

ITRON, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited, in thousands, except per share data)

	Three Months Ended June 30.		Six Months Ended June 30.	
	2025	2024	2025	2024
Revenues				
Product revenues	\$ 517,184	\$ 532,907	\$ 1,040,325	\$ 1,060,729
Service revenues	89,577	76,162	173,587	151,782
Total revenues	606,761	609,069	1,213,912	1,212,511
Cost of revenues				
Product cost of revenues	337,394	356,747	683,836	713,454
Service cost of revenues	45,749	41,862	89,239	83,218
Total cost of revenues	383,143	398,609	773,075	796,672
Gross profit	223,618	210,460	440,837	415,839
Operating expenses				
Sales, general and administrative	87,615	88,413	174,526	174,384
Research and development	53,810	53,053	103,900	105,454
Amortization of intangible assets	4,543	4,511	9,022	8,497
Restructuring	1,237	(99)	684	99
(Gain) loss on sale of business	—	(65)	79	(42)
Total operating expenses	147,205	145,813	288,211	288,392
Operating income	76,413	64,647	152,626	127,447
Other income (expense)				
Interest income	12,303	5,128	24,013	8,974
Interest expense	(5,648)	(2,290)	(11,241)	(4,183)
Other income (expense), net	414	(445)	363	18
Total other income (expense)	7,069	2,393	13,135	4,809
Income before income taxes	83,482	67,040	165,761	132,256
Income tax provision	(14,730)	(15,180)	(31,659)	(28,609)
Net income	68,752	51,860	134,102	103,647
Net income attributable to noncontrolling interests	412	542	288	608
Net income attributable to Itron, Inc.	\$ 68,340	\$ 51,318	\$ 133,814	\$ 103,039
Net income per common share - Basic	\$ 1.50	\$ 1.12	\$ 2.94	\$ 2.25
Net income per common share - Diluted	\$ 1.47	\$ 1.10	\$ 2.89	\$ 2.22
Weighted average common shares outstanding - Basic	45,633	45,745	45,486	45,698
Weighted average common shares outstanding - Diluted	46,380	46,526	46,276	46,441

ITRON

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ITRON, INC.
SEGMENT INFORMATION

(Unaudited, in thousands)

	Three Months Ended		Six Months Ended	
	June 30.		June 30.	
	2025	2024	2025	2024
Product revenues				
Device Solutions	\$ 111,939	\$ 117,929	\$ 237,326	\$ 243,837
Networked Solutions	379,481	387,351	754,003	768,656
Outcomes	25,764	27,627	48,996	48,236
Total Company	<u>\$ 517,184</u>	<u>\$ 532,907</u>	<u>\$ 1,040,325</u>	<u>\$ 1,060,729</u>
Service revenues				
Device Solutions	\$ 821	\$ 621	\$ 1,305	\$ 1,465
Networked Solutions	29,453	25,353	57,663	51,564
Outcomes	59,303	50,188	114,619	98,753
Total Company	<u>\$ 89,577</u>	<u>\$ 76,162</u>	<u>\$ 173,587</u>	<u>\$ 151,782</u>
Total revenues				
Device Solutions	\$ 112,760	\$ 118,550	\$ 238,631	\$ 245,302
Networked Solutions	408,934	412,704	811,666	820,220
Outcomes	85,067	77,815	163,615	146,989
Total Company	<u>\$ 606,761</u>	<u>\$ 609,069</u>	<u>\$ 1,213,912</u>	<u>\$ 1,212,511</u>
Gross profit				
Device Solutions	\$ 33,591	\$ 31,231	\$ 71,344	\$ 61,295
Networked Solutions	157,243	152,157	305,957	303,182
Outcomes	32,784	27,072	63,536	51,362
Total Company	<u>\$ 223,618</u>	<u>\$ 210,460</u>	<u>\$ 440,837</u>	<u>\$ 415,839</u>
Operating income				
Device Solutions	\$ 25,454	\$ 23,725	\$ 55,925	\$ 45,428
Networked Solutions	120,999	117,444	237,108	234,122
Outcomes	15,687	10,651	30,017	19,742
Corporate unallocated	(85,727)	(87,173)	(170,424)	(171,845)
Total Company	<u>\$ 76,413</u>	<u>\$ 64,647</u>	<u>\$ 152,626</u>	<u>\$ 127,447</u>
Total Gross Margin	36.9 %	34.6 %	36.3 %	34.3 %

ITRON, INC.
CONSOLIDATED BALANCE SHEETS

(Unaudited, in thousands)

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,224,257	\$ 1,051,237
Accounts receivable, net	340,321	350,473
Inventories	283,297	270,725
Other current assets	140,998	143,457
Total current assets	<u>1,988,873</u>	<u>1,815,892</u>
Property, plant, and equipment, net	115,595	115,428
Deferred tax assets, net	318,595	310,280
Other long-term assets	42,460	41,827
Operating lease right-of-use assets, net	35,411	28,957
Intangible assets, net	34,426	43,109
Goodwill	1,088,408	1,052,130
Total assets	<u>\$ 3,623,768</u>	<u>\$ 3,407,623</u>
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	\$ 123,127	\$ 144,929
Other current liabilities	62,283	61,241
Wages and benefits payable	106,837	137,384
Taxes payable	13,636	19,689
Current portion of debt, net	458,334	—
Current portion of warranty	13,312	14,302
Unearned revenue	195,530	150,720
Total current liabilities	<u>973,059</u>	<u>528,265</u>
Long-term debt, net	787,023	1,242,424
Long-term warranty	7,455	7,839
Pension benefit obligation	65,864	59,537
Deferred tax liabilities, net	661	565
Operating lease liabilities	27,061	25,350
Other long-term obligations	128,221	132,215
Total liabilities	<u>1,989,344</u>	<u>1,996,195</u>
Equity		
Common stock	1,728,667	1,689,835
Accumulated other comprehensive loss, net	(59,869)	(109,931)
Accumulated deficit	(55,490)	(189,304)
Total Itron, Inc. shareholders' equity	<u>1,613,308</u>	<u>1,390,600</u>
Noncontrolling interests	21,116	20,828
Total equity	<u>1,634,424</u>	<u>1,411,428</u>
Total liabilities and equity	<u>\$ 3,623,768</u>	<u>\$ 3,407,623</u>

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ITRON, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited. in thousands)

	<u>Six Months Ended June 30.</u>	
	<u>2025</u>	<u>2024</u>
Operating activities		
Net income	\$ 134.102	\$ 103.647
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of intangible assets	24.182	26.263
Non-cash operating lease expense	5.843	7.634
Stock-based compensation	33.396	21.845
Amortization of prepaid debt fees	3.581	1.867
Deferred taxes, net	(9.664)	(8.725)
(Gain) loss on sale of business	79	(42)
Restructuring, non-cash	(25)	(171)
Other adjustments, net	(354)	(591)
Changes in operating assets and liabilities, net of acquisition and sale of businesses:		
Accounts receivable	18.789	(13.557)
Inventories	(7.413)	(13.216)
Other current assets	6.409	(510)
Other long-term assets	3.479	(1.885)
Accounts payable, other current liabilities, and taxes payable	(31.868)	(7.128)
Wages and benefits payable	(34.884)	(28.700)
Unearned revenue	46.431	39.039
Warrants	(1.876)	810
Restructuring	(10.252)	(14.628)
Other operating, net	<u>(11.153)</u>	<u>(18.927)</u>
Net cash provided by operating activities	168.802	93.025
Investing activities		
Net proceeds related to the sale of business	—	405
Acquisitions of property, plant, and equipment	(10.656)	(14.255)
Business acquisitions, net of cash and cash equivalents acquired	—	(34.126)
Other investing, net	<u>5</u>	<u>156</u>
Net cash used in investing activities	(10.651)	(47.820)
Financing activities		
Proceeds from borrowings	—	805.000
Issuance of common stock	5.436	2.972
Payments on call spread for convertible offering	—	(108.997)
Repurchase of common stock	—	(100.000)
Prepaid debt fees	(178)	(21.495)
Other financing, net	<u>(507)</u>	<u>(641)</u>
Net cash provided by financing activities	4.751	576.839
Effect of foreign exchange rate changes on cash and cash equivalents	<u>10.118</u>	<u>(3.454)</u>
Increase in cash and cash equivalents	173.020	618.590
Cash and cash equivalents at beginning of period	<u>1,051,237</u>	<u>302,049</u>
Cash and cash equivalents at end of period	<u>\$ 1,224,257</u>	<u>\$ 920,639</u>

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About Non-GAAP Financial Measures

To supplement our consolidated financial statements, which are prepared in accordance with GAAP, we use certain non-GAAP financial measures, including non-GAAP operating expense, non-GAAP operating income, non-GAAP net income, non-GAAP diluted EPS, adjusted EBITDA, free cash flow, and constant currency. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP, and other companies may define such measures differently. For a reconciliation of each non-GAAP measure to the most comparable financial measure prepared and presented in accordance with GAAP, please see the table captioned Reconciliations of Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measures.

We use these non-GAAP financial measures for financial and operational decision making and/or as a means for determining executive compensation. Management believes that these non-GAAP financial measures provide meaningful supplemental information regarding our performance and ability to service debt by excluding certain expenses that may not be indicative of our recurring core operating results. These non-GAAP financial measures facilitate management's internal comparisons to our historical performance, as well as comparisons to our competitors' operating results. Our executive compensation plans exclude non-cash charges related to amortization of intangibles and certain discrete cash and non-cash charges, such as restructuring, (gain) loss on sale of business, or acquisition and integration related expenses. We believe that both management and investors benefit from referring to these non-GAAP financial measures in assessing our performance and when planning, forecasting and analyzing future periods. We believe these non-GAAP financial measures are useful to investors because they provide greater transparency with respect to key metrics used by management in its financial and operational decision making and because they are used by our institutional investors and the analyst community to analyze the health of our business.

Non-GAAP operating expenses and non-GAAP operating income – We define non-GAAP operating expenses as operating expenses excluding certain expenses related to the amortization of intangible assets, restructuring, (gain) loss on sale of business, and acquisition and integration related expenses. We define non-GAAP operating income as operating income excluding the expenses related to the amortization of intangible assets, restructuring, (gain) loss on sale of business, and acquisition and integration related expenses. Acquisition and integration related expenses include costs, which are incurred to affect and integrate business combinations, such as professional fees, certain employee retention and salaries related to integration, severances, contract terminations, travel costs related to knowledge transfer, system conversion costs, and asset impairment charges. We consider these non-GAAP financial measures to be useful metrics for management and investors because they exclude the effect of expenses that are not related to our core operating results. By excluding these expenses, we believe that it is easier for management and investors to compare our financial results over multiple periods and analyze trends in our operations. For example, in certain periods, expenses related to amortization of intangible assets may decrease, which would improve GAAP operating margins, yet the improvement in GAAP operating margins due to this lower expense is not necessarily reflective of an improvement in our core business. There are some limitations related to the use of non-GAAP operating expenses and non-GAAP operating income versus operating expenses and operating income calculated in accordance with GAAP. We compensate for these limitations by providing specific information about the GAAP amounts excluded from non-GAAP operating expense and non-GAAP operating income and evaluating non-GAAP

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operating expense and non-GAAP operating income together with GAAP operating expense and operating income.

Non-GAAP net income and non-GAAP diluted EPS – We define non-GAAP net income as net income attributable to Itron, Inc. excluding the expenses associated with amortization of intangible assets, amortization of debt placement fees, restructuring, (gain) loss on sale of business, acquisition and integration related expenses, and the tax effect of excluding these expenses. We define non-GAAP diluted EPS as non-GAAP net income divided by diluted weighted-average shares outstanding during the period calculated on a GAAP basis and then reduced to reflect any anti-dilutive impact of the convertible notes hedge transactions. We consider these financial measures to be useful metrics for management and investors for the same reasons that we use non-GAAP operating income. The same limitations described above regarding our use of non-GAAP operating income apply to our use of non-GAAP net income and non-GAAP diluted EPS. We compensate for these limitations by providing specific information regarding the GAAP amounts excluded from these non-GAAP measures and evaluating non-GAAP net income and non-GAAP diluted EPS together with GAAP net income attributable to Itron, Inc. and GAAP diluted EPS.

For interim periods the budgeted annual effective tax rate (AETR) is used, adjusted for any discrete items, as defined in Accounting Standards Codification (ASC) 740 - Income Taxes. The budgeted AETR is determined at the beginning of the fiscal year. The AETR is revised throughout the year based on changes to our full-year forecast. If the revised AETR increases or decreases by 200 basis points or more from the budgeted AETR due to changes in the full-year forecast during the year, the revised AETR is used in place of the budgeted AETR beginning with the quarter the 200 basis point threshold is exceeded and going forward for all subsequent interim quarters in the year. We continue to assess the AETR based on latest forecast throughout the year and use the most recent AETR anytime it increases or decreases by 200 basis points or more from the prior interim period.

Adjusted EBITDA – We define adjusted EBITDA as net income (a) minus interest income, (b) plus interest expense, depreciation and amortization, restructuring, (gain) loss on sale of business, acquisition and integration related expenses, and (c) excluding income tax provision or benefit. Management uses adjusted EBITDA as a performance measure for executive compensation. A limitation to using adjusted EBITDA is that it does not represent the total increase or decrease in the cash balance for the period and the measure includes some non-cash items and excludes other non-cash items. Additionally, the items that we exclude in our calculation of adjusted EBITDA may differ from the items that our peer companies exclude when they report their results. We compensate for these limitations by providing a reconciliation of this measure to GAAP net income.

Free cash flow – We define free cash flow as net cash provided by operating activities less cash used for acquisitions of property, plant and equipment. We believe free cash flow provides investors with a relevant measure of liquidity and a useful basis for assessing our ability to fund our operations and repay our debt. The same limitations described above regarding our use of adjusted EBITDA apply to our use of free cash flow. We compensate for these limitations by providing specific information regarding the GAAP amounts in the reconciliation.

Constant currency – We refer to the impact of foreign currency exchange rate fluctuations in our discussions of financial results, which references the differences between the foreign currency exchange rates used to translate operating results from the entity's functional currency into U.S. dollars for financial

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reporting purposes. We also use the term "constant currency", which represents financial results adjusted to exclude changes in foreign currency exchange rates as compared with the rates in the comparable prior year period. We calculate the constant currency change as the difference between the current period results and the comparable prior period's results restated using current period foreign currency exchange rates.

The tables below reconcile the non-GAAP financial measures of operating expenses, operating income, net income, diluted EPS, adjusted EBITDA, and free cash flow with the most directly comparable GAAP financial measures.

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 June 30.		Six Months Ended June 30.	
	2025	2024	2025	2024
NON-GAAP OPERATING EXPENSES				
GAAP operating expenses	\$ 147,205	\$ 145,813	\$ 288,211	\$ 288,392
Amortization of intangible assets	(4,543)	(4,511)	(9,022)	(8,497)
Restructuring	(1,237)	99	(684)	(99)
Gain (loss) on sale of business	—	65	(79)	42
Acquisition and integration	(33)	(90)	(84)	(408)
Non-GAAP operating expenses	<u>\$ 141,392</u>	<u>\$ 141,376</u>	<u>\$ 278,342</u>	<u>\$ 279,430</u>
NON-GAAP OPERATING INCOME				
GAAP operating income	\$ 76,413	\$ 64,647	\$ 152,626	\$ 127,447
Amortization of intangible assets	4,543	4,511	9,022	8,497
Restructuring	1,237	(99)	684	99
(Gain) loss on sale of business	—	(65)	79	(42)
Acquisition and integration	33	90	84	408
Non-GAAP operating income	<u>\$ 82,226</u>	<u>\$ 69,084</u>	<u>\$ 162,495</u>	<u>\$ 136,409</u>
NON-GAAP NET INCOME & DILUTED EPS				
GAAP net income attributable to Itron, Inc.	\$ 68,340	\$ 51,318	\$ 133,814	\$ 103,039
Amortization of intangible assets	4,543	4,511	9,022	8,497
Amortization of debt placement fees	1,757	935	3,494	1,779
Restructuring	1,237	(99)	684	99
(Gain) loss on sale of business	—	(65)	79	(42)
Acquisition and integration	33	90	84	408
Income tax effect of non-GAAP adjustments	(796)	(588)	(1,953)	(387)
Non-GAAP net income attributable to Itron, Inc.	<u>\$ 75,114</u>	<u>\$ 56,102</u>	<u>\$ 145,224</u>	<u>\$ 113,393</u>
Non-GAAP diluted EPS	<u>\$ 1.62</u>	<u>\$ 1.21</u>	<u>\$ 3.14</u>	<u>\$ 2.44</u>
Non-GAAP weighted average common shares outstanding - Diluted	<u>46,380</u>	<u>46,526</u>	<u>46,276</u>	<u>46,441</u>
ADJUSTED EBITDA				
GAAP net income attributable to Itron, Inc.	\$ 68,340	\$ 51,318	\$ 133,814	\$ 103,039
Interest income	(12,303)	(5,128)	(24,013)	(8,974)
Interest expense	5,648	2,290	11,241	4,183
Income tax provision	14,730	15,180	31,659	28,609
Depreciation and amortization	12,114	13,519	24,182	26,263
Restructuring	1,237	(99)	684	99
(Gain) loss on sale of business	—	(65)	79	(42)
Acquisition and integration	33	90	84	408
Adjusted EBITDA	<u>\$ 89,799</u>	<u>\$ 77,105</u>	<u>\$ 177,730</u>	<u>\$ 153,585</u>
FREE CASH FLOW				
Net cash provided by operating activities	\$ 96,685	\$ 51,717	\$ 168,802	\$ 93,025
Acquisitions of property, plant, and equipment	(6,017)	(7,110)	(10,656)	(14,255)
Free Cash Flow	<u>\$ 90,668</u>	<u>\$ 44,607</u>	<u>\$ 158,146</u>	<u>\$ 78,770</u>