

Investor Update

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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.



OUR VISION

The way we manage energy and water will define this century. By applying knowledge and technology, together we can **create a more resourceful world.**

ITRON AT-A-GLANCE*



>200m

COMMUNICATING
ENDPOINTS



8,000

CUSTOMERS IN
100 COUNTRIES



8,000

EMPLOYEES



2.4bn

2018 REVENUE USD

>60 million endpoints under active management

>80% of electricity in North America is forecast by Itron software

75% of power in the US touches Itron technology

~3 million streetlights globally are managed with Itron technology

Over 1400 issued patents and pending applications

Broad ecosystem with 125+ partners

*Including endpoint, customers, and employees from Itron's recent acquisition of Silver Spring Networks, Inc. (completed Jan. 2018)

STATE OF THE BUSINESS

Results in Q418 in line with expectations

- » Solid Q4 execution during transition to new business segmentation
- » Q4'18 revenue up 7% year-over-year; growth driven by Networked Solutions segment
- » EBITDA of \$59M and Non-GAAP EPS of \$0.88; Continued strong cash flow generation from operations

Customer activity very healthy

- » Winning in our markets; book to bill >1.3:1 in Q4'18
- » Total backlog of \$3.17 billion; 12-month backlog of \$1.35 billion

Executing on strategic milestones

- » Extended leadership position in smart energy and smart city solutions
- » Roadmap for a transport agnostic, IoT platform that securely and efficiently manages device proliferation
- » Over \$70M of restructuring and integration benefits achieved through 2018

INDUSTRY OVERVIEW

EVOLUTION OF AN INDUSTRY

Itron's contributions to an evolving industry



FIRST TO BRING HANDHELDS

Removing paper,
streamlining field work



INVENTED AMR

Remote reading and
data collection for
operational efficiency



SMART METERING LEADER

Continued commitment
to utilities and cities,
leveraging more data



SMART CITY & IOT LEADER

Market-leading smart lighting
provider expanding to Industrial
IoT networks, applications and
cloud services

TODAY'S INDUSTRY DRIVERS



EVOLVING UTILITY AND
CITY SERVICE MODELS



INTEGRATING DISTRIBUTED
ENERGY RESOURCES



RESOURCE
EFFICIENCY



RESOURCE
MONITORING & SAFETY



GREATER CUSTOMER
EXPECTATIONS & RELATIONS



INTERNET
OF THINGS

LEVERAGING THE POWER OF A SMART PLATFORM

SMART PLATFORM ADOPTION CONTINUES

NORTH AMERICA

~ 60% of 356M meters automated



Electricity - 64% of 163 million Electric meters automated

Gas - 52% of 80 million Gas meters automated

Water - 52% of 111 million Water meters automated

GLOBAL

~20% of 3.0B meters automated



Electricity - 31% of 1.4 billion Electric meters automated

Gas - 11% of 500 million Gas meters automated

Water - 9% of 1.1 billion Water meters automated

■ Total Meters

■ Total Automated

Source: IHS Research - Global Electricity, Gas and Water Metering Reports, 2017 Editions (includes China)

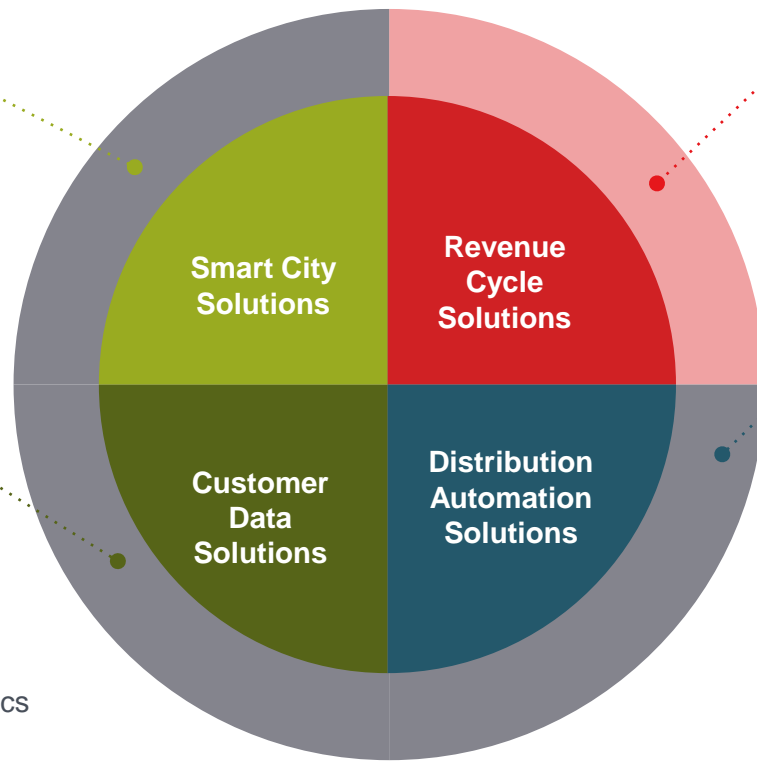
FROM AMI TO DATA DRIVEN OUTCOMES

BEYOND THE GRID

- » Streetlight management
- » EV charging
- » Traffic/parking monitoring
- » Air/water quality monitoring
- » Waste/recycling management
- » Public safety

DATA DRIVEN OUTCOMES

- » Consumer engagement 2.0
- » Active demand response
- » Local power pool transaction management
- » Load disaggregation
- » Managed services and analytics



BASIC AMI

- » Advanced monthly billing
- » Diversion detection
- » Theft detection and non-technical loss reduction
- » Outage notification
- » Enhanced customer satisfaction

SMART GRID TO ACTIVE GRID

- » Outage detection location and analysis
- » High impedance detection
- » Primary phase detection/location
- » Asset monitoring & control
- » Active transformer load management
- » Pipeline safety
- » Leak detection

ITRON OVERVIEW

Helping customers create a more resourceful world.

ITRON ADVANTAGE



INDUSTRY LEADER

Itron has deployed
190 million smart,
communicating devices



LEADING INNOVATOR

We began as a multi-vendor
endpoint & collection
communications company



DATA LEADER

Focused on outcomes with
industry-leading software,
consulting and forecasting



STRATEGIC PARTNER

Partner with Cisco to bring
enterprise networking with FAN



BEST SERVICE & SUPPORT

Our service people are the most tenured
and experienced in the industry

OUR GROWING PORTFOLIO

Continuing to move up the value pyramid



Over **1,400 utilities** trust Itron Global Managed Services

Over **7,300 virtual machines** maintained by Itron Global Managed Services



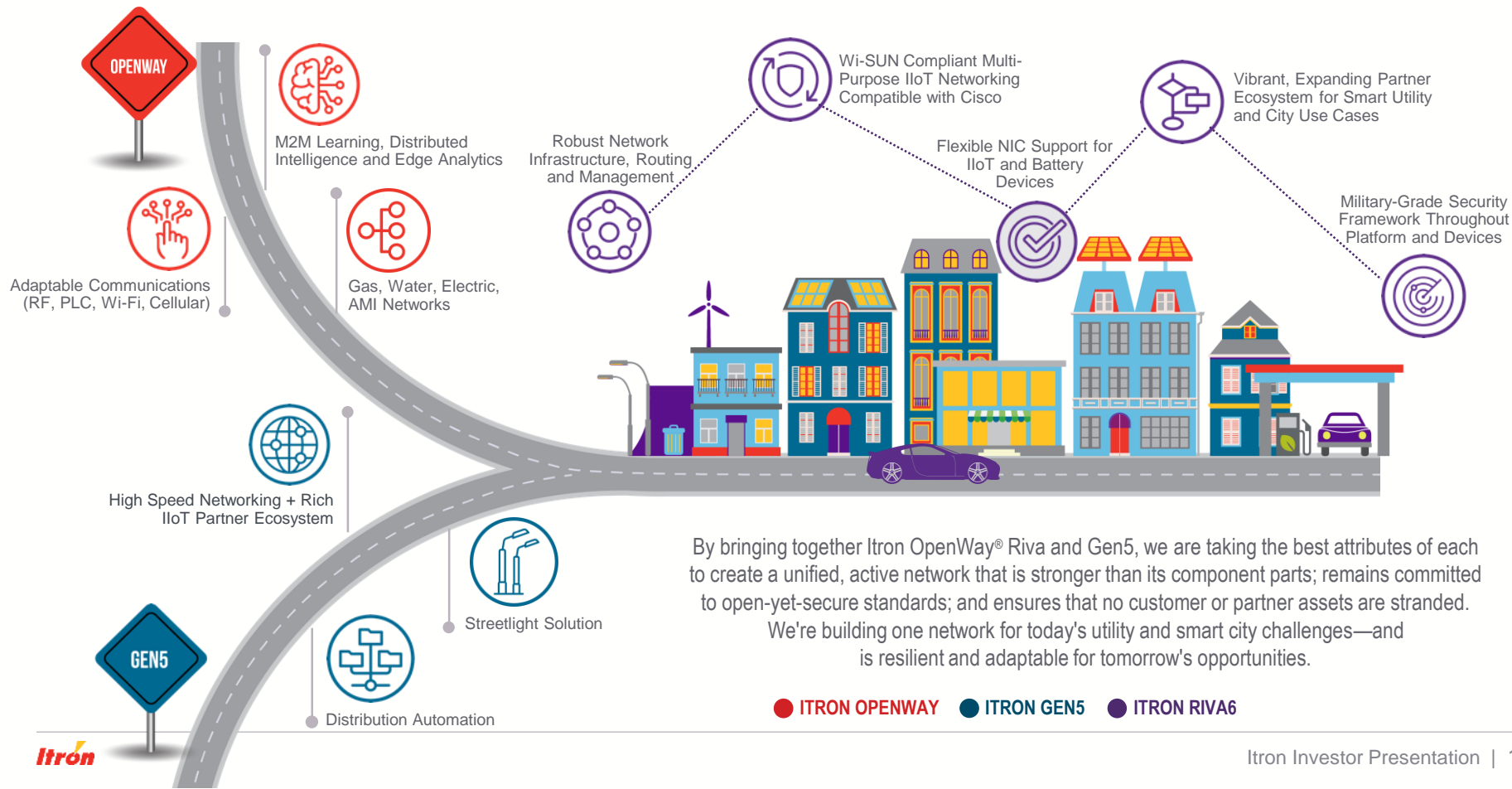
Over **64.2 million endpoints** on Itron Global Managed Services

- » 38.0 million in NAM
- » 26.1 million in EMEA
- » 120k in APAC



Over **227 million network reads** performed by Itron Global Managed Services every day

ROAD TO A CONVERGED NETWORK



A LEGACY OF SUCCESS

Delivering successful customer outcomes



Proven multi-application platform enabling >27 million devices worldwide



Diverse partner ecosystem supported by widely adopted standards



Robust, reliable and secure connectivity for critical applications

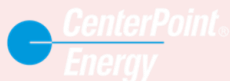


Future-proof technology with full backward and forward compatibility



A trusted partner with expert professional services to maximize results

DELIVERING BENEFITS TO OUR CUSTOMERS



- Over 2.2 million electric and gas endpoints deployed
- Improved electric service reliability by 25%
- 17M reduced truck rolls
- 15.6 metric tons of CO2 saved; 1.7M gallons fuel saved
- EEI Emergency Response Award 2018 for Harvey



- 19% reduction in energy usage
- \$26M in savings
- 19% reduction in CO2 emissions
- Equivalent to 11,000 cars



- >20,000 networked LEDs with motion sensors and advanced controls for remote dimming and scheduling
- 76% energy savings from networked LED's
- 50% reduction in operations & maintenance costs

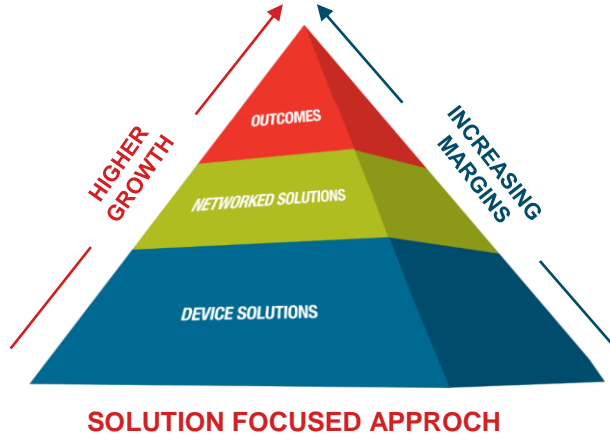


- DA performance had ~\$46M in annual opex savings
 - 10k Customer outages avoided due to technology
 - >100k Avoided field visits
 - 25% improvement in service reliability since 2010
- AMI Hurricane Irma: Automated Feeder Switches rerouted electricity around faults, preventing outages.
 - 2.7M customer outages restore within 48 hours
 - 4.4 M customer outages restored within 1 week

Source: Florida Power & Light 10/23/15 and 5/25/15 PR,

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
<p>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.</p> <p><u>Examples:</u> Basic Meter, or “Linky” Meter <small>(France Smart Spec)</small></p>	<p>Combination of end points and network infrastructure designed and sold as a complete solution for purpose of robustly acquiring and transporting application specific data.</p> <p><u>Example:</u> RIVA Meter + Collection Hardware + Network Management Software</p>	<p>Value added services, software, and products that organize, analyze and interpret data for the purpose of gaining insights, making decisions, and informing actions.</p> <p><u>Examples:</u> Managed Services to run AMI System, or Theft Detection Algorithm</p>

GLOBAL INDUSTRY GROWTH POTENTIAL

	2018 World Wide TAM (USD)	2021 World Wide TAM (USD)	CAGR (%)
Outcomes & Analytics	\$2.5B	\$3.4B	12%
Networking & Communciations	\$8.1B	\$10.1B	8%
Device Metering & Sensing	\$10.4B	\$11.4B	3%

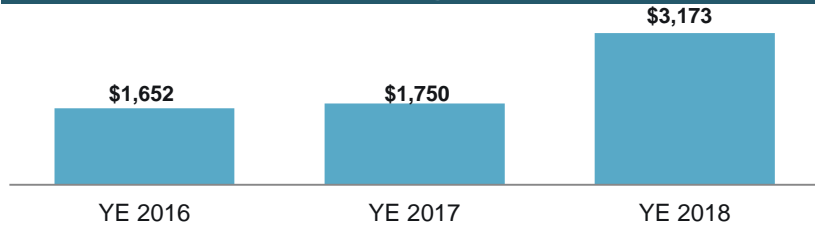
Source: Management Estimates using data from Navigant, IHS, Gartner, and Cognyst (Scott Report) as of October 2018.

FINANCIAL AND OPERATIONS PERSPECTIVES

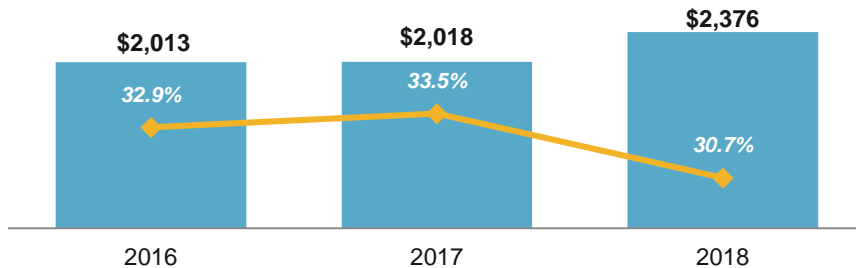
Business transformation becoming evident.

TRENDED FINANCIAL METRICS

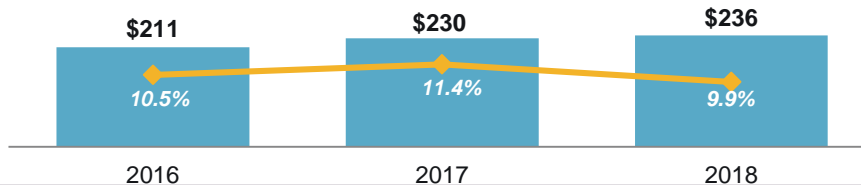
Backlog (\$M)



Revenues (\$M) & Gross Margin



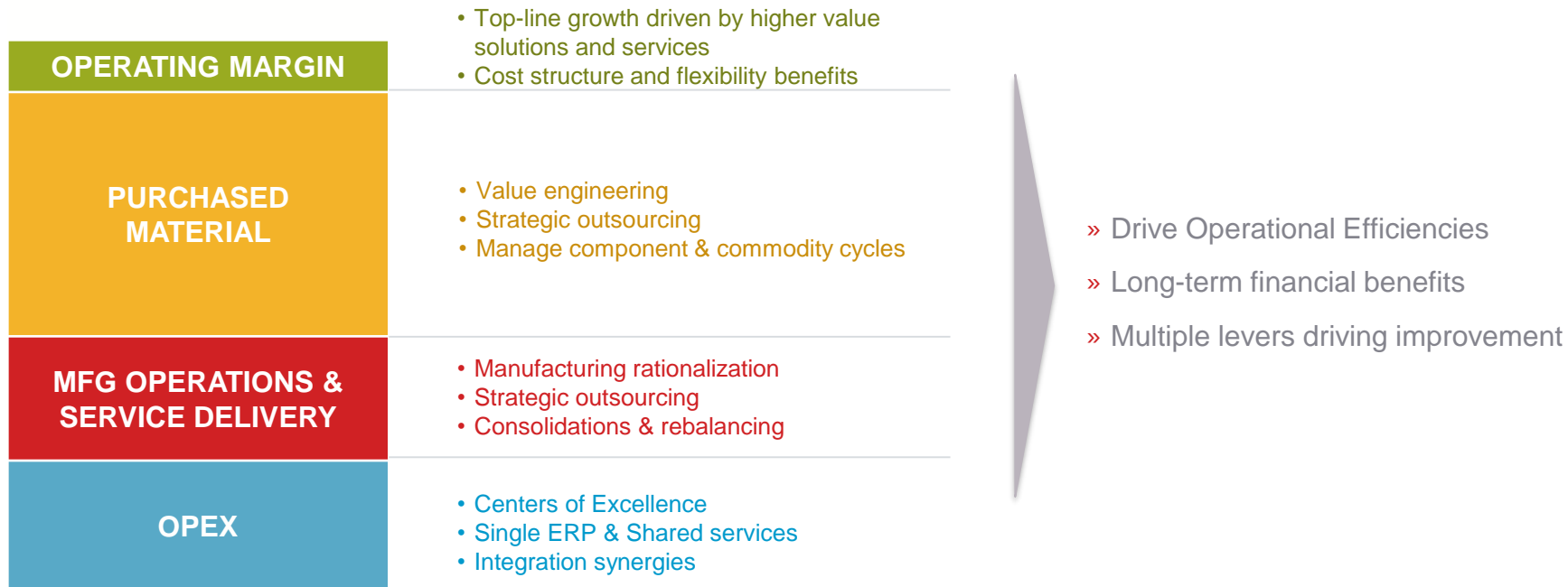
Adjusted EBITDA (\$M)



- » Robust backlog of multi-year projects
- » Higher-value smart solutions growth, exit from lower-margin business, benefits from restructurings and operational initiatives to drive higher gross margin
- » Temporal margin impacts from elevated costs due to supply chain and factory transitions
- » Growth in strategic higher-margin businesses, acquisition synergies and operational restructuring partially offsets integration dilution

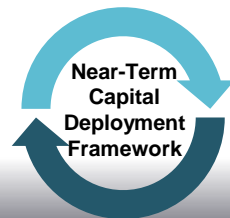
FINANCIAL OPERATING PERSPECTIVE

Targeting mid-teens Non-GAAP EBITDA



NEAR-TERM CAPITAL ALLOCATION STRATEGY

Focus on De-Leveraging



De-Lever

- ✓ Anticipate sufficient cash flow for de-leveraging
- ✓ Path to achieve net leverage of ~2.0x in 2020

Organic Investment

- ✓ Continuing shift to capital-light business model
- ✓ Silver Spring already capital light
- ✓ R&D fully expensed and reflected in existing margin profile

Capital Allocation

- ✓ No additional significant capital allocation until leverage returns to equilibrium levels
- ✓ Potential small, opportunistic bolt-on M&A possible though nothing currently planned
- ✓ Potential for opportunistic stock buy back with board approval

APPENDIX

- Summary of consolidated Q4'18 results
- Segment performance year-over-year
- Updated Guidance and EPS Bridge
- GAAP to Non-GAAP Reconciliations

CONSOLIDATED GAAP RESULTS – Q4'18

<i>\$ in millions (except per share amounts)</i>	Q4 2018	Q4 2017	Change
Revenue	\$587.0	\$550.8	+7%
<i>Change in constant currency</i>			+9%
Gross margin	30.1%	31.8%	-170 bps
Operating income	\$28.5	\$48.2	-41%
Net income attributable to Itron	\$23.9	\$1.8	+\$22.1
Earnings per share - diluted	\$0.60	\$0.05	+\$0.55

- » Revenue growth driven by strong performance in Networked Solutions segment.
- » Gross margin decline primarily due to higher special warranty expense.
- » Lower operating income driven by lower gross margin and higher operating expenses due to Silver Spring Networks acquisition.
- » Higher GAAP net income primarily driven by a tax benefit due to favorable discrete tax items.

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

CONSOLIDATED NON-GAAP & CASH RESULTS – Q4'18

<i>\$ in millions (except per share amounts)</i>	Q4 2018	Q4 2017	Change
Non-GAAP operating income	\$48.8	\$55.9	-13%
Non-GAAP operating margin	8.3%	10.2%	-190 bps
Non-GAAP net income attributable to Itron	\$35.1	\$39.8	-12%
Adjusted EBITDA	\$58.8	\$66.3	-11%
Adjusted EBITDA margin	10.0%	12.0%	-200 bps
Non-GAAP earnings per share - diluted	\$0.88	\$1.01	-13%
Cash provided by operating activities	\$42.4	\$76.9	-45%
Free cash flow	\$24.9	\$60.9	-59%

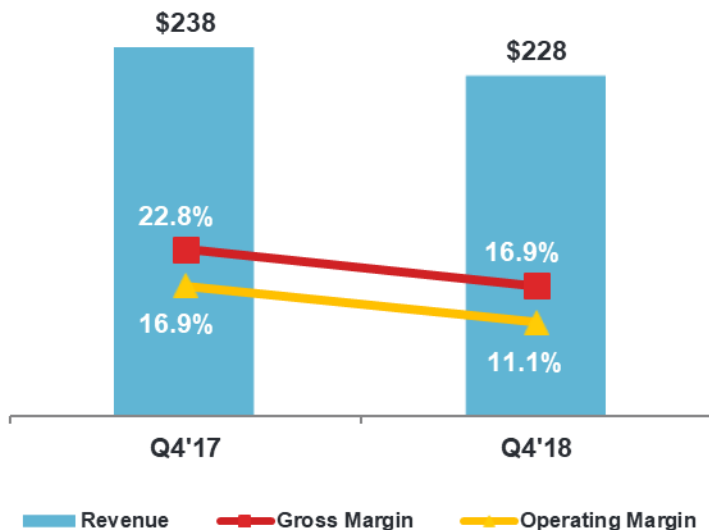
- » Decrease in Non-GAAP operating income driven by lower gross margin and higher operating expenses due to Silver Spring Networks acquisition.
- » Non-GAAP net income reflects lower operating income partially offset by a tax benefit driven by favorable discrete tax items.
- » Lower cash flow driven by timing of working capital and restructuring and acquisition related expenses.

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

DEVICE SOLUTIONS SEGMENT – Q4'18

REVENUE, GROSS MARGIN AND OPERATING MARGIN

\$ in millions, actual currency



» Revenue down 5% and flat in constant currency

- Down \$10M on FX impact in Euro
- Lower EMEA volumes in gas and water
- Offset by strong Electric meters, Water OEM, Gas Regulators

» Gross margin down 590 bps

- Special warranty charges
- Higher component costs and supply chain inefficiencies
- Unfavorable product mix on higher Water OEM meters

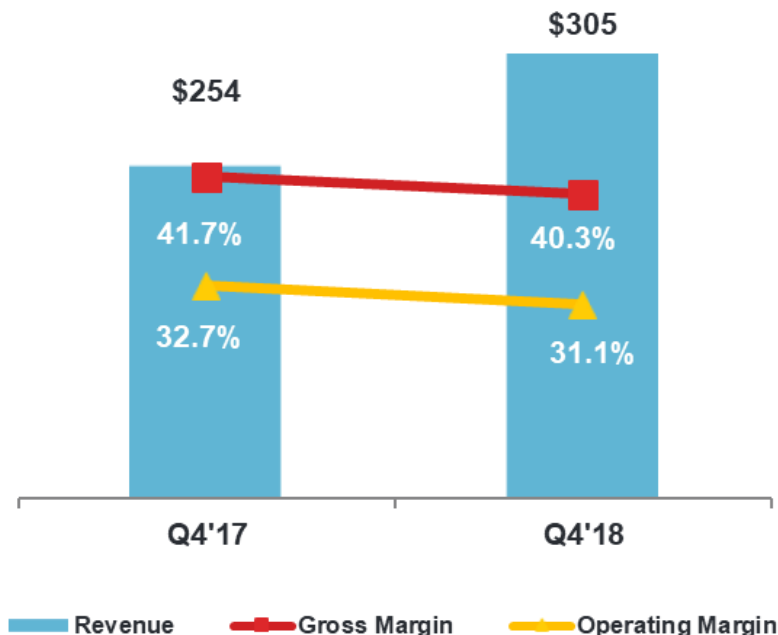
» Operating margin down 580 bps

- Lower gross margin slightly offset by lower product development expense

NETWORKED SOLUTIONS SEGMENT – Q4'18

REVENUE, GROSS MARGIN AND OPERATING MARGIN

\$ in millions, actual currency



» Revenue +20% and +21% in constant currency

- Strong North America AMI market leadership continues
- Wind down of two large legacy deployments offset by acquisition

» Gross margin down 140 bps

- Lower OpenWay shipments partially offset by higher software mix

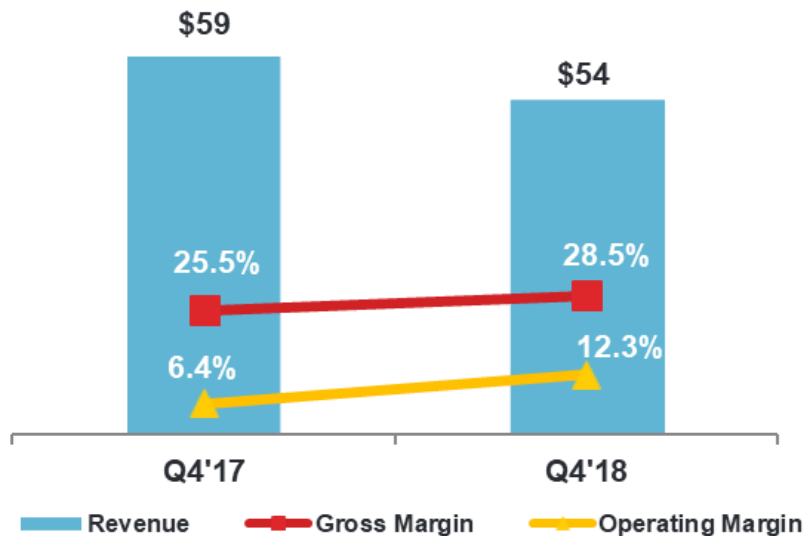
» Operating margin down 160 bps

- Higher product development expense aligned with Silver Spring Networks acquisition and technology convergence roadmap acceleration

OUTCOMES SEGMENT – Q4'18

REVENUE, GROSS MARGIN AND OPERATING MARGIN

\$ in millions, actual currency



» Revenue down 8% and 6% in constant currency

- Lower EMEA business
- Unfavorable YOY compare with large software project completions in Q4'17

» Gross margin +300 bps

- Continue rationalization for scale in global business
- Integration of former Silver Spring Networks continues

» Operating margin +590 bps

- Lower operating expenses

2019 FINANCIAL GUIDANCE

- » **Revenue of \$2.35 – 2.45 billion** *(normalized YOY growth +1 to 5%)*
- » **Non-GAAP EPS of \$2.35 - \$2.75** *(normalized YOY growth +1 to 18%)*

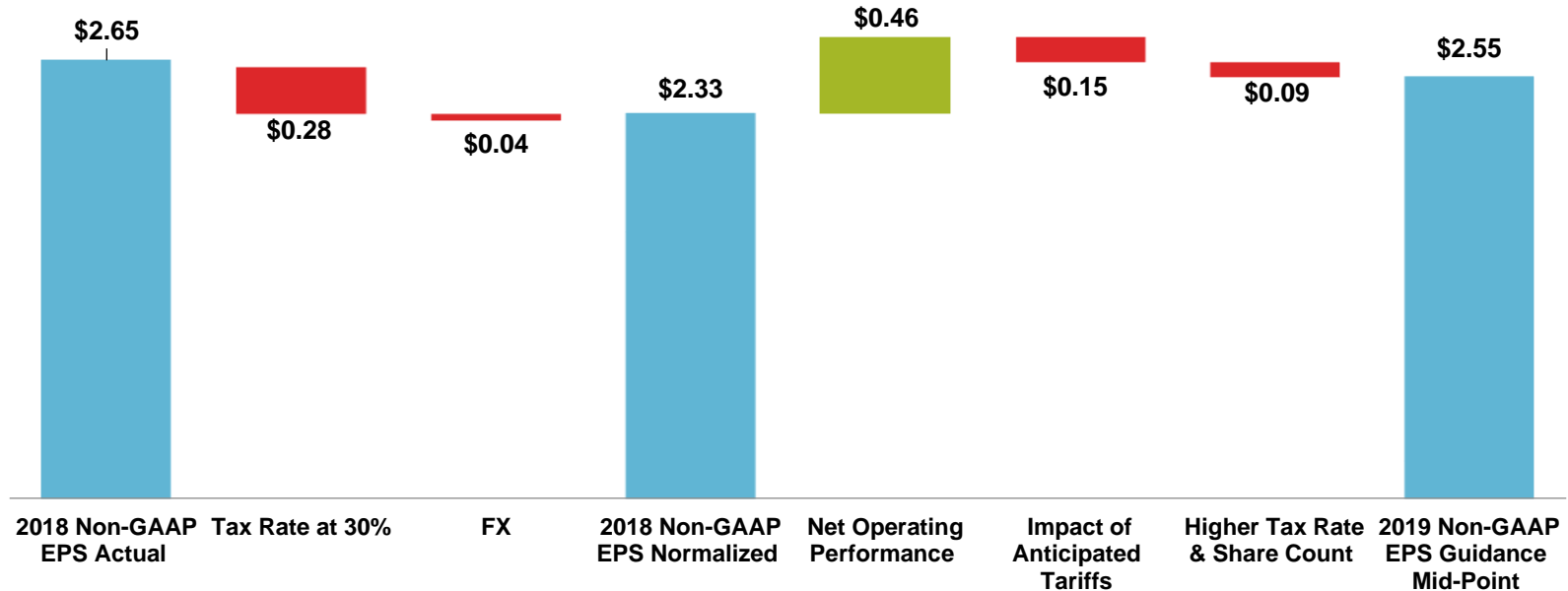
Assumptions & commentary:

- » Average euro to U.S. dollar foreign currency exchange rate of \$1.14
- » Average shares outstanding of ~40.65 million for the year
- » Non-GAAP effective tax rate for the year of ~31%
- » Total interest expense of \$50 million

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.

FY 2018 ACTUAL TO 2019 EPS GUIDANCE BRIDGE

2018 actual to 2018 normalized to the midpoint of 2019 guidance



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,	
	2018	2017	2018	2017
NON-GAAP NET INCOME & DILUTED EPS				
GAAP net income (loss) attributable to Itron, Inc.	\$ 23,877	\$ 1,780	\$ (99,250)	\$ 57,298
Amortization of intangible assets	18,014	5,641	71,713	20,785
Amortization of debt placement fees	1,176	241	6,869	966
Restructuring	(5,725)	(999)	77,183	6,418
Acquisition and integration related expense	8,042	3,095	91,916	17,139
Tax Cuts and Jobs Act adjustment	—	30,424	—	30,424
Income tax effect of non-GAAP adjustments	(10,249)	(391)	(42,700)	(12,544)
Non-GAAP net income attributable to Itron, Inc.	\$ 35,135	\$ 39,791	\$ 105,731	\$ 120,486
Non-GAAP diluted EPS	\$ 0.88	\$ 1.01	\$ 2.65	\$ 3.06
Weighted average common shares outstanding - Diluted	39,885	39,530	39,840	39,387
ADJUSTED EBITDA				
GAAP net income (loss) attributable to Itron, Inc.	\$ 23,877	\$ 1,780	\$ (99,250)	\$ 57,298
Interest income	(428)	(658)	(2,153)	(2,126)
Interest expense	13,883	3,769	58,203	13,845
Income tax (benefit) provision	(10,878)	42,079	(12,570)	74,326
Depreciation and amortization	30,069	17,215	122,497	63,215
Restructuring	(5,725)	(999)	77,183	6,418
Acquisition and integration related expense	8,042	3,095	91,916	17,139
Adjusted EBITDA	\$ 58,840	\$ 66,281	\$ 235,826	\$ 230,115

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,	
	2018	2017	2018	2017
FREE CASH FLOW				
Net cash provided by operating activities	\$ 42,372	\$ 76,853	\$ 109,755	\$ 191,354
Acquisitions of property, plant, and equipment	(17,459)	(16,002)	(59,952)	(49,495)
Free Cash Flow	\$ 24,913	\$ 60,851	\$ 49,803	\$ 141,859
NON-GAAP OPERATING INCOME				
GAAP operating income (loss)	\$ 28,517	\$ 48,196	\$ (49,692)	\$ 154,877
Amortization of intangible assets	18,014	5,641	71,713	20,785
Restructuring	(5,725)	(999)	77,183	6,418
Acquisition and integration related expense	8,042	3,095	91,916	17,139
Non-GAAP operating income	\$ 48,848	\$ 55,933	\$ 191,120	\$ 199,219
NON-GAAP OPERATING EXPENSES				
GAAP operating expenses	\$ 148,273	\$ 126,886	\$ 780,011	\$ 521,874
Amortization of intangible assets	(18,014)	(5,641)	(71,713)	(20,785)
Restructuring	5,725	999	(77,183)	(6,418)
Acquisition and integration related expense	(8,042)	(3,095)	(91,916)	(17,139)
Non-GAAP operating expenses	\$ 127,942	\$ 119,149	\$ 539,199	\$ 477,532



THANK YOU

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