Philip Mezey – President and Chief Executive Officer

Joan Hooper – Senior Vice President and Chief Financial Officer

Tom Deitrich – Executive Vice President and Chief Operating Officer

Barbara Doyle – Vice President, Investor Relations

Fourth Quarter 2017 Earnings Conference Call

February 28, 2018

SAFE HARBOR

Certain matters disclosed 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, 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. These statements are not guarantees of Itron's future performance. Viewers are cautioned 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. These risks and uncertainties are detailed in the Company's filings with the Securities and Exchange Commission, including its latest 10-K and 10-Q, copies of which may be accessed through the SEC's website at http://www.sec.gov.

CONFERENCE CALL AGENDA

- CEO – Business and Operations Update
- CFO – Financial Results, Acquisition Synergies, Restructuring Update and 2018 Financial Guidance
- Q&A

HIGHLIGHTS

Business growth and profitability improvements driven by strength in Smart Solutions

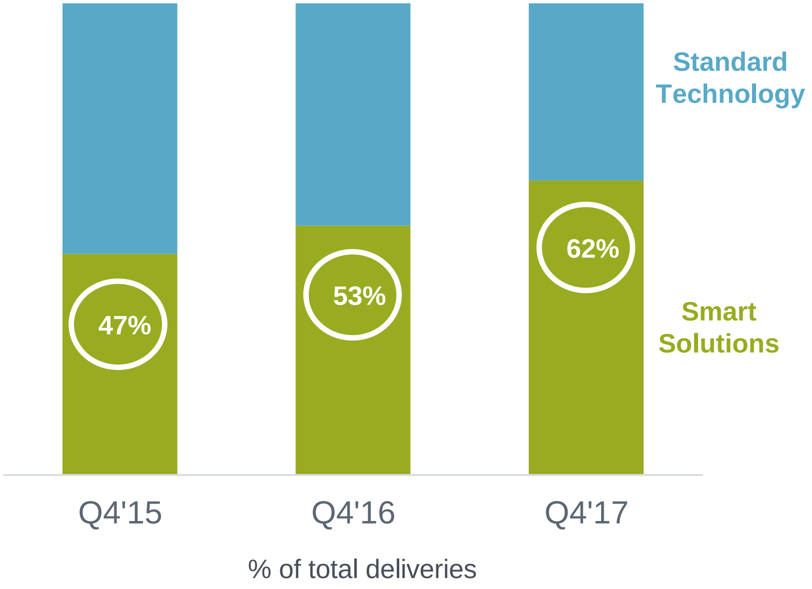
» Q4 Revenue up 11% YoY and non-GAAP EPS up 49%
- Strong performance in Electricity segment

» Strong Q4 and Annual Free Cash Flow
- Annual free cash flow of $142M doubled vs. FY 2016

» Strong backlog of $1.75B at year-end
- Q4'17 book to bill of 1.5:1

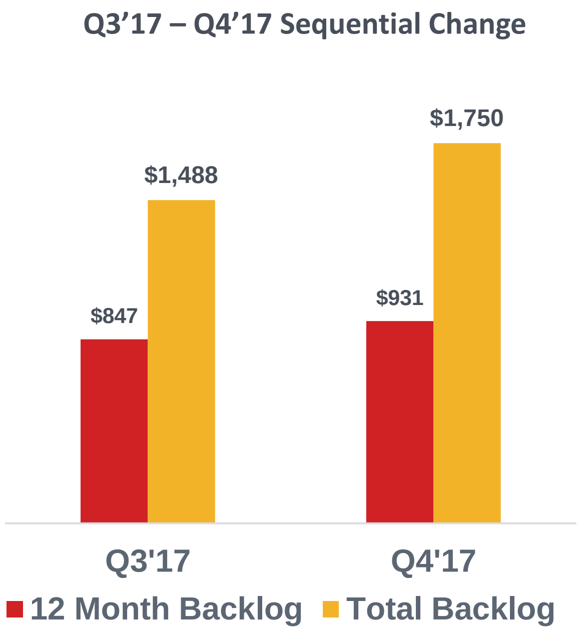
» Completed acquisition of Silver Spring Networks 1/5/18
- Integration is underway and progressing as planned
- Positive customer, partner and employee support

Consistent growth in smart solution business



Q4'17 BACKLOG

- ~$325 million of customer awards, not yet booked
- Total book to bill of 1.5:1; Book to bill >1:1 in all segments
- Additional +$1.2 billion of backlog from Silver Spring Networks acquisition in Q1'18[1]



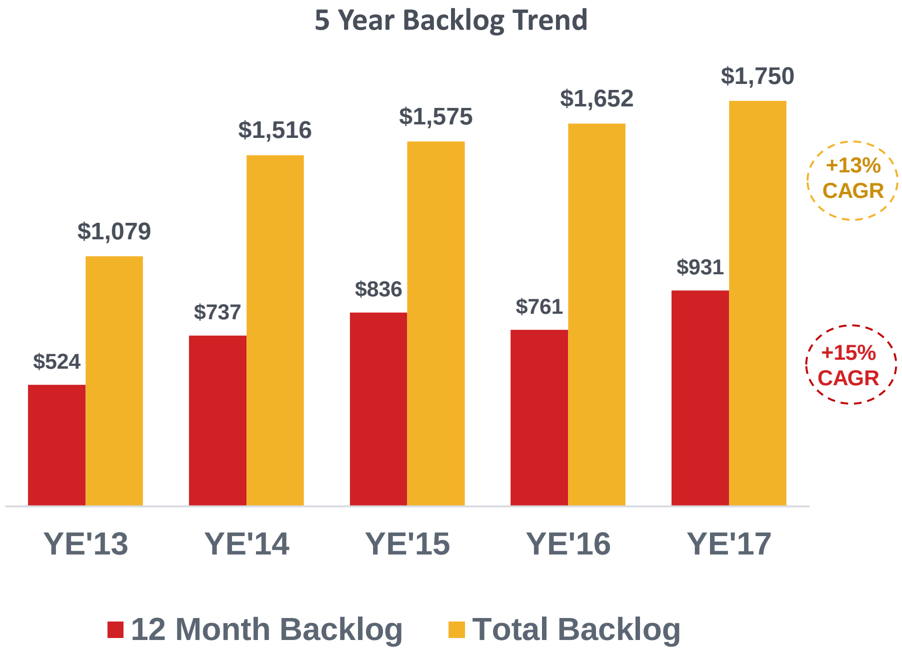


Chart in Millions, actual currency rates

[1] Backlog amount to be finalized upon completion of purchase accounting and impact of new revenue accounting standard.

CONSOLIDATED GAAP RESULTS – Q4’17

$ in millions (except per share amounts)	Q4 2017	Q4 2016	Change
Revenue	**$550.8**	$495.7	+11%
Change in constant currency			*+8%*
Gross margin	**31.7%**	31.6%	+10 bps
Operating income	**$47.2**	$30.8	+53%
Operating income margin	**8.6%**	6.2%	+240 bps
Net income attributable to Itron, Inc.	**$1.8**	$11.6	-85%
Earnings per share - diluted	**$0.05**	$0.30	-83%
Cash provided by operating activities	**$76.9**	$34.0	+126%

» Revenue growth from strong smart solution deliveries and managed services

» Strong Electricity gross margin offset lower Gas and Water margins

» Higher operating income and margin reflect increased gross profit and lower restructuring expense

» GAAP net income includes a charge of $30M, or $0.77 per share, associated with the U.S. Tax Cut and Jobs Act

» Increased cash provided by operations due to improved profitability and changes in working capital

Reconciliation of GAAP to Non-GAAP results in Appendix and also available on our website

CONSOLIDATED NON-GAAP RESULTS – Q4'17

$ in millions (except per share amounts)	Q4 2017	Q4 2016	Change
Non-GAAP operating income	**$54.9**	$44.7	+23%
Non-GAAP operating margin	**10.0%**	9.0%	+100 bps
Non-GAAP net income attributable to Itron, Inc.	**$39.8**[1]	$26.4	+51%
Adjusted EBITDA	**$65.6**	$53.9	+22%
Adjusted EBITDA margin	**11.9%**	10.9%	+100 bps
Non-GAAP earnings per share - diluted	**$1.01**[1]	$0.68	+49%
Free cash flow	**$60.9**	$21.0	+190%

» Higher volumes and mix of smart solutions drove increased non-GAAP operating income and adjusted EBITDA

» Non-GAAP net income reflects lower non-GAAP effective tax rate from discrete tax benefits and timing and mix of income

» Increase in free cash flow due to improved profitability and changes in working capital

Reconciliation of GAAP to Non-GAAP results in Appendix and also available on our website.
1. Non-GAAP net income excludes $30 million, or $0.77 per share, charge related to the U.S. Tax Act.

REVENUE YEAR-OVER-YEAR BRIDGE – Q4’17

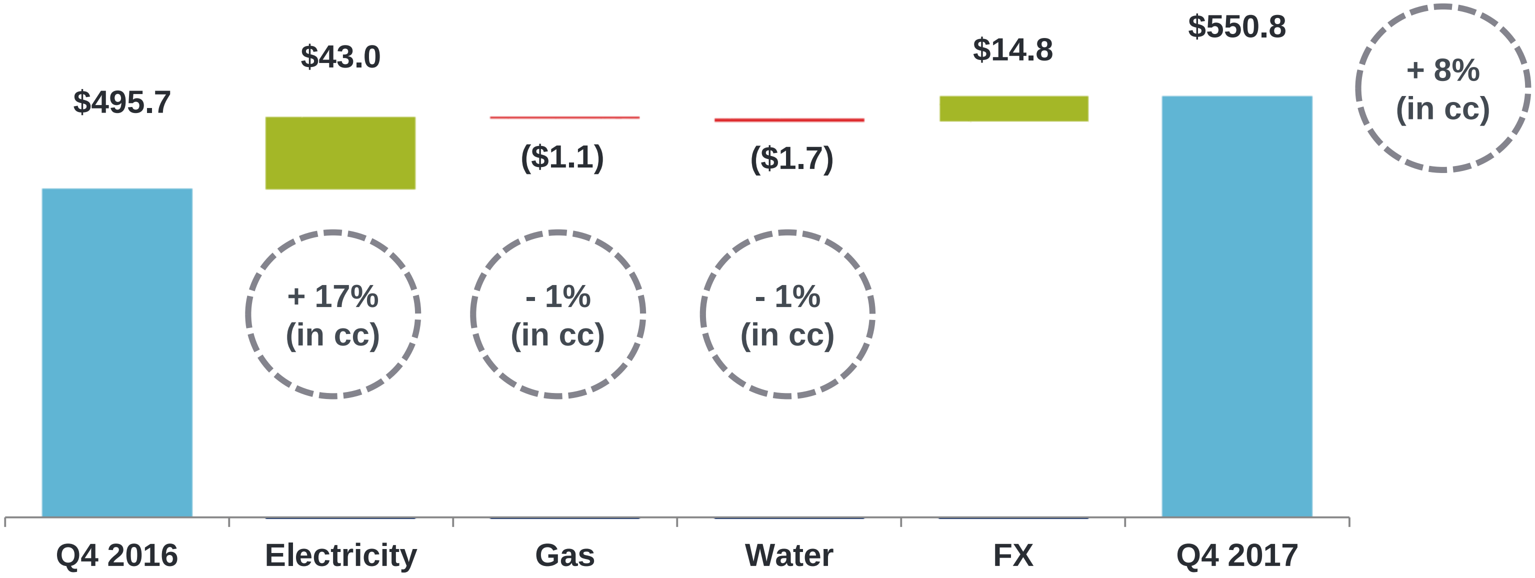


Chart in Millions, Q4’16 and Q4’17 totals reflect actual currencies; all variances other than FX exclude currency impact

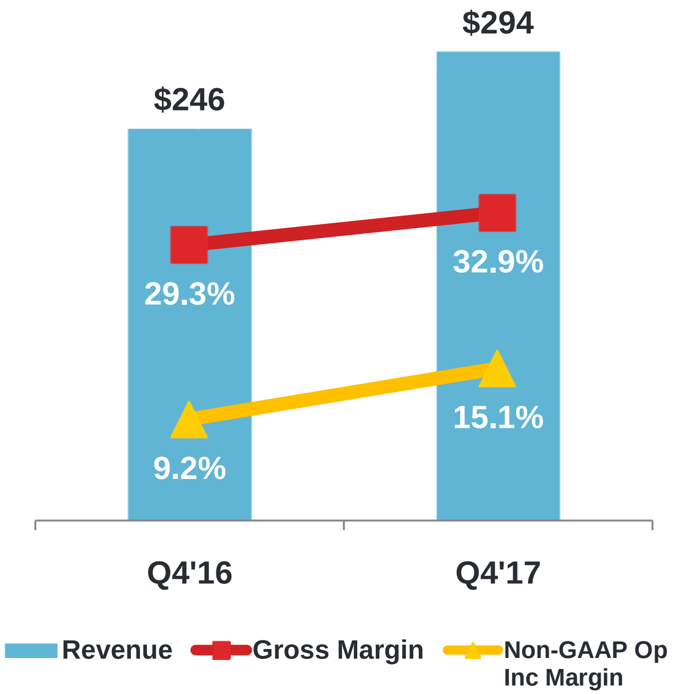
NON-GAAP EPS YEAR-OVER-YEAR BRIDGE – Q4'17

Q4'16 and Q4'17 totals reflect actual currencies; all variances other than FX exclude currency impact

ELECTRICITY SEGMENT - Q4'17

REVENUE, GROSS MARGIN AND NON-GAAP OPERATING MARGIN

$ in millions, actual currency



» **Revenue +20% and +17% in constant currency**
- Growth in North America and EMEA smart solutions
- Riva deployments ramping in North America
- Linky shipments continue to accelerate in EMEA
- Recovered majority of Q3'17 delayed shipments

» **Gross margin +360 bps**
- Favorable smart vs standard mix

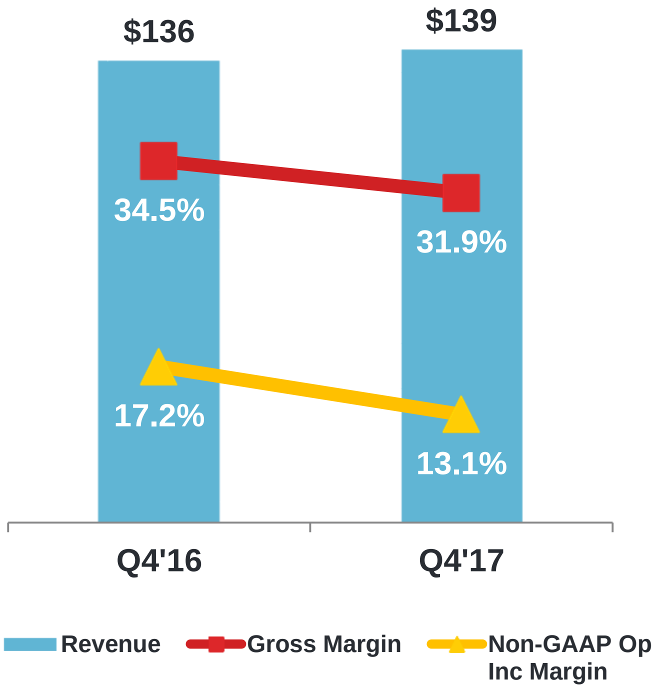
» **Non-GAAP operating margin +590 bps**
- Higher gross profit driven by smart solutions
- Increased operating leverage

Reconciliation of GAAP to Non-GAAP results in Appendix and also available on our website

GAS SEGMENT – Q4'17

REVENUE, GROSS MARGIN AND NON-GAAP OPERATING MARGIN

$ in millions, actual currency



» **Revenue +2% and -1% in constant currency**
- Riva deployments ramping in North America
- Accelerating Gazpar smart meters in France
- Recovered majority of Q3'17 delayed shipments
- Offset by lower North America standard meter shipments following completion of a large project

» **Gross margin down 260 bps**
- Greater mix of meters vs. modules
- Higher costs with manufacturing transitions

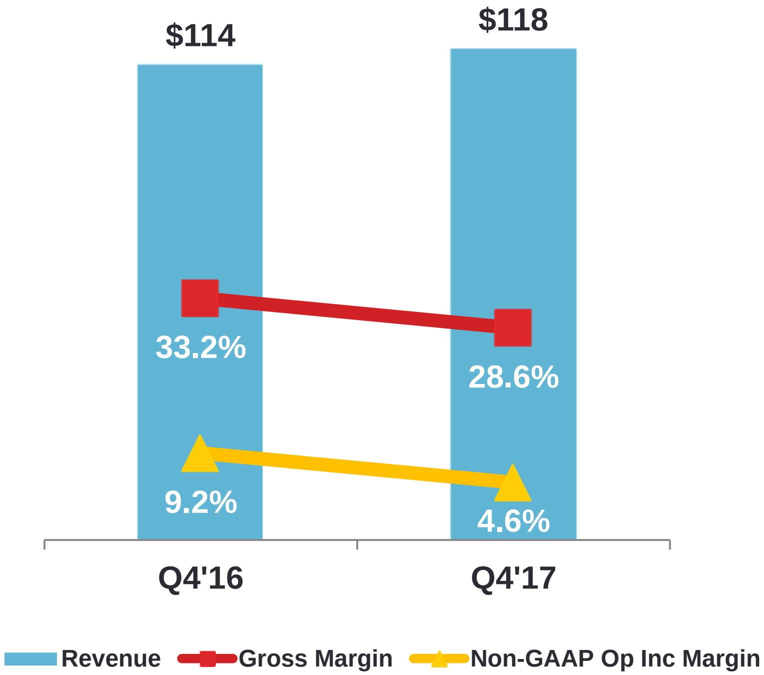
» **Non-GAAP operating margin down 410 bps**
- Lower gross profit
- Higher operating expenses

Reconciliation of GAAP to Non-GAAP results in Appendix and also available on our website

WATER SEGMENT – Q4’17

REVENUE, GROSS MARGIN AND NON-GAAP MARGIN OPERATING

$ in millions, actual currency



» **Revenue +3% and -1% in constant currency**
- Continued improvements in Latin America and APAC
- North American and EMEA project delays
- Riva deliveries ramping up in North America

» **Gross margin down 460 bps**
- Product mix and lower volumes

» **Non-GAAP operating margin down 460 bps**
- Primarily reflects fall through of lower gross profit

» **Steady sequential backlog growth since Q2’16**
- Supports fundamental strength in Water

Reconciliation of GAAP to Non-GAAP results in Appendix and also available on our website

SSNI ACQUISITION SYNERGIES UPDATE

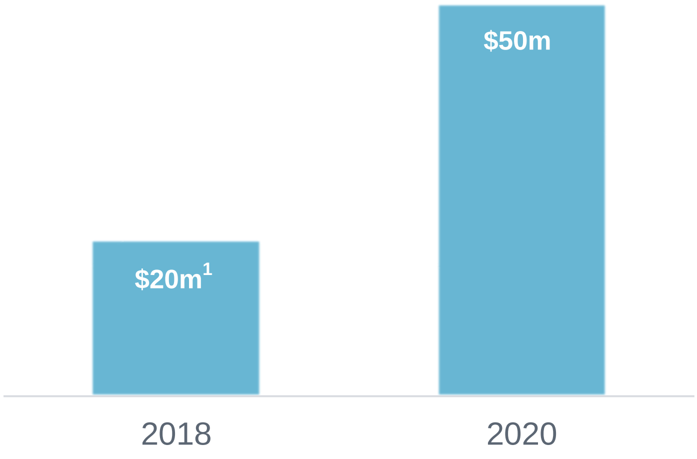
Completed acquisition on Jan 5, 2018

» Confirming original $50M cost synergy estimate
  - Public company costs, personnel and facility overlap
  - ~$60M of up-front cash costs primarily in Q1/Q2 (non-GAAP)
  - ~$10M of Year 1 Synergies ramp up in 2H’18

» Temporal dilutive impacts in 2018; peak in Q1’18
  - Added interest expense and stock-based compensation costs
  - Full impact of people & facility costs during integration
  - Impacts for converting to GAAP revenues under PPA and ASC606

» Acquired backlog adds over $1.2B
  - Subject to purchase accounting and ASC 605/606 adjustments
  - Will provide updated estimate on Q1’18 call

Confirming $50M of Run-Rate Cost Synergies by End of 2020



[1] $10 million of total expense savings estimated in FY’18

2018 RESTRUCTURING PLAN

» New restructuring plan approved by Board of Directors to begin in 2018

» Next phase of transformation to optimize supply chain, manufacturing, R&D, Sales and Marketing

» $45 - $50 million of annualized savings anticipated by the end of 2020 (run rate)

» Pre-tax restructuring charges expected to be between $100 - $110 million; recorded in Q1'18

» Supports Itron's longer-term goals for EBITDA margin above mid-teen's

2018 FINANCIAL GUIDANCE

	FY 2018	Q1 2018
Revenue	$2.33 - $2.43 billion	$575 - $600 million
Non-GAAP EPS	$2.95 - $3.35	$0.10 - $0.15

Assumptions & commentary:

- Average euro to U.S. dollar foreign currency exchange rate of $1.21
- Average shares outstanding of ~40 million for the year
- Non-GAAP effective tax rate for the year of ~28%
- Total interest expense of ~$50 million, excluding amortization of debt issuance costs
- EBITDA and EPS weighted to 2H’18 driven by supply chain benefits and acquisition synergies ramp in the second half

These assumptions and commentary are forward-looking and reflect the estimated impacts of purchase accounting for the acquisition of Silver Spring Networks, adoption of the new revenue accounting standard and the U.S. Tax Cut and Jobs Act on our financial results and are subject to change.

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 and acquisition and integration-related expenses and their related tax effects without unreasonable effort. These items are uncertain, depend on various factors, and could have a material impact on GAAP results for the guidance period.

APPENDIX

- Revenue - FX impact summary
- FY'17 Results
- GAAP to Non-GAAP Reconciliations

REVENUE - FX IMPACT SUMMARY

$ in millions

Average Euro/USD:
$1.18 Q4’17 vs $1.08 Q4’16

Revenue	Q4'17	YoY Change	YoY Change Excluding FX
Electricity	$293.7	+19.6%	+17.2%
Gas	$138.9	+2.3%	-0.8%
Water	$118.1	+3.3%	-1.4%
Total	**$550.8**	**+11.1%**	**+7.9%**

Average Euro/USD:
$1.13 FY’17 vs $1.11 FY’16

Revenue	FY’17	YoY Change	YoY Change Excluding FX
Electricity	$1,022.9	+9.0%	+8.5%
Gas	$533.6	-6.3%	-6.9%
Water	$461.6	-8.6%	-9.4%
Total	**$2,018.2**	**+0.2%**	**-0.3%**

CONSOLIDATED GAAP RESULTS – FY'17

$ in millions (except per share amounts)	FY 2017	FY 2016	Change
Revenue	**$2,018.2**	$2,013.2	--%
Growth in constant currency			*--%*
Gross margin	**33.5%**	32.8%	+70 bps
Operating income	**$151.4**	$96.2	+57%
Net income attributable to Itron, Inc.	**$57.3**[1]	$31.8	+80%
Earnings per share - diluted	**$1.45**[1]	$0.82	+77%
Cash provided by operating activities	**$191.4**	$115.8	+65%

» Gross margin increased 70 bps due to higher volumes and mix of smart solutions and insurance recovery

» Higher operating income driven by improved gross profit, lower restructuring and G&A expenses

» GAAP net income and diluted EPS reflect higher operating income

» Increased cash from operating activities improved profitability and changes in working capital

Reconciliation of GAAP to Non-GAAP results in Appendix and also available on our website.
1. GAP net income includes $30 million, or $0.77 per share, charge related to the U.S. Tax Act.

CONSOLIDATED NON-GAAP RESULTS – FY'17

$ in millions (except per share amounts)	FY 2017	FY 2016	Change
Non-GAAP operating income	**$195.8**	$170.2	+15%
Non-GAAP operating margin	**9.7%**	8.5%	+120 bps
Adjusted EBITDA	**$227.9**	$208.6	+9%
Adjusted EBITDA margin	**11.3%**	10.4%	+90 bps
Non-GAAP net income attributable to Itron, Inc.	**$120.5**[1]	$98.3	+23%
Non-GAAP earnings per share - diluted	**$3.06**[1]	$2.54	+20%
Free cash flow	**$141.9**	$72.3	+96%

» Higher gross profit and reduced external services drove non-GAAP operating income and adjusted EBITDA increase

» Non-GAAP net income reflects higher operating income and a lower non-GAAP effective tax rate

» Increased free cash flow driven by improved profitability and changes in working capital

Reconciliation of GAAP to Non-GAAP results in Appendix and also available on our website.
1. Non-GAAP net income excludes $30 million, $0.77 per share, charge related to the U.S. Tax Act.

REVENUE YEAR-OVER-YEAR BRIDGE – FY'17

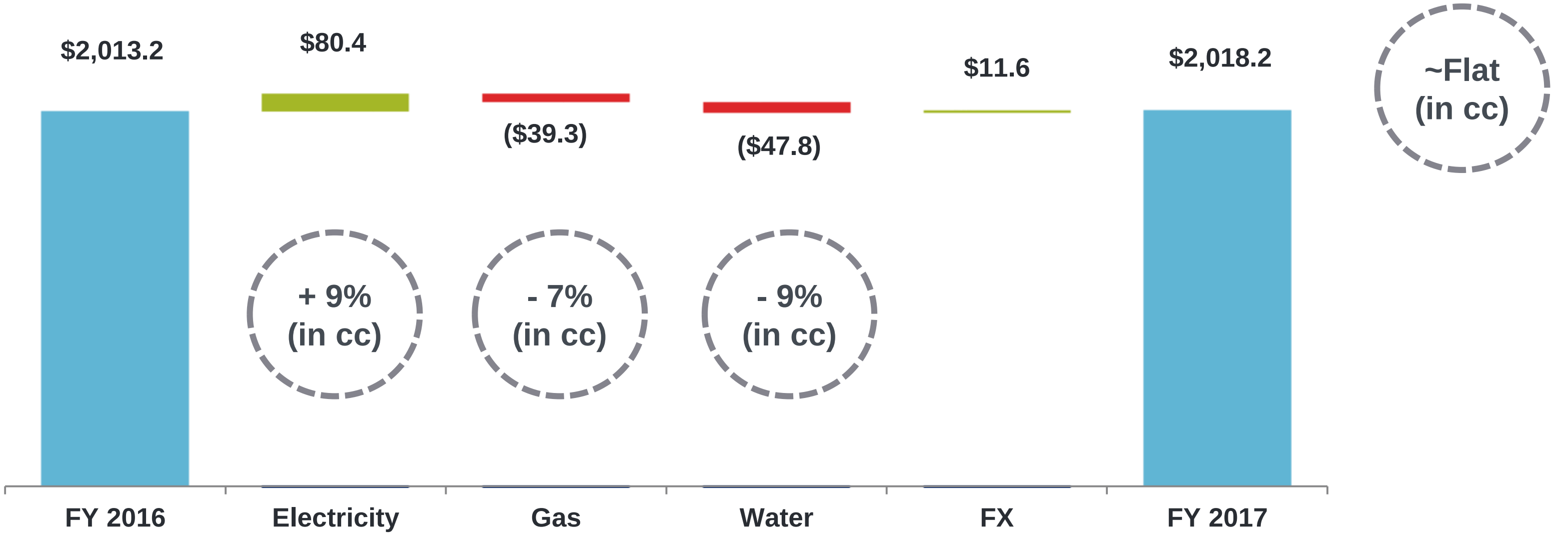


Chart in Millions, FY'16 and FY'17 totals reflect actual currencies; all variances other than FX exclude currency impact

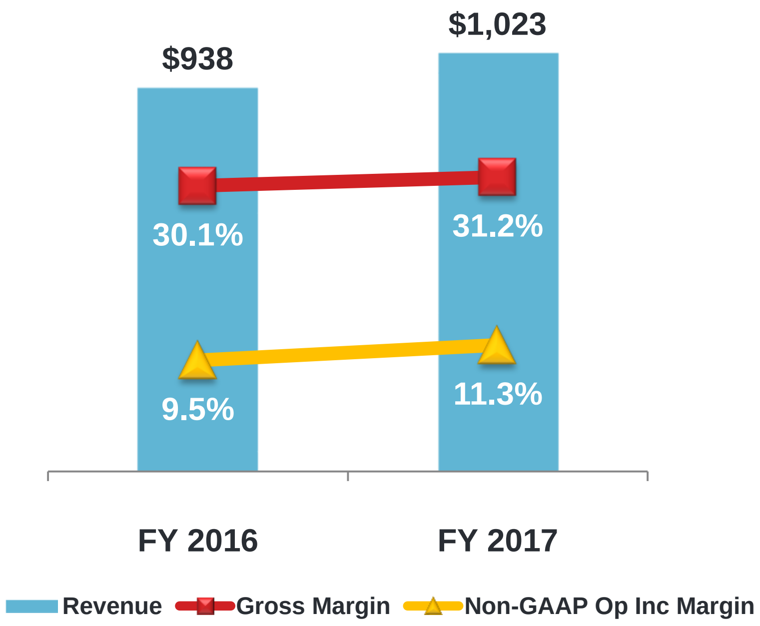
NON-GAAP EPS YEAR-OVER-YEAR BRIDGE – FY’17

FY’16 and FY’17 totals reflect actual currencies; all variances other than FX exclude currency impact

ELECTRICITY SEGMENT - FY'17

REVENUE, GROSS MARGIN AND NON-GAAP OPERATING MARGIN

$ in millions, actual currency



» **Revenue +9% as reported and in constant currency**
- Strong smart volumes in North America and EMEA
- Riva deployments ramping in North America
- Linky shipments continue to accelerate in EMEA

» **Gross margin +110 bps**
- Higher smart volumes and mix

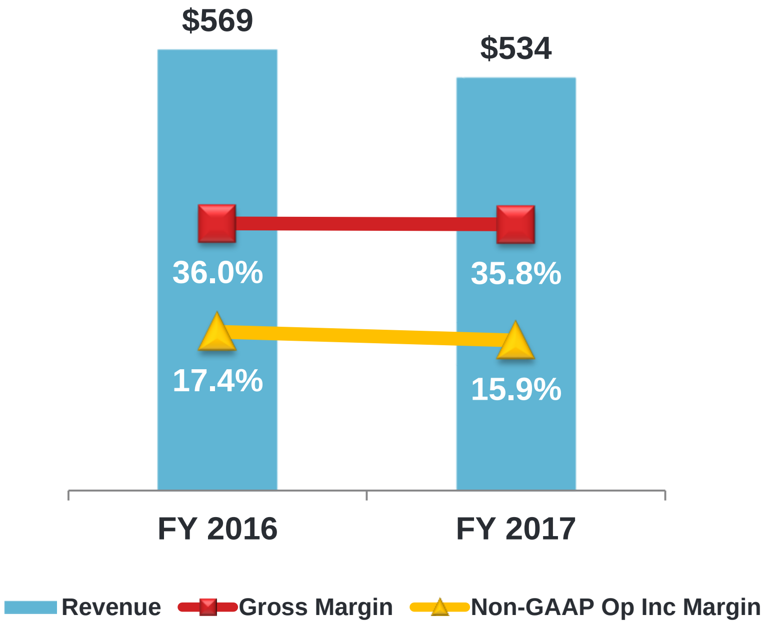
» **Non-GAAP operating margin +180 bps**
- Increased revenue at higher gross margin
- Improved operating leverage

Reconciliation of GAAP to Non-GAAP results in Appendix and also available on our website

GAS SEGMENT – FY'17

REVENUE, GROSS MARGIN AND NON-GAAP OPERATING MARGIN

$ in millions, actual currency



» **Revenue down 6% and 7% in constant currency**
- Lower revenue in North America and EMEA
- Decrease due to timing of large projects
- Riva deployments ramping in North America

» **Gross margin down 20 bps**
- Higher costs with manufacturing transitions
- Product mix with higher proportion of standard meters

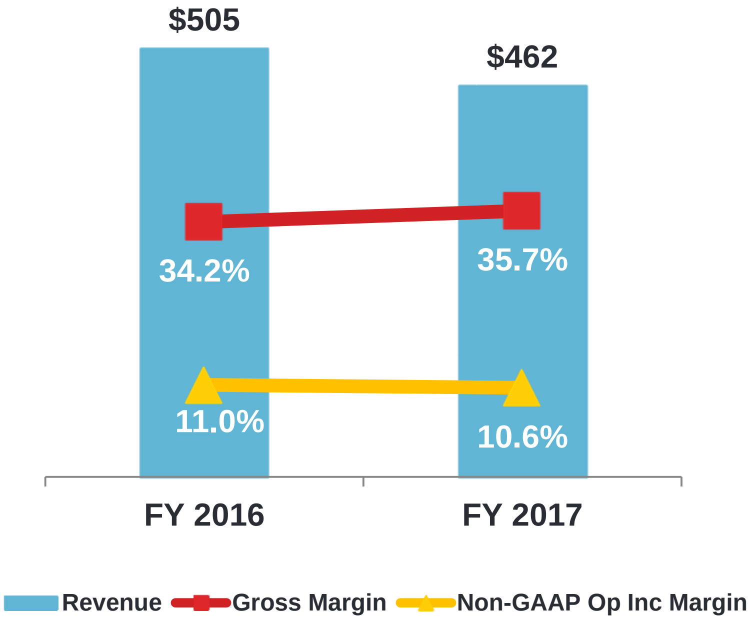
» **Non-GAAP operating margin down 150 bps**
- Fall through of lower revenue and gross margin
- Increased sales and marketing expenses

Reconciliation of GAAP to Non-GAAP results in Appendix and also available on our website

WATER SEGMENT – FY'17

REVENUE, GROSS MARGIN AND NON-GAAP MARGIN OPERATING

$ in millions, actual currency



» **Revenue down 9% as reported and in constant currency**
- Industry-related project delays in EMEA and North America
- Continued recovery of project funding in Latin America

» **Gross margin +150 bps**
- Lower warranty costs and insurance recovery in Q2'17

» **Non-GAAP operating margin down 40 bps**
- Decreased revenue partially offset by higher gross margin
- Increased sales and marketing expense

Reconciliation of GAAP to Non-GAAP results in Appendix and also available on our website

NON-GAAP FINANCIAL MEASURES

» To supplement our consolidated financial statements presented 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, constant currency and free cash flow. 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. The company believes 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. Our non-GAAP financial measures may be different from those reported by other companies. 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 the quarterly earnings press release.

GAAP TO NON-GAAP RECONCILIATIONS

(Unaudited, in thousands, except per share data)

TOTAL COMPANY RECONCILIATIONS	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2017	2016	2017	2016
NON-GAAP NET INCOME & DILUTED EPS				
GAAP net income attributable to Itron, Inc.	$ 1,780	$ 11,649	$ 57,298	$ 31,770
Amortization of intangible assets	5,641	6,110	20,785	25,112
Amortization of debt placement fees	241	245	966	987
Restructuring	(999)	7,796	6,418	49,090
Acquisition and integration related (recovery) expense	3,095	5	17,139	(197)
Tax Cuts and Jobs Act adjustment	30,424	—	30,424	—
Income tax effect of non-GAAP adjustments	(391)	608	(12,544)	(8,478)
Non-GAAP net income attributable to Itron. Inc.	$ 39,791	$ 26,413	$ 120,486	$ 98,284
Non-GAAP diluted EPS	$ 1.01	$ 0.68	$ 3.06	$ 2.54
Weighted average common shares outstanding - Diluted	39,530	39,028	39,387	38,643
ADJUSTED EBITDA				
GAAP net income attributable to Itron, Inc.	$ 1,780	$ 11,649	$ 57,298	$ 31,770
Interest income	(658)	(271)	(2,126)	(865)
Interest expense	3,133	2,604	11,581	10,948
Income tax provision	42,079	15,325	74,326	49,574
Depreciation and amortization	17,215	16,755	63,215	68,318
Restructuring	(999)	7,796	6,418	49,090
Acquisition and integration related (recovery) expense	3,095	5	17,139	(197)
Adjusted EBITDA	$ 65,645	$ 53,863	$ 227,851	$ 208,638

GAAP TO NON-GAAP RECONCILIATIONS

(Unaudited, in thousands, except per share data)

TOTAL COMPANY RECONCILIATIONS	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2017	2016	2017	2016
FREE CASH FLOW				
Net cash provided by operating activities	$ 76,853	$ 33,961	$ 191,354	$ 115,842
Acquisitions of property, plant, and equipment	(16,002)	(12,980)	(49,495)	(43,543)
Free Cash Flow	$ 60,851	$ 20,981	$ 141,859	$ 72,299
NON-GAAP OPERATING INCOME				
GAAP operating income	$ 47,198	$ 30,754	$ 151,426	$ 96,211
Amortization of intangible assets	5,641	6,110	20,785	25,112
Restructuring	(999)	7,796	6,418	49,090
Acquisition and integration related (recovery) expense	3,095	5	17,139	(197)
Non-GAAP operating income	$ 54,935	$ 44,665	$ 195,768	$ 170,216
NON-GAAP OPERATING EXPENSES				
GAAP operating expenses	$ 127,553	$ 125,909	$ 523,728	$ 564,109
Amortization of intangible assets	(5,641)	(6,110)	(20,785)	(25,112)
Restructuring	999	(7,796)	(6,418)	(49,090)
Acquisition and integration related recovery (expense)	(3,095)	(5)	(17,139)	197
Non-GAAP operating expenses	$ 119,816	$ 111,998	$ 479,386	$ 490,104

GAAP TO NON-GAAP RECONCILIATIONS

(Unaudited, in thousands)

SEGMENT RECONCILIATIONS	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2017	2016	2017	2016
NON-GAAP OPERATING INCOME - ELECTRICITY				
Electricity - GAAP operating income	$ 41,937	$ 17,195	$ 93,566	$ 68,287
Amortization of intangible assets	3,268	3,223	11,618	13,273
Restructuring	(1,359)	2,283	198	7,694
Acquisition and integration related expenses	471	5	10,258	(197)
Electricity - Non-GAAP operating income	$ 44,317	$ 22,706	$ 115,640	$ 89,057
NON-GAAP OPERATING INCOME - GAS				
Gas - GAAP operating income	$ 16,357	$ 18,002	$ 74,206	$ 66,813
Amortization of intangible assets	1,388	1,568	5,349	6,456
Restructuring	496	3,754	5,213	25,744
Gas - Non-GAAP operating income	$ 18,241	$ 23,324	$ 84,768	$ 99,013
NON-GAAP OPERATING INCOME - WATER				
Water - GAAP operating income	$ 4,236	$ 8,559	$ 44,494	$ 37,266
Amortization of intangible assets	985	1,319	3,818	5,383
Restructuring	254	651	700	13,116
Water - Non-GAAP operating income	$ 5,475	$ 10,529	$ 49,012	$ 55,765
NON-GAAP OPERATING INCOME - CORPORATE UNALLOCATED				
Corporate unallocated - GAAP operating loss	$ (15,332)	$ (13,002)	$ (60,840)	$ (76,155)
Restructuring	(390)	1,108	307	2,536
Acquisition and integration related expenses	2,624	—	6,881	—
Corporate unallocated - Non-GAAP operating loss	$ (13,098)	$ (11,894)	$ (53,652)	$ (73,619)

Itron

THANK YOU

INVESTOR RELATIONS CONTACTS

Barbara Doyle
Vice President, Investor Relations
509-891-3443
barbara.doyle@itron.com

Rebecca Hussey
Manager, Investor Relations
509-891-3574
rebecca.hussey@itron.com