



Badger Meter

Second Quarter 2026 Financial Results

July 22, 2026



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.

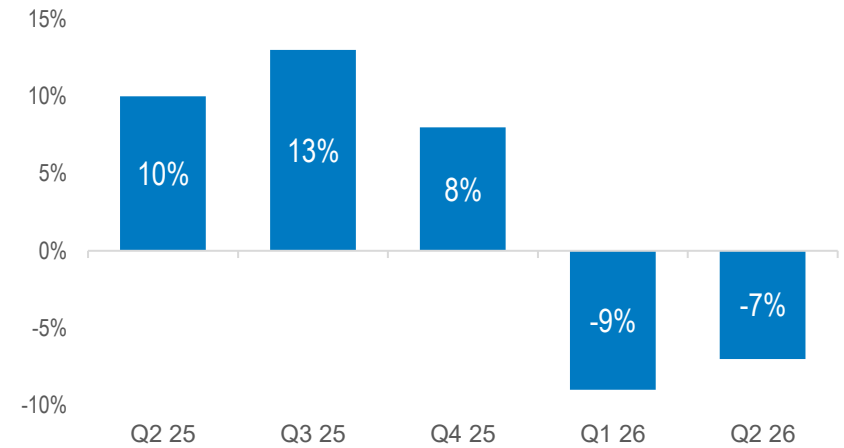


Second Quarter 2026 Results Improved Sequentially as Anticipated; Long-Term Demand Outlook Remains Intact

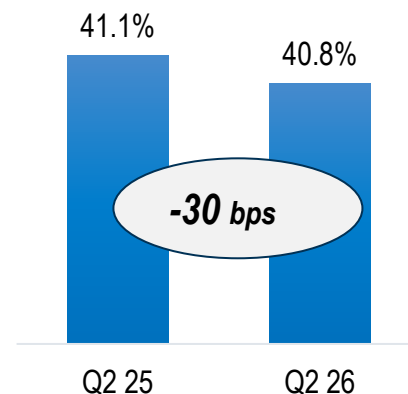
- Sales of \$222.3M declined 7% y-o-y but increased 10% sequentially, as expected, due primarily to awarded utility projects commencing initial deployments. Excluding UDLive sales of \$2M, sales also declined 7% y-o-y.
- Operating earnings declined 12% y-o-y to \$39.4M, with operating profit margins of 17.7% versus 18.8% in Q2 2025. Base operating earnings decreased 9% y-o-y, with Base operating profit margins of 18.4%.
- Diluted EPS of \$1.02, down from \$1.17 in Q2 2025.
- Completed acquisition of UDLive, expanding sewer line monitoring offerings.

¹ Adjusted metrics ("Base") are non-GAAP measures excluding the results of UDLive acquired May 1, 2026. See appendix for reconciliations of these GAAP to non-GAAP measures.

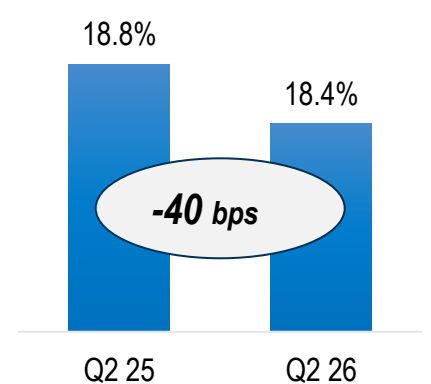
Year-Over-Year Sales Growth Trend



Gross Margin



Base¹ Operating Profit Margin



Strong Gross Margin and Benefit of Cost Actions Partially Mitigate Impact of Lower Sales

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

	<u>Q2 2026</u>	<u>Q2 2025</u>	<u>Change</u>
Sales	\$222.3	\$238.1	-6.6%
Gross Margin	90.8 40.8%	97.8 41.1%	-7.2% -30 bps
SEA	51.4 23.1%	52.9 22.2%	-2.9% 90 bps
Op Income	39.4 17.7%	44.9 18.8%	-12.2% -110 bps
Income Tax Rate	25.2%	24.5%	
EBITDA	49.3 22.2%	53.7 22.5%	-8.2% -30 bps
EPS	1.02	1.17	-12.8%
Free Cash Flow	\$21.9	\$40.6	-46.1%

- Utility water sales decreased 8%, or 9% excluding two months of UDLive, driven by the effect of uneven project pacing
- Flow instrumentation sales improved 6% with growth in water-related markets
- Gross margins declined 30 bps on lower volumes
- SEA declined \$1.6M y-o-y with tight spending controls and lower incentive compensation partially offset by inclusion of UDLive results along with related intangible asset amortization
- Free cash flow reflects temporary working capital increase associated with project pacing

See appendix for reconciliation of GAAP to Non-GAAP measures

Recent Investor Day Reaffirms Short- and Long-Term Financial Outlook In Delivering Critical and Essential Water Outcomes

- May 2026 Investor Day underscored resilience of business model and long-term financial framework
 - Durable macro trends and competitive advantages
 - Long growth runway with multi-decade digitalization of the water sector
 - Growth-focused capital allocation framework
 - High single digit sales growth over the forward five-year horizon with 10-15% EPS growth and 100%+ free cash flow conversion
- 2025 Sustainability Report highlights continued progress by offering solutions that enable customer outcomes thus growing our business, while also mitigating risks and reducing costs





Our Value Creation Process is Straightforward and is Supported by Our Competitive Advantages within an Attractive Water Sector

- Durable macro trends support long-term digitization
- Demonstrated outcomes drive adoption
- Durable competitive advantages including Cellular AMI

Constructive Industry Backdrop



- Market leader with expanding hardware-enabled software offerings
- Above market Cellular AMI adoption
- Beyond the Meter extensions
- Growing SaaS

Long Growth Runway



- Strong cash flow and borrowing capacity
- Early phases of organic and inorganic strategic portfolio evolution

Growth-Focused Investments



- Differentiated Cellular AMI expertise
- Positive structural sales mix and SEA leverage drive margins

Differentiated Execution



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

Exceptional Team





Questions

For your planning purposes, Badger Meter Q3 2026 earnings are tentatively scheduled for October 21, 2026





GAAP To Non-GAAP Reconciliations

Adjusted “Base” Results

(US\$ in millions; results unaudited)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	UDlive	Base	2026	UDlive	Base
Net Sales	\$222.3	\$2.0	\$220.3	\$424.6	\$2.0	\$422.6
Selling, engineering and administration expense	\$51.4	\$1.8	\$49.6	\$100.6	\$1.8	\$98.8
Operating earnings (loss)	\$39.4	(\$1.2)	\$40.6	\$74.5	(\$1.2)	\$75.7
<i>Operating margin</i>	<i>17.7%</i>		<i>18.4%</i>	<i>17.6%</i>		<i>17.9%</i>

* UDlive results are included from the date of acquisition of May 1, 2026

** UDlive amortization was \$0.8M for the three and six months ended June 30, 2026 reported as part of selling, engineering and administration expense



GAAP To Non-GAAP Reconciliations

EBITDA

(US\$ in millions)

	<u>Q2 2026</u>	<u>Q2 2025</u>	<u>YTD 2026</u>	<u>YTD 2025</u>
Net Earnings (GAAP)	\$29.7	\$34.6	\$57.1	\$73.0
Interest income	(0.3)	(0.9)	(1.5)	(2.2)
Income tax provision	10.0	11.2	19.0	23.6
Depreciation	2.9	2.9	5.7	5.7
Amortization	<u>7.0</u>	<u>5.9</u>	<u>13.2</u>	<u>11.3</u>
EBITDA	\$49.3	\$53.7	\$93.5	\$111.4

Free Cash Flow

(US\$ in millions)

	<u>Q2 2026</u>	<u>Q2 2025</u>
Cash from Ops (GAAP)	\$26.7	\$44.6
Capital Expenditures	<u>(4.8)</u>	<u>(4.0)</u>
Free Cash Flow	\$21.9	\$40.6
	<u>YTD 2026</u>	<u>YTD 2025</u>
Cash from Ops (GAAP)	\$60.6	\$77.6
Capital Expenditures	<u>(9.3)</u>	<u>(6.9)</u>
Free Cash Flow	\$51.3	\$70.7