



ITURAN LOCATION AND CONTROL LTD. PRESENTS RECORD RESULTS FOR THE FIRST QUARTER 2018

Record revenue of \$63.1m, net profit of \$11.3m & record EBITDA of \$19.2m

AZOUR, Israel – May 23, 2018 – Ituran Location and Control Ltd. (NASDAQ: ITRN, TASE: ITRN), today announced its consolidated financial results for the first quarter ended March 31, 2018.

Highlights of the First Quarter of 2018

- Net subscribers adds in the quarter amounted to 21,000;
- Record revenue of \$63.1 million, up 12.5% year-over-year;
- Gross margins of 49.9% and operating margins at 24.6%;
- Record EBITDA of \$19.2 million or 30.4% of revenues;
- Generated \$7.5 million in operating cash flow;
- Dividend of \$5 million declared for the quarter;

First Quarter 2018 Results

Revenues for the first quarter of 2018 were \$63.1 million, representing an increase of 12.5% from revenues of \$56.1 million in the first quarter of 2017. 72% of revenues were from location based service subscription fees and 28% were from product revenues.

Revenues from subscription fees increased by 15% over the same period last year. The growth was driven primarily by the increase in the subscriber base, which expanded from 1,082,000 as of March 31, 2017, to 1,181,000 as of March 31, 2018.

Product revenues increased by 7% compared with the same period last year. Product revenues can be volatile between quarters. The main contribution to growth was the higher product sales in Israel.

Gross profit for the first quarter of 2018 was \$31.5 million (49.9% of revenues), an increase of 12% compared with \$28.1 million (50.1% of revenues) in the first quarter of 2017.

The gross margin in the quarter on subscription fees improved to 68.4% compared with 66.1% in the same period last year. The gross margin in the quarter on products was 1.2% compared with 11.2% in the same period last year. The lower margin on products during the quarter was due to the product mix.

Operating profit for the first quarter of 2018 was \$15.5 million (24.6% of revenues), an increase of 13% compared with an operating profit of \$13.8 million (24.6% of revenues) in the first quarter of 2017.

Taxes in the quarter amounted to \$4.7 million compared with taxes of \$4.6 million in the first quarter of last year.

During the quarter, share in affiliates, net was an income of \$687 thousand versus an income of \$4 million in the same quarter of last year. It is noted that in the first quarter of 2017, the share in affiliates included a capital gain following an investment round in one of Ituran's early stage holdings.

EBITDA for the quarter was a record \$19.2 million (30.4% of revenues), an increase of 13% compared to an EBITDA of \$17.0 million (30.4% of revenues) in the first quarter of 2017.

Net profit was \$11.3 million in the first quarter of 2018 (17.9% of revenues) or fully diluted EPS of \$0.54, compared with a net profit of \$13.0 million (23.2% of revenues) or fully diluted EPS of \$0.62 in the first quarter of 2017. The higher net profit in the first quarter of 2017 was due to the above-mentioned capital gain in that period.

Cash flow from operations for the quarter was \$7.5 million.

As of March 31, 2018, the Company had net cash, including marketable securities, of \$38.2 million or \$1.82 per share, compared with \$40.4 million or \$1.93 per share as of December 31, 2017.

Dividend

For the first quarter of 2018, a dividend of \$5.0 million was declared in line with the Company's stated current policy of issuing at least \$5 million on a quarterly basis.

Management Comment

Eyal Sheratzky, Co-CEO of Ituran said, "We are very pleased with our first quarter 2018 results. Our results come on the back of solid business performance across our main regions. Our IRT joint venture continues to gain traction and operations there are expanding. Overall, our results and performance represent a very good start to 2018, which positions us well for continued strong growth and improvement in profitability throughout the coming year."

Conference Call Information

The Company will also be hosting a conference call later today, May 23, 2018 at 9am Eastern Time. On the call, management will review and discuss the results, and will be available to answer investor questions.

To participate, please call one of the following teleconferencing numbers. Please begin placing your calls a few minutes before the conference call commences. If you are unable to connect using the toll-free numbers, please try the international dial-in number.

US Dial-in Number: 1 888 668 9141

ISRAEL Dial-in Number: 03 918 0609

CANADA Dial-in Number: 1 888 604 5839

INTERNATIONAL Dial-in Number: +972 3 918 0609

At:

9:00am Eastern Time, 6:00am Pacific Time, 4:00pm Israel Time

For those unable to listen to the live call, a replay of the call will be available from the day after the call in the investor relations section of Ituran's website.

Certain statements in this press release are "forward-looking statements" within the meaning of the Securities Act of 1933, as amended. These forward-looking statements include, but are not limited to, our plans, objectives, expectations and intentions and other statements contained in this report that are not historical facts as well as statements identified by words such as "expects", "anticipates", "intends", "plans", "believes", "seeks", "estimates" or words of similar meaning. These statements are based on our current beliefs or expectations and are inherently subject to significant uncertainties and changes in circumstances, many of which are beyond our control. Actual results may differ materially from these expectations due to changes in global political, economic, business, competitive, market and regulatory factors.

About Ituran

Ituran is a leader in the emerging mobility technology field, providing value-added location-based services, including a full suite of services for the connected-car. Ituran offers Stolen Vehicle Recovery, fleet management as well as mobile asset location, management & control services for vehicles, cargo and personal security. Its products and applications are used by customers in over 20 countries. Ituran is also the founder of the Tel-Aviv based DRIVE startup incubator to promote the development of smart mobility technology.

Ituran's subscriber base has been growing significantly since the Company's inception to well over 1 million subscribers using its location based services with a market leading position in Israel and Brazil. Established in 1995, Ituran has over 1,700 employees worldwide, with offices in Israel, Brazil, Argentina, India, Canada and the United States.

For more information, please visit Ituran's website, at: www.ituran.com

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