

ITRON, INC.  
 TRENDED RESULTS AS REVISED & REPORTED IN FORM 10-K FOR FYE  
 2013, 2014, 2015, 2016 2017 & Q1 2018  
 WITH GAAP TO NON-GAAP RECONCILIATIONS

(Unaudited, \$ in thousands, except per share amounts)

**TOTAL COMPANY - FINANCIAL RESULTS**

Revenue  
 Gross Profit  
 GM%

Operating expenses

Sales and marketing  
 Product development  
 General and administrative  
 Amortization of intangible assets  
 Restructuring

Operating income (loss)

Other income (expense)  
 Interest income  
 Interest expense  
 Other income (expense), net  
 Total other income (expense)

Income (loss) before income taxes

Income tax provision  
 Net income (loss)  
 Net income attributable to non-controlling interests  
 Net income (loss) attributable to Itron, Inc.

Earnings (loss) per common share - Basic

Earnings (loss) per common share - Diluted

Weighted average basic shares outstanding

Weighted average diluted shares outstanding

**NON-GAAP OPERATING INCOME**

GAAP operating income (loss)

GAAP Operating Margin %  
 Amortization of intangible assets  
 Restructuring  
 Acquisition and integration related expense

Non-GAAP operating income

Non-GAAP Operating Margin %

**NON-GAAP NET INCOME & DILUTED EPS**

GAAP net income (loss) attributable to Itron, Inc.

Amortization of intangible assets  
 Restructuring  
 Acquisition related expenses  
 Amortization of debt placement fees  
 Tax Cuts and Job Act  
 Income tax effect of non-GAAP adjustments

Non-GAAP net income attributable to Itron, Inc.

Non-GAAP diluted EPS

Weighted average diluted shares outstanding

**ADJUSTED EBITDA**

GAAP net income (loss) attributable to Itron, Inc.

Interest income  
 Interest expense  
 Income tax provision (benefit)  
 Depreciation and amortization  
 Restructuring  
 Acquisition and integration related expense  
 Goodwill impairment

Adjusted EBITDA

Adjusted EBITDA margin %

**FREE CASH FLOW**

Net cash provided (used) by operating activities

Acquisitions of property, plant, and equipment

Free Cash Flow

**BACKLOG (in millions)**

Total Backlog

12-month Backlog

**ELECTRICITY SEGMENT**

Revenue

Gross Profit

GM%

GAAP operating income (loss)

GAAP Operating Margin %

Amortization of intangible assets  
 Restructuring  
 Acquisition and integration related expense

Non-GAAP operating income (loss)

Non-GAAP Operating Margin %

**GAS SEGMENT**

Revenue

Gross Profit

GM%

GAAP operating income (loss)

GAAP Operating Margin %

Amortization of intangible assets  
 Restructuring

Non-GAAP operating income

Non-GAAP Operating Margin %

**NETWORKS SEGMENT**

Revenue

Gross Profit

GM%

GAAP operating income (loss)

GAAP Operating Margin %

Amortization of intangible assets  
 Acquisition and integration related expenses  
 Goodwill impairment

Non-GAAP operating income

Non-GAAP Operating Margin %

**CORPORATE SEGMENT**

GAAP operating loss

Restructuring

Acquisition and integration related expenses

Non-GAAP operating loss

	2016						2017						2018
	Q1	Q2	Q3	Q4	Fiscal Year		Q1	Q2	Q3	Q4	Fiscal Year		Q1
<b>TOTAL COMPANY - FINANCIAL RESULTS</b>													
Revenue	\$ 497,590	\$ 513,024	\$ 506,859	\$ 495,713	\$ 2,013,186	\$ 477,592	\$ 503,082	\$ 486,747	\$ 550,776	\$ 2,018,197	\$ 607,221		
Gross Profit	163,203	169,705	170,749	156,663	660,320	157,637	177,860	165,318	174,751	675,566	179,855		
GM%	32.8 %	33.1 %	33.7 %	31.6 %	32.8 %	33.0 %	32.9 %	34.0 %	31.7 %	33.5 %	29.6 %		
<b>Operating expenses</b>													
Sales and marketing	40,767	39,376	38,894	39,846	158,883	41,255	44,753	40,780	43,007	169,795	51,921		
Product development	45,346	43,354	39,386	40,123	168,209	40,767	43,111	42,560	43,438	169,876	60,284		
General and administrative	45,069	45,328	40,384	32,034	162,815	37,187	43,161	39,667	36,466	156,481	102,493		
Amortization of intangible assets	6,210	7,796	4,996	6,110	25,112	4,549	4,970	5,625	5,641	20,785	17,740		
Restructuring	2,237	(1,622)	40,679	7,796	49,090	3,052	5,043	(678)	(999)	6,418	87,865		
Total operating expenses	139,629	134,232	164,339	125,909	564,109	126,810	141,038	127,954	127,553	523,355	320,303		
Operating income (loss)	23,574	35,473	6,410	30,754	96,211	30,827	36,822	37,364	47,198	152,211	(140,448)		
Other income (expense)													
Interest income	271	221	102	271	865	269	470	729	658	2,126	661		
Interest expense	(2,918)	(2,735)	(2,691)	(2,604)	(10,948)	(3,199)	(2,876)	(2,898)	(3,133)	(12,106)	(15,504)		
Other income (expense), net	(1,517)	(264)	707	(427)	(1,501)	(2,836)	(2,849)	(1,701)	(270)	(7,656)	(1,167)		
Total other income (expense)	(4,164)	(2,778)	(1,882)	(2,760)	(11,584)	(5,766)	(5,255)	(3,870)	(2,745)	(17,636)	(16,010)		
Income (loss) before income taxes	19,410	32,695	4,528	27,994	84,627	25,061	31,567	33,494	44,453	134,575	(156,458)		
Income tax provision	(8,626)	(12,193)	(13,430)	(15,325)	(49,574)	(9,047)	(16,560)	(6,640)	(42,079)	(74,326)	11,188		
Net income (loss)	10,784	20,502	(8,902)	12,669	35,053	16,014	15,007	26,854	2,374	60,249	(145,270)		
Net income attributable to non-controlling interests	695	585	983	1,020	3,283	169	910	1,278	594	2,951	396		
Net income (loss) attributable to Itron, Inc.	\$ 10,089	\$ 19,917	\$ (9,885)	\$ 11,649	\$ 31,770	\$ 15,845	\$ 14,097	\$ 25,576	\$ 1,780	\$ 57,298	\$ (145,666)		
Earnings (loss) per common share - Basic	\$ 0.27	\$ 0.52	\$ (0.26)	\$ 0.30	\$ 0.83	\$ 0.41	\$ 0.36	\$ 0.66	\$ 0.05	\$ 1.48	\$ (3.74)		
Earnings (loss) per common share - Diluted	\$ 0.26	\$ 0.52	\$ (0.26)	\$ 0.30	\$ 0.82	\$ 0.40	\$ 0.36	\$ 0.65	\$ 0.05	\$ 1.45	\$ (3.74)		
Weighted average basic shares outstanding	38,059	38,236	38,248	38,283	38,207	38,474	38,683	38,713	38,745	38,655	38,945		
Weighted average diluted shares outstanding	38,376	38,516	38,248	39,028	38,643	39,215	39,332	39,467	39,530	39,387	38,945		
<b>NON-GAAP OPERATING INCOME</b>													
GAAP operating income (loss)	\$ 23,574	\$ 35,473	\$ 6,410	\$ 30,754	\$ 96,211	\$ 30,827	\$ 36,822	\$ 37,364	\$ 47,198	\$ 152,211	\$ (140,448)		
GAAP Operating Margin %	4.7 %	6.9 %	1.3 %	6.2 %	4.8 %	6.5 %	7.3 %	7.7 %	8.6 %	7.5 %	(23.1)%		
Amortization of intangible assets	6,210	7,796	4,996	6,110	25,112	4,549	4,970	5,625	5,641	20,785	17,740		
Restructuring	2,237	(1,622)	40,679	7,796	49,090	3,052	5,043	(678)	(999)	6,418	87,865		
Acquisition and integration related expense	3	(25)	(180)	5	(197)	333	6,468	7,243	3,095	17,139	62,647		
Non-GAAP operating income	\$ 32,024	\$ 41,622	\$ 51,905	\$ 44,665	\$ 170,216	\$ 38,761	\$ 53,303	\$ 49,554	\$ 54,935	\$ 196,553	\$ 27,804		
Non-GAAP Operating Margin %	6.4 %	8.1 %	10.2 %	9.0 %	8.5 %	8.1 %	10.6 %	10.2 %	10.0 %	9.7 %	4.6 %		
<b>NON-GAAP NET INCOME &amp; DILUTED EPS</b>													
GAAP net income (loss) attributable to Itron, Inc.	\$ 10,089	\$ 19,917	\$ (9,885)	\$ 11,649	\$ 31,770	\$ 15,845	\$ 14,097	\$ 25,576	\$ 1,780	\$ 57,298	\$ (145,666)		
Amortization of intangible assets	6,210	7,796	4,996	6,110	25,112	4,549	4,970	5,625	5,641	20,785	17,740		
Restructuring	2,237	(1,622)	40,679	7,796	49,090	3,052	5,043	(678)	(999)	6,418	87,865		
Acquisition related expenses	3	(25)	(180)	5	(197)	333	6,468	7,243	3,095	17,139	62,647		
Amortization of debt placement fees	247	248	247	245	987	241	242	242	241	966	3,343		
Tax Cuts and Job Act	—	—	—	—	—	—	—	—	30,424	30,424	—		
Income tax effect of non-GAAP adjustments	(1,955)	(1,170)	(5,961)	608	(8,478)	(1,834)	(2,896)	(7,423)	(391)	(12,544)	(20,835)		
Non-GAAP net income attributable to Itron, Inc.	\$ 16,831	\$ 25,144	\$ 29,896	\$ 26,413	\$ 98,284	\$ 22,186	\$ 27,924	\$ 30,585	\$ 39,791	\$ 120,486	\$ 5,094		
Non-GAAP diluted EPS	\$ 0.44	\$ 0.65	\$ 0.77	\$ 0.68	\$ 2.54	\$ 0.57	\$ 0.71	\$ 0.77	\$ 1.01	\$ 3.06	\$ 0.13		
Weighted average diluted shares outstanding	38,376	38,516	38,651	39,028	38,643	39,215	39,332	39,467	39,530	39,387	39,773		
<b>ADJUSTED EBITDA</b>													
GAAP net income (loss) attributable to Itron, Inc.	\$ 10,089	\$ 19,917	\$ (9,885)	\$ 11,649	\$ 31,770	\$ 15,845	\$ 14,097	\$ 25,576	\$ 1,780	\$ 57,298	\$ (145,666)		
Interest income	(271)	(221)	(102)	(271)	(865)	(269)	(470)	(729)	(658)	(2,126)	(661)		
Interest expense	2,918	2,735	2,691	2,604	10,948	3,199	2,876	2,898	3,133	12,106	15,504		
Income tax provision (benefit)	8,626	12,193	13,430	15,325	49,574	9,047	16,560	6,640	42,079	74,326	(11,188)		
Depreciation and amortization	16,674	18,807	16,082	16,755	68,318	14,378	15,090	16,532	17,215	63,215	31,072		
Restructuring	2,237	(1,622)	40,679	7,796	49,090	3,052	5,043	(678)	(999)	6,418	87,865		
Acquisition and integration related expense	3	(25)	(180)	5	(197)	333	6,468	7,243	3,095	17,139	62,647		
Goodwill impairment	—	—	—	—	—	—	—	—	—	—	—		
Adjusted EBITDA	\$ 40,276	\$ 51,784	\$ 62,715	\$ 53,863	\$ 208,638	\$ 45,585	\$ 59,664	\$ 57,482	\$ 65,645	\$ 228,376	\$ 39,573		
Adjusted EBITDA margin %	8.1 %	10.1 %	12.4 %	10.9 %	10.4 %	9.5 %	11.9 %	11.8 %	11.9 %	11.3 %	6.5 %		
<b>FREE CASH FLOW</b>													
Net cash provided (used) by operating activities	\$ 33,805	\$ 17,322	\$ 30,754	\$ 33,961	\$ 115,842	\$ 63,257	\$ 30,187	\$ 21,057	\$ 76,853	\$ 191,354	\$ (24,448)		
Acquisitions of property, plant, and equipment	(8,791)	(11,093)	(10,679)	(12,980)	(43,543)	(9,122)	(12,778)	(11,595)	(16,002)	(49,495)	(17,433)		
Free Cash Flow	\$ 25,014	\$ 6,229	\$ 20,075	\$ 20,981	\$ 72,299	\$ 54,135	\$ 17,411	\$ 9,462	\$ 60,851	\$ 141,859	\$ (41,881)		
<b>BACKLOG (in millions)</b>													
Total Backlog	\$ 1,504	\$ 1,345	\$ 1,511	\$ 1,652	\$ 1,652	\$ 1,605	\$ 1,629	\$ 1,488	\$ 1,750	\$ 1,750	\$ 3,139		
12-month Backlog	\$ 785	\$ 688	\$ 731	\$ 761	\$ 761	\$ 819	\$ 860	\$ 847	\$ 931	\$ 931	\$ 1,363		
<b>ELECTRICITY SEGMENT</b>													
Revenue	\$ 217,295	\$ 232,823	\$ 242,667	\$ 245,589	\$ 938,374	\$ 238,751	\$ 250,332	\$ 240,142	\$ 293,714	\$ 1,022,939	\$ 252,405		
Gross Profit	64,586	70,892	75,362	71,837	282,677	67,250	78,595	76,440	96,726	319,011	69,975		