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

Kenneth Gianella – Vice President, Investor Relations

Third Quarter 2018 Earnings Conference Call

November 5, 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 and FY’18 Guidance Update
» Q&A

Q3'18 SUMMARY

» Strong revenue growth in Q3'18; +22% total and +4% organic

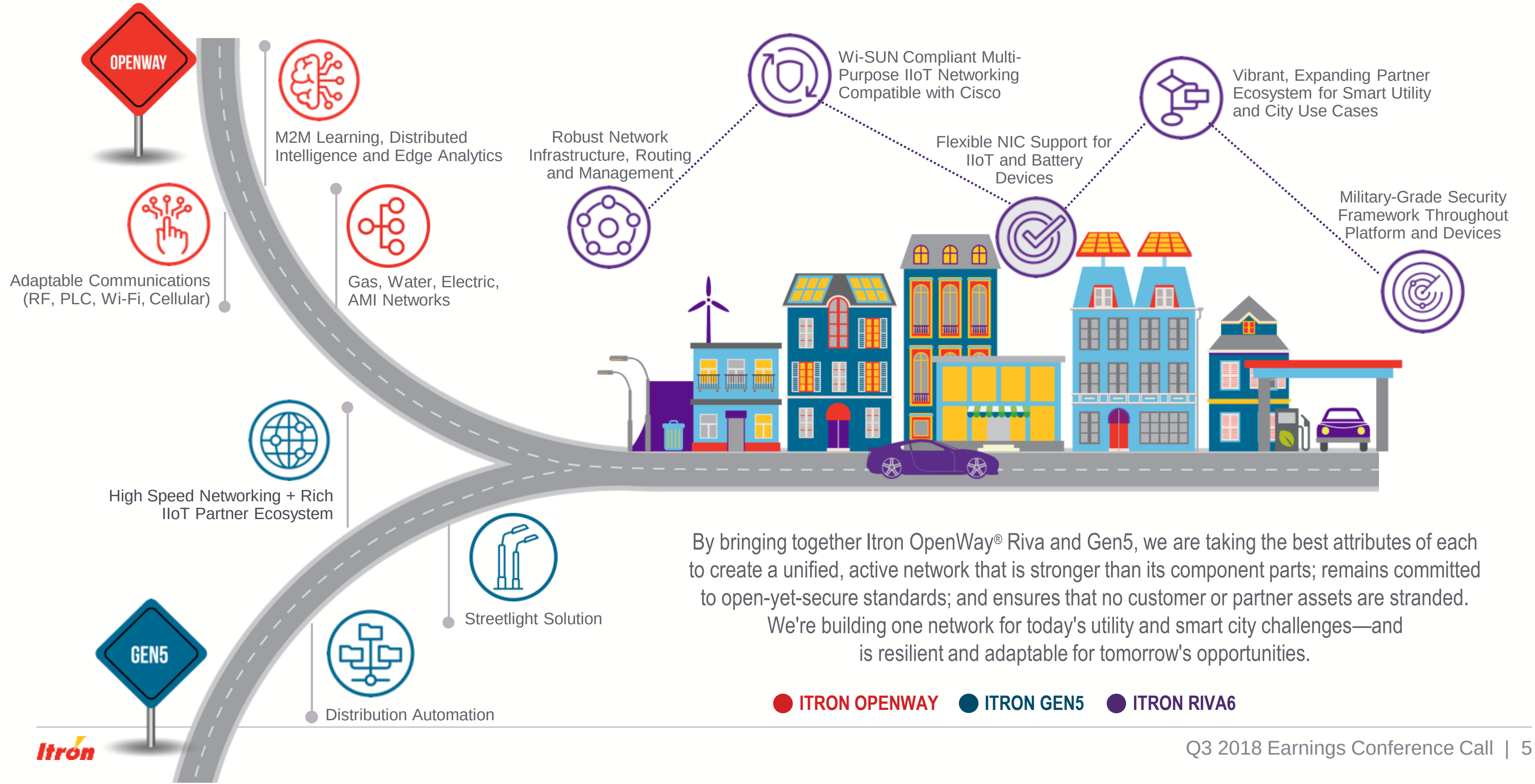
» Significant improvement in quarterly Adj. EBITDA and Non-GAAP EPS YoY and sequentially

» Strong cash flow generation from operations enabling debt de-levering of ~$90 million

» Supply chain challenges continue and are now impacting revenue

» Operational initiatives and disciplined discretionary spend partially offset higher costs

ROAD TO A CONVERGED NETWORK

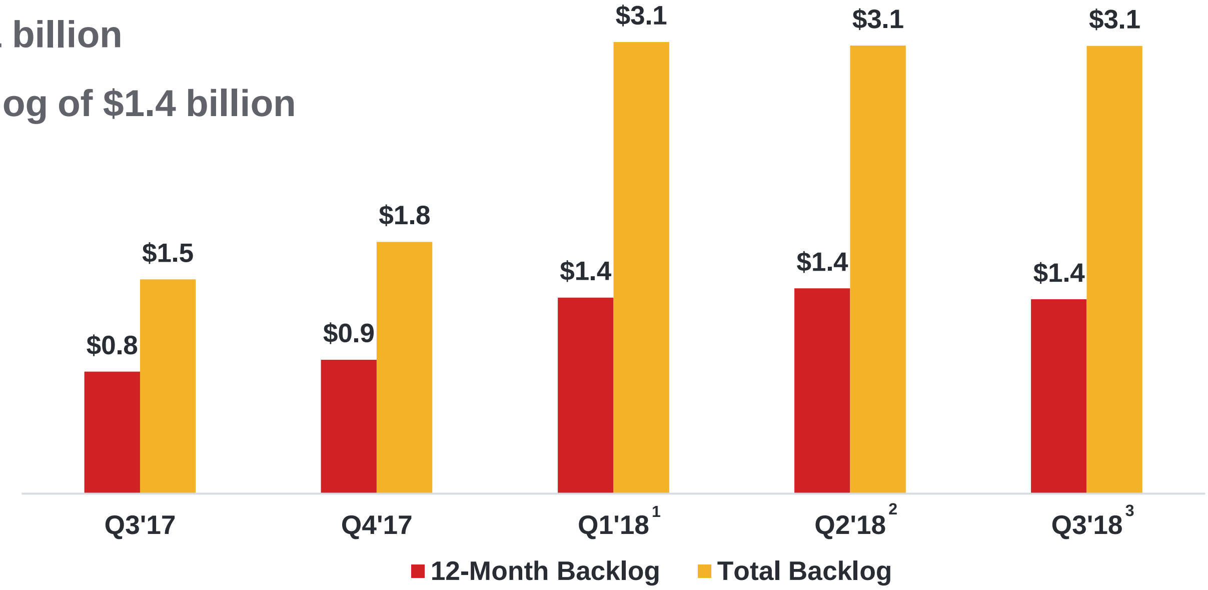


By bringing together Itron OpenWay® Riva and Gen5, we are taking the best attributes of each to create a unified, active network that is stronger than its component parts; remains committed to open-yet-secure standards; and ensures that no customer or partner assets are stranded. We're building one network for today's utility and smart city challenges—and is resilient and adaptable for tomorrow's opportunities.

ITRON OPENWAY ITRON GEN5 ITRON RIVA6

Q3’18 BACKLOG

- Q3’18 bookings of $593 million
- Book to Bill ~1:1
- Backlog of $3.1 billion
- 12-month backlog of $1.4 billion



[1]IEnding backlog includes $1.4 billion and $337 million for total and 12-month backlog, respectively, related to the Networks segment as of March 31, 2018.
[2]Ending backlog includes $1.4 billion $378 million for total and 12-month backlog, respectively, related to the Networks segment as of June 30, 2018.
[3]Ending backlog includes $1.5 billion $406 million for total and 12-month backlog, respectively, related to the Networks segment as of September 30, 2018.
Chart in billions, actual currency rates.

CONSOLIDATED GAAP RESULTS – Q3’18

$ in millions (except per share amounts)	Q3 2018	Q3 2017	Change
Revenue	**$596.0**	$486.7	22%
Change in constant currency			*25%*
Gross margin	**33.1%**	34.1%	-100 bps
Operating income	**$41.7**	$38.2	+9%
Net income attributable to Itron	**$19.9**	$25.6	-22%
Earnings per share - diluted	**$0.50**	$0.65	-23%

» Revenue growth driven by strong performance in Gas and the addition of acquired Networks segment

» Gross margin decline due to higher component and commodity costs, supply chain inefficiencies and special warranty releases in prior year

» Higher operating income driven by higher gross profit and lower discretionary spending, including variable compensation

» GAAP net income reflects $11M of higher interest expense, partially offset by a lower tax expense

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

CONSOLIDATED NON-GAAP & CASH RESULTS – Q3’18

$ in millions (except per share amounts)	**Q3 2018**	Q3 2017	Change
Non-GAAP operating income	**$70.4**	$50.4	+40%
Non-GAAP operating margin	**11.8%**	10.4%	+140 bps
Non-GAAP net income attributable to Itron	**$45.0**	$30.6	+47%
Adjusted EBITDA	**$80.6**	$58.1	+39%
Adjusted EBITDA margin	**13.5%**	11.9%	+160 bps
Non-GAAP earnings per share - diluted	**$1.13**	$0.77	+47%
Cash provided by operating activities	**$50.5**	$21.1	+139%
Free cash flow	**$ 37.3**	$9.5	+293%

» Higher non-GAAP operating income driven by increased gross margin in Gas segment and profit from Networks acquisition

» Excluding acquired operations, operating expenses were down driven by lower variable compensation

» Non-GAAP net income reflects higher operating income and lower effective tax rate, partially offset by higher interest

» Increase in cash flow driven by increased profitability and improved working capital

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

DEBT, LIQUIDITY AND INTEREST COSTS

Debt / Leverage

- » Total debt reduced by $90M in Q3 to ~$1.05B of which over 70% is hedged to fixed rates
- » Net leverage 3.9x at end of Q3, down from 4.5x in Q2

Interest

- » Blended interest rate stable at 4.2% in rising rate environment, reflecting hedged portfolio

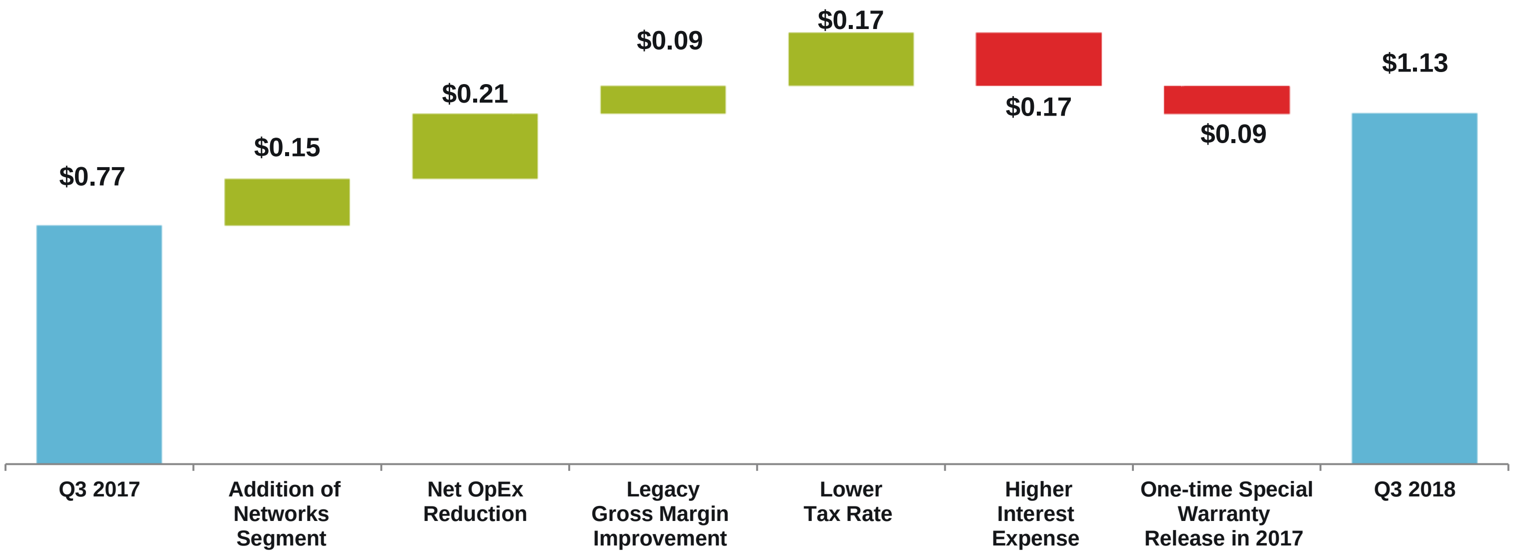
Liquidity

- » Further liquidity is provided by $450M undrawn revolver capacity

REVENUE YEAR-OVER-YEAR BRIDGE – Q3'18

Chart in millions, Q3'17 and Q3'18 totals reflect actual currencies; all variances other than FX exclude currency impact. Chart includes rounding.

NON-GAAP EPS YEAR-OVER-YEAR BRIDGE – Q3’18

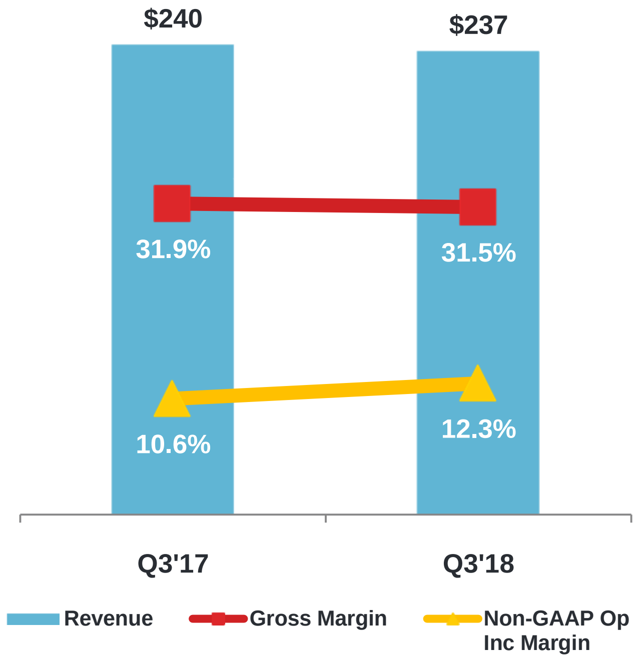


Q3’17 and Q3’18 totals reflect actual currencies; all variances other than FX exclude currency impact. Chart includes rounding.

ELECTRIC SEGMENT – Q3'18 VS. PRIOR YEAR

REVENUE, GROSS MARGIN AND NON-GAAP OPERATING MARGIN

$ in millions, actual currency



» **Revenue down 1% and flat in constant currency**
- Lower C&I shipments in APAC and LAM partially offset by;
- Increased Linky shipments in EMEA
- Continued ramp of Riva deployments in North America

» **Gross margin down 40 bps**
- Higher component costs and supply chain inefficiencies
- International product mix

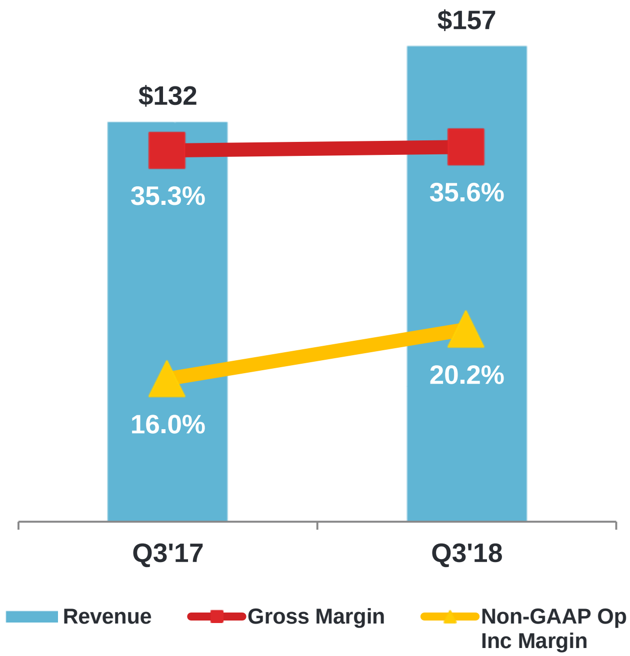
» **Non-GAAP operating margin +170 bps**
- Disciplined discretionary spending
- Benefits from restructuring initiatives

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

GAS SEGMENT – Q3'18 VS. PRIOR YEAR

REVENUE, GROSS MARGIN AND NON-GAAP OPERATING MARGIN

$ in millions, actual currency



» **Revenue +19% and +21% in constant currency**
- Record North America module shipments
- Increasing smart device deployments in EMEA

» **Gross margin +30 bps**
- Favorable product mix of modules vs meters
- Partially offset by higher component costs and supply chain inefficiencies

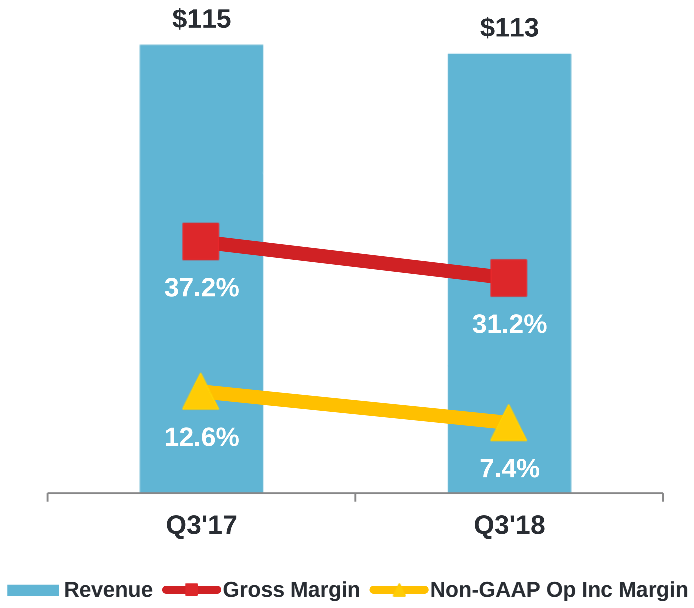
» **Non-GAAP operating margin +420 bps**
- Disciplined discretionary spending
- Improved operating leverage on strong revenue growth

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

WATER SEGMENT – Q3'18 VS. PRIOR YEAR

REVENUE, GROSS MARGIN AND NON-GAAP OPERATING MARGIN

$ in millions, actual currency



» **Revenue down 2% and +1% in constant currency**
- Continued strength in Latin America residential projects
- Higher volumes in Australia

» **Gross margin down 600 bps**
- Higher commodity costs and supply chain inefficiencies
- Release of special warranty reserves +390 bps to prior year GM

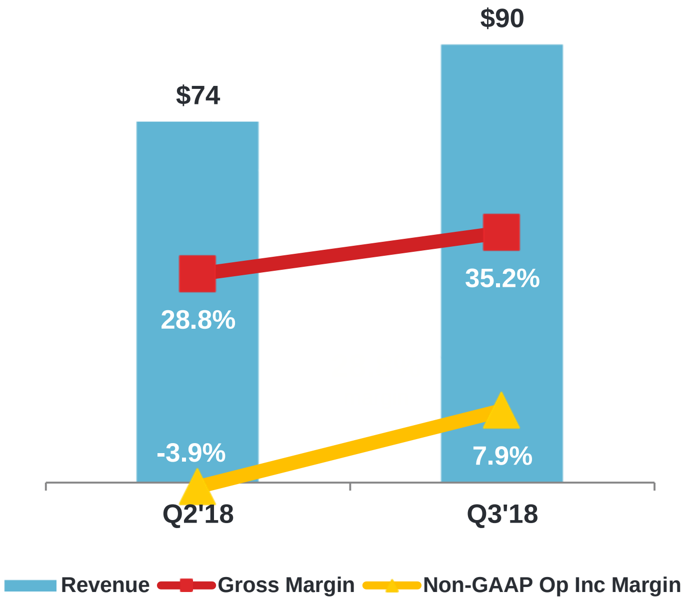
» **Non-GAAP op margin down 520 bps**
- Lower gross profit partially offset by disciplined discretionary spending

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

NETWORKS SEGMENT – Q3’18 VS. Q2’18 SEQUENTIAL

REVENUE, GROSS MARGIN AND NON-GAAP OPERATING MARGIN

$ in millions, actual currency



» **Revenue +22% sequentially**
- Driven by the timing of customer deployments
- Ramping new customer projects

» **Gross margin +640 bps**
- Improved product and customer mix
- Deployment ramp up of new customer territory

» **Non-GAAP operating margin +11.8 pts**
- Improved gross margin on higher revenue

» **>1 million endpoints delivered in Q3’18**
- 33.7 million cumulative

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

FINANCIAL GUIDANCE UPDATE

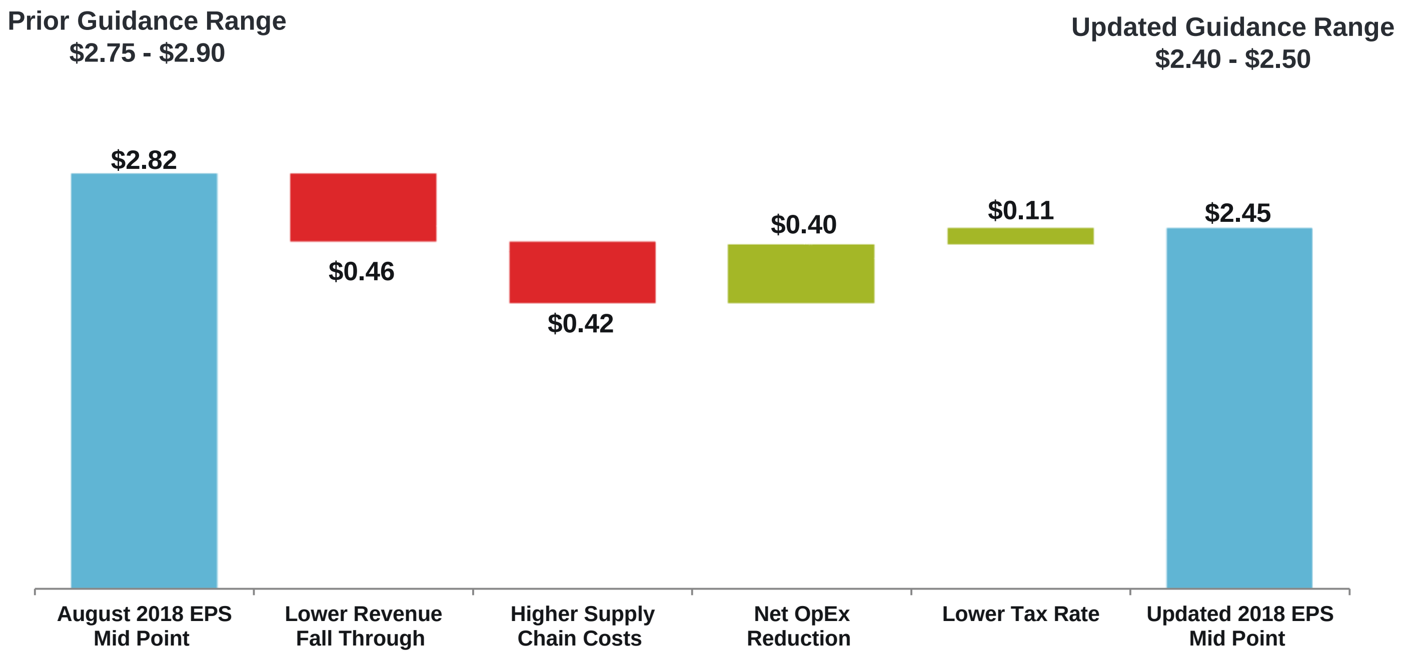
	Updated FY'18 Guidance (provided on 11/5/18)	Prior FY'18 Guidance (provided on 8/6/18)
Revenue	**$2.370 - $2.390B**	$2.425 - $2.475B
Non-GAAP EPS	**$2.40 - $2.50**	$2.75 - $2.90

The revised guidance assumes a euro to US dollar foreign exchange rate of 1.15 on average in the fourth quarter of 2018, average fully diluted shares outstanding of approximately 40 million for the year, a non-GAAP effective tax rate for the year of approximately 27 percent and interest expense of approximately $51 million for the full year.

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.

2018 NON-GAAP EPS GUIDANCE BRIDGE ESTIMATES

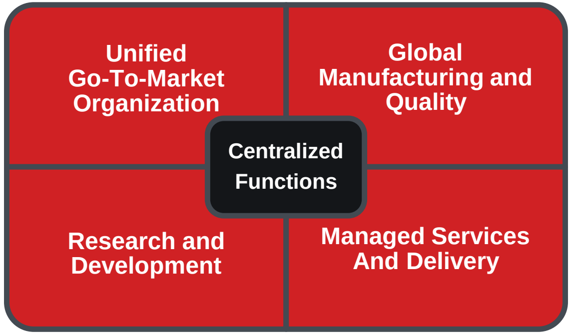
Mid Point of Prior Guidance to Mid Point of Updated Guidance estimates on a per share basis



Note: Non-GAAP EPS guidance bridge is illustrative at the midpoint of guidance.

ITRON'S NEW SEGMENT ALIGNMENT

Transitioning our operating model



- Business aligned to customer solutions with centralized shared functions for scale
- Driven by evolving customers and markets; plus the integration of recent acquisitions
- Solution focused business units with a single, global "Go-To-Market" team
- Improved visibility of business to investors

NEW SEGMENTATION OVERVIEW

Device Solutions	Networked Solutions	Outcomes
Typically hardware products used for measurement, control, or sensing without communications capability or utilizing communications standards where Itron does not intend to promote an “End-to-End” solution.	Combination of end points and network infrastructure designed and sold as a complete solution for purpose of robustly acquiring and transporting application specific data.	Value added services, software, and products that organize, analyze and interpret data for the purpose of gaining insights, making decisions, and informing actions.
<u>Examples:</u> Basic Meter, or “Linky” Meter (France Smart Spec)	<u>Example:</u> RIVA Meter + Collection Hardware + Network Management Software	<u>Examples:</u> Managed Services to run AMI System, or Theft Detection Algorithm

APPENDIX

- YTD’18 Results
- Revenue - FX impact summary
- GAAP to Non-GAAP Reconciliations

CONSOLIDATED GAAP RESULTS – YTD'18

$ in millions (except per share amounts)	YTD 2018	YTD 2017	Change
Revenue	**$1,789.1**	$1,467.4	+22%
Growth in constant currency			*+20%*
Gross margin	**30.9%**	34.2%	-330 bps
Operating income (loss)	**($78.2)**	$106.7	NM
Net income (loss) attributable to Itron	**($123.1)**	$55.5	NM
Earnings per share - diluted	**($3.14)**	$1.41	NM

» Revenue growth from strong smart solution deliveries and the addition of the Networks segment

» Gross margin decline on product mix, supply chain inefficiencies, higher component and commodity costs, and an insurance recovery and special warranty release in prior year

» Lower GAAP operating income (loss) due to restructuring and acquisition & integration-related charges

» GAAP net income (loss) reflects lower operating income and $34 million higher interest expense

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

CONSOLIDATED NON-GAAP & CASH RESULTS – YTD’18

$ in millions (except per share amounts)	**YTD 2018**	YTD 2017	Change
Non-GAAP operating income	**$142.3**	$143.3	-1%
Non-GAAP operating margin	**8.0%**	9.8%	-180 bps
Adjusted EBITDA	**$177.0**	$163.8	+8%
Adjusted EBITDA margin	**9.9%**	11.2%	-130 bps
Non-GAAP earnings per share - diluted	**$1.77**	$2.05	-14%
Net cash from operating activities	**$67.4**	$114.5	-41%
Free cash flow	**$24.9**	$81.0	-69%

- » Gross margin performance and increased operating expenses drove reduced non-GAAP operating income
- » Non-GAAP net income reflects lower operating income and increase in interest expense
- » Lower cash flow driven by acquisition & integration expenses and higher interest expense

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

REVENUE YEAR-OVER-YEAR BRIDGE – YTD'18

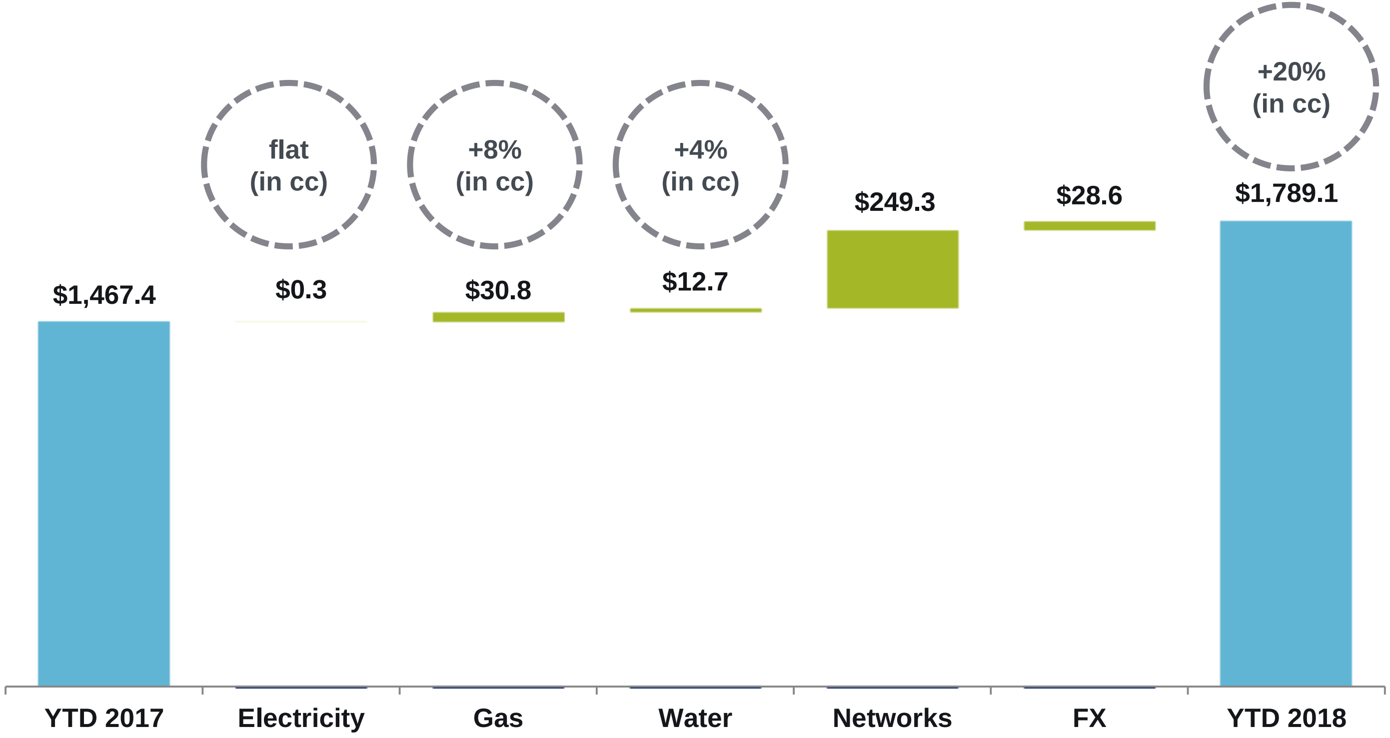
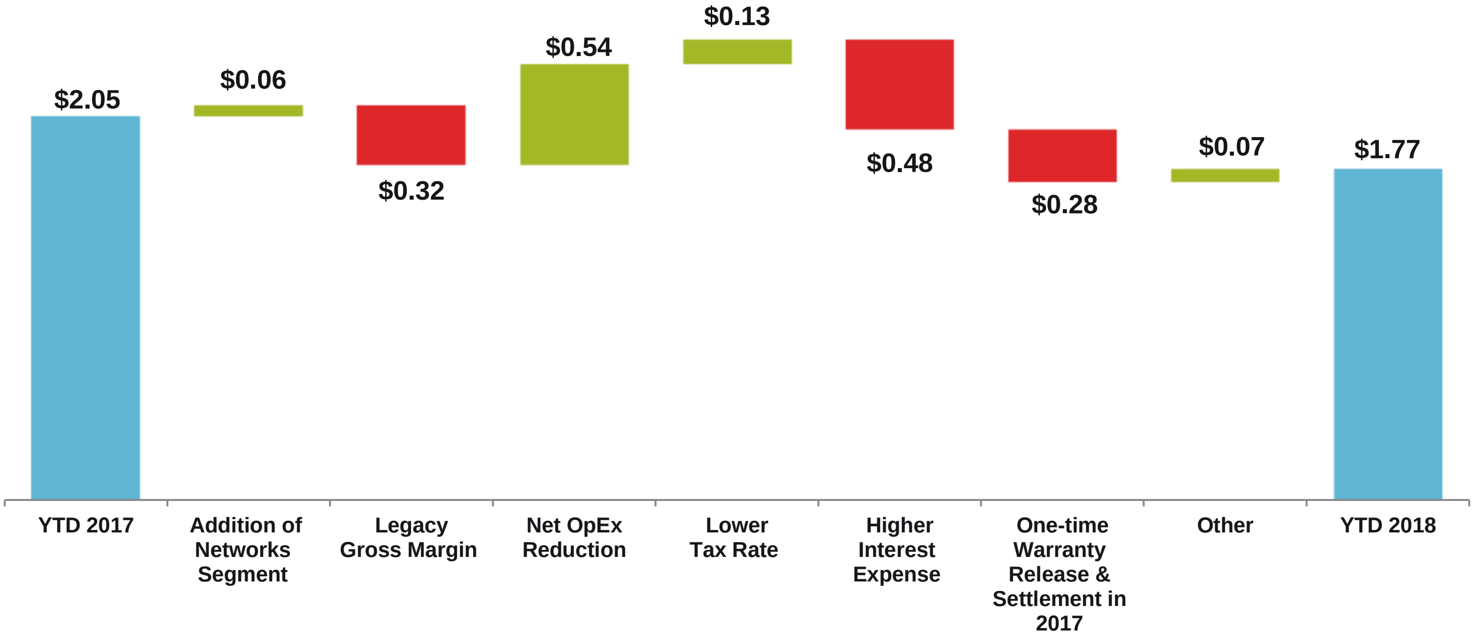


Chart in millions, YTD'17 and YTD'18 totals reflect actual currencies; all variances other than FX exclude currency impact

NON-GAAP EPS YEAR-OVER-YEAR BRIDGE – YTD'18

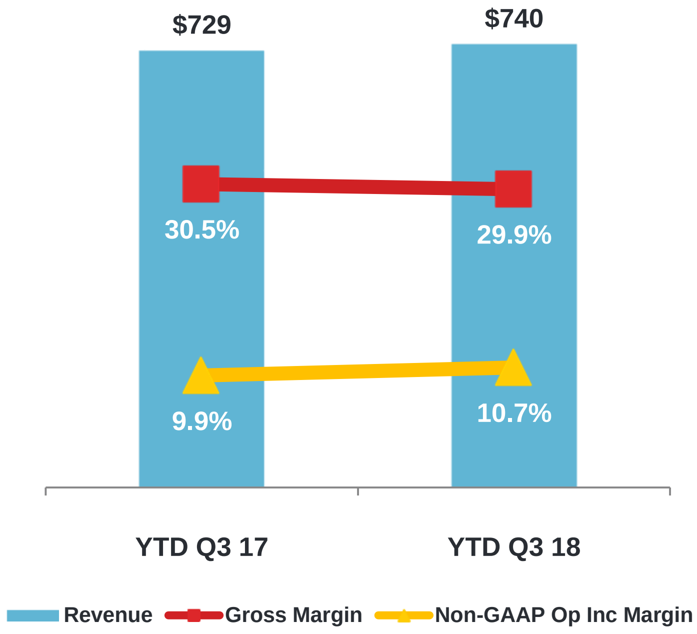


YTD'17 and YTD'18 totals reflect actual currencies; all variances other than FX exclude currency impact

ELECTRICITY SEGMENT – YTD’18 VS. PRIOR YEAR

REVENUE, GROSS MARGIN AND NON-GAAP OPERATING MARGIN

$ in millions, actual currency



» **Revenue +1% and flat in constant currency**
- Strong smart volumes, driven by EMEA
- Riva deployments ramping in North America
- Accelerating Linky shipments in France
- Increased managed services revenue

» **Gross margin down 60 bps**
- Higher component costs and supply chain inefficiencies

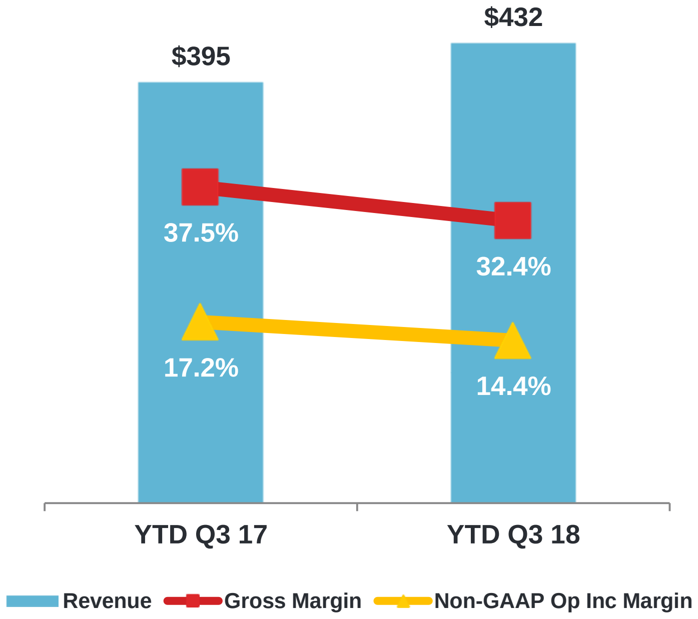
» **Non-GAAP operating margin +80 bps**
- Disciplined discretionary spending
- Benefits from restructuring initiatives

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

GAS SEGMENT – YTD'18 VS. PRIOR YEAR

REVENUE, GROSS MARGIN AND NON-GAAP OPERATING MARGIN

$ in millions, actual currency



» **Revenue +9% and +8% and in constant currency**
- Ramp of Riva deployments in North America
- Accelerating smart device shipments in EMEA

» **Gross margin down 510 bps**
- Product mix of meters vs. modules
- Higher component costs and supply chain inefficiencies
- Increased warranty expense

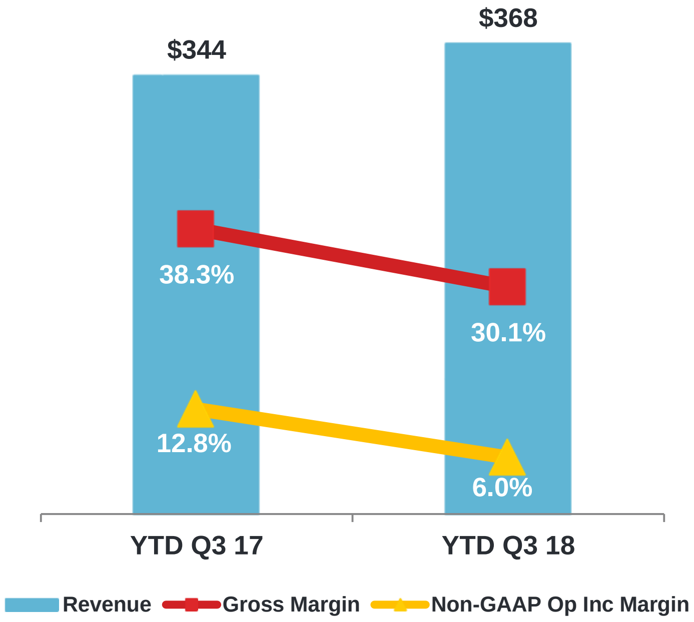
» **Non-GAAP operating margin down 280 bps**
- Lower gross margin partially offset by reduced OpEx
- Reduced OpEx includes lower variable compensation

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

WATER SEGMENT – YTD’18 VS. PRIOR YEAR

REVENUE, GROSS MARGIN AND NON-GAAP OPERATING MARGIN

$ in millions, actual currency



» **Revenue +7% and +4% and in constant currency**
- Growth driven by North America smart solutions
- Continued recovery of project funding in Latin America

» **Gross margin down 820 bps (440 bps adj.)[1]**
- Higher commodity costs and supply chain inefficiencies
- Insurance recovery and release of special warrant reserve in 2017

» **Non-GAAP op margin down 680 bps (300 bps adj.)[1]**
- Decreased gross profit
- Partially offset by improved operating leverage

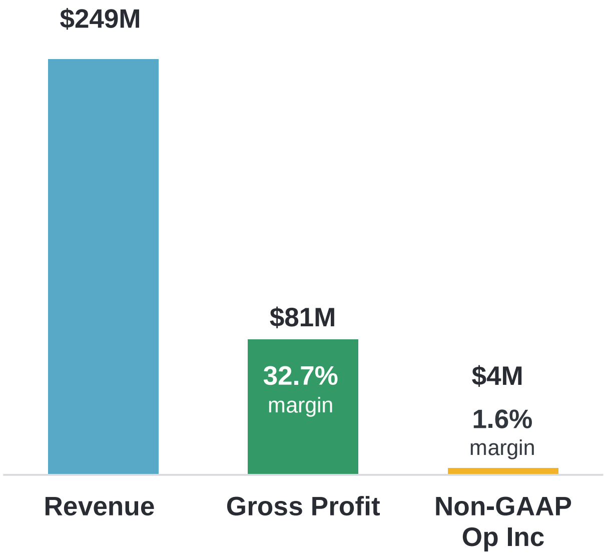
[1]YTD’17 results include an $8 million warranty recovery and $5 million release of a special warranty reserve. Excluding these benefits, YTD’17 gross margin and non-GAAP operating margin were 34.5% and 9.0%, respectively.

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

NETWORKS SEGMENT – YTD’18 ACTUAL

REVENUE, GROSS MARGIN AND NON-GAAP OPERATING MARGIN

$ in millions, actual currency



» **Revenue of $249 million**
- Strong North America networks and managed service solutions

» **Gross margin of 32.7%**
- Reflects improving product and customer mix
- Includes negative 170 bps impact of purchase price accounting

» **Non-GAAP operating margin of 1.6%**

» **3.1 million endpoints delivered YTD’18**
- 33.7 million cumulative

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

REVENUE – FX IMPACT SUMMARY

$ in millions

Average Euro/USD:
$1.16 Q3’18 vs $1.17 Q3’17

Revenue	Q3'18	YoY Change	YoY Change Excluding FX
Electricity	$236.8	-1.4%	-0.3%
Gas	$156.7	18.9%	21.3%
Water	$112.6	-2.0%	1.2%
INS	$89.8	--	--%
Total	$596.0	**22.4%**	**24.7%**

Average Euro/USD:
$1.16 YTD’18 vs $1.11 YTD’17

Revenue	Q3 YTD ‘18	YoY Change	YoY Change Excluding FX
Electricity	$739.8	1.5%	0.0%
Gas	$431.5	9.3%	7.7%
Water	$368.4	7.3%	3.6%
INS	$249.3	--	--%
Total	$1,789.1	**21.9%**	**19.6%**

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 September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
NON-GAAP NET INCOME & DILUTED EPS				
GAAP net income (loss) attributable to Itron, Inc.	$ 19,882	$ 25,576	$ (123,127)	$ 55,518
Amortization of intangible assets	17,960	5,625	53,699	15,144
Amortization of debt placement fees	1,178	242	5,693	725
Restructuring	666	(678)	82,908	7,417
Acquisition and integration related expense	10,079	7,243	83,874	14,044
Income tax effect of non-GAAP adjustments	(4,719)	(7,423)	(32,451)	(12,153)
Non-GAAP net income attributable to Itron, Inc.	$ 45,046	$ 30,585	$ 70,596	$ 80,695
Non-GAAP diluted EPS	$ 1.13	$ 0.77	$ 1.77	$ 2.05
Weighted average common shares outstanding - Diluted	39,909	39,467	39,825	39,339
ADJUSTED EBITDA				
GAAP net income (loss) attributable to Itron, Inc.	$ 19,882	$ 25,576	$ (123,127)	$ 55,518
Interest income	(431)	(729)	(1,725)	(1,468)
Interest expense	14,171	3,466	44,320	10,076
Income tax provision (benefit)	5,715	6,640	(1,692)	32,247
Depreciation and amortization	30,449	16,532	92,428	46,000
Restructuring	666	(678)	82,908	7,417
Acquisition and integration related expense	10,079	7,243	83,874	14,044
Adjusted EBITDA	$ 80,531	$ 58,050	$ 176,986	$ 163,834

GAAP TO NON-GAAP RECONCILIATIONS

(Unaudited, in thousands, except per share data)

TOTAL COMPANY RECONCILIATIONS	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
FREE CASH FLOW				
Net cash provided by operating activities	$ 50,504	$ 21,057	$ 67,383	$ 114,501
Acquisitions of property, plant, and equipment	(13,184)	(11,595)	(42,493)	(33,493)
Free Cash Flow	$ 37,320	$ 9,462	$ 24,890	$ 81,008
NON-GAAP OPERATING INCOME				
GAAP operating income (loss)	$ 41,676	$ 38,226	$ (78,209)	$ 106,681
Amortization of intangible assets	17,960	5,625	53,699	15,144
Restructuring	666	(678)	82,908	7,417
Acquisition and integration related expense	10,079	7,243	83,874	14,044
Non-GAAP operating income	$ 70,381	$ 50,416	$ 142,272	$ 143,286
NON-GAAP OPERATING EXPENSES				
GAAP operating expenses	$ 155,421	$ 127,529	$ 631,738	$ 394,988
Amortization of intangible assets	(17,960)	(5,625)	(53,699)	(15,144)
Restructuring	(666)	678	(82,908)	(7,417)
Acquisition and integration related expense	(10,079)	(7,243)	(83,874)	(14,044)
Non-GAAP operating expenses	$ 126,716	$ 115,339	$ 411,257	$ 358,383

GAAP TO NON-GAAP RECONCILIATIONS

(Unaudited, in thousands)

SEGMENT RECONCILIATIONS	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
NON-GAAP OPERATING INCOME - ELECTRICITY				
Electricity - GAAP operating income	$ 25,853	$ 17,317	$ 52,082	$ 52,240
Amortization of intangible assets	2,772	3,260	8,494	8,350
Restructuring	350	1,227	19,805	1,557
Acquisition and integration related expense (recovery)	45	3,586	(876)	9,787
Electricity - Non-GAAP operating income	$ 29,020	$ 25,390	$ 79,505	$ 71,934
NON-GAAP OPERATING INCOME - GAS				
Gas - GAAP operating income	$ 31,279	$ 20,469	$ 18,176	$ 59,177
Amortization of intangible assets	1,078	1,375	3,309	3,961
Restructuring	(669)	(706)	40,792	4,717
Gas - Non-GAAP operating income	$ 31,688	$ 21,138	$ 62,277	$ 67,855
NON-GAAP OPERATING INCOME - WATER				
Water - GAAP operating income	$ 6,859	$ 15,032	$ 3,973	$ 40,702
Amortization of intangible assets	809	990	2,452	2,833
Restructuring	639	(1,567)	15,632	446
Acquisition and integration related expense	49	—	49	—
Water - Non-GAAP operating income	$ 8,356	$ 14,455	$ 22,106	$ 43,981

GAAP TO NON-GAAP RECONCILIATIONS

(Unaudited, in thousands)

SEGMENT RECONCILIATIONS	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
NON-GAAP OPERATING INCOME - NETWORKS				
Networks - GAAP operating loss	$ (15,624)	$ —	$ (119,353)	$ —
Amortization of intangible assets	13,301	—	39,444	—
Acquisition and integration related expense	9,381	—	83,940	—
Networks - Non-GAAP operating income	$ 7,058	$ —	$ 4,031	$ —
NON-GAAP OPERATING INCOME - CORPORATE UNALLOCATED				
Corporate unallocated - GAAP operating loss	$ (6,691)	$ (14,592)	$ (33,087)	$ (45,438)
Restructuring	346	368	6,679	697
Acquisition and integration related expense	604	3,657	761	4,257
Corporate unallocated - Non-GAAP operating loss	$ (5,741)	$ (10,567)	$ (25,647)	$ (40,484)

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