

ITRON, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited, in thousands, except per share data)

	Three Months Ended March 31.	
	2025	2024
Revenues		
Product revenues	\$ 523,141	\$ 527,822
Service revenues	84,010	75,620
Total revenues	607,151	603,442
Cost of revenues		
Product cost of revenues	346,442	356,707
Service cost of revenues	43,490	41,356
Total cost of revenues	389,932	398,063
Gross profit	217,219	205,379
Operating expenses		
Sales, general and administrative	86,911	85,971
Research and development	50,090	52,401
Amortization of intangible assets	4,479	3,986
Restructuring	(553)	198
Loss on sale of business	79	23
Total operating expenses	141,006	142,579
Operating income	76,213	62,800
Other income (expense)		
Interest income	11,710	3,846
Interest expense	(5,593)	(1,893)
Other income (expense), net	(51)	463
Total other income (expense)	6,066	2,416
Income before income taxes	82,279	65,216
Income tax provision	(16,929)	(13,429)
Net income	65,350	51,787
Net income (loss) attributable to noncontrolling interests	(124)	66
Net income attributable to Itron, Inc.	\$ 65,474	\$ 51,721
Net income per common share - Basic	\$ 1.44	\$ 1.13
Net income per common share - Diluted	\$ 1.42	\$ 1.12
Weighted average common shares outstanding - Basic	45,338	45,652
Weighted average common shares outstanding - Diluted	46,172	46,357

ITRON, INC.
SEGMENT INFORMATION

(Unaudited, in thousands)

	Three Months Ended March 31,	
	2025	2024
Product revenues		
Device Solutions	\$ 125,387	\$ 125,908
Networked Solutions	374,522	381,305
Outcomes	23,232	20,609
Total Company	<u>\$ 523,141</u>	<u>\$ 527,822</u>
Service revenues		
Device Solutions	\$ 484	\$ 844
Networked Solutions	28,210	26,211
Outcomes	55,316	48,565
Total Company	<u>\$ 84,010</u>	<u>\$ 75,620</u>
Total revenues		
Device Solutions	\$ 125,871	\$ 126,752
Networked Solutions	402,732	407,516
Outcomes	78,548	69,174
Total Company	<u>\$ 607,151</u>	<u>\$ 603,442</u>
Gross profit		
Device Solutions	\$ 37,753	\$ 30,064
Networked Solutions	148,714	151,025
Outcomes	30,752	24,290
Total Company	<u>\$ 217,219</u>	<u>\$ 205,379</u>
Operating income		
Device Solutions	\$ 30,471	\$ 21,703
Networked Solutions	116,109	116,678
Outcomes	14,330	9,091
Corporate unallocated	(84,697)	(84,672)
Total Company	<u>\$ 76,213</u>	<u>\$ 62,800</u>
Total Gross Margin	35.8 %	34.0 %

ITRON, INC.
CONSOLIDATED BALANCE SHEETS

(Unaudited, in thousands)

	<u>March 31, 2025</u>	<u>December 31, 2024</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,123,267	\$ 1,051,237
Accounts receivable, net	346,599	350,473
Inventories	281,878	270,725
Other current assets	150,784	143,457
Total current assets	1,902,528	1,815,892
Property, plant, and equipment, net	112,453	115,428
Deferred tax assets, net	315,180	310,280
Other long-term assets	44,342	41,827
Operating lease right-of-use assets, net	27,230	28,957
Intangible assets, net	38,744	43,109
Goodwill	1,062,665	1,052,130
Total assets	<u>\$ 3,503,142</u>	<u>\$ 3,407,623</u>
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	\$ 164,417	\$ 144,929
Other current liabilities	50,028	61,241
Wages and benefits payable	90,241	137,384
Taxes payable	18,241	19,689
Current portion of debt, net	457,747	—
Current portion of warranty	14,934	14,302
Unearned revenue	187,812	150,720
Total current liabilities	983,420	528,265
Long-term debt, net	786,137	1,242,424
Long-term warranty	7,583	7,839
Pension benefit obligation	61,253	59,537
Deferred tax liabilities, net	623	565
Operating lease liabilities	22,322	25,350
Other long-term obligations	132,725	132,215
Total liabilities	1,994,063	1,996,195
Equity		
Common stock	1,708,588	1,689,835
Accumulated other comprehensive loss, net	(96,383)	(109,931)
Accumulated deficit	(123,830)	(189,304)
Total Itron, Inc. shareholders' equity	1,488,375	1,390,600
Noncontrolling interests	20,704	20,828
Total equity	1,509,079	1,411,428
Total liabilities and equity	<u>\$ 3,503,142</u>	<u>\$ 3,407,623</u>

ITRON, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited, in thousands)

	Three Months Ended March 31,	
	2025	2024
Operating activities		
Net income	\$ 65,350	\$ 51,787
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of intangible assets	12,068	12,744
Non-cash operating lease expense	2,923	3,814
Stock-based compensation	16,558	11,429
Amortization of prepaid debt fees	1,781	888
Deferred taxes, net	(5,461)	(1,579)
Loss on sale of business	79	23
Restructuring, non-cash	(25)	(194)
Other adjustments, net	(338)	(322)
Changes in operating assets and liabilities, net of acquisition and sale of business:		
Accounts receivable	6,414	(36,826)
Inventories	(10,099)	(5,559)
Other current assets	(5,959)	(9,690)
Other long-term assets	(1,087)	(4,824)
Accounts payable, other current liabilities, and taxes payable	10,529	48,412
Wages and benefits payable	(48,692)	(40,561)
Unearned revenue	39,113	35,738
Warranty	241	1,489
Restructuring	(8,328)	(7,166)
Other operating, net	(2,950)	(18,295)
Net cash provided by operating activities	72,117	41,308
Investing activities		
Acquisitions of property, plant, and equipment	(4,639)	(7,145)
Business acquisitions, net of cash and cash equivalents acquired	—	(34,126)
Other investing, net	5	125
Net cash used in investing activities	(4,634)	(41,146)
Financing activities		
Issuance of common stock	2,195	1,564
Prepaid debt fees	(175)	(206)
Other financing, net	(259)	(281)
Net cash provided by financing activities	1,761	1,077
Effect of foreign exchange rate changes on cash and cash equivalents	2,786	(2,682)
Increase (decrease) in cash and cash equivalents	72,030	(1,443)
Cash and cash equivalents at beginning of period	1,051,237	302,049
Cash and cash equivalents at end of period	\$ 1,123,267	\$ 300,606

About Non-GAAP Financial Measures

To supplement our consolidated financial statements, which are prepared in accordance with GAAP, we use certain non-GAAP financial measures, including non-GAAP operating expense, non-GAAP operating income, non-GAAP net income, non-GAAP diluted EPS, adjusted EBITDA, free cash flow, and constant currency. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP, and other companies may define such measures differently. For a reconciliation of each non-GAAP measure to the most comparable financial measure prepared and presented in accordance with GAAP, please see the table captioned Reconciliations of Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measures.

We use these non-GAAP financial measures for financial and operational decision making and/or as a means for determining executive compensation. Management believes that these non-GAAP financial measures provide meaningful supplemental information regarding our performance and ability to service debt by excluding certain expenses that may not be indicative of our recurring core operating results. These non-GAAP financial measures facilitate management's internal comparisons to our historical performance, as well as comparisons to our competitors' operating results. Our executive compensation plans exclude non-cash charges related to amortization of intangibles and certain discrete cash and non-cash charges, such as restructuring, loss on sale of business, or acquisition and integration related expenses. We believe that both management and investors benefit from referring to these non-GAAP financial measures in assessing our performance and when planning, forecasting and analyzing future periods. We believe these non-GAAP financial measures are useful to investors because they provide greater transparency with respect to key metrics used by management in its financial and operational decision making and because they are used by our institutional investors and the analyst community to analyze the health of our business.

Non-GAAP operating expenses and non-GAAP operating income – We define non-GAAP operating expenses as operating expenses excluding certain expenses related to the amortization of intangible assets, restructuring, loss on sale of business, and acquisition and integration related expenses. We define non-GAAP operating income as operating income excluding the expenses related to the amortization of intangible assets, restructuring, loss on sale of business, and acquisition and integration related expenses. Acquisition and integration related expenses include costs, which are incurred to affect and integrate business combinations, such as professional fees, certain employee retention and salaries related to integration, severances, contract terminations, travel costs related to knowledge transfer, system conversion costs, and asset impairment charges. We consider these non-GAAP financial measures to be useful metrics for management and investors because they exclude the effect of expenses that are not related to our core operating results. By excluding these expenses, we believe that it is easier for management and investors to compare our financial results over multiple periods and analyze trends in our operations. For example, in certain periods, expenses related to amortization of intangible assets may decrease, which would improve GAAP operating margins, yet the improvement in GAAP operating margins due to this lower expense is not necessarily reflective of an improvement in our core business. There are some limitations related to the use of non-GAAP operating expenses and non-GAAP operating income versus operating expenses and operating income calculated in accordance with GAAP. We compensate for these limitations by providing specific information about the GAAP amounts excluded from non-GAAP operating expense and non-GAAP operating income and evaluating non-GAAP operating expense and non-GAAP operating income together with GAAP operating expense and operating income.

Non-GAAP net income and non-GAAP diluted EPS – We define non-GAAP net income as net income attributable to Itron, Inc. excluding the expenses associated with amortization of intangible assets, amortization of debt placement fees, restructuring, loss on sale of business, acquisition and integration related expenses, and the tax effect of excluding these expenses. We define non-GAAP diluted EPS as non-GAAP net income divided by diluted weighted-average shares outstanding during the period calculated on a GAAP basis and then reduced to reflect any anti-dilutive impact of the convertible notes hedge transactions. We consider these financial measures to be useful metrics for management and investors for the same reasons that we use non-GAAP operating income. The same limitations described above regarding our use of non-GAAP operating income apply to our use of non-GAAP net income and non-GAAP diluted EPS. We compensate for these limitations by providing specific information regarding the GAAP amounts excluded from these non-GAAP measures and evaluating non-GAAP net income and non-GAAP diluted EPS together with GAAP net income attributable to Itron, Inc. and GAAP diluted EPS.

For interim periods the budgeted annual effective tax rate (AETR) is used, adjusted for any discrete items, as defined in Accounting Standards Codification (ASC) 740 - Income Taxes. The budgeted AETR is determined at the beginning of the fiscal year. The AETR is revised throughout the year based on changes to our full-year forecast. If the revised AETR increases or decreases by 200 basis points or more from the budgeted AETR due to changes in the full-year forecast during the year, the revised AETR is used in place of the budgeted AETR beginning with the quarter the 200 basis point threshold is exceeded and going forward for all subsequent interim quarters in the year. We continue to assess the AETR based on latest forecast throughout the year and use the most recent AETR anytime it increases or decreases by 200 basis points or more from the prior interim period.

Adjusted EBITDA – We define adjusted EBITDA as net income (a) minus interest income, (b) plus interest expense, depreciation and amortization, restructuring, loss on sale of business, acquisition and integration related expenses, and (c) excluding income tax provision or benefit. Management uses adjusted EBITDA as a performance measure for executive compensation. A limitation to using adjusted EBITDA is that it does not represent the total increase or decrease in the cash balance for the period and the measure includes some non-cash items and excludes other non-cash items. Additionally, the items that we exclude in our calculation of adjusted EBITDA may differ from the items that our peer companies exclude when they report their results. We compensate for these limitations by providing a reconciliation of this measure to GAAP net income.

Free cash flow – We define free cash flow as net cash provided by operating activities less cash used for acquisitions of property, plant and equipment. We believe free cash flow provides investors with a relevant measure of liquidity and a useful basis for assessing our ability to fund our operations and repay our debt. The same limitations described above regarding our use of adjusted EBITDA apply to our use of free cash flow. We compensate for these limitations by providing specific information regarding the GAAP amounts in the reconciliation.

Constant currency – We refer to the impact of foreign currency exchange rate fluctuations in our discussions of financial results, which references the differences between the foreign currency exchange rates used to translate operating results from the entity's functional currency into U.S. dollars for financial reporting purposes. We also use the term "constant currency", which represents financial results adjusted to exclude changes in foreign currency exchange rates as compared with the rates in the comparable prior year period. We calculate the constant currency change as the difference between the current period

results and the comparable prior period's results restated using current period foreign currency exchange rates.

The tables below reconcile the non-GAAP financial measures of operating expenses, operating income, net income, diluted EPS, adjusted EBITDA, and free cash flow with the most directly comparable GAAP financial measures.

ITRON. INC.
RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES
TO THE MOST DIRECTLY COMPARABLE GAAP FINANCIAL MEASURES

(Unaudited, in thousands, except per share data)

TOTAL COMPANY RECONCILIATIONS	Three Months Ended March 31,	
	2025	2024
NON-GAAP OPERATING EXPENSES		
GAAP operating expenses	\$ 141,006	\$ 142,579
Amortization of intangible assets	(4,479)	(3,986)
Restructuring	553	(198)
Loss on sale of business	(79)	(23)
Acquisition and integration	(51)	(318)
Non-GAAP operating expenses	<u>\$ 136,950</u>	<u>\$ 138,054</u>
NON-GAAP OPERATING INCOME		
GAAP operating income	\$ 76,213	\$ 62,800
Amortization of intangible assets	4,479	3,986
Restructuring	(553)	198
Loss on sale of business	79	23
Acquisition and integration	51	318
Non-GAAP operating income	<u>\$ 80,269</u>	<u>\$ 67,325</u>
NON-GAAP NET INCOME & DILUTED EPS		
GAAP net income attributable to Itron, Inc.	\$ 65,474	\$ 51,721
Amortization of intangible assets	4,479	3,986
Amortization of debt placement fees	1,737	844
Restructuring	(553)	198
Loss on sale of business	79	23
Acquisition and integration	51	318
Income tax effect of non-GAAP adjustments	(1,157)	201
Non-GAAP net income attributable to Itron, Inc.	<u>\$ 70,110</u>	<u>\$ 57,291</u>
Non-GAAP diluted EPS	<u>\$ 1.52</u>	<u>\$ 1.24</u>
Non-GAAP weighted average common shares outstanding - Diluted	<u>46,172</u>	<u>46,357</u>
ADJUSTED EBITDA		
GAAP net income attributable to Itron, Inc.	\$ 65,474	\$ 51,721
Interest income	(11,710)	(3,846)
Interest expense	5,593	1,893
Income tax provision	16,929	13,429
Depreciation and amortization	12,068	12,744
Restructuring	(553)	198
Loss on sale of business	79	23
Acquisition and integration	51	318
Adjusted EBITDA	<u>\$ 87,931</u>	<u>\$ 76,480</u>
FREE CASH FLOW		
Net cash provided by operating activities	\$ 72,117	\$ 41,308
Acquisitions of property, plant, and equipment	(4,639)	(7,145)
Free Cash Flow	<u>\$ 67,478</u>	<u>\$ 34,163</u>