

IFRON, INC.
 TRENDED RESULTS AS REVISED & REPORTED IN FORM 10-K FOR FYE
 2013, 2014, 2015, 2016, 2017 & Q1/Q2/Q3 2018
 WITH GAAP TO NON-GAAP RECONCILIATIONS

| | 2016 | | | | | 2017 | | | | | 2018 | | | | |
|---|------------|------------|------------|------------|--------------|------------|------------|------------|------------|--------------|--------------|------------|------------|--------------|--|
| | Q1 | Q2 | Q3 | Q4 | Fiscal Year | Q1 | Q2 | Q3 | Q4 | Fiscal Year | Q1 | Q2 | Q3 | YTD | |
| (Unaudited, \$ in thousands, except per share amounts) | | | | | | | | | | | | | | | |
| TOTAL COMPANY - FINANCIAL RESULTS | | | | | | | | | | | | | | | |
| Revenue | \$ 407,590 | \$ 513,024 | \$ 506,859 | \$ 495,713 | \$ 2,013,186 | \$ 477,592 | \$ 503,082 | \$ 486,747 | \$ 550,776 | \$ 2,018,197 | \$ 607,221 | \$ 585,890 | \$ 595,962 | \$ 1,789,073 | |
| Gross Profit | 163,579 | 170,120 | 171,413 | 157,420 | 662,532 | 157,837 | 172,277 | 165,556 | 175,981 | 672,651 | 179,855 | 176,577 | 197,097 | 553,529 | |
| GM% | 32.9 % | 33.2 % | 33.8 % | 31.8 % | 32.9 % | 33.0 % | 34.4 % | 34.1 % | 31.8 % | 33.5 % | 29.6 % | 30.1 % | 31.1 % | 30.9 % | |
| Operating expenses | | | | | | | | | | | | | | | |
| Sales and marketing | 40,682 | 39,266 | 38,718 | 39,707 | 158,373 | 41,255 | 44,514 | 40,529 | 42,762 | 169,060 | 51,921 | 45,448 | 47,204 | 144,573 | |
| Product development | 45,248 | 43,262 | 39,224 | 40,032 | 167,766 | 40,767 | 43,024 | 42,455 | 43,161 | 169,407 | 60,284 | 54,775 | 47,239 | 162,298 | |
| General and administrative | 44,782 | 45,081 | 40,025 | 31,310 | 161,198 | 37,187 | 43,098 | 39,598 | 36,321 | 156,204 | 102,493 | 43,415 | 42,352 | 188,260 | |
| 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 | 17,999 | 17,960 | 53,699 | |
| Restructuring | 2,237 | (1,622) | 40,679 | 7,796 | 49,090 | 3,052 | 5,043 | (678) | (999) | 6,418 | 87,865 | (5,623) | 666 | 82,908 | |
| Total operating expenses | 139,159 | 133,783 | 163,642 | 124,955 | 561,530 | 126,810 | 140,649 | 127,529 | 126,866 | 521,874 | 320,303 | 156,014 | 155,421 | 631,738 | |
| Operating income (loss) | 24,420 | 36,337 | 7,771 | 32,465 | 100,993 | 30,827 | 37,628 | 38,227 | 48,195 | 154,877 | 140,448 | 20,563 | 41,676 | (78,209) | |
| Other income (expense) | | | | | | | | | | | | | | | |
| Interest income | 271 | 221 | 102 | 271 | 865 | 269 | 470 | 729 | 858 | 2,126 | 661 | 633 | 431 | 1,725 | |
| Interest expense | (3,551) | (3,385) | (3,340) | (3,245) | (13,521) | (3,199) | (3,411) | (3,465) | (3,770) | (13,845) | (15,504) | (14,645) | (14,171) | (44,320) | |
| Other income (expense), net | (1,730) | (478) | (5) | (1,497) | (3,710) | (2,836) | (3,120) | (1,997) | (630) | (8,583) | (1,167) | 1,003 | (2,434) | (2,598) | |
| Total other income (expense) | (5,010) | (3,642) | (3,243) | (4,471) | (16,366) | (5,766) | (6,061) | (4,733) | (3,742) | (20,302) | (16,010) | (13,000) | (16,174) | (45,193) | |
| 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) | 7,554 | 25,502 | (123,402) | |
| Income tax provision (benefit) | (8,626) | (12,193) | (13,430) | (15,325) | (49,574) | (9,047) | (16,560) | (6,640) | (42,079) | (74,226) | (11,188) | (3,781) | (5,715) | 1,692 | |
| 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) | 3,773 | 19,787 | (121,710) | |
| Net income attributable to non-controlling interests | 695 | 585 | (180) | 1,020 | 3,283 | 169 | 910 | 1,278 | 594 | 2,951 | 295 | 1,148 | 666 | 1,417 | |
| 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) | \$ 2,657 | \$ 19,882 | \$ (123,127) | |
| Earnings (loss) per common share - Basic | | | | | | | | | | | | | | | |
| 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) | \$ 0.07 | \$ 0.51 | \$ (3.14) | |
| 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) | \$ 0.07 | \$ 0.50 | \$ (3.14) | |
| Weighted average basic shares outstanding | | | | | | | | | | | | | | | |
| 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 | 39,243 | 39,340 | 39,177 | |
| Weighted average diluted shares outstanding | | | | | | | | | | | | | | | |
| 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 | 39,789 | 39,909 | 39,177 | |
| NON-GAAP OPERATING INCOME | | | | | | | | | | | | | | | |
| GAAP operating income (loss) | \$ 24,420 | \$ 36,337 | \$ 7,771 | \$ 32,465 | \$ 100,993 | \$ 30,827 | \$ 37,628 | \$ 38,227 | \$ 48,195 | \$ 154,877 | \$ (140,448) | \$ 20,563 | \$ 41,676 | \$ (78,209) | |
| GAAP Operating Margin % | 4.9 % | 7.1 % | 1.5 % | 6.5 % | 5.0 % | 6.5 % | 7.5 % | 7.9 % | 8.8 % | 7.7 % | (23.1)% | (3.5)% | 7.0 % | (4.4)% | |
| 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 | 17,999 | 17,960 | 53,699 | |
| Restructuring | 2,237 | (1,622) | 40,679 | 7,796 | 49,090 | 3,052 | 5,043 | (678) | (999) | 6,418 | 87,865 | (5,623) | 666 | 82,908 | |
| Acquisition and integration related expense | 3 | (25) | (180) | 5 | (197) | 333 | 6,468 | 7,243 | 3,095 | 17,139 | 62,647 | 11,148 | 10,079 | 83,874 | |
| Non-GAAP operating income (loss) | \$ 32,870 | \$ 42,486 | \$ 53,266 | \$ 46,376 | \$ 174,988 | \$ 38,781 | \$ 54,109 | \$ 50,417 | \$ 55,932 | \$ 199,219 | \$ 27,804 | \$ 44,087 | \$ 70,381 | \$ 142,272 | |
| Non-GAAP Operating Margin % | 6.6 % | 8.3 % | 10.5 % | 9.4 % | 8.9 % | 8.1 % | 10.8 % | 10.4 % | 10.2 % | 9.9 % | 4.6 % | 7.5 % | 11.8 % | 8.0 % | |
| NON-GAAP NET INCOME & DILUTED EPS | | | | | | | | | | | | | | | |
| 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) | \$ 2,657 | \$ 19,882 | \$ (123,127) | |
| 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 | 17,999 | 17,960 | 53,699 | |
| Restructuring | 2,237 | (1,622) | 40,679 | 7,796 | 49,090 | 3,052 | 5,043 | (678) | (999) | 6,418 | 87,865 | (5,623) | 666 | 82,908 | |
| Acquisition related expenses | 3 | (25) | (180) | 5 | (197) | 333 | 6,468 | 7,243 | 3,095 | 17,139 | 62,647 | 11,148 | 10,079 | 83,874 | |
| Amortization of debt placement fees | 247 | 248 | 248 | 245 | 987 | 241 | 242 | 242 | 241 | 966 | 3,343 | 1,172 | 1,178 | 5,693 | |
| Tax reform | — | — | — | — | — | — | — | — | — | 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) | (6,897) | (4,719) | (32,451) | |
| Non-GAAP net income (loss) 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 | \$ 20,456 | \$ 45,046 | \$ 70,596 | |
| 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 | \$ 0.51 | \$ 1.13 | \$ 1.77 | |
| Weighted average diluted shares outstanding | | | | | | | | | | | | | | | |
| 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 | 39,789 | 39,909 | 39,825 | |
| ADJUSTED EBITDA | | | | | | | | | | | | | | | |
| 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) | \$ 2,657 | \$ 19,882 | \$ (123,127) | |
| Interest income | (271) | (221) | (102) | (271) | (865) | (269) | (470) | (729) | (858) | (2,126) | (661) | (633) | (431) | (1,725) | |
| Interest expense | 3,551 | 3,385 | 3,340 | 3,245 | 13,521 | 3,199 | 3,411 | 3,465 | 3,770 | 13,845 | 15,504 | 14,645 | 14,171 | 44,320 | |
| Income tax provision (benefit) | 8,626 | 12,193 | 13,430 | 15,325 | 49,574 | 9,047 | 16,560 | 6,640 | 42,079 | 74,226 | (11,188) | 3,781 | 5,715 | (1,692) | |
| Depreciation and amortization | 16,674 | 18,807 | 16,082 | 16,755 | 68,318 | 14,378 | 15,000 | 16,532 | 17,215 | 63,215 | 31,072 | 30,907 | 30,449 | 92,428 | |
| Restructuring | 2,237 | (1,622) | 40,679 | 7,796 | 49,090 | 3,052 | 5,043 | (678) | (999) | 6,418 | 87,865 | (5,623) | 666 | 82,908 | |
| Acquisition and integration related expense | 3 | (25) | (180) | 5 | (197) | 333 | 6,468 | 7,243 | 3,095 | 17,139 | 62,647 | 11,148 | 10,079 | 83,874 | |
| Goodwill impairment | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Adjusted EBITDA | \$ 40,909 | \$ 52,434 | \$ 63,364 | \$ 54,504 | \$ 211,211 | \$ 45,585 | \$ 60,199 | \$ 58,049 | \$ 66,282 | \$ 230,115 | \$ 39,573 | \$ 56,882 | \$ 80,531 | \$ 176,986 | |
| Adjusted EBITDA margin % | 8.2 % | 10.2 % | 12.5 % | 11.0 % | 10.5 % | 9.5 % | 12.0 % | 11.9 % | 12.2 % | 11.4 % | 6.5 % | 9.7 % | 13.5 % | 9.9 % | |
| FREE CASH FLOW | | | | | | | | | | | | | | | |
| 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) | \$ 41,327 | \$ 50,504 | \$ 67,383 | |
| Acquisitions of property, plant, and equipment | (8,791) | (11,093) | (10,679) | (12,980) | (43,543) | (9,122) | (12,776) | (11,595) | (16,002) | (49,495) | (17,433) | (11,878) | (13,184) | (42,493) | |
| 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) | \$ 29,451 | \$ 37,320 | \$ 24,890 | |
| BACKLOG (in millions) | | | | | | | | | | | | | | | |
| Total Backlog | \$ 1,504 | \$ 1,345 | \$ 1,511 | \$ 1,652 | \$ 1,652 | \$ 1,605 | \$ 1,629 | \$ 1,488 | \$ 1,750 | \$ 1,750 | \$ 3,139 | \$ 3,113 | \$ 3,112 | \$ 3,112 | |
| 12-month Backlog | \$ 785 | \$ 688 | \$ 731 | \$ 761 | \$ 761 | \$ 819 | \$ 860 | \$ 847 | \$ 931 | \$ 931 | \$ 1,363 | \$ 1,426 | \$ 1,350 | \$ 1,350 | |
| ELECTRICITY SEGMENT | | | | | | | | | | | | | | | |
| Revenue | \$ 217,295 | \$ 232,823 | \$ 242,667 | \$ 245,589 | \$ 938,374 | \$ 238,751 | \$ 250,332 | \$ 240,142 | \$ 293,714 | \$ 1,022,939 | \$ 252,405 | \$ 250,578 | \$ 236,842 | \$ 739,825 | |
| Gross Profit | 64,625 | 70,932 | 75,430 | 72,010 | 282,997 | 67,250 | 78,645 | 76,493 | 96,827 | 319,215 | 69,975 | 76,987 | 74,549 | 221,511 | |
| GM% | 29.7 % | 30.5 % | 31.1 % | 29.3 % | 30.2 % | 28.2 % | 31.4 % | 31.9 % | 33.0 % | 31.2 % | 27.7 % | 30.7 % | 31.9 % | 29.9 % | |
| GAAP operating income (loss) | | | | | | | | | | | | | | | |
| GAAP Operating Margin % | 10.929 % | 20.278 % | 20.867 % | 17.901 % | 69.975 % | 17.084 % | 17.839 % | 17.317 % | 42.425 % | 94.665 % | (2.768)% | 28.997 % | 25.853 % | 52.082 % | |
| Amortization of intangible assets | 3,250 | 4,617 | 2,183 | 3,223 | 13,273 | 2,362 | 2,728 | 3,260 | 3,268 | 11,618 | 2,880 | 2,842 | 2,772 | 8,494 | |
| Restructuring | 528 | (1,560) | 6,443 | 2,283 | 7,694 | (176) | 506 | 1,227 | (1,359) | 198 | 19,600 | (145) | 350 | 19,805 | |
| Acquisition and integration related expense | 3 | (25) | (180) | 5 | (197) | — | 6,201 | 3,586 | 471 | 10,258 | 323 | (1,244) | 45 | (876) | |
| Non-GAAP operating income (loss) | \$ 14,710 | \$ 23,310 | \$ 29,313 | \$ 23,412 | \$ 90,745 | \$ 19,270 | \$ 27,274 | \$ 25,390 | \$ 44,805 | \$ 116,739 | \$ 20,055 | \$ 30,450 | \$ 29,020 | \$ 79,505 | |
| Non-GAAP Operating Margin % | 6.8 % | 10.0 % | 12.1 % | 9.5 % | 9.7 % | 8.1 % | 10.9 % | 10.6 % | 15.3 % | 11.4 % | 7.9 % | 12.2 % | 12.3 % | 10.7 % | |
| GAS SEGMENT | | | | | | | | | | | | | | | |
| Revenue | \$ 139,256 | \$ 150,266 | \$ 144,185 | \$ 135,769 | \$ 569,476 | \$ 124,211 | \$ 138,700 | \$ 131,780 | \$ 138,933 | \$ 533,624 | \$ 137,739 | \$ 137,032 | \$ 15 | | |