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**Second Quarter 2020  
Earnings Conference Call  
August 3, 2020**

# 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.

The impact caused by the ongoing COVID-19 pandemic includes uncertainty as to the duration, spread, severity, and any recurrence of the COVID-19 pandemic, 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 II, Item 1A, "Risk Factors" of our latest 10-Q filing with the SEC.

# CONFERENCE CALL AGENDA

- » **CEO** – Business and Operations Update
- » **CFO** – Financial Results and 2020 Insight
- » **Q&A**

# BOOKINGS AND BACKLOG

» Q2'20 bookings of \$390M

» Backlog of \$2.9B

» 12-month backlog of \$1.3B

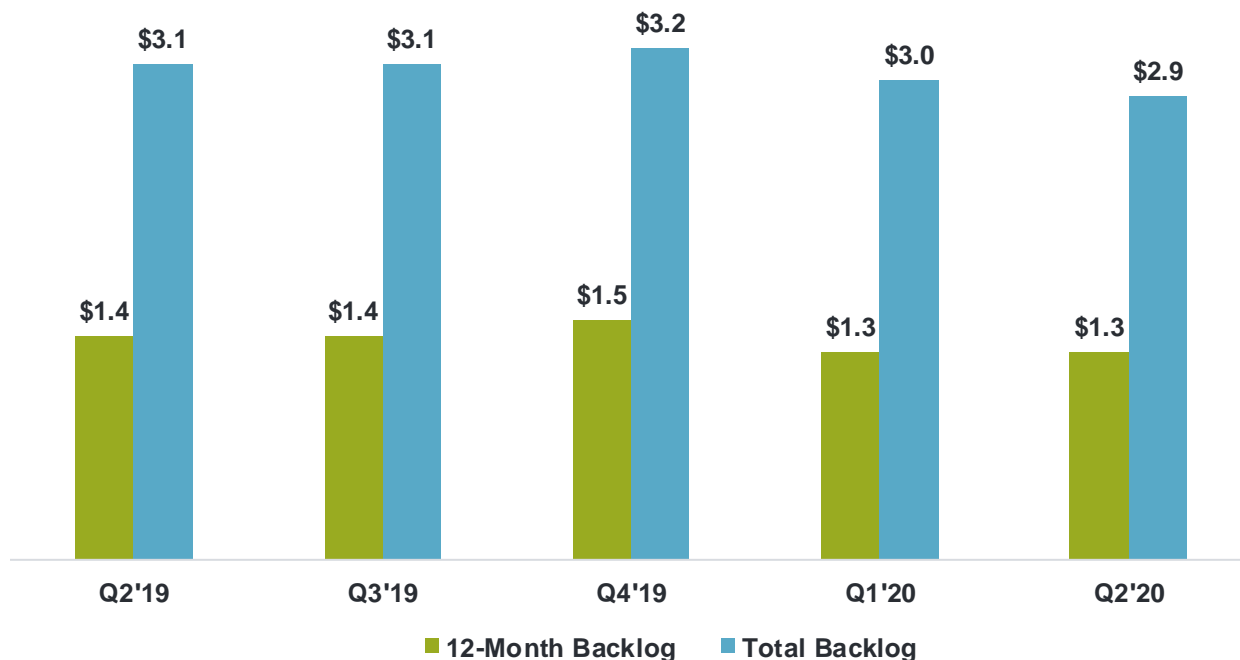


Chart in Billions, actual currency rates.

# OPERATIONAL UPDATE

## » Employees

- Our employees' health and safety continues to be priority
- Instituted additional protection equipment and protocol
- Implemented social distancing and extended sick leave

## » Customers

- Remain dedicated to supporting our customers who provide critical infrastructure
- Utility and municipality customers recovering at different rates across the globe
- Delays in deployments and new projects as our customers focus on supporting basic services

## » Supply Chain

- All factories up and running with aggressive safety measures across the operations
- Supply chain and logistics situation has stabilized

# COVID-19 OPERATIONAL UPDATE

Leading indicators to signal that Itron's operating environment is improving

## Progress

- » Itron global factories fully operational
- » Global supply chain and logistics network stabilized



- » Ongoing customer projects and deployments
- » Local "shelter-in-place" restrictions / business reopening



- » Customer capital is prioritized to new projects
- » Regulatory cycle in current environment



# CONSOLIDATED GAAP RESULTS – Q2'20

<i>\$ in Millions (except per share amounts)</i>	Q2 2020	Q2 2019	Change
Revenue	<b>\$509.6</b>	\$635.0	-20%
<i>Change in constant currency</i>			-18%
Gross margin	<b>27.2%</b>	30.1%	-290 bps
Operating income (loss)	<b>(\$45.4)</b>	\$43.6	-204%
Net income (loss) attributable to Itron, Inc.	<b>(\$62.8)</b>	\$19.4	-423%
Earnings (loss) per share – diluted	<b>(\$1.56)</b>	\$0.49	-418%

- » Revenue down primarily due to COVID-19 related delays
- » Gross margin of 27.2% decreased 290 bps primarily due to COVID-19 induced operating inefficiencies
- » GAAP operating income and net income decreased due to lower gross profit and a \$57M loss on sale of business related to the divestiture of Itron's manufacturing and sales operations in Latin America

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

# CONSOLIDATED NON-GAAP & CASH RESULTS – Q2'20

<i>\$ in Millions (except per share amounts)</i>	Q2 2020	Q2 2019	Change
Non-GAAP operating income	<b>\$20.3</b>	\$63.2	-68%
Non-GAAP operating margin	<b>4.0%</b>	9.9%	-590 bps
Non-GAAP net income attributable to Itron, Inc.	<b>\$1.3</b>	\$34.6	-96%
Adjusted EBITDA	<b>\$31.2</b>	\$73.0	-57%
Adjusted EBITDA margin	<b>6.1%</b>	11.5%	-540 bps
Non-GAAP earnings per share - diluted	<b>\$0.03</b>	\$0.87	-97%
Net cash provided by operating activities	<b>\$6.9</b>	\$53.1	-87%
Free cash flow	<b>(\$9.6)</b>	\$38.0	-125%

- » Non-GAAP op inc and adj EBITDA decreased due to lower gross profit
- » Non-GAAP net income decreased primarily due to lower non-GAAP operating income and a higher non-GAAP tax rate
- » Free cash flow decreased to (\$10M) from \$38M in the prior year due to lower profitability and increase in working capital

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



# REVENUE YEAR-OVER-YEAR BRIDGE – Q2'20

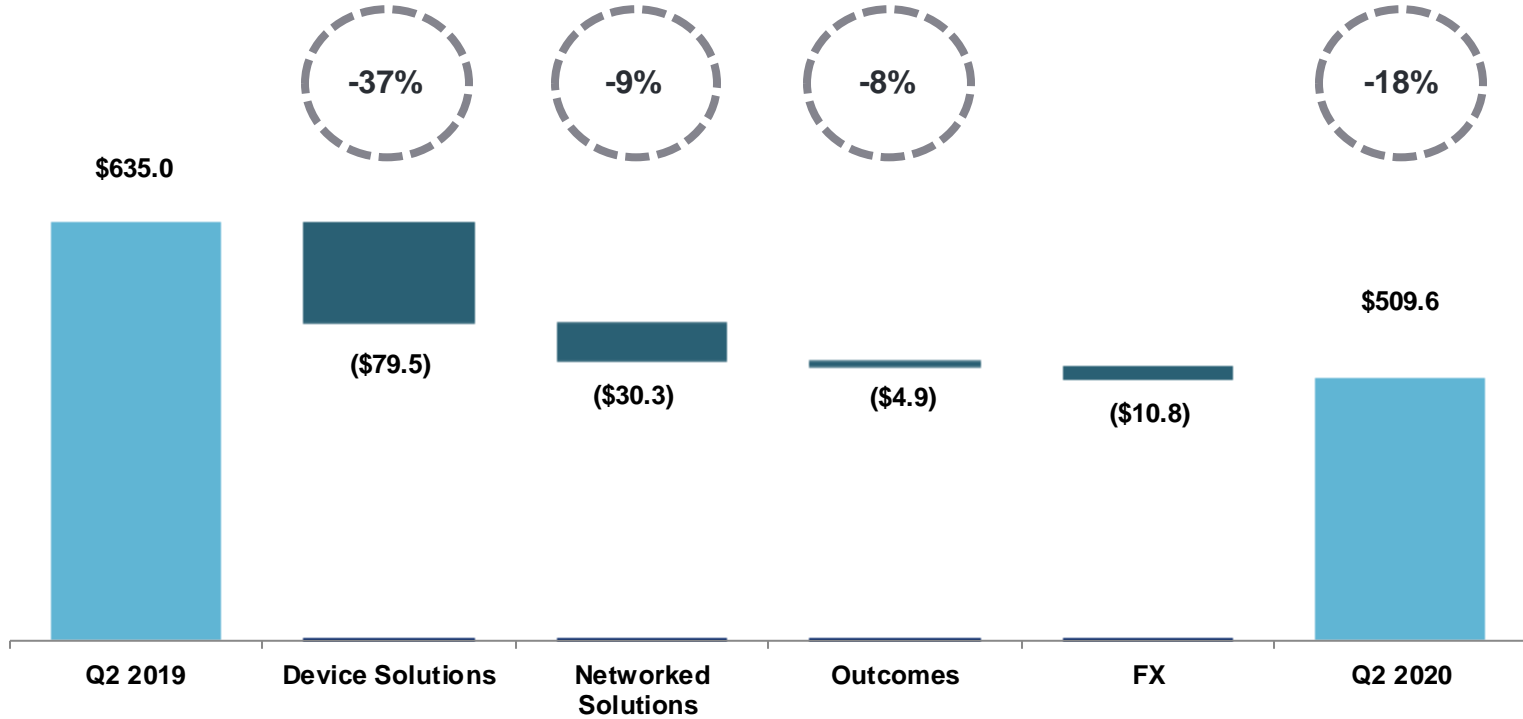
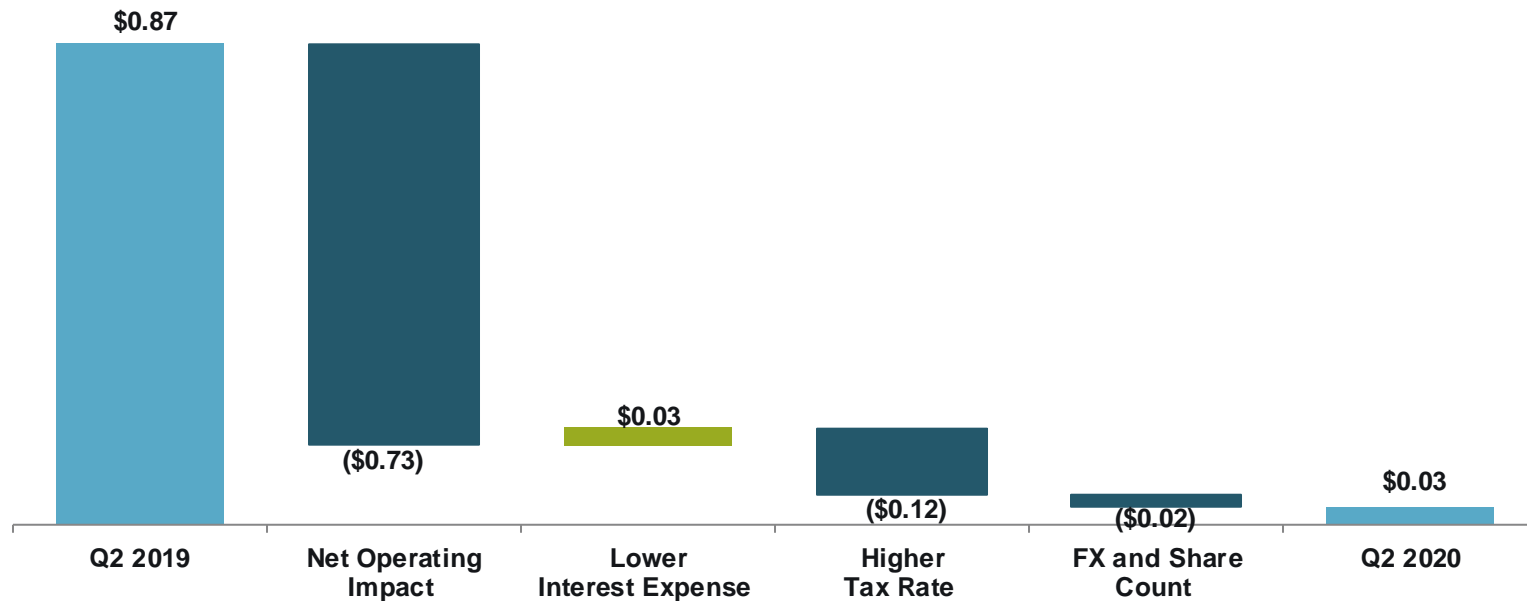


Chart in Millions, Quarterly totals reflect actual currencies; all variances other than FX exclude currency impact. Chart includes rounding.

# NON-GAAP EPS YEAR-OVER-YEAR BRIDGE – Q2'20

US\$ per share



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

# DEBT AND LIQUIDITY OVERVIEW

US\$M



1. Total debt excludes unamortized prepaid debt fees.

## Debt

- » Net leverage 3.8x at end of Q2'20
- » No debt payments due in 2020
- » Term Loan due 2024 and Senior Note 2026
- » Blended interest rate of 3.0%

## Free Cash Flow and Liquidity

- » Free cash flow of (\$10M); low point of 2020
- » \$400M draw on revolving credit facility to ensure sufficient liquidity in an uncertain environment
- » Cash and equivalents was \$545M
- » Capital priority is cash conservation

# 2H 2020 INSIGHT

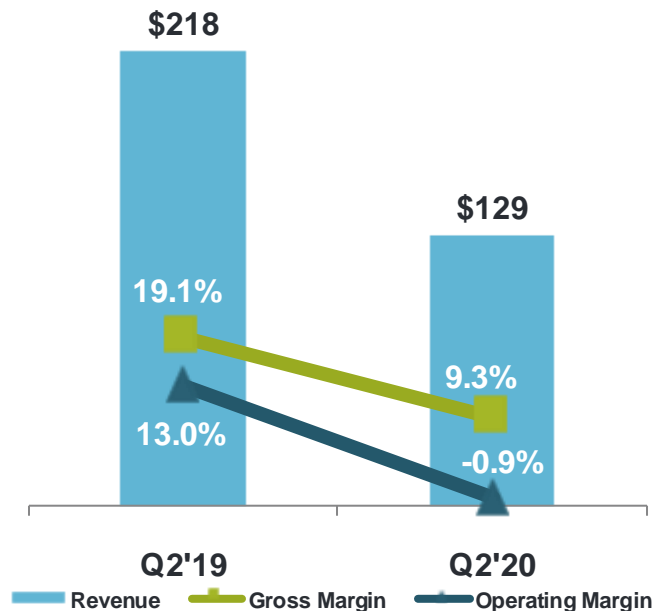
- » 2H'20 insight is consistent with expectations from Q1'20 earnings call
- » 2H'20 revenue and non-GAAP EPS to be in line with 1H'20 performance
- » Operational improvements in 2H'20
- » Assumes non-GAAP full year effective tax rate of 36%
- » Positive free cash flow in 2020; approximately half of 2019 performance

# APPENDIX

# DEVICE SOLUTIONS SEGMENT – Q2'20

## REVENUE, GROSS MARGIN AND OPERATING MARGIN

\$ in Millions, actual currency



### » Revenue down 41% and 37% in constant currency

- Decrease primarily due to COVID-19

### » Gross margin down 980 bps

- Due to COVID-19 induced operational inefficiencies and product mix

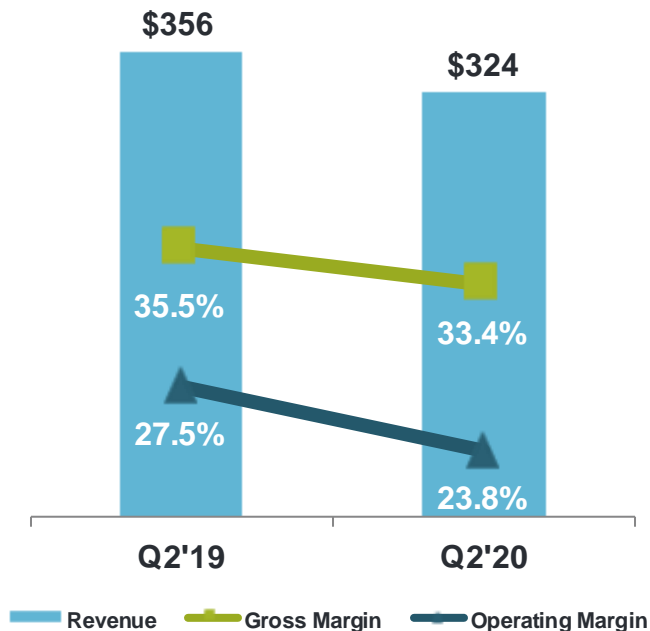
### » Operating margin down

- Fall through of lower gross profit

# NETWORKED SOLUTIONS SEGMENT – Q2'20

## REVENUE, GROSS MARGIN AND OPERATING MARGIN

\$ in Millions, actual currency

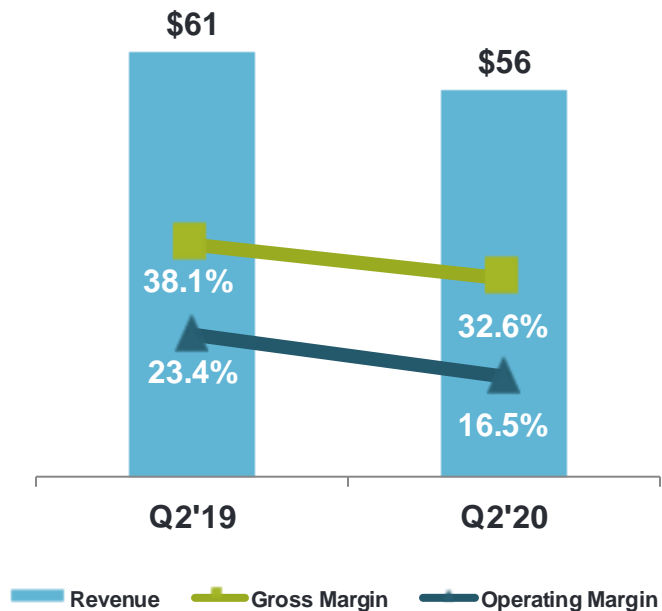


- » **Revenue down 9% as reported and in constant currency**
  - Decrease primarily due to COVID-19
- » **Gross margin down 210 bps**
  - Primarily due to COVID-19 induced operational inefficiencies
- » **Operating margin down 370 bps**
  - Fall through of lower gross profit
  - Increased investment in product development

# OUTCOMES SEGMENT – Q2'20

## REVENUE, GROSS MARGIN AND OPERATING MARGIN

\$ in Millions, actual currency



### » Revenue down 9% and 8% in constant currency

- Decrease in software license revenue
- Partially offset by higher SaaS revenue

### » Gross margin down 550 bps

- Tough YoY compare with strong mix of higher-margin software in Q2'19

### » Operating margin down 690 bps

- Fall through of lower gross profit



# CONSOLIDATED GAAP RESULTS – YTD'20

<i>\$ in Millions (except per share amounts)</i>	YTD 2020	YTD 2019	Change
Revenue	\$1,108.0	\$1,249.6	-11%
<i>Growth in constant currency</i>			<i>-10%</i>
Gross margin	28.0%	30.3%	-230 bps
Operating income (loss)	(\$19.0)	\$64.4	-130%
Net income (loss) attributable to Itron, Inc.	(\$54.1)	\$17.5	-409%
Earnings (loss) per share – diluted	(\$1.35)	\$0.44	-407%

- » Revenue down due to COVID-19 related delays
- » Gross margin of 28.0% decreased 230 bps primarily due to COVID-19 induced operating inefficiencies
- » GAAP net income decreased due to lower gross profit and \$57M loss on sale of business related to the divestiture of Itron's manufacturing and sales operations in Latin America

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

# CONSOLIDATED NON-GAAP & CASH RESULTS – YTD'20

<i>\$ in Millions (except per share amounts)</i>	YTD 2020	YTD 2019	Change
Non-GAAP operating income	\$58.8	\$119.9	-51%
Non-GAAP operating margin	5.3%	9.6%	-430 bps
Adjusted EBITDA	\$83.2	\$138.7	-40%
Adjusted EBITDA margin	7.5%	11.1%	-360 bps
Non-GAAP net income attributable to Itron, Inc.	\$24.3	\$62.5	-61%
Non-GAAP earnings per share - diluted	\$0.60	\$1.57	-62%
Net cash provided by operating activities	\$25.8	\$78.1	-67%
Free cash flow	(\$3.3)	\$51.6	-106%

- » Non-GAAP operating income and adj EBITDA decreased due to lower gross profit
- » Non-GAAP net income decreased primarily due to lower non-GAAP operating income and higher effective tax rate
- » Free cash flow decreased to negative (\$3.3M) from \$51.6M in the prior year due to lower profitability

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

# REVENUE YEAR-OVER-YEAR BRIDGE – YTD'20

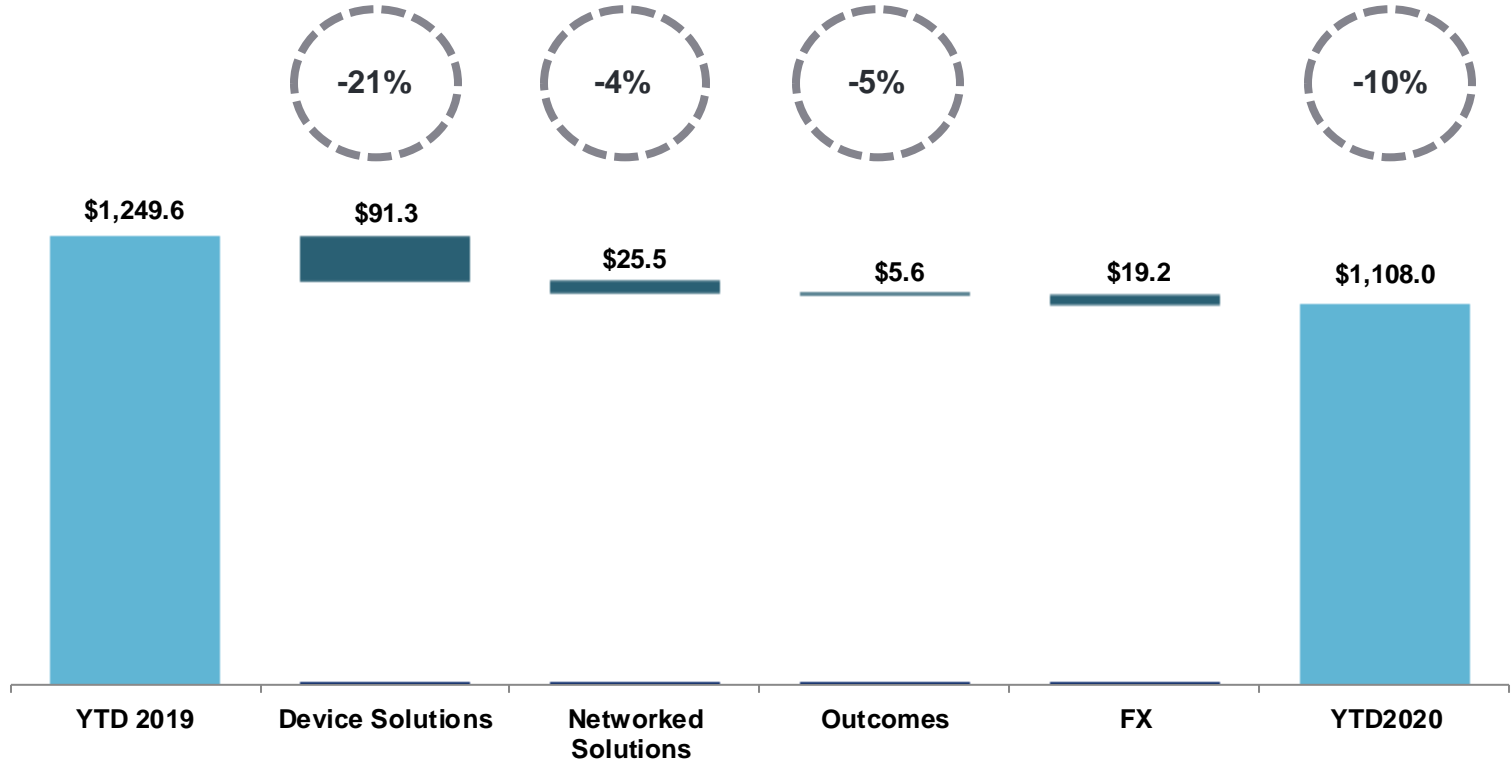
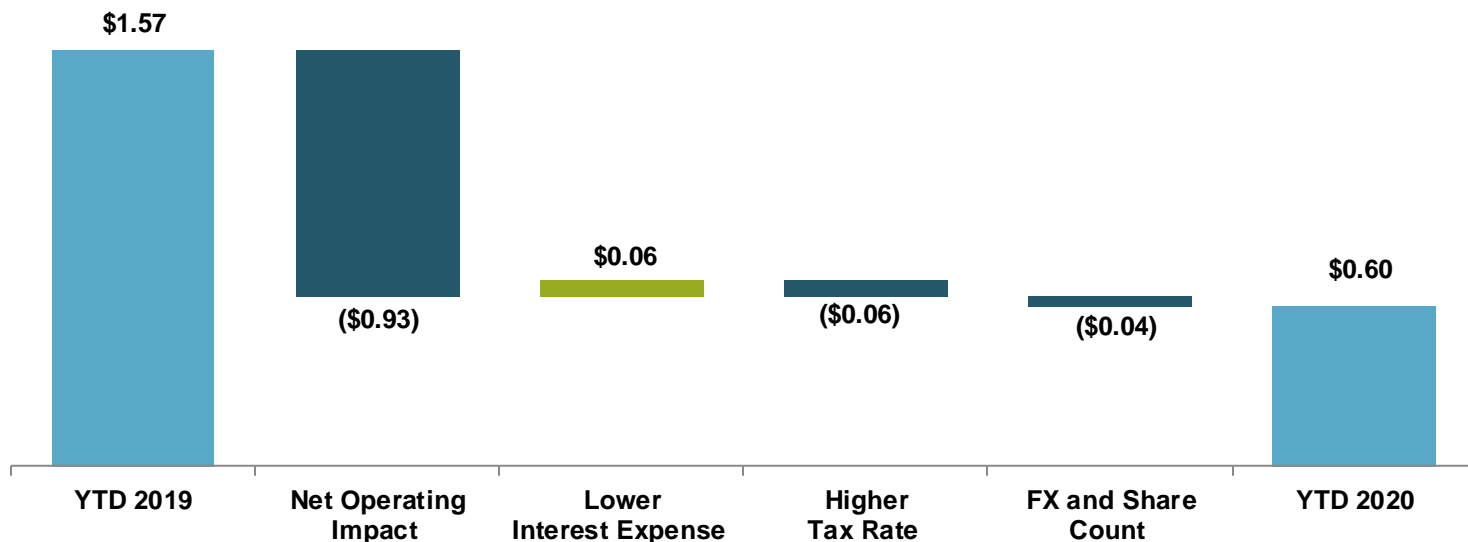


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# NON-GAAP EPS YEAR-OVER-YEAR BRIDGE – YTD'20

US\$ per share

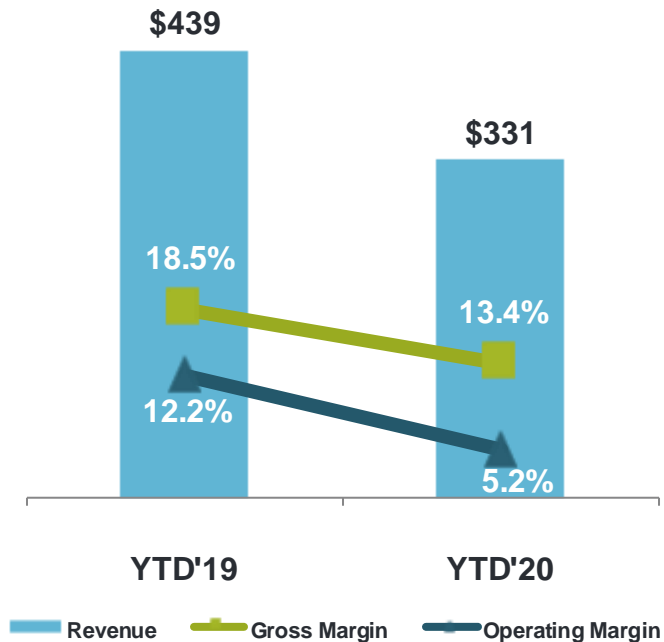


Quarterly totals reflect actual currencies; all variances other than FX exclude currency impact. Chart includes rounding.

# DEVICE SOLUTIONS SEGMENT – YTD'20

## REVENUE, GROSS MARGIN AND OPERATING MARGIN

\$ in Millions, actual currency

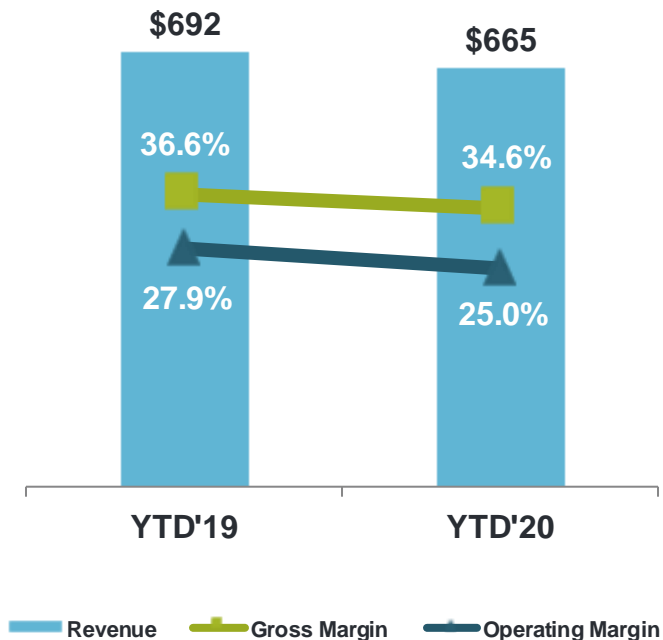


- » **Revenue down 25% and 21% in constant currency**
  - Decrease primarily due to COVID-19
- » **Gross margin down 510 bps**
  - Due to COVID-19 induced operating inefficiencies and product mix
- » **Operating margin down 700 bps**
  - Fall through of lower gross profit

# NETWORKED SOLUTIONS SEGMENT – YTD'20

## REVENUE, GROSS MARGIN AND OPERATING MARGIN

\$ in Millions, actual currency

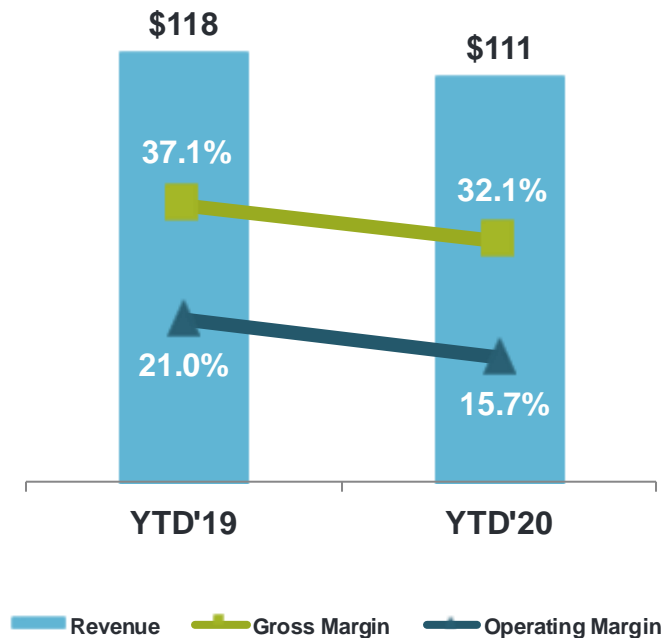


- » **Revenue down 4% as reported and in constant currency**
  - Decrease primarily due to COVID-19
- » **Gross margin down 200 bps**
  - Primarily due to COVID-19 induced operational inefficiencies
- » **Operating margin down 290 bps**
  - Fall through of lower gross profit
  - Increased investment in product development

# OUTCOMES SEGMENT – YTD'20

## REVENUE, GROSS MARGIN AND OPERATING MARGIN

\$ in Millions, actual currency



- » **Revenue down 6% and 5% in constant currency**
  - Decrease due to timing of customer projects
- » **Gross margin down 500 bps**
  - Tough YoY compare with strong mix of higher-margin software in H1'19
- » **Operating margin down 530 bps**
  - Fall through of lower gross profit

# REVENUE – FX IMPACT SUMMARY

\$ in Millions

Average USD/Euro:  
\$1.10 Q2'20 vs \$1.12 Q2'19

Revenue	Q2'20	YoY Change	YoY Change Excluding FX
Device Solutions	\$129.2	-40.7%	-36.5%
Networked Solutions	\$324.5	-8.8%	-8.5%
Outcomes	\$55.9	-8.9%	-7.9%
<b>Total</b>	<b>\$509.6</b>	<b>-19.8%</b>	<b>-18.1%</b>

Average USD/Euro:  
\$1.10 YTD'20 vs \$1.12 YTD'19

Revenue	YTD'20	YoY Change	YoY Change Excluding FX
Device Solutions	\$331.4	-24.6%	-20.8%
Networked Solutions	\$665.3	-3.9%	-3.7%
Outcomes	\$111.2	-5.6%	-4.7%
<b>Total</b>	<b>\$1,108.0</b>	<b>-11.3%</b>	<b>-9.8%</b>



# 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 June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
<b>NON-GAAP OPERATING EXPENSES</b>				
GAAP operating expenses	\$ 183,904	\$ 147,656	\$ 329,100	\$ 314,096
Amortization of intangible assets	(11,140)	(16,117)	(22,305)	(32,090)
Restructuring	2,683	6,169	2,931	(1,093)
Loss on sale of business	(56,915)	—	(56,915)	—
Corporate transition cost	(7)	(473)	33	(1,556)
Acquisition and integration related expense	(338)	(9,194)	(1,610)	(20,759)
Non-GAAP operating expenses	\$ 118,187	\$ 128,041	\$ 251,234	\$ 258,598
<b>NON-GAAP OPERATING INCOME</b>				
GAAP operating income (loss)	\$ (45,387)	\$ 43,558	\$ (19,017)	\$ 64,381
Amortization of intangible assets	11,140	16,117	22,305	32,090
Restructuring	(2,683)	(6,169)	(2,931)	1,093
Loss on sale of business	56,915	—	56,915	—
Corporate transition cost	7	473	(33)	1,556
Acquisition and integration related expense	338	9,194	1,610	20,759
Non-GAAP operating income	\$ 20,330	\$ 63,173	\$ 58,849	\$ 119,879
<b>NON-GAAP NET INCOME &amp; DILUTED EPS</b>				
GAAP net income (loss) attributable to Itron, Inc.	\$ (62,802)	\$ 19,446	\$ (54,118)	\$ 17,539
Amortization of intangible assets	11,140	16,117	22,305	32,090
Amortization of debt placement fees	963	1,159	1,926	2,315
Restructuring	(2,683)	(6,169)	(2,931)	1,093
Loss on sale of business	56,915	—	56,915	—
Corporate transition cost	7	473	(33)	1,556
Acquisition and integration related expense	338	9,194	1,610	20,759
Income tax effect of non-GAAP adjustments	(2,552)	(5,620)	(1,379)	(12,862)
Non-GAAP net income attributable to Itron, Inc.	\$ 1,326	\$ 34,600	\$ 24,295	\$ 62,490
Non-GAAP diluted EPS	\$ 0.03	\$ 0.87	\$ 0.60	\$ 1.57
Non-GAAP weighted average common shares outstanding - Diluted	40,488	39,686	40,481	39,875

# 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,	
	2020	2019	2020	2019
<b>ADJUSTED EBITDA</b>				
GAAP net income (loss) attributable to Itron, Inc.	\$ (62,802)	\$ 19,446	\$ (54,118)	\$ 17,539
Interest income	(1,258)	(534)	(1,811)	(862)
Interest expense	11,684	13,496	22,961	27,031
Income tax provision	4,801	8,419	12,351	14,540
Depreciation and amortization	24,199	28,641	48,230	57,068
Restructuring	(2,683)	(6,169)	(2,931)	1,093
Loss on sale of business	56,915	—	56,915	—
Corporate transition cost	7	473	(33)	1,556
Acquisition and integration related expense	338	9,194	1,610	20,759
Adjusted EBITDA	\$ 31,201	\$ 72,966	\$ 83,174	\$ 138,724
<b>FREE CASH FLOW</b>				
Net cash provided by operating activities	\$ 6,892	\$ 53,139	\$ 25,786	\$ 78,063
Acquisitions of property, plant, and equipment	(16,447)	(15,096)	(29,049)	(26,511)
Free Cash Flow	\$ (9,555)	\$ 38,043	\$ (3,263)	\$ 51,552

## INVESTOR RELATIONS CONTACTS

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# Thank You

