



Tom Deitrich – President and Chief Executive Officer
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**Third Quarter 2021
Earnings Conference Call
November 4, 2021**

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 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.

CONFERENCE CALL AGENDA

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

EXECUTING OUR STRATEGY

Updates since Investor Day on October 5th



Acquisition of SELC to grow smart city and lighting solutions



Sale of European C&I mechanical gas meter business; Gas stations metering and pressure regulation business; global gas regulator business



A **restructuring** project to drive reductions in certain locations and support areas

CONSOLIDATED GAAP RESULTS: Q3'21

\$ in millions (except per share amounts)	Q3 2021	Q3 2020	Change
Revenue	\$486.9	\$540.2	-10%
<i>Change in constant currency</i>			<i>-11%</i>
Gross margin	27.7%	26.5%	+120 bps
Operating income (loss)	\$4.2	(\$24.0)	NM
Net income (loss) attributable to Itron, Inc.	(\$1.9)	(\$25.4)	+93%
Net loss per share - diluted	(\$0.04)	(\$0.63)	+94%

- » Revenue down due to 2021 component constraints, which reduced revenue by approximately \$100 million
- » Gross margin of 27.7% up 120 bps due to favorable product mix
- » GAAP operating income improved vs the prior year loss primarily due to lower restructuring expenses
- » GAAP net loss improved vs the prior year due to operating income in 2021 and lower interest expense, partially offset by a higher tax rate

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

CONSOLIDATED NON-GAAP & CASH RESULTS: Q3'21

\$ in millions (except per share amounts)	Q3 2021	Q3 2020	Change
Non-GAAP operating income	\$16.4	\$29.7	-45%
Non-GAAP operating margin	3.4%	5.5%	-210 bps
Non-GAAP net income attributable to Itron, Inc.	\$9.5	\$24.6	-62%
Adjusted EBITDA	\$26.1	\$39.7	-34%
Adjusted EBITDA margin	5.4%	7.3%	-190 bps
Non-GAAP earnings per share - diluted	\$0.21	\$0.61	-66%
Net cash provided by operating activities	\$18.5	\$44.8	-59%
Free cash flow	\$11.2	\$37.5	-70%

- » Non-GAAP operating income decreased due to lower revenue and higher variable compensation
- » Non-GAAP net income decreased due to lower non-GAAP operating income and a higher non-GAAP effective tax rate
- » The lower cash flow was primarily due to reduced non-GAAP EBITDA and lower cash inflows from working capital

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

REVENUE YEAR-OVER-YEAR BRIDGE: Q3'21

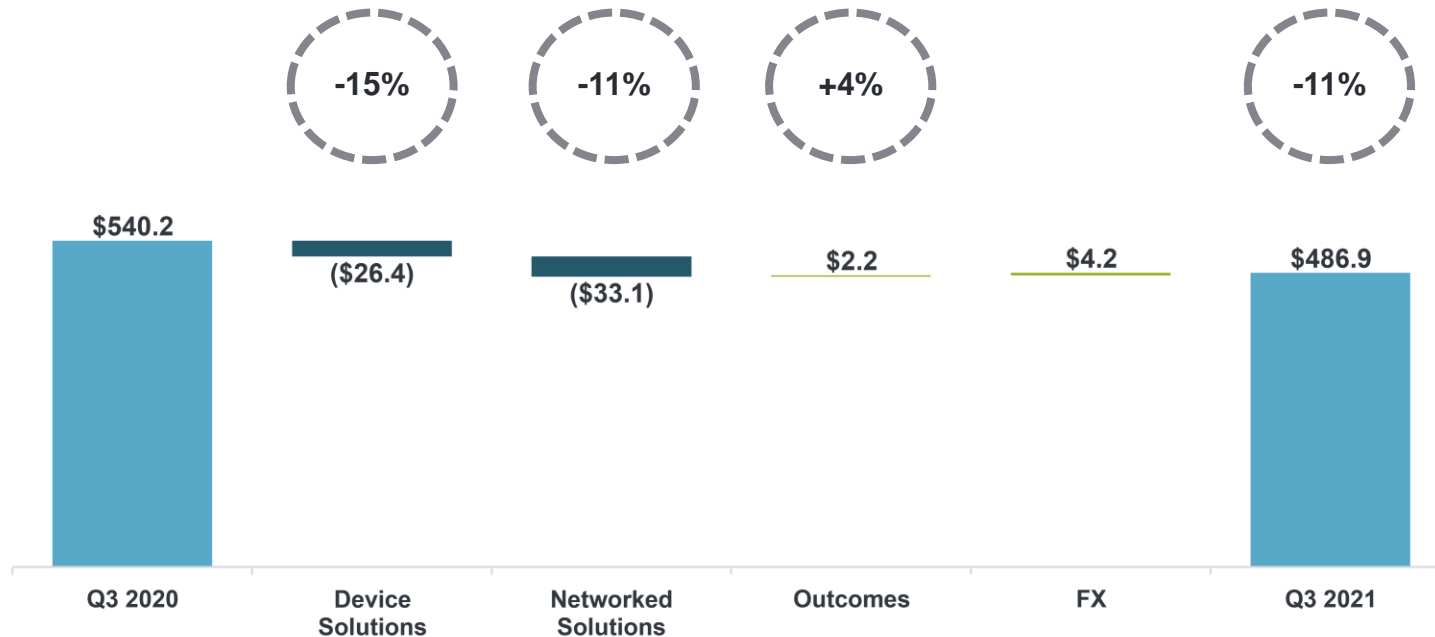
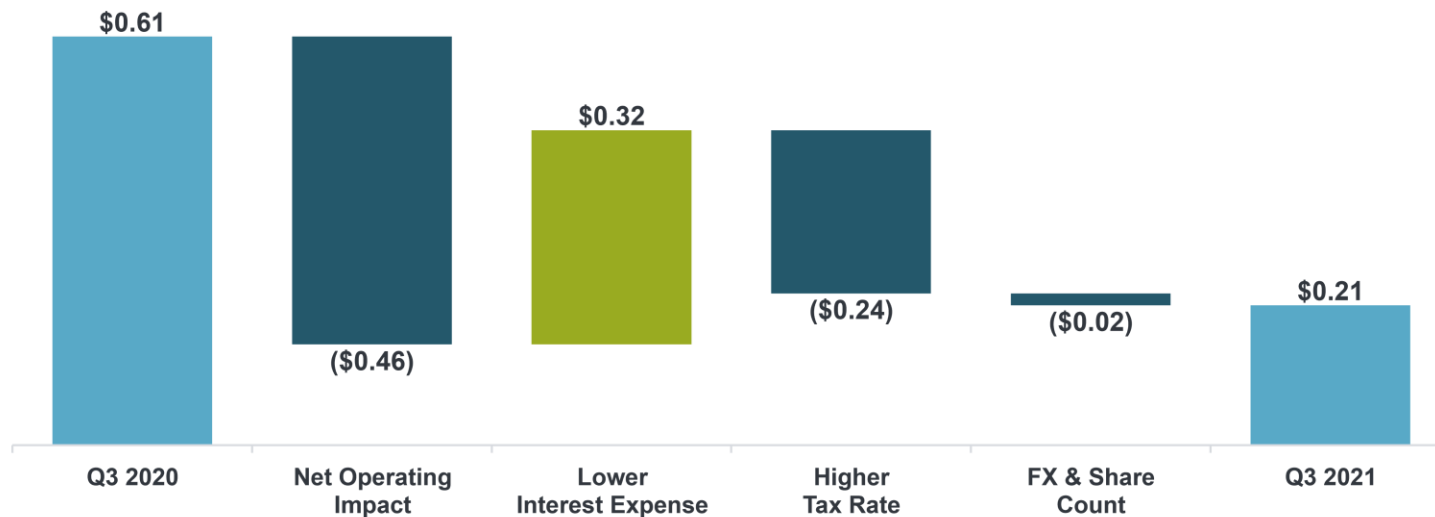


Chart in Millions, Quarterly totals reflect actual currencies; all variances other than FX exclude currency impact. Chart includes rounding.

NON-GAAP EPS YEAR-OVER-YEAR BRIDGE: Q3'21

US\$ per share

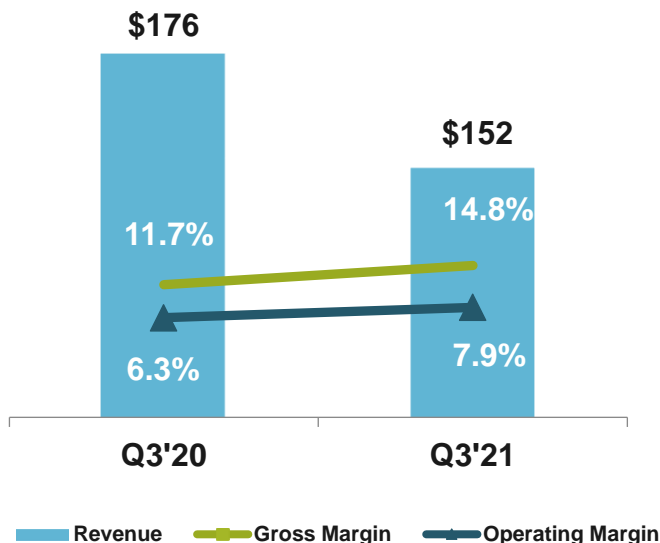


Quarterly totals reflect actual currencies; all variances other than FX exclude currency impact. Chart includes rounding.

DEVICE SOLUTIONS SEGMENT: Q3'21

Revenue, gross margin and operating margin

\$ in Millions, actual currency



Revenue down 14% and 15% in constant currency

- » Component shortages resulted in unfulfilled customer demand

Gross margin up 310 bps

- » Favorable product mix
- » Reduced manufacturing inefficiencies related to COVID

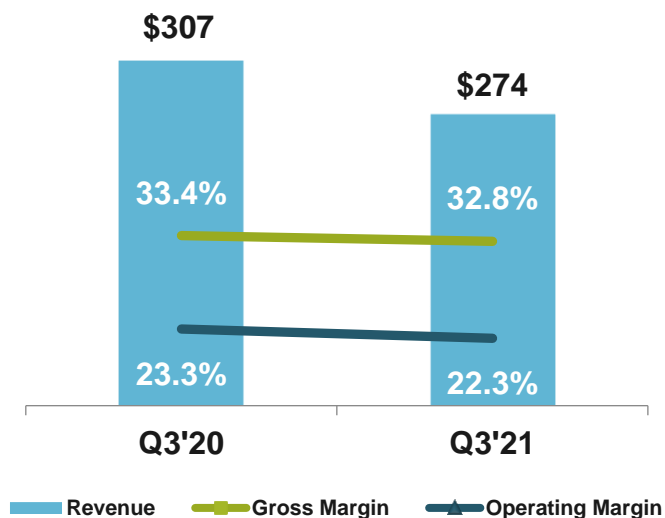
Operating margin up 160 bps

- » Fall through of higher gross profit
- » Partially offset by higher opex

NETWORKED SOLUTIONS SEGMENT: Q3'21

Revenue, gross margin and operating margin

\$ in Millions, actual currency



Revenue down 10% and 11% in constant currency

- » Component shortages resulted in unfulfilled customer demand
- » Partially offset by timing of project completions

Gross margin down 60 bps

- » Inefficiencies related to component constraints
- » Partially offset by favorable product mix

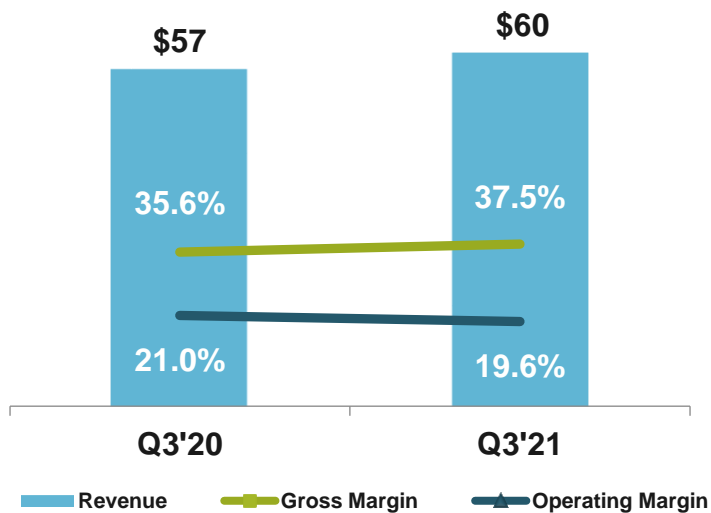
Operating margin down 100 bps

- » Fall through of lower gross profit
- » Continued R&D investment

OUTCOMES SEGMENT: Q3'21

Revenue, gross margin and operating margin

\$ in Millions, actual currency



Revenue up 5% and 4% in constant currency

» Increase in product sales and software licensing

Gross margin up 190 bps

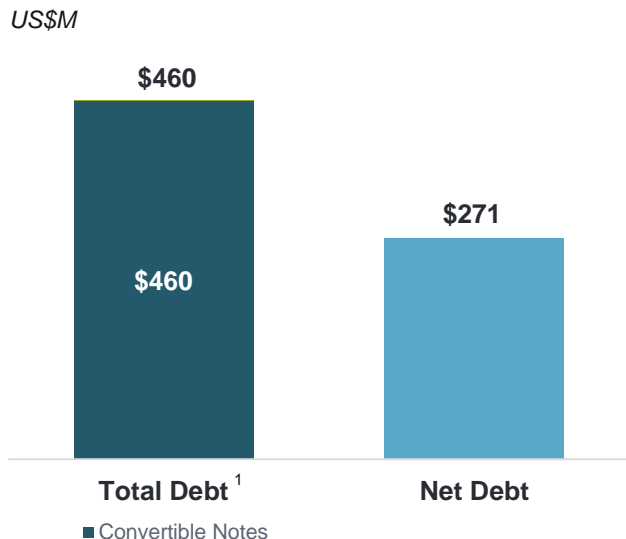
» Cost efficiencies

Operating margin down 140 bps

» Continued R&D investment

» Partially offset from higher gross profit fall through

DEBT AND LIQUIDITY OVERVIEW: SEPT 30, 2021



1. Excludes amortization of debt fees.

Debt

- » Net leverage-street 1.6x at end of Q3'21
- » Fully repaid Term Loan
- » Zero interest convertible notes

Free Cash Flow and Liquidity

- » Free cash flow of \$11M
- » Cash and equivalents of \$189M
- » \$500M revolver capacity

Share repurchase authorization

- » Effective Nov 1, 2021
- » Up to \$100M over 18-month period

OPERATIONAL UPDATE

- » **Acquisition:** Itron recently acquired SELC, a leader in the smart lighting controls industry, which enhances our smart city platform.
- » **Sale of Business:** A definitive agreement reached to sell our European Commercial and Industrial mechanical gas meter business; our gas stations metering and pressure regulation business; and our global gas regulator business.
- » **A Restructuring Project:** Drives reductions in certain locations and functional support areas.
- » **Component Constraints:** Continued semiconductor shortages, for components commonly used in industrial and automotive applications, impacted our ability again this quarter to fulfill demand.
- » **Expanding Our Footprint:** Distributed Intelligence capable endpoints grew to ~3.4 million cumulatively.

Q3'21 BOOKINGS AND BACKLOG

- » Book to bill of 0.8 to 1
- » YTD Book to bill of 1.12 to 1
- » Bookings of \$395M
- » Backlog of \$3.4B
- » 12-month backlog growth to \$1.4B

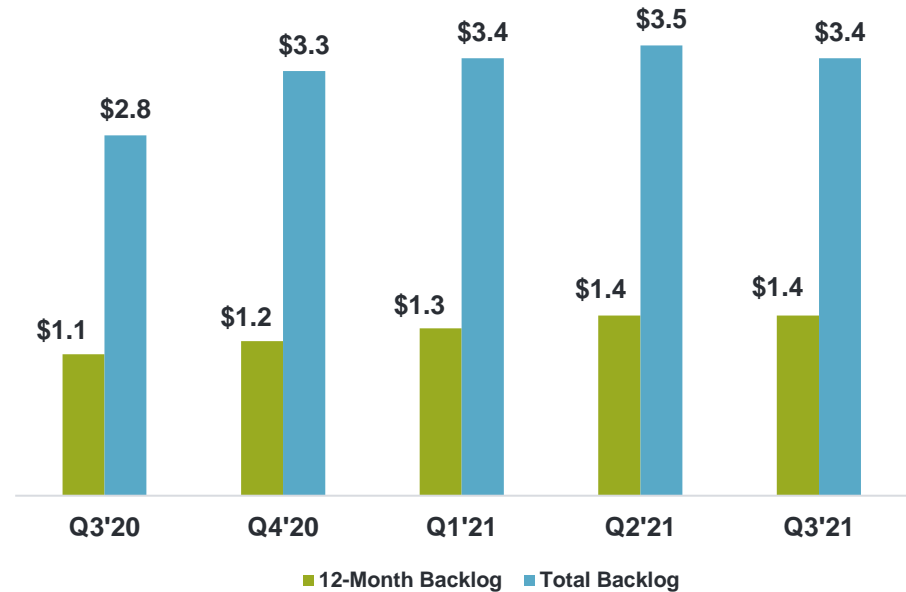


Chart in Billions, actual currency rates.

APPENDIX

Q3'21 UPDATE

- » Revenue of \$487 million
- » Adjusted EBITDA of \$26 million
- » Non-GAAP EPS of \$0.21
- » Free cash flow of \$11 million
- » Backlog of \$3.4 billion; 12-month backlog of \$1.4 billion

CONSOLIDATED GAAP RESULTS: YTD'21

<i>\$ in millions (except per share amounts)</i>	YTD 2021	YTD 2020	Change
Revenue	\$1,495.9	\$1,648.2	-9%
<i>Growth in constant currency</i>			-12%
Gross margin	30.2%	27.5%	270 bps
Operating income (loss)	\$28.2	(\$43.0)	NM
Net loss attributable to Itron, Inc.	(\$22.4)	(\$79.5)	+72%
Net loss per share - diluted	(\$0.51)	(\$1.98)	+74%

- » Revenue down due primarily due to component shortages
- » Gross margin of 30.2% up 270 bps due to favorable product mix and operational efficiencies
- » GAAP operating income increased due to lower opex related to restructuring and sale of LATAM business in 2020
- » GAAP net loss improved due to higher operating income

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

CONSOLIDATED NON-GAAP & CASH RESULTS: YTD'21

<i>\$ in millions (except per share amounts)</i>	YTD 2021	YTD 2020	Change
Non-GAAP operating income	\$82.2	\$88.5	-7%
Non-GAAP operating margin	5.5%	5.4%	10 bps
Adjusted EBITDA	\$112.0	\$122.9	-9%
Adjusted EBITDA margin	7.5%	7.5%	0 bps
Non-GAAP net income attributable to Itron, Inc.	\$44.0	\$48.9	-10%
Non-GAAP earnings per share - diluted	\$0.99	\$1.21	-18%
Net cash provided by operating activities	\$141.1	\$70.6	+100%
Free cash flow	\$113.4	\$34.3	+231%

- » Non-GAAP operating income decreased due to higher variable compensation
- » Non-GAAP net income decreased due to lower operating income and a higher non-GAAP effective tax rate
- » The higher cash flow was due to lower interest payments, increased cash inflows from working capital, and lower variable compensation payments in 2021

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

REVENUE YEAR-OVER-YEAR BRIDGE: YTD'21

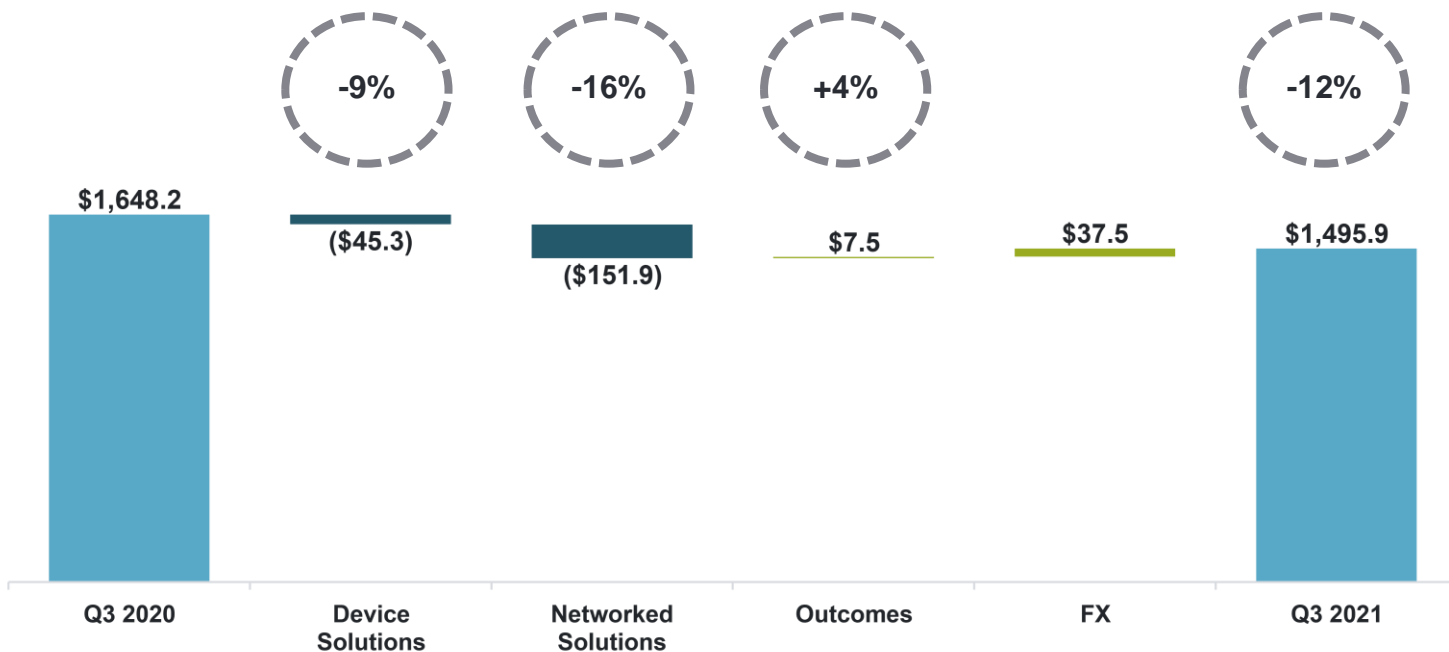
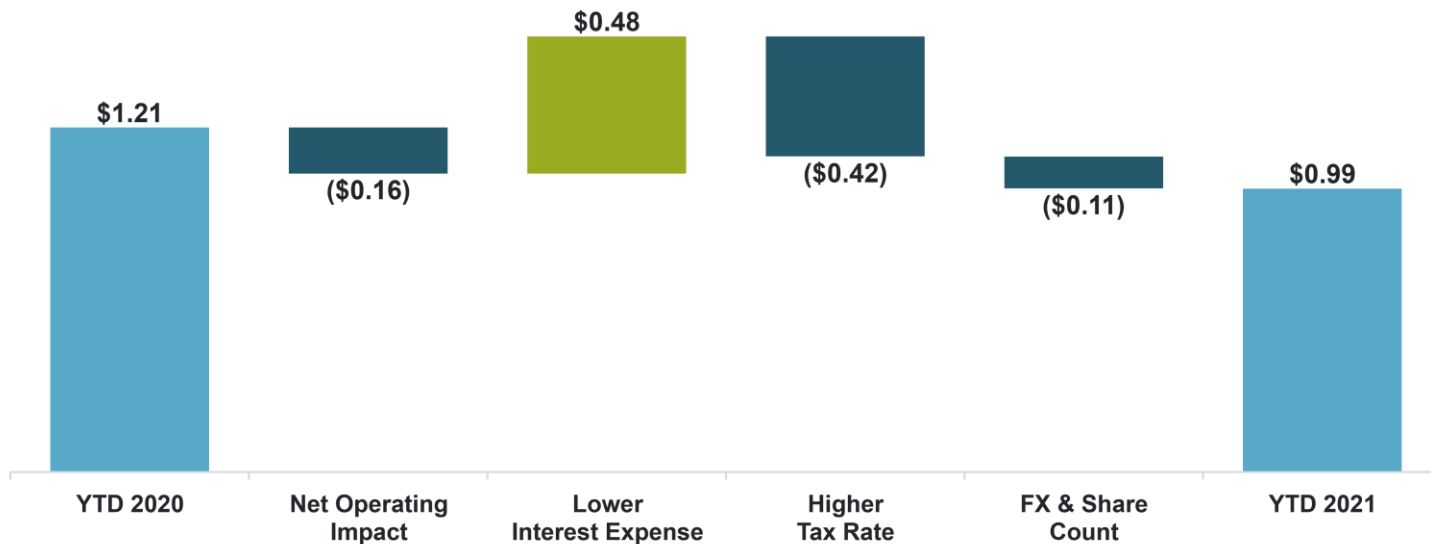


Chart in Millions. Quarterly totals reflect actual currencies; all variances other than FX exclude currency impact. Chart includes rounding.

NON-GAAP EPS YEAR-OVER-YEAR BRIDGE: YTD'21

US\$ per share

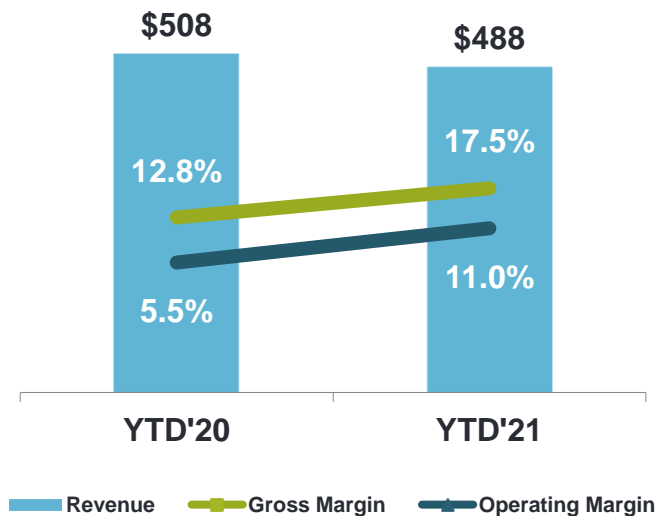


Quarterly totals reflect actual currencies; all variances other than FX exclude currency impact. Chart includes rounding.

DEVICE SOLUTIONS SEGMENT: YTD'21

Revenue, gross margin and operating margin

\$ in Millions, actual currency



Revenue down 4% and 9% in constant currency

- » Component shortages resulted in unfulfilled customer demand

Gross margin up 470 bps

- » Favorable product mix
- » Reduced manufacturing inefficiencies related to COVID

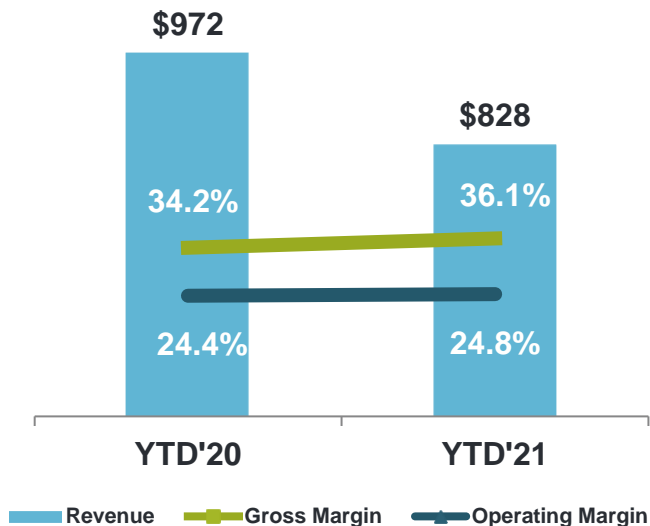
Operating margin up 550 bps

- » Fall through of higher gross profit
- » Lower operating expenses

NETWORKED SOLUTIONS SEGMENT: YTD'21

Revenue, gross margin and operating margin

\$ in Millions, actual currency



Revenue down 15% and 16% in constant currency

- » Component shortages resulted in unfulfilled customer demand
- » Timing of project completions

Gross margin up 190 bps

- » Favorable product mix

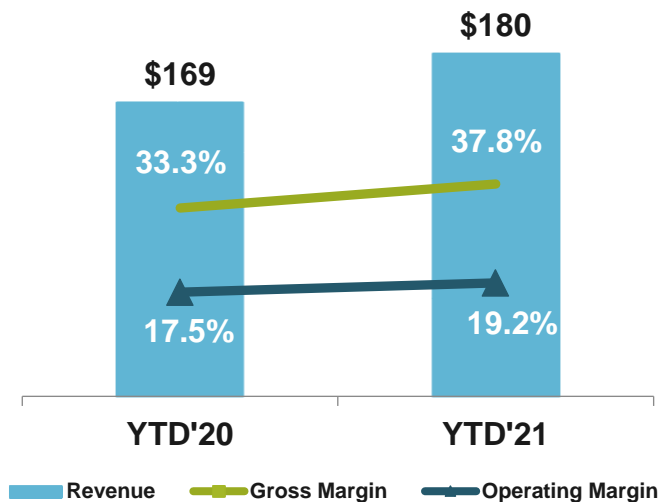
Operating margin up 40 bps

- » Fall through of higher gross margin
- » Offset by continued R&D investment

OUTCOMES SEGMENT: YTD'21

Revenue, gross margin and operating margin

\$ in Millions, actual currency



Revenue up 7% and 4% in constant currency

- » Increase in software license sales
- » Higher managed and professional services

Gross margin up 450 bps

- » Increased cost efficiencies

Operating margin up 170 bps

- » Fall through from higher gross profit
- » Partially offset by continued R&D investment

REVENUE: FX IMPACT SUMMARY

\$ in Millions

Average USD/Euro:
\$1.18 Q3'21 vs \$1.17 Q3'20

Revenue	Q3'21	YoY Change	YoY Change Excluding FX
Device Solutions	\$152.2	-13.6%	-15.0%
Networked Solutions	\$274.5	-10.5%	-10.8%
Outcomes	\$60.2	4.9%	3.7%
Total	\$486.9	-9.9%	-10.6%
Non-GAAP Diluted EPS	\$0.21	-\$0.40	-\$0.41

Average USD/Euro:
\$1.20 YTD'21 vs \$1.13 YTD'20

Revenue	YTD'21	YoY Change	YoY Change Excluding FX
Device Solutions	\$488.0	-3.9%	-8.9%
Networked Solutions	\$827.9	-14.8%	-15.6%
Outcomes	\$180.1	6.8%	4.5%
Total	\$1,495.9	-9.2%	-11.5%
Non-GAAP Diluted EPS	\$0.99	-\$0.22	-\$0.20

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	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
NON-GAAP OPERATING EXPENSES				
GAAP operating expenses	\$ 130,800	\$ 167,231	\$ 423,711	\$ 496,331
Amortization of intangible assets	(8,944)	(11,183)	(26,914)	(33,488)
Restructuring	(958)	(44,462)	830	(41,531)
Loss on sale of business	(2,171)	(380)	(28,274)	(57,295)
Corporate transition cost	—	—	—	33
Acquisition and integration	(118)	2,348	368	738
Non-GAAP operating expenses	\$ 118,609	\$ 113,554	\$ 369,721	\$ 364,788
NON-GAAP OPERATING INCOME				
GAAP operating income (loss)	\$ 4,163	\$ (23,980)	\$ 28,171	\$ (42,997)
Amortization of intangible assets	8,944	11,183	26,914	33,488
Restructuring	958	44,462	(830)	41,531
Loss on sale of business	2,171	380	28,274	57,295
Corporate transition cost	—	—	—	(33)
Acquisition and integration	118	(2,348)	(368)	(738)
Non-GAAP operating income	\$ 16,354	\$ 29,697	\$ 82,161	\$ 88,546
NON-GAAP NET INCOME & DILUTED EPS				
GAAP net loss attributable to Itron, Inc.	\$ (1,869)	\$ (25,357)	\$ (22,389)	\$ (79,475)
Amortization of intangible assets	8,944	11,183	26,914	33,488
Amortization of debt placement fees	1,905	972	17,252	2,898
Debt extinguishment	—	—	11,681	—
Restructuring	958	44,462	(830)	41,531
Loss on sale of business	2,171	380	28,274	57,295
Corporate transition cost	—	—	—	(33)
Acquisition and integration	118	(2,348)	(368)	(738)
Income tax effect of non-GAAP adjustments	(2,775)	(4,658)	(16,491)	(6,037)
Non-GAAP net income attributable to Itron, Inc.	\$ 9,452	\$ 24,634	\$ 44,043	\$ 48,929
Non-GAAP diluted EPS	\$ 0.21	\$ 0.61	\$ 0.99	\$ 1.21
Non-GAAP weighted average common shares outstanding - Diluted	45,506	40,559	44,330	40,507

GAAP TO NON-GAAP RECONCILIATIONS

(Unaudited, in thousands, except per share data)

TOTAL COMPANY RECONCILIATIONS	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
ADJUSTED EBITDA				
GAAP net loss attributable to Itron, Inc.	\$ (1,869)	\$ (25,357)	\$ (22,389)	\$ (79,475)
Interest income	(352)	(354)	(1,326)	(2,165)
Interest expense	2,628	10,810	27,107	33,771
Income tax provision (benefit)	1,136	(11,985)	5,581	366
Debt extinguishment	—	—	11,681	—
Depreciation and amortization	21,333	24,076	64,252	72,306
Restructuring	958	44,462	(830)	41,531
Loss on sale of business	2,171	380	28,274	57,295
Corporate transition cost	—	—	—	(33)
Acquisition and integration	118	(2,348)	(368)	(738)
Adjusted EBITDA	\$ 26,123	\$ 39,684	\$ 111,982	\$ 122,858
FREE CASH FLOW				
Net cash provided by operating activities	\$ 18,467	\$ 44,785	\$ 141,147	\$ 70,571
Acquisitions of property, plant, and equipment	(7,305)	(7,248)	(27,781)	(36,297)
Free Cash Flow	\$ 11,162	\$ 37,537	\$ 113,366	\$ 34,274

Thank You



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