

ITURAN LOCATION AND CONTROL LTD. PRESENTS RESULTS FOR THE FIRST QUARTER OF 2021

AZOUR, Israel – May 25, 2021 – Ituran Location and Control Ltd. (NASDAQ: ITRN), today announced its consolidated financial results for the first quarter of 2021.

Highlights of the first quarter of 2021

- Continued growth as the Company continues to successfully overcome and exits the impacts of the Covid-19 pandemic;
- Net increase in aftermarket subscribers of 25,000; net decrease in OEM subscribers of 5,000;
- Revenue of \$67.4 million at around the same level as in the first quarter of last year and up 6% sequentially;
- Net income of \$8.3 million, up 30% year-over-year and adjusted EBITDA of \$17.1 million, up 12% year-over-year;
- Generated \$9.2 million in quarterly operating cash flow;
- Declared dividend of \$3 million;

Management Comment

Eyal Sheratzky, Co-CEO of Ituran said, “We are happy with the continued improvement in our quarterly results with a solid increase in profitability. We are especially pleased with the strong growth in our after-market subscriber base which grew by 25,000, above our typically expected range. While the pandemic continues to impact many people in many of the countries we operate in, we are pleased that we are successfully overcoming the challenges and moving through 2021, we have returned to growth and improving profitability.

Mr. Sheratzky concluded, “Our results demonstrate that Ituran is emerging from this period as a stronger company, with a platform for continued sustainable and profitable growth. We expect the positive trends in our results to continue throughout the year ahead.”

First Quarter 2021 Results

Revenues for the first quarter of 2021 were \$67.4 million, a decrease of 1% compared with revenues of \$68.4 million in the first quarter of 2020.

The higher average level of the US dollar exchange rate versus the Brazilian real during the quarter compared with the same period last year, reduced the overall revenue level in US dollar terms. **In local currency terms, first quarter revenue were at the same level as those of the first quarter of last year.**

68% of revenues were from location-based service subscription fees and 32% were from product revenues.

Revenues from subscription fees were \$45.6 million, a decrease of 7% over first quarter 2020 revenues. **In local currency terms, first quarter subscription fees decreased by 4% year-over-year.**

The subscriber base amounted to 1,788,000 as of March 31, 2021.

This represents an increase of 20,000 net over that of the end of the prior quarter. During the quarter, there was an increase of 25,000 in the aftermarket subscriber base and a decline of 5,000 in the OEM subscriber base.

Product revenues were \$21.7 million, an increase of 12% compared with that of the first quarter of 2020.

Gross profit for the quarter was \$30.4 million (45.1% of revenues), a 2% decrease compared with gross profit of \$31.0 million (45.3% of revenues) in the first quarter of 2020.

The gross margin in the quarter on subscription revenues was 54.5%, compared with 54.4% in the first quarter of 2020. The gross margin on products was 25.4%, compared with 22.3% in the first quarter of 2020.

Operating income for the quarter was \$12.8 million (19.0% of revenues), an increase of 27% compared with an operating income of \$10.1 million (14.7% of revenues), in the first quarter of last year. **In local currency terms, the operating income would have grown by 30%.**

EBITDA for the quarter was \$17.1 million (25.4% of revenues), an increase of 12% compared with an EBITDA of \$15.3 million (22.4% of revenues) in the first quarter of last year. **In local currency terms, the EBITDA would have increased by 16% year over year.**

Financial expense for the quarter was \$1.0 million compared with a financial expense of \$0.7 million in the first quarter of last year.

Net income for the first quarter of 2021 was \$8.3 million (12.3% of revenues) or earnings per share of \$0.40. This is an increase of 30% compared to a net income of \$6.4 million and earnings per share of \$0.31 in the first quarter of 2020.

Cash flow from operations for the first quarter of 2021 was \$9.2 million.

As of March 31, 2021, the Company had cash, including marketable securities, of \$70.1 million and debt of \$41.8 million, amounting to a net cash of \$28.3 million. This is compared with cash, including marketable securities, of \$78.8 million and debt of \$54.5 million, amounting to a net cash of \$24.3 million, as of December 31, 2020.

Dividend

For the first quarter of 2021, a dividend of \$3.0 million was declared. This is in line with the Board's current policy of issuing at least \$3 million on a quarterly basis.

Conference Call Information

The Company will also be hosting a conference call later today, March 25, 2021 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: 1 866 860 9642
ISRAEL Dial-in Number: 03 918 0609
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, as well as factors related to the global COVID-19 pandemic.

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 for the retail, insurance industry and car manufacturers. Ituran is the largest OEM telematics provider in Latin America. 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 approaching 2 million subscribers using its location based services with a market leading position in Israel and Latin America. Established in 1995, Ituran has approximately 3,000 employees worldwide, with offices in Israel, Brazil, Argentina, Mexico, Ecuador, Columbia, India, Canada and the United States.

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

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