



Badger Meter (BMI)

Updated April 20th, 2026, by Nathan Parsh

Key Metrics

Current Price:	\$116	5 Year Annual Expected Total Return:	26.4%	Market Cap:	\$3.4 B
Fair Value Price:	\$180	5 Year Growth Estimate:	15.0%	Ex-Dividend Date:	05/22/26 ¹
% Fair Value:	65%	5 Year Valuation Multiple Estimate:	9.1%	Dividend Payment Date:	06/05/26 ²
Dividend Yield:	1.4%	5 Year Price Target	\$361	Years Of Dividend Growth:	33
Dividend Risk Score:	A	Sector:	Industrials	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 April 17th, 2026, Badger Meter reported first quarter earnings results for the period ending March 31st, 2026. For the quarter, revenue decreased 9.0% to \$202.3 million, which was \$29 million less than expected. Earnings-per-share of \$0.93 compared unfavorably to earnings-per-share of \$1.30 in the prior year and was \$0.26 below estimates.

The utility water business was down 10% for the quarter as a result of project timing and softer short-cycle municipal customer ordering. Offsetting these weaker results were strength in SaaS, SmartCover, water quality and network monitoring. Revenue for flow instrumentation products declined 4% year-over-year as modest growth in water-related markets was once again offset by deemphasized applications. Gross margins fell 120 basis points to 41.7% while the operating margin contracted 480 basis points to 17.4%. The company also announced that it had agreed to acquire UK-based UDLive for \$100 million. This deal will enhance Badger Meter's sewer line monitoring business.

We forecast that Badger Meter will earn \$5.13 per share in 2026, down from \$5.16 previously. This would represent a 7.1% improvement from the prior year. We have updated 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	\$5.13	\$10.32
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 19.8% 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	22.6	35.0
Avg. Yld.	1.3%	1.2%	1.1%	1.1%	1.1%	0.7%	0.8%	0.6%	0.6%	0.8%	1.4%	0.9%

Shares of Badger Meter have decreased \$29, or 20.0%, since our January 30th, 2026 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 22.6 times expected earnings, meaning that shareholders could very likely see tailwinds from valuation expansion in the coming years. Reverting to our target valuation by 2031 would add 9.1% 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%

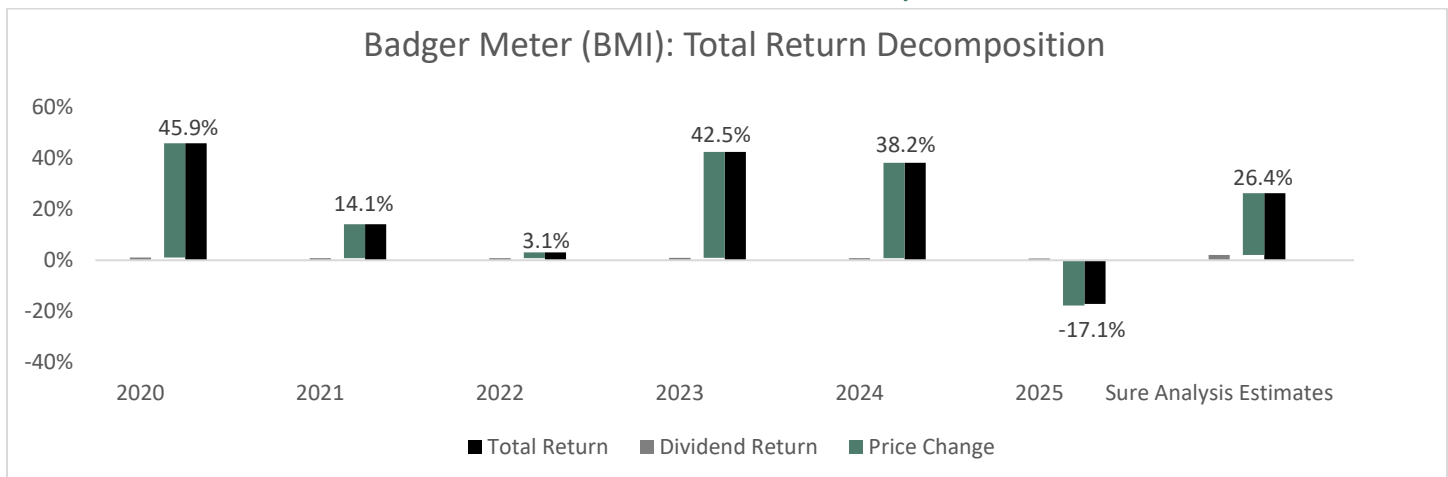
Given Badger Meter's 33-year dividend increase streak and reasonable payout ratio, the dividend is likely very safe today. We also see plenty of room for growth in the payout, so Badger Meter is certainly attractive from a dividend growth perspective.

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

After first quarter earnings results, Badger Meter is projected to return 26.4% annually through 2031, up from our prior estimate of 21.0%. This projected return stems from a 15% earnings growth rate, a starting yield of 1.4%, and a high single-digit contribution from multiple expansion. Badger Meter's Q1 showed weakness, though some of this was due to project timing. Long-term, we continue to like the company's growth story. We have lowered our five-year price target \$2 to \$361 due to earnings estimates for the year. Shares now trade well below our fair value target after the recent sell-off. We continue to 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	112
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	9
Shareholder's Equity	256	277	304	331	361	403	442	516	606	713
LTD/E Ratio	0.15	0.16	0.06	0.05	0.02	0.02	0.02	0.01	0.01	0.02

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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