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

Barbara Doyle – Vice President, Investor Relations

First Quarter 2018
Earnings Conference Call

May 14, 2018

SAFE HARBOR

Certain matters disclosed 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, 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. Viewers 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 latest 10-K and 10-Q, copies of which may be accessed through the SEC's website at http://www.sec.gov.

CONFERENCE CALL AGENDA

- CEO – Business and Operations Update
- CFO – Financial Results
- Q&A

Q1'18 SUMMARY

Strong sales performance and continued focus on operational execution, global supply chain transformation and integration projects

- » Financial results in line with Q1'18 guidance
- » Revenue up +27% year-over-year; +9% excluding the addition of the Networks segment
- » Backlog increased to $3.1 billion at March 31, 2018
- » Strong performance in new Networks segment

Q1’18 BACKLOG

- Includes addition of $1.4 billion and $337 million to total and 12-month backlog, respectively, from Silver Spring Networks acquisition
- Total book to bill of 0.9:1

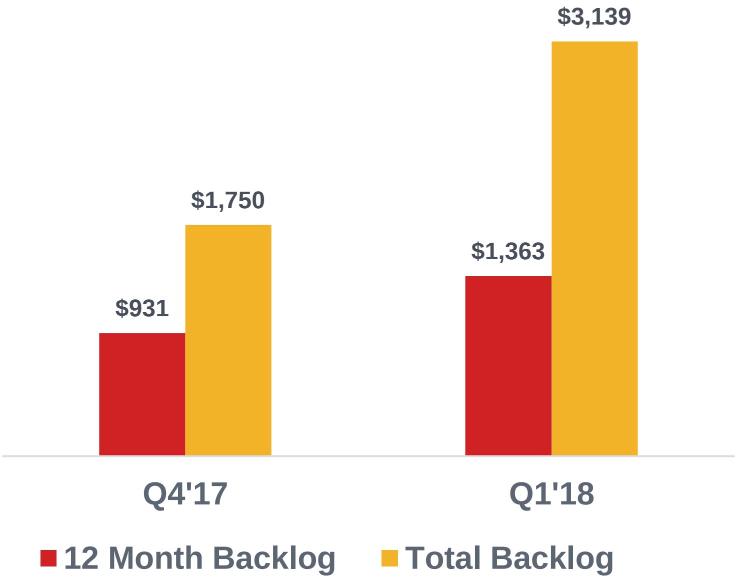


Chart in Millions, actual currency rates.

CONSOLIDATED GAAP RESULTS – Q1'18

$ in millions (except per share amounts)	Q1 2018	Q1 2017	Change
Revenue	**$607.2**	$477.6	27.1%
Change in constant currency			*20.6%*
Gross margin	**29.6%**	33.0%	-340 bps
Operating income (loss)	**-$140.4**	$30.8	NM
Net income (loss) attributable to Itron	**-$145.7**	$15.8	NM
Earnings (loss) per share – diluted	**-$3.74**	$0.40	NM
Cash provided (used) by operating activities	**-$24.4**	$63.3	NM

» Revenue growth from strong smart solution deliveries across all segments and the addition of the Networks segment

» Gross margin decrease due to global supply chain transitions, higher commodity and component costs and product mix

» Lower GAAP operating income due to restructuring and acquisition & integration-related charges and the addition of acquired operations

» GAAP net income reflects lower operating income and higher interest expense, partially offset by a GAAP tax benefit

» Cash flow driven by lower profitability, cash outlays for acquisition & integration expenses and timing of working capital

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

CONSOLIDATED NON-GAAP RESULTS – Q1'18

$ in millions (except per share amounts)	Q1 2018	Q1 2017	Change
Non-GAAP operating income	**$27.8**	$38.8	-28%
Non-GAAP operating margin	**4.6%**	8.1%	-350 bps
Non-GAAP net income attributable to Itron	**$5.1**	$22.2	-77%
Adjusted EBITDA	**$39.6**	$45.6	-13%
Adjusted EBITDA margin	**6.5%**	9.5%	-300 bps
Non-GAAP earnings per share - diluted	**$0.13**	$0.57	-77%
Free cash flow	**-$41.9**	$54.1	NM

- » Higher operating expenses from the addition of acquired businesses and impact of changes in foreign exchange rates
- » Gross margin performance and increased operating expenses drove reduced non-GAAP operating income
- » Non-GAAP net income reflects lower operating income, increased interest expense and higher non-GAAP tax rate
- » Free cash flow driven by reduced profitability, cash outlays for acquisition & integration expenses and timing of working capital

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

REVENUE YEAR-OVER-YEAR BRIDGE – Q1’18

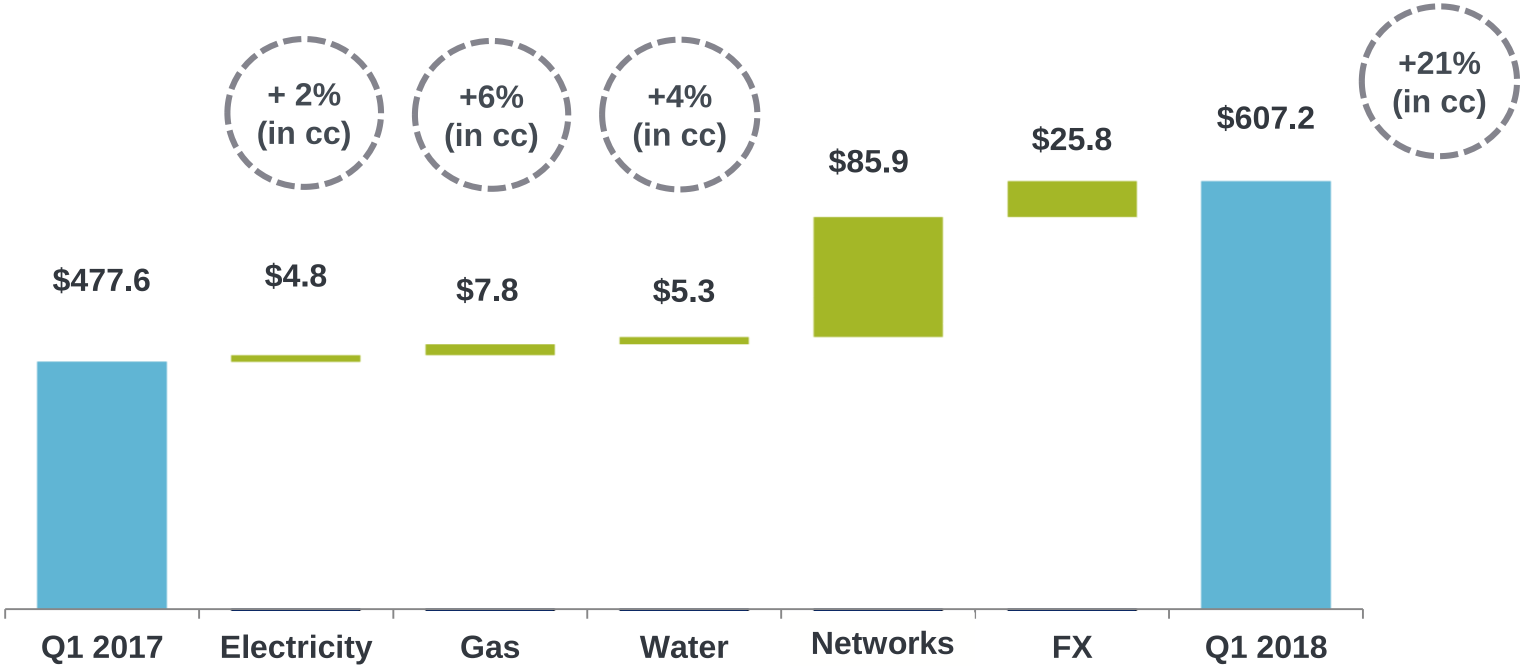
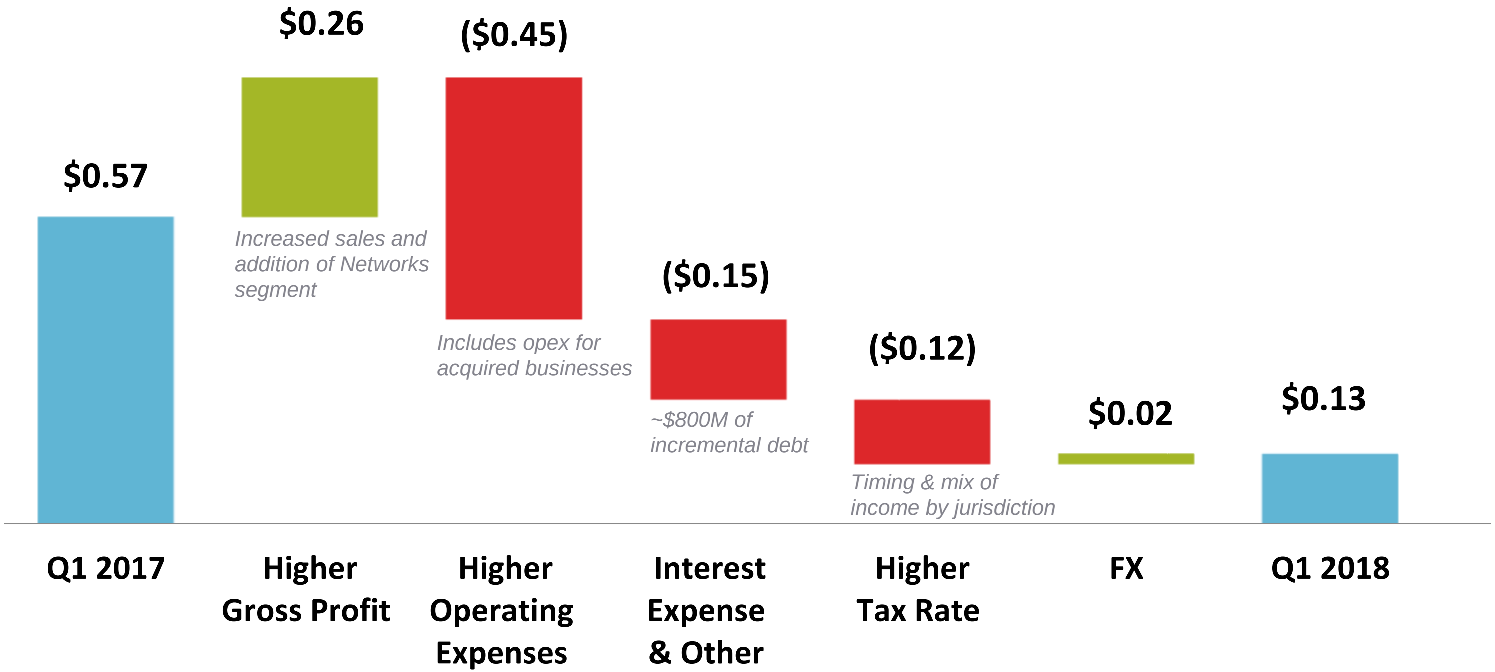


Chart in Millions, Q1’17 and Q1’18 totals reflect actual currencies; all variances other than FX exclude currency impact

NON-GAAP EPS YEAR-OVER-YEAR BRIDGE – Q1’18

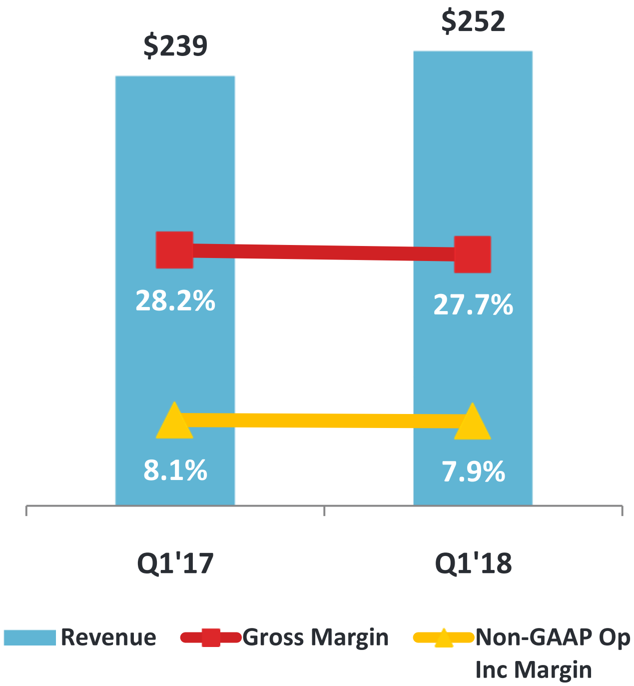


Q1’17 and Q1’18 totals reflect actual currencies; all variances other than FX exclude currency impact

ELECTRICITY SEGMENT - Q1'18

REVENUE, GROSS MARGIN AND NON-GAAP OPERATING MARGIN

$ in millions, actual currency



» **Revenue +6% and +2% in constant currency**
- Strong managed service revenue
- Product revenue growth in EMEA
- Riva deployments continuing to ramp in North America

» **Gross margin down 50 bps**
- Higher volumes offset by elevated costs from global supply chain transitions

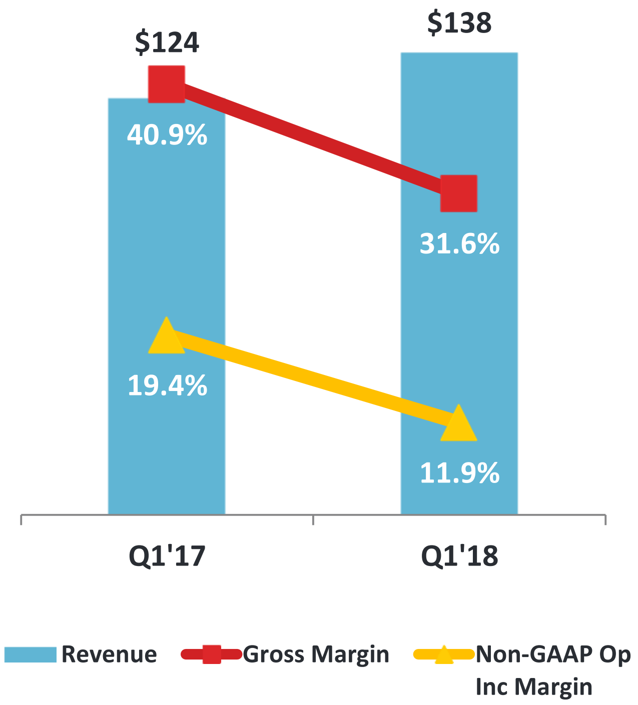
» **Non-GAAP operating margin down 20 bps**
- Benefits from restructuring initiatives offset by added R&D, sales and marketing costs for new solutions

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

GAS SEGMENT – Q1’18

REVENUE, GROSS MARGIN AND NON-GAAP OPERATING MARGIN

$ in millions, actual currency



» **Revenue +11% and +6% in constant currency**
- Accelerating smart meters in EMEA
- Ramping of Riva deployments in North America
- Strong residential project demand in Latin America

» **Gross margin down 930 bps**
- Greater mix of meters vs. modules
- Higher mix of EMEA business
- Elevated costs from global supply chain transitions

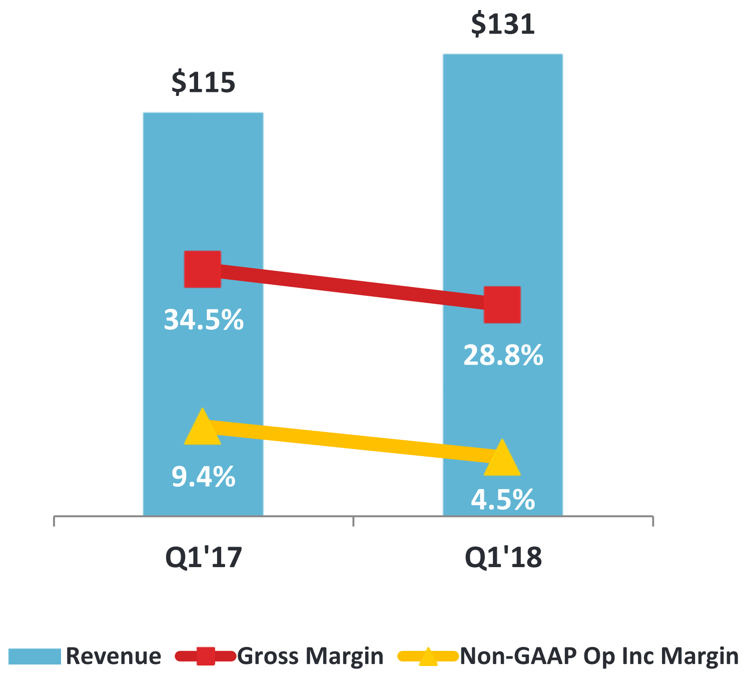
» **Non-GAAP operating margin down 750 bps**
- Lower gross profit
- Partially offset by improved operating leverage

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

WATER SEGMENT – Q1’18

REVENUE, GROSS MARGIN AND NON-GAAP MARGIN OPERATING

$ in millions, actual currency



» **Revenue +14% and +4% in constant currency**
- Growth driven by North America smart solutions
- Ramp up of Riva deployments in NAM and Australia
- 6th consecutive quarter of YOY revenue growth in LAM

» **Gross margin down 570 bps**
- Product mix
- Higher costs for supply chain transitions and commodities

» **Non-GAAP operating margin down 490 bps**
- Lower gross profit
- Partially offset by improved operating leverage

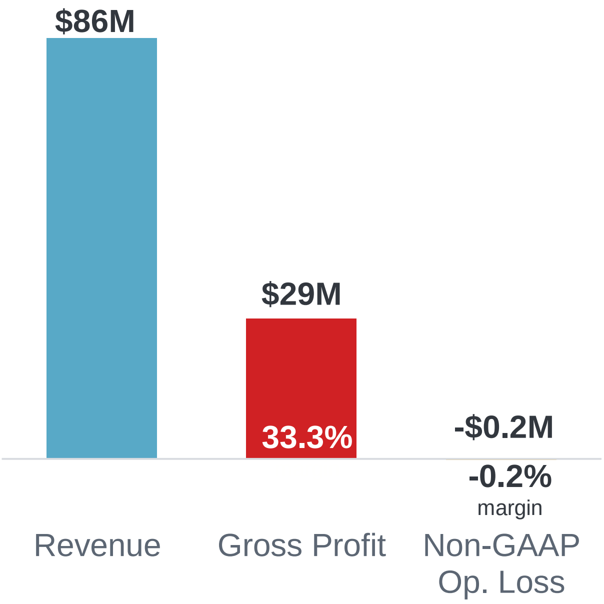
» **Steady sequential backlog growth since Q2’16**

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

NETWORKS SEGMENT – Q1’18

REVENUE, GROSS MARGIN AND NON-GAAP MARGIN OPERATING

$ in millions, actual currency



» **Revenue of $86M**
- Driven by strong North America networks and managed service solutions
- Growing adoption rates in international markets

» **Gross margin of 33.3%**
- Includes negative 500 bps impact of purchase price accounting

» **Non-GAAP operating margin of -0.2%**

» **1M electric and gas endpoints delivered in Q1’18**
- 29M cumulative electric and gas endpoints

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

INTEGRATION OF SILVER SPRING NETWORKS

Organization

- Onboarding of former SSNI employees complete
- Integration of G&A and R&D functions

Accounting

- Standardized reporting with Itron legacy segments
- Completed conversion to new accounting standard
- Planning to merge ERP systems underway

Customers and Sales

- Alignment of go-to-market strategy
- Strong support from customers

Research and Development

- R&D collaboration
- Convergence planning underway

APPENDIX

» Revenue - FX impact summary

» GAAP to Non-GAAP Reconciliations

REVENUE - FX IMPACT SUMMARY

$ in millions

Average Euro/USD:
$1.23 Q1'18 vs $1.06 Q1'17

Revenue	Q1'18	YoY Change	YoY Change Excluding FX
Electricity	$252.4	5.7%	2.0%
Gas	$137.7	10.9%	6.0%
Water	$131.2	14.4%	4.2%
Networks	$85.9	--%	--%
Total	$607.2	**27.1%**	**20.6%**

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, 2018	2017
NON-GAAP NET INCOME & DILUTED EPS		
GAAP net income attributable to Itron, Inc.	$ (145,666)	$ 15,845
Amortization of intangible assets	17,740	4,549
Amortization of debt placement fees	3,343	241
Restructuring	87,865	3,052
Acquisition and integration related expenses	62,647	333
Income tax effect of non-GAAP adjustments	(20,835)	(1,834)
Non-GAAP net income attributable to Itron, Inc.	$ 5,094	$ 22,186
Non-GAAP diluted EPS	$ 0.13	$ 0.57
Weighted average common shares outstanding - Diluted	39,773	39,215
ADJUSTED EBITDA		
GAAP net income attributable to Itron, Inc.	$ (145,666)	$ 15,845
Interest income	(661)	(269)
Interest expense	15,504	3,199
Income tax provision	(11,188)	9,047
Depreciation and amortization	31,072	14,378
Restructuring	87,865	3,052
Acquisition and integration related expenses	62,647	333
Adjusted EBITDA	$ 39,573	$ 45,585

GAAP TO NON-GAAP RECONCILIATIONS

(Unaudited, in thousands, except per share data)

TOTAL COMPANY RECONCILIATIONS	Three Months Ended March 31, 2018	2017
FREE CASH FLOW		
Net cash provided by operating activities	$ (24,448)	$ 63,257
Acquisitions of property, plant, and equipment	(17,433)	(9,122)
Free Cash Flow	$ (41,881)	$ 54,135
NON-GAAP OPERATING INCOME		
GAAP operating income	$ (140,448)	$ 30,827
Amortization of intangible assets	17,740	4,549
Restructuring	87,865	3,052
Acquisition and integration related expenses	62,647	333
Non-GAAP operating income	$ 27,804	$ 38,761
NON-GAAP OPERATING EXPENSES		
GAAP operating expenses	$ 320,303	$ 126,810
Amortization of intangible assets	(17,740)	(4,549)
Restructuring	(87,865)	(3,052)
Acquisition and integration related expenses	(62,647)	(333)
Non-GAAP operating expenses	$ 152,051	$ 118,876

GAAP TO NON-GAAP RECONCILIATIONS

(Unaudited, in thousands)

SEGMENT RECONCILIATIONS	Three Months Ended March 31,	
	2018	2017
NON-GAAP OPERATING INCOME - ELECTRICITY		
Electricity - GAAP operating income	$ (2,768)	$ 17,084
Amortization of intangible assets	2,880	2,362
Restructuring	19,600	(176)
Acquisition and integration related expenses	323	—
Electricity - Non-GAAP operating income	$ 20,035	$ 19,270
NON-GAAP OPERATING INCOME - GAS		
Gas - GAAP operating income	$ (28,348)	$ 21,731
Amortization of intangible assets	1,124	1,277
Restructuring	43,547	1,084
Gas - Non-GAAP operating income	$ 16,323	$ 24,092
NON-GAAP OPERATING INCOME - WATER		
Water - GAAP operating income (loss)	$ (11,710)	$ 8,804
Amortization of intangible assets	835	910
Restructuring	16,714	1,018
Water - Non-GAAP operating income	$ 5,839	$ 10,732

GAAP TO NON-GAAP RECONCILIATIONS

(Unaudited, in thousands)

SEGMENT RECONCILIATIONS	Three Months Ended March 31,	
	2018	2017
NON-GAAP OPERATING INCOME - NETWORKS		
Networks - GAAP operating income (loss)	$ (75,510)	—
Amortization of intangible assets	12,901	—
Acquisition and integration related expenses	62,448	—
Networks - Non-GAAP operating income	(161)	$ —
NON-GAAP OPERATING INCOME - CORPORATE UNALLOCATED		
Corporate unallocated - GAAP operating loss	$ (22,112)	$ (16,792)
Restructuring	8,004	1,126
Acquisition and integration related expenses	(124)	333
Corporate unallocated - Non-GAAP operating loss	$ (14,232)	$ (15,333)

THANK YOU

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