Itron

INVESTOR DAY

Itron Inspire

OCTOBER 5, 2021

Welcome

Kenneth Gianella | Vice President, Investor Relations, ESG and Business Development

Forward Looking Statement

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 undertakes no obligation to update or revise any forward-looking statements in this presentation after the date they are made. We caution 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.

The impact caused by the ongoing COVID-19 pandemic includes uncertainty as to the duration, spread, severity, and any resurgence of the COVID-19 pandemic including other factors contributing to infection rates, such as reinfection or mutation of the virus, the effectiveness or widespread availability and application of any vaccine, the duration and scope of related government orders and restrictions, impact on overall demand, impact on our customers' businesses and workforce levels, disruptions of our business and operations, including the impact on our employees, limitations on, or closures of, our facilities, or the business and operations of our customers or suppliers. Our estimates and statements regarding the impact of COVID-19 are made in good faith to provide insight to our current and future operating and financial environment and any of these may materially change due to factors outside our control. For more information on risks associated with the COVID-19 pandemic, please see Itron's updated risk in Part I, Item 1A: Risk Factors of our latest 10-K filing with the SEC.

Itron at-a Glance

Itron is a market leading **Industrial IoT company** that 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…

OUR VISION AND PURPOSE

- Dedicated to creating a more resourceful world
- Our actions today will define the next century
- With a focus on management of energy and water
- Platform takes wholistic approach to operations

OUR GLOBAL SCOPE

8,000
CUSTOMERS IN 100 COUNTRIES

>200M
COMMUNICATING ENDPOINTS

>78M
ENDPOINTS UNDER MANAGEMENT

~6,200
PEOPLE ACROSS THE GLOBE

~3M
DISTRIBUTED INTELLIGENCE ENABLED ENDPOINTS

+250
PARTNERS IN A BROAD ECOSYSTEM OF SOLUTIONS

Source: Itron reported data as of Q2'2021.

Our Executive and Business Unit Leadership

Tom Deitrich
President and CEO

Joan Hooper
SVP and CFO

Sarah Hlavinka
SVP, General Counsel, and Corp Secretary

Michel Cadieux
SVP Human Resources

Justin Patrick
SVP Device Solutions

John Marcolini
SVP Networked Solutions

Don Reeves
SVP Outcomes

Welcome

- Strategic Perspective and Market Overview: Tom Deitrich, President & CEO
- Finance Overview: Joan Hooper, SVP & CFO
- Our Technology and Operations: Tom Deitrich, President & CEO
- Business Segment Discussion: Business Unit Leaders
- Break
- Q&A: Please submit your questions to investors@itron.com

Strategic Overview

Tom Deitrich | President and Chief Executive Officer

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Our Vision and Purpose

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 IS DEDICATED TO **CREATING A MORE RESOURCEFUL WORLD**

Dynamic Forces Impacting Our Industry

INFRASTRUCTURE

- Aging infrastructure
- Changing demand profile
- Security and safety
- Clean energy & storage
- Electric vehicles

ENVIRONMENTAL

- Remote management
- Climate disruption
- Sustainability
- Asset monitoring / management
- Extreme weather

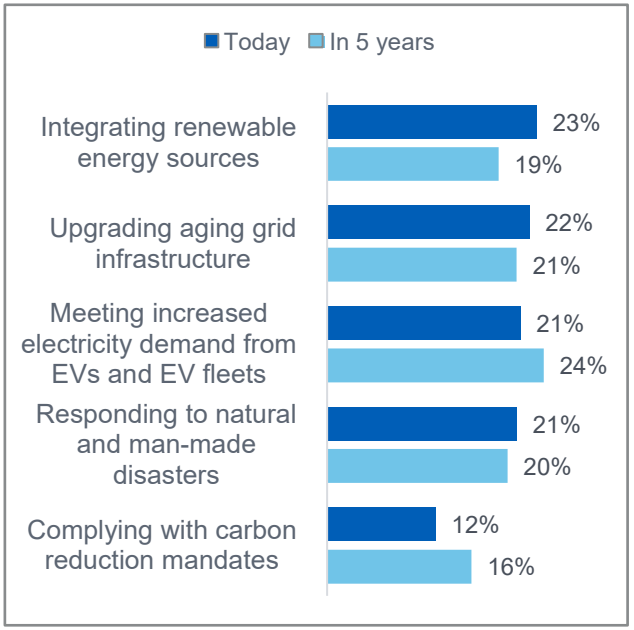
SOCIAL

- Enhanced consumer experience
- Privacy
- Internet of things
- Critical need consumers
- Demand for sustainability

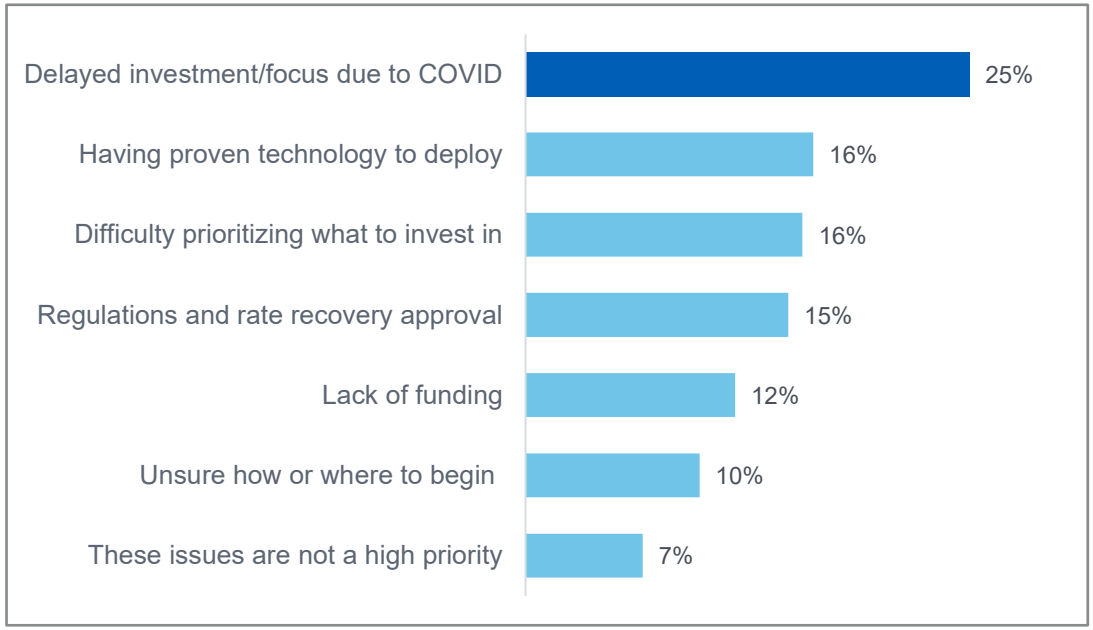
UTILITIES AND CITIES ARE FACING THESE ISSUES TODAY

Resourcefulness Insight Research on Grid Resiliency

Greatest grid reliability/resiliency challenge:



Largest barriers to building and maintaining a reliable and resilient grid:



ITRON FOCUS AREAS WELL ALIGNED TO **CUSTOMER NEEDS** IN A CHANGING WORLD

Source: "2021 Resourcefulness Insight Report: Grid Resiliency"

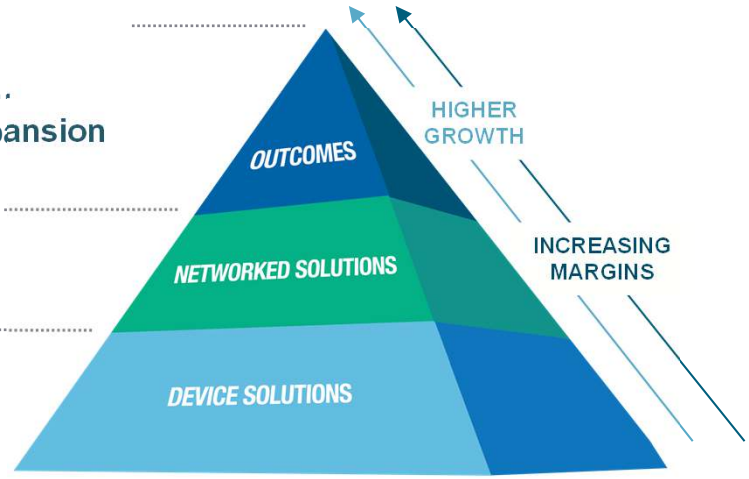
Our Model

Solutions via open standards-based technology that transcend multiple verticals

Rapid profitable growth…
Value & reach expansion

Application aggregation …
Footprint expansion

High quality…
Margin expansion



DRIVE UNIQUE **FOCUS** TO ENHANCE **VALUE CREATION**

Our Strategic Priorities Remain Unchanged

1. **EXPANDING OUR FOOTPRINT**
   Increasing applications / coverage

2. **EXPANDING OUR VALUE**
   Empowering our customers

3. **EXPANDING OUR REACH**
   Enabling new solutions with as many sensors and endpoints on our platform as possible

CREATING THE OPPORTUNITY TO **ENHANCE VALUE** WITH…

- » **GROWING** value proposition
- » **IMPROVING** operating leverage
- » **INCREASING** free cash flow

Market Perspective

Tom Deitrich | President and Chief Executive Officer

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Strong Industry Growth Potential

Total available market of ~$26B annually and growing at ~8% CAGR

2019 Total Available Market ($B) / CAGR (2019-2024)	WW		AMR		EMEA		APAC	
	TAM $B	CAGR %	TAM $B	CAGR %	TAM $B	CAGR %	TAM $B	CAGR %
Outcomes	6.4	20.3	2.2	17.4	2.2	21.4	1.9	22.2
Networked Solutions	9.4	6.9	3.6	2.0	1.9	5.7	3.9	11.3
Device Solutions	10.5	-0.8	1.0	0.6	4.7	-0.4	4.8	-1.5
Total	**26.3**	**8.4**	**6.8**	**7.9**	**8.9**	**8.0**	**10.6**	**9.1**

NORTH AMERICA
~69% smart penetration of ~400M total endpoints

GLOBAL
~30% smart penetration of ~3.7B total endpoints

Source: Management Estimates using data from Omida 2020, Northeast Group Smart Streetlighting and Smart Cities Market Forecast 2020, Guidehouse Distribution Automation Q4 2020.
Penetration rates using IHS Research - Global Electricity, Gas and Water Metering Reports, 2019 Editions (includes China); Northeast Group Smart Streetlighting and Smart Cities Market Forecast 2020-2029

Near-Term Market Impact of COVID

Key markets negatively impacted during pandemic

Total Available Market ($B)	WW		AMR		EMEA		APAC	
	2019	YoY 2020 (%)	2019	YoY 2020 (%)	2019	YoY 2020 (%)	2019	YoY 2020 (%)
Outcomes	6.4	20.5	2.2	14.3	2.2	22.8	1.9	25.0
Networked Solutions	9.4	-1.1	3.6	-18.6	1.9	24.2	3.9	2.8
Device Solutions	10.5	-5.8	1.0	-14.3	4.7	-9.4	4.8	-0.5
Total	**26.3**	**2.3**	**6.8**	**-7.2**	**8.9**	**6.0**	**10.6**	**5.4**

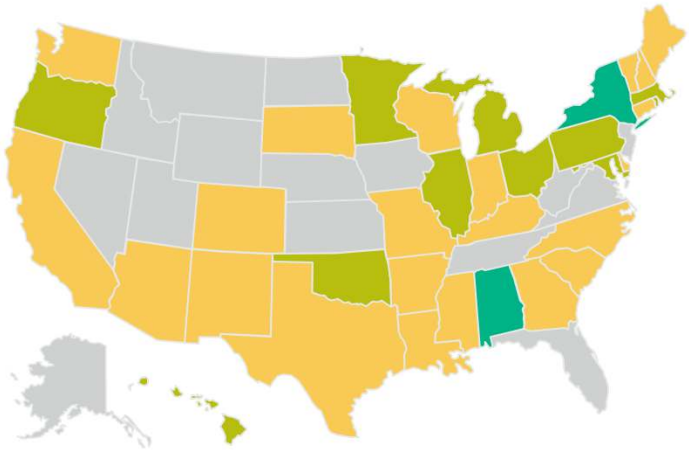
Source: Management Estimates using data from Omida 2020, Northeast Group Smart Streetlighting and Smart Cities Market Forecast 2020, Guidehouse Distribution Automation Q4 2020.
Penetration rates using IHS Research - Global Electricity, Gas and Water Metering Reports, 2019 Editions (includes China); Northeast Group Smart Streetlighting and Smart Cities Market Forecast 2020-2029

Favorable Regulatory Environment for Outcomes

U.S. regulatory environment continues to shift towards outcomes model

- » Active North American market
  - Market **values advanced network solutions**
  - **Leveraging data** for business Outcomes
  - Early AMI adopters beginning refresh
- » Steady **advancement of regulatory models**
- » Infrastructure bill may provide additional benefits

IMPROVING REGULATORY ENVIRONMENT FOR ADVANCED SOLUTIONS



- Allows SaaS capitalization
- Allows formula or performance-based rates
- Allows alternative rate mechanism

1. Source: EEI Finance Department and S&P Global Market Intelligence, Oct 2020. 2. EEI and Itron analysis of state regulatory filings.

Financial Overview

Joan Hooper | Senior Vice President and Chief Financial Officer

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Finance Value Proposition

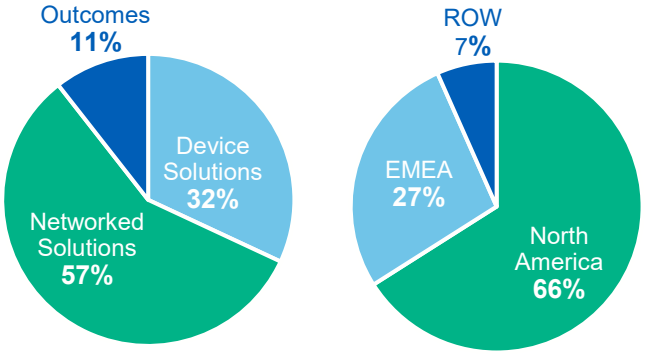
New target operating model reflects increasing earnings and cash flow from 2020

GROWING value proposition and market reach with leading technology

IMPROVING operating leverage leading to increased earnings power

INCREASING free cash flow to support business growth

$2.2B 2020 REVENUE & REVENUE MIX OF:



WITH A Q2'2021:

$3.5B
BACKLOG

$1.4B
12-MONTH BACKLOG

Source: Itron financial metrics as of Dec 31, 2020, except backlog as of June 30, 2021. ROW includes APAC and LATAM.

Itron Target Operating Model

$M	2020 Actual	2024 Estimate
Revenue	**$2,173**	**$2,500 to $2,700** 4 to 6% CAGR
Gross Margin	**27.7%**	**34 to 36%**
Non-GAAP OPEX *% of Revenue*	**$470** *21.6%*	**22 to 23%** of Revenue
ADJUSTED EBITDA *% of Revenue*	**$178** *8.2%*	**14 to 16%** of Revenue
Free Cash Flow *% of Revenue*	**$63** *2.9%*	**8 to 10%** of Revenue

Source: Based on Itron management estimates. Assumptions do not include M&A or additional restructuring savings beyond previously announced programs.

Itron Target Operating Model

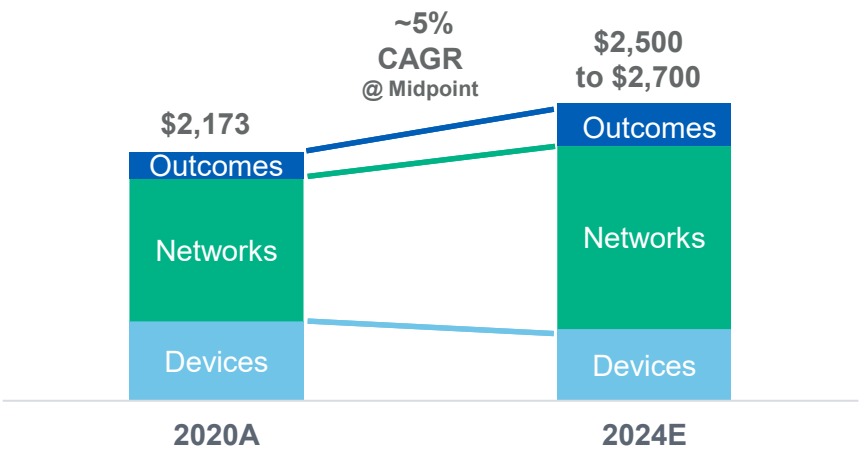
Rotation to higher margin contribution and increased free cash flow

Target Operating Model	Itron Total Company	DEVICES INTELLIGENCE STARTS HERE	NETWORKS ENABLING INTELLIGENT CONNECTIVITY	OUTCOMES DELIVERING INTELLIGENCE THAT EMPOWERS
Revenue (CAGR)	4 to 6%	-4 to -2%	5 to 7%	11 to 15%
Gross Margin	34 to 36%	23 to 25%	38 to 40%	40 to 42%
OPEX	22 to 23% of Revenue			
Adjusted EBITDA	14 to 16% of Revenue			
Free Cash Flow	8 to 10% of Revenue			

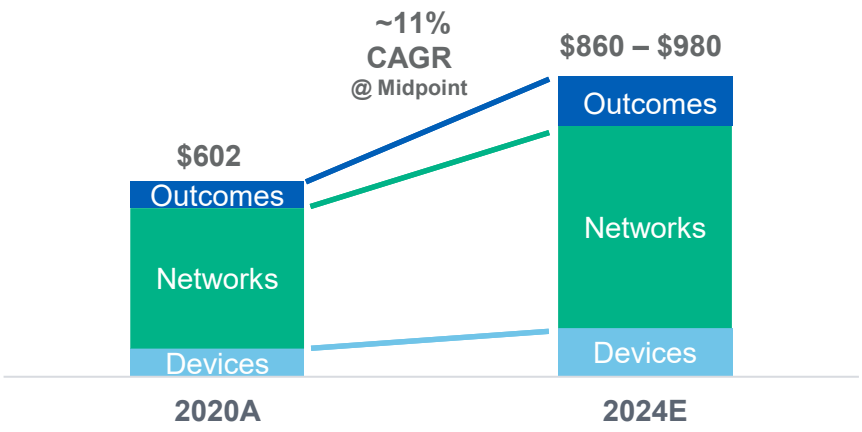
Source: Based on Itron management estimates. Assumptions do not include M&A or additional restructuring savings beyond previously announced programs.

Itron Growth Targets – Revenue and Gross Profit

REVENUE ($M)



GROSS PROFIT($M)



Source: Based on Itron management estimates. Assumptions do not include M&A or additional restructuring savings beyond previously announced programs.

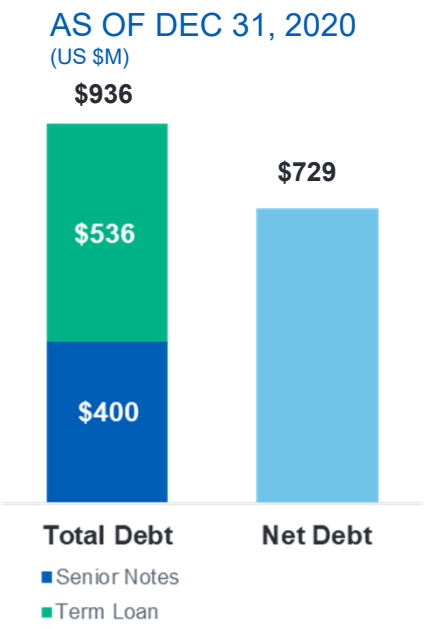
Financial Operating Levers to Execute

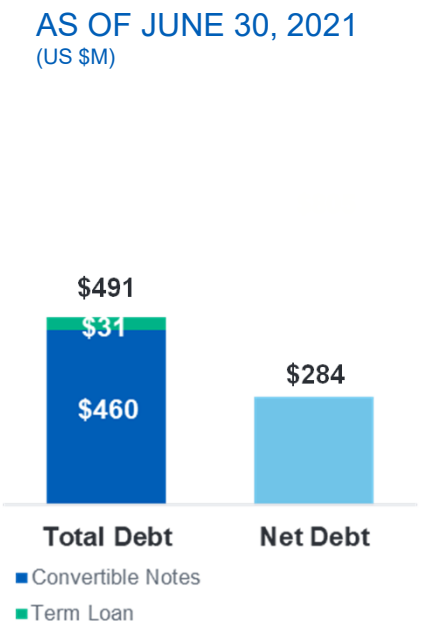
Multiple levers driving long-term financial benefits and earnings power

		OPPORTUNITY REMAINING
REVENUE	• Rotation to higher value solutions driving growth • New product introductions • Leverage footprint to expand value added services	
SUPPLY CHAIN	• Product rationalization and value engineering • Manage component and commodity cycles • Continue shifting towards more strategic outsourcing	
OPERATIONAL LEVERAGE	• Continue shift to asset-light operating model • Optimizing product portfolio • Growth of recurring revenue in the Outcomes business	
OPEX EFFICIENCIES	• Cost rationalization • Disciplined discretionary spending	
OPERATING MARGIN	Initiatives will continue to **drive significant margin improvement**	

Healthy Balance Sheet[1]

Significantly delevered and strengthened balance sheet

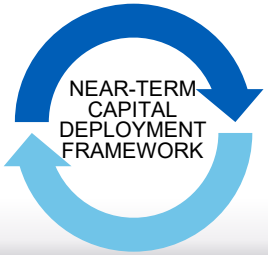




- Strong balance sheet following recapitalization
- Cash and equivalents of $207M
- Net leverage of 1.6x
  - *Improved from 4.1x at year end 2020*
- $500M revolver capacity
- Balance sheet gives us strategic flexibility

1. Metrics as of June 30, 2021, unless otherwise noted. Total debt excludes unamortized prepaid debt fees.

Capital Allocation Priorities



ORGANIC INVESTMENT

- Continuing shift to asset-light business model
- Technology innovation fueled by investment in R&D
- R&D fully expensed and reflected in targets

STRATEGIC OPPORTUNITIES

- Well-positioned for strategic M&A
- Focus on expanding Outcomes
- Targeting complimentary value-add solutions that will scale with our existing offerings

CREATING VALUE

- Focus on long-term shareholder value creation
- Maintain flexibility in capital structure to capture value

Itron Investment Thesis

POSITIONED TO NAVIGATE NEAR-TERM

Only U.S.-Based
Industrial IoT "Pureplay"
In Our Industry

Expanding Our Footprint,
Value Proposition and
Market Reach

Strong
Balance Sheet for
Strategic Flexibility

BUILT FOR THE LONG-TERM

Improving Operating Leverage and
Earnings Power

Positioned for
Free Cash Flow Growth

ESG Principles
Embedded in DNA

Our Technology and Operations

Tom Deitrich | President and Chief Executive Officer

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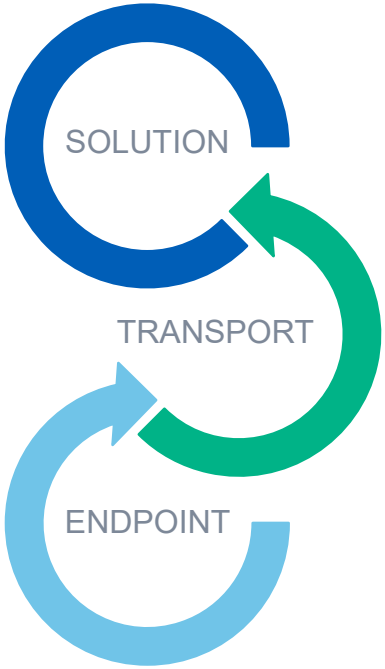
Our Smart Platform Value Proposition

An intelligent Industrial IoT platform that is solution, device and transport agnostic



- » **Trusted** partner
- » Proven technology at **scale**
- » Strong foundation with **backwards compatibility**
- » **Agile "future-proof"** design philosophy
- » **Resilient and secure**
- » Open **ecosystem**

BEYOND SMART. **ACTIVE.**

Unparalleled Network Capability

Itron's industry leading value proposition

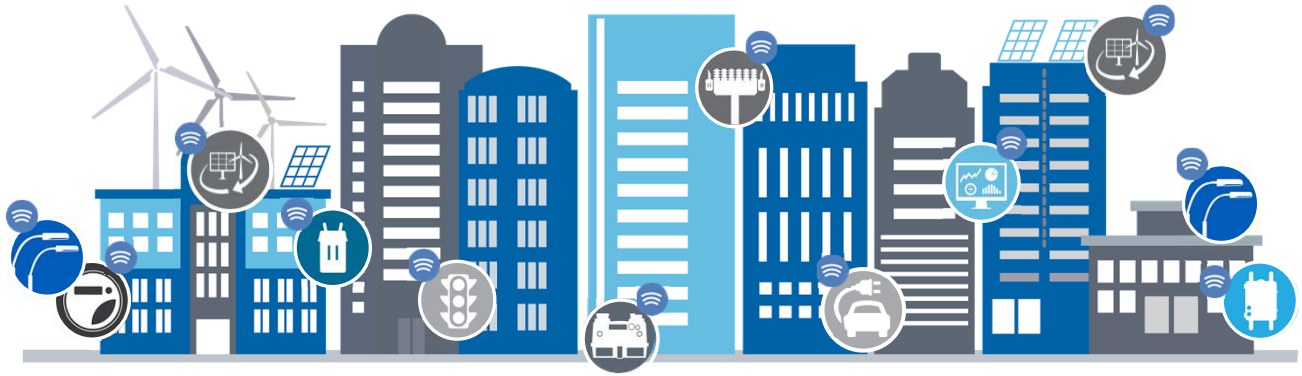
Industry Leading Multi-Service Platform

Transport Agnostic Connectivity

Industry Transforming Distributed Intelligence

Our Solutions Manage Critical Infrastructure

Itron connects critical infrastructure and enables outcomes via our platform



ITRON ENABLES OUTCOMES:

- Smart Energy
- Smart Water
- Smart Streetlighting
- Distribution Automation
- Renewable Energy Management
- Electric Vehicle Management
- Smart City Solutions

MULTI-APPLICATION, MULTI-TENANT PLATFORM
Device agnostic for energy, water & smart city management with data analytics on one network

ADVANCED METERING INFRASTRUCTURE
Two-way, transport agnostic, communications

DISTRIBUTED INTELLIGENCE
Delivering intelligence and applications to the edge of the network for demand response & more

ELECTRIC VEHICLE MANAGEMENT
Enabling insight and control over EV proliferation

DISTRIBUTION AUTOMATION AND DEMAND RESPONSE
Advanced grid control & Distributed Energy Management with Demand Response capabilities

STREETLIGHT CANOPY
Intelligent lighting & increased network coverage & resiliency

SMART CITY SOLUTIONS
Connecting communities to outcomes such as safety, traffic, smart parking, intelligent transport, kiosks, and environmental sensors

SERVICES & ANALYTICS
Solving problems & delivering valuable outcomes

Real-Time Applications Align with Our Strategy

Software Platform
& Managed Service

Distributed Energy
Management

Water and Gas
Smart Grid Operations

Data Management
and Grid Analytics

EV
Infrastructure

AMI Operations

Partner and Payment
Management

Itron Platform Expands Value

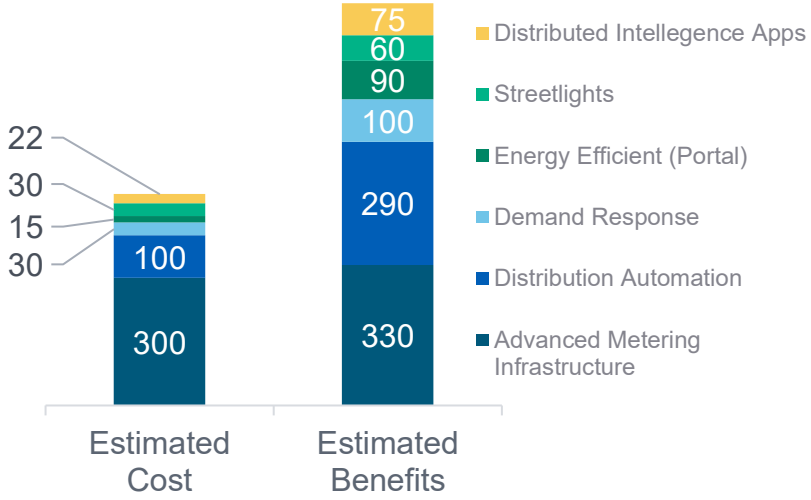
Our intelligent platform enables increased benefits by adding applications

AVERAGE NORTH AMERICAN SMART GRID BUSINESS CASE*

Estimated $/customer, electric only, PV over 20 years

B/C ratio: ~1.1

Operational benefits from AMI are now nearing breakeven



B/C ratio: ~1.9

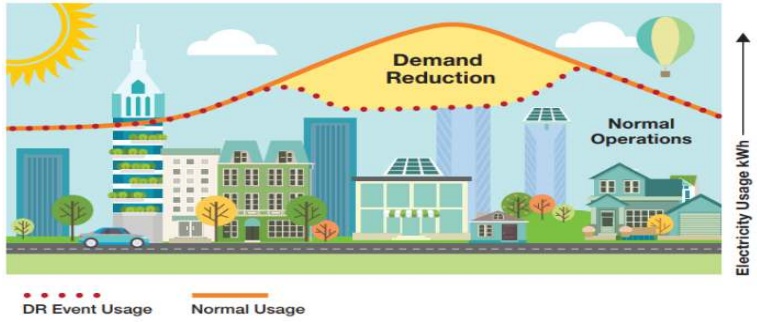
Distributed applications create additional benefits and new business model opportunities

Source: Based on publicly available U.S. smart grid business/rate cases and includes Itron internal estimates.

Customer Use Case Proven Benefits

Awareness = action = reduced GHG = healthy planet

OUR SOLUTIONS REDUCE DEMAND → PROVEN BENEFITS



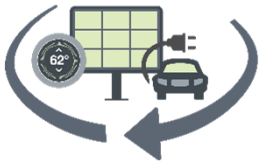
1 GWh of Reduction[4] =

ComEd[1]	CenterPoint Energy[2]	BGE[3]
Chicago, Il. USA	Houston, Tx. USA	Baltimore, MD. USA
484 GWh	**15.6**	**4.7 GWh**
Reduced consumption on inactive meters (183% of target)	Metric tons of CO2 avoided	Reduced peak demand from two events
1664 GWh	**17.3M**	**193 GWh**
Reduced unaccounted for energy (352% of target)	Truck Rolls Avoided	Reduced electricity use with Smart Energy Manager

1. ComEd Press Release, 2020
2. Centerpoint Energy IUW Keynote, 2017
3. IEI Electric Company Smart Meter Deployments, 2021 BGE Epower Report 2020 (pg. 33) 2019 (pg. 32)
4. US EPA, 2021

Strategic Growth Focus Areas

Grid Reliability and Management



Distributed Energy Management

Smart City and IIoT

EV Infrastructure and Fleet Management

Global Presence and Prioritization

AMERICAS

- Extend North American leadership in networked solutions
- Value added networked solutions in smart cities & grid automation
- Drive outcomes offerings in existing networked solutions base
- Expand distributed intelligence footprint

EMEA

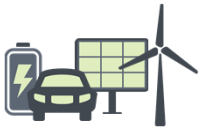
- Leverage canopy opportunities in smart cities
- Value added networked solutions in smart cities & grid automation
- Targeted expansion of outcomes outside of our network footprint

APAC

- Targeted value-added networked solutions to build outcomes base
- Targeted expansion of outcomes outside of our network footprint
- Targeted participation with focused device-oriented sales

Robust Global Partner Network

Over +250 partners and counting



Distributed Energy Management

Grid Management

Metering Solutions

Smart Cities

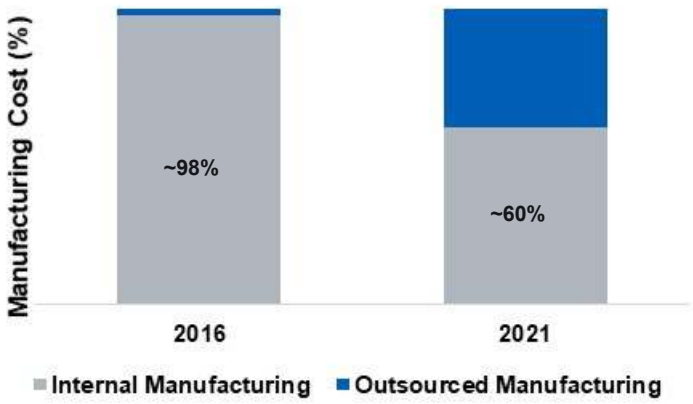
Utility IoT Solutions

Networking and Communications

Distributed Intelligence Applications

Global Supply Chain: Continued Shift to Asset Light Model

MANUFACTURING TRANSITION PROGRESSION



MANUFACTURING FOOTPRINT

Internal Sites Count By Region	2016	2021[1]
AMR	6	2
EMEA	13	7
APAC	4	1
Total	**23**	**10**

TARGET TO BE >**60% OUTSOURCED BY 2024**

1. Note: Reflects previously announced restructuring programs.
Source: Itron Supply Chain Management

Itron Business Segment Discussion

Justin Patrick | Senior Vice President, Device Solutions
John Marcolini | Senior Vice President, Networked Solutions
Don Reeves | Senior Vice President, Outcomes

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Device Solutions Segment

Justin Patrick | Senior Vice President, Device Solutions

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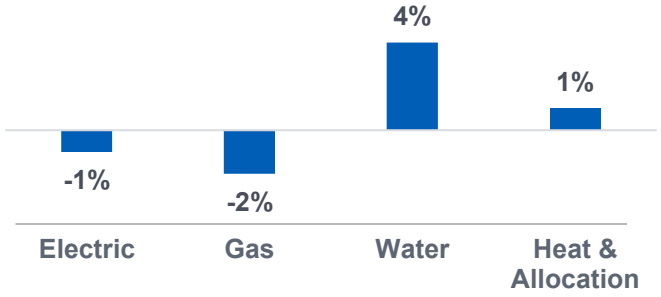
Device Solutions Segment

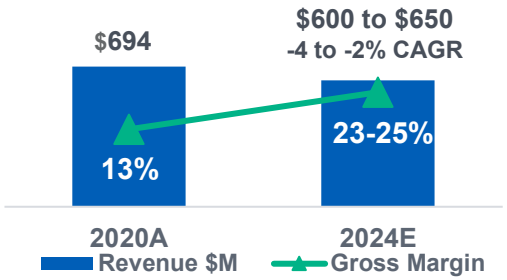
Increasing margins

GLOBAL MARKET ENVIRONMENT

2020 TO 2024 4YR INDUSTRY CAGR[1]



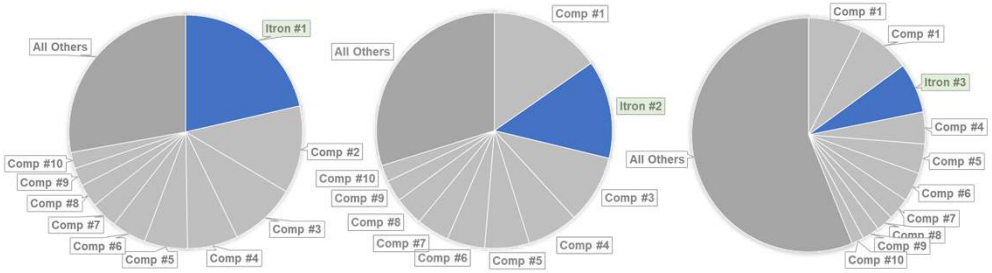
ITRON SEGMENT ESTIMATE



MARKET POSITION

STANDARD METER SHIPMENTS ENDPOINTS ELECTRIC, GAS, WATER[2]

AMERICAS 47.7M **EMEA 78.3M** **APAC 77.9M** (Excludes China)

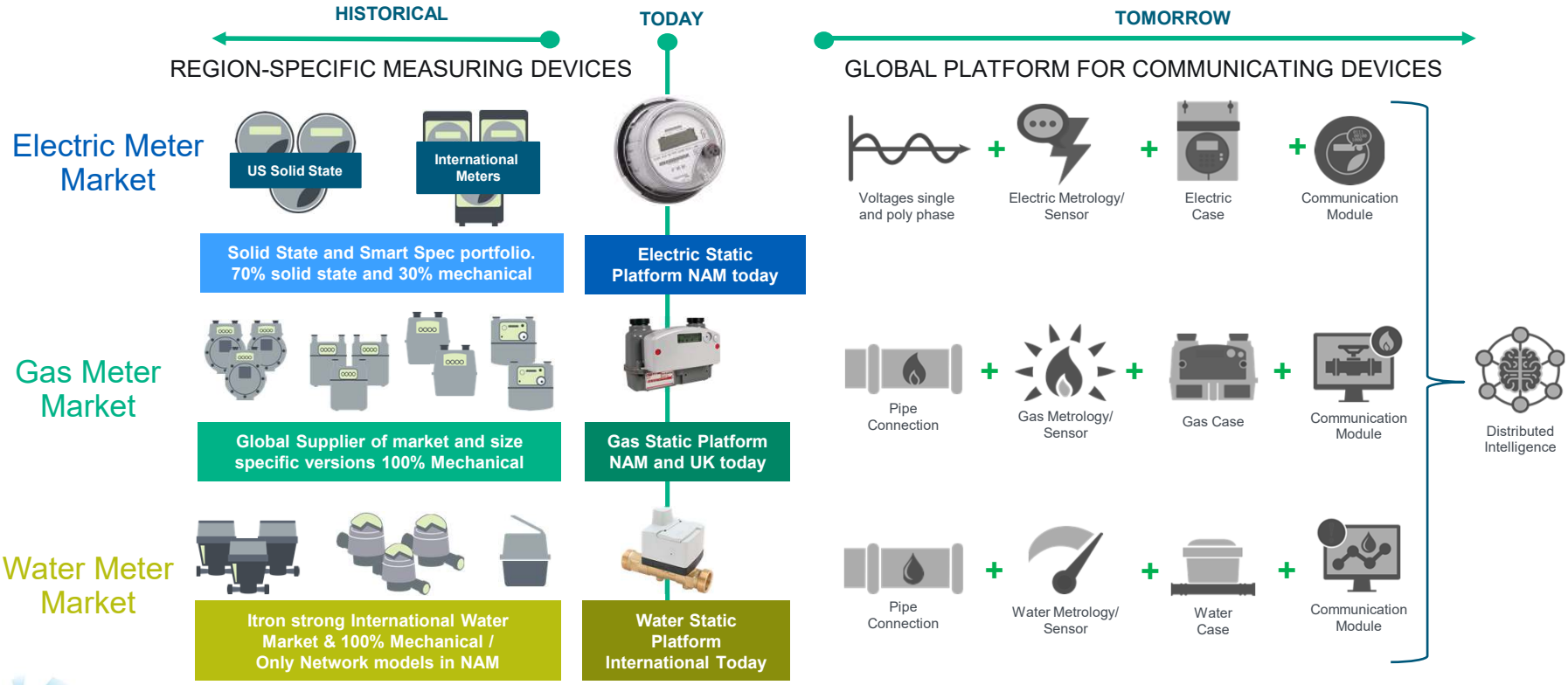


SEGMENT STRATEGIC & PRODUCT FOCUS

- Optimized product portfolio to drive improved margins
- Opportunistically leverage products across geographies
- Enter North American water meter market
- Selectively target markets for margin enhancing opportunities

Source: 1 Omdia (2020, 2021), Guidehouse (2020), Northeast Group (2020)
2 Itron analysis based on vendor pilot, scale, and full deployment data

Evolution of Our Global Device Platform



Executing Our Device Solutions Strategy

Optimize Product Portfolio to **Drive Higher Margins**

Add **Customer Value** with Portfolio Shift from Mechanical to a Global Static Platform

Continue to Drive **Improved Operational Performance**

Networked Solutions Segment

John Marcolini | Senior Vice President, Networked Solutions

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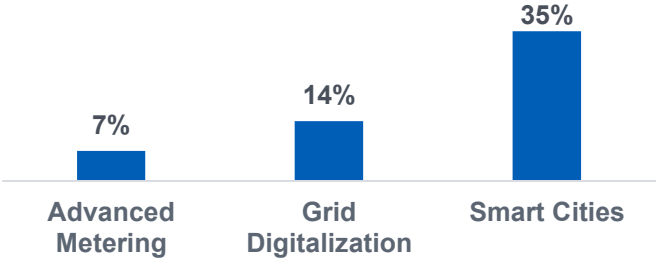
Networked Solutions Segment

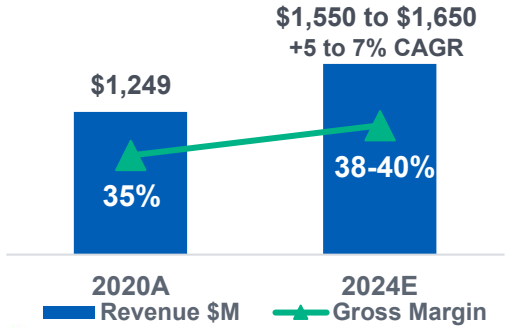
Expanding Our Footprint

GLOBAL MARKET ENVIRONMENT

2020 TO 2024 4YR INDUSTRY CAGR[1]



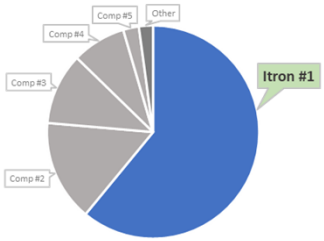
ITRON SEGMENT ESTIMATE



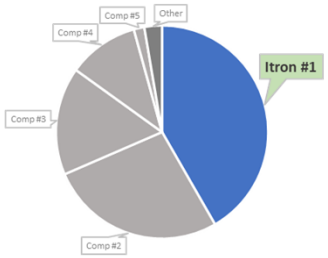
MARKET POSITION

NETWORKED SOLUTIONS CUMULATIVE SHARE

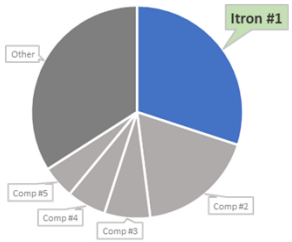
Networked Endpoints[2]
(Electric/Gas, partial Water, US)



Distribution Automation[3]
(DA on AMI, US)

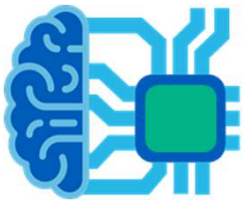


Smart Streetlights[4]
(Americas)



DISTRIBUTED INTELLIGENCE ENDPOINT GROWTH

2020 TO 2024



6X

Source:
1 Omdia (2020, 2021), Guidehouse (2020), Northeast Group (2020)
2 Itron analysis based on vendor pilot, scale, and full deployment data
3 Northeast Group - US Smart Grid Report 2020 and announcements
4 Northeast Group - Smart Street Lighting & Smart Cities-Market Forecast 2020

Key Industry Market Segments Growth Strategy

Advanced Metering

- Gas safety and static metering
- Monetize canopy with new use-cases
- International expansion

Grid Digitalization

- Distributed Intelligence expansion
- Network diversification
- Distributed Energy Resource integration

Smart City

- Smart lighting with utilities & cities
- Product portfolio expansion
- Global channel partnerships to extend reach

Executing Networked Solutions Strategy

Capitalize on **#1 Market Position in Distributed Intelligence** to Deliver Value

Extend Distribution Automation Capabilities Deeper into Low to Medium Voltage Grid

Grow Smart Cities Solutions, Ecosystems and Sales Channels Across the Globe

Outcomes Segment

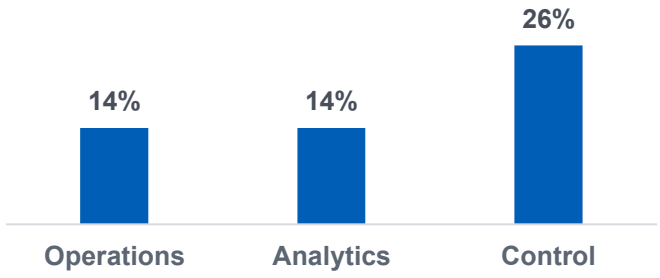
Don Reeves | Senior Vice President, Outcomes

Outcomes Segment

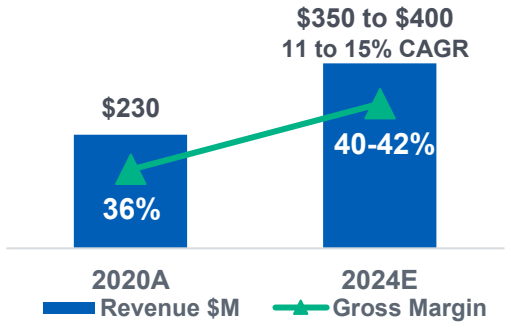
Expanding our value

GLOBAL MARKET ENVIRONMENT

2020 TO 2024 4YR INDUSTRY CAGR[1]



ITRON SEGMENT ESTIMATE



CURRENT OUTCOMES ENABLEMENT

- >200M Communicating Endpoints
- >78M Endpoints Under Management
- ~3M Distributed Intelligence Enabled Endpoints

SEGMENT STRATEGIC & PRODUCT FOCUS

- Leverage network footprint for land & expand strategy
- Deliver innovative, high-value solutions with DI
- End-to-end solutions as managed service with partner eco-system
- Increase margin with high-value offers, mix shift and scale

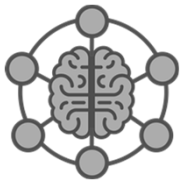
Source: 1.Omdia (2020, 2021), Guidehouse (2020), Northeast Group (2020)

What is an Outcome?

Significant growth opportunities in Outcomes solutions

Executing Outcomes Strategy

Grow total **endpoints under management**



Deliver Innovative High-Value Solutions with **Distributed Intelligence**

Demonstrated **traction with new offerings** in Distributed Energy Management, Grid & EV Management

Our Business Segments

More intelligence, more possibilities = **proven results**

Closing Remarks

Tom Deitrich | President and Chief Executive Officer

Creating Strategic Value

GROWING
Value Proposition

- Expansion of networked footprint
- Rotation to higher-value solutions
- Positioned for strategic growth

IMPROVING
Operating Leverage

- Shift to asset-light operating model
- Pruning of product portfolio
- Continued cost rationalization

EXTENDING
Technology Leadership

- Increasing need for innovative solutions to support infrastructure
- Best-in-class security
- Sustainability partner

Itron Investment Thesis

POSITIONED TO NAVIGATE NEAR-TERM

Only U.S.-Based
Industrial Iot "Pureplay"
In Our Industry

Expanding Our Footprint,
Value Proposition and
Market Reach

Strong
Balance Sheet for
Strategic Flexibility

BUILT FOR THE LONG-TERM

Improving Operating Leverage and
Earnings Power

Positioned for
Free Cash Flow Growth

ESG Principles
Embedded in DNA

Q&A

We will take a brief break before beginning Q&A

Appendix

Itron: What Has Changed Since 2019 Target Operating Model

Progress: Executed against Strategy

- Divested LATAM business
- Aggressive product and market pruning of Devices
- De-levered Balance Sheet, despite COVID-19 headwinds
- Continued Investment in Networks/Outcomes
- 2020 Cost Savings Plan

New Target Model has Improved Margins / FCF

- Rotating business to higher value mix of revenue
- Operational discipline

Headwinds Pushing Out Target Model

- COVID-19
- Component Constraints

Investment in Innovation

GLOBAL DESIGN & RESEARCH CENTERS

ITRON R&D INVESTMENT

As a % of total revenue

	2020	Target
Company R&D as a % of Total Revenue	**9%**	**8-9%**
Outcomes	11%	↑
Networked Solutions	8%	↔
Device Solutions	4%	↓

INVESTMENT PHILOSOPHY

- R&D group insuring efficient platform development
- Disciplined, product portfolio driven, prioritization of roadmap
- Global Centers of Excellence
- Global technology platforms that can be leveraged across verticals

INNOVATION PRIORITIES

- Invest in solutions that increase customer outcomes success
- Grow Distributed Intelligence solutions and Itron apps store
- Invest in next generation network & robust partner ecosystem
- Global device sensor and control platform

Our Holistic ESG Approach

Itron is dedicated to creating a more resourceful world

- ESG is in our DNA
- Four pillars to drive cross-functional ESG efforts
- Integrated with strategic, operational & risk management efforts
- Long-term focused
- Supports U.N.'s Sustainable Development Goals

ENVIRONMENTAL AND OPERATIONAL STEWARDSHIP

SOLUTION IMPACT AND COMMUNITY ENGAGEMENT

INCLUSION AND OUR HUMAN CAPITAL PLEDGE

EFFECTIVE SHAREHOLDER ADVOCACY

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

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. We strongly encourage investors and shareholders to review our financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure. 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	Twelve Months Ended December 31,	
	2020	2019
NON-GAAP OPERATING EXPENSES		
GAAP operating expenses	$ 612,562	$ 619,636
Amortization of intangible assets	(44,711)	(64,286)
Restructuring	(37,013)	(6,278)
Loss on sale of business	(59,817)	—
Corporate transition cost	33	(2,520)
Acquisition and integration related expense	(1,026)	(26,598)
Non-GAAP operating expenses	$ 470,028	$ 519,954
ADJUSTED EBITDA		
GAAP net income (loss) attributable to Itron, Inc.	$ (57,955)	$ 49,006
Interest income	(2,998)	(1,849)
Interest expense	44,001	52,453
Income tax (benefit) provision	238	20,617
Depreciation and amortization	97,290	114,400
Restructuring	37,013	6,278
Loss on sale of business	59,817	—
Corporate transition cost	(33)	2,520
Acquisition and integration related expense	1,026	26,598
Adjusted EBITDA	$ 178,399	$ 270,023
FREE CASH FLOW		
Net cash provided by operating activities	$ 109,514	$ 172,840
Acquisitions of property, plant, and equipment	(46,208)	(60,749)
Free Cash Flow	$ 63,306	$ 112,091

Itron inspire

Itron INVESTOR DAY

Thank You

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