



# Investor Presentation

---

February 2023

# 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.

# Ittron and Industry Overview

# ITRON AT-A-GLANCE

Itron is a market leading Industrial IoT company that enables utilities and cities to safely, securely and reliably deliver critical infrastructure services that measure, manage, and provide data analytics that enable them to responsibly and efficiently manage resources in the communities they serve. With over 45 years of experience and over...



**8,000**  
CUSTOMERS IN  
100 COUNTRIES



**>200M**  
COMMUNICATING  
ENDPOINTS



**>93M**  
ENDPOINTS UNDER  
MANAGEMENT



**~5.8M**  
DISTRIBUTED  
INTELLIGENCE ENABLED  
ENDPOINTS

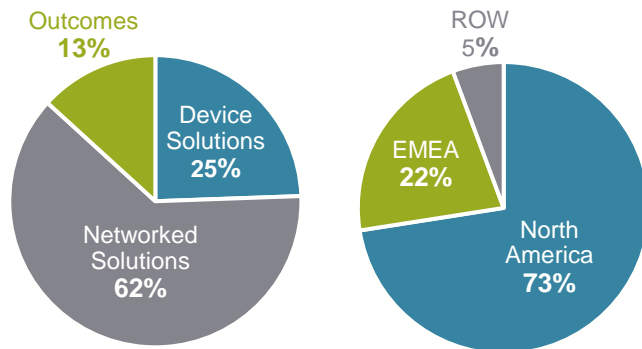


**~5,500**  
PEOPLE  
ACROSS THE GLOBE



**+250**  
PARTNERS IN A BROAD  
ECOSYSTEM OF SOLUTIONS

**\$1.8B 2022 REVENUE  
& REVENUE MIX OF:**



**WITH A Q4 2022:**

**\$4.6B**  
BACKLOG

Note: Revenue, Backlog, and People reported year ending December 31, 2022. All other data points rounded or estimated based on internal Itron source material at the time of publication. ROW includes APAC and LATAM.

# DYNAMIC FORCES IMPACTING OUR INDUSTRY

Transforming the utility and city operating models

## INFRASTRUCTURE



- » Aging Infrastructure
- » Grid Security
- » Clean Energy and Storage
- » Electric Vehicles
- » Safety and Loss Prevention
- » Asset Monitoring & Mgmt

## ENVIRONMENTAL



- » Climate Disruption
- » Extreme Weather
- » Resource Scarcity
- » Demand for Sustainability
- » Decarbonization

## SOCIAL

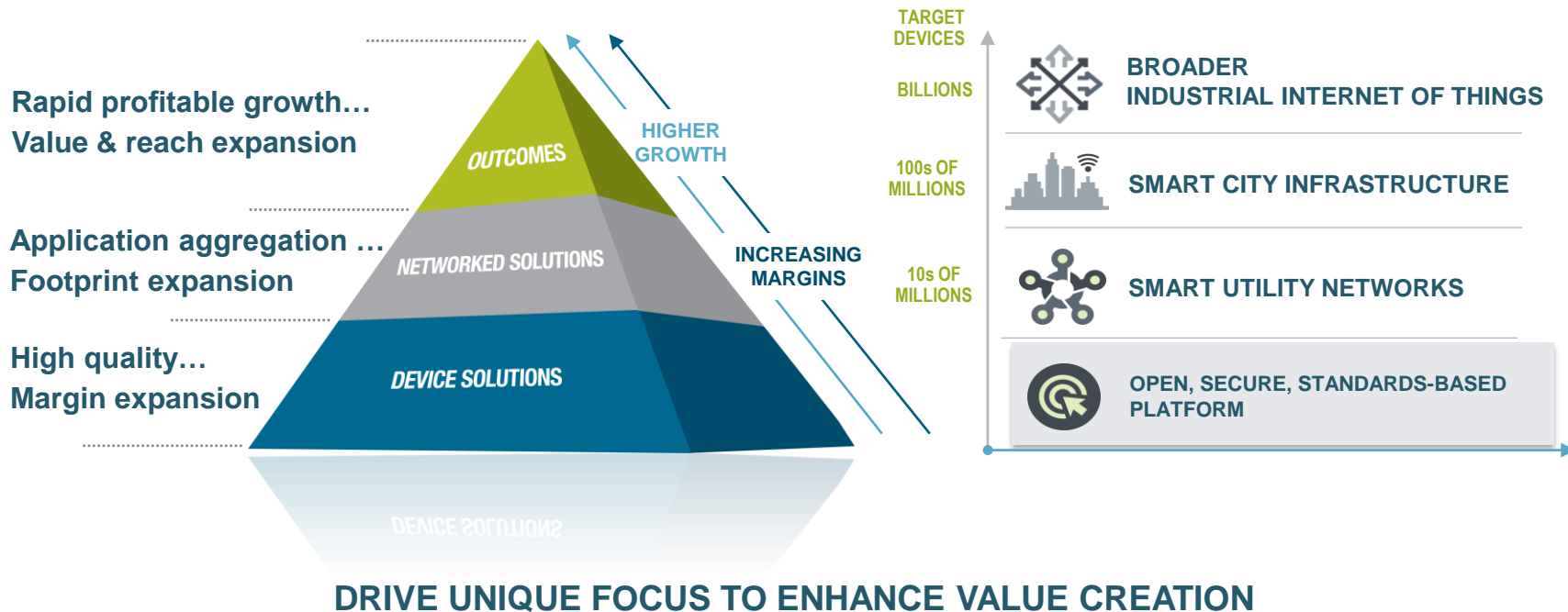


- » Enhanced Customer Experience
- » Critical Need Consumers
- » Urbanization and Population Increase
- » Big Data & Internet of Things
- » Privacy

## UTILITIES AND CITIES ARE FACING THESE ISSUES TODAY

# OUR MODEL

Solutions via open standards-based technology that transcend multiple verticals



# OUR STRATEGIC PRIORITIES

## 1 EXPANDING OUR FOOTPRINT

*Increasing applications / coverage*

## 2 EXPANDING OUR VALUE

*Empowering our customers*

## 3 EXPANDING OUR REACH

*Enabling new solutions with as many sensors  
and endpoints on our platform as possible*

### CREATING THE OPPORTUNITY TO ENHANCE VALUE WITH...

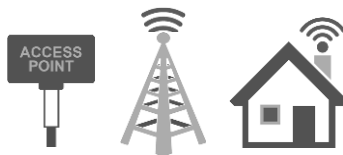
- » **GROWING** value proposition
- » **IMPROVING** operating leverage
- » **INCREASING** free cash flow

# UNPARALLELED PLATFORM CAPABILITY

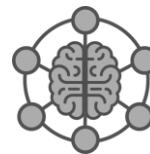
Itron's industry leading solutions expand our customers value proposition



**Industry Leading Multi-Service Platform**



**Transport and Endpoint Agnostic**



**Distributed Intelligence  
With Grid Edge Solution**



# OUR SOLUTIONS MANAGE CRITICAL INFRASTRUCTURE

 Itron connects critical infrastructure and enables outcomes via our platform



## ITRON ENABLES OUTCOMES:

- » Smart Energy
- » Smart Water
- » Smart Streetlighting
- » Distribution Automation
- » Renewable Energy Management
- » Electric Vehicle Management
- » Smart City Solutions



### Multi-application, Multi-tenant Platform

Device Agnostic for Energy, Water & Smart City Management with Data Analytics on One Network



### Advanced Metering Infrastructure

Two-way, Transport Agnostic, Communications



### Distributed Intelligence

Delivering Intelligence and Applications to the Edge of the Network for Demand Response & More



### Electric Vehicle Management

Enabling Insight and Control over EV Proliferation



### Distribution Automation and Demand Response

Advanced Grid Control & Distributed Energy Management with Demand Response Capabilities



### Streetlight Canopy

Intelligent Lighting & Increased Network Coverage & Resiliency



### Smart City Solutions

Connecting Communities to Outcomes such as Safety, Traffic, Smart Parking, Intelligent Transport, Kiosks, and Environmental Sensors



### Services & Analytics

Solving Problems & Delivering Valuable Outcomes

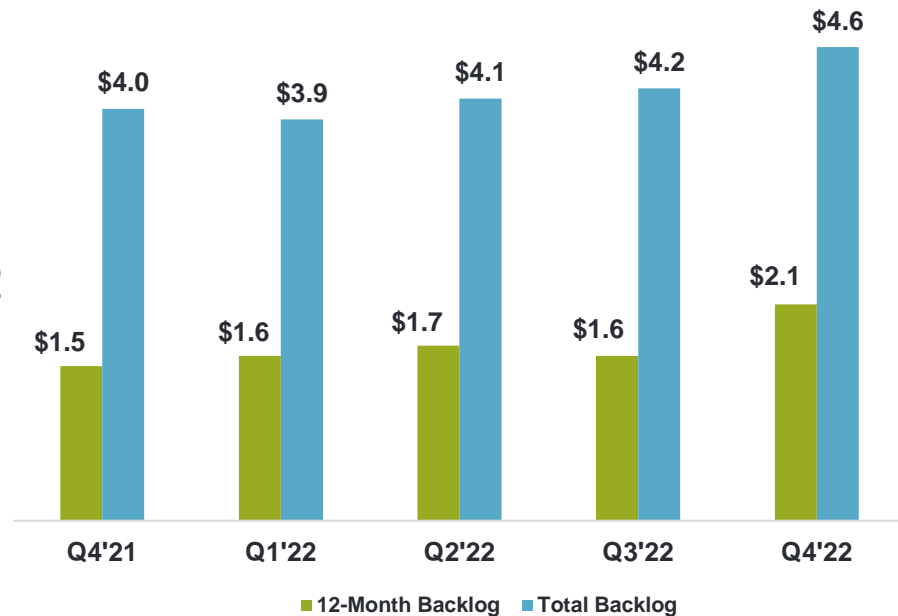
# Business Perspectives

# Q4'22 AND FY'22 PERFORMANCE SUMMARY

- » Revenue in Q4'22 of \$467 million and FY'22 of \$1.8 billion
- » Adjusted EBITDA in Q4'22 of \$34 million and FY'22 of \$95 million
- » Non-GAAP diluted EPS in Q4'22 of \$0.71 and FY'22 of \$1.13

# BOOKINGS AND BACKLOG

- » Q4'22 bookings of \$898M
- » FY'22 bookings of \$2.5B
- » Book to bill of 1.9 in Q4 and 1.4 for FY'22
- » Record: Ending backlog of \$4.6B



*Note: Chart in US\$ billions, the revenue from Q4'22 12-month backlog may vary based on actual currency rates at time of shipment, supply constraints, and adjusted project schedules timing.*

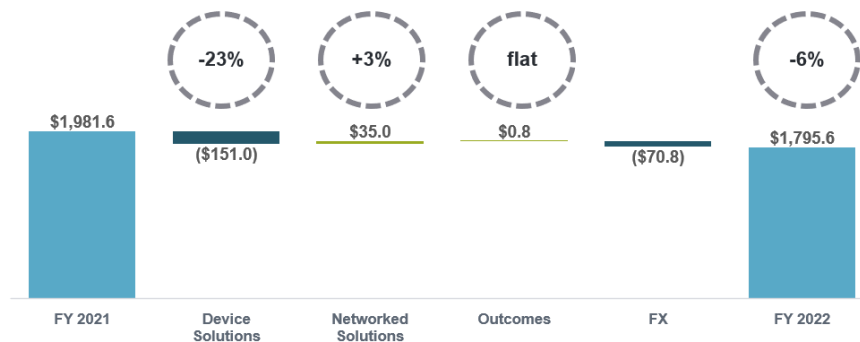
# OPERATIONAL INSIGHTS

- » Strong market demand continues
- » Current supply environment remains volatile
- » Recovery of supply progressing
- » Continuing to manage price/cost
- » A restructuring plan to improve operational efficiency and reduce costs

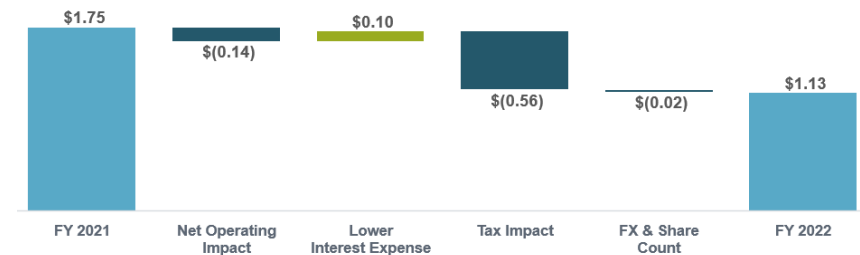
# FULL YEAR 2022 SUMMARY

- » Revenue of \$1.8B down 9% from 2021
  - » Down 6% in constant currency
  - » Down 2% adjusted for the sale of the C&I gas business and foreign exchange rates
- » Gross margin of 29.1%
- » Adj EBITDA of \$95M
- » Non-GAAP EPS of \$1.13
- » Free cash flow of \$5M

## Revenue Year-Over-Year Bridge<sup>1</sup> (in constant currency)

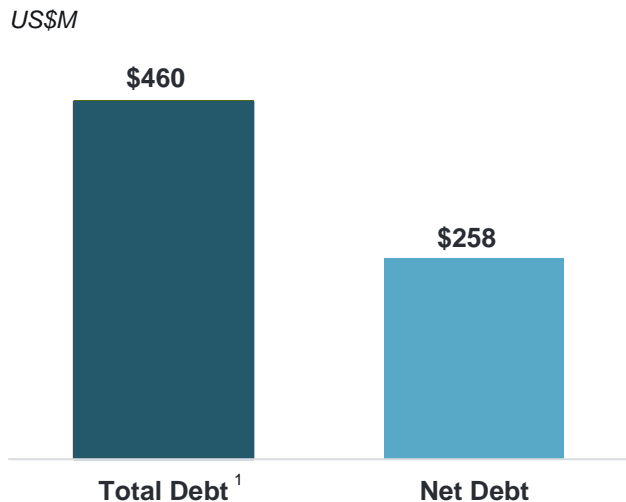


## Non-GAAP EPS Year-Over-Year Bridge<sup>1</sup>



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

# DEBT AND LIQUIDITY OVERVIEW: DECEMBER 31, 2022



## Debt

- » Net leverage 2.7x at end of Q4'22
- » Zero interest convertible notes

## Free Cash Flow and Liquidity

- » FY Free cash flow of \$5M
- » Cash and equivalents of \$202M
- » \$500M revolver

1. Excludes amortization of debt fees.

# 2023 GUIDANCE

**Revenue of \$1.85 - \$1.95 billion**

» *~6% growth at the midpoint*

**Non-GAAP diluted EPS of \$0.70 - \$1.10**

» *~6% growth at the midpoint (normalized @ 28% tax rate for both years)*

Assumptions:

- Euro/USD of \$1.05
- Effective non-GAAP tax rate of ~28%
- Average diluted shares outstanding of ~45.7 million



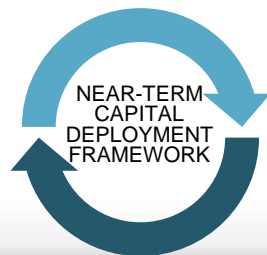
# Q1'23 OUTLOOK

**Revenue of \$460 - \$475 million**

**Non-GAAP diluted EPS of \$0.05 - \$0.15**

- Includes one-time \$2M tax adjustment which drives the effective non-GAAP tax rate to a range of ~40 - 60%

# CAPITAL ALLOCATION PRIORITIES



## ORGANIC INVESTMENT

- » Continuing shift to asset-light business model
- » Technology innovation fueled by investment in R&D
- » Investing in strategic component supply

## STRATEGIC OPPORTUNITIES

- » Disciplined approach to M&A
- » Focus on expanding Outcomes
- » Targeting complementary value-add solutions that will scale with our existing offerings

## CREATING VALUE

- » Focus on long-term shareholder value creation
- » Maintain flexibility in capital structure to capture value

# ITRON INVESTMENT THESIS

## POSITIONED TO NAVIGATE NEAR-TERM



Only U.S. Based  
Industrial IoT “Pureplay”  
In Our Industry



Expanding Our Footprint,  
Value Proposition and  
Market Reach



Strong  
Balance Sheet for  
Strategic Flexibility

## BUILT FOR THE LONG-TERM



Improving Operating Leverage  
and Earnings Power



Positioned for  
Free Cash Flow Growth



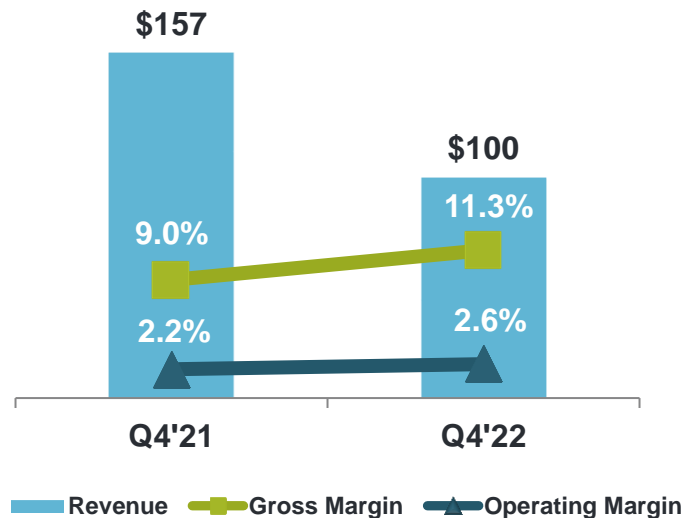
ESG Principles  
Embedded in DNA

# Segment Overview

# DEVICE SOLUTIONS SEGMENT: Q4'22

Revenue, gross margin and operating margin

\$ in millions, actual currency



## Revenue down 36% and 27% in constant currency

- » Sale of C&I gas business
- » Continued product pruning

## Gross margin up 230 bps

- » Improving mix with discontinued lines of business
- » Partially offset by elevated component costs

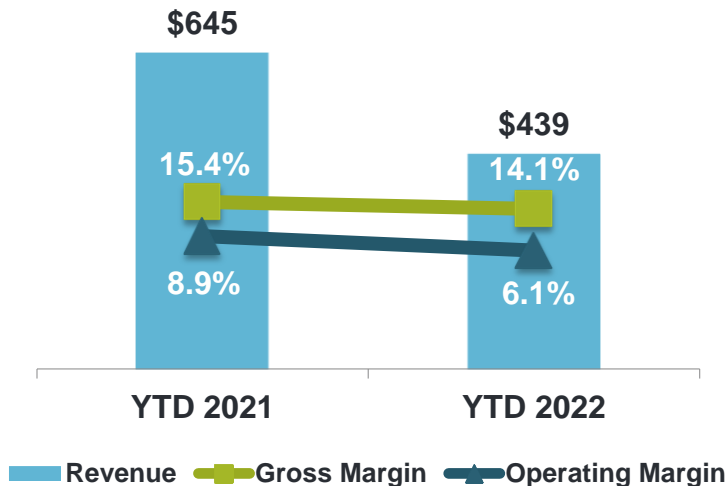
## Operating margin up 40 bps

- » Fall through of higher gross margin
- » Partially offset by higher opex %

# DEVICE SOLUTIONS SEGMENT: FY'22

Revenue, gross margin and operating margin

\$ in millions, actual currency



## Revenue down 32% and 23% in constant currency

- » Sale of C&I gas business and other product pruning
- » Foreign exchange rates
- » Constrained revenue due to component shortages

## Gross margin down 130 bps

- » Inefficiencies related to component shortages
- » Partially offset by favorable mix

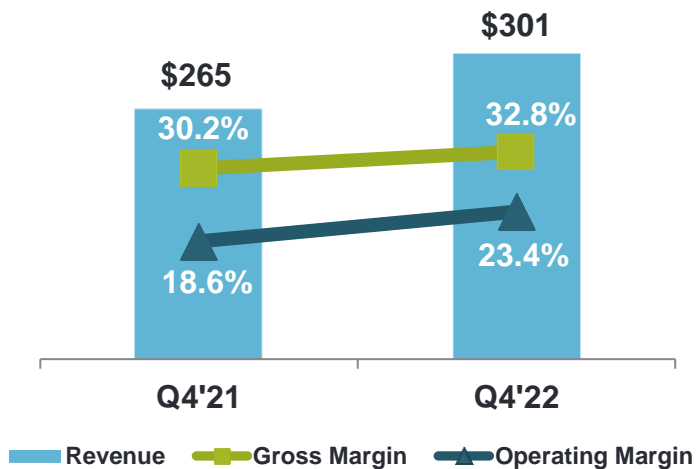
## Operating margin down 280 bps

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

# NETWORKED SOLUTIONS SEGMENT: Q4'22

Revenue, gross margin and operating margin

\$ in millions, actual currency



## Revenue up 14% and 15% in constant currency

- » Ramp of new and existing deployments

## Gross margin up 260 bps

- » Favorable mix
- » Partially offset by elevated component costs

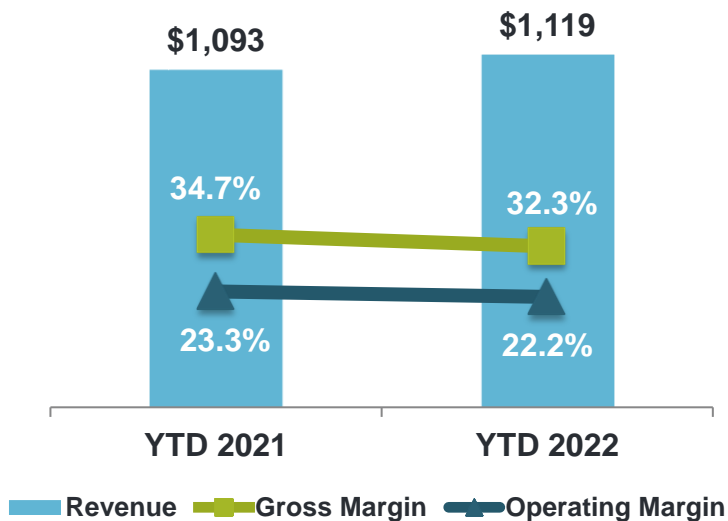
## Operating margin up 480 bps

- » Fall through of higher gross profit
- » Lower opex

# NETWORKED SOLUTIONS SEGMENT: FY'22

Revenue, gross margin and operating margin

\$ in millions, actual currency



## Revenue up 2% and 3% in constant currency

- » Ramp of new and existing deployments
- » Partially offset by constrained revenue due to component shortages

## Gross margin down 240 bps

- » Inflationary pressures
- » Unfavorable product mix
- » Inefficiencies related to component shortages

## Operating margin down 110 bps

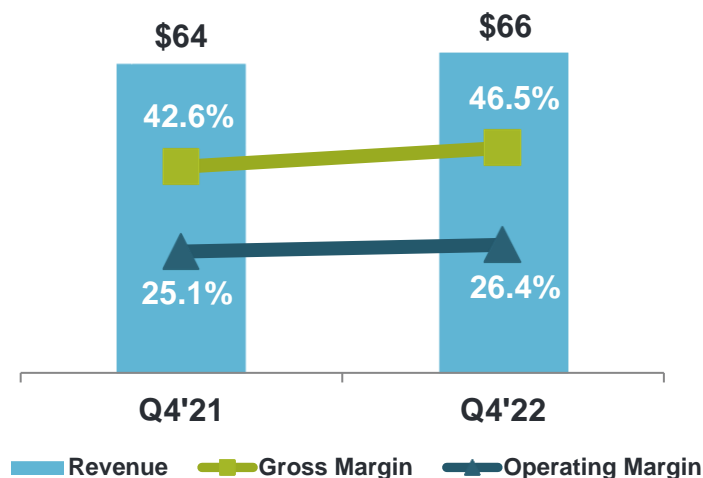
- » Fall through of lower gross profit
- » Partially offset by lower opex



# OUTCOMES SEGMENT: Q4'22

Revenue, gross margin and operating margin

\$ in millions, actual currency



## Revenue up 4% and 7% in constant currency

- » Higher software license and product sales
- » Partially offset by decline in EMEA prepay business

## Gross margin up 390 bps

- » Favorable mix
- » Increased operational efficiencies

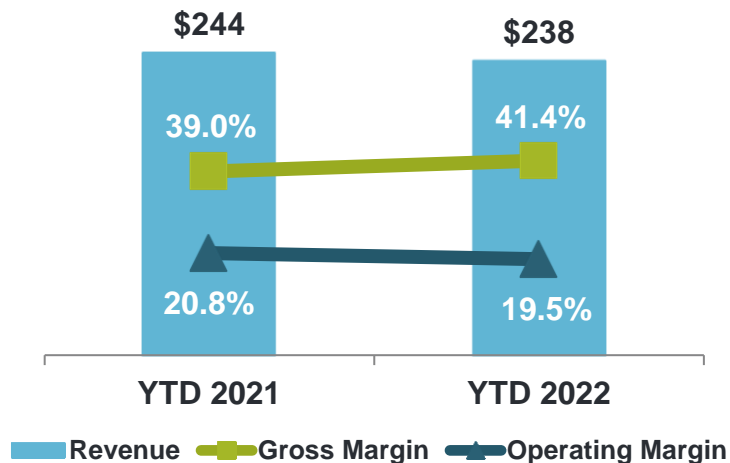
## Operating margin up 130 bps

- » Fall through of higher gross profit
- » Partially offset by higher research & development investment

# OUTCOMES SEGMENT: FY'22

Revenue, gross margin and operating margin

\$ in millions, actual currency



## Revenue down 3% and flat in constant currency

- » Decline in consulting business and EMEA prepay business
- » Offset by an increase in Managed Services and Grid Operations

## Gross margin up 240 bps

- » Favorable mix
- » Increased operational efficiencies

## Operating margin down 130 bps

- » Higher research & development investment

**ESG**

# OUR VISION AND COMMITMENT TO ESG

Itron is dedicated to creating a more resourceful world

- » We believe that the **way we manage energy and water will define this century.**
- » **Our long-term view** is that by delivering products and services that support **sustainability, diversity and accountability of our key stakeholders**, we can create a more resourceful world.
- » To achieve this, Itron leverages **a holistic approach that integrates** our strategic, operational and risk management efforts with **our ESG initiatives.**



ENVIRONMENTAL  
AND OPERATIONAL  
STEWARDSHIP



SOLUTION IMPACT  
AND COMMUNITY  
INVOLVEMENT



INCLUSION AND  
OUR HUMAN CAPITAL  
PLEDGE



EFFECTIVE  
SHAREHOLDER  
ADVOCACY



# ITRON'S ESG TARGETS

2021 ESG Report Published June 2022

*ITRON IS DEDICATED TO CREATING A MORE RESOURCEFUL WORLD*



Committed to do our part to **limit global warming to 1.5°C**



Developing solutions that **enable our customers to improve sustainability & conservation**



Efforts aligned to the **U.N. SDG's** and a member of the **U.N. Global Compact**



Will achieve a **>50% reduction in Scope 1 and Scope 2 GHG emissions by 2028**



Operations will be **carbon neutral by 2035**



Will achieve **net zero emissions by 2050**

# DELIVERING BENEFITS TO CUSTOMERS & OUR WORLD

Our solutions reduce risk, drive efficiencies, and assist in managing customer demand

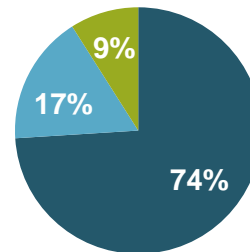
## Our Solutions Reduce Demand



## Create Proven Benefits For Our Customers

In 2021 Itron's electricity AMI solutions led to the avoidance of a total of **3.5 metric tons of GHG emissions**

3.5M Metric Tons Avoided: % by Category



■ Consumer Engagement ■ Operational Efficiency ■ Other

3.5M  
metric tons =

9 Gas-Fired  
Electric Plants

~770K Gasoline Powered  
Vehicles Driven for One Year

Carbon Trapped in 4.2M  
Acres of Forest in 1 Year

~434 Billion Cell  
Phones Charged

Note: These numbers represent Itron's analysis of calculated savings during 2021 for key customer accounts, encompassing over 64 million electric endpoints. Assumptions on average use include:

- 15.9 MWh annual electricity consumption per customer/per year (with a mix of 8% commercial and 92% residential consumers)
- Annual emissions per MWh of 884 lbs of CO<sub>2</sub> (source: <https://epa.gov/egrid>)

\*\* Examples based on 3.5M metric tons and data generated here: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator#results>

# Appendix

# CONSOLIDATED GAAP RESULTS: Q4'22

\$ in millions (except per share amounts)	Q4 2022	Q4 2021	Change
Revenue	\$467.5	\$485.6	-4%
<i>Change in constant currency</i>			<i>flat</i>
Gross margin	30.1%	25.0%	510 bps
Operating income (loss)	\$12.4	(\$107.5)	NM
Net income (loss) attributable to Itron, Inc.	\$22.2	(\$58.9)	NM
Earnings (loss) per share – diluted	\$0.49	(\$1.30)	NM

- » Revenue declined due to the sale of the C&I gas business in our Device Solutions segment and foreign exchange rates, offset by higher sales in the Networked Solutions and Outcomes segments
- » Gross margin of 30.1% up 510 bps due to favorable mix, partially offset by elevated component costs
- » GAAP operating income increased due to lower opex driven by less restructuring and divestiture activities, and due to higher gross profit
- » GAAP net income increased due to higher GAAP operating income, partially offset by a lower tax benefit

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



# CONSOLIDATED NON-GAAP & CASH RESULTS: Q4'22

\$ in millions (except per share amounts)	Q4 2022	Q4 2021	Change
Non-GAAP operating income (loss)	\$25.3	(\$6.6)	484%
Non-GAAP operating margin	5.4%	(1.4%)	680 bps
Non-GAAP net income attributable to Itron, Inc.	\$32.2	\$34.1	-6%
Adjusted EBITDA	\$34.4	\$3.2	NM
Adjusted EBITDA margin	7.4%	0.7%	670 bps
Non-GAAP earnings per share - diluted	\$0.71	\$0.75	-5%
Net cash (used in) provided by operating activities	(\$13.0)	\$13.6	NM
Free cash flow	(\$17.9)	\$6.7	NM

- » Increase in Non-GAAP operating income due to fall through of higher gross profit and lower opex
- » Non-GAAP net income decreased due to a prior year tax benefit from the impact of certain transfers of business activities and assets, partially offset by higher non-GAAP operating income
- » Free cash flow decreased due to working capital outflow, partially offset by higher non-GAAP EBITDA

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

# CONSOLIDATED GAAP RESULTS: FY'22

<i>\$ in millions (except per share amounts)</i>	FY 2022	FY 2021	Change
Revenue	\$1,795.6	\$1,981.6	-9%
<i>Change in constant currency</i>			-6%
Gross margin	29.1%	28.9%	20 bps
Operating loss	(\$7.4)	(\$79.3)	NM
Net loss attributable to Itron, Inc.	(\$9.7)	(\$81.3)	NM
Loss per share	(\$0.22)	(\$1.83)	NM

- » Revenue down due to component constraints impacting our ability to meet customer demand as well as the sale of C&I gas business in our Device Solutions segment
- » Gross margin of 29.1% up 20 bps due to favorable mix, partially offset by higher component costs and manufacturing inefficiencies
- » GAAP operating loss improved due to lower opex driven by less restructuring activities and a loss related to the sale of C&I gas business in prior year.
- » GAAP net loss decreased due to improved GAAP operating loss and lower interest expense, partially offset by a lower income tax benefit

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

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





<i>\$ in millions (except per share amounts)</i>	FY 2022	FY 2021	Change
Non-GAAP operating income	\$58.4	\$75.6	-23%
Non-GAAP operating margin	3.3%	3.8%	-50 bps
Adjusted EBITDA	\$95.1	\$115.2	-17%
Adjusted EBITDA margin	5.3%	5.8%	-50 bps
Non-GAAP net income attributable to Itron, Inc.	\$51.0	\$78.1	-35%
Non-GAAP earnings per share - diluted	\$1.13	\$1.75	-35%
Net cash provided by operating activities	\$24.5	\$154.8	-84%
Free cash flow	\$4.8	\$120.1	-96%

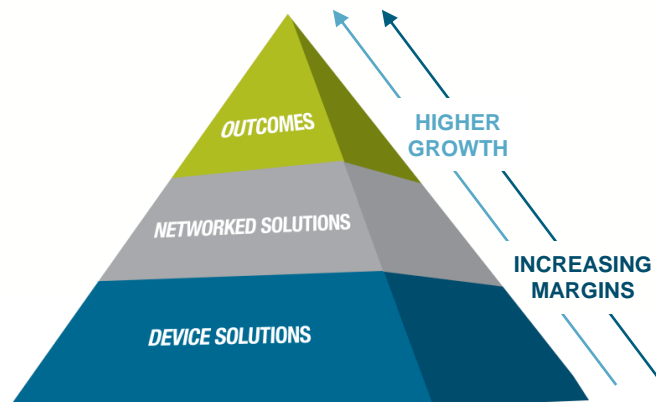
- » Decrease in Non-GAAP operating income due to fall through of lower gross profit, partially offset by lower non-GAAP opex
- » Non-GAAP net income decreased due to lower non-GAAP operating income and higher non-GAAP income tax
- » Free cash flow decreased due to higher working capital usage, higher variable compensation payments, and lower non-GAAP EBITDA, partially offset by lower capex

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

# ITRON TARGET OPERATING MODEL

Targets presented at Itron Investor Day October 5, 2021

Target Operating Model	 Total Company	 DEVICES	 NETWORKS	 OUTCOMES
Revenue (CAGR)	4 to 6%	-4 to -2%	5 to 7%	11 to 15%
Gross Margin	34 to 36%	23 to 25%	38 to 40%	40 to 42%
OPEX	22 to 23% of Revenue			
Adjusted EBITDA	14 to 16% of Revenue			
Free Cash Flow	8 to 10% of Revenue			



Note: Original model does not reflect any divestitures of business operations

# ITRON ACRONYM GLOSSARY

AMI = Advanced Metering Infrastructure  
AMM = Advanced Metering Manager, SSNI Product Name  
AMR = Automated Meter Reading  
ASP = Average Selling Price  
AP = Access Point  
BOM = Bill of Material(s)  
BYOD = Bring Your Own Device  
BYOT = Bring Your Own Thermostat  
C & I = Commercial and Industrial  
CAGR = Compounded Annual Growth Rate  
CCE = Commercial and Customer Enablement  
CDMA = Code Division Multiple Access  
CGR = Connected Grid Router  
CM = Contract Manufacturer / Manufacturing  
DA = Distribution Automation  
DEM = Distributed Energy Management  
DER = Distributed Energy Resources  
DERMs = Distributed Energy Resource Management  
DI = Distributed Intelligence  
DNO = Device Solutions, Networked Solutions, Outcomes  
EDI = Electronic Data Interchange  
ERP = Enterprise Resource Planning  
ERT = Encoder Receiver Transmitter  
FAN = Field Area Network

GENX = Generation 2, 3, 4, and 5 of the Silver Spring Networks platform  
GDPR = General Data Protection Regulation  
IaaS = Infrastructure as a Service  
IEC = International Electrotechnical Commission  
IMP = Itron Mobile Platform  
INS = Itron Networks Segment  
IOU = Investor-Owned Utility  
IoT = Internet of Things  
LoRa = “LONG RANGE” (Marketing Alliance)  
LPWAN = Low Power Wide Area Network  
LTE = Long Term Evolution  
M2C = Meter to Cash  
M2M = Machine to Machine  
MDM = Meter Data Management  
MV = Multi Vender  
NaaS = Network as a Service  
NB-IoT = Narrow Band Internet of Things  
NEMA = National Electrical Manufacturers Association  
NIC = Network Interface Card  
NMS = Network Management System  
OaaS = Outcome as a Service  
OCOGS = Operating Cost of Goods Sold  
OFDM = Orthogonal Frequency Division Multiplexing

O&M = Operation and Maintenance  
OWR = OpenWay Riva  
PaaS = Platform as a Service  
PBU = Product Business Unit  
PCBA = Printed Circuit Board Assembly  
PLC = Power Line Carrier  
RF = Radio Frequency  
RPMA = Random Phase Multiple Access  
S & OP = Sales and Operations Planning  
S & OE = Sales and Operations Execution  
SaaS = Software as a Service  
SLV = Streetlight Vision  
SS = Spread Spectrum  
TAM = Total Available Market  
TDMA = Time Division Multiple Access  
TCO = Total Cost of Ownership  
TMC = Total Manufacturing Cost  
UIQ = Utility IQ, Product Name  
Wi-Fi = Wireless Fidelity  
WW = World Wide  
VAVE = Value Analysis and Value Engineering  
VVO = Voltage Var Optimization

# 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, free cash flow, and constant currency. 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 our quarterly press release.

# GAAP TO NON-GAAP RECONCILIATIONS

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 December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
<b>NON-GAAP OPERATING EXPENSES</b>				
GAAP operating expenses	\$ 128,417	\$ 228,757	\$ 529,628	\$ 652,468
Amortization of intangible assets	(6,266)	(8,887)	(25,717)	(35,801)
Restructuring	2,528	(55,453)	13,625	(54,623)
Loss on sale of businesses	(323)	(36,015)	(3,505)	(64,289)
Strategic initiative	—	—	(675)	—
Software project impairment	(8,719)	—	(8,719)	—
Russian currency translation write-off	—	—	(1,885)	—
Goodwill impairment	—	—	(38,480)	—
Acquisition and integration	(136)	(519)	(506)	(151)
Non-GAAP operating expenses	<u>\$ 115,501</u>	<u>\$ 127,883</u>	<u>\$ 463,766</u>	<u>\$ 497,604</u>
<b>NON-GAAP OPERATING INCOME (LOSS)</b>				
GAAP operating income (loss)	\$ 12,381	\$ (107,470)	\$ (7,439)	\$ (79,299)
Amortization of intangible assets	6,266	8,887	25,717	35,801
Restructuring	(2,528)	55,453	(13,625)	54,623
Loss on sale of businesses	323	36,015	3,505	64,289
Strategic initiative	—	—	675	—
Software project impairment	8,719	—	8,719	—
Russian currency translation write-off	—	—	1,885	—
Goodwill impairment	—	—	38,480	—
Acquisition and integration	136	519	506	151
Non-GAAP operating income (loss)	<u>\$ 25,297</u>	<u>\$ (6,596)</u>	<u>\$ 58,423</u>	<u>\$ 75,565</u>

# GAAP TO NON-GAAP RECONCILIATIONS

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 December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
<b>NON-GAAP NET INCOME &amp; DILUTED EPS</b>				
GAAP net income (loss) attributable to Itron, Inc. \$	22,212	\$ (58,866)	\$ (9,732)	\$ (81,255)
Amortization of intangible assets	6,266	8,887	25,717	35,801
Amortization of debt placement fees	845	826	3,323	18,078
Debt extinguishment	—	—	—	11,681
Restructuring	(2,528)	55,453	(13,625)	54,623
Loss on sale of businesses	323	36,015	3,505	64,289
Strategic initiative	—	—	675	—
Software project impairment	8,719	—	8,719	—
Russian currency translation write-off	—	—	1,885	—
Goodwill impairment	—	—	38,480	—
Acquisition and integration	136	519	506	151
Income tax effect of non-GAAP adjustments	(3,803)	(8,774)	(8,466)	(25,265)
Non-GAAP net income attributable to Itron, Inc. \$	<u>32,170</u>	<u>\$ 34,060</u>	<u>\$ 50,987</u>	<u>\$ 78,103</u>
Non-GAAP diluted EPS	<u>\$ 0.71</u>	<u>\$ 0.75</u>	<u>\$ 1.13</u>	<u>\$ 1.75</u>
Non-GAAP weighted average common shares outstanding - Diluted	<u>45,419</u>	<u>45,469</u>	<u>45,305</u>	<u>44,617</u>



# GAAP TO NON-GAAP RECONCILIATIONS

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 December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
<b>ADJUSTED EBITDA</b>				
GAAP net income (loss) attributable to Itron, Inc. \$	22,212	\$ (58,866)	\$ (9,732)	\$ (81,255)
Interest income	(1,266)	(231)	(2,633)	(1,557)
Interest expense	1,793	1,531	6,724	28,638
Income tax benefit	(11,169)	(51,093)	(6,196)	(45,512)
Debt extinguishment	—	—	—	11,681
Depreciation and amortization	16,151	19,901	66,763	84,153
Restructuring	(2,528)	55,453	(13,625)	54,623
Loss on sale of businesses	323	36,015	3,505	64,289
Strategic initiative	—	—	675	—
Software project impairment	8,719	—	8,719	—
Russian currency translation write-off	—	—	1,885	—
Goodwill impairment	—	—	38,480	—
Acquisition and integration	136	519	506	151
Adjusted EBITDA	<u>\$ 34,371</u>	<u>\$ 3,229</u>	<u>\$ 95,071</u>	<u>\$ 115,211</u>
<b>FREE CASH FLOW</b>				
Net cash (used in) provided by operating activities	\$ (13,030)	\$ 13,647	\$ 24,500	\$ 154,794
Acquisitions of property, plant, and equipment	(4,861)	(6,901)	(19,747)	(34,682)
Free Cash Flow	<u>\$ (17,891)</u>	<u>\$ 6,746</u>	<u>\$ 4,753</u>	<u>\$ 120,112</u>

# Thank You

## INVESTOR RELATIONS CONTACTS

### **David Means**

Director, Investor Relations

737-242-8448

david.means@itron.com



[www.itron.com](http://www.itron.com)