage addition of real-time water quality monitoring, high frequency pressure & network monitoring and other system health parameters into actionable data to improve utility operations
- Augment software, including consumer engagement technology, for optimized customer solution
- Penetrate and grow select international markets (e.g. Middle East, UK) with fit-for-market solutions



# Key Growth Strategies for Flow Instrumentation

- Expand niche share by targeting water-related applications, predominately
  - Building Automation/HVAC/Sustainability
  - Wastewater treatment and distribution
- Leverage addition of real-time water quality monitoring for industrial process and discharge water
- Penetrate international markets where both smart water and industrial applications exist





## Strategic M&A is an Enabler to Expand Offerings and Accelerate Growth

- Hardware-enabled software and technology solutions that can be leveraged across both utility and flow instrumentation markets
  - Water quality monitoring
  - Leak detection, conservation
- Software enhancements - SaaS
  - Utility operations
  - Network monitoring
  - Consumer portals
- International penetration

Year	Company	Type	Location	Price
<b>Utility Water Instrumentation and Connectivity:</b>				
2025	SmartCover	Water collection system monitoring	US	\$185M
2024	Telog / Unity	RTUs and software	US	\$3M
2023	Syrinix, Ltd.	Pressure monitoring	UK	\$18M
2021	Analytical Technology, Inc	Water quality monitoring	USA / UK	\$44M
2020	s::can	Water quality monitoring	Vienna, Austria	\$31M
2018	Innovative Metering Solutions	Distributor	Tampa, FL	\$8M
2017	Carolina Meter	Distributor	Wilmington, NC	\$6M
2017	D-Flow	Ultrasonic Technology/R&D	Lulea, Sweden	\$23M
2015	United Utilities	Distributor	Smyrna, TN	\$3M
2014	National Meter	Distributor	Denver, CO	\$23M
2013	Aquacue	Software/cellular technology/R&D	Los Gatos, CA	\$14M
<b>Flow and Industrial Instrumentation:</b>				
2012	Racine Federated	Technology/Manufacturing	Racine, WI	\$57M
2011	Remag	Technology/Manufacturing	Bern, Switzerland	\$5M
2010	Cox Instruments	Technology/Manufacturing	Scottsdale, AZ	\$8M

# Continue to Demonstrate Strong Financial Outcomes from Execution of Strategic Growth Investments - Both Organic and Acquisition-Related

## Full Year 2024



**18% Sales Growth**



**SaaS revenue  
6.7% of sales**



**+230 bps  
Operating Margin**

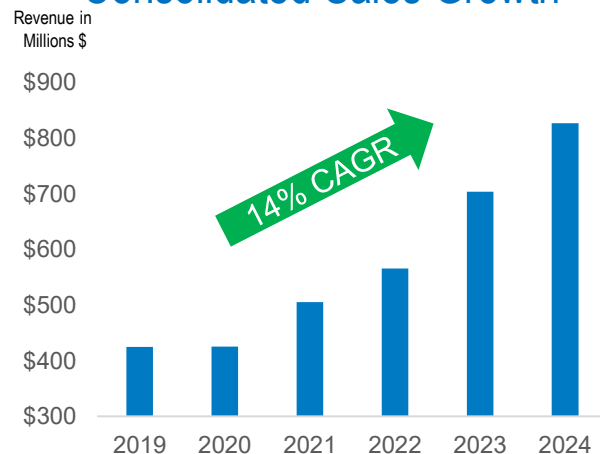


**114% Free  
Cash Flow  
Conversion**

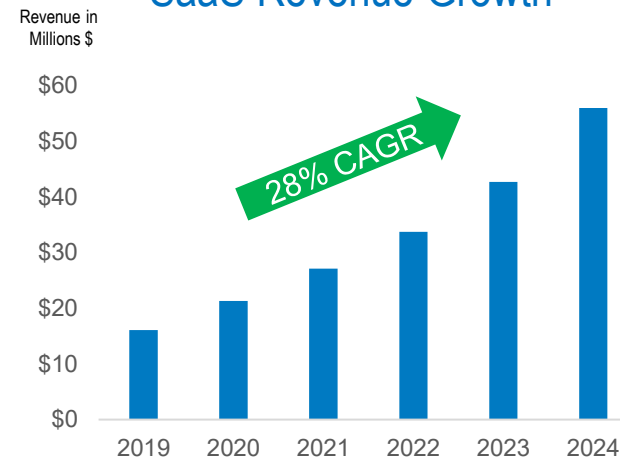


**35% EPS  
Growth**

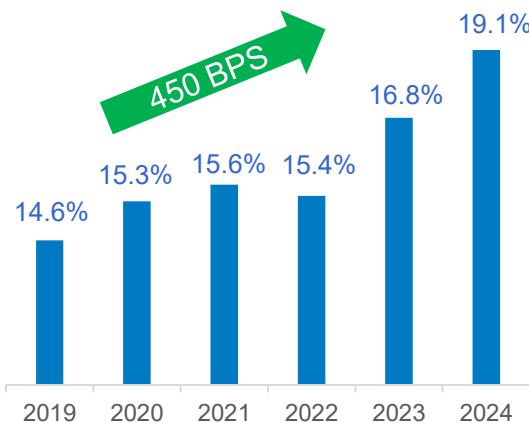
### Consolidated Sales Growth



### SaaS Revenue Growth

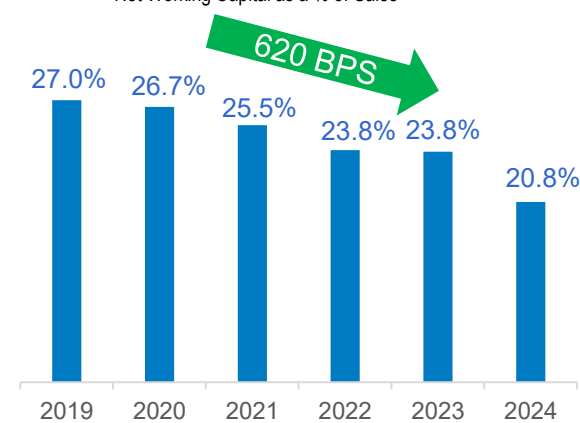


### Improved Operating Profit Margins



### Reduced PWC Intensity

Net Working Capital as a % of Sales



## Attractive Financial Trends Showcase Execution of Strategy

(US\$ in millions, except per share data)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Sales	\$424.6	\$425.5	\$505.2	\$565.6	\$703.6	\$826.6
Oper Earnings	62.2 14.6%	65.2 15.3%	78.7 15.6%	87.3 15.4%	118.0 16.8%	157.9 19.1%
EBITDA	86.0 20.3%	90.2 21.2%	106.5 21.1%	113.4 20.0%	146.0 20.8%	190.1 23.0%
EPS	1.61	1.69	2.08	2.26	3.14	4.23
Free Cash Flow	\$73.2	\$80.5	\$80.8	\$76.6	\$98.1	\$142.2
FCF Conversion	155%	163%	133%	115%	106%	114%

Note: See Annual Report for GAAP to Non-GAAP reconciliations.

- Sales growth driven primarily by smart water solution adoption
  - AMI, Cellular communications and SaaS
  - Water quality / pressure / network monitoring
- Margins driven predominately by favorable sales mix, volume and long-term price/cost
- SEA investments for growth; expense control with leverage improvement
- Robust cash flow generation with working capital management; conversion above 100%
- Ample balance sheet flexibility





# GAAP To Non-GAAP Reconciliations

## EBITDA

(US\$ in millions)

	<u>Q2 2025</u>	<u>Q2 2024</u>	<u>YTD 2025</u>	<u>YTD 2024</u>
Net Earnings (GAAP)	\$34.6	\$33.1	\$73.0	\$62.2
Interest income	(0.9)	(1.9)	(2.2)	(3.4)
Income tax provision	11.2	10.3	23.6	19.3
Depreciation	2.9	2.9	5.7	5.7
Amortization	<u>5.9</u>	<u>5.2</u>	<u>11.3</u>	<u>10.4</u>
EBITDA	\$53.7	\$49.6	\$111.4	\$94.2

## Free Cash Flow

(US\$ in millions)

	<u>Q2 2025</u>	<u>Q2 2024</u>
Cash from Ops (GAAP)	\$44.6	\$36.4
Capital Expenditures	<u>(3.9)</u>	<u>(2.3)</u>
Free Cash Flow	\$40.6	\$34.1
	<u>YTD 2025</u>	<u>YTD 2024</u>
Cash from Ops (GAAP)	\$77.6	\$57.9
Capital Expenditures	<u>(6.9)</u>	<u>(5.0)</u>
Free Cash Flow	\$70.7	\$52.9