



# 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.

# 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**

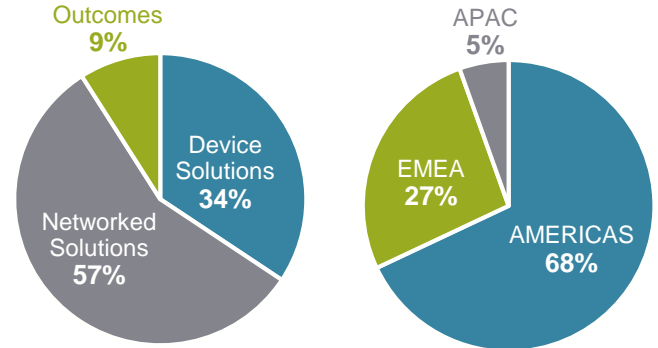
PEOPLE  
ACROSS THE GLOBE



**+250**

PARTNERS IN A BROAD  
ECOSYSTEM OF SOLUTIONS

**\$2.5B 2019 REVENUE  
& REVENUE MIX OF:**



With over:

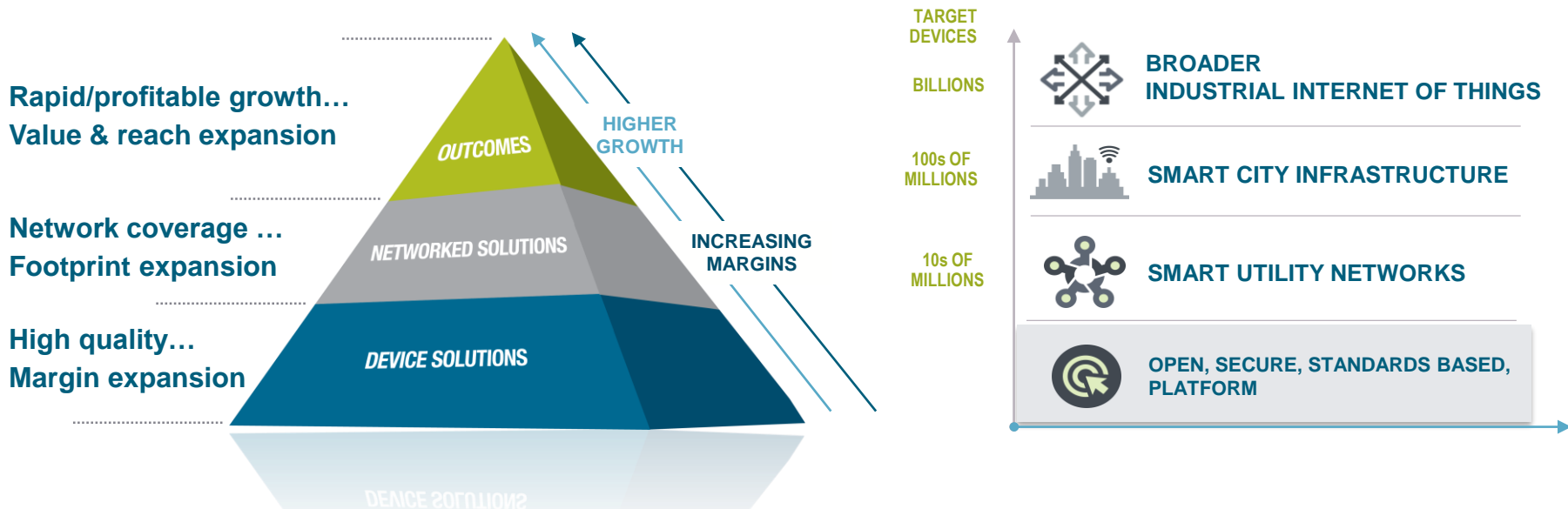
**>\$3.2B**  
BACKLOG

**>\$1.5B**  
12-MONTH BACKLOG

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

# OUR MODEL

Solutions via open standards-based technology that transcend multiple verticals



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

# STATE OF THE BUSINESS

## Solid strategic and operational performance in 2019

- » FY 2019 revenue up 5% year-over-year driven by 16% growth in Networked Solutions
- » Non-GAAP EPS of \$3.32 up over 25% year-over-year
- » Strong free cash flow of \$112M, more than double 2018

## Customer activity very healthy

- » Extending leadership position in smart energy and smart city solutions
- » Record total backlog of \$3.2 billion; 12-month backlog of \$1.5 billion
- » Book to Bill of >1:1 for full year

## Executing on strategic milestones

- » Converged product portfolio of Gen X network and Riva Distributed Intelligent devices win Xcel Energy
- » Synergy and restructuring efforts on track and yielding near term benefits
- » Continued to paydown debt ahead of schedule; reduced net debt to EBITDA leverage to 3.0x

# DYNAMIC FORCES IMPACTING OUR INDUSTRY

Transforming the utility and city operating models

## INFRASTRUCTURE



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

## ENVIRONMENTAL



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

## SOCIAL



- » Enhanced Customer Experience
- » Global Urbanization
- » Internet of Things
- » Generating “Big Data”

**Itron enables customers to leverage the power of a smart platform**

# ROADMAP FOR INTELLIGENT INFRASTRUCTURE

Itron has a robust portfolio of solutions for Utilities and Cities operational needs



DISTRIBUTED  
INTELLIGENCE



HIGH PERFORMANCE  
SCALEABLE  
PLATFORM



OUTCOME-BASED  
SOLUTIONS &  
ANALYTICS



VIBRANT  
PARTNER  
ECOSYSTEM



SYSTEM LONGEVITY  
& BACKWARD  
COMPATABILITY

# OUTCOMES IN ACTION

Driving customer results on top of their network



## Smart Grid Analytics

- » FPL gets the lights back on faster by using real-time data to pinpoint outages and deliver information directly to its crews in the field<sup>1</sup>
- » Increase of **33%** in detection of energy theft and tampering
- » **70%** operational savings from avoiding field crew wait and travel time
- » **90%** accuracy in identifying intermittent electrical issues



## Gas Customer Safety

- » Since 2015, ConEd has received over 100k calls from the public concerning potential gas leaks<sup>2</sup>.
- » ConEd wanted better detection and shorter response times
- » ConEd installed New Cosmos methane detectors with an integrated Itron Milli™ 5 battery-optimized communications module using the same AMI network



After an alarm is received, the Fire department is notified and ConEd dispatches a gas mechanic



## Water Leak Detection

- » North Miami Beach Water wanted a solution that helped a leak technician, pinpoint a leak quicker to limit the impact<sup>3</sup>
- » Itron deployed acoustic leak sensors supported by Itron's fixed network solution and cloud-based analytics to address safety and water conservation issues
- » During hurricane Irma, several breaks occurred, some not visible. Itron's technology allowed NMB Water to pinpoint the problems and confirm that repairs were successful

Sources :<sup>1</sup> (My Palm Beach Post, PR News Wire, Power Delivery Overview, Itron, FPL, FPL) <sup>2</sup> Using Methane Sensing to enhance safety IUW 2019 <sup>3</sup> NMB Water



# DRIVING TO PROFITABILITY AND GROWTH

Managing segments to their long-term models\*

**OPERATIONAL LEVERAGE**



**IMPROVING**

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**FREE CASH FLOW**



**INCREASING**

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**TECHNOLOGY**



**LEADERSHIP**

\* As discussed in the June 2019 Itron Investor Day Presentation

# ITRON INVESTMENT THESIS



## EXPANDING OUR FOOTPRINT, VALUE PROPOSITION AND MARKET REACH

Only U.S.-based industrial IoT  
“pureplay” leading the evolution  
of smart utilities, smart cities



## IMPROVING OPERATING LEVERAGE AND EARNINGS POWER

Multiple levers driving  
long-term benefits



## INCREASING FREE CASH FLOW

Operational improvement  
and lower restructuring driving  
improved cash flow



## STRENGTHENING BALANCE SHEET

Focus on  
de-levering to <2.0x  
by year-end 2021

# THANK YOU

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