



Badger Meter (BMI)

Updated January 30th, 2026, by Nathan Parsh

Key Metrics

Current Price:	\$145	5 Year Annual Expected Total Return:	21.0%	Market Cap:	\$4.3 B
Fair Value Price:	\$181	5 Year Growth Estimate:	15.0%	Ex-Dividend Date:	03/27/26 ¹
% Fair Value:	80%	5 Year Valuation Multiple Estimate:	4.5%	Dividend Payment Date:	03/13/26 ²
Dividend Yield:	1.1%	5 Year Price Target	\$363	Years Of Dividend Growth:	33
Dividend Risk Score:	A	Sector:	Information Technology	Rating:	Buy

Overview & Current Events

Badger Meter was founded in 1905 in Milwaukee, WI. The company's first product was a "frost proof" water meter. Today, Badger Meter manufactures and markets meters and valves that are used to measure and control the flow of liquids, such as water, oil and various chemicals. The company's products are also used to control the flow of air and other gases. Badger Meter generates ~\$917 million in annual revenues. The company is also a founding member of the American Water Works Association, a trade group that sets water measurement standards in the U.S.

On August 8th, 2025, Badger Meter increased its quarterly dividend 17.6% to \$0.40 per share for the September 5th payment date, extending the company's dividend growth streak to 33 consecutive years.

On January 28th, 2026, Badger Meter announced fourth quarter and full year earnings results for the period ending December 31st, 2025. For the quarter, revenue increased 7.6% to \$220.7 million, but this was \$11 million below estimates. Earnings-per-share of \$1.14 compared favorably to earnings-per-share of \$1.04 in the prior year and was \$0.02 better than expected. For the year, revenue grew 11% to a record \$916.7 million while earnings-per-share of \$4.79 was up from \$4.23 in 2024.

The utility water business grew 9% for the quarter, partially due to an acquisition. Excluding this, sales were higher by 2%, another solid result giving that utility water revenues grew 14% in Q4 2024. This growth was led by ongoing demand for ORION Cellular radios, BEACON SaaS, and ultrasonic meters. Revenue for flow instrumentation products was flat year-over-year as moderate growth in water-related markets was offset by deemphasized applications. Gross margins expanded 180 basis points to 42.1% while the operating margin improving 40 basis points to 19.5%.

We forecast that Badger Meter will earn \$5.16 in 2026. This would represent a nearly 8% improvement from the prior year. We have initiated our forecast accordingly.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$1.11	\$1.19	\$1.54	\$1.61	\$1.69	\$2.08	\$2.26	\$3.14	\$4.23	\$4.79	\$5.16	\$10.38
DPS	\$0.43	\$0.49	\$0.56	\$0.68	\$0.72	\$0.76	\$0.85	\$0.99	\$1.22	\$1.48	\$1.60	\$3.22
Shares³	29	29	29	29	29	29	29	29	29	29	29	29

Badger Meter has increased earnings per share by 17.6% per year over the past decade and 19.9% over the last five years. The company's business was resilient in the face of the pandemic in 2020, showing Badger Meter's underlying strength. We reaffirm our projected earnings growth rate of 15% as this is more in-line with the long-term growth rate and to also account for the quality of earnings results, Badger Meter has also impressively improved its margins. Furthermore, we expect that dividend growth will mirror earnings growth.

¹ Estimated ex-dividend date

² Estimated dividend payment date

³ In millions of shares

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	30.6	34.8	31.8	34.9	39.1	51.2	48.2	49.2	50.1	36.4	28.1	35.0
Avg. Yld.	1.3%	1.2%	1.1%	1.1%	1.1%	0.7%	0.8%	0.6%	0.6%	0.8%	1.1%	0.9%

Shares of Badger Meter have decreased \$42, or 22.5%, since our October 23rd, 2025 update. The stock has an average price-to-earnings ratio of 40.6 over the last decade. We reaffirm our target P/E ratio of 35.0 as this is more in-line with the stock's long-term average valuation. The stock has a current P/E ratio of 28.1 times expected earnings, meaning that shareholders are very likely to see tailwinds from valuation expansion in the coming years. Reverting to our target valuation by 2031 would add 4.5% to annual returns over this period.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	39%	41%	36%	42%	43%	37%	38%	32%	29%	31%	31%	31%

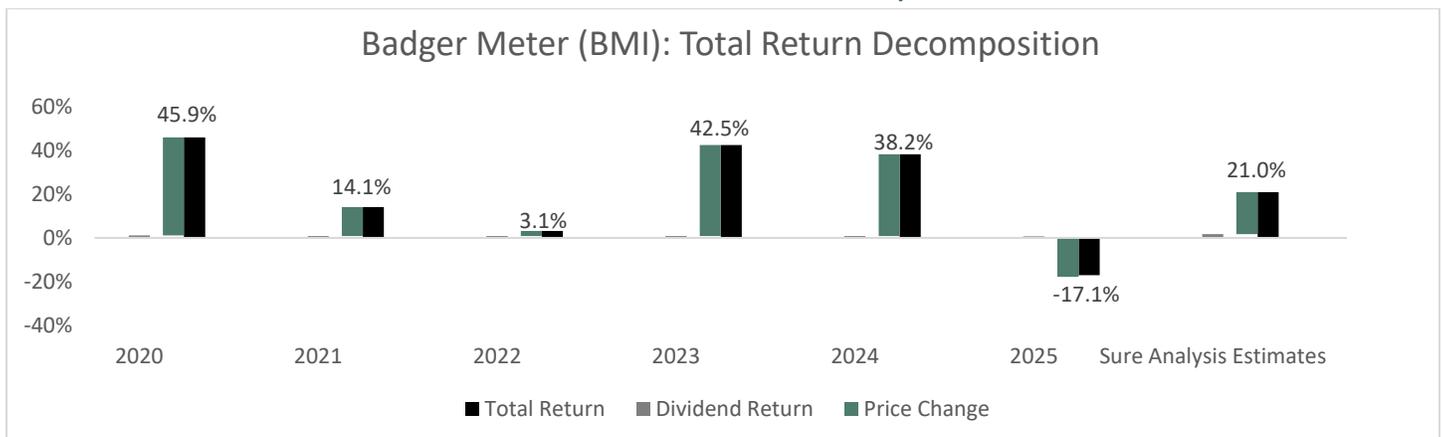
Given Badger Meter's 33-year dividend increase streak and reasonable payout ratio, the dividend is very safe today. We also see plenty of room for growth in the payout, so Badger Meter is certainly attractive from a dividend growth perspective.

Unlike many companies at the height of the last recession, earnings-per-share for Badger Meter improved. Most of the company's sales are made to municipal water utilities. A key competitive advantage that Badger Meter possess is that consumers require access to water, regardless of economic conditions. In addition, it is estimated that there are more than 30 million water meters in the U.S. that are not monitored with the advanced equipment that Badger Meter offers. And with some states, like California, looking to improve its water monitoring systems for use in times of droughts, the company is in a prime position to benefit from upgrades and improvements.

Final Thoughts & Recommendation

Following fourth quarter earnings results, Badger Meter is projected to return 21.0% annually through 2031, up from our prior estimate of 13.4%. This projected return stems from a 15% earnings growth rate, a starting yield of 1.1%, and a mid-single-digit contribution from multiple expansion. Badger Meter continues to see solid results from its water utility business as demand remains very high for this segment's products. We have raised our five-year price target \$24 to \$363 due to earnings estimates for the year. Shares now trade below our fair value target after the recent selloff and the company has turned in excellent results over the past few years. We now view shares of Badger Meter as a buy due to projected returns and a strong dividend risk score.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	394	402	434	425	426	505	566	704	827	917
Gross Profit	151	156	162	164	168	205	220	276	329	382
Gross Margin	38.2%	38.7%	37.4%	38.5%	39.5%	40.7%	38.9%	39.3%	39.8%	41.7%
SG&A Exp.	100	100	105	101	103	127	133	158	171	199
D&A Exp.	22	24	24	24	25	28	26	28	32	35
Operating Profit	51	56	57	62	65	79	87	118	158	183
Operating Margin	12.9%	13.8%	13.1%	14.6%	15.3%	15.6%	15.4%	16.8%	19.1%	20.0%
Net Profit	32	35	28	47	49	61	66	93	125	142
Net Margin	8.2%	8.6%	6.4%	11.1%	11.6%	12.1%	11.8%	13.2%	15.1%	15.5%
Free Cash Flow	46	35	52	73	81	81	77	98	142	170
Income Tax	18	20	8	14	16	18	21	29	42	47

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	350	392	393	422	471	531	603	717	816	974
Cash & Equivalents	7	11	13	49	72	87	138	192	295	226
Accounts Receivable	60	58	66	61	62	66	77	84	84	
Inventories	78	85	81	82	82	100	120	154	143	152
Goodwill & Int. Ass.	104	133	132	125	148	174	160	171	161	354
Total Liabilities	93	114	89	91	110	128	161	200	210	260
Accounts Payable	18	29	22	31	35	42	71	82	56	72
Long-Term Debt	-	-	-	9	5	4	4	3	3	-
Shareholder's Equity	256	277	304	331	361	403	442	516	606	
LTD/E Ratio	0.15	0.16	0.06	0.05	0.02	0.02	0.02	0.01	0.01	-

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	9.2%	9.3%	7.1%	11.6%	11.0%	12.2%	11.7%	14.0%	16.3%	15.8%
Return on Equity	13.2%	13.0%	9.6%	14.9%	14.3%	15.9%	15.7%	19.3%	22.3%	21.5%
ROIC	10.8%	11.2%	8.6%	14.1%	13.8%	15.7%	15.5%	19.1%	22.0%	21.4%
Shares Out.	29	29	29	29	29	29	29	29	29	29
Revenue/Share	13.55	13.82	14.86	14.53	14.56	17.22	19.25	23.89	27.99	31.00
FCF/Share	1.57	1.19	1.77	2.51	2.75	2.75	2.61	3.33	4.82	5.74

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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