



Badger Meter

Third Quarter 2025 Financial Results

October 21, 2025



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.

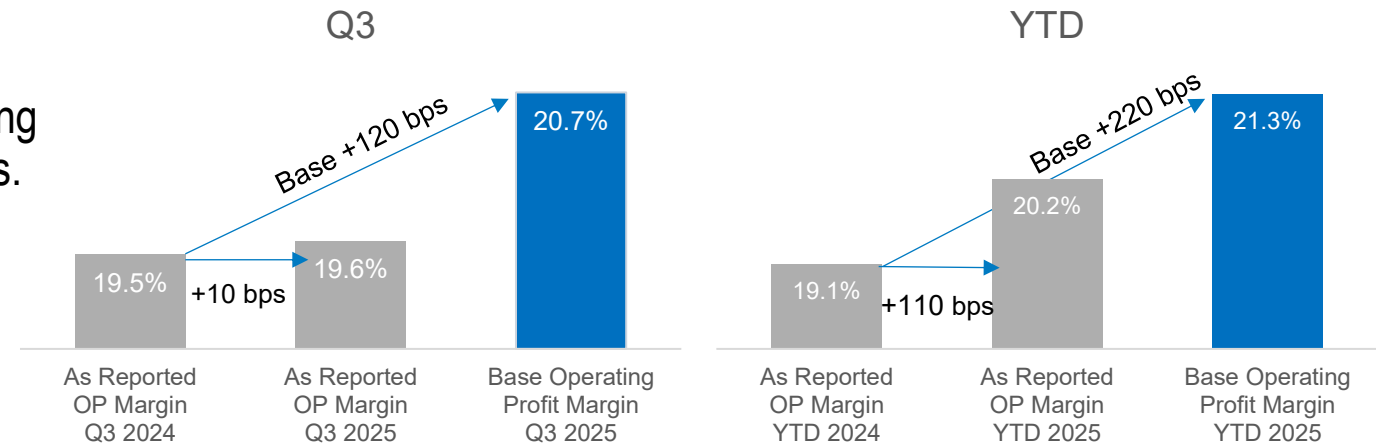
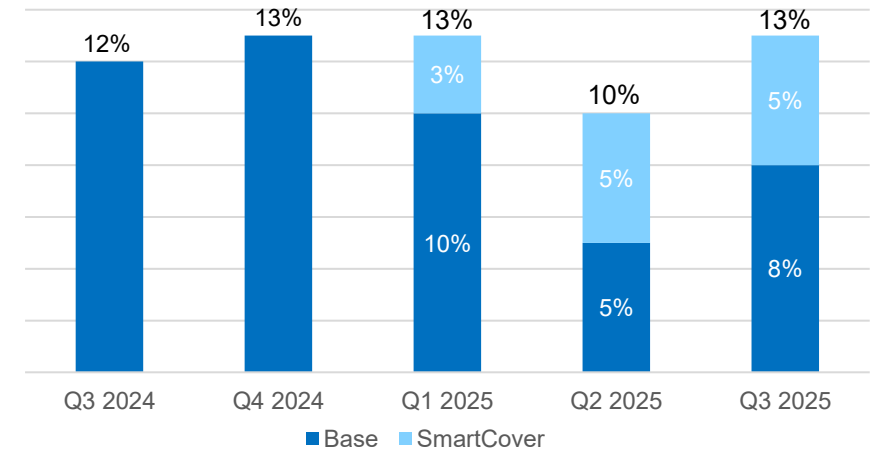
In addition to the financial measures prepared in accordance with generally accepted accounting principles (GAAP), this presentation also contains non-GAAP (“Base”) measures. All Base measures referenced herein exclude the contribution of SmartCover. Reconciliations of these measures to the most comparable GAAP measures can be found in the supplemental reconciliation schedule attached.



Third Quarter 2025 Results Reflect Solid Operating Leverage and Cash Generation on Strength in Sales and Profitability

- Total sales of \$236M in Q3 2025, 13% above prior year; Base¹ sales of \$225M, 8% higher than prior year.
- Operating profit margin up 10 bps to 19.6% from 19.5%; Base operating profit margin increased 120 bps to 20.7%.
- EPS growth of 10% year-over-year to \$1.19 per share.
- Record free cash flow of \$48M, reflecting lower cash taxes from timing aspects of tax law changes pertaining to the deductibility of research and development costs.

Y-O-Y Sales Growth Trend



1. All adjusted metrics ("Base") referenced on this page are non-GAAP measures that exclude the contribution of SmartCover, acquired in January 2025. Please refer to the appendix for reconciliations of these non-GAAP measures to their most comparable GAAP measures.



Third Quarter Financial Snapshot Highlights Strong Cash Generation

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

	<u>Q3 2025</u>	<u>Q3 2024</u>	<u>Change</u>
Sales	\$235.7	\$208.4	13.1%
Gross Margin	95.8 40.7%	83.9 40.2%	14.2% 50 bps
SEA	49.8 21.1%	43.3 20.8%	15.0% 30 bps
Op Income	46.1 19.6%	40.6 19.5%	13.5% 10 bps
Income Tax Rate	26.1%	25.3%	
EBITDA ¹	54.8 23.3%	48.6 23.3%	12.8% flat
EPS	1.19	1.08	10.2%
Free Cash Flow ¹	\$48.2	\$42.0	14.8%

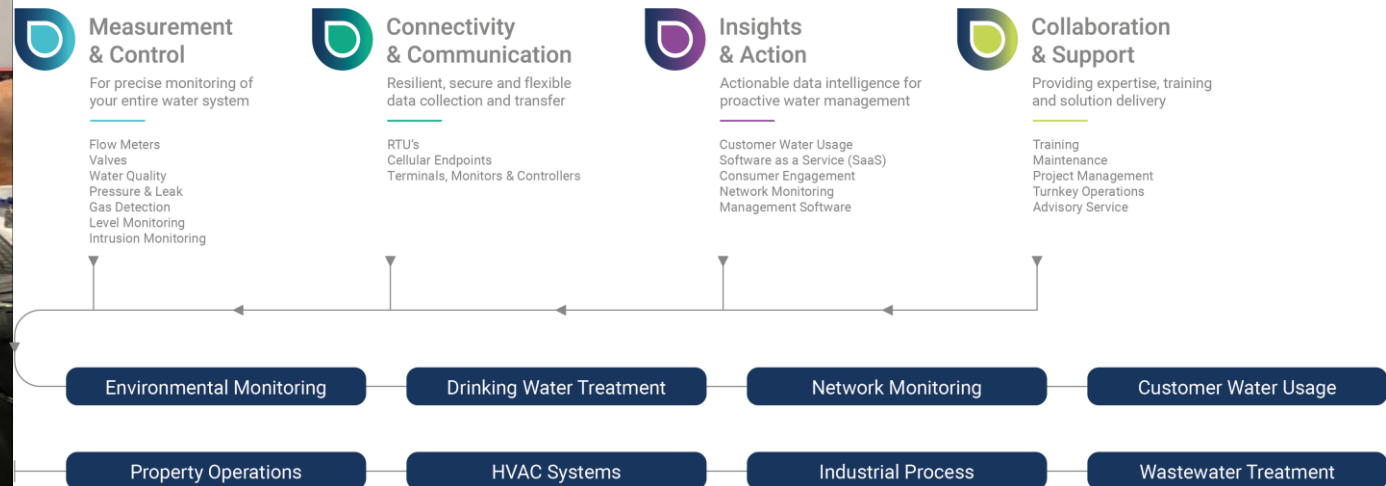
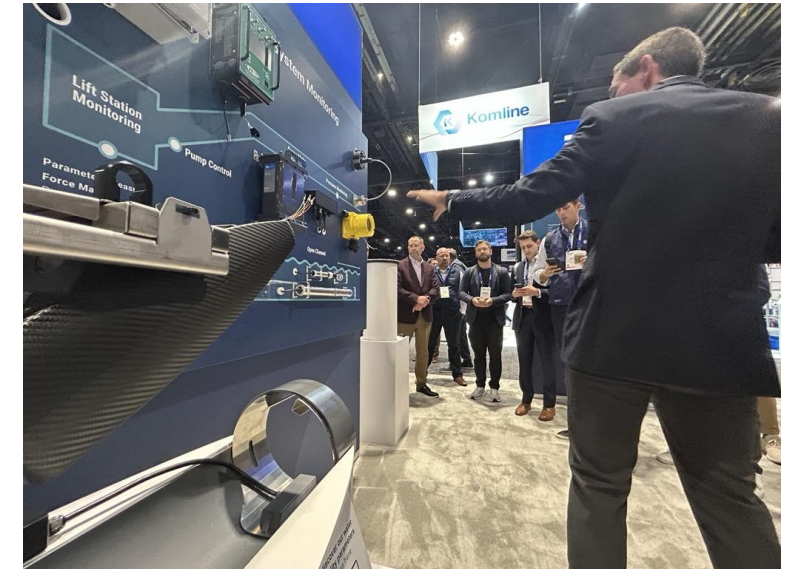
- Utility water sales increased 14% (8% ex SmartCover), driven by higher ultrasonic meter unit volumes, BEACON[®] SaaS and water quality product sales.
- Flow instrumentation sales increased 4% as strength in water-related markets offset lower demand in de-emphasized end markets.
- Gross margin expanded 50 bps due to ongoing structural mix improvement; implemented price increases partially mitigated certain tariff impacts in the quarter.
- SEA as a percent of sales increased 30 bps, inclusive of \$1.6M of SmartCover intangible asset amortization and \$1.8M of deferred compensation benefit.
- Robust free cash flow on lower cash taxes year-over-year.

1. EBITDA and free cash flow are non-GAAP measures. Please refer to the appendix for reconciliations of these non-GAAP measures to their most comparable GAAP measures.



WEFTEC Show Featured BlueEdge Applications That Span the Water Cycle

- WEFTEC (Water Environment Federation's Technical Exhibition and Conference) is the largest North American trade show for the water quality and wastewater sector.
- Full complement of smart water solutions on display, including metering, water treatment, and network monitoring applications.
- BlueEdge is customizable to address diverse applications across the water cycle.
- Wastewater and Distribution Network Monitoring increasingly utilizing data and insights to improve operating efficiency and resiliency.



Outlook Continues to Support Long-Term Shareholder Value Creation with Favorable Demand and Industry Dynamics

- 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 sales mix and SEA leverage drive margins

Differentiated Execution



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

Exceptional Team





Questions

For your planning purposes, BMI Q4 and FY 2025 earnings are tentatively scheduled for January 28, 2026



Badger Meter



GAAP To Non-GAAP Reconciliations

Base Results

(US\$ in thousands, except share and earnings per share data)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025 (Unaudited)	SmartCover (Unaudited)	Base (Unaudited)	2025 (Unaudited)	SmartCover (Unaudited)	Base (Unaudited)
Net sales	\$ 235,651	\$ 11,110	\$ 224,541	\$ 695,957	\$ 27,844	\$ 668,113
Selling, engineering and administration	49,752	5,266	44,486	148,711	14,292	134,419
Operating earnings (loss)	46,084	(499)	46,583	140,372	(2,037)	142,409

* SmartCover results are included from the date of acquisition of January 30, 2025
 ** SmartCover amortization was \$1.6 million for the three months ended September 30, 2025 and \$4.2 million for the nine months ended September 30, 2025 and reported as part of selling, engineering and administration expenses



GAAP To Non-GAAP Reconciliations

EBITDA

(US\$ in millions)

Free Cash Flow

(US\$ in millions)

	<u>Q3 2025</u>	<u>Q3 2024</u>	<u>YTD 2025</u>	<u>YTD 2024</u>		<u>Q3 2025</u>	<u>Q3 2024</u>
Net Earnings (GAAP)	\$35.1	\$32.0	\$108.1	\$94.2	Cash from Ops (GAAP)	\$51.3	\$45.1
Interest income	(1.3)	(2.3)	(3.6)	(5.7)	Capital Expenditures	<u>(3.1)</u>	<u>(3.1)</u>
Income tax provision	12.4	10.9	35.9	30.2	Free Cash Flow	\$48.2	\$42.0
Depreciation	2.6	2.6	8.3	8.3			
Amortization	<u>6.0</u>	<u>5.4</u>	<u>17.5</u>	<u>15.8</u>		<u>YTD 2025</u>	<u>YTD 2024</u>
EBITDA	\$54.8	\$48.6	\$166.2	\$142.8	Cash from Ops (GAAP)	\$128.9	\$103.0
					Capital Expenditures	<u>(10.0)</u>	<u>(8.1)</u>
					Free Cash Flow	\$118.9	\$94.9