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**Fourth Quarter 2020  
Earnings Conference Call  
February 24, 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 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 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 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 2021 Guidance
- » **Q&A**

# HIGHLIGHTS

- » Revenue in Q4'20 of \$525 million and FY'20 of \$2.17 billion
- » Adjusted EBITDA in Q4'20 of \$56 million and FY'20 of \$178 million
- » Non-GAAP EPS in Q4'20 of \$0.65 and FY'20 of \$1.85
- » Free cash flow in Q4'20 of \$29 million and FY'20 of \$63 million
- » Record backlog of \$3.3 billion; 12-month backlog of \$1.2 billion

# BOOKINGS AND BACKLOG

» Book to bill of 1.9 in Q4 and 1.02 for FY'20

» Record Q4'20 bookings of \$973M

» Record backlog of \$3.3B

» 12-month backlog of \$1.2B

» Timing of new deployments affected by COVID-19

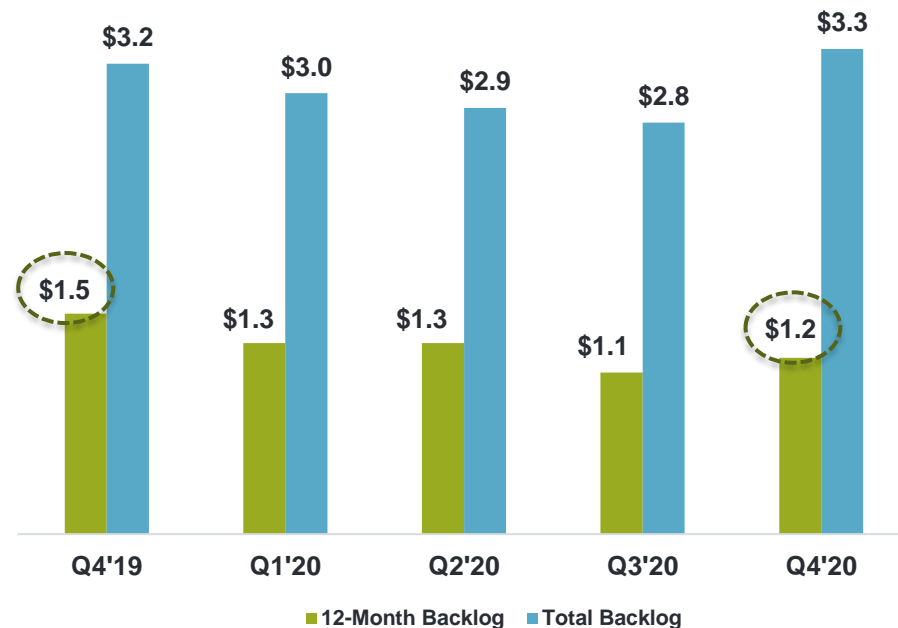
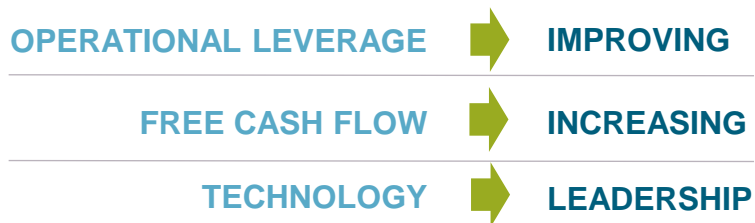


Chart in Billions, actual currency rates.

# ITRON PRIORITIES

- 1 EXPANDING OUR FOOTPRINT**  
*Increasing coverage*
- 2 EXPANDING OUR VALUE**  
*Empowering our customers*
- 3 EXPANDING OUR REACH**  
*Enabling as many applications, sensors, & devices on our platform as possible*

## CREATING THE OPPORTUNITY TO ENHANCE VALUE WITH.....



# CONSOLIDATED GAAP RESULTS: Q4'20

<i>\$ in millions (except per share amounts)</i>	Q4 2020	Q4 2019	Change
Revenue	<b>\$525.2</b>	\$628.4	-16%
<i>Change in constant currency</i>			-18%
Gross margin	<b>28.3%</b>	28.2%	+10 bps
Operating income	<b>\$32.6</b>	\$28.9	+13%
Net income attributable to Itron, Inc.	<b>\$21.5</b>	\$14.6	+47%
Earnings per share - diluted	<b>\$0.53</b>	\$0.36	+47%

- » Revenue down primarily due to the timing of customer projects and continuing operating constraints resulting from COVID-19
- » GM of 28.3% was up 10 bps due to mix of higher-margin software license sales, partially offset by increased inventory reserves
- » GAAP operating income and net income increased due to lower discretionary spending and variable compensation

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

# CONSOLIDATED NON-GAAP & CASH RESULTS: Q4'20

<i>\$ in millions (except per share amounts)</i>	Q4 2020	Q4 2019	Change
Non-GAAP operating income	<b>\$43.6</b>	\$46.5	-6%
Non-GAAP operating margin	<b>8.3%</b>	7.4%	+90 bps
Adjusted EBITDA	<b>\$55.5</b>	\$56.8	-2%
Adjusted EBITDA margin	<b>10.6%</b>	9.0%	+160 bps
Non-GAAP net income attributable to Itron, Inc.	<b>\$26.3</b>	\$28.9	-9%
Non-GAAP earnings per share - diluted	<b>\$0.65</b>	\$0.72	-10%
Net cash provided by operating activities	<b>\$38.9</b>	\$44.7	-13%
Free cash flow	<b>\$29.0</b>	\$28.6	+2%

- » Non-GAAP op inc and adj EBITDA decreased due to lower gross profit, partially offset by lower discretionary spending and variable compensation
- » Non-GAAP net income decreased primarily due to lower non-GAAP operating income
- » Free cash flow increased with reduced capital expenditures offsetting lower operating cash flow

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



# REVENUE YEAR-OVER-YEAR BRIDGE: Q4'20

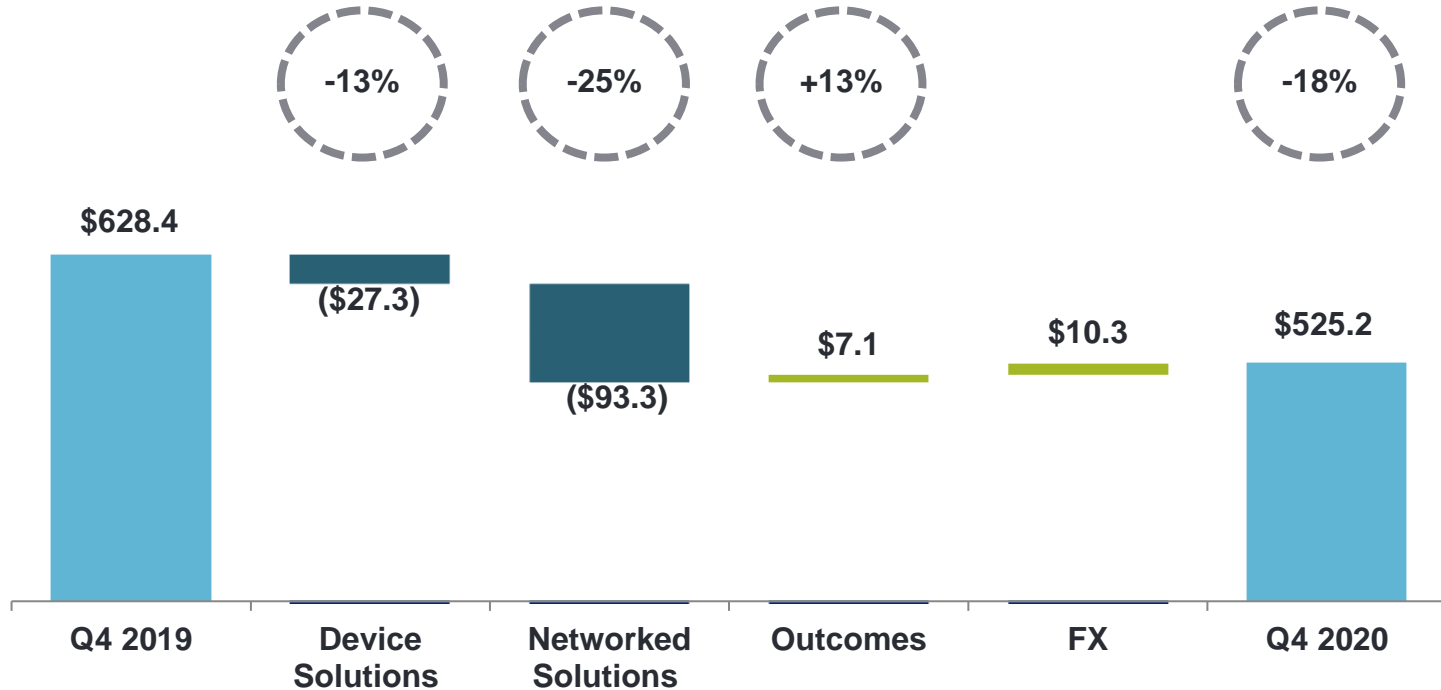
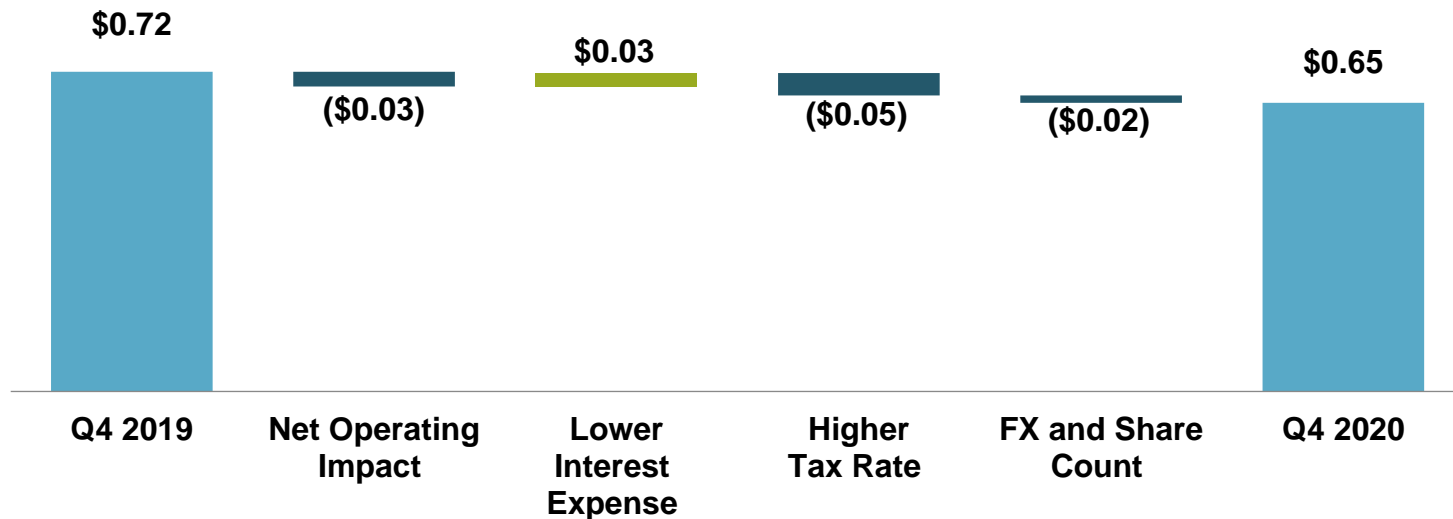


Chart in Millions, Quarterly totals reflect actual currencies; all variances other than FX exclude currency impact. Chart includes rounding.

# NON-GAAP EPS YEAR-OVER-YEAR BRIDGE: Q4'20

US\$ per share

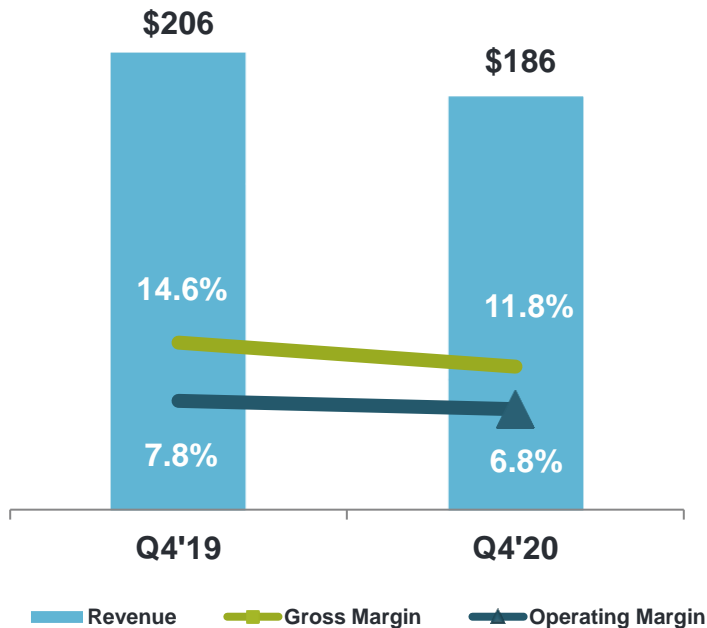


Quarterly totals reflect actual currencies; all variances other than FX exclude currency impact. Chart includes rounding.

# DEVICE SOLUTIONS SEGMENT: Q4'20

Revenue, gross margin and operating margin

\$ in Millions, actual currency



## Revenue down 10% and 13% in constant currency

- » Decrease primarily due to reduced customer demand in EMEA
- » COVID-19 related delays
- » Latin America transaction

## Gross margin down 280 bps

- » Due to COVID-19 induced operational inefficiencies
- » Increased inventory reserves and special warranty

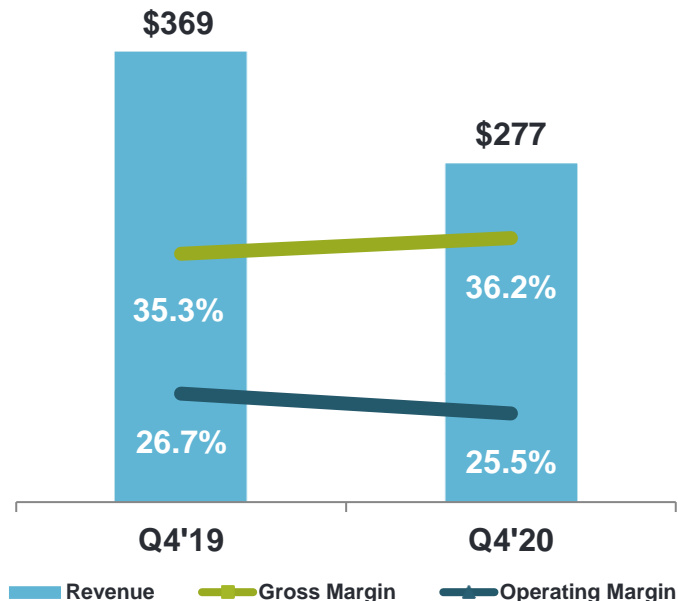
## Operating margin down 100 bps

- » Fall through of lower gross margin
- » Partially offset by lower operating expenses

# NETWORKED SOLUTIONS SEGMENT: Q4'20

Revenue, gross margin and operating margin

\$ in Millions, actual currency



## Revenue down 25% as reported and in constant currency

- » Timing of customer deployments
- » COVID-19 related delays
- » Projected low point for Networked Solutions

## Gross margin up 90 bps

- » Improved efficiencies in implementation and maintenance services

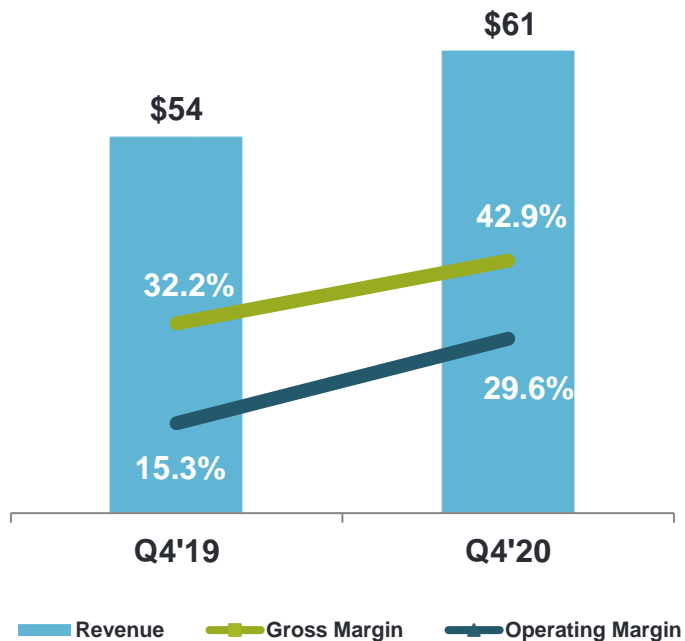
## Operating margin down 120 bps

- » Reduced operating leverage

# OUTCOMES SEGMENT: Q4'20

Revenue, gross margin and operating margin

\$ in Millions, actual currency



## Revenue up 14% and 13% in constant currency

- » Increase in software license sales
- » One time customer adjustment recorded in prior year

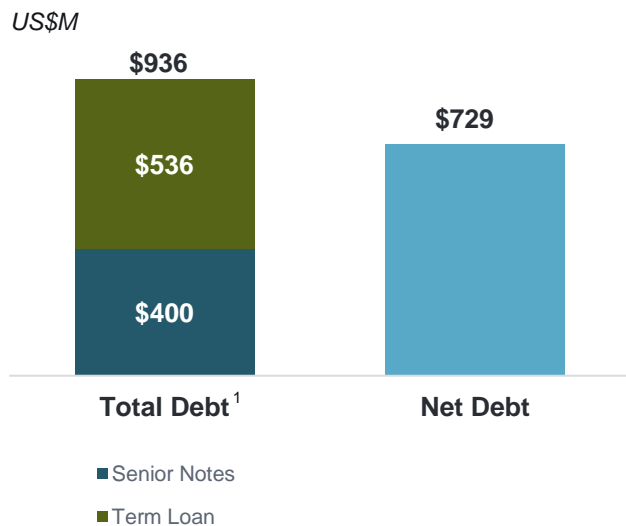
## Gross margin up 10.7 pts

- » Increase in higher-margin software license sales
- » One time customer adjustment recorded in prior year

## Operating margin up 14.3 pts

- » Fall through from higher gross profit
- » Reduced discretionary spending

# DEBT AND LIQUIDITY OVERVIEW



Leverage Snapshot	Q4'20
Net Leverage – Street	4.1x
Net Leverage – Bank <sup>2</sup>	3.6x

1. Total debt as of end of Q4'20. Excludes unamortized prepaid debt fees.  
2. Bank Covenant for Q4'20 is 4.75x Net Leverage using the "Bank" calculation

## Delevering Actions in Q4'20

- » Repaid \$400M revolving credit facility
- » Prepaid \$14M on Term Loan
- » No debt payments due in 1H'21

## Debt

- » Net leverage-street 4.1x at end of Q4'20
- » Term Loan due 2024 and Senior Notes 2026
- » Blended interest rate of 3.0%

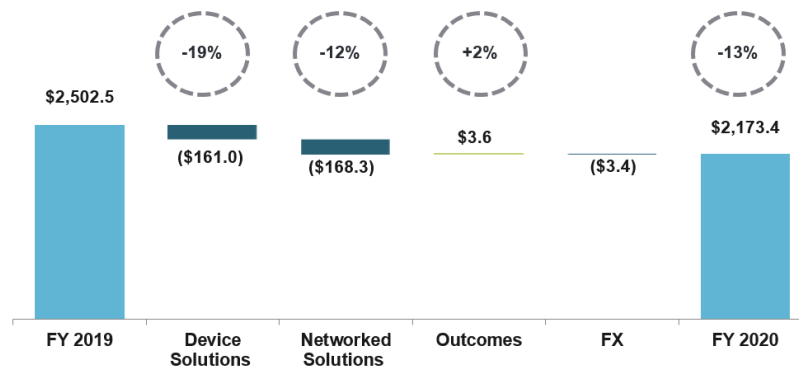
## Free Cash Flow and Liquidity

- » Free cash flow of \$29M
- » \$435M available revolving credit facility
- » Cash and equivalents was \$207M

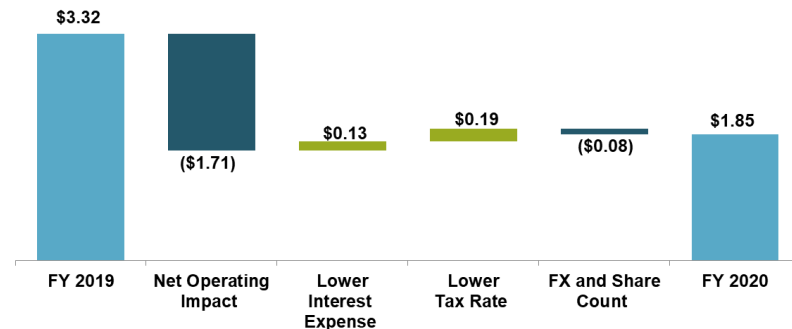
# FULL YEAR 2020 SUMMARY

- » 2020 results impact by the COVID-19 pandemic
- » Revenue of \$2.2B down 13% from 2019
- » Gross margin of 27.7%
- » Adj EBITDA of \$178M
- » Non-GAAP EPS of \$1.85
- » Free cash flow of \$63M

## Revenue Year-Over-Year Bridge



## Non-GAAP EPS Year-Over-Year Bridge



# 2021 GUIDANCE

- » Revenue of \$2.23 – \$2.33 billion
  - » *~5% growth at the midpoint*
- » Non-GAAP diluted EPS of \$2.15 – \$2.55
  - » *~27% growth at the midpoint*

## Assumptions:

- Euro/USD of \$1.20
- Effective non-GAAP tax rate of ~30%
- Non-GAAP interest expense of ~\$36 million
- Average diluted shares outstanding of ~41 million



# APPENDIX

# CONSOLIDATED GAAP RESULTS: FY'20

<i>\$ in millions (except per share amounts)</i>	FY 2020	FY 2019	Change
Revenue	<b>\$2,173.4</b>	\$2,502.5	-13%
<i>Growth in constant currency</i>			<i>-13%</i>
Gross margin	<b>27.7%</b>	30.1%	-240 bps
Operating income	<b>(\$10.4)</b>	\$132.7	NM
Net income attributable to Itron, Inc.	<b>(\$58.0)</b>	\$49.0	NM
Earnings per share - diluted	<b>(\$1.44)</b>	\$1.23	NM

- » Revenue down due to customer demand and operating constraints resulting from COVID-19
- » Gross margin of 27.7% decreased 240 bps primarily due to COVID-19 induced operating inefficiencies and increased inventory reserves
- » GAAP operating income decreased due to lower gross profit, a \$60M loss on sale of business related to the divestiture of Itron's manufacturing and sales operations in Latin America, and \$37M restructuring expense was partially offset by lower variable compensation and other opex controls

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

# CONSOLIDATED NON-GAAP & CASH RESULTS: FY'20

<i>\$ in millions (except per share amounts)</i>	FY 2020	FY 2019	Change
Non-GAAP operating income	<b>\$132.1</b>	\$232.4	-43%
Non-GAAP operating margin	<b>6.1%</b>	9.3%	-320 bps
Adjusted EBITDA	<b>\$178.4</b>	\$270.0	-34%
Adjusted EBITDA margin	<b>8.2%</b>	10.8%	-260 bps
Non-GAAP net income attributable to Itron, Inc.	<b>\$75.3</b>	\$132.8	-43%
Non-GAAP earnings per share - diluted	<b>\$1.85</b>	\$3.32	-44%
Net cash provided by operating activities	<b>\$109.5</b>	\$172.8	-37%
Free cash flow	<b>\$63.3</b>	\$112.1	-44%

- » Non-GAAP operating income and adj EBITDA decreased due to lower gross profit resulting from COVID-19 impact, partially offset by lower variable compensation and other opex controls
- » Non-GAAP net income decreased primarily due to lower non-GAAP operating income
- » Free cash flow of \$63M decreased from the prior year due to lower profitability, partially offset by improved working capital

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

# REVENUE YEAR-OVER-YEAR BRIDGE: FY'20

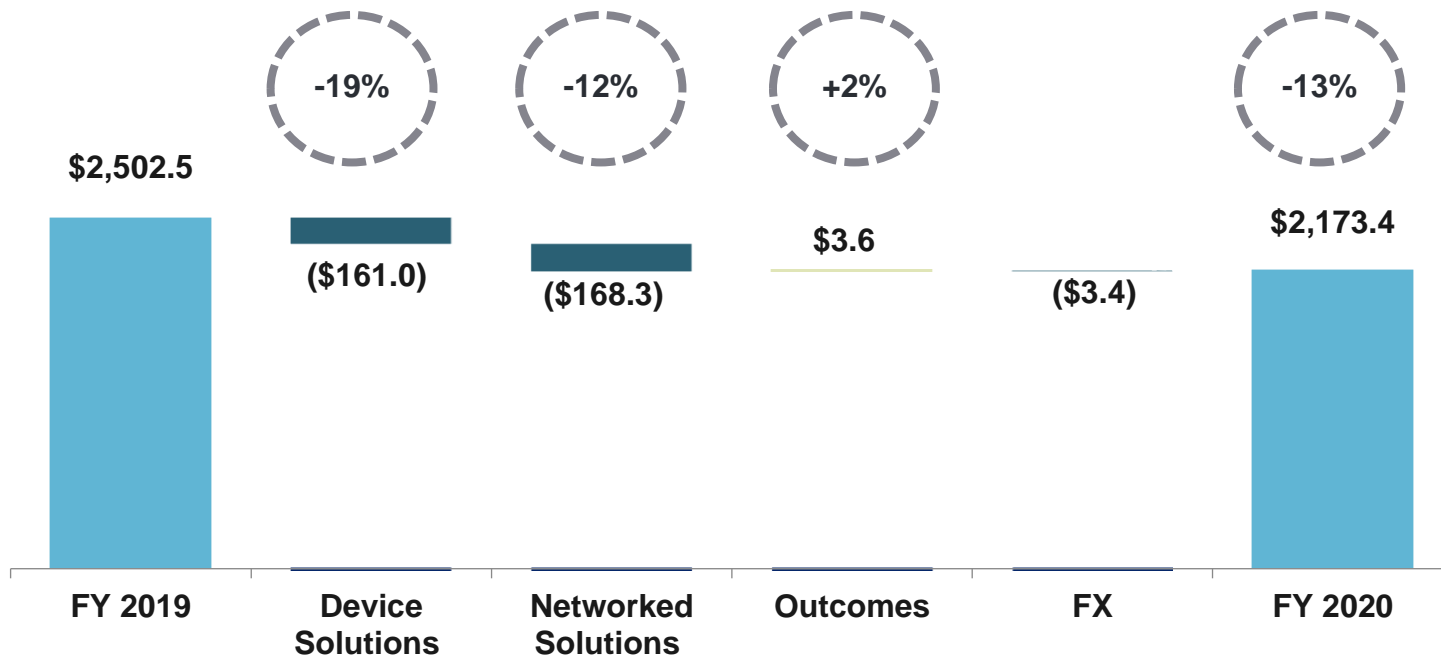
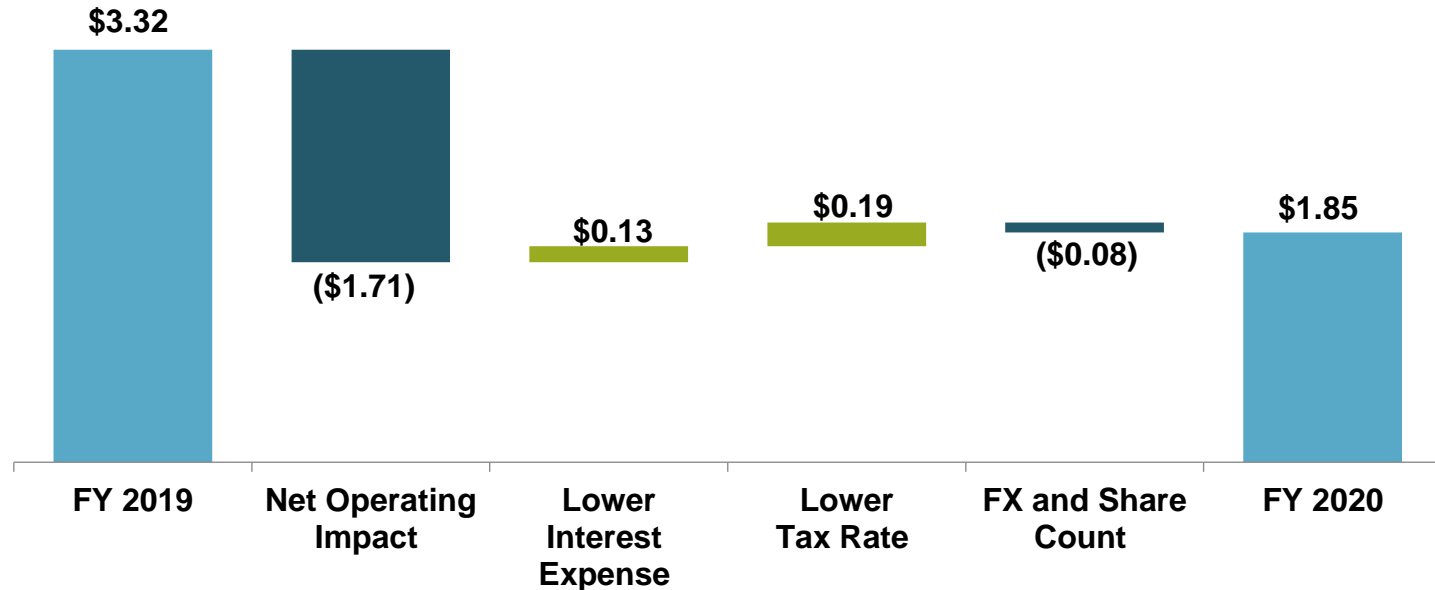


Chart in Millions, Full year totals reflect actual currencies; all variances other than FX exclude currency impact. Chart includes rounding.

# NON-GAAP EPS YEAR-OVER-YEAR BRIDGE: FY'20

US\$ per share

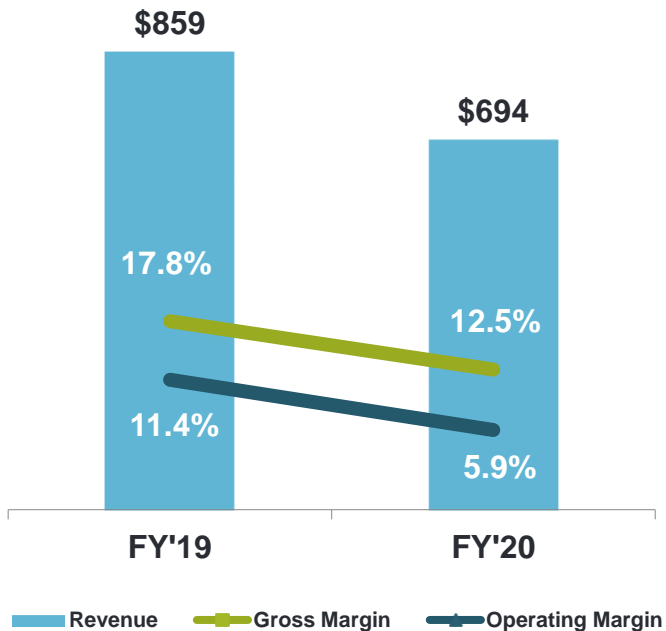


Full year totals reflect actual currencies; all variances other than FX exclude currency impact. Chart includes rounding.

# DEVICE SOLUTIONS SEGMENT: FY'20

## REVENUE, GROSS MARGIN AND OPERATING MARGIN

\$ in Millions, actual currency



### Revenue down 19% as reported and in constant currency

- » Decrease primarily due to COVID-19
- » Latin America transaction

### Gross margin down 530 bps

- » COVID-19 induced operating inefficiencies and product mix
- » Increased inventory reserves

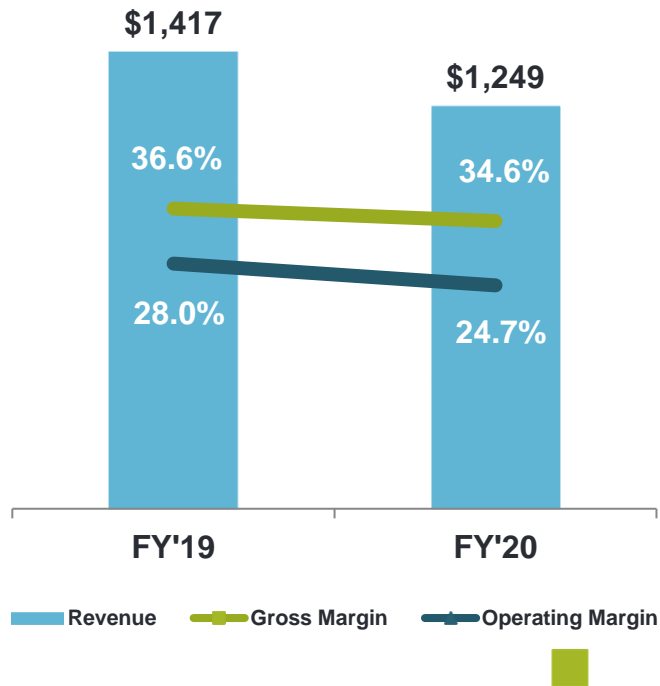
### Operating margin down 550 bps

- » Fall through of lower gross profit

# NETWORKED SOLUTIONS SEGMENT: FY'20

## REVENUE, GROSS MARGIN AND OPERATING MARGIN

\$ in Millions, actual currency



### Revenue down 12% as reported and in constant currency

- » Timing of customer deployments
- » Decrease primarily due to COVID-19 related project delays

### Gross margin down 200 bps

- » Primarily due to COVID-19 induced operational inefficiencies
- » Unfavorable product mix

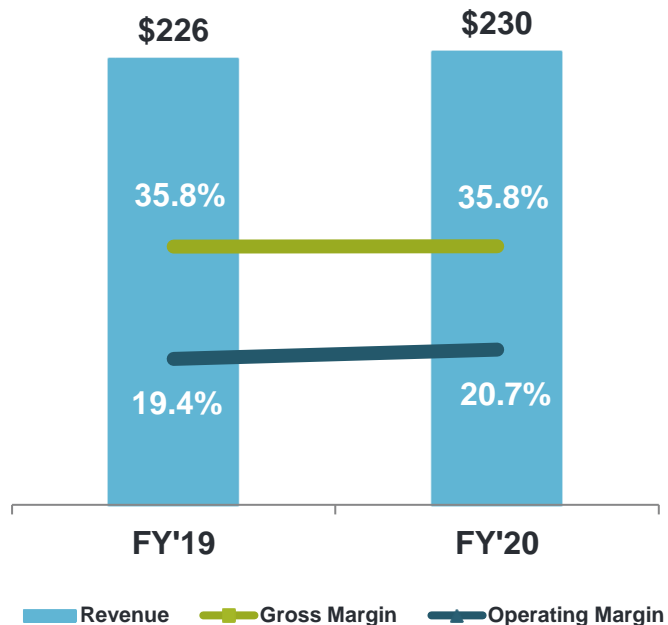
### Operating margin down 330 bps

- » Fall through of lower gross profit
- » Increased investment in product development

# OUTCOMES SEGMENT: FY'20

## REVENUE, GROSS MARGIN AND OPERATING MARGIN

\$ in Millions, actual currency



### Revenue +2% as reported and in constant currency

- » Increase in software license and services
- » One time customer adjustment recorded in prior year

### Gross margin flat

- » Increase in higher margin software license sales
- » One time customer adjustment recorded in prior year
- » Offset by higher costs

### Operating margin +130 bps

- » Reduced discretionary spending



# REVENUE: FX IMPACT SUMMARY

\$ in Millions

Average USD/Euro:  
\$1.19 Q4'20 vs \$1.11 Q4'19

Revenue	Q4'20	YoY Change	YoY Change Excluding FX
Device Solutions	\$186.4	-9.5%	-13.3%
Networked Solutions	\$277.4	-24.8%	-25.3%
Outcomes	\$61.3	14.3%	13.3%
<b>Total</b>	<b>\$525.2</b>	<b>-16.4%</b>	<b>-18.1%</b>

Average USD/Euro:  
\$1.14 FY'20 vs \$1.12 FY'19

Revenue	FY'20	YoY Change	YoY Change Excluding FX
Device Solutions	\$694.0	-19.2%	-18.7%
Networked Solutions	\$1,249.4	-11.8%	-11.9%
Outcomes	\$230.0	1.6%	1.6%
<b>Total</b>	<b>\$2,173.4</b>	<b>-13.2%</b>	<b>-13.0%</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 December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
<b>NON-GAAP OPERATING EXPENSES</b>				
GAAP operating expenses	\$ 116,231	\$ 148,575	\$ 612,562	\$ 619,636
Amortization of intangible assets	(11,223)	(16,101)	(44,711)	(64,286)
Restructuring	4,518	1,407	(37,013)	(6,278)
Loss on sale of business	(2,522)	—	(59,817)	—
Corporate transition cost	—	(907)	33	(2,520)
Acquisition and integration related expense	(1,764)	(2,005)	(1,026)	(26,598)
Non-GAAP operating expenses	\$ 105,240	\$ 130,969	\$ 470,028	\$ 519,954
<b>NON-GAAP OPERATING INCOME</b>				
GAAP operating income (loss)	\$ 32,602	\$ 28,863	\$ (10,395)	\$ 132,683
Amortization of intangible assets	11,223	16,101	44,711	64,286
Restructuring	(4,518)	(1,407)	37,013	6,278
Loss on sale of business	2,522	—	59,817	—
Corporate transition cost	—	907	(33)	2,520
Acquisition and integration related expense	1,764	2,005	1,026	26,598
Non-GAAP operating income	\$ 43,593	\$ 46,469	\$ 132,139	\$ 232,365

# GAAP TO NON-GAAP RECONCILIATIONS

(Unaudited, in thousands, except per share data)

TOTAL COMPANY RECONCILIATIONS	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
<b>NON-GAAP NET INCOME &amp; DILUTED EPS</b>				
GAAP net income (loss) attributable to Itron, Inc.	\$ 21,520	\$ 14,620	\$ (57,955)	\$ 49,006
Amortization of intangible assets	11,223	16,101	44,711	64,286
Amortization of debt placement fees	1,056	1,900	3,954	5,455
Restructuring	(4,518)	(1,407)	37,013	6,278
Loss on sale of business	2,522	—	59,817	—
Corporate transition cost	—	907	(33)	2,520
Acquisition and integration related expense	1,764	2,005	1,026	26,598
Income tax effect of non-GAAP adjustments	(7,243)	(5,217)	(13,280)	(21,348)
Non-GAAP net income attributable to Itron, Inc.	\$ 26,324	\$ 28,909	\$ 75,253	\$ 132,795
Non-GAAP diluted EPS	\$ 0.65	\$ 0.72	\$ 1.85	\$ 3.32
Weighted average common shares outstanding - Diluted	40,762	40,267	40,571	39,980
<b>ADJUSTED EBITDA</b>				
GAAP net income (loss) attributable to Itron, Inc.	\$ 21,520	\$ 14,620	\$ (57,955)	\$ 49,006
Interest income	(833)	(470)	(2,998)	(1,849)
Interest expense	10,230	12,554	44,001	52,453
Income tax (benefit) provision	(128)	(75)	238	20,617
Depreciation and amortization	24,984	28,709	97,290	114,400
Restructuring	(4,518)	(1,407)	37,013	6,278
Loss on sale of business	2,522	—	59,817	—
Corporate transition cost	—	907	(33)	2,520
Acquisition and integration related expense	1,764	2,005	1,026	26,598
Adjusted EBITDA	\$ 55,541	\$ 56,843	\$ 178,399	\$ 270,023
<b>FREE CASH FLOW</b>				
Net cash provided by operating activities	\$ 38,943	\$ 44,740	\$ 109,514	\$ 172,840
Acquisitions of property, plant, and equipment	(9,911)	(16,179)	(46,208)	(60,749)
Free Cash Flow	\$ 29,032	\$ 28,561	\$ 63,306	\$ 112,091

## INVESTOR RELATIONS CONTACTS

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# Thank You

