

FROST & SULLIVAN

# BEST PRACTICES

AWARDS

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2019

BEST  
PRACTICES  
AWARD



**Badger Meter**

**2019 GLOBAL SMART WATER METER  
INNOVATION EXCELLENCE FROST RADAR AWARD**



# FROST RADAR

## CONGRATULATIONS!

Frost & Sullivan is proud to present **Badger Meter** with this year's Frost Radar Best Practices Award for Innovation Excellence in the **Global Smart Water Meter Market**.

Frost & Sullivan's global team of analysts and consultants continuously research a wide range of markets across multiple sectors and geographies. As part of this ongoing research, we identify companies that consistently develop new growth strategies based on a visionary understanding of the future, and thus more effectively address new challenges and opportunities. This involves extensive primary and secondary research across the entire value chain of specific products. Against the backdrop of this research, Frost & Sullivan recognizes **Badger Meter** for these valuable achievements.

The Innovation Excellence best practice award is bestowed on companies that are industry leaders reinventing themselves through R&D investments and innovation. These may be companies that are entering a new market and contend for leadership through heavy investment in R&D and innovation. Achieving Innovation Excellence is never an easy task, but it is one made even more difficult considering today's intensely competitive environment, customer volatility, economic uncertainty, and rapid technology evolution. Within this context, **Badger Meter's** receipt of this Award signifies an even greater accomplishment.

Moreover, this recognition is the result of many individuals (employees, customers, and investors) making daily choices to support the organization and meaningfully contribute to its future. Frost & Sullivan enthusiastically acknowledges and celebrates these achievements. Once again, congratulations on your accomplishments and we wish you great success in the future.

Sincerely yours,

**Krishna Srinivasan**  
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## The Frost Radar

### Global Smart Water Meter Market



Source: Frost & Sullivan

In a field of +100 global industry participants, Frost & Sullivan has independently ranked the top 19 companies in the above Frost Radar analysis.

The key parameters independently analyzed by Frost & Sullivan include:

- Innovation Scalability
- R&D
- Product Portfolio
- Mega Trends Leverage
- Customer Alignment
- Growth Pipeline
- Vision and Strategy
- Sales and Marketing

Frost & Sullivan studies related to this independent analysis:

- Global Smart Water Meter Market, Forecast to 2026.

## Industry Overview

The global smart water meter market is being driven by a significant increase in demand for a solution that enables water utilities to optimize resources, improve billing and cost recovery efficiency, and improve water conservation on the back of water stress.

The unit shipments of smart water meters was 16.9 million in 2018 and is expected to grow to 74.8 million by 2025. The smart water meter market revenue was \$1.4 billion in 2018 and it is expected to grow at a compound annual growth rate (CAGR) of 18.5% to \$4.6 billion by 2025. North America and Europe are currently the leading destinations for smart water meters. China is expected to become a leading regional hotspot during the forecast period with significant growth opportunity as a result of a favorable policy aimed at the development of smart water utilities in all urban regions.

Water utilities globally are under significant pressure to improve sustainability and resilience because of water stress and climate change. Optimization of water resources, improving customer service through billing accuracy, and reduction of non-revenue water (NRW) have become key priorities for key customers; thus, there has been a surge in demand for smart water meters.

## Frost Radar Innovation Excellence Award Badger Meter

### COMPANY DIAGNOSTIC

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Leading smart water meter solutions provider Badger Meter has effectively catered to customer demands through its innovative product offerings, which include the field proven Recordall® positive displacement meter, the advanced E-Series® Ultrasonic water meter, meter data management and analytics platform (BEACON®), and its ORION® Cellular (LTE – M) communication module. Badger Meter products provide a one-stop, reliable solution for accurate reading and billing, remote visibility, data management, and resource optimization.

Badger Meter pioneered Cellular LPWAN technology (LTE – M) for smart water metering. Its BEACON software and data analytics platform provides high resolution data to improve resource optimization and water management and integrates with utility CIS and billing applications. Data analytics also provide leak detection capabilities and an easily accessible customer interface, as well as a consumer engagement tool to assist with water conservation.

### FROST RADAR POSITIONING

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- Badger Meter is one of the highest scorers on the Radar Innovation index due to its pioneering stance in developing and offering an innovative smart water metering solution that includes a smart combination of E-Series Ultrasonic Smart water meters which are highly accurate and have plug and play capabilities, BEACON Advanced Metering Analytics for secure data

management and analytics, and the most advanced cellular IoT network - ORION Cellular LTE-M endpoint for secure, seamless two-way transmission of data encompassing Software-as-a-Service and Network-as-a-Service capabilities.

- The company offers a wide range of advanced solutions that allow customers to choose a customized smart solution.
- Badger Meter is a leader in new product development and has proactively leveraged its smart product offerings such as ORION Cellular LTE –M communication module and BEACON software to aid in its strategic long-term growth outlook.
- The company is well positioned to meet the needs of smart cities that require seamless integration and connectivity for better visualization and optimization of the water infrastructure.

## COMPANY STRENGTHS

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- Badger Meter has a strong base in North America and Europe, with local manufacturing centers in both regions.
- The company has taken the pole position by offering Cellular LPWAN (LTE-M) connectivity.
- Badger directly caters to smart city initiatives and IoT requirements that utilities have for metering.
- Badger Meter has a growing international presence in Asia-Pacific (APAC) and the Middle East.

## COMPANY OPPORTUNITIES

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- Badger Meter could capitalize on cellular smart water metering in APAC.
- The companies innovations can further exploit the retrofit solutions market, which is quickly growing in the United States and Western European countries
- Badger Meter can partner with other smart water solution providers to provide network/system (utility)-wide comprehensive solutions based on the BEACON data analytics.

## What is the Frost Radar?

### A Practical, High Impact, Scalable C2A (Companies to Action) Tracking Solution

#### WHAT IS IT?

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A robust analytical tool that benchmarks companies' innovation focus and growth performance in a given market.

#### HOW IS IT BUILT?

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Through in-depth analysis built on our 360-degree research methodology (primary and secondary research) and objective rating of companies in any given market.

## WHY DO WE NEED IT?

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To understand how companies benchmark against each other in their ability to innovate and grow against a backdrop of industry transformation and evolution.

## WHAT WILL IT ACCOMPLISH?

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Companies will gain an objective, independent perspective of their innovation and growth strategies, including their robustness, effectiveness, relative competitive strength, and implications on their long-term success.

## HOW TO USE IT?

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Frost Radar is a dynamic tracking tool that offers frequent rating and positioning of companies that are leading the industry on growth, innovation or both. Due to changes in operating environment and internal changes within these organizations, their positioning in Frost Radar will change over time. It is important to leverage Frost Radar to ensure that companies are aware of changes to their ecosystem and their relative positions to it.

## WHAT DOES IT MEAN TO BE ON THE FROST RADAR?

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Every company that finds itself on the Radar has been chosen because they have proven themselves to be worthy by demonstrating excellence in either growth, innovation, or both, and are able to translate that into proven solutions that benefit their clients. At times, companies with high market share may not place on the Radar. Companies are chosen because they are already doing great things, or because they are poised to do great things.

## Frost Radar → C2A

All companies on the Frost Radar could be C2A. Best Practice recipients are the companies that Frost & Sullivan considers the **Companies to Act On Now**.

## INNOVATION EXCELLENCE AWARD

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## Frost Radar

### 2 Major Indices, 10 Analytical Ingredients, 1 Platform

#### VERTICAL AXIS – THE GROWTH INDEX

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Growth index is a measure of a company's growth performance and track record, along with its ability to develop and execute a fully aligned growth strategy and vision; a robust growth pipeline system; and effective market-, competitor-, and end-user focused sales and marketing strategies.

- **GI1: Market Share (previous 3 years):** Market share relative to its competitors in a given market space for the previous three years.
- **GI2: Revenue Growth (previous 3 years):** Revenue growth rate for the previous three years in the market/industry/category that forms context for the given Frost Radar.
- **GI3: Growth Pipeline:** This is an evaluation of the strength and leverage of the company's growth pipeline system, to continuously capture, analyze and prioritize its universe of growth opportunities.
- **GI4: Vision and Strategy:** This is an assessment of how well a company's growth strategy is aligned with its vision. Are the investments the company is making in new products and markets consistent with the stated vision?
- **GI5: Sales and Marketing:** This is a measure of the effectiveness of a company's sales and marketing efforts in helping the company drive demand and achieve its growth objectives.

#### HORIZONTAL AXIS – THE INNOVATION INDEX

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Innovation index is a measure of a company's ability to innovate products/services/solutions that are developed with a clear understanding of disruptive Mega Trends, are globally applicable, are able to evolve and expand to serve multiple markets, and are aligned to customers' changing needs. Key elements of this index include:

- **II1: Innovation Scalability:** This determines whether the organization's innovation(s) is/are globally scalable and applicable in both developing and mature markets, and also in adjacent and non-adjacent industry verticals.
- **II2: Research and Development:** This is a measure of the efficacy of a company's R&D strategy, as determined by the size of its R&D investment and how it feeds the innovation pipeline.
- **II3: Product Portfolio:** This is a measure of the product portfolio of the company, focusing on the relative contribution of new products to its annual revenues.
- **II4: Mega Trends Leverage:** This is an assessment of a company's proactive leverage of evolving long-term opportunities and new business models, as the foundation of its innovation pipeline.
- **II5: Customer Alignment:** This evaluates the applicability of a company's products/ services/ solutions to current and potential customers (7-year horizon), as well as how its innovation strategy is influenced by evolving customer needs.