



Badger Meter

Fourth Quarter & Full Year 2025 Financial Results

January 28, 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.

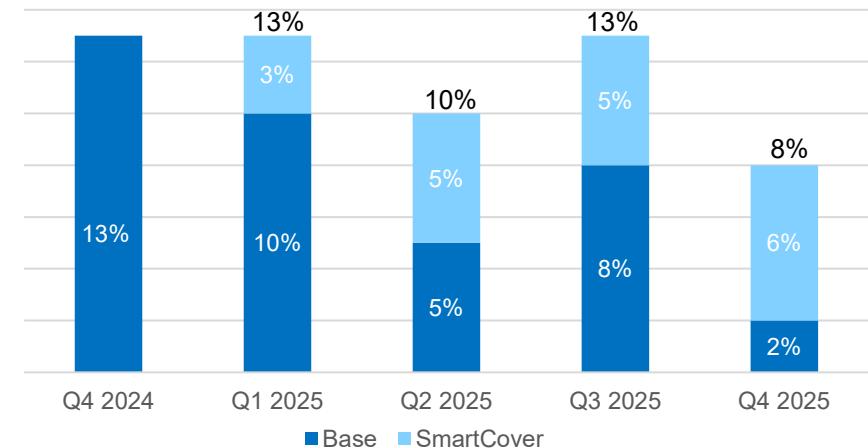
In addition to the financial measures prepared in accordance with generally accepted accounting principles (GAAP), this presentation also contains non-GAAP ("Base") measures. All Base measures referenced herein exclude the contribution of SmartCover. Reconciliations of these measures to the most comparable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



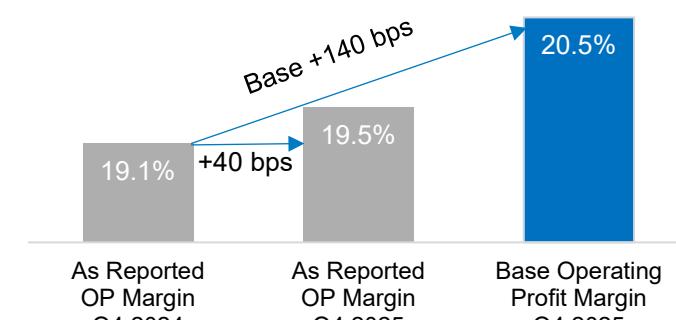
Durable Demand For Smart Water Solutions in 2025 Drove Profitable Growth and Robust Cash Generation

- Q4 sales of \$220.7M, +8% YoY; base¹ sales of \$208.9M; +2% YoY
- Full year 2025 sales of \$916.7M, +11% YoY; base sales of \$877.0M, +6% YoY
- Q4 operating profit margin +40 bps to 19.5%; base operating profit margin +140 bps to 20.5%. 200 bps FY 2025 base operating margin improvement reflective of higher volumes, structural mix and SEA leverage
- EPS growth of 10% year-over-year to \$1.14 in Q4; 13% FY 2025 EPS improvement
- Record free cash flow of \$170M in FY 2025, +19% YoY; FY 2025 FCF/earnings of 120% vs. 114% in 2024

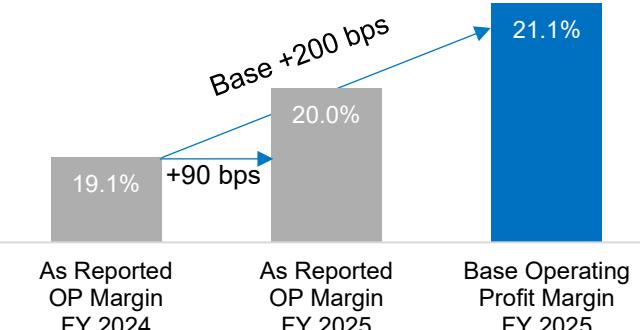
YOY Sales Growth Trend



Q4



FY



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.



Structural Sales Mix and Project Pacing Drove Profitability Expansion in Q4 2025

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

	<u>Q4 2025</u>	<u>Q4 2024</u>	<u>Change</u>
Sales	\$220.7	\$205.2	7.6%
Gross Margin	93.0	82.8	12.3%
	42.1%	40.3%	180 bps
SEA	49.9	43.5	14.7%
	22.6%	21.2%	140 bps
Op Income	43.0	39.2	9.7%
	19.5%	19.1%	40 bps
Income Tax Rate	24.8%	27.1%	
EBITDA	51.9	47.3	9.7%
	23.5%	23.0%	50 bps
EPS	1.14	1.04	9.6%
Free Cash Flow	\$50.8	\$47.4	7.2%

- Utility water sales grew 9% (2% ex Smart Cover), driven by ultrasonic meters, ORION® cellular, BEACON® SaaS, and water quality solutions. Fewer operating days and project pacing drove 6% sequential decline from Q3 to Q4 2025
- Flow instrumentation flat YoY with modest growth across water-focused end markets
- Gross margins improved 180 bps on higher volumes, favorable sales mix and lower pass-through revenue associated with pacing of turnkey projects
- SEA as a percent of sales increased 140 bps, inclusive of \$1.6M of SmartCover intangible asset amortization
- Robust quarterly free cash flow reflected both earnings growth and working capital differential YoY

See appendix for reconciliation of GAAP to Non-GAAP measures



PRASA¹ Award is One of the Largest AMI Projects in the World and the Largest Award in Badger Meter History

Multi-Year Planning Timeline Indicative of Scope, Scale & Complexity	
2021:	Badger Meter and partners bid in PRASA RFP
2023-2024:	Badger Meter participates in 1 of 2 competitive pilots for 1,000 ultrasonic meter connections and cellular AMI radio endpoints
2025:	Project awarded based on pilot performance; Badger Meter solution selected
2H 2026:	AMI project deployment expected to begin



AMI Project Scope

**1.6 million
Connections**

**3-5 Years
Deployment**

Supply Only
Ultrasonic Meters, Cellular AMI, BEACON SaaS

1. PRASA = Puerto Rico Aqueduct and Sewer Authority



Financial Results Continue Strong Track Record of Both Organic and Inorganic Growth

Full Year 2025



11% Sales Growth



16% Operating Profit Growth



+90 bps Operating Margin

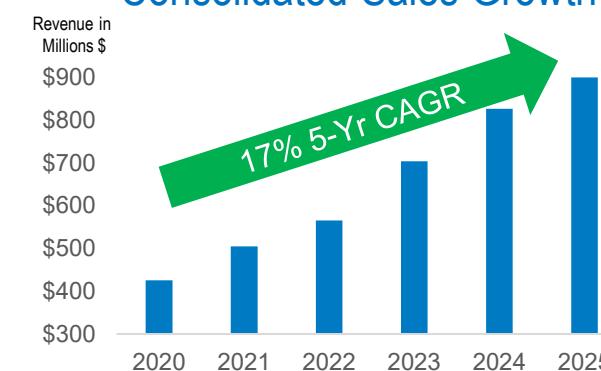


120% Free Cash Flow Conversion

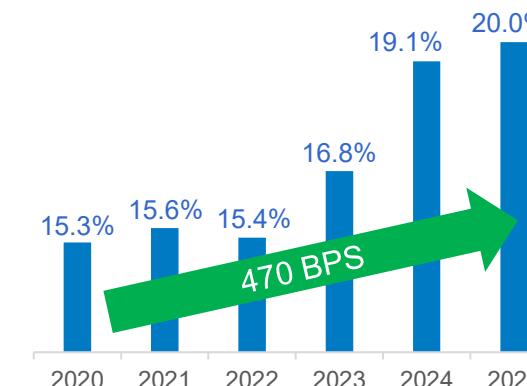


SaaS revenue¹ 8.0% of sales

Consolidated Sales Growth



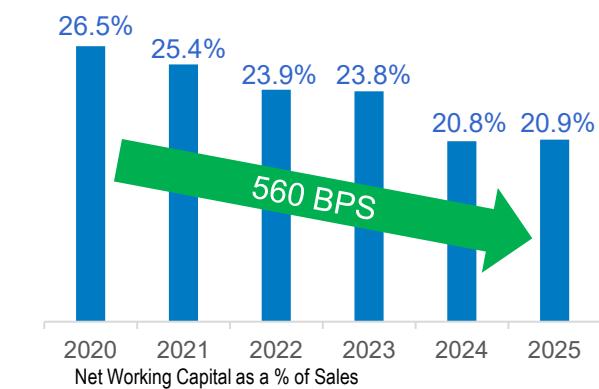
Improved Operating Profit Margins



SaaS Revenue Growth¹



Reduced PWC Intensity



1. SaaS revenue growth and as a percentage of sales includes BEACON, SmartCover, and other software as a service.



First Year of SmartCover Acquisition Validates Quality of Asset and Strengthens Network Monitoring Capabilities in Blue Edge

Attractive Market and Leading Technology

- SmartCover delivered \$40 million of sales in 11 months, or +25% on an annualized basis
- SmartCover profitability improved on higher sales volumes, focused cost management and expense leverage
- Manufacturing operations successfully transferred from Escondido, CA to Racine, WI
- On track to achieving earnings accretion in 2026

Laneways for Future Growth and Profitability

- Kim Stoll to lead SmartCover organization effective January 1, accelerating integration with Badger Meter sales channel to drive municipal adoption of sewer and lift station monitoring through BlueEdge suite of solutions





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 opportunity pipeline
- Growing, recurring 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

Badger Meter Q1 2026 earnings are tentatively scheduled for April 16, 2026

Save the date for Badger Meter's inaugural Investor Day on May 21, 2026 in New York City



Badger Meter



GAAP To Non-GAAP Reconciliations

RECONCILIATION OF NON-GAAP PERFORMANCE MEASURES TO GAAP PERFORMANCE MEASURES (in thousands, except share and earnings per share data)

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2025 (Unaudited)	SmartCover (Unaudited)	Base (Unaudited)	2025 (Unaudited)	SmartCover (Unaudited)	Base (Unaudited)
Net sales	\$ 220,706	\$ 11,834	\$ 208,872	\$ 916,663	\$ 39,677	\$ 876,986
Selling, engineering and administration	49,938	5,133	44,805	198,649	19,424	179,225
Operating earnings (loss)	43,049	291	42,758	183,421	(1,746)	185,167
Operating earnings as % of sales	19.5%	2.5%	20.5%	20.0%	-4.4%	21.1%

* SmartCover results are included from the date of acquisition of January 30, 2025

** SmartCover amortization was \$1.6 million for the three months ended December 31, 2025 and \$5.8 million for the eleven months ended December 31, 2025 and reported as part of Selling, engineering and administration expenses



GAAP To Non-GAAP Reconciliations

EBITDA						(US\$ in millions)	
	<u>Q4 2025</u>	<u>Q4 2024</u>	<u>FY 2025</u>	<u>FY 2024</u>		<u>Q4 2025</u>	<u>Q4 2024</u>
Net Earnings (GAAP)	\$ 33.6	\$ 30.7	\$ 141.6	\$ 124.9			
Interest income	(1.6)	(2.9)	(5.1)	(8.6)			
Income tax provision	11.1	11.4	47.0	41.6			
Depreciation	2.8	2.8	11.1	11.1			
Amortization	<u>6.0</u>	<u>5.3</u>	<u>23.5</u>	<u>21.1</u>			
EBITDA	\$ 51.9	\$ 47.3	\$ 218.1	\$ 190.1			

Free Cash Flow						(US\$ in millions)	
	<u>Q4 2025</u>	<u>Q4 2024</u>	<u>FY 2025</u>	<u>FY 2024</u>		<u>FY 2025</u>	<u>FY 2024</u>
Cash from Ops (GAAP)			\$ 54.8	\$ 52.1			
Capital Expenditures			<u>(4.0)</u>	<u>(4.7)</u>			
Free Cash Flow			\$ 50.8	\$ 47.4			
Cash from Ops (GAAP)			\$ 183.7	\$ 155.0			
Capital Expenditures			<u>(14.0)</u>	<u>(12.8)</u>			
Free Cash Flow			\$ 169.7	\$ 142.2			