



Tom Deitrich – President and Chief Executive Officer
Joan Hooper – Senior Vice President and Chief Financial Officer
Paul Vincent – Vice President, Investor Relations

**Third Quarter 2023
Earnings Conference Call
November 2, 2023**

CONFERENCE CALL AGENDA

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

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.

THIRD QUARTER 2023 PERFORMANCE SUMMARY

- » Revenue of \$561 million
- » Adjusted EBITDA of \$68 million
- » Non-GAAP diluted EPS of \$0.98
- » Free cash flow of \$28 million

BOOKINGS AND BACKLOG

» Q3'23 bookings of \$413M

» Q3'23 book to bill of 0.7

» Ending backlog of \$4.3B



Note: Chart in US\$ billions, the revenue from Q3'23 12-month backlog may vary based on actual currency rates at time of shipment, supply constraints, and adjusted project schedules timing.

OPERATIONAL INSIGHTS

- » Operational discipline supporting margin expansion
- » Supply chain recovery occurring faster than expected
- » Multi-year backlog addresses critical utility needs, including electrification, safety, resilience, and sustainability.
- » Itron technology helps customers meet sustainability goals

CONSOLIDATED GAAP RESULTS: Q3'23

\$ in millions (except per share amounts)	Q3 2023	Q3 2022	Change
Revenue	\$560.8	\$420.9	33%
<i>Change in constant currency</i>			32%
Gross margin	33.4%	28.5%	490 bps
Operating income	\$54.9	\$6.9	697%
Net income attributable to Itron, Inc.	\$40.2	\$4.1	876%
Earnings per share – diluted	\$0.87	\$0.09	867%

- » Revenue increased due to improving supply chain conditions and strong operational execution
- » Gross margin of 33.4% up 490 bps due to favorable product mix and operational efficiencies
- » GAAP operating income increased due to higher gross profit, partially offset by higher operating expenses
- » GAAP net income increased due to higher GAAP operating income, partially offset by higher taxes

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

CONSOLIDATED NON-GAAP & CASH RESULTS: Q3'23

\$ in millions (except per share amounts)	Q3 2023	Q3 2022	Change
Non-GAAP operating income	\$59.0	\$14.8	299%
Non-GAAP operating margin	10.5%	3.5%	700 bps
Non-GAAP net income attributable to Itron, Inc.	\$44.9	\$10.5	327%
Adjusted EBITDA	\$68.5	\$24.3	181%
Adjusted EBITDA margin	12.2%	5.8%	640 bps
Non-GAAP earnings per share - diluted	\$0.98	\$0.23	326%
Net cash provided by operating activities	\$34.1	\$14.9	129%
Free cash flow	\$28.3	\$10.7	166%

- » Increase in non-GAAP operating income due to fall through of higher gross profit, partially offset by higher operating expenses
- » Non-GAAP net income increased due to higher non-GAAP operating income, partially offset by increased taxes
- » Free cash flow increased due to higher earnings, partially offset by growth in working capital

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

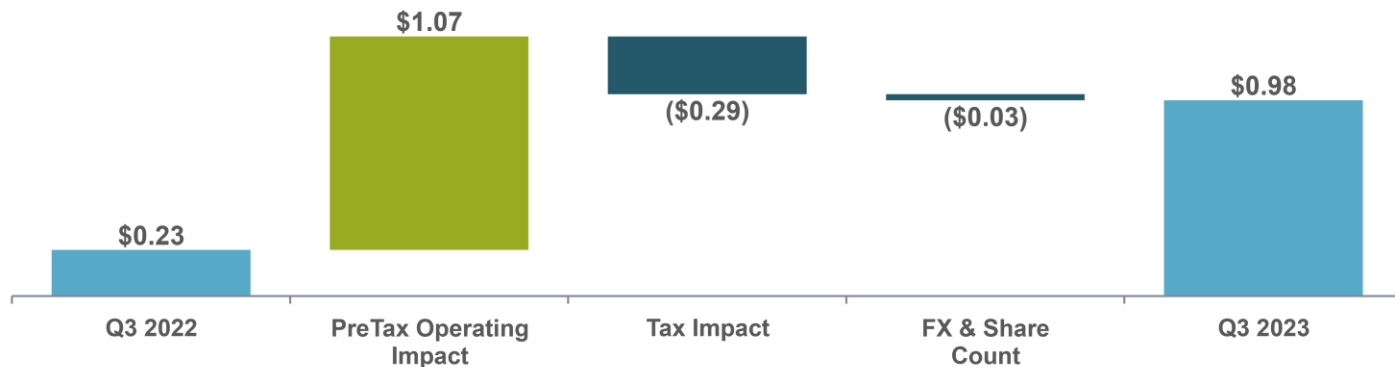
REVENUE YEAR-OVER-YEAR BRIDGE: Q3'23



Chart in millions and includes rounding. Segment changes in constant currency.

NON-GAAP EPS YEAR-OVER-YEAR BRIDGE: Q3'23

US\$ per share

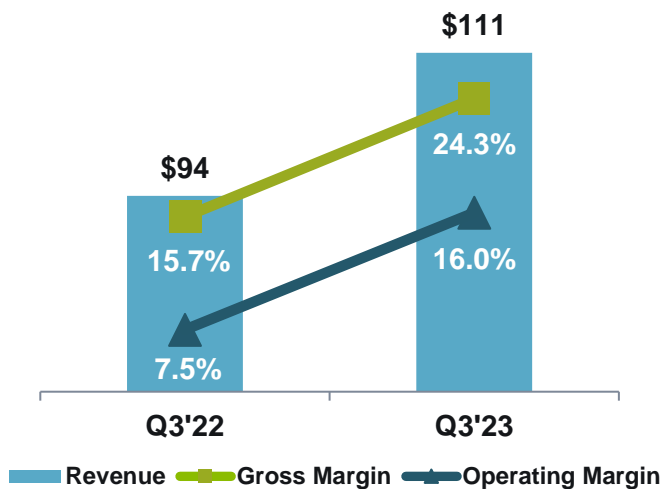


Quarterly totals reflect actual currencies; all variances other than FX exclude currency impact. Chart includes rounding.

DEVICE SOLUTIONS SEGMENT: Q3'23

Revenue, gross margin and operating margin

\$ in millions, actual currency



Revenue increased 18% (13% in constant currency)

» Growth in water meter sales

Gross margin increased 860 bps

» Favorable product mix

» Increased operational efficiencies

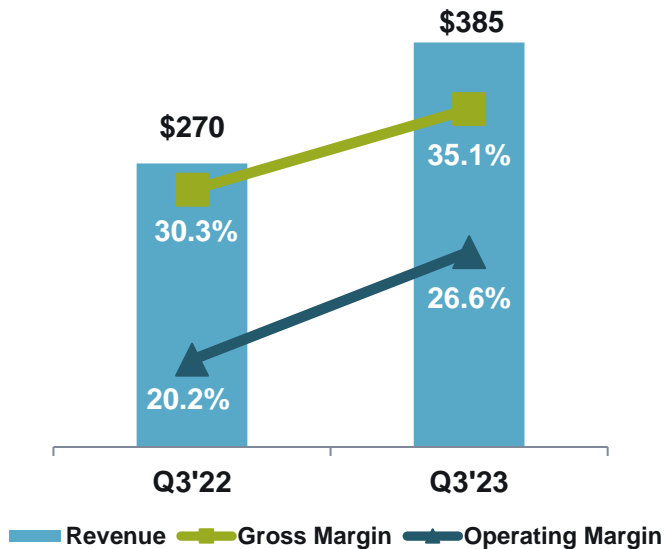
Operating margin increased 850 bps

» Fall through of higher gross profit

NETWORKED SOLUTIONS SEGMENT: Q3'23

Revenue, gross margin and operating margin

\$ in millions, actual currency



Revenue increased 43% (43% in constant currency)

- » Improving supply chain conditions enabled higher customer deliveries

Gross margin increased 480 bps

- » Favorable product mix
- » Improved operational efficiencies

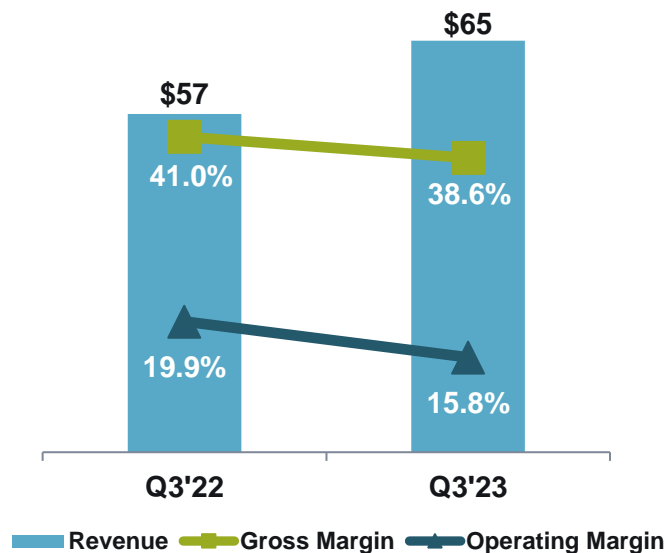
Operating margin increased 640 bps

- » Fall through of higher gross profit
- » Higher operating leverage

OUTCOMES SEGMENT: Q3'23

Revenue, gross margin and operating margin

\$ in millions, actual currency



Revenue increased 14% (13% in constant currency)

- » Increase in recurring services

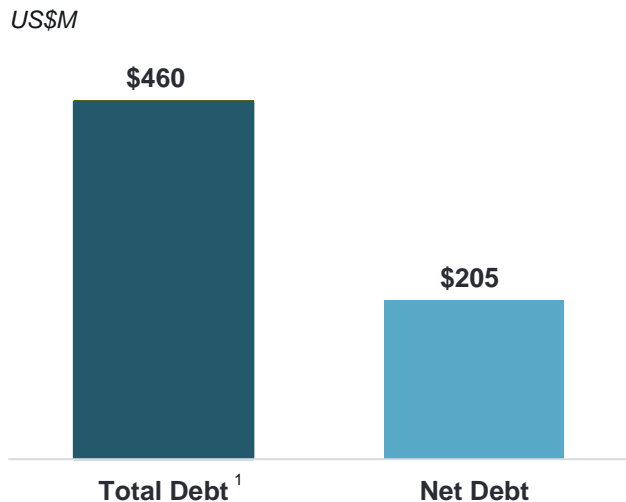
Gross margin decreased 240 bps

- » Lower software licenses activity, partially offset by increased recurring services

Operating margin decreased 410 bps

- » Fall through of lower gross margin
- » Higher operating expenses

DEBT AND LIQUIDITY OVERVIEW: SEPTEMBER 30, 2023



Debt

- » Net leverage 1.1x at end of Q3'23
- » Zero interest convertible notes

Free Cash Flow and Liquidity

- » Free cash flow of \$28M
- » Cash and equivalents of \$255M
- » \$500M revolver; recently extended to 2026

1. Excludes amortization of debt fees.

Q4'23 OUTLOOK

Revenue of \$565 - \$575 million

- *At the midpoint, up 22% vs. Q4 2022*

Non-GAAP diluted EPS of \$0.70 - \$0.80

- *At the midpoint, up 6% vs. Q4 2022*
- *Q4 2022 ETR was -30%; normalized for 25% ETR, Y/Y growth is 80%+*

2023 FULL-YEAR GUIDANCE UPDATE

	Feb '23 Guidance	Aug '23 Guidance	Nov '23 Guidance
Revenue	\$1.85 - \$1.95B	\$2.11 - \$2.14B	\$2.16 - \$2.17B
Non-GAAP EPS	\$0.70 - \$1.10	\$2.03 - \$2.28	\$2.83 - \$2.93

- **Revenue, at the midpoint, up 21% vs. prior year**
 - Up \$265M from initial guidance (at the midpoint)
- **NG EPS, at the midpoint, up 155% vs. prior year**
 - Up \$1.98 per share from initial guidance (at the midpoint)

APPENDIX

CONSOLIDATED GAAP RESULTS: YTD'23

<i>\$ in millions (except per share amounts)</i>	YTD 2023	YTD 2022	Change
Revenue	\$1,596.5	\$1,328.1	20%
<i>Growth in constant currency</i>			<i>20%</i>
Gross margin	32.4%	28.7%	370 bps
Operating income (loss)	\$79.6	(\$19.8)	NM
Net income (loss) attributable to Itron, Inc.	\$52.5	(\$31.9)	NM
Earnings (loss) per share - diluted	\$1.15	(\$0.71)	NM

- » Revenue increased due to improving supply chain conditions and strong operational execution
- » Gross margin of 32.4% up 370 bps due to favorable product mix and operational efficiencies
- » GAAP operating income (loss) increased due to higher gross profit, partially offset by higher operating expense. Higher opex was driven by higher labor costs, higher variable compensation, and a restructuring charge for the new plan announced in February, partially offset by a goodwill impairment in prior year related to our Devices Solutions segment.
- » GAAP net income (loss) increased due to higher GAAP operating income

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

CONSOLIDATED NON-GAAP & CASH RESULTS: YTD'23

<i>\$ in millions (except per share amounts)</i>	YTD 2023	YTD 2022	Change
Non-GAAP operating income	\$131.7	\$33.1	298%
Non-GAAP operating margin	8.2%	2.5%	570 bps
Adjusted EBITDA	\$157.2	\$60.7	159%
Adjusted EBITDA margin	9.8%	4.6%	520 bps
Non-GAAP net income attributable to Itron, Inc.	\$97.1	\$18.8	416%
Non-GAAP earnings per share - diluted	\$2.12	\$0.42	405%
Net cash provided by operating activities	\$77.1	\$37.5	105%
Free cash flow	\$58.8	\$22.6	160%

- » Increase in non-GAAP operating income due to fall through of higher gross profit, partially offset by higher operating expenses
- » Non-GAAP net income increased due to higher non-GAAP operating income, partially offset by increased taxes
- » Free cash flow increased due to higher earnings, partially offset by growth in working capital

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

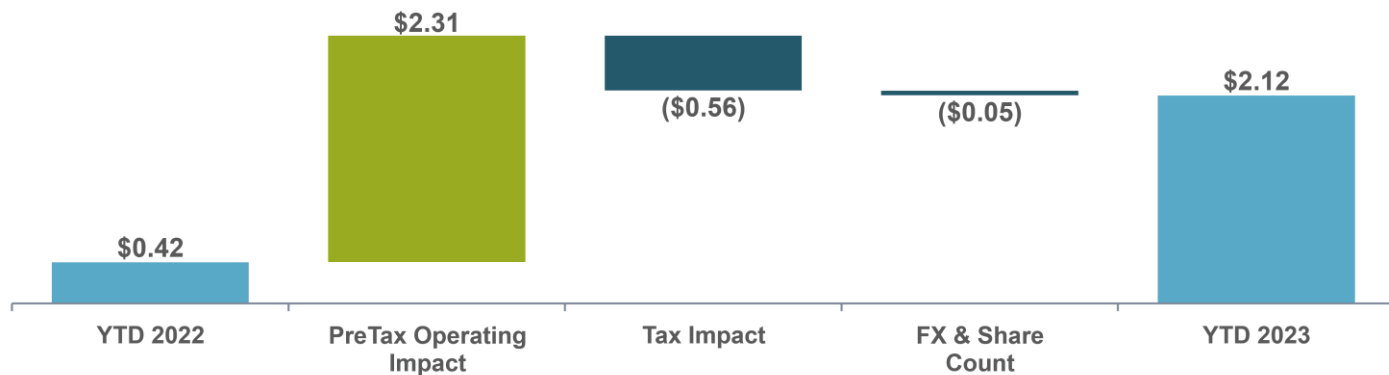
REVENUE YEAR-OVER-YEAR BRIDGE: YTD'23



Chart in millions and includes rounding. Segment changes in constant currency.

NON-GAAP EPS YEAR-OVER-YEAR BRIDGE: YTD'23

US\$ per share

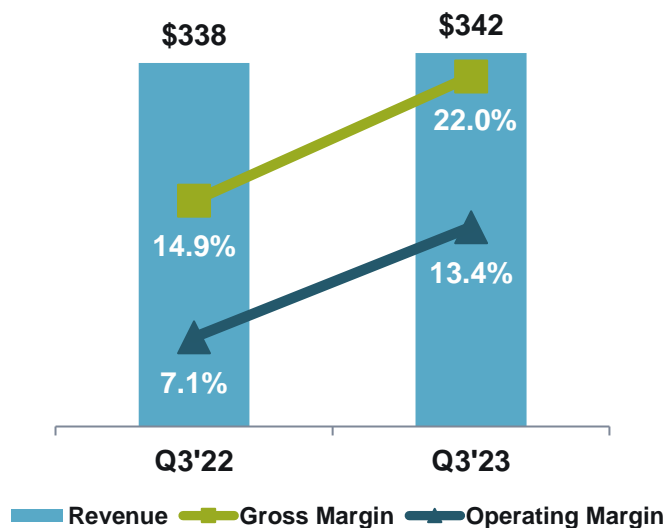


Quarterly totals reflect actual currencies; all variances other than FX exclude currency impact. Chart includes rounding.

DEVICE SOLUTIONS SEGMENT: YTD'23

Revenue, gross margin and operating margin

\$ in Millions, actual currency



Revenue up 1% (1% in constant currency)

- » Growth in water meter sales
- » Partially offset by product pruning and sale of our C&I gas business

Gross margin up 710 bps

- » Favorable product mix
- » Increased operational efficiencies

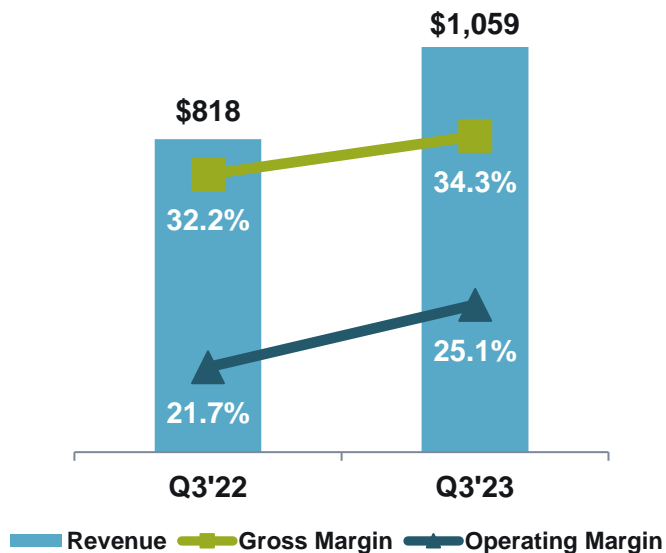
Operating margin up 630 bps

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

NETWORKED SOLUTIONS SEGMENT: YTD'23

Revenue, gross margin and operating margin

\$ in Millions, actual currency



Revenue up 29% (30% in constant currency)

- » Improving supply chain conditions enabled higher customer deliveries

Gross margin up 210 bps

- » Favorable product mix
- » Improved operational efficiencies

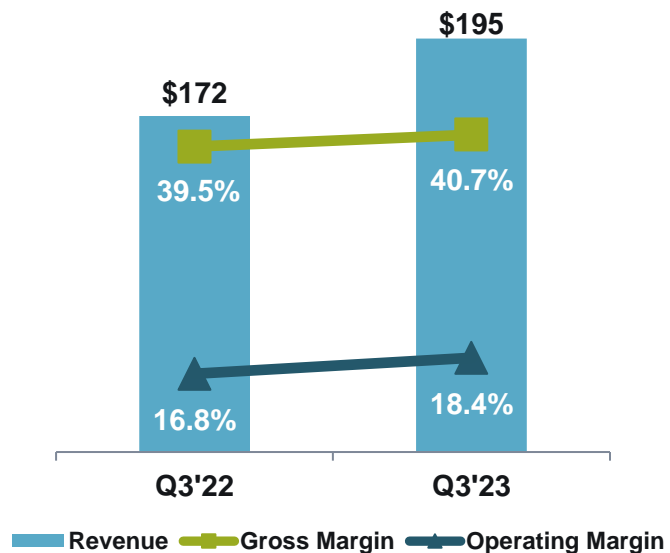
Operating margin up 340 bps

- » Fall through of higher gross profit
- » Higher operating leverage

OUTCOMES SEGMENT: YTD'23

Revenue, gross margin and operating margin

\$ in Millions, actual currency



Revenue up 14% (14% in constant currency)

» Increase in software license sales and recurring services

Gross margin up 120 bps

» Favorable mix with increases in software licenses and services

Operating margin up 160 bps

» Fall through of higher gross profit

» Higher operating leverage

FX IMPACT SUMMARY

\$ in Millions

Average USD/Euro:
\$1.09 Q3'23 vs \$1.01 Q3'22

Revenue	Q3'23	YoY Change	YoY Change Excluding FX
Device Solutions	\$110.8	17.8%	12.6%
Networked Solutions	\$385.0	42.7%	42.6%
Outcomes	\$65.0	14.1%	13.1%
Total	\$560.8	33.2%	31.9%

Average USD/Euro:
\$1.08 YTD'23 vs \$1.07 YTD'22

Revenue	YTD'23	YoY Change	YoY Change Excluding FX
Device Solutions	\$342.2	1.1%	1.1%
Networked Solutions	\$1,059.4	29.5%	29.7%
Outcomes	\$194.9	13.6%	14.0%
Total	\$1,596.5	20.2%	20.4%

Non-GAAP EPS - diluted **\$0.98** **\$0.75** **\$0.76**

Non-GAAP EPS - diluted **\$2.12** **\$1.70** **\$1.73**

Chart includes rounding.

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. When providing future outlooks and/or earnings guidance, a reconciliation of forward-looking non-GAAP diluted EPS to the GAAP diluted EPS has not been provided because we are unable to predict with reasonable certainty the potential amount or timing of restructuring related expenses and their related tax effects without unreasonable effort. These costs are uncertain, depend on various factors and could have a material impact on GAAP results for the guidance period. 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 this 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 September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
NON-GAAP OPERATING EXPENSES				
GAAP operating expenses	\$ 132,313	\$ 113,174	\$ 437,921	\$ 401,211
Amortization of intangible assets	(4,663)	(6,413)	(14,433)	(19,451)
Restructuring	615	1,272	(36,868)	11,097
Loss on sale of business	(45)	(767)	(675)	(3,182)
Strategic initiative	5	35	5	(675)
Russian currency translation write-off	—	(1,885)	—	(1,885)
Goodwill impairment	—	—	—	(38,480)
Acquisition and integration	(28)	(154)	(117)	(370)
Non-GAAP operating expenses	<u>\$ 128,197</u>	<u>\$ 105,262</u>	<u>\$ 385,833</u>	<u>\$ 348,265</u>
NON-GAAP OPERATING INCOME				
GAAP operating income (loss)	\$ 54,890	\$ 6,888	\$ 79,597	\$ (19,820)
Amortization of intangible assets	4,663	6,413	14,433	19,451
Restructuring	(615)	(1,272)	36,868	(11,097)
Loss on sale of business	45	767	675	3,182
Strategic initiative	(5)	(35)	(5)	675
Russian currency translation write-off	—	1,885	—	1,885
Goodwill impairment	—	—	—	38,480
Acquisition and integration	28	154	117	370
Non-GAAP operating income	<u>\$ 59,006</u>	<u>\$ 14,800</u>	<u>\$ 131,685</u>	<u>\$ 33,126</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 September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
NON-GAAP NET INCOME & DILUTED EPS				
GAAP net income (loss) attributable to Itron, Inc.	\$ 40,172	\$ 4,117	\$ 52,537	\$ (31,944)
Amortization of intangible assets	4,663	6,413	14,433	19,451
Amortization of debt placement fees	897	846	2,629	2,478
Restructuring	(615)	(1,272)	36,868	(11,097)
Loss on sale of business	45	767	675	3,182
Strategic initiative	(5)	(35)	(5)	675
Russian currency translation write-off	—	1,885	—	1,885
Goodwill impairment	—	—	—	38,480
Acquisition and integration	28	154	117	370
Income tax effect of non-GAAP adjustments	(293)	(2,362)	(10,156)	(4,663)
Non-GAAP net income attributable to Itron, Inc.	<u>\$ 44,892</u>	<u>\$ 10,513</u>	<u>\$ 97,098</u>	<u>\$ 18,817</u>
Non-GAAP diluted EPS	<u>\$ 0.98</u>	<u>\$ 0.23</u>	<u>\$ 2.12</u>	<u>\$ 0.42</u>
Non-GAAP weighted average common shares outstanding - Diluted	<u>45,950</u>	<u>45,330</u>	<u>45,768</u>	<u>45,267</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 September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
ADJUSTED EBITDA				
GAAP net income (loss) attributable to Itron, Inc.	\$ 40,172	\$ 4,117	\$ 52,537	\$ (31,944)
Interest income	(2,642)	(801)	(5,968)	(1,367)
Interest expense	2,445	1,679	6,479	4,931
Income tax provision	15,388	473	24,513	4,973
Depreciation and amortization	13,645	17,361	42,013	50,612
Restructuring	(615)	(1,272)	36,868	(11,097)
Loss on sale of business	45	767	675	3,182
Strategic initiative	(5)	(35)	(5)	675
Russian currency translation write-off	—	1,885	—	1,885
Goodwill impairment	—	—	—	38,480
Acquisition and integration	28	154	117	370
Adjusted EBITDA	<u>\$ 68,461</u>	<u>\$ 24,328</u>	<u>\$ 157,229</u>	<u>\$ 60,700</u>
FREE CASH FLOW				
Net cash provided by operating activities	\$ 34,087	\$ 14,874	\$ 77,076	\$ 37,530
Acquisitions of property, plant, and equipment	(5,806)	(4,223)	(18,304)	(14,886)
Free Cash Flow	<u>\$ 28,281</u>	<u>\$ 10,651</u>	<u>\$ 58,772</u>	<u>\$ 22,644</u>

Thank You

INVESTOR RELATIONS CONTACTS

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