

**ITRON, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

(Unaudited, in thousands, except per share data)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2024	2023	2024	2023
Revenues				
Product revenues	\$ 532,401	\$ 502,007	\$ 2,131,379	\$ 1,863,489
Service revenues	80,463	75,166	309,458	310,144
Total revenues	<u>612,864</u>	<u>577,173</u>	<u>2,440,837</u>	<u>2,173,633</u>
Cost of revenues				
Product cost of revenues	353,909	340,504	1,429,942	1,292,170
Service cost of revenues	45,075	40,279	171,578	167,555
Total cost of revenues	<u>398,984</u>	<u>380,783</u>	<u>1,601,520</u>	<u>1,459,725</u>
Gross profit	213,880	196,390	839,317	713,908
Operating expenses				
Sales, general and administrative	85,046	81,603	339,069	312,779
Research and development	58,343	53,919	215,034	208,688
Amortization of intangible assets	4,517	4,485	17,828	18,918
Restructuring	3,303	7,121	2,679	43,989
(Gain) loss on sale of business	(59)	(8)	597	667
Total operating expenses	<u>151,150</u>	<u>147,120</u>	<u>575,207</u>	<u>585,041</u>
Operating income	62,730	49,270	264,110	128,867
Other income (expense)				
Interest income	12,183	3,346	34,577	9,314
Interest expense	(5,591)	(1,870)	(15,379)	(8,349)
Other income (expense), net	528	(1,284)	1,223	(2,446)
Total other income (expense)	<u>7,120</u>	<u>192</u>	<u>20,421</u>	<u>(1,481)</u>
Income before income taxes	69,850	49,462	284,531	127,386
Income tax provision	(11,283)	(4,555)	(43,407)	(29,068)
Net income	58,567	44,907	241,124	98,318
Net income attributable to noncontrolling interests	460	521	2,019	1,395
Net income attributable to Itron, Inc.	<u>\$ 58,107</u>	<u>\$ 44,386</u>	<u>\$ 239,105</u>	<u>\$ 96,923</u>
Net income per common share - Basic	<u>\$ 1.29</u>	<u>\$ 0.98</u>	<u>\$ 5.27</u>	<u>\$ 2.13</u>
Net income per common share - Diluted	<u>\$ 1.26</u>	<u>\$ 0.96</u>	<u>\$ 5.18</u>	<u>\$ 2.11</u>

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Weighted average common shares outstanding - Basic	45,100	45,501	45,368	45,421
Weighted average common shares outstanding - Diluted	46,036	46,039	46,187	45,836

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**ITRON, INC.**  
**SEGMENT INFORMATION**

(Unaudited, in thousands)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2024	2023	2024	2023
<b>Product revenues</b>				
Device Solutions	\$ 107,373	\$ 112,620	\$ 473,329	\$ 452,718
Networked Solutions	387,421	366,637	1,546,278	1,331,546
Outcomes	37,607	22,750	111,772	79,225
Total Company	\$ 532,401	\$ 502,007	\$ 2,131,379	\$ 1,863,489
<b>Service revenues</b>				
Device Solutions	\$ 1,164	\$ 923	\$ 3,248	\$ 3,008
Networked Solutions	25,721	24,285	103,797	118,745
Outcomes	53,578	49,958	202,413	188,391
Total Company	\$ 80,463	\$ 75,166	\$ 309,458	\$ 310,144
<b>Total revenues</b>				
Device Solutions	\$ 108,537	\$ 113,543	\$ 476,577	\$ 455,726
Networked Solutions	413,142	390,922	1,650,075	1,450,291
Outcomes	91,185	72,708	314,185	267,616
Total Company	\$ 612,864	\$ 577,173	\$ 2,440,837	\$ 2,173,633
<b>Gross profit</b>				
Device Solutions	\$ 28,827	\$ 30,566	\$ 123,464	\$ 105,917
Networked Solutions	144,950	136,873	597,780	499,725
Outcomes	40,103	28,951	118,073	108,266
Total Company	\$ 213,880	\$ 196,390	\$ 839,317	\$ 713,908
<b>Operating income</b>				
Device Solutions	\$ 21,609	\$ 19,853	\$ 93,522	\$ 65,690
Networked Solutions	107,309	102,869	456,662	368,921
Outcomes	20,802	14,479	51,730	50,346
Corporate unallocated	(86,990)	(87,931)	(337,804)	(356,090)
Total Company	\$ 62,730	\$ 49,270	\$ 264,110	\$ 128,867
<b>Total Gross Margin</b>	34.9 %	34.0 %	34.4 %	32.8 %

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**ITRON, INC.**  
**CONSOLIDATED BALANCE SHEETS**

(Unaudited, in thousands)

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 1,051,237	\$ 302,049
Accounts receivable, net	350,473	303,821
Inventories	270,725	283,686
Other current assets	143,457	159,882
Total current assets	1,815,892	1,049,438
Property, plant, and equipment, net	115,428	128,806
Deferred tax assets, net	310,280	247,211
Other long-term assets	41,827	38,836
Operating lease right-of-use assets, net	28,957	41,186
Intangible assets, net	43,109	46,282
Goodwill	1,052,130	1,052,504
Total assets	\$ 3,407,623	\$ 2,604,263
<b>LIABILITIES AND EQUITY</b>		
Current liabilities		
Accounts payable	\$ 144,929	\$ 199,520
Other current liabilities	61,241	54,407
Wages and benefits payable	137,384	135,803
Taxes payable	19,689	8,636
Current portion of warranty	14,302	14,663
Unearned revenue	150,720	124,207
Total current liabilities	528,265	537,236
Long-term debt, net	1,242,424	454,827
Long-term warranty	7,839	7,501
Pension benefit obligation	59,537	63,887
Deferred tax liabilities, net	565	697
Operating lease liabilities	25,350	32,656
Other long-term obligations	132,215	176,028
Total liabilities	1,996,195	1,272,832
Equity		
Common stock	1,689,835	1,820,510
Accumulated other comprehensive loss, net	(109,931)	(81,190)
Accumulated deficit	(189,304)	(428,409)
Total Itron, Inc. shareholders' equity	1,390,600	1,310,911
Noncontrolling interests	20,828	20,520
Total equity	1,411,428	1,331,431
Total liabilities and equity	\$ 3,407,623	\$ 2,604,263

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**ITRON, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Unaudited, in thousands)	Year Ended December 31,	
	2024	2023
<b>Operating activities</b>		
Net income	\$ 241,124	\$ 98,318
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of intangible assets	56,277	55,763
Non-cash operating lease expense	20,597	16,454
Stock-based compensation	43,874	28,357
Amortization of prepaid debt fees	5,489	3,664
Deferred taxes, net	(38,791)	(34,646)
Loss on sale of business	597	667
Restructuring, non-cash	(191)	385
Other adjustments, net	(895)	(169)
Changes in operating assets and liabilities, net of acquisition and sale of business:		
Accounts receivable	(49,138)	(19,494)
Inventories	5,969	(52,118)
Other current assets	15,165	(42,410)
Other long-term assets	(6,789)	2,317
Accounts payable, other current liabilities, and taxes payable	(35,388)	(43,657)
Wages and benefits payable	3,784	44,700
Unearned revenue	29,319	28,329
Warranty	210	(3,778)
Restructuring	(31,011)	29,866
Other operating, net	(22,027)	12,423
Net cash provided by operating activities	238,175	124,971
<b>Investing activities</b>		
Net proceeds (payments) related to the sale of business	405	(772)
Acquisitions of property, plant, and equipment	(30,562)	(26,884)
Business acquisitions, net of cash equivalents acquired	(34,105)	—
Other investing, net	850	4,348
Net cash used in investing activities	(63,412)	(23,308)
<b>Financing activities</b>		
Proceeds from borrowings	805,000	—
Issuance of common stock	8,321	3,674
Payments on call spread for convertible offering	(108,997)	—
Repurchase of common stock	(100,000)	—
Prepaid debt fees	(21,872)	(2,471)
Other financing, net	(2,879)	(4,711)
Net cash provided by (used in) financing activities	579,573	(3,508)
Effect of foreign exchange rate changes on cash and cash equivalents	(5,148)	1,887
Increase in cash and cash equivalents	749,188	100,042
Cash and cash equivalents at beginning of period	302,049	202,007
Cash and cash equivalents at end of period	\$ 1,051,237	\$ 302,049

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## 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, strategic initiative expenses, 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, strategic initiative expenses, 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, strategic initiative expenses, 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

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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, strategic initiative expenses, 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.

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, strategic initiative expenses, 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.

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

(Unaudited, in thousands, except per share data)

<b>TOTAL COMPANY RECONCILIATIONS</b>	<b>Three Months Ended December 31,</b>		<b>Twelve Months Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>NON-GAAP OPERATING EXPENSES</b>				
GAAP operating expenses	\$ 151,150	\$ 147,120	\$ 575,207	\$ 585,041
Amortization of intangible assets	(4,517)	(4,485)	(17,828)	(18,918)
Restructuring	(3,303)	(7,121)	(2,679)	(43,989)
Gain (loss) on sale of business	59	8	(597)	(667)
Strategic initiative	—	—	—	5
Acquisition and integration	(67)	(27)	(723)	(144)
Non-GAAP operating expenses	<u>\$ 143,322</u>	<u>\$ 135,495</u>	<u>\$ 553,380</u>	<u>\$ 521,328</u>
<b>NON-GAAP OPERATING INCOME</b>				
GAAP operating income	\$ 62,730	\$ 49,270	\$ 264,110	\$ 128,867
Amortization of intangible assets	4,517	4,485	17,828	18,918
Restructuring	3,303	7,121	2,679	43,989
(Gain) loss on sale of business	(59)	(8)	597	667
Strategic initiative	—	—	—	(5)
Acquisition and integration	67	27	723	144
Non-GAAP operating income	<u>\$ 70,558</u>	<u>\$ 60,895</u>	<u>\$ 285,937</u>	<u>\$ 192,580</u>
<b>NON-GAAP NET INCOME &amp; DILUTED EPS</b>				
GAAP net income attributable to Itron, Inc.	\$ 58,107	\$ 44,386	\$ 239,105	\$ 96,923
Amortization of intangible assets	4,517	4,485	17,828	18,918
Amortization of debt placement fees	1,776	860	5,314	3,489
Restructuring	3,303	7,121	2,679	43,989
(Gain) loss on sale of business	(59)	(8)	597	667
Strategic initiative	—	—	—	(5)
Acquisition and integration	67	27	723	144
Income tax effect of non-GAAP adjustments	(5,555)	(183)	(6,446)	(10,339)
Non-GAAP net income attributable to Itron, Inc.	<u>\$ 62,156</u>	<u>\$ 56,688</u>	<u>\$ 259,800</u>	<u>\$ 153,786</u>
Non-GAAP diluted EPS	<u>\$ 1.35</u>	<u>\$ 1.23</u>	<u>\$ 5.62</u>	<u>\$ 3.36</u>
Non-GAAP weighted average common shares outstanding - Diluted	<u>46,036</u>	<u>46,039</u>	<u>46,187</u>	<u>45,836</u>

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

<b>TOTAL COMPANY RECONCILIATIONS</b>	<b>Three Months Ended December 31,</b>		<b>Twelve Months Ended December 31,</b>	
(Unaudited, in thousands, except per share data)	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>ADJUSTED EBITDA</b>				
GAAP net income attributable to Itron, Inc.	\$ 58,107	\$ 44,386	\$ 239,105	\$ 96,923
Interest income	(12,183)	(3,346)	(34,577)	(9,314)
Interest expense	5,591	1,870	15,379	8,349
Income tax provision	11,283	4,555	43,407	29,068
Depreciation and amortization	15,298	13,750	56,277	55,763
Restructuring	3,303	7,121	2,679	43,989
(Gain) loss on sale of business	(59)	(8)	597	667
Strategic initiative	—	—	—	(5)
Acquisition and integration	67	27	723	144
Adjusted EBITDA	<u>\$ 81,407</u>	<u>\$ 68,355</u>	<u>\$ 323,590</u>	<u>\$ 225,584</u>
<b>FREE CASH FLOW</b>				
Net cash provided by operating activities	\$ 79,849	\$ 47,895	\$ 238,175	\$ 124,971
Acquisitions of property, plant, and equipment	(9,684)	(8,580)	(30,562)	(26,884)
Free Cash Flow	<u>\$ 70,165</u>	<u>\$ 39,315</u>	<u>\$ 207,613</u>	<u>\$ 98,087</u>

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