

ITRON, INC.

TRENDED RESULTS AS REVISED & REPORTED IN FORM 10-K FOR FYE 2015, 2016 and 2017

WITH GAAP TO NON-GAAP RECONCILIATIONS

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

TOTAL COMPANY

Revenue

Gross Profit

GM%

Operating expenses

Sales and marketing

Product development

General and administrative

Amortization of intangible assets

Restructuring

Goodwill impairment

Total operating expenses

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 related expenses

Goodwill impairment

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

Goodwill impairment

Amortization of debt placement fees

Amortization of convertible debt discount

Tax Cuts and Jobs Act adjustment

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 (benefit) provision

Depreciation and amortization

Restructuring

Acquisition related expenses

Goodwill impairment

Adjusted EBITDA

Adjusted EBITDA margin %

FREE CASH FLOW

Net cash provided 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 related expenses

Goodwill impairment

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

Acquisition related expenses

Goodwill impairment

Non-GAAP operating income

Non-GAAP Operating Margin %

WATER SEGMENT

Revenue

Gross Profit

GM%

GAAP operating income (loss)

GAAP Operating Margin %

Amortization of intangible assets

Restructuring

Acquisition related expenses

Goodwill impairment

Non-GAAP operating income

Non-GAAP Operating Margin %

CORPORATE SEGMENT

GAAP operating loss

Restructuring

Acquisition related expenses

Non-GAAP operating loss

(a) Segment data for fiscal years 2011 and 2012 not available.

	2015				
	Q1	Q2	Q3	Q4	Fiscal Year
Revenue	\$ 446,746	\$ 470,811	\$ 469,528	\$ 496,448	\$ 1,883,533
Gross Profit	138,422	118,554	147,290	152,419	556,685
GM%	31.0 %	25.2 %	31.4 %	30.7 %	29.6 %
Operating expenses					
Sales and marketing	41,027	43,058	39,217	38,078	161,380
Product development	41,522	43,318	41,559	35,936	162,335
General and administrative	39,585	32,492	31,118	52,520	155,715
Amortization of intangible assets	7,973	7,888	7,869	7,943	31,673
Restructuring	(5,181)	(4,234)	587	1,565	(7,263)
Goodwill impairment	—	—	—	—	—
Total operating expenses	\$ 124,926	\$ 122,522	\$ 120,350	\$ 136,042	\$ 503,840
Operating income (loss)	13,496	(3,968)	26,940	16,378	52,846
Other income (expense)					
Interest income	48	212	180	321	761
Interest expense	(2,682)	(3,855)	(2,799)	(2,953)	(12,289)
Other income (expense), net	21	(1,905)	(1,119)	(1,213)	(4,216)
Total other income (expense)	(2,613)	(5,548)	(3,738)	(3,845)	(15,744)
Income (loss) before income taxes	10,883	(9,516)	23,202	12,533	37,102
Income tax provision	(5,030)	(4,098)	(9,932)	(3,039)	(22,099)
Net income (loss)	5,853	(13,614)	13,270	9,494	15,003
Net income attributable to non-controlling interests	455	732	630	508	2,325
Net income (loss) attributable to Itron, Inc.	5,398	(14,346)	12,640	8,986	12,678
Earnings (loss) per common share - Basic	\$ 0.14	\$ (0.37)	\$ 0.33	\$ 0.23	\$ 0.33
Earnings (loss) per common share - Diluted	\$ 0.14	\$ (0.37)	\$ 0.33	\$ 0.23	\$ 0.33
Weighted average basic shares outstanding	38,442	38,434	38,114	37,912	38,224
Weighted average diluted shares outstanding	38,758	38,434	38,358	38,256	38,506
NON-GAAP OPERATING INCOME					
GAAP operating income (loss)	\$ 13,496	\$ (3,968)	\$ 26,940	\$ 16,377	\$ 52,845
GAAP Operating Margin %	3.0 %	(0.8) %	5.7 %	3.3 %	2.8 %
Amortization of intangible assets	7,973	7,888	7,869	7,943	31,673
Restructuring	(5,181)	(4,234)	587	1,565	(7,263)
Acquisition related expenses	2,324	(4,607)	(3,271)	16	(5,538)
Goodwill impairment	—	—	—	—	—
Non-GAAP operating income	\$ 18,612	\$ (4,921)	\$ 32,125	\$ 25,901	\$ 71,717
Non-GAAP Operating Margin %	4.2 %	(1.1) %	6.8 %	5.2 %	3.8 %
NON-GAAP NET INCOME & DILUTED EPS					
GAAP net income (loss) attributable to Itron, Inc.	\$ 5,398	\$ (14,346)	\$ 12,640	\$ 8,986	\$ 12,678
Amortization of intangible assets	7,973	7,888	7,869	7,943	31,673
Restructuring	(5,181)	(4,234)	587	1,565	(7,263)
Acquisition related expenses	2,324	(4,607)	(3,271)	16	(5,538)
Goodwill impairment	—	—	—	—	—
Amortization of debt placement fees	365	1,164	244	248	2,021
Amortization of convertible debt discount	—	—	—	—	—
Tax Cuts and Jobs Act adjustment	—	—	—	—	—
Income tax effect of non-GAAP adjustments	(2,330)	(773)	(1,095)	(1,392)	(5,590)
Non-GAAP net income attributable to Itron, Inc.	\$ 8,549	\$ (14,908)	\$ 16,974	\$ 17,366	\$ 27,981
Non-GAAP diluted EPS	\$ 0.22	\$ (0.39)	\$ 0.44	\$ 0.45	\$ 0.73
Weighted average diluted shares outstanding	38,758	38,434	38,358	38,256	38,506
ADJUSTED EBITDA					
GAAP net income (loss) attributable to Itron, Inc.	\$ 5,398	\$ (14,346)	\$ 12,640	\$ 8,986	\$ 12,678
Interest income	(48)	(212)	(180)	(321)	(761)
Interest expense	2,682	3,855	2,799	2,953	12,289
Income tax (benefit) provision	5,030	4,098	9,932	3,039	22,099
Depreciation and amortization	19,355	19,437	18,998	18,203	75,993
Restructuring	(5,181)	(4,234)	587	1,565	(7,263)
Acquisition related expenses	2,324	(4,607)	(3,271)	16	(5,538)
Goodwill impairment	—	—	—	—	—
Adjusted EBITDA	\$ 29,560	\$ 3,991	\$ 41,505	\$ 34,441	\$ 109,497
Adjusted EBITDA margin %	6.6 %	0.9 %	8.8 %	6.9 %	5.8 %
FREE CASH FLOW					
Net cash provided by operating activities	\$ (3,955)	\$ 21,522	\$ 2,587	\$ 53,196	\$ 73,350
Acquisitions of property, plant, and equipment	(9,472)	(11,520)	(12,332)	(10,594)	(43,918)
Free Cash Flow	\$ (13,427)	\$ 10,002	\$ (9,745)	\$ 42,602	\$ 29,432
BACKLOG (in millions)					
Total Backlog	\$ 1,470	\$ 1,403	\$ 1,252	\$ 1,575	\$ 1,575
12-month Backlog	\$ 780	\$ 799	\$ 734	\$ 836	\$ 836
ELECTRICITY SEGMENT					
Revenue	\$ 191,840	\$ 204,349	\$ 206,810	\$ 217,307	\$ 820,306
Gross Profit	54,204	52,741	56,385	62,116	225,446
GM%	28.3 %	25.8 %	27.3 %	28.6 %	27.5 %
GAAP operating income (loss)	\$ 1,114	\$ 4,025	\$ 9,819	\$ 16,146	\$ 31,104
GAAP Operating Margin %	0.58 %	1.97 %	4.75 %	7.43 %	3.79 %
Amortization of intangible assets	4,455	4,428	4,413	4,367	17,663
Restructuring	(2,762)	(2,703)	(1,678)	(110)	(7,253)
Acquisition related expenses	2,324	(4,607)	(3,390)	18	(5,655)
Goodwill impairment	—	—	—	—	—
Non-GAAP operating income (loss)	\$ 5,131	\$ 1,143	\$ 9,164	\$ 20,421	\$ 35,859
Non-GAAP Operating Margin %	2.7 %	0.6 %	4.4 %	9.4 %	4.4 %
GAS SEGMENT					
Revenue	\$ 125,081	\$ 139,292	\$ 136,726	\$ 142,706	\$ 543,805
Gross Profit	44,037	44,027	46,790	50,705	185,559
GM%	35.2 %	31.6 %	34.2 %	35.5 %	34.1 %
GAAP operating income (loss)	\$ 14,491	\$ 14,659	\$ 15,836	\$ 22,485	\$ 67,471
GAAP Operating Margin %	11.6 %	10.5 %	11.6 %	15.8 %	12.4 %
Amortization of intangible assets	1,970	1,945	1,950	1,922	7,787
Restructuring	125	(1,186)	160	614	(287)
Non-GAAP operating income (loss)	\$ 16,586	\$ 15,418	\$ 17,946	\$ 25,021	\$ 74,971
Non-GAAP Operating Margin %	13.3 %	11.1 %	13.1 %	17.5 %	13.8 %
WATER SEGMENT					
Revenue	\$ 129,825	\$ 127,170	\$ 125,992	\$ 136,435	\$ 519,422
Gross Profit	40,181	21,786	44,115	39,598	145,680
GM%	31.0 %	17.1 %	35.0 %	29.0 %	28.1 %
GAAP operating income (loss)	\$ 8,715	\$ (11,565)	\$ 14,265	\$ 8,449	\$ 19,864
GAAP Operating Margin %	6.7 %	(9.1) %	11.3 %	6.2 %	3.8 %
Amortization of intangible assets	1,548	1,515	1,506	1,654	6,223
Restructuring	117	156	273	232	778
Acquisition related expenses	—	—	104	—	104
Goodwill impairment	—	—	—	—	—
Non-GAAP operating income	\$ 10,380	\$ (9,894)	\$ 16,148	\$ 10,335	\$ 26,969
Non-GAAP Operating Margin %	8.0 %	(7.8) %	12.8 %	7.6 %	5.2 %
CORPORATE SEGMENT					
GAAP operating loss	\$ (10,824)	\$ (11,087)	\$ (12,980)	\$ (30,702)	\$ (65,593)
Restructuring	(2,661)	(501)	1,832	829	(501)
Acquisition related expenses	—	—	15	(2)	13
Non-GAAP operating loss	\$ (13,485)	\$ (11,588)	\$ (11,133)	\$ (29,875)	\$ (66,081)

	2016				
	Q1	Q2	Q3	Q4	Fiscal Year
Revenue	\$ 497,590	\$ 513,024	\$ 506,859	\$ 495,713	\$ 2,013,186
Gross Profit	163,203	169,705	1		