



First Quarter 2024 Earnings Conference Call

Tom Deitrich – President and Chief Executive Officer

Joan Hooper – Senior Vice President and Chief Financial Officer

Paul Vincent – Vice President, Investor Relations

Conference Call Agenda

- CEO – Business and Operations Update
- CFO – Financial Results and Q2 2024 Outlook
- 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. When we use words such as "expect", "intend", "anticipate", "believe", "plan", "goal", "seek", "project", "estimate", "future", "strategy", "objective", "may", "likely", "should", "will", "will continue", and similar expressions, including related to future periods, they are intended to identify forward-looking statements. These statements are not guarantees of Itron's future performance, and you should not place undue reliance on any such forward-looking statements. 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. Some of the factors that we believe could affect our results include our ability to execute on our restructuring plans, our ability to achieve estimated cost savings, the rate and timing of customer demand for our products, rescheduling of current customer orders, changes in estimated liabilities for product warranties, adverse impacts of litigation, changes in laws and regulations, our dependence on new product development and intellectual property, future acquisitions, changes in estimates for stock-based and bonus compensation, increasing volatility in foreign exchange rates, international business risks, uncertainties caused by adverse economic conditions, including without limitation those resulting from extraordinary events or circumstances and other factors that are more fully described 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 reconciliations of the non-GAAP measures and the most directly comparable GAAP measures are included in the Appendix of this presentation. Non-GAAP performance measures are not intended to be considered in isolation or as a substitute for, or superior to, results prepared in accordance with GAAP.

First Quarter 2024 Performance Highlights

- » Sixth consecutive quarter of improving operational execution and market conditions
- » Value chain performance ahead of expectations
- » Pipeline for Grid Edge Intelligence opportunities expanding for Networked Solutions and Outcomes
- » Elpis Squared acquisition expands Grid Edge Intelligence offerings

First Quarter 2024 Financial Summary

- » Revenue of \$603 million
- » Adjusted EBITDA of \$76 million
- » Non-GAAP diluted EPS of \$1.24
- » Free cash flow of \$34 million

Bookings and Backlog

- » Q1 2024 bookings of \$361M
- » Book to bill of 0.6
- » Ending backlog of \$4.3B



- Chart in US\$ billions, the revenue from Q1'24 12-month backlog may vary based on actual currency rates at time of shipment, supply constraints, and adjusted project schedules timing.

Consolidated GAAP Results: Q1 2024

\$ in millions (except per share amounts)	Q1 2024	Q1 2023	Change
Revenue	\$603.4	\$494.6	22%
<i>Change in constant currency</i>			<i>22%</i>
Gross margin	34.0%	31.6%	240 bps
Operating income (loss)	\$62.8	(\$10.4)	NM
Net income (loss) attributable to Itron, Inc.	\$51.7	(\$11.8)	NM
Earnings (loss) per share – diluted	\$1.12	(\$0.26)	NM

- » Revenue increased due to strong operational performance, conversion of previously constrained revenue and continued customer demand
- » Gross margin of 34.0% up 240 bps due to higher margin product mix and operational efficiencies
- » GAAP operating income increased due to higher gross profit and a one-time restructuring charge in prior year
- » GAAP net income increased due to higher GAAP operating income, partially offset by increased tax expense

Consolidated Non-GAAP & Cash Results: Q1 2024

\$ in millions (except per share amounts)	Q1 2024	Q1 2023	Change
Non-GAAP operating income	\$67.3	\$31.3	115%
Non-GAAP operating margin	11.2%	6.3%	490 bps
Non-GAAP net income attributable to Itron, Inc.	\$57.3	\$22.4	156%
Adjusted EBITDA	\$76.5	\$39.5	94%
Adjusted EBITDA margin	12.7%	8.0%	470 bps
Non-GAAP earnings per share - diluted	\$1.24	\$0.49	153%
Net cash provided by operating activities	\$41.3	\$1.4	NM
Free cash flow	\$34.2	(\$5.5)	NM

- » Increase in non-GAAP operating income due primarily to higher gross profit
- » Non-GAAP net income increased due to higher non-GAAP operating income, partially offset by increased tax expense
- » Free cash flow increased primarily due to higher earnings

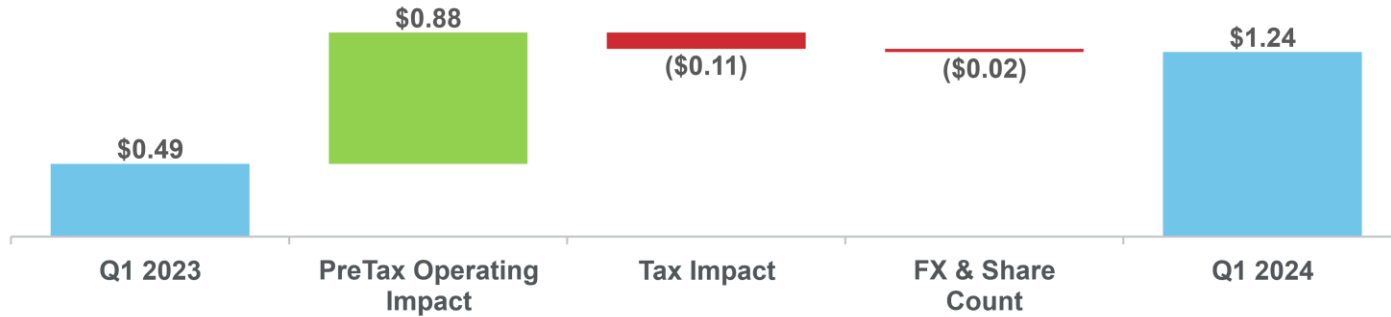
Revenue Year-Over-Year Bridge: Q1 2024



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

Non-GAAP EPS Year-Over-Year Bridge: Q1 2024

US\$ per share

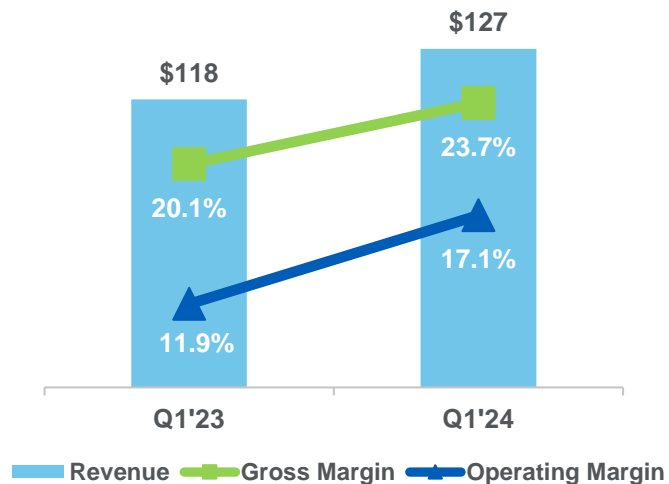


Quarterly totals reflect actual currencies; all variances other than FX exclude currency impact. Chart includes rounding.

Device Solutions Segment: Q1 2024

Revenue, gross margin and operating margin

\$ in millions, actual currency



Revenue increased 7% (6% in constant currency)

- » Growth in smart water and communication module sales

Gross margin increased 360 bps

- » Favorable product mix
- » Cost efficiencies

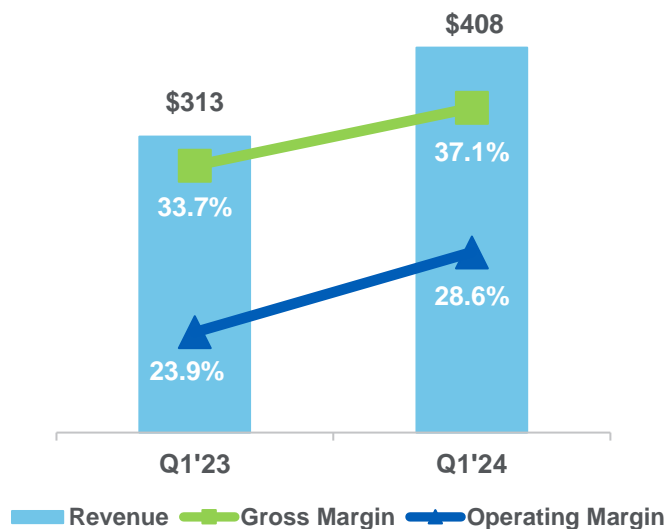
Operating margin increased 520 bps

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

Networked Solutions Segment: Q1 2024

Revenue, gross margin and operating margin

\$ in millions, actual currency



Revenue increased 30% (30% in constant currency)

- » Improved component supply
- » Increased ongoing and new project deployments

Gross margin increased 340 bps

- » Favorable product mix
- » Volume efficiencies

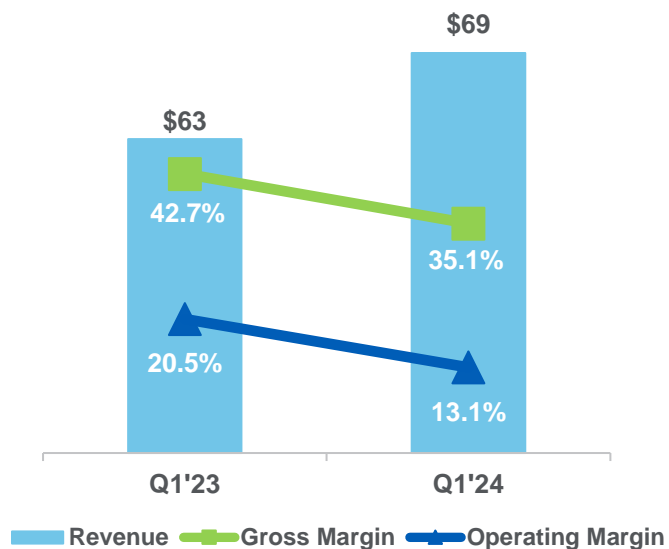
Operating margin increased 470 bps

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

Outcomes Segment: Q1 2024

Revenue, gross margin and operating margin

\$ in millions, actual currency



Revenue increased 10% (10% in constant currency)

- » Increase in recurring revenue and services

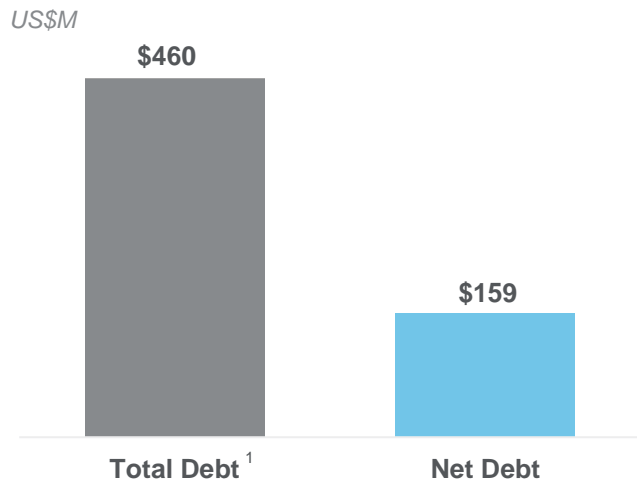
Gross margin decreased 760 bps

- » Lower margin revenue mix
- » Increased services costs

Operating margin decreased 740 bps

- » Fall through of lower gross margin

Debt and Liquidity Overview: March 31, 2024



Debt

- » Net leverage 0.6x at end of Q1 2024
- » Zero interest convertible notes

Free Cash Flow and Liquidity

- » Free cash flow of \$34M
- » Cash and equivalents of \$301M
- » \$500M revolver; 2026 maturity

1. Excludes amortization of debt fees.

Q2 2024 Outlook

Revenue of \$595 - \$605 million

» *At the midpoint, up \$59M or 11% vs. Q2 2023*

Non-GAAP diluted EPS of \$0.90 - \$1.00

» *At the midpoint, up \$0.30 or 46% vs. Q2 2023*

Appendix

FX Impact Summary

\$ in Millions, except per share data

Average USD/Euro:
\$1.09 Q1'24 vs \$1.07 Q1'23

Revenue	Q1'24	YoY Change	YoY Change Excluding FX
Device Solutions	\$126.8	7.2%	6.3%
Networked Solutions	\$407.5	30.0%	30.0%
Outcomes	\$69.2	10.0%	9.6%
Total	\$603.4	22.0%	21.8%
Non-GAAP EPS - diluted	\$1.24	\$0.75	\$0.75

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 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 March 31,	
	2024	2023
NON-GAAP OPERATING EXPENSES		
GAAP operating expenses	\$ 142,579	\$ 166,761
Amortization of intangible assets	(3,986)	(5,048)
Restructuring	(198)	(36,609)
Loss on sale of business	(23)	(18)
Acquisition and integration	(318)	(45)
Non-GAAP operating expenses	\$ 138,054	\$ 125,041
NON-GAAP OPERATING INCOME		
GAAP operating income (loss)	\$ 62,800	\$ (10,393)
Amortization of intangible assets	3,986	5,048
Restructuring	198	36,609
Loss on sale of business	23	18
Acquisition and integration	318	45
Non-GAAP operating income	\$ 67,325	\$ 31,327
NON-GAAP NET INCOME & DILUTED EPS		
GAAP net income (loss) attributable to Itron, Inc.	\$ 51,721	\$ (11,836)
Amortization of intangible assets	3,986	5,048
Amortization of debt placement fees	844	845
Restructuring	198	36,609
Loss on sale of business	23	18
Acquisition and integration	318	45
Income tax effect of non-GAAP adjustments	201	(8,347)
Non-GAAP net income attributable to Itron, Inc.	\$ 57,291	\$ 22,382
Non-GAAP diluted EPS	\$ 1.24	\$ 0.49
Non-GAAP weighted average common shares outstanding - Diluted	46,357	45,572

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 March 31,	
	2024	2023
ADJUSTED EBITDA		
GAAP net income (loss) attributable to Itron, Inc.	\$ 51,721	\$ (11,836)
Interest income	(3,846)	(1,818)
Interest expense	1,893	2,057
Income tax provision (benefit)	13,429	(70)
Depreciation and amortization	12,744	14,463
Restructuring	198	36,609
Loss on sale of business	23	18
Acquisition and integration	318	45
Adjusted EBITDA	\$ 76,480	\$ 39,468
FREE CASH FLOW		
Net cash provided by operating activities	\$ 41,308	\$ 1,429
Acquisitions of property, plant, and equipment	(7,145)	(6,902)
Free Cash Flow	\$ 34,163	\$ (5,473)



Thank You

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