

ITRON, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited, in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues				
Product revenues	\$ 532,907	\$ 464,803	\$ 1,060,729	\$ 881,127
Service revenues	76,162	76,267	151,782	154,561
Total revenues	609,069	541,070	1,212,511	1,035,688
Cost of revenues				
Product cost of revenues	356,747	322,288	713,454	619,631
Service cost of revenues	41,862	44,835	83,218	85,742
Total cost of revenues	398,609	367,123	796,672	705,373
Gross profit	210,460	173,947	415,839	330,315
Operating expenses				
Sales, general and administrative	88,413	79,079	174,384	154,600
Research and development	53,053	53,560	105,454	103,125
Amortization of intangible assets	4,511	4,722	8,497	9,770
Restructuring	(99)	874	99	37,483
(Gain) loss on sale of business	(65)	612	(42)	630
Total operating expenses	145,813	138,847	288,392	305,608
Operating income	64,647	35,100	127,447	24,707
Other income (expense)				
Interest income	5,128	1,508	8,974	3,326
Interest expense	(2,290)	(1,977)	(4,183)	(4,034)
Other income (expense), net	(445)	(333)	18	(1,808)
Total other income (expense)	2,393	(802)	4,809	(2,516)
Income before income taxes	67,040	34,298	132,256	22,191
Income tax provision	(15,180)	(9,195)	(28,609)	(9,125)
Net income	51,860	25,103	103,647	13,066
Net income attributable to noncontrolling interests	542	902	608	701
Net income attributable to Itron, Inc.	\$ 51,318	\$ 24,201	\$ 103,039	\$ 12,365
Net income per common share - Basic	\$ 1.12	\$ 0.53	\$ 2.25	\$ 0.27
Net income per common share - Diluted	\$ 1.10	\$ 0.53	\$ 2.22	\$ 0.27
Weighted average common shares outstanding - Basic	45,745	45,435	45,698	45,358
Weighted average common shares outstanding - Diluted	46,526	45,781	46,441	45,677

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ITRON, INC.
SEGMENT INFORMATION

(Unaudited, in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Product revenues				
Device Solutions	\$ 117,929	\$ 112,509	\$ 243,837	\$ 229,960
Networked Solutions	387,351	330,668	768,656	612,138
Outcomes	27,627	21,626	48,236	39,029
Total Company	\$ 532,907	\$ 464,803	\$ 1,060,729	\$ 881,127
Service revenues				
Device Solutions	\$ 621	\$ 651	\$ 1,465	\$ 1,454
Networked Solutions	25,353	30,262	51,564	62,260
Outcomes	50,188	45,354	98,753	90,847
Total Company	\$ 76,162	\$ 76,267	\$ 151,782	\$ 154,561
Total revenues				
Device Solutions	\$ 118,550	\$ 113,160	\$ 245,302	\$ 231,414
Networked Solutions	412,704	360,930	820,220	674,398
Outcomes	77,815	66,980	146,989	129,876
Total Company	\$ 609,069	\$ 541,070	\$ 1,212,511	\$ 1,035,688
Gross profit				
Device Solutions	\$ 31,231	\$ 24,719	\$ 61,295	\$ 48,432
Networked Solutions	152,157	121,873	303,182	227,649
Outcomes	27,072	27,355	51,362	54,234
Total Company	\$ 210,460	\$ 173,947	\$ 415,839	\$ 330,315
Operating income				
Device Solutions	\$ 23,725	\$ 14,084	\$ 45,428	\$ 28,162
Networked Solutions	117,444	88,593	234,122	163,549
Outcomes	10,651	12,676	19,742	25,587
Corporate unallocated	(87,173)	(80,253)	(171,845)	(192,591)
Total Company	\$ 64,647	\$ 35,100	\$ 127,447	\$ 24,707
Total Gross Margin	34.6 %	32.1 %	34.3 %	31.9 %

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ITRON, INC.
CONSOLIDATED BALANCE SHEETS

(Unaudited, in thousands)

	June 30, 2024	December 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	\$ 920,639	\$ 302,049
Accounts receivable, net	316,742	303,821
Inventories	291,781	283,686
Other current assets	160,293	159,882
Total current assets	1,689,455	1,049,438
Property, plant, and equipment, net	122,026	128,806
Deferred tax assets, net	283,697	247,211
Other long-term assets	38,506	38,836
Operating lease right-of-use assets, net	37,619	41,186
Intangible assets, net	52,544	46,282
Goodwill	1,060,093	1,052,504
Total assets	\$ 3,283,940	\$ 2,604,263
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	\$ 184,783	\$ 199,520
Other current liabilities	57,491	54,407
Wages and benefits payable	105,884	135,803
Taxes payable	12,792	8,636
Current portion of warranty	14,612	14,663
Unearned revenue	159,625	124,207
Total current liabilities	535,187	537,236
Long-term debt, net	1,239,772	454,827
Long-term warranty	8,227	7,501
Pension benefit obligation	62,024	63,887
Deferred tax liabilities, net	670	697
Operating lease liabilities	28,468	32,656
Other long-term obligations	148,901	176,028
Total liabilities	2,023,249	1,272,832
Equity		
Common stock	1,662,965	1,820,510
Accumulated other comprehensive loss, net	(98,032)	(81,190)
Accumulated deficit	(325,370)	(428,409)
Total Itron, Inc. shareholders' equity	1,239,563	1,310,911
Noncontrolling interests	21,128	20,520
Total equity	1,260,691	1,331,431
Total liabilities and equity	\$ 3,283,940	\$ 2,604,263

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ITRON, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited, in thousands)

	Six Months Ended June 30,	
	2024	2023
Operating activities		
Net income	\$ 103,647	\$ 13,066
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of intangible assets	26,263	28,368
Non-cash operating lease expense	7,634	8,141
Stock-based compensation	21,845	13,694
Amortization of prepaid debt fees	1,867	1,820
Deferred taxes, net	(8,725)	(2,509)
(Gain) loss on sale of business	(42)	630
Restructuring, non-cash	(171)	922
Other adjustments, net	(591)	(199)
Changes in operating assets and liabilities, net of acquisition and sale of business:		
Accounts receivable	(13,557)	(34,681)
Inventories	(13,216)	(36,466)
Other current assets	(510)	(33,554)
Other long-term assets	(1,885)	5,595
Accounts payable, other current liabilities, and taxes payable	(7,128)	4,670
Wages and benefits payable	(28,700)	9,040
Unearned revenue	39,039	42,919
Warranty	810	(440)
Restructuring	(14,628)	31,181
Other operating, net	(18,927)	(9,208)
Net cash provided by operating activities	<u>93,025</u>	<u>42,989</u>
Investing activities		
Net proceeds (payments) related to the sale of business	405	(772)
Acquisitions of property, plant, and equipment	(14,255)	(12,498)
Business acquisitions, net of cash and cash equivalents acquired	(34,126)	—
Other investing, net	156	50
Net cash used in investing activities	<u>(47,820)</u>	<u>(13,220)</u>
Financing activities		

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Proceeds from borrowings	805,000	—
Issuance of common stock	2,972	1,641
Payments on call spread for convertible offering	(108,997)	—
Repurchase of common stock	(100,000)	—
Prepaid debt fees	(21,495)	(517)
Other financing, net	(641)	(354)
Net cash provided by financing activities	<u>576,839</u>	<u>770</u>
Effect of foreign exchange rate changes on cash and cash equivalents	(3,454)	241
Increase in cash and cash equivalents	<u>618,590</u>	<u>30,780</u>
Cash and cash equivalents at beginning of period	<u>302,049</u>	<u>202,007</u>
Cash and cash equivalents at end of period	<u>\$ 920,639</u>	<u>\$ 232,787</u>

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