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

Second Quarter 2019
Earnings Conference Call
August 5, 2019

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.

CONFERENCE CALL AGENDA

- **CEO** – Business and Operations Update
- **CFO** – Financial Results
- **CEO Transition**– Company priorities and focus
- **Q&A**

Q2'19 HIGHLIGHTS

» Revenue growth of 8% year over year

» Adjusted EBITDA of $73M and non-GAAP EPS of $0.87

» Free cash flow of $38M increased almost 30% year over year

» Strong backlog of $3.1 billion

» Raising both Revenue and Non-GAAP EPS guidance for 2019

Q2'19 BACKLOG

- Q2'19 bookings of $702 million
- Strong demand; Full year outlook for Book to Bill ~1:1
- Backlog of $3.1 billion
- 12-month backlog of $1.4 billion

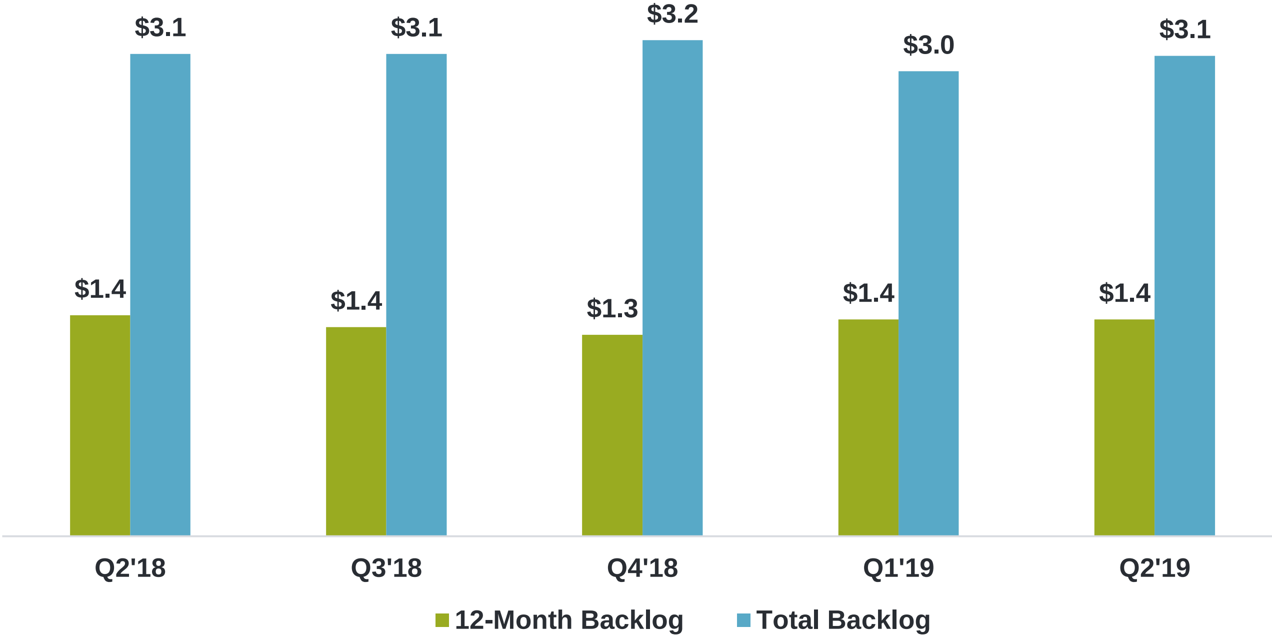


Chart in billions, actual currency rates.

CONSOLIDATED GAAP RESULTS – Q2’19

$ in millions (except per share amounts)	Q2 2019	Q2 2018	Change
Revenue	**$635.0**	$585.9	+8%
Change in constant currency			*+11%*
Gross margin	**30.1%**	30.1%	Flat
Operating income	**$43.6**	$20.6	+112%
Net income attributable to Itron	**$19.4**	$2.7	+632%
Earnings per share - diluted	**$0.49**	$0.07	+$0.42

» Revenue growth of 8% YOY driven by strength in North America Networked Solutions and Outcomes

» Gross margin of 30.1% was flat as improved product mix was offset higher supply chain costs and other one-time charges

» GAAP operating income increased due to higher gross profit and lower operating expenses

» GAAP net income increased driven by higher operating income and a lower effective tax rate

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

CONSOLIDATED NON-GAAP & CASH RESULTS – Q2’19

$ in millions (except per share amounts)	Q2 2019	Q2 2018	Change
Non-GAAP operating income	**$63.2**	$44.1	+43%
Non-GAAP operating margin	**9.9%**	7.5%	+240 bps
Non-GAAP net income attributable to Itron	**$34.6**	$20.5	+69%
Adjusted EBITDA	**$73.0**	$56.9	+28%
Adjusted EBITDA margin	**11.5%**	9.7%	+180 bps
Non-GAAP earnings per share - diluted	**$0.87**	$0.51	+71%
Cash provided by operating activities	**$53.1**	$41.3	+29%
Free cash flow	**$38.0**	$29.5	+29%

» Non-GAAP operating income and adjusted EBITDA increase driven by higher gross profit and lower opex

» Higher Non-GAAP net income driven by higher operating income and a lower effective tax rate

» Increased cash flow primarily driven by improved profitability

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

REVENUE YEAR-OVER-YEAR BRIDGE – Q2'19

US$M

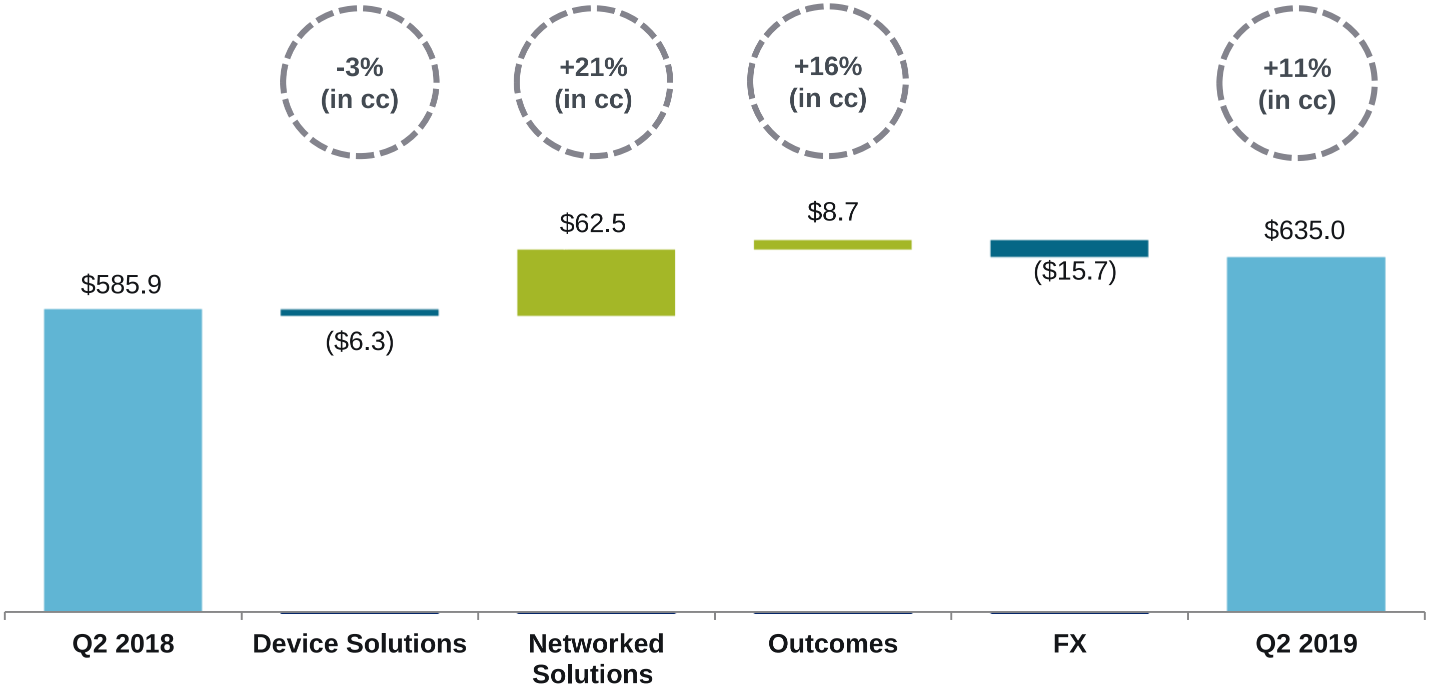


Chart in millions, Quarterly totals reflect actual currencies; all variances other than FX exclude currency impact. Chart includes rounding.

NON-GAAP EPS YEAR-OVER-YEAR BRIDGE – Q2’19

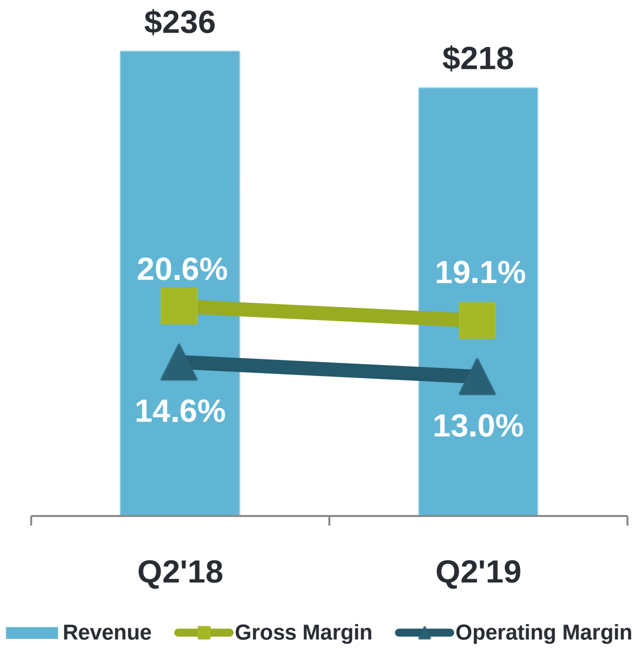
US$ per share

Quarterly totals reflect actual currencies; all variances other than FX exclude currency impact. Chart includes rounding.

DEVICE SOLUTIONS SEGMENT – Q2'19

REVENUE, GROSS MARGIN AND OPERATING MARGIN

$ in millions, actual currency



» **Revenue down 8% and 3% in constant currency**
- Lower smart spec volumes in EMEA, as expected

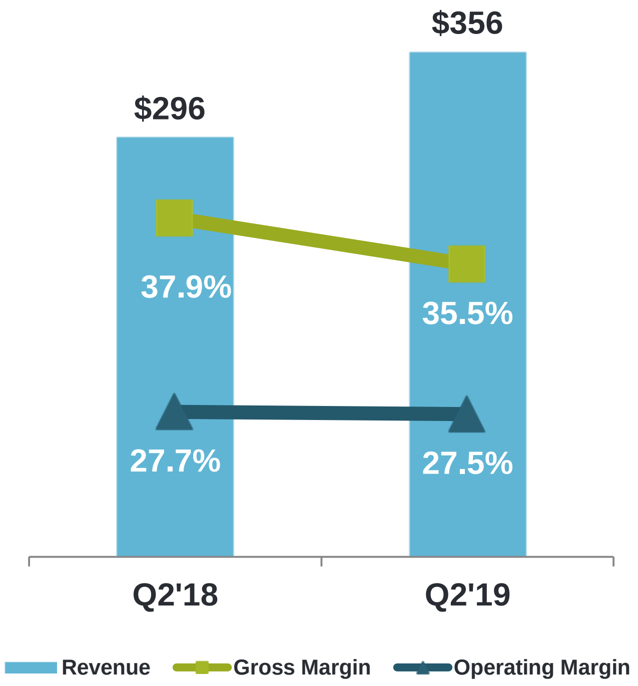
» **Gross margin down 150 bps**
- Higher supply chain costs compared with prior year
- Operating environment continues to improve sequentially

» **Operating margin down 160 bps**
- Fall through of gross margin

NETWORKED SOLUTIONS SEGMENT – Q2’19

REVENUE, GROSS MARGIN AND OPERATING MARGIN

$ in millions, actual currency



» **Revenue +20% and +21% in constant currency**
- Stronger than anticipated customer demand in Q2'19
- Ramping new and ongoing customer deployments ahead of schedule

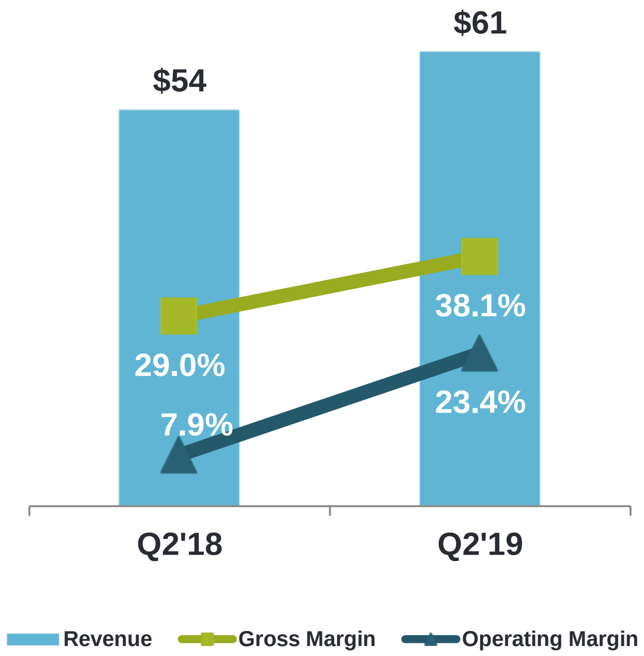
» **Gross margin down 240 bps**
- Product and customer mix
- Higher one-time costs

» **Operating margin down 20 bps**
- OpEx includes underspend on the timing of R&D projects

OUTCOMES SEGMENT – Q2’19

REVENUE, GROSS MARGIN AND OPERATING MARGIN

$ in millions, actual currency



» **Revenue +15% and +16% in constant currency**
- Continued strength in North America deployments
- One-time software licenses accepted in Q2 vs anticipated Q4

» **Gross margin +9.1 pts**
- Favorable mix of higher-margin software
- Scale benefits realized driven by integration of acquisitions

» **Operating margin +15.5 pts**
- OpEx includes underspend on the timing of R&D projects

Q2'19 CASH, DEBT, AND LIQUIDITY

Free Cash Flow, Cash and equivalents

- Free cash flow was $38 million up 29% year over year
- FCF as a percent of revenue was 6%; FCF as a percent of adjusted EBITDA 52%
- Cash and equivalents was $136 million

Debt

- Total debt $1.02 billion; Net leverage 3.2x at end of Q2'19
- Blended interest rate stable at 4.5%, reflective of ~70% hedged portfolio

Share repurchase

- Board authorized $50 million share repurchase program over 12-months in March 2019
- Repurchased $17 million in common stock during Q2'19
- Completed total $25M planned for 2019

Liquidity

- Further liquidity is provided by a $500M revolving credit facility

FINANCIAL GUIDANCE UPDATE

	Original Guidance on Feb. 27, 2019	**Revised Guidance on Aug. 5, 2019**
Revenue	$2.35 - $2.45B	**$2.45 - $2.50B**
Non-GAAP EPS	$2.35 - $2.75	**$2.80 - $3.00**

The revised guidance assumes a euro to US dollar foreign exchange rate of 1.12 on average in the second half of 2019, average fully diluted shares outstanding of approximately 40.2 million for the full year, a non-GAAP effective tax rate for the full year of approximately 31% and interest expense of approximately $50 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.

ITRON PRIORITIES

1 **EXPANDING OUR FOOTPRINT**
Increasing coverage

2 **EXPANDING OUR VALUE**
Empowering our customers

3 **EXPANDING OUR REACH**
Enabling as many sensors & devices on our platform as possible

CREATING THE OPPORTUNITY TO ENHANCE VALUE WITH…..

OPERATIONAL LEVERAGE	IMPROVING
FREE CASH FLOW	INCREASING
TECHNOLOGY	LEADERSHIP

CEO FOCUS

Customer Success

Enhance Our Position in the Market

Empower the Team

APPENDIX

CONSOLIDATED GAAP RESULTS – YTD'19

$ in millions (except per share amounts)	YTD 2019	YTD 2018	Change
Revenue	$1,249.6	$1,193.1	5%
Growth in constant currency			*+8%*
Gross margin	30.3%	29.9%	+40 bps
Operating income (loss)	$64.4	($119.9)	NM
Net income (loss) attributable to Itron	$17.5	($143.0)	NM
Earnings (loss) per share – diluted	$0.44	($3.66)	NM

» Revenue growth driven by strength in Networked Solutions and Outcomes segments

» Gross margin up slightly driven by higher mix from Networked Solutions and Outcomes segments

» Operating income increase driven by higher gross profit and lower restructuring and integration expenses

» Higher GAAP net income driven by significantly improved operating income

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

CONSOLIDATED NON-GAAP & CASH RESULTS – YTD‘19

$ in millions (exept per share amounts)	YTD '19	YTD ‘18	Change
Non-GAAP operating income	$119.9	$71.9	+67%
Non-GAAP operating margin	9.6%	6.0%	+360 bps
Adjusted EBITDA	$138.7	$96.5	+44%
Adjusted EBITDA margin	11.1%	8.1%	+300 bps
Non-GAAP earnings per share - diluted	$1.57	$0.64	+145%
Net cash from operating activities	$78.1	$16.9	+362%
Free cash flow	$51.6	$(12.4)	NM

» Higher Non-GAAP operating income and adjusted EBITDA due to improved gross profit and lower opex

» Non-GAAP net income increase due to higher operating income and lower effective tax rate

» Higher cash flow driven by improved profitability and lower restructuring and acquisition payment

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

REVENUE YEAR-OVER-YEAR BRIDGE – YTD'19

US$M

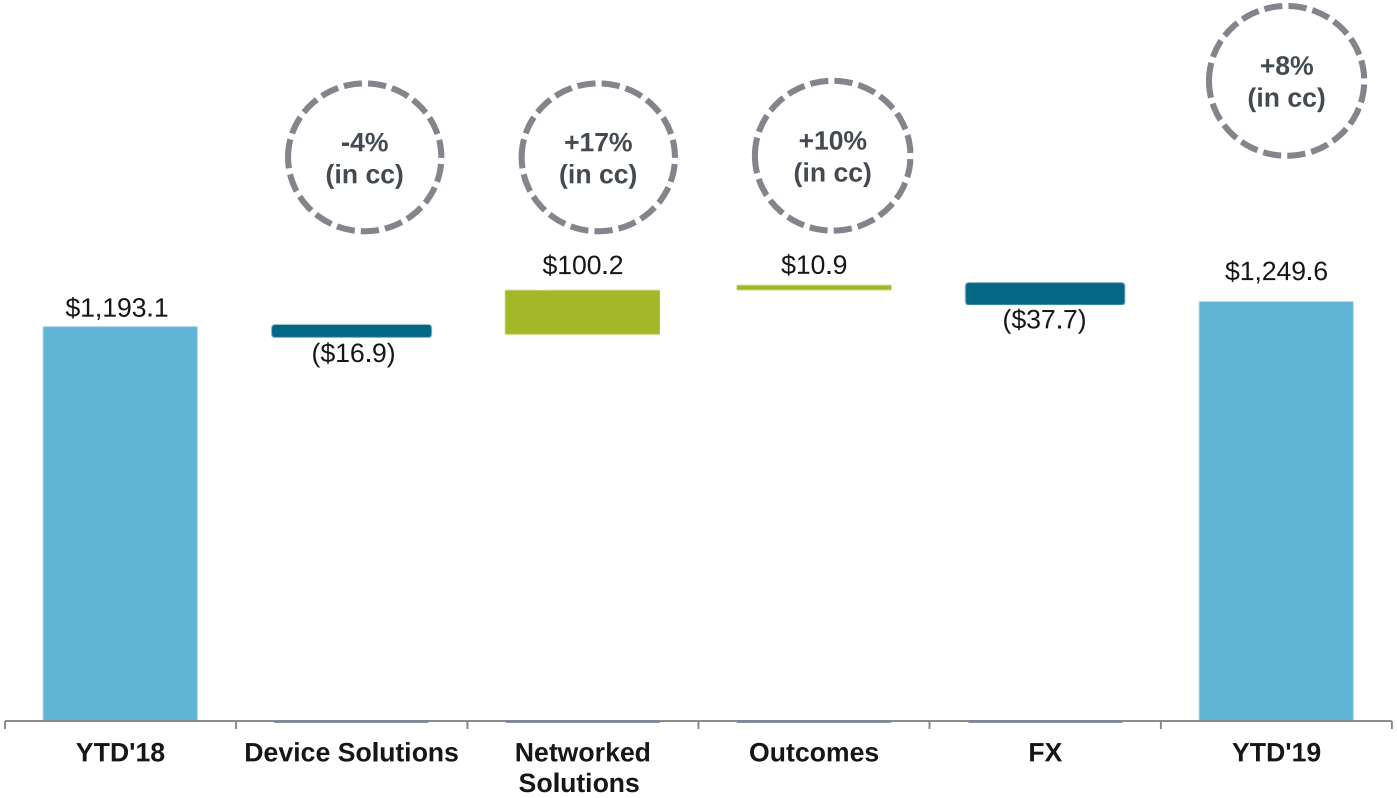
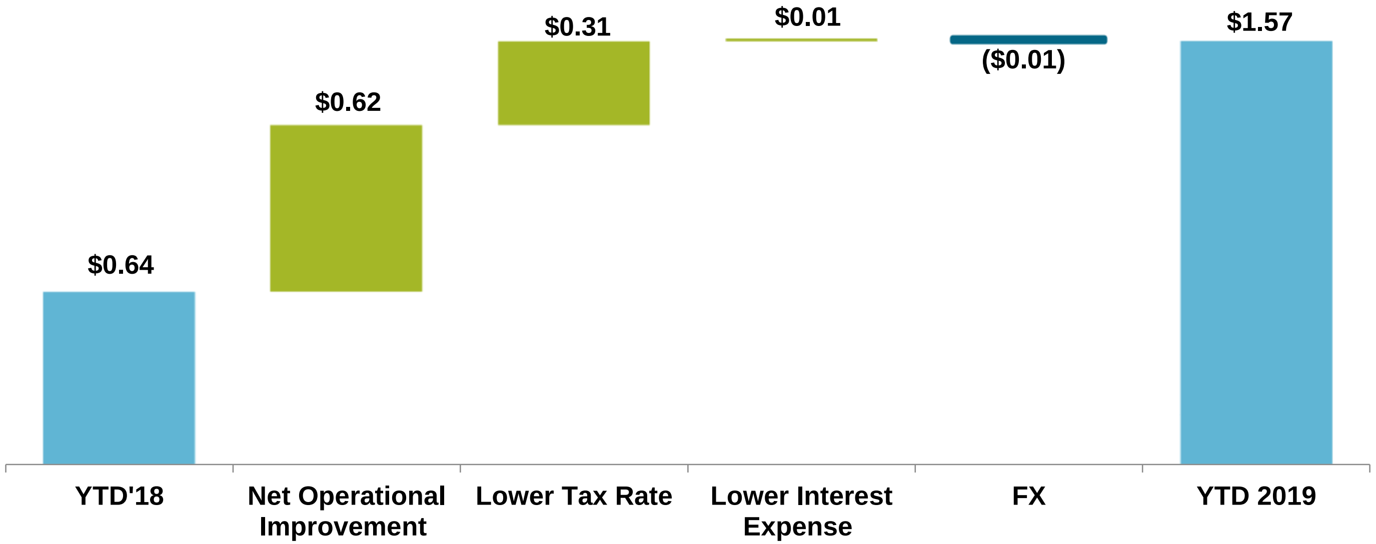


Chart in millions, YTD totals reflect actual currencies; all variances other than FX exclude currency impact. Chart includes rounding.

NON-GAAP EPS YEAR-OVER-YEAR BRIDGE – YTD’19

US$ per share

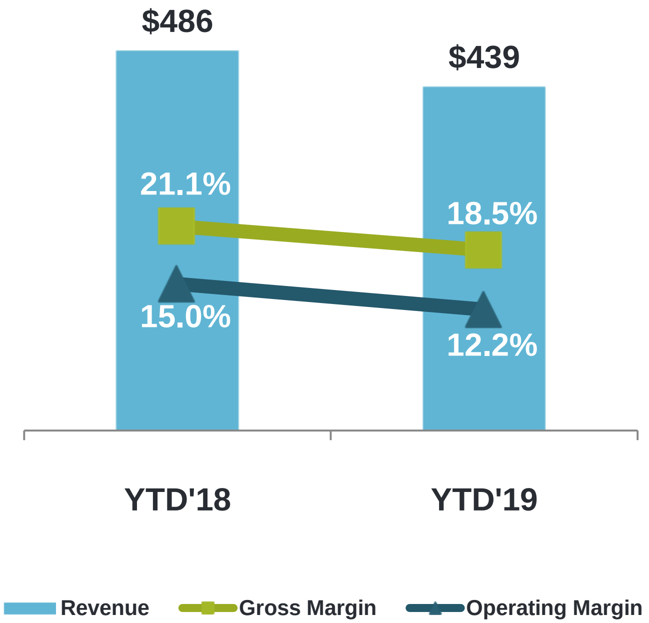


YTD totals reflect actual currencies; all variances other than FX exclude currency impact. Chart includes rounding.

DEVICE SOLUTIONS SEGMENT – YTD‘19

REVENUE, GROSS MARGIN AND OPERATING MARGIN

$ in millions, actual currency



» **Revenue down 9% and 4% in constant currency**
- Lower Smart Spec EMEA volumes as expected

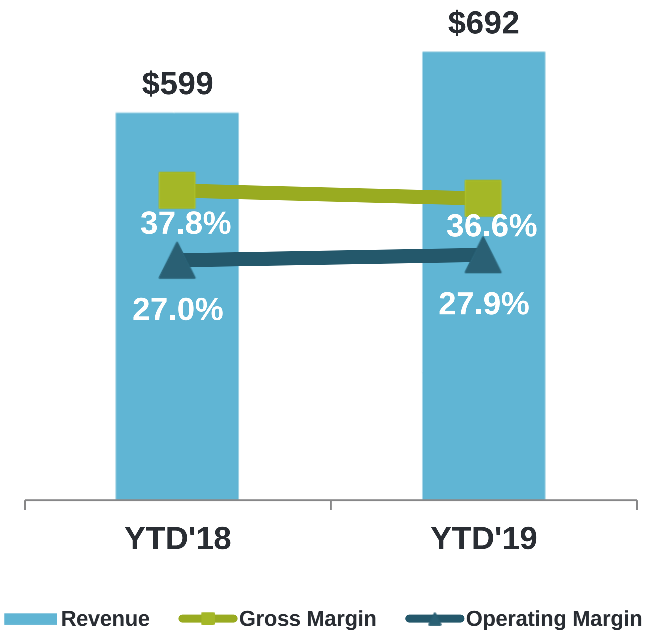
» **Gross margin down 260 bps**
- Higher supply chain costs compared with prior year

» **Operating margin down 280 bps**
- Impacted by lower fall through of gross margin

NETWORKED SOLUTIONS SEGMENT – YTD‘19

REVENUE, GROSS MARGIN AND OPERATING MARGIN

$ in millions, actual currency



» **Revenue +16% and +17% in constant currency**
- Strong North America AMI market leadership continues
- Ramping new and ongoing customer deployments ahead of schedule

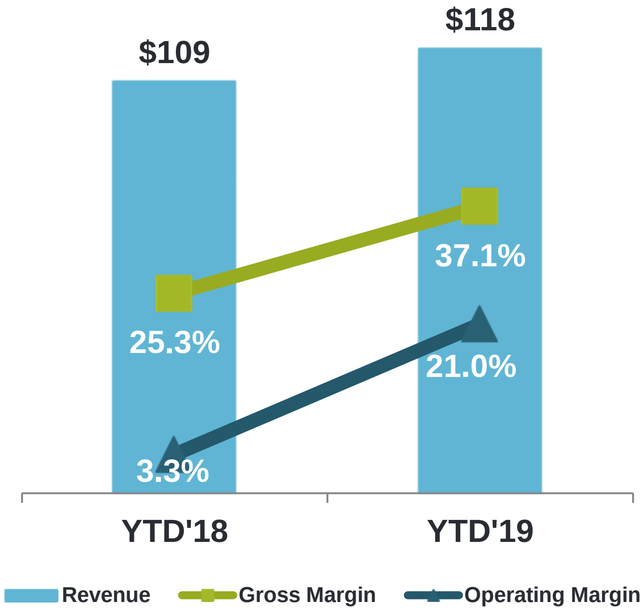
» **Gross margin down 120 bps**
- Product mix off set by higher one-times costs

» **Operating margin +90 bps**
- OpEx includes underspend and timing of R&D projects

OUTCOMES SEGMENT – YTD‘19

REVENUE, GROSS MARGIN AND OPERATING MARGIN

$ in millions, actual currency



» **Revenue +8% and +10% in constant currency**
- Continued strength in North America deployments
- Ramping new customer deployments ahead of schedule

» **Gross margin +11.8 pts**
- Favorable mix of higher-margin software
- Scale benefits realized driven by integration of acquisitions

» **Operating margin +17.7 pts**
- Improvement on higher gross margin
- OpEx includes underspend and timing of R&D projects

REVENUE – FX IMPACT SUMMARY

$ in millions

Average Euro/USD:
$1.12 Q2’19 vs $1.17 Q2’18

Revenue	Q2'19	YoY Change	YoY Change Excluding FX
Device Solutions	$217.7	-7.8%	-2.8%
Networked Solutions	$355.9	20.2%	21.3%
Outcomes	$61.4	14.6%	16.5%
Total	$635.0	**8.4%**	**11.4%**

Average Euro/USD:
$1.12 YTD’19 vs $1.17 YTD’18

Revenue	YTD'19	YoY Change	YoY Change Excluding FX
Device Solutions	$439.5	-9.5%	-3.7%
Networked Solutions	$692.3	15.7%	16.9%
Outcomes	$117.8	8.0%	10.2%
Total	$1,249.6	**4.7%**	**8.2%**

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, adjusted EBITDA margin, 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 June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
NON-GAAP NET INCOME & DILUTED EPS				
GAAP income (loss) attributable to Itron, Inc.	$ 19,446	$ 2,657	$ 17,539	$ (143,009)
Amortization of intangible assets	16,117	17,999	32,090	35,739
Amortization of debt placement fees	1,159	1,172	2,315	4,515
Restructuring	(6,169)	(5,623)	1,093	82,242
Corporate transition cost	473	—	1,556	—
Acquisition and integration related expense	9,194	11,148	20,759	73,795
Income tax effect of non-GAAP adjustments (1)	(5,620)	(6,897)	(12,862)	(27,732)
Non-GAAP net income attributable to Itron, Inc. (1)	$ 34,600	$ 20,456	$ 62,490	$ 25,550
Non-GAAP diluted EPS (1)	$ 0.87	$ 0.51	$ 1.57	$ 0.64
Weighted average common shares outstanding - Diluted	39,686	39,789	39,875	39,782
ADJUSTED EBITDA				
GAAP income (loss) attributable to Itron, Inc.	$ 19,446	$ 2,657	$ 17,539	$ (143,009)
Interest income	(534)	(633)	(862)	(1,294)
Interest expense	13,496	14,645	27,031	30,149
Income tax provision (benefit)	8,419	3,781	14,540	(7,407)
Depreciation and amortization of intangible assets	28,641	30,907	57,068	61,979
Restructuring	(6,169)	(5,623)	1,093	82,242
Corporate transition cost	473	—	1,556	—
Acquisition and integration related expense	9,194	11,148	20,759	73,795
Adjusted EBITDA	$ 72,966	$ 56,882	$ 138,724	$ 96,455

(1) The income tax effect of non-GAAP adjustments is calculated using the statutory tax rates for the relevant jurisdictions, provided no valuation allowance exists. If a valuation allowance exists, there is no tax impact to the non-GAAP adjustment. Effective for the first quarter of 2019, we use the budgeted annual effective tax rate (AETR) for interim periods, with adjustments for discrete items, as defined in ASC 740 - Income Taxes. This method impacts interim periods only and does not impact full year tax results, as any difference between the budgeted or revised AETR and the actual AETR for non-GAAP adjustments would be recognized in the fourth quarter of the year. If the revised methodology had been applied in the second quarter of 2018, non-GAAP net income would have increased by $1.7 million to $22.2 million, and diluted non-GAAP EPS would have increased by $0.05 to $0.56. If the methodology had been applied in the six months ended of 2018. non-GAAP net income would have increased by $5.8 million to $31.3 million, and diluted non-GAAP EPS would have increased by $0.15 to $0.79.

GAAP TO NON-GAAP RECONCILIATIONS

(Unaudited, in thousands, except per share data)

TOTAL COMPANY RECONCILIATIONS	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
FREE CASH FLOW				
Net cash provided by operating activities	$ 53,139	$ 41,327	$ 78,063	$ 16,879
Acquisitions of property, plant, and equipment	(15,096)	(11,876)	(26,511)	(29,309)
Free Cash Flow	$ 38,043	$ 29,451	$ 51,552	$ (12,430)
NON-GAAP OPERATING INCOME				
GAAP operating income (loss)	$ 43,558	$ 20,563	$ 64,381	$ (119,885)
Amortization of intangible assets	16,117	17,999	32,090	35,739
Restructuring	(6,169)	(5,623)	1,093	82,242
Corporate transition cost	473	—	1,556	—
Acquisition and integration related expense	9,194	11,148	20,759	73,795
Non-GAAP operating income	$ 63,173	$ 44,087	$ 119,879	$ 71,891
NON-GAAP OPERATING EXPENSES				
GAAP operating expenses	$ 147,656	$ 156,014	$ 314,096	$ 476,317
Amortization of intangible assets	(16,117)	(17,999)	(32,090)	(35,739)
Restructuring	6,169	5,623	(1,093)	(82,242)
Corporate transition cost	(473)	—	(1,556)	—
Acquisition and integration related expense	(9,194)	(11,148)	(20,759)	(73,795)
Non-GAAP operating expenses	$ 128,041	$ 132,490	$ 258,598	$ 284,541

...

THANK YOU

INVESTOR RELATIONS CONTACTS

Kenneth P. Gianella
Vice President, Investor Relations
669-770-4643
ken.gianella@itron.com

Rebecca Hussey
Manager, Investor Relations
509-891-3574
rebecca.hussey@itron.com