ITRON, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited, in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
Revenues				
Product revenues	$ 494,323	$ 538,249	$ 1,534,648	$ 1,598,978
Service revenues	87,302	77,213	260,889	228,995
Total revenues	581,625	615,462	1,795,537	1,827,973
Cost of revenues				
Product cost of revenues	319,238	362,579	1,003,074	1,076,033
Service cost of revenues	42,842	43,285	132,081	126,503
Total cost of revenues	362,080	405,864	1,135,155	1,202,536
Gross profit	219,545	209,598	660,382	625,437
Operating expenses				
Sales, general and administrative	83,139	79,639	257,665	254,023
Research and development	50,032	51,237	153,932	156,691
Amortization of intangible assets	4,403	4,814	13,425	13,311
Restructuring	188	(723)	872	(624)
Loss on sale of business	—	698	79	656
Total operating expenses	137,762	135,665	425,973	424,057
Operating income	81,783	73,933	234,409	201,380
Other income (expense)				
Interest income	13,569	13,420	37,582	22,394
Interest expense	(5,647)	(5,605)	(16,888)	(9,788)
Other income (expense), net	996	677	1,359	695
Total other income (expense)	8,918	8,492	22,053	13,301
Income before income taxes	90,701	82,425	256,462	214,681
Income tax provision	(24,478)	(3,515)	(56,137)	(32,124)
Net income	66,223	78,910	200,325	182,557
Net income attributable to noncontrolling interests	610	951	898	1,559
Net income attributable to Itron, Inc.	$ 65,613	$ 77,959	$ 199,427	$ 180,998
Net income per common share - Basic	$ 1.43	$ 1.73	$ 4.38	$ 3.98
Net income per common share - Diluted	$ 1.41	$ 1.70	$ 4.30	$ 3.91
Weighted average common shares outstanding - Basic	45,746	44,982	45,574	45,458
Weighted average common shares outstanding - Diluted	46,660	45,839	46,405	46,239

ITRON, INC.

SEGMENT INFORMATION

(Unaudited, in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
Product revenues				
Device Solutions	$ 103,097	$ 122,119	$ 340,423	$ 365,956
Networked Solutions	365,378	390,201	1,119,381	1,158,857
Outcomes	25,848	25,929	74,844	74,165
Total Company	$ 494,323	$ 538,249	$ 1,534,648	$ 1,598,978
Service revenues				
Device Solutions	$ 525	$ 619	$ 1,830	$ 2,084
Networked Solutions	28,324	26,512	85,987	78,076
Outcomes	58,453	50,082	173,072	148,835
Total Company	$ 87,302	$ 77,213	$ 260,889	$ 228,995
Total revenues				
Device Solutions	$ 103,622	$ 122,738	$ 342,253	$ 368,040
Networked Solutions	393,702	416,713	1,205,368	1,236,933
Outcomes	84,301	76,011	247,916	223,000
Total Company	$ 581,625	$ 615,462	$ 1,795,537	$ 1,827,973
Gross profit				
Device Solutions	$ 32,007	$ 33,342	$ 103,351	$ 94,637
Networked Solutions	154,761	149,648	460,718	452,830
Outcomes	32,777	26,608	96,313	77,970
Total Company	$ 219,545	$ 209,598	$ 660,382	$ 625,437
Operating income				
Device Solutions	$ 24,875	$ 26,485	$ 80,800	$ 71,913
Networked Solutions	121,880	115,231	358,988	349,353
Outcomes	16,806	11,186	46,823	30,928
Corporate unallocated	(81,778)	(78,969)	(252,202)	(250,814)
Total Company	$ 81,783	$ 73,933	$ 234,409	$ 201,380
Total Gross Margin	37.7 %	34.1 %	36.8 %	34.2 %

ITRON, INC.
CONSOLIDATED BALANCE SHEETS

(Unaudited, in thousands)	September 30, 2025	December 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,331,944	$ 1,051,237
Accounts receivable, net	369,511	350,473
Inventories	255,278	270,725
Other current assets	187,298	143,457
Total current assets	2,144,031	1,815,892
Property, plant, and equipment, net	111,989	115,428
Deferred tax assets, net	259,962	310,280
Other long-term assets	44,212	41,827
Operating lease right-of-use assets, net	32,742	28,957
Intangible assets, net	30,003	43,109
Goodwill	1,087,822	1,052,130
Total assets	$ 3,710,761	$ 3,407,623
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	$ 145,321	$ 144,929
Other current liabilities	59,712	61,241
Wages and benefits payable	110,462	137,384
Taxes payable	15,868	19,689
Current portion of debt, net	458,928	—
Current portion of warranty	12,867	14,302
Unearned revenue	184,216	150,720
Total current liabilities	987,374	528,265
Long-term debt, net	787,906	1,242,424
Long-term warranty	7,362	7,839
Pension benefit obligation	65,733	59,537
Deferred tax liabilities, net	808	565
Operating lease liabilities	22,890	25,350
Other long-term obligations	125,270	132,215
Total liabilities	1,997,343	1,996,195
Equity		
Common stock	1,745,986	1,689,835
Accumulated other comprehensive loss, net	(62,908)	(109,931)
Retained earnings (accumulated deficit)	10,123	(189,304)
Total Itron, Inc. shareholders' equity	1,693,201	1,390,600
Noncontrolling interests	20,217	20,828
Total equity	1,713,418	1,411,428
Total liabilities and equity	$ 3,710,761	$ 3,407,623

ITRON, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited, in thousands)	Nine Months Ended September 30, 2025	2024
Operating activities		
Net income	$ 200,325	$ 182,557
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of intangible assets	36,221	40,979
Non-cash operating lease expense	8,856	11,481
Stock-based compensation	47,819	32,067
Amortization of prepaid debt fees	5,401	3,669
Deferred taxes, net	48,860	(17,509)
Loss on sale of business	79	656
Restructuring, non-cash	(25)	(171)
Other adjustments, net	(531)	(838)
Changes in operating assets and liabilities, net of acquisition and sale of business:		
Accounts receivable	(12,127)	(31,169)
Inventories	19,828	5,532
Other current assets	(40,295)	4,102
Other long-term assets	6,918	(1,391)
Accounts payable, other current liabilities, and taxes payable	(5,959)	(39,054)
Wages and benefits payable	(30,801)	(18,010)
Unearned revenue	34,320	33,453
Warranty	(2,404)	(476)
Restructuring	(16,445)	(19,816)
Other operating, net	(13,409)	(27,736)
Net cash provided by operating activities	286,631	158,326
Investing activities		
Net proceeds related to the sale of business	278	405
Acquisitions of property, plant, and equipment	(15,077)	(20,878)
Business acquisitions, net of cash and cash equivalents acquired	—	(34,126)
Other investing, net	(1,995)	212
Net cash used in investing activities	(16,794)	(54,387)
Financing activities		
Proceeds from borrowings	—	805,000
Issuance of common stock	6,332	4,317
Payments on call spread for convertible offering	—	(108,997)
Repurchase of common stock	—	(100,000)
Prepaid debt fees	(2,207)	(21,617)
Other financing, net	(2,288)	(2,618)
Net cash provided by financing activities	1,837	576,085
Effect of foreign exchange rate changes on cash and cash equivalents	9,033	434
Increase in cash and cash equivalents	280,707	680,458
Cash and cash equivalents at beginning of period	1,051,237	302,049
Cash and cash equivalents at end of period	$ 1,331,944	$ 982,507

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, loss on sale of business, strategic initiative expenses, 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, loss on sale of business, strategic initiative expenses, 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, loss on sale of business, strategic initiative expenses, 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 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, loss on sale of business, strategic initiative expenses, 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, loss on sale of business, strategic initiative expenses, 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 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 September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
NON-GAAP OPERATING EXPENSES				
GAAP operating expenses	$ 137,762	$ 135,665	$ 425,973	$ 424,057
Amortization of intangible assets	(4,403)	(4,814)	(13,425)	(13,311)
Restructuring	(188)	723	(872)	624
Loss on sale of business	—	(698)	(79)	(656)
Strategic initiative	(1,566)	—	(1,566)	—
Acquisition and integration	(1,286)	(248)	(1,370)	(656)
Non-GAAP operating expenses	$ 130,319	$ 130,628	$ 408,661	$ 410,058
NON-GAAP OPERATING INCOME				
GAAP operating income	$ 81,783	$ 73,933	$ 234,409	$ 201,380
Amortization of intangible assets	4,403	4,814	13,425	13,311
Restructuring	188	(723)	872	(624)
Loss on sale of business	—	698	79	656
Strategic initiative	1,566	—	1,566	—
Acquisition and integration	1,286	248	1,370	656
Non-GAAP operating income	$ 89,226	$ 78,970	$ 251,721	$ 215,379
NON-GAAP NET INCOME & DILUTED EPS				
GAAP net income attributable to Itron, Inc.	$ 65,613	$ 77,959	$ 199,427	$ 180,998
Amortization of intangible assets	4,403	4,814	13,425	13,311
Amortization of debt placement fees	1,777	1,759	5,271	3,538
Restructuring	188	(723)	872	(624)
Loss on sale of business	—	698	79	656
Strategic initiative	1,566	—	1,566	—
Acquisition and integration	1,286	248	1,370	656
Income tax effect of non-GAAP adjustments	(3,021)	(504)	(4,974)	(891)
Non-GAAP net income attributable to Itron, Inc.	$ 71,812	$ 84,251	$ 217,036	$ 197,644
Non-GAAP diluted EPS	$ 1.54	$ 1.84	$ 4.68	$ 4.27
GAAP weighted average common shares outstanding - Diluted	46,660	45,839	46,405	46,239
Effect of call option transaction - 2021 Notes	(34)	—	(11)	—
Non-GAAP weighted average common shares outstanding - Diluted	46,626	45,839	46,394	46,239
ADJUSTED EBITDA				
GAAP net income attributable to Itron, Inc.	$ 65,613	$ 77,959	$ 199,427	$ 180,998
Interest income	(13,569)	(13,420)	(37,582)	(22,394)
Interest expense	5,647	5,605	16,888	9,788
Income tax provision	24,478	3,515	56,137	32,124
Depreciation and amortization	12,039	14,716	36,221	40,979
Restructuring	188	(723)	872	(624)
Loss on sale of business	—	698	79	656
Strategic initiative	1,566	—	1,566	—
Acquisition and integration	1,286	248	1,370	656
Adjusted EBITDA	$ 97,248	$ 88,598	$ 274,978	$ 242,183
FREE CASH FLOW				
Net cash provided by operating activities	$ 117,829	$ 65,301	$ 286,631	$ 158,326
Acquisitions of property, plant, and equipment	(4,421)	(6,623)	(15,077)	(20,878)
Free Cash Flow	$ 113,408	$ 58,678	$ 271,554	$ 137,448