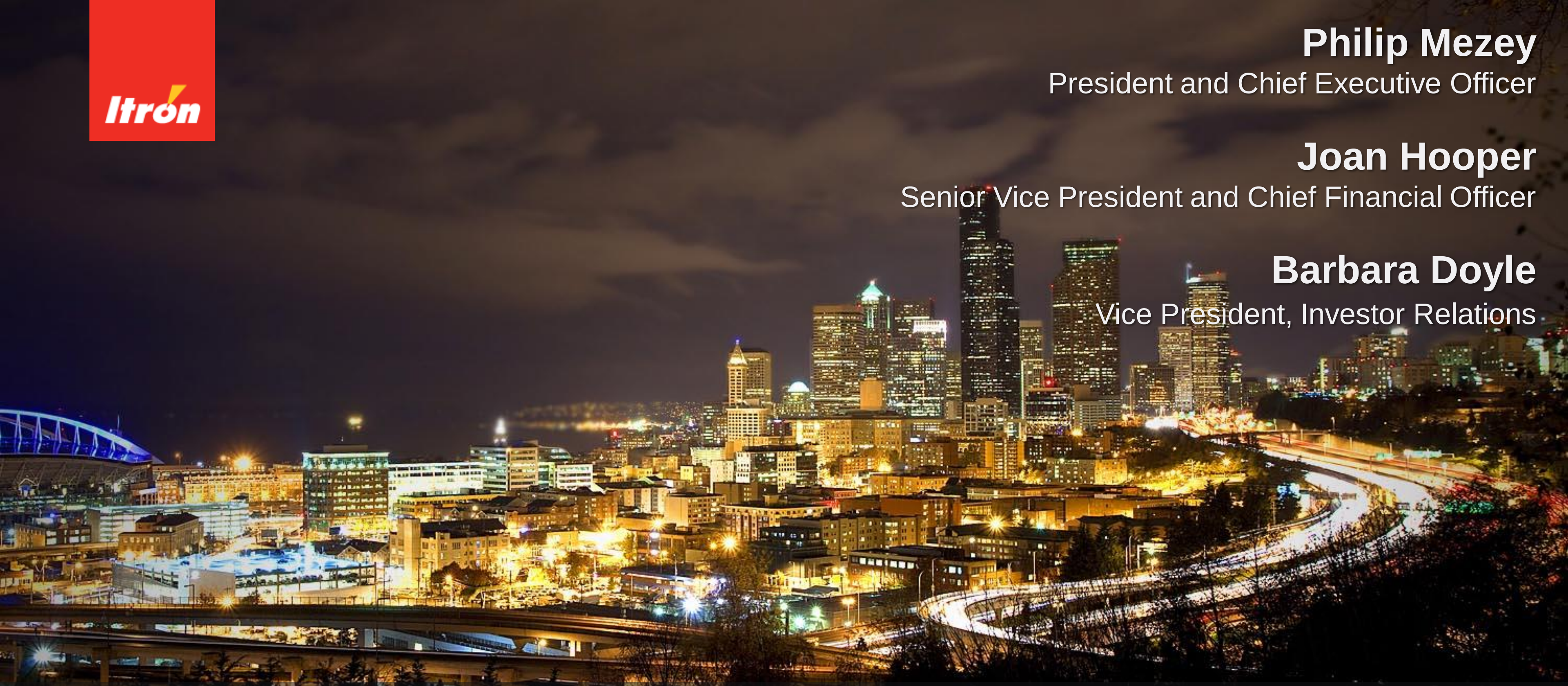


Itron

Philip Mezey
President and Chief Executive Officer

Joan Hooper
Senior Vice President and Chief Financial Officer

Barbara Doyle
Vice President, Investor Relations

Second Quarter 2017
Earnings Conference Call
August 2, 2017

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 Highlights and Operations Update
- CFO – Financial Results and FY’17 Financial Guidance Update
- Q&A

Q2’17 BUSINESS HIGHLIGHTS

Successfully Executing our Predictability, Profitability & Growth Objectives

Stated Objectives:

- Improve business & financial predictability
- Increase mix of higher-value business
- Achieve greater operational efficiencies
- Demonstrate greater profitability driving to mid-teen’s adjusted EBITDA as a % of revenue
- Drive profitable top-line growth
- Increase the percentage of revenue from outcome-based solutions

Results To Date:

- 8 consecutive quarters of strong business results; Raised FY’17 guidance; total backlog up 21% YoY
- 30% increase in smart solution volumes from 1H 2015
- 2014 restructuring substantially complete; additional $40M run rate savings from the 2016 restructuring to be realized by YE’18
- 11.9% Adj. EBITDA in Q2’17
- Continued momentum in Electric segment; record communication volumes in Gas; outlook for a number of large Water tenders in the next ~12 months
- Itron OpenWay Riva platform; additional outcome-based services through Itron Idea Labs and acquisitions: Comverge

Q2’17 QUARTERLY BACKLOG

- 12-month and total backlog up 25% and 21%, respectively, year-over-year
- Q2’17 bookings of $416M, up 19% year-over-year
- ~$325M of customer awards, not yet booked

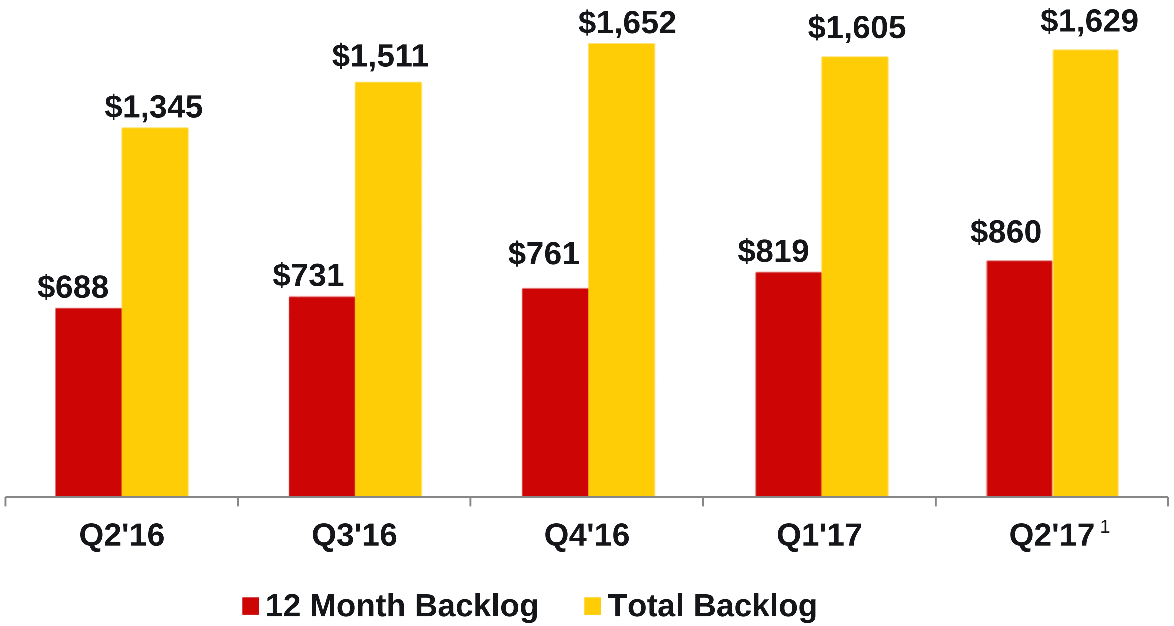


Chart in Millions, actual currency rates

1. *Comverge acquisition added $44M and $113M to 12-month and total backlog in Q2’17*

CONSOLIDATED GAAP RESULTS – Q2'17

$ in millions (except per share amounts)	Q2 2016	Q2 2017	Change
Revenue	$513.0	**$503.1**	-1.9%
Change in constant currency			*-0.7%*
Gross margin	33.1%	**35.4%**	+230 bps
Operating income	$35.5	**$36.8**	+4%
Operating income margin	6.9%	**7.3%**	+40 bps
Net income attributable to Itron	$19.9	**$14.1**	-29%
Earnings per share - diluted	$0.52	**$0.36**	-31%
Cash provided by operations	$17.3	**$30.2**	+75%

- Growth in Electricity revenues offset by lower Gas and Water revenues
- Gross margin increased 230 bps due to favorable product mix and insurance recovery in the Water segment
  - *GM increased 70 bps excluding the insurance recovery*
- Higher operating income from improved gross margin, reduced G&A and lower amortization of intangible assets
- GAAP net income and EPS reflect higher operating income offset by a higher GAAP effective tax rate, higher other expenses and increased diluted shares outstanding

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

CONSOLIDATED NON-GAAP RESULTS – Q2'17

$ in millions (except per share amounts)	Q2 2016	Q2 2017	Change
Non-GAAP operating income	$41.6	**$53.3**	+28%
Non-GAAP operating margin	8.1%	**10.6%**	+250 bps
Non-GAAP net income attributable to Itron, Inc.	$25.1	**$28.0**	+11%
Adjusted EBITDA	$51.8	**$59.7**	+15%
Adjusted EBITDA margin	10.1%	**11.9%**	+180 bps
Non-GAAP earnings per share - diluted	$0.65	**$0.71**	+9%
Free cash flow	$6.2	**$17.4**	+180%

» Higher non-GAAP operating income and adjusted EBITDA driven by improved gross margin and lower general and administrative expenses

» Non-GAAP net income and EPS increased due to higher non-GAAP operating income, partially offset by higher other expense, a higher effective tax rate and increased diluted shares outstanding

» Higher operating and free cash flow driven by improved business results, offsetting increased working capital requirements, primarily increased inventory

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

REVENUE YEAR-OVER-YEAR BRIDGE – Q2'17

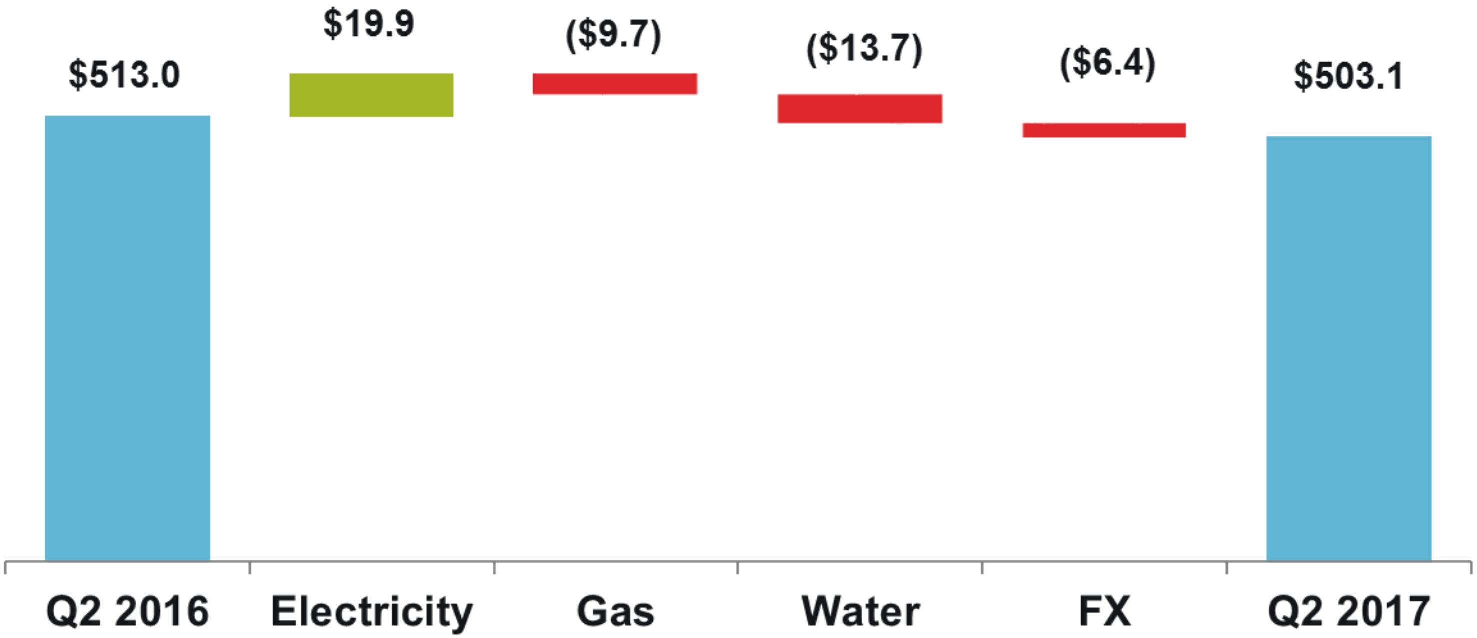
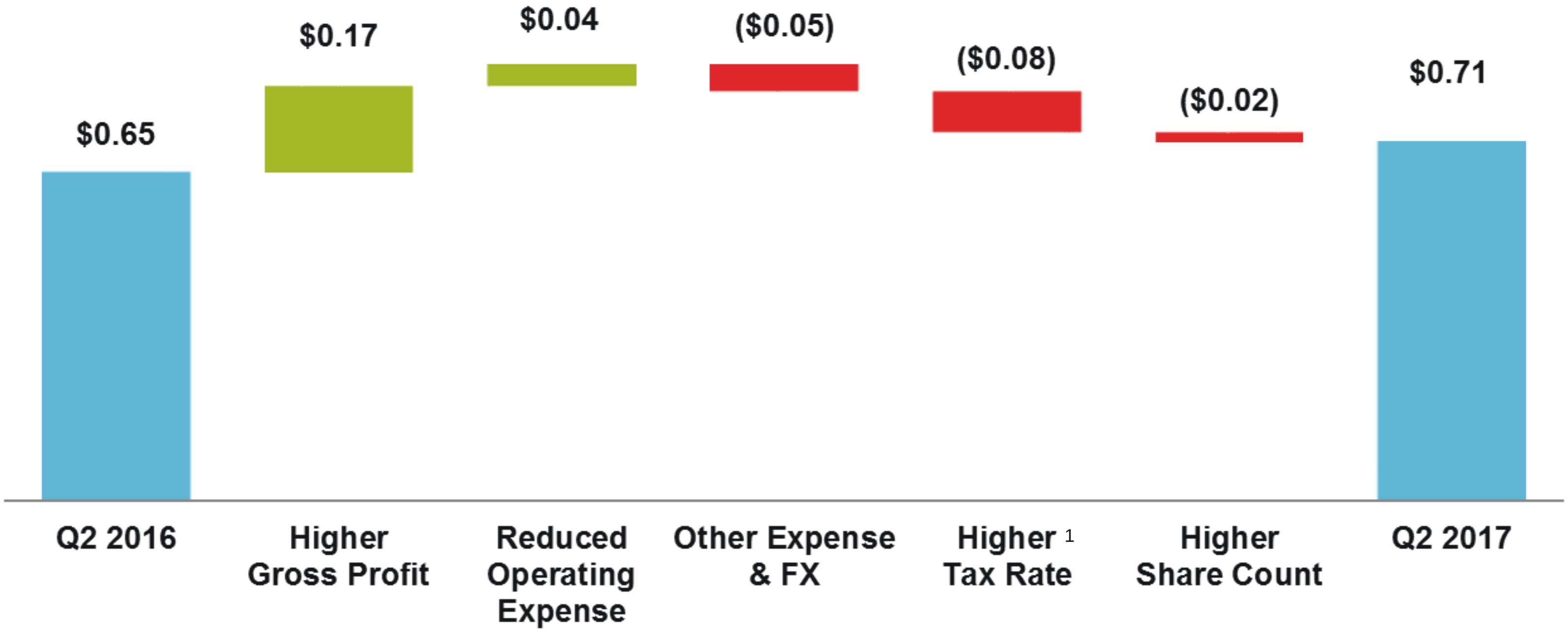


Chart in Millions, Q2'16 and Q2'17 totals reflect actual currencies; all variances other than FX exclude currency impact

NON-GAAP EPS YEAR-OVER-YEAR BRIDGE – Q2'17



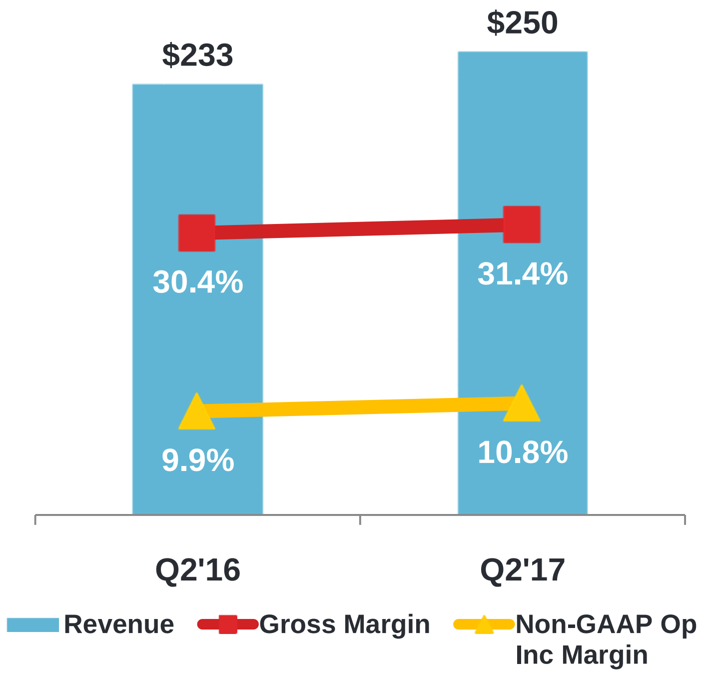
Q2'16 and Q2'17 totals reflect actual currencies; all variances other than FX exclude currency impact

[1] Higher tax rate reflects timing and mix of taxable income by jurisdiction. Outlook for full-year tax rate remains approximately 35%.

ELECTRICITY SEGMENT - Q2'17

REVENUE, GROSS MARGIN AND NON-GAAP OPERATING MARGIN

$ in millions, actual currency



» **Revenue growth of +8% and +9% in constant currency**
- Growth driven by North America and APAC smart projects
- Comverge acquisition closed on June 1, 2017 contributing $5M in DEM revenue

» **Gross margin +100 bps**
- Favorable product mix
- Smart volumes increased ~15%

» **Non-GAAP operating margin +90 bps**
- Benefit of higher revenue and improved GM
- Modest increase in expenses

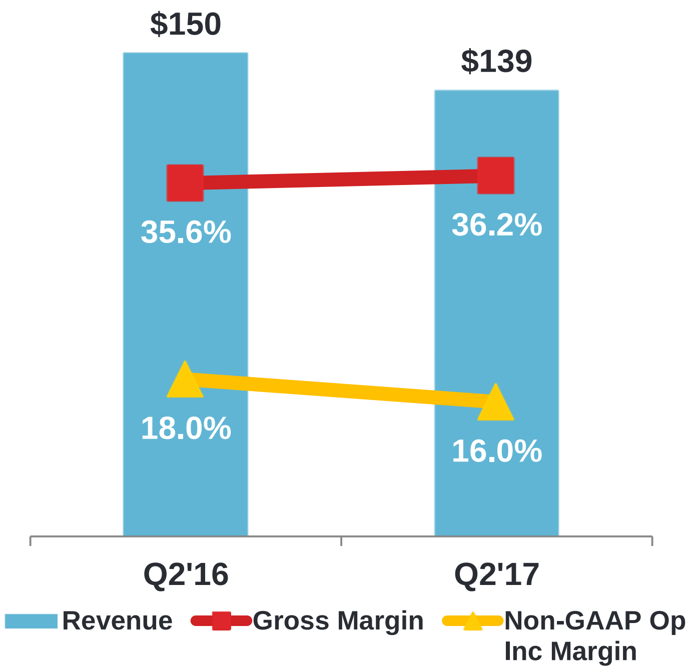
» **Electricity backlog > $1B**

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

GAS SEGMENT – Q2’17

REVENUE, GROSS MARGIN AND NON-GAAP OPERATING MARGIN

$ in millions, actual currency



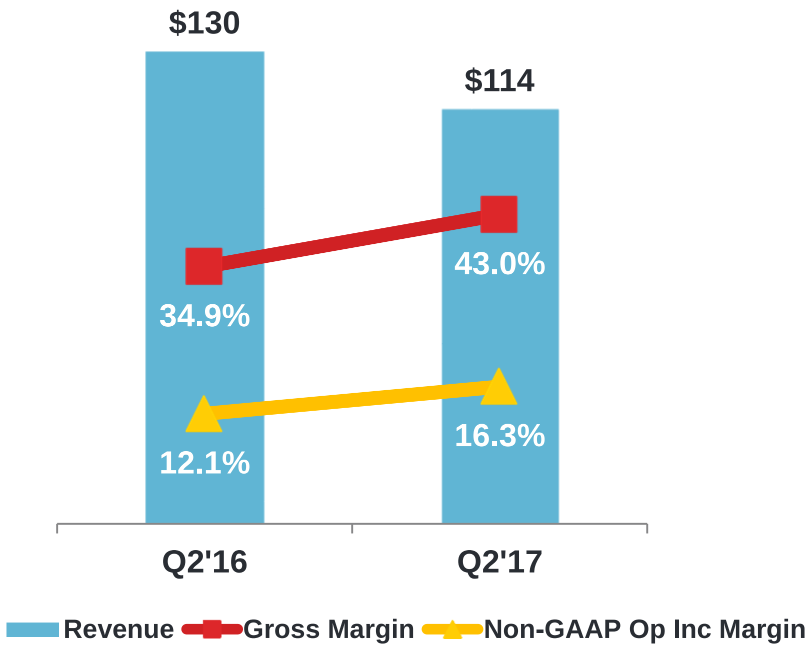
- **Revenue down 8% and 7% at constant currency**
  - Decreased meter volumes in North America and EMEA
  - Partially offset by record communication module shipments in North America
- **Gross margin +60 bps**
  - Favorable product mix
  - Record communication module shipments
- **Non-GAAP operating margin down 200 bps**
  - Reflects higher operating expenses for increased sales and marketing to support business growth

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

WATER SEGMENT – Q2'17

REVENUE, GROSS MARGIN AND NON-GAAP MARGIN OPERATING

$ in millions, actual currency



» **Revenue down 12% and 11% in constant currency**
- Decreased product revenues in North America and EMEA, partially offset by higher sales in Latin America
- Latin America residential projects continue to improve – 3rd consecutive quarter of revenue growth
- Large water projects in pipeline support fundamental strength in Water, long-term

» **Gross margin +810 bps**
- $8M insurance recovery positively impacted GM
- 110 bps GM improvement excluding the recovery

» **Non-GAAP operating margin +420 bps**
- Improved gross margin partially offset by higher SG&A

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

FINANCIAL GUIDANCE UPDATE

	Updated FY'17 Guidance (provided on 8/2/17)	***Original FY'17 Guidance (provided on 2/28/17)***
Revenue	**$2.03 - $2.06 B**	*$1.9 - $2.0 B*
Non-GAAP EPS	**$2.95 - $3.15**	*$2.80 - $3.10*

The revised guidance assumes a Euro to US dollar foreign exchange rate of 1.10 on average in the second half of 2017, average fully diluted shares outstanding of approximately 39.5 million for the year and a non-GAAP effective tax rate for the year of approximately 35 percent.

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-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
- YTD’17 Results
- GAAP to Non-GAAP Reconciliations

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.

REVENUE - FX IMPACT SUMMARY

$ in millions

Average Euro/USD:
$1.10 Q2’17 vs $1.13 Q2’16

Revenue	Q2'17	YoY Change	YoY Change Excluding FX
Electricity	$250.3	7.5%	8.7%
Gas	$138.7	-7.7%	-6.6%
Water	$114.1	-12.2%	-10.7%
Total	$503.1	**-1.9%**	**-0.7%**

Average Euro/USD:
$1.10 Q2’17 YTD vs $1.11 Q2’16 YTD

Revenue	Q2'17 - YTD	YoY Change	YoY Change Excluding FX
Electricity	$489.1	8.7%	9.6%
Gas	$262.9	-9.2%	-8.2%
Water	$228.7	-15.6%	-14.1%
Total	$980.7	**-3.0%**	**-1.8%**

CONSOLIDATED GAAP RESULTS – YTD'17

$ in millions (except per share amounts)	YTD 2016	YTD 2017	Change
Revenue	$1,010.6	$980.7	-3%
Growth in constant currency			*-2%*
Gross margin	32.9%	34.2%	+130 bps
Operating income	$59.0	$66.9	+13%
Net income attributable to Itron	$30.0	$29.9	--%
Earnings per share - diluted	$0.78	$0.76	-3%
Cash provided by operations	$51.1	$93.4	+83%

» Gross margin increased 130 bps due to favorable product mix and insurance recovery in the Water segment

- *GM increased 50 bps excluding the insurance recovery impact*

» Higher operating income from improved gross margin, reduced G&A and R&D expenses, and lower amortization

» GAAP net income and EPS reflect higher operating income partially offset by a higher GAAP effective tax rate, increased other expense and an increased diluted shares outstanding

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

CONSOLIDATED NON-GAAP RESULTS – YTD’17

$ in millions (except per share amounts)	YTD 2016	YTD 2017	Change
Non-GAAP operating income	$73.6	$91.3	+$17.6
Non-GAAP operating margin	7.3%	9.3%	+200 bps
Adjusted EBITDA	$92.1	$104.7	+$12.7
Adjusted EBITDA margin	9.1%	10.7%	+160 bps
Non-GAAP earnings per share - diluted	$1.09	$1.28	+17%
Free cash flow	$31.2	$71.5	+129%

» Higher non-GAAP operating income and adjusted EBITDA driven by improved gross margin and reduced G&A and R&D expenses

» Higher non-GAAP net income and EPS due to improved operating income offsetting a higher effective tax rate, and higher other expense

» Increased operating and free cash flow driven by business improvement and improved working capital

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

REVENUE YEAR-OVER-YEAR BRIDGE – YTD’17

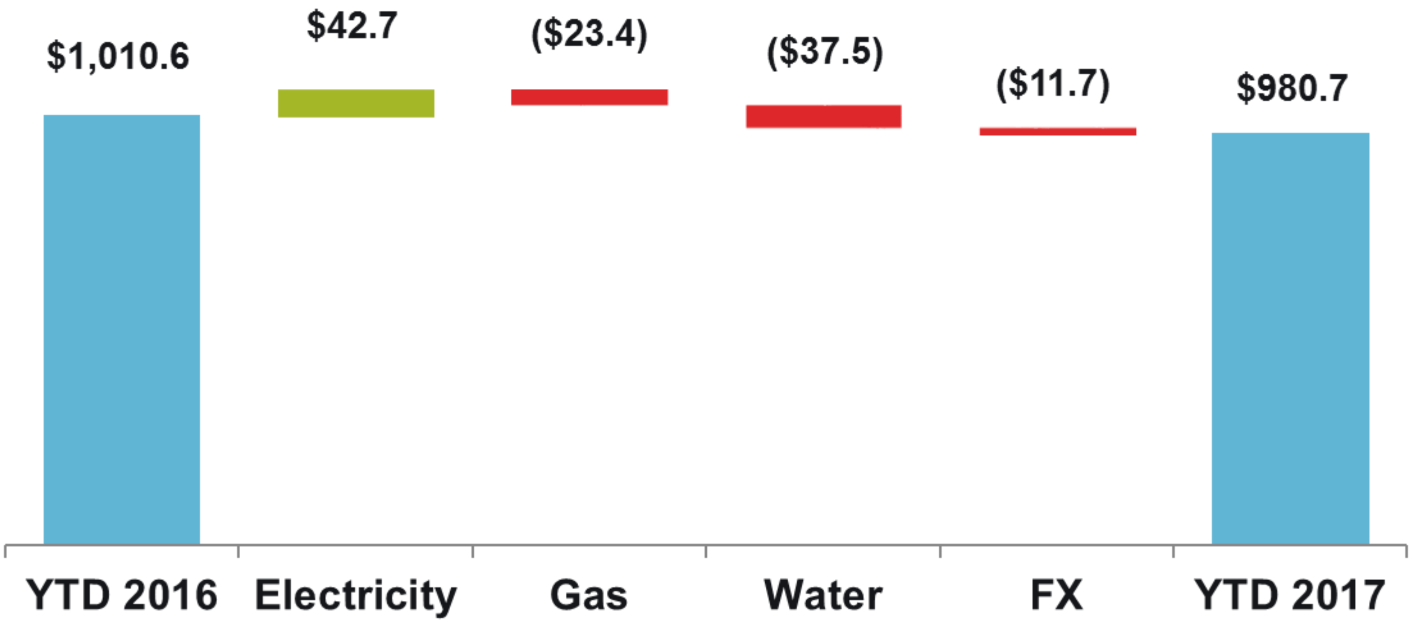
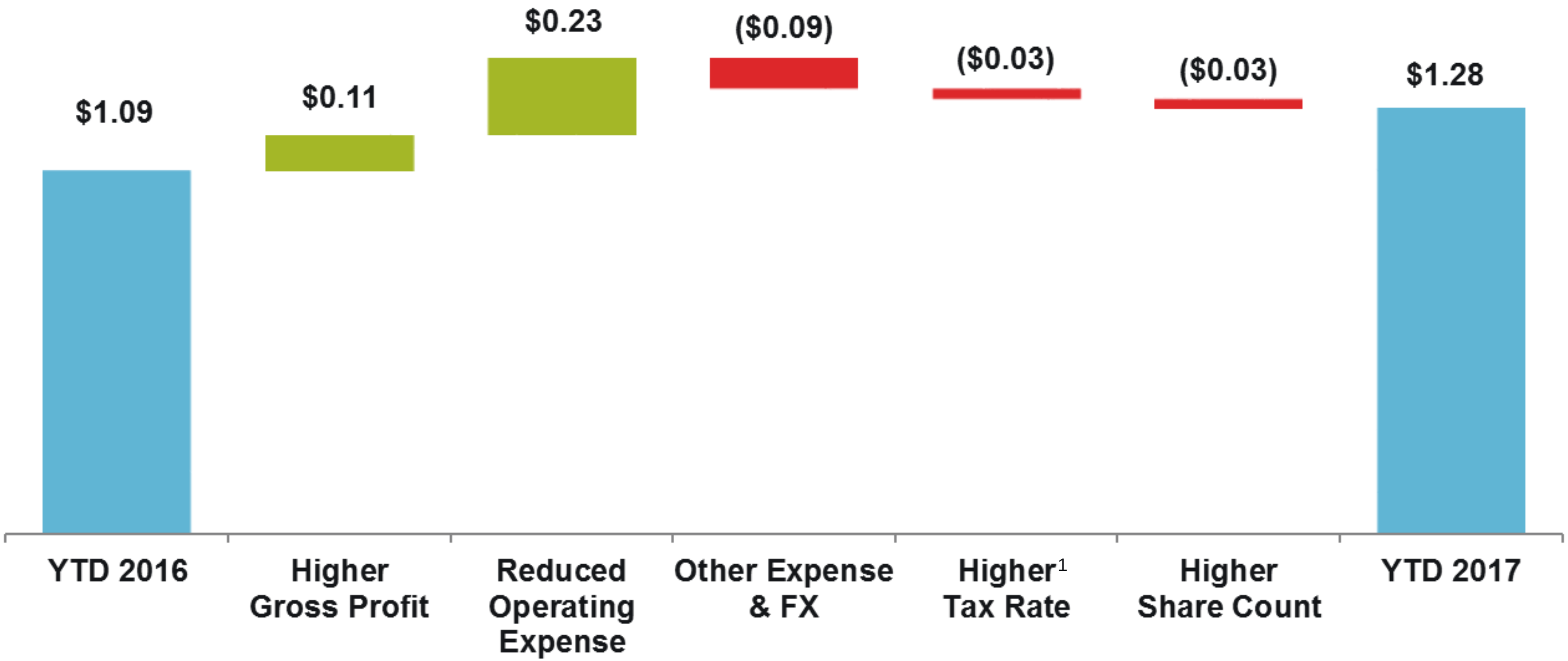


Chart in Millions, YTD’16 and YTD’17 totals reflect actual currencies; all variances other than FX exclude currency impact

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



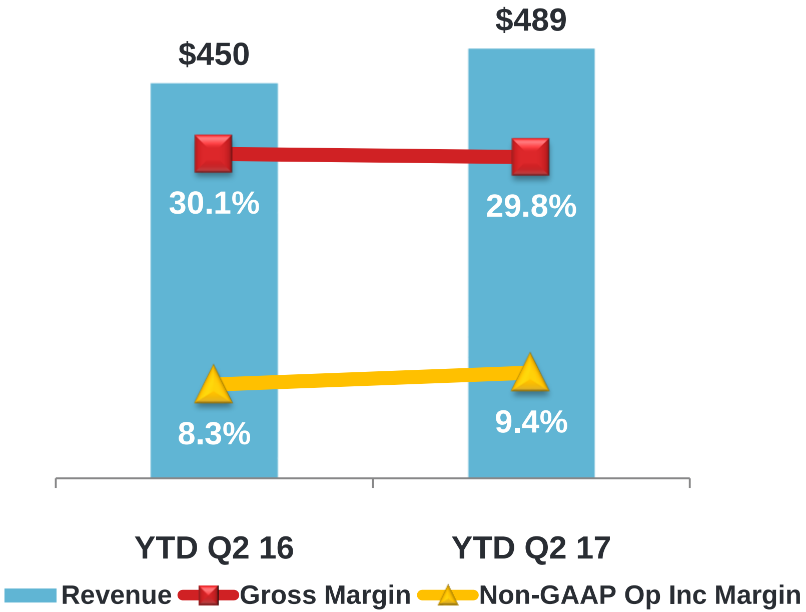
YTD'16 and YTD'17 totals reflect actual currencies; all variances other than FX exclude currency impact

1. Higher tax rate reflects timing and mix of taxable income by jurisdiction. Outlook for full-year tax rate remains approximately 35%.

ELECTRICITY SEGMENT - YTD'17

REVENUE, GROSS MARGIN AND NON-GAAP OPERATING MARGIN

$ in millions, actual currency



» **Revenue growth of +9% and +10% in constant currency**
- Growth driven by North America and APAC smart projects

» **Gross margin down 30 bps**
- Product mix

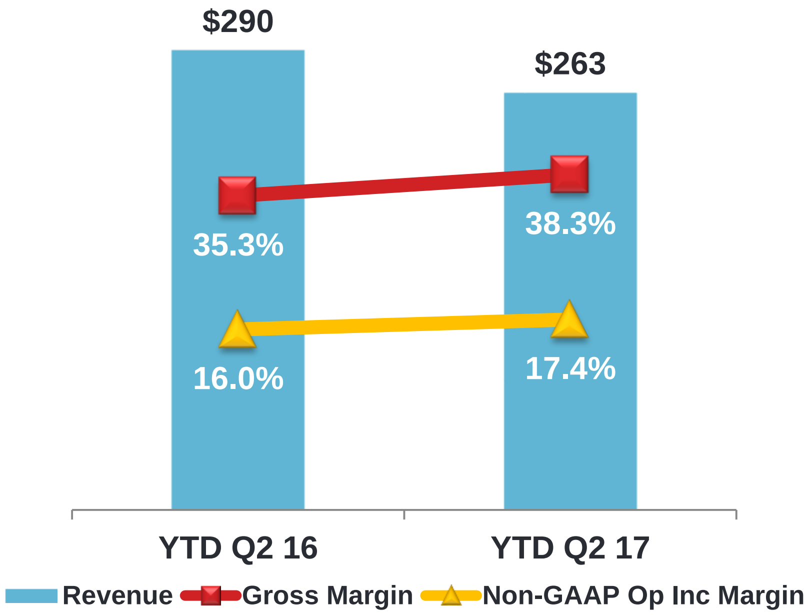
» **Non-GAAP operating margin +110 bps**
- Increased revenue, operating and restructuring efficiencies offset slight decrease in gross margin

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

GAS SEGMENT – YTD'17

REVENUE, GROSS MARGIN AND NON-GAAP OPERATING MARGIN

$ in millions, actual currency



» **Revenue down 9% and 8% in constant currency**
- Lower meter volumes in North America and EMEA region, partially offset by increased communication module sales in North America and increased revenue in Latin America

» **Gross margin +300 bps**
- Favorable product mix; Increase in communication modules volumes

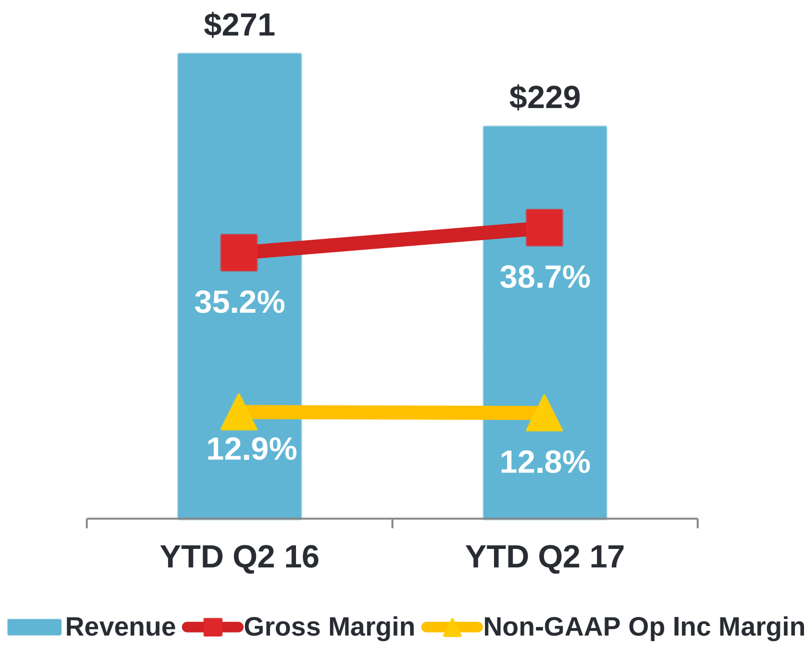
» **Non-GAAP operating margin +140 bps**
- Higher gross margin partially offset by impact of flat opex on lower revenue

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

WATER SEGMENT – YTD’17

REVENUE, GROSS MARGIN AND NON-GAAP MARGIN OPERATING

$ in millions, actual currency



» **Revenue down 16% and 14% in constant currency**

- Decreased volumes in North America and EMEA, partially offset by higher sales in Latin America
- Residential project funding in Latin America continues to recover

» **Gross margin +350 bps**

- GM is flat excluding the insurance recovery in Q2’17

» **Non-GAAP operating margin down 10 bps**

- Higher gross margin offset by impact of flat opex on lower revenue

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

GAAP TO NON-GAAP RECONCILIATIONS

(in thousands, expect per share data)

TOTAL COMPANY RECONCILIATIONS	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
NON-GAAP NET INCOME & DILUTED EPS				
GAAP net income attributable to Itron, Inc.	$ 14,097	$ 19,917	$ 29,942	$ 30,006
Amortization of intangible assets	4,970	7,796	9,519	14,006
Amortization of debt placement fees	242	248	483	495
Restructuring	5,043	(1,622)	8,095	615
Acquisition and integration related expenses	6,468	(25)	6,801	(22)
Income tax effect of non-GAAP adjustments	(2,896)	(1,170)	(4,730)	(3,125)
Non-GAAP net income attributable to Itron, Inc.	$ 27,924	$ 25,144	$ 50,110	$ 41,975
Non-GAAP diluted EPS	$ 0.71	$ 0.65	$ 1.28	$ 1.09
Weighted average common shares outstanding - Diluted	39,332	38,516	39,274	38,446
ADJUSTED EBITDA				
GAAP net income attributable to Itron, Inc.	$ 14,097	$ 19,917	$ 29,942	$ 30,006
Interest income	(470)	(221)	(739)	(492)
Interest expense	2,876	2,735	5,550	5,653
Income tax provision	16,560	12,193	25,607	20,819
Depreciation and amortization	15,090	18,807	29,468	35,481
Restructuring	5,043	(1,622)	8,095	615
	6,468	(25)	6,801	(22)
Adjusted EBITDA	$ 59,664	$ 51,784	$ 104,724	$ 92,060

GAAP TO NON-GAAP RECONCILIATIONS

(in thousands)

TOTAL COMPANY RECONCILIATIONS	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
FREE CASH FLOW				
Net cash provided by operating activities	$ 30,187	$ 17,322	$ 93,444	$ 51,127
Acquisitions of property, plant, and equipment	(12,776)	(11,093)	(21,898)	(19,884)
Free Cash Flow	$ 17,411	$ 6,229	$ 71,546	$ 31,243
NON-GAAP OPERATING INCOME				
GAAP operating income	$ 36,822	$ 35,473	$ 66,864	$ 59,047
Amortization of intangible assets	4,970	7,796	9,519	14,006
Restructuring	5,043	(1,622)	8,095	615
Acquisition and integration related expenses	6,468	(25)	6,801	(22)
Non-GAAP operating income	$ 53,303	$ 41,622	$ 91,279	$ 73,646
NON-GAAP OPERATING EXPENSES				
GAAP operating expenses	$ 141,038	$ 134,232	$ 268,221	$ 273,861
Amortization of intangible assets	(4,970)	(7,796)	(9,519)	(14,006)
Restructuring	(5,043)	1,622	(8,095)	(615)
Acquisition and integration related expenses	(6,468)	25	(6,801)	22
Non-GAAP operating expenses	$ 124,557	$ 128,083	$ 243,806	$ 259,262

GAAP TO NON-GAAP RECONCILIATIONS

(in thousands)

SEGMENT RECONCILIATIONS	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
NON-GAAP OPERATING INCOME - ELECTRICITY				
Electricity - GAAP operating income	$ 17,653	$ 20,008	$ 34,515	$ 30,640
Amortization of intangible assets	2,728	4,617	5,090	7,867
Restructuring	506	(1,560)	330	(1,032)
Acquisition and integration related expenses	6,201	(25)	6,201	(22)
Electricity - Non-GAAP operating income	$ 27,088	$ 23,040	$ 46,136	$ 37,453
NON-GAAP OPERATING INCOME - GAS				
Gas - GAAP operating income	$ 16,563	$ 25,376	$ 37,819	$ 41,675
Amortization of intangible assets	1,309	1,756	2,586	3,375
Restructuring	4,339	(12)	5,423	1,252
Gas - Non-GAAP operating income	$ 22,211	$ 27,120	$ 45,828	$ 46,302
NON-GAAP OPERATING INCOME - WATER				
Water - GAAP operating income	$ 16,686	$ 14,177	$ 25,421	$ 32,253
Amortization of intangible assets	933	1,423	1,843	2,764
Restructuring	995	115	2,013	51
Water - Non-GAAP operating income	$ 18,614	$ 15,715	$ 29,277	$ 35,068
NON-GAAP OPERATING INCOME - CORPORATE UNALLOCATED				
Corporate unallocated - GAAP operating loss	$ (14,080)	$ (24,088)	$ (30,891)	$ (45,521)
Restructuring	(797)	(165)	329	344
Acquisition and integration related expenses	267	—	600	—
Corporate unallocated - Non-GAAP operating loss	$ (14,610)	$ (24,253)	$ (29,962)	$ (45,177)

THANK YOU

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