



TD ENGINEERING & CONSTRUCTION CONFERENCE

Toronto, ON
March 29, 2023

BADGER
INFRASTRUCTURE SOLUTIONS
TSX: BDGI

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain statements and information contained in this presentation and other continuous disclosure documents of the Company referenced herein, including statements and information that contain words such as “could”, “should”, “can”, “anticipate”, “expect”, “believe”, “will”, “may” and similar expressions relating to matters that are not historical facts, constitute “forward-looking information” within the meaning of applicable Canadian securities legislation. These statements and information involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements and information. The Company believes the expectations reflected in such forward-looking statements and information are reasonable, but no assurance can be given that these expectations will prove to be correct. Such forward-looking statements and information included in this presentation should not be unduly relied upon. These forward-looking statements and information speak only as of the date of this presentation.

In particular, forward-looking information and statements in this presentation include, but are not limited to the following:

- » The estimated growth potential for the North American market, including Badger’s ability to capture growth opportunities and an increased share of existing and growth markets;
- » The strategic, financial and operational priorities pursued by Badger;
- » Badger’s expectation that it will continue to optimize asset utilization and that the current fleet can achieve the estimated market potential growth;
- » Expectations related to future non-destructive excavation production and retirement volumes;
- » The timing, and the impact on the business, if any, of implementation of Badger’s strategic initiatives, operational strategies, and the achievement of Badger’s long-term strategic financial and operational milestones;
- » The anticipated impact of Badger’s operating model on Badger’s ability to realize growth;
- » General economic and market trends that may impact Badger’s business;
- » Badger’s expected capital requirements, the allocation strategy in respect of Badger’s capital, and the anticipated impacts on its financial, operational and growth targets resulting therefrom;
- » The effectiveness of Badger’s internal processes, technology, and systems; and

The timing, and the impact on margins and capital efficiencies, if any, of Badger’s growth, platform and financial strategies as well as Badger’s operating model strategies. The forward-looking information and statements made in this presentation rely on certain expected economic conditions and overall demand for Badger’s services and are based on certain assumptions. The assumptions used to generate this forward-looking information and statements are, among other things, that:

- » Badger will maintain its financial position and financial resources, including credit facilities, will continue to be available to Badger;
- » The actions taken by Badger to protect the health and safety of its employees, customers and communities, and to mitigate the operational and financial effects of the COVID-19, will have the intended effects;

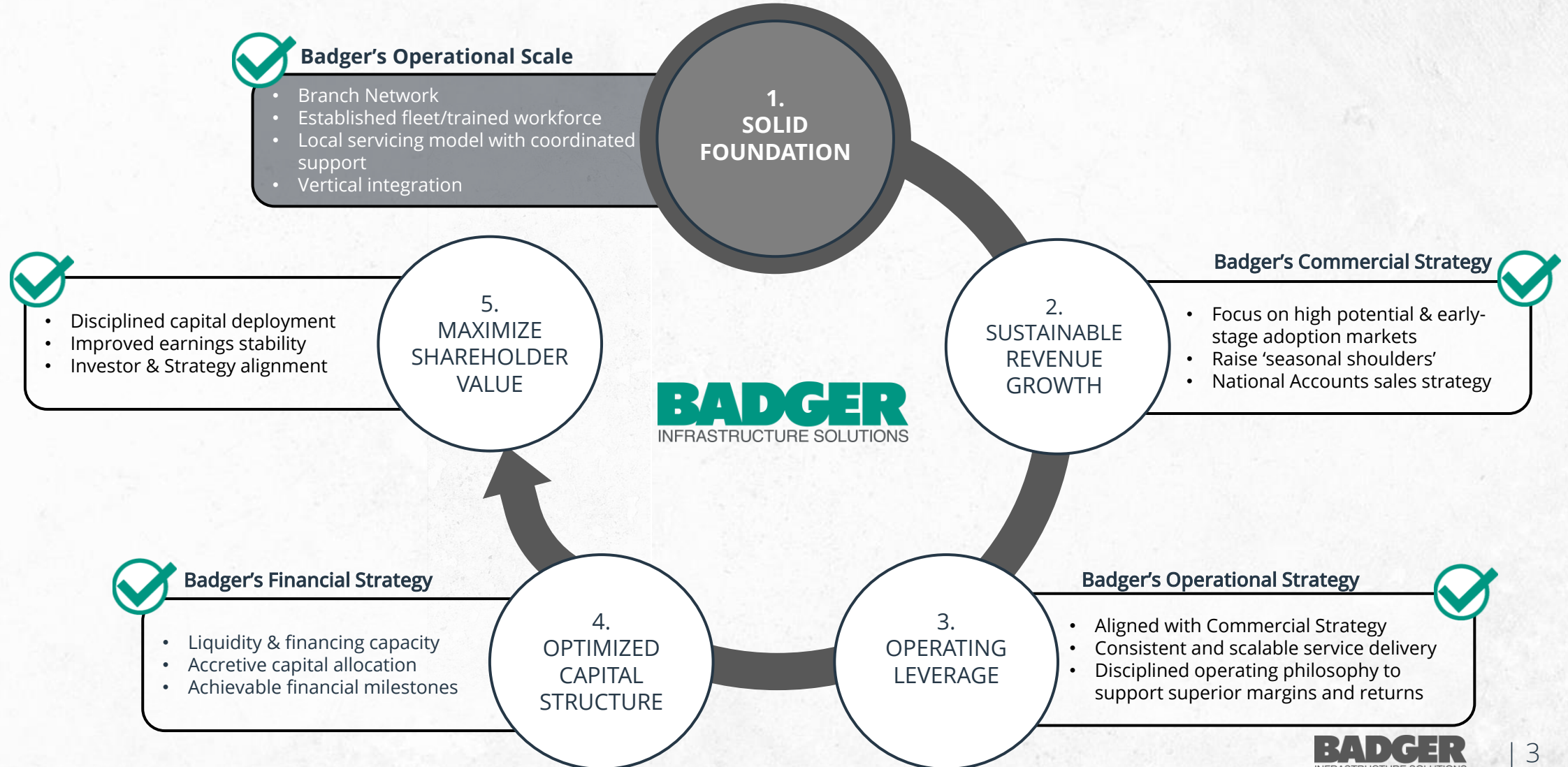
- » The overall market for Badger’s services will not be adversely affected in the long-term by COVID-19, economic disruption, or other factors beyond Badger’s control such as weather, natural disasters, global events, legislation changes and technological advances;
- » There will be long-term sustained customer demand for non-destructive excavation services from a broad range of end use markets in North America;
- » Badger will maintain relationships with current customers and develop successful relationships with new customers;
- » Badger will collect customer payments in a timely manner;
- » Badger will be able to compete effectively for the demand for its services;
- » There will not be significant changes in profit margins due to pricing changes driven by market conditions, competition, regulatory factors or other unforeseen factors;
- » Badger will be able to leverage and fully utilize its technology and internal systems; and
- » Badger will realize and continue to realize the efficiencies of the ERP implementation, shared services center, operating model alignment and other strategic initiatives.

Risk factors and other uncertainties that could cause actual results to differ materially from those anticipated in such forward-looking statements include, but are not limited to: the magnitude and length of the global, national and regional economic and social disruption being caused as a result of the global COVID-19 pandemic; national, regional and local governmental laws, regulations and orders relating to the COVID-19 pandemic that may materially adversely impact the Company’s ability to continue operations; political and economic conditions; industry competition; price fluctuations in commodity markets and related products and services; Badger’s ability to attract and retain key personnel; the availability of future debt and equity financing; changes in laws or regulations, including taxation and environmental regulations; extreme or unsettled weather patterns; and fluctuations in foreign exchange or interest rates.

Readers are cautioned that the foregoing factors are not exhaustive. Additional information on these and other factors that could affect the Company’s operations and financial results is included in reports on file with securities regulatory authorities in Canada and may be accessed through the SEDAR website (www.sedar.com) or at the Company’s website. The forward-looking statements and information contained in this presentation are expressly qualified by this cautionary statement. The Company does not undertake any obligation to publicly update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

AGENDA

Delivering value to our Shareholders, our Customers and our Communities



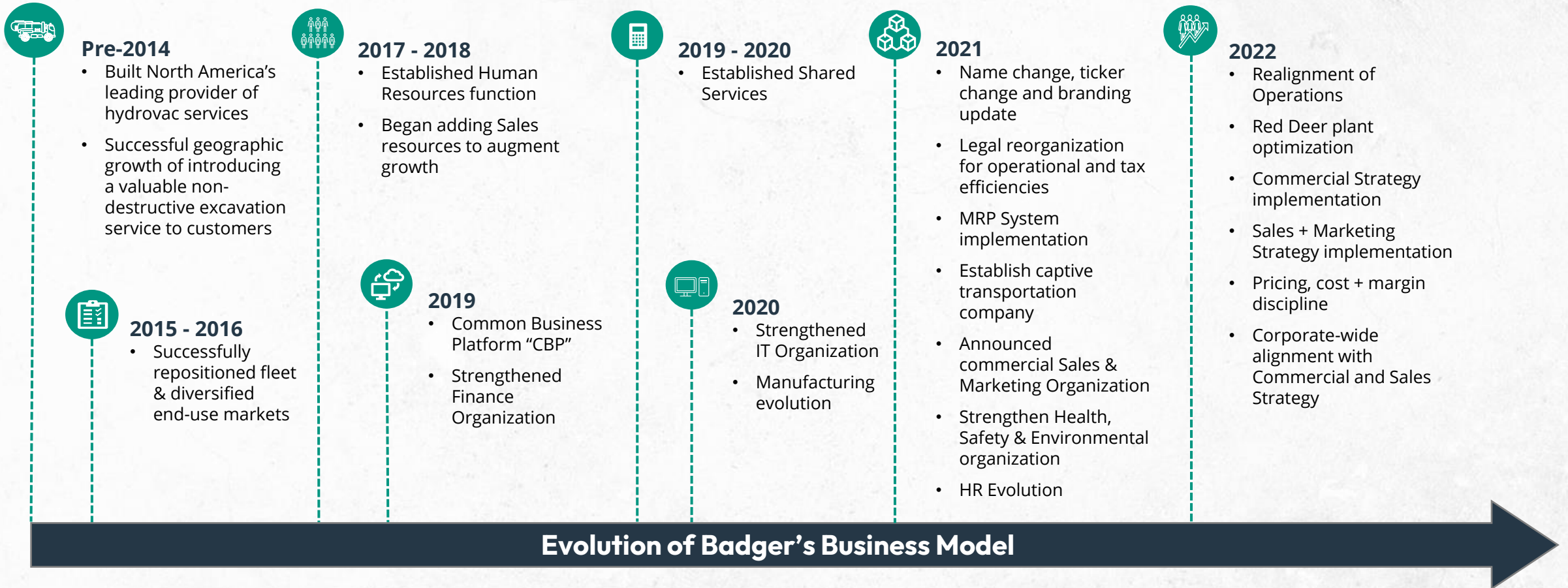


FRAMING THE OPPORTUNITY

BADGER
INFRASTRUCTURE SOLUTIONS

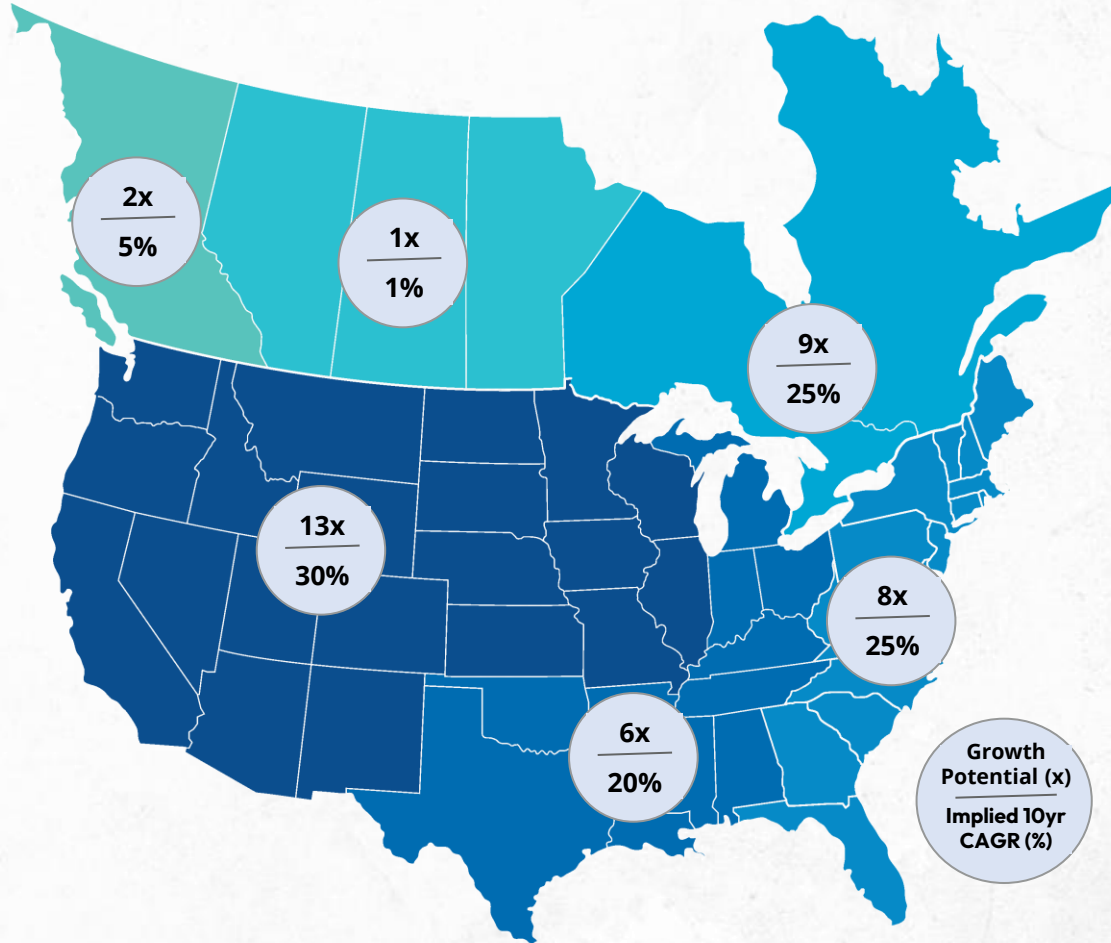
OUR FOUNDATION

We are leveraging Badger's significant operating scale through our Commercial Strategy



OUR OPPORTUNITY

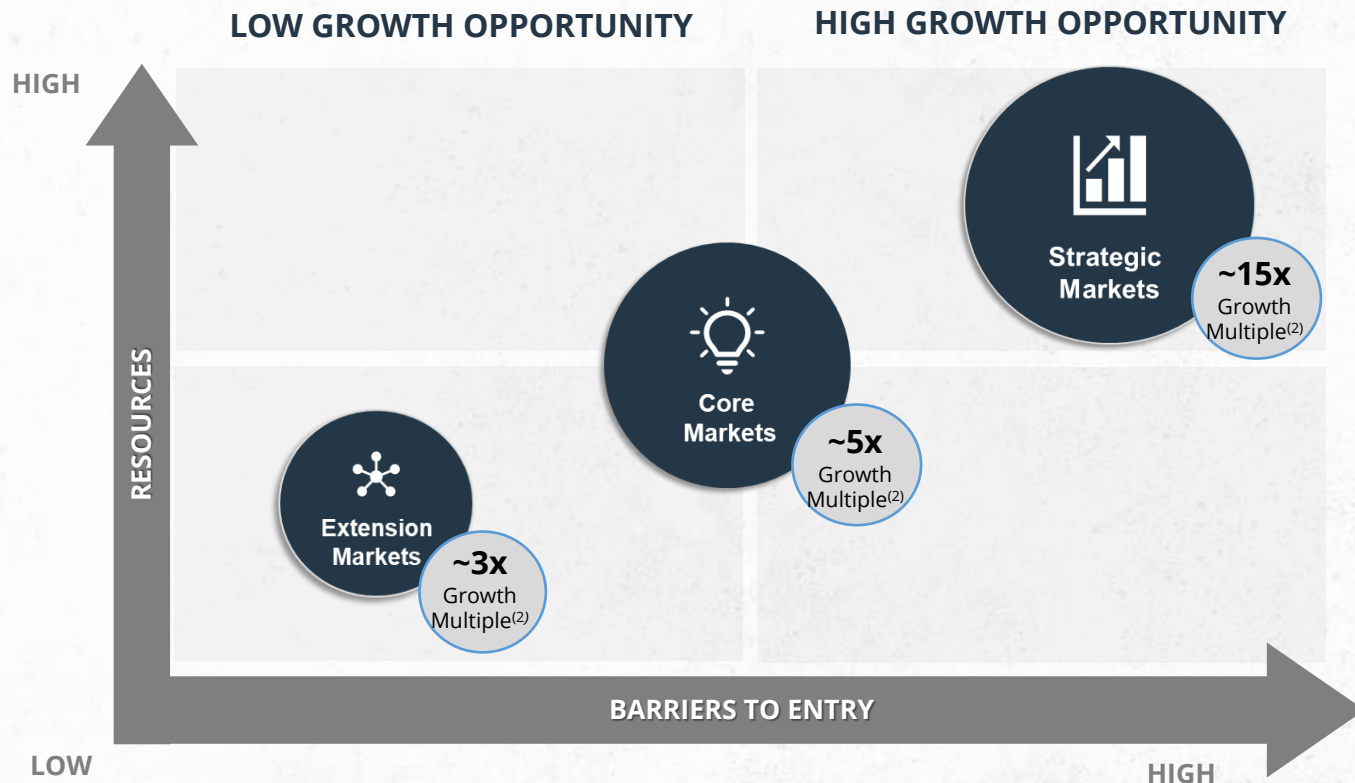
Badger is presented with significant growth opportunities across North America



- ✓ We believe a mature, non-destructive excavation market across North America includes 7x-9x more units than are operating today
- ✓ Each of our markets have a different opportunity set, and our planning and investments are being focused accordingly
- ✓ The size of this opportunity provides the backdrop for our long-term financial targets

OUR APPROACH TO SEIZE THE OPPORTUNITY

Badger has built unique strategies for each market and customer segments



Strategic Markets

500-1,500 Truck Market Potential per Location

- Significant organic growth opportunity with higher barriers to entry
- Currently operating in 8 out of 8 Strategic Markets

Core Markets

~50-500 Truck Market Potential per Location

- Meaningful organic growth opportunity with moderate barriers to entry
- Currently operating in 32 out of 32 Core Markets

Extension Markets

<50 Truck Market Potential per Location

- Moderate organic growth opportunity with low barriers to entry
- Currently operating in ~100 out of 342 U.S. MSAs⁽¹⁾

(1) U.S. Census Bureau, 2019 Census – a Metropolitan Statistical Area ("MSA") is a geographic region with a population of over 100,000 people. In 2019, there were 382 MSAs. Management estimates used for purposes of comparing Badger service areas to MSA's.

(2) Reflects management's best estimate of total non-destructive excavation truck count growth potential in each market, includes Badger and competitors' non-destructive excavation units but excludes trailer units. Reflects management's best estimate of total market growth potential from 2020 using current total market truck count.

EVOLUTION OF NON-DESTRUCTIVE EXCAVATION

Badger is the innovation leader within the non-destructive excavation industry across North America



Original Hydrovac, 1992



Gen 5 Hydrovac, 2022



Airvac, 2023



VERTICAL INTEGRATION

Badger's dedicated design and manufacturing capabilities drives innovation, operating cost and return advantages

Operating Cost Benefits

- ✔ Continuous truck design improvement
- ✔ Repair parts supply chain efficiencies
- ✔ Minimal maintenance downtime

Return on Capital Benefits

- ✔ Lower cost of acquisition/ownership
- ✔ 2021 legal reorganization to optimize operating and tax benefits
- ✔ Effectively manage build volume





SALES STRATEGY & NATIONAL ACCOUNTS

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LEVERAGING SCALE: ENHANCED COMMERCIAL STRATEGY

Aligning Badger's sales resources with the market and customer opportunities while leveraging our Branch network

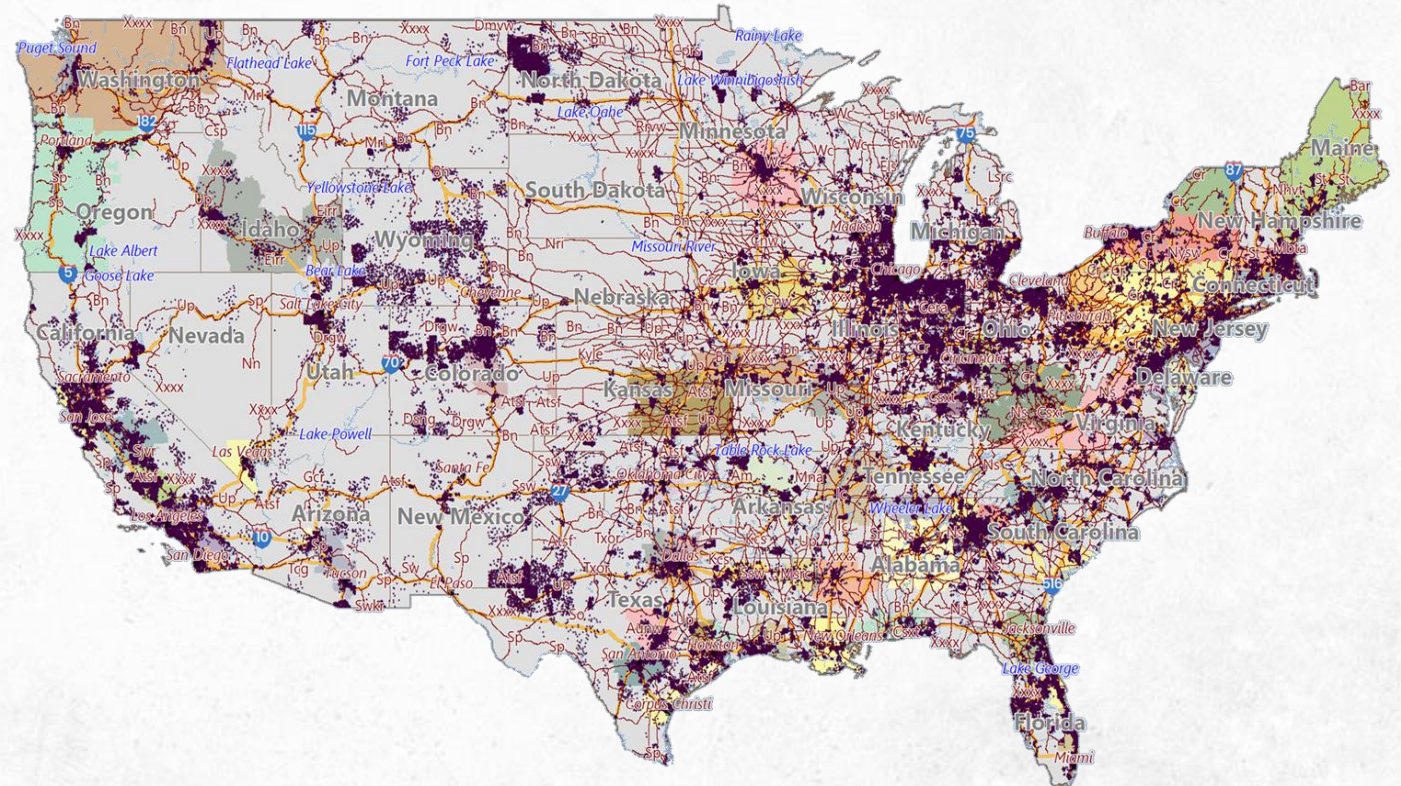
- ✔ 2022 focused on establishing a robust commercial strategy to enhance market coverage, market penetration and revenue generation
- ✔ Restructured sales team with defined territories and accountabilities
 - » Introduced commission-driven compensation model
 - » Increased market coverage by adding sales reps and optimizing deployment across markets
- ✔ Data-driven decision making and CRM implementation to set sales reps up for success in their new territories with KPIs and revenue targets
- ✔ Best-in-class sales training and continuous learning opportunities for all sales reps, backed by enhanced marketing support (print, digital, social, trade shows, etc.)

COMMERCIAL STRATEGY: OPPORTUNITY-BASED TERRITORY ALIGNMENT

Data-driven approach to sales management and resource allocation

- ✓ New territory alignment is driven by 2021 revenue density at the ZIP code level
 - » Enables sales deployment to drive revenue density closer to our branches
- ✓ Sales reps to have better customer coverage
 - » Opportunity to stack jobs and optimize fleet utilization

Revenue Location and Density



CASE STUDY: GREATER TORONTO AREA

Legacy Market Coverage:

🟢 Progress made over the past nine months:

✓ Ongoing opportunity:

GT A Case Study

NATIONAL ACCOUNTS: STRATEGIC OVERVIEW

Badger's scale provides the unique opportunity to leverage National Accounts, which smaller competitors cannot

Badger's Positioning

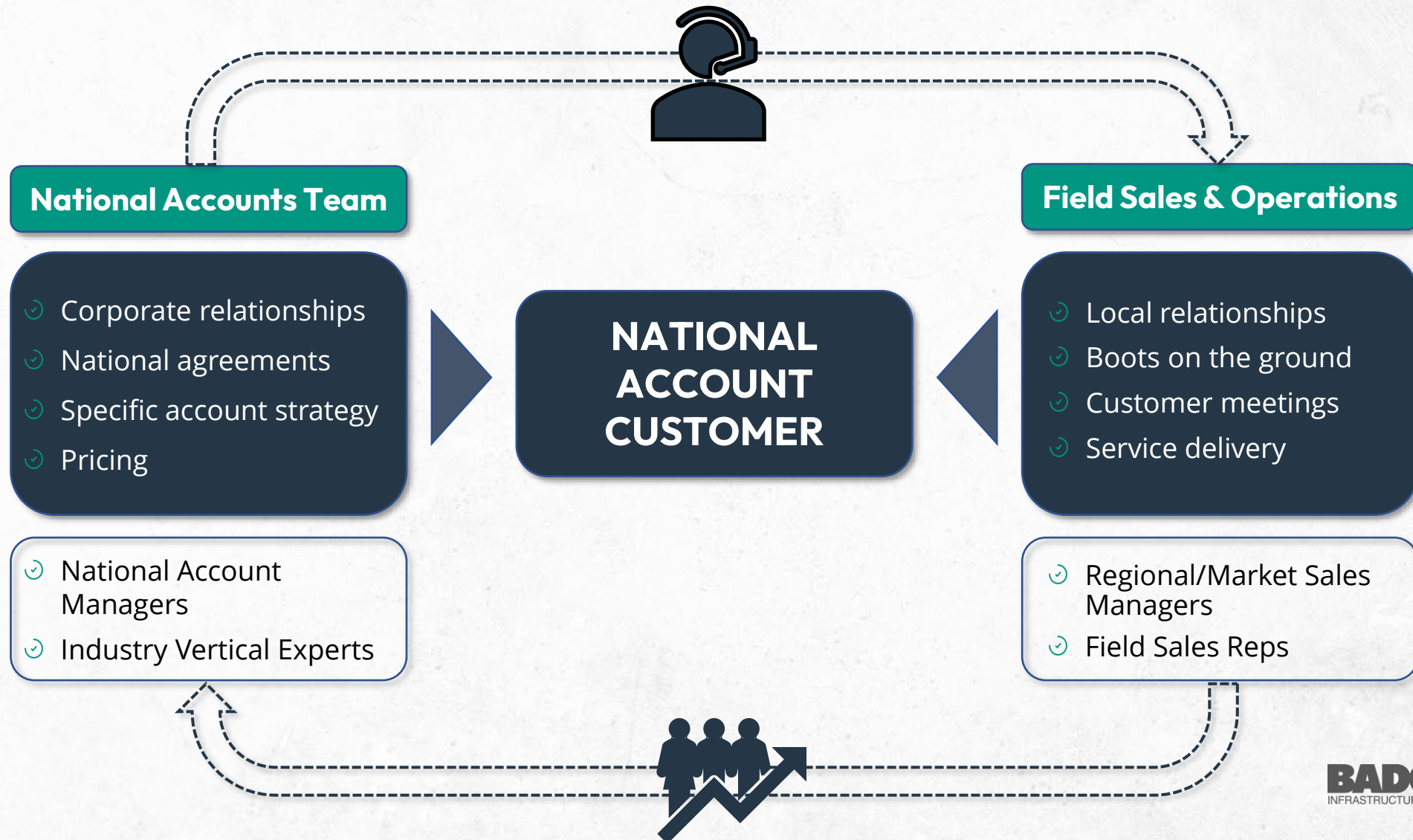
- ✔ Badger is the only competitor with a North American footprint
- ✔ Badger had not fully leveraged its North American footprint in the past, given its legacy, decentralized model
- ✔ National Accounts is a new and different approach to leverage Badger's North American footprint for National Account customers

Badger's Benefits

- ✔ Badger is the only non-destructive excavation provider with a North American Branch network to leverage National Accounts
- ✔ Badger can service the North American needs of its National Accounts customers
- ✔ Badger's National Accounts service offering positioning the company for preferred supplier status with National Accounts customers
- ✔ National Accounts customers provide consistent volume and utilization across seasons

NATIONAL ACCOUNTS: CROSS FUNCTIONAL ALIGNMENT

Leveraging Badger's entire Sales and Operations team to service National Accounts Customers



NATIONAL ACCOUNTS STRATEGY: APPROACH

Focusing on large customers who provide stable, predictable revenue across, geographies, seasons and economic cycles



- ✓ Enterprise-wide solutions for the most complex customers and projects



- ✓ Customer-specific playbooks
- ✓ Dedicated North American Manager responsible for each account and its performance



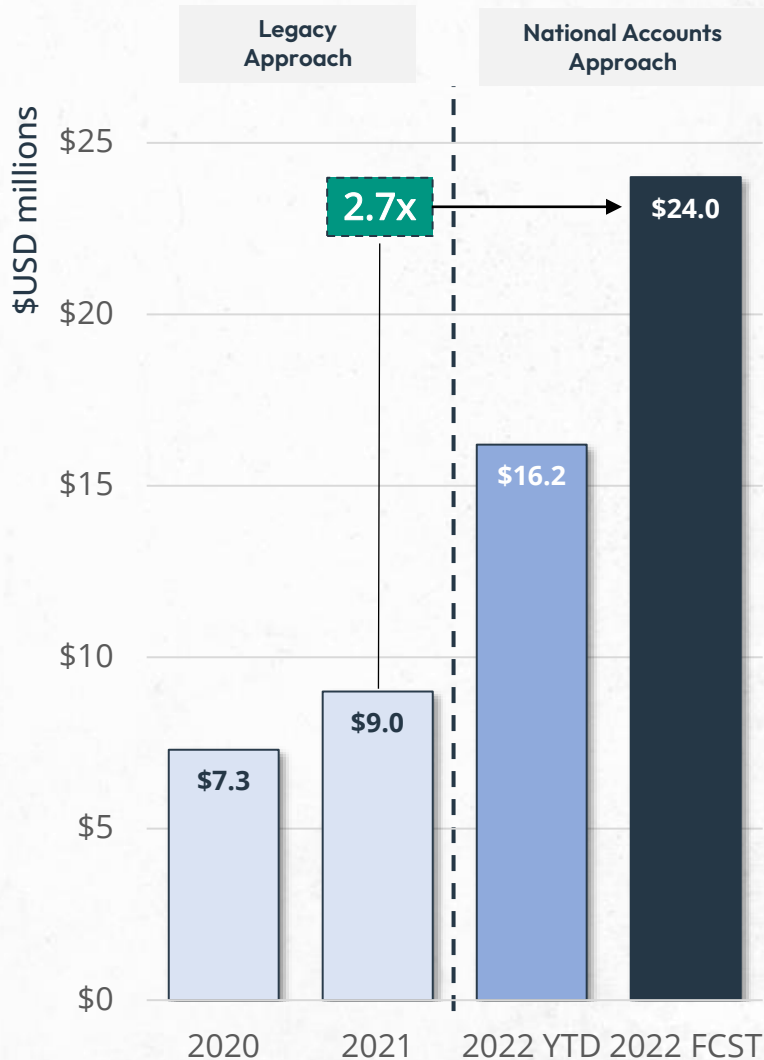
- ✓ Collaborative strategy
- ✓ Field Sales & National Accounts
- ✓ Sales & Operations



- ✓ Sector-focused expertise
- ✓ Project-specific solutions

CASE STUDY: NORTH AMERICAN CONTRACTOR

National Accounts focus is a key differentiator from our competitors



- ✔ Customer example that illustrates the power of our dedicated National Accounts program
- ✔ Large contractor with over \$20 Billion project backlog
 - » Diversified across construction, industrial, power generation, transportation
- ✔ Non-destructive excavation spend of ~\$50 Million annually
 - » Joint assessment to determine size of spend
 - » 1/3 self-performed, 2/3 subcontracted
 - » Badger currently services ~60% of the subcontracted work
 - » Increase share through MSA/first call agreement
- ✔ Client communicates new projects to Badger bi-weekly with local contact and project value
- ✔ We continue to grow our footprint with this customer as one of their strategic partners



OPERATIONAL EXCELLENCE

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OUR ENHANCED OPERATIONAL STRATEGY

Leveraging Badger's operating scale through the implementation of its enhanced Commercial Strategy

- ✔ Over the past 30 years, Badger has built its vertically integrated business model into North America's largest service provider of non-destructive excavation and related services
- ✔ Badger has a proven track-record of delivering high-quality customer service, and with the addition of the Commercial Strategy Badger has a more defined path forward in growing the business, improving the customer experience and delivering premium margins and returns
- ✔ Our Operational Strategy will continue to focus on safety, people and customers, but we have evolved our service-delivery approach based on new data, metrics and incentives:
 - » Targeting Gross Margins at 30 – 35% over the next three to five years
 - » Targeting RPT at \$38,000 (mixed currency) over better over the next three to five years
- ✔ We believe that these financial performance milestones will unlock additional value for shareholders



SAFETY

Safety is at the core of everything that we do at Badger

- ✔ Non-destructive excavation avoids damage to underground infrastructure
 - » We are starting to see more legislation mandating non-destructive excavation across the U.S.
 - » Common Ground Alliance estimates the cost of damaged underground utilities could exceed \$30 billion annually in the U.S.
- ✔ Badger operates the safest fleet in the industry
 - » Safety is engineered into our trucks based on the feedback of our ~1,500 operators over our 30 year history
 - » Our training focuses on safe and efficient practices
- ✔ Operators are our greatest assets
 - » Every Operator is trained via Badger University program
 - » Every Badger U Trainer/Mentor is a former Operator
 - » Every Operator has a Trainer/Mentor



PEOPLE

We are in the people business

People are our greatest asset

We hire, train, and promote the best employees in the industry

As the **industry leader**, we must be the **employer of choice** across North America

TRAIN



Badger University is a formal, non-destructive excavation training offering unique in the industry

INVEST



With over 250 mentors, new employees training continues in the field for 90 days

PROMOTE



85% of General Managers were previously Branch Managers

PEOPLE

Investing in our people to unlock our growth potential



CHALLENGE

- ✓ Shortage of CDL drivers in the US
- ✓ New U.S. regulations require CDL training from an approved school
- ✓ We have ~200 non-CDL operators who could be licensed



SOLUTION

- ✓ Partnered with a regional university to provide two week CDL training for operators with one year of Badger experience
- ✓ Investing in career development to build culture and loyalty

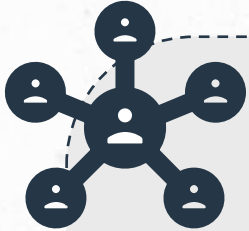


RESULTS

- ✓ CDL obtained within one week of returning to home state
- ✓ Able to operate independently after 60 days with a mentor
- ✓ Boost in employee satisfaction and retention

OPERATIONAL EXCELLENCE

Leveraging our experienced Field leadership through standardized KPIs, reporting and incentives



Span of Control

New organizational structure allows for better service coverage and enhances customer responsiveness

Sales + Marketing activities are focused and aligned with field service delivery resources and actions

IMPROVED CUSTOMER EXPERIENCE



KPIs/Reporting

Established consistent KPIs, standardized reporting and monthly business reviews across all Branches

KPIs are aligned with Badger's strategic priorities with each Branch ranked in relevant achievement of targets

CONSISTENT FINANCIAL PERFORMANCE



Incentives

Aligned Field and Sales incentives with Badger's strategic priorities and KPIs, which drive shareholder value

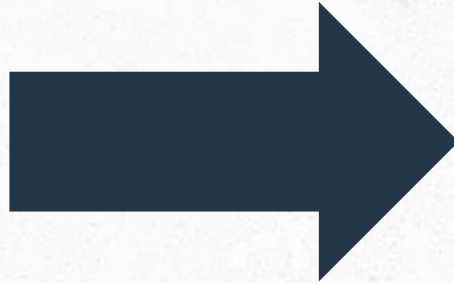
Coaching, mentoring and best practices are shared across the organization to drive consistent service and performance

ACTIVITIES ARE ALIGNED WITH VALUE DRIVERS

ASSET & LABOR UTILIZATION

Optimizing asset utilization ensures better use of capital, while providing Operators with more predictable work

**RPT
TARGET
\$38,000+**
(Mixed Currency)



CONSISTENT OPERATOR HOURS

TARGETED TRUCK BUILD PROGRAM

SUPERIOR RETURNS ON CAPITAL



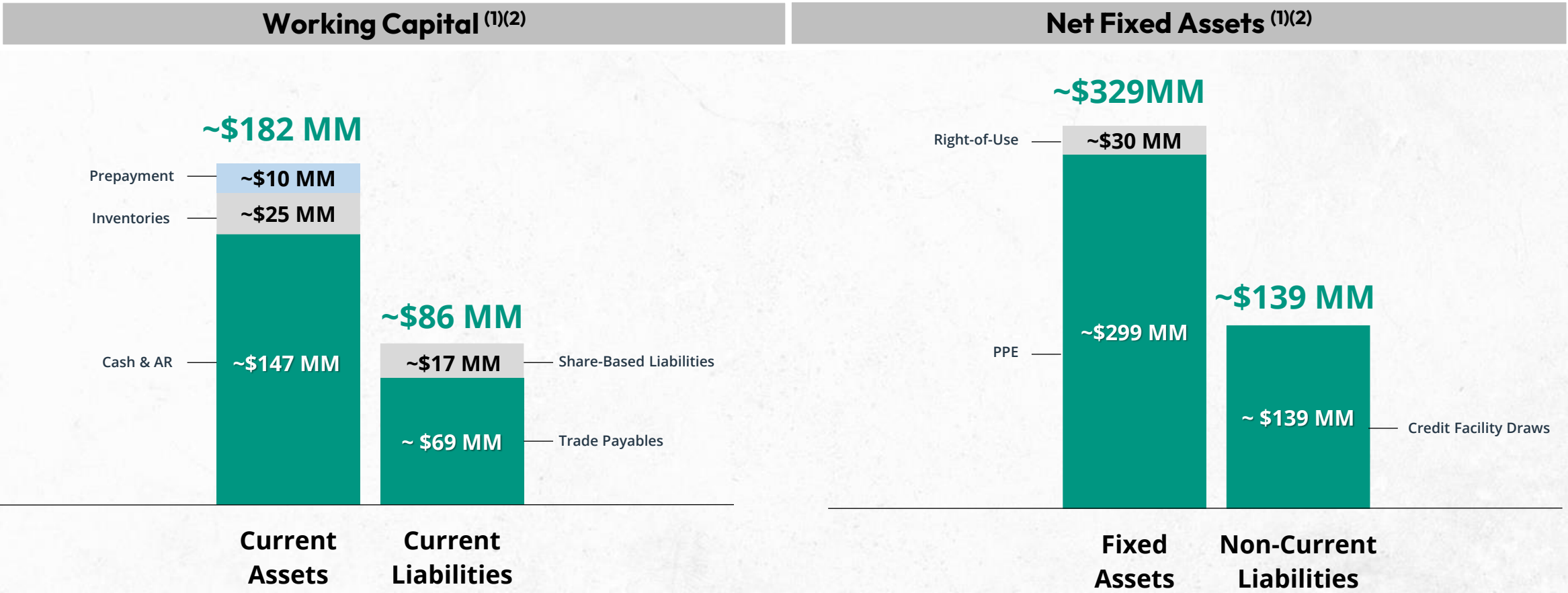
SHAREHOLDER VALUE PROPOSITION

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BALANCE SHEET MANAGEMENT

Working capital and fixed asset surplus provides ~\$285 million in financing capacity

Amounts shown in USD \$Millions



(1) See Badger's 2022 Financial Statements and MD&A.
(2) As at December 31, 2022.

OPERATING PERFORMANCE AND FINANCIAL DISCIPLINE

Combination of operating performance and financial discipline generates significant cashflow to fund growth

OPERATING PERFORMANCE

- ✔ Addressing significant market and customer growth opportunities
- ✔ Targeting 30-35% Gross Margins through operating discipline



BALANCE SHEET MANAGEMENT

- ✔ Working capital surplus and strong financial capacity
- ✔ Strong asset coverage



RECEIVABLE MANAGEMENT

- ✔ Majority of receivables within 30-days of term
- ✔ Strong credit quality customers

= GENERATING SIGNIFICANT OPERATING CASHFLOW TO FUND GROWTH

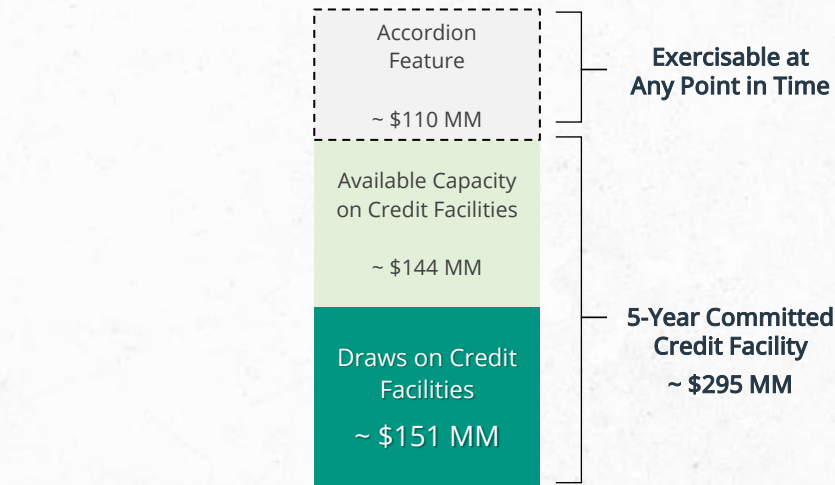
LIQUIDITY MANAGEMENT

Ample financial capacity and flexibility to fund growth capital requirements

~\$400 million in 5-Year Committed Credit Facilities⁽¹⁾⁽²⁾

Ample Financial Covenant Capacity

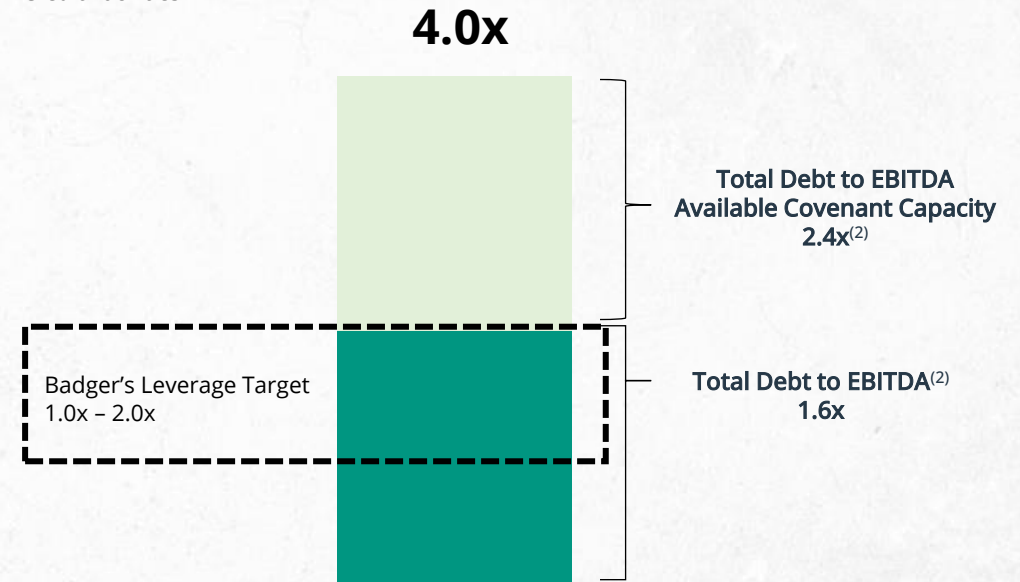
- ⋮ Accordion Feature
- Available Capacity Credit Facilities
- Draws on Credit Facilities



Credit Facilities

Amounts shown in USD \$Millions

- Available Capacity Credit Facilities
- Draws on Credit Facilities



Total Debt to EBITDA

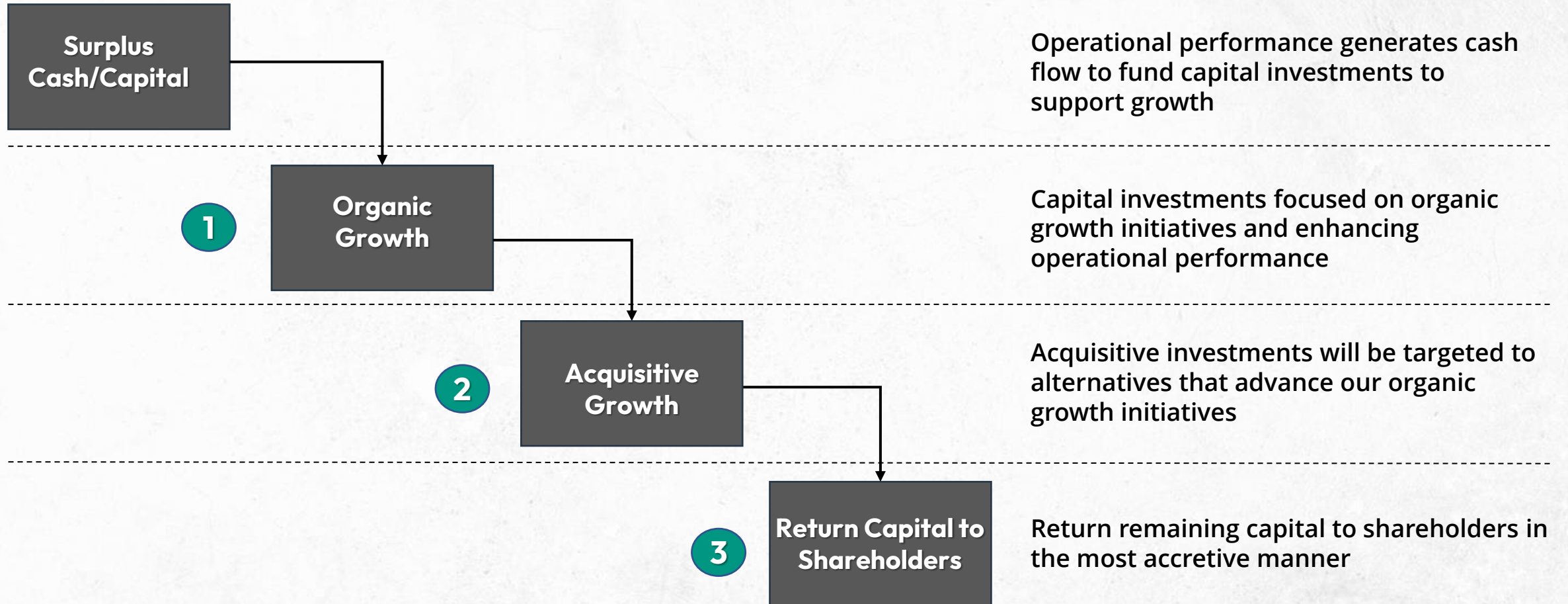
December 31, 2022

(1) See Badger's 2022 MD&A "Non-IFRS Financial Measures" for additional details regarding calculation of Total Debt to Compliance EBITDA.

(2) As at December 31, 2022.

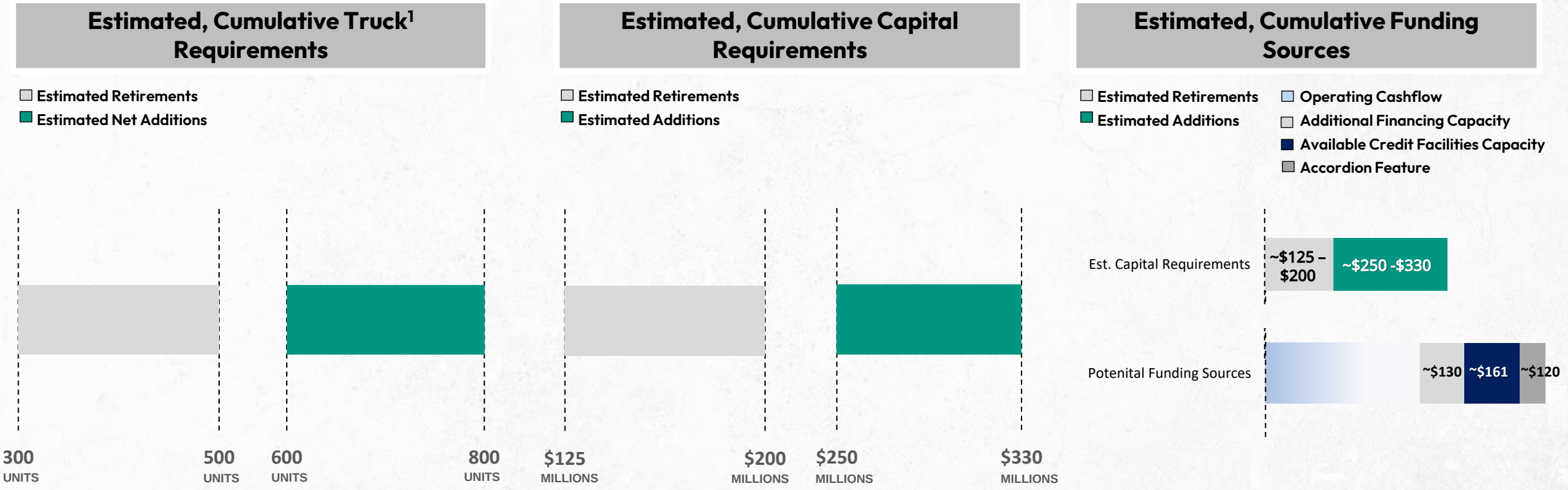
CAPITAL ALLOCATION FRAMEWORK

Focusing financial resources towards funding organic growth opportunities



CAPITAL ASSET REQUIREMENTS

Multiple Funding options to meet capital requirements over the next three to five years



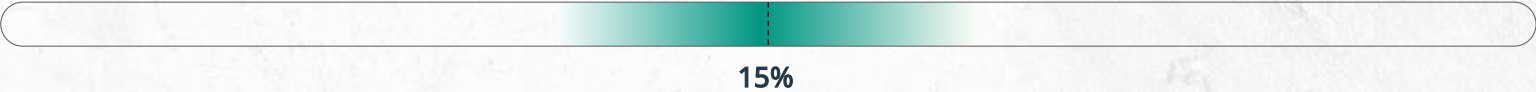
¹Estimated replacement cost of C\$525,000 per Truck
Amounts shown in USD \$Millions, unless otherwise stated

KEY FINANCIAL PERFORMANCE METRICS & TARGETS

Financial performance targets over the next three to five years

Revenue CAGR Target:

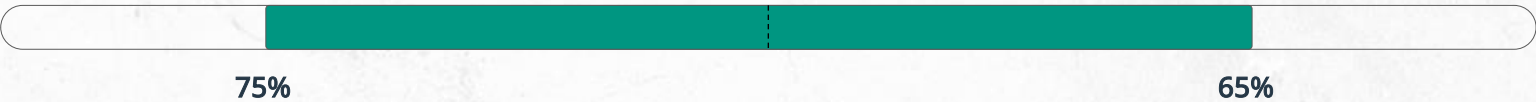
(Based off fiscal 2021)



Direct Costs Targets, Include:

Branch Costs

(% of Revenue, variable costs)



Branch Support Costs

(% of Revenue, semi-fixed costs)

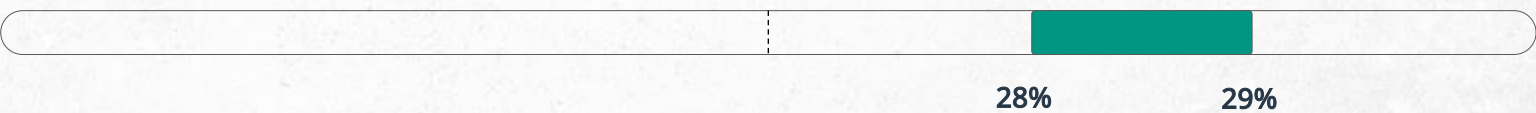
G&A Costs Target:

(Annual fixed cost, USD \$Millions)



Adjusted EBITDA Margin Target:

(% of Revenue)



RPT Target:

(Mixed Currency)



Q&A

CONTACT INFORMATION

- » Trevor Carson, CFA
- » VP Investor Relations & Corporate Development
- » tcarson@badgerinc.com
- » ir.badgerinc.com

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