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. Potential factors that could affect such forward-looking statements include the duration, severity and geographic spread of the COVID-19 pandemic, government actions to address or mitigate the impact of the COVID-19 pandemic, and the potential negative impacts of COVID-19 on the global economy, the company’s operations and those of our customers and suppliers. In addition, the company’s results are subject to general economic conditions, variation in demand from customers, continued market acceptance of new products, the successful integration of acquisitions, competitive pricing and operating efficiencies, supply chain risk, material and labor cost increases, tax reform and foreign currency risk. See the company’s Form 10-K filed with the Securities and Exchange Commission for further information regarding risk factors, which are incorporated herein by reference. Badger Meter 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 FINANCIAL SNAPSHOT

(US$ in millions, except per share data)

<table>
<thead>
<tr>
<th></th>
<th>Q2 2020</th>
<th>Q2 2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$91.1</td>
<td>$103.5</td>
<td>-12.0%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>35.9</td>
<td>40.3</td>
<td>-11.2%</td>
</tr>
<tr>
<td></td>
<td>39.3%</td>
<td>38.9%</td>
<td>40 bps</td>
</tr>
<tr>
<td>SEA</td>
<td>23.2</td>
<td>25.2</td>
<td>-8.0%</td>
</tr>
<tr>
<td></td>
<td>25.4%</td>
<td>24.4%</td>
<td>(100) bps</td>
</tr>
<tr>
<td>Op Income</td>
<td>12.7</td>
<td>15.0</td>
<td>-15.7%</td>
</tr>
<tr>
<td></td>
<td>13.9%</td>
<td>14.5%</td>
<td>(60) bps</td>
</tr>
<tr>
<td>Income Tax Rate</td>
<td>24.3%</td>
<td>23.8%</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>18.9</td>
<td>21.1</td>
<td>-10.6%</td>
</tr>
<tr>
<td></td>
<td>20.7%</td>
<td>20.4%</td>
<td>30 bps</td>
</tr>
<tr>
<td>EPS</td>
<td>0.33</td>
<td>0.39</td>
<td>-15.4%</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>$20.1</td>
<td>$20.8</td>
<td></td>
</tr>
</tbody>
</table>

• Municipal water sales declined 9% with April trough in demand, improved thereafter. Build of backlog with manufacturing disruption. Mix favorable due to higher technology products and services

• Flow instrumentation sales declined 22%; all end markets down at varying levels

• Gross margin improvement of 40 bps with favorable sales mix and price/cost; the implemented cost reduction actions held decremental operating profit margins to just 20%

• Strong free cash flow including deferral of quarterly federal income tax payment

See appendix for reconciliation of GAAP to Non-GAAP measures
• Overall activity in end markets stabilized to varying degrees after April trough
  • Municipal projects/bids/orders proceeding, with some isolated delays as remote work and virtual approval processes impact timing
  • Flow instrumentation industrial markets “lower for longer”
  • Supply chains / logistics nearing normal
• Temporary cost actions delivered anticipated offset to volume decline; certain “natural” cost benefits carry on such as lower travel along with continued management of discretionary spending
• Manufacturing output improving
• Continuing daily Rapid Response Team meetings - closely monitoring customer feedback, supply chain, travel requests and changing health agency and government recommendations/restrictions

Customers/Suppliers/Employees learning to work effectively in “new normal” environment
OUTLOOK

- Economic environment stabilizing, solid backlog and bid pipeline
- Continued uncertainty could weigh on demand and municipal budgets longer term
- Focus on what we can control:
  - Investing in R&D / launch of new products – E-Series Ultrasonic Plus meter with integrated control valve
  - Adapting manufacturing processes to increase output while optimizing safety; recovery of backlog
  - Managing cash flow and working capital; $85 million cash and untapped $125 million revolver
  - Strategic, tuck-in M&A to expand offerings in attractive adjacencies
  - Remaining nimble to react to market trends

Demonstrated resilience of business model, offerings and culture
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
  - ASP runway for technology adoption (static metering, radio adoption, data/analytics)
- Culture of innovation and investment in R&D drives new product/service expansions
- Premium financial profile and exceptional operational track record

Market Leader in the Best Smart Water Market in the World
COMPETITIVE ADVANTAGES – WHY BADGER METER WINS

| Broadest Range of Offerings – Choice Matters | • Brass and polymer  
• Mechanical and static (ultrasonic)  
• Drive by, fixed and cellular radio technology |
| Technology Leadership | • Well established E-Series Ultrasonic expertise – maintains accuracy and lower cost circuit boards  
• ORION LTE-M Cellular – leverages existing infrastructure, coverage  
• BEACON/EyeOnWater – actionable data for utility and homeowner |
| Innovation | • D-Flow technology for performance enhancement, cost reduction and larger sizes  
• Remote actuating flow restriction valve |
| High Service Levels and Customer Support | • Strong brand preference – long term relationships / loyalty  
• 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 and their Share of Meter connections

<table>
<thead>
<tr>
<th>Utility Size</th>
<th>Number</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large 400</td>
<td>400</td>
<td>45%</td>
</tr>
<tr>
<td>Mid 4,000</td>
<td>4,000</td>
<td>35%</td>
</tr>
<tr>
<td>Small</td>
<td>45,000+</td>
<td>20%</td>
</tr>
</tbody>
</table>

Strong Market Position in North American Oligopoly; Significant Customer Diversity
© 2020 Badger Meter, Inc.
LTE-M Cellular Communication Technology – Example of Innovation Leadership
SMART WATER ACCELERATION

The Business Case
Why are utilities willing to pay more?

• Reduce non-revenue water (NRW)
  • Mechanical meters lose some accuracy over time
  • Leak detection
• Lower operating cost / improve efficiencies
  • Move out reads / 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 lifetime; commercial sizes
• Radio
  • Safety - remote reads
  • Data and analytics – more data, more often
  • Cellular – infrastructure-free for utilities; enables efficiencies for remote flow restriction, move-outs, installation pacing
• Software
  • Leak identification / detection
  • EyeOnWater App for consumer awareness

Overall Served Available Market Value Continues to Trend Higher
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
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**
- 35% Debt Reduction
- 25% Dividend
- 15% Acquisitions
- 25% Other

**Approximate percent spend of gross operating cash flow**

**Future Guidelines**
- >40% Debt Reduction
- 35% Dividend
- 25% Acquisitions
- 25% Other

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UTILITY WATER-INTEGRATED SOLUTION OFFERING

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

**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.

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

---

**Mechanical Meters**
- Recordall® Disc

**Static Meters**
- E-Series™ Ultrasonic

**Cellular Endpoint**

**Fixed Network Endpoint**

**Cellular Network**

**ORION® Network Gateway Transceiver**

**BEACON® Cloud-Based Solution**

**Consumer Portal**

**Smart Phone**

**Utility Co.**

**Utility Client Computers**

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GLOBAL MANUFACTURING AND INNOVATION

- 7 Manufacturing Facilities
- 7 Sales/Warehouse Offices
- 2 Innovation / R&D Centers
• 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 consulting firms and AT&T relationships to educate 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

- 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
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 60-65% of the U.S. market has been converted (per IHS) – every 1% additional conversion represents increased sales opportunity for Badger Meter
• 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 split between LTE 5G for consumers (i.e. video streaming) vs LTE-M for IoT/Smart City
  • ORION LTE-M launched mid-2019 with significant performance improvement, enhanced reads, battery life and cost reduction

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, leak detection, flow restriction, etc.
- SaaS
- International penetration
- Flow instrumentation core market penetration (caveat that total mix no more than 30% of consolidated revenue)
- Disciplined capital allocation
## ACQUISITION HISTORY

<table>
<thead>
<tr>
<th>Year</th>
<th>Company</th>
<th>Type</th>
<th>Location</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>Innovative Metering Solutions</td>
<td>Distributor</td>
<td>Tampa, FL</td>
<td>$8M</td>
</tr>
<tr>
<td>2017</td>
<td>Carolina Meter</td>
<td>Distributor</td>
<td>Wilmington, NC</td>
<td>$6M</td>
</tr>
<tr>
<td>2017</td>
<td>D-Flow</td>
<td>Technology/R&amp;D</td>
<td>Lulea, Sweden</td>
<td>$23M</td>
</tr>
<tr>
<td>2015</td>
<td>United Utilities</td>
<td>Distributor</td>
<td>Smyrna, TN</td>
<td>$3M</td>
</tr>
<tr>
<td>2014</td>
<td>National Meter</td>
<td>Distributor</td>
<td>Denver, CO</td>
<td>$23M</td>
</tr>
<tr>
<td>2013</td>
<td>Aquacue</td>
<td>Technology/R&amp;D</td>
<td>Los Gatos, CA</td>
<td>$14M</td>
</tr>
</tbody>
</table>

### Water Utility Instrumentation and Connectivity:

### Flow and Industrial Instrumentation:

<table>
<thead>
<tr>
<th>Year</th>
<th>Company</th>
<th>Type</th>
<th>Location</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>Racine Federated</td>
<td>Technology/Manufacturing</td>
<td>Racine, WI</td>
<td>$57M</td>
</tr>
<tr>
<td>2011</td>
<td>Remag</td>
<td>Technology/Manufacturing</td>
<td>Bern, Switzerland</td>
<td>$5M</td>
</tr>
<tr>
<td>2010</td>
<td>Cox Instruments</td>
<td>Technology/Manufacturing</td>
<td>Scottsdale, AZ</td>
<td>$8M</td>
</tr>
</tbody>
</table>

The distribution acquisition strategy is now completed.
## ANNUAL FINANCIAL TRENDS

(US$ in millions, except per share data)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$402.4</td>
<td>$433.7</td>
<td>$424.6</td>
</tr>
<tr>
<td>Adj Oper Earnings</td>
<td>56.6</td>
<td>59.4</td>
<td>62.2</td>
</tr>
<tr>
<td></td>
<td>14.1%</td>
<td>13.7%</td>
<td>14.6%</td>
</tr>
<tr>
<td>Adj EBITDA</td>
<td>80.0</td>
<td>83.8</td>
<td>86.0</td>
</tr>
<tr>
<td></td>
<td>19.9%</td>
<td>19.3%</td>
<td>20.3%</td>
</tr>
<tr>
<td>Adj EPS</td>
<td>1.19</td>
<td>1.54</td>
<td>1.61</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>$34.7</td>
<td>$51.7</td>
<td>$73.2</td>
</tr>
<tr>
<td>FCF Conversion</td>
<td>100%</td>
<td>115%</td>
<td>155%</td>
</tr>
</tbody>
</table>

- 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

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

(US$ in millions)

<table>
<thead>
<tr>
<th></th>
<th>Q2 2020</th>
<th>Q2 2019</th>
<th>YTD 2020</th>
<th>YTD 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Earnings (GAAP)</td>
<td>$9.5</td>
<td>$11.4</td>
<td>$21.4</td>
<td>$22.2</td>
</tr>
<tr>
<td>Interest expense</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.2</td>
</tr>
<tr>
<td>Income tax provision</td>
<td>3.1</td>
<td>3.5</td>
<td>7.1</td>
<td>6.9</td>
</tr>
<tr>
<td>Depreciation</td>
<td>3.0</td>
<td>3.1</td>
<td>6.0</td>
<td>6.0</td>
</tr>
<tr>
<td>Amortization</td>
<td>3.2</td>
<td>3.0</td>
<td>6.5</td>
<td>6.3</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$18.9</td>
<td>$21.1</td>
<td>$41.1</td>
<td>$41.6</td>
</tr>
</tbody>
</table>

### Free Cash Flow

(US$ in millions)

<table>
<thead>
<tr>
<th></th>
<th>Q2 2020</th>
<th>Q2 2019</th>
<th>YTD 2020</th>
<th>YTD 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash from Ops (GAAP)</td>
<td>$21.7</td>
<td>$23.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>(1.6)</td>
<td>(2.3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>$20.1</td>
<td>$20.8</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>YTD 2020</th>
<th>YTD 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash from Ops (GAAP)</td>
<td>$52.3</td>
<td>$40.9</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>(3.6)</td>
<td>(4.5)</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>$48.7</td>
<td>$36.4</td>
</tr>
</tbody>
</table>