



Investor Update

May 2020

FORWARD LOOKING STATEMENTS

Certain matters in this presentation and being discussed today, 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, expectations of market growth, 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. The Company does not intend and does not assume any obligation to update or revise any forward-looking statements in this presentation after the date they are made. Listeners 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 most recently filed 10-K, copies of which may be accessed through the SEC's website at <http://www.sec.gov>.

Current data and other statistical information used throughout this presentation are based on independent industry publications, government publications, and reports by market research firms or other published independent sources. Some data are also based on our good faith estimates, which are derived from our review of internal surveys as well as the independent sources listed above. We believe that these sources are reliable.

In an effort to provide additional information regarding the Company's financial results as determined by generally accepted accounting principles (GAAP), this presentation contains certain non-GAAP financial measures such as constant currency, non-GAAP operating income and margin, adjusted EBITDA and margin and free cash flow. The rationale for management's use of non-GAAP information and a reconciliation of the non-GAAP measures and the most directly comparable GAAP measures are included in the Appendix of this presentation. Non-GAAP performance measures should be considered in addition to, and not as a substitute for, results prepared in accordance with GAAP.

Due to the fluid nature of the COVID-19 pandemic that has had global economic impacts including disrupting global supply chains and creating market volatility, the Company estimates regarding the impact of COVID-19 on current or on forward-looking statements are made in a good faith attempt to provide appropriate insight to our current and future operating and financial environment. Materials discussed as "estimates", "insight", or "beliefs" are made as of today, May 4, 2020 and may materially change due to such factors including, but are not limited to, uncertainties caused by adverse economic conditions, extraordinary events or circumstances and their impact on our customers' businesses and workforce levels, disruptions of our business and operations, including limitations on, or closures of, our facilities, or the business and operations of our customers or suppliers. For more information on risks associated with the COVID-19 pandemic, please see Itron's filings with the SEC.

OUR PURPOSE AND VISION

ITRON IS DEDICATED TO CREATING A MORE RESOURCEFUL WORLD

We believe that the way we manage energy and water will define this century.

By working with our customers to ensure their success, we can **improve the quality of life, ensure the safety and promote the well-being of people** around the globe.



ITRON AT-A-GLANCE

Itron enables utilities and cities to safely, securely and reliably deliver critical infrastructure services that measure, manage, and provide data analytics that enable them to responsibly and efficiently manage resources in the communities they serve. With over 40 years of experience and over...



8,000

CUSTOMERS IN
100 COUNTRIES



>200M

COMMUNICATING
ENDPOINTS



>60M

ENDPOINTS UNDER
MANAGEMENT



~3M

STREETLIGHTS UNDER
MANAGEMENT



7,900

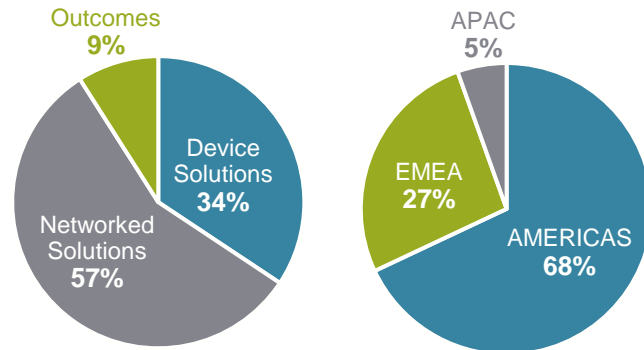
PEOPLE
ACROSS THE GLOBE



+250

PARTNERS IN A BROAD
ECOSYSTEM OF SOLUTIONS

\$2.5B 2019 REVENUE & REVENUE MIX OF:



With a Q1'2020:

>\$3.0B
BACKLOG

>\$1.3B
12-MONTH BACKLOG

Note: Revenue reported year ending December 31, 2019 and Backlog as of March 31, 2020, all other data points rounded or estimated based on internal Itron source material

STATE OF THE BUSINESS

Q1'20 performance dampened by COVID-19

- » Q1 revenue decreased 1% YOY in constant currency due to disruptions related to COVID-19
- » Sufficient liquidity to fund operations with Cash and Equivalents of \$555 million
- » Total backlog of \$3.0B and 12-month backlog of \$1.3B as of March 31 is similar to prior year

The operational impact of COVID-19 remains fluid

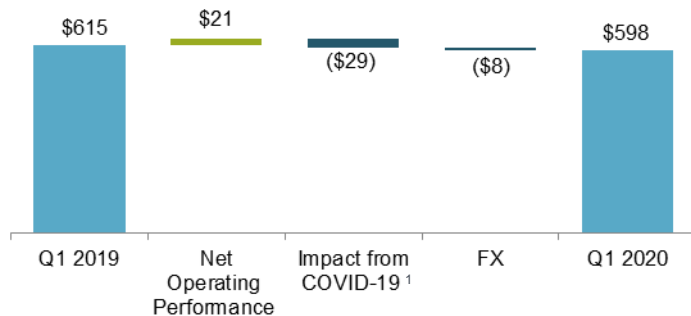
- » Our priority is the health and safety of our employees while meeting the customer demand
- » Suspended full year 2020 financial guidance due to uncertainty of impact; Provided insight into Q2'20
- » Actively monitoring “key signals” for the recovery

Long-term strategy remains intact

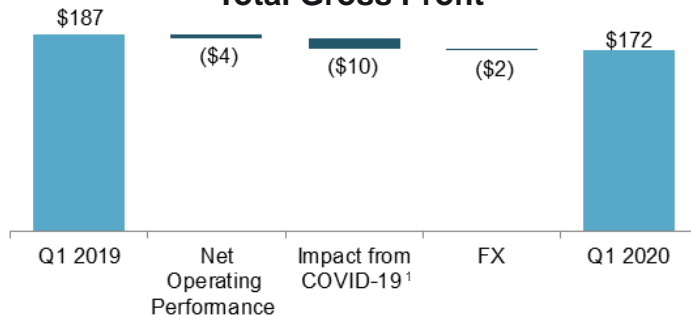
- » Extending leadership position in smart energy and smart city solutions
- » Converged product portfolio of Gen X network and Riva Distributed Intelligent devices
- » Partnering with utilities through strategic initiatives to support smart city and smart community programs

NAVIGATING COVID-19 IMPACT IN Q1'20

Total Company Revenue



Total Gross Profit



Note: The above figures include rounded numbers.

1. The estimated impact from COVID-19 is based on management's best estimates.

» Employees

- Our employee's health and safety is our priority; Instituted additional processes to protect them
- Implemented social distancing, extended sick leave, and work from home where possible

» Customers

- Remain dedicated to supporting our customers who provide critical infrastructure
- Some temporal deployment delays; Working with customers and governments on timing to resume

» Supply Chain

- Temporarily suspended production in some facilities, but ramp-up now in process in a safe manner
- Constrained component and logistics landscape; Seeing recovery in earliest hit regions

INDUSTRY AND ITRON OVERVIEW

DYNAMIC FORCES IMPACTING OUR INDUSTRY

Recent pandemic highlights critical role Itron technology plays in utility eco-system

INFRASTRUCTURE



- » Managing Demand Needs
- » Aging Infrastructure
- » Grid Security
- » Clean Energy & Storage
- » Electric Vehicles

ENVIRONMENTAL



- » Remote Pandemic Management
- » Extreme Weather
- » Resource Sustainability
- » Safety and Prevention
- » Monitoring and Management

SOCIAL



- » Supporting Critical Need Customers
- » Enhanced Customer Experience
- » Global Urbanization
- » Internet of Things
- » Generating “Big Data”

Itron enables customers to leverage the power of a smart platform

IN A RESILIENT INDUSTRY, OUR PATH TO RECOVERY

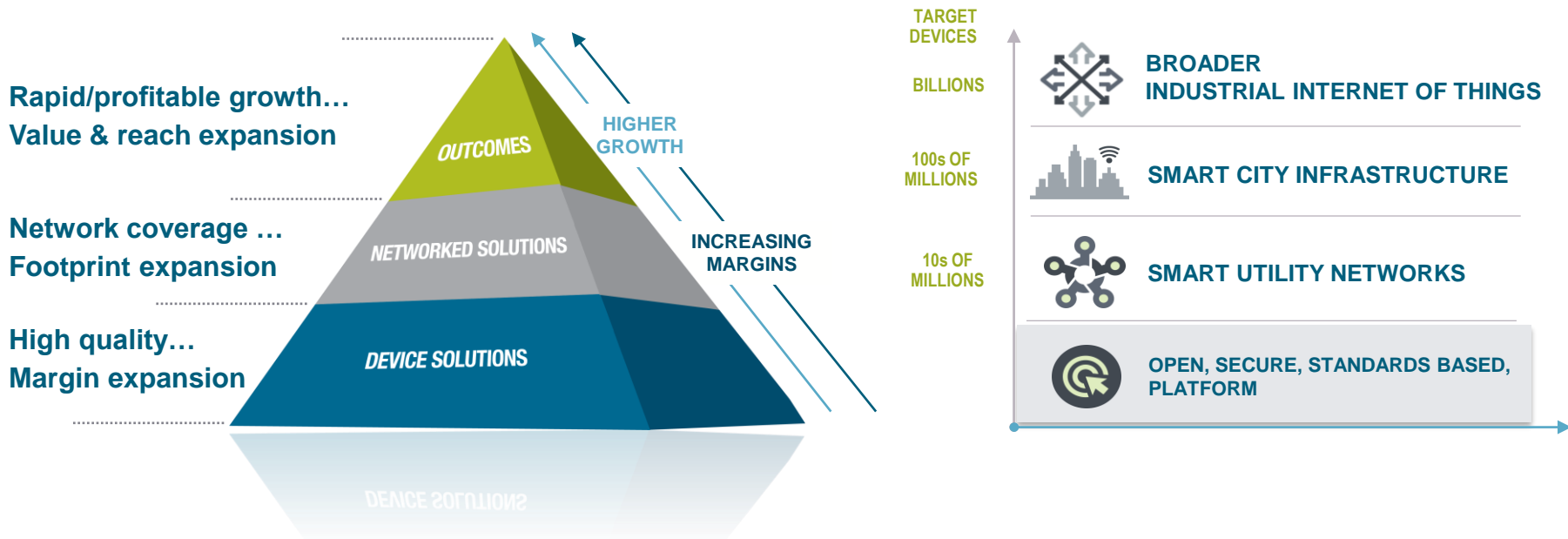
Leading indicators to signal that Itron's operating environment is improving

- » Local shelter in place restrictions being lifted / local businesses reopening
- » Itron local factories being operational
- » Global supply chain & logistics stabilization
- » Existing projects and deployments resume
 - » Anticipate Larger IOU and State Grids to recover faster
 - » Smaller utilities and municipalities may face near term challenges
- » Customer capital is prioritized to new projects and deployments
- » Regulatory cycle in current economic conditions



OUR MODEL SUPPORTS CRITICAL INFRASTRUCTURE

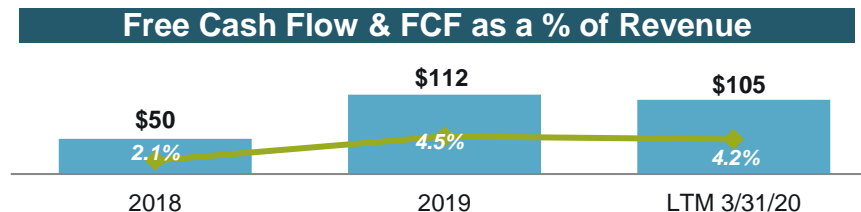
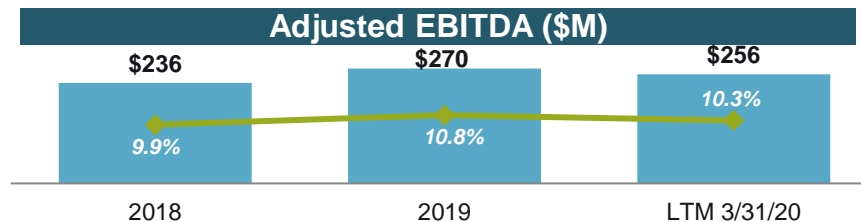
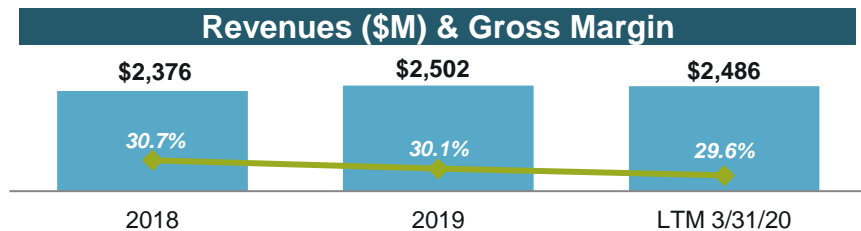
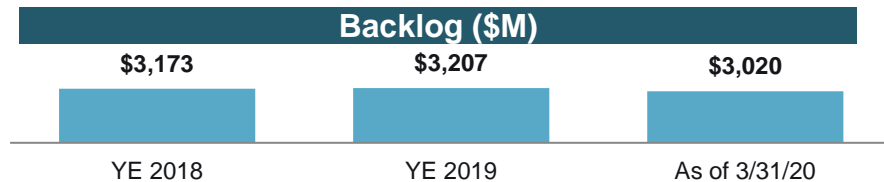
Solutions via open standards-based technology that transcend multiple verticals



Unified go-to-market organization, focused on accelerating growth and delivering customer success

FINANCIAL PERSPECTIVES

TRENDED FINANCIAL METRICS



- » Strong backlog with multi-year projects
- » Q1'20 impact from COVID-19 related delays impact LTM
- » Early stages in rotation to higher growth smart solutions;
- » Positioned for strong FCF as operating environment improves

DEBT AND LIQUIDITY OVERVIEW

US\$M



1. Total debt includes unamortized prepaid debt fees.

Debt

- » Net leverage 3.1x at end of Q1'20
- » No debt payments due in 2020
- » Term Loan due 2024 and Senior Note 2026

Free Cash Flow and Liquidity

- » Free cash flow of \$6 million
- » \$400M draw on revolving credit facility to ensure sufficient liquidity in an uncertain environment
- » Cash and equivalents was \$555 million
- » Capital priority is cash conservation
- » Post-COVID priority repay revolver and delever

Q2'20 INSIGHT

- » Suspending prior full year 2020 guidance due to uncertainty around the impact of COVID-19
- » Insight into Q2'20:
 - Revenue between \$475M - \$500M
 - Non-GAAP EPS between negative \$(0.30) - \$(0.10)
 - Free Cash Flow of negative \$(85)M to \$(70)M
- » Anticipate Q2'20 being the low point for these metrics

ITRON INVESTMENT THESIS

POSITIONED TO NAVIGATE NEAR-TERM



Support a Resilient Industry
with Critical Utility and
Smart City Infrastructure



Only U.S.-based
Industrial IoT “pureplay”
in our industry



Sufficient Liquidity and
no Debt payments due
in 2020

BUILT FOR THE LONG-TERM



Improving Operating
Leverage and Earnings Power



Positioned for
Free Cash Flow
Growth



ESG Principles
Embedded in DNA

APPENDIX

Q1'2020 ITRON SUMMARY OF RESULTS

CONSOLIDATED GAAP RESULTS – Q1'20

<i>\$ in millions (except per share amounts)</i>	Q1 2020	Q1 2019	Change
Revenue	\$598.4	\$614.6	-3%
<i>Change in constant currency</i>			-1%
Gross margin	28.7%	30.5%	-180 bps
Operating income	\$26.4	\$20.8	27%
Net income attributable to Itron, Inc.	\$8.7	(\$1.9)	NM
Earnings per share - diluted	\$0.21	(\$0.05)	NM

- » Revenue down 3% YOY driven primarily by missed shipments or logistics delays due to COVID-19
- » Gross margin of 28.7% decreased 180 bps primarily due to the impact of product mix and manufacturing inefficiencies
- » GAAP net income improved YOY due to lower acquisition and amortization expenses and a lower GAAP effective tax rate

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

CONSOLIDATED NON-GAAP & CASH RESULTS – Q1'20

<i>\$ in millions (except per share amounts)</i>	Q1 2020	Q1 2019	Change
Non-GAAP operating income	\$38.5	\$56.7	-32%
Non-GAAP operating margin	6.4%	9.2%	-280 bps
Non-GAAP net income attributable to Itron, Inc.	\$23.0	\$27.9	-18%
Non-GAAP earnings per share - diluted	\$0.57	\$0.70	-19%
Adjusted EBITDA	\$52.0	\$65.8	-21%
Adjusted EBITDA margin	8.7%	10.7%	-200 bps
Net cash provided by operating activities	\$18.9	\$24.9	-24%
Free cash flow	\$6.3	\$13.5	-53%

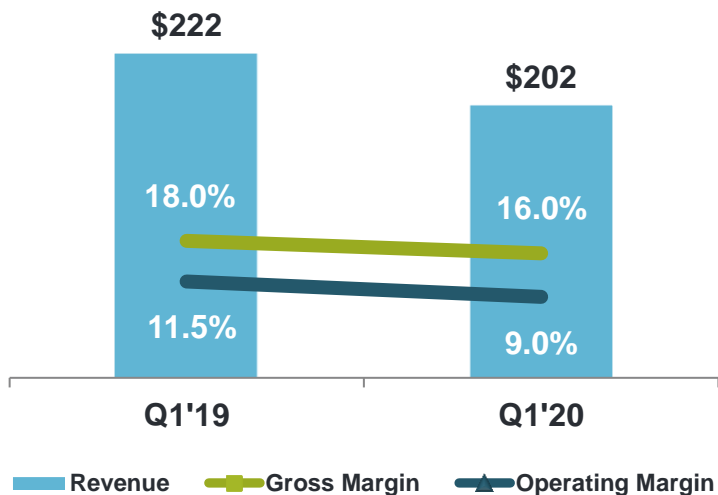
- » Non-GAAP op inc and adj EBITDA decreased due to lower gross profit and increased product development investment
- » Non-GAAP net income decreased primarily due to lower non-GAAP operating income
- » Free cash flow decreased to \$6.3M from \$13.5M in the prior year

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

DEVICE SOLUTIONS SEGMENT – Q1'20

REVENUE, GROSS MARGIN AND OPERATING MARGIN

\$ in Millions, actual currency



» Revenue down 9% and 6% in constant currency

- Decrease primarily due to COVID-19 related delays

» Gross margin down 200 bps

- Due to product mix and manufacturing inefficiencies

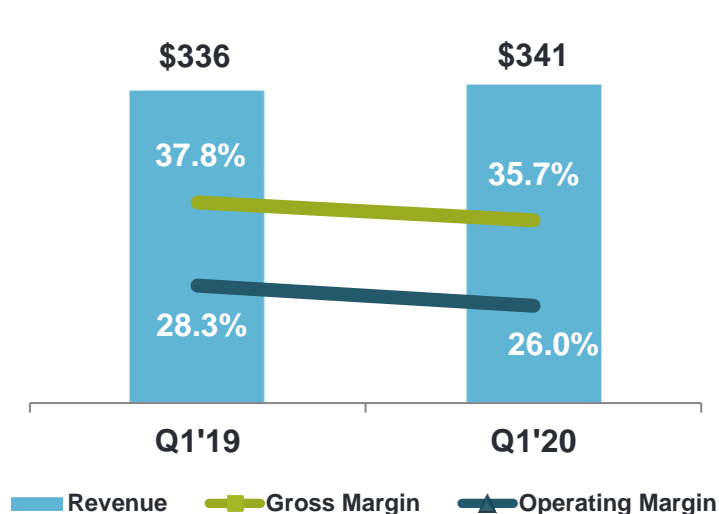
» Operating margin down 250 bps

- Fall through of lower gross profit

NETWORKED SOLUTIONS SEGMENT – Q1'20

REVENUE, GROSS MARGIN AND OPERATING MARGIN

\$ in Millions, actual currency



» Revenue +1% as reported and in constant currency

- Continue strength in North America AMI deployments
- Offset by missed shipments and delays related to COVID-19

» Gross margin down 210 bps

- Due to product mix and manufacturing inefficiencies
- Higher deployment costs

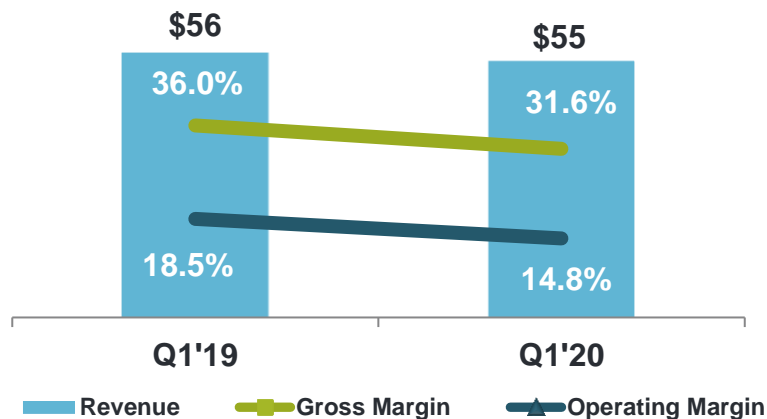
» Operating margin down 230 bps

- Increased investment in product development

OUTCOMES SEGMENT – Q1'20

REVENUE, GROSS MARGIN AND OPERATING MARGIN

\$ in Millions, actual currency



» Revenue down 2% and 1% in constant currency

- Decrease due to timing of customer projects

» Gross margin down 440 bps

- Tough YoY compare with strong mix of higher-margin software in Q1'19

» Operating margin down 370 bps

- Fall through of lower gross margin partially offset by lower OpEx

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 March 31,	
	2020	2019
NON-GAAP OPERATING EXPENSES		
GAAP operating expenses	\$ 145,196	\$ 166,440
Amortization of intangible assets	(11,165)	(15,973)
Restructuring	248	(7,262)
Corporate transition cost	40	(1,083)
Acquisition and integration related expense	(1,272)	(11,565)
Non-GAAP operating expenses	<u>\$ 133,047</u>	<u>\$ 130,557</u>
NON-GAAP OPERATING INCOME		
GAAP operating income	\$ 26,370	\$ 20,823
Amortization of intangible assets	11,165	15,973
Restructuring	(248)	7,262
Corporate transition cost	(40)	1,083
Acquisition and integration related expense	1,272	11,565
Non-GAAP operating income	<u>\$ 38,519</u>	<u>\$ 56,706</u>
NON-GAAP NET INCOME & DILUTED EPS		
GAAP net income (loss) attributable to Itron, Inc.	\$ 8,684	\$ (1,907)
Amortization of intangible assets	11,165	15,973
Amortization of debt placement fees	963	1,156
Restructuring	(248)	7,262
Corporate transition cost	(40)	1,083
Acquisition and integration related expense	1,272	11,565
Income tax effect of non-GAAP adjustments	1,173	(7,242)
Non-GAAP net income attributable to Itron, Inc.	<u>\$ 22,969</u>	<u>\$ 27,890</u>
Non-GAAP diluted EPS	<u>\$ 0.57</u>	<u>\$ 0.70</u>
Weighted average common shares outstanding - Diluted	<u>40,474</u>	<u>40,066</u>

GAAP TO NON-GAAP RECONCILIATIONS

(Unaudited, in thousands, except per share data)

TOTAL COMPANY RECONCILIATIONS

Three Months Ended March 31,

ADJUSTED EBITDA

GAAP net income (loss) attributable to Itron, Inc.

Interest income

Interest expense

Income tax provision

Depreciation and amortization

Restructuring

Corporate transition cost

Acquisition and integration related expense

Adjusted EBITDA

	2020	2019
\$	8,684	\$ (1,907)
	(553)	(328)
	11,277	13,535
	7,550	6,121
	24,031	28,427
	(248)	7,262
	(40)	1,083
	1,272	11,565
\$	51,973	\$ 65,758

FREE CASH FLOW

Net cash provided by operating activities

Acquisitions of property, plant, and equipment

Free Cash Flow

\$	18,894	\$ 24,924
	(12,602)	(11,415)
\$	6,292	\$ 13,509

ITRON ACRONYM GLOSSARY

AMI = Advanced Metering Infrastructure
AMM = Advanced Metering Manager, SSNI Product Name
AMR = Automated Meter Reading
ASP = Average Selling Price
AP = Access Point
BOM = Bill of Material(s)
BYOD = Bring Your Own Device
BYOT = Bring Your Own Thermostat
C & I = Commercial and Industrial
CAGR = Compounded Annual Growth Rate
CCE = Commercial and Customer Enablement
CDMA = Code Division Multiple Access
CGR = Connected Grid Router
CM = Contract Manufacturer / Manufacturing
DA = Distribution Automation
DEM = Distributed Energy Management
DER = Distributed Energy Resources
DERMs = Distributed Energy Resource Management
DI = Distributed Intelligence
DNO = Device Solutions, Networked Solutions, Outcomes
EDI = Electronic Data Interchange
ERP = Enterprise Resource Planning
ERT = Encoder Receiver Transmitter
FAN = Field Area Network

GENX = Generation 2, 3, 4, and 5 of the Silver Spring Networks platform
GDPR = General Data Protection Regulation
IaaS = Infrastructure as a Service
IEC = International Electrotechnical Commission
IMP = Itron Mobile Platform
INS = Itron Networks Segment
IOU = Investor Owned Utility
IoT = Internet of Things
LoRa = “LOng RANge” (Marketing Alliance)
LPWAN = Low Power Wide Area Network
LTE = Long Term Evolution
M2C = Meter to Cash
M2M = Machine to Machine
MDM = Meter Data Management
MV = Multi Vender
NaaS = Network as a Service
NB-IoT = Narrow Band Internet of Things
NEMA = National Electrical Manufacturers Association
NIC = Network Interface Card
NMS = Network Management System
OaaS = Outcome as a Service
OCOGS = Operating Cost of Goods Sold
OFDM = Orthogonal Frequency Division Multiplexing

O&M = Operation and Maintenance
OWR = OpenWay Riva
PaaS = Platform as a Service
PBU = Product Business Unit
PCBA = Printed Circuit Board Assembly
PLC = Power Line Carrier
RF = Radio Frequency
RPMA = Random Phase Multiple Access
S & OP = Sales and Operations Planning
S & OE = Sales and Operations Execution
SaaS = Software as a Service
SLV = Streetlight Vision
SS = Spread Spectrum
TAM = Total Available Market
TDMA = Time Division Multiple Access
TCO = Total Cost of Ownership
TMC = Total Manufacturing Cost
UIQ = Utility IQ, Product Name
Wi-Fi = Wireless Fidelity
WW = World Wide
VAVE = Value Analysis and Value Engineering
VVO = Voltage Var Optimization



THANK YOU

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