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**First Quarter 2022  
Earnings Conference Call  
May 2, 2022**

# FORWARD LOOKING STATEMENTS

Certain matters in this presentation and being discussed today, that are not statements of historical fact, constitute forward-looking statements relating to current or future financial performance, management's plans and objectives for future operations, product plans and performance, management's assessment of market factors, expectations of market growth and statements regarding the strategy and plans of the Company. Such forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements are not guarantees of Itron's future performance. The Company undertakes no obligation to update or revise any forward-looking statements in this presentation after the date they are made. We caution that all forward-looking statements are subject to a number of risks and uncertainties that could cause the Company's actual results in the future to differ materially from these forward-looking statements. These risks and uncertainties are detailed in the Company's filings with the Securities and Exchange Commission, including its most recently filed 10-K, copies of which may be accessed through the SEC's website at <http://www.sec.gov>.

Current data and other statistical information used throughout this presentation are based on independent industry publications, government publications, and reports by market research firms or other published independent sources. Some data are also based on our good faith estimates, which are derived from our review of internal surveys as well as the independent sources listed above. We believe that these sources are reliable.

In an effort to provide additional information regarding the Company's financial results as determined by generally accepted accounting principles (GAAP), this presentation contains certain non-GAAP financial measures such as constant currency, non-GAAP operating income and margin, adjusted EBITDA and margin and free cash flow. The rationale for management's use of non-GAAP information and a reconciliation of the non-GAAP measures and the most directly comparable GAAP measures are included in the Appendix of this presentation. Non-GAAP performance measures should be considered in addition to, and not as a substitute for, results prepared in accordance with GAAP.

# CONFERENCE CALL AGENDA

- » **CEO** – Business and Operations Update
- » **CFO** – Financial Results
- » **Q&A**

# Q1'22 PERFORMANCE SUMMARY

- » Revenue of \$475 million
- » Adjusted EBITDA of \$19 million
- » Non-GAAP diluted EPS of \$0.11
- » Free cash flow of \$2 million

# BOOKINGS AND BACKLOG

- » Q1'22 bookings of \$417M
- » Book to bill of ~0.9
- » Ending backlog of \$3.9B\*
- » Record 12-month backlog of \$1.6B

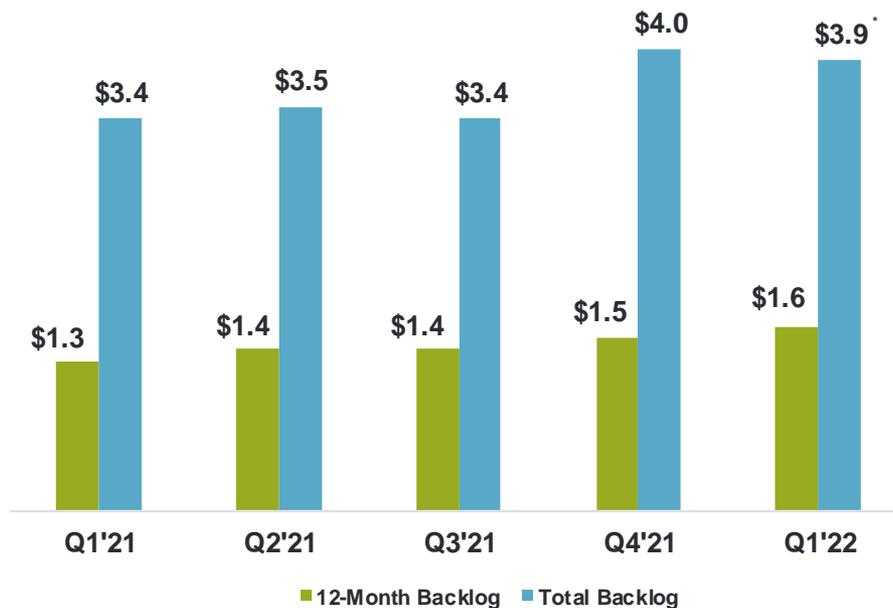


Chart in Billions, actual currency rates.

\* Ending backlog excludes ~\$60M backlog deducted with sale of non-communicating mechanical C&I gas business completed on Feb 28, 2022.

# OPERATIONAL INSIGHTS

- » **Completed divestiture of non-communicating mechanical C+I gas business**
  - » Continued focus on moving to an asset light model and data driven outcomes
- » **Strong market demand continues for our solutions**
  - » Distributed intelligence enabled endpoints growing to over 4.2 million units cumulatively
- » **Component constraints persist particularly within semiconductors**
  - » Q1'22 revenue impact was estimated at over \$100M
- » **Managing in a supply constrained and inflationary environment**
  - » Continuing to drive improved factory utilization and multiple price/cost actions

# CONSOLIDATED GAAP RESULTS: Q1'22

\$ in millions (except per share amounts)	Q1 2022	Q1 2021	Change
Revenue	\$475.3	\$519.6	-9%
<i>Change in constant currency</i>			<i>-6%</i>
Gross margin	28.4%	32.2%	-380 bps
Operating income	\$6.8	\$30.9	-78%
Net income attributable to Itron, Inc.	\$0.9	\$12.6	-93%
Earnings per share - diluted	\$0.02	\$0.30	-93%

- » Revenue down due to component constraints impacting our ability to meet customer demand
- » Gross margin of 28.4% down 380 bps due to higher component costs and manufacturing inefficiencies
- » GAAP operating income decreased due to lower gross profit
- » GAAP net income decreased due to the fall through of lower GAAP operating income, partially offset by lower interest expense

Reconciliation of GAAP to Non-GAAP results in Appendix and also available on our website.

# CONSOLIDATED NON-GAAP & CASH RESULTS: Q1'22

\$ in millions (except per share amounts)	Q1 2022	Q1 2021	Change
Non-GAAP operating income	\$9.3	\$38.9	-76%
Non-GAAP operating margin	2.0%	7.5%	-550 bps
Non-GAAP net income attributable to Itron, Inc.	\$5.2	\$21.9	-76%
Adjusted EBITDA	\$18.9	\$49.7	-62%
Adjusted EBITDA margin	4.0%	9.6%	-560 bps
Non-GAAP earnings per share - diluted	\$0.11	\$0.52	-79%
Net cash provided by operating activities	\$7.6	\$50.0	-85%
Free cash flow	\$2.2	\$38.5	-94%

- » Decrease in non-GAAP operating income due to fall through of lower gross profit
- » Non-GAAP net income decreased primarily due to lower non-GAAP operating income
- » Cash flow decreased due to higher variable compensation payments in Q1'22

Reconciliation of GAAP to Non-GAAP results in Appendix and also available on our website.

# REVENUE YEAR-OVER-YEAR BRIDGE: Q1'22

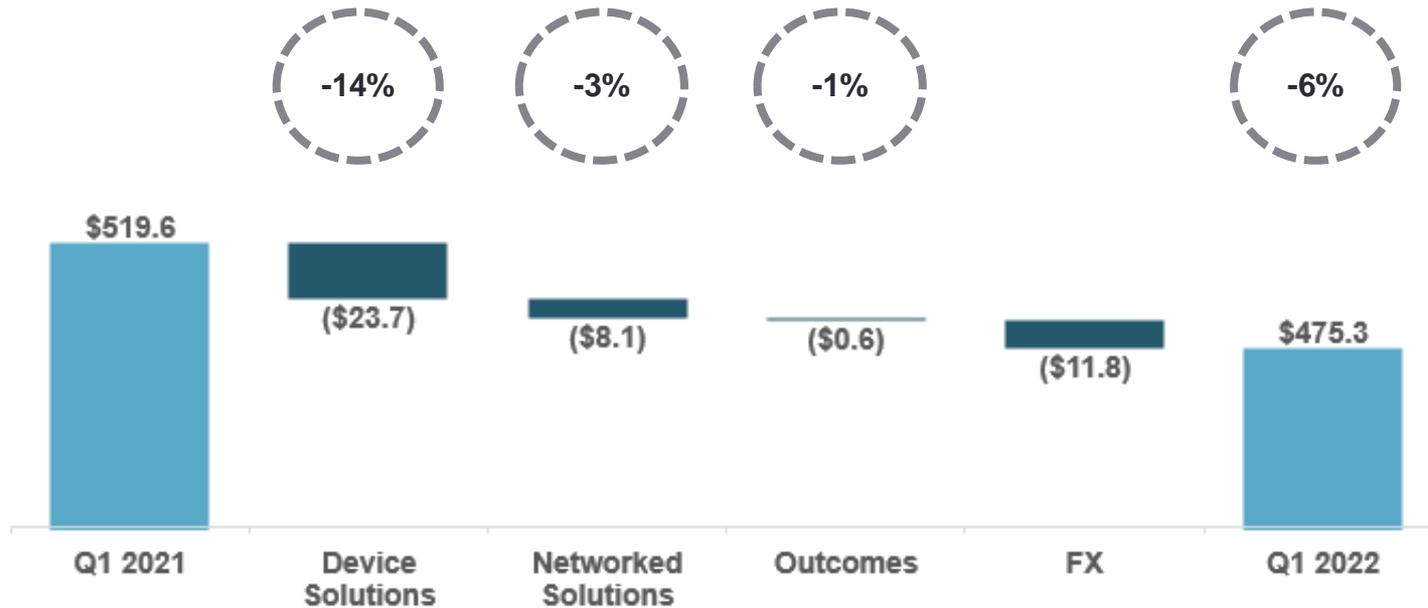


Chart in Millions, Quarterly totals reflect actual currencies; all variances other than FX exclude currency impact. Chart includes rounding.

# NON-GAAP EPS YEAR-OVER-YEAR BRIDGE: Q1'22

US\$ per share



Quarterly totals reflect actual currencies; all variances other than FX exclude currency impact. Chart includes rounding.

# DEVICE SOLUTIONS SEGMENT: Q1'22

Revenue, gross margin and operating margin

\$ in Millions, actual currency



## Revenue down 19% and 14% in constant currency

- » Component shortages resulted in unfulfilled customer demand
- » Product pruning and sale of our C&I gas business

## Gross margin down 310 bps

- » Inefficiencies driven by component shortages
- » Inflationary cost pressure

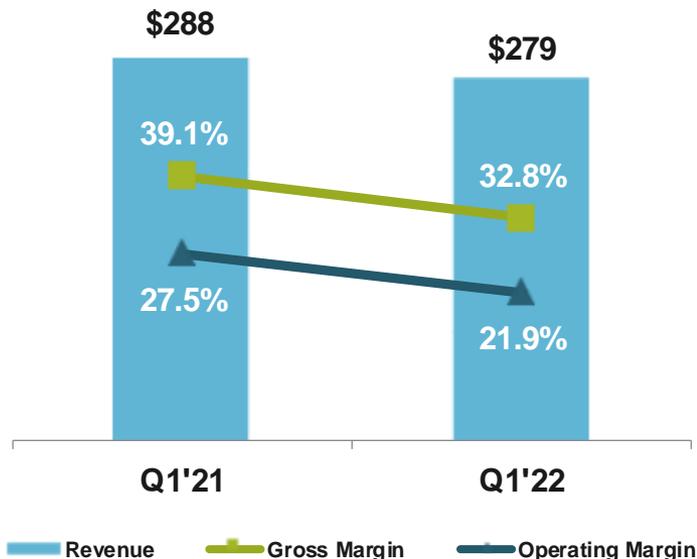
## Operating margin down 430 bps

- » Fall through of lower gross profit

# NETWORKED SOLUTIONS SEGMENT: Q1'22

Revenue, gross margin and operating margin

\$ in Millions, actual currency



**Revenue down 3% as reported and in constant currency**

- » Component shortages resulted in significant unfulfilled demand
- » Partially offset by ramp of new deployments

**Gross margin down 630 bps**

- » Inefficiencies related to component constraints
- » Inflationary cost pressure

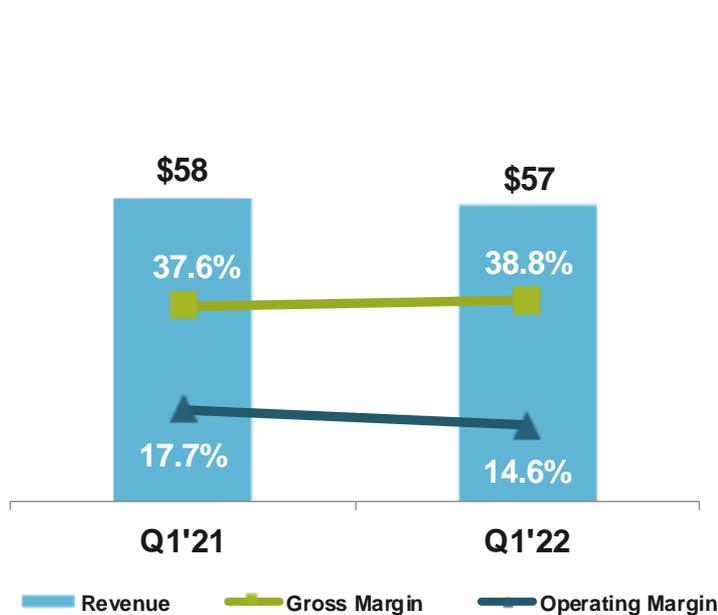
**Operating margin down 560 bps**

- » Fall through of lower gross profit
- » Partially offset by lower opex

# OUTCOMES SEGMENT: Q1'22

Revenue, gross margin and operating margin

\$ in Millions, actual currency



## Revenue down 3% and 1% in constant currency

- » Decrease in product and software license sales
- » Growth in U.S. Networks as a Service

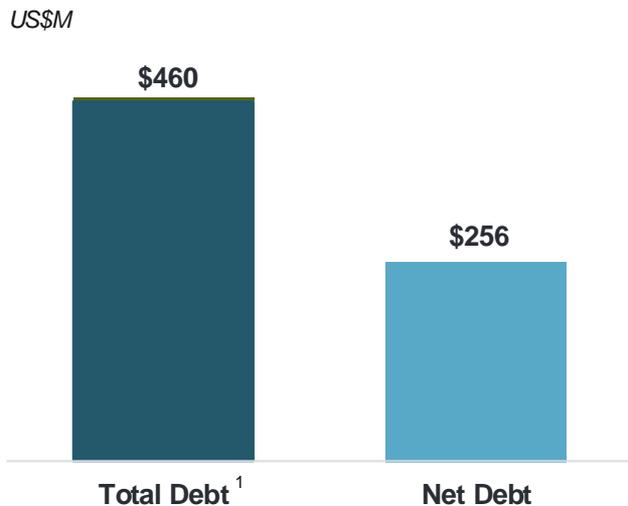
## Gross margin up 120 bps

- » Increased operational efficiencies

## Operating margin down 310 bps

- » Higher research & development investment

# DEBT AND LIQUIDITY OVERVIEW: MARCH 31, 2022



## Debt

- » Net leverage 3.1x at end of Q1'22
- » Zero interest convertible notes

## Free Cash Flow and Liquidity

- » Q1 Free cash flow of \$2M
- » Cash and equivalents of \$204M
- » \$500M revolver

1. Excludes amortization of debt fees.

# APPENDIX

# REVENUE: FX IMPACT SUMMARY

\$ in Millions

Average USD/Euro:  
\$1.12 Q1'22 vs \$1.21 Q1'21

Revenue	Q1'22	YoY Change	YoY Change Excluding FX
Device Solutions	\$139.6	-19.2%	-13.7%
Networked Solutions	\$278.8	-3.3%	-2.8%
Outcomes	\$56.9	-2.6%	-1.0%
<b>Total</b>	<b>\$475.3</b>	<b>-8.5%</b>	<b>-6.3%</b>
<b>Non-GAAP EPS - Diluted</b>	<b>\$0.11</b>	<b>-\$0.41</b>	<b>-\$0.42</b>

# NON-GAAP FINANCIAL MEASURES

To supplement our consolidated financial statements, which are prepared in accordance with accounting principles generally accepted in the United States (GAAP), we use certain adjusted or non-GAAP financial measures, including non-GAAP operating expense, non-GAAP operating income, non-GAAP net income, non-GAAP diluted earnings per share (EPS), adjusted EBITDA, adjusted EBITDA margin, constant currency, and free cash flow. We provide these non-GAAP financial measures because we believe they provide greater transparency and represent supplemental information used by management in its financial and operational decision making. We exclude certain costs in our non-GAAP financial measures as we believe the net result is a measure of our core business. We believe these measures facilitate operating performance comparisons from period to period by eliminating potential differences caused by the existence and timing of certain expense items that would not otherwise be apparent on a GAAP basis. Non-GAAP performance measures should be considered in addition to, and not as a substitute for, results prepared in accordance with GAAP. We strongly encourage investors and shareholders to review our financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure. Our non-GAAP financial measures may be different from those reported by other companies. A more detailed discussion of why we use non-GAAP financial measures, the limitations of using such measures, and reconciliations between non-GAAP and the nearest GAAP financial measures are included in our quarterly press release.

# GAAP TO NON-GAAP RECONCILIATIONS

(Unaudited, in thousands, except per share data)

TOTAL COMPANY RECONCILIATIONS	Three Months Ended March 31,	
	2022	2021
<b>NON-GAAP OPERATING EXPENSES</b>		
GAAP operating expenses	\$ 128,405	\$ 136,104
Amortization of intangible assets	(6,553)	(8,973)
Restructuring	6,366	1,980
Loss on sale of business	(2,221)	(1,392)
Acquisition and integration	(62)	377
Non-GAAP operating expenses	\$ 125,935	\$ 128,096
<b>NON-GAAP OPERATING INCOME</b>		
GAAP operating income	\$ 6,819	\$ 30,940
Amortization of intangible assets	6,553	8,973
Restructuring	(6,366)	(1,980)
Loss on sale of business	2,221	1,392
Acquisition and integration	62	(377)
Non-GAAP operating income	\$ 9,289	\$ 38,948
<b>NON-GAAP NET INCOME &amp; DILUTED EPS</b>		
GAAP net income attributable to Itron, Inc.	\$ 906	\$ 12,603
Amortization of intangible assets	6,553	8,973
Amortization of debt placement fees	796	2,652
Debt extinguishment	—	1,681
Restructuring	(6,366)	(1,980)
Loss on sale of business	2,221	1,392
Acquisition and integration	62	(377)
Income tax effect of non-GAAP adjustments	999	(2,997)
Non-GAAP net income attributable to Itron, Inc.	\$ 5,171	\$ 21,947
Non-GAAP diluted EPS	\$ 0.11	\$ 0.52
Non-GAAP weighted average common shares outstanding - Diluted	45,240	41,964

# GAAP TO NON-GAAP RECONCILIATIONS

(Unaudited, in thousands, except per share data)

TOTAL COMPANY RECONCILIATIONS	Three Months Ended March 31,	
	2022	2021
<b>ADJUSTED EBITDA</b>		
GAAP net income attributable to Itron, Inc.	\$ 906	\$ 12,603
Interest income	(217)	(542)
Interest expense	1,592	10,475
Income tax provision	3,859	4,661
Debt extinguishment	—	1,681
Depreciation and amortization	16,837	21,810
Restructuring	(6,366)	(1,980)
Loss on sale of business	2,221	1,392
Acquisition and integration	62	(377)
Adjusted EBITDA	<u>\$ 18,894</u>	<u>\$ 49,723</u>
<b>FREE CASH FLOW</b>		
Net cash provided by operating activities	\$ 7,591	\$ 49,955
Acquisitions of property, plant, and equipment	(5,369)	(11,412)
Free Cash Flow	<u>\$ 2,222</u>	<u>\$ 38,543</u>

# Thank You



## INVESTOR RELATIONS CONTACTS

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