Every drop counts.

BADGER METER
INVESTOR PRESENTATION

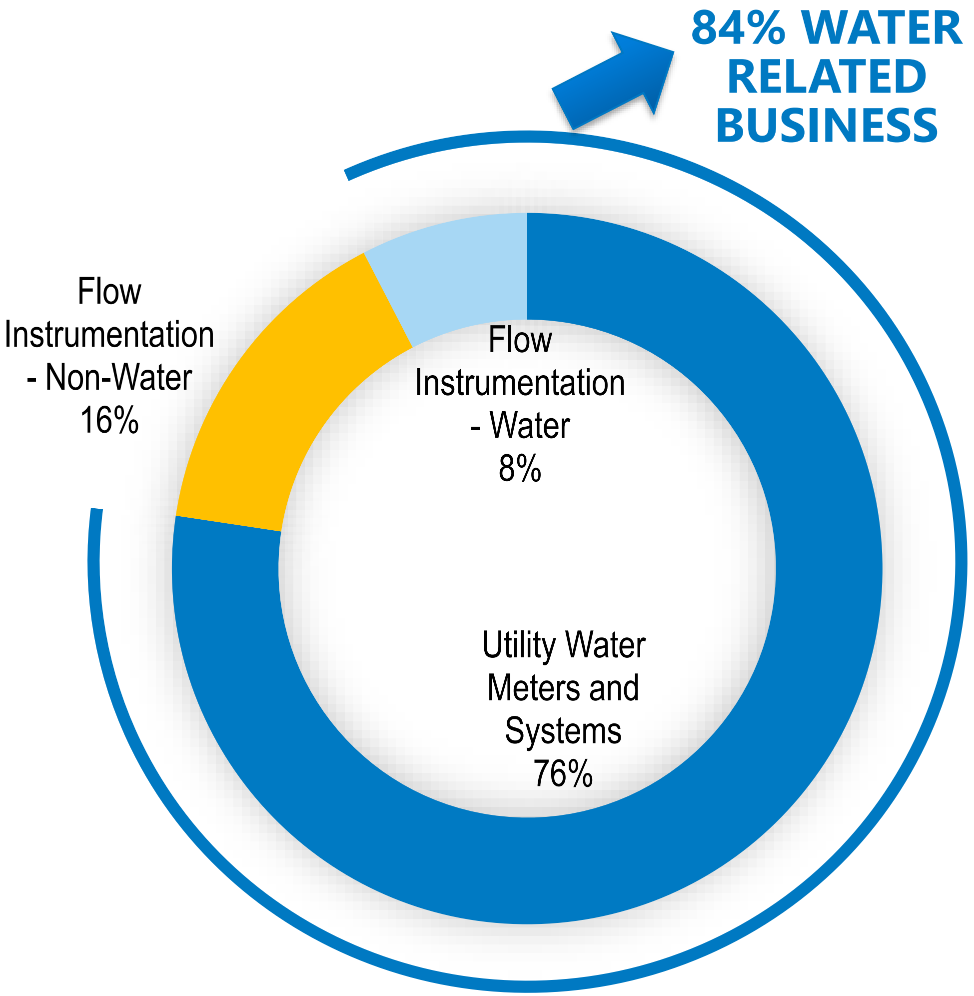
October 2019

FORWARD LOOKING STATEMENTS

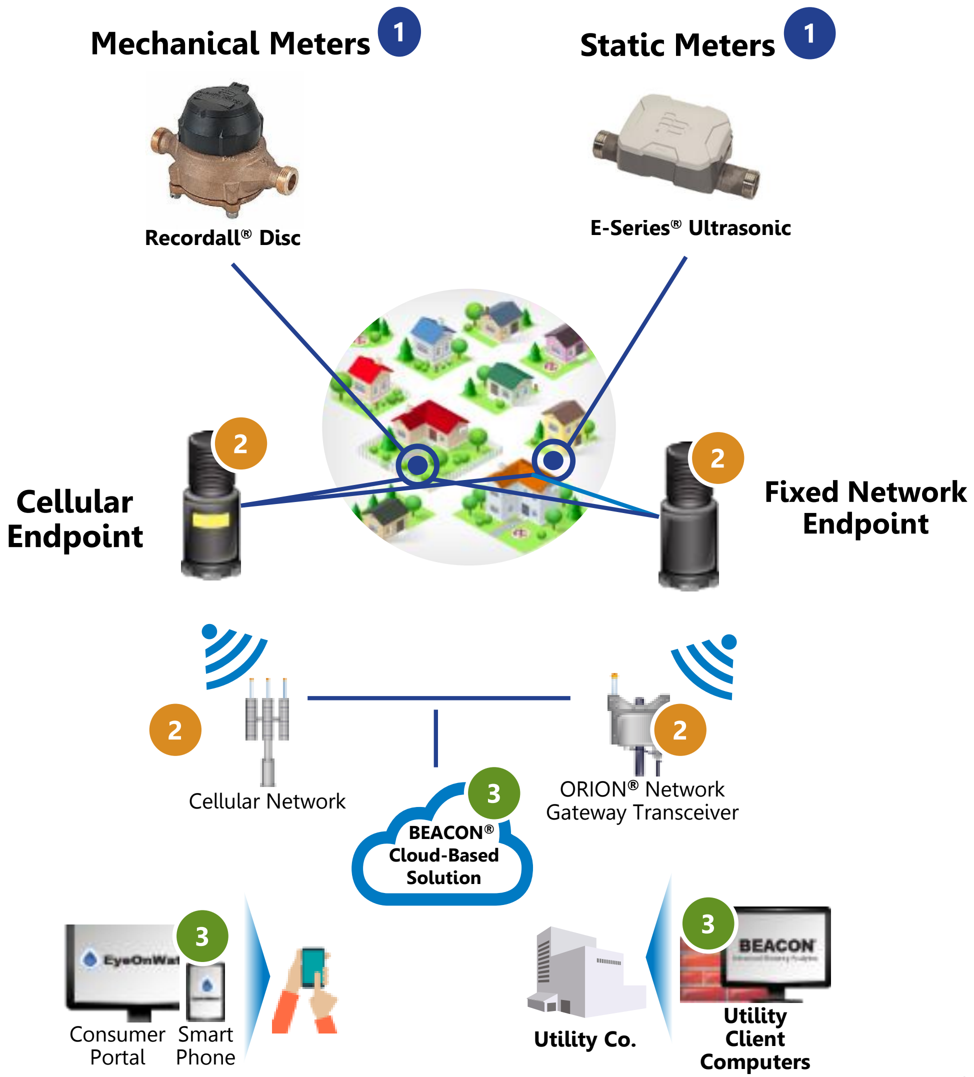
Certain statements contained in this presentation as well as other information provided from time to time by the Company or its employees, may contain forward looking statements that involve risks and uncertainties that could cause actual results to differ materially from those in the forward looking statements. Please refer to our Form 10-K and other SEC filings for a list of words or expressions that identify such statements.

BADGER METER IS A WATER FOCUSED, FLOW MEASUREMENT LEADER

- Integrated technology company providing a comprehensive suite of flow measurement, connectivity and software / analytics solutions to a diverse customer base
- Industry leader in North American water metering, with a strong global position in flow metering technologies
- Attractive, long-term industry growth fundamentals:
  - Stable business model supported by replacement demand
  - Strong position in growing markets
- Culture of innovation and investment in R&D drives new product/service expansions
- Premium financial profile and exceptional operational track record



UTILITY WATER-INTEGRATED SOLUTION OFFERING



1 METERS

- Broadest product offering - both mechanical and static meters in both metal and polymer
- Next generation E-Series Ultrasonic Meter with D-Flow technology

2 RADIOS

- Complete line of connectivity solutions, including drive-by, fixed network and cellular radios
- Leading edge ORION Cellular radio, including LTE-M technology. Infrastructure free. 5G Ready.

3 SOFTWARE

- BEACON AMA, (Advanced Metering Analytics) software suite -analytics tools, dashboards and integration with utility billing systems
- EyeOnWater® Consumer Application

SMART WATER ACCELERATION

The Business Case
Why are utilities willing to pay more?

- Reduce non-revenue water (NRW)
  - Mechanical meters lose accuracy over time
  - Leak detection
- Lower operating cost / improve efficiencies
  - Move out reads / billings
  - Remote shut-off for non-payers
- Encourage conservation
  - Manage what you measure
  - Leak avoidance / fix

The Solutions
How our leading technologies deliver

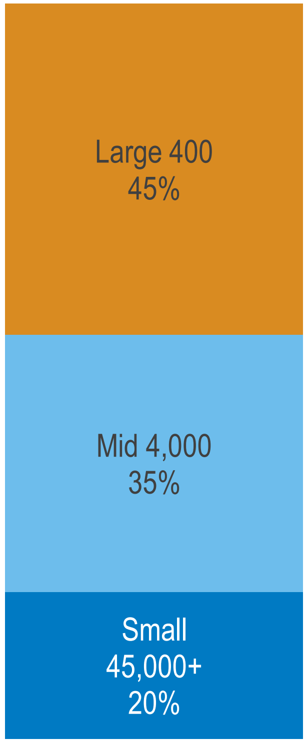
- Meters
  - Static (E-series ultrasonic) holds accuracy over lifetime; commercial sizes
- Radio
  - Data and analytics – more data, more often
  - Cellular – infrastructure-free for utilities; enables efficiencies for remote shut-offs, move-outs, installation pacing
- Software
  - Leak identification / detection
  - EyeOnWater App for consumer awareness

COMPETITIVE ADVANTAGES – WHY BADGER METER WINS

Broadest Range of Offerings – Choice Matters	• Brass and polymer • Mechanical and electronic (ultrasonic) • Drive by, fixed and cellular radio technology
Technology Leadership	• Well established E-Series ultrasonic expertise – maintains accuracy and lower cost circuit boards • ORION Cellular – leverages existing infrastructure and coverage • BEACON/Eye on Water – actionable data for utility and homeowner
Innovation	• D-Flow technology for performance enhancement and cost reduction • LTE CAT-M (data) – Smart water / “Smart City”
High Service Levels and Customer Support	• Strong brand preference • Channel coverage - regional service center and local distribution to cover smaller utilities • Highly trained Solution Architect, customer care and field technology support
Low Lifecycle Costs	• Highly accurate and quality products / low warranty • Exceptional battery life • Leverage existing cellular technology network

>50K Water Utilities in US

Utility Size/Share of Meters



THIRD QUARTER FINANCIAL SNAPSHOT

(US$ in millions, except per share data)	Q3 2019	Q3 2018*	Change
Sales	$108.6	$110.6	-1.8%
Gross Margin	41.7	43.9	-5.2%
	38.4%	*39.7%*	*(130) bps*
SEA	25.2	26.1	-3.3%
	23.2%	*23.6%*	*40 bps*
Adj. Op Income	16.4	17.8	-7.9%
	15.1%	*16.1%*	*(100) bps*
Adj. Income Tax Rate	*22.1%*	*22.8%*	
Adj. EBITDA	22.1	23.8	-7.1%
	20.3%	*21.5%*	*(120) bps*
Adj. EPS	0.44	0.46	-4.3%
Free Cash Flow	$19.1	$12.7	

* 2018 Adjusted figures exclude pension termination and executive retirement charges. See appendix for reconciliation of GAAP to Non-GAAP measures

- Global municipal water sales down 3%; up 2% in domestic market against a near-record comparison; favorable mix to higher technology products and services
- Flow instrumentation sales increased 1% across various industrial end markets
- Strong margins on positive product and regional sales mix, as well as favorable price/cost; discrete warranty provision outside North America
- SEA leverage; lower incentive comp and spend controls
- Free cash flow increase of 50%

2019 AND BEYOND

- Launch of E-Series ultrasonic meter in additional sizes - both a technology enhancement and cost improvement
- LTE-M cellular which is 5G ready - coverage, performance and lower cost
- Cellular wins across multiple utilities of various sizes thus demonstrating its position as the AMI system of choice, including substantial wins with:
  - Columbia SC
  - Aurora CO
- AT&T Smart City Alliance
  - Leverage Mayor / “C-Office” relationships
  - Leading edge of cellular / IoT technology
- International penetration in select regional markets
- Disciplined and strategic tuck-in acquisitions

E-Series Ultrasonic Meters

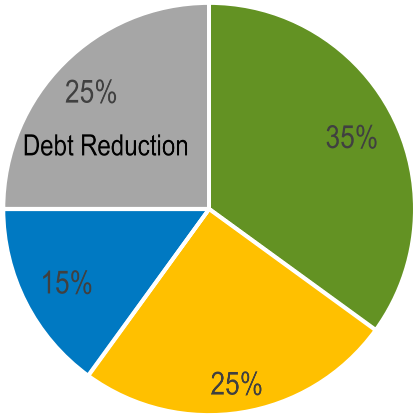
ORION Cellular End Points

BEACON Analytics

CAPITAL ALLOCATION PRIORITIES

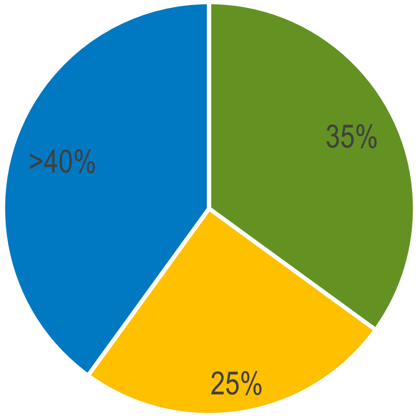
1. **Internal Investment** to support organic growth and sustain core business
2. Grow the **dividend** annually in line with earnings
3. Accelerate **acquisitions** that align to strategy and return targets

Historically



Approximate percent spend of gross operating cash flow

Future Guidelines



IN SUMMARY – OUR STRATEGIC FRAMEWORK

Preserve the legacy of trusted solutions, broad offerings and innovation earned since Badger Meter's founding in 1905

Accelerate customer-focused **growth**
- Emphasis on profitable growth over quantity
- R&D and capital investments leveraged across served markets

Execution as a differentiator and value driver
- Operational excellence as the foundation
- Superior cash conversion

Disciplined **investment** where there is a compelling competitive advantage
- Software / Analytics / Internet of Things
- Water quality assurance

BACKGROUND INFORMATION

ANNUAL FINANCIAL TRENDS

(US$ in millions, except per share data)

	2016	2017	2018
Sales	$393.8	$402.4	$433.7
Adj Oper Earnings	52.7	56.6	59.4
	13.4%	*14.1%*	*13.7%*
Adj EBITDA	73.2	80.0	83.8
	18.6%	*19.9%*	*19.3%*
Adj EPS	1.11	1.19	1.54
Free Cash Flow	$45.6	$34.7	$51.7
FCF Conversion	*141%*	*100%*	*115%*
Net Debt/EBITDA	0.4	0.4	0.1

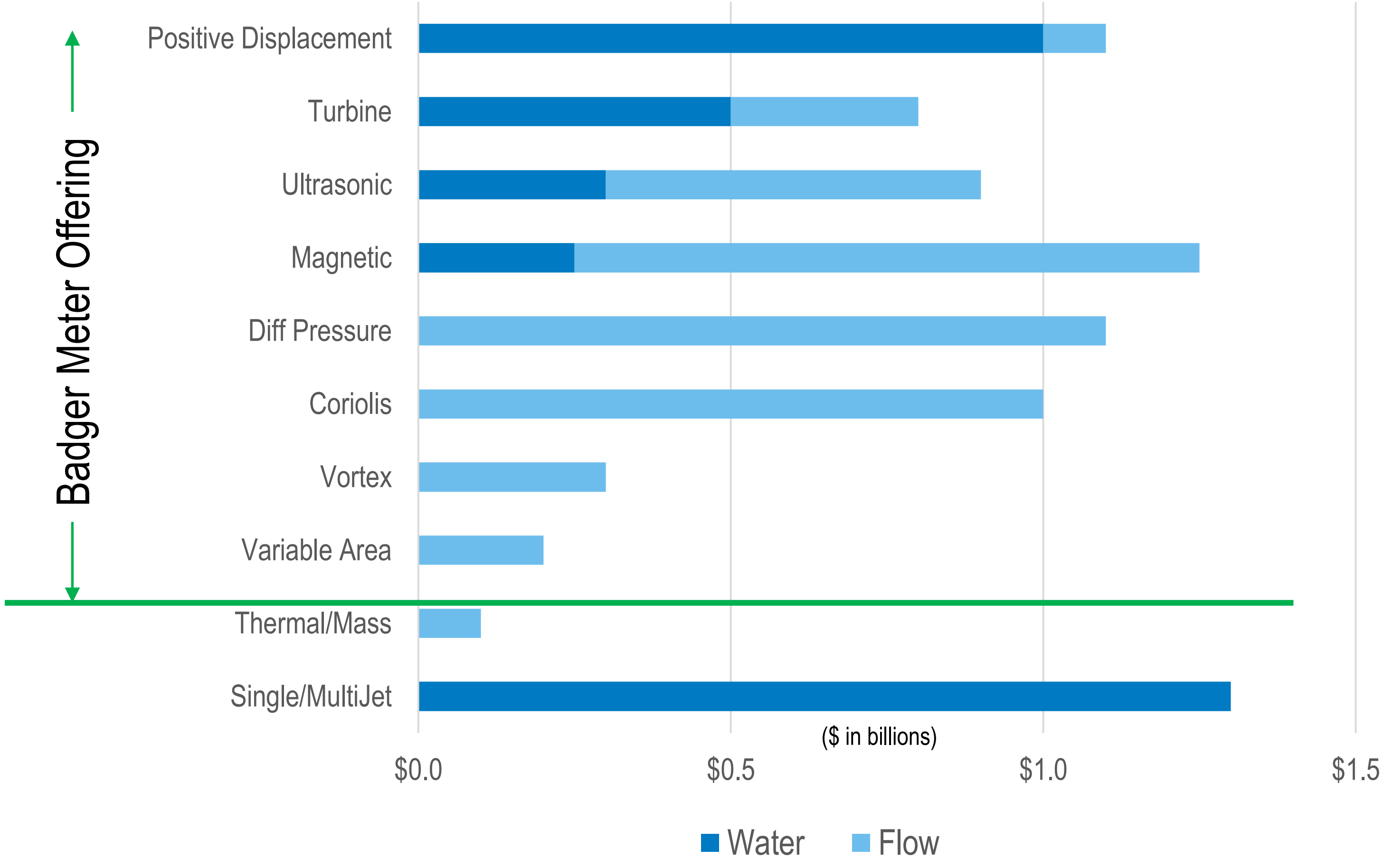
Note: Adjusted figures exclude pension termination settlement and executive retirement charges in 2018.
See 2018 Annual Report for GAAP to Non-GAAP reconciliations.

- Sales growth driven primarily by smart water solution penetration
    - Radios and SaaS
- Margins driven predominately by volume, price/cost and favorable sales mix
- Favorable SEA leverage
- Solid cash flow generation with conversion above 100%
- Ample balance sheet flexibility

GLOBAL MANUFACTURING AND INNOVATION

- 7 Manufacturing Facilities
- 8 Sales Offices
- 2 Innovation / R&D Centers

FLOW MEASUREMENT METHODS



- Badger Meter offers eight of the ten common flow technologies
- North American water meter market primarily uses nutating disc meters, a type of positive displacement technology
- Global water meter markets are starting to shift from mechanical to static meters, such as magnetic and ultrasonic
- Rest of world water meter market primarily uses single/multi-jet, turbine or piston (also positive displacement) meters

Source: IHS Research and Company Estimates

WATER METERING KEY GROWTH STRATEGIES

- Maintain leading position in the North American water metering market through continued development of leading-edge technologies for
  - Meters
  - Radios
  - Software
- Penetrate and grow select international markets (e.g. Middle East) with leading solutions
- Leverage AT&T alliance to gain access to Mayor/”C-office” decision makers
- Identify strategic acquisition opportunities to enhance technology and market channels – e.g. actionable information through analytics and sensors

SMART CITY ALLIANCE

Badger Meter
Cisco
Deloitte.
Ericsson
GE
HITACHI Inspire the Next
IBM
intel
NOKIA
Southern Company
Qualcomm

- One of 11 companies aligned with AT&T to drive initiatives
- Initiative includes improving utilization of limited budget resources
    - Efficient city operations
    - Deployment of resources
    - Service and delivery
- Smart water metering increases utility revenue and drives conservation and sustainability

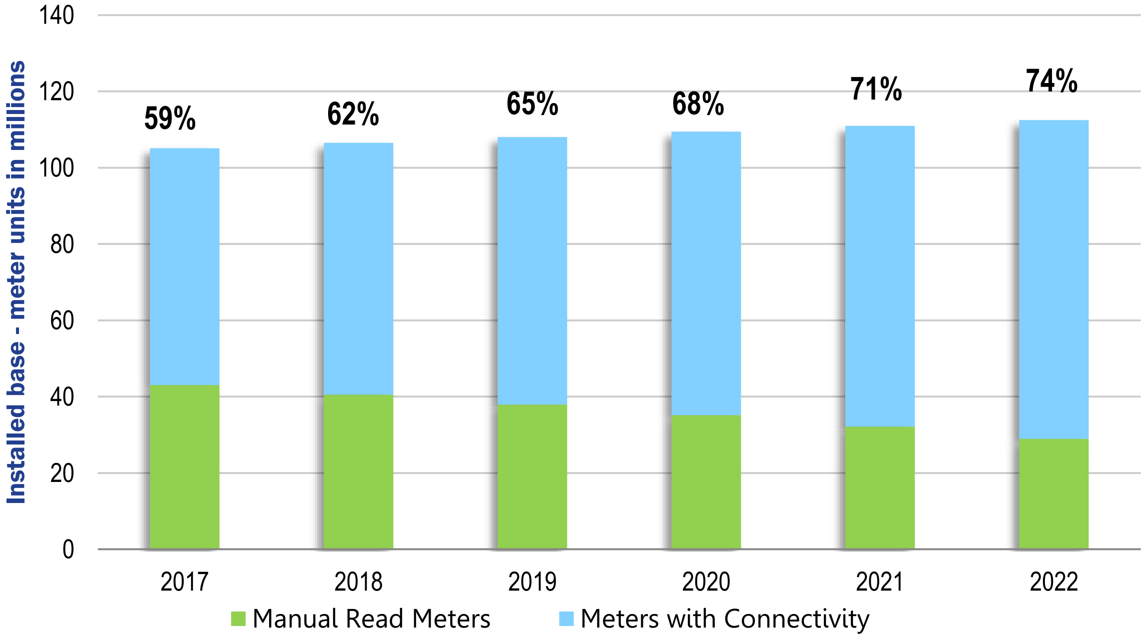
RADIO CONNECTIVITY - PENETRATION

CONVERSION TO CONTINUE

- Badger Meter was the first US company to offer radios on water meters (1988)
- Radio connectivity allows for automated metering and integration of real-time data with analytics software
- Radio connectivity reduces utility costs, improves billing accuracy, aids in leak detection and encourages conservation
- Approximately 60% of the U.S. market has been converted (per IHS) – every 1% additional conversion represents significant increased sales opportunity for Badger Meter

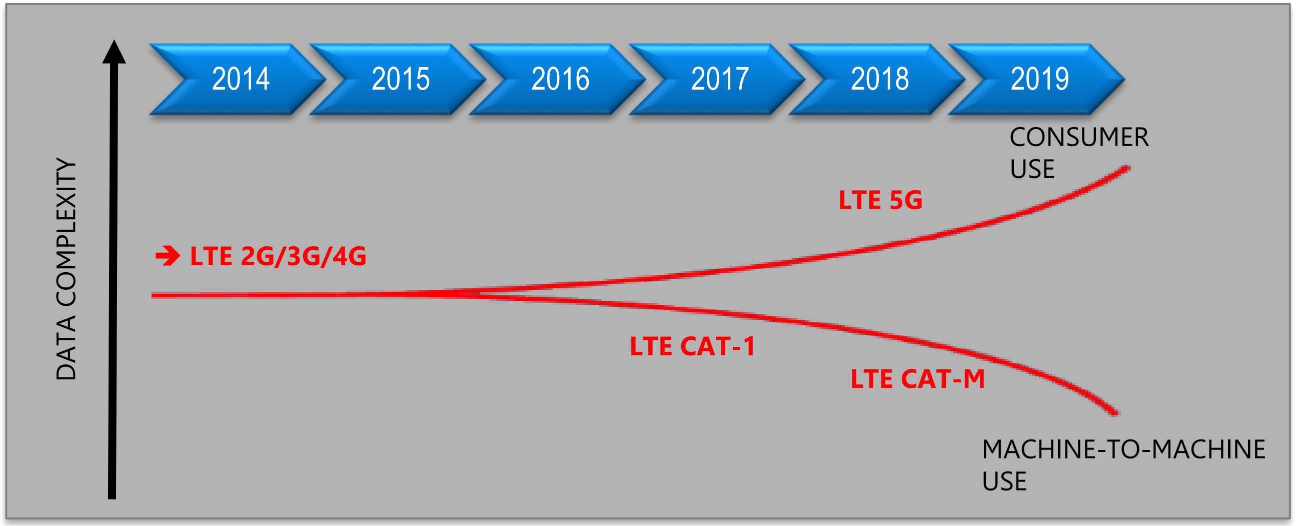
MANUAL READ $40-$50 price per meter	METERS WITH RADIOS $150-$250 price per system

North American water meter market projected conversion to radio connectivity



Source: IHS Research, 2017

CELLULAR TECHNOLOGY ROADMAP



ORION V1 (LTE) ORION V2 (CAT 1) ORION V3 (CAT M)

- First cellular radio for North American in 2014 using 2G/3G networks
- Version 2 introduced in 2017 using the LTE CAT-1 networks for machine-to-machine data communication – first step to IoT and "Smart City" applications
- Cellular network technology will soon be splitting between LTE 5G for consumers (i.e. video streaming) vs LTE CAT-M technology for IoT/Smart City
- ORION Version 3 launched in 2019 with new LTE CAT-M network technology
- Each cellular phase represents cost reduction/performance improvement and each version is backward and forward compatible

Advantages of Cellular Technology

- Compared to fixed networks, no infrastructure for the water utility to maintain (cost advantage)
- 100% coverage: no "hard-to-read" locations compared to fixed networks
- Facilitates pacing of upgrades at customers' requirements
- Technology upgrades do not require water utility to replace equipment on towers
- After natural disasters, cellular systems are the first to come back on line

FLOW INSTRUMENTATION KEY GROWTH STRATEGIES

- Expand niche share by targeting four faster growing core markets:
  - Building Automation/HVAC/Sustainability
  - Water and Wastewater
  - Chemical/Petrochemical
  - Oil & Gas
- Continue to expand new product development to target niche market gaps
- Align with key market focused Reps to further penetrate sales channels (e.g. DNOW)
- Identify strategic acquisition opportunities to enhance technology and market channels

STRATEGIC ACQUISITIONS

- Technology solutions that can be leveraged across both utility and flow instrumentation markets
- Smart City / Internet of Things – water usage reduction, cleanliness, leaks, shut-offs, etc.
- SaaS
- International penetration
- Flow instrumentation core market penetration (caveat that total mix no more than 30% of consolidated revenue)
- Disciplined capital allocation

Steps in Process	Potential Acquisition Targets	Criteria
Expanded List of Potential Targets • Flow measurement technologies • Sensors and analytics • Related control technologies • Geographic expansion	150+	• Companies previously tracked • New targets added as a result of strategic review • Searches among trade groups and various databases
Assess Size and Ownership	~80	• Eliminate companies due to size, ownership, and unattractive business
Refined Assessment	In Process	• Apply strategic considerations and assess specific attributes
Opportunities	In Process	• Opportunities for further review

ACQUISITION HISTORY

Over the past 8 years, Badger Meter has made 9 strategic acquisitions, for a total of $147M

Year	Company	Type	Location	Price
Water Utility Instrumentation and Connectivity:				
2018	Innovative Metering Solutions	Distributor	Tampa, FL	$8M
2017	Carolina Meter	Distributor	Wilmington, NC	$6M
2017	D-Flow	Technology/R&D	Lulea, Sweden	$23M
2015	United Utilities	Distributor	Smyrna, TN	$3M
2014	National Meter	Distributor	Denver, CO	$23M
2013	Aquacue	Technology/R&D	Los Gatos, CA	$14M
Flow and Industrial Instrumentation:				
2012	Racine Federated	Technology/Manufacturing	Racine, WI	$57M
2011	Remag	Technology/Manufacturing	Bern, Switzerland	$5M
2010	Cox Instruments	Technology/Manufacturing	Scottsdale, AZ	$8M

The distribution acquisition strategy is now completed

GAAP TO NON-GAAP RECONCILIATIONS

EBITDA

(US$ in millions)

	Q3 2019	Q3 2018
Net Earnings (GAAP)	$12.7	$2.9
Pension settlement charge	0.0	11.7
Executive retirement charge	0.0	2.1
Interest expense	0.1	0.3
Income tax provision	3.6	0.8
Depreciation	2.6	2.9
Amortization	3.1	3.1
Adj. EBITDA	$22.1	$23.8

Free Cash Flow

(US$ in millions)

	Q3 2019	Q3 2018
Cash from Ops (GAAP)	$20.2	$14.7
Capital Expenditures	(1.1)	(2.0)
Free Cash Flow	$19.1	$12.7

Income Statement

	Q3 2018		
	GAAP	Adjustments	Adjusted
Sales	$110.6		$110.6
Gross margin	43.9		43.9
SEA	28.2	(2.1)	26.1
Operating income	15.7	2.1	17.8
Other pension and postretirment costs	11.8	(11.7)	0.1
Interest expense	0.3		0.3
Income taxes	0.8	(3.2)	4.0
Net earnings	2.8	10.6	13.4
Diluted EPS	$0.10	$0.36	$0.46